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A MULTI-BILLION-DOLLAR OPPORTUNITY
Repurposing agricultural support to transform food systems



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HIGH LEVEL REPORT LAUNCH | 14 September 2021

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Government agricultural support policies are not fit for today's food systems: What do we do?



- Food systems are the lifeblood of the SDGs and feed us all.
- But they need transforming for today's realities.



- Agricultural support policies are a key entry point to help fix this.
- Current support to farmers is in fact steering us away from achieving SDGs and the Paris Agreement.



- Repurposing this support could be a game changer
REDUCE / REPLACE / REFORM

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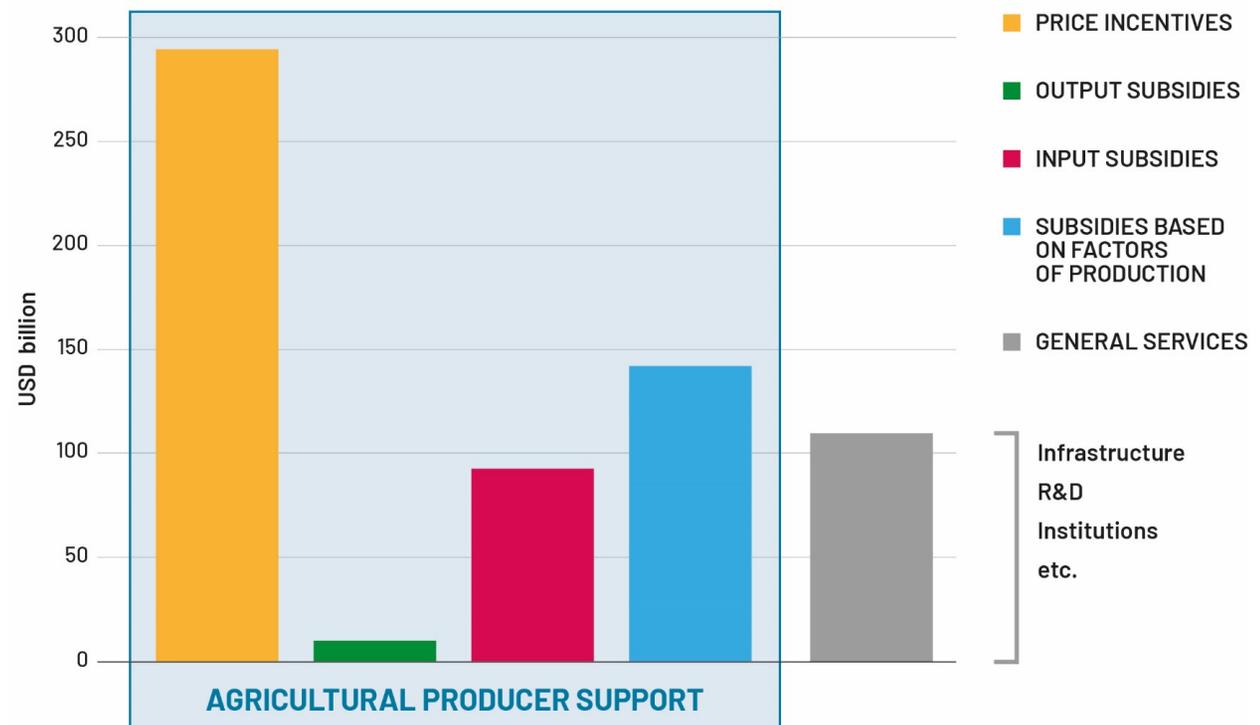
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Supporting farmers yet hindering food system transformation

- Farmers individually receive USD 540 billion yearly on average (or 15% of total agricultural production value).
- Mostly in the form of price distortions or subsidies that can be harmful to the environment, health, equity and efficiency.

Level and breakdown of global agricultural sector support (average 2013–2018)



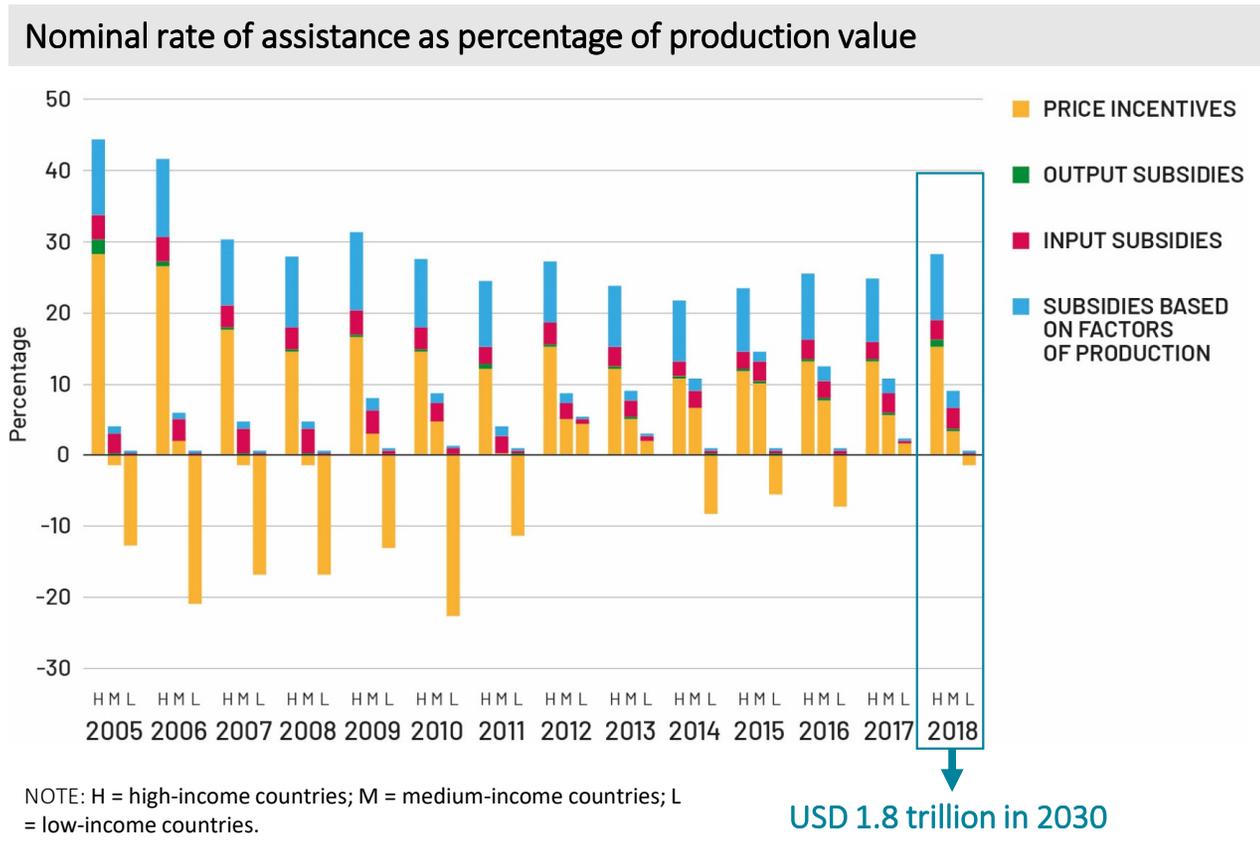
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How does support look around the world?

- Distorting support measures still common in high- and middle-income countries.
- Low-income countries have penalized producers.
- Emission-intensive and unhealthy commodities receive the most support.



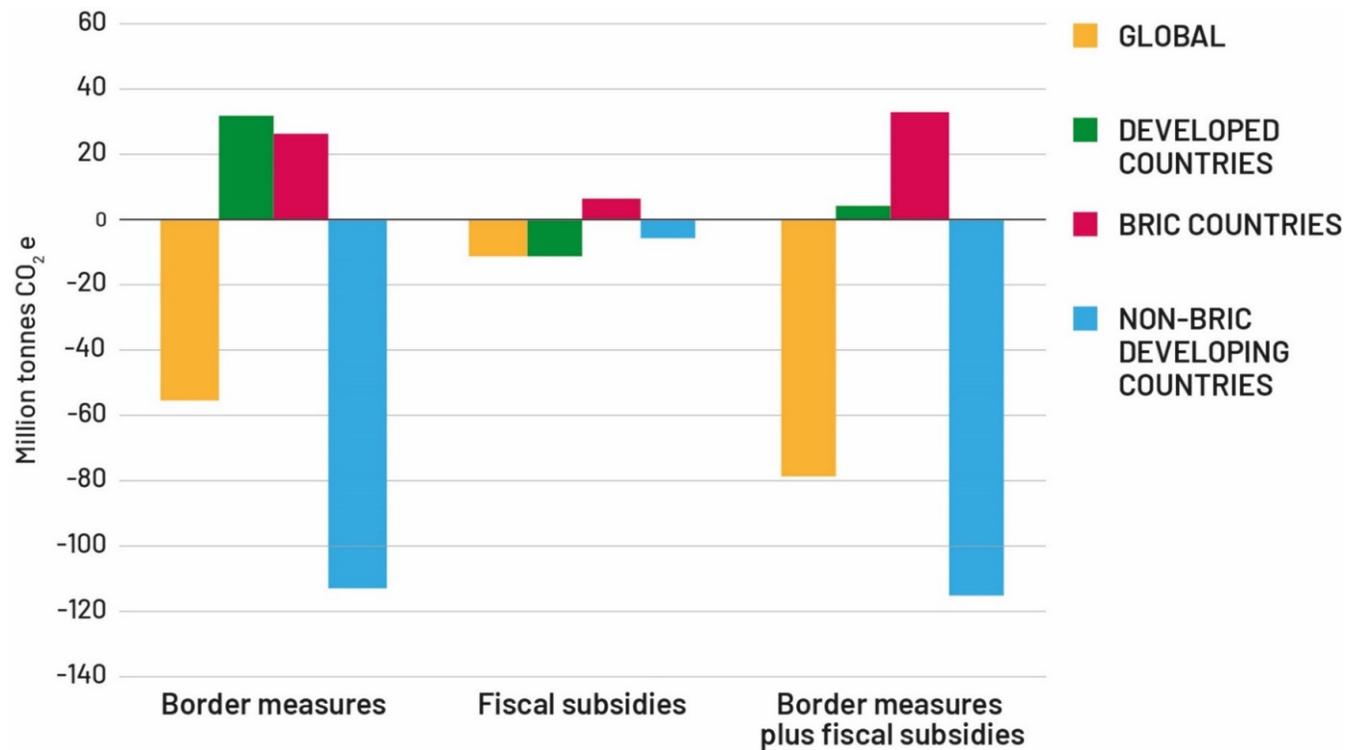
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Removing agricultural support would contribute to mitigation by 2030, but...

Estimated changes in GHG emissions in 2030 due to removal of agricultural producer support



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... given the trade-offs in the farm sector, full elimination is not an option

Impacts of removing agricultural producer support on the farm sector

ITEM	BORDER MEASURES	FISCAL SUBSIDIES			ALL SUPPORT	
		TOTAL	OUTPUT SUBSIDIES	INPUT SUBSIDIES		FACTORS OF PRODUCTION
PERCENT CHANGE FROM 2030 LEVELS						
Crop production	0.22	-1.60	-0.39	-0.80	-0.43	-1.30
Livestock production	0.21	-0.46	0.01	-0.13	-0.35	-0.19
Crop yields	1.82	-1.09	-0.13	-0.50	-0.47	-1.34
World prices	0.84	1.35	0.61	-0.18	0.93	1.94
Farm income	0.19	-5.70	-0.81	-1.46	-3.58	-6.29

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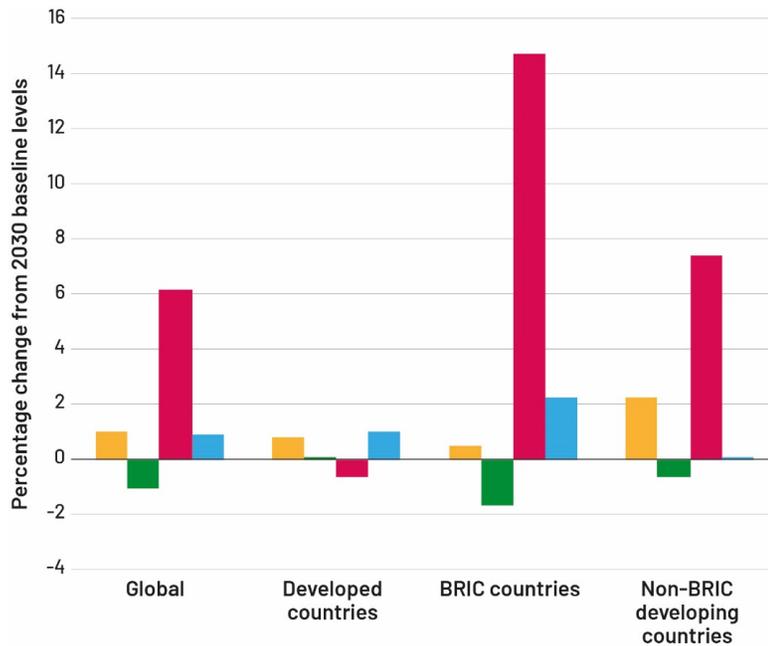
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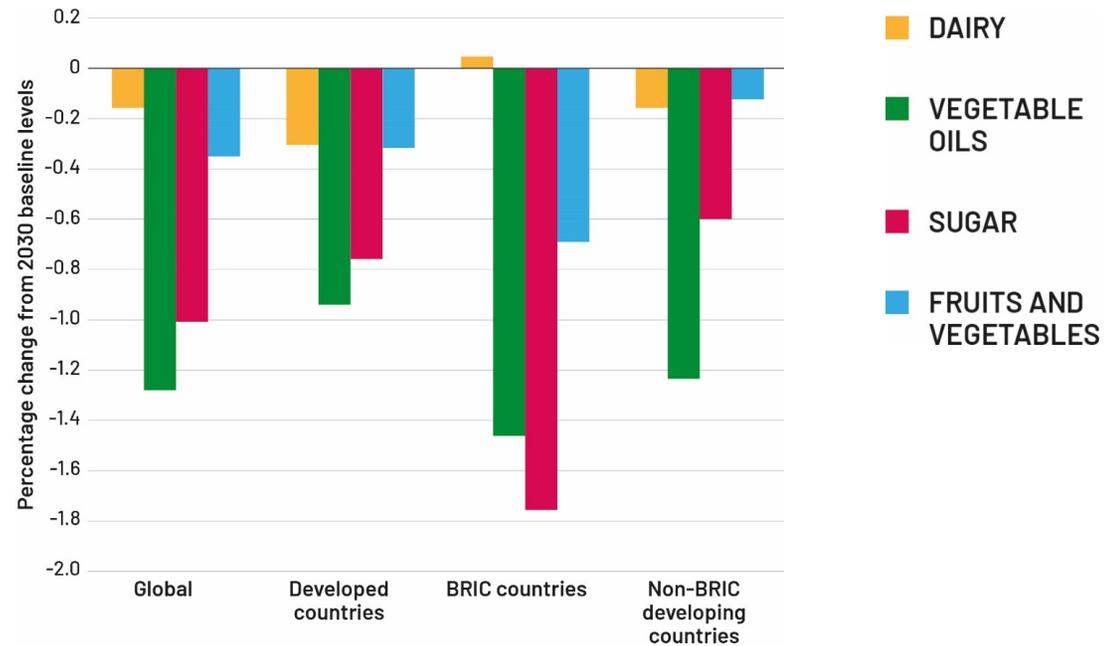
Removing agricultural support has varying effects on per capita consumption

Impacts of removing agricultural support on per capita consumption of various food items

a. Impacts of removing border measures



b. Impacts of removing fiscal subsidies



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6 steps to repurpose

Step 1



Estimate the support already provided

Step 2



Identify and estimate the impact of the support provided

Step 3



Design the approach for repurposing agricultural producer support

Step 4



Estimate the future impact of reform and repurposing strategies

Step 5

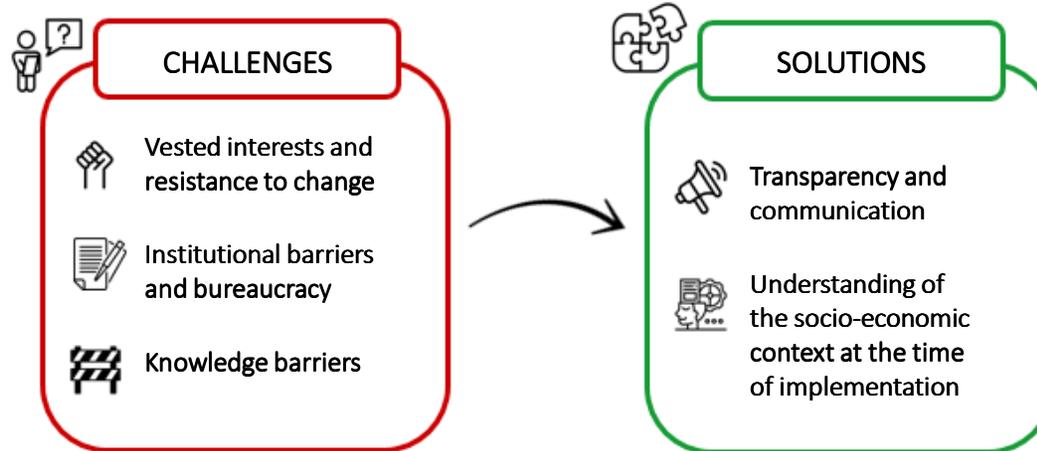


Review and refinement of the reform and repurposing strategy, and implementation

Step 6



Monitor the outcomes of the new agricultural support



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Conclusions

- Shift from distorting/harmful support to support designed to boost productivity, reduce negative environmental impacts and achieve better health/equity outcomes.
- Scale-up investment in public goods and services for agriculture.
- Mitigate to address any short-term negative implications.
- Repurpose to support recovery from COVID-19.
- Involve all food systems actors with transparency and gender-sensitivity.
- A momentous opportunity, but not without strong backing of governments and leveraging urgent action at upcoming international forums.

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THANK YOU

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HIGH-LEVEL CLOSING REMARKS

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