

Worldwide trends in support to agriculture

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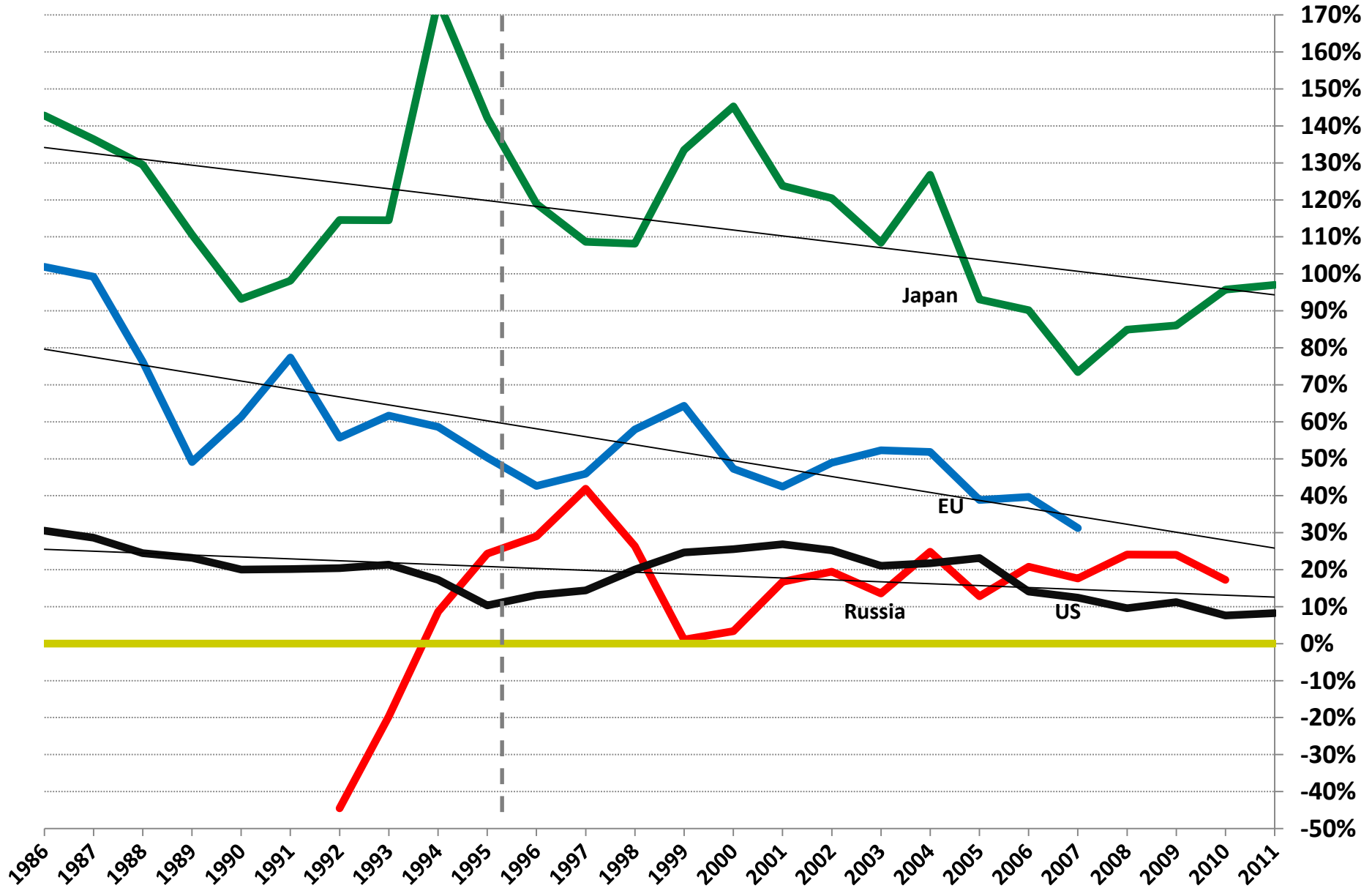
Setting the stage

- Measurements of farm support
 - World Bank: economic measurement
 - OECD: economic measurement
 - WTO: domestic support, measured in particular way
 - » “Domestic support” is WTO term
 - » Budgetary support and administered pricing (AP) support
 - Excludes support through, e.g., tariffs, hence “domestic”
 - » But much AP support depends also on border protection
- Eight countries with 68% of world value of agr. production
 - By size of agr.: China, EU, US, India, Indonesia, Japan, Brazil, Russia

WTO developed	WTO developing
EU, US, Japan, Russia	China*, India, Indonesia, Brazil

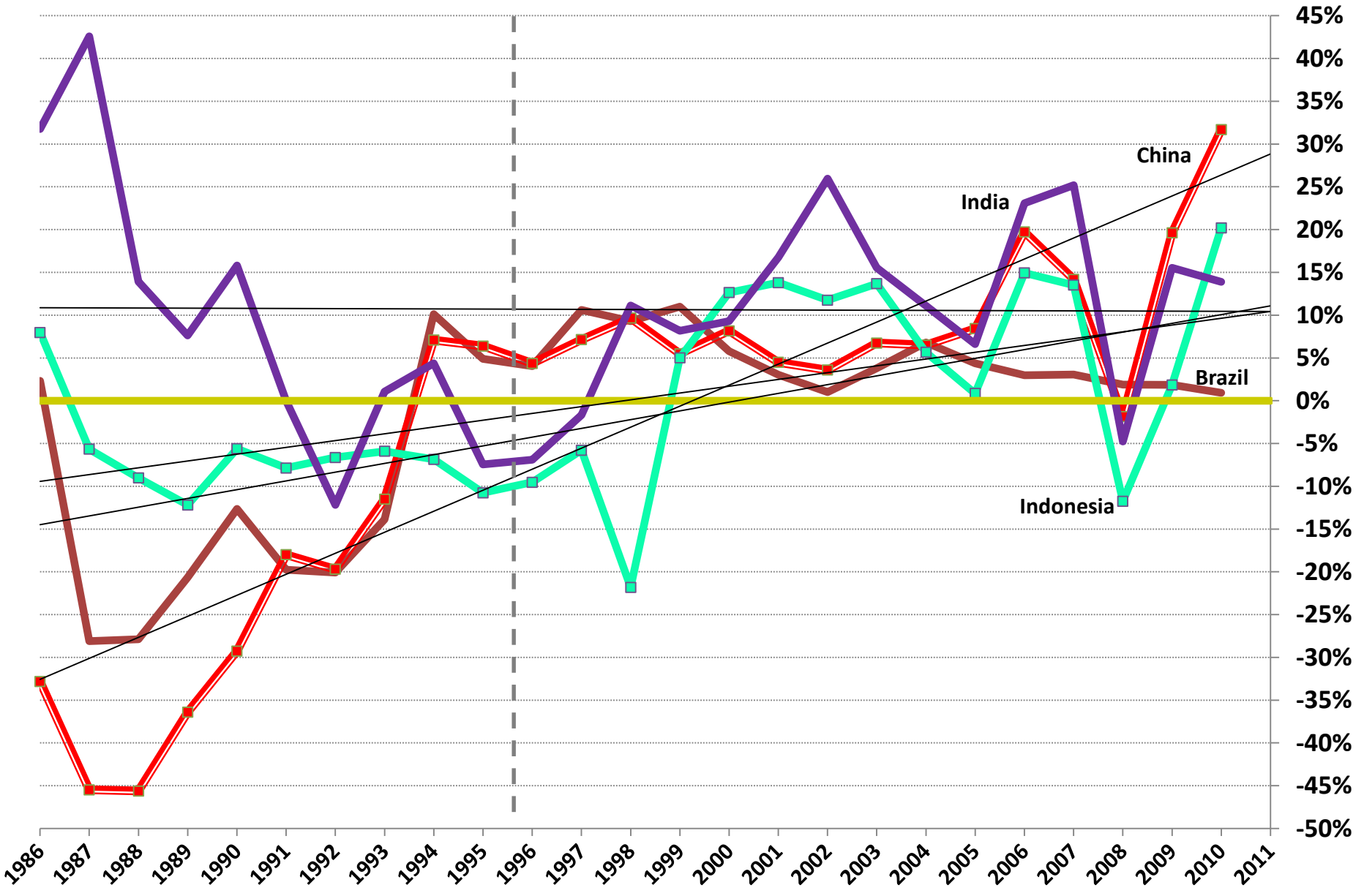
* Special parameters for China

Nominal Rate of Assistance to agriculture: EU, Japan, Russia, US



Source: nra_totd; Anderson, K. and S. Nelgen. 2013. "Updated ... Estimates of Distortions to Agricultural Incentives, 1955 to 2011", www.worldbank.org/agdistortions

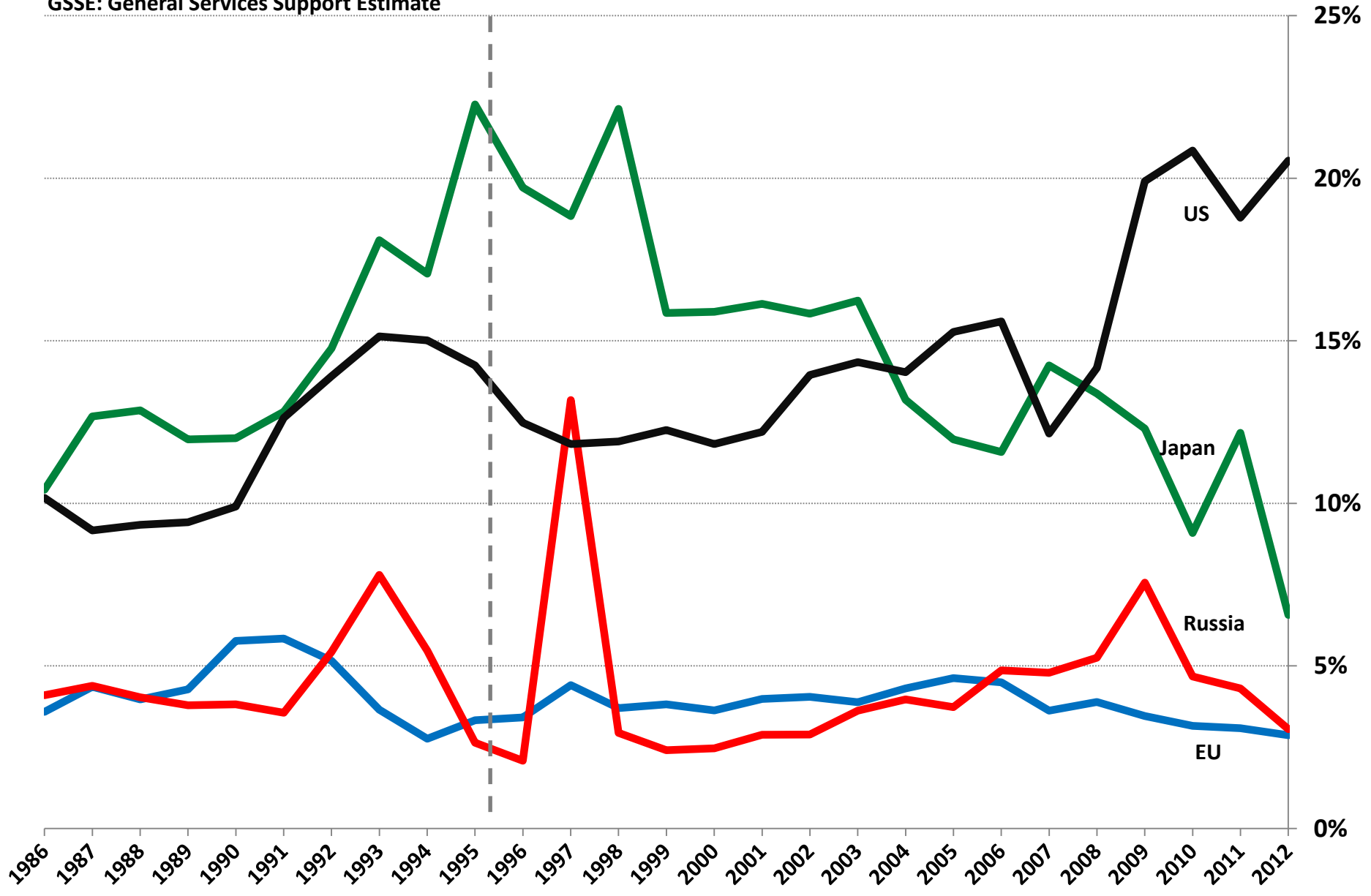
Nominal Rate of Assistance to agriculture: Brazil, China, India, Indonesia



Source: nra_totd; Anderson, K. and S. Nelgen. 2013. "Updated ... Estimates of Distortions to Agricultural Incentives, 1955 to 2011", www.worldbank.org/agdistortions

OECD GSSE as % of Value of production: EU, Japan, Russia, US

GSSE: General Services Support Estimate



Source: calculated from PSE and CSE Database, OECD, 2013

OECD GSSE as % of Value of production: Brazil, China, Indonesia

GSSE: General Services Support Estimate

No data for India

25%

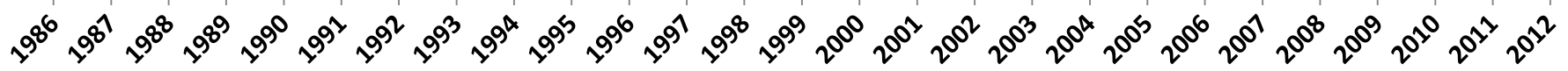
20%

15%

10%

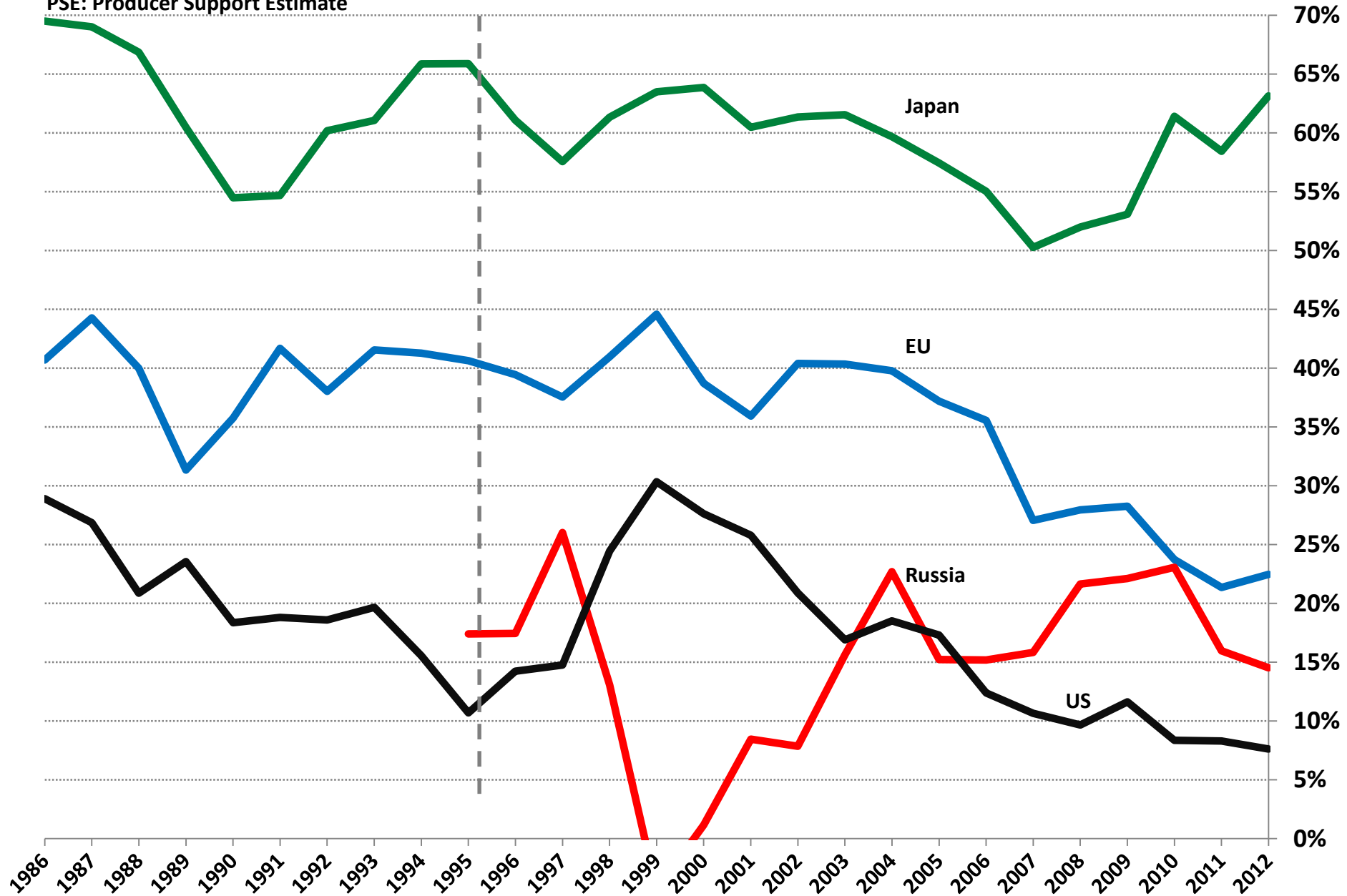
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OECD PSE as % of Value of production: EU, Japan, Russia, US

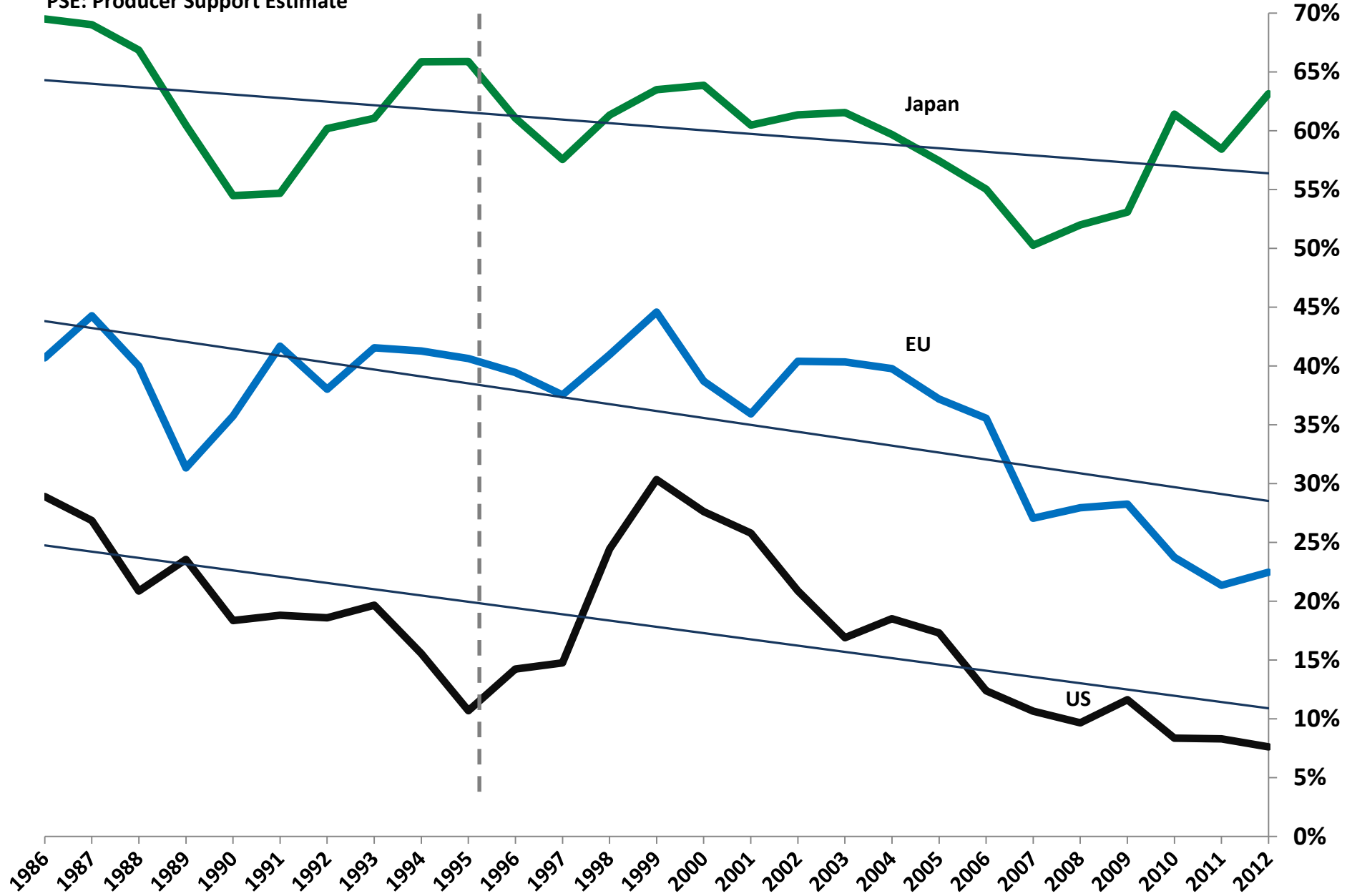
PSE: Producer Support Estimate



Source: calculated from PSE and CSE Database, OECD, 2013

OECD PSE as % of Value of production: EU, Japan, Russia, US

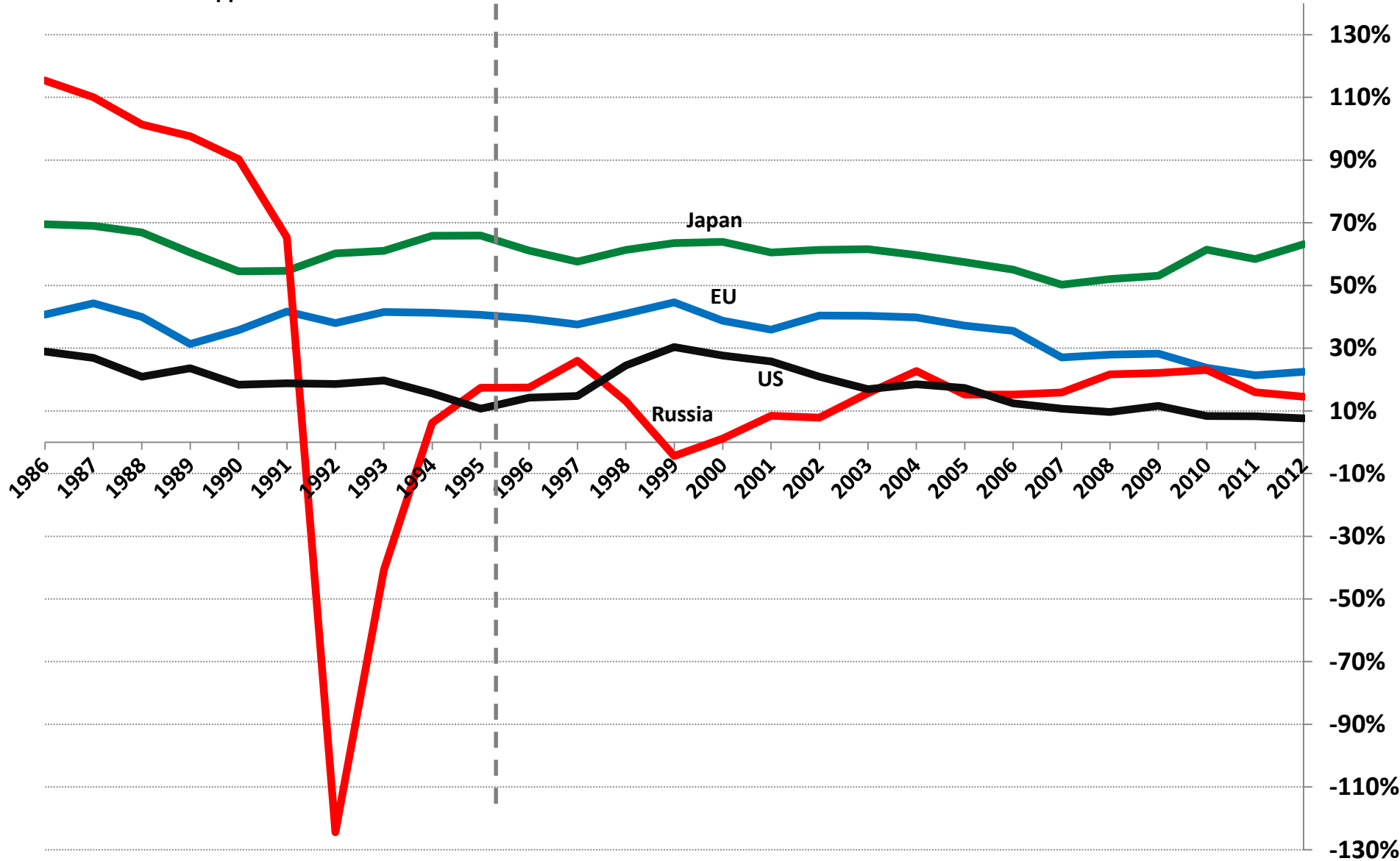
PSE: Producer Support Estimate



Source: calculated from PSE and CSE Database, OECD, 2013

OECD PSE as % of Value of production: EU, Japan, Russia, US

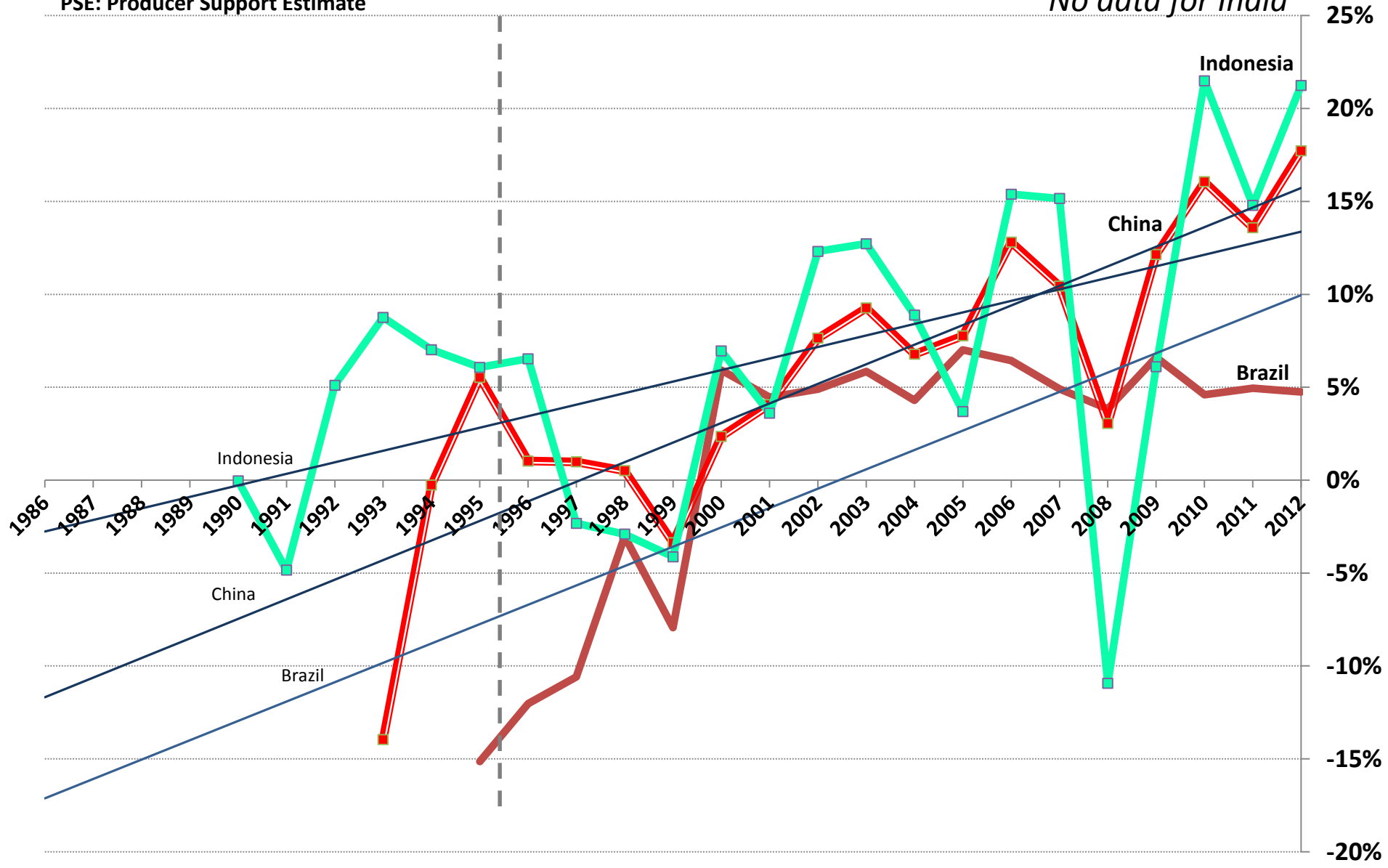
PSE: Producer Support Estimate



OECD PSE as % of Value of production: Brazil, China, Indonesia

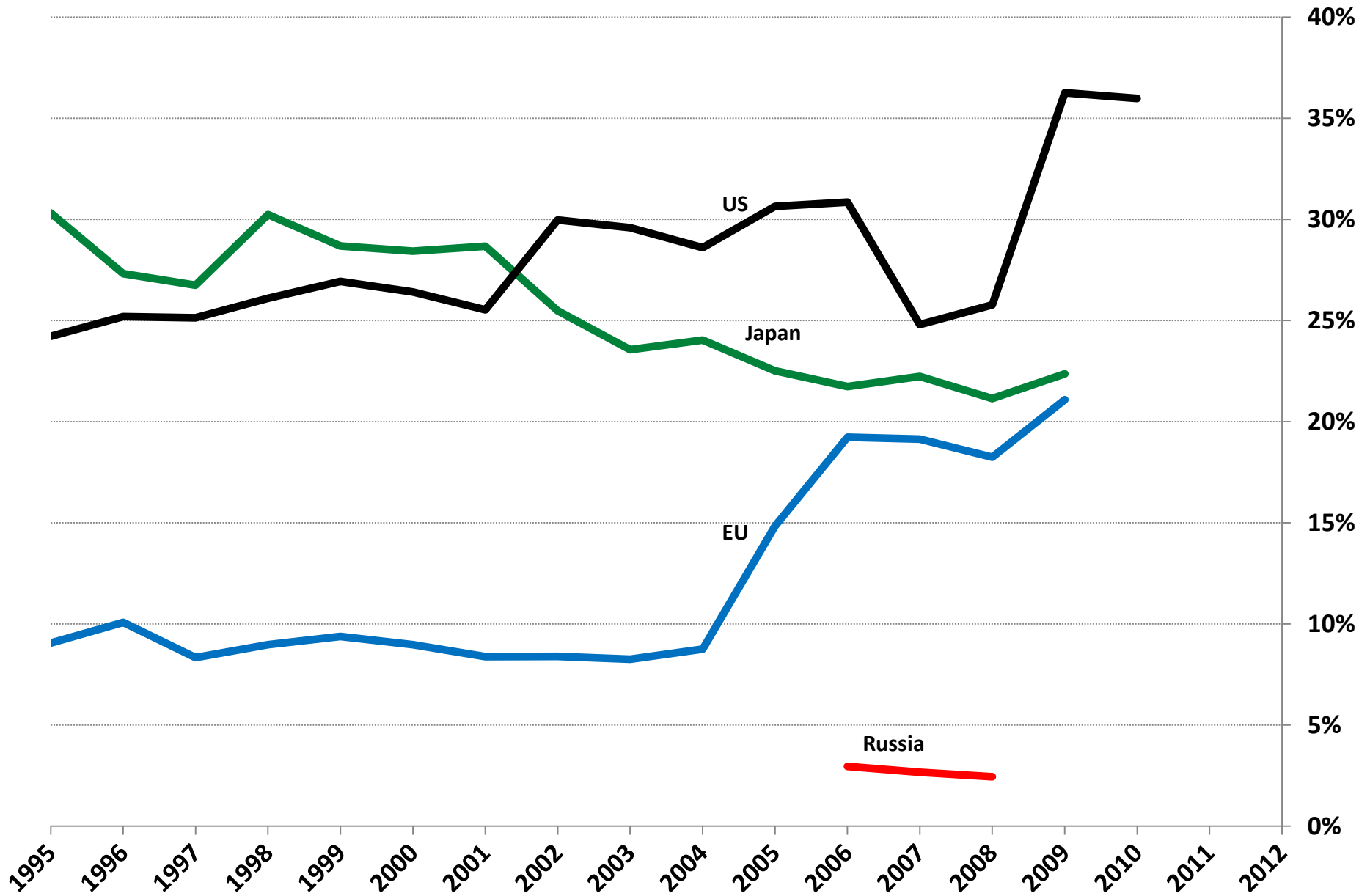
PSE: Producer Support Estimate

No data for India



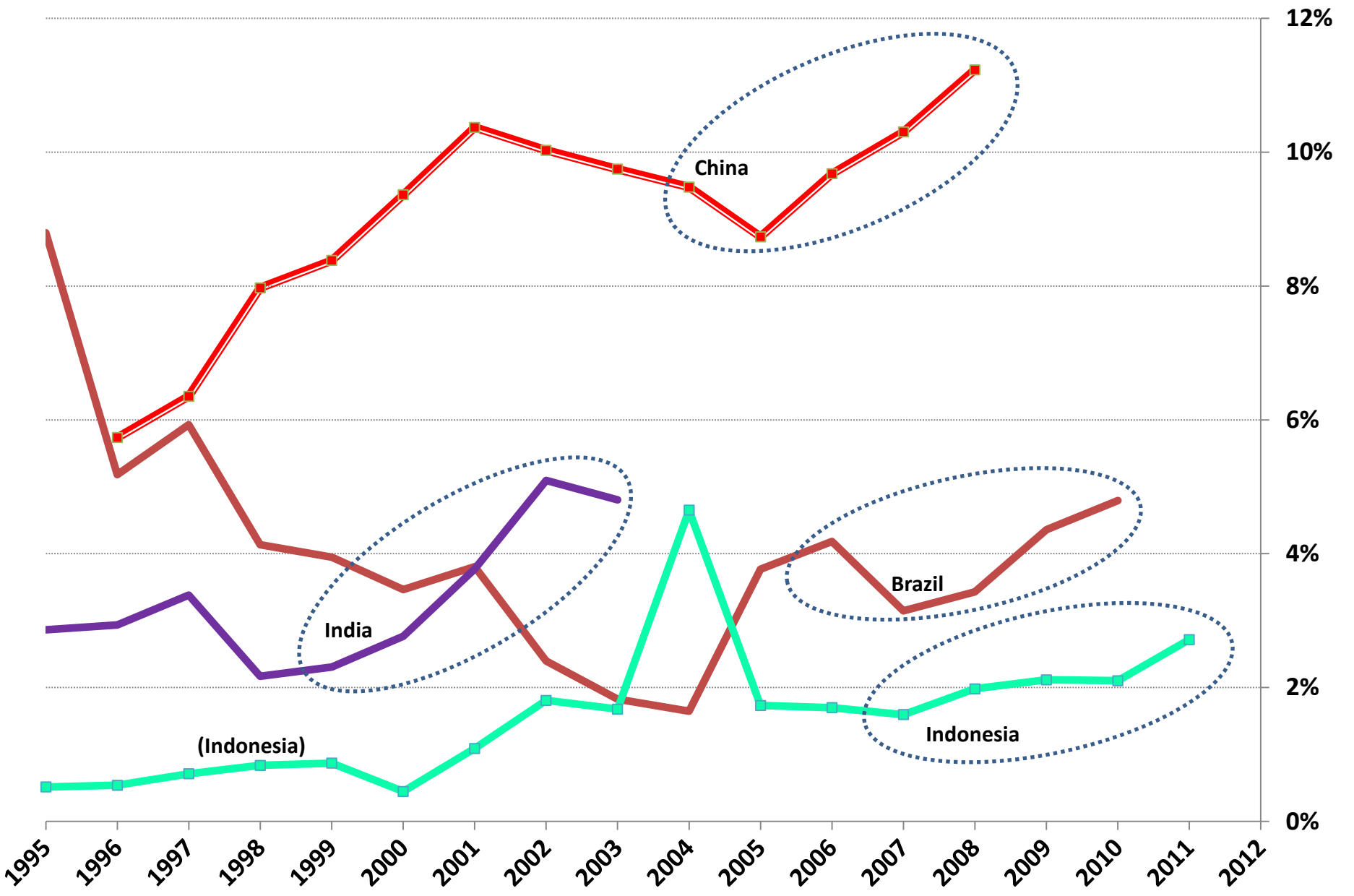
Source: calculated from PSE and CSE Database, OECD, 2013; Indonesia -90% in 1998 replaced by average of 1997 and 1999¹⁰

Green box support as % of Value of prod'n: EU, Japan, Russia, US



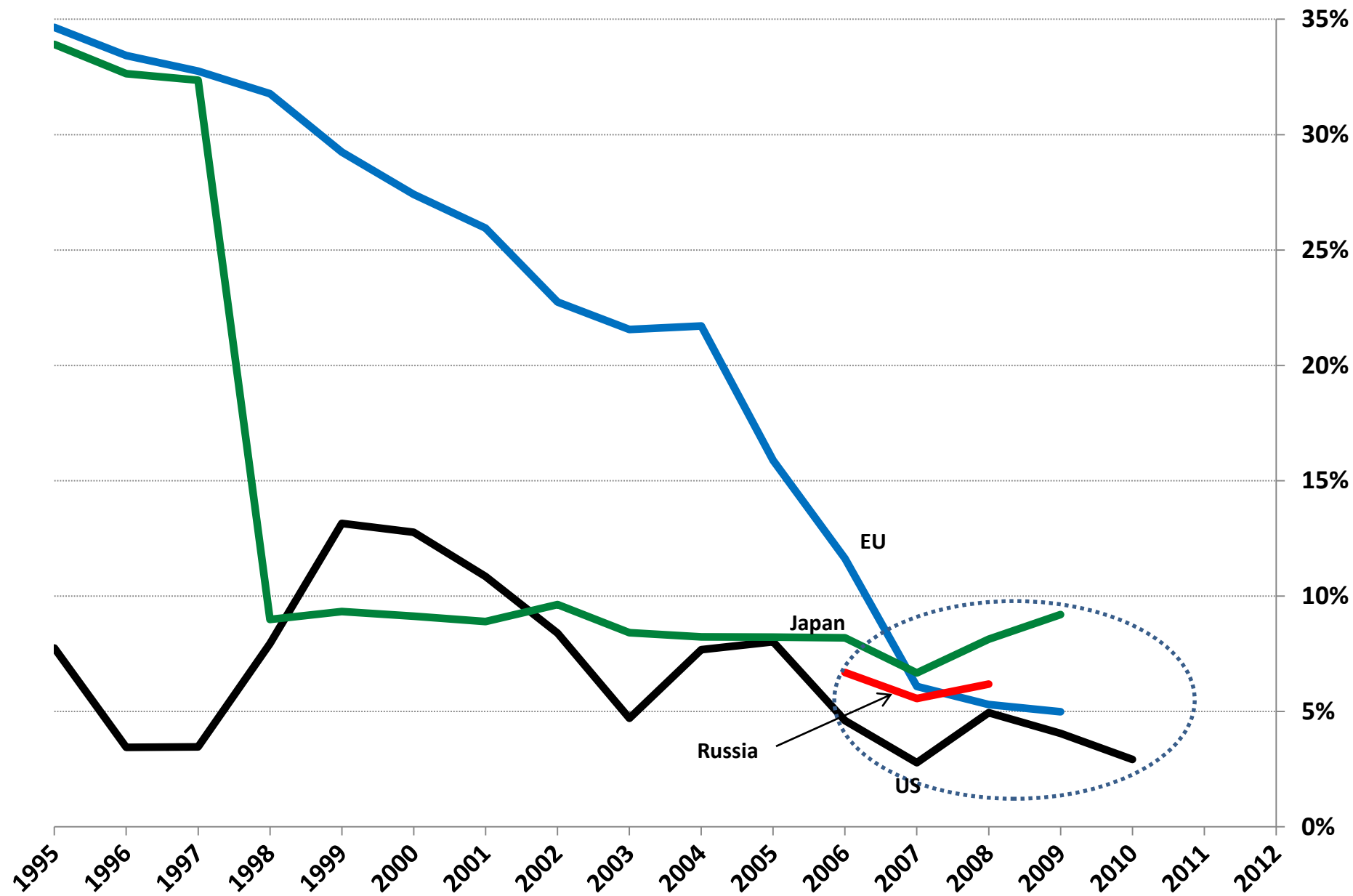
Source: calculated from WTO Transparency Toolkit; Russia from accession data

Green box support as % of Value of prod'n: Braz, China, India, Indo



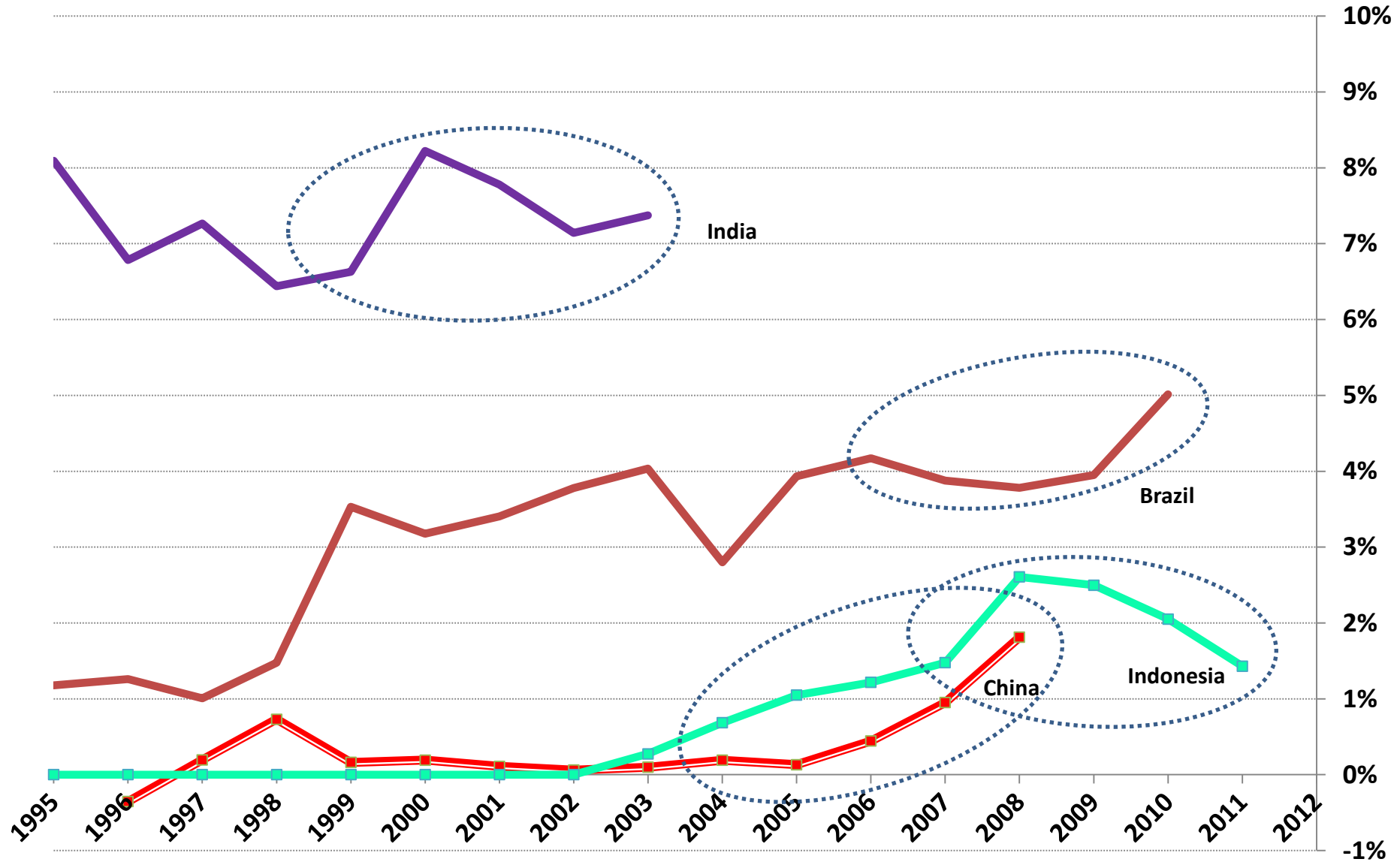
Source: support calculated from WTO Transparency Toolkit; VOP from TN/AG/S/21/Rev.5, FAOSTAT, and OECD PSE database¹²

Non-Green-box support as % of Value of prod'n: EU, Japan, Russia, US



Source: calculated from WTO Transparency Toolkit; Russia from accession data

Non-Green-box support as % of Value of prod'n: Braz, China, India, Indo



Rising support in large developing countries

- From very low levels to levels not seen before
 - Support levels now rival or may soon rival those of some large developed countries
- “High-support” and “Low-support” developing countries
 - Need to recognize emerging differentiation
 - Diverging international interests – how to reconcile?

Farm support rises with economic growth?

- Policy choices decide size and nature of support
 - Korea and Taiwan raised farm support as economies grew
 - Chile and South Africa, for example, chose different path
 - Competitive and growing world exporters in agriculture and food
 - No AMS* support; no or very little Article 6.2 support
 - Emphasis on Green Box support
- WTO limit on only one type of support
 - No limit on certain investment and input subsidies (Article 6.2)
 - No limit on price support without administered prices
 - Can be large if tariff bindings are large
 - No limit on Blue Box and Green Box support

Emphasize what kind of domestic support?

- Support that remunerates production directly, e.g.,
 - Input subsidies
 - Output subsidies
 - Administered pricing
- Support that meets WTO Green Box criteria, e.g.,
 - Research, marketing and promotion and infrastructural services
 - Providing relief from natural disasters
 - Implementing environmental programs
- Which mix of agricultural policy support is more apt to underpin development that is sustainable?

Selected references

- Anderson, K. and S. Nelgen. 2013. Updated National and Global Estimates of Distortions to Agricultural Incentives, 1955 to 2011. Washington, D.C. <http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTRESEARCH/0,,contentMDK:21960058~pagePK:64214825~piPK:64214943~theSitePK:469382,00.html> *Documentation of estimation methods; estimates for Brazil, China, European Union, India, Indonesia, Japan, Russia, United States (also for more than 70 other countries).*
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- WTO (World Trade Organization). 2013. Members' transparency toolkit. Domestic support: Table DS:1 and the relevant Supporting Tables. www.wto.org/english/tratop_e/agric_e/transparency_toolkit_e.htm *Data from notifications of Brazil, China, European Union, India, Indonesia, Japan, United States (also from more than 90 other Members; no notification from 2012 new Member Russia).*

A gravel driveway leads into a dense forest. The driveway is made of light-colored gravel and curves slightly to the right. The forest is lush with green trees and foliage, with sunlight filtering through the canopy. The overall scene is peaceful and natural.

Thank you for your attention!

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