Agricultural Policy Monitoring and Evaluation 2026

Enhancing resilience in a world of interconnected risks



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ENHANCING RESILIENCE IN A WORLD OF INTERCONNECTED RISKS

OECD
BETTER POLICIES FOR BETTER LIVES

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Foreword

This *Agricultural Policy Monitoring and Evaluation 2026* report provides up-to-date monitoring and evaluation of agricultural policies across 56 countries from across the world, including the 38 OECD countries and the five non-OECD EU Member States, and thirteen emerging and developing economies: Argentina, Brazil, People's Republic of China, Egypt, India, Indonesia, Kazakhstan, Peru, the Philippines, the Russian Federation,[*] South Africa, Ukraine and Viet Nam. It is the 39th in the series of the OECD *Agricultural Policy Monitoring and Evaluation* reports, and the 14th report to include both OECD countries and emerging and developing economies.

The report provides insights into the increasingly complex nature of agricultural policy and is based on the OECD's comprehensive system for measuring and classifying support to agriculture — the Producer and Consumer Support Estimates (PSE and CSE) and related indicators. These indicators provide comparable information across countries on the nature and extent of support and serve as a basis for the OECD's Agricultural Policy Monitoring and Evaluation.

The report is structured as follows. The Executive Summary synthesises the key findings of the report. Chapter 1 provides a high-level analysis of developments in the level and structure of government support to agriculture. Chapter 2 reviews policy developments in 2025-26 across the countries covered, and reports on the latest data on agricultural policy support by country. The report then includes individual chapters for each of the countries covered (the European Union, which has a Common Agricultural Policy, is presented as a single chapter). Country chapters begin with snapshots containing brief summaries of developments in agricultural policies and support as well as country-specific policy recommendations. This is followed by more comprehensive descriptions of agricultural policy developments, including related to efforts towards fostering sustainable productivity growth in agriculture. The chapter on the European Union also includes a series of snapshots for individual member states.

The Executive Summary as well as Chapters 1 and 2 are published under the responsibility of the OECD Committee for Agriculture. The remainder of the report is published under the responsibility of the Secretary-General of the OECD.

[*] This report does not contain a country chapter on the Russian Federation. However, aggregate data for the 13 emerging economies and for all 56 countries covered in this report continue to include those for Russia.

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Acronyms and Abbreviations

AEIs	Agri-environmental Indicators
AFOLU	Agriculture, Forestry and Other Land Use
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ASF	African Swine Fever
BPNT	Food assistance programme (Indonesia)
BRM programmes	Business Risk Management programmes (Canada)
BULOG	Food logistics agency (Indonesia)
CAP	Canadian Agricultural Partnership
CAP	Common Agricultural Policy (of the European Union)
CEPA	Comprehensive Economic Partnership Agreement
CETA	Comprehensive Economic and Trade Agreement
CMO	Single common market organisation
COVID-19	Corona Virus Disease, first recorded in 2019
CSP	CAP Strategic Plans (of the EU Member States)
EAEU	Eurasian Economic Union (Kazakhstan)
EC	European Commission
ECAP	Emergency Commodity Assistance Program
Eco-schemes	Schemes for the climate, the environment and animal welfare (European Union)
EEA	European Economic Agreement
EEC	European Economic Community
EFTA	European Free Trade Association
EIP-AGRI	European Innovation Partnership for Agricultural Productivity and Sustainability
EMBRAPA	Brazilian Agricultural Research Corporation
FAO	Food and Agriculture Organization of the United Nations
FMD	Foot and mouth disease
FTA	Free Trade Agreement
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GI	Geographical Indication
GRA	Global Research Alliance on Agricultural Greenhouse Gases (New Zealand)
HS	Harmonized commodity description and coding system (harmonized system)
IDB	Inter-American Development Bank
ILO	International Labour Organization
IMF	International Monetary Fund
INDAP	The smallholders' agency (Chile)
IPCC	Intergovernmental Panel on Climate Change
ISIC	International Standard Industrial Classification of All Economic Activities
ISO	International Organisation for Standardisation
LULUCF	Land Use, Land Use Change and Forestry
MERCOSUR	Southern common market (South American regional bloc)
MFN	Most favoured nation
OGs	Operational Groups of the European Innovation Partnership for Agricultural Productivity and Sustainability (EIP-AGRI)

PARSADA	Strategic action plan for anticipating the potential withdrawal of active substances and developing alternative techniques for crop protection (France)
POSEI scheme	Programmes d'Options Spécifiques à l'Eloignement et à l'Insularité / Programme of options specifically relating to remoteness and insularity (European Union)
PROCAMPO	System of direct income support payments (Mexico)
PRONAF	National Programme for Strengthening Family Agriculture (Brazil)
RCEP	Regional Comprehensive Economic Partnership
RDP	Rural Development Programme
RTA	Regional Trade Agreement
UN	United Nations
UNCTAD	UN Trade and Development
UNFCCC	United Nations Framework Convention on Climate Change
USDA	United States Department of Agriculture
WHO	World Health Organization
WTO	World Trade Organization
OECD indicators of support	
A/An/R/I	Area planted/Animal numbers/Receipts/Income
ACT	All Commodity Transfers
CSE	Consumer Support Estimate
GCT	Group Commodity Transfers
GFR	Gross Farm Receipts
GSSE	General Services Support Estimate
MPS	Market Price Support
NAC	Nominal Assistance Coefficient
NPC	Nominal Protection Coefficient
OTP	Other Transfers to Producers
PNPC	Producer Nominal Protection Coefficient
PSCT	Producer Single Commodity Transfers
PSE	Producer Support Estimate
SCT	Single Commodity Transfers
TBSE	Total Budgetary Support Estimate
TSE	Total Support Estimate
VP	Value of Production
Currencies	
ARS	Argentinian peso
AUD	Australian dollar
BRL	Brazilian real
CAD	Canadian dollar
CLP	Chilean peso
COP	Colombian peso
CHF	Swiss frank
CNY	Chinese yuan renminbi
CRC	Costa Rican colón
EGP	Egyptian pound
EUR	Euro
GBP	British pound
IDR	Indonesian roupiah
INR	Indian rupee
ILS	Israeli shekel
ISK	Icelandic krona
JPY	Japanese yen
KRW	Korean won
KZT	Kazakh tenge
MXN	Mexican peso
NOK	Norwegian krone
NZD	New Zealand dollar
PEN	Peruvian soles

PHP	Philippines peso
RUR	Russian rouble
TRY	New Turkish lira
UAH	Ukrainian hryvnia
USD	United States dollar
VND	Vietnamese dong
ZAR	South African rand

Executive Summary

Agricultural support increased by 15% in the past two years, against a backdrop of increasing global risks

This 2026 Agricultural Policy Monitoring and Evaluation report provides the latest figures on government support to agriculture, along with an in-depth analysis of agricultural policies. The report includes Egypt and Peru for the first time, increasing coverage to 56 countries.

As shocks become more frequent and interconnected, policy responses remain largely reactive

The agricultural sector is operating in a context of **more frequent and interconnected global shocks**, with increasing economic impact. Most recently, the closure of the Strait of Hormuz, a key maritime corridor linking Gulf energy producers with global markets, has added pressure to markets for agricultural inputs and, indirectly, products. These pressures are intensifying volatility in agricultural markets and exposing vulnerabilities in food systems. While these developments call for predictable, forward-looking policies that strengthen resilience, sustainability and risk management, recent experience shows that governments often use **reactive, short-term measures** in response to successive crises. In 2025-26, more than 30 emergency responses have been identified across countries in response to extreme weather events and natural disasters alone.

Against this backdrop, total support to the sector, which averaged USD 885 billion per year in 2023-25, increased to a new high at more than USD 950 billion in 2025, USD 121 billion or nearly 15% above 2023. Increases in emerging economies are driven primarily by higher market price support, while in OECD countries, the increase is predominantly budgetary payments, including significant ad hoc disaster support. This increase in support has reversed decades of declines relative to production. **Between 2023 and 2025, relative support to the sector in the 56 countries covered in the report has jumped from 17.6% of production value to 19.1%.**

Existing policies are not fully aligned with this complex risk environment

Public support to agriculture continues to be based largely on policies that alter market prices. Such price-altering policies reduce farmers' responsiveness to changing production and market conditions. Despite longstanding recognition of their distorting effects, these and other policies that incentivise the production of certain commodities or the use of certain inputs continue to account for a large share of total support: in 2023-25, nearly half of all support provided to the sector has come in potentially most distorting forms. Large variation in relative support levels across countries and commodities compounds the negative effect of market distortions on the resilience of the sector including through its effects on global markets and trade.

During 2023-25, support to individual farmers averaged USD 661 billion per year across all countries measured, about 13% of farm revenues. However, support is unevenly distributed across countries. In some countries, such as Norway and Switzerland, support represents around 50% of gross farm receipts, indicating strong dependence of farm incomes on policy. By contrast, in countries such as Viet Nam and Argentina, policies depress domestic prices below world price levels, resulting in transfers from farmers to consumers equal to more than 10% of farm receipts in those countries. In the newly covered countries Egypt and Peru, producer support accounts for 12.6% and 6.4% of farm receipts, respectively.

Emerging economies are playing an increasingly important role in shaping global support patterns as they account for a growing share of both production (67%) and government support (58%). This matters because they tend to rely more heavily on policies that raise or lower domestic prices relative to prevailing world prices (market price support – MPS) or other potentially most distorting forms of support, notably for input use without constraints. These policies contribute to rigid agricultural production systems and greater variability in measured support, with stronger impacts on the incentives of both producers and consumers. **As a result, they reduce the sector's capacity to adjust to shocks and evolving risks.**

Support also varies significantly across commodities. Products such as sugar, rapeseed, maize and milk receive particularly high levels of attention, while others are less targeted. Within countries, support is often concentrated on a limited number of commodities, creating large differences in incentives across production activities.

The uneven application of most distorting forms of support across countries and commodities, further reduces resource-use efficiency. While some countries have reduced production-linked support, more work remains to be done. Overall, the global policy landscape remains poorly aligned with the need for a more resilient and efficient agricultural sector that can handle evolving risks proactively**.**

Public investment is not keeping pace with the need for sector transformation

Strengthening resilience and sustainable productivity growth are the best response to systemic risks. Resilience enables farmers to manage shocks, while productivity growth supports long-term profitability and – if targeted well – environmental performance. However, investments in the conditions that underpin these outcomes have not kept pace and productivity growth is slowing. **Globally, total factor productivity growth declined from 1.8% per year between 1991 and 2000 to 0.8% between 2014 and 2023**.

This productivity slowdown coincides with a relative decline in investment in public goods. Expenditures on general services (which includes things like infrastructure, research and development, and innovation) averaged USD 118 billion annually in 2023-25. However, as a share of the value of agricultural production, general services fell from 4.6% in 2000-02 to 2.4% in 2023–25. This indicates that **spending on general services is rising in absolute terms but declining relative to sector size, and declining as a share of overall support**. Spending on general services is most concentrated in infrastructure, mainly for irrigation, (47%, around USD 55 billion), with agricultural knowledge and innovation systems representing 23%, around USD 27 billion.

While some countries prioritise public spending on transformative investments – for example, Switzerland allocates more than 4% of production value to public investments in knowledge and innovation – most invest considerably less. **On average, public investment in knowledge and innovation systems amounts to only 0.5% of sector value**, roughly half the level observed in 2000-02, although this is complemented by private sector innovation investments. This highlights a structural imbalance between short-term support and long-term resilience.

Consumers continue to bear a large share of policy costs

Consumers are significantly affected by agricultural policies, primarily through their impact on food prices. In most countries, agricultural support policies raise domestic prices above international levels for some or all commodities, which reduces consumers' purchasing power. In contrast, direct support to consumers remains limited in comparison. On average in 2023-25, **consumers bore an implicit tax of around USD 204 billion per year, equivalent to 4.4% of their spending** measured at primary product prices.

This reflects the dominance of price-based policies, which generate transfers from consumers to producers. While some countries lower domestic prices for the benefit of consumers, these cases are less common. Overall, consumers remain net contributors to agricultural support. Patterns differ across country groups: in OECD countries, transfers are relatively stable and partly offset by budgetary support, while in emerging economies they are larger and more volatile. As a whole, direct support to consumers offsets only a small share of the effects of rising prices.

Well-designed targeting and conditionality may help achieve environmental outcomes

A large share of support is delivered through instruments that are not linked to specific environmental outcomes. Conditionality may improve the performance of existing programmes, but attaching environmental conditions to support that targets other objectives is less effective than implementing policies that directly target such objectives.

In 2023-25, efforts to link support to farming requirements motivated by environmental and other objectives have been increasing, but the use of programmes targeted to such outcomes remains limited in most countries and the effectiveness of mandatory constraints has been mixed. About 5.7% of support to farmers is based on their taking voluntary environmental action. An additional 15% of support requires compliance with existing regulations or complementing rules. Nearly **four-fifths of transfers to farmers are provided without such farming requirements**. Reliance on MPS limits governments' ability to pursue those objectives through agricultural support.

Future-proof policies for more efficient, sustainable and resilient agriculture

Improving the alignment between current policy approaches and the challenges facing modern agriculture would bring significant benefits. Current approaches – continued reliance on production- and price-linked support, insufficient investment in public goods, significant costs borne by consumers and limited progress in linking support to outcomes – highlight important areas where policies can evolve. Addressing modern challenges require a shift from reactive interventions towards a more coherent and system-wide policy framework.

This report provides an assessment of policies and recommendations for improvement to each of the countries covered. Across 29 country chapters (the European Union (EU) is considered as a whole), more than 150 specific, constructive and actionable recommendations are made based on OECD data and research. These country-specific recommendations point towards the following general directions for policy action:

- **Rebalancing incentives towards more efficient and less distortive measures is a priority.** Border measures and subsidies linked to output or variable input use can distort markets and trade and are often poorly suited for current objectives. Reducing reliance on these measures and replacing them with more targeted policies such as tailored payments with strong environmental conditions, risk management tools and outcome-oriented instruments would improve policy effectiveness, while better aligning policies with long-term productivity, resilience and sustainability objectives.
- At the same time, **strengthening the foundations of the sector is essential**. Long-term performance depends on the strength of the systems that support farming. Scaling up investment

in innovation, knowledge and advisory systems, infrastructure, and governance capacity can enhance sustainable productivity growth, improve soil health, increase resilience to shocks and support the adoption and diffusion of new technologies and practices across the sector.

- There is also a need to **align policies more closely with sustainability objectives**. When support is provided to achieve sustainability objectives, it should move beyond limited or implicit conditions towards greater use of measurable and outcome-based approaches, including incentives and regulations that support sustainable resource use and the reduction of negative environmental impacts. Strengthening monitoring, reporting and evaluation systems is critical to ensuring that support delivers tangible environmental results.
- Finally, governments need to **reinforce systemic risk management policies** to minimise the need for short-term, ad-hoc responses to crises. Supporting farmers' capacity to anticipate, adapt and respond to changing conditions – while maintaining stable and predictable policy environments and open international markets – is essential for managing risk and ensuring food security in an uncertain global environment.

These four recommendations provide a clear pathway for policy reform: shift away from supporting production through distorted price signals towards supporting economic, environmental and system performance through better-targeted policies, stronger enabling systems and clearer links between policy design and outcomes. Moving in this direction will help agricultural systems navigate an increasingly complex and risk-prone environment and better meet the evolving demands placed upon them.

1 Public support for farmers and consumers

This chapter examines developments in agricultural policy across the 56 economies covered in the OECD Agricultural Policy Monitoring and Evaluation 2026. It reviews the main international context shaping policy decisions in 2025-26, including macroeconomic pressures, extreme weather, geopolitical tensions, trade disruptions and volatile input markets. It analyses the latest estimated level, composition and distribution of government support to agriculture in 56 countries. An increase in support to agriculture by USD 121 billion between 2023 and 2025 has reversed the declining trend relative to production observed over past decades. The chapter concludes by identifying priorities for reform, including less distorting support and stronger emphasis on resilience, sustainability, and productivity.

Key messages

- **Agricultural systems are increasingly shaped by interconnected shocks**. This is reflected in 2025-26 policy responses to address extreme weather risks, geopolitical tensions and macroeconomic developments. **A systematic policy response** that strengthens sustainability, resilience, risk management, innovation and productivity is key to addressing current challenges.
- **Recent developments suggest a reversal of long-term trends of lowering support relative to the size of the sector**, with total support rising in each of the last three years. Increases in transfers to farmers generated by policies that increase prices (market price support) has been the fastest growing component, but budgetary support is also on the rise. This increase resulted in **total support to agriculture exceeding USD 950 billion in 2025**, more than USD 121 billion, or nearly 15% above 2023.
- **Three-quarters of all agricultural support continues to go directly to individual farmers**, with the remainder shared between investments in general services and payments to consumers.
- **Market price support remains a central feature**, with transfers to farmers from higher domestic prices averaging around 7.1% of gross farm receipts (GFR) in 2023-25, while consumers bear costs of transfers to farmers equivalent to about 5.3% of consumer expenditures. OECD countries have partially shifted from market price support toward greater use of budgetary payments, while emerging economies have maintained a more stable support mix, with more price-based transfers and consistently lower overall support relative to farm receipts.
- **The share of support in large emerging economies has grown**, with the People's Republic of China (hereafter "China") alone accounting for around USD 204 billion of annual transfers to farmers from price-related policies in 2023-25 and India generating USD 119 billion per year in transfers to consumers whose cost is borne by farmers. India also provides significant amounts of import subsidies.
- **General services support is growing in absolute terms, but declining relative to production**, reaching about USD 118 billion per year across the 56 countries covered by the report, but representing only 2.4% of production. On average, the emerging economies covered spend only slightly above half as much relative to their sector's size as OECD countries.
- **Most support is provided without conditions**, with around 79% of net producer support (USD 401 billion) delivered without mandatory or voluntary input constraints. When they exist, most constraints are related to improving environmental performance. The effectiveness of these policies is difficult to assess and varies across instruments and countries.
- **Commodity-specific support remains substantial and uneven across sectors**, with net transfers reaching 21% of gross receipts for raw sugar and 18% for maize, while some commodities, such as milk, experience transfers from farmers to consumers equal to 12% of their receipts.

Agricultural production in 2025 continued at historically high levels, supported by productivity gains and generally favourable aggregate supply conditions. However, the sector operated in a **more complex and risk-prone global environment**, shaped by the interaction of extreme weather risks, geopolitical tensions and macroeconomic developments. These factors increasingly influenced not only market outcomes, but also the design and objectives of agricultural policies.

Global markets remained broadly resilient, but this resilience masked growing **exposure to systemic shocks**. Agricultural production, trade and input markets were affected simultaneously by extreme weather events, the economic impacts of which are increasing, policy-induced trade frictions and volatile input costs. This has reinforced a shift in policy frameworks toward managing **risk, resilience and sustainability alongside productivity**.

This chapter reviews the main drivers shaping agricultural policy developments and provides a description of overall developments of global support to agriculture based on the latest data available. Chapter 2 takes a more fine-grained look at some of the events affecting policy and how governments have responded, reporting on a country-by country basis.

Global drivers of agricultural policies in 2025-26

Inflationary pressures ramping up in 2026, while GDP growth and labour markets are sound but slowing

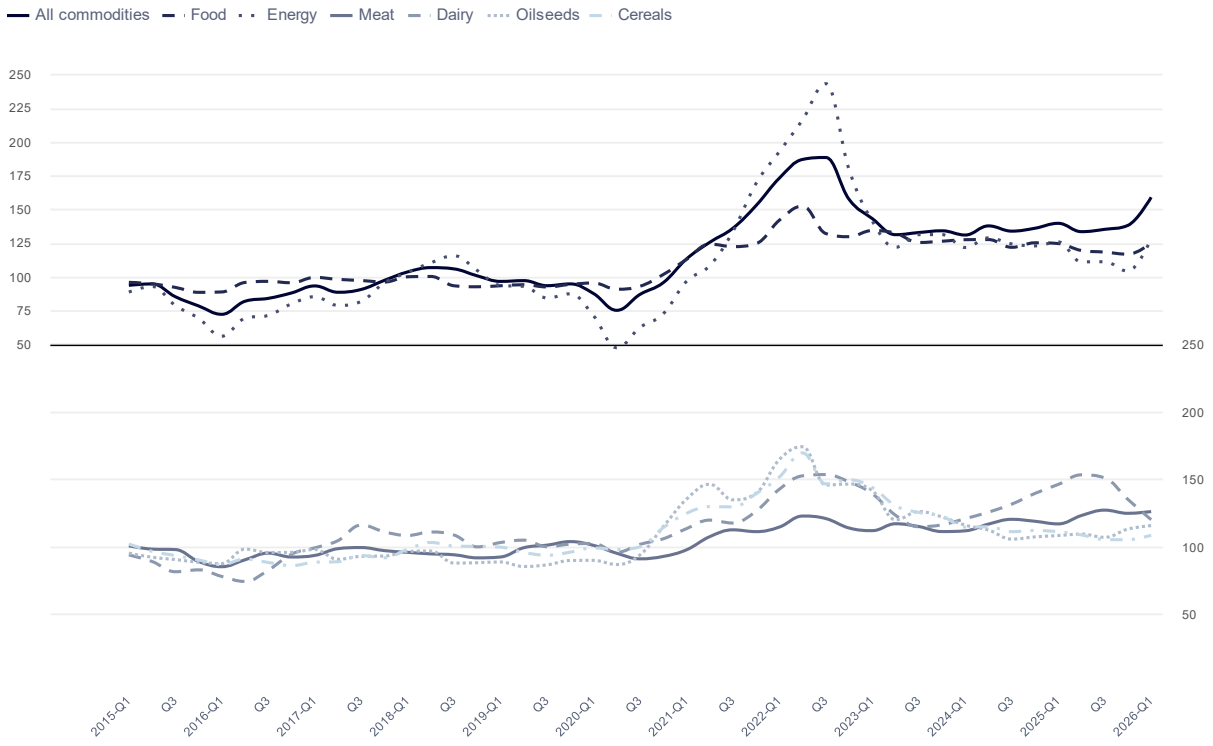
Conditions in agricultural markets are strongly influenced by macroeconomic factors and agricultural exporters are operating in an increasingly uncertain global trading environment. The price of energy, which underpins many production inputs in agriculture, notably fuel for production and transportation of goods, chemicals and fertiliser, is another major influence. Energy prices also affect the demand for cereals, sugar crops and oilseeds through the market for biofuels produced from these feedstocks.

Under the assumption that disruptions in the Middle East will be short-lived, the *OECD Economic Outlook* projects global GDP growth to slow from 3.4% in 2025 to 2.8% in 2026 before picking up to 3.1% in 2027. Policy interest rates are expected to remain broadly stable this year in most major economies, with underlying price pressures generally projected to remain contained before easing slightly in 2027 (OECD, 2026[1]).

After a period of relative stability starting in mid-2023, inflation is looking to become more important in 2026. While energy prices are more strongly affected, food prices have not been immune to inflationary pressure (Figure 1.1, upper graph). Looking forward, annual consumer price inflation in the G20 countries is expected to rise to 4.0% in 2026 from 3.4% in 2025 before easing to 3.1% in 2027 as energy and food price pressures gradually fade (OECD, 2026[1]). Despite ample global supplies, grain prices have been rising, driven by weather-related risks, firm global demand, and rising energy and fertiliser costs (World Bank, 2026[2]). Dairy prices have been experiencing strong variability and have been heading downward since mid-2025, after strong increases (Figure 1.1, lower graph).

Figure 1.1. Inflation restarting in 2026 after stable 2025, dairy prices showing volatility

Commodity world prices, 2015 to 2026, index (2014-16=100)



Note: The top part of the graph relates to the left scale, while the bottom part of the graph to the right scale.
Source: IMF (2026), Commodity Market Review, for all commodities, food and energy indices (base year: 2016), www.imf.org/external/np/res/commod/index.aspx; FAO (2026), FAO Food Price Index dataset, for meat, dairy and cereal indices (base period: 2014-16), www.fao.org/worldfoodsituation/foodpricesindex/en

Fertiliser markets have experienced renewed volatility and generally higher prices (Box 1.1). The recent surge in prices in early 2026 largely reflects the impact on exports of fertilisers and inputs from the closure of the Strait of Hormuz (World Bank, 2026[2]).The World Bank Group's fertiliser price index rose by more than 12% in the first quarter of 2026 over the previous quarter, marking the sixth increase over the past seven quarters.

Box 1.1. Historical responses to changing fertiliser prices

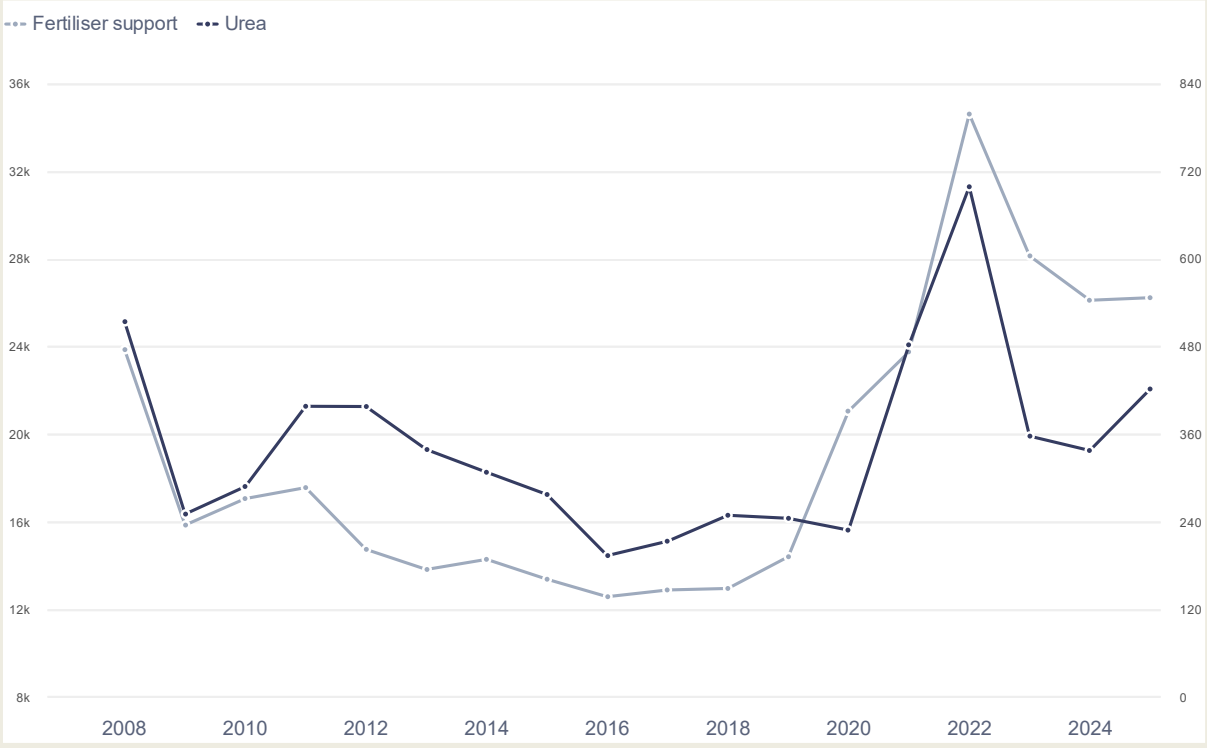
Recent increases in the price of fertilisers, and especially urea, have already generated policy responses. Among exporters, policy focused on restricting outward supply to protect their domestic markets, whereas importers widely introduced short-term measures to protect domestic agriculture (FAO, 2026[3]).

This is not the first spike in the price of fertiliser (the most significant in recent history was in 2022). To look at how governments have responded to these price increases in the past, Producer Support Estimate (PSE) data were filtered to identify all programmes whose name contains a term similar to "nitrogen", "fertiliser", or "nutrient". Most of the support identified directly target fertilisers in the form of payments based on variable input use and do not have corresponding use constraints. It is a form considered most potentially distorting of production and trade.

Plotting the resulting total against the price of urea, a close correspondence can be observed between the amount of spending on fertiliser subsides and the price of urea (Figure 1.2). The policies identified are a mix of ad-hoc policies responding to price spikes, support policies that are designed to respond to price changes and support programmes that deliver a constant level of support every year.

Figure 1.2. Support to fertiliser tracks the price of urea

Selected support to fertiliser (USD million, left axis) and price of urea (USD/tonne, right axis)



Note: Fertiliser programmes are identified according to a keyword search. Urea prices have been highly volatile in recent months, reaching a high of USD 720/tonne in April 2026 before retreating to about USD 440/tonne as of June 2026. Fertiliser support has declined more slowly than the price of urea; this is possibly explained by lags in payments. Ad-hoc compensation payments are usually delivered in the years that follow their driving events.
Source: OECD PSE database and (World Bank, 2026[2])

India is one of the largest providers of fertiliser subsidies in terms of total expenditure. Fertiliser programmes often focus on cost reduction for farmers. Approaches include subsidising manufacturers of fertiliser (**India**), providing low-cost fertiliser through government-controlled networks (**Indonesia**), providing payments based on the purchase of fertiliser (**Kazakhstan**) or area-based payments (**Türkiye**).

In some cases, fertiliser policies act to reduce fertiliser demand, thus easing market shortages and, at the same time, reducing the environmental harms of excess nutrient application. These programmes promote alternatives such as manure or increase efficiency of application through nutrient planning and soil testing (among other methods). **Switzerland** does this through the "Contribution for improvement of soil fertility" (*Beitrag zur Verbesserung der Bodenfruchtbarkeit*) and "Contribution for more efficient nitrogen use" (*Beitrag für eine effizientere Stickstoffnutzung*). **Japan** has a hybrid programme called

"Support for soaring fertiliser prices" that provides both payments to reduce costs to farmers and incentives to improve the efficiency of fertiliser use.

The OECD Agri-Environmental Indicators show that nutrient surpluses showed marked decreases in 2022 and 2023. This likely reflects the response to shocks induced by high fertiliser prices in 2022 (OECD, 2026[4]). Policy responses focusing on improving nutrient use efficiency and alternative sources of nutrients can further lower surpluses and are expected to have positive long-term environmental and farm-level effects.

Extreme weather and environmental stress as a structural constraint

Hazards arising from intensified extreme weather events, such as droughts, floods and heatwaves, are having impacts on global agriculture. FAO estimates that disasters have caused cumulative losses of USD 3.26 trillion to agriculture over the past three decades, affecting crops, livestock and fisheries across all regions (FAO, 2025[5]). Environmental pressures are also contributing to declining productivity, with around 1.7 billion people living in areas where crop yields are reduced due to land degradation. Extreme heat can act as a "risk multiplier", interacting with drought, water scarcity and pests to generate compound risks for agricultural production and food security (FAO and WMO, 2026[6]).

These dynamics were reflected in 2025-26, with extreme weather affecting production in several key exporting regions. While global aggregate output remained high, localised production shocks contributed to market volatility, particularly for cereals and oilseeds. In this monitoring cycle, countries reported many policy responses to extreme weather events in 2025 and 2026 (Table 1.1). Most were in response to specific events, but many are designed to increase the resilience of the sector through either supportive systems or encouraging on-farm investments.

Table 1.1. Policy responses in 2025 and 2026 to extreme weather events and natural disasters

Drought	Storms and flooding	Frost events	Multiple events or disasters	
Australia: Drought Hardship Loan for droughts lasting at least 24 months	**Greece**: Support for recovery from flooding	**Bulgaria**: Compensation for spring frost	**Australia**: Climate Risk Assessment of agricultural exposure to hazards	**Portugal**: Grants to restore production after natural disasters
Spain: Support in response to drought	**Poland**: Support for damages from extreme rainfall and storms	**Poland**: Compensation for severe orchard damage from frost episodes	**Brazil**: Support for producers affected by climatic shocks	**Estonia**: Common agricultural policy (CAP) interventions to restore production after natural disasters
Hungary: Compensation after severe drought of 2024	**Latvia**: Measures to improve drainage to combat flooding	**Romania**: Emergency support after spring frosts	**Chile**: Climate-risk tools under Disaster Risk Management policy	**Greece**: State aid for fire
Poland: Support for damages from droughts	**Lithuania**: Measures addressing flooding risks	**Türkiye**: Increased subsidy for frost insurance	**European Union**: Support for weather-related losses	**Viet Nam**: Support for farmers affected by natural disasters
Switzerland: Insurance for drought risks	**Czechia**: Compensation for severe floods of September 2024	**Switzerland**: Insurance for frost risks	**Estonia**: Investment support for resilience to climate shocks	**Spain**: State aid to compensate farmers for income or production losses caused by the major wildfires in 2025.
Cyprus: Compensation for low rainfall and high temperatures affecting production	**Spain**: Support for damages caused by the October 2024 DANA (*Depresión Aislada en Niveles Altos*) storm		**Iceland**: Targeted relief for losses due to severe weather conditions	**Colombia**: El Nino mitigation plans for rice, maize, dairy/beef cattle, coffee and horticultural production chains

Drought	Storms and flooding	Frost events	Multiple events or disasters	
Greece: Support in response to drought			**Croatia**: Compensation for adverse climatic conditions	**Colombia**: Emergency funding, concessional credit, and agricultural insurance subsidies to support smallholders affected by droughts and floods.

Note: Refer to individual country chapters and European Union Member State snapshots in Part 2 of this report for more information. Table covers reported responses between early 2025 and April 2026.

Geopolitical tensions impacting trade and supply chains

Global agricultural markets remain highly dependent on trade. Over the medium term, around 22% of global calories are expected to cross international borders, underlining the importance of open and predictable trade flows (OECD/FAO, 2025[7]). In 2025-26, however, trade operated in a more uncertain and fragmented policy environment, characterised by tariff changes, export restrictions and other constraints.

Trade policy actions by major economies continued to influence agricultural markets, affecting both prices and trade flows. Export restrictions and controls remained an important feature of global markets for key commodities and inputs. For example, restrictions on fertiliser ingredients exports by major suppliers continued into 2025, limiting global availability and contributing to higher input costs (World Bank, 2025[8]). Similarly, export policies for staple foods remained an important driver of market dynamics, with earlier restrictions on rice exports by major suppliers and their subsequent easing contributing to significant price movements and shifts in trade flows (COFACE, 2025[9]).

In addition, some countries adopted measures aimed at strengthening domestic food security or reducing external dependence, including import restrictions, adjustments to tariff regimes and policies promoting domestic production. These developments, alongside broader geopolitical tensions, reinforced concerns about supply chain resilience and contributed to ongoing adjustments in sourcing strategies.

Logistics conditions improved compared to the disruptions seen in recent years, but key maritime chokepoints remained a source of systemic vulnerability. Constraints in the Panama Canal (due to low water levels) and disruptions in the Red Sea/Suez route highlighted in previous editions of this report illustrate the sensitivity of agricultural trade to shipping conditions. In 2025-26, attention shifted to the Strait of Hormuz. Its disruption affects agricultural trade less directly than disruptions to the Panama or Suez canals, but can transmit to agricultural markets through higher energy and fertiliser prices and changes in biofuel demand. OECD-FAO modelling indicates that the resulting increases in agricultural commodity prices are likely to be delayed and moderate overall, but more pronounced in countries that depend heavily on imported fertilisers, with additional risks for vegetable oil markets (OECD, 2026[10])

Increasing interconnection of risks

A defining feature of the policy environment in 2025 is the growing interaction between these drivers. Intensified extreme weather events influence trade flows and prices; geopolitical tensions affect both trade and input markets; and macroeconomic conditions shape both demand and policy space. Confronting this landscape requires a holistic risk management strategy that ensures decisions are no longer made from a paradigm of reactivity, but from a more proactive “resilience” perspective instead. This implies focusing on preparedness, with improved information and contingency planning and ex-ante decisions on adaptation, diversification and use of market tools, with the goal of either reducing the negative impact of events or significantly reducing the likelihood that those events occur (OECD, 2020[11]).

Overview of the evolution of support to agriculture

This report provides a comprehensive and internationally comparable evidence base on the design and evolution of agricultural policies. It supports policymakers, analysts and stakeholders by enhancing transparency, enabling benchmarking across countries, and informing evidence-based policy reform. The report draws on a long-standing collaborative process with participating countries, who supply detailed information on their policy measures, budgetary transfers and regulatory frameworks in a harmonised manner. This joint effort ensures consistency, accuracy and comparability of data, while also allowing country-specific insights to enrich the analysis. Its broad country coverage strengthens the report's analytical depth and global relevance. This 2026 edition adds two new countries, Egypt and Peru (Box 1.2), bringing the total coverage to 56 countries.

Box 1.2. Expanding the country coverage: Egypt and Peru in the OECD Agricultural Policy Monitoring and Evaluation framework

The inclusion of Egypt and Peru in this edition of the OECD Agricultural Policy Monitoring and Evaluation report broadens its geographical and analytical coverage, strengthening its role as a global reference on agricultural policy. The report now monitors policies in 56 economies, combining OECD members with a growing number of emerging and developing countries, which allows it to capture a large diversity of policy approaches shaping global food systems.

Egypt and Peru bring distinct structural characteristics that differ markedly from the typical OECD profile, thereby enriching cross-country comparisons.

- Egypt's agriculture operates under severe natural resource constraints, particularly acute water scarcity and a very limited land base, while remaining central to food security for a large and rapidly growing population. Its policy framework is characterised by extensive state intervention, including administered pricing, input subsidies, large-scale food subsidy programmes, and desert land reclamation.
- In contrast, Peru combines a dynamic export-oriented agricultural sector with a large number of small-scale subsistence farmers, reflecting deep structural dualism and regional disparities. Such diversity contrasts with the more capital-intensive, technologically advanced, and often less dualistic farm structures prevailing in many OECD countries, where support is increasingly shifting towards innovation, environmental sustainability and decoupled payments.

The inclusion of these two countries adds significant value to the report by providing insights into policy settings where food security, resource constraints, informality, and institutional capacity play a more prominent role. Both countries illustrate challenges that are less pronounced in most OECD members, such as balancing self-sufficiency goals with efficiency, managing scarce water and land resources, integrating smallholders into markets, and designing large-scale consumer support schemes. At the same time, they highlight important policy trade-offs – between productivity growth, fiscal costs, food affordability, farmer livelihoods and environmental protection – that are increasingly relevant across all countries.

The addition of Egypt and Peru finally enhances the analytical depth of the Monitoring and Evaluation exercise. It supports benchmarking across a wider range of development contexts, and strengthens its usefulness for informing evidence-based policy reforms globally.

Further reading:
OECD (2026), *Policies for the Future of Farming and Food in Egypt*, OECD Agriculture and Food Policy Reviews, OECD Publishing, Paris, https://doi.org/10.1787/cab0cefd-en.
OECD (2026), *Policies for the Future of Farming and Food in Peru*, OECD Agriculture and Food Policy Reviews, OECD Publishing, Paris, https://doi.org/10.1787/4a2aa5b8-en.

This section provides an overview on developments in policy support in agriculture, building on OECD estimates of agricultural policy support that are comparable across countries and time. These show the diversity of support measures implemented across different countries and focus on different dimensions of these policies. Complete definitions are shown in Annex 1.A.

The Total Support Estimate (TSE) is the broadest of the OECD support indicators. It combines three elements:

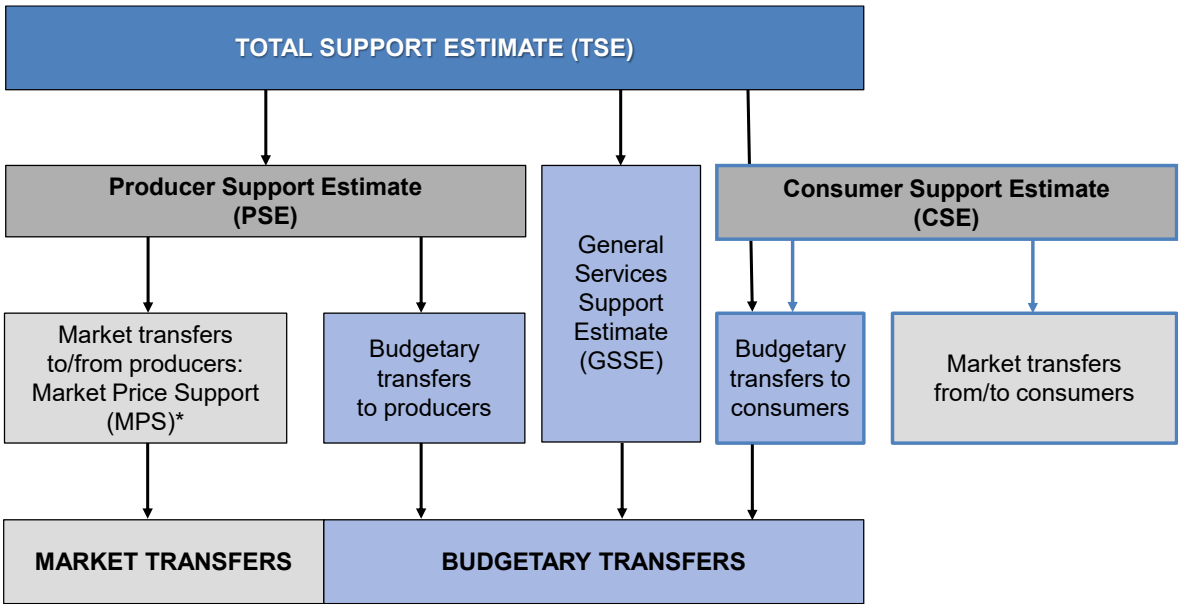
- transfers to farmers individually (PSE)
- expenditures on services that support the agricultural sector as a whole (GSSE)
- budgetary transfers to consumers of agricultural commodities (CSE) (Figure 1.3).

The **Producer Support Estimate (PSE)** measures all transfers to farmers individually. Two main types of transfers can be distinguished. **Market Price Support (MPS)** captures transfers arising from policies that create a gap between domestic and international reference prices. Where domestic prices exceed reference levels, policies generate transfers to farmers borne by consumers; where domestic prices are below reference levels, the incidence is reversed, with transfers borne by farmers and accruing to consumers. **Budgetary support** is financed by taxpayers and takes a variety of forms (Box 1.3). The PSE is expressed as a net measure, combining all transfers to farmers.

The General Services Support Estimate (GSSE) measures policy expenditures that support the primary agricultural sector as a whole rather than providing transfers to individual farmers or consumers. These expenditures are financed by taxpayers and are reported across several categories.

The Consumer Support Estimate (CSE) measures transfers affecting consumers of agricultural commodities. As with the PSE, it includes both market transfers associated with the price gap captured by MPS and budgetary transfers. Where domestic prices exceed reference levels, consumers bear the cost of policies through higher prices; where domestic prices are below reference levels, consumers benefit from lower prices, with the associated costs borne by farmers. To avoid double counting, only the budgetary component of the CSE is included in the TSE.

Figure 1.3. Structure of agricultural support indicators



Note: *Market Price Support (MPS) is net of producer levies and excess feed cost.
Source: Annex 1.A.

Box 1.3. Budgetary components of the PSE

The PSE is composed of MPS and budgetary support. Budgetary support is delivered in many different forms and allocated to different categories according to the PSE classification system. These budgetary categories identify the following distinctions in the way policies are implemented:

- Payments based on current output of a specific agricultural commodity.
- Payments based on on-farm use of inputs. These either reduce the cost of purchased inputs like fertiliser or chemicals, fixed capital, such as farm buildings and equipment, or on-farm services that reduce the cost of technical, accounting, commercial, sanitary and phytosanitary assistance, and training provided to individual farmers.
- Payments based on current area, animals, revenue or income (A/An/R/I), requiring production.
- Payments based on non-current (i.e. historical or fixed) A/An/R/I, with current production of any commodity required.
- Payments based on non-current A/An/R/I, with current production of any commodity not required but optional.
- Payments based either on the long-term retirement of factors of production from commodity production for the use of farm resources to produce specific non-commodity outputs of goods and services, or transfers provided equally to all farmers, such as a flat rate or lump sum payment.

Payments for which there is a lack of information to allocate them among the appropriate categories have their own miscellaneous category.

More information on the PSE classification system and the indicators used in this chapter can be found in Annex 1.A.

Support relative to production shows a long-term decline, with an increase since 2022

Across the 56 countries covered**, total support to the agricultural sector averaged around USD 885 billion per year over 2023-25** (Figure 1.4). Of this total**,** transfers affecting farmers individually (PSE) accounted for the largest share, USD 661 billion per year, driven primarily by policies that raised domestic prices above international reference levels (Market Price Support, MPS), together with budgetary support financed by taxpayers. Expenditures on **general services (GSSE)** amounted to approximately **USD 118 billion per year**, while **budgetary transfers to consumers** averaged around **USD 106 billion per year**.

At the same time, in a number of countries, domestic prices for some commodities were below international reference levels, resulting in transfers borne by farmers and accruing to consumers (negative MPS). On average over 2023 25, these transfers amounted to approximately **USD 151 billion per year**, offsetting part of the transfers to farmers generated by policies that raised domestic prices.

In nominal terms, total support has been increasing over time, with larger jumps observed in 2020 and 2025. Average support over 2023-25 is higher than in earlier periods, reflecting increases across several components, including market price-related transfers, budgetary support to farmers and expenditures on general services. Consumer transfers also remain elevated compared to pre-2020 levels. Preliminary estimates suggest that **total support to agriculture exceeded USD 950 billion in 2025**.

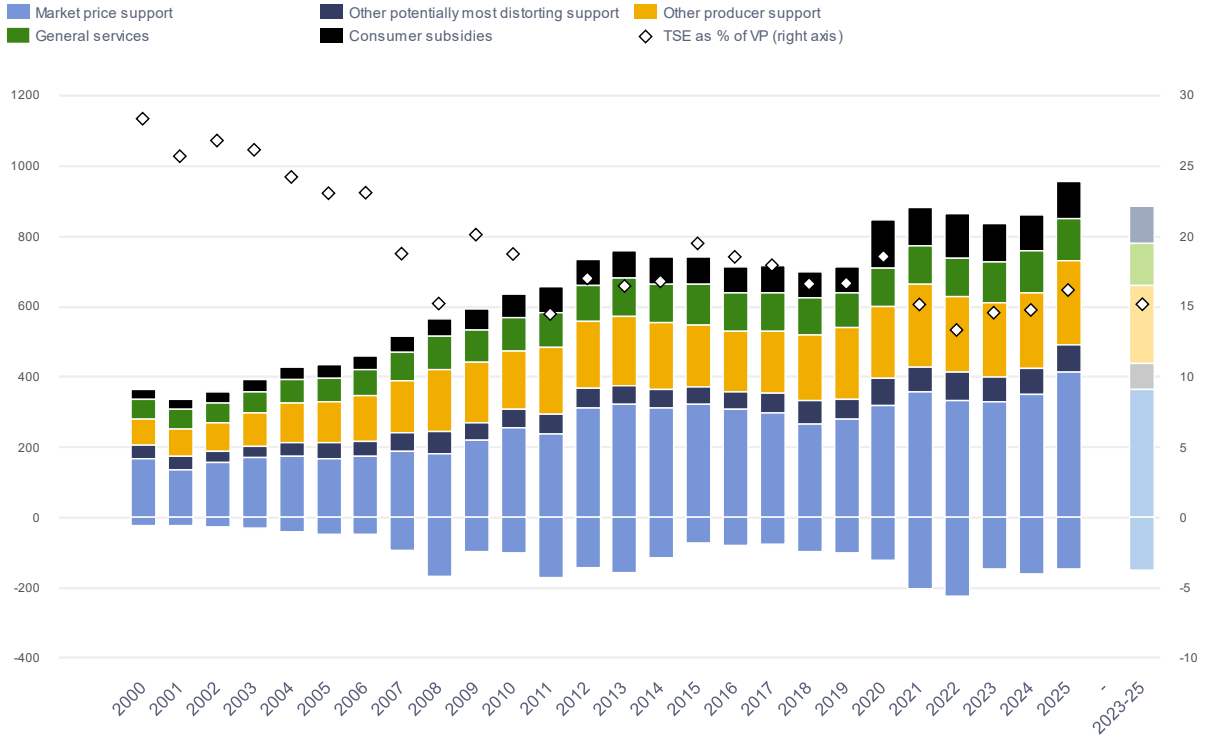
While total support has increased in nominal terms, its share in the value of agricultural production remained below earlier levels. **Total support to the sector amounted to about 18% of the value of production on average over 2023-25**, compared to higher levels observed in the early 2000s. This reflected growth in the value of agricultural production alongside changes in support levels over time.

However, since 2022, the TSE as a share of the value of production has been increasing again. It is now at about the same level as it was in 2008, driven primarily by changes in price-related transfers. MPS shows by far the largest increase in absolute terms in recent years, while other components – such as budgetary support to farmers and expenditures on general services – have risen more moderately. At the same time, transfers to consumers borne by farmers where domestic prices are below international reference levels have declined, thus further increasing net benefits to farmers from price policies.

The PSE is composed of policy measures with different characteristics. OECD analysis helps to identify the possible impacts of policies according to these characteristics (Box 1.4). Transfers associated with market price support and certain budgetary measures considered to be potentially most distorting of production and trade, such as payments based on current production or input use, continue to account for a large share of total transfers affecting farmers. Other forms of support represent a smaller share, with the relative composition of these categories remaining stable over time.

Figure 1.4. Total support to agriculture jumped in 2025

Breakdown of agricultural support, all countries, 2000 to 2025 (USD billion, left axis; % of production value, right axis)



Note: Data refer to the total of OECD countries, non-OECD EU Member States, and the 13 emerging economies: Argentina, Brazil, China, Egypt, India, Indonesia, Kazakhstan, Peru, the Philippines, Russia, South Africa, Ukraine and Viet Nam. "Negative market price support" comes from implicit taxation of producers through lower prices, "Other potentially most distorting support" refers to budgetary support based on output payments and the unconstrained use of variable inputs. "Other producer support" covers all other PSE categories, which are considered less distorting; for example, payments based on area, historical entitlements or for non-commodity outputs. "General services" refers to the General Services Support Estimate (GSSE). "Consumer subsidies consists of transfers to consumers from taxpayers. "TSE as % of VP" refers to the total support estimate relative to the value of production.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Box 1.4. OECD analysis and recommendations regarding policy support

To be able to make recommendations to policy makers, the OECD has investigated agricultural support policies and their impacts since 2001. The term "potentially most distorting forms of support" used in this report derives from this research. The OECD uses quantitative models to estimate the relative effects of different support policies (Martini, 2011[12]; OECD, 2001[13]). These analyses have concluded that MPS, support based on output payments and the unconstrained use of variable inputs potentially exert the greatest distortion effect on production and trade. This report collectively refers to this group of policies as "potentially most distorting forms of support".

This same research concludes that policies that are most distorting also tend to have low income benefits to farmers. This is because market distortions shift some of the benefits of the government transfer to other recipients, such as companies that sell fuel, seeds and fertiliser. How well funds flow from governments or consumers to producers is termed "transfer efficiency". Input support has the

lowest transfer efficiency; only 25% of transfers of this form made to producers actually accrue as additional income (Dewbre, Antón and Thompson, 2001[14]; OECD, 2001[13]). This research underpins the "positive reform agenda" (OECD, 2002[15]) calling for countries to identify and reform their most distorting policies, and find better alternatives when needed.

This research also finds that the distribution of support matters—when support is highly concentrated in a few countries or commodities, their distortionary effect is increased. This leads to deadweight losses and further reduced efficiency.

More recently, OECD work has considered how to encourage better food systems. This is the "triple challenge" of ensuring adequate and affordable food security and nutrition, addressing environmental challenges and sustainability, and providing opportunities for livelihoods for farmers and actors along the supply chain (OECD, 2021[16]). This idea was reflected in the 2022 Ministerial Declaration on Transformative Solutions for Sustainable Agriculture and Food Systems (OECD, 2022[17]).

OECD work has shown that the effects of policies that are potentially most distorting of production and trade have less clear-cut effects on the environment (Henderson and Lankoski, 2019[18]; Lankoski, Nales and Valin, 2025[19]). Policies linked to production or input use have the greatest potential to generate environmentally harmful impacts. That said, these impacts vary depending on the type of production or input targeted, whether there is a limit on production, and possible environmental conditions attached to the support. In contrast, agri-environmental payments, and, more particularly, well designed and implemented performance- or results-based payments directly tied to environmental outcomes are the most likely producer support policies to deliver environmental benefits. Local conditions, trade-offs between environmental dimensions and scales of analysis of the impacts (domestic or global level) need to be considered to better understand the impacts of support instruments and whether they are needed. Reforming or reorienting support policies can improve environmental outcomes and, in the case of budgetary support, provide additional resources for investment in targeted and beneficial measures (Valin, Henderson and Lankoski, 2023[20]).

OECD work on risk management is centred around a holistic framework that evolved from focusing on agricultural risk management tools to a much broader agricultural resilience lens. The initial framework provided a foundation by recognising the need to make risk management interventions commensurate to the type of risks considered (OECD, 2009[21]). In particular, it distinguished normal, market and catastrophic risks, each with consequences for farming and corresponding policy interventions.

Recommendations drawing on OECD work include the following:

- Governments should reform, reorient and phase out where possible the most distorting forms of support and measures; that is, those that reduce the capacity of the international trading system to fulfil its role in balancing food supplies between surplus and deficit regions.
- Governments should promote broad approaches to resilience that ensure preparedness and risk management systems that respond to the OECD's established risk management framework.
- Governments should reduce income support measures with low transfer efficiencies.
- Governments should move towards more sustainability and resilience to address the triple challenge facing agriculture and food systems: ensuring food security and nutrition; addressing environmental challenges and providing opportunities for livelihoods for all farmers.*

Note: *As reflected in the country chapters of the report, policies in a number of countries emphasise in particular addressing challenges related to climate change.

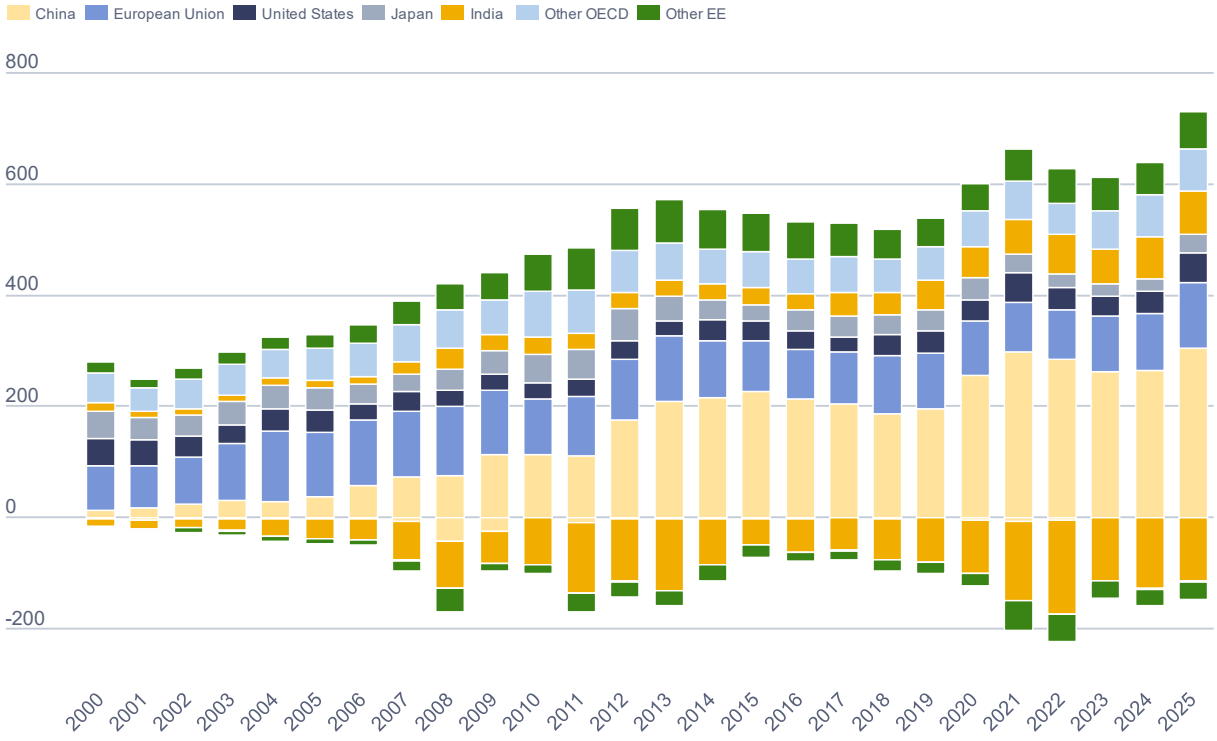
The share of support has shifted towards large emerging economies, led by China and India

A small number of economies with large agricultural sectors account for the most transfers to farmers. Over 2023-25, **China**, the **European Union**, the **United States** and **Japan** together accounted for around 69% of total transfers to farmers (positive PSE). However, their relative contributions have changed substantially over time (Figure 1.5). In 2000-02, the **European Union** accounted for roughly 30% of these transfers, followed by **Japan** and the **United States** (each around 17%), while **China** accounted for about 7%. Mirroring its growing share in agricultural production, by 2023-25 **China's** share had increased to approximately 42%, making it the largest source of transfers to farmers among the economies shown. Over the same period, the share of the **European Union** declined to around 14%, while the **United States** and **Japan** accounted for about 6% and 4%, respectively.

When considering both transfers to farmers and transfers borne by farmers, **India** represents a substantial share of overall support flows. In 2023-25, transfers to farmers in **India** averaged around USD 72 billion per year, while transfers borne by farmers where domestic prices are below international reference levels were of a similar or larger magnitude, averaging USD 119 billion per year. As a result, **India** is a key contributor to both sides of the overall support story. Its combined magnitude of transfers – both to and from farmers – makes it one of the most significant countries in shaping aggregate support patterns alongside China.

Figure 1.5. China and India account for a large and growing share of agricultural support

Producer support by country, 2000 to 2025, USD billion



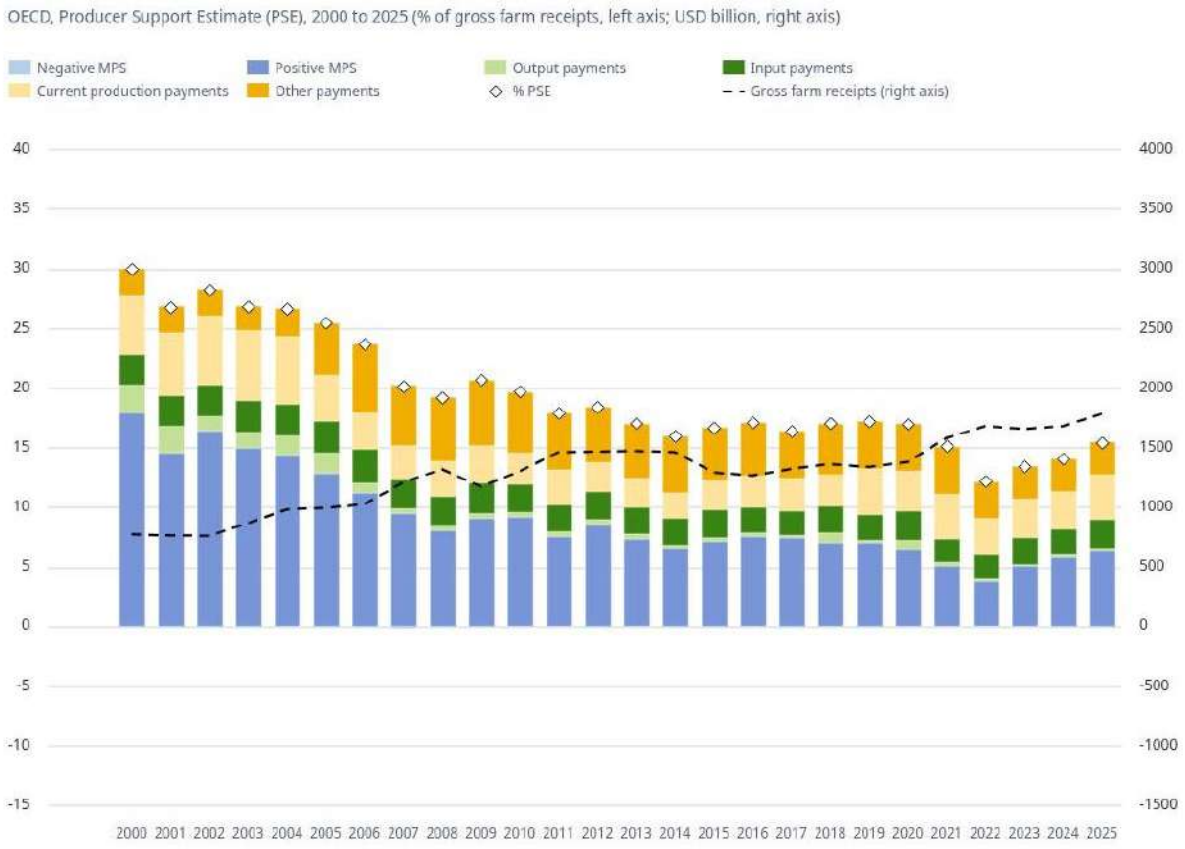
Note: European Union refers to EU15 for 2000-03, EU25 for 2004-06, EU27 for 2007-12, EU28 for 2013-19, EU27 and the United Kingdom for 2020, and EU27 from 2021. "Other EE" refers to Argentina, Brazil, Egypt, Indonesia, Kazakhstan, Peru, the Philippines, Russia, South Africa, Ukraine and Viet Nam.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

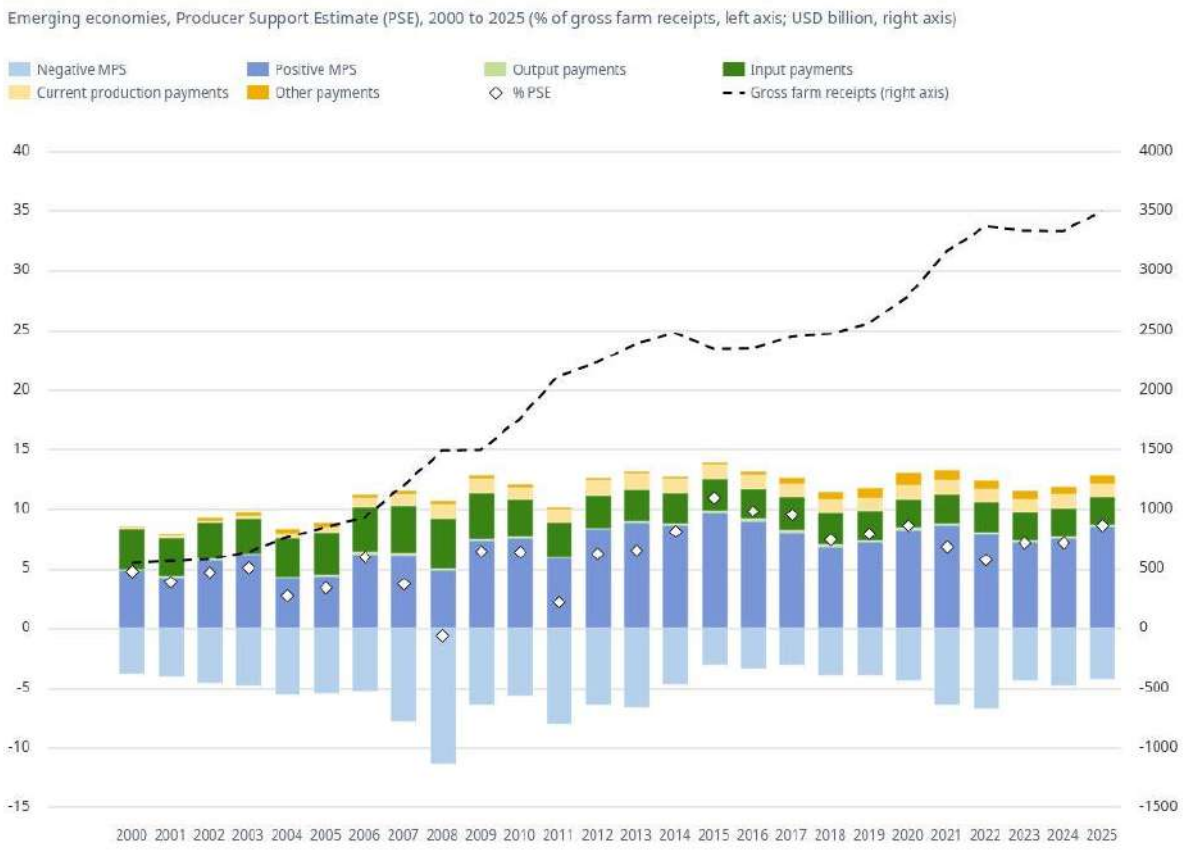
The composition of support to farmers differs between OECD countries and emerging economies

Since 2000, the composition of support has evolved differently in OECD countries and emerging economies. In OECD countries, transfers associated with domestic prices above international reference levels (MPS) have declined from around 15-16% of gross farm receipts in the early 2000s to about 6% in 2023-25 (Figure 1.6). Over the same period, budgetary measures, such as payments linked to current production, input use and other categories, have become relatively more important and now account for a larger share of transfers to farmers. Overall, **support as a share of farm receipts declined from around 27-30% in the early 2000s to around 14% in 2023-25,** with relatively limited variation since the mid-2010s and an increase after 2022.

In emerging economies, the composition of support has been more stable over the same period. Transfers to farmers arising from higher domestic prices have generally accounted for around 7-9% of gross farm receipts since 2000, while transfers from farmers arising from domestic prices below reference levels have remained an important component, typically ranging between 4% and 8% of farm receipts. Budgetary support has remained more limited and accounts for a smaller share of total support than in OECD countries. **Support as a share of farm receipts in emerging economies** has remained within a relatively narrow range of **around 6-9% since 2000**.

Figure 1.6. The composition of support to farmers has shifted toward budgetary payments in the OECD, while MPS continues to dominate support in the emerging economies





Note: MPS refers to market price support. The OECD total does not include non-OECD EU Member States. Latvia and Lithuania are included only from 2004. The 13 emerging economies include Argentina, Brazil, China, Egypt, India, Indonesia, Kazakhstan, Peru, the Philippines, Russia, South Africa, Ukraine and Viet Nam.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

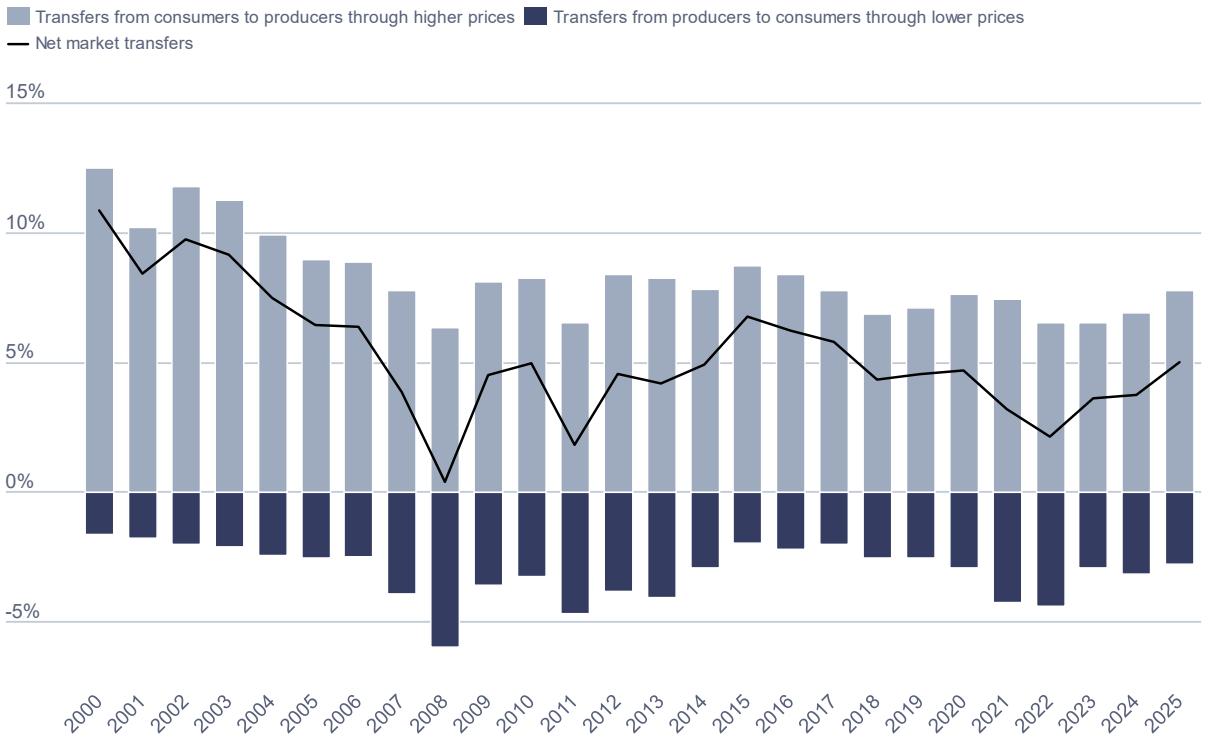
Net transfers to farmers have increased since 2022, reversing a long-term decline in market price support

Overall, price gaps between domestic and international reference prices remain a significant component of transfers affecting farmers (Box 1.5), although their importance has declined over time (Figure 1.7). **Across all 56 countries, transfers to farmers associated with higher domestic prices averaged around 7.1% of gross farm receipts over 2023-25**, compared to levels of around 12-13% in the early 2000s. Over the same period, transfers borne by farmers where domestic prices were below reference levels averaged around -2.9% of gross farm receipts, compared to about -1.6% to -2.0% in 2000-02. Taken together, these components have resulted in net transfers to farmers of approximately 4-5% of gross farm receipts in recent years, compared to around 10-11% in the early 2000s.

All three transfer series show more pronounced movements during periods of higher market volatility. Transfers to farmers declined steadily after the early 2000s, while transfers borne by farmers increased in magnitude, notably around 2007-2008, when they reached about -6% of gross farm receipts. As a result, net transfers to farmers declined sharply during this period and were nearly zero in the wake of the 2008 financial crisis, driven by exchange rate volatility. Since then, net transfers have stabilised within a range of approximately 3% to 5%. In more recent years, transfers to farmers have increased from around 6.5% in 2022 to nearly 8% in 2025. The last time MPS transfers to farmers were that high was in 2015.

Figure 1.7. Net market transfers to farmers have increased since 2022, following a long-term decline

Market price support (MPS), all countries, 2000 to 2025 (% of gross farm receipts)



Note: Data include MPS for all 56 countries and all commodities. Net transfers to farmers are the sum of transfers to farmers (from domestic prices being higher than world prices) and from farmers (from domestic prices being lower). Most policies that reduce domestic prices below world prices occur in emerging economies, especially **India**.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Box 1.5. Understanding market price support

Market price support (MPS) estimates the benefit or loss farmers and consumers experience when there is a difference between domestic prices and world prices. This price gap is calculated by measuring the difference between the actual domestic market price and price that would have prevailed were there no price-distorting policies in place (OECD, 2016[22]).

The price gap for a specific commodity measures the difference between two prices: the average domestic price and a reference price calculated at the same level in the value chain (generally at the farm gate). This reference price corresponds to the country's border price, i.e. the import price (for net-imported commodities) or the export price (for net-exported commodities). The reference price can be observed directly, estimated based on prices in similar or neighbouring countries or, in rare cases, using tariff or export tax data.

If the price gap is such that the domestic price is twice the reference price, the MPS as a share of commodity gross receipts should be 50% and producers receive double the revenue they would have otherwise (assuming there were no other forms of support offered). If domestic prices are five times

border prices, the MPS as a share of commodity gross receipts would be 80%. If the domestic price is half the world price (such as would result from a 50% tax), MPS as a share of commodity gross receipts would be -100%, a transfer to consumers borne by farmers. Market developments (such as exchange rate movements affecting world prices expressed in local currencies) may influence the price gap, so changes in MPS do not always mean that a policy has changed.

The price gap is calculated only if policies exist that could cause such a gap, such as border measures that restrict or promote imports or exports, and government purchases, sales and intervention prices in the domestic market. If countries do not implement such policies, the price gap is assumed to be zero. The price gap for individual commodities is adjusted for differences in product qualities, processing and transportation margins, to compare like with like.

MPS is not a measure of public expenditures but an estimation of implicit or explicit transfers. MPS estimates published by the OECD, therefore, often differ from, and should not be confused with, those published by other organisations, including by the World Trade Organization, which may use very different concepts to calculate their indicators, despite similar names.

Source: OECD (2020[23]), *Agricultural Policy Monitoring and Evaluation 2020*, https://doi.org/10.1787/928181a8-en.

Payments without input constraints dominate total support, while conditionality is mainly applied to payments based on area or input use

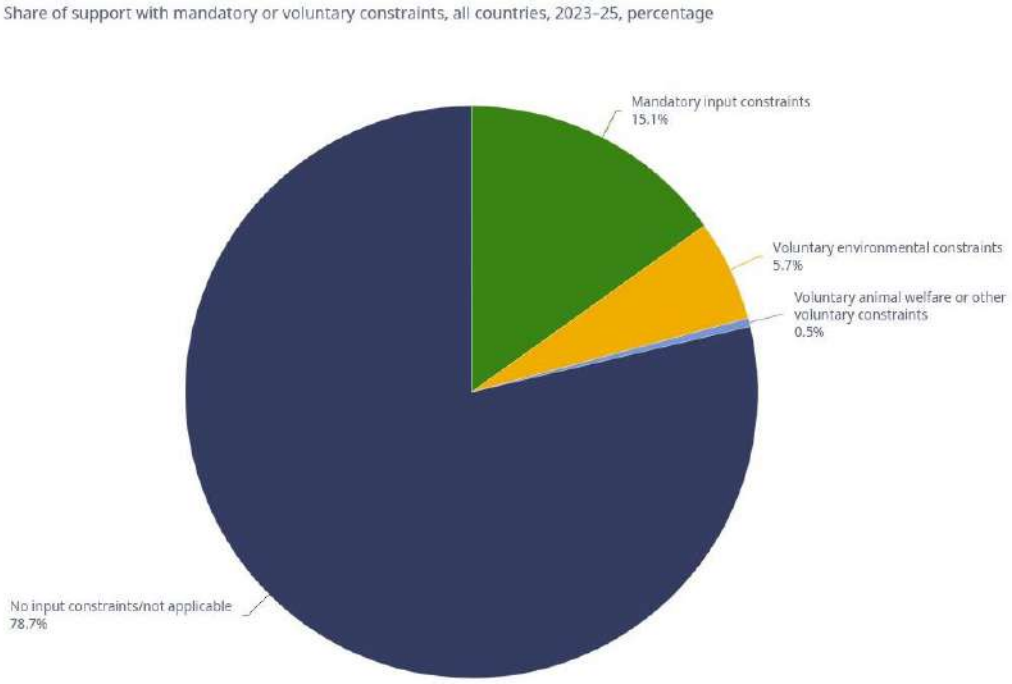
Payments made to producers are often subject to conditionality that sets out obligations that farmers must meet to be eligible. These conditions involve actions that may be “mandatory” or “voluntary”. Mandatory input constraints include requirements to comply with prevailing laws or regulations or complementing rules, while voluntary constraints go beyond legal requirements where farmers adopt or refrain from certain practices in exchange for receiving the payment. Within the voluntary input constraint label, a further distinction is introduced to identify the character of constraint, i.e. whether it concerns (i) environmental practices, (ii) animal welfare, or (iii) other practices. For example, in **Canada**, support provided under the Agricultural Clean Technology – Adoption Stream programme is contingent on producers adopting commercially available clean technologies, with funding prioritised for projects that achieve measurable reductions in greenhouse gas, fertiliser and methane emissions. Such programmes exemplify voluntary environmental constraints, where payments are tied to the uptake of practices that go beyond regulatory requirements. Market price support cannot be made conditional, as beneficiaries cannot be excluded from higher prices in the domestic market. Budgetary payments, however, can be, and often are, subject to mandatory or voluntary input constraints.

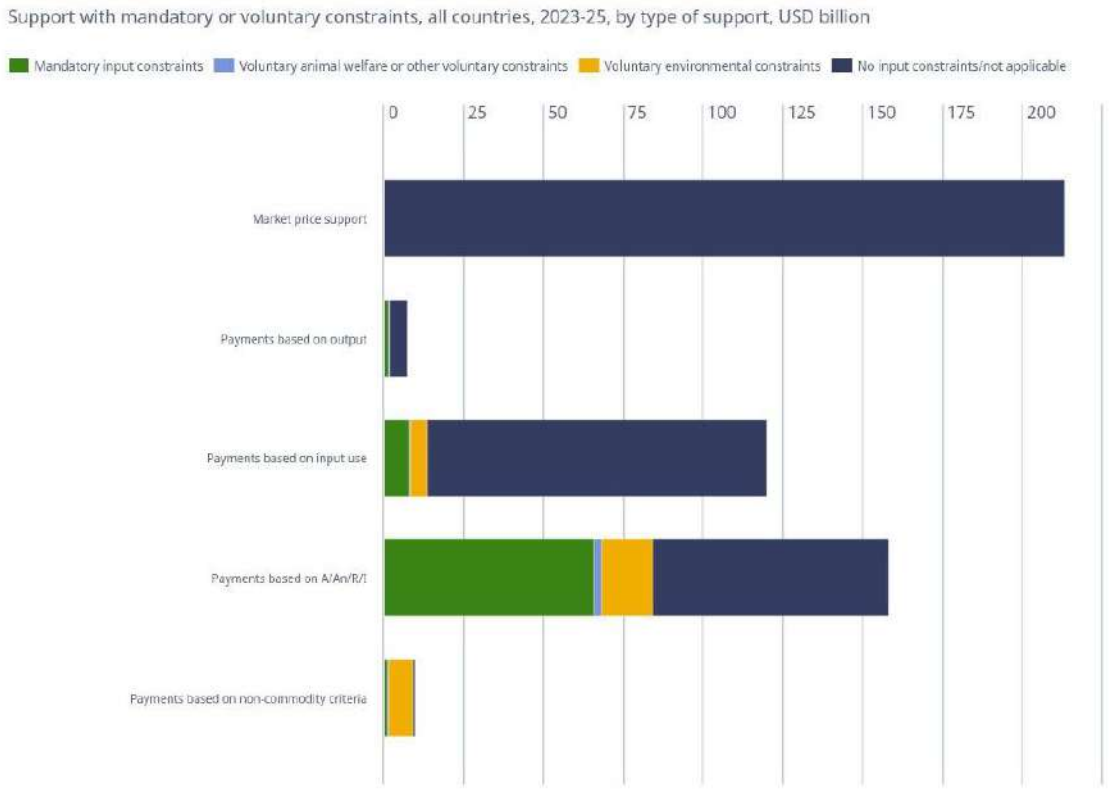
In 2023–25, 21% of support to all countries covered in this report was delivered subject to constraints, with most being mandatory input constraints (15% of support). This is an increase from 12% in 2000-02. Voluntary environmental constraints apply to 5% of all transfers to producers, the same share as in 2000-02, and other constraints account for about 1% (Figure 1.8). Constraints are almost always applied to support that is based on non-commodity criteria. More than half of support based on area, animal numbers, revenue or income have some conditions attached. Payments based on input use are less often subject to input constraints (about 11%).

Most transfers to farmers are not subject to input-related constraints (Figure 1.8). Across all policy instruments, **around 79% of total support (USD 401 billion) is provided without input constraints** or where such conditions are not applicable, as is the case for MPS. Support subject to mandatory input constraints accounts for approximately USD 77 billion (15%), while support with voluntary environmental constraints represents about USD 29 billion (6%). Support linked to voluntary animal welfare or other voluntary constraints remains limited, at around USD 2.4 billion (less than 1%).

The use of constraints varies significantly across policy instruments. Payments based on area, animal numbers, receipts or income (A/An/R/I) account for the largest share of support, with conditions attached, including around USD 66 billion with mandatory constraints and USD 16 billion with voluntary environmental constraints. Payments based on input use include around USD 4 billion with mandatory constraints and smaller amounts with voluntary conditions, while infrastructure-related measures (fixed capital formation) include both mandatory and voluntary constraints, at about USD 3.3 billion and USD 3 billion, respectively. Payments based on non-commodity criteria are more frequently associated with voluntary environmental constraints, particularly for long-term resource retirement programmes (around USD 4.6 billion).

Figure 1.8. Most support is unconstrained, while conditionality is concentrated in specific policy instruments





Note: A/An/R/I refers to Area planted/Animal numbers/Receipts/Income. Payments based on A/An/R/I includes 3 payment categories: 1. Payments based on current A/An/R/I, production required; 2. Payments based on non-current A/An/R/I, production required and 3. Payments based on non-current A/An/R/I, production not required. The All countries total includes all OECD countries, non-OECD EU Member States and the emerging economies: Argentina, Brazil, China, Egypt, India, Indonesia, Kazakhstan, Peru, the Philippines, Russia, South Africa, Ukraine and Viet Nam.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring* (database), https://data-explorer.oecd.org/.

Certain commodities receive relatively more support

Policies are often designed to affect specific commodities. By their construction, policies providing MPS and payments for outputs are commodity-specific, while other budgetary payments may or may not be targeted to a specific commodity. For example, a tariff on wheat imports makes imports more expensive, raising domestic prices and benefitting domestic wheat producers. Payments based on inputs or other production factors often stipulate terms that make them commodity-specific, such as when a fertiliser subsidy is granted only for the production of maize, or a payment that is made per head of livestock. The total value of such payments taken together with MPS are reported for each commodity as single-commodity transfers (SCT).

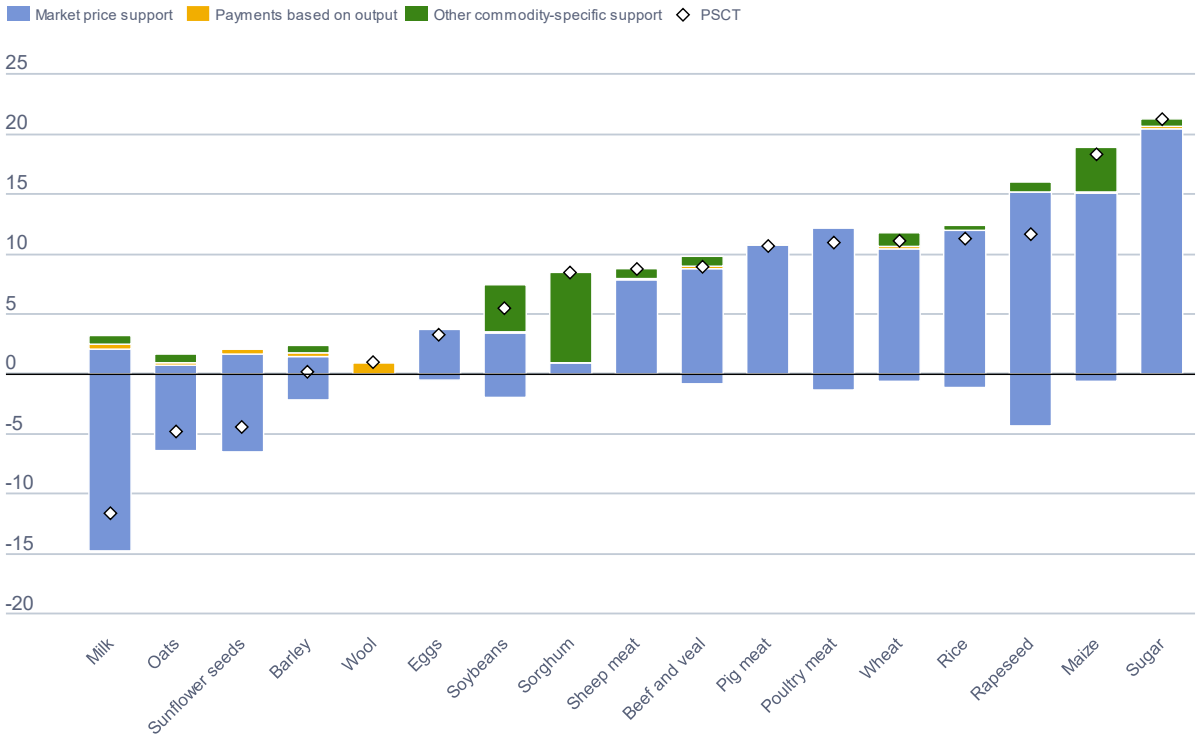
Transfers linked to individual commodities, expressed as a share of gross commodity receipts, vary widely across products (Figure 1.9). Net transfers to farmers (PSCT) may be substantially negative, for example, milk (-12%), oats (-5%) and sunflower (-4%), to relatively high positive levels, such as maize (18%), raw sugar (21%), rapeseed (12%) and several livestock products (around 11%). These patterns reflect differences across countries: transfers to consumers borne by farmers are concentrated in emerging economies, while for some commodities – particularly milk and certain livestock products – transfers to farmers borne by consumers associated with higher domestic prices are relatively large in many OECD countries. Overall, price gaps between domestic and international reference prices remain the main driver of commodity-specific transfers, while other commodity-specific payments account for a smaller share.

For some commodities, differences in policy approaches across countries result in net transfers that are close to zero when aggregated, but this masks substantial underlying transfers in both directions. Looking at the combined magnitude of transfers to farmers and transfers borne by farmers provides a more complete indication of the overall policy effort affecting a given commodity. For example, net commodity-specific transfers for barley are close to zero in aggregate, but this reflects the presence of transfers to farmers in some countries and transfers borne by farmers in others.

Considered in this way, the commodities receiving the largest overall policy attention include sugar, rapeseed, maize and milk, where the combined magnitude of transfers is relatively high. While policies in some countries raise domestic prices for these commodities, in others they result in lower prices relative to international reference levels. As a result, similar commodities may be associated with different transfer patterns across countries, but with a comparable overall level of policy intervention when measured in absolute terms. Commodities with the lowest combined transfers are wool, eggs, barley and oats.

Figure 1.9. Support varies widely across commodities, with highest levels for sugar, maize and rapeseed

Transfers to specific commodities (SCT), all countries, 2023-25, percentage of commodity gross receipts



Note: Data refer to the All countries total, including all OECD countries, non-OECD EU Member States, and 13 emerging economies. Commodities are ranked according to their net percentage Specific Commodity Transfers (PSCT).
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Commodity-specific support can influence production choices by changing the relative returns of commodities or groups of commodities. For example, a payment per bale of cotton produced can lead to more area being planted to cotton instead of other alternatives. In this way, support that is targeted to a few specific commodities can be more distorting of production than the same level of support that is distributed evenly across commodities or that is not commodity-specific. This can hinder farmers' adaptive

capacity when commodity-specific support makes them less likely to move away from a commodity when growing conditions change, potentially perpetuating reliance on government assistance.

Consumers remain net contributors, with amounts larger and more variable in emerging economies

Consumer-oriented measures serve a range of policy objectives and their effects are closely linked to policies affecting farmers. Policies influencing domestic prices can result in consumers paying higher prices for agricultural commodities or benefiting from lower prices (Box 1.6). Consumers may also benefit from budgetary transfers. On balance across the countries covered in this report, policies resulted in transfers borne by consumers equivalent to 4.4% of gross consumer expenditures measured at farm gate prices (%CSE) on average over 2023-25 (Figure 1.10).

Box 1.6. Components of the Consumer Support Estimate

The consumer support estimate (CSE) is composed of three elements. These are defined by the source and destination of the transfer generated by the policy.

- **Transfers from consumers to farmers**. The largest component of the CSE in most countries is market price support (MPS), which raises domestic prices. Consumers pay a higher price for food and farmers receive a higher price for their production; therefore, the direction of transfer is from consumers to farmers (i.e. an implicit taxation of consumers). This is reversed when policies keep domestic prices low, which is negative MPS, in other words, a transfer from farmers to consumers (i.e. support to consumers). Some countries use a mix of both, though it is more common in OECD countries for MPS policies to only make transfers from consumers to farmers.
- **Other transfers from consumers**. This is also a result of MPS policies. When a country uses MPS to raise the domestic price of a commodity and the country is also a net importer of that commodity, the government is the beneficiary of the transfer in the form of tariff revenue earned on the imported product. In rare cases, import quota holders could be the beneficiaries of these transfers.
- **Transfers from taxpayers to consumers**. This is a result of budgetary policies (which are funded by taxpayers) that make transfers to consumers, such as in the form of reduced cost for school lunches or nutrition assistance programmes. In most countries, this is the smallest component of the CSE.

In OECD countries, transfers borne by consumers through higher prices for agricultural commodities have remained relatively stable over time, averaging around USD 95 billion per year in 2023-25, with additional transfers from consumers of about USD 23 billion per year. These were partly offset by transfers to consumers financed by taxpayers, which have increased to around USD 71 billion per year in recent years.

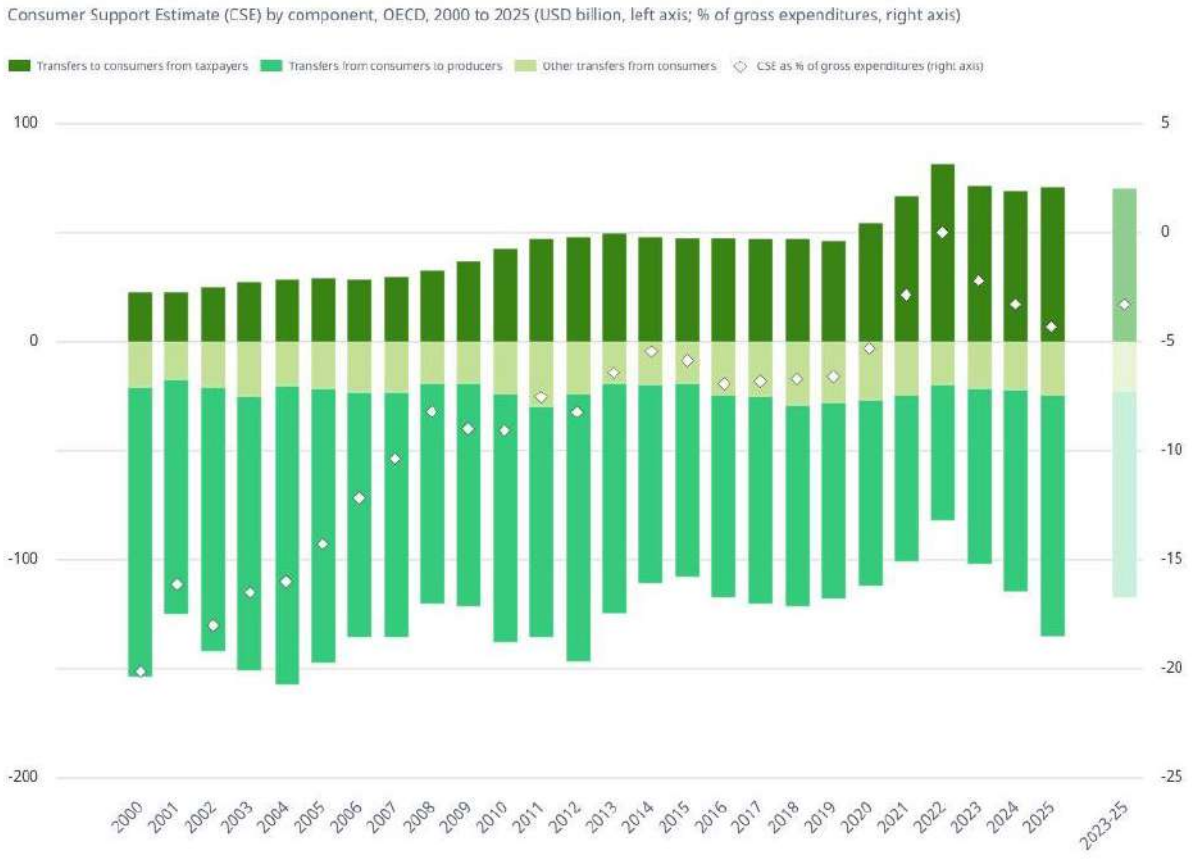
In emerging economies, transfers affecting consumers are larger and more variable. Transfers borne by consumers through higher prices and other mechanisms averaged around USD 152 billion per year in 2023-25, while additional transfers from consumers averaged about USD 66 billion per year. Transfers to consumers financed by taxpayers are smaller in comparison, averaging around USD 35 billion per year in recent years, and show less variation over time.

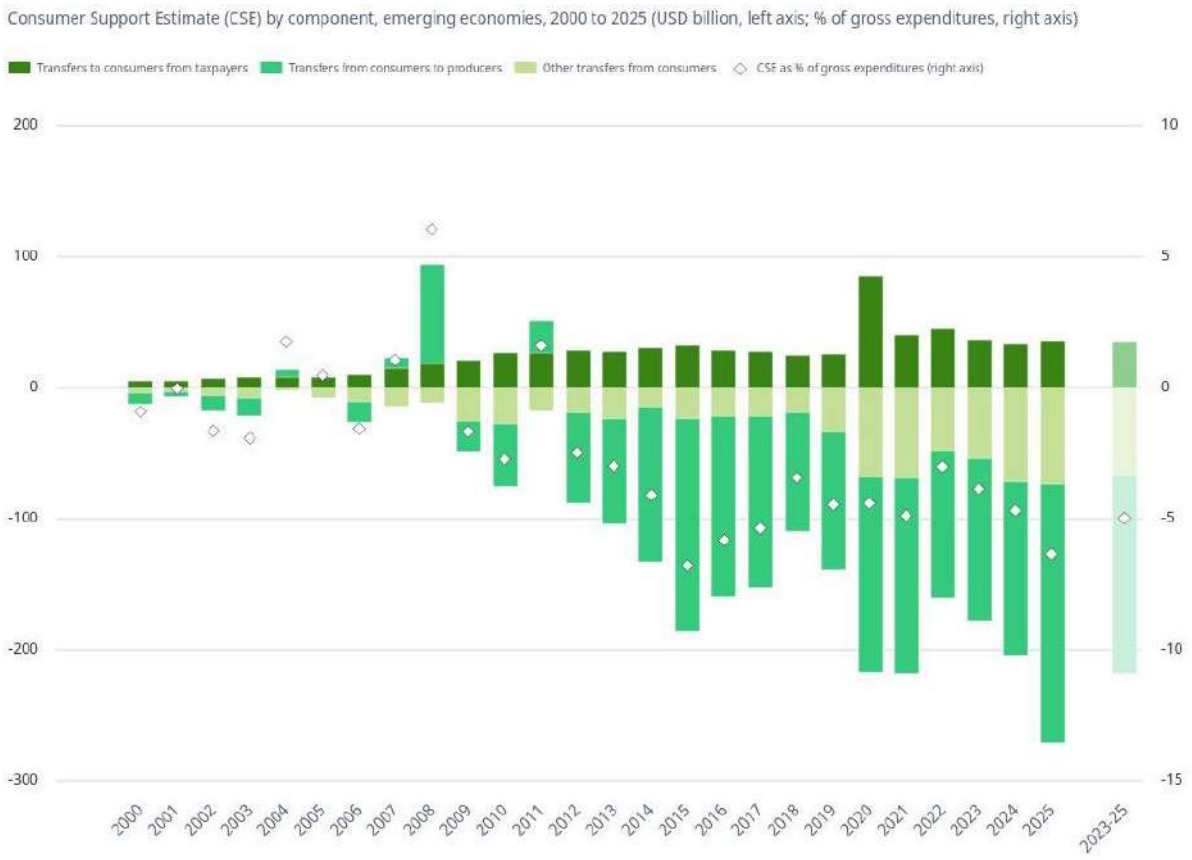
As a result, consumers in both groups of countries remained net contributors overall. This is reflected in the percentage Consumer Support Estimate (%CSE), which remained negative throughout the period. **In OECD countries, the %CSE improved from around -11% in 2000-02 to about -3.3%** in 2023-25. **In**

emerging economies, the %CSE was -5% on average in 2023-25, worsening from -0.9% in 2000-02, with larger fluctuations across years.

The composition of transfers affecting consumers differs between country groups. In OECD countries, taxpayer-financed transfers to consumers account for a larger share of total transfers and transfers borne by consumers are more stable over time. In emerging economies, transfers borne by consumers account for a larger share and vary more from year to year.

Figure 1.10. Consumers face a mix of policies that either support or implicitly tax them





Note: CSE or consumer support estimate is the total of positive and negative components. The OECD total does not include the non-OECD EU Member States. The 13 emerging economies include Argentina, Brazil, China, Egypt, India, Indonesia, Kazakhstan, Peru, the Philippines, Russia, South Africa, Ukraine and Viet Nam.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

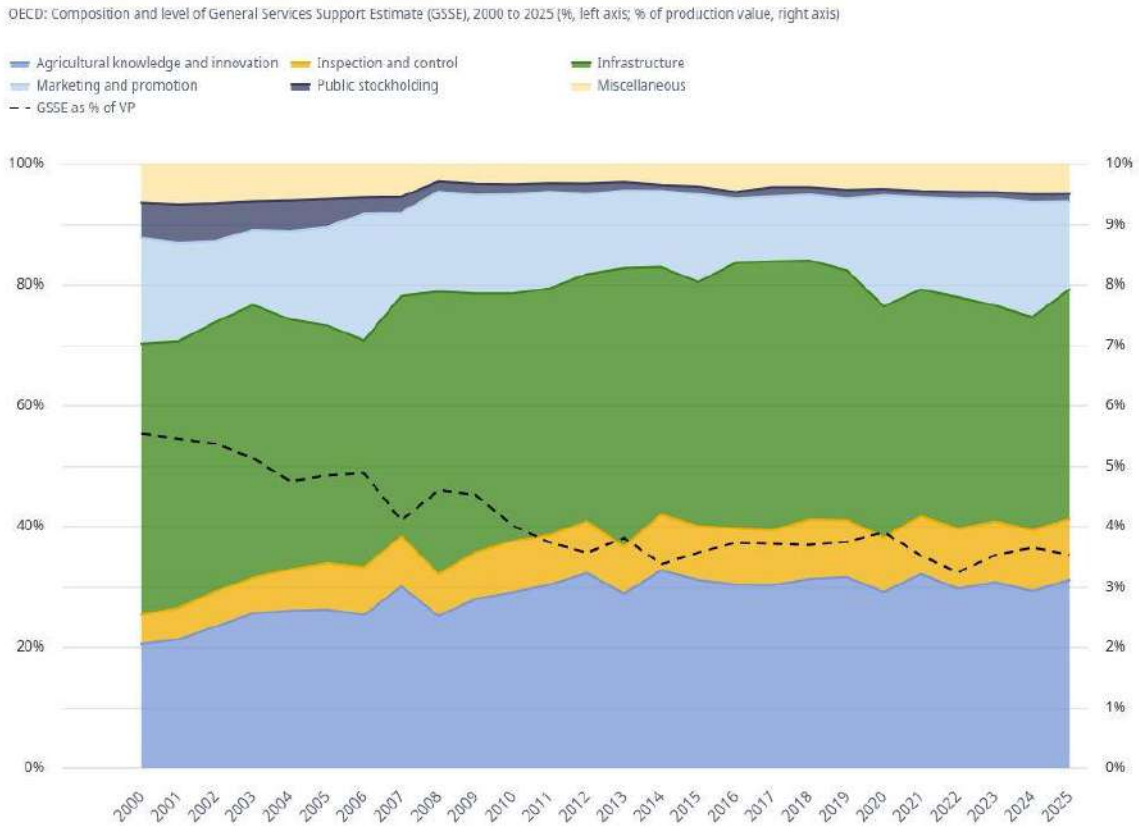
General services support has increased, with more diversified spending in OECD countries and greater concentration in emerging economies

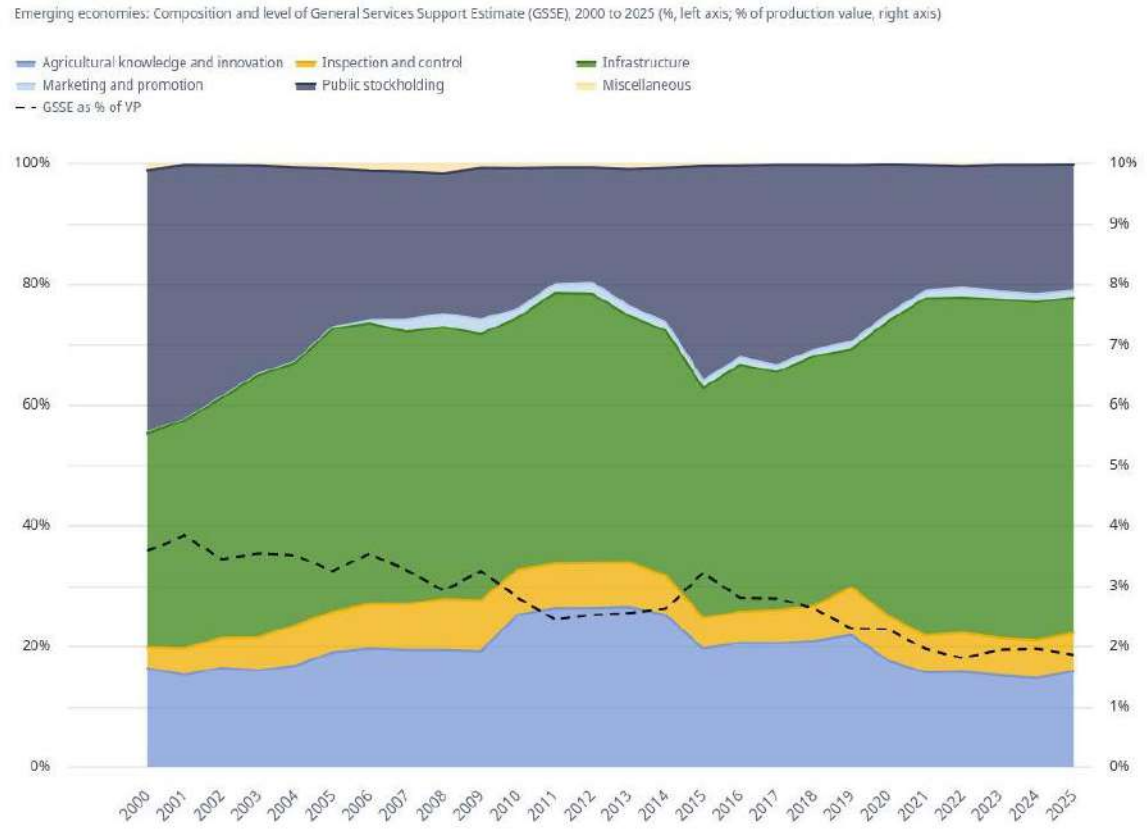
Policy expenditures that support the primary agricultural sector as a whole, as opposed to providing transfers to individual farmers or consumers, have increased in both OECD countries and emerging economies since 2000, although with differences in composition and relative importance (Figure 1.11). **In OECD countries, total general services support rose from around USD 38 billion in 2000 to about USD 57 billion in 2025,** averaging approximately USD 56 billion over 2023-25. Infrastructure (largely for irrigation projects) and agricultural knowledge and innovation systems (AKIS) represent the largest components, at around USD 20 billion and USD 17 billion per year in 2023-25, respectively, while inspection and control averaged about USD 5.6 billion per year. The overall composition has remained relatively stable over time, with several components contributing to total spending. As a share of the value of agricultural production, general services declined gradually from around 5.5% in the early 2000s to about 3.6% in 2023-25.

In emerging economies, general services support expanded more rapidly in absolute terms, **increasing from around USD 19 billion in 2000 to about USD 63 billion** in recent years, with an average of approximately USD 63 billion over 2023-25. The composition is more concentrated than in OECD countries, with infrastructure accounting for about USD 35 billion per year and public stockholding forming a prominent component throughout the period, averaging around USD 13 billion in recent years. Other

components, including AKIS (around USD 9.6 billion), and inspection and control (around USD 3.9 billion), account for smaller shares. Despite this growth, general services support represents a smaller share of the value of production than in OECD countries, declining from about 3.6% to around 1.9% over the same period.

Figure 1.11. Infrastructure dominates general services support, while public stockholding plays a larger role in emerging economies





Note: The OECD total does not include the non-OECD EU Member States. The 13 emerging economies include Argentina, Brazil, China, Egypt, India, Indonesia, Kazakhstan, Peru, the Philippines, Russia, South Africa, Ukraine and Viet Nam.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Conclusions

Recent increases in total agricultural support are driven by price-related transfers

Support to agriculture remains substantial, exceeding USD 950 billion in 2025. Its share of the value of agricultural production declined over the long term as output grew more rapidly. Since 2022, however, support relative to production has increased again, largely because of changes in price-related transfers, though ad-hoc disaster payments also increased. Market price support remains central and shapes transfers between farmers and consumers

Price gaps between domestic and international prices remain an important source of support to agriculture, affecting both farmers and consumers. Although these price gaps became less important over the long term, they have widened again in recent years, increasing support to farmers. Consumers continue to bear part of the cost through higher prices, particularly in emerging economies, where these transfers tend to be larger and more variable. The composition of support to farmers differs across countries, with emerging economies playing a larger role

The composition and distribution of support to farmers vary significantly across country groups. In OECD countries, support has shifted towards more diversified budgetary measures, while in emerging economies, price-related transfers continue to play a more prominent role. Large emerging economies, particularly

China and India, account for an increasing share of both total production and total transfers, shaping global patterns of support.

General services support is growing but differs in structure and relative importance

Expenditures on general services have increased in both OECD countries and emerging economies, though with clear structural differences. Spending is more diversified in OECD countries, with infrastructure and knowledge systems as the largest components, while in emerging economies it is more concentrated, with infrastructure and public stockholding playing a larger role. Despite growth in absolute terms, general services is shrinking as a share of the value of production, especially in emerging economies.

Most support to farmers remains unconstrained, with conditionality concentrated in specific instruments

Some countries are increasing their efforts to link support to farming requirements motivated by environmental and other objectives. Across policy instruments, most support is provided without such requirements. Where conditions are applied, they mainly relate to compliance with requirements that are already mandatory. Such conditions may improve the environmental performance of existing programmes, but their additional effects are difficult to assess and vary across instruments and countries. The share of support subject to constraints has increased over time but remains limited relative to total support.

Commodity-specific support remains significant and varies widely across products

Support directed at individual commodities continues to play an important role, with large variation across products and across countries. For some commodities, opposing policy approaches across countries result in offsetting transfers when aggregated, masking substantial underlying policy effort. The intensity of policy intervention remains high for commodities such as sugar, rapeseed, maize and milk.

Recent developments point to a reversal of long-term trends in support

Recent increases in market price-related transfers and overall support levels indicate a shift away from the long-term decline in support relative to production observed in previous decades. While such adjustments may reflect short-term responses to evolving conditions, they also highlight the importance of continuing to encourage less distorting forms of support. Given the continued importance of international trade in balancing food supply and demand, preserving open and predictable trade conditions remains an important consideration in the design of policy responses.

Interconnected risks call for a systematic policy response

Agricultural production in 2025 remained strong, but operated in an increasingly complex global environment shaped by macroeconomic pressures, geopolitical tensions and risks from intensified extreme weather events. These interacting factors contributed to higher volatility in input and output markets, and reinforced the importance of a systemic approach to resilience, sustainability and risk management within policy frameworks.

Overall, agricultural policies continue to reflect a combination of objectives related to productivity, income support, food security, sustainability and resilience. Increasingly interconnected risks and diversity of policy approaches across countries highlight the importance of considering both the level and composition of support when assessing its role in agricultural systems.

Policies that strengthen sustainability, resilience, risk management, innovation and productivity form key elements of a coherent approach to addressing current challenges. Measures that support preparedness,

facilitate open and predictable trade and enhance the capacity of the sector to adapt to changing conditions can contribute to more effective policy outcomes. In this context, reorienting support towards less distorting measures and investments that support long-term productivity and sustainability can help align policy frameworks with the evolving risk environment facing agriculture.

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Annex 1.A. Definition of OECD indicators of agricultural support

Nominal indicators used in this report

Producer Support Estimate (PSE): The annual monetary value of gross transfers from consumers and taxpayers to agricultural producers, measured at the farm gate level, arising from policy measures that support agriculture, regardless of their nature, objectives or impacts on farm production or income. It includes market price support, budgetary payments and budget revenue foregone, i.e. gross transfers from consumers and taxpayers to agricultural producers arising from policy measures based on: current output, input use, area planted/animal numbers/receipts/incomes (current, non-current), and non-commodity criteria. PSE categories are defined in Box 1 A.1.

Market Price Support (MPS): The annual monetary value of gross transfers from consumers and taxpayers to agricultural producers arising from policy measures that create a gap between domestic market prices and border prices of a specific agricultural commodity, measured at the farm gate level. MPS is available by commodity, and sums of negative and positive components are reported separately where relevant along with the total MPS.

Producer Single Commodity Transfers (producer SCT): The annual monetary value of gross transfers from consumers and taxpayers to agricultural producers, measured at the farm gate level, arising from policies linked to the production of a single commodity such that the producer must produce the designated commodity in order to receive the payment. This includes broader policies where transfers are specified on a per-commodity basis. Producer SCT is also available by commodity.

Group Commodity Transfers (GCT): The annual monetary value of gross transfers from consumers and taxpayers to agricultural producers, measured at the farm gate level, arising from policies whose payments are made on the basis that one or more of a designated list of commodities is produced, i.e. a producer may produce from a set of allowable commodities and receive a transfer that does not vary with respect to this decision.

All Commodity Transfers (ACT): The annual monetary value of gross transfers from consumers and taxpayers to agricultural producers, measured at the farm gate level, arising from policies that place no restrictions on the commodity produced but require the recipient to produce some commodity of their choice.

Other Transfers to Producers (OTP): The annual monetary value of gross transfers from consumers and taxpayers to agricultural producers, measured at the farm gate level, arising from policies that do not require any commodity production at all.

Consumer Single Commodity Transfers (consumer SCT): The annual monetary value of gross transfers from (to) consumers of agricultural commodities, measured at the farm gate level, arising from policies linked to the production of a single commodity. Consumer SCT is also available by commodity.

Consumer Support Estimate (CSE): The annual monetary value of gross transfers from (to) consumers of agricultural commodities, measured at the farm gate level, arising from policy measures that support agriculture, regardless of their nature, objectives or impacts on consumption of farm products. If negative, the CSE measures the burden (implicit tax) on consumers through market price support (higher prices), that more than offsets consumer subsidies that lower prices to consumers.

General Services Support Estimate (GSSE): The annual monetary value of gross transfers arising from policy measures that create enabling conditions for the primary agricultural sector through development of private or public services, institutions and infrastructure, regardless of their objectives and impacts on farm production and income, or consumption of farm products. The GSSE includes policies where primary agriculture is the main beneficiary, but does not include any payments to individual producers. GSSE transfers do not directly alter producer receipts or costs or consumption expenditures. GSSE categories are defined below.

Total Support Estimate (TSE): The annual monetary value of all gross transfers from taxpayers and consumers arising from policy measures that support agriculture, net of the associated budgetary receipts, regardless of their objectives and impacts on farm production and income, or consumption of farm products.

Total Budgetary Support Estimate (TBSE): The annual monetary value of all gross budgetary transfers from taxpayers arising from policy measures that support agriculture, regardless of their objectives and impacts on farm production and income, or consumption of farm products.

Gross Farm Receipts (GFR): The annual monetary value of production, to which budgetary transfers to individual producers are added (i.e. VP + PSE – MPS).

Commodity Gross Receipts: The annual monetary value of production for an individual commodity, to which budgetary transfers to producers of that commodity are added (i.e. VP + producer SCT – MPS).

Ratio indicators and percentage indicators

Percentage PSE (%PSE): PSE transfers as a share of gross farm receipts (including support in the denominator).

Percentage SCT (%SCT): Single Commodity Transfers as a share of gross receipts for the specific commodity (including support in the denominator).

Share of SCT in total PSE (%): Share of Single Commodity Transfers in the total PSE. This indicator is also calculated by commodity.

Producer Nominal Protection Coefficient (producer NPC): The ratio between the average price received by producers (at farm gate), including payments per tonne of current output, and the border price (measured at farm gate). The Producer NPC is also available by commodity.

Producer Nominal Assistance Coefficient (producer NAC): The ratio between the value of gross farm receipts including support and gross farm receipts (at farm gate) valued at border prices (measured at farm gate).

Percentage CSE (%CSE): CSE transfers as a share of consumption expenditure on agricultural commodities (at farm gate prices), net of taxpayer transfers to consumers. The %CSE measures the implicit tax (or subsidy, if CSE is positive) placed on consumers by agricultural price policies.

Consumer Nominal Protection Coefficient (consumer NPC): The ratio between the average price paid by consumers (at farm gate) and the border price (measured at farm gate). The Consumer NPC is also available by commodity.

Consumer Nominal Assistance Coefficient (consumer NAC): The ratio between the value of consumption expenditure on agricultural commodities (at farm gate) and that valued at border prices.

Percentage TSE (%TSE): TSE transfers as a percentage of GDP.

Percentage TBSE (%TBSE): TBSE transfers as a percentage of GDP.

Percentage GSSE (%GSSE): Share of expenditures on general services in the Total Support Estimate (TSE).

Share of potentially most distorting transfers in aggregated gross producer transfers (%): represents the sum of positive MPS, the absolute value of negative MPS, payments based on output and payments based on unconstrained use of variable inputs, relative to the sum of positive MPS, the absolute value of negative MPS, and all budgetary payments to producers.

Annex Box 1.A.1. Definitions of categories in the PSE classification

Definitions of categories

Category A1, Market price support (MPS): Transfers from consumers and taxpayers to agricultural producers from policy measures that create a gap between domestic market prices and border prices of a specific agricultural commodity, measured at the farm gate level.

Category A2, Payments based on output: Transfers from taxpayers to agricultural producers from policy measures based on current output of a specific agricultural commodity.

Category B, Payments based on input use: Transfers from taxpayers to agricultural producers arising from policy measures based on on-farm use of inputs:

- ***Variable input use*** that reduces the on-farm cost of a specific variable input or a mix of variable inputs.
- ***Fixed capital formation*** that reduces the on-farm investment cost of farm buildings, equipment, plantations, irrigation, drainage, and soil improvements.
- ***On-farm services*** that reduce the cost of technical, accounting, commercial, sanitary and phytosanitary assistance and training provided to individual farmers.

Category C, Payments based on current A/An/R/I, production required: Transfers from taxpayers to agricultural producers arising from policy measures based on current area, animal numbers, revenue, or income, and requiring production.

Category D, Payments based on non-current A/An/R/I, production required: Transfers from taxpayers to agricultural producers arising from policy measures based on non-current (i.e. historical or fixed) area, animal numbers, revenue, or income, with current production of any commodity required.

Category E, Payments based on non-current A/An/R/I, production not required: Transfers from taxpayers to agricultural producers arising from policy measures based on non-current (i.e. historical or fixed) area, animal numbers, revenue, or income, with current production of any commodity not required but optional.

Category F, Payments based on non-commodity criteria: Transfers from taxpayers to agricultural producers arising from policy measures based on:

- ***Long-term resource retirement:*** Transfers for the long-term retirement of factors of production from commodity production. The payments in this subcategory are distinguished from those requiring short-term resource retirement, which are based on commodity production criteria.
- ***A specific non-commodity output:*** Transfers for the use of farm resources to produce specific non-commodity outputs of goods and services, which are not required by regulations.
- ***Other non-commodity criteria:*** Transfers provided equally to all farmers, such as a flat rate or lump sum payment.

Category G, Miscellaneous payments: Transfers from taxpayers to farmers for which there is a lack of information to allocate them among the appropriate categories.

Note: A (area), An (animal numbers), R (receipts) or I (income).

Definitions of labels

With or without current commodity production limits and/or limit to payments: Defines whether or not there is a specific limitation on current commodity production (output) associated with a policy providing transfers to agriculture and whether or not there are limits to payments in the form of limits to area or animal numbers eligible for those payments. Applied in categories A–F.

With variable or fixed payment rates: Any payments is defined as subject to a variable rate where the formula determining the level of payment is triggered by a change in price, yield, net revenue or income or a change in production cost. Applied in categories A–E.

With or without input constraints: defines whether or not there are specific requirements concerning farming practices related to the programme in terms of the reduction, replacement, or withdrawal in the use of inputs or a restriction of farming practices allowed. Applied in categories A–F. The payments with input constrains are further broken down to:

- Payments conditional on compliance with basic requirements that are mandatory (with mandatory);
- Payments requiring specific practices going beyond basic requirements and voluntary (with voluntary).
  - Specific practices related to environmental issues.
  - Specific practices related to animal welfare.
  - Other specific practices.

With or without commodity exceptions: defines whether or not there are prohibitions upon the production of certain commodities as a condition of eligibility for payments based on non-current A/An/R/I of commodity(ies). Applied in Category E.

Based on area, animal numbers, receipts or income: defines the specific attribute (i.e. area, animal numbers, receipts or income) on which the payment is based. Applied in categories C–E.

Based on a single commodity, a group of commodities or all commodities: defines whether the payment is granted for production of a single commodity, a group of commodities or all commodities. Applied in categories A–D.

Drivers of the change in PSE

Decomposition of PSE

***Per cent change in PSE*:** Per cent change in the nominal value of the PSE expressed in national currency. The per cent change is calculated using the two most recent years in the series.

***Contribution of MPS to per cent change in PSE*:** Per cent change in nominal PSE if all variables other than MPS are held constant.

***Contribution of price gap to per cent change in the PSE*:** Per cent change in nominal PSE if all variables other than gap between domestic market prices and border prices are held constant.

***Contribution of quantity produced to per cent change in the PSE*:** Per cent change in nominal PSE if all variables other than quantity produced are held constant.

***Contribution of budgetary payments (BP) to per cent change in PSE*:** Per cent change in nominal PSE if all variables other than BP are held constant.

***Contribution of BP elements to per cent change in PSE*:** Per cent change in nominal PSE if all variables other than a given BP element are held constant. BP elements include Payments based on output, Payments based on input use, Payments based on current A/An/R/I, production required, Payments based on non-current A/An/R/I, production required, Payments based on non-current A/An/R/I, production not required, Payments based on non-commodity criteria and Miscellaneous payments.

Change in Producer Price

***Per cent change in Producer Price*:** Per cent change in Producer Price (at farm gate) expressed in national currency. The per cent change is calculated using the two most recent years in the series.

Decomposition of the change in the Border Price

***Per cent change in Border Price*:** Per cent change in Border Price (at farm gate) expressed in national currency. The per cent change is calculated using the two most recent years in the series.

***Contribution of Exchange Rate to per cent change in Border Price*:** Per cent change in the Border Price (at farm gate) expressed in national currency if all variables other than Exchange Rate between national currency and USD are held constant.

***Contribution of Border Price expressed in USD to per cent change in Border Price*:** Per cent change in the Border Price (at farm gate) expressed in national currency if all variables other than Border Price (at farm gate) expressed in USD are held constant.

Note: The change in Producer Support Estimate (PSE) is not decomposed when PSE is negative for the current and/or previous year. The producer price change and the border price change are not calculated when both negative and positive market price support (MPS) occur at the commodity level for the previous year. Note that negative MPS estimates for livestock products may arise in cases of aligned product prices if there is positive MPS for feed commodities.

Definition of GSSE categories

Agricultural knowledge and innovation system

- ***Agricultural knowledge generation***: Budgetary expenditure financing research and development (R&D) activities related to agriculture, and associated data dissemination, irrespective of the institution (private or public, ministry, university, research centre or producer groups) where they take place, the nature of research (scientific, institutional, etc.), or its purpose.
- ***Agricultural knowledge transfer***: Budgetary expenditure financing agricultural vocational schools and agricultural programmes in high-level education, training and advice to farmers that is generic (e.g. accounting rules, pesticide application), not specific to individual situations, and data collection and information dissemination networks related to agricultural production and marketing.

Inspection and control

- ***Agricultural product safety and inspection***: Budgetary expenditure financing activities related to agricultural product safety and inspection. This includes only expenditures on inspection of

domestically produced commodities at first level of processing and border inspection for exported commodities.

- ***Pest and disease inspection and control:*** Budgetary expenditure financing pest and disease control of agricultural inputs and outputs (control at primary agriculture level) and public funding of veterinary services (for the farming sector) and phytosanitary services.
- ***Input control:*** Budgetary expenditure financing the institutions providing control activities and certification of industrial inputs used in agriculture (e.g. machinery, industrial fertilisers, pesticides, etc.) and biological inputs (e.g. seed certification and control).

Development and maintenance of infrastructure

- ***Hydrological infrastructure:*** Budgetary expenditure financing public investments into hydrological infrastructure (irrigation and drainage networks).
- ***Storage, marketing and other physical infrastructure***: Budgetary expenditure financing investments to off-farm storage and other market infrastructure facilities related to handling and marketing primary agricultural products (silos, harbour facilities – docks, elevators; wholesale markets, futures markets), as well as other physical infrastructure related to agriculture, when agriculture is the main beneficiary.
- ***Institutional infrastructure***: Budgetary expenditure financing investments to build and maintain institutional infrastructure related to the farming sector (e.g. land cadastres; machinery user groups, seed and species registries; development of rural finance networks; support to farm organisations, etc.).
- ***Farm restructuring***: Budgetary payments related to reform of farm structures financing entry, exit or diversification (outside agriculture) strategies.

Marketing and promotion

- ***Collective schemes for processing and marketing***: Budgetary expenditure financing investment in collective, mainly primary, processing, marketing schemes and marketing facilities, designed to improve marketing environment for agriculture.
- ***Promotion of agricultural products***: Budgetary expenditure financing assistance to collective promotion of agro-food products (e.g. promotion campaigns, participation on international fairs).
- ***Cost of public stockholding***: Budgetary expenditure covering the costs of storage, depreciation and disposal of public storage of agricultural products.
- ***Miscellaneous***: Budgetary expenditure financing other general services that cannot be disaggregated and allocated to the above categories, often due to a lack of information.

More detailed information on the indicators, their use and limitations is available in OECD (2016), *OECD'S Producer Support Estimate and Related Indicators of Agricultural Support - Concepts, Calculations, Interpretation and Use (The PSE Manual)*, https://www.oecd.org/content/dam/oecd/en/topics/policy-issues/agricultural-policy-monitoring/producer-support-estimates-manual.pdf.

Annex 1.B. Estimates of support to agriculture: Regional aggregates

Annex Table 1.B.1. OECD: Estimates of support to agriculture

Million USD

	1986-88	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**595 948**	**674 346**	**1 561 641**	**1 519 800**	**1 542 960**	**1 622 163**
of which: share of MPS commodities (%)	71.26	70.61	73.59	74.65	72.27	73.86
Total value of consumption (at farm gate)	**555 706**	**665 006**	**1 443 272**	**1 417 329**	**1 399 174**	**1 513 315**
Producer Support Estimate (PSE)	**229 677**	**217 190**	**244 603**	**222 494**	**236 464**	**274 852**
Support based on commodity output	186 562	139 383	101 508	87 027	100 751	116 747
Market price support[1]	173 966	124 423	97 782	83 885	97 155	112 305
Positive market price support	178 365	125 075	98 259	84 096	97 613	113 069
Negative market price support	-4 399	-652	-477	-210	-457	-764
Payments based on output	12 596	14 960	3 727	3 142	3 595	4 442
Payments based on input use	19 703	19 536	38 207	36 207	36 208	42 205
Based on variable input use	9 262	8 018	12 832	12 822	12 731	12 944
with input constraints	796	492	2 715	2 557	2 617	2 972
Based on fixed capital formation	6 898	5 084	14 336	13 606	13 091	16 312
with input constraints	1 235	544	4 272	4 256	4 131	4 430
Based on on-farm services	3 544	6 434	11 038	9 779	10 386	12 949
with input constraints	439	967	2 788	2 181	2 173	4 010
Payments based on current A/An/R/I, production required	19 377	41 440	57 998	54 845	52 277	66 872
Based on Receipts / Income	2 052	3 173	9 825	7 884	9 020	12 570
Based on Area planted / Animal numbers	17 325	38 266	48 173	46 961	43 257	54 302
With input constraints	4 093	16 924	41 014	38 127	36 414	48 502
Payments based on non-current A/An/R/I, production required	577	71	2 382	2 185	2 453	2 508
Payments based on non-current A/An/R/I, production not required	2 080	13 720	35 267	35 083	34 421	36 297
With variable payment rates	181	4 318	548	609	435	598
with commodity exceptions	0	4 079	488	531	386	547
With fixed payment rates	1 899	9 402	34 720	34 474	33 986	35 699
with commodity exceptions	1 561	6 081	2 300	2 532	2 120	2 248
Payments based on non-commodity criteria	1 078	3 208	8 553	6 474	9 629	9 556
Based on long-term resource retirement	1 076	2 902	4 766	4 223	4 788	5 287
Based on a specific non-commodity output	2	237	2 660	2 018	2 295	3 665
Based on other non-commodity criteria	0	69	1 128	233	2 546	604
Miscellaneous payments	300	-167	687	671	724	665
Percentage PSE (%)	**35.24**	**28.31**	**14.32**	**13.42**	**14.06**	**15.40**
Producer NPC (coeff.)	**1.46**	**1.25**	**1.07**	**1.06**	**1.07**	**1.08**
Producer NAC (coeff.)	**1.54**	**1.39**	**1.17**	**1.15**	**1.16**	**1.18**
General Services Support Estimate (GSSE)	**25 633**	**36 797**	**55 838**	**53 683**	**56 434**	**57 395**
Agricultural knowledge and innovation system	4 891	8 025	17 003	16 539	16 564	17 906
Inspection and control	1 076	1 934	5 608	5 386	5 677	5 759
Development and maintenance of infrastructure	10 230	16 401	20 322	19 209	19 918	21 838
Marketing and promotion	2 159	5 781	9 548	9 506	10 761	8 377
Cost of public stockholding	5 882	2 284	666	569	722	706
Miscellaneous	1 395	2 372	2 692	2 474	2 793	2 808
Percentage GSSE (% of TSE)	**9.30**	**13.26**	**15.04**	**15.44**	**15.58**	**14.23**
Consumer Support Estimate (CSE)	**-154 535**	**-116 027**	**-45 147**	**-29 523**	**-43 643**	**-62 274**
Transfers to producers from consumers	-163 739	-120 653	-94 679	-80 809	-92 361	-110 868
Other transfers from consumers	-22 441	-19 495	-22 548	-21 186	-22 019	-24 439
Transfers to consumers from taxpayers	20 168	23 587	70 702	71 573	69 424	71 110
Excess feed cost	11 477	534	1 379	899	1 312	1 924
Percentage CSE (%)	**-28.86**	**-18.09**	**-3.29**	**-2.19**	**-3.28**	**-4.32**
Consumer NPC (coeff.)	**1.50**	**1.27**	**1.09**	**1.08**	**1.09**	**1.10**
Consumer NAC (coeff.)	**1.41**	**1.22**	**1.03**	**1.02**	**1.03**	**1.05**
Total Support Estimate (TSE)	**275 477**	**277 574**	**371 143**	**347 750**	**362 323**	**403 357**
Transfers from consumers	186 180	140 149	117 228	101 995	114 380	135 308
Transfers from taxpayers	111 739	156 921	276 464	266 941	269 962	292 488
Budget revenues	-22 441	-19 495	-22 548	-21 186	-22 019	-24 439
Percentage TSE (% of GDP)	**1.92**	**0.99**	**0.54**	**0.53**	**0.53**	**0.55**
Total Budgetary Support Estimate (TBSE)	**101 511**	**153 151**	**273 361**	**263 865**	**265 167**	**291 052**
Percentage TBSE (% of GDP)	**0.71**	**0.54**	**0.40**	**0.40**	**0.39**	**0.40**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
The OECD total for 1986-88 includes all 38 OECD member countries except Chile, Colombia, Costa Rica, Israel, Latvia, Lithuania and Slovenia, for which data are not available. The OECD total for 2000-02 includes all 38 OECD member countries except Latvia and Lithuania. TSE as a share of GDP for 1986-88 for the OECD is an estimate based on available data.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities: see notes to individual country tables.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring* (database), https://data-explorer.oecd.org/.

Annex Table 1.B.2. Emerging Economies: Estimates of support to agriculture

Million USD

	2000-02	2022-24	2023	2024	2025p
Total value of production (at farm gate)	**543 635**	**3 242 773**	**3 192 480**	**3 184 517**	**3 351 323**
of which: share of MPS commodities (%)	74.44	82.26	81.98	82.07	82.72
Total value of consumption (at farm gate)	**543 976**	**3 212 848**	**3 178 822**	**3 197 669**	**3 262 052**
Producer Support Estimate (PSE)	**25 123**	**259 790**	**238 904**	**238 749**	**301 718**
Support based on commodity output	4 981	117 869	101 244	95 189	157 175
Market price support[1]	4 565	114 252	97 599	91 630	153 528
Positive market price support	28 010	264 548	242 757	250 507	300 379
Negative market price support	-23 445	-150 295	-145 158	-158 877	-146 851
Payments based on output	416	3 617	3 645	3 560	3 646
Payments based on input use	18 193	80 928	78 350	82 480	81 955
Based on variable input use	12 228	57 807	56 709	59 026	57 687
with input constraints	16	1 708	2 461	1 779	883
Based on fixed capital formation	4 568	20 889	19 570	21 117	21 981
with input constraints	91	2 017	1 829	1 616	2 605
Based on on-farm services	1 398	2 232	2 071	2 338	2 287
with input constraints	16	115	108	77	159
Payments based on current A/An/R/I, production required	817	36 326	35 174	36 022	37 781
Based on Receipts / Income	813	3 755	2 829	3 685	4 751
Based on Area planted / Animal numbers	5	32 571	32 345	32 337	33 030
With input constraints	5	111	178	84	70
Payments based on non-current A/An/R/I, production required	0	0	0	0	0
Payments based on non-current A/An/R/I, production not required	370	22 347	22 122	22 612	22 306
With variable payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
With fixed payment rates	370	22 347	22 122	22 612	22 306
with commodity exceptions	0	0	0	0	0
Payments based on non-commodity criteria	458	1 158	1 143	1 150	1 180
Based on long-term resource retirement	458	1 140	1 128	1 133	1 159
Based on a specific non-commodity output	0	0	0	0	0
Based on other non-commodity criteria	0	18	15	17	21
Miscellaneous payments	302	1 163	871	1 295	1 322
Percentage PSE (%)	**4.45**	**7.67**	**7.17**	**7.17**	**8.62**
Producer NPC (coeff.)	**1.01**	**1.04**	**1.03**	**1.04**	**1.05**
Producer NAC (coeff.)	**1.05**	**1.08**	**1.08**	**1.08**	**1.09**
General Services Support Estimate (GSSE)	**19 709**	**62 516**	**62 262**	**62 650**	**62 636**
Agricultural knowledge and innovation system	3 167	9 605	9 521	9 306	9 989
Inspection and control	846	3 920	3 870	3 916	3 975
Development and maintenance of infrastructure	7 421	34 916	34 877	35 096	34 776
Marketing and promotion	30	786	817	800	742
Cost of public stockholding	8 141	13 147	13 029	13 390	13 022
Miscellaneous	103	141	149	142	132
Percentage GSSE (% of TSE)	**38.74**	**17.48**	**18.42**	**18.74**	**15.64**
Consumer Support Estimate (CSE)	**-4 625**	**-157 869**	**-120 921**	**-148 026**	**-204 659**
Transfers to producers from consumers	-7 953	-151 578	-124 768	-132 799	-197 169
Other transfers from consumers	-4 175	-65 959	-53 433	-71 101	-73 343
Transfers to consumers from taxpayers	6 048	35 289	36 810	32 945	36 112
Excess feed cost	1 456	24 380	20 470	22 929	29 740
Percentage CSE (%)	**-0.86**	**-4.97**	**-3.85**	**-4.68**	**-6.34**
Consumer NPC (coeff.)	**1.02**	**1.07**	**1.06**	**1.07**	**1.09**
Consumer NAC (coeff.)	**1.01**	**1.05**	**1.04**	**1.05**	**1.07**
Total Support Estimate (TSE)	**50 879**	**357 595**	**337 976**	**334 344**	**400 466**
Transfers from consumers	12 128	217 538	178 201	203 901	270 511
Transfers from taxpayers	42 926	206 017	213 208	201 545	203 297
Budget revenues	-4 175	-65 959	-53 433	-71 101	-73 343
Percentage TSE (% of GDP)	**1.41**	**1.13**	**1.11**	**1.06**	**1.21**
Total Budgetary Support Estimate (TBSE)	**46 315**	**243 343**	**240 377**	**242 715**	**246 937**
Percentage TBSE (% of GDP)	**1.28**	**0.77**	**0.79**	**0.77**	**0.75**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
The Emerging Economies include Argentina, Brazil, China, Egypt, India, Indonesia, Kazakhstan, Peru, the Philippines, Russia, South Africa, Ukraine and Viet Nam.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities: see notes to individual country tables.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring* (database), https://data-explorer.oecd.org/.

Annex Table 1.B.3. All countries: Estimates of support to agriculture

Million USD

	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**1 217 980**	**4 834 182**	**4 742 167**	**4 754 922**	**5 005 456**
of which: share of MPS commodities (%)	72.32	79.46	79.62	78.91	79.86
Total value of consumption (at farm gate)	**1 208 983**	**4 720 368**	**4 660 096**	**4 657 567**	**4 843 440**
Producer Support Estimate (PSE)	**242 313**	**509 920**	**466 518**	**480 549**	**582 691**
Support based on commodity output	144 364	220 390	189 057	196 797	275 315
Market price support[1]	128 988	213 037	182 262	189 633	267 217
Positive market price support	153 085	363 850	327 722	348 973	414 856
Negative market price support	-24 097	-150 813	-145 461	-159 340	-147 638
Payments based on output	15 376	7 352	6 795	7 164	8 098
Payments based on input use	37 729	119 777	115 143	119 233	124 955
Based on variable input use	20 246	70 877	69 805	71 933	70 895
with input constraints	507	4 423	5 017	4 396	3 855
Based on fixed capital formation	9 651	35 592	33 456	34 532	38 787
with input constraints	635	6 289	6 085	5 747	7 035
Based on on-farm services	7 832	13 308	11 882	12 768	15 274
with input constraints	983	2 910	2 303	2 257	4 169
Payments based on current A/An/R/I, production required	42 257	96 523	92 060	90 678	106 831
Based on Receipts / Income	3 986	13 710	10 989	12 735	17 407
Based on Area planted / Animal numbers	38 271	82 813	81 071	77 943	89 424
With input constraints	16 928	42 583	39 512	38 001	50 235
Payments based on non-current A/An/R/I, production required	71	2 382	2 185	2 453	2 508
Payments based on non-current A/An/R/I, production not required	14 090	59 204	58 828	58 516	60 267
With variable payment rates	4 318	548	609	435	598
with commodity exceptions	4 079	488	531	386	547
With fixed payment rates	9 772	58 656	58 218	58 080	59 669
with commodity exceptions	6 081	2 300	2 532	2 120	2 248
Payments based on non-commodity criteria	3 666	9 781	7 683	10 839	10 821
Based on long-term resource retirement	3 360	5 906	5 351	5 921	6 447
Based on a specific non-commodity output	237	2 724	2 076	2 350	3 745
Based on other non-commodity criteria	69	1 151	256	2 568	629
Miscellaneous payments	135	1 863	1 563	2 033	1 993
Percentage PSE (%)	**18.20**	**9.94**	**9.28**	**9.52**	**10.95**
Producer NPC (coeff.)	**1.13**	**1.05**	**1.04**	**1.05**	**1.06**
Producer NAC (coeff.)	**1.22**	**1.11**	**1.10**	**1.11**	**1.12**
General Services Support Estimate (GSSE)	**56 506**	**118 333**	**115 871**	**119 010**	**120 119**
Agricultural knowledge and innovation system	11 192	26 691	26 141	25 936	27 995
Inspection and control	2 780	9 548	9 265	9 613	9 767
Development and maintenance of infrastructure	23 822	55 326	54 151	55 070	56 758
Marketing and promotion	5 811	10 123	10 094	11 344	8 930
Cost of public stockholding	10 426	13 813	13 597	14 112	13 729
Miscellaneous	2 475	2 833	2 623	2 935	2 940
Percentage GSSE (% of TSE)	**17.20**	**16.12**	**16.77**	**16.95**	**14.83**
Consumer Support Estimate (CSE)	**-120 652**	**-204 123**	**-151 320**	**-192 518**	**-268 532**
Transfers to producers from consumers	-128 606	-247 404	-206 531	-226 049	-309 632
Other transfers from consumers	-23 671	-88 589	-74 642	-93 157	-97 968
Transfers to consumers from taxpayers	29 635	106 044	108 431	102 421	107 280
Excess feed cost	1 990	25 826	21 423	24 267	31 787
Percentage CSE (%)	**-10.23**	**-4.42**	**-3.32**	**-4.23**	**-5.67**
Consumer NPC (coeff.)	**1.14**	**1.08**	**1.06**	**1.07**	**1.09**
Consumer NAC (coeff.)	**1.11**	**1.05**	**1.03**	**1.04**	**1.06**
Total Support Estimate (TSE)	**328 454**	**734 297**	**690 820**	**701 980**	**810 091**
Transfers from consumers	152 277	335 993	281 173	319 206	407 600
Transfers from taxpayers	199 848	486 893	484 289	475 931	500 459
Budget revenues	-23 671	-88 589	-74 642	-93 157	-97 968
Percentage TSE (% of GDP)	**1.04**	**0.73**	**0.72**	**0.70**	**0.76**
Total Budgetary Support Estimate (TBSE)	**199 466**	**521 260**	**508 558**	**512 347**	**542 873**
Percentage TBSE (% of GDP)	**0.63**	**0.52**	**0.53**	**0.51**	**0.51**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
The All countries total includes all OECD countries, non-OECD EU Member States, and the Emerging Economies: Argentina, Brazil, China, Egypt, India, Indonesia, Kazakhstan, Peru the Philippines, Russia, South Africa, Ukraine and Viet Nam. The All countries total for 2000-02 includes data for all countries except Latvia and Lithuania, for which data are not available.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities: see notes to individual country tables.
Source: OECD (2026), "Producer and Consumer Support Estimates", OECD Agricultural policy monitoring (database), https://data-explorer.oecd.org/.

2 Developments in agricultural policies and support by country

This chapter reviews agricultural policy developments during 2025 and early 2026 across the 56 economies covered by the OECD Agricultural Policy Monitoring and Evaluation 2026. It examines government responses to changing trade conditions, environmental pressures, production and income risks, food affordability concerns, rural development needs, and opportunities from innovation and digitalisation. The chapter also compares the latest estimates of support to producers, consumers and general services across countries. It highlights differences in support levels, policy composition and commodity coverage, and assesses the continued importance of market price support and other measures linked to production and trade decisions.

Key messages

- Agricultural support remains substantial. Support to farmers represented 14.3% of gross farm receipts in OECD countries and 7.6% in emerging economies on average in 2023-25, with wide variation across countries. Support exceeded 40% of farm receipts in **Iceland**, **Switzerland**, **Norway** and **Korea**, while policies in **Argentina**, **Viet Nam** and **India** reduce farmers' returns by lowering domestic prices.
- The composition of producer support differs widely across countries, from systems dominated by market price support and other measures tied to prices, output or input use, as in **Iceland, Korea and India**, to those using mainly budgetary and less production-linked support, such as **Australia**, **Chile** and the **United States**. The **European Union** and **Switzerland** stand out with a relatively large share of budgetary support with voluntary constraints in their policy mixes. More than half of support to farmers in the **United States** is subject to mandatory constraints.
- Market price policies are often applied selectively across commodities. In many countries, a small number of commodities (commonly rice, maize or sugar) receive support exceeding 50% of their gross receipts, while others are little affected or face lower domestic prices. This uneven distribution means that aggregate indicators can mask important differences in how policies affect production.
- Estimated spending on general services that support the agricultural sector remains relatively low, averaging 2.4% and rarely exceeding 5% of the value of production, despite its importance for long-term productivity. While in major emerging economies infrastructure accounts for the largest share of this spending, investment in knowledge and innovation systems is more prominent in a smaller number of countries notably within the OECD.
- Agricultural policies continue to affect consumers mainly through market price support (MPS), which raises domestic prices relative to international markets. On average, consumer support is estimated at -3.2% of consumption expenditure in OECD countries and -5.0% in emerging economies, indicating that support directed at consumers does not fully counteract the negative effect on consumers of MPS. Direct budgetary transfers to consumers remain limited, with notable exceptions, such as the **United States** (around 18% of consumer expenditure) and **India** (around 26%).

Policies and responses to events in 2025-26

Agricultural policy in 2025 and 2026 has been influenced by a set of converging global trends that are reshaping food systems worldwide. Extreme weather has elevated resilience to the forefront of policy agendas. Governments are responding to the challenges facing agriculture, such as environmental pressures and shifting consumer preferences through different policy approaches. Geopolitical tensions and trade disruptions have heightened concerns over food security and supply chain stability, prompting a renewed focus on domestic production capacity and strategic reserves. Rapid advances in digital technologies and artificial intelligence are transforming agricultural practices and creating new opportunities. Often, developing countries face a different set of challenges than developed countries in terms of rural development, land tenure and productivity growth, with differing policy responses as a result.

Governments (or countries) undertook trade policy actions aimed at capturing the benefits of international trade and global market integration

Export policies

Germany launched a new agricultural export strategy to realign export promotion, open up new markets and strengthen the long-term competitiveness of agro-food enterprises. The strategy aims to make export promotion programmes more efficient, more flexible and more targeted, with particular attention to the needs of small and medium-sized enterprises (SMEs).

The Dairy Industry Restructuring (Export Licences Allocation) Amendment Act 2025 reforms how **New Zealand** allocates dairy export quotas for markets. Quotas are now based on export volume history rather than milk solids collected, and up to 10% of quota can be reserved for smaller or previously ineligible producers.

Costa Rica launched the Sustainable Agro-Landscapes Initiative and *Planeta Vivo* national label in 2025. These initiatives aim to certify and showcase environmental protection efforts and differentiate agricultural products in international markets through a label that demonstrates deforestation-free production, a neutral emissions balance and the responsible use of pesticides.

Egypt increased funding for agricultural export promotion and introduced plans for a digital export system to reduce customs delays.

Export taxes were reduced for key commodities in **Argentina** (beef, soybeans, maize, wheat, barley, sorghum and sunflower) and removed for some other products (including sugar, cotton, bovine leather, tobacco, forestry industry and rice). Administrative export permits were simplified or removed, and regional product exports were deregulated.

India relaxed export restrictions on selected crops in 2025 to allow limited exports of rice and wheat flour to the Maldives, and certain cereals and vegetable oils to Bhutan. In addition, the export ban on de-oiled rice bran was fully lifted.

Viet Nam signed new technical protocols with **the People's Republic of China** (hereafter "China") to facilitate agricultural exports through harmonised quarantine, food safety and traceability requirements. Customs authorities were instructed to prioritise clearance of agricultural exports, particularly perishable goods.

Import policies

Safeguard measures were introduced to limit rising beef imports in **China**. Following an investigation initiated at the end of 2024, China established a tariff rate quota for beef imports from January 2026, set at 2.7 million tonnes. Broadly aligned with recent import volumes and equivalent to nearly 30% of the domestic market, the quota appears designed to cap further import growth, with out-of-quota imports subject to an additional 55% safeguard duty. In addition, some import procedures affecting agro-food products were simplified while others were tightened. Customs reforms streamlined selected documentation requirements and procedures, and further digitalised related systems, while strengthening inspection, quarantine and supply chain controls.

Viet Nam reduced most favoured nation (MFN) import tariffs on agricultural products, including eliminating duties on maize and soybean meal.

A flexible tariff mechanism for rice imports was established in the **Philippines**, linking applied tariff rates to movements in international prices within a defined range. While the applied MFN tariff remained at 15% in 2025, as of January 2026 an automatic adjustment mechanism has been in place to moderate the transmission of global price fluctuations to the domestic market.

Indonesia banned imports of rice in calendar year 2025 after domestic production was forecast to meet domestic consumption needs. This import ban was extended for calendar year 2026 to include not only rice, but also table sugar and corn.

Temporary tariff reductions introduced by **Türkiye** during the COVID-19 pandemic were phased out, with customs duties on major cereals reverting to 130% and on pulses to 19.3%. Within this framework, targeted temporary adjustments were applied in 2025-26, including temporary duty reductions on maize imports (subsequently reinstated to 130%), a temporary reduction in the customs duty on oats from 130% to 30% (also since reinstated), a reduced rate on green lentils and adjustments to customs duties and tariff quotas on sunflower seeds and crude sunflower oil.

Targeted adjustments to trade and border measures were also implemented in the European Union, including tariff measures adopted in response to changes in trade conditions with key partners, together with import restrictions and regulatory controls aimed at addressing market pressures linked to sector-specific disruptions in neighbouring countries.

Trade agreements

The **Australia** and **United Arab Emirates** (UAE) Comprehensive Economic Partnership Agreement (CEPA) entered into force in October 2025. **Australia** and the **European Union (EU)** concluded negotiations on a free trade agreement in March 2026.

Viet Nam strengthened trade co-operation through agreements with the **United States (US)**, **South Africa** and the **United Arab Emirates**.

The **European Union**-Mercosur Partnership Agreement and the related Interim Trade Agreement were signed in early 2026.[1] Negotiations for a Free Trade Agreement (FTA) with **India** were concluded at the end of January 2026. Negotiations on the modernised **EU-Mexico** agreement were also concluded, the revised **EU-Ukraine** FTA entered into force and the terms of the agreement with **Moldova** were updated. All these initiatives include provisions on market access for agricultural products, including tariff and regulatory elements, while taking into account sector-specific considerations.

India reached major new trade agreements and negotiating frameworks with several key partners. It signed the Comprehensive Economic and Trade Agreement (CETA) with the **United Kingdom**, signed a Free Trade Agreement with New Zealand, concluded negotiations on a Free Trade Agreement with the **European Union** and agreed in principle on an interim trade framework with the **United States**. These agreements contain selective tariff reductions and improved market access for certain agro-food products, while maintaining protections for sensitive sectors, such as dairy, cereals and other staple commodities.

Israel signed a new Agreement on Trade in Agricultural Products (ATAP) with the **United States**, replacing the framework in place since 2004. Under the agreement, Israel will eliminate import duties on about 300 US food and agricultural products, including meat, dairy, eggs, oils, vegetable, juices and a range of fresh and frozen products.

The European Free Trade Association (EFTA) states (**Norway**, **Switzerland**, **Iceland**, **Liechtenstein**) expanded its trade network by signing or advancing several trade agreements with partners, including MERCOSUR (Argentina, Brazil, Paraguay and Uruguay), **Malaysia**, **India**, **Thailand** and **Kosovo*,** covering trade in goods and services, and incorporating provisions on sustainability, climate and environmental protection. Market access was further expanded by the signing of the modernised **Ukraine**-EFTA free trade agreement in April 2025.

Many countries introduced policies aimed at enhancing natural resource management and environmental protection to strengthen sustainability and resilience

Sustainable resource use

Mexico reinforced measures on the prevention of deforestation and agricultural burning, reduced reliance on hazardous pesticides and the broader use of climate-informed decision making tools and field schools to support agro-ecological transitions.

Norway adopted new regulations on fertilisers, covering both fertiliser products and fertiliser use: product regulation ensures quality standards and promotes environmentally sound, circular use of raw materials, while use regulation introduces stricter limits on the timing and quantities of fertiliser application in line with crop needs.

Bulgaria advanced amendments to the Water Act related to irrigation, classifying irrigation water supply as a service of general economic interest. This allows the government to grant preferential pricing and other benefits to farmers using irrigation water.

Implementation of the revised Raw Water Pricing Strategy in **South Africa** began in 2026. The strategy aims to ensure equitable, efficient and sustainable water management in line with the National Water Resource Strategy. For the commercial agricultural sector, the new framework is likely to translate into higher raw water tariffs, stricter cost recovery for infrastructure and charges linked to environmental management and resource protection.

In **Türkiye**, the National Water Plan (2026-2035) has been completed, introducing strategic elements, such as tiered water pricing, conditionality of agricultural subsidies on water efficiency criteria and digital tracking of groundwater abstraction.

Israel began to implement its water tariff reform, gradually reducing the reclaimed water tariff from the Shafdan system. For freshwater, a 10-tier reduction scale was introduced based on the utilisation ratio of marginal water sources, including effluents, treated municipal wastewater and brackish water, with the lowest rates applied to regions lacking alternative water sources.

The newly introduced Soil Monitoring Law establishes a **European Union**-wide framework for monitoring and assessing soil health and resilience. Its aim is to halt soil degradation and improve soil health across the European Union by 2050. The law requires Member States to monitor and assess soil health, and support landowners and land managers through advice, training, capacity building and innovation.

Environmental performance improvements

A credit sub-programme was established in **Costa Rica** to support sustainable production practices in the livestock, coffee and sugarcane sectors. It targets small and medium producers, providing guarantees covering up to 75% of the loan principal. Beneficiaries must have farm diagnoses, investment plans and technical follow-up to ensure the effective adoption of sustainable practices.

The **Netherlands** introduced a policy to reduce nitrogen pollution and ammonia emissions in agriculture. The Starter Package includes immediate measures, such as farming extensification, manure management, voluntary farm exit schemes, a target-based approach at farm level, and nature development. The Follow up Package covers additional measures, including innovation and support to other regions.

A new one-year environmental subsidy for ley farming was introduced in **Sweden**. A new national investment aid, *Kväveklivet* (“The Climate Leap”), supports on-farm investments that reduce ammonia emissions from agriculture and improve nitrogen-use efficiency.

Cyprus opened the Major Investment Measure, covering three interventions: investments aimed at modernising farms and livestock holdings; enhancing environmental protection and animal welfare; and

improving livestock-waste processing and management. Environmental projects can receive up to 80% of eligible costs.

In the **United Kingdom**, new conditionalities have been introduced in Scotland for farmers who receive support through the Basic Payment Scheme (BPS). Additional cross-compliance conditions restricting certain activities on peatlands and wetlands were introduced to protect these environmental assets. As of 2026, farmers are required to dedicate 5% of their land to practices considered to be good for the environment in order to benefit from greening payments (a top-up on the BPS). In Northern Ireland, new conditionalities have been introduced for farmers who receive the Farm Sustainability Payment (FSP). These include participation in the Soil Nutrient Health Scheme and the Bovine Genetics project. Compliance with new Farm Sustainability Standards is also a requirement of the FSP. A new Farming with Nature Package has also been introduced to provide support to farm businesses.

Ireland's Nitrates Derogation was extended for the period 2026-28, with additional conditions, including the need to demonstrate enhanced compliance with the EU Habitats Directive. Unprotected urea (that is, urea that has not been coated with a urease inhibitor) in solid form is no longer permitted to be spread on land since September 2025. A new 60% Nutrient Storage Grant Aid scheme for investments under the Targeted Agricultural Modernisation Scheme was introduced to reduce reliance on chemical fertiliser.

Czechia reformed its eco-scheme from a single whole-farm payment into four distinct support types covering new landscape elements, maintenance of existing ones, sustainable nutrient management and strip-crop rotation.

A new nitrogen regulation model in **Denmark** shifts input-based fertiliser limits to farm-level quotas to reduce nitrogen-induced biodiversity losses in coastal waters from 2027. Catchment-level discharge limits will be translated into individual farm quotas with flexibility mechanisms (e.g. crop choice, differentiated fertilisation, quota trading and organic conversion). Transitional compensation and targeted support, partly financed by common agricultural policy (CAP) funds, will support implementation.

In the **United Kingdom** (England), changes to the Sustainable Farming Incentive (SFI) are expected to limit the concentration of payments. Payments under individual agreements will be capped, and smaller farms and those without nature-friendly agreements will be able to apply earlier. Beginning in April 2026, revised inheritance tax rules cap the 100% relief at GBP 2.5 million (USD 3 289 474), with 50% relief applying above this threshold.

New amendments in **Spain** recognised certain agrivoltaic systems as eligible for CAP support (provided agriculture remains the primary activity) and made some eco-scheme requirements more flexible.

The **Cyprus** Electricity Authority established a dedicated financing facility for farmers to install grid-connected photovoltaic systems. In parallel, licensing procedures were simplified to accelerate applications, streamline approvals and boost investment uptake.

Romania introduced a new eco-scheme supporting cattle welfare through extensive grazing practices, providing additional payments to farmers who adopt pasture-based systems that improve animal welfare and pasture management while contributing to environmental sustainability.

Emissions mitigation

Australia released its Agriculture and Land Sector Plan, guiding agriculture's contribution to net-zero greenhouse gas (GHG) emission goals by 2050. This complements Australia's commitment to reduce net national GHG emissions by 62-70% compared to 2005 levels by 2035, covering all greenhouse gases and all sectors of the economy, including agriculture.

In **Belgium**, Flanders updated its Energy and Climate Plan expanding methane-reduction measures and additional carbon removal requirements for agricultural land. Wallonia updated its Air-Climate Energy Plan 2030 with technical tools to assess ammonia and GHG emissions at the farm level.

New Zealand revised the second emissions reduction plan (ERP2) approach to reducing agricultural emissions, deciding not to introduce on-farm emissions pricing by 2030. The updated ERP2 reflects this shift and accelerates the development and commercialisation of mitigation tools and technologies to reduce on-farm emissions.

Methane-reducing feed additives became mandatory in **Denmark** for dairy cattle. Implementation of the 2024 livestock GHG taxation framework has advanced, including preparatory work on monitoring, reporting and verification systems ahead of the 2030 entry into force.

Farm support and risk management policy developments focused on stabilizing incomes, managing risks, and farm financing

Income and production support

Canada extended an increase to the interest-free allowance for farmers under the Advance Payments Programs to the 2025 programme year. Farmers are now allowed a larger interest-free advance under the programme – CAD 250 000 (USD 178 825) – more than twice the amount initially foreseen. This change was initially set to end in the 2024 programme year. In particular, interest-free allowance for canola was doubled for the 2025 and 2026 programme years.

The regulated natural gas price for nitrogen fertiliser producers was increased in **Egypt** in response to high export prices. The government also set stringent quotas to encourage nitrogen fertiliser producers to prioritise domestic supply and address local supply constraints.

Key programmes in **Mexico** were reformed, including the Fertilisers for Well-being and Production for Well-being, which are now more directly targeted to women and Indigenous farmers. LICONSA was transformed into Milk for Well-being, the Guaranteed Price Programme was restructured into Stockpiling and Fair Trade programmes, and SEGALMEX was dismantled alongside reforms to food distribution entities, improving governance clarity and coordination.

In 2025-26, **Brazil's** *Plano Safra*'s budget was increased to a new high, significantly expanding agricultural financing, while tightening environmental and risk-related conditions. Additional incentives were provided for farmers to adopt sustainable practices, including expanded support under RenovAgro for reforestation, fire prevention and the recovery of protected areas. The PRONAF (family farming) programme for small farmers expanded targeted credit lines to activities including organic production, climate adaptation and sustainable irrigation, tying support more closely to other policy objectives.

Regarding implementation of their CAP strategic plans, many **European Union** countries reduced administrative burden or eased requirements, such as for maintaining good agricultural and environmental conditions (GAEC). These include **Portugal**, the **Netherlands**, **Spain**, **Slovakia**, **Belgium**, **Poland**, **Germany**, **Latvia**, **Lithuania**, **Croatia** and **Czechia.** EU Member States also reported higher uptakes of eco-schemes in many cases, including in **Luxembourg**, **Spain**, **France**, **Slovakia**, **Belgium**, **Hungary**, **Poland**, **Germany**, **Latvia**, **Lithuania** and **Croatia**. Member States also reported higher direct payments or income support, such as in **Portugal**, **Sweden** and **Italy**.

A new Tax Code in **Kazakhstan** introduced new preferences for agriculture and food, exempting socially significant foods from value added tax (VAT), reducing the personal income tax rate for farmers exceeding income thresholds, excluding property donation to farms from taxable income and increasing land use fees for agricultural land left idle or inefficiently used.

Portugal increased basic income support per hectare by about 50% for the 2025 claim year and doubled support for young farmers. It also introduced greater flexibility for direct payments, including higher coupled support for maize and more flexible eligibility rules for rice.

Lithuania introduced separate personal income tax treatment for farmers. Income from agricultural activity became subject to lower progressivity than general personal income, reflecting income volatility and sector-specific risks.

The agricultural support model in **Türkiye**, introduced alongside production planning, was further operationalised in 2025-26. Support coefficient values were updated and linked to explicit cost-coverage targets for diesel and fertiliser. From 2026, members of first-degree producer organisations became eligible for an additional top-up. In the livestock sector, lambs and kids became eligible for small ruminant support for the first time. Concessional credit programmes were revised to provide enhanced incentives for planned production and contract farming, and rural development grants were adjusted to exclude new cattle facility investments in water-constrained provinces. **Türkiye** extended its agricultural production planning framework to crop production as of the 2025 production year, building on the livestock and aquaculture planning introduced in 2024. Under the new system, basin-based planning covers 13 strategic products and forage crops, with production authorisation granted only for products included in the designated basin plan.

In the **United Kingdom** (Northern Ireland), the Basic Payment Scheme (BPS) was replaced by a one-year transitional payment in 2025 and, subsequently, by the Farm Sustainability Payment (FSP) from January 2026. The FSP introduces new eligibility criteria (e.g. the requirement to have carried out at least one of a number of defined agricultural activities during a set historic year period). It also introduces revised land eligibility rules, new farm sustainability standards as well as conditionalities on participation in the Soil Nutrient Health Scheme and the Bovine Genetics project. A progressive capping of benefits is also being phased in over 2026 and 2027.

The Primary Sector Growth Fund (PSGF) in **New Zealand** supports high-growth initiatives across the food and fibre sector by co-funding up to 40% of project costs for initiatives demonstrating direct economic benefit to the sector. The fund also includes dedicated support for Māori agribusiness projects.

Risk management, resilience and adaptation

Compensation rates in the AgriStability programme in Canada, which provides support when profit margins decline, were temporarily increased from 80% to 90%, and the maximum payment under this system was temporarily doubled for the 2025 programme year. Beginning in the 2026 programme year there is a new optional inventory evaluation method and feed-costs associated with rented pasture will be included as an allowable expense.

In the **United States**, The One Big Beautiful Bill Act (OBBBA) authorised increased statutory reference prices for the Agricultural Risk Coverage and Price Loss Coverage programmes and increased subsidy rates for certain crop insurance products.

New liquidity-enhancing and risk-management measures were introduced in the **European Union** to increase farmers' resilience, including higher advance payments under the CAP and targeted support to help farmers absorb market disruptions and weather-related losses.

In response to crops and livestock losses related to severe weather conditions in 2024, **Iceland** provided targeted relief to farmers and initiated a review of natural hazard funding arrangements.

Australia's first National Climate Risk Assessment was published in 2025, including an analysis of the exposure and vulnerability of agriculture to climate hazards and impacts based on different warming levels. The assessment informs the first National Adaptation Plan's vision for climate change adaptation. Key

priorities include investment in innovation, research and development, improving water use efficiency, addressing skills shortages and diversification.

National support measures in **Croatia** place increased emphasis on resilience to climate-related risks and crisis response. The national interventions are designed to complement CAP programmes in enhancing the overall adaptive capacity of the agricultural sector.

Estonia advanced several investment support schemes to strengthen resilience in the face of climate shocks, energy insecurity and severe livestock disease outbreaks – particularly foot and mouth disease (FMD) and African swine fever (ASF).

A new Drought Hardship Loan was established in **Australia** to help farmers finance short-term operating costs during droughts lasting at least 24 months.

Portugal introduced a risk management regime providing grants covering up to 100% of minor losses and up to 80% of losses for insured farms to restore production after natural disasters, highlighting increasing attention to farm resilience.

In 2025, **Spain** paid extraordinary support to producers in response to drought, rising costs linked to the war in Ukraine and damages caused by the October 2024 DANA storm. These payments were financed by the EU Agricultural Crisis Reserve and the state budget. In addition, extraordinary support was paid to producers affected by the wildfires of summer 2025.

Two new measures were introduced in **Slovenia**, extending coupled income support to vegetable farming and adding a new eco-scheme to preserve and enhance habitats for plants and animals in agricultural landscapes.

Greece provided emergency support to the livestock sector to address the sheep and goat pox outbreak that resulted in the culling of 5% of the herd in 2025 and caused significant losses in dairy and cheese production. State aid was also provided to aid recovery from various extreme weather events (drought, flooding, fire, hail).

Poland implemented a broad set of natural disaster relief instruments for farmers, including direct financial aid, reimbursement of the third and fourth instalments of the 2024 agricultural tax, preferential loans and family support. These measures aimed to address damages caused by droughts, extreme rainfall, frost, hail and storms in 2024 and 2025.

Italy strengthened several sector-specific disaster-related support measures, including additional funding for the pig sector, kiwifruit disease control and compensation for losses linked to Xylella, Bluetongue and African Swine Fever.

In response to the ongoing conflicts in the Middle East, **Israel** continues to implement emergency support measures in the agricultural sector in impacted regions, mostly at the southern and northern borders. Rehabilitation efforts are strongly embedded with investment in research, development and implementation of innovative agricultural methods.

Support for farmers in **Viet Nam** affected by natural disasters and pest outbreaks was expanded through increased provision of seeds, breeding stock and partial production cost support. Compensation levels for livestock culled due to disease outbreaks were raised and financial support was extended to individuals involved in disease prevention and control activities.

The rapid spread of Foot and Mouth Disease (FMD) in **South Africa** prompted a review of relevant legislation. The Minister of Agriculture launched a 10-year strategy to contain and eradicate FMD and restore South Africa's FMD-free status. Phase one of the strategy, spanning two years, involves a proactive vaccination programme with the goal of vaccinating 80% of the national cattle herd by December 2026 and reducing outbreak incidents by at least 70%.

To strengthen sanitary and phytosanitary risk management, a call for projects was launched in **France** under the PARSADA plan, supporting alternatives to certain plant protection products. Following the June 2025 lumpy skin disease outbreaks, research efforts will intensify, focusing on surveillance, vaccination, diagnostics, transmission and decision-support tools.

Food supply chain and consumer policies were aimed at food security and stabilizing food systems

Food safety and quality

Chile implemented plans to modernise sanitary and phytosanitary (SPS) systems, improve border controls and digitalise extension services as part of the National Strategy for Sovereignty and Food Security (*Estrategia Nacional de Soberanía para la Seguridad Alimentaria – ENSSA*), with new measures under the Chile Feeds the Future programme, funded by the Inter-American Development Bank (IDB). **Chile** also approved the National Food Safety and Quality Policy 2026-2036, establishing several new institutional and operational mechanisms to modernise food safety systems. As part of this, the Scientific Advisory Committee for Food Risk Assessment (CCERA) was created to formalise food risk evaluation. The policy also improves early-warning capacity through the launch of the Food Information and Alert Network Portal (RIAL).

The Food Safety and Security Authority was established in **Malta** to strengthen food safety and oversee both food safety and supply chain security. It brings together regulatory and enforcement functions related to food safety within a single institutional framework.

The amended Animal Protection Law in **Austria** prohibits pig husbandry on fully slatted floors by June 2034, six years earlier than originally planned. The law prescribes more space, structured bays, air conditioning and more activity material for the animals.

Food affordability and availability

The **United States** mandated changes to the Supplemental Nutrition Assistance Program (SNAP), including limiting future benefit amount increases, expanding work requirements and modifying rules for administrative and benefit cost sharing.

New measures were introduced in **Canada** to mitigate the impact on domestic food price inflation over 2025-26 in response to uncertain trade and supply chain conditions experienced in 2025. Funding was provided to help agriculture and agro-food businesses manage supply chain disruptions, including targeted support to small and medium-sized enterprises via a new Food Security Fund.

The **Slovak Republic** implemented a combination of fiscal and regulatory measures aimed at mitigating inflationary pressures and influencing consumer behaviour towards healthier consumption patterns, including the reclassification of selected food products across VAT categories. These measures comprise a reduction in the VAT on selected food products from 10% to 5%, alongside a broader adjustment of VAT rates on food products from 20% to 19%.

Sweden reduced the VAT rate on food from 12% to 6%. It also indicated that it would monitor price developments to ensure that the VAT cut is passed on to consumers rather than absorbed through higher retail prices.

In **Hungary**, a price margin cap (between purchase and sales prices) from March 2025 limits the margins larger retailers can apply on certain essential food products.

Kazakhstan eased retail price controls for socially significant foods, abolishing maximum prices and reorienting efforts to monitoring compliance with the 15% trade margin limit. The list of socially significant

foods was temporarily expanded from 19 to 31 products, and a “digital food voucher” was introduced for recipients of state social assistance.

Latvia developed and approved an Action Plan for improving school catering systems for 2025-2027, which targets improving the procurement systems, setting quality criteria, strengthening local sourcing of products, linking educational content to sustainability and nutrition, setting nutritional standards and promoting student meals.

Bulgaria launched “Shop for the People” state-owned retail aimed at improving access to affordable essential goods and giving priority to products from Bulgarian producers. It creates partnerships with co-operative and regional networks, with mark-ups of up to 10% on selected basic goods.

The Free Nutritious Meals (MBG) programme in **Indonesia** increased greatly in operation. The programme provided meals to 56.13 million people in 2025 and is expected to feed 83 million in 2026.

A new law supporting the construction of horticultural greenhouses aims to increase **Luxembourg’s** low level of self-sufficiency in fruit and vegetable production, with a call for projects launched in September 2025 inviting farmers to apply. The measure provides a policy framework and financial support mechanism for greenhouse development projects.

A new Avoidable Food Loss and Waste Prevention Act was adopted in **Spain** in 2025. It requires food chain operators to implement prevention plans. When surpluses cannot be avoided, the law mandates a hierarchy of uses, prioritising human consumption and with disposal as a last resort.

To increase the sales of organic agricultural products the **Netherlands** started a new subsidy scheme called “Vabiola”. The scheme allocates public funding to support activities linked to the marketing and distribution of organic products.

In July 2025, **Romania** approved a state aid scheme complementing CAP Strategic Plan (CSP) intervention DR-23 to support investments in the processing and marketing of agro-food products. The programme aims to strengthen domestic processing capacity and increase value added in the agro-food sector.

The Food Sovereignty Fund was established in **Italy** to reduce reliance on imports by strengthening supply chain contracts in strategic sectors. The fund finances measures for the expansion of arable land, increases in livestock numbers and the protection of native breeds.

Domestic stockholding targets for rice and maize in **Indonesia** were increased, from 2 million to 3 million tonnes for rice and 1 million tonnes for maize. This is a strengthened and quantified commitment for maize; previously maize intervention purchases were focussed on price stabilisation and did not have an explicit target on the volume of reserves.

In February 2025, the **Philippines** declared a food security emergency on rice, following sustained increases in domestic retail prices. The measure authorised the release of National Food Authority (NFA) buffer stocks to government agencies and local distribution channels, reinforcing the use of public stockholding as an instrument for retail price stabilisation.

Rural development, governance, and land use policies were aimed at resilience in the agriculture and rural economy

Governance

Japan amended its Basic Plan for Food, Agriculture and Rural Areas. The plan strengthens food security by focusing on ensuring stable access to high-quality food at reasonable prices, while systematically embedding sustainability and resilience objectives across the agro-food system.

Slovenia adopted the Agriculture Act, the Food Act, Food and Feed Safety Act, the Animal Protection Act and the Agricultural Land Act to renew its policy framework. The reforms aim to improve farmers' incomes, strengthen rural development and support farm succession, while simplifying rules. They also introduce an integrated farm-to-consumer approach to enhance quality and transparency across the agro-food chain, alongside measures to protect agricultural land, boost self-sufficiency and promote sustainability.

Finland's National Food Strategy 2040 sets a long-term vision for a sustainable, resilient and competitive food system. Its implementation will occur through four-year action plans, with the first report to Parliament in early 2026.

In **Viet Nam**, the Ministry of Agriculture and Rural Development and the Ministry of Natural Resources and Environment were merged to form the Ministry of Agriculture and Environment (MAE). Agricultural policy implementation was decentralised through the abolition of the district level of administration, establishing a two-tier local governance system at provincial and commune levels.

The **Greek** Payment Authority for Agricultural Subsidy Schemes was reformed and integrated into the Independent Authority for Public Revenue, the centralised tax authority under the Ministry of Finance, initialising a new system of payments and controls, with greater use of digital tools.

Ukraine advanced EU-aligned reforms by renovating its agricultural support framework, which redefines support concepts and introduces a paying-agency model with stronger monitoring and transparency. Ukraine also strengthened policy digitalisation via the State Agrarian Register as the mandatory entry point for support. In parallel, EU systems for farm-level data collection (FSDN) and for managing, monitoring and controlling agricultural payments (IACS) are being progressively integrated.

Measures to reduce the administrative or operational burden on farmers in **Switzerland** were launched. This includes a simplification of rules for insurance and support related to landscape quality or biodiversity networks. Some new reporting obligations were put on hold and agreement was reached in September 2025 to loosen the obligations related to farm inspection.

Land use

In **Colombia**, Agricultural Protection Areas for Food Production (APPA) have been established to protect fertile soils and give priority to agri-food production within territorial planning frameworks. Territorial governance instruments have also been extended to support community-based land management, tenure security, and local food autonomy, including through the establishment and consolidation of Peasant Reserve Zones (ZRC) and the recognition of Peasant Agri-food Territories (TECA)..

Two schemes were launched in **Malta** to improve access to and use of agricultural land. A pilot scheme leases government-owned vacant agricultural land to young farmers and new entrants for a 10-year period. The second scheme promotes temporary transfers of agricultural land from owners to either young farmers or a government agency to ensure that the land remains in productive use.

The Act on the State Land Office in **Czechia** was amended. It will expand municipal access to state land, strengthen preferential access for young farmers, accelerate land-consolidation procedures and enhance the state's role in soil protection.

Norway introduced a system of regular soil monitoring on arable land. It builds on monitoring systems established in 2024 for pastureland and forest soils, with the aim of documenting the status of soils and tracking changes in soil properties over time.

Lithuania strengthened drainage policy through higher public funding and a new governance approach. In 2026, national funding for state-owned drainage infrastructure increased by EUR 15 million. Lithuania also moved towards basin-based management to improve system-wide planning, clarify responsibilities and strengthen resilience to excess moisture and flooding.

Ukraine substantially expanded its agricultural land-demining capacity to deal with explosive-ordnance contamination caused by the war. This has been supported by an increase in certified operators, the scaling-up of market-based demining through a fully electronic public procurement platform, updated compensation rules and the launch of the Ground Rehabilitation through Innovation Technologies (GRIT) digital platform to coordinate and monitor clearance activities.

Amendments to the Land Code in **Kazakhstan** reduced the amount of time that agricultural land may sit idle before it can be forcibly seized, basing monitoring on satellite remote sensing. Lease contracts for agricultural land are now subject to mandatory review every 10 years, and lease of state-owned land is provided exclusively through electronic auctions.

Rural development and livelihoods

Japan expanded its "Enhancing Linkages between Private Sector and Small-scale Producers" (ELPS) initiative to commodity-specific partnerships, including the **Rwanda** macadamia project, to deliver societal and environmental benefits alongside supply-chain resilience. The interventions help small-scale producers meet certification requirements, improving access to inputs and technical knowledge, and strengthening post-harvest process, while boosting productivity and product quality.

Peru increased public investments in infrastructure and acted to speed up formalisation of agricultural land property rights and employment, and promote co-operatives and associative value chains. New guidelines prioritise climate-resilient infrastructure and the use of agro-climatic information platforms to reduce production risks. **Peru** reinforced support for the market integration of small and medium-sized producers, and expanded financial instruments for vulnerable farmers, increasingly through co-financing with international partners.

Colombia continued implementing the Comprehensive Rural Reform (*Reforma Rural Integral*) through land redistribution, property formalisation, and agrarian justice measures. These included institutional and voluntary land-purchase mechanisms, land allocation to peasant families, and steps to operationalise the Special Agrarian and Rural Jurisdiction. Policies also addressed the recognition of peasants as subjects of special constitutional protection and linked land access with productive support**.**

Austria supports a vocational high school degree for apprentices focussed on professions in an integrated agriculture and forestry system. The new guideline establishes provisions for combining vocational training with formal educational qualifications in these sectors.

Policies for the agricultural workforce in **Korea** shifted towards improving the competitiveness of young farmers through tailored training and regional networking. The introduction of the co-principal farm manager system and expanded health screenings strengthened support for women farmers. **Korea** strengthened its rural revitalisation agenda through the formulation of the First Master Plan for Community-based Economic and Social Services (2026-28). This will address service gaps by promoting diversified forms of rural residency models and integrated spatial planning.

Switzerland established mandatory social security coverage for spouses working on farms as a strict requirement for payment eligibility as of 2027. Spousal rights under the Rural Land Law were also improved, as well as the legal framing of farms as personal businesses.

Countries implemented policies supporting innovation, digitalisation and structural transformation to drive productivity growth

Innovation

Sweden began construction of a national reference laboratory for plant pest diagnostics. The laboratory will serve as a knowledge centre for diagnosing plant pathogens and harmful insects, strengthening Sweden's capacity to detect and contain outbreaks that threaten plant health.

The focus of the Agricultural Knowledge and Innovation System (AKIS) in **Croatia** moved into an operational phase in 2025. To accelerate the uptake of innovative and sustainable farming practices, more effort was made to tailor advisory and training activities to farmers' needs.

In 2025, **Denmark** launched the "Accelerating Future Green Solutions" plan. The mission-driven approach supports the scaling-up and demonstration of bio-solutions, strengthens the agricultural innovation system and reinforces public-private collaboration.

Estonia enhanced its AKIS by clarifying roles among implementing bodies, improving the Agricultural European Innovation Partnership (EIP-AGRI) innovation support (continuous applications, wider eligibility including co-operatives, shorter processing times) and tightening advisory service compliance rules with adjusted co-financing to better target support and ensure availability of funds throughout 2023-2027.

Digital transformation

A technical standard mandating electronic individual identification for all bovines, buffalos and cervids was approved in **Argentina**. As of January 2026, animals of these species cannot be moved or remain on their birth farm after weaning without an official electronic device (a visual tag plus a radio-frequency identification (RFID) component). This measure will allow complete tracking from primary production to the meat industry once fully implemented.

The BharatVistaar Artificial Intelligence platform advances **India's** digital agriculture agenda, signalling a stronger policy emphasis on data-driven tools for agricultural extension. By providing farmers with guidance on crop management, input use and market conditions, it can support broader government efforts to raise productivity, encourage crop diversification and strengthen rural infrastructure.

Regulatory reforms in **Korea** allowed the installation of vertical farms on agricultural land, facilitating high-tech investment. In parallel, the Green Bio and Foodtech Industry Promotion Acts established a robust legal framework for innovation in high value-added sectors. These changes are part of the First Smart Agriculture Promotion Master Plan (2025–29), which is designed to accelerate the digital transformation.

Support levels and trends by country

This section presents the results of the latest support estimates. Chapter 1 provided an overview of support for OECD and emerging economies/countries as a group. This chapter focusses on how individual countries delivered policy support. The results reveal that countries take different approaches to supporting their producers. While most OECD countries focus on policy support to farmers, many of the 56 countries in the report use a mix of price support benefitting farmers (positive market price support MPS) or consumers (negative MPS). In three countries, **India**, **Argentina** and **Viet Nam**, more price support is directed at consumers (**Argentina** also uses these policies to raise revenue, through export taxes). The composition of support is also quite varied, with some countries reliant on market price support, while others hardly using it at all.

While data for 2025 are preliminary, they provide a first look at how the support landscape is changing in response to recent events. Major changes are most often driven by global price movements, as these can drive changes in support levels without an explicit policy change made by the government. (Box 2.1).

Box 2.1. What numbers moved the most in 2025?

The largest changes between 2024 and 2025[1,2] occurred in market price support, which can vary strongly with price changes. Livestock commodities were particularly volatile, with support moving more in favour of consumers of **poultry** in **India** and **Argentina** (negative MPS). At the same time, price support for poultry farmers increased substantially in **Egypt** as domestic prices surged on higher input costs. For crops, price support for **rice** rose in **China** as higher global supplies pushed down world prices and for **cotton** in **India** on tight domestic supplies and lower global prices.

Input support doubled in **Argentina**, **Peru** and **Türkiye**. Support for on-farm investments in **Peru** increased broadly across several programmes. **Türkiye** increased grants for capital development, in particular, for livestock improvements.

Area payments increased in the **United States** with the introduction of the **Emergency Commodity Assistance Program (ECAP)** that provides direct, one-off payments to farmers to offset losses from falling commodity prices and rising input costs. **Türkiye** also provided additional area-based support for yield loss.

In the General Services Support Estimate (GSSE), support increased significantly in **Peru**, driven by spending on agriculture knowledge and innovation systems (AKIS) and higher expenditures on administrative management. **Japan** increased expenditures on pest and disease control by 80%, and on storage and infrastructure by 53%.

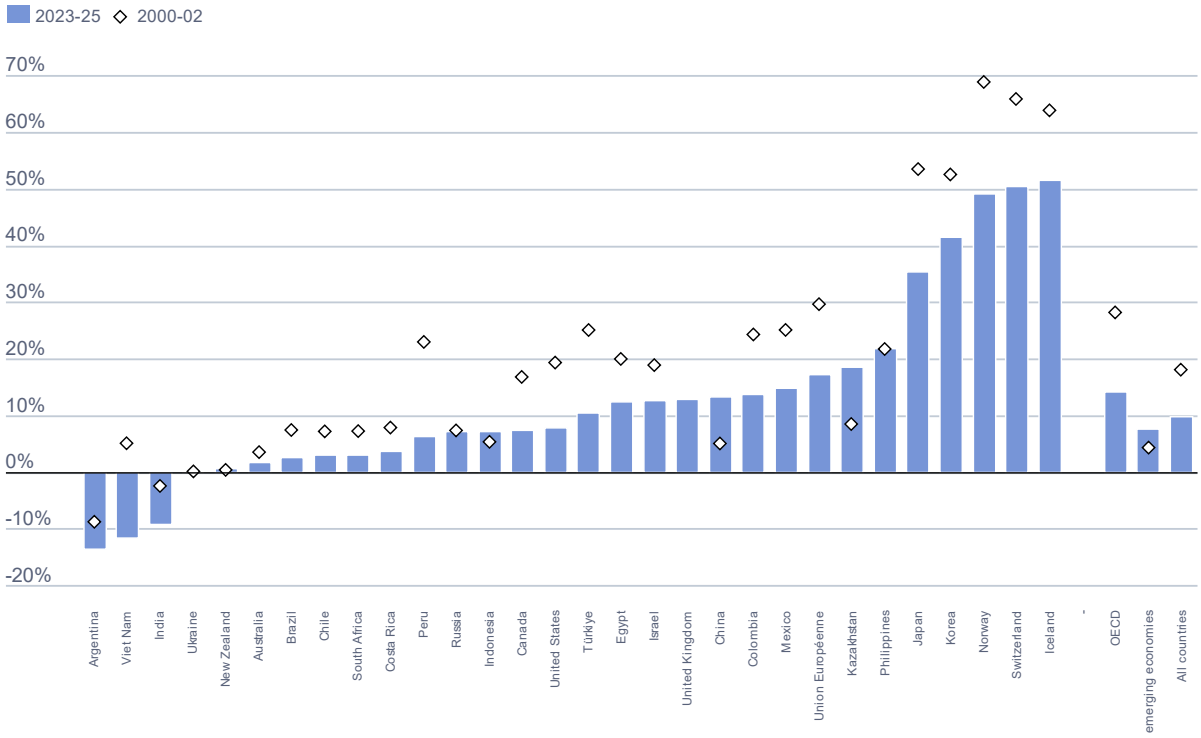
1. This is a selection of results from the Producer Support Estimate (PSE) data collection for this report. It is not a comprehensive list, but is intended to provide additional insights into the content of the database. They are chosen based on the estimated percentage change, as well as whether the country is an important producer or normally has a significant amount of policy support (either positive or negative). The interested reader is encouraged to look at the individual country chapters where greater detail is provided on the policy settings in each country.
2. 2025 results are preliminary and subject to revision. MPS data is most frequently subject to revision, as it depends on price and quantity data that are often preliminary at time of publication. Percentage changes are calculated on a USD basis and may not match changes in national currency. These numbers give a good indication of overall movements, but the specific changes should be interpreted with caution.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Countries offer widely differing levels of support

Support to farmers averaged 14.3% of gross farm receipts (%PSE) in OECD countries and 7.6% in emerging economies over 2023 to 2025. Support in the OECD has declined by 14 percentage points since 2000-02, equivalent to a 49% reduction relative to the initial level. In contrast, support in emerging economies increased by 3.2 percentage points, a relative increase of 72% compared to 2000-02 (Figure 2.1).

Figure 2.1. Support affecting farmers varied between -13% and 52% of gross farm receipts

Producer Support Estimate (PSE) by country and percentage of gross farm receipts, 2000–02 and 2023–25



Note: Countries are ranked according to the 2023–25 levels. The European Union refers to EU15 for 2000-02 and EU27 for 2023-25. The OECD total does not include non-OECD EU Member States. Latvia and Lithuania are included only for 2023-25. The 13 emerging economies include Argentina, Brazil, China, Egypt, India, Indonesia, Kazakhstan, Peru, the Philippines, Russia, South Africa, Ukraine and Viet Nam. The All countries total includes all OECD countries, non-OECD EU Member States, and the emerging economies.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

The highest levels of support remain concentrated in the OECD area: **Iceland**, **Switzerland, Norway** and **Korea** all offer support greater than 40% of gross farm receipts (GFR). By contrast, policies in **India**, **Viet Nam** and **Argentina** reduce returns to farmers relative to international market conditions. Notable changes between 2000-02 and 2023 25 include **Viet Nam**, where policy effects shifted from supporting to reducing farm receipts; **China** and **Kazakhstan**, where support to farmers has more than doubled as a share of GFR and **Peru**, where support declined by 72%.

In most countries, support for general services is less than 5% of the production value

General services support (GSSE) generally accounts for a smaller share of the value of agricultural production (VP) than producer support. Only **Japan**, **Switzerland**, **Korea**, **Türkiye** and **the Philippines** provide GSSE exceeding 5% of the value of production (Figure 2.2). In contrast, 13 countries covered in this report provide GSSE at less than 2% of VP. Persistently low levels of GSSE may constrain sustainable productivity growth if farmers lack access to the knowledge, infrastructure and services needed to optimise production.

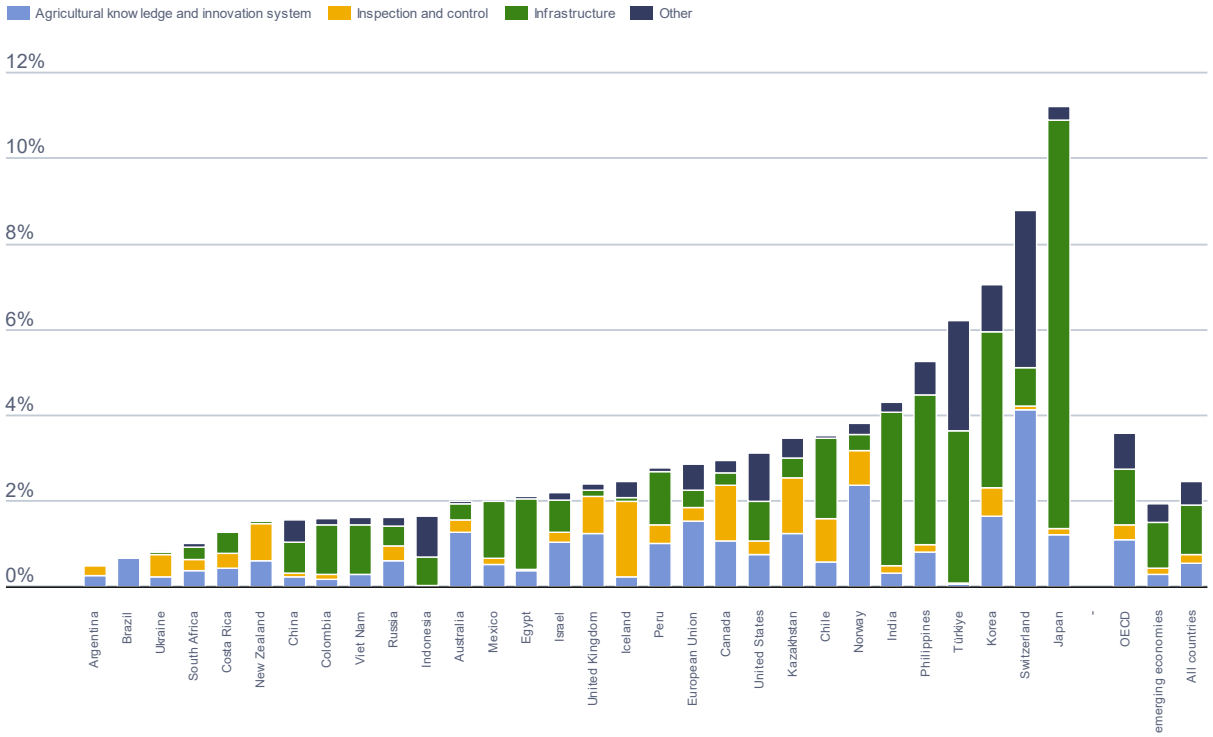
Expenditure on infrastructure is the largest component of GSSE, accounting for 47% on average across the countries covered in this report. Such spending is often directed towards irrigation systems, as in **Japan**, where substantial investment supports paddy rice production. In several other countries – including

India, **Egypt**, **Türkiye**, **Korea**, **the Philippines**, **Chile**, **Colombia**, **Mexico** and **Viet Nam** – more than half of GSSE is allocated to infrastructure.

The agriculture knowledge and innovation system (AKIS) is the second-largest GSSE component, representing 23% of total GSSE on average. **Norway**, the **European Union**, **Australia**, **Brazil**, the **United Kingdom** and **Argentina** each allocate more than half of their GSSE to AKIS. This includes spending on knowledge generation, education, extension services and advisory systems. For example, **Australia** devotes a signification portion of its AKIS expenditure towards agricultural research and extension research, while in **Norway** the majority of AKIS spending is directed towards education.

Figure 2.2. Infrastructure and AKIS are the largest components of general support in most countries

Composition of General Services Support Estimate (GSSE) by country and percentage of agricultural value of production, 2023–25



Note: AKIS: Agricultural knowledge and innovation system. "Other" includes the marketing and promotion, cost of public stockholding and miscellaneous categories of the GSSE. Countries are ranked according to the share of total GSSE in agricultural value of production. The European Union refers to EU27. The OECD total does not include non-OECD EU Member States. The 13 emerging economies include Argentina, Brazil, China, Egypt, India, Indonesia, Kazakhstan, Peru, the Philippines, Russia, South Africa, Ukraine and Viet Nam. The All countries total includes all OECD countries, non-OECD EU Member States and the emerging economies.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Consumer support reflects the impact of price policies on consumers, with most countries facing higher domestic prices

Across countries, the consumer support estimate, expressed as a share of consumption expenditure (%CSE), indicates that agricultural policies continue to affect consumers primarily through their impact on prices. On average over 2023-25, the %CSE is estimated at -3.2% in OECD countries and -5.0% in

emerging economies (Figure 2.3). In most countries, this reflects policies that raise domestic prices relative to international levels, thereby reducing consumer spending power.

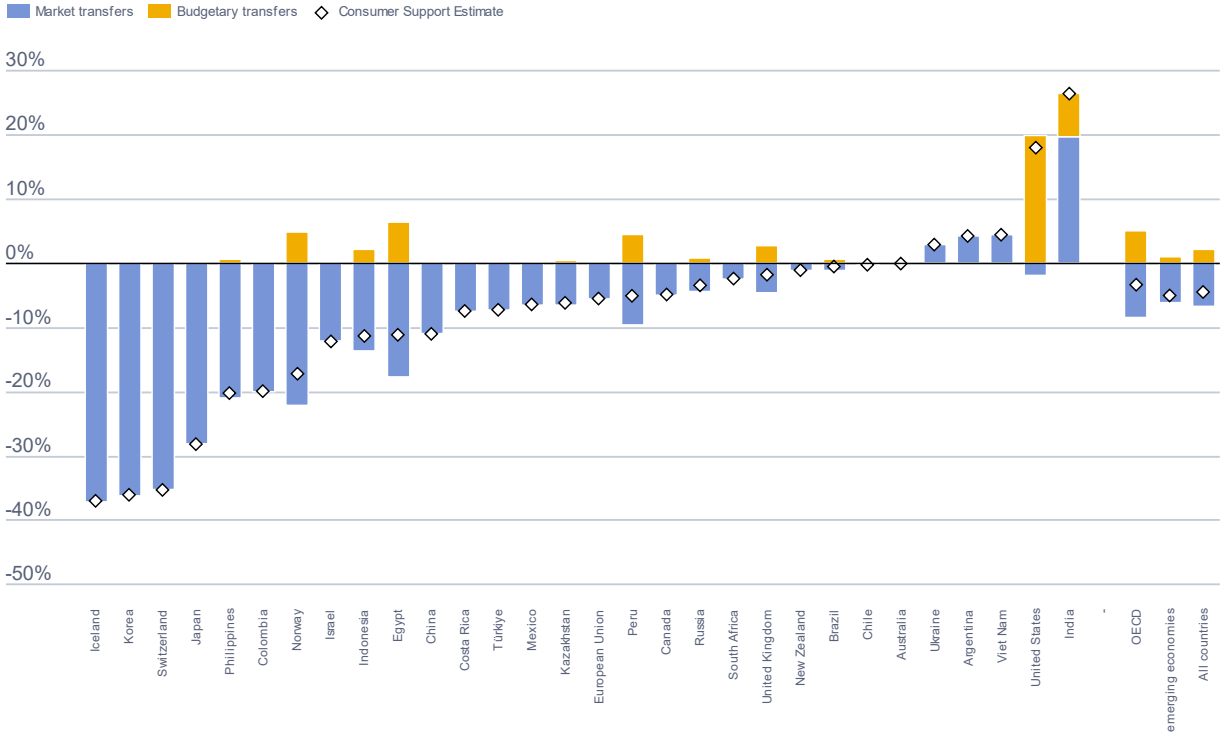
Market transfers (reflecting the consumer incidence of MPS) are the dominant component of the CSE and capture the effect of price policies on consumers. The largest impacts on consumers are observed in **Iceland**, **Korea**, **Switzerland** and **Japan**, where domestic prices are substantially above international levels. By contrast, in a smaller number of countries, including **Ukraine**, **Argentina**, **Viet Nam** and **India**, policies lower domestic prices relative to world markets, generating transfers from farmers to consumers.

Budgetary transfers to consumers are generally limited and offset only a small share of the effects of price policies. A notable exception is the **United States**, where budgetary transfers correspond to nearly 20% of consumption expenditure, while price policies are negligible (impacting only sugar). **India** also combines policies that lower domestic prices with sizeable budgetary support to consumers.

Overall, the composition of the CSE highlights the predominance of price-based policies in shaping consumer outcomes. In most countries, consumers bear part of the cost of agricultural support through higher prices, while direct budgetary transfers to consumers remain comparatively small.

Figure 2.3. With a few exceptions, most countries' consumers are implicitly taxed by agricultural policies

Composition of the Consumer Support Estimate (CSE) by country and percentage of consumption expenditure at farm gate, 2023–25



Note: Countries are ranked according to percentage CSE levels. A negative percentage CSE is an implicit tax on consumption. The European Union refers to the EU27. The OECD total does not include non-OECD EU Member States. The 13 emerging economies include Argentina, Brazil, China, Egypt, India, Indonesia, Kazakhstan, Peru, the Philippines, Russia, South Africa, Ukraine and Viet Nam. The All countries total includes all OECD countries, non-OECD EU Member States, and the emerging economies.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Reliance on potentially most distorting policy measures varies widely across countries A substantial share of support to farmers continues to be delivered through policy instruments that are closely linked to production decisions, including market price policies, payments based on output and support for the unconstrained use of variable inputs. These measures affect production and trade outcomes by influencing the prices received by farmers and the incentives to use inputs. They also tend to be less efficient in transferring income and are often less well targeted to households most in need. The importance of these measures varies widely across countries, ranging from very limited use to being the dominant form of support.

On average, these production-linked measures account for 6.6% of gross farm receipts in OECD countries and 14% in emerging economies, indicating a greater reliance on such instruments in the latter (Figure 2.4). In most countries, they operate primarily through policies that raise domestic prices relative to international market conditions. This is particularly evident in **Iceland**, **Korea**, **Japan** and **Switzerland**, where a large share of farm receipts is supported through higher domestic prices for key commodities.

In several countries, these measures instead reflect policies that lower domestic prices relative to world markets, thereby reducing returns to farmers, while still influencing production incentives. This is the case in **Argentina**, **Viet Nam** and **India**, where market price policies play a central role in shaping production decisions despite reducing farm receipts. In **India**, for example, these measures account for a large share of total support and correspond to around 40% of farm receipts.

At the other end of the spectrum, support linked to production and input use remains limited in countries such as **Australia** and **New Zealand**. In **Australia**, this support often reflects concessional financing and represents only a very small share of farm receipts. Similarly, in **Chile** and the **United States**, such support accounts for less than 1% of gross farm receipts. In **Chile**, it is primarily related to input use, including programmes to improve agricultural soils, while in the **United States** it reflects a combination of price support for sugar, feed assistance and energy support.

In countries with higher overall levels of support to farmers, these production-linked measures often represent a significant share of total support. However, this share has declined in some cases. In **Norway** and **Switzerland**, for example, a growing part of support is now provided through measures that are less directly linked to production decisions. Similarly, the **European Union** and the **United States** rely less on production-linked measures relative to their overall level of support, indicating a shift towards policy instruments that have a more limited direct influence on production choices.

Figure 2.4. Potentially most distorting transfers in different countries range from less than 0.2% to 39% of farm receipts

Potentially most distorting transfers to producers by country and percentage of gross farm receipts, 2023–25



Note: Countries are ranked according to the share of potentially most distorting support in gross farm receipts. This share includes the absolute value of negative MPS, as well as any positive potentially most distorting support. "Other potentially most distorting support" refers to the support based on output payments and on the unconstrained use of variable inputs. The European Union refers to EU27. The OECD total does not include non-OECD EU Member States. The 13 Emerging Economies include Argentina, Brazil, China, Egypt, India, Indonesia, Kazakhstan, Peru, the Philippines, Russia, South Africa, Ukraine and Viet Nam. The All countries total includes all OECD countries, non-OECD EU Member States, and the emerging economies.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Market price support is often concentrated in a limited number of commodities

Market price policies are unevenly distributed across commodities in most countries. While average levels of support provide an indication of the overall policy stance, they can mask substantial variation across commodities. In many countries, the median level of support is close to zero, indicating that at least half of the commodities covered are not subject to policies that significantly raise or lower domestic prices, even where some commodities receive substantial support (Figure 2.5).

This concentration of support is reflected in large differences between the least and most supported commodities. In **Japan**, for example, the median level of MPS is 12% of gross receipts, while the most supported commodity reaches 64% and at least three commodities receive no price support (of 19 commodities for which MPS is calculated, 16 have non-zero support). Similarly, in the **European Union**, the median is zero and the maximum reaches 37%, indicating that MPS is concentrated in a limited number of products despite a relatively low overall average (4.8% of gross farm receipts).

In countries with higher overall levels of support, a larger share of commodities is affected, but support remains uneven. In **Korea**, all 11 commodities covered receive support, with a minimum of 6%, a median of 41% and a maximum of 77%, indicating consistently higher domestic prices across the sector. In **Switzerland**, 10 out of 11 commodities are supported, with a median of 37% and a maximum of 77%,

while in **Iceland** 4 out of 7 commodities receive support, but the maximum still reaches 66%, showing a high concentration on specific products.

In many countries, support is applied selectively to a subset of commodities, even where overall levels are moderate. In **China**, 16 out of 18 commodities receive some support, with a median of 14% and a maximum of 49%. In **Mexico** and **Türkiye**, the median level of support is much lower (3% and 1%, respectively), while maximum values reach 39% and 33%, indicating that a small number of commodities account for most MPS.

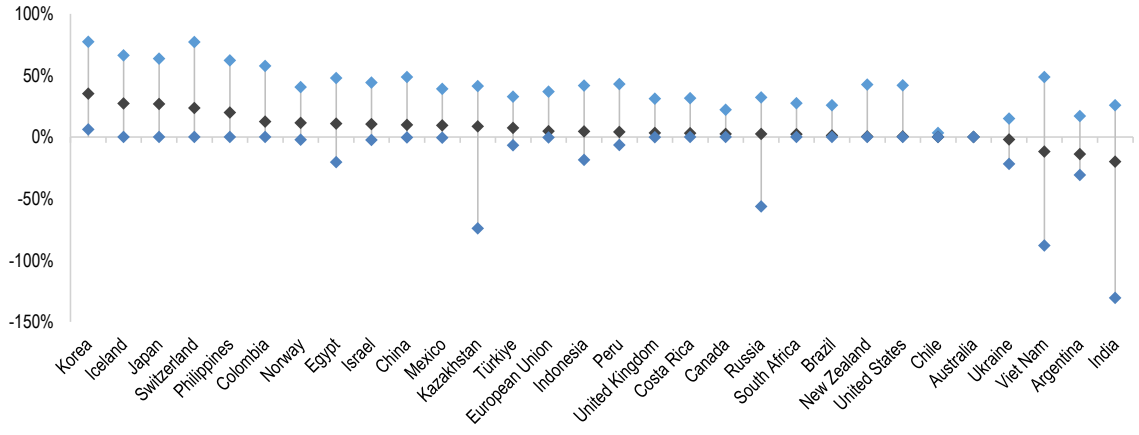
In several countries, policies affect commodities in different directions, with some experiencing higher domestic prices and others lower prices relative to international markets. This is particularly evident in **Kazakhstan**, where the least supported commodity shows domestic prices around 74% below international levels, while the most supported commodity reaches 41%. Similar patterns are observed in **Egypt** (-20% to +48%), **Indonesia** (-18% to +42%) and **Peru** (-7% to +43%). These wide ranges illustrate the extent to which market price policies vary across commodities within the same country.

In countries with lower overall levels of support, both the coverage and the scale of market price policies may be limited. In **Canada**, only 3 (supply managed) out of 16 commodities receive MPS, with a maximum of 22% and a median of zero. In **Brazil** and **South Africa**, fewer than half of commodities receive support and median values are also zero, indicating that most commodities are unaffected by price policies. **Australia** shows no measurable market price support across commodities.

Overall, the data show that market price policies are rarely applied uniformly across the agricultural sector. Instead, they are typically concentrated on a limited number of commodities, often those considered more sensitive for food security, income support or trade objectives. This selective application, combined with large differences in support across commodities, can have important implications for production patterns by encouraging resources to shift towards the most supported activities.

Figure 2.5. In most countries, MPS varies significantly across commodities

Relative magnitude of product-specific market price support by country percentage of commodity gross receipts, 2023-25



Note: The upper blue dot shows the MPS as a share of gross receipts of the most supported commodity. The lower blue dot represents the least supported, or most negatively supported commodity. The black dot is the median MPS as share of gross farm receipts for the country as a whole.

Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Less production-linked support has increased in some countries, with limited but growing use of policy constraints

Support to farmers that is less directly linked to production and trade outcomes are mainly those in categories C through F of the PSE structure. These are payments based on current or past area, animal numbers, revenue or income (that may or may not require current production), as well as payments based on non-commodity criteria.

The level of such support varies widely across countries (Figure 2.6). It is highest in **Norway**, **Switzerland**, **Iceland** and the **European Union**. In **Norway**, these measures represent close to 29% of gross farm receipts in 2023-25, in the form of a cultural landscape payment and structural support to milk producers. In **Switzerland**, support increasingly takes the form of payments based on non-current and non-commodity criteria (focused on conserving landscape and biodiversity), together exceeding 10% of gross farm receipts. In the **European Union**, payments based on current production parameters declined from about 11.6% of gross farm receipts in 2000-02 to 4.7% in 2023-25, offset by an increase in payments based on non-current parameters (now the Basic Income Support Scheme). **Mexico** also stands out as an important user of support based on non-commodity criteria with its *Sembrando Vida* agro-forestry programme.

Elsewhere, these forms of support remain more limited but have expanded in some cases. In the **United Kingdom**, they amount to around 8% of gross farm receipts, largely through payments based on non-current criteria. In **Japan** and **Korea**, such support has increased to around 3-4%, while in **China** and **Türkiye** it remains below 3%. In many other countries, including **Australia**, **New Zealand** and **Brazil**, these measures account for less than 1% of gross farm receipts. While the absolute size of this support relative to gross farm receipts may be small in these countries, such support may form a large proportion of support provided. Support in categories C through F of the PSE are more than 50% of the total in **Australia** the **United States, Canada, Israel, Norway,** the **European Union** and the **United Kingdom**,

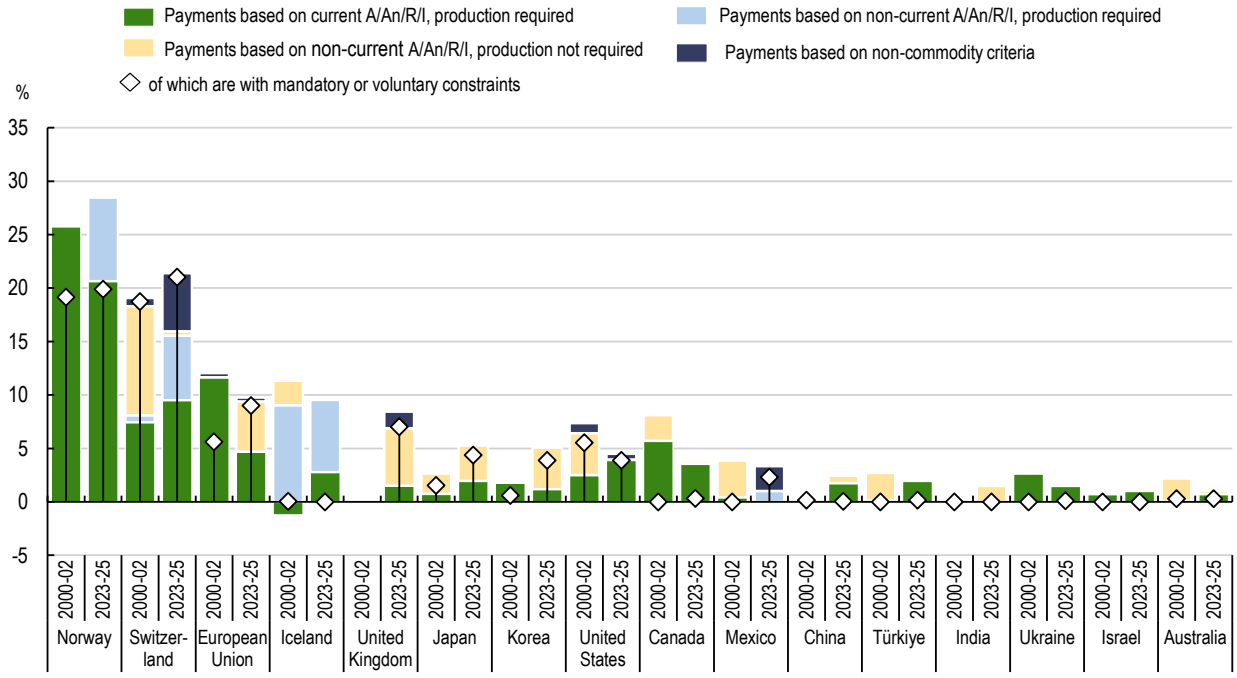
In several countries, the expansion of less production-linked support has been accompanied by greater use of mandatory or voluntary constraints attached to payments. Mandatory constraints require compliance with existing statutory requirements as a condition of receiving benefits. Voluntary constraints have to do with programmes that provide compensation for farmers taken or avoiding actions to provide some benefit that goes beyond legal minimum standards.

The share of support subject to such constraints increased in **Switzerland** (from about 19% to 21% of GFR) and in the **European Union** (from around 6% to 9%). In **Japan** and **Korea**, this share also rose, to around 4%, while in **Norway** it remained stable at close to 20% of GFR.

Overall, less production-linked forms of support have become more prominent in some countries and are increasingly associated with policy conditions. However, their importance remains uneven and, in many cases, they still represent a relatively small share of total support to farmers.

Figure 2.6. Norway and Switzerland provide the highest shares of less production-linked support in gross farm receipts

Use and composition of support that is less linked to production by selected countries and percentage of gross farm receipts, 2000-02 and 2023-25



Note: Figure presents countries having share of payments based on area, animal numbers, farm receipts or farm income (A/An/R/I) and on non-commodity criteria above 1% for 2023-25 period. Countries are ranked according to the total share of payments for 2023-25. The European Union refers to EU15 for 2000-02, and EU27 for 2023-25. No data available for the United Kingdom for 2000-02.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Conclusions

Levels of support to farmers vary widely and have declined relative to farm receipts

Support to farmers, measured as a share of gross farm receipts (%PSE), remains a central indicator of the scale of agricultural policy intervention. Levels vary widely across countries, reflecting different policy objectives and approaches. Support remains highest in **Iceland**, **Switzerland**, **Norway** and **Korea**, where it exceeds 40% of gross farm receipts, indicating a strong role for policy in shaping farm incomes. In contrast, policies in **Argentina**, **Viet Nam** and **India** reduce farm receipts relative to international market conditions.

Across countries, %PSE has declined over the past two decades, largely because the value of agricultural production has grown faster than support. In nominal terms, however, support levels remain high. **China** stands out as a major exception, where support to farmers has increased substantially, rising from around 5% of gross farm receipts in 2000-02 to around 13% in recent years.

Support remains largely linked to production decisions, though composition is evolving

The composition of support varies markedly across countries. In some, a large share of support is linked to production decisions through market price policies, output payments or unconstrained support to input use. These measures continue to play a central role in several countries, including **Iceland**, **Korea** and **India**. By contrast, in other countries including **Australia**, **Chile** and the **United States**, such measures account for a very small share of farm receipts, reflecting limited reliance on price-based or production-linked support. Over time, there has been a gradual shift in some countries away from support based on current production towards payments based on non-current parameters or non-commodity criteria, although this transition has been uneven and has slowed in recent years.

Across countries, market price policies are often applied selectively to specific commodities rather than uniformly across the agricultural sector. In many cases, a small number of commodities receive substantial support, while others are little affected. In some countries, including **India**, **Kazakhstan** and **Viet Nam**, policies raise domestic prices for certain commodities and lower them for others, resulting in large differences in support across products and complicating the interpretation of aggregate indicators.

Less production-linked support has expanded in some countries but remains uneven

Support that is less directly linked to production, such as payments based on historical entitlements, non-current parameters or non-commodity criteria, has become more prominent in some countries. This is most evident in **Norway**, **Switzerland** and the **European Union**, where such measures account for a significant share of gross farm receipts. In the **European Union**, successive CAP reforms have shifted support away from payments based on current production towards those based on non-current parameters.

In many other countries, however, these forms of support remain limited, often accounting for less than 5% of gross farm receipts. Payments based on non-commodity criteria continue to play a relatively small role overall, although they are more prominent in a few cases, including **Switzerland** and **Mexico**.

Where less production-linked support is more important, it is increasingly associated with policy conditions. The amount of support subject to mandatory or voluntary constraints as a share of GFR has increased in several countries, including **Switzerland** and the **European Union**, while remaining high in **Norway**. These conditions often relate to environmental or animal welfare objectives. In most other countries, however, the use of constrained support remains limited.

Support for general services remains relatively modest

Spending on general services that support the agricultural sector, such as the AKIS, infrastructure, or inspection systems, remains modest relative to the value of production. Averaging 2.4% of production value, it rarely accounts for more than 5% of it. Expenditure is dominated by investments in infrastructure, particularly irrigation, while spending on knowledge and innovation systems represents a smaller but important share. In some countries, notably **Switzerland**, **Norway** and **Korea**, AKIS is the largest part of spending on general services.

Consumers continue to bear much of the cost of agricultural policies

Agricultural policies continue to affect consumers primarily through their impact on prices. In most countries, policies raise domestic prices relative to international markets, increasing the cost of food for consumers. In a smaller number of countries, including **India**, **Viet Nam** and **Argentina**, policies lower domestic prices for some commodities, generating transfers from farmers to consumers.

Direct budgetary support to consumers remains limited in most countries. Notable exceptions include the **United States** and **India**, where targeted transfers play a significant role. Overall, however, the effects of agricultural policies on consumers are driven mainly by price measures rather than direct transfers.

Note

[1] The Agreement has since entered into force provisionally on 1 May 2026.

Country chapters

3 Argentina

Main findings

Support to agriculture

Argentina's overall support to agriculture has been negative since the early 2000s, largely due to export taxes that depress domestic prices received by farmers (negative Market Price Support, MPS). In 2023-25, the Producer Support Estimate (PSE) averaged USD -8.6 billion (-13.5% of gross farm receipts), indicating that farmers bear the cost of transfers to government (export tax revenue) and to consumers (via lower prices). This represents a deterioration compared to 2000-02 (-8.6%), although annual values show considerable volatility in recent years, with particularly negative levels in 2024 and 2025 (around -15.1%). MPS affects a large share of production, covering about 89% of total output in 2025, indicating widespread price distortions. As a result, domestic prices remain below international levels, with a Nominal Protection Coefficient (NPC) of around 0.92-0.95 in recent years.

Budgetary support is provided to farmers in the form of output payments for tobacco producers and for input use, mainly through credit at preferential rates, along with occasional disaster payments (mainly for drought).

Expenditures on general services (GSSE) reached USD 316 million in 2025, having increased substantially compared to 2000-02 levels. However, GSSE remains small relative to the size of the sector and does not offset the strongly negative transfers to producers.

Consumers benefit from lower domestic prices, as reflected in a positive Consumer Support Estimate (CSE) of USD 2.4 billion in 2025. This corresponds to implicit transfers from producers through lower food prices, although these benefits fluctuate with macroeconomic conditions.

Overall, Total Support Estimate (TSE) remains negative, at USD -9.2 billion in 2025 (-1.36% of GDP), indicating that agriculture as a whole is a net contributor to the economy. Budgetary support (TBSE) has increased over time, reaching USD 536 million in 2025, it remains modest and insufficient to counterbalance the large implicit taxation arising from price policies.

Key policy changes in 2025-26

Argentina continued policy reforms seeking deregulation of trade, services, and production. These reforms eliminated restrictions on the supply of goods and services and removed regulatory barriers to encourage productivity and economic growth. This resulted in several new measures related to agriculture. Export taxes were permanently reduced for key commodities (beef, soybeans, maize, wheat, barley, sorghum, and sunflower) and removed for some other products (including sugar, cotton, bovine leather, tobacco, forestry industry, and rice). Administrative export permits were simplified or removed, and regional product exports were deregulated.

Steps were taken to strengthen animal health surveillance and traceability systems. In November 2025 a technical standard mandating electronic individual identification for all bovines, buffalos, and cervids was approved. As of January 2026, animals of these species cannot be moved or remain on their birth farm

after weaning without an official electronic device (a visual tag plus an RFID component). This measure strengthens existing individual traceability requirements, exceeding market standards and will allow complete tracking from primary production to the meat industry once fully implemented. In addition, measures were adopted in response to outbreaks of the Avian Influenza and Equine Encephalomyelitis outbreaks.

Assessment and recommendations

- Gradually reduce export taxes and avoid ad hoc trade restrictions as part of a broader, predictable tax reform framework. Argentina's agricultural sector remains highly competitive and strongly export-oriented, but policy settings – particularly export taxes – keep domestic prices below international levels and weaking incentives to invest. This can reduce the adoption of new technologies, including those needed to adapt to climate risks, thereby constraining productivity, and farmers' resilience. Phasing down export taxes and embedding reforms in a predictable and transparent framework would reduce uncertainty and encourage long-term planning and investment.
- Improve policy predictability and coherence. Frequent changes in export measures, taxation and macroeconomic conditions create uncertainty and discourage investment. A more stable policy environment would support access to finance and value chain development.
- Rebalance public expenditure towards general services, particularly agricultural innovation, extension, and infrastructure seeking long term returns. Public expenditure on agriculture remains limited and focused on short-term or targeted measures, while recent reductions in research and development (R&D) funding are weaking the agricultural innovation system. This risks undermining capacities in research, extension and knowledge transfer that are essential for sustainable productivity growth.
- Strengthen agricultural risk management by moving from ad-hoc assistance to more structured, market-based approaches. Climate variability continues to expose the sector to significant risks while current responses rely heavily on ad-hoc assistance, which can be costly, unpredictable and weaken incentives for risk mitigation and adaptation. Expanding the use of market-based insurance tools, improving access to timely and reliable climate information and promoting incentives for climate-smart practices would enhance the sector's resilience and support more sustainable and predictable outcomes.
- Ensure that support for small-scale and family farmers is well targeted and focused on productivity, market integration and access to innovation. While existing programmes have aimed to address structural heterogeneity in the sector, recent reductions risk weakening access to services, finance and technical support for these farmers. Targeted assistance can support more inclusive growth and help reduce structural inequalities over time.
- Integrate environmental sustainability into agricultural policy and practices would support long-term sector performance. Current approaches place relatively limited emphasis on aligning productivity gains with environmental objectives. Pressures on land use, soil health and input efficiency risk undermining long-term performance if not adequately addressed. An integrated approach, supported by stronger innovation systems, would help align productivity with climate and environmental objectives.

Key indicators on agricultural support

Figure 3.1. Argentina: Development of support to agriculture

Figure 3.1A. Argentina: Producer Support Estimate and its composition

Percentage of gross farm receipts

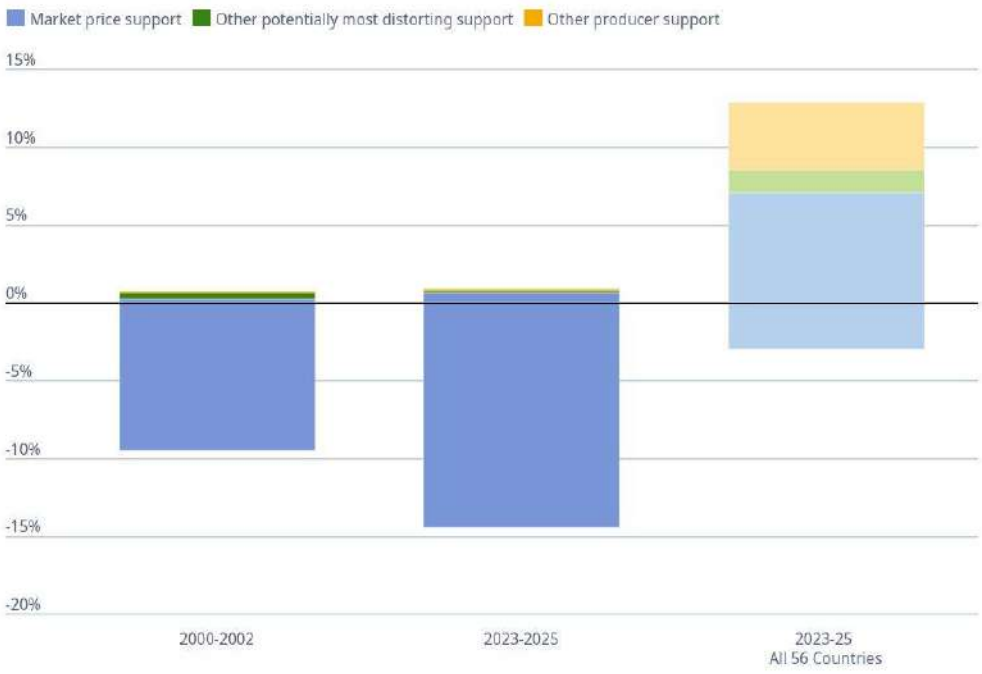


Figure 3.1B. Argentina: Ratio of producer to border price

Producer NPC

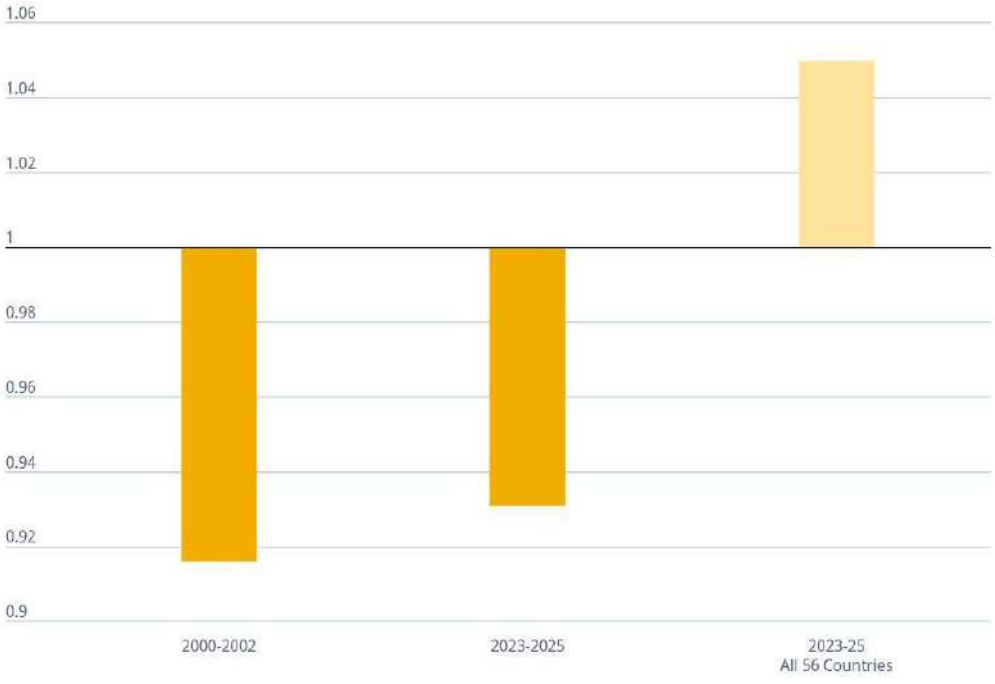


Figure 3.1C. Argentina: General Services Support Estimate and its composition

Relative to agricultural value of production

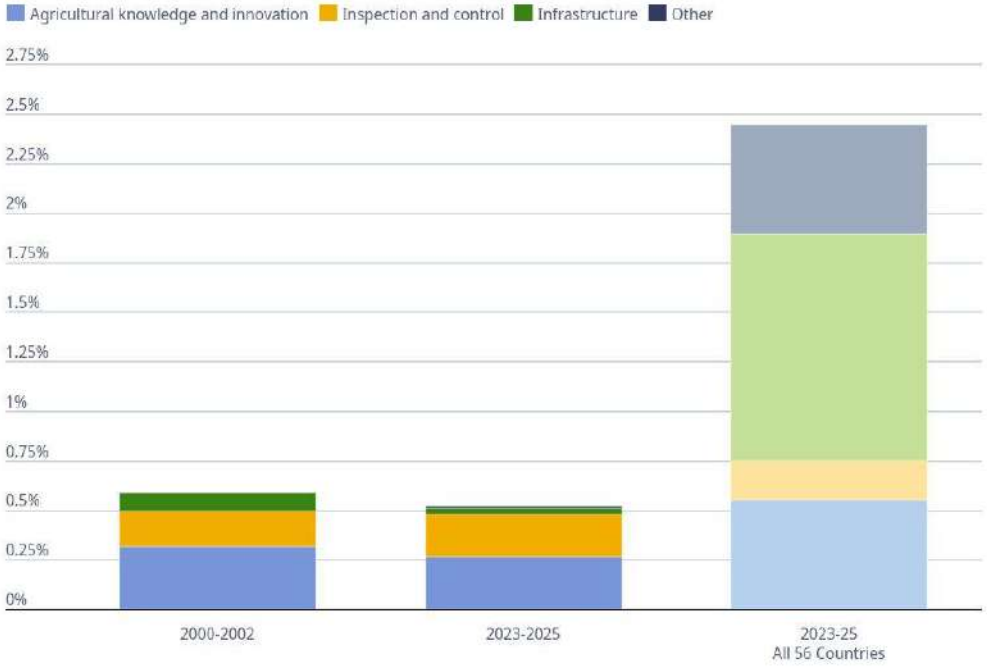
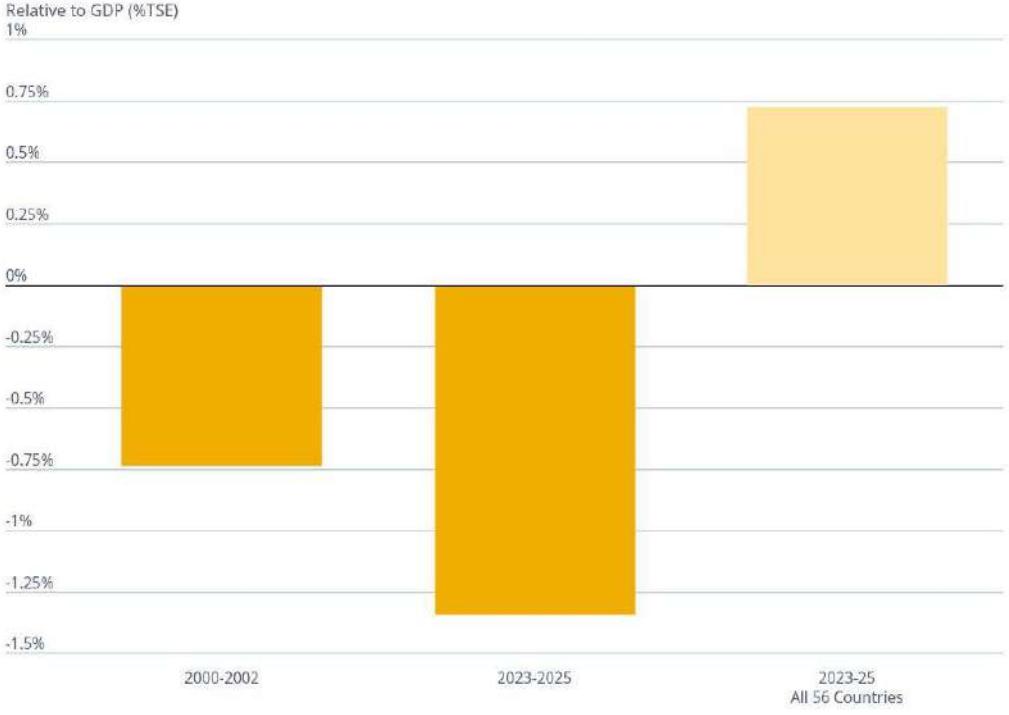


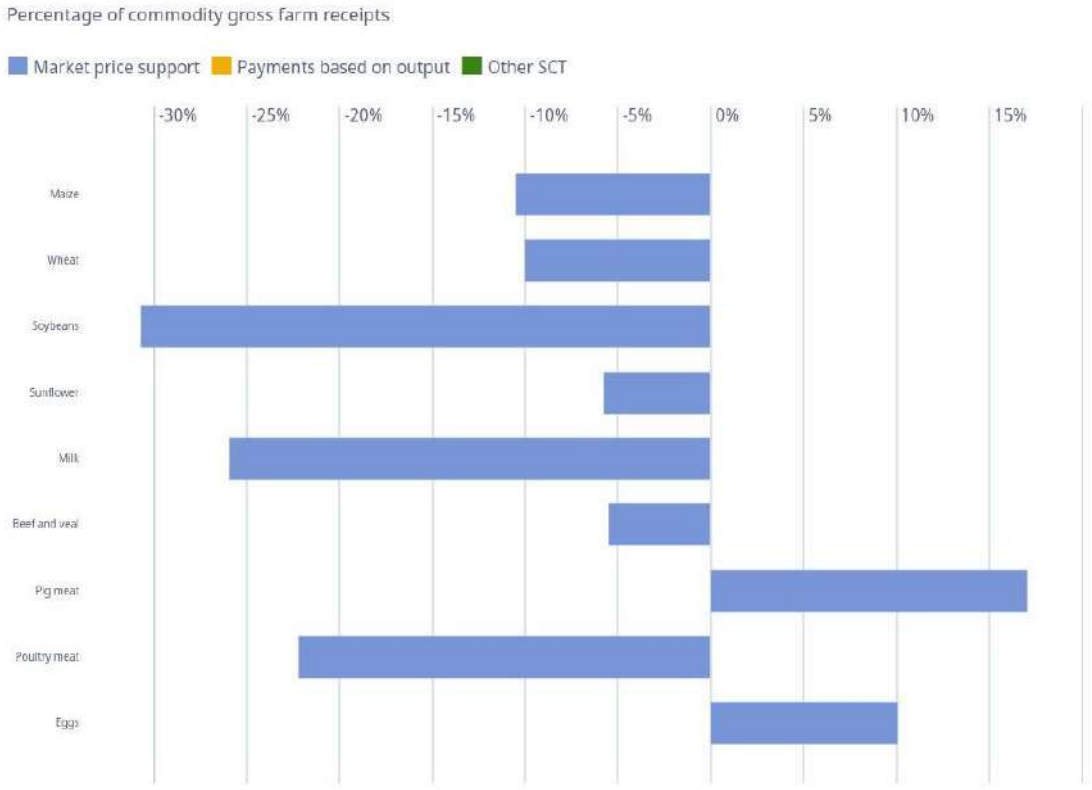
Figure 3.1D. Argentina: Total Support Estimate

Relative to GDP (%TSE)



Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 3.2. Argentina: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Table 3.1. Argentina: Estimates of support to agriculture

Million USD

	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**16 379**	**76 121**	**103 380**	**62 033**	**62 950**
of which: share of MPS commodities (%)	82.55	86.65	84.72	86.35	88.87
Total value of consumption (at farm gate)	**7 449**	**57 742**	**86 858**	**42 837**	**43 530**
Producer Support Estimate (PSE)	**-809**	**-8 604**	**-6 959**	**-9 385**	**-9 468**
Support based on commodity output	-843	-8 729	-7 139	-9 444	-9 603
Market price support[1]	-905	-8 803	-7 207	-9 514	-9 688
Positive market price support	47	399	309	463	426
Negative market price support	-952	-9 202	-7 516	-9 977	-10 114
Payments based on output	62	74	68	70	85
Payments based on input use	34	124	179	59	135
Based on variable input use	2	21	24	2	37
with input constraints	0	0	0	0	0
Based on fixed capital formation	23	70	118	44	47
with input constraints	0	0	0	0	0
Based on on-farm services	8	34	37	13	51
with input constraints	0	0	0	0	0
Payments based on current A/An/R/I, production required	0	1	2	0	0
Based on Receipts / Income	0	0	0	0	0
Based on Area planted / Animal numbers	0	1	2	0	0
with input constraints	0	0	0	0	0
Payments based on non-current A/An/R/I, production required	0	0	0	0	0
Payments based on non-current A/An/R/I, production not required	0	0	0	0	0
With variable payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
With fixed payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
Payments based on non-commodity criteria	0	0	0	0	0
Based on long-term resource retirement	0	0	0	0	0
Based on a specific non-commodity output	0	0	0	0	0
Based on other non-commodity criteria	0	0	0	0	0
Miscellaneous payments	0	0	0	0	0
Percentage PSE (%)	**-8.64**	**-13.49**	**-6.72**	**-15.10**	**-14.99**
Producer NPC (coeff.)	**0.92**	**0.93**	**0.93**	**0.95**	**0.92**
Producer NAC (coeff.)	**0.92**	**0.88**	**0.94**	**0.87**	**0.87**
General Services Support Estimate (GSSE)	**116**	**396**	**525**	**348**	**316**
Agricultural knowledge and innovation system	66	211	306	183	144
Inspection and control	33	145	139	142	153
Development and maintenance of infrastructure	17	31	58	20	14
Marketing and promotion	0	10	21	4	5
Cost of public stockholding	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Percentage GSSE (% of TSE)	.	.	.	.	.
Consumer Support Estimate (CSE)	**212**	**2 475**	**3 998**	**979**	**2 449**
Transfers to producers from consumers	250	3 102	4 627	1 711	2 967
Other transfers from consumers	-6	-1	-2	7	-8
Transfers to consumers from taxpayers	0	-0	0	0	0
Excess feed cost	-32	-625	-627	-739	-510
Percentage CSE (%)	**6.13**	**4.30**	**4.60**	**2.29**	**5.63**
Consumer NPC (coeff.)	**0.94**	**0.95**	**0.95**	**0.96**	**0.94**
Consumer NAC (coeff.)	**0.94**	**0.96**	**0.96**	**0.98**	**0.95**
Total Support Estimate (TSE)	**-692**	**-8 208**	**-6 434**	**-9 036**	**-9 152**
Transfers from consumers	-244	-3 101	-4 625	-1 718	-2 959
Transfers from taxpayers	-442	-5 106	-1 808	-7 325	-6 185
Budget revenues	-6	-1	-2	7	-8
Percentage TSE (% of GDP)	**-0.74**	**-1.34**	**-1.00**	**-1.43**	**-1.36**
Total Budgetary Support Estimate (TBSE)	**213**	**595**	**773**	**477**	**536**
Percentage TBSE (% of GDP)	**0.10**	**0.08**	**0.12**	**0.08**	**0.08**
GDP deflator (2000-02 = 100)	**100**	**105 502**	**38 204**	**117 517**	**160 786**
Exchange rate (national currency per USD)	**1.69**	**817.27**	**296.26**	**914.69**	**1 240.85**

.. Not available

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.

1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for Argentina are: wheat, maize, soybean, sunflower, fruit and vegetables, milk, beef and veal, pig meat, poultry and eggs.

Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

Unlike most countries covered by this report, Argentina maintains export restrictions that result in domestic prices lower than on international markets. **Export taxes are by far the most important market intervention** and a major source of government revenues. Export taxes are set under executive authority and were modified by decree in January, July, September, and December 2025, reducing or eliminating them for some products.

Input subsidies are mainly provided via **preferential credits that finance investment** and working capital for producing certain commodities. For example, the National Agro-industry Trust Fund (*Fondo Fiduciario Nacional de Agroindustria*, FONDAGRO) financed investment in the sector at preferential interest rates for specific groups between 2017 and 2024. The Ministry of Productive Development provides credit financing for capital investments by micro, small, and medium-sized enterprises in the poultry and pig sectors.

Direct payments are occasionally provided as disaster assistance in response to extreme weather events, particularly droughts. Support is generally triggered following the declaration of an agricultural emergency or disaster at provincial level under the national agricultural emergency framework. Assistance may include direct transfers, subsidised credit, tax deferrals, or debt restructuring measures for affected producers identified through provincial emergency declarations and damage assessments.

One long-standing support programme remains in place within Argentina's World Trade Organization (WTO) commitments. The Special Tobacco Fund (FET) was created in 1972 to provide additional revenue and **support to tobacco producers in certain northwestern and northeastern provinces**. The fund is financed by a 7% tax on retail tobacco sales. The federal government transfers 80% of collected funds to tobacco-producing provinces based on their share of production. After signing the WTO agreement in 1994, Argentina committed to reducing this support, and FET payments to tobacco producers have declined. The remaining funds are used for technical assistance, investing in local infrastructure, diversification of agricultural production, and providing social and health assistance to the population in need.

Inspection and control services are the largest form of general services provided, representing 51% of the GSSE. The safety and quality of agricultural and livestock products is controlled via regulations and standards for the production, processing, and transport of agricultural products. The National Food Safety and Quality Service (*Servicio Nacional de Sanidad y Calidad Agroalimentaria*, SENASA) is the agency responsible for this, as well as certification, inspection, and laboratory services to ensure compliance with these standards. SENASA also works to prevent and control the spread of animal and plant diseases. The agency registers pesticides and other agricultural chemicals for agricultural use and oversees agrochemical products that are imported or manufactured in the country to protect human health. The National Institute of Viticulture oversees the authenticity and safety of wine production, and the control of ethyl alcohol and methanol in compliance with national laws. It recognises and protects Geographical Indications to highlight product quality based on origin.

Expenditures for the agricultural knowledge and innovation system represents 42% of the GSSE. The National Institute of Agricultural Technology (*Instituto Nacional de Tecnología Agropecuaria*, INTA) is the national organisation responsible for research and promoting technological innovation in agriculture, livestock, and agri-food. The institute conducts scientific and technological research, provides technical assistance and training to farmers and other stakeholders in the agricultural sector, and develops and disseminates knowledge and technologies related to agricultural production, agro-industrial processes, and rural development. INTA also collaborates with national and international organisations, universities, and private companies to promote innovation and competitiveness in the agricultural sector (OECD, 2019[1]; Echeverria, 2021[2]).

The Provincial Agricultural Services Program (*Programa de Servicios Agrícolas Provinciales*, PROSAP) contributes to the competitiveness and development of rural economies through investments in provincial rural infrastructure (roads, irrigation, electrification, and specific civil works). PROSAP support services to producers and agro-industrial companies are delivered through publicly funded technical assistance, technology and innovation support, business and market development services, and institutional strengthening at provincial and producer levels, complementing rural infrastructure investments to raise competitiveness and value addition.

The Argentina Against Hunger social programme provides **financial support for children, pregnant women and disabled people**. Support is provided through an electronic food card that can be used in any grocery store. The food card is given to parents of children under the age of 14 who receive the Universal Allowance per Child (AUH), pregnant women who receive the Universal Pregnancy Allowance (AUE), and people with disabilities who receive the AUH. In 2025, the programme reached over 4.4 million beneficiaries (ANSES, 2026[3]).

Argentina's National Constitution establishes the right to a healthy and balanced environment and provides for the repair of any environmental damage caused. This framework is supported since 2007 by Law 26.331, which sets minimum standards for the protection, restoration and sustainable management of native forests and their ecosystem services. A key instrument of the law is the Territorial Planning of Native Forests, complemented by a National System for Monitoring Native Forests, which promotes sustainable livestock systems in forested areas, including through certification schemes and market differentiation. At the farm level, a national system for the safe management and recycling of empty phytosanitary containers is in place to reduce environmental and health risks.

Other agri-environmental regulations and policies in Argentina are mostly legislated and implemented at the provincial level. For example, Santa Fe has a Good Agricultural Practices Programme combining regulation, technical standards, and economic rewards to encourage producers and institutions to adopt environmentally sustainable, socially responsible, and innovation-oriented farming practices, particularly in sensitive rural-urban contexts. The Law on Soil Conservation in Entre Ríos requires mandatory soil conservation for areas with soil degradation, including water and wind erosion, as well as other processes such as nutrient depletion and soil physical or chemical deterioration. These measures are implemented through conservation plans that may include crop rotation, reduced or no-tillage systems, soil cover, and erosion control practices. In Buenos Aires, the *Buenas Prácticas Agrícolas – Suelos Bonaerenses* programme provides training and supports farmers with extensive production of crops to carry out crop rotation, adopt practices that reduce water and wind erosion, and develop plans to reduce pesticide use. Córdoba has a Law on Good Agricultural Practices that establishes a voluntary programme under which farmers can receive payments for adopting sustainable agricultural practices. Participation is optional and payments are linked to the implementation of certified practices rather than to compliance with mandatory baseline regulations.

The agricultural sector contributes 29% of national greenhouse gas (GHG) emissions. Its updated nationally determined contribution commits the country to an economy-wide net emission limit of 349 $MtCO_2eq$ by 2030. In November 2022, Argentina submitted a long-term strategy to the United Nations Framework Convention on Climate Change that includes a target to reach GHG neutrality by 2050. Argentina has implemented several policies and initiatives aimed at mitigating GHG emissions in the Agriculture, Forestry, and Other Land Use (AFOLU) sector, such as promoting more sustainable agricultural and livestock practices and improving knowledge in GHG accountability.

Argentina participates in initiatives, such as the Global Bioenergy Partnership and the Global Research Alliance on Agricultural Greenhouse Gases and the Global Methane Pledge initiative. The National Institute of Agricultural Technology (INTA) plays an important role in research and innovation to reduce GHG emissions from agriculture and has a portfolio of research projects related to climate change mitigation and adaptation. Argentina also participates in several projects aimed at reducing the intensity of GHG

emissions in the livestock and rice sectors, as well as fostering adaptation to the adverse climate impacts in agricultural and livestock sector.

Recent policy developments

Domestic policy developments in 2025-26

Production and marketing practices

The mandatory registration of exporters of meat, dairy products and grains in the Single Registry of the Agri-Food Chain (*Registro Único de la Cadena Agroalimentaria*, RUCA) adopted in 2024 was removed. Since 2025, it has been replaced by the registration in two separate systems: the Argentine Integrated Health Information System (*Sistema Integrado de Información Sanitaria Argentino*, SISA) for grains; and the Meat and Dairy Operators Information System (*Sistema de Información de Operadores de Carnes y Lácteos*, SIOCAL) for meat and dairy products. Those already registered in the RUCA were automatically transferred to the new systems. This reform aims to reduce duplicated administrative procedures and inefficiencies in compliance processes.

Some measures were introduced to optimise resources and streamline commercialisation, including facilitating export procedures, implementing electronic certification, and eliminating bureaucratic requirements. The government eliminated the regulation that established a minimum slaughter weight for cattle, starting in January 2026, which is expected to allow for greater flexibility in decision-making by producers. Additionally, the ban on exporting live cattle for slaughter was abolished in 2025. In December 2025, a new unified mechanism for allocating quotas for meat exports to the European Union, the United Kingdom, and the United States was established.

Complementing these changes, in November 2025, Argentina approved the technical standard that establishes mandatory electronic individual identification of bovines, buffalos and cervids throughout the country. Since January 2026, no animal of these species may be moved or remain at the birth farm after weaning without an official electronic device, consisting of a visual tag and a radio-frequency identification device, which may be a button, bolus, or injectable microchip. This system will expand the scope of individual traceability that was already done for some markets such as the European Union. Once implementation is complete, the moving of each animal will be traceable from birth to slaughter. Technical assistance activities were carried out to support producers in adapting to the new regulations.

Animal and plant health and safety

Responding to outbreaks of Avian Influenza worldwide and particularly in North America, Argentina has strengthened epidemiological surveillance in commercial, backyard, and wild birds through SENASA. In July 2025, Argentina approved the new Contingency Plan for Avian Influenza and the epidemiological surveillance with support from the private sector.

In October 2025, the National Plan for the Control and Eradication of Aujeszky's Disease (Pseudorabies) was updated to include health measures for all swine farms, aligning the requirements with code 8.2 of the World Organisation for Animal Health (WOAH).

Bioeconomy and biotechnology

In 2025 and up to April 2026, Argentina approved 11 plant genetic modifications for commercialisation: seven maize, three soybean, and one cotton variety with different herbicides- and insects-resistant features, along with two genetically modified microorganisms (one yeast for bioethanol and one vaccine

for swine disease).[1] Additionally, during 2025, Argentina awarded 74 Bioproduct Seals to biomaterials as well as 11 certificates of interest (8 for biomaterials and 3 for bioinputs).

Rural development, family farms and indigenous agriculture

Two programmes established in response to COVID-19 ended in March 2025. These are the Economic Insertion Programme for Family Producers in Northern Argentina (PROCANOR) and the Goat Chain Development Programme (PRODECCA) that aimed to improve the income of goat-producing families in Indigenous Peasant Family Agriculture.

Trade policy developments in 2025-26

Export tax reductions were implemented through a series of executive decrees throughout 2025. Several reductions for regional economy products established since January 2025 were confirmed as permanent, setting rates at 0% for some products, including sugar, food preparations, cotton, bovine leather, beverages, sheep (wool and leather), tobacco, forestry, rice, dairy products, pig meat, and peanuts. A targeted temporary reduction was also applied in September 2025 for soybean and by-products, subject to a volume cap of USD 7 billion. Additionally, in December 2025 new reductions were made permanent for soybean (from 26% to 24%), soybean by-products (from 24.5% to 22.5%), wheat and barley (from 9.5% to 7.5%), maize and sorghum (from 9.5% to 8.5%), sunflower (from 5.5% to 4.5%), and meat (from 6.75% to 5%).[2]

During 2025-26, Argentina, as a founding member of MERCOSUR (together with Brazil, Paraguay, and Uruguay), was involved in three significant developments relating to free trade agreements (FTA). The FTA between MERCOSUR and European Free Trade Association (EFTA) was signed in September 2025 and will enter into force once ratified by all parties. The MERCOSUR-Singapore FTA was signed in December 2023 and began entering into force in February 2026 for some members, while ratification remains pending for others.

The Association Agreement between MERCOSUR and the European Union (EU) was signed in January 2026. While Argentina completed its internal ratification procedures in early 2026, the agreement still requires approval by EU institutions and Member States. In January 2026, the European Parliament requested a legal review by the Court of Justice of the European Union, potentially delaying full ratification and implementation of the agreement. However, provisional application of the trade pillar began in May 2026.

Policy context

Key economic and agricultural statistics

Argentina is an upper middle-income country with a dynamic agricultural sector that has been making a growing contribution to the GDP, from 4.7% of the GDP in 2000 to 5.8% in 2024. In contrast, agriculture's share of employment decreased from 11.4% in 2000 to 7.2% in 2024. The country is one of the world's largest agricultural exporters, and agro-food represented 41.5% of total exports in 2000, and 43.7% in 2024. In contrast, agro-food imports represented only 5.4% of total imports in 2000 and 9.3% in 2024. Argentina has abundant agricultural land representing around 4% of the total agricultural area of all countries covered in this report, with a large share of this area composed of pastureland.

Table 3.2. Argentina: Contextual indicators

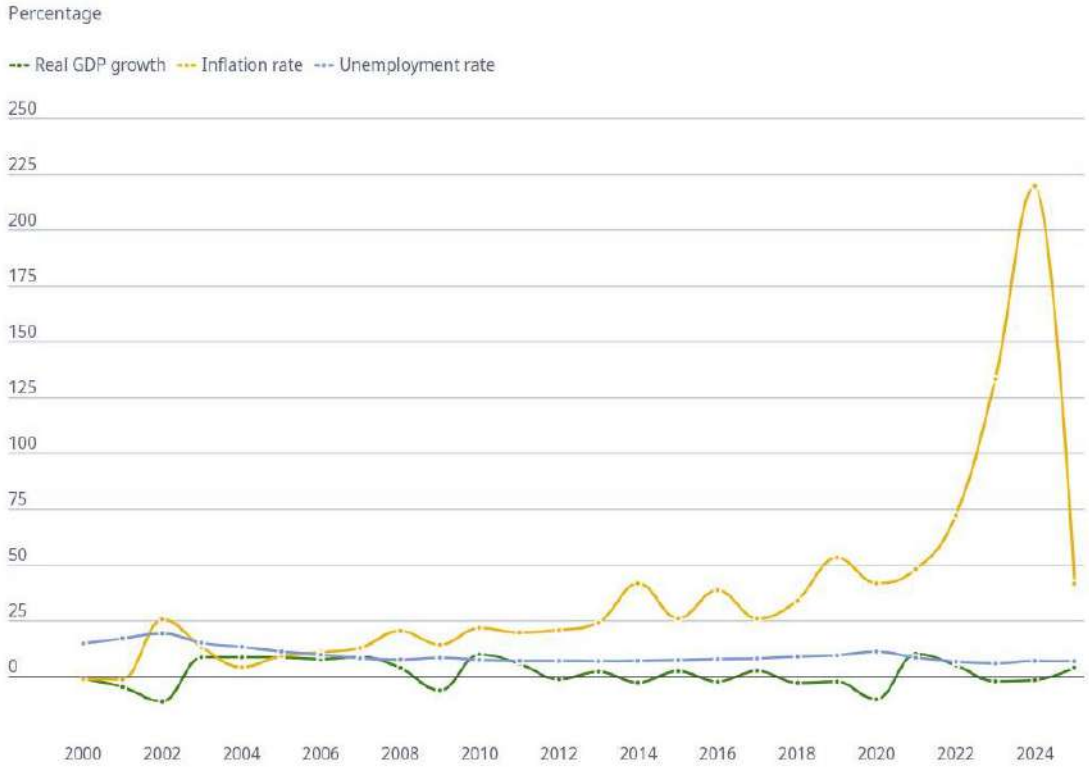
	Argentina		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	428	1 391	1.1%	0.8%
Population (million)	37	46	0.8%	0.8%
Land area (thousand km²)	2 737	2 737	3.3%	3.2%
Agricultural area (AA) (thousand ha)	128 510	116 136	4.3%	3.9%
			All countries[1]	
Population density (inhabitants/km²)	13	16	52	64
GDP per capita (USD in PPPs)	11 500	30 431	9 508	31 740
Trade as % of GDP	9.1	11.1	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	4.7	5.8	3.0	3.6
Agriculture share in employment (%)	11.4	7.2	-	-
Agro-food exports (% of total exports)	41.5	43.7	6.4	8.3
Agro-food imports (% of total imports)	5.4	9.3	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	56.7	55.2	62.1	60.4
Livestock in total agricultural production (%)	43.3	44.8	37.9	39.6
Share of arable land in AA (%)	21.5	34.8	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

The Argentine economy began to stall in April 2018, when the peso came under pressure. The currency depreciated by around 40% against the US dollar in 2018 and by approximately 70% over the period 2018-21. This triggered a recession and led to persistently high inflation, exceeding 40% annually. Inflation subsequently accelerated sharply, reaching 133.5% in 2023 and peaking at 219.9% in 2024, before declining markedly to 41.9% in 2025, signalling initial progress in macroeconomic stabilisation (OECD, 2025[4]).

Exchange rate controls resulted in the coexistence of multiple parallel exchange rates, which increasingly diverged from the official rate. The economy was further adversely affected by the COVID-19 pandemic, with GDP contracting by 9.9% in 2020, before rebounding by 10.4% in 2021 and 5.3% in 2022. Economic activity declined again by 1.6% in 2023 and 3.9% in 2024, reflecting the combined effects of a severe drought, the build-up of macroeconomic imbalances, and the impact of the stabilisation programme implemented at the beginning of 2024 (OECD, 2024[5]). Growth resumed in 2025, with real GDP expanding by 4.2% and unemployment at 7.2%.

Figure 3.3. Argentina: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

Argentina runs a significant agro-food trade surplus having exceeded USD 30 billion for most of the past decade and USD 45.6 billion in 2022. This surplus notably decreased to USD 29.2 billion in 2024. Most of agro-food exports (77%) are primary or processed products used as inputs in downstream industries abroad, whereas the much smaller bundle of agro-food imports is mostly composed of primary products for use by industry (76%).

Figure 3.4. Argentina: Agro-food trade

Figure 3.4A. Argentina: Agro-food trade 2000 to 2024

Billion USD

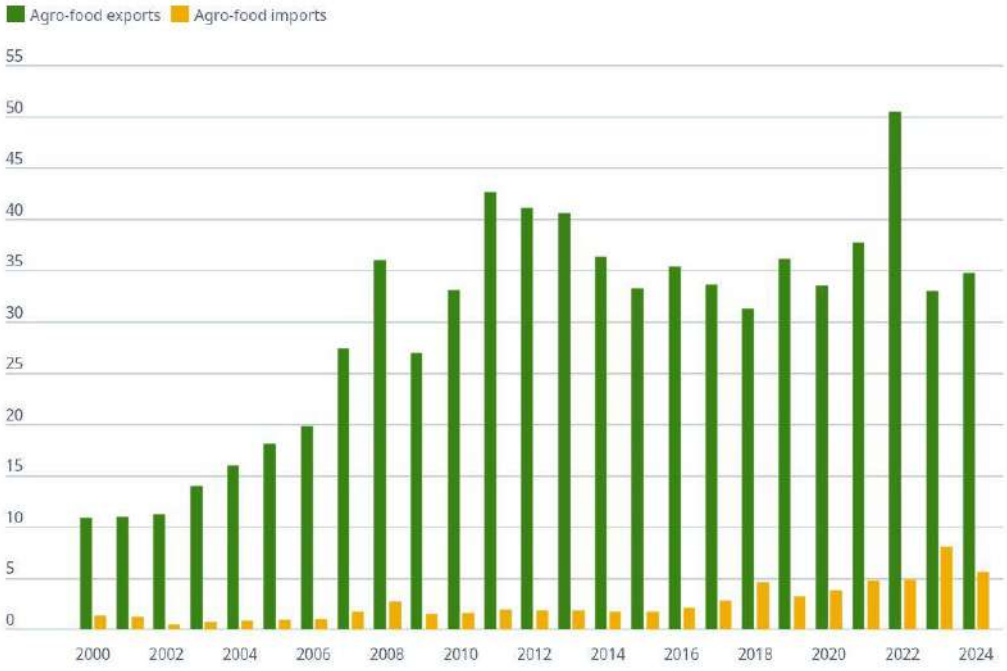


Figure 3.4B. Argentina: Composition of Agro-food trade, 2024

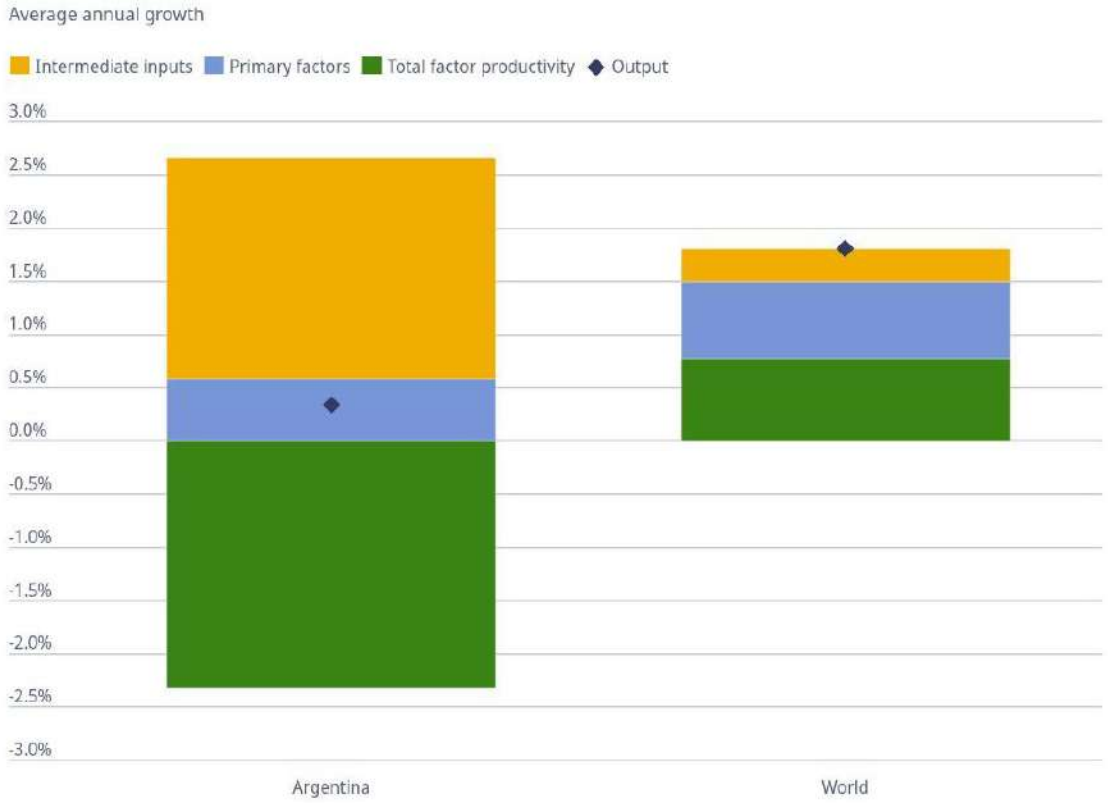
Percentage



Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Argentine agricultural production has grown at an annual rate of 0.3% between 2014 and 2023. Within this total growth, 2.1% was due to an increased use of intermediate inputs and 0.6% was due to a primary factor growth. During the same period, Total Factor Productivity (TFP) decreased on average by 2.3%, well below the world average of 0.8%.

Figure 3.5. Argentina: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Agricultural nutrient balances in Argentina, particularly its average nitrogen balance, are comparatively low, albeit increasing. The shares of agriculture in energy use and in GHG emissions were, at 6.3% and 29.2% respectively in the period 2014-2023, well above the OECD average (2% and 10.3%, respectively), with the high emissions reflecting the large number of ruminants. Notably, the emissions share is well above the sector's contribution to the economy.

Table 3.3. Argentina: Productivity and environmental indicators

	Argentina		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	1.6%	-2.3%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	6.2	25.7	32.3	29.0
Phosphorus balance, kg/ha	3.0	5.3	3.3	2.3
Agriculture share of total energy use (%)	5.8	6.3	1.7	2.0
Agriculture share of GHG emissions (%)	35.9	29.2	8.7	10.3
Share of irrigated land in AA (%)	1.2	2.0	-	-
Share of agriculture in water abstractions (%)	..	..	46.1	47.7
Water stress indicator	..	..	..	..

Note: * or closest available year.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Argentina has a history of macroeconomic instability and policy volatility, switching from open markets to import substitution in a way that has led to overall poor long-term economic performance (OECD, 2019[1]). The main exception has been the agricultural sector which, despite policy impediments, has innovated and grown. Driven by higher international agricultural prices, Argentine agriculture – in particular, in the extended Pampas region – has experienced a major structural transformation. This has been reflected in changing land use, the emergence of soybean as a major commodity, and diversified and growing export markets, especially toward Asia. However, outside of the Pampas, other crops like tobacco, cotton and fruits and vegetables have been less successful.

Argentina liberalised trade in the late 1970s and explored ways to increase trade with its neighbours and other economies from the second half of the 1980s. In the 1990s, the Argentine economy became more integrated in international trade, including the liberalisation of the agri-food sector, through the creation of Mercosur in 1991 and the 1994 WTO Agreement. However, after the financial crisis in 2001, Argentina reverted to increasing tariffs, establishing price controls for food products, and re-introducing export taxes on agricultural products such as soybeans to raise revenue and reduce basic food prices. Further export restrictions in the form of quotas for wheat, maize, milk, and beef were imposed in 2008. Between 2007 and 2011, a consumer price subsidy was implemented. The National Office of Agricultural Commercial Control (ONCCA) agency provided payments to processors purchasing wheat, maize, soybeans, and sunflower products from the local market.

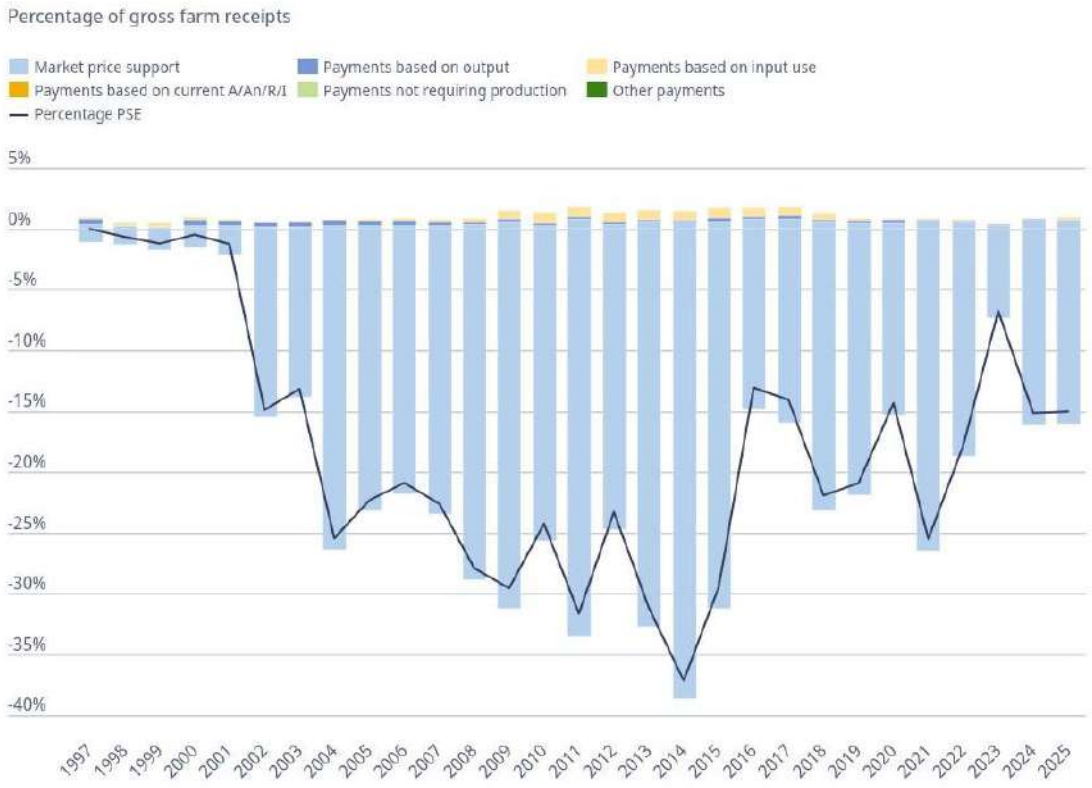
In December 2015, the government began to gradually re-open markets again: it reduced export taxes on soybeans and soybean oil, eliminated export taxes on all other agricultural products, removed all export quotas, and free-floated the exchange rate of the Argentine peso to other currencies. But following the 2018-19 depreciation of the local currency and the subsequent economic recession, export taxes were re-established not only for agri-food products but for all goods by the government that had reduced or eliminated them. By early 2020, agricultural-specific export taxes were re-instated for most products in early 2020. In 2025, export taxes were eliminated for some products and reduced for some others. Simultaneously, the exchange-rate controls introduced in the beginning of 2020 resulted in a widening gap between the official exchange rate and other market exchange rates, which reached a maximum of 89% in 2022. In 2024 and 2025, the gap decreased to its lowest level since 2019 to around a 10%.

Table 3.4. Argentina: Agricultural policy trends

Period	Framework	Changes in agricultural policies
Prior to 1990	Alternate free trade and import substitution policies	Price interventions on main agricultural products, mandatory public stockholding, export taxes on agricultural trade, tariffs on imports of agricultural inputs such as fertiliser, low levels of investment in private agricultural R&D and infrastructure in general. Several attempts to liberalise trade. Creation of agricultural R&D and extension services institute INTA (1956); private institutions such as AACREA (1960) and AAPRESID (1989) created to provide services to farmers.
1991-2001	Shifts to open the economy	Dismantling stockholding and price-setting public institutions, reduction of import and export tariffs, free trade agreements (Mercosur and WTO). Price stabilisation, reduction of barriers to trade, privatisation and deregulation of markets Dissolution of National Commercial Boards (1991). Creation of animal and plant health and food safety SENASA (1996). Creation of the seed regulatory institution INASE (1991).
2002-2015	Return to a closed economy	Implementation of export taxes, import restrictions, value chains subject to regulations as export quotas and price controls at the retail level. The National Office of Agricultural Commercial Control (ONCCA) dismantled (2011).
2016-2017	Gradual shifts to open the economy	Elimination of export taxes for all agricultural commodities, except reduced taxes on soybean exports. Elimination and reforms to the Register of Export Operations ROEs (2015). Federal Agricultural Council (CFA) reformed (2017).
2018-2023	Reintroduction of export taxes	Export taxes established for all exports including agriculture in response to the economic crisis of 2018. Reintroduction of specific taxes on agricultural products and exchange rate controls since 2019. Since December 2023, changes to export taxes are expected to be done by Law and cannot be done by decree. However, export taxes in place until then continued.
2024-Present	Gradual shifts to deregulation	Stabilisation programme implemented. The exchange rate gap was reduced. Export taxes continue to be defined by decree. Temporary reduction and elimination of export taxes for certain agricultural products.

Prior to the 2001 economic crisis, producer support fluctuated around zero. Following the 2001-02 financial crisis, the reintroduction of export taxes and other trade restrictions led to strongly negative market price support, while budgetary support to producers remained limited. As a result, the Producer Support Estimate (PSE) fell sharply, reaching -38.6% of gross farm receipts in 2014. Reductions in export taxes in 2015 and 2016 moderated this pattern. Budgetary support remained relatively small and was concentrated mainly on tobacco subsidies. Around 60% of total agricultural expenditures over the last decade financed general services to the sector. Between 2007 and 2010, Argentina also provided subsidies to food processors to offset high agricultural commodity prices.

Figure 3.6. Argentina: Development of the PSE and its composition, 1997 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

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Notes

[1] See https://www.argentina.gob.ar/agricultura/alimentos-y-bioeconomia/ogm-vegetal-eventos-con-autorizacion-comercial.

[2] See Boletin Oficial Republica Argentina - Nomenclatura común del MERCOSUR - decreto 877/2025.

4 Australia

Main findings

Support to agriculture

Australia's support to agricultural producers (Producer Support Estimate, PSE) is among the lowest in the OECD, estimated at 1.8% of gross farm receipts in 2023-25, down from 3.6% observed two decades ago. Policies emphasise market openness, building resilience, and investments in general services, including research and development (R&D), hydrological infrastructure, and biosecurity.

Market Price Support (MPS) to producers ended in 2000 and domestic prices for Australia's main agricultural outputs have been aligned with world prices since then. Most producer support in 2023-25 was in the form of income-smoothing programmes that address cashflow fluctuations, disaster relief payments and tax rebates. Payments on input use are also used, mainly concessional loans for on-farm investments, including in response to adverse events.

The General Services Support Estimate (GSSE) averaged around 2% of the value of agricultural production during 2023-25, similar to 1.9% of the early 2000s and below the OECD average. More than half of this went to support for R&D and innovation (corresponding to 1.3% of agricultural production value, slightly higher than the OECD average). Public expenditure to develop and upgrade infrastructure (mostly hydrological) and funding to strengthen biosecurity represented most of the remaining general services expenditure.

Overall support to agriculture (Total Support Estimate, TSE) represented 0.1% of Gross Domestic Product (GDP) in 2023-25, down from 0.2% in 2000-02, and well below the OECD average.

Key policy changes in 2025-26

Producer loans were allocated an additional AUD 1 billion (USD 0.6 billion) of funding over three years from 2026-27 through the Regional Investment Corporation. In response to continuing drought conditions in Australia, this was complemented with the introduction of a new Drought Hardship Loan, which seeks to help farmers finance short-term operating costs as they continue to manage drought impacts and plan for recovery.

The Agriculture and Land Sector Plan was released in September 2025. Supporting Australia's Net Zero Plan, the sectoral plan aims to guide agriculture's contribution to Australia's goals of net zero greenhouse gas emissions by 2050. This complements Australia's second Nationally Determined Contribution submitted under the Paris Agreement in 2025, which sets out Australia's commitment to reduce net national greenhouse gas emissions by 62-70% compared to 2005 levels, covering all greenhouse gases and all sectors of the economy, including agriculture.

Building on the National Climate Risk Assessment, the first National Adaptation Plan was published in 2025. The Plan outlines the overall vision for climate change adaptation in Australia. Key priorities set for agriculture include further investment in technological innovation, research and development, improving

water use and efficiency, addressing skills shortages in the production chains, diversifying crops and implementing new technologies and farming techniques.

The Australia and United Arab Emirates (UAE) Comprehensive Economic Partnership Agreement (CEPA) entered into force in October 2025. Australia and the European Union concluded negotiations on a free trade agreement in March 2026.

Assessment and recommendations

- Refocus general services spending to strengthen sustainable productivity growth. Despite relatively high investment, productivity growth has slowed since the 1990s. Increasing productivity growth in an environmentally sustainable way will require making better use of funding, with a tighter focus on steering innovation to overcoming challenges related to sustainable productivity growth. Further enhancing knowledge transfer and skills systems, including extension and advisory services, agricultural education, and applied innovation uptake will be essential to help farmers adopt climate smart practices and improve risk management to keep sustainable productivity growth amidst increasing climate variability.
- Strengthen participation incentives and accountability within Australia's expanding and largely voluntary sustainability framework to facilitate access to some export markets. Ensuring farmer participation in transparent data collection for sustainability reporting against clear protocols will be vital to credibly assess and demonstrate the environmental sustainability of Australian agricultural products in international markets.
- Strengthen implementation and co-ordination of Australia's climate adaptation framework by translating national priorities into concrete, on-farm actions, supported by clear roles and responsibilities across federal, state, and local governments. The National Adaptation Plan highlights that climate change adaptation measures taken to date are unlikely to be sufficient given the scale of projected climate change impacts and it rightly calls for reviewing the scale and scope of adaptation across all levels of government. This should include stronger horizontal co-ordination across sectors, alongside partnerships with subnational authorities to reflect the local nature of adaptation. Establishing a robust monitoring and evaluation system with measurable indicators will be essential to track progress, avoid maladaptation, and ensure delivery of innovation, skills, water efficiency, and climate-resilient farming practices.
- Assess the effects of investments in water infrastructure on water consumption and return flows to groundwater and surface water as well as other socio-economic impacts. Consider alternatives to irrigation infrastructure subsidies such as direct purchases of water entitlements, as has been done in the Murray Darling Basin. The sustainable management of water resources is essential for Australian farmers to adapt to higher temperatures, lower winter rainfall, and increased frequency of drought and extreme weather events.
- Strengthen and broaden the policy mix to increase efforts on agricultural emissions reductions in line with Australia's net-zero targets by accelerating the development and deployment of low-emission technologies. Funding to accelerate the development and commercialisation of technological solutions to reduce emissions rightly focuses on methane emissions from enteric fermentation of livestock (representing 70% of Australia's agricultural emissions), but the extent to which technologies such as feed supplements can drive reductions remains uncertain. To support the red meat industry's contributions to Australia's net-zero ambitions, consider complementing voluntary and technology-based approaches with stronger incentives such as standards, emission taxes, or regulatory signals to drive adoption at scale. Continued improvement of land-based offset mechanisms (e.g. Australian Carbon Credit Units) will also be important to ensure that they deliver transparent, efficient and sustainable solutions.

Key indicators on agricultural support

Figure 4.1. Australia: Development of support to agriculture

Figure 4.1A. Australia: Producer Support Estimate and its composition

Percentage of gross farm receipts

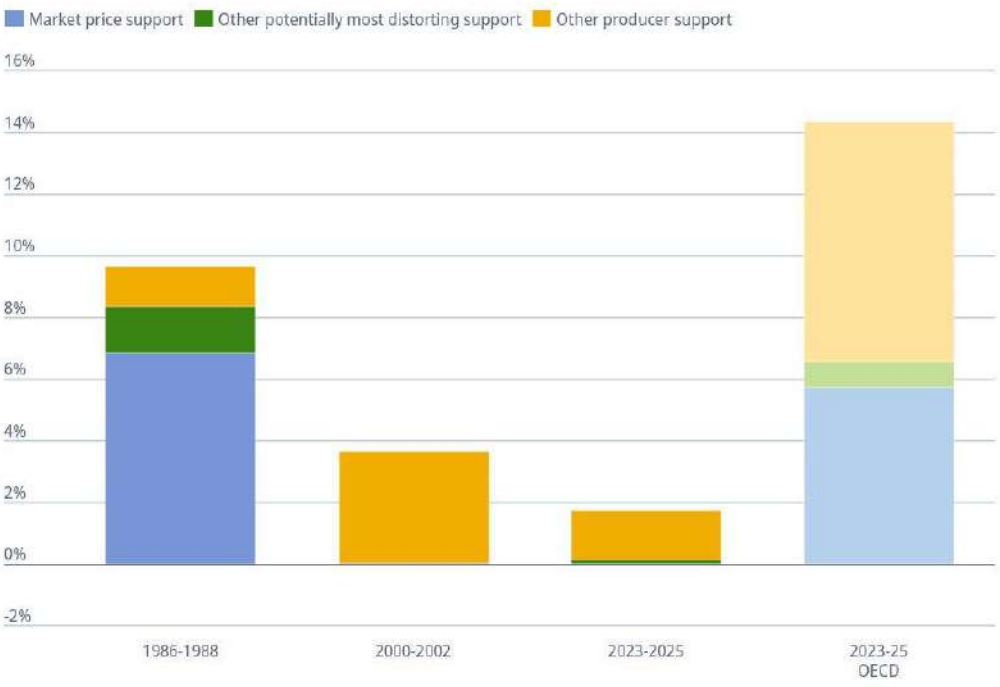


Figure 4.1B. Australia: Ratio of producer to border price

Producer NPC

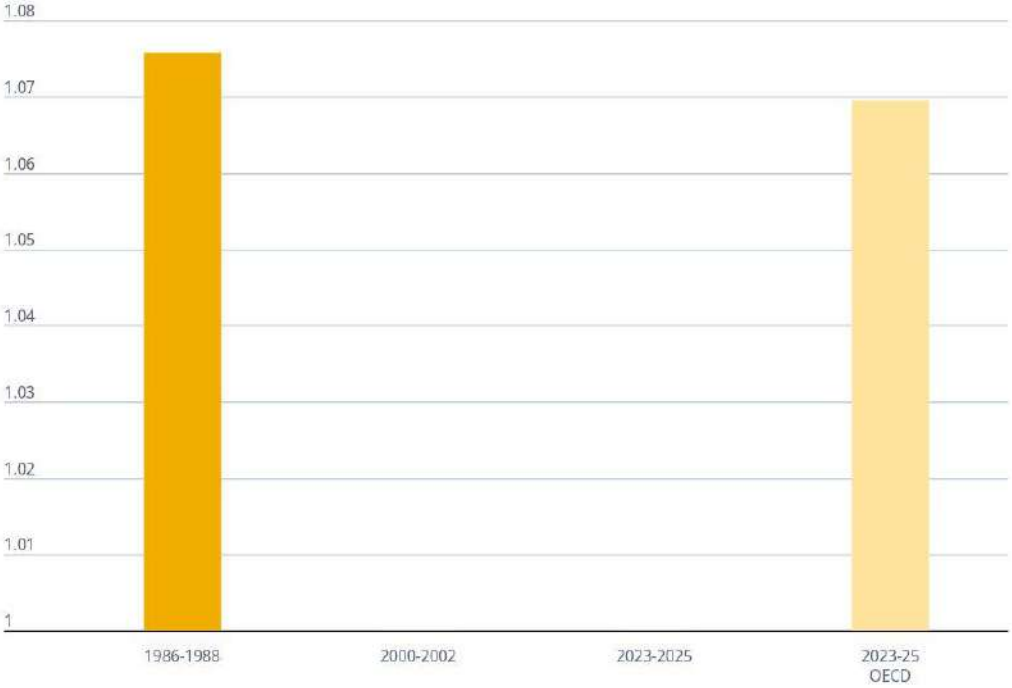


Figure 4.1C. Australia: General Services Support Estimate and its composition

Relative to agricultural value of production

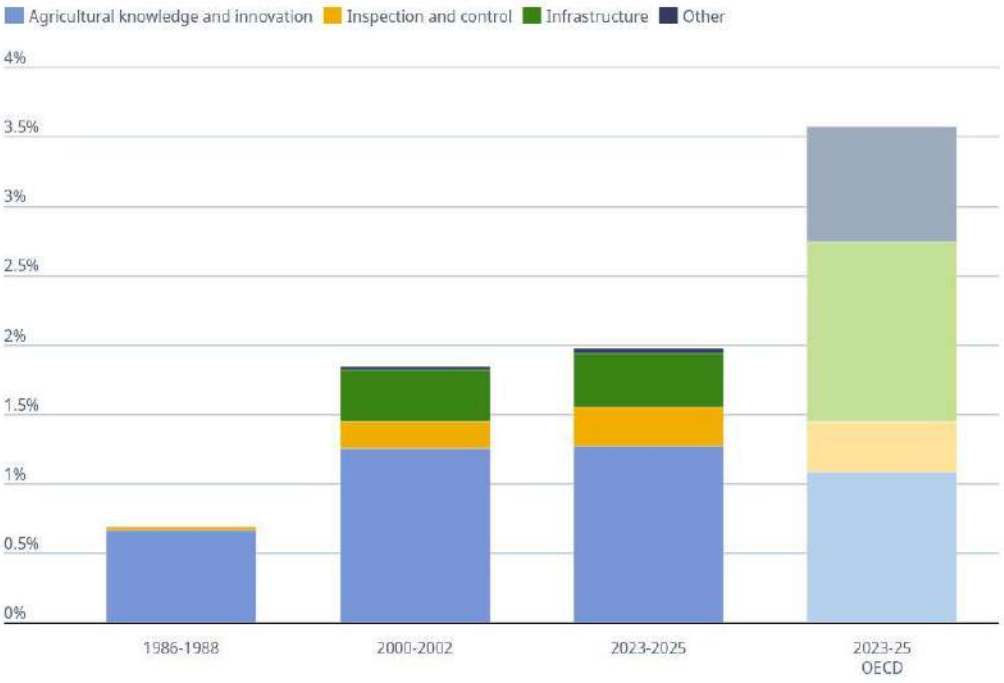
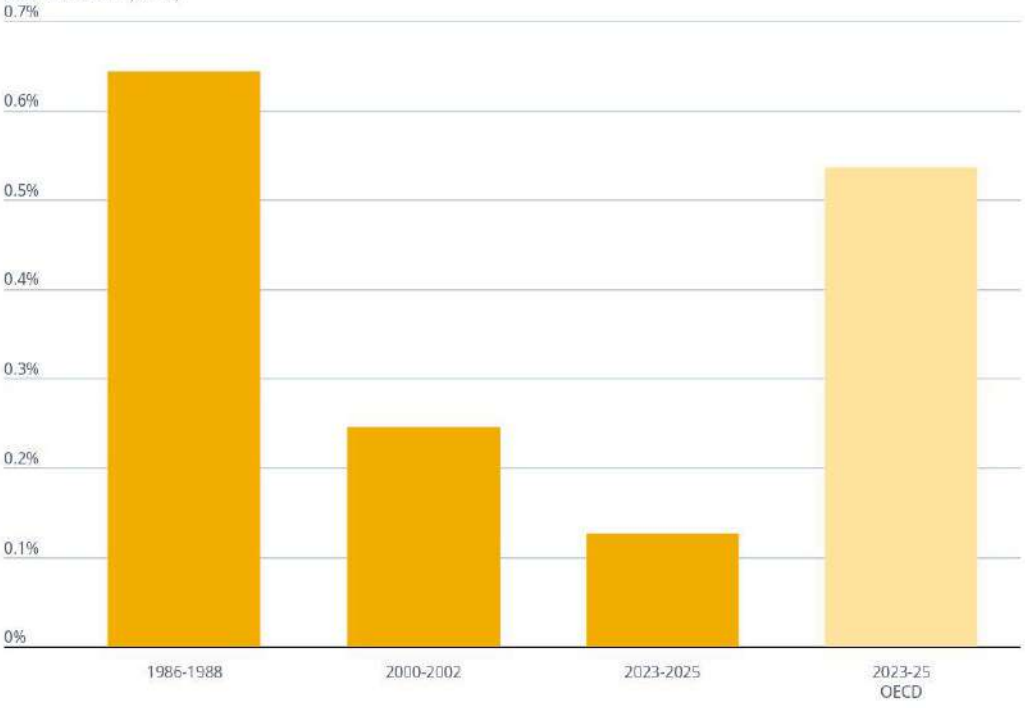


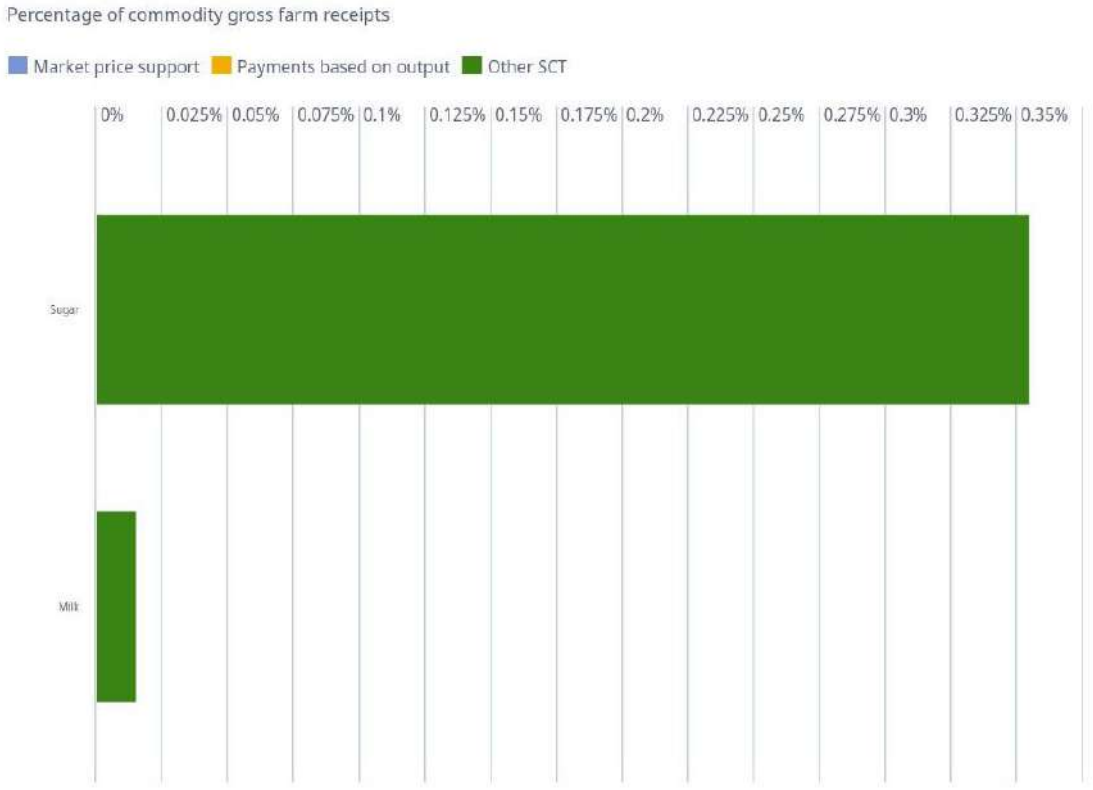
Figure 4.1D. Australia: Total Support Estimate

Relative to GDP (%TSE)



Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 4.2. Australia: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Table 4.1. Australia: Estimates of support to agriculture

Million USD

	1986-88	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**14 322**	**20 076**	**60 761**	**55 051**	**62 482**	**64 751**
of which: share of MPS commodities (%)	82.97	73.12	71.83	70.95	71.51	73.04
Total value of consumption (at farm gate)	**4 942**	**7 714**	**21 457**	**22 330**	**23 673**	**18 367**
Producer Support Estimate (PSE)	**1 409**	**762**	**1 080**	**1 500**	**964**	**775**
Support based on commodity output	998	-0	-0	0	0	0
Market price support[1]	998	-0	-0	0	0	0
Positive market price support	1 000	-0	-0	0	0	0
Negative market price support	-2	-0	-0	0	0	0
Payments based on output	0	0	0	0	0	0
Payments based on input use	230	309	449	500	500	348
Based on variable input use	217	14	104	153	102	58
with input constraints	0	4	9	13	8	8
Based on fixed capital formation	4	145	166	162	216	121
with input constraints	0	0	0	0	0	0
Based on on-farm services	9	149	179	185	183	169
with input constraints	0	0	0	0	0	0
Payments based on current A/An/R/I, production required	0	11	450	741	301	307
Based on Receipts / Income	0	11	450	741	301	307
Based on Area planted / Animal numbers	0	0	-0	0	0	0
With input constraints	0	0	-0	0	0	0
Payments based on non-current A/An/R/I, production required	0	0	-0	0	0	0
Payments based on non-current A/An/R/I, production not required	181	442	176	253	158	116
With variable payment rates	181	343	171	250	153	111
with commodity exceptions	0	110	118	176	109	68
With fixed payment rates	0	99	5	4	5	5
with commodity exceptions	0	0	0	0	0	0
Payments based on non-commodity criteria	0	-0	5	5	4	4
Based on long-term resource retirement	0	0	0	0	0	0
Based on a specific non-commodity output	0	0	2	3	2	2
Based on other non-commodity criteria	0	-0	2	2	3	3
Miscellaneous payments	0	0	0	0	0	0
Percentage PSE (%)	**9.65**	**3.66**	**1.74**	**2.65**	**1.52**	**1.18**
Producer NPC (coeff.)	**1.08**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**
Producer NAC (coeff.)	**1.11**	**1.04**	**1.02**	**1.03**	**1.02**	**1.01**
General Services Support Estimate (GSSE)	**98**	**370**	**1 206**	**1 279**	**1 199**	**1 139**
Agricultural knowledge and innovation system	95	253	775	802	773	752
Inspection and control	3	39	169	183	171	154
Development and maintenance of infrastructure	0	75	237	262	236	215
Marketing and promotion	0	4	21	30	17	16
Cost of public stockholding	0	0	0	0	0	0
Miscellaneous	0	0	2	3	2	2
Percentage GSSE (% of TSE)	**6.50**	**36.45**	**52.82**	**46.03**	**55.43**	**59.49**
Consumer Support Estimate (CSE)	**-509**	**-116**	**0**	**0**	**0**	**0**
Transfers to producers from consumers	-509	0	0	0	0	0
Other transfers from consumers	0	0	0	0	0	0
Transfers to consumers from taxpayers	0	-116	-0	0	0	0
Excess feed cost	0	0	0	0	0	0
Percentage CSE (%)	**-10.31**	**-1.48**	**0.00**	**0.00**	**0.00**	**0.00**
Consumer NPC (coeff.)	**1.11**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**
Consumer NAC (coeff.)	**1.11**	**1.02**	**1.00**	**1.00**	**1.00**	**1.00**
Total Support Estimate (TSE)	**1 507**	**1 016**	**2 285**	**2 779**	**2 163**	**1 914**
Transfers from consumers	509	-0	-0	0	0	0
Transfers from taxpayers	999	1 016	2 285	2 779	2 163	1 914
Budget revenues	0	0	0	0	0	0
Percentage TSE (% of GDP)	**0.64**	**0.25**	**0.13**	**0.16**	**0.12**	**0.10**
Total Budgetary Support Estimate (TBSE)	**509**	**1 016**	**2 285**	**2 779**	**2 163**	**1 914**
Percentage TBSE (% of GDP)	**0.22**	**0.25**	**0.13**	**0.16**	**0.12**	**0.10**
GDP deflator (1986-88 = 100)	**100**	**149**	**301**	**294**	**302**	**309**
Exchange rate (national currency per USD)	**1.40**	**1.83**	**1.52**	**1.51**	**1.52**	**1.55**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for Australia are: wheat, barley, oats, sorghum, rice, soybean, rapeseed, sunflower, sugar, cotton, milk, beef and veal, sheep meat, wool, pig meat, poultry and eggs.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

Australia's agricultural policy is characterised by targeted public spending, with a strong focus on voluntary, market-based and information instruments. Support to agriculture comprises a mix of direct budgetary outlays, concessional loans and tax concessions. Direct support is provided to upgrade on-farm infrastructure that aims to improve natural resource use efficiency. Several programmes also support the development and uptake of farming practices to enhance sustainability.

Concessional loan schemes target investments in new farm businesses, farm succession arrangements, hardship recovery, drought resilience and preparedness. The Regional Investment Corporation (RIC) has administered the Australian Government's concessional farm business loans since 2018, providing concessional interest rates compared to commercial loans, set biannually by the government. By the end of 2025, the RIC provided loans worth of AUD 3.76 billion (USD 2.4 billion) (RIC, n.d.[1]).

The Farm Management Deposits (FMD) Scheme and income tax averaging arrangements are designed to **strengthen financial risk management** by helping primary producers deal more effectively with fluctuations in cash flows. An FMD account allows eligible primary producers to make tax deductible deposits during years of good cash flow that can then be withdrawn during lower income years. In 2025-26, the estimated cost of the scheme in tax revenue forgone is AUD 105 million (USD 67.7 million). For producers experiencing hardship, regardless of the cause, the Farm Household Allowance provides basic income support. This is supplemented with natural disaster assistance through the Disaster Recovery Funding Arrangements that came into force in 2018. Dependent on the scale of the disaster, this can provide a range of different assistance constructions to affected primary producers. Primary producers experiencing financial hardship can also access free, confidential financial counselling under the Rural Financial Counselling Service Program.

Research and development (R&D) programmes are a major component of Australian support to agriculture, with agricultural knowledge and innovation receiving AUD 1.18 billion (USD 0.76 billion) of support on average between 2023-25. Several research and development grants are underway to help agriculture overcome specific challenges, such as biosecurity or soil management. For example, the Soil Science Challenge Grants Program 2021-2026 supports research to overcome research gaps in soil science. Australia's agricultural innovation system is underpinned by government and industry investment in the 15 rural research and development corporations (RDCs). **RDCs commission research, development and extension activities**. The RDCs are funded primarily by research and development levies on various commodities, with government matching funding for expenditure on eligible research and development. Many RDCs also undertake marketing activities, funded by commodity marketing levies.

A smaller portion of public expenditure goes to the **development and maintenance of infrastructure and inspection services**, including pest and disease control activities, receiving AUD 619 million (USD 398.8 million) of support on average between 2023-25. Efforts to strengthen **biosecurity** are an important focus area within this pillar. Reinforced by several amendments between 2022-24 to improve information sharing and compliance measures, the Biosecurity Act 2015 aims to ensure an **effective response to emerging biosecurity risks**. The National Biosecurity Strategy (NBS), released in 2022, outlines the 10-year vision for the Australian biosecurity system to guide efforts across governments at different levels, industries and communities. In addition, Animalplan 2022 to 2027, Australia's national action plan for production animal health and the National Animal Health Diagnostic Business Plan 2021-26 aim to enhance Australia's **preparedness and diagnostics capabilities for terrestrial animal diseases**. The Animal Sector Antimicrobial Resistance (AMR) Action Plan aims to mitigate AMR and enhance animal health.

There are four established response agreements to **support the eradication of pest and disease incursions in Australia**: the Emergency Plant Pest Response Deed (EPPRD), the Emergency Animal Disease Response Agreement (EADRA), the National Environmental Biosecurity Response

Agreement (NEBRA), and the National Management Agreement for H5 High Pathogenicity Avian Influenza (HPAI) in Wildlife (the H5 NMA). These are cost-sharing agreements between Australia's governments and relevant industry groups which aims to reduce the risk and minimise the impact in the event of a pest or disease outbreak. While industry and governments cost-share actions to address pest and disease outbreaks, trade-related costs of biosecurity and food safety inspection services are largely covered by industry.

The Australian Government Drought Plan 2024-29 sets out the government's programmes and activities before, during and after drought, as well as the **overall principles guiding drought policy**. In parallel, the National Drought Agreement (2024-29) sets out collaboration between the national government, states and territories to ensure co-ordinated drought resilience policy and programmes.

The Future Drought Fund (FDF) provides funding for initiatives that support farmers and regional communities to build **drought and climate resilience**. It was set up in 2019 with an initial investment of AUD 3.9 billion (USD 2.5 billion) by the government and reached AUD 5 billion (USD 3.2 billion) in December 2024. The FDF invests in a broad portfolio and is managed with the aim of generating an average return over the long term of at least the Consumer Price Index plus 2-3% per annum, net of costs. Returns from the FDF are made available each year to support farmers and their communities to prepare for drought and climate variability (Australian Government, 2025[2]). Programmes delivered under the second Drought Resilience Funding Plan (2024-2028) are being implemented from July 2024, providing AUD 519 million (USD 334.4 million) over eight years from the FDF.

Australia's second Nationally Determined Contribution (NDC) sets the commitment to **reduce net national greenhouse gas emissions by 62-70% below 2005 levels by 2035**, covering all sectors of the economy and all greenhouse gases. It reaffirms Australia's commitment to reduce GHG emissions to 43% below 2005 levels by 2030 and to achieve net zero greenhouse gas emissions by 2050 legislated in the Climate Change Act 2022. While agriculture is included in economy-wide emissions reduction targets, no specific emissions reduction targets have been defined for the agricultural sector in the NDC. The Agriculture and Land Sector Plan, released in 2025, aims to guide the sectors' contribution to Australia's net zero goals.

Investments in climate-smart and sustainable agriculture projects have increased in recent years to **support the uptake of agricultural practices that reduce emissions and build resilience** against climate change. Several targeted programmes are underway to support emissions reductions in the sector, such as the Climate-Smart Agriculture Program with a budget of AUD 302 million (USD 194.6 million) and the Carbon Farming Outreach Program. In addition, voluntary certification schemes, such as the government-developed Climate Active Carbon Neutral Standard, aim to inform and incentivise GHG emissions reduction efforts. Efforts are underway to improve greenhouse gas accounting at national and farm levels through a multi-pronged approach which includes the development of voluntary emissions estimation and reporting guidelines and facilitating the consistent adoption and incorporation of those guidelines into third-party GHG calculators. The Zero Net Emissions from Agriculture Cooperative Research Centre (ZNE Ag CRC) conducts large-scale, long-term research to accelerate the development and implementation of emissions reductions solutions on Australian farms.

Different market-based approaches are also in place to incentivise farmers and landowners to reduce GHG emissions and protect biodiversity. The **Australian Carbon Credit Unit (ACCU) Scheme**, formerly known as the Emissions Reduction Fund, was established in 2011 under the Carbon Credits (Carbon Farming Initiative) Act 2011. The ACCU Scheme incentivises individuals and businesses to voluntarily undertake projects that reduce emissions or store carbon. Farmers and landowners can earn income – eligible for income tax averaging from 2023 – by generating ACCUs for every tonne of emissions reduced or carbon stored through a project and selling these to governments or private buyers. Private buyers may purchase ACCUs to voluntarily offset their emissions or meet compliance requirements.[1]

Similarly, enabled by the Nature Repair Act 2023, the Nature Repair Market allows landholders, including farmers, to **voluntarily undertake projects that improve biodiversity, for example, by replanting**

native forest and woodland ecosystems.[2] Eligible projects receive a biodiversity certificate that can be retained or sold to buyers who wish to support biodiversity. Buyers and sellers of certificates are connected via the PLANR Marketplace online platform. The Nature Repair Market aligns with the ACCU Scheme allowing projects to earn both a biodiversity certificate and ACCUs where they meet requirements.

Policies encourage access to export markets. This includes **helping exporters overcome market access barriers** and costs associated with exports registration. Australia has 19 comprehensive regional or bilateral free trade agreements with 31 economies in force.[3]

Tariff rates on imports of agricultural and food products are low (1.2% on average) and less than half the average tariff rates applied to non-agricultural goods (2.6%) (WTO, ITC and UNCTAD, 2025[3]). Several sanitary and phytosanitary measures are in place to manage pest and disease risks that could harm the sector and affect plant, animal and human health as well as the environment more broadly.

The Export Control Act 2020 and associated subordinate legislation **ensures that goods exported from Australia meet requirements in importing countries**, with the Department of Agriculture, Fisheries and Forestry (DAFF) completing audits and inspections, issuing documents and providing assurance to enable products to be exported. The minimum necessary costs for these regulatory services are recovered from exporters (export cost recovery). The National Agricultural Traceability Strategy (2023-33), its implementation plan and associated grants aim to enhance Australia's agricultural traceability systems for biosecurity and food safety, grow market access and protect cultural intellectual property for First Nations products.

Voluntary initiatives, such as the Australian Agricultural Sustainability Framework (AASF) also aim to demonstrate the alignment of Australian agriculture with global sustainability commitments to international markets, seeking to provide a framework to describe the sector's overall sustainability performance against 19 environmental, social and economic sustainability principles.

Recent policy developments

Domestic policy developments in 2025-26

Food security

A National Food Council was established in November 2025, comprised of experts from across the food system. The Council was set up to advise the development of the forthcoming National Food Security Strategy which is set to provide a long-term, systematic plan to boost the productivity, resilience and security of the Australian food system.

Mitigating agricultural greenhouse gas emissions

The Australian Government released the Agriculture and Land Sector Plan in September 2025. This is one of the six sectoral plans complementing the Net Zero Plan, aiming to guide Australia's efforts to achieve net zero greenhouse gas emissions by 2050.

The Agriculture and Land Sector Plan builds on the advice provided in the Climate Change Authority's Sector Pathways Review from 2024 (Australian Government, 2025[4]). The baseline scenario used in the plan projects that agricultural production will increase by 32% by mid-century compared to today's levels, while the sector's emissions will decrease from 86 $MtCO_2$-e in 2025 to 62 $MtCO_2$-e in 2050. This is foreseen to be achieved through emissions intensity improvements through adopting emissions reducing technologies and practices. Land based sequestration (mostly through reforestation, but also via soil carbon, savanna fire management, forest regeneration and blue carbon in oceans) is expected to balance

the residual emissions that are expected to remain under the baseline scenario from agriculture and other sectors of the economy so Australia can achieve net zero by 2050.

The plan sets out four areas of actions, which group together previous and ongoing efforts towards reducing agricultural greenhouse gas emissions and growing carbon stores in the land. These include:

- understanding national and farm level emissions
- investment in innovation for the delivery of commercially viable abatement options
- strengthening on-ground action
- enhancing the land sector's role achieving net zero.

Under the Improving Consistency of On-farm Emissions Estimates grant programme, AUD 6.4 million (USD 4.1 million) is provided to facilitate the consistent adoption and incorporation of the voluntary emissions estimates and reporting guidelines by third-party GHG calculators. Climate change adaptation in the agricultural sector

Released in September 2025, Australia's first National Climate Risk Assessment analysed the exposure and vulnerability of Australian agriculture to relevant climate hazards and projected potential impacts based on different waring levels. Key risks highlighted for agriculture include declines in productivity and increasing biosecurity threats, leading to social and economic impacts for farming communities. Built on the assessment, the National Adaptation Plan was published in September 2025. It outlines the overall vision for adaptation in Australia and clarifies the role of different actors for adaptation. The plan highlights that despite ongoing adaptation action, existing measures are unlikely to be sufficient given the scale of future projected climate impacts and calls for governments across jurisdictions to continue reviewing and amending the scope and scale of climate change adaptation. Key priorities set include further investment in technological innovation, research and development, improving water use and efficiency, addressing skills shortages in the production chains, diversifying crops and implementing new technologies and farming techniques. The plan also calls for capitalising on opportunities in cases where climate change may increase Australia's productivity compared to other regions.

Biodiversity and biosecurity efforts

The Biodiversity Assessment Instrument (BAI) came into effect in 2025, setting out legally the technical requirements on how Nature Repair Market methods need to assess biodiversity outcomes. Supported by the BAI, the method specifications for the "Replanting native forest and woodland ecosystems method" were also released in 2025, outlining the legal requirements biodiversity projects seeking to enter the Nature Repair Market need to abide by to earn certificates that can be sold to investors, if they aim to revegetate Australia's historically cleared areas and replant native vegetation.

Efforts **combatting feral animals, pests and weeds** received AUD 11 million (USD 7.1 million) in funding in 2025-26, helping to implement the Australian Pest Animal Strategy 2017-27, and the Australian Weeds Strategy 2017-27, by continuing national coordination efforts to manage priority pests; biocontrol research; joint strategic on-ground projects between the federal government and Australia's subnational states and territories and Indigenous-led pest and weed management in Northern Australia.

Financial support, counselling and disaster recovery assistance to farmers

Producer loans were allocated an additional AUD 1 billion (USD 0.6 billion) of funding over three years from 2026-27 through the Regional Investment Corporation (RIC), and AUD 19.7 million (USD 12.7 million) across several years was allocated to DAFF for programme delivery and to the RIC to support its operations. This was complemented with the introduction of the Drought Hardship Loan, a new RIC loan product seeking to **help farmers finance short-term operating costs** during droughts lasting at least 24 months. Eligible farmers can borrow up to AUD 250 000 (USD 161 082) for a loan duration of

five years, with repayments deferred during the first two years. Interest rates on existing RIC loans were capped at 5.18% until 31 July 2026.

The Rural Financial Counselling Service Program received an additional AUD 2 million (USD 1.3 million) to boost service delivery amidst drought and natural disasters, providing free and independent financial counselling for farmers experiencing hardship.

Disaster recovery assistance was provided via the Disaster Recovery Funding Arrangements for producers in Queensland and New South Wales, following floods and severe weather, respectively. Farmers in these states could apply for grants to fund clean-up, infrastructure repair, restocking and replanting. In Queensland, this was funded through an AUD 100 million (USD 64.4 million) package, while AUD 242 million (USD 155.9 million) was provided in New South Wales (Australian Government, 2025[5]) (NSW Rural Assistance Authority, 2025[6]). In addition, AUD 20 million (USD 12.9 million) was provided for pest control measures in Queensland in the aftermath of the flood (Australian Government, 2025[7]).

Competition policy

The Food and Grocery Code of Conduct became mandatory in April 2025, applying to retailers and wholesalers earning over AUD 5 billion (USD 3.2 billion) from their grocery business operations in the preceding financial year. The code of conduct, which was previously voluntary, now requires retailers to have written supply agreements in place and ensure suppliers do not face retribution if exercising their rights. Businesses contravening the code may face penalties, with the Australian Competition and Consumer Commission (ACCC) responsible for enforcement. Fresh produce industry associations received AUD 2.9 million (USD 1.9 million) to provide targeted education programmes and ensure suppliers can understand and enforce their rights under the code.

Announced in December 2025, a new mandatory code of conduct will also apply for wine grape purchases from January 2027. The code will apply to wine makers (who exceed a certain purchasing quantity) in their dealings with wine grape growers. This aims to enhance certainty on price deductions and dispute resolutions, as well as provide financial information to facilitate growers' business operations.

Farm safety

To enhance health, safety and well-being outcomes on Australian farms, the Australian Government provided AUD 2.5 million through the National Farm Safety Education Fund over three years from 2025-26 to Farmsafe Australia.

Trade policy developments in 2025-26

The Australia and United Arab Emirates (UAE) Comprehensive Economic Partnership Agreement (CEPA) entered into force in October 2025. Once fully implemented in 2029, the CEPA will eliminate tariffs on over 99% of Australia's goods exports to the UAE, including frozen red meat and oil seeds (DFAT, n.d.[8]).

In March 2026, Australia and the European Union reached a free trade agreement after nearly eight years of discussions. The EU has been the destination of over AUD 4.4 billion (USD 2.8 billion) worth of Australian agriculture, forestry and fisheries exports in the 2024-25 financial year. Once it enters into force the draft free trade agreement will increase preferential access rates for several Australian commodities, including beef and sheep meat, and eliminate EU tariffs on 92.8% of agricultural products, including most dairy and rice products, tree nuts, horticulture, honey, grains and processed foods (Australian Government, 2026[9]).

Australia continues negotiations for a Comprehensive Economic Cooperation Agreement with India, which has been the destination of AUD 3 billion (USD 1.9 billion) worth of Australian agriculture, forestry and

fisheries exports in the 2024-25 financial year. This would replace the interim Australia-India Economic Cooperation and Trade Agreement that entered into force in 2022.

Several Australian agricultural products gained improved conditions for accessing certain markets internationally thanks to successful technical market access negotiations achieving various outcomes (e.g. reduced phytosanitary and sanitary requirements or the mutual recognition of organics systems). This included improved market access conditions for Australian apples in Canada and China, and for certain organic products in Japan and India.

To ensure the Department of Agriculture, Fisheries and Forestry (DAFF) can deliver regulatory and non-regulatory export and trade functions for agricultural products, the Australian Government provided AUD 53.3 million (USD 34.3 million) extra funding for 2025-26, including for DAFF's engagement in multilateral forums and negotiating technical market access services. Further funding of AUD 147.5 million (USD 95 million) over four years from 2025-26 will also be provided for DAFF to sustain export and trade functions, with the funds partially dedicated to reform export regulatory services for agricultural non-prescribed goods[4] and organic products.

The livestock sector's transition to the enhanced National Livestock Identification System (NLIS) was supported with AUD 3.9 million (USD 2.5 million) funding. The NLIS is being updated to meet current and forthcoming biosecurity and market access requirements.

To promote trade and facilitate an internationally competitive agricultural sector, the Australian Government provided AUD 23.8 million (USD 15.3 million) over three years from 2025-26 to sponsor agricultural trade events showcasing Australian agriculture to domestic and international stakeholders.

Policy context

Key economic and agricultural statistics

Australia is the world's 20th largest economy in purchasing power parity (PPP) terms and the sixth largest country by land area, accounting for over 12.5% of all agricultural land in the 56 countries included in this report, but only 0.5% of the total population of these countries. The country's GDP per capita is more than twice the average of the countries covered in this report (Table 4.2). Agriculture represents a small share of the economy, accounting for just 2.4% of GDP and 2.2% of total employment in 2024. Australia has a highly variable climate, which makes agricultural revenues subject to high volatility (ABARES, 2017[10]). Australia is an important producer of agricultural commodities. In 2024, the country ranked as the world's second-largest producer of barley and wool, the third-largest producer of sheep meat, and is also among the world's top ten producers of oats, beef, wheat, rapeseed and sugar cane.

After almost three decades of uninterrupted GDP growth, economic growth became negative in 2019. Real GDP growth rebounded to 2% growth in 2020, 4.3% in 2021 and 3.6% in 2022, with a more modest, but positive 1.4% growth in both 2023 and 2024 and 1.8% in 2025. The unemployment rate fell from 6.4% in 2019 to 3.7% in 2022-2023, with a slight increase to 4.3% % in 2025 (Figure 4.3). Inflation decreased to 2.9% % in 2025, after it reached its highest level in more than three decades in 2022 with 6.6%.

Table 4.2. Australia: Contextual indicators

	Australia		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	540	2 034	1.3%	1.2%
Population (million)	19	27	0.4%	0.5%
Land area (thousand km²)	7 682	7 692	9.2%	9.1%
Agricultural area (AA) (thousand ha)	455 516	368 934	15.1%	12.5%
			All countries[1]	
Population density (inhabitants/km²)	2	3	52	64
GDP per capita (USD in PPPs)	28 384	74 778	9 508	31 740
Trade as % of GDP	16.4	17.7	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	3.8	2.4	3.0	3.6
Agriculture share in employment (%)	4.8	2.2	-	-
Agro-food exports (% of total exports)	23.1	13.4	6.4	8.3
Agro-food imports (% of total imports)	4.3	6.2	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	55.3	56.8	62.1	60.4
Livestock in total agricultural production (%)	44.7	43.2	37.9	39.6
Share of arable land in AA (%)	10.6	18.0	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

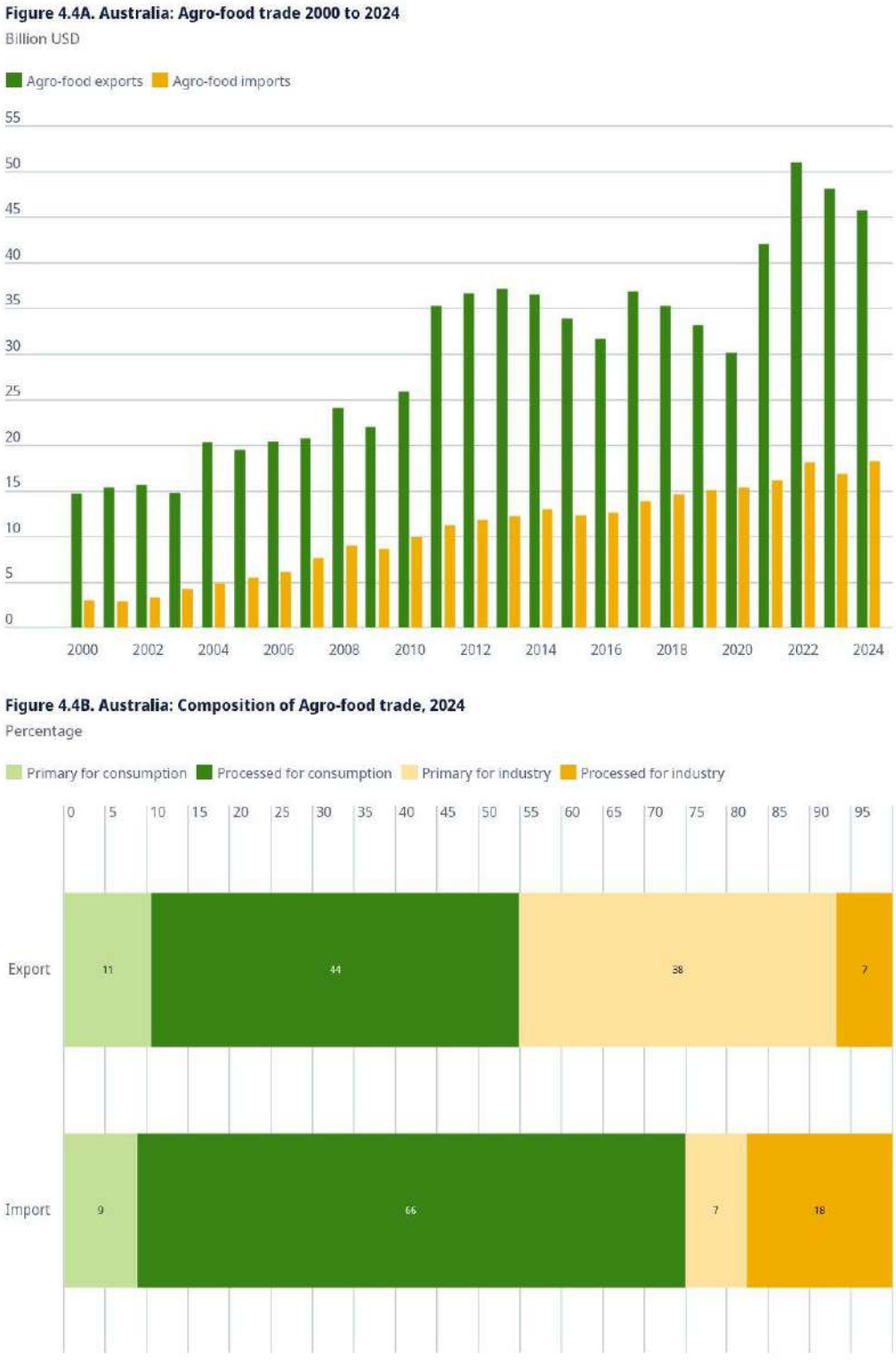
Figure 4.3. Australia: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

Australia is a net exporter of agricultural products. Around 70% of the volume of agricultural production is exported, and the country is a major exporter of wheat, barley, cattle, beef, sheep meat, dairy, wool, rapeseed, cotton and pulses. Goods processed for consumption make up 44%, while primary goods for industry make up 38% of the country's agro-food exports. Approximately two-thirds of Australia's agro-food imports cover goods processed for final consumption, while 18% covers processed goods for industry (Figure 4.4).

Figure 4.4. Australia: Agro-food trade



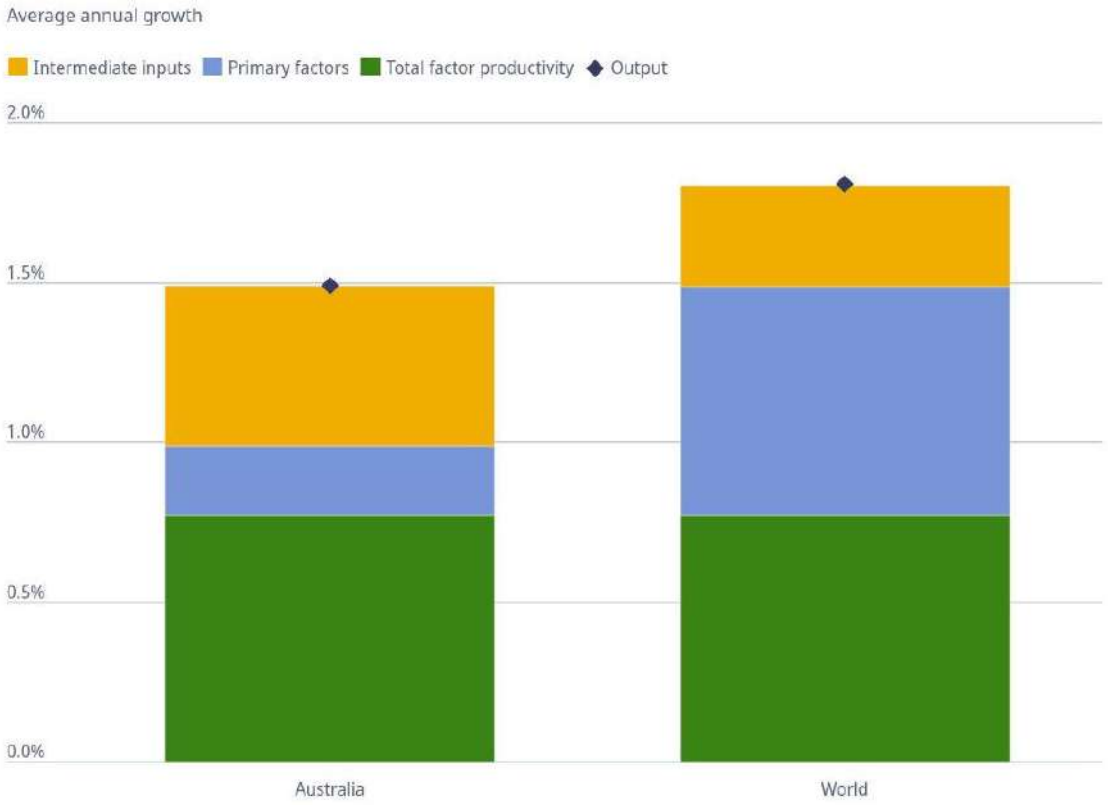
Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Over the 2014-23 period, agricultural output grew by 1.5% per year, compared to a 1.8% per year increase globally (Figure 4.5). Total factor productivity (TFP) grew by 0.8% per year, at parity with the global average growth. Primary factor growth was 0.2% per year. Meanwhile, intermediate input use grew at 0.5% per year on average.

Agriculture accounted for 15.6% of Australia's GHG emissions in 2014-23 and can play an important role in helping the country to achieve its economy-wide target of net-zero emissions by 2050 (Table 4.3). Agriculture's contribution to GHG emissions has declined over the past two decades but remains above the OECD level by over five percentage points. The share of agriculture in total energy use has increased since 2000 and was above the OECD average in 2024, despite the small share of the sector in the economy.

Compared to the OECD area, agriculture accounts for a relatively high share of total water abstractions. Water availability and competition for natural resources with other sectors remains a significant constraint that is likely to be exacerbated by climate change. Estimates also indicate a relatively low nitrogen surplus balance and point to a low phosphorous balance.

Figure 4.5. Australia: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Table 4.3. Australia: Productivity and environmental indicators

	Australia		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	1.2%	0.8%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	20.6	20.8	32.3	29.0
Phosphorus balance, kg/ha	1.3	1.0	3.3	2.3
Agriculture share of total energy use (%)	2.3	2.9	1.7	2.0
Agriculture share of GHG emissions (%)	18.1	15.6	8.7	10.3
Share of irrigated land in AA (%)	0.5	0.5	-	-
Share of agriculture in water abstractions (%)[1]	67.7	67.0	46.1	47.7
Water stress indicator	4.4	3.3	..	..

Note: * or closest available year.
1. Data are not comparable between time periods, 2020 data from Australian Bureau of Meteorology (2021).
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Before the 1980s, Australian agriculture was supported by a range of measures designed to maintain and stabilise farm income, and to provide farmers with support to offset the disadvantages of remoteness. In 1980, Australia had 65 statutory marketing boards that used border protection through tariffs and import controls to divide domestic and international markets, and set higher prices in domestic markets (Table 4.4). Price stabilisation schemes assisted export industries such as wheat, manufactured dairy products, sugar, and dried vine fruit. Other policy measures included fertiliser subsidies, income tax incentives, rural credit, subsidies for agricultural research and extension, and public investment in land and water development and rural infrastructure.

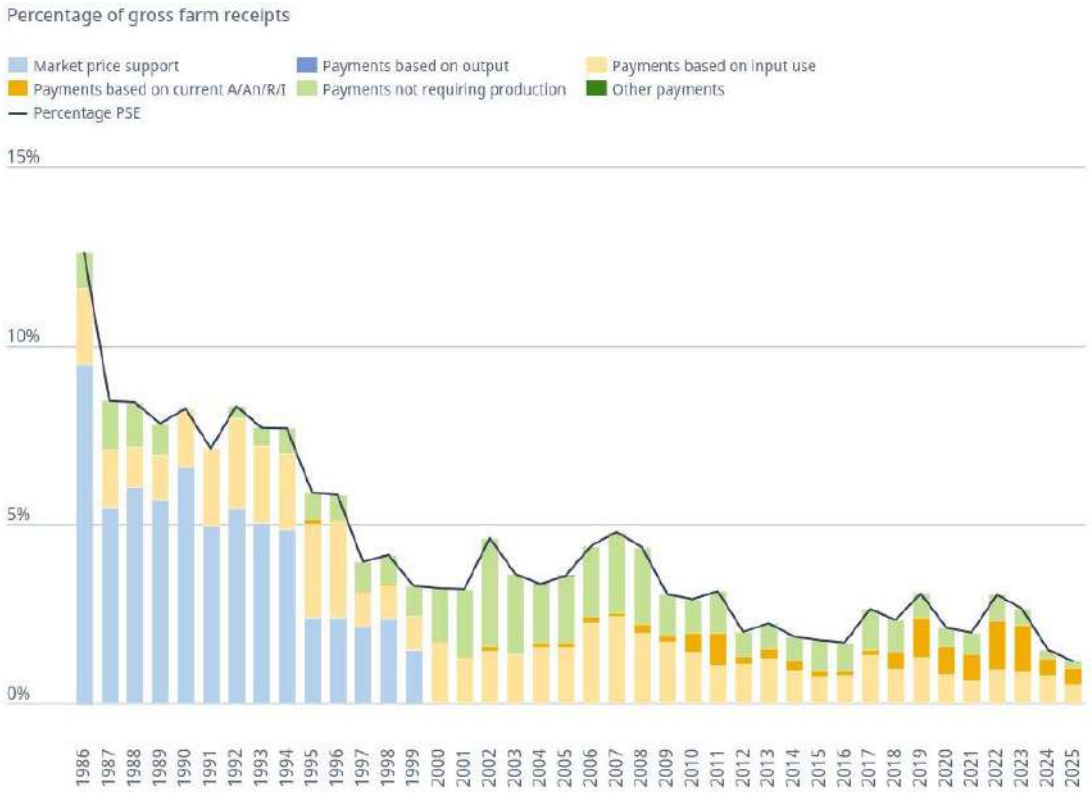
Australia's agricultural policy evolved significantly starting in the mid-1980s. Competition policy reforms in the 1980s and 1990s led to dismantling marketing boards and the removal of policies that distort agricultural production and trade. The National Drought Policy introduced in 1992 formalised the transfer of drought risk management to farmers and repurposed government support towards resilience-strengthening activities. Open trade and anti-dumping legislation ensured competitive markets across the whole economy, reducing the need for sector-specific measures. Price stabilisation policies were relaxed, with price and output controls removed and centralised marketing schemes gradually dismantled (Nandan and Waldron, 2025[11]). Tariffs were reduced. Floating exchange rates and trade liberalisation reduced price volatility in agricultural commodities.

In Australia, total support to the sector is composed of general services and budgetary payments to producers. Market price support was progressively phased out during the 1990s, and support to producers (PSE) is now among the lowest in the OECD. Producer support is mostly delivered through payments based on inputs and payments not requiring production.

Table 4.4. Australia: Agricultural policy trends

Period	Framework	Changes in agricultural policies
Prior to 1980s	Closed economy (interventionist agricultural policy)	High tariffs Production quotas Price controls Tariff protection and import controls carried out by 65 statutory commodity marketing boards
1980-Present	Reforms and trade liberalisation	Floating exchange rates Removal of agricultural price and output controls Gradual dismantling of Statutory marketing authorities Reduction of agricultural tariffs on both outputs and inputs Sanitary and phytosanitary (SPS) measures strengthened

Figure 4.6. Australia: Development of the PSE and its composition, 1986 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2025), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

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Notes

[1] By June 2025, 168 million ACCU credits had been generated under the Scheme, each representing 1 tonne of carbon dioxide equivalent of abatement. Sixty-five per cent of these were from methods related to vegetation (mainly reforestation), savanna burning and agriculture (Australian Government, 2025[4]). Enabling the crediting of carbon stored, a new integrated farm and land management method is under development (DCCEEW, 2025[12])

[2] Landholders can use the Platform for Land and Nature Repair (PLANR) to plan and cost potential nature repair projects with a geospatial tool.

[3] These are agreements with New Zealand (ANZCERTA 1983), Singapore (SAFTA 2003), Thailand (TAFTA 2005), the United States (AUSFTA 2005), Chile (ACI-FTA 2009), the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA 2010), Malaysia (MAFTA 2013), Korea (KAFTA 2014), Japan (JAEPA 2015), the People's Republic of China (ChAFTA 2015), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP 2018), Hong Kong (China) (A-HKFTA 2020), Peru (PAFTA 2020), Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA 2020), the Pacific Agreement on Closer Economic Relations (PACER Plus 2020), the Regional Comprehensive Economic Partnership Agreement (RCEP 2022), the Australia-India Economic Co-operation and Trade Agreement (ECTA 2022), the Australia–United Kingdom Free Trade Agreement (A-UKFTA 2023) and the Australia–United Arab Emirates Comprehensive Economic Partnership Agreement (2025) (DFAT, 2026[13]).

[4] Goods with no mandatory export conditions under Australian export laws.

5 Brazil

Main findings

Support to agriculture

Levels of support and protection are relatively low in Brazil. The Producer Support Estimate (PSE) fell from 7.6% of gross farm receipts in 2000-02 to 2.6% in 2023-25, well below the average for the 56 countries covered in this report (12.8%). Domestic producer prices are closely aligned with international markets, as reflected in a Nominal Protection Coefficient (NPC) of 1.01. While overall Market Price Support (MPS) remains limited, it still accounts for more than two-thirds of total producer support, with the highest positive Single Commodity Transfers concentrated in cotton, rice, pig meat and wheat.

Budgetary support to producers is primarily delivered through input-based measures, notably concessional credit and crop insurance. Preferential credit is available for marketing, working capital and fixed capital investment, forming the core of producer support. Since the late 2000s, eligibility for these instruments has increasingly been conditioned on compliance with environmental requirements and the adoption of specific farming practices, linking income support more closely to sustainability objectives.

Support for general services remains modest relative to production but is strongly oriented towards long-term productivity. The General Service Support Estimate (GSSE) fell from 3.4% of the agricultural value of production in 2000-02 to 0.8% in 2023-25. More than 80% of this support is allocated to agricultural research and development, technology transfer and extension, with limited resources devoted to inspection, control and infrastructure. The Total Support Estimate (TSE) declined slightly from 0.7% of Gross Domestic Product (GDP) in 2000-02 to 0.4% in 2023-25.

Key policy changes in 2025-26

In 2025-26, Plano Safra, Brazil's main agricultural policy framework, significantly expanded agricultural financing while tightening environmental and risk-related conditions. Plano Safra's budget in 2025 was the largest ever, with BRL 516.2 (USD 89 billion) available in total credit, the majority of which has been earmarked for financing working capital. Additional incentives were provided for producers to adopt sustainable practices, including expanded support under RenovAgro for reforestation, fire prevention and the recovery of protected areas.

PRONAF (family farming), also saw record funding in 2025 and expanded targeted credit lines to areas including organic production, climate adaptation and sustainable irrigation, tying spending more closely to policy objectives. Medium-scale producers continued to access credit under PRONAMP, with eligibility increasingly linked to environmental compliance, while higher financing limits for mechanisation and strengthened risk-management instruments improved resilience and investment capacity across farm sizes.

Rural credit rules were updated to strengthen monitoring and environmental protections, including the expanded use of remote sensing. To advance its sustainability and climate objectives, Brazil also introduced new initiatives such as the Brazilian Sustainable Taxonomy, large-scale land restoration and

traceability programmes, and continued progress on trade agreements, supporting both market access and alignment with environmental and climate priorities. The Mercosur-EFTA agreement was signed in September 2025, while the Mercosur-European Union agreement was signed in January 2026. Both are pending ratification and entry into force.

Assessment and recommendations

- Continue to enhance the impact of preferential rural credit for family, small and medium-sized producers, while simplifying procedures to improve their access further.
- Link credit programmes more closely linked to sustainable practices through clear eligibility criteria, robust monitoring, and greater support for technologies such as precision agriculture, low-carbon inputs, and climate-resilient practices. Brazil could strengthen agricultural credit policy by expanding outcome-based incentives that link concessional finance to verified sustainability, resilience, and productivity gains, using tools such as remote sensing and traceability systems. Simplifying access conditions and harmonising requirements across programmes would also reduce administrative burdens, particularly for smaller producers.
- Evaluate subsidised insurance schemes to ensure that public support is effective, well-targeted, and complementary to private markets. Regular assessments can identify whether subsidies improve risk coverage and resilience, while helping to avoid market distortions and inform adjustments to programme design so that subsidised and private insurance products work together to strengthen agricultural resilience to climate, production, and market risks.
- Continue to monitor the impacts of environmental criteria embedded in instruments such as zoning (ZARC), the environmental registry (CAR), and the Forest Code (forest protection) on deforestation and emissions. Ongoing efforts to strengthen compliance and enforcement, particularly of the Forest Code, will be important to sustain recent progress in reducing illegal deforestation.
- Gradually increase public investment in general services (GSSE), including R&D and extension. These investments will support innovation and help address the recent slowdown in productivity growth. In particular, investments in logistics and infrastructure. Improving transport, storage, and port infrastructure would reduce costs, limit post-harvest losses, and strengthen competitiveness, specifically for producers in more remote regions. Moreover, deepening digitalisation and data use by expanding digital agriculture, satellite monitoring, farm-level data systems, and traceability tools can improve targeting of policies and strengthen environmental compliance.
- Strengthen targeted extension services and foster regional innovation networks to facilitate knowledge diffusion, reduce productivity gaps, and promote more inclusive development across the sector. Expanding advisory services, especially targeting smallholders, would accelerate the adoption of innovation and sustainable practices.

Key indicators on agricultural support

Figure 5.1. Brazil: Development of support to agriculture

Figure 5.1A. Brazil: Producer Support Estimate and its composition

Percentage of gross farm receipts

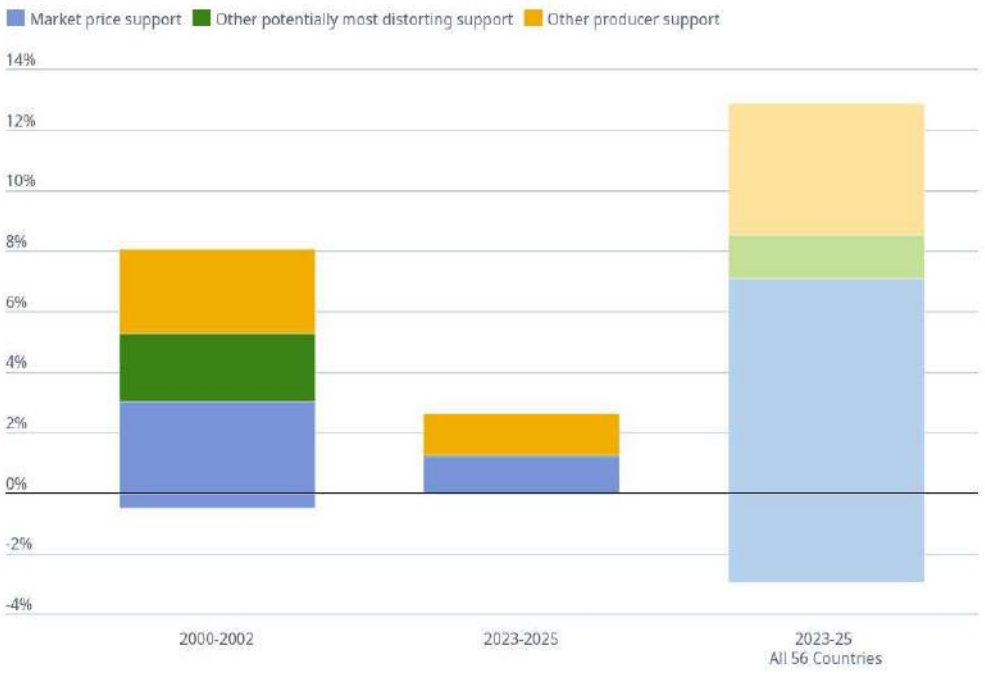


Figure 5.1B. Brazil: Ratio of producer to border price

Producer NPC

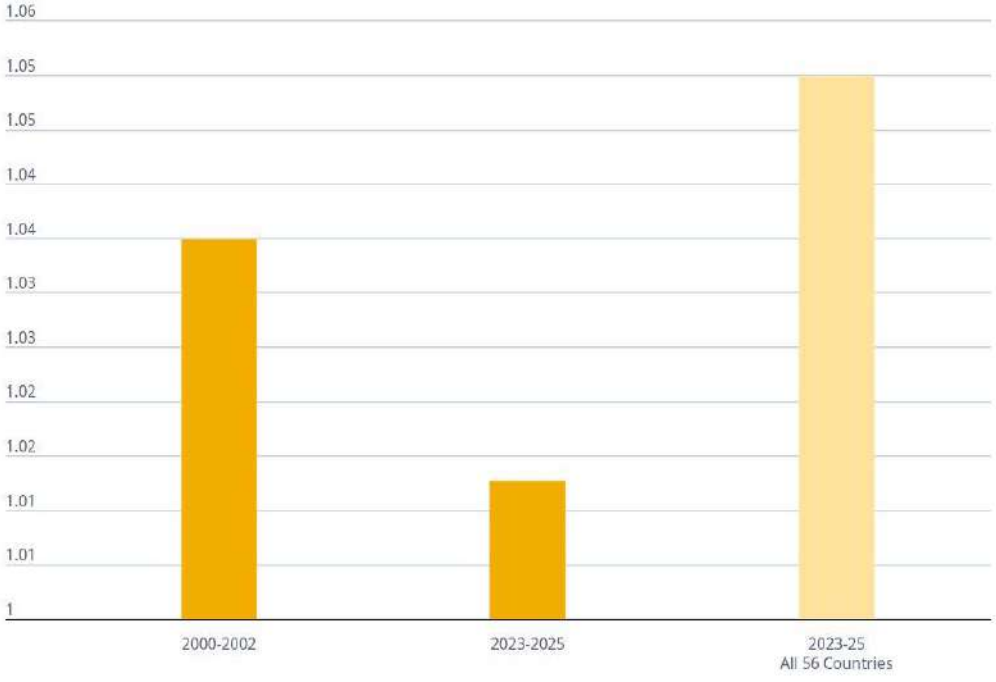


Figure 5.1C. Brazil: General Services Support Estimate and its composition

Relative to agricultural value of production

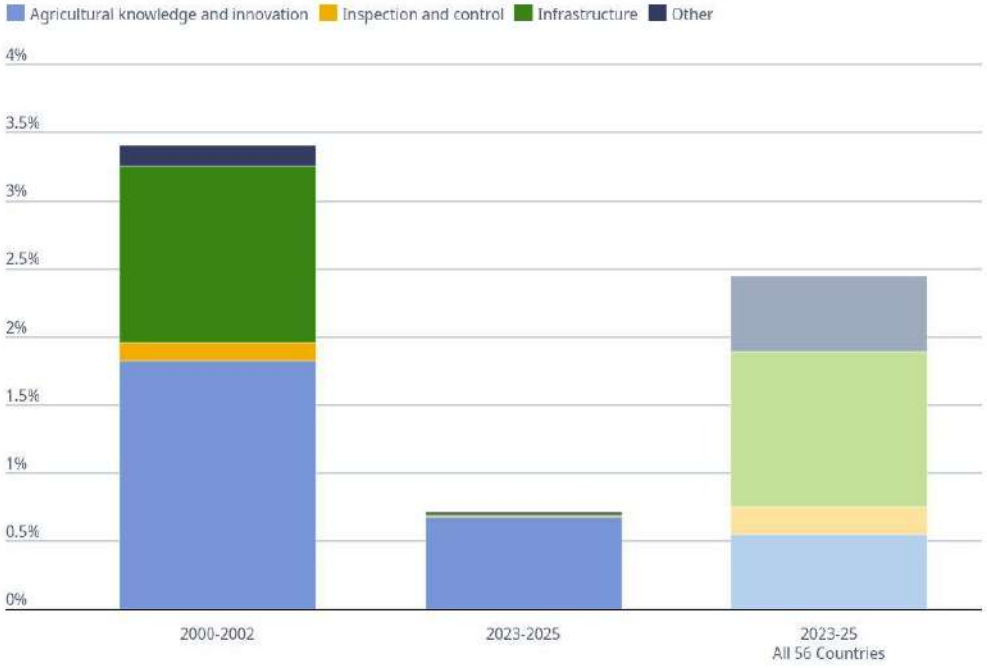
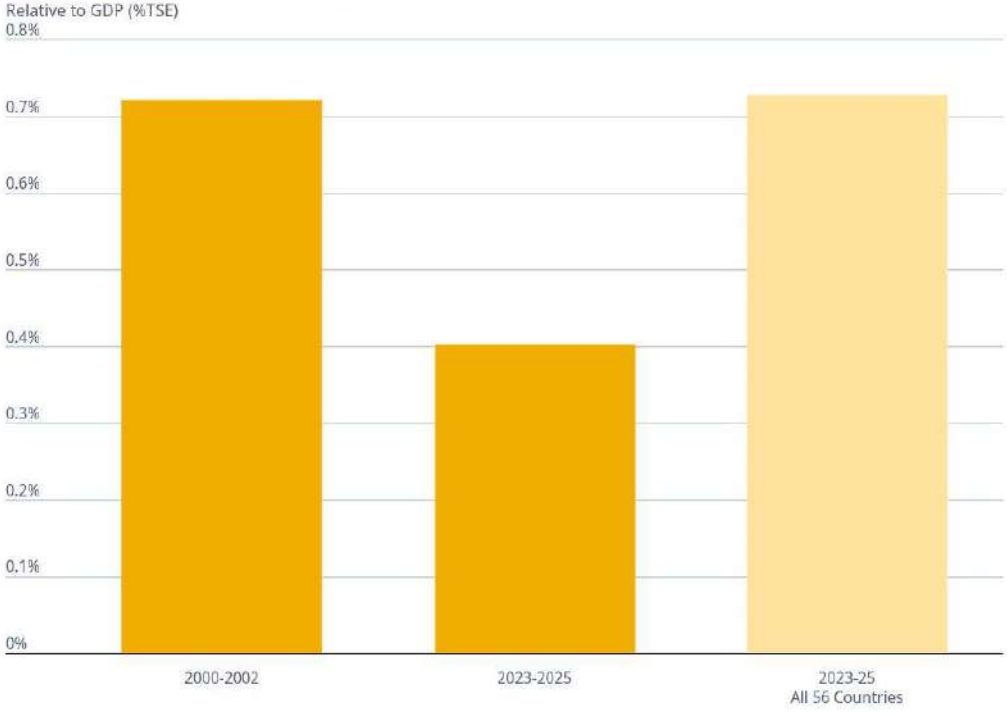


Figure 5.1D. Brazil: Total Support Estimate

Relative to GDP (%TSE)



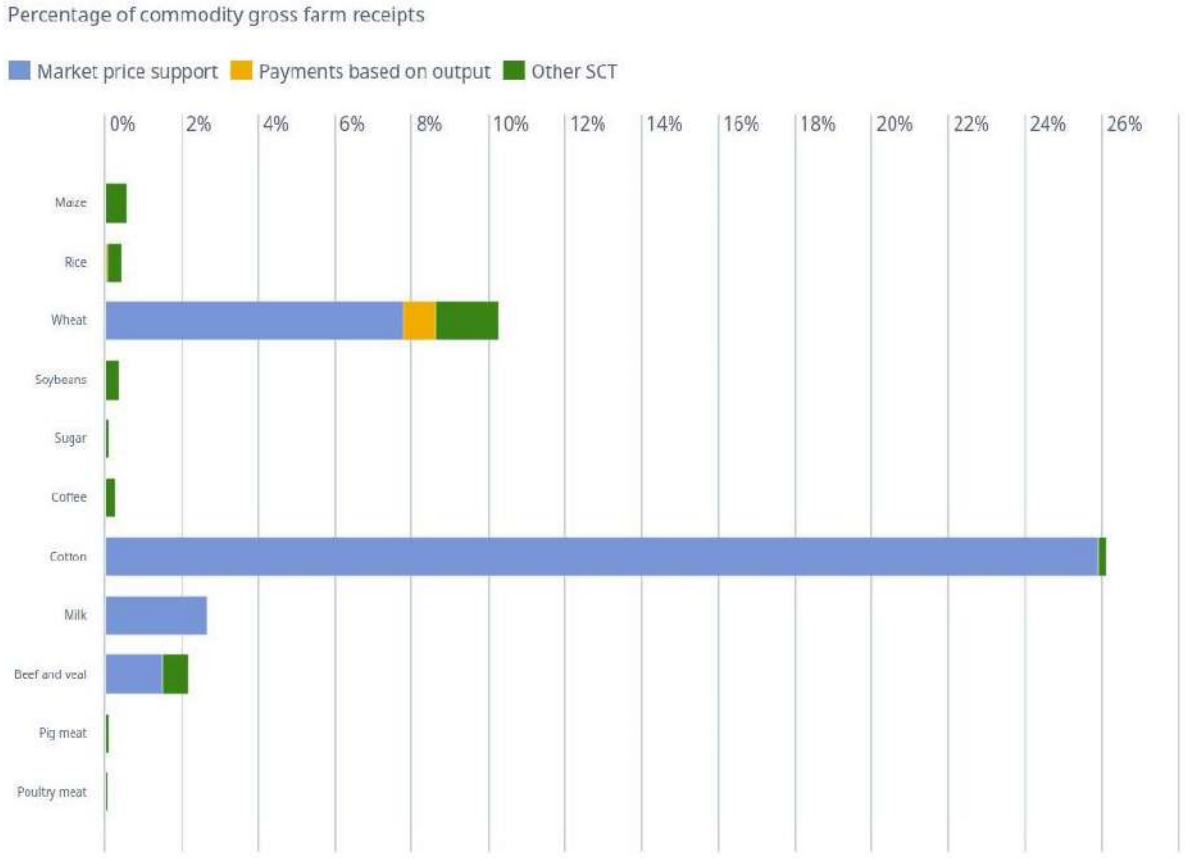
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 5.2. Brazil: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Figure 5.3. Brazil: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Table 5.1. Brazil: Estimates of support to agriculture

Million USD

	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**35 530**	**240 473**	**238 435**	**227 484**	**255 499**
of which: share of MPS commodities (%)	77.53	87.38	87.88	85.99	88.27
Total value of consumption (at farm gate)	**34 557**	**127 690**	**131 525**	**128 517**	**123 028**
Producer Support Estimate (PSE)	**2 868**	**6 561**	**10 060**	**6 454**	**3 169**
Support based on commodity output	1 012	3 141	6 020	3 230	174
Market price support[1]	972	3 115	5 967	3 220	158
Positive market price support	1 178	3 115	5 967	3 220	158
Negative market price support	-205	0	0	0	0
Payments based on output	40	26	53	10	16
Payments based on input use	1 856	3 365	3 976	3 173	2 946
Based on variable input use	825	1 619	2 373	1 711	772
with input constraints	0	1 619	2 373	1 711	772
Based on fixed capital formation	955	1 726	1 583	1 442	2 154
with input constraints	0	1 726	1 583	1 442	2 154
Based on on-farm services	76	20	21	20	19
with input constraints	0	0	0	0	0
Payments based on current A/An/R/I, production required	0	55	64	50	50
Based on Receipts / Income	0	55	64	50	50
Based on Area planted / Animal numbers	0	0	0	0	0
With input constraints	0	0	0	0	0
Payments based on non-current A/An/R/I, production required	0	0	0	0	0
Payments based on non-current A/An/R/I, production not required	0	0	0	0	0
With variable payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
With fixed payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
Payments based on non-commodity criteria	0	0	0	0	0
Based on long-term resource retirement	0	0	0	0	0
Based on a specific non-commodity output	0	0	0	0	0
Based on other non-commodity criteria	0	0	0	0	0
Miscellaneous payments	0	0	0	0	0
Percentage PSE (%)	**7.56**	**2.63**	**4.15**	**2.80**	**1.23**
Producer NPC (coeff.)	**1.03**	**1.01**	**1.03**	**1.01**	**1.00**
Producer NAC (coeff.)	**1.08**	**1.03**	**1.04**	**1.03**	**1.01**
General Services Support Estimate (GSSE)	**1 242**	**1 717**	**1 742**	**1 646**	**1 763**
Agricultural knowledge and innovation system	663	1 623	1 646	1 551	1 672
Inspection and control	51	17	18	17	16
Development and maintenance of infrastructure	471	45	48	44	43
Marketing and promotion	5	3	3	3	3
Cost of public stockholding	52	29	26	31	29
Miscellaneous	0	-0	0	0	0
Percentage GSSE (% of TSE)	**29.79**	**19.21**	**13.78**	**18.54**	**31.00**
Consumer Support Estimate (CSE)	**-1 175**	**-597**	**-664**	**-1 644**	**517**
Transfers to producers from consumers	-1 174	-1 309	-1 433	-2 337	-158
Other transfers from consumers	-278	-80	-76	-85	-80
Transfers to consumers from taxpayers	31	793	846	778	755
Excess feed cost	245	0	0	0	0
Percentage CSE (%)	**-3.33**	**-0.46**	**-0.51**	**-1.29**	**0.42**
Consumer NPC (coeff.)	**1.04**	**1.01**	**1.01**	**1.02**	**1.00**
Consumer NAC (coeff.)	**1.03**	**1.00**	**1.01**	**1.01**	**1.00**
Total Support Estimate (TSE)	**4 141**	**9 071**	**12 648**	**8 878**	**5 688**
Transfers from consumers	1 451	1 390	1 509	2 422	238
Transfers from taxpayers	2 967	7 762	11 214	6 541	5 530
Budget revenues	-278	-80	-76	-85	-80
Percentage TSE (% of GDP)	**0.72**	**0.40**	**0.58**	**0.41**	**0.25**
Total Budgetary Support Estimate (TBSE)	**3 169**	**5 956**	**6 681**	**5 658**	**5 530**
Percentage TBSE (% of GDP)	**0.55**	**0.27**	**0.30**	**0.26**	**0.24**
GDP deflator (1986-88 = 100)	**100**	**529**	**506**	**526**	**555**
Exchange rate (national currency per USD)	**2.37**	**5.32**	**4.99**	**5.39**	**5.59**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for Brazil are: wheat, maize, rice, soybean, sugar, milk, beef and veal, pig meat, poultry, cotton, coffee.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

Each year, two Plans, the Annual Agricultural and Livestock Plan (Harvest Plan) administered by the Ministry of Agriculture and Livestock (MAPA), and the Family Farming Harvest Plan (Family Plan) managed by the Ministry of Rural Development and Family Farming (MDA), establish the main parameters of Brazil's agricultural policy and, in particular, for agricultural credit as the main policy instrument. The Plans determine the allocation of resources across different credit lines and set their corresponding interest rates. Brazilian agricultural policy focuses on several core instruments:

- rural credit (in place since the 1960s)
- risk management programmes, including subsidised insurance schemes (since 1991)
- limited use of minimum and reference prices and marketing interventions (such as government food purchases)
- agricultural land zoning combined with environmental compliance requirements (for credit and insurance support), regulatory measures
- promotion of biofuels
- soil restoration and reforestation.

The Harvest Plan prioritises production, focusing on scale, modernisation, and sustainable development. The Family Plan focuses on producers, emphasising social inclusion, agroecology, sustainable irrigation, climate adaptation, productive rural backyards, and improved connectivity and accessibility. Together, these complementary plans seek to strengthen the resilience, productivity, and equity of the agricultural sector.

Preferential-interest rural credit is jointly administered by the Central Bank, the Treasury, the Secretariat of Economic Policy (Ministry of Finance), and MAPA. Most rural credit is channelled through the National Rural Credit System (SNCR) and is offered at preferential interest rates with differentiated conditions for family farmers (PRONAF), small and medium-sized farmers (PRONAMP), and large-sized farms. The main sources of these preferential credit resources include compulsory resources from lending quotas for commercial banks, equivalent to around 30% of demand deposits and 70% from rural savings deposits; other sources are constitutional funds, and loans from the National Bank for Economic and Social Development (BNDES).

Long-term investment credit is provided through several programmes, including RenovAgro (formerly ABC), which supports investments related to climate adaptation and mitigation; Moderfrota, which finances machinery and equipment; the investment components of PRONAF and PRONAMP; and other programmes such as Inovagro and Proirriga. Additional sources of rural financing include the Coffee Fund (FUNCAFÉ) and Agribusiness Credit Notes (LCAs).

The Rural Insurance Premium Programme (PSR) offers subsidised insurance coverage to a range of producers, including commercial farmers who contract policies with insurance companies accredited by the government. The General Agricultural Insurance Programme (PROAGRO) provides farmers with partial compensation for investment losses associated with working capital loans.

Small-scale family farms benefit from PROAGRO-Mais, the family farming insurance programme (SEAF), and, particularly in the northeast region, the Crop Guarantee Programme (Garantia Safra, GS). Since 2012, the registration of georeferenced environmental information for rural properties has been mandatory nationwide. This Environmental Rural Registry (CAR) includes property boundaries, the location of Permanent Preservation Areas, Legal Reserves, Restricted Use Areas, and areas used for agricultural production. Registration and compliance with environmental criteria are required to access any form of government support, including both rural credit and insurance programmes.

Minimum guaranteed prices (PGPM) are applied across the country, with emphasis on the northeast, south, and centre-west regions, and cover selected crops and livestock products. These prices are determined by the National Monetary Council (CMN) based on domestic and international market conditions as well as changes in production costs across regions. The National Food Supply Company (CONAB) implements these programmes on behalf of MAPA. For the 2025-26 harvest, the PGPM covers a group of agricultural products that vary year by year, including key grains for the domestic market. In 2025-26, the government allocated BRL 527.8 million (USD 94 million) to this programme, financing both government procurement and income deficiency payments.

Under the government procurement programme, the state purchases agricultural products directly from farmers for public use, such as supplying schools, hospitals, and food assistance programmes for vulnerable populations. The income deficiency payments are occasionally provided and correspond to the difference between the market price and the established minimum reference price, which are the Rural Equity Prize programme (PEPRO) and the Product Reward Prize programme (PEP). These payments are triggered only when market prices fall below the minimum price.

Three specific measures aim to improve the environmental performance of the agricultural sector. The Rural Product Certificate (CPR Verde) is a bond subject to mandatory registration and authorised by the Central Bank. This instrument represents a commitment to deliver agricultural products in the future under sustainable and conservation practices. It functions as a market-based mechanism for environmental services and has become one of the country's key instruments for rural financing.

Access to credit and to insurance programmes is conditional on compliance with Agricultural Risk Zoning (ZARC), which identifies climatic risk zones and links agricultural support to farming practices suited to the environmental conditions of each geographic area. In addition, the zoning framework is aligned with the Forest Code, which establishes rules for protecting native vegetation in permanent preservation areas, legal reserves, restricted-use zones, forest exploitation areas, and related categories.

Lastly, since 2010, Brazil has developed the Brazilian Agricultural Policy for Climate Adaptation and Low Carbon Emissions (ABC+ Plan 2020-2030, formerly ABC Plan 2010-2020), a national strategy for adapting agriculture to climate change. The plan aims to reduce greenhouse gas emissions through the adoption of sustainable agricultural practices adapted to Brazilian landscapes and biomes, and acts as the overarching framework for agricultural policy instruments related to climate adaptation and mitigation. During 2010-2020, the plan promoted conservationist production practices on over 50 million ha. The target for 2030 is to extend these practices to an additional 73 million ha, aiming to mitigate over 1 billion tonnes of CO_2 equivalent. Among the practices included in the plan are the recovery of degraded pastures, no-till agriculture, biological nitrogen fixation, integrated crop-livestock-forestry systems, agroforestry, animal waste management, bio-inputs use, biological pest control, water and soil management, and climate-smart livestock management, among others.

Two major initiatives underpinning the ABC+ Plan are the National Bio-inputs Programme, created in 2020 to foster the use of biological inputs and harness local biodiversity for more sustainable agricultural systems, and the Brazilian Greenway Programme, launched in 2022 to restore and convert 40 million hectares of degraded land into productive land within ten years.

Recent policy developments

Domestic policy developments in 2025-26

The Plano Safra (Harvest Plan) 2025-2026 increased the scale of agricultural financing while maintaining policy incentives for sustainable production systems. The Plan provides BRL 516.2 billion (USD 89 billion) in total credit for agriculture, including BRL 414.7 billion (USD 71.4 billion) for working capital and

commercialisation and BRL 101.5 billion (USD 17.5 billion) for investment, representing a small increase of 1.5% from the previous cycle. Approximately BRL 174.6 billion (USD 31 billion) is offered at reduced interest rates, including BRL 114 billion (USD 20 billion) where the Treasury pays equalisation rates, which costs the government around 9% of the total credit provided. The programme maintains an additional 0.5 percentage point interest-rate reduction for producers adopting sustainable practices and expands the RenovAgro programme to include financing for fire prevention and control, reforestation and the recovery of protected areas.

Within this framework, family farming (smallholders) receives BRL 89 billion (USD 15.3 billion), including BRL 78.2 billion (USD 13.5 billion) through PRONAF, with concessional interest rates of 3% for staple food production and 2% for organic and agroecological production systems, which on average are 7 to 8 percentage points below market interest rates. The programme also expands credit lines supporting agroecology, sustainable irrigation, soil and water management, rural connectivity and climate adaptation measures.

Mechanisation support was expanded through increased financing limits for agricultural equipment. Credit ceilings were raised to BRL 100 000 (USD 17 000) for smaller equipment, with an interest rate of 2.5%, and up to BRL 250 000 (USD 43 000) for larger machinery, with an interest rate of 5%. Complementary instruments supporting family farmers include BRL 1.1 billion (USD 189 million) allocated to Garantia-Safra, BRL 3.7 billion (USD 637 million) for public food procurement programmes, and BRL 5.7 billion (USD 981 million) for PROAGRO Mais, strengthening risk-management coverage for smallholders.

Support to medium-scale producers under PRONAMP provides BRL 69.2 billion (USD 12 billion) in credit at differentiated interest rates. Access to these incentives is increasingly linked to sustainable practices and compliance with the Rural Environmental Registry (CAR). Investment programmes such as RenovAgro, Proirriga, Inovagro and PCA have updated financing limits and interest rates ranging between 8.5% and 13.5% (2-5 percentage points below the market interest rates), aiming to modernise agricultural infrastructure and encourage sustainable production systems.

Several regulatory updates in 2025 reinforced monitoring, compliance and risk-management mechanisms within Brazil's agricultural credit framework. Updates to the Rural Credit Manual strengthened supervisory requirements and environmental eligibility criteria. In particular, the use of remote sensing technologies was expanded to support the monitoring of rural credit operations by financial institutions. Complementary provisions were reinforced on social, environmental and climate eligibility requirements for borrowers and lenders, strengthening safeguards associated with rural credit disbursement.

Additional instruments and a dedicated rural credit line were established to allow the settlement or amortisation of debts of rural producers located in municipalities affected by adverse climatic events. These measures aim to preserve payment capacity, stabilise rural credit portfolios and ensure continuity of agricultural production.

The National Program for Strengthening Family Farming (PRONAF) and the Family Farming Plan were consolidated in statutory law, formalising governance arrangements and financial instruments that underpin concessional credit for family farmers. Complementary risk-management mechanisms were strengthened through reforms to the Garantia-Safra Fund and Benefit, improving protection for vulnerable producers in regions affected by droughts and other climatic shocks.

To facilitate agricultural research, certain regulatory fees for research registrations and protections conducted by Embrapa have been waived since December 2025. In addition, guidelines for Good Agricultural Practices at the primary production stage were established in January 2026 to improve sustainability, sanitary compliance and product quality in agriculture.

The Brazilian Sustainable Taxonomy, established in November 2025, is a voluntary classification framework designed to guide sustainable finance and investment decisions across sectors, including

agriculture. The taxonomy guides financial institutions and investors and is expected to influence agricultural credit eligibility, pricing and reporting requirements across agri-food value chains.

Climate adaptation measures increased their scope and improved the implementation mechanisms through the Climate Adaptation Plan (2025 cycle), which sets targets and actions for agriculture and family farming. The plan promotes the adoption of sustainable production systems and supports environmental compliance through the restoration of Permanent Preservation Areas (APPs) and Legal Reserves, as well as financing for agroforestry systems and sustainable soil management practices.

The Eco Invest Brazil programme, launched in February 2024, is part of the Brazilian Greenway initiative to support the recovery of degraded land through blended finance instruments. The programme includes monitoring, reporting and verification (MRV) protocols, including remote sensing technologies, and prioritises integrated crop-livestock-forestry systems (ILPF), agroforestry systems and forest restoration. In addition, in November 2025, the RAIZ initiative (Resilient Agriculture Investment for Net Zero Land Degradation) was launched in the context of preparations for COP30 in Belém, in partnership with FAO. The initiative aims to mobilise rural credit, payments for ecosystem services, environmental regularisation instruments and private investment to promote large-scale restoration of degraded land.

In 2025, the READAPTA network was launched as part of the 2024 National Policy for the Conservation and Sustainable Use of Genetic Resources. It aims to integrate conservation initiatives with breeding programmes aimed at improving climate adaptation. In June 2025, the Integrated Traceability System (SIR) became part of the National Voluntary Traceability Plan (PNRV). It aims to standardise supply-chain information and facilitate voluntary traceability across agri-food value chains, supporting market access for producers and co-operatives. Lastly, in 2025, Brazil recorded a historic high in the registration of new agricultural inputs, including 139 new biological products. In soybeans, more than 80% of producers use biological nitrogen fixation, covering over 45 million hectares, thereby reducing costs, external dependence, and emissions.

Trade policy developments in 2025-26

The Mercosur-European Union trade agreement was signed on 17 January 2026, while the Mercosur-EFTA agreement was signed on 16 September 2025. Similar to the Mercosur-Singapore agreement, signed in December 2023, these agreements remain pending ratification and formal entry into force, although a part of the Mercosur-EU Interim Trade Agreement (iTA) has entered into force on 1 May 2026.

Temporary import measure adjustments were introduced to address supply constraints for selected food products. These include zero-tariff quotas for sardines (120 000 tonnes) and wheat gluten (28 000 tonnes) under temporary MFN tariff reductions.

In May 2025 Brazil was recognised by the World Organisation for Animal Health (WOAH) in May 2025 to be free of foot-and-mouth disease without vaccination. This status strengthens Brazil's sanitary reputation, supports improved market access for livestock products and reduces vaccination costs for producers.

Policy context

Key economic and agricultural statistics

Brazil is one of the world's ten largest economies and the largest country in Latin America by both area and population. It is endowed with abundant land and water resources, underpinning its position as a leading global agricultural producer and exporter. Agriculture's share of GDP rose from 5.5% in 2000 to 5.8% in 2024, while its share in employment declined from 15.4% to 7.7% over the same period (Table 5.2).

Agro-food exports play a central role in Brazil's economy, accounting for 42.9% of total exports in 2024. Arable land accounts for 23.5% of total Brazilian agricultural land. Brazil ranks among the world's top producers of soybeans, poultry, beef, cotton, maize and orange juice. Crop production accounts for 66% of the total value of agricultural output, with livestock contributing the remaining 34%.

Table 5.2. Brazil: Contextual indicators

	Brazil		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	1 582	4 736	3.9%	2.8%
Population (million)	174	212	4.0%	3.9%
Land area (thousand km^2)	8 358	8 358	10.0%	9.8%
Agricultural area (AA) (thousand ha)	228 324	236 759	7.6%	8.0%
			All countries[1]	
Population density (inhabitants/km^2)	21	25	52	64
GDP per capita (USD in PPPs)	9 092	22 338	9 508	31 740
Trade as % of GDP	8.8	14.1	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	5.5	5.8	3.0	3.6
Agriculture share in employment (%)	14.2	7.7	-	-
Agro-food exports (% of total exports)	23.4	42.9	6.4	8.3
Agro-food imports (% of total imports)	7.2	5.6	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	67.3	66.3	62.1	60.4
Livestock in total agricultural production (%)	32.7	33.7	37.9	39.6
Share of arable land in AA (%)	19.9	23.5	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

Brazil's real GDP growth reached around 2.44% in 2025, confirming the stabilisation observed since 2021, after the deep contraction in 2020. Economic growth has remained positive but moderate, supported by domestic demand and a recovery in services, though it remains below the high growth rates seen in previous expansion cycles. Unemployment continued to decline, falling to around 7.65% in 2025, a substantial improvement from its pandemic peak of nearly 13.74% in 2020, reflecting the gradual recovery of labour market conditions. Inflation reached 5.02% in 2025, down from the high levels recorded in 2021-22, when inflation exceeded 9.27%; this decrease has been mainly driven by falling food and energy prices, as well as tighter monetary conditions.

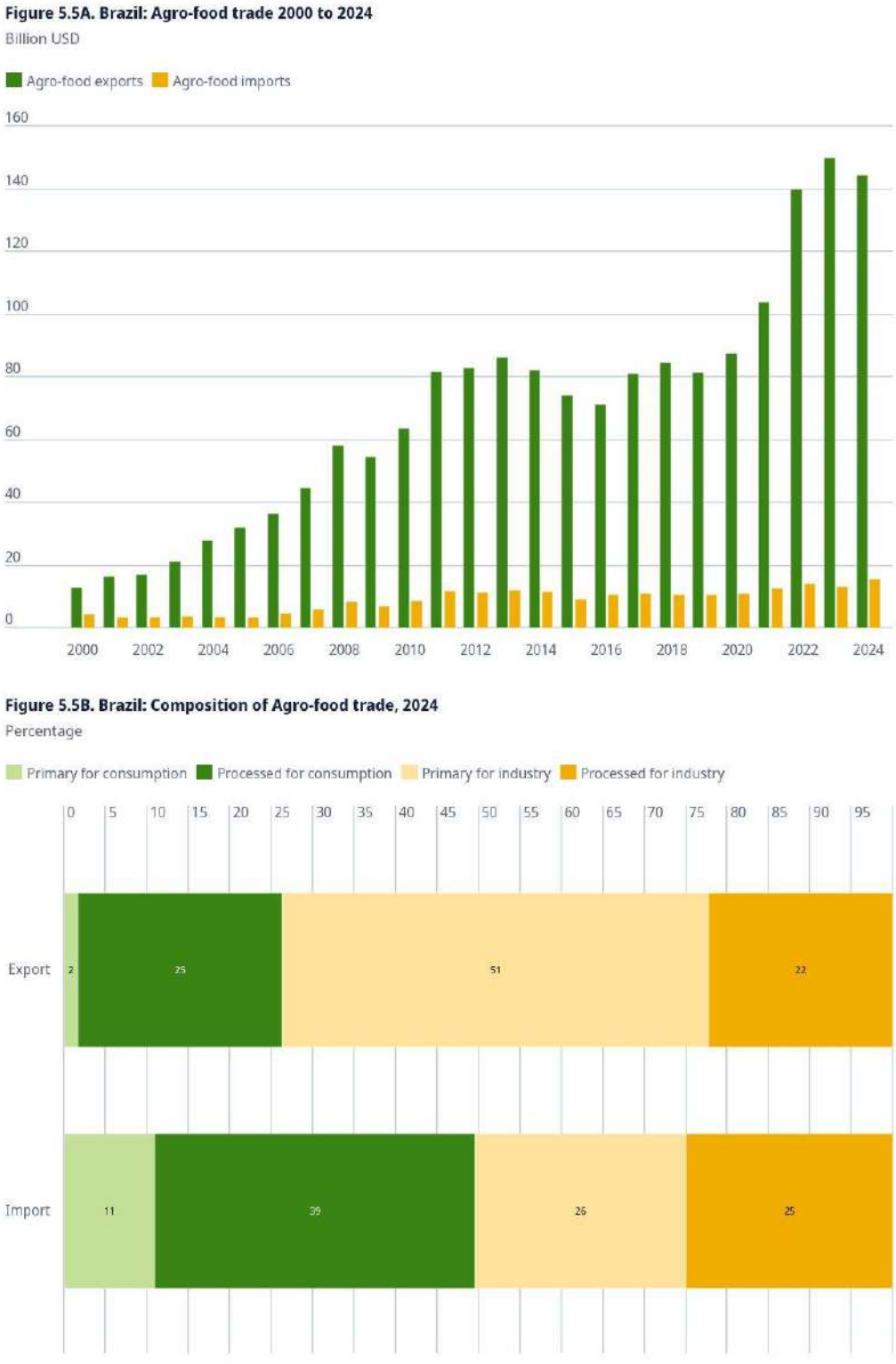
Figure 5.4. Brazil: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

Brazil's agro-food exports have exceeded USD 100 billion annually since 2021, reaching close to USD 144.48 billion in 2024, while imports remained comparatively limited. As a result, Brazil generated a very large agro-food trade surplus of around USD 129 billion in 2024, reflecting its strong competitiveness in global agricultural markets. The composition of trade highlights Brazil's role as a major supplier of raw and intermediate agricultural inputs: in 2023, about 56% of exports consisted of primary products for industry, and a further 22% of processed products for industrial use, underscoring the importance of global value chains linked to feed, food processing and bio industries. By contrast, agro-food imports were dominated by processed products, with around 40% processed for consumption and 26% processed for industry, pointing to Brazil's reliance on imported higher-value food products and industrial inputs despite its large primary production capacity (Figures 5.5A and 5.5B).

Figure 5.5. Brazil: Agro-food trade

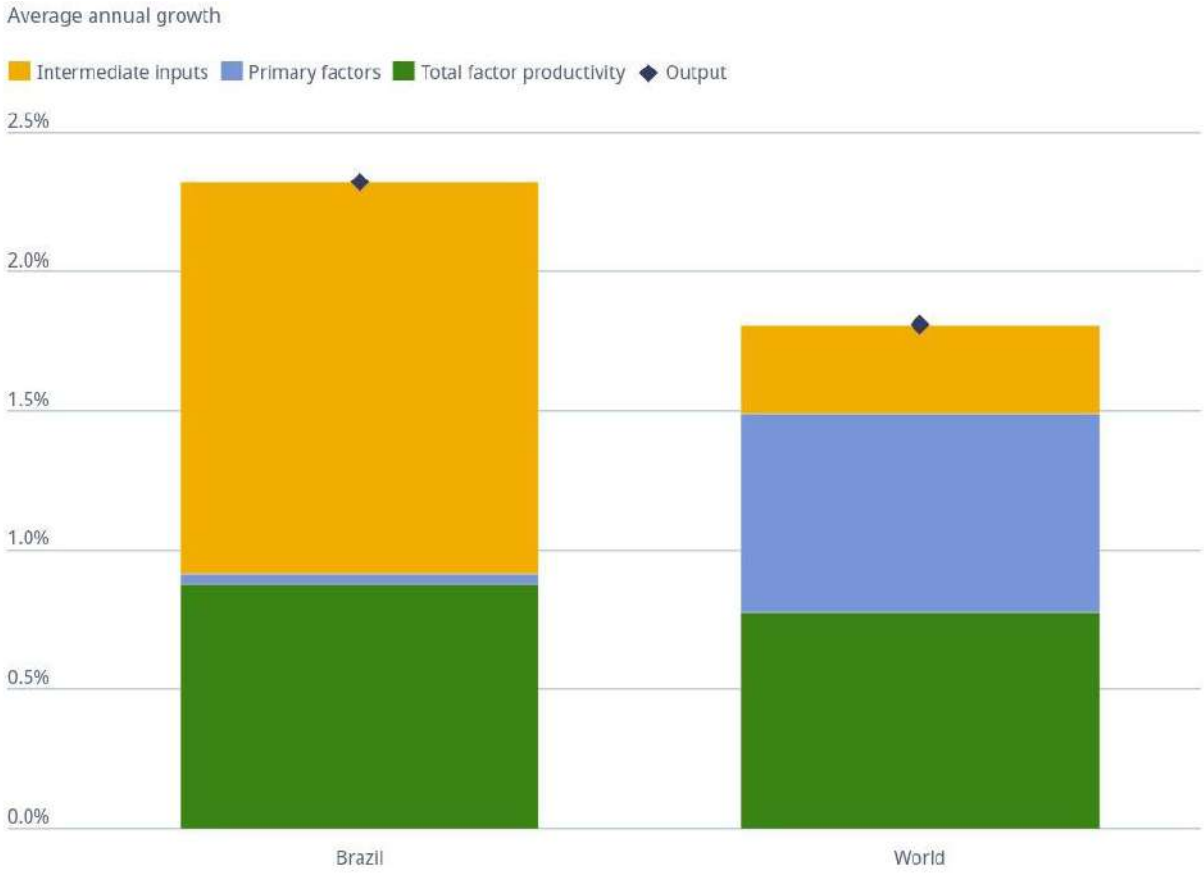


Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Between 2014 and 2023, Brazilian agricultural production increased at an annual rate of 2.3%, above the world average (1.8%). Production increases were driven by intermediate input growth (1.41%) and Total Factor Productivity (TFP) growth of 0.87% per year, which is above the global average (0.77%), underscoring the central role of efficiency improvements, technological adoption, and innovation; while use of primary factors in agricultural production is marginal of 0.04% per year during the period 2014-23 (Figure 5.6).

Agriculture accounted for 50.4% of Brazil's total greenhouse gas emissions, slightly below its share in 2000 (51%), but still well above the OECD average of 8.7% (Table 5.3). The sector's energy use increased to 5.6% of total final energy consumption over 2014–23, also exceeding the OECD average, reflecting the relatively large weight of agriculture in the Brazilian economy. Agriculture also remains a major user of water, accounting for 60.3% of total water abstractions, although overall water stress remains low (0.9). At the same time, nutrient surpluses for nitrogen and phosphorus have risen since 2000, with phosphorus balances now above the OECD average, raising concerns about nutrient management and environmental pressures.

Figure 5.6. Brazil: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Table 5.3. Brazil: Productivity and environmental indicators

	Brazil		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	2.9%	0.9%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	21.1	26.2	32.3	29.0
Phosphorus balance, kg/ha	11.8	18.8	3.3	2.3
Agriculture share of total energy use (%)	4.8	5.6	1.7	2.0
Agriculture share of GHG emissions (%)	51.0	50.4	8.7	10.3
Share of irrigated land in AA (%)	1.9	3.9	-	-
Share of agriculture in water abstractions (%)	50.0	60.3	46.1	47.7
Water stress indicator	0.6	0.9	..	..

Note: * or closest available year.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Before the 1990s, Brazil had a history of government intervention in the agricultural sector. Price interventions were first introduced in the 1940s amid food security concerns, and starting in the 1950s, Brazil adopted an import-substitution industrialisation strategy with wide-ranging controls over supply and prices in the agro-food sector. Prices were both supported for producers and subsidised to consumers.

The National Agency for Food Supplies (SUNAB) regulated the distribution of basic foodstuffs and set prices and profit margins for all levels of the food chain, including low prices for consumers. SUNAB also controlled agro-food imports and exports. At the producer level, a general price support system existed for rice, maize, soybeans, beans, cassava, and cotton. Another government agency, the Company for Production Financing (CFP), carried out direct purchases of these commodities at minimum guaranteed prices. Marketing boards were created for wheat, sugar, and coffee. They set overall production volumes, administered marketing quotas, and controlled prices and trade (Anderson and Valdes, 2007[1]; OECD, 2005[2]).

These policies continued until the late 1980s, when the government undertook a general restructuring of the economy. Trade was liberalised, state-owned enterprises privatised, domestic markets deregulated, and a customs union established with other South American countries (Mercosur). Agricultural policies were no exception to this move towards openness and less state intervention. State enterprises related to agriculture were dismantled or their functions reduced. Agricultural import tariffs were substantially reduced. Export licensing for primary agricultural products was removed. Brazilian producers faced fewer controls and obtained freer access to world commodity and input markets (OECD, 2015[3]).

In this context, Law No. 8,171 of 17 January 1991 (Agricultural Policy Law) established the legal framework for Brazil's modern agricultural policy. The Law consolidated the principles, objectives and instruments guiding government action in the agricultural sector, covering areas such as rural credit, agricultural insurance, minimum price guarantees, marketing, storage, agricultural research, technical assistance and risk management. It also recognised the conservation of natural resources as an integral element of Brazil's agricultural policy framework.

Since the mid-2000s, policy has emphasised support to smallholders and setting minimum prices for staples produced in the poorest regions of the country. Purchases of staple foods to be distributed to poor populations have been enhanced, and mandatory sugar cane ethanol fuel-blending continues to be imposed. The National Programme for the Production and Use of Biodiesel was established in 2005, and

the blending of biodiesel with mineral diesel became mandatory in 2008. The blend percentage varies between 6% and 15%. Biodiesel is sold through public auctions, where preference is given to manufacturers that support family farming. In addition to prioritising the acquisition of raw materials from family farms, technical assistance by the government is targeted at these farms. Since 2023, the country has emphasised environmental sustainability measures for the sector, such as adaptation and mitigation to climate change, as well as reducing deforestation rates (Table 5.4).

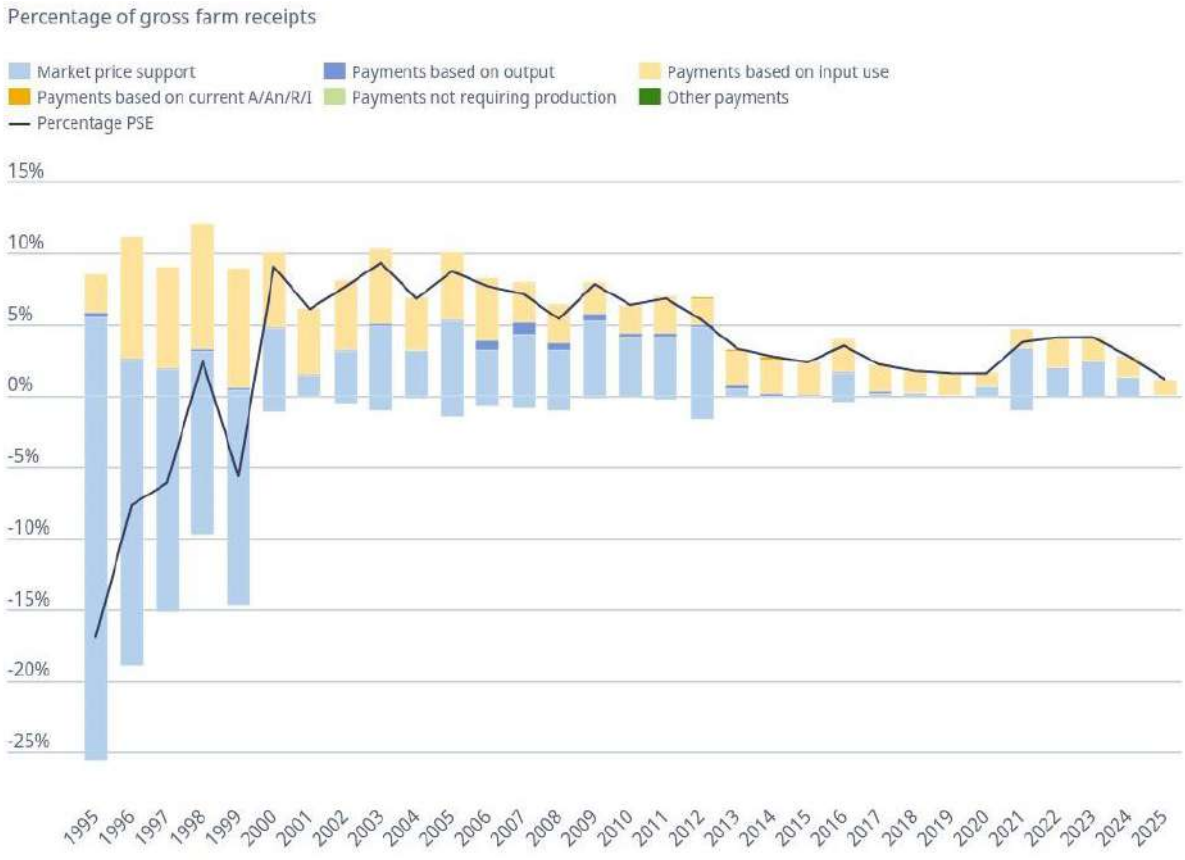
Table 5.4. Brazil: Agricultural policy trends

Period	Broader framework	Changes in agricultural policies
Prior to 1990s	Import substitution Industrialisation model Closed economy	Fixed exchange rates High agricultural tariffs Production and marketing control of agricultural products (CFP state company) Minimum agricultural prices for producers (CFP state company) Subsidised prices of agricultural products for consumers (SUNAB state company) Creation of the Brazilian Agricultural Research Corporation (EMBRAPA) Consumption of sugar cane ethanol is stimulated through obligatory blending of ethanol with gasoline
1990-2005	Reforms to trade liberalisation	Agricultural Policy Law (No.8171/1991) Floating exchange rates Removal of agricultural price and output controls Reduction of agricultural tariffs of both outputs and inputs Dismantling of marketing boards for wheat, sugar and coffee Dismantling of SUNAB and CFP WTO agreement and Mercosur signed Minimum prices of basic products kept but reduced Subsidised credits (working capital and marketing loans) enhanced as the financial crisis hit farmers Liberalisation of the wheat, coffee and sugar sectors Creation of the Ministry of Rural Development and Family Farming (MDA) Consumption of sugar cane ethanol was also stimulated by the growth of the flex fuel vehicle fleet. Flex Fuel cars have represented more than 85% of new vehicle sales in Brazil since the late 2000s. Law 8 929/1994, creates the Rural Product Certificate (CPR), a bond of mandatory registration authorised by the Central Bank.
2005-2015	Continuing reforms and emphasis on sustainability	Subsidised agricultural credit and insurance subsidies as main agricultural policy, supported by the Law of agribusiness bonds 11076/2004. Minimum prices of basic products set for smallholders through government purchases of staple foods Sugar cane ethanol ratio policy continues to apply Government purchases of staples kept in order to provide food to poor populations Institutionalisation of the National Programme for the Production and Use of Biodiesel. Current regulations of blending ranged between 6% and 15%. Law No. 12 114, 2009 - Creates the National Fund on Climate Change. Law No. 12 187, 2009 - Institutes the National Policy on Climate Change – PNMC. The law establishes the guidelines for the different national sectors, including agriculture, to contribute to the commitments to reduce GHG emissions and adapt to climate change. Decree No. 7 390, 2010 (Art. 3, item IV) established the Sectoral Plan for Mitigation and Adaptation to Climate Change for the Consolidation of a Low-Carbon Economy (ABC Plan), a strategy to consolidate mitigation and adaptation actions. Law 12 651, 2012 (Forest Code) establishes standards for protecting native vegetation in permanent preservation areas, legal reserves, restricted use, forest exploitation, and related matters. Since 2010. Sustainability emphasis on measures for adaptation and mitigation to climate change in agriculture.

Period	Broader framework	Changes in agricultural policies
2015-2022	Institutional changes and continuous emphasis on sustainability	Incorporation of the structure of the Ministry of Rural Development and Family Farming (MDA) into the into the Ministry of Agriculture and Livestock (MAPA) in 2019, then reinstated as an independent Ministry in 2023. Decree No. 10 606/2021 - Establishes the Integrated Information System of the Sectoral Plan for Consolidation of a Low-Carbon Economy in Agriculture and the Technical Committee for Monitoring the Sectoral Plan for Consolidation of a Low-Carbon Economy in Agriculture. Decree No. 10 828/2021 regulated the issuance of Rural Product Certificate (CPR). The bond was adjusted to be a market alternative for immediate and large-scale adoption of Payment for Environmental Services (PSA).
2023-present	Continuing institutional changes and more emphasis on sustainability	Relatively low support, with subsidised credit continuing as key agricultural policy tool. New competences of the 2023 MDA include family farming, agrarian reform, incorporation of several state enterprises such as CONAB (national supply), CEASA-Minas (wholesale Minas), CEAGESP (warehouse company), ANATER (extension services) and INCRA (agrarian reform). In 2023, MAPA created under its structure the Department of Reforestation and Recovery of Degraded Areas. In 2023, Decree 11 815 established the National Program for the Conversion of Degraded Pastures into Sustainable Agricultural and Forestry Production Systems. Continuous emphasis on the sustainability of rural credit and on strengthening climate change adaptation and mitigation measures.

Brazil provides a relatively low aggregate level of support and protection to agriculture, reflecting its position as a competitive exporter and price maker for a range of commodities. Brazil's support to agricultural producers included market price support and input subsidies. Market price support (MPS) gradually disappeared from 2013-21, and PSE was dominated by preferential credit interest rates and insurance subsidies. In recent years, the share of MPS has increased alongside budgetary support (Figure 5.7).

Figure 5.7. Brazil: Development of the PSE and its composition, 1995 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

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6 Canada

Main findings

Support to agriculture

Canada provides Market Price Support (MPS) that raises domestic prices above world prices, generating transfers from consumers to farmers of some commodities (dairy, beef and veal, and poultry). Budgetary support is focused on business risk management to other commodities. Support to farmers has been stable over the past decade and has averaged 7.6% of gross farm receipts in 2023-2025, less than half the level observed in 2000-2002 and below the OECD average.

The supply management system consists of import controls (tariff rate quotas), production quotas and price setting for dairy, poultry and eggs. Milk received particularly high single commodity transfers in 2023-25, amounting to 22% of commodity gross farm receipts. However, average MPS over the past three years was lower than previous years due to higher border prices for eggs, poultry meat and milk.

Support focused on business risk management is the main budgetary support provided to producers. These include income stabilisation through compensation payments in years where profit margins decline, subsidised savings, loans at preferential rates and crop insurance programmes. Major crop and horticultural products are covered by crop insurance programmes, with some provinces also implementing insurance coverage for livestock.

Canada also uses payments based on unconstrained use of variable inputs, notably fuel. Together with MPS, these potentially most market-distorting support measures represented 42% of aggregated gross producer transfers in 2023-25, or 3.2% of gross farm receipts.

Support to general services (General Service Support Estimate, GSSE) amounted to 2.9% of agricultural production value in 2023-25, below the OECD average and down from 6.1% in 2000-02. Expenditures on inspection and control systems, and agricultural knowledge and innovation each accounted for about 45% and 38% of GSSE respectively, in recent years. The Total Support Estimate (TSE) represented 0.3% of Gross Domestic Product (GDP) in 2023-25.

Key policy changes in 2025-26

Business risk management programmes within the 2023-28 Sustainable Canadian Agricultural Partnership (Sustainable CAP) were strengthened in 2025. Compensation rates in the AgriStability programme, which provides support when profit margins decline, were temporarily increased from 80% to 90%, and the maximum payment made under this system temporarily doubled from CAD 3 million (USD 2.1 million) to CAD 6 million (USD 4.3 million). In addition, in 2026 an optional valuation method was introduced for livestock feed inventories used on farm so that AgriStability payments better reflect rising feed costs.

In March 2025, the government extended an increase to the interest-free allowance for producers under the Advance Payments Programs to the 2025 programme year. Farmers are now allowed a larger interest-free advance under the programme – CAD 250 000 (USD 178 825) – more than twice the amount initially

foreseen. The interest free advance has been increased since the 2023 programme year; initially set to end in the 2024 programme year. In addition, in September 2025, the interest-free allowance for canola was doubled to CAD 500 000 (USD 357 650) for the 2025 and 2026 programme years.

New federal measures were introduced over 2025-26 in response to uncertain trade and supply chain conditions and food price inflation. Funding of CAD 650 million (USD 465 million) was introduced to support agriculture and agri-food businesses manage supply chain disruptions, including CAD 150 million (USD 107 million) of targeted support for small and medium enterprises via a new Food Security Fund. The funds are aimed at capital investments that boost productivity and capacity in agriculture and agri-food businesses and activities that strengthen supply chain resilience.

The Canada-Indonesia Comprehensive Economic Partnership Agreement was signed in September 2025. Canada consulted on the Canada-United States-Mexico Agreement ahead of a 2026 legally mandated joint review where the three governments evaluate its performance and determine whether to extend, keep in force, or withdraw and renegotiate. In addition, Canada invested an additional CAD 75 million (USD 54 million) over 2026-30 in the AgriMarketing Program, aiming to diversify exports into high-growth regions such as Africa, the Middle East, and the Indo-Pacific.

Assessment and recommendations

- Relax production quotas to supply managed commodities to reduce domestic prices and encourage greater efficiency and diversification into higher value products. Producer support concentrated on specific commodities – dairy and poultry meat (supply managed), and beef and veal – distorts production and trade and inflates domestic prices. These forms of protection hinder market responsiveness and should be reformed.
- Better target the Advance Payments Program, which provides cash advances to farmers at preferential interest rates, to ensure that they are based on need. This would ensure more efficient use of public funds by preventing farmers that are able to access adequate capital on the market benefit from these advances.
- Invest in programmes aimed at boosting agriculture and agri-food productivity and strategies to diversify trade to benefit farmers managing uncertainty over longer timeframes. Canada has strengthened some business risk management programmes for agricultural producers affected by recent uncertainty. While these ex-post risk management tools are well-established and help farmers react to shocks, recent repeated increases in temporary funding suggest that greater emphasis could be placed on programmes that improve the long-term adaptive capacity of farmers and transform production systems.
- Enhance the effectiveness of the Sustainable CAP by shifting from practice-based to results-based payments, supported by measurable targets and robust performance indicators to assess uptake and impact. This will require greater investment in data collection, evaluation and reporting.
- Strengthen incentives for climate mitigation in agriculture. While funding dedicated to mitigation measures has increased, a wider range of policies targeted at agricultural emissions reduction would help create favourable conditions for the broad adoption of climate friendly practices. Other tools such as standards, emissions taxes or regulatory signals will be necessary to incentivise emissions reductions at scale.
- Boost sustainable productivity growth by increasing targeted investment in innovation and knowledge transfer. While support to general services continues to receive a large share of total budgetary support, declining investment relative to the size of the sector highlights the need to prioritise investment in innovation, especially to address supply chain disruptions and to adapt to a changing climate.

Key indicators on agricultural support

Figure 6.1. Canada: Development of support to agriculture

Figure 6.1A. Canada: Producer Support Estimate and its composition

Percentage of gross farm receipts

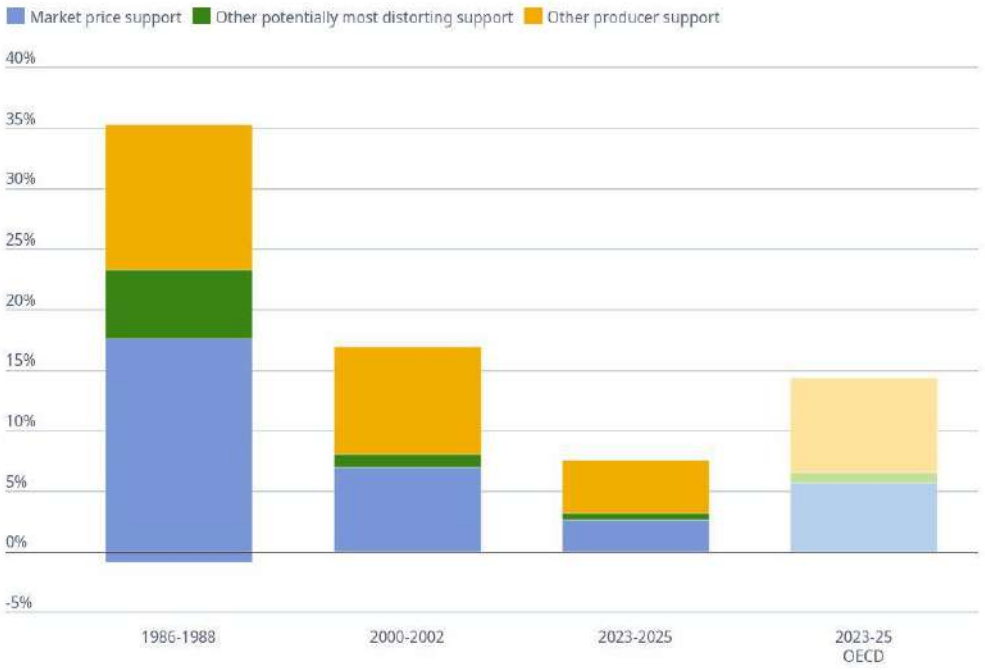


Figure 6.1B. Canada: Ratio of producer to border price

Producer NPC

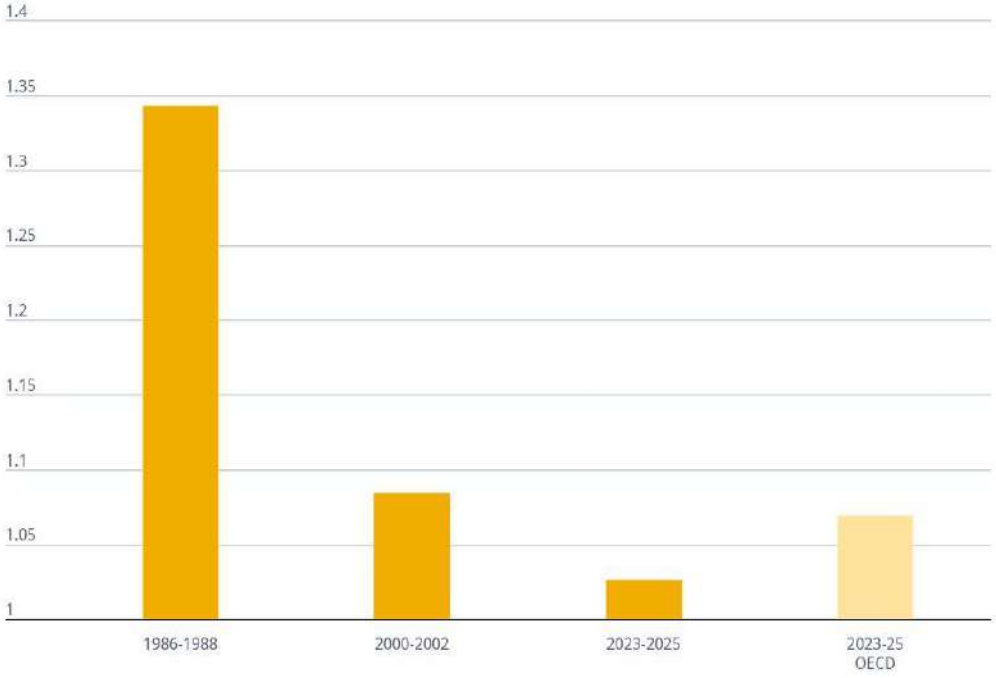


Figure 6.1C. Canada: General Services Support Estimate and its composition

Relative to agricultural value of production

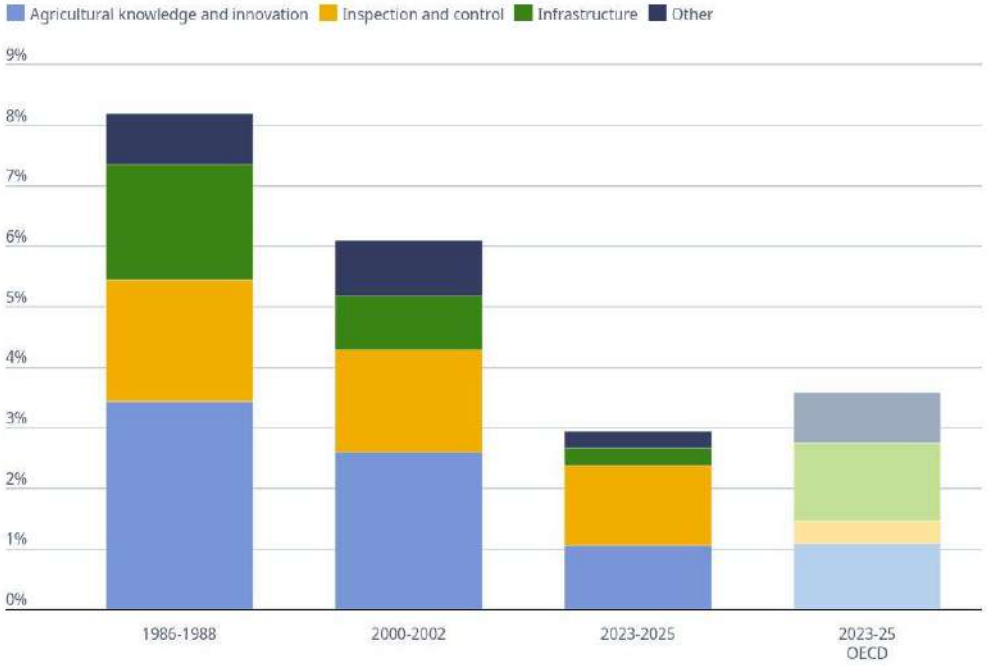
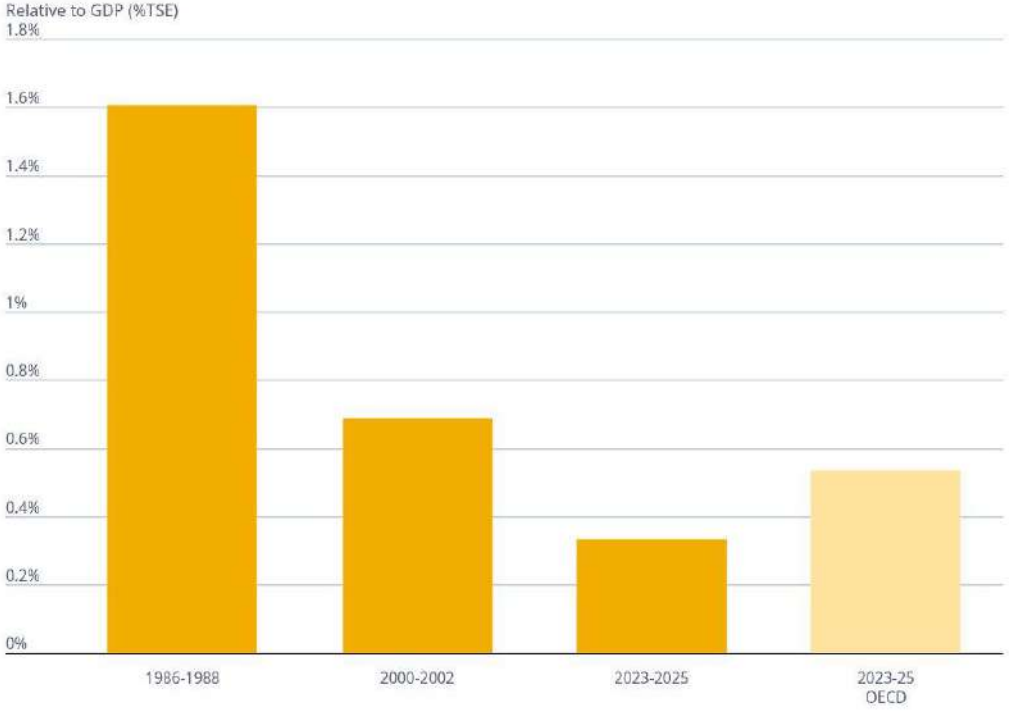


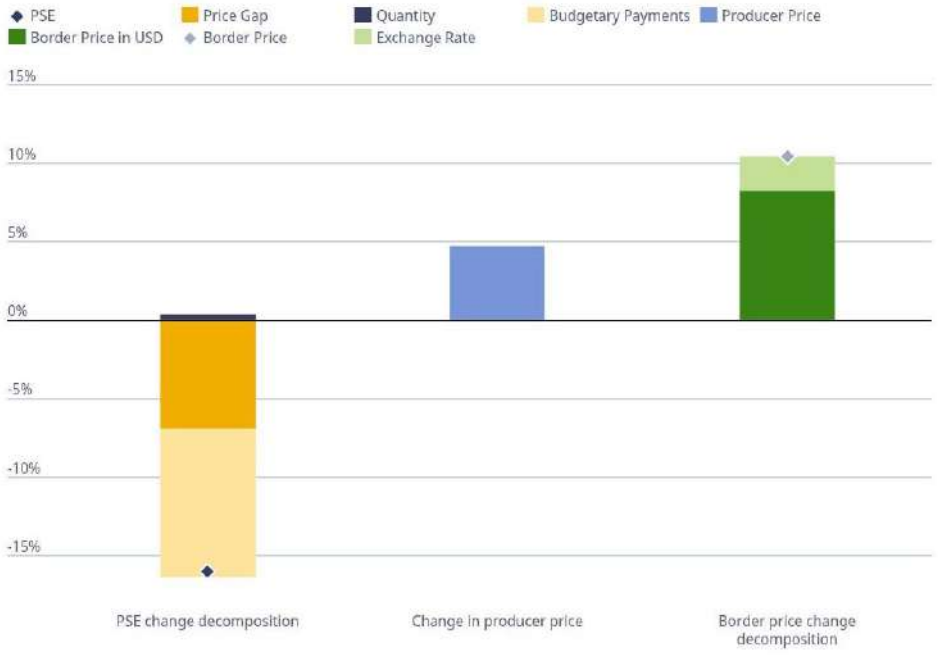
Figure 6.1D. Canada: Total Support Estimate

Relative to GDP (%TSE)



Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 6.2. Canada: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Figure 6.3. Canada: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Table 6.1. Canada: Estimates of support to agriculture

Million USD

	1986-88	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**14 086**	**20 691**	**68 357**	**68 815**	**67 329**	**68 926**
of which: share of MPS commodities (%)	85.57	81.97	82.56	83.49	81.93	82.26
Total value of consumption (at farm gate)	**11 835**	**15 011**	**40 792**	**40 829**	**40 128**	**41 418**
Producer Support Estimate (PSE)	**5 857**	**3 889**	**5 460**	**5 797**	**5 807**	**4 777**
Support based on commodity output	3 215	1 621	1 885	1 724	2 176	1 756
Market price support[1]	2 851	1 601	1 885	1 724	2 176	1 756
Positive market price support	2 998	1 601	1 885	1 724	2 176	1 756
Negative market price support	-147	-0	-0	0	0	0
Payments based on output	364	20	0	0	0	0
Payments based on input use	1 091	368	799	816	944	636
Based on variable input use	622	242	446	442	569	327
with input constraints	0	0	24	26	23	23
Based on fixed capital formation	448	108	266	265	296	236
with input constraints	0	0	71	65	79	69
Based on on-farm services	20	18	87	109	79	72
with input constraints	0	0	24	26	23	23
Payments based on current A/An/R/I, production required	1 336	1 306	2 555	3 019	2 462	2 183
Based on Receipts / Income	467	585	892	902	865	910
Based on Area planted / Animal numbers	869	721	1 662	2 117	1 597	1 272
With input constraints	0	0	135	110	171	125
Payments based on non-current A/An/R/I, production required	0	0	-0	0	0	0
Payments based on non-current A/An/R/I, production not required	0	553	192	218	179	179
With variable payment rates	0	0	0	0	0	0
with commodity exceptions	0	0	0	0	0	0
With fixed payment rates	0	553	192	218	179	179
with commodity exceptions	0	0	-0	0	0	0
Payments based on non-commodity criteria	8	-0	-0	0	0	0
Based on long-term resource retirement	8	-0	-0	0	0	0
Based on a specific non-commodity output	0	0	0	0	0	0
Based on other non-commodity criteria	0	0	0	0	0	0
Miscellaneous payments	206	41	30	20	46	23
Percentage PSE (%)	**34.44**	**16.92**	**7.58**	**7.95**	**8.18**	**6.64**
Producer NPC (coeff.)	**1.34**	**1.08**	**1.03**	**1.02**	**1.03**	**1.02**
Producer NAC (coeff.)	**1.53**	**1.20**	**1.08**	**1.09**	**1.09**	**1.07**
General Services Support Estimate (GSSE)	**1 153**	**1 262**	**2 011**	**2 023**	**2 108**	**1 900**
Agricultural knowledge and innovation system	483	536	725	707	742	725
Inspection and control	283	351	903	980	969	759
Development and maintenance of infrastructure	268	182	194	161	198	223
Marketing and promotion	85	179	131	135	143	114
Cost of public stockholding	0	0	0	0	0	0
Miscellaneous	34	15	58	41	56	78
Percentage GSSE (% of TSE)	**16.30**	**24.51**	**26.68**	**25.63**	**26.50**	**28.09**
Consumer Support Estimate (CSE)	**-2 533**	**-1 712**	**-1 962**	**-1 889**	**-2 247**	**-1 752**
Transfers to producers from consumers	-2 767	-1 595	-1 741	-1 654	-1 984	-1 584
Other transfers from consumers	-31	-117	-290	-310	-303	-256
Transfers to consumers from taxpayers	31	0	68	75	40	88
Excess feed cost	234	0	0	0	0	0
Percentage CSE (%)	**-21.54**	**-11.39**	**-4.82**	**-4.63**	**-5.61**	**-4.24**
Consumer NPC (coeff.)	**1.31**	**1.13**	**1.05**	**1.05**	**1.06**	**1.05**
Consumer NAC (coeff.)	**1.27**	**1.13**	**1.05**	**1.05**	**1.06**	**1.04**
Total Support Estimate (TSE)	**7 041**	**5 152**	**7 539**	**7 896**	**7 955**	**6 766**
Transfers from consumers	2 798	1 712	2 030	1 964	2 287	1 840
Transfers from taxpayers	4 273	3 557	5 798	6 242	5 971	5 181
Budget revenues	-31	-117	-290	-310	-303	-256
Percentage TSE (% of GDP)	**1.61**	**0.69**	**0.34**	**0.36**	**0.35**	**0.30**
Total Budgetary Support Estimate (TBSE)	**4 189**	**3 551**	**5 654**	**6 172**	**5 779**	**5 009**
Percentage TBSE (% of GDP)	**0.96**	**0.48**	**0.25**	**0.28**	**0.25**	**0.22**
GDP deflator (1986-88 = 100)	**100**	**138**	**239**	**232**	**239**	**245**
Exchange rate (national currency per USD)	**1.32**	**1.53**	**1.37**	**1.35**	**1.37**	**1.40**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for Canada are: wheat, maize, barley, oats, soybean, rapeseed, flax, potatoes, lentils, dried beans, dried peas, milk, beef and veal, pig meat, poultry and eggs.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

In Canada, agricultural policy is shared between federal, provincial and territorial (FPT) governments that collaborate within an agreed agricultural policy framework. The framework reflects national objectives while allowing provinces and territories to design and deliver programmes that respond to regional priorities. Agricultural programmes may be developed and funded outside of the framework. Agricultural policy is characterised by the separate treatment of supply-managed commodities (dairy, poultry and eggs). These are produced mainly for domestic consumption and are protected by border measures. Other commodities (e.g. field crops, red meat, horticulture) have less market interventions and are generally export-oriented.

The supply management system

The supply management system provides market price support through customs tariffs (import controls), production quotas tradeable within provinces (production controls) and domestic farmgate price setting according to production costs and market trends (e.g. the consumer price index) (price setting). Supply managed commodities are governed by their own FPT agreements – the national marketing plans – and are administered by provincial agricultural marketing boards operating in co-ordination with the national agencies. The purpose of the supply management system is to provide production and price stability for supply managed commodities.

The average applied most-favoured-nation (MFN) tariff on agricultural imports in 2024 was 15.1%, well above the 2.0% applied to non-agricultural products (World Trade Organization, 2025[1]). Some TRQs, regulating the supply managed commodities, are associated with high protection rates, notably for dairy products (avg. 226%) and to a lesser extent live animals and meat (avg. 21%), due to high over quota duties. However, TRQ volumes granted under the WTO or preferential trade agreements correspond to lower applied rates for the volumes of dairy, poultry and eggs entering the Canadian market within the quotas.

The Sustainable Canadian Agricultural Partnership

The Sustainable Canadian Agricultural Partnership (Sustainable CAP) is an agreement between FPT governments effective from April 2023 through to March 2028. The agreement supports Canada's agriculture and agri-food sector through financing business risk management programmes, along with strategic initiatives that are either cost-shared activities by FPT governments or federal programmes.

Business Risk Management (BRM) programmes under the Sustainable CAP support producers in managing risks that threaten the viability of their farm or are beyond their capacity to control. The design of these programmes aims to balance *ex ante* and *ex post* measures and limit ad-hoc forms of assistance. FPT governments jointly provide approximately CAD 1.7 billion (USD 1.2 billion) each year to finance these programmes which are legislated in the Farm Income Protection Act:

- AgriStability, an income stabilisation programme for producers in years of large margin declines. Farmers receive a payment if their profit margin, the difference between revenue and costs, in the current year falls below their historic reference margin by more than 30%.
- AgriInvest, a savings tool to help producers manage income declines and make investments to reduce risk or improve income. Each year, producers can deposit up to 100% of their Allowable Net Sales (ANS),[1] and receive a matching government contribution of 1% with a maximum government contribution of CAD 10 000 (USD 7 153). These funds can be used for any purpose.
- AgriInsurance, a cost-shared insurance programme which subsidises 60% of insurance premiums. This insurance covers major crop and horticulture products, with the possibility for individual provinces to develop insurance coverage for livestock.

- AgriRecovery, a disaster relief framework to help producers recover from natural disasters, supplementing the assistance provided by the other BRM programmes.

In addition, the Sustainable CAP funds strategic initiatives, FPT cost-shared strategic initiatives are funded with 60% federal and 40% provincial or territorial government funding and provide CAD 2.5 billion (USD 1.8 billion) for activities focussing on the following five priority areas:

- *Climate change and environment* – help the sector develop and adopt technologies and management strategies that address agri-environmental issues, this also includes support for environmental risk assessments.
- *Science, research and innovation* – support basic and applied research aligned with the provincial and territorial needs of the sector, this also includes knowledge and technology transfer activities.
- *Market development and trade* – position agriculture for new and emerging market opportunities domestically and abroad and improve the visibility and competitiveness of Canadian products domestically and in international markets, with an emphasis on quality and sustainability.
- *Building sector capacity, growth and competitiveness* – enhance production efficiency and profitability through activities such as financing equipment, technology and training, and initiatives that address skills development and labour shortages, including labour attraction and retention, and automation.
- *Resiliency and public trust* – support for contingency planning to prevent and mitigate production risks and potential supply chain disruptions, as well as to support the development, implementation and continuous improvement of pan-Canadian food safety, biosecurity and traceability systems.

Federal-only funded strategic initiatives under the Sustainable CAP provide CAD 1 billion (USD 0.7 billion) over the programme period (April 2023 to March 2028), primarily applying a cost-sharing approach reimbursing expenses on a 50-50 to 75-25 basis between the grant and the applicant. Some also offer technical assistance and extension services. These programmes focus on three pillars:

- Growing trade and expanding markets through:
  - AgriMarketing, funding for industry-led market development activities aimed at increasing and diversifying exports and seizing domestic market opportunities (CAD 130 million – USD 93 million).
  - AgriCompetitiveness, funding for activities that help the sector adapt to changing commercial and regulatory environments, share best practices, and provide mentorship opportunities, facilitating knowledge transfer and sector leadership (CAD 26 million – USD 19 million).
- Fostering innovative and sustainable growth of the sector through:
  - AgriScience funds pre-commercial science activities and cutting-edge research to benefit the agriculture and agro-food sector (CAD 325 million – USD 232 million).
  - AgriInnovate provides interest-free business loans for projects that encourage the targeted demonstration, commercialisation and/or adoption of technologies and processes that increase the sector's competitiveness and sustainability (CAD 78 million – USD 56 million).
- Supporting diversity and a dynamic and evolving sector through:
  - AgriAssurance supports industry development and adoption of systems, standards and tools to address market and regulatory requirements related to food safety, plant and animal health surveillance, animal welfare, environmental sustainability, traceability, market attributes and quality standards (CAD 64 million – USD 46 million).
  - AgriDiversity aims to increase the capacity of youth, women, Indigenous Peoples, persons with disabilities and other underrepresented and marginalised groups to overcome barriers and actively participate in the agricultural sector. It supports skills, leadership, and entrepreneurial

development; and facilitates knowledge sharing and best management practices (CAD 5 million – USD 3.6 million).

The Advance Payments Program

In addition to the Sustainable CAP, the Advance Payments Program, operates as a loan guarantee programme that provides producers with working capital. The federal government guarantees cash advances of up to CAD 1 million (USD 0.7 million) to producers based on the anticipated value of their farm products. For each programme year, the government pays the interest on the first portion of each advance, with preferential interest rates applying to amounts above the interest-free limit. Initially set at CAD 100 000 (USD 71 530) per producer per year, this limit has increased on a temporary basis (increase applies for one year) in the last four years. Producers must repay their advances as they sell their products, with most agricultural products having up to 18 months for repayment, and cattle and bison having up to 24 months. The Advance Payments Program is legislated under the Agricultural Marketing Programs Act.

Climate change, environment and sustainability

The Resilient Agricultural Landscape Program, a CAD 250 million (USD 179 million) FPT cost-shared programme under Sustainable CAP is designed to maintain and improve the resilience of agricultural landscapes. Agricultural producers can apply to their provincial or territorial government for grant funding for eligible measures. Examples include measures to enhance riparian area, on-farm wildlife area, grasslands, and wetlands. In 2025, additional funds were made available for climate change, environment and sustainability projects in Quebec (CAD 59 million – USD 42 million); and in Ontario (CAD 14.6 million – USD 10.4 million).

Canada's 2025 updated Nationally Determined Contribution (NDC) under the Paris Agreement, committed to reducing national net GHG emissions by up to half its 2005 levels by 2035, and reaffirmed its commitment to achieving net-zero emissions by 2050 (Environment and Climate Change Canada, 2025[2]). Canada also signed the Global Methane Pledge, indicating its commitment to join international efforts to reduce global methane emissions by 2030 (UNEP Climate and Clean Air Coalition, 2021[3]).

Canada's 2020 plan "A Healthy Environment and a Healthy Economy" includes the following agriculture-specific actions:

- The Agricultural Clean Technology initiative supports farmers and agri-food businesses to develop and adopt clean technologies via two funding streams. The Research and Innovation Stream (2021-28) funds up to 50% of the costs of research, development and demonstration activities in three areas (green energy and energy efficiency, precision agriculture and bioeconomy), these funds are repayable where they involve commercialisation and scale up. The Adoption Stream (2021-26) funds the purchase and installation of commercially available clean technologies, primary those that reduce GHG emissions and generate other environmental co-benefits.
- The Agricultural Climate Solutions initiative helps develop and implement farming practices that sequester carbon, reduce GHG emissions and deliver other environmental benefits. The Living Labs Stream (2021-28) funds collaborative research between farmers, scientists and other sector partners to co-develop, test and monitor beneficial management practices that mitigate GHG emissions including those that increase carbon sequestration (CAD 130 million – USD 93 million). The On-Farm Climate Action Fund (2021-28) finances the implementation of beneficial management practices with proven GHG mitigation benefits in three areas (nitrogen management, cover cropping and rotational grazing) and training for agricultural professionals and peer-to-peer knowledge transfer activities (CAD 704 million – USD 504 million).

Research and development

Canada also invests in research and development (R&D) to address emerging challenges and enable a competitive, resilient, and sustainable sector. The ten-year Agriculture and Agri-Food Canada Strategic Plan for Science, released in 2022, provides direction for these investments. The strategy is based on four main missions: i) mitigating and adapting to climate change; ii) increasing the resilience of agro-ecosystems; iii) advancing the circular economy by developing value-added opportunities; and iv) accelerating the digital transformation of agriculture and agri-food production.

Current R&D initiatives for agriculture include:

- Sustainable Agriculture Research Initiative supports, over a five-year period starting in 2023, research to initiate or accelerate the development of transformative solutions that will be required for a sustainable, resilient and profitable agriculture and agri-food sector in a net-zero economy. The initiative provides a collaborative network of researchers, mobilising expertise across the social sciences, natural sciences, engineering, and in areas that broaden the traditional network of agriculture research partners (CAD 87.5 million – USD 63 million).
- The Common Ground Network was funded through the Research Network on Sustainable Agriculture in a Net-Zero Economy research grant that, over a five-year period starting in 2024, funds research on the social and socio-economic impacts of policy actions in agriculture, the behavioural and societal influences on agricultural practices, and the approaches to scale up adoption of practices that support Canada's environment and climate goals (CAD 2 million – USD 1.4 million). This network is progressing from startup to active operation, funding a network proposal in 2025 with outputs (i.e. publications, tools, etc.) expected to grow.

Canada also increasingly supports Artificial Intelligence (AI) within the agriculture and agrifood sector. The Canadian Sovereign AI Compute Strategy invests in AI infrastructure, over a five year period starting in 2024, to help ensure that Canadian businesses, innovators and researchers have access to the computer capacity they need to develop AI products and drive frontier research, including in agriculture (CAD 2 billion – USD 1.4 billion). The multi-phase Pan-Canadian Artificial Intelligence Strategy supports development in agriculture AI largely driven by the Global Innovation Clusters, with significant investments aimed at increasing on-farm efficiency, sustainability, and data-driven decision-making.

Recent policy developments

Domestic policy developments in 2025-26

Business Risk Management

Changes to Business Risk Management policies in 2025 affected the level of support to producers. The most important of these are:

- For 2025, the AgriStability compensation rate was temporarily increased from 80% to 90%, the maximum payment limit doubled to CAD 6 million (USD 4.3 million), and the programme enrolment deadline was extended to 31 July. This temporary change was aimed at providing more responsive support to producers facing high costs or production losses. The interim payment rate rose from 50% to 75% in several provinces (including BC and Atlantic provinces), with most also allowing non-enrolled producers to participate subject to a 20% penalty.
- Beginning in the 2026 programme year, AgriStability introduced an optional valuation method for livestock feed inventories for on-farm use and included feed costs associated with rented pasture

as an allowable expense to better reflect rising feed costs. Payments will respond more quickly to major events.

- The interest-free limit for producers under the Advance Payments Programs (APP) was extended again in 2025 to CAD 250 000 (USD 178 825), up from CAD 100 000 (USD 71 530) as initially designed. In September 2025, the interest-free allowance for canola was doubled to CAD 500 000 (USD 357 650) for the 2025 and 2026 programme years, in response to imposed tariffs on Canadian canola oil, meal and seed exports.
- Manitoba launched a new Forage Advantage pilot programme in 2026, offering a 15% premium discount on forage insurance premiums for perennial forage crops and expanded coverage (e.g. meadow fescue for seed). Manitoba also broadened Wildlife Damage Compensation to cover additional species and different kinds of losses affecting crops and livestock.

Provinces introduced programmes funding preparedness for natural perils. In September 2025, the government of British Columbia announced an Extreme Weather Preparedness funding category under its existing Beneficial Management Practices (BMP) Program for projects that better prepare farms and animals for extreme weather conditions (CAD 1.25 million – USD 0.9 million). In addition, the Nova Scotia provincial government introduced the On-Farm Resiliency Program to support farms to prepare for nature-based perils, including extreme weather and wildlife damage.

In December 2025, the province of Alberta amended its Pest and Nuisance Control Regulations to declare wild boar a pest in all circumstances, which resulted in changes to the Wild Boar Control Program. Wild boar owners have options to keep their animals under stricter conditions or get compensation from the government to exit the industry via the Wild Boar On-Farm Exit Program.

Following an August 2025 wildfire in New Brunswick, financial assistance was provided through the Crown Land Blueberry Compensation Program to eligible producers affected by Crown Land closures. In June 2025, the province of Prince Edward Island began purchasing agricultural land designated as an index field where potato wart had been detected. A budget of CAD 10.5 million (USD 7.5 million) was set aside to acquire about half of these fields, with compensation per acre based on independent land appraisals.

Food systems

In 2025 and 2026, new measures were introduced to support local food production and ease food prices, including:

- CAD 500 million (USD 358 million) in federal funding through the Strategic Response Fund for capital investments to boost productivity and capacity in agriculture and the agri-food businesses.
- CAD 150 million (USD 107 million) in federal funding for a Food Security Fund to help small and medium enterprises manage supply chain costs.
- Tax changes allowing immediate write-off of greenhouse purchase costs for projects initiated from November 2025 and in use before 2030. The provinces of Quebec, Prince Edward Island, and Alberta also introduced or extended support for horticulture expansion in 2025.
- CAD 20 million (USD 14 million) in federal funding added to the Local Food Infrastructure Fund to support food distribution organisations, alongside initiatives in Novia Scotia to help institutions source local food and support new small processors (CAD 860 000 – USD 615 000) through the Institutional Development Expansion and Development Program.
- The National School Food Program, which provides school meals for up to 400 000 children each year, was made permanent. The 2025-2029 programme budget is CAD 1 billion (USD 0.7 billion).

Several initiatives supported the beef industry in 2025. A total of CAD 25 million (USD 18 million) was allocated over three years for investments to increase processing and production of kosher or halal red

meat, along with CAD 2 million (USD 1.4 million) for assurance and marketing. Prince Edward Island introduced incentives for farmers to retain or purchase breeding cattle and supply certified finishing farms through the Grow the Herd Pilot Program. Nova Scotia provided funding for beef processors to upgrade equipment to meet regulatory standards. In Ontario, CAD 5 million (USD 3.6 million) was provided to improve pasture productivity through the Community Pastures Initiative.

The Canadian Food Inspection Agency (CFIA) received federal funding of CAD 76 million (USD 54 million) to support modernised digital trade tools and services and integrate artificial intelligence into internal processes expanding the use of digitalised import and export certificates to simplify processes, reduce the risk of errors, fraud, and delays, and enhance traceability (Government of Canada, 2025[4]). In addition, Nova Scotia is funding the Local Supplier Food Safety Support Pilot Programme which covers 100% of eligible food safety training costs and 70% of other food safety costs up to CAD 20 000 (USD 14 306) per company.

Social sustainability

Federal, provincial and territorial partners are continuing to explore ways to address mental health challenges of agriculture producers and their families. A federal initiative, the Producer Mental Wellbeing Initiative (2025-28) seeks solutions to improve wellbeing, reduce stigma, raise awareness and support agricultural producers facing mental health challenges (CAD 3 million – USD 2.1 million). In addition, Manitoba renewed the Manitoba Farmer Wellness Program with CAD 300 000 (USD 215 000) to provide counselling support for farm families and agricultural employees for two years.

New policies to promote diversity, equity, inclusion and accessibility in the agricultural and agri-food sector were established in 2025, including:

- The Indigenous Prairie Bison Initiative provides CAD 5 million (USD 3.6 million) over three years to restore bison as an economic, environmental, and cultural asset for Indigenous communities across the Prairies. The initiative includes capacity building and regional networks to share knowledge, build skills, and support collaboration among communities.
- In Nova Scotia, the Equity, Diversity, Inclusion and Accessibility Agriculture Support Program and Equity, Diversity, Inclusion and Accessibility Organizational Capacity Building Program fund business advisory services, specialised equipment and building improvements to support individuals from underrepresented and underserved communities growing agricultural businesses over 2026 and 2027.
- The Manitoba Indigenous Food Systems and Agriculture program funds projects like community hunting, gathering, and processing, while supporting increased participation in the agri-food sector through training and infrastructure. Manitoba's Relationship Development and Engagement program supports engagement activities.
- In Quebec, the initiative "Relève agricole et entrepreneuriat" provides funding over a two-year period starting in 2025 to eligible farmers, aged between 18-40 to support the start or acquisition of a farm business.
- In British Columbia, the New Entrant Farm Business Accelerator Program assists new and early-stage farmers to plan and grow their agricultural businesses over a two-year period starting in 2025.

Innovation, research and development

AI-focused investments for agriculture in 2025 were directed toward technologies that could enhance productivity, sustainability, and automation across the agri-food value chain. Initiatives supported AI applications on harvesters to grade grain quality, horticultural lighting systems, autonomous battery-powered farm equipment, robotics in the mushroom industry, and monitoring to improve livestock

management. In addition, research networks including the Canadian Food Innovation Network (CFIN) and Canadian Agri-Food Automation and Intelligence Network (CAAIN), received CAD 14.6 million (USD 10.4 million) in 2025.

Trade policy developments in 2025-26

On 24 September 2025, the Canada-Indonesia Comprehensive Economic Partnership Agreement (CEPA) was signed. Once implemented, the CEPA will eliminate or reduce duties on more than 90% of existing trade between Canda and Indonesia. In 2024, most Canadian exports to Indonesia were resource and agriculture related, and more than 40% (CAD 1.2 million – USD 0.9 million) of Canadian exports to Indonesia were cereals.

On 16 January 2026, a Preliminary Joint Arrangement on Addressing Bilateral Economic and Trade Issues was signed between Canada and the People's Republic of China (hereafter "China"). This included the suspension of China's anti-discrimination tariffs on canola meal, peas, lobster, and crab from 1 March until the end of 2026. In addition, on 28 February, China's Ministry of Commerce issued its final determination in the anti-dumping investigation on imports of Canadian canola seed. The final duty rate was set at 5.9% – a decrease from the provisional rate of 75.8%, which had been place since August 2025. China also restored market access for Canadian beef, which was suspended after the detection of a case of atypical BSE in December 2021.

Canada introduced 25% counter tariffs on US goods, including agricultural goods and agri-food products, from 4 March 2025 until 31 August 2025. The counter tariffs were in immediate response to the United States introducing a 25% tariff on Canadian goods on 4 March 2025. While the United States amended this tariff to only apply to goods not compliant with the Canada–United States–Mexico Agreement (CUSMA) which facilitates free trade across North America, including for agricultural goods and agri-food products, Canada did not immediately make a reciprocal change. Canada removed the 25% tariff on most United States imports on 1 September 2025. Canada's largest trading partner is the United States, purchasing 62% of Canada's agricultural exports and supplying 55% of Canada's agricultural imports (United States Department of Agriculture (USDA), 2026[5]).

The Canadian Government also consulted on the CUSMA ahead of a legally mandated six yearly joint review scheduled for 2026. The review requires that the three governments evaluate the performance of the trade agreement and determine whether to extend, keep in force, or withdraw and renegotiate. In 2024, Canada's trade with Mexico and the United States exceeded CAD 600 billion (USD 429 billion) in exports and CAD 518 billion (USD 370 billion) in imports (Global Affairs Canada, 2025[6]).

In response to trade uncertainties with traditional trade partners, Canada has expanded its AgriMarketing Program with an additional CAD 75 million (USD 54 million) investment over 2026-30, aiming to diversify into high-growth regions such as Africa, the Middle East, and the Indo-Pacific. While all sectors are eligible, priority is given to sectors affected by trade barriers such as canola, pulses, pork, fish and seafood. In addition, the federal and Ontario governments launched a CAD 20 million (USD 14 million) Market Diversification and Trade Resiliency Initiative in January 2026, aimed at expanding global sales of Ontario-grown products.

Policy context

Key economic and agricultural statistics

Canada is a large, wealthy country with a small population relative to its land area and has relatively abundant land and water available to the agricultural sector. Primary agriculture accounts for 1.7% of GDP and 1.4% of employment but contributes to a larger share of economic output in some of the country's

regions (Table 6.2). Crop production, concentrated in the western prairies – where the typical farm is twice as large as the national average – is highly productive and largely oriented to export. Most milk production is located in eastern Canada, which has relatively smaller farms and a larger variety of crops. Red meat industries are present across Canada, with beef cattle production being especially prominent in western Canada, and hog production concentrated in Quebec, Ontario and Manitoba.

Table 6.2. Canada: Contextual indicators

	Canada		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	901	2 702	2.2%	1.6%
Population (million)	31	41	0.7%	0.8%
Land area (thousand km^2)	8 966	8 789	10.7%	10.4%
Agricultural area (AA) (thousand ha)	63 375	54 729	2.1%	1.9%
			All countries[1]	
Population density (inhabitants/km^2)	3	4	52	64
GDP per capita (USD in PPPs)	29 348	65 441	9 508	31 740
Trade as % of GDP	33.2	23.0	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	2.3	1.7	3.0	3.6
Agriculture share in employment (%)	3.3	1.4	-	-
Agro-food exports (% of total exports)	6.0	12.8	6.4	8.3
Agro-food imports (% of total imports)	5.0	9.3	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	43.0	56.6	62.1	60.4
Livestock in total agricultural production (%)	57.0	43.4	37.9	39.6
Share of arable land in AA (%)	75.3	69.2	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

For the first two decades of the century, with the exception of the 2009 financial crisis, Canada's macroeconomic environment was stable, characterised by relatively low inflation rates, fluctuating around 2%, and positive economic growth. The economy was heavily affected by the COVID-19 pandemic and related restrictions, which caused a recession in 2020. Following a recovery in 2021, Canada's GDP growth declined, falling below pre-pandemic growth rates. In 2025, the GDP growth rate was 1.13%, the unemployment rate remained stable at 5.73%, and inflation fell slightly to 2.07% (Figure 6.4).

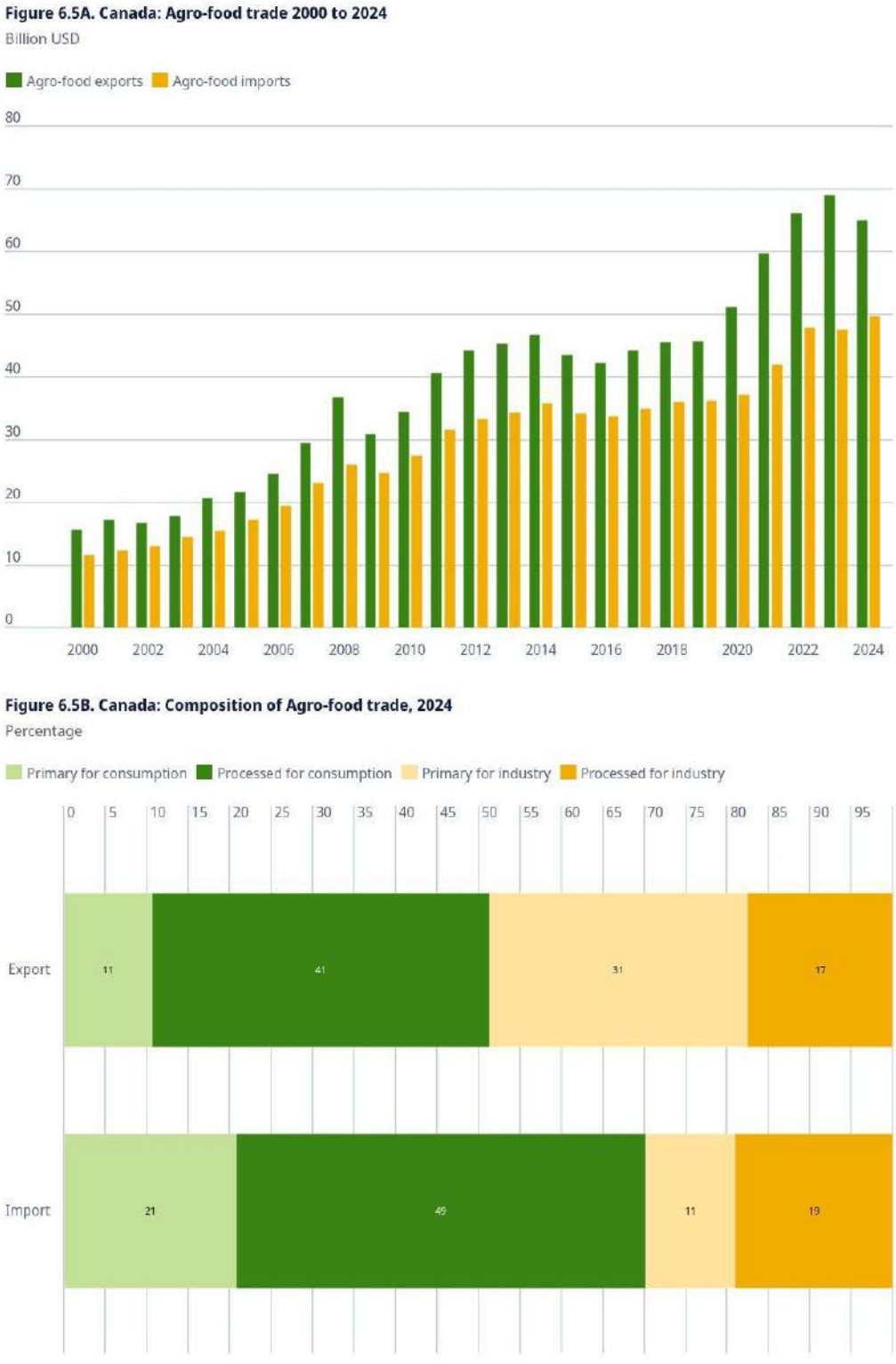
Figure 6.4. Canada: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

Canada's economy is well integrated in international markets – as measured by the ratio of trade to GDP at 23% in 2023 (Table 6.2). Agro-food products represent 12.8% of total Canadian exports and 9.3% of imports. Canada is a large net exporter of agro-food products, with over USD 15 billion of trade surplus, and access to export markets is highly important for the sector. More than half of Canada's agro-food exports are destinated to the United States. Most of Canada's agro-food exports are either processed products intended for direct consumption (41%), or primary products for processing (31%). Canadian households' final consumption absorbs 70% of agriculture and food imports, of which more than two-thirds are processed goods (Figure 6.5).

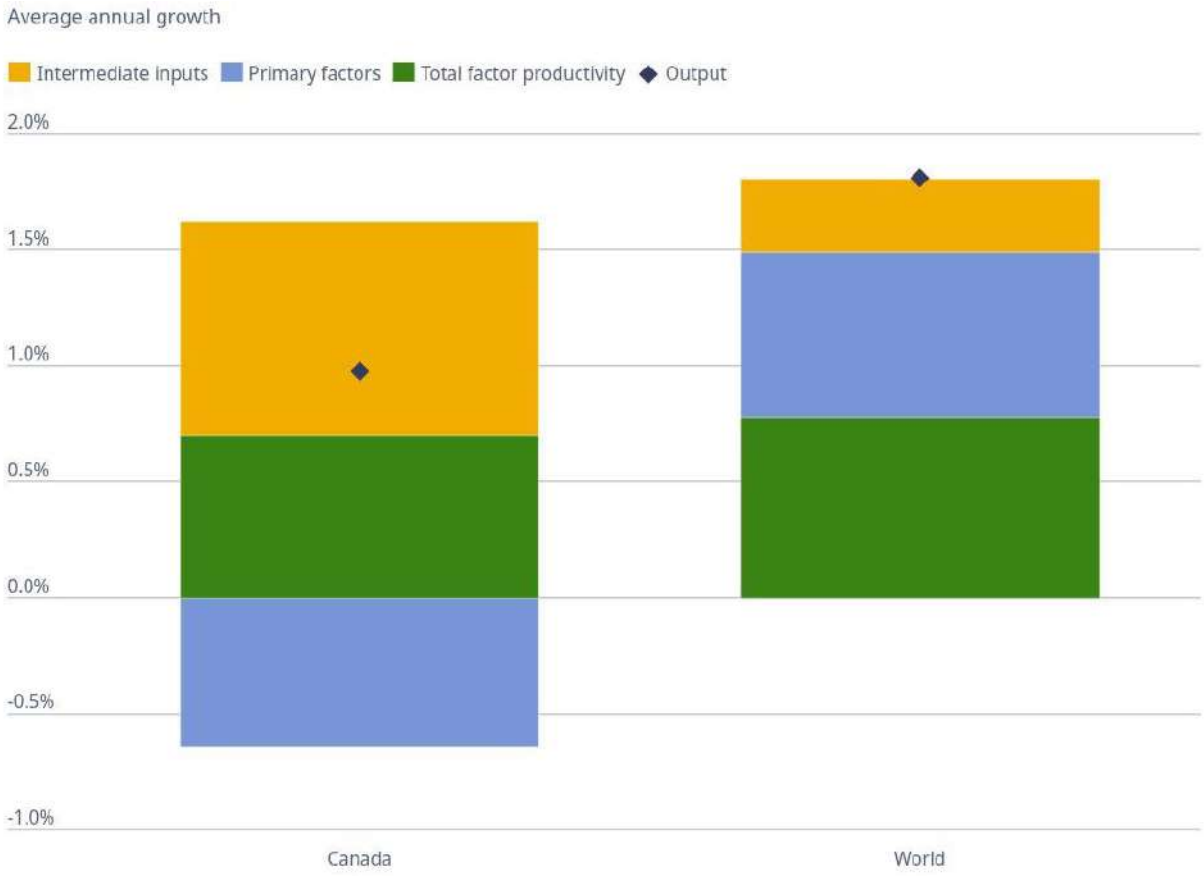
Figure 6.5. Canada: Agro-food trade



Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

At 0.98%, Canada's agricultural annual output growth over the decade 2014-23 was below the global average of 1.8%. It was driven by the further intensification in the use of intermediate inputs (+0.9%), combined with the growth in Canada's agricultural productivity (+0.7%), as measured by total factor productivity (TFP), which were sufficient to more than offset the impact of reduced primary factor input use (-0.65%), including labour, land, livestock and machinery, on agricultural output (Figure 6.6).

Figure 6.6. Canada: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

The agricultural output growth over the past decade has been achieved without a clear relationship being established with the level of pressure exerted on natural resources, as shown by various environmental indicators (Figure 6.3). Average nutrient surpluses in 2024 were below the OECD averages and declined compared with the year 2000, for nitrogen the nutrient surpluses declined by 1.7 kg per ha. Canada had a phosphorus deficit of 0.3kg/ha in 2024, a decline of 1.3 kg per ha. While agriculture's share of total energy use (3.8%) has been rising since 2000 and is well above the OECD average (2.0%), its share of GHG emissions (7.9%), although increasing, remains below the OECD average (10.3%). The pressure on water resources is also very low, ten times lower than the OECD average.

Table 6.3. Canada: Productivity and environmental indicators

	Canada		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	2.4%	0.7%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	23.8	22.1	32.3	29.0
Phosphorus balance, kg/ha	1.0	-0.3	3.3	2.3
Agriculture share of total energy use (%)	2.3	3.8	1.7	2.0
Agriculture share of GHG emissions (%)	7.1	7.9	8.7	10.3
Share of irrigated land in AA (%)	1.2	1.3	-	-
Share of agriculture in water abstractions (%)	9.7	8.6	46.1	47.7
Water stress indicator	1.2	0.9	..	..

Note: * or closest available year.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Prior to the mid-1980s, Canada heavily supported the agricultural sector through measures such as import tariffs, export and production subsidies, and price and production controls. The dominant features of agricultural policy were supply management measures in the dairy and poultry sectors, collective marketing in grains and oilseeds, and income stabilisation programmes (Barichello, 1995[7]). Support varied between eastern and western provinces, partly due to Canada's decentralised political system, and the independence of provincial governments in policies such as marketing legislation (Anderson, 2009[8]).

In the mid-1980s, Canada began agricultural policy reform, particularly in the grain sector. In 1990, the Western Grains Stabilization Program, which was intended to stabilise net margins for major grains and oilseeds from western Canada, was terminated (Anderson, 2009[8]). This was replaced by the National Tripartite Stabilization Program (NTSP), which established federal-provincial cost-sharing of programmes (Antón, Kimura and Martini, 2011[9]). The Farm Income Protection Act of 1991 changed Canada's approach to supporting producers by moving from commodity-specific policies towards programmes supporting farm incomes. The Act established two safety-net programmes: (1) the Gross Revenue Insurance Plan (GRIP, 1991-1996/2002) to protect against reductions in revenues and yields; and (2) the Net Income Stabilization Account (NISA, 1991-2009) to subsidise savings accounts for individual producers (Anderson, 2009[8]; Klein and Storey, 1998[10]) Furthermore, compliance with the General Agreement on Tariffs and Trade (GATT) and free trade agreements of the early 1990s (NAFTA) accelerated the reform process, eliminating most commodity-based policies except those targeting supply-managed commodities (Antón, Kimura and Martini, 2011[9]). In 1995, transport subsidies to grains were abolished (Anderson, 2009[8]), ending the period of high market price support to these commodities (Figure 6.7).

The Agricultural Income Disaster Assistance (AIDA) programme introduced in 1998 was the first to comply with criteria for income insurance and safety-net programmes under the World Trade Organization Agreement on Agriculture. AIDA was established to serve as a core income stabilisation policy, reducing the need for ad hoc programmes. The "disaster" component was integrated into subsequent programmes: the Canadian Farm Income Program (CFIP, 2001-03); the Canadian Agricultural Income Stabilization (CAIS, 2004-08); and AgriStability (Anderson, 2009[8]; Antón, Kimura and Martini, 2011[9]; Statistics Canada, 2021[11]).

Since 2003, agricultural policy objectives and approaches are set out in longer-term agricultural policy frameworks developed through co-operation by federal, provincial and territorial governments. The first

framework covered five areas: (1) business risk management, (2) food safety and quality, (3) environment, (4) science and innovation, and (5) renewal (skills and training) (Agriculture and Agri-Food Canada, 2005[12]). Initially, the federal government delivered programmes directly, however the Growing Forward framework (2008-13) transferred programme implementation to the provinces and territories, allowing for more flexibility and better adaptability to local needs (OECD, 2015[13]). During this time, the AgriStability and AgriInvest programmes replaced CAIS and NISA, respectively, continuing to provide farmers with income stabilisation products and subsidised saving accounts. The Growing Forward 2 framework (2013-18) strengthened the role of these programmes and incorporated additional initiatives, such as AgriInsurance (previously referred to as the Crop Insurance) and the AgriRecovery disaster framework (Anderson, 2009[8]; Antón, Kimura and Martini, 2011[9]; Statistics Canada, 2021[11]). Risk-management programmes have continued to evolve under the Canadian Agricultural Partnership (2018-23) and the Sustainable Canadian Agriculture Partnership (2023-28) (see previous sections).

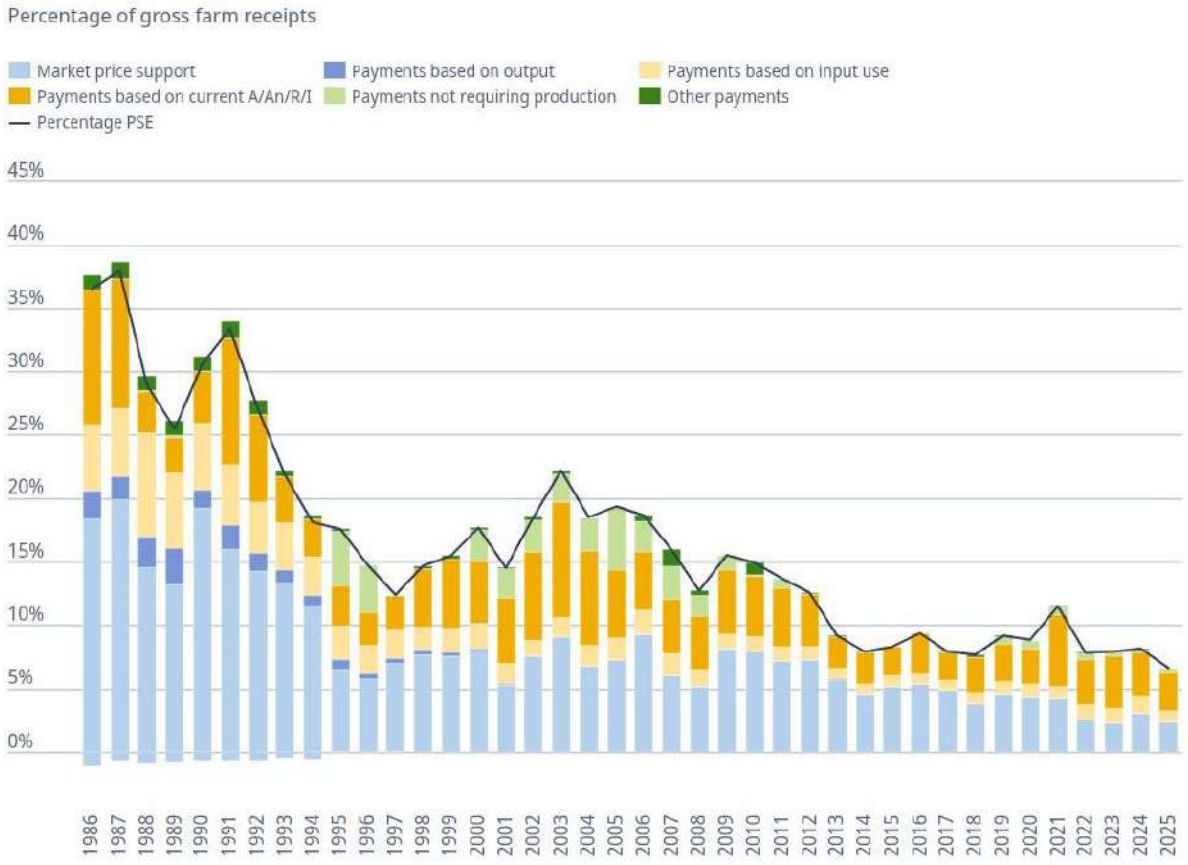
Table 6.4. Canada: Agricultural policy trends

Period	Framework	Changes in agricultural policies
Prior to 1985	Import barriers for competing imported products and support for traded products Domestic market control	Agricultural tariffs for competing imported products Import quotas/tariff-rate quotas Export subsidies for agricultural products Transportation subsidies for agricultural products Supply management for dairy and poultry products Grains policy featured by a one-desk selling marketing board and significant transportation subsidy Price controls for agricultural products using marketing boards such as the collective marketing of wheat and barley (CWB)
1985-2000	Gradual reforms and trade liberalisation Increasing emphasis on income and revenue support	Reduction of agricultural tariffs and quotas Diminishing reliance on marketing boards, supply management, price controls GATT, free trade agreements Dismantling of Western Grains Stabilization Program Termination of Western Grains Transportation Assistance and Feed Freight Assistance Gradual dismantling of payments coupled to production Introduction of “whole farm” income stabilisation programmes Introduction of insurance subsidies
2000-2020	Income stabilisation emphasis implemented through federal, provincial and territorial (FPT) co-operation	Continued supply management of the dairy, poultry and eggs sectors: price-setting mechanisms, production quotas and tariffs Privatisation of the CWB Agricultural policy frameworks developed through the cooperation of FPT governments Subsidies for farm income stabilisation Subsidies for farm savings Insurance subsidies Disaster relief framework
2020-present	Climate ambition and emphasis on sustainability	Fertiliser emissions reduction target of 30% below 2020 levels by 2030 Support to agricultural clean technologies and climate solutions Sustainable Canadian Agriculture Partnership (2023-2028)

Support to agricultural producers in Canada decreased over the last three decades, with government support declining from over 35% of farmers’ revenues in the mid-1980s to around 6-8% in recent years (Figure 6.7). Market price support for supply-managed commodities, particularly in the dairy sector, accounted for the largest share of transfers to producers up to 2020. The second largest contributor, payments based on current production, including multiple risk-management programmes (e.g. AgriInsurance), overtook market prices support in 2021. The share of payments based on current production was particularly high in 2021 due to a larger budget devoted to cope with the impacts of adverse weather conditions. Since 2022, the share of market price support has been lower than previously observed due to high reference prices for certain supply-managed commodities, particularly egg prices

– and to some extent poultry meat prices – and in 2025, dairy prices. Other categories of payments play a relatively minor role in Canadian farm revenues.

Figure 6.7. Canada: Development of the PSE and its composition, 1986 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

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World Trade Organization (2025), *World Tariff Profiles 2025*, WTO, https://doi.org/10.30875/9789287079190. [1]

Note

[1] Allowable Net Sales are calculated as the revenue from eligible agricultural commodities (including eligible programme payments) less purchases of eligible agricultural commodities, with some adjustments and a limit of CAD 1 million (Government of Canada, n.d.[14]).

7 Chile

Main findings

Support to agriculture

Chile's Producer Support Estimate (PSE) amounted to 3.1% of gross farm receipts in 2023-2025, down from 7.5% in 2000-02 and well below the OECD average. Tariff reforms in the 1990s led to the near elimination of Market Price Support (MPS) such that domestic producer prices are aligned with world prices, with an NPC equal to 1. Single Commodity Transfers (SCT) are small and limited to sugar, for which they amount to 3.4% of its gross commodity receipts.

In 2025, agricultural support in Chile is primarily provided through budgetary transfers, mainly via direct payments to farmers and general services. General services to the sector are dominated by investments in infrastructure, mainly for irrigation and related to land and water rights for indigenous communities. After infrastructure, inspection services, R&D and agricultural schools are also important.

Support for general services (General Service Support Estimate, GSSE) represented an average of 3.4% of the agricultural value of production in 2023-25, up from 2.1% during 2000-2002 and similar to the OECD average.

Total agricultural support represented 0.24% of Gross Domestic Product (GDP) in 2023-25, less than half the share of 2000-02.

Key policy changes in 2025-26

In 2025, Chile approved the National Food Safety and Quality Policy 2026-2036, establishing several new institutional and operational mechanisms to modernise food safety systems. As part of this, the Scientific Advisory Committee for Food Risk Assessment (CCERA) was created to formalise food risk evaluation. The policy also improves early-warning capacity through the launch of the Food Information and Alert Network Portal (*Red de Información y Alertas Alimentarias* – RIAL), strengthening transparency and rapid response mechanisms.

In 2025, plans to modernise sanitary and phytosanitary (SPS) systems, improve border controls and digitalise extension services, were implemented as part of the National Strategy for Sovereignty and Food Security (ENSSA), with new measures under the Inter-American Development Bank (IDB) funded *Chile Feeds the Future* programme. This programme was formed under the newly established Department of Plant and Animal Health and Natural Resources Intelligence which aims to strengthen SPS protection, trade competitiveness and align with international standards.

In 2025, the Agricultural Development Institute's (INDAP) policy approach centred on institutional modernisation and climate resilience. Key actions included were part of the rollout of the Sustainable Agricultural Development Plans (PDAs) to digitalise extension services. The Transition to Sustainable Agriculture (*Transición a la Agricultura Sostenible* – TAS) programme was expanded with stronger gender, youth and Indigenous producer participation, and new climate-risk tools were implemented under INDAP's Disaster Risk Management and Climate Change Adaptation Policy.

In 2025, the Sectoral Climate Adaptation Plan and Mitigation Plan for agriculture, livestock and forestry was implemented under the Climate Change Framework Law. These plans prioritise improved soil and water management, reductions in livestock-related emissions, greater nitrogen use efficiency and the promotion of regenerative agricultural practices.

In 2025, the Chile Conscious Origin Seal was expanded and updated, broadening its sectoral coverage beyond meat and dairy to include additional agri-food sectors and value chains, and reinforcing the adoption of sustainability standards across the agri food sector. Actions included the revision of governance arrangements, updating of certification protocols and operational manuals, expansion of eligibility criteria to new sectors, and the rollout of updated visual identity and labelling guidelines for use on certified products.

Assessment and recommendations

- Strengthen evaluation and conditionality mechanisms for public support to farmers by embedding them in a structured policy cycle that links problem identification, clearly defined measurable objectives, and regular monitoring and evaluation. While support is generally well targeted and effectively reaches small-scale, Indigenous, and women farmers, its impact on competitiveness and sustainability is not systematically assessed. A more results-oriented framework would help ensure that public spending delivers tangible improvements in productivity, resilience, and environmental outcomes.
- Scale up strategic public investments that enhance sustainability, productivity, and resilience. Priority should be given to strengthening extension services, accelerating the adoption of digital agriculture tools, and promoting climate-smart and low-emission innovations. Irrigation investments and climate-smart infrastructure should be carefully aligned with long-term water availability and climate projections to avoid increasing pressure on scarce water resources.
- Develop agriculture-specific mitigation pathways aligned with its 2050 carbon neutrality target. While national commitments include the agricultural sector, the absence of well-defined sectoral targets, baselines, and indicators limits the ability to track progress. Establishing measurable emission reduction pathways – particularly for methane and nitrous oxide – would strengthen transparency, accountability, and policy effectiveness.
- Rebalance the climate adaptation framework for agriculture to increasingly prioritise transformational change. While current policies target resilience and risk management, greater focus is needed on enabling structural transitions toward climate-resilient production systems. This includes promoting shifts in production systems, land and water use practices, and value chains that are compatible with long-term climate and resource constraints.
- Improve policy coherence and efficiency through stronger institutional coordination. Responsibilities for agriculture, environment, water, and rural development are currently distributed across multiple ministries and agencies, often with overlapping mandates. Enhanced coordination across ministries and agencies responsible for agriculture, environment, water, and rural development, supported by shared objectives, joint programming, and improved accountability, would reduce fragmentation. Better alignment between national and regional levels of government will help avoid duplication and respond more effectively to farmers' needs.
- Strengthen the operational use of environmental provisions in its RTAs by moving beyond general commitments toward measurable and enforceable outcomes. This could include the development of quantifiable sustainability benchmarks linked to agricultural trade, the expansion of traceability systems, and the systematic inclusion of Sustainable Food Systems (SFS) provisions in future agreements. Existing RTA committees could play a stronger role in monitoring progress on sustainability commitments.

Key indicators on agricultural support

Figure 7.1. Chile: Development of support to agriculture

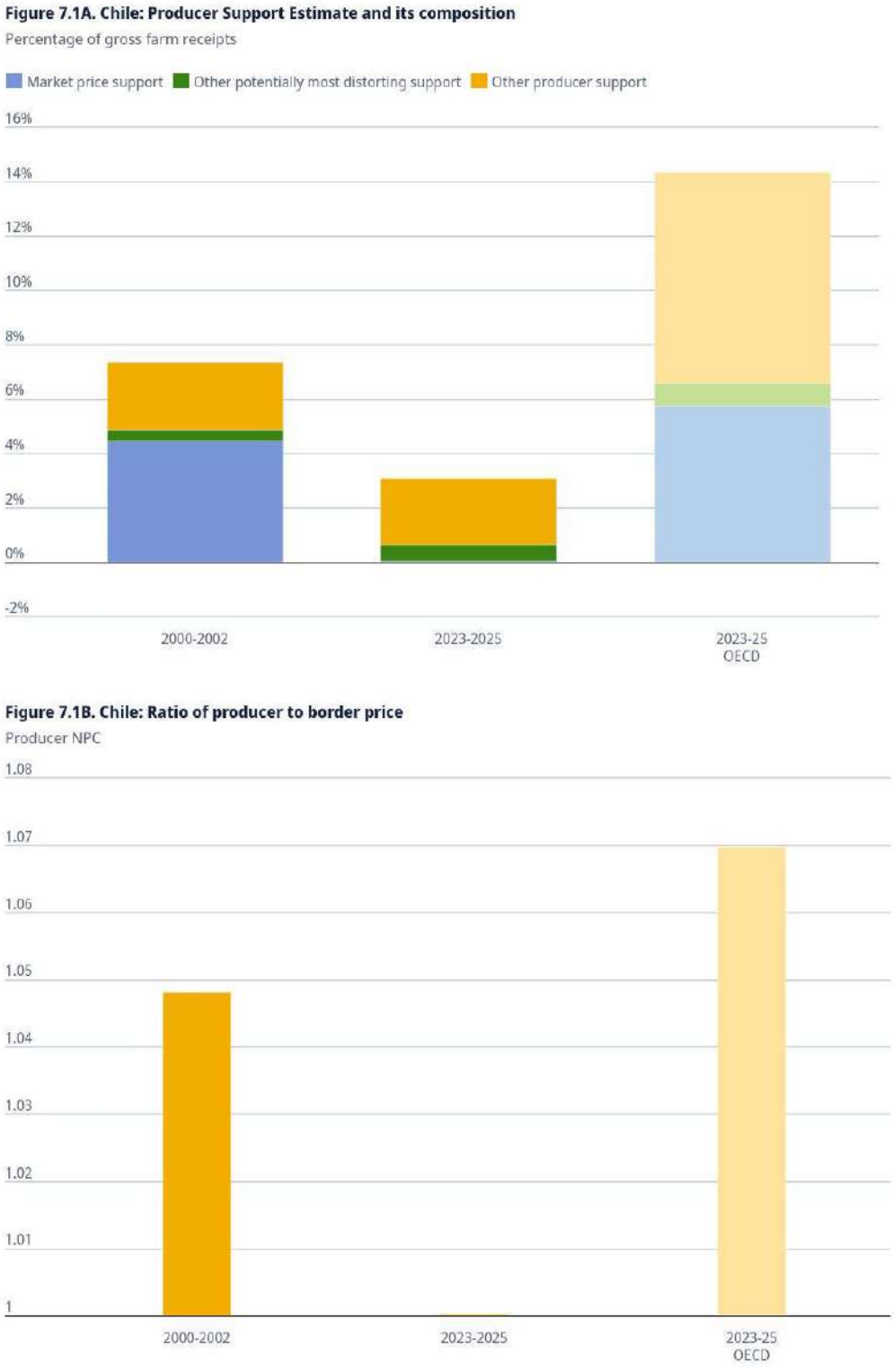


Figure 7.1C. Chile: General Services Support Estimate and its composition

Relative to agricultural value of production

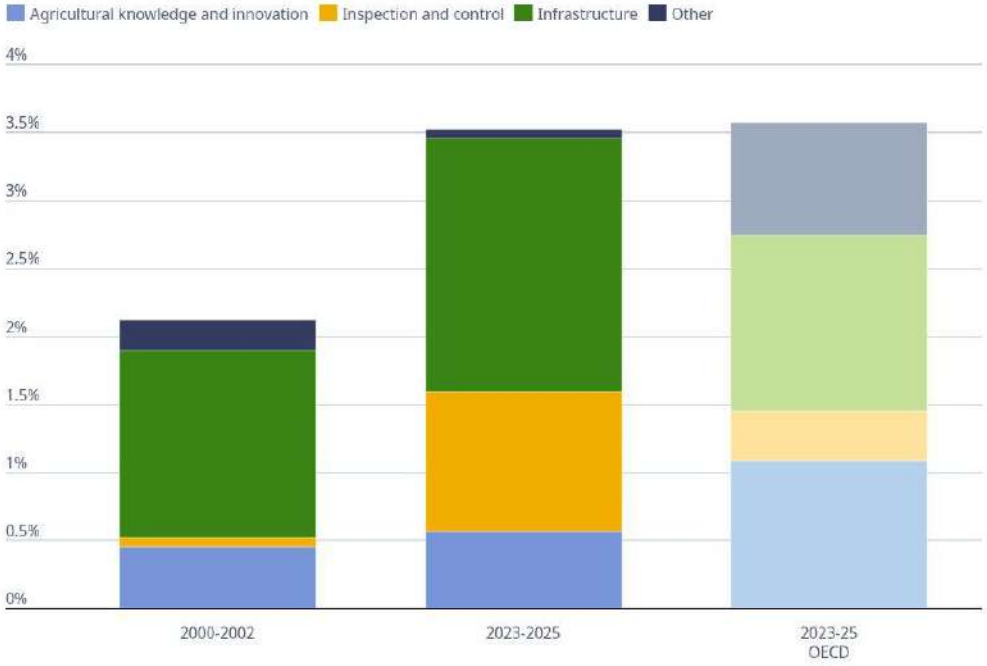
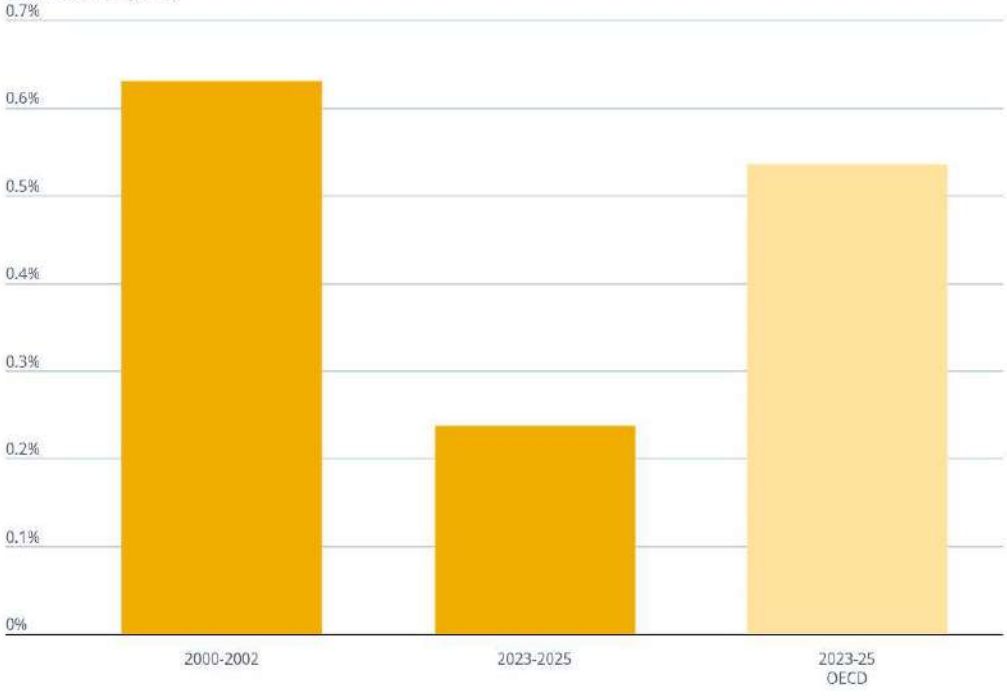


Figure 7.1D. Chile: Total Support Estimate

Relative to GDP (%TSE)



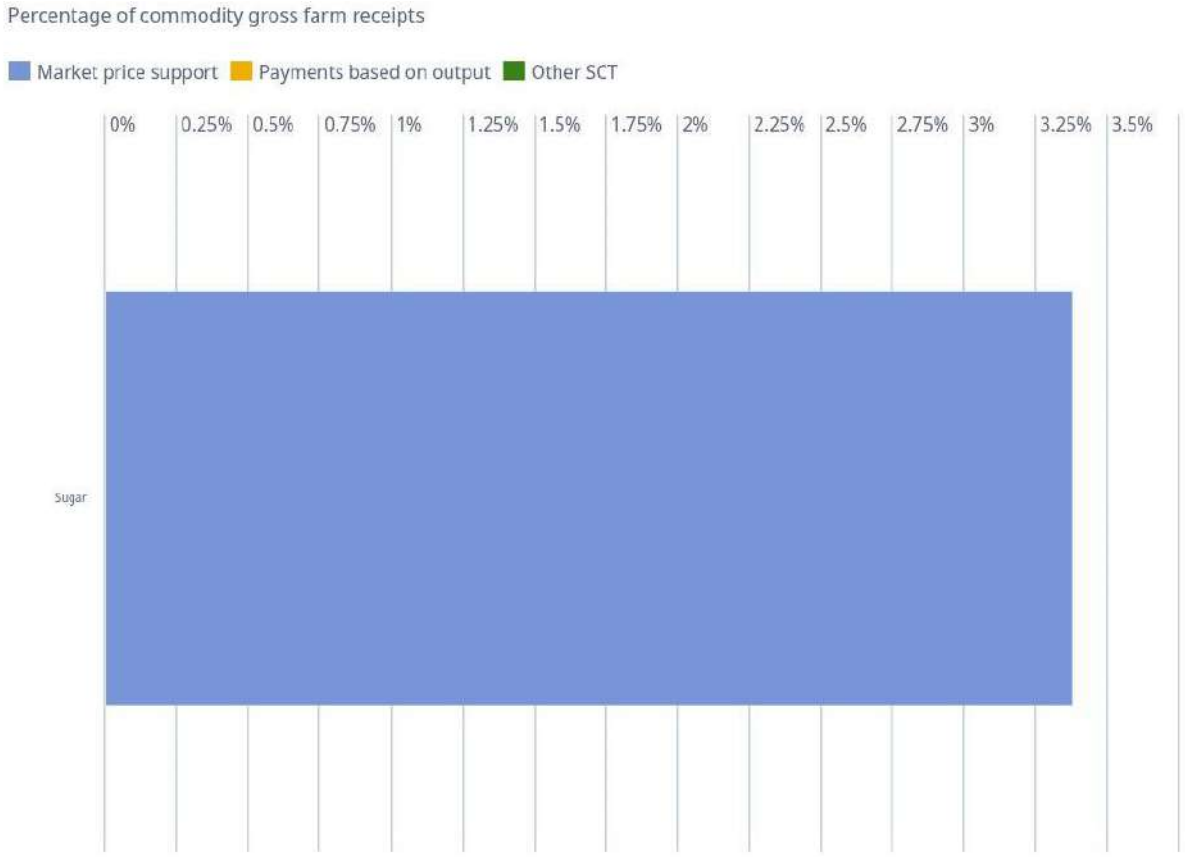
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 7.2. Chile: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency. The change in Producer Support Estimate (PSE) is not decomposed when PSE is negative for the current and/or previous year. The producer price change and the border price change are not calculated when both negative and positive market price support (MPS) occur at the commodity level for the previous year. Note that negative MPS estimates for livestock products may arise in cases of aligned product prices if there is positive MPS for feed commodities.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Figure 7.3. Chile: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Table 7.1. Chile: Estimates of support to agriculture

Million USD

	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**4 806**	**12 149**	**12 980**	**11 705**	**11 761**
of which: share of MPS commodities (%)	72.86	80.53	91.10	106.36	44.14
Total value of consumption (at farm gate)	**4 118**	**8 689**	**11 482**	**9 700**	**4 885**
Producer Support Estimate (PSE)	**369**	**387**	**450**	**360**	**351**
Support based on commodity output	227	3	3	3	3
Market price support[1]	227	3	3	3	3
Positive market price support	228	3	3	3	3
Negative market price support	-1	-0	0	-0	-0
Payments based on output	0	0	0	0	0
Payments based on input use	140	320	345	306	310
Based on variable input use	21	76	85	73	70
with input constraints	0	0	0	0	0
Based on fixed capital formation	85	171	185	161	168
with input constraints	66	72	80	66	69
Based on on-farm services	35	73	75	72	72
with input constraints	7	30	31	30	29
Payments based on current A/An/R/I, production required	1	64	101	52	39
Based on Receipts / Income	0	0	0	0	0
Based on Area planted / Animal numbers	1	64	101	52	39
with input constraints	1	64	101	52	39
Payments based on non-current A/An/R/I, production required	0	0	0	0	0
Payments based on non-current A/An/R/I, production not required	0	0	0	0	0
With variable payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
With fixed payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
Payments based on non-commodity criteria	0	0	0	0	0
Based on long-term resource retirement	0	0	0	0	0
Based on a specific non-commodity output	0	0	0	0	0
Based on other non-commodity criteria	0	0	0	0	0
Miscellaneous payments	0	0	0	0	0
Percentage PSE (%)	**7.31**	**3.08**	**3.35**	**2.99**	**2.90**
Producer NPC (coeff.)	**1.05**	**1.00**	**1.00**	**1.00**	**1.00**
Producer NAC (coeff.)	**1.08**	**1.03**	**1.03**	**1.03**	**1.03**
General Services Support Estimate (GSSE)	**103**	**427**	**443**	**424**	**415**
Agricultural knowledge and innovation system	22	69	74	68	64
Inspection and control	3	124	125	118	131
Development and maintenance of infrastructure	67	226	235	230	212
Marketing and promotion	10	9	9	8	8
Cost of public stockholding	0	0	0	0	0
Miscellaneous	1	0	0	0	0
Percentage GSSE (% of TSE)	**22.00**	**52.61**	**49.66**	**54.03**	**54.20**
Consumer Support Estimate (CSE)	**-317**	**-16**	**-20**	**-15**	**-12**
Transfers to producers from consumers	-226	-3	-3	-3	-3
Other transfers from consumers	-92	-13	-17	-12	-10
Transfers to consumers from taxpayers	0	0	0	0	0
Excess feed cost	1	-0	0	0	0
Percentage CSE (%)	**-7.51**	**-0.18**	**-0.17**	**-0.15**	**-0.25**
Consumer NPC (coeff.)	**1.08**	**1.00**	**1.00**	**1.00**	**1.00**
Consumer NAC (coeff.)	**1.08**	**1.00**	**1.00**	**1.00**	**1.00**
Total Support Estimate (TSE)	**472**	**814**	**893**	**784**	**766**
Transfers from consumers	318	16	20	15	12
Transfers from taxpayers	245	812	890	781	764
Budget revenues	-92	-13	-17	-12	-10
Percentage TSE (% of GDP)	**0.63**	**0.24**	**0.27**	**0.24**	**0.22**
Total Budgetary Support Estimate (TBSE)	**244**	**812**	**890**	**781**	**764**
Percentage TBSE (% of GDP)	**0.33**	**0.24**	**0.27**	**0.24**	**0.21**
GDP deflator (2000-02 = 100)	**100**	**322**	**300**	**324**	**343**
Exchange rate (national currency per USD)	**621.15**	**911.66**	**840.07**	**943.57**	**951.33**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for Chile are: wheat, maize, apples, grapes, sugar, tomatoes, milk, beef and veal, pig meat, poultry, eggs, blueberries, cherries and peaches.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

Under the current administration of President Kast, agricultural policy is being oriented towards reinforcing Chile's agro-export competitiveness, with particular emphasis on improving market access conditions and consolidating the country's reputation as a reliable supplier in global value chains. Key priorities include strengthening sanitary and phytosanitary (SPS) systems to foster the compliance with international requirements, advancing water management and irrigation policies to address structural water constraints, and enhancing productivity and resilience across the sector. These priorities are complemented by continued efforts in innovation, technological adoption, and institutional co-ordination, aiming to support a more efficient and export-oriented agricultural sector.

The Ministry of Agriculture (MINAGRI) oversees the overall policy design and co-ordination of agricultural policies. The main agricultural policy objectives for the country are developing small-scale agriculture, improving sustainable productivity and competitiveness and conserving natural resources. Agricultural policies are based on budgetary transfers, about half of which are provided as **direct payments and credit at preferential interest rates** to small-scale farmers. These payments support purchasing inputs, capital formation improving degraded soils and on-farm irrigation investments. The rest of the budget is spent on general services to the agricultural sector, focusing on **expanding and improving irrigation systems** through the National Irrigation Commission (CNR), **improving access to land** (land acquisition and redistribution), agricultural research and development, sanitary and phytosanitary services and inspection services within the Agricultural and Livestock Service (*Servicio Agrícola y Ganadero* – SAG).

The main programmes administered by the Institute of Agricultural Development (INDAP), the agency in charge of designing and implementing agricultural policies for small-scale farmers, are:

- Support for the development of poor areas, including subsidies for variable inputs such as seeds and fertilisers; subsidies for fixed capital assets such as equipment and machinery; and subsidies for on-farm services such as technical assistance.
- Territorial development programme for indigenous communities, that provides subsidies for fixed capital formation in poor, marginalised areas.
- Incentives for the development of agricultural investment, including subsidies for variable inputs as well as for fixed capital formation on the farm.
- Support for the development of productive and entrepreneurial capacities, that provides on-farm services such as technical assistance.
- INDAP also provides credit to smallholders at preferential interest rates and has a crop insurance programme, which covers up to 50% of the premium.

A soil recovery programme is designed to **promote soil conservation practices and recover degraded soils**. Around 70% of the budget is administered by INDAP and directed to smallholders, with the remainder administered by SAG and given to medium and large-scale farmers.

Irrigation support is managed by the CNR with 40% of funding allocated to on-farm and 60% to off-farm components. On-farm support provides subsidies to farmers to improve or install irrigation systems. Off farm funds are used for community, regional or national investments.

Investments in infrastructure, mainly for irrigation and related to land and water rights for indigenous communities, dominate public expenditures for general services to the sector. Other important expenditures include inspection services, R&D and agricultural schools.

In its Nationally Determined Contribution (NDC), Chile has committed to achieving carbon neutrality by 2050, adopting a carbon budgeting approach that sets an overall emissions ceiling for CO_2. However, no specific emissions reduction target has been established for the agricultural sector. The Long-Term Climate Strategy (LTCS) further outlines 9 objectives and 63 goals related to agriculture and forestry,

focusing on capacity building, agricultural research and development, extension services, greenhouse gas (GHG) mitigation, carbon sequestration, and strengthened climate governance.

Recent policy developments

Domestic policy developments in 2025-26

In 2025, the government introduced three key policies to strengthen the wheat sector: the establishment of a National Wheat Variety Catalogue, the launch of a pilot production–marketing contract scheme, and the development of predictive digital platforms for yield and flour quality. These policies form part of the first operational phase of the National Strategy for Food Sovereignty and Security (ENSSA), a framework aimed at enhancing national food self-sufficiency, strengthening agricultural resilience, and improving the efficiency and sustainability of agri-food value chains. To implement these measures, the government also launched a wheat action plan, which promotes contract farming models between wheat producers and the milling industry, thereby improving coordination across the value chain.

In December 2025, the National Food Safety and Quality Policy 2026–2036 set out a long-term roadmap to modernise food safety systems. This policy formalised the Scientific Advisory Committee for Food Risk Assessment (CCERA), consolidating risk assessments on microbiological risks within the agriculture sector. These assessments were completed on greywater usage in agriculture, dietary exposure to pesticide residue as well as integrated antimicrobial resistance surveillance in the poultry chain. The Food Information and Alert Network (RIAL) was also launched, a national early-warning and communication platform designed to improve transparency and strengthen rapid response mechanisms.

In 2025, Sustainable Agricultural Development Plans (PDAs) were rolled out by INDAP, aimed at improving data systems, modernising service delivery and streamlining extension processes. They also introduce a more structured and evidence-based approach to extension, organising interventions around priority production systems (“rubros”) and integrating monitoring, evaluation and digital tools to improve coordination, decision-making and accountability within INDAP’s support services.

The Transition to Sustainable Agriculture (TAS) programme was expanded as part of its second programme cycle, enrolling new famers and expanding into additional territories aiming to increase the number of producers adopting agroecological practices nationwide. The 2025-26 cycle has a stronger operational emphasis on increased participation of women, youth and Indigenous communities.

New climate-risk assessment tools were also implemented under INDAP’s Disaster Risk Management and Climate Change Adaptation Policy. These measures aim to strengthen long-term resilience and support the agroecological transition of Peasant and Indigenous Family Farming. They are being rolled out through a **multi-pillar framework that integrates risk identification, preparedness, coordinated emergency response and post-disaster recovery**, supported by improved monitoring, early-warning information and planning tools at farm and territorial levels.

In 2025, the Sectoral Climate Change Adaptation Plan for the Forestry and Agricultural Sector and the Mitigation Plan for the Agriculture Sector under the Climate Change Framework Law (Law No. 21 455) began implementation. These aim to improve soil and water management, reduce livestock-based emissions, increase fertiliser efficiency and improve manure management. Implementation focuses on **operationalising more than 60 actions at national and territorial levels**, including investments in water storage and irrigation efficiency, ecosystem restoration, climate-resilient production systems, and improved agrometeorological information and risk-management tools for producers.

Implementation also began for the Global Environment Facility (GEF) initiative to promote soil restoration, biodiversity and regenerative agriculture models. The programme is being rolled out through **pilot**

landscape and demonstration projects, coupled with efforts to strengthen governance, expand access to finance and markets, and generate scalable models for regenerative practices across regions.

The Chile Conscious Origin Seal (ChOC) was expanded, continuing the establishment of sustainability standards in Chile's agri-food sector. In 2025, the ChOC programme has certified more than 125 dairy facilities and 118 pork facilities, establishing itself as Chile's principal public–private platform for promoting sustainability standards across livestock, horticulture and processed food value chains. In the same year, Chile updated its operational and graphic standards, broadened its sectoral coverage and increased its international visibility, publishing the seal on products. The programme also strengthened its monitoring and verification mechanisms, requiring participating firms to meet criteria related to environmental management, animal welfare, traceability and social responsibility, while providing technical assistance to support compliance.

Trade policy developments in 2025-26

In 2025, Chile advanced the digitalisation of electronic certification (eCert) to modernise SPS policies and measures, strengthen traceability and streamline trade. Key developments with partner countries in 2025-26 included the following examples:

- United States: implementation of electronic zoosanitary certifications
- Brazil and Guatemala: expansion of bilateral electronic phytosanitary certification (ePhyto)
- China, Japan and Uruguay: strengthening interoperability testing to support secure and automated SPS certification.

In 2025, through the Sustainable Agri-Export Competitiveness Agenda, Chile continued to focus on expanding market access, strengthening SPS modernisation and deepening digital trade facilitation. Between 2022 and 2025, Chile completed 120 sanitary processes, including 93 market openings and re-openings and 27 trade facilitation measures. In 2025–26, policy developments focused on enhancing the efficiency and scope of SPS frameworks and market access strategies, including:

- Strengthening bilateral SPS negotiation frameworks to accelerate sanitary approvals and diversify export markets.
- Expanding the use of systems approaches and risk-based certification to facilitate trade while maintaining compliance with partner country requirements.

These policy efforts contributed to progress in sanitary approvals in 2025–26, including:

- India and China: authorisation for exports of sheep wool
- Indonesia: approval for the export of lemons and frozen fruits
- Brazil: new access for honey and fresh peonies
- Mexico: approval for oranges and an expanded systems approach for table grapes
- United States: approval for imports of trimming beef
- China: updated poultry and animal product protocols.

Policy context

Key economic and agricultural statistics

In 2025, Agriculture as a share of GDP accounted for 4.3% and 6.0% of total employment. The agricultural sector is characterised by a dual structure, where small-scale farms operate alongside large commercial farming enterprises. Chile's strong openness to international trade has supported its emergence as a major

producer and exporter of agricultural and food products, including fruits, vegetables, pig meat, and wine. Chile is a net exporter of agro-food products with a surplus of around USD 5.36 billion (excluding fish and forestry) in 2024. Agro-food products accounted for 15.6% of Chile's total exports in 2024, and for 11.9% of its imports.

Table 7.2. Chile: Contextual indicators

	Chile		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	145	715	0.4%	0.4%
Population (million)	15	20	0.4%	0.4%
Land area (thousand km^2)	744	743	0.9%	0.9%
Agricultural area (AA) (thousand ha)	15 110	10 698	0.5%	0.4%
			All countries[1]	
Population density (inhabitants/km^2)	21	26	52	64
GDP per capita (USD in PPPs)	9 440	35 602	9 508	31 740
Trade as % of GDP	22.3	27.8	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	5.7	4.3	3.0	3.6
Agriculture share in employment (%)	14.1	6.0	-	-
Agro-food exports (% of total exports)	17.0	15.6	6.4	8.3
Agro-food imports (% of total imports)	7.7	11.9	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	67.6	52.7	62.1	60.4
Livestock in total agricultural production (%)	32.4	47.3	37.9	39.6
Share of arable land in AA (%)	11.6	13.2	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

In 2025, Chile's real GDP growth continued to recover from the contraction in 2023 and reached 2.38%, slightly below 2.64% in 2024. The unemployment rate fell to 7.60% from 8.12% in 2024. Inflation rose slightly to 4.38% in 2025 from 4.30% in 2024, however continues to decline from peak levels in 2022.

Figure 7.4. Chile: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

As of 2025, Chile's agricultural and agro-food sector has strengthened value addition to primary commodities through the production of differentiated products such as fruits and processed products such as wine. In 2024, 86% of agro-food exports were products for final consumption, both primary and processed, and only 14% were products for further industrial processing. Agro-food imports were mostly processed products for consumption, with 60% of both primary and processed of products.

Figure 7.5. Chile: Agro-food trade

Figure 7.5A. Chile: Agro-food trade 2000 to 2024

Billion USD

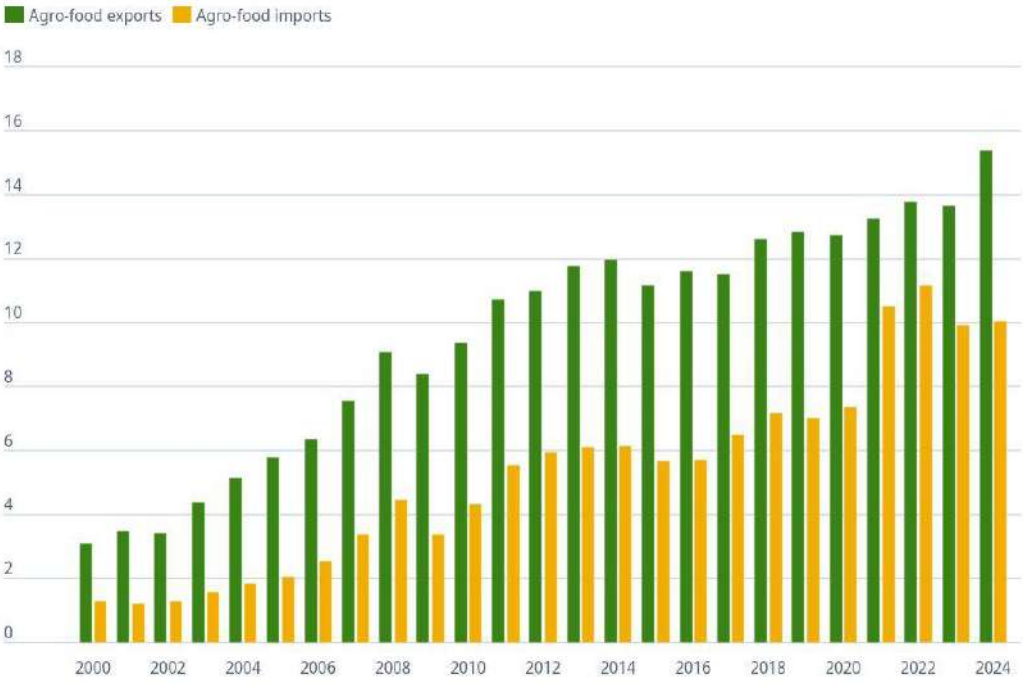
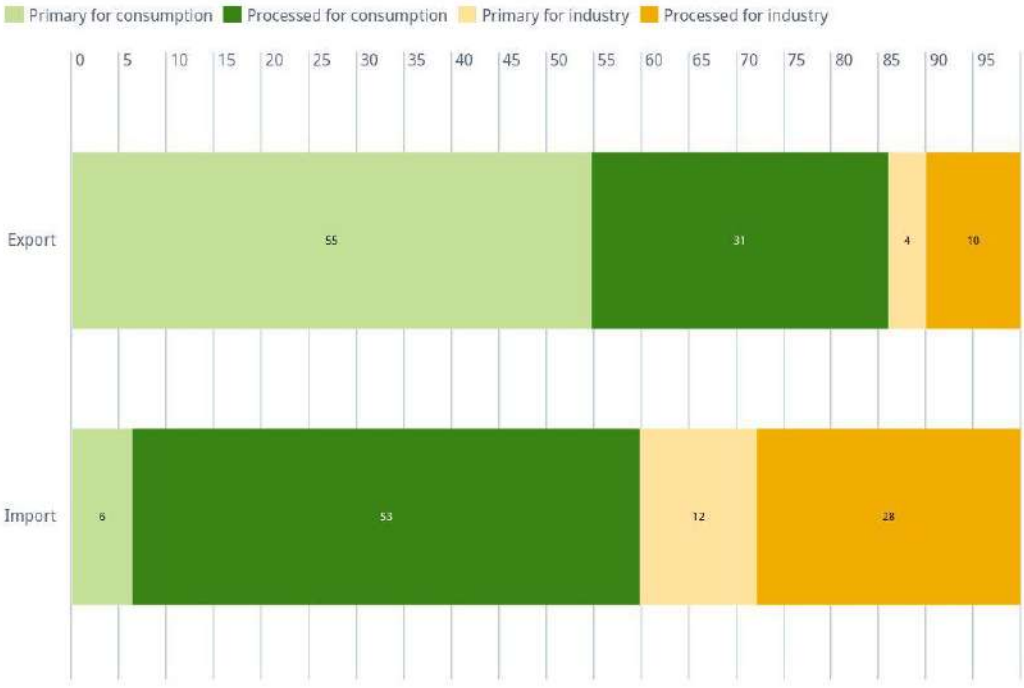


Figure 7.5B. Chile: Composition of Agro-food trade, 2024

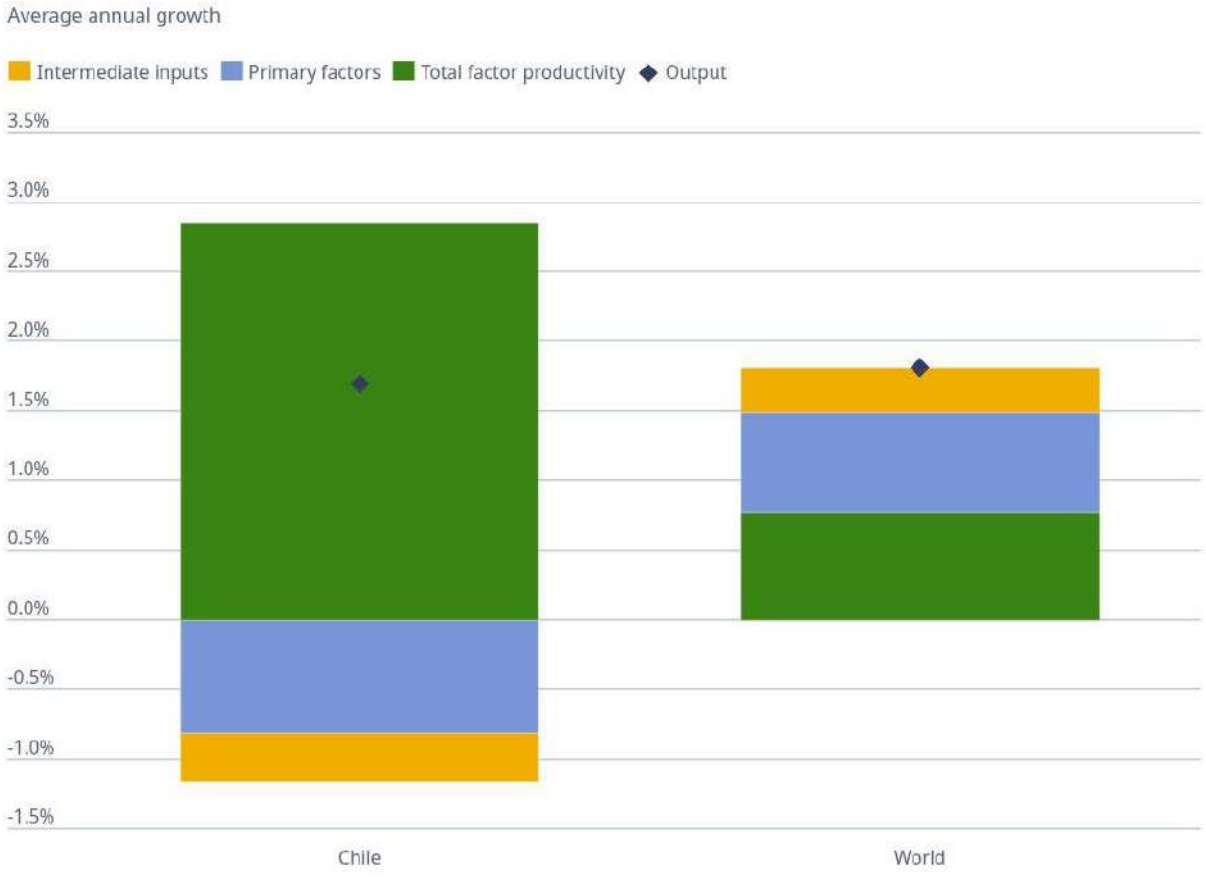
Percentage



Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Total Factor Productivity (TFP) has been the dominant driver for Chile's growing agricultural production. While output growth averaged 1.67% during the period 2014-23, slightly below the global average (1.81%). Chilean TFP growth averaged 2.9%, more than triple the world average of 0.8%. Agriculture accounts for around 8.3% of Chile's GHG emissions in 2024, down from 10.6% in 2023, and below the OECD average of 10.1%. Around 7% of the total agricultural land was irrigated for the year 2024.

Figure 7.6. Chile: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Table 7.3. Chile: Productivity and environmental indicators

	Chile		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	4.0%	2.9%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	..	..	32.3	29.0
Phosphorus balance, kg/ha	..	..	3.3	2.3
Agriculture share of total energy use (%)	..	1.4	1.7	2.0
Agriculture share of GHG emissions (%)	17.0	8.3	8.7	10.3
Share of irrigated land in AA (%)	7.0	7.3	-	-
Share of agriculture in water abstractions (%)	..	..	46.1	47.7
Water stress indicator	..	..	..	..

Note: * or closest available year.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Before 1973, agricultural policies in Chile followed an import substitution industrialisation model, with measures such as price and production controls for staples (e.g. wheat), import tariffs, and export restrictions. Longstanding institutions were created in this period, including the Institute for Agricultural Development (INDAP – the smallholders' agency), the Agriculture and Livestock Service (SAG – animal and plant health institute), INIA (agricultural innovation agency), and others. This period also saw land reforms that provided land to small-scale farmers and landless people (Anderson and Valdes, 2007[1]).

Economic and agricultural policies shifted in 1973 with the military coup. Chile was the first country in the developing world to adopt a market-oriented open economy and structural macroeconomic reforms. These reduced the role of government in the economy and liberalised trade (OECD, 2008[2]).

From 1973-83, general reforms such as macroeconomic stabilisation were advancing more rapidly than agricultural sector-specific reforms. However, marketing boards and price control agencies for agricultural products were dismantled, import tariffs were reduced, and export restrictions were lifted. From the mid-1980s, the government took measures to improve competitiveness and stimulate production and exports, with general services to the sector playing a central role. Several agricultural institutions related to innovation and irrigation were created, but smallholder development, the environment and resource use received little attention (Anderson and Valdes, 2007[1]).

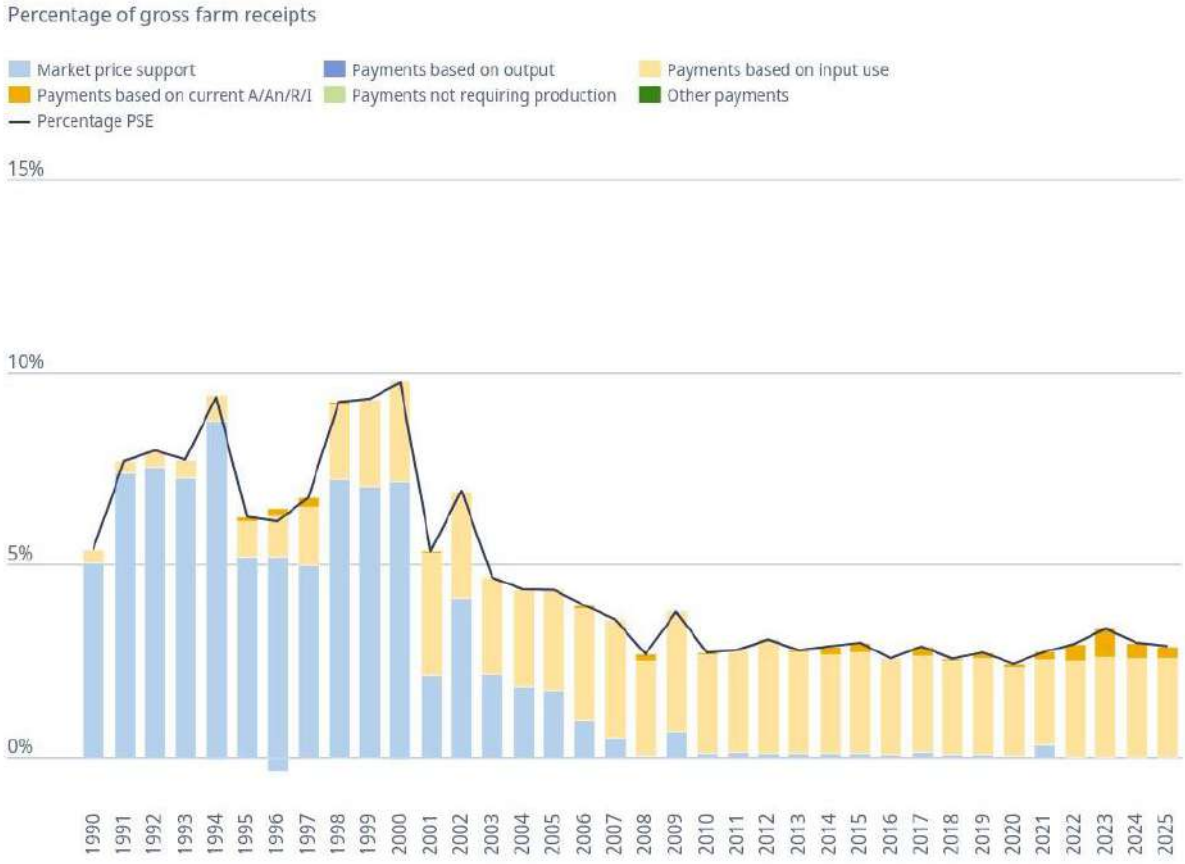
Since the restoration of democracy in 1990, agricultural policy has focused on three objectives: (1) increasing competitiveness, (2) achieving more balanced agricultural development by better integrating poorer, less-competitive farmers into commercial supply chains, and (3) preserving the environment through sustainable use of resources. Tariffs were further reduced, and numerous Regional Trade Agreements (RTAs) were signed, granting trade preferences to partners for agricultural products (OECD, 2008[2]). In 2022, the previous administration emphasised policies to address inequality issues in the sector, as well as sustainability and water management (Table 7.4).

Table 7.4. Chile: Agricultural policy trends

Period	Broader framework	Changes in agricultural policies
Prior to 1973	Import substitution industrialisation model Closed economy	High import tariffs Price controls (e.g. minimum prices of main agricultural products such as wheat, fixed consumer prices, fixed marketing margins) Export quotas, licenses and export bans on the main staple foods Subsidies to some producers (e.g. milk) Interventions in input markets Investments in agricultural infrastructure (e.g. slaughterhouses, storage and processing facilities, roads) Establishment of key agricultural institutions (e.g. INDAP, SAG, INIA, COTRISA) Land reform
1973-1990	Reforms for trade liberalisation	Removal of agricultural price controls Dismantling of marketing boards and price control agencies, except for wheat, milk and oilseeds Rapid tariff reduction on most imports Introduction of a uniform, non-discriminatory tariff system Elimination of export restrictions Establishment of price stabilisation mechanisms (price band systems) for imported products (wheat, sugar and oilseeds) Creation of further agricultural institutions (e.g. FIA, CNR)
1990-2022	Return to democracy continues with the open markets model	Most Favoured Nation tariff reduction up to 1% by 2020 for all agricultural products Many free trade agreements have been signed Dismantling of the price band systems for sugar and oilseed Increase in budgetary allocation to support smallholders and for investments in general services
2022- present	More emphasis on inequality issues addressing small-scale agriculture, women, indigenous people and youth. Greater emphasis on sustainability and water management.	While the country continued with open markets, more emphasis on small-scale agriculture took place by providing greater resources to INDAP. Law modifications on water management. Law modifications on soil programmes Development of National Strategy of Sovereignty for Food Security Agriculture sustainability programmes.

MPS is relatively low with producer support declining from 10% of gross farm receipts at the end of the 1990s to below 4% throughout the 2010s and averaging around 3% for the period 2023-2025.

Figure 7.7. Chile: Development of the PSE and its composition, 1990 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

References

Anderson, K. and A. Valdes (2007), *Distortions to Agricultural Incentives in Latin America, World Bank Group, Washington, DC*, http://documents.worldbank.org/curated/en/518211468170062688/Distortions-to-agricultural-incentives-in-Latin-America. [1]

OECD (2008), *OECD Review of Agricultural Policies: Chile 2008*, OECD Review of Agricultural Policies, OECD Publishing, Paris, https://doi.org/10.1787/9789264042247-en. [2]

8 China

Main findings

Support to agriculture

The share of support to farmers in the People's Republic of China (hereafter "China") averaged 13.5% of gross farm receipts in 2023-25, on par with the OECD average but almost triple that in 2000-02. Market Price Support (MPS) remains the main form of support, generated through both domestic price support policies and various border measures that raise the price of imports. Overall, more than two-thirds of support to farmers is in the form of potentially most-distorting transfers, a consistent pattern since 2000-02.

Payments based on area planted have consistently increased since 2014 due to the reforms discontinuing intervention prices for several key commodities. Area payments to maize and soybeans particularly increased since 2020 to boost production in these sectors and meet higher demand for feed. Area payments in the Agricultural Production Development programme continued to increase in 2025 to offset rising inputs and production costs, while area payments for disaster relief also grew following severe flooding and crop damage across many regions of the country. These contributed to the overall increase in budgetary support.

Producers of imported commodities (such as pig meat, milk, wheat, rice, cotton, soybeans, and sugar) benefited from commodity-specific transfers equal to between 12% and 49% of commodity receipts in 2023-25. Prices received by farmers were 12% higher than border reference prices on average in 2023-25. Higher domestic producer prices than reference prices on average in 2023-25 indicate an implicit tax on consumers, with a percentage consumer support estimate of -11%.

General services support amounted to 10.1% of total support to agriculture in 2023-25. These covered three main categories of services: development and maintenance of infrastructure; public stockholding; and the agricultural knowledge and innovation system. The General Services Support Estimate (GSSE) represented 1.5% of the value of agricultural production, down from 4.4% two decades earlier and lower than the average of the countries covered by this report in 2023-25.

The Total Support Estimate (TSE) for agriculture as a share of Gross Domestic Product (GDP) decreased from 1.9% in 2000-02 but remains relatively high at 1.6% in 2023-25, which is more than twice the average of the countries covered by this report.

Key policy changes in 2025-26

The No. 1 Central Document, released in February 2026, introduces a set of concepts that underpin the evolving policy framework for agriculture. In particular, the No. 1 Central Document highlights the need to better co-ordinate agricultural imports with domestic production, accelerate the transformation of agriculture into a modern, technology-driven and large-scale sector, and support rural development through modernisation of living conditions and broader rural revitalisation.

As part of its co-ordinated digitalisation strategy for the agri-food sector, the government launched an inter-ministerial plan to integrate technologies such as Artificial Intelligence, blockchain and digital supply chain systems across food production, processing and distribution. This aims to improve traceability, efficiency and data co-ordination throughout the agricultural value chain while strengthening food safety oversight.

In 2025-26, some import procedures affecting agri-food products were rationalised while others were tightened. On the one hand, customs' reforms streamlined selected documentary requirements and procedures and further digitalised related systems. On the other hand, inspection, quarantine and supply chain controls were strengthened.

Safeguard measures were introduced to manage rising beef imports. Following an investigation initiated at the end of 2024, China established a tariff rate quota for beef imports from January 2026, set at 2.688 million tonnes. Broadly aligned with recent import volumes and equivalent to close to 30% of the domestic market, the quota appears designed to cap further import growth, with out-of-quota imports subject to an additional 55% safeguard duty.

Assessment and recommendations

- Strengthen coherence in agricultural support policies by extending decoupled payments and reinforcing agri-environmental frameworks. Previous reforms (i.e. replacing intervention prices for key crops with direct payments based on planted area and reducing minimum support prices for wheat and rice) were a step towards rebalancing the policy portfolio, encouraging sectoral diversification, and addressing the burden of public stockholding costs, which remain a major expenditure. Direct payments can play a transitional role in this process but extending reforms where links between payments and production decisions remain (such as in wheat and rice), for instance by providing payments on a historical area basis, and by linking them to environmentally friendly production practices, would improve long-term performance of the sector.
- Rebalance public expenditure towards general services while scaling down input subsidies. Although public expenditures on general services have increased, they have not kept pace with sectoral growth. Enhanced public investment in R&D to improve input efficiency and reduce environmental harm, as well as sanitary inspection and control services needed to implement food safety standards updated in 2023, would strengthen the foundations of the sector and enhance consumer confidence in the food system.
- Complement land-transfer reforms by strengthening access to education, training, and financial services. Over the last two decades, reforms to land-transfer rules have contributed to the emergence of large family farms, co-operative farms, and farms managed by agri-business companies. However, without sufficient human capital development and access to finance, these new farm structures may not fully realise productivity gains.
- Ensure that agro-food trade measures are implemented in a transparent, predictable, and timely manner. As China continues to refine its trade policy tools in response to evolving domestic and global challenges, measures affecting agro-food trade – including adjustments to MFN tariffs, country-specific duties, trade remedy investigations and related border requirements – can create uncertainty if not applied consistently. This is particularly important for key agro-food sectors such as beef, dairy or cereals, where global supply chains are highly interconnected and where uncertainty over border procedures can quickly affect market conditions, input availability and food security. Greater attention to export restrictions and administrative controls affecting fertilisers and related materials would further reduce uncertainty for trading partners and input markets. This approach would support a smoother functioning of supply chains and further align China's agro-food trade policies with broader objectives of trade facilitation, regulatory transparency and predictable access to essential inputs.

Key indicators on agricultural support

Figure 8.1. China: Development of support to agriculture

Figure 8.1A. China: Producer Support Estimate and its composition

Percentage of gross farm receipts

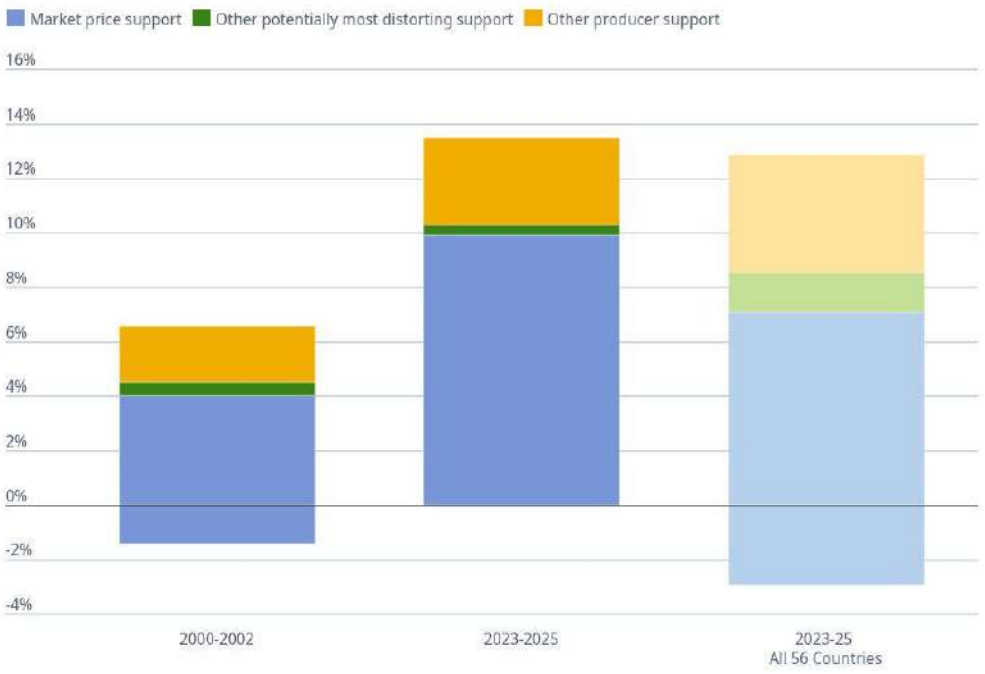


Figure 8.1B. China: Ratio of producer to border price

Producer NPC

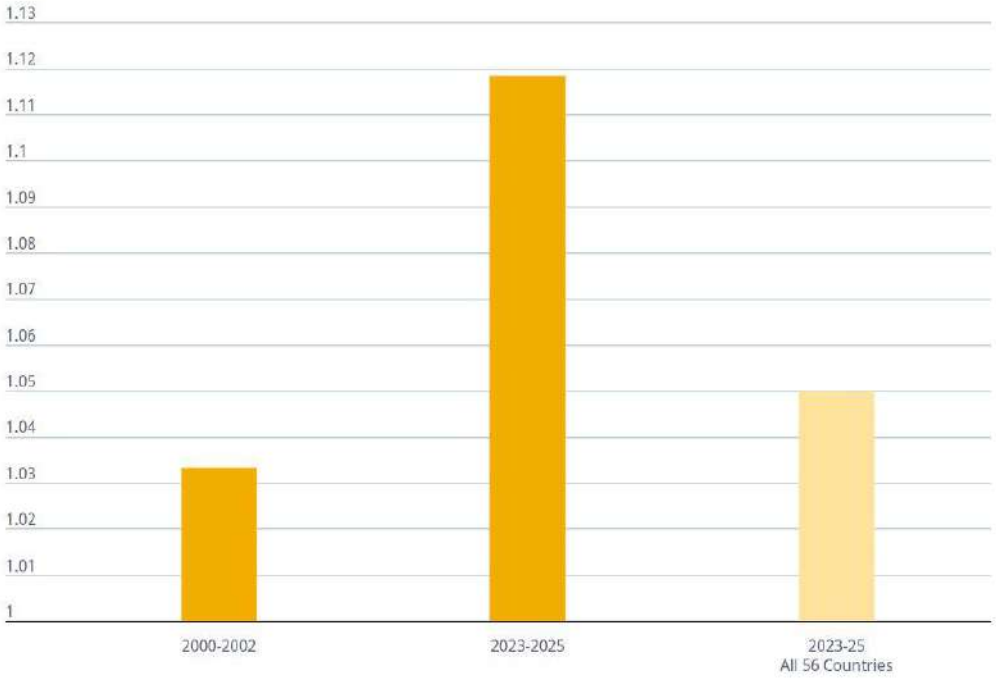


Figure 8.1C. China: General Services Support Estimate and its composition

Relative to agricultural value of production

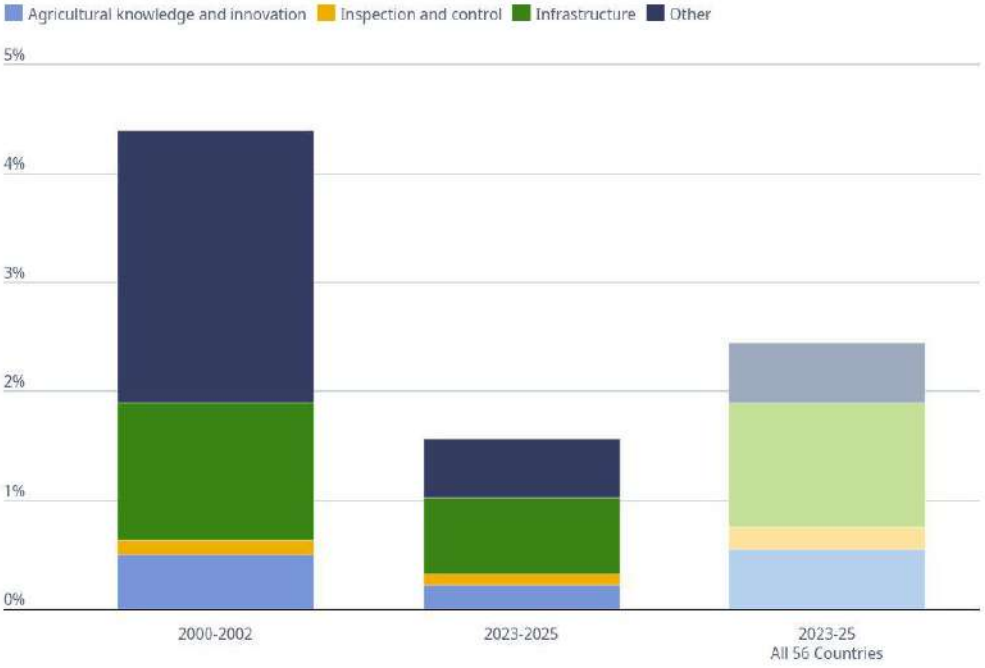
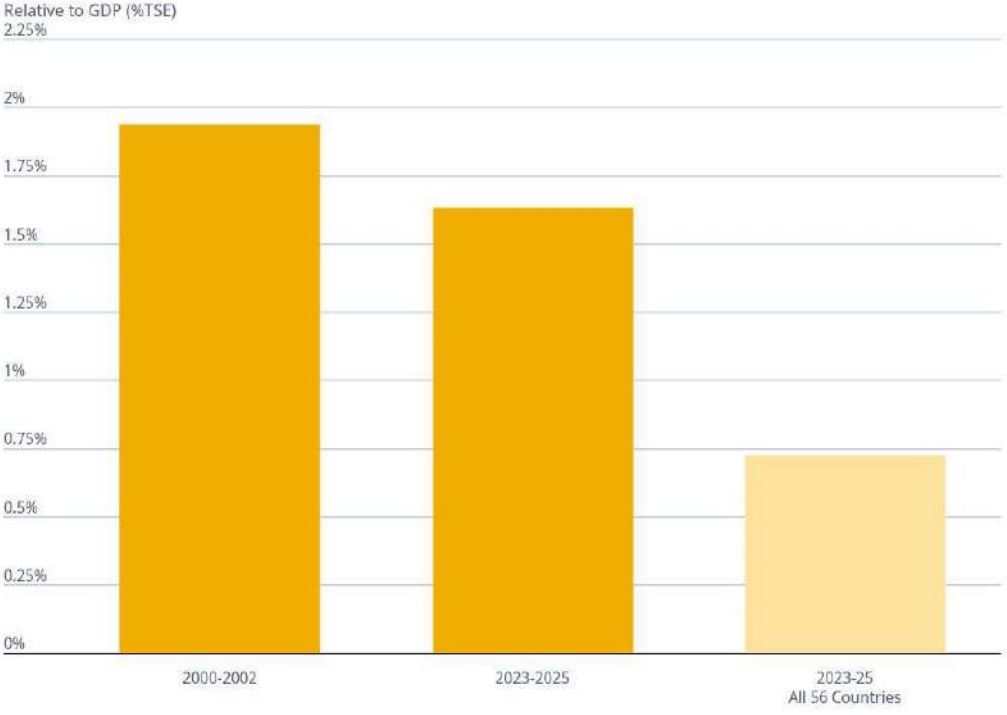


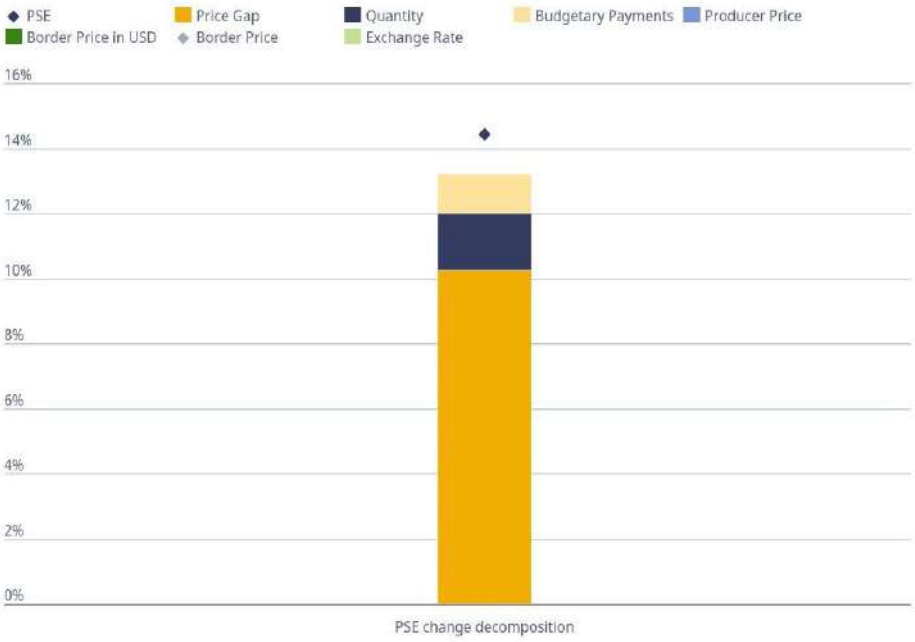
Figure 8.1D. China: Total Support Estimate

Relative to GDP (%TSE)



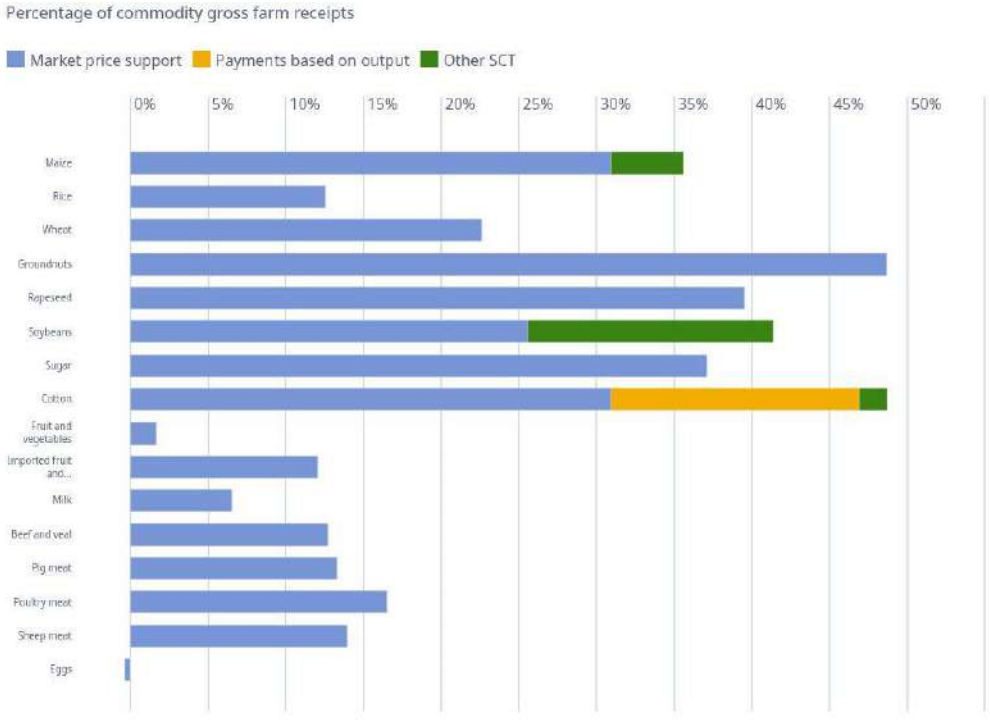
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 8.2. China: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency. The producer price change and the border price change are not calculated when both negative and positive market price support (MPS) occur at the commodity level for the previous year. Note that negative MPS estimates for livestock products may arise in cases of aligned product prices if there is positive MPS for feed commodities.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Figure 8.3. China: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Table 8.1. China: Estimates of support to agriculture

Million USD

	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**270 125**	**1 982 294**	**1 930 028**	**1 967 980**	**2 048 875**
of which: share of MPS commodities (%)	75.76	81.92	82.56	80.89	82.33
Total value of consumption (at farm gate)	**281 339**	**2 156 210**	**2 111 568**	**2 155 000**	**2 202 062**
Producer Support Estimate (PSE)	**14 354**	**276 984**	**262 090**	**265 115**	**303 746**
Support based on commodity output	7 329	206 985	194 099	195 736	231 120
Market price support[1]	7 329	203 710	190 856	192 480	227 792
Positive market price support	11 162	203 867	190 955	192 704	227 942
Negative market price support	-3 833	-158	-99	-223	-150
Payments based on output	0	3 276	3 243	3 256	3 328
Payments based on input use	5 684	18 594	17 671	18 445	19 666
Based on variable input use	1 414	4 785	4 286	5 007	5 063
with input constraints	0	0	0	0	0
Based on fixed capital formation	3 026	12 156	11 748	11 794	12 924
with input constraints	0	0	0	0	0
Based on on-farm services	1 244	1 653	1 637	1 643	1 679
with input constraints	0	0	0	0	0
Payments based on current A/An/R/I, production required	533	35 433	34 506	35 058	36 735
Based on Receipts / Income	533	3 266	2 667	3 095	4 037
Based on Area planted / Animal numbers	0	32 167	31 839	31 964	32 697
with input constraints	0	0	0	0	0
Payments based on non-current A/An/R/I, production required	0	0	0	0	0
Payments based on non-current A/An/R/I, production not required	370	14 834	14 687	14 745	15 070
With variable payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
With fixed payment rates	370	14 834	14 687	14 745	15 070
with commodity exceptions	0	0	0	0	0
Payments based on non-commodity criteria	438	1 138	1 127	1 131	1 155
Based on long-term resource retirement	438	1 138	1 127	1 131	1 155
Based on a specific non-commodity output	0	0	0	0	0
Based on other non-commodity criteria	0	0	0	0	0
Miscellaneous payments	0	0	0	0	0
Percentage PSE (%)	**5.18**	**13.48**	**13.10**	**12.99**	**14.30**
Producer NPC (coeff.)	**1.03**	**1.12**	**1.11**	**1.11**	**1.13**
Producer NAC (coeff.)	**1.05**	**1.16**	**1.15**	**1.15**	**1.17**
General Services Support Estimate (GSSE)	**11 861**	**31 048**	**30 739**	**30 859**	**31 545**
Agricultural knowledge and innovation system	1 347	4 402	4 354	4 371	4 482
Inspection and control	349	2 017	1 997	2 005	2 050
Development and maintenance of infrastructure	3 424	13 863	13 726	13 780	14 084
Marketing and promotion	0	412	408	409	418
Cost of public stockholding	6 741	10 353	10 254	10 294	10 511
Miscellaneous	0	0	0	0	0
Percentage GSSE (% of TSE)	**45.03**	**10.08**	**10.50**	**10.43**	**9.41**
Consumer Support Estimate (CSE)	**-8 513**	**-235 918**	**-214 372**	**-231 828**	**-261 554**
Transfers to producers from consumers	-8 688	-206 520	-192 892	-196 594	-230 075
Other transfers from consumers	-1 119	-52 200	-42 540	-56 307	-57 752
Transfers to consumers from taxpayers	128	0	0	0	0
Excess feed cost	1 167	22 802	21 060	21 073	26 273
Percentage CSE (%)	**-3.03**	**-10.95**	**-10.15**	**-10.76**	**-11.88**
Consumer NPC (coeff.)	**1.04**	**1.14**	**1.13**	**1.13**	**1.15**
Consumer NAC (coeff.)	**1.03**	**1.12**	**1.11**	**1.12**	**1.13**
Total Support Estimate (TSE)	**26 344**	**308 031**	**292 829**	**295 974**	**335 290**
Transfers from consumers	9 807	258 720	235 432	252 901	287 827
Transfers from taxpayers	17 655	101 511	99 937	99 380	105 216
Budget revenues	-1 119	-52 200	-42 540	-56 307	-57 752
Percentage TSE (% of GDP)	**1.94**	**1.63**	**1.60**	**1.58**	**1.72**
Total Budgetary Support Estimate (TBSE)	**19 015**	**104 322**	**101 973**	**103 494**	**107 498**
Percentage TBSE (% of GDP)	**1.40**	**0.55**	**0.56**	**0.55**	**0.55**
GDP deflator (2000-02 = 100)	**100**	**199**	**201**	**200**	**198**
Exchange rate (national currency per USD)	**8.28**	**7.16**	**7.08**	**7.20**	**7.19**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for China are: wheat, maize, rice, rapeseed, soybean, sugar, milk, beef and veal, sheep meat, pig meat, poultry, eggs, cotton, apples, groundnuts, peanuts, exported fruit and vegetables, and imported fruit and vegetables.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Policy landscape

Agricultural policy framework

The No. 1 Central Document is the most important policy document in China, issued jointly by the Central Committee of the Communist Party of China (CCCPC) and the State Council. This document **identifies the most important policy issues** and focus of the year. Issues related to agriculture, farmers and rural areas have consistently been selected as the exclusive topic of this document since 2004.

Market and trade policies

Market price support is the main form of support to Chinese farmers. It is provided through domestic price policies, and via trade policies including tariffs, tariff rate quotas (TRQs) and state trading.

Minimum purchase prices for wheat and rice in major wheat and rice producing provinces are announced annually before the sowing season and apply for several months after the harvest. The state-owned China Grain Reserves Corporation (Sinograin) and other state-owned companies purchase grains when market prices fall below the minimum prices for three consecutive days and suspend purchases when the market price rises above the minimum for three consecutive days. The maximum amounts of purchases at minimum purchase prices during a marketing year have been set at 37 million tonnes for wheat (since 2019) and at 50 million tonnes for rice (since 2020). Under normal circumstances, state-owned companies only purchase grains of national grade 3 or higher[1] at minimum prices.

China's average applied **MFN tariff** on agricultural and food products is around 13.8%, substantially higher than the 6.5% average applied to non-agricultural goods. Within agriculture, livestock products generally face higher tariffs (ranging between 15-20%) than crop products (ranging between 12-15%). In addition, China applies TRQ systems for several staple commodities, under which imports within the quota face low tariffs (ranging between 1-5%) while out-of-quota imports are subject to significantly higher duties.

China currently has 23 **regional trade agreements** (RTAs) in force covering 29 partner countries and regions, including major regional arrangements such as the Regional Comprehensive Economic Partnership (RCEP) and bilateral agreements with partners such as the Association of Southeast Asian Nations (ASEAN), Australia, Chile, New Zealand, Peru, Switzerland and Korea. These agreements play an important role in China's agro-food trade: around 35-40% of China's agricultural and food imports originate from RTA partners, while roughly 45-50% of its agro-food exports are destined for these markets. The higher share on the export side reflects increasing demand from regional partners in Asia-Pacific, while imports remain diversified across both RTA partners and major suppliers without preferential agreements.

Budgetary support

Budgetary transfers to producers of specific commodities include **compensatory and direct payments**. Compensation payments cover the difference between pre-determined target prices and actual market prices for cotton producers and are a combination of output payments and area payments. Direct payments based on area planted are provided for soybeans and maize producers.

The Agricultural Production Development programme combines a subsidy paid per hectare with direct payments for grain producers, subsidies for agricultural inputs, and subsidies for improved seed varieties.[2] Subsidies are also available for purchases of agricultural machinery, land consolidation, irrigation, agricultural insurance, returning farmland to forests and excluding degraded grassland from grazing.

General services to the sector focus on **developing agricultural infrastructure** (including irrigation and drainage facilities) (41% of total spending on general services in 2023-25) and **public stockholding of**

grains (35% in 2023-25). Support to agricultural knowledge and innovation is also significant (15% in 2023-25).

Policies relating to climate adaptation and mitigation

China's 2025 Nationally Determined Contribution (NDC) adopts, for the first time, an economy-wide target covering all greenhouse gases: net emissions are to fall by 7-10% below peak levels by 2035. For agriculture, the main relevance is that the NDC now includes methane emissions, making sectors such as livestock and rice cultivation part of the mitigation framework, although agriculture does not have a dedicated sectoral target and there is no standalone quantitative methane goal.

China's Methane Emission Control Action Plan covers the energy, agriculture and waste sectors, with a strong emphasis on building monitoring, reporting and verification (MRV) systems, improving methane capture and utilisation, and promoting better control practices. For agriculture, the plan focuses mainly on reducing methane from rice cultivation and livestock, through improved production practices or manure management.

The National Strategy on Climate Change Adaptation 2035 emphasises early-warning systems and risk management and integrating national and regional adaptation strategies. It sets out tailored sectoral adaptation tasks for agriculture and food security and strengthens financial support, science and technological support, and international co-operation on climate adaptation (State Council, 2022[1]).

The Grain for Green programme, with an allocation of CNY 8.1 billion (USD 1.2 billion), contributes to NDC objectives through direct payments that incentivise farmers to restore forest and shrub vegetation on sloping cropland vulnerable to soil erosion. Programmes aimed at afforestation and improved forest management also support China's NDC objectives of increasing the forest stock volume and GHG emission reductions in Land Use, Land-use Change and Forestry (LULUCF).

Recent policy developments

Domestic policy developments in 2025-26

Developments in the legal, institutional and strategic frameworks

The "Plan for Accelerating the Construction of an Agricultural Power (2024-2035)" was issued in April 2025 to strengthen national **food security** and modernise the agricultural sector. The plan focuses on domestic production to reduce imports, along with improved farm productivity.

The Market Access Negative List was jointly released by the NDRC and Ministry of Commerce (MOFCOM) and limits certain **investments**. For example, it requires fuel ethanol projects to be subject to provincial government verification and approval.

An implementation plan to accelerate **digitalisation of the food industry** was jointly issued by seven Chinese ministries in June 2025. The plan sets targets for 80% of agro-food business management to be digitised and 75% of key processes among major food enterprises to be digitally controlled by 2027, alongside the development of smart factories, digital industrial zones and specialised service providers. The initiative promotes the development of digital databases and traceability systems for food safety, the increased use of digital tools across agro-food supply chains, and the advancement of international standards, with sector-specific guidance for sectors such as dairy, brewing, grain processing and food additives.

The **No. 1 Central Document**, titled "Opinions of the Central Committee of the Communist Party of China and the State Council on Anchoring Agricultural and Rural Modernisation and Steadily Promoting the Comprehensive Revitalization of Rural Areas", released in February 2026 has several key elements:

- A new grain production target of around 700 million tonnes.
- Stricter enforcement against illegal land conversion (linked to safeguarding the minimum arable land area of 120 million ha introduced in 2021), while improving soil quality.
- Stronger monitoring and early-warning systems for extreme weather risks, pest outbreaks and water shortages, alongside investments in irrigation modernisation and emergency drought relief infrastructure.
- Continued commodity-based support, with the objectives of maintaining pig production at a steady and viable level, stabilising output against disease outbreaks, feed cost volatility, low farm profitability, or market shocks. It also includes continued support for beef and dairy sectors, for expanding feed production (silage maize, alfalfa), for developing offshore aquaculture, and for expanding greenhouse and forest-based food production.
- Expanded agricultural insurance, alongside new inter-provincial compensation mechanisms linking grain-consuming and grain-producing regions.
- Enhanced co-ordination between imports and domestic production to manage import volumes, and objectives for diversified supply sources while developing globally competitive Chinese agro-food enterprises.
- The transformation of agriculture into a modern, large-scale sector through technology adoption.
- Improved land tenure rights.
- Better living conditions in rural areas, through improved infrastructure and public services, new financing mechanisms for rural revitalisation, targeted assistance and stable fiscal support to prevent households from falling back into poverty, and rural economic development projects.

Domestic price support policies and stockholding policies

Minimum purchase prices for certain types of rice were revised in March 2025. The purchase price for early indica rice was raised from CNY 2 540 (USD 353) to CNY 2 560 (USD 356) per tonne. For wheat, the 2026 minimum purchase price announced in September 2025 (affecting the 2026 harvest) was raised from CNY 2 380 (USD 338) to CNY 2 400 (USD 340) per tonne.

In 2025, Chinese authorities released grain stocks from state reserves of wheat and rice earlier than usual, with the objective to stabilise domestic prices and ensure adequate market supply amid weather-related production risks and market volatility. The early auctions of reserves were also intended to support downstream processors while preserving China's strategic grain reserves.

Payments and other budgetary transfers to producers

Major dairy-producing regions, including Inner Mongolia and Shanxi, extended existing subsidy programmes for whole milk powder (WMP). The objective of the programmes is to encourage processors to convert seasonally surplus raw milk into WMP.

New **disaster relief** payments were introduced in 2025 in response to severe flooding and crop damage across several regions:

- On 15 July 2025, CNY 197 million (USD 27.4 million) in agricultural disaster prevention and relief funds were directed to seven provinces affected by floods and typhoons. The recipient provinces are Hubei, Hunan, Guangdong, Guangxi, Chongqing, Guizhou, and Yunnan.

- On 5 August 2025, CNY 1.015 billion (USD 141 billion) in funds for agricultural disaster prevention and relief and for water conservation were allocated to regions including Beijing, Hebei, Inner Mongolia, and Guangdong.
- On 14 August 2025, CNY 1 146 billion (USD 159 billion) in disaster relief funds were provided in thirteen provinces to farmers of autumn grain crops, including maize, soybeans and rice.

Developments in the regulatory framework

New regulations on the protection of **intellectual property for new plant varieties** entered into force in June 2025. These expand the scope of protection from propagating material to harvested material and additional commercial activities and introduce an essentially derived varieties system,[3] under which rights over a protected plant variety also extend to closely derived varieties that retain its essential characteristics. In addition, the new regulations extend protection periods to 25 years for woody and vine plants and 20 years for other crops. The regulations then also tighten novelty requirements, shorten the preliminary examination period for variety rights from six to three months, and centralise the management of foreign applications for variety rights, aiming to strengthen innovation incentives and improve oversight of germplasm and breeding technologies.

In July 2025, new measures in the Xinjiang Uygur Autonomous Region introduced financial incentives for **cotton** processors, alongside broader industrial support, to promote the cotton industry's transition toward higher value added, technologically advanced and more environmentally performing production. The measures also encourage greater vertical integration and diversification beyond traditional cotton processing. The policy is expected to increase the use of Xinjiang-produced cotton by processing enterprises, potentially influencing the allocation of cotton TRQs for cotton-using enterprises.

The **food labelling** framework was reformed by revising national standards, and the Food Labelling and Marketing Supervision and Management Measures were issued by the State Administration for Market Regulation (SAMR). These measures will enter into force in March 2027 following a two-year transition period. The reform strengthens requirements on the content, presentation and enforcement of food labels, including revised definitions and scope, updated date-marking rules emphasising the date of manufacture and shelf-life expiry, mandatory allergen declarations, a dedicated section for imported foods, standardised date formats and restrictions on potentially misleading "clean-label" claims. Nutrition labelling must show energy, protein, fat, saturated fat, carbohydrate, sugar and sodium, alongside updated nutrient reference values, along with standardised claim wording and guidance on serving sizes. The new SAMR measures further tighten compliance rules, introducing clearer presentation requirements (e.g. minimum font sizes and high-contrast mandatory text), enhanced disclosure of manufacturers and importers, rules for repackaged products, and obligations for online platforms to monitor and address non-compliant labelling information.

Policies to facilitate mitigation and adaptation in agriculture

Across major winter wheat-producing provinces in the North China Plain, local governments provided targeted guidance and support in 2025 to encourage farmers to adopt agri-environmental practices aimed at improving crop overwintering conditions and protecting grain yields. These included support for soil compaction in Henan to enhance root-soil contact and reduce moisture loss, post-sowing fertilisation guidance in Shandong to strengthen early crop growth, and support for frost-water irrigation and drip irrigation in Hebei to protect crops against winter temperature fluctuations. Such measures form part of broader efforts to stabilise winter wheat production. In parallel, authorities provided additional funding and technical assistance to drought-affected regions to help maintain irrigation systems and safeguard autumn grain production

Trade policy developments in 2025-26

Measures affecting imports and exports

In June 2025, China revised management measures for customs special supervision zones, bonded supervision premises and offsite processing trade. The revisions tighten controls on imported goods subject to TRQs, trade remedy measures, suspended tariff concessions or retaliatory tariffs, with the aim of strengthening enforcement of trade policy measures and preventing circumvention through bonded trade channels.

In July 2025, requirements for the storage, transportation and customs declaration of imported bulk edible vegetable oils were changed to strengthen full chain supervision and prevent contamination risks. These requirements align with the Codex Alimentarius Code of Practice (CXC 36) and complement national hygienic standards. The new rules require the use of inert, food-grade materials (e.g. stainless steel) for storage tanks and transport containers; they therefore prohibit copper and copper alloys, mandate strict sanitation and maintenance procedures, and require containers that are single-use and non-toxic. Importers or their representatives are also responsible for supervising transport operators to ensure compliance with hygiene and handling standards throughout the supply chain.

In July 2025, China notified the WTO of six revised administrative measures governing inspection, quarantine and supervision of agri-food imports and exports, covering products such as feed and feed additives, fresh fruit, genetically modified organisms (GMOs), non-food animal-origin products, wood packaging materials and grains. The revisions aim to update and consolidate earlier regulations issued between 2004 and 2016, strengthening sanitary and phytosanitary oversight, clarifying inspection and quarantine procedures, and improving regulatory consistency for cross-border trade in agricultural and food products.

In July 2025, the SAMR notified the WTO of a revised National Food Safety Standard for Paddy Rice. The standard updates definitions for paddy rice varieties establishes mandatory requirements for quality, testing and inspection, packaging and labelling for both domestic and imported paddy rice across processing, transport, storage and marketing stages.

In May 2025, MARA and GACC suspended imports of poultry and related products from Brazil following detections of highly pathogenic avian influenza (HPAI). The ban was lifted in November 2025 on the basis of a risk assessment conducted by China, after Brazil had regained HPAI-free status in commercial poultry in June 2025.

In December 2025, following a safeguard investigation, MOFCOM determined that rapidly rising beef imports had caused serious injury to domestic producers. Beef imports increased from about 20% to nearly 30% of the domestic market between 2019 and mid-2024, prompting industry complaints. As a result of the investigation, China introduced a TRQ for fresh, chilled and frozen beef imports, effective 1 January 2026, set at 2.688 million tonnes and allocated based on countries' average market shares during July 2021–June 2024. This quota level appears broadly aligned with recent import volumes and would therefore not necessarily reduce imports sharply below recent levels, but it would limit further import growth beyond the level that had brought import penetration close to 30% of the domestic market. Imports within the quota are subject to the MFN tariff plus any country-specific duties, while out-of-quota imports face an additional 55% safeguard duty.

On 10 November 2025, China adjusted its tariff measures on imports from the United States, removing previously applied retaliatory tariffs of 10-15% on 740 agricultural commodities and extending for one year the suspension of an additional 24% reciprocal tariff on United States products. A residual tariff of 10% remained in place. The measures form part of ongoing adjustments to bilateral trade measures affecting agricultural imports.

Beginning November 2025, GACC reinstated soybean import licences for three United States trading companies – CHS Inc., Louis Dreyfus Company Grains Merchandising LLC and EGT LLC – allowing soybean shipments to resume after licences had been suspended in March 2025. The decision effectively lifted earlier restrictions affecting these exporters and facilitated the resumption of soybean trade flows between the United States and China.

From 1 January 2026, China revised its MFN tariff schedule, removing previously applied tentative MFN rates for certain products. As a result, tariffs on fresh and dried cranberries and some frozen fishery products reverted to higher standard MFN rates. Tariffs on fresh cranberries increased from 15% to 30%, and on dried cranberries from 15% to 25%, while tariffs on selected frozen fish products rose from 6% to 7%, reflecting the expiration of temporary tariff reductions under China's annual tariff adjustment process.

In May 2025, authorities established an export quota of 2 million tonnes for urea covering the period until 15 October, while industry bodies encouraged producers to exercise price discipline, recommending that urea prices remain close to levels prevailing before early May. At the same time, phosphate fertiliser exports were subject to tighter export controls, estimated at 50-60% of the previous year's level, equivalent to roughly 6.5-7 million tonnes of combined diammonium phosphate (DAP) and monoammonium phosphate (MAP) exports. Subsequently, in October 2025, China is reported to have temporarily suspended exports of several fertiliser products, including MAP, DAP and certain urea products, reflecting efforts to prioritise domestic supply (AMIS, 2025[2]). Separately, in April 2026, China introduced a ban on sulphuric acid exports, effective from May 2026, affecting a key input used in phosphate fertiliser production.

Measures facilitating imports

In May 2025, the GACC introduced new phytosanitary requirements for imports of distillers dried grains with solubles (DDGS) from Brazil, following bilateral agreements signed on 13 May 2025 between Brazil's Ministry of Agriculture and Livestock and GACC allowing exports of maize ethanol by-products to China. The measure formally opens the Chinese market to Brazilian DDGS, although exports remain subject to additional steps, including registration of production facilities, issuance of phytosanitary certificates and inspection upon arrival.

In December 2025, a pilot measure was introduced to streamline import procedures for 30 substances with both food and medicinal uses when imported as food ingredients. The reform removes the previous requirement for an Imported Drug Customs Clearance Form, which had created delays due to the dual classification of these products as both foods and medicines.

Trade relations with Argentina were expanded, including a reported USD 900 million non-binding agreement covering soybeans, maize and vegetable oil, while Chinese state-owned companies such as COFCO International and Sinograin explored increased imports and potential investment in grain processing capacity in Argentina. In parallel, China expanded access for agricultural by-products from the Russian Federation, authorising imports of coarse ground wheat (June 2025) and wheat bran (November 2025), subject to inspection, quarantine and exporter registration requirements with the GACC.

Trade agreements

In October 2025, China and ASEAN signed an upgrade to the ASEAN-China Free Trade Area (ACFTA 3.0), expanding the existing agreement in force since 2010. The upgrade introduces new chapters covering areas such as the digital economy, environmental aspects and supply chain connectivity, while reinforcing co-operation on trade facilitation, standards and sanitary and phytosanitary measures. For the agri-food sector, the agreement is expected to support greater market access and trade in agricultural and food products, strengthen cross-border e-commerce and logistics for agri-food supply chains. Moreover, it

aims to promote co-operation on food standards and digitalisation in agriculture, potentially facilitating more efficient trade flows between China and ASEAN Member States.

In January 2026, China and Canada signed a Preliminary Joint Arrangement on Addressing Bilateral Economic and Trade Issues. Under the arrangement, China suspended anti-discrimination tariffs on imports of canola meal, peas, lobster and crab from Canada from 1 March until the end of 2026. In February 2026, MOFCOM issued its final determination in the anti-dumping investigation on Canadian canola seed, setting the final duty rate at 5.9%, down from the provisional rate of 75.8% applied since August 2025. China also restored market access for Canadian beef, which had been suspended following the detection of a case of atypical BSE in Canada in December 2021.

Policy context

Key economic and agricultural statistics

China has the world's second largest population and the second largest land area. It is an upper-middle income economy, with a GDP per capita – adjusted by PPP – around 85% of the average of countries covered by this report (Table 8.2). However, while counting almost 18% of the world's population, it has only 7% of the world's potable water and 10% of the world's agricultural land. China is thus a resource scarce country, which results in severe competition between agriculture and other users of land and water resources.

Agriculture remains an important part of China's economy. It accounts for 22.2% of employment, but its 7.2% share of GDP indicates that labour productivity is significantly lower than in the rest of the economy. Even if rural incomes are growing at high rates, they remain at around one-third of those in urban areas.

Crop production represents 62.8% of total agricultural output and its composition has changed significantly over the last decades, driven by the shift towards higher value-added agricultural products such as fruit and vegetables. While the average farm size remains less than one-hectare, large-scale production has been developing rapidly, including among co-operative and corporate farms. North and northeast provinces have seen more rapid farm consolidation than other regions, as increased labour mobility and the transfer of land among farmers over the past three decades have led to adjustments in the farm structure. Livestock production originates mostly from larger-scale commercial units (OECD, 2018[3]).

Table 8.2. China: Contextual indicators

	China		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	3 742	38 190	9.2%	22.6%
Population (million)	1 270	1 419	29.0%	25.9%
Land area (thousand km²)	9 425	9 425	11.2%	11.1%
Agricultural area (AA) (thousand ha)	523 731	521 196	17.3%	17.6%
			All countries[1]	
Population density (inhabitants/km²)	132	148	52	64
GDP per capita (USD in PPPs)	2 964	27 105	9 508	31 740
Trade as % of GDP	19.1	16.1	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	14.8	7.2	3.0	3.6
Agriculture share in employment (%)	50.0	22.2	-	-
Agro-food exports (% of total exports)	4.8	2.1	6.4	8.3
Agro-food imports (% of total imports)	4.7	8.0	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	65.2	62.8	62.1	60.4
Livestock in total agricultural production (%)	34.8	37.2	37.9	39.6
Share of arable land in AA (%)	22.8	20.9	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

Real GDP growth averaged around 4.8% in 2023-25 (Figure 8.4). Economic activity remained relatively resilient in recent years, with real GDP growth stabilising at close to 5% in 2023-25 following the post-pandemic rebound and subsequent slowdown in 2022. Growth continued to be supported by exports and public investment, while domestic demand remained comparatively subdued. Inflation declined steadily over the period, reaching close to zero by 2024-25, reflecting persistent deflationary pressures and weak consumer demand, while unemployment remained broadly stable at around 4.4%.

Figure 8.4. China: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

China has consistently been a net agro-food importer since 2003, and its import demand has been a major driver of global agricultural markets over the last two decades. Agro-food exports have also grown over this period and have increased in recent years, while agro-food imports, after rising sharply around 2020, have decreased over the three most recent years. The earlier expansion in imports was driven by higher purchases of grains and oilseeds, particularly maize and soybeans, as well as pig meat. More recently, weaker consumption growth and increasing domestic supplies of grains and livestock products have contributed to lower import demand.

Primary products used as inputs in the domestic food industry continue to dominate China's agro-food imports, representing 45% of the total in 2024. In turn, primary and processed products for final consumption are key export categories, accounting for 69% of total agro-food exports (Figure 8.5). At present, China remains one of the world's largest importers of agricultural products, and developments in its domestic market and policy settings – including price and storage measures for some commodities – can have important impacts on world prices. However, this role may evolve over time. China's growing emphasis on food security, domestic productivity, feed efficiency and alternative or industrialised protein production could reduce its reliance on some imported agricultural commodities and, in selected sectors, strengthen its role as an exporter, with potential implications for major supplier countries and global agricultural prices.

Figure 8.5. China: Agro-food trade

Figure 8.5A. China: Agro-food trade 2000 to 2024

Billion USD

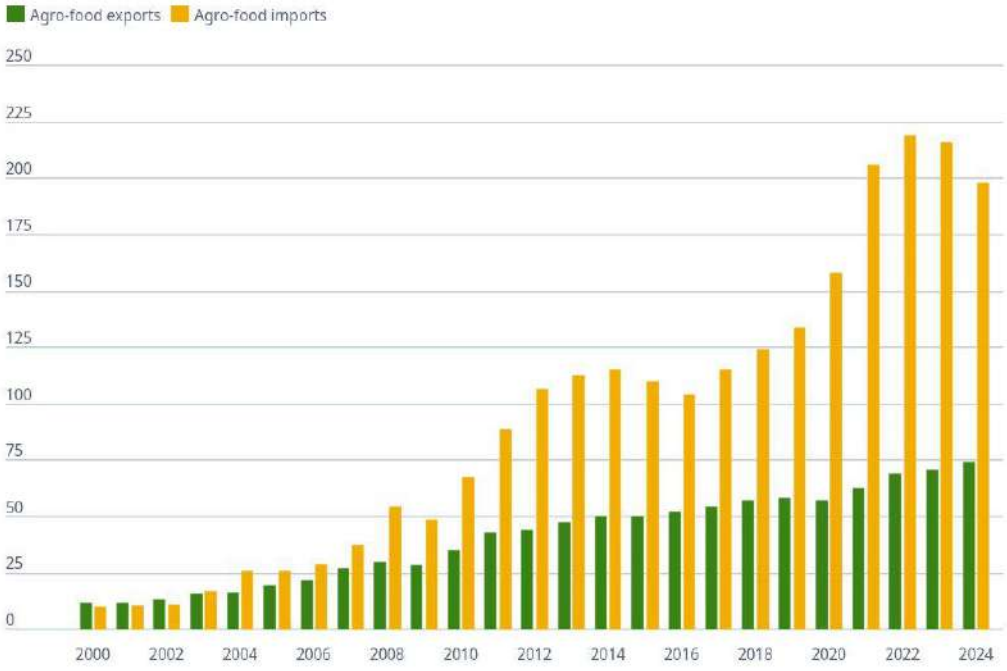


Figure 8.5B. China: Composition of Agro-food trade, 2024

Percentage

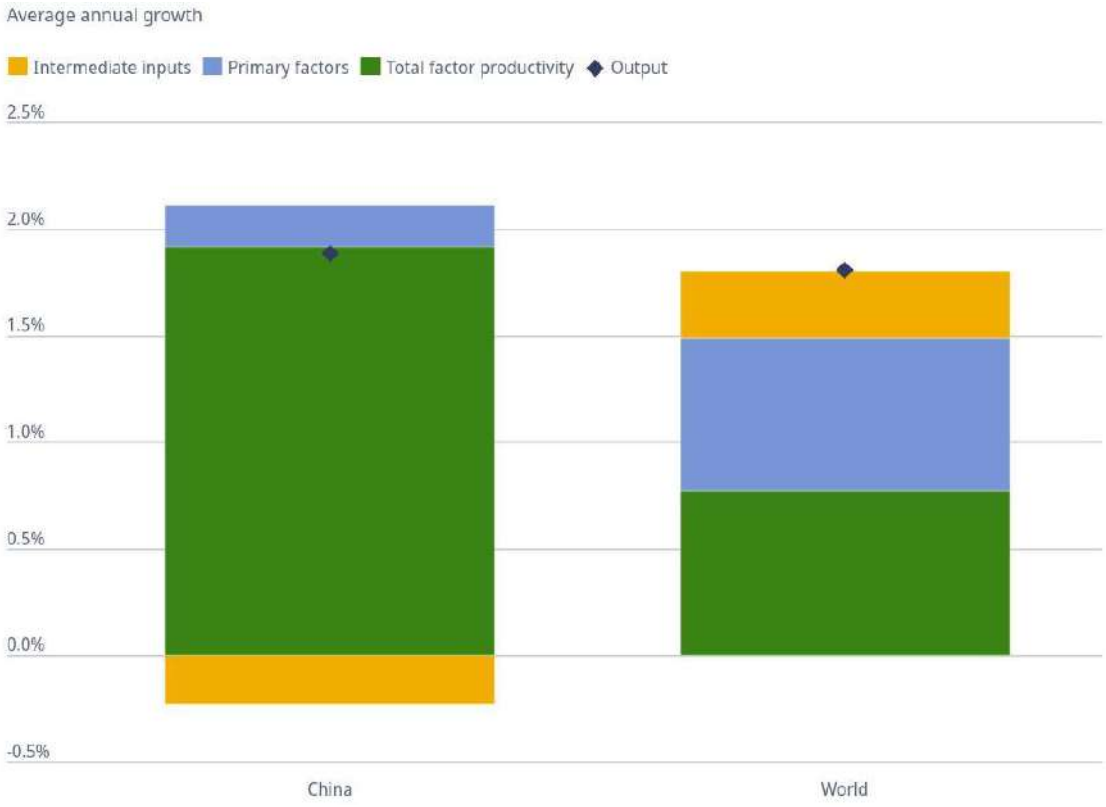


Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Agricultural output growth in China averaged 1.9% in 2014-23, slightly above the world average of 1.8% (Figure 8.6). This has been driven by growth in total factor productivity (TFP) of 1.9% per year, higher than the global average and largely attributed to farm consolidation and increased mechanisation of production. The contribution of primary factor growth to agricultural output growth (0.2%) is lower than the world average (0.7%).

The sustained growth in agricultural output is exerting pressures on natural resources such as land and water. While nutrient surplus intensities for nitrogen and phosphorus have been declining over the past two decades, these remain at high levels, particularly for phosphorus relative to the OECD average (Table 8.3). Agriculture remains the main user of water, accounting for 62.2% of total water abstraction, well above the OECD average.

Figure 8.6. China: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Table 8.3. China: Productivity and environmental indicators

	China		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	4.4%	1.9%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	41.1	34.3	32.3	29.0
Phosphorus balance, kg/ha	9.8	9.8	3.3	2.3
Agriculture share of total energy use (%)	2.4	2.0	1.7	2.0
Agriculture share of GHG emissions (%)	10.3	6.5	8.7	10.3
Share of irrigated land in AA (%)	10.3	13.7	-	-
Share of agriculture in water abstractions (%)	68.0	62.2	46.1	47.7
Water stress indicator	19.3	19.9	..	..

Note: * or closest available year.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

The evolution of China's agricultural policy objectives reflects the changing role of agriculture at different stages of economic development. In the 1950s and 1960s, the agricultural sector was taxed to support the industrial sector's development. In the late 1970s, China initiated an important economic transformation process, implementing reforms towards a market-oriented economy including for the agricultural sector (OECD, 2005[4]; OECD, 2018[3]). More specifically, China implemented its first rural reform, the household responsibility system (HRS), during 1978-84. This dismantled the people's communes and contracted cultivated land to individual households, mostly based on the number of people or labourers in the household.[4]

Until the late 1990s, agricultural policies focused on increasing food production, particularly grains, through the provision of fertilisers and other input subsidies to farmers. At the same time, policy actions targeted deregulation and diversification of marketing channels. Central and local governments increased support for irrigation.

Liberalisation of international trade started in the early 1990s with the relaxation of trade restrictions, allowing private traders to play a role in agricultural commodity markets. In the context of China's WTO accession in 2001, the average import tariff for agricultural products fell from 42% in the early 1990s to 12% in the early 2000s.

In the 2000s, the growing income gap between urban and rural populations, and between developed and underdeveloped rural areas became an important policy issue. Increasing farmers' income was made a key policy objective together with food self-sufficiency in several of the No. 1 Central Documents during the 2000s.[5] Several new policies were introduced in this period to meet these objectives. These included minimum purchase prices for grains, and a system for temporary purchase and storage of production, as well as subsidies for agricultural materials, superior crop varieties, and agricultural insurance premiums.

Many of the No. 1 Central Documents also emphasised other policy goals, such as ensuring the quality of agricultural products and food safety, enhancing agricultural competitiveness, and protecting agricultural ecosystems. In the early 2000s, China introduced agri-environmental payments under programmes such as "Grain for Green" (officially called the Returning Farmland to Forests Programme), Grassland Ecological Protection, and other programmes helping to convert grazing land to grassland.

In 2014, land reforms clarified village collective landowner rights, individual household land contract rights, and land operation rights through the “three rights separation system”. These reforms consolidated farm operations and spurred productivity growth. To control the conversion of farmland for non-agricultural use, a “red line” on arable land was set at no less than 124.3 million ha in the 2016 Adjusted Scenario of the Outline of the National Overall Planning on Land Use.

The government-led Temporary Purchase and Storage Policy for Cotton, Soybeans and Rapeseed at Pre-determined Prices was reformed in 2014-15, and in 2016 for maize. For cotton, this was replaced by deficiency payments covering the difference between pre-determined target prices and actual market prices. For soybeans and maize, it was replaced by direct payments based on area planted. In 2016 all subsidies on grain, seed and aggregate inputs were merged into a single general income support payment. While wheat and rice remained subject to the minimum price procurement programme, support prices were gradually reduced between 2015 and 2019. Since the COVID-19 pandemic, the minimum purchase price was increased again for indica rice and wheat.

A rural revitalisation strategy was introduced in 2017 to close the urban-rural development gap. This strategy relies on support to general services to develop agri-food supply chains.

In March 2021, the Central Committee of the Communist Party of China (CCCPC) released the fourteenth Five-Year Plan 2021-25 for National Economic and Social Development. The plan outlined specific key priorities for agriculture modernisation:

- Enhancing food security, including by safeguarding a minimum arable land area of 120 million ha, slightly adjusting the previous “red line”.
- Maintaining subsidies for grain producers and increasing minimum purchase prices for wheat and rice as appropriate.
- Implementing high-standard infrastructure and conservation projects, which could also advance the development of green agriculture.
- Investing in innovative farm technologies and smart agriculture systems, including with respect to seeds and animal breeding.
- Improving pest and disease control systems.

In November 2021, the State Council issued the fourteenth Five-Year Plan for Promoting Agricultural and Rural Modernization 2021-25 setting the mid-term food security objective of maintaining annual production of grains at a minimum of 650 million tonnes and of meat at 89 million tonnes. The plan also emphasises consolidating the achievements of poverty reduction in rural areas, supporting agricultural innovation and seed development, and conducting new surveys on agricultural production costs to adjust agricultural insurance programmes and subsidies.

To ensure food security, the 2024 No. 1 Document reaffirmed the annual grain production target of 650 million tonnes, already included in previous years’ No. 1 Documents. The document instructed local authorities to pursue an integrated approach to farmland protection that simultaneously accounts for grain quantity, quality, and farmland ecology. It also stressed the need to promote healthy diets. The 2024 No. 1 Central Document also included a specific focus on “green agriculture” by promoting the integrated protection and restoration of rural ecosystems.

The February 2025 No. 1 Central Document continued the focus from previous No. 1 Central Documents on strengthening the supply of key agricultural products for food security. The 2025 No. 1 Central Document also introduced for the first time a focus on biotechnology and digital tools in agriculture. The Food Security Law, updated in June 2024, stipulates that the national food security strategy is based on self-reliance, guaranteed domestic production, moderate imports, and technological support. It includes chapters on grain production, grain reserves, grain marketing and processing, food access in emergency situations, and the protection of agricultural land from urbanisation.

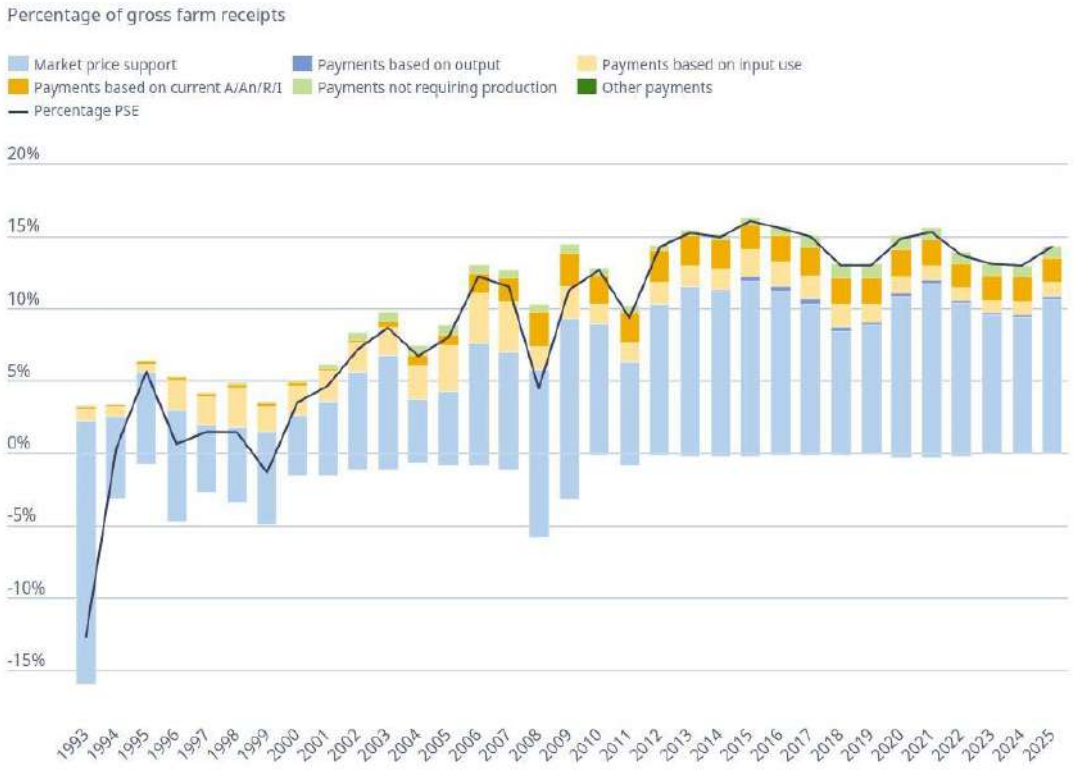
Table 8.4. China: Agricultural policy trends

Period	Broader framework	Changes in agricultural policies
Prior to 1978	Centrally planned economy	Centralised control of agricultural activities Collective and commune-farmer land systems Production, marketing and price controls, implicitly taxing agriculture Investments in irrigation systems and extension services State agricultural trading firms and high tariffs
1978-1999	Initial reforms to the centrally planned economy	Collective and commune land system dismantled, household responsibility system set up for land use Some regulatory reforms in agricultural marketing State Grain Authority ensuring food availability and affordability to the population Public stockholding, food price subsidies to urban consumers Fertiliser and input subsidies
2000-2009	Improving farmers' incomes and food self-sufficiency key policy objectives Further trade liberalisation	Increase in spending on agricultural research and development Technical assistance services Input subsidies, implicit credit subsidies Increasing allocations to the "Grain for Green" conservation programme Input and output markets increasingly allowing participation of private traders WTO accession in 2001, free trade agreements signed, reduction of tariffs Minimum purchase price system for grains Temporary purchase and storage policy established for selected commodities
2010-2014	Increasing support to agriculture	Increasing minimum purchase prices, and larger set of commodities covered by the temporary purchase and storage system Agricultural insurance premium subsidies
Since 2014	Policy efforts to adjust the price support system and respond to agricultural productivity and sustainability challenges	Continued reforms in land transfer rules National Agricultural Sustainable Development Plan 2015-2030 Agricultural support and protection subsidy payments per area since 2015 (currently "Agricultural Production Development" programme) 2017 National strategy on "rural revitalisation" Dismantling of price support systems for cotton, soybeans, rapeseed, maize; introduction of direct payments based on area Gradual decrease in support prices for wheat and rice during 2015-19; increases since the COVID-19 pandemic in support prices for indica rice and wheat Enhanced focus on food security through the No. 1 Central Document since 2022 Export measures restricting fertilisers shipments since 2023 Food safety standards updated in 2023 Food Security Law entered into force in 2024 Focus on "green agriculture" in the 2024 No. 1 Central Document and focus on digital tools in the 2025 No. 1 Central Document

At the end of the 1990s, China's support to the agricultural sector mostly comprised of budgetary allocations, while market price support (MPS) was negative. Budgetary allocations went to input subsidies and general services to the sector. However, since 2002, MPS increased and became the main instrument to support agricultural producers. After 2009, China continued to increase its minimum support prices, leading to significant price gaps between domestic and international markets. Support to farmers increased until 2015, when policy reforms for commodities such as rapeseed, soybeans, cotton and maize contributed to lowering MPS. Fluctuations in producer support levels since 2019, particularly market price support (MPS), are linked to the evolution of international versus domestic prices. The increase in producer support from 2018 to 2021 was largely driven by a significant increase in MPS for grains and oilseeds against a backdrop of domestic prices rising faster than border prices. Minimum purchase prices for wheat and rice have also gradually increased since the COVID-19 pandemic. Constraints in the supply of groundnuts as well as maize and soybeans for animal feed led to large increases in domestic prices and imports for these commodities in 2020 and 2021. In addition, domestic prices for livestock commodities such as beef or poultry meat have been increasing due to more demand for these products in response to tighter supplies of pig meat in these years. Between 2022 and 2024, China improved its production capacity for livestock products, particularly pig meat and dairy products, while grains output also continued to

increase. These trends in production, combined with an overall weakening domestic demand, have been exerting downward pressure on domestic prices and driving a slowdown in imports for many commodities. As reference prices increased faster than domestic prices since 2021, particularly for wheat, maize, milk, pig meat and other meat products, producer support decreased once again until 2024. In 2025, however, the PSE increased to 14.3%, largely because domestic prices in China rose more strongly than international prices, widening price gaps and increasing market price support (Figure 8.7).

Figure 8.7. China: Development of the PSE and its composition, 1993 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

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State Council (2022), *National Climate Change Adaptation Strategy 2035*. [1]

Notes

[1] The quality grade standard is divided into five grades plus a “sub-standard” category.

[2] This programme was previously called the “agricultural support and protection subsidy”.

[3] Essentially derived varieties are plant varieties that are predominantly derived from an initial protected variety, remain clearly distinguishable from it, but retain the expression of its essential characteristics. Under such systems, commercial use of the derived variety generally requires authorisation from the holder of the rights over the initial variety.

[4] Although ownership of land remained collective, control and income rights belonged to individuals under the HRS, with a land contract term of 15 years. When this ended in the late 1990s, the second term was extended to 30 years.

[5] Self-sufficiency was interpreted to mean that China should produce 95% of its own grain requirements. The Chinese self-sufficiency rate for grains is defined as the total production of wheat, coarse grains and rice divided by total domestic consumption of these crops (OECD, 2005[4]).

9 Colombia

Main findings

Support to agriculture

Colombia's producer support estimate (PSE) declined to 13.8% of gross farm receipts in 2023-25, compared to an average of 24.4% in 2000-02. This long-term decline reflects a reduction in market price support (MPS) over time, linked in part to trade policy reforms, including lower import tariffs and changes in the Andean Price Band System (SAFP), for some agricultural commodities.

Policies that increase domestic prices above world prices, generating transfers to farmers (MPS) remain the dominant component of support, accounting for around 90% of the PSE in 2023-25, only little below the share at the beginning of the century (97% in 2000-02). Overall, producer prices were about 15% higher than border prices on average in 2023-25, down from around 32% in 2000-02, indicating that price gaps have been cut by half over time.

Budgetary support to farmers remains limited and is mainly provided through input-based measures, including concessional credit, subsidised insurance, and payments for variable inputs such as fertilisers and seeds. Additional support is directed to on-farm services (e.g. technical assistance) and fixed capital formation (e.g. machinery and equipment), although their overall magnitude remains modest compared to MPS.

Expenditures on general services (GSSE) averaged USD 518 million over 2023-25, representing about 10.2% of TSE, a higher share than in the early 2000s. Spending remained concentrated in infrastructure development (USD 379 million on average), followed by agricultural knowledge and innovation systems, inspection and control, and marketing and promotion, indicating a continued emphasis on enabling services to the sector. While these categories continued to account for the bulk of GSSE, provisional data indicate a significant reduction in overall GSSE expenditure in 2025.

Total support estimate (TSE) averaged about 1.23% of GDP in 2023-25, less than half the level seen in 2000-02. Total support is largely driven by transfers from consumers, with additional contributions from taxpayer-funded expenditures.

Key policy changes in 2025-26

In 2025-26, Colombia continued advancing the Integrated Rural Reform, strengthening its focus on land access, tenure formalisation, and territorial governance. New regulatory measures were introduced to facilitate land acquisition through voluntary mechanisms, supporting land redistribution objectives. Progress was also made in consolidating territorial planning frameworks, including the adoption of a national plan to recognise and formalise peasant territorialities.

New Protection Areas for Food Production have been designated to strengthen protections for agricultural land. Territorial policy instruments are used to reinforce community-based land management and local food systems, including establishing and consolidating Peasant Reserve Zones and new Agrifood Territories.

Environmental and land-use governance frameworks were further developed, including measures to align agricultural production with ecosystem conservation and the introduction of instruments enabling the sustainable use of forest resources by rural communities. These include community-based forest management initiatives, conservation agreements with rural households, and strengthened territorial planning instruments aimed at reducing deforestation in environmentally sensitive areas.

New regulatory frameworks for indigenous territorial governance strengthened policies aimed at inclusion and equity in rural areas. These frameworks improved the governance and financing of indigenous territories, while enhancing co-ordination and information systems related to land tenure. Targeted policy measures, such as a dedicated programme for the Rrom population, were introduced to facilitate access to land and address persistent disparities affecting ethnic communities.

Assessment and recommendations

- Accelerate land formalisation, cadastre updates and land allocation, while ensuring that beneficiaries have access to complementary services that enable productive use of land. Land reform remains central to the development of the Colombian agricultural sector.
- Rebalance policies away from market price support towards more efficient and targeted budgetary measures that enhance productivity and resilience while reducing market distortions.
- Increase investment in general services to support the provision of key public goods and the implementation of structural reforms. This includes public expenditures in institutions involved in infrastructure, innovation and rural development. Investments are also needed in agricultural research and innovation, in particular to facilitate technology transfer and the preservation of genetic resources, towards agricultural productivity growth and resilience.
- Strengthen the agricultural knowledge and innovation system (AKIS). Expanding extension services, improving their effectiveness and better aligning them with farmers' needs, in particular for small-scale producers, would support technology adoption and sustainable productivity growth.
- Pursue efforts to integrate environmental sustainability and climate resilience into agricultural policies. Strengthening land-use planning and scaling up adaptation measures would help address increasing climate-related risks in the sector.
- Improve the collection of key statistical data. Strengthening data systems, including conducting a new Agricultural Census and re-establishing a regularly conducted agricultural survey, such as the National Agricultural Survey (ENA) or a revised equivalent instrument, is essential to support evidence-based policymaking and improve the design, implementation and evaluation of agricultural policies.

Key indicators on agricultural support

Figure 9.1. Colombia: Development of support to agriculture

Figure 9.1A. Colombia: Producer Support Estimate and its composition

Percentage of gross farm receipts

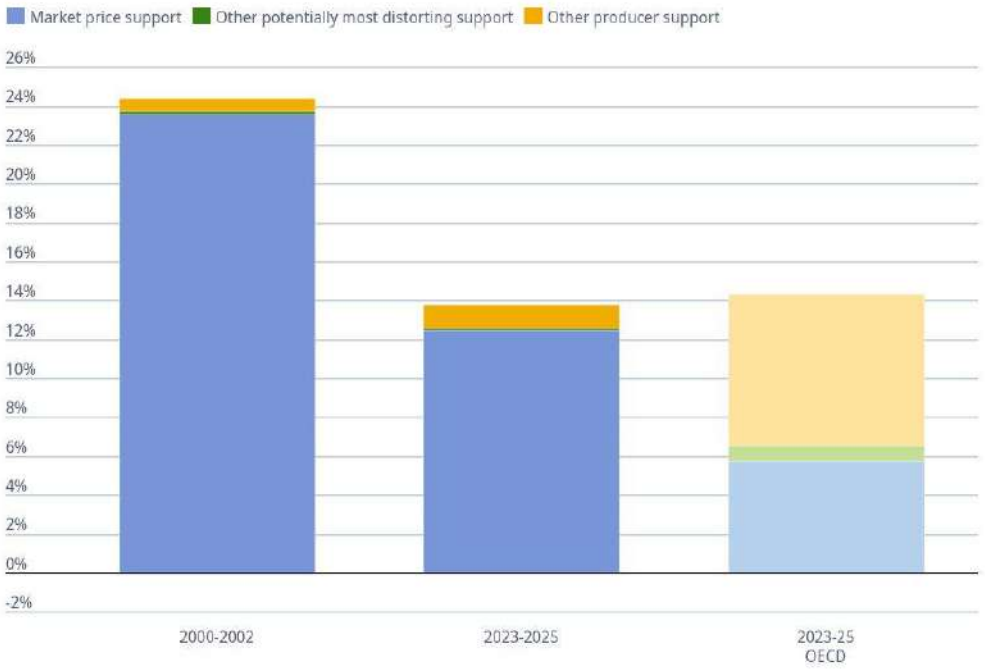


Figure 9.1B. Colombia: Ratio of producer to border price

Producer NPC

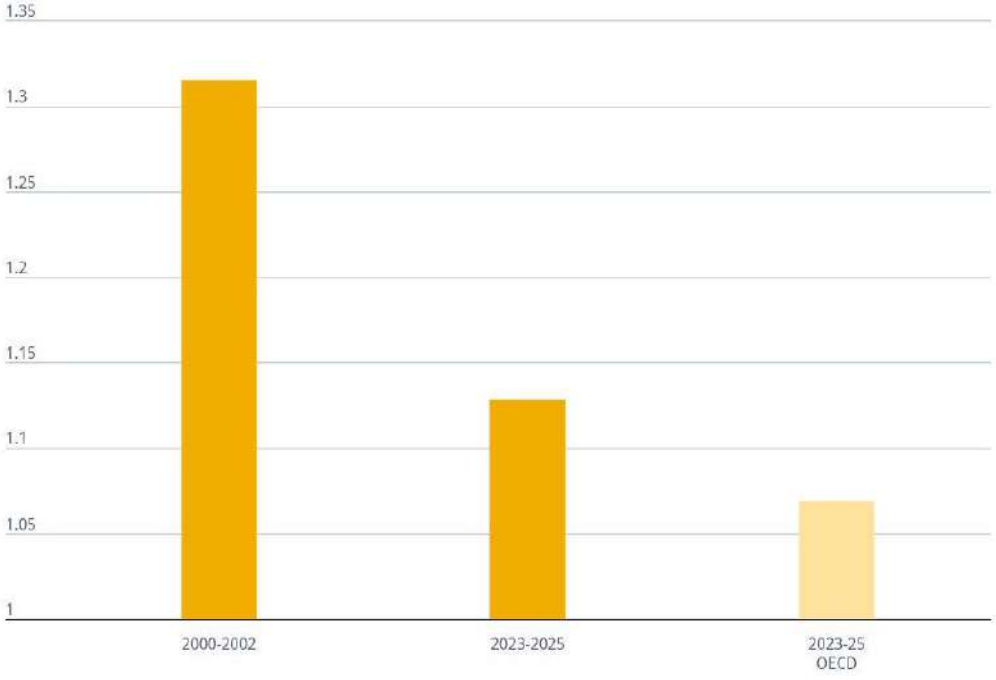


Figure 9.1C. Colombia: General Services Support Estimate and its composition

Relative to agricultural value of production

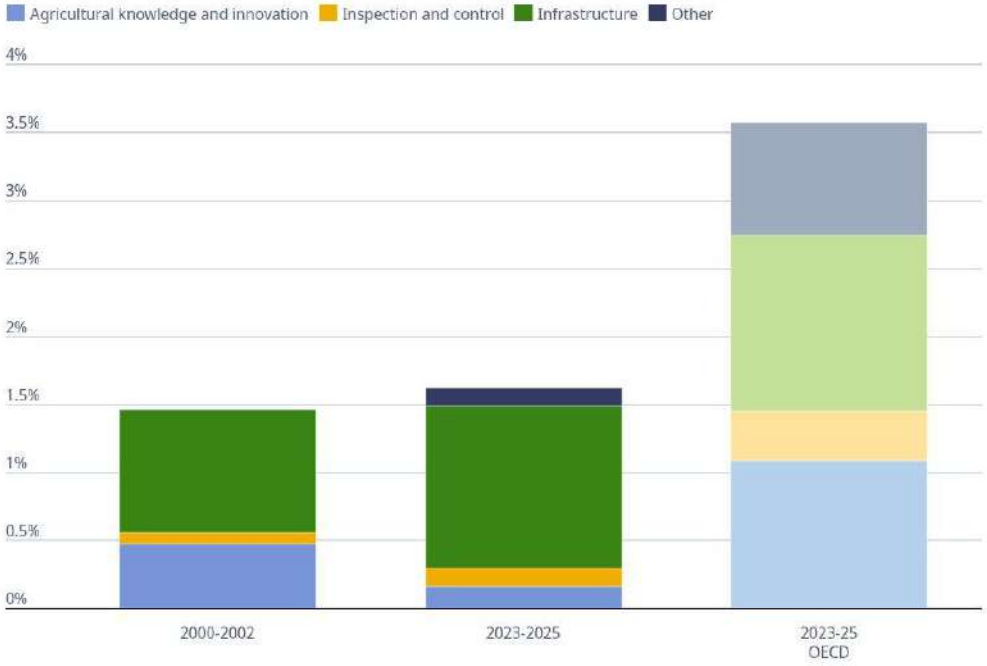
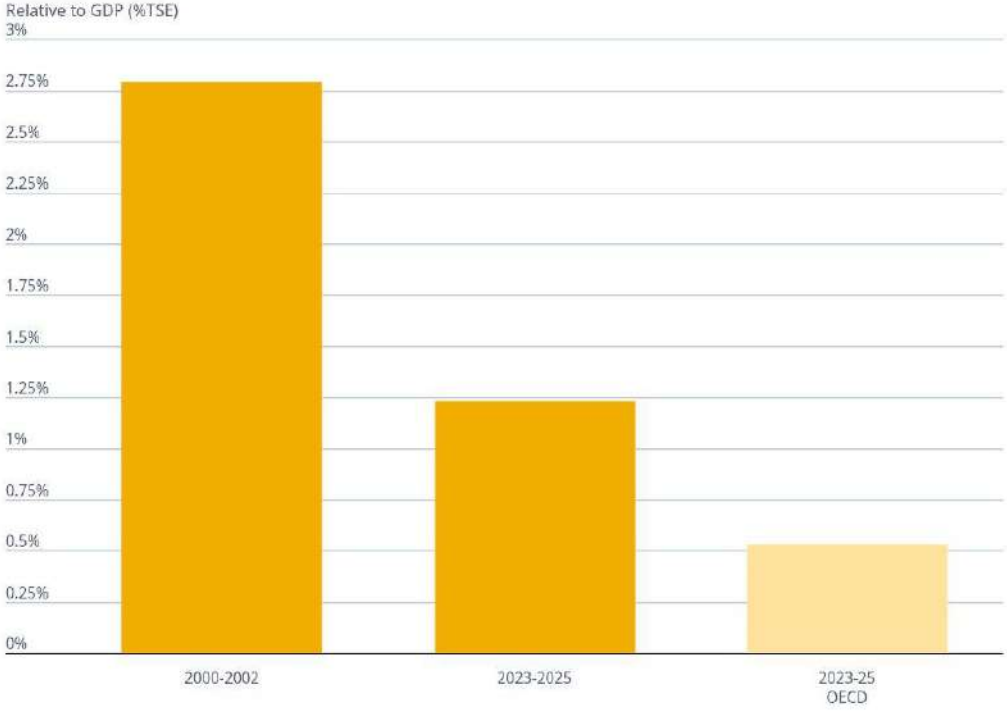


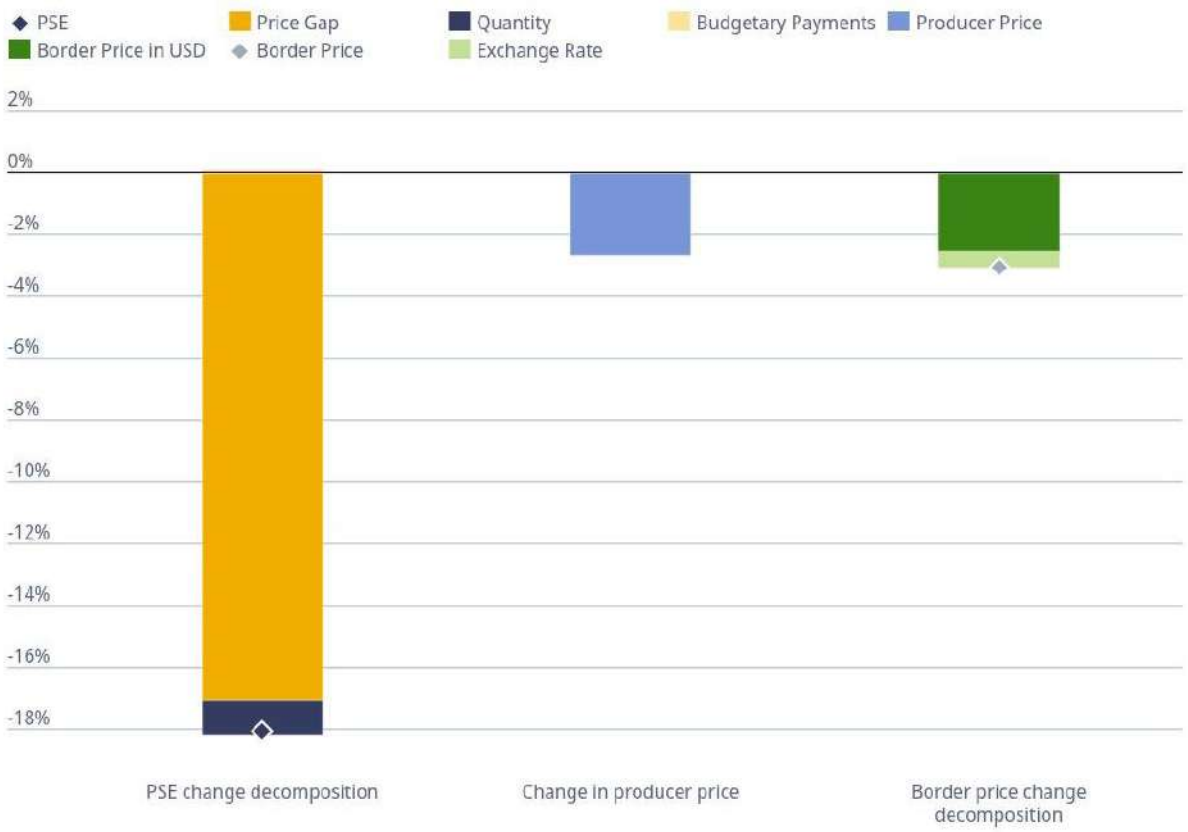
Figure 9.1D. Colombia: Total Support Estimate

Relative to GDP (%TSE)



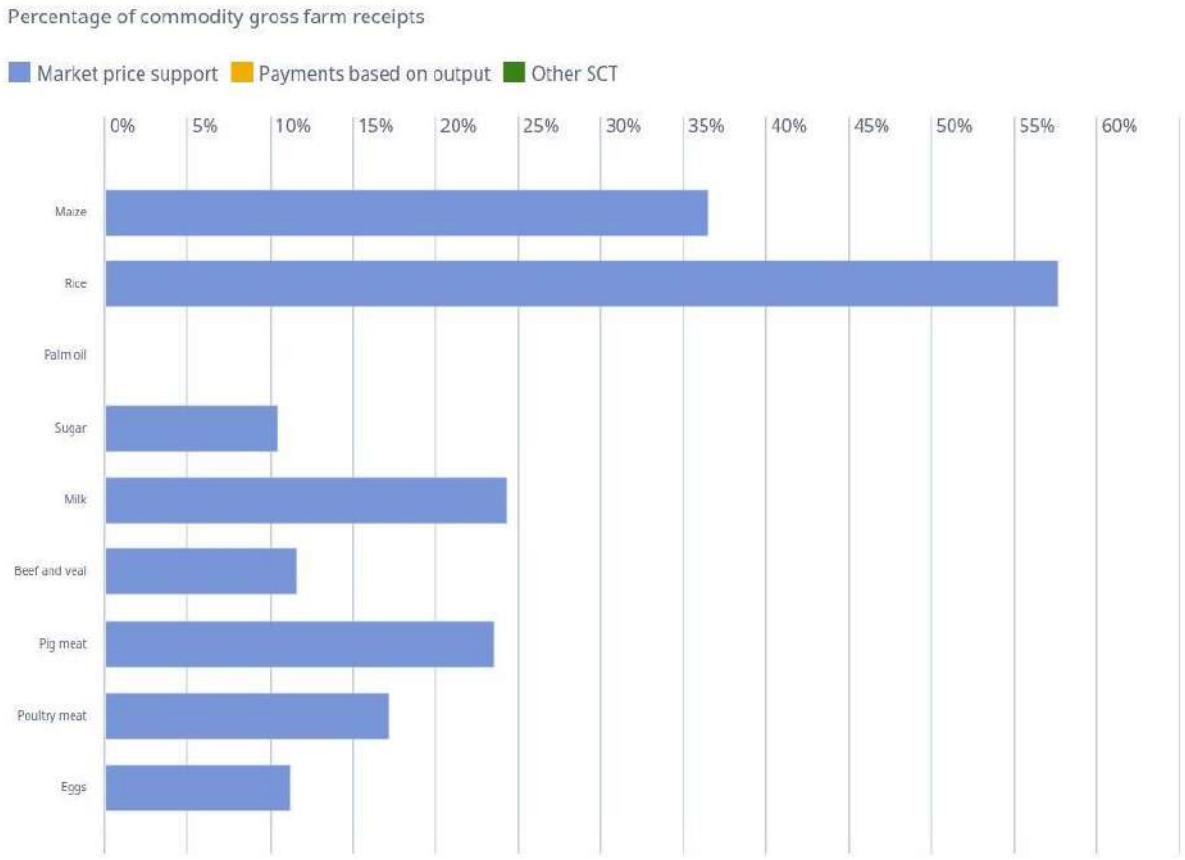
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 9.2. Colombia: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Figure 9.3. Colombia: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2025), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Table 9.1. Colombia: Estimates of support to agriculture

Million USD

	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**10 564**	**32 848**	**30 647**	**32 612**	**35 286**
of which: share of MPS commodities (%)	80.20	95.33	98.34	91.91	95.73
Total value of consumption (at farm gate)	**7 846**	**26 887**	**25 163**	**27 137**	**28 360**
Producer Support Estimate (PSE)	**2 568**	**4 584**	**4 306**	**5 180**	**4 267**
Support based on commodity output	2 482	4 147	3 912	4 725	3 805
Market price support[1]	2 482	4 147	3 912	4 725	3 805
Positive market price support	2 482	4 147	3 912	4 725	3 805
Negative market price support	-1	0	0	0	0
Payments based on output	0	-0	0	0	0
Payments based on input use	86	436	393	453	461
Based on variable input use	53	342	308	358	360
with input constraints	36	302	272	318	318
Based on fixed capital formation	16	34	31	35	37
with input constraints	3	19	17	19	20
Based on on-farm services	17	59	54	60	64
with input constraints	5	49	44	49	52
Payments based on current A/An/R/I, production required	0	0	0	0	0
Based on Receipts / Income	0	0	0	0	0
Based on Area planted / Animal numbers	0	0	0	0	0
with input constraints	0	0	0	0	0
Payments based on non-current A/An/R/I, production required	0	0	0	0	0
Payments based on non-current A/An/R/I, production not required	0	0	0	0	0
With variable payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
With fixed payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
Payments based on non-commodity criteria	0	0	0	0	0
Based on long-term resource retirement	0	0	0	0	0
Based on a specific non-commodity output	0	0	0	0	0
Based on other non-commodity criteria	0	0	0	0	0
Miscellaneous payments	0	1	1	1	1
Percentage PSE (%)	**24.42**	**13.78**	**13.87**	**15.67**	**11.94**
Producer NPC (coeff.)	**1.32**	**1.15**	**1.15**	**1.18**	**1.14**
Producer NAC (coeff.)	**1.32**	**1.16**	**1.16**	**1.19**	**1.14**
General Services Support Estimate (GSSE)	**154**	**518**	**614**	**686**	**254**
Agricultural knowledge and innovation system	49	51	53	72	28
Inspection and control	9	44	40	45	47
Development and maintenance of infrastructure	95	379	481	526	132
Marketing and promotion	0	43	39	43	46
Cost of public stockholding	0	0	0	0	0
Miscellaneous	1	1	1	1	1
Percentage GSSE (% of TSE)	**5.63**	**10.20**	**12.47**	**11.70**	**5.61**
Consumer Support Estimate (CSE)	**-2 253**	**-5 355**	**-4 350**	**-6 010**	**-5 705**
Transfers to producers from consumers	-2 055	-4 280	-3 856	-4 666	-4 318
Other transfers from consumers	-214	-1 166	-562	-1 500	-1 437
Transfers to consumers from taxpayers	0	0	0	0	0
Excess feed cost	17	91	69	155	50
Percentage CSE (%)	**-29.02**	**-19.87**	**-17.29**	**-22.15**	**-20.12**
Consumer NPC (coeff.)	**1.41**	**1.25**	**1.21**	**1.29**	**1.25**
Consumer NAC (coeff.)	**1.41**	**1.25**	**1.21**	**1.28**	**1.25**
Total Support Estimate (TSE)	**2 722**	**5 102**	**4 920**	**5 866**	**4 520**
Transfers from consumers	2 269	5 446	4 418	6 165	5 755
Transfers from taxpayers	666	822	1 063	1 201	202
Budget revenues	-214	-1 166	-562	-1 500	-1 437
Percentage TSE (% of GDP)	**2.80**	**1.23**	**1.34**	**1.40**	**0.99**
Total Budgetary Support Estimate (TBSE)	**240**	**955**	**1 008**	**1 141**	**716**
Percentage TBSE (% of GDP)	**0.25**	**0.23**	**0.28**	**0.27**	**0.16**
GDP deflator (2000-02 = 100)	**100**	**353**	**333**	**353**	**374**
Exchange rate (national currency per USD)	**2 297.50**	**4 151.18**	**4 325.95**	**4 074.43**	**4 053.14**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for Colombia are: maize, rice, sugar, milk, beef and veal, pig meat, poultry, eggs, bananas, plantains, coffee, palm oil and flowers.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

Main policy instruments

Agricultural policy in Colombia is guided by the agricultural and rural components of the National Development Plan (PND, by its Spanish acronym). The PND 2022-2026, "Colombia, world power of life (*Colombia, potencia mundial de la vida*)" prioritises sustainable rural development by:

- formalising land tenure and land reform
- strengthening agricultural planning
- improving farmers' access to productive factors such as irrigation, extension, financing, technology and connectivity
- encouraging small-scale producers' associations, inclusion and diversity
- strengthening and shortening supply chains
- establishing climate smart adaptation strategies for agricultural production.

Preferential interest rates for agricultural credit, covering working capital, marketing and investment, are provided through the Financing Fund for the Agricultural Sector (*Fondo para el Financiamiento del Sector Agropecuario*, FINAGRO), which acts as the implementing agency of the National Agricultural Credit System (*Sistema Nacional de Crédito Agropecuario*, SNCA). The National Agricultural Credit Commission (*Comisión Nacional de Crédito Agropecuario*, CNCA), as the governing body of the SNCA, annually defines the financing policy for the sector, including the terms and conditions of financial instruments. The instruments include **special lines of credit** and microcredit (LEC/LEM), incentives for rural capitalisation (ICR), the Agricultural Guarantee Fund (*Fondo Agropecuario de Garantías*, FAG), which provides collateral guarantees for agricultural loans, and the risk management instruments financed through the National Agricultural Risk Fund (*Fondo Nacional de Riesgos Agropecuarios*, FNRA). The FNRA finances the agricultural insurance incentive (ISA), which subsidises the cost of agricultural insurance premiums at rates set annually by the CNCA and differentiated by type of producer.

Input subsidies are provided to support farm improvements. The Comprehensive Agricultural and Rural Development Projects with a Territorial Approach (*Proyectos Integrales de Desarrollo Agropecuario y Rural con Enfoque Territorial*, PIDAR), co-financed and implemented by the Rural Development Agency (*Agencia de Desarrollo Rural*, ADR), provide **subsidies for investments** related to drainage and on-farm irrigation infrastructure, other fixed capital formation, as well as for technical assistance. The Fund for Agricultural Promotion (*Fondo de Fomento Agropecuario*) provides **co-financing for projects** to strengthen technology transfer, research, and modernisation activities, and to improve productive, physical, and social infrastructure in rural areas. The Productive Alliances programme focuses on small-scale farmers and provides subsidies for various inputs, including variable inputs (e.g. seeds and fertilisers), fixed capital investments (e.g. irrigation, drainage, machinery), and on-farm services (e.g. technical assistance). Farmers also benefit from subsidies for animal and plant health control services.

The Andean Price Band System (SAFP) establishes a and ceiling prices for a set of marker agricultural products and their linked and derived products. The system currently covers several products, including cereals, oilseeds, sugar, dairy products and selected livestock products. In some cases, the SAFP may be suspended and replaced by fixed applied tariffs. During 2025 and early 2026, this remained the case for selected products, including rice, powdered milk, white maize and whey.

Price Stabilisation Funds (FEPs) also use **reference price bands to stabilise farm income**. These funds provide payments to producers when a product's reference market price falls below a minimum (floor price). When the reference price exceeds an established ceiling price, producers contribute to the funds. FEPs therefore operate as producer-funded stabilisation mechanisms that compensate for differences

between domestic and export market conditions and may result in domestic producer prices differing from international reference prices. The ceiling and floor prices are established by councils composed of producer representatives and government officials based on selected international prices for each product, while payments and contributions are calculated using a reference market price. FEPs are financed and administered by producer associations and are currently apply to cotton, cocoa, palm oil, sugar, beef and milk.

Public investments in general services focus on farm restructuring, agricultural research and extension services, as well as inspection and control. Efforts under the framework of the Peace Agreement on the provision of rural public goods and services have increased the amount of land with formal tenure, improved irrigation and drainage, and provided technical assistance. Recent years have seen a significant acceleration in land restitution to victims of dispossession and forced displacement during the armed conflict, contributing to a cumulative total exceeding 3 600 000 hectares (less than 1% of Colombia's 40.5 million hectares of agricultural area) by the end of 2025.[1]

Recent policy developments

Domestic policy developments in 2025-26

New regulatory measures were introduced under the Integrated Rural Reform to facilitate land acquisition, including mechanisms to streamline voluntary land purchases.[2] Launched in 2016 as part of the Final Agreement for Ending the Conflict and Building a Stable and Lasting Peace, the reform is grounded on the principle of land democratisation with a focus on access to land and the formalisation, and regularisation of property rights. Its scope extends beyond land issues to address broader rural development challenges, aiming to **improve rural quality of life** through integrated interventions. These include support for productive projects, access to financing, infrastructure development, and agricultural extension services, with a particular focus on marginalised rural populations.

A national plan to identify, characterise, recognise, and formalise peasant landholdings was adopted in 2025 to strengthen **land governance and territorial planning** and reinforce the role of rural communities in land management. The government also expanded territorial instruments such as Peasant Reserve Zones (*Zonas de Reserva Campesina*, ZRC), which is a **land-use and rural development instrument** designed to support small-scale farmers and stabilise rural territories. During 2025, several new zones were created or approved across multiple regions and continued to support collective land management approaches. In addition, new Agrifood Territories were established to promote local food systems and strengthen rural livelihoods. These measures reflect a broader strategy to consolidate territorial approaches to rural development and address historical inequalities in land distribution.

The **use of land-use planning tools,** aimed at protecting agricultural production and ensuring food security were expanded, with several Protection Areas for Food Production (*Áreas de Protección para la Producción de Alimentos*, APPA) declared or expanded across different regions. These safeguard significant shares of municipal territory for agricultural use. The regulatory framework governing the national agricultural frontier and territorial planning guidelines were also updated to reinforce the integration of environmental considerations into agricultural land-use planning.

Peasant forest concessions are a new policy instrument designed to enable sustainable use of forest and biodiversity resources on public lands. By granting local communities secure and conditional use rights, the policy creates incentives for long-term stewardship, encouraging sustainable management practices while reducing deforestation and illegal resource extraction.

Regulatory updates also refined frameworks for territorial planning and agricultural land management, notably through revisions to the national agricultural frontier and the guidelines for territorial management

for agricultural uses. These measures strengthen land-use planning by clarifying the delimitation of areas suitable for agricultural expansion and by guiding production systems towards sustainable use, better aligning agricultural development with conservation objectives.

Policies promoting inclusion and equity in rural areas were reinforced in 2025–26. New regulatory frameworks, particularly reforms to the governance of indigenous territories and land information systems, were adopted to **strengthen the governance and financing of indigenous territories**, as well as to improve co-ordination and information systems related to land tenure. In parallel, a dedicated programme was introduced to facilitate access to land for the Rrom population, reflecting continued efforts to address disparities in land access and strengthen the rights of ethnic communities.

Colombia continued to implement climate adaptation initiatives in the agricultural sector, notably by scaling up agro-climatic information systems and participatory extension mechanisms. Recent efforts have focused on expanding the use of tailored climate services, such as seasonal forecasts and decision-support tools developed with international partners, and on strengthening local technical agroclimatic committees, which translate climate information into farm-level recommendations. These initiatives, often supported through international co-operation programmes, aim to improve farmers' capacity to manage climate risks and adopt adaptive practices across priority value chains.

Trade policy developments in 2025-26

In 2025 and early 2026, Colombia suspended the Andean Price Band System (SAFP) for selected products, which continued to be subject to fixed import tariffs, including rice, powdered milk, white maize and whey. During the suspension period, these products were subject to fixed MFN import tariffs established by the national authorities rather than the variable duties of the SAFP. Preferential tariff treatment continued to apply under Colombia's trade agreements, including those with the United States, the European Union and the Andean Community, subject to the relevant tariff schedules and quotas (WTO, 2025[1]).

At the same time, Colombia continued to actively adjust import duties under the SAFP mechanism, with periodic revisions affecting products such as cereals, oilseeds, and dairy. Some additional tariff measures were applied in specific sectors, including dairy products, reflecting ongoing use of trade policy instruments to manage domestic market conditions. In March 2026, Colombia repealed anti-dumping duties on frozen fries imported from Belgium, Germany and the Netherlands following the implementation of WTO rulings in dispute DS591.[3] The measure was terminated through Resolution 108 of 11 March 2026.

Policy context

Key economic and agricultural statistics

Colombia is the only South American country that borders both the Caribbean Sea (Atlantic Ocean) and the Pacific Ocean. The country has a surface of 1.1 million km^2 and has abundant agricultural land and fresh water, is mega-biodiverse and rich in natural minerals and fossil fuels. Agriculture is an important sector for the economy, accounting for 14.3% of employment and 9.3% of the GDP in 2024. Colombia has a dualistic distribution of land ownership where traditional subsistence smallholders co-exist with large-scale commercial farms. The sector makes a significant contribution to the country's trade, with agro-food exports accounting for 22.8% of all exports in 2024.

Table 9.2. Colombia: Contextual indicators

	Colombia		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	265	1 138	0.7%	0.7%
Population (million)	38	52	0.9%	0.9%
Land area (thousand km²)	1 110	1 110	1.3%	1.3%
Agricultural area (AA) (thousand ha)	44 859	40 483	1.5%	1.4%
			All countries[1]	
Population density (inhabitants/km²)	35	47	52	64
GDP per capita (USD in PPPs)	6 776	21 509	9 508	31 740
Trade as % of GDP	12.5	13.6	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	8.3	9.3	3.0	3.6
Agriculture share in employment (%)	20.3	14.3	-	-
Agro-food exports (% of total exports)	22.3	22.8	6.4	8.3
Agro-food imports (% of total imports)	12.8	14.0	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	59.1	55.0	62.1	60.4
Livestock in total agricultural production (%)	40.9	45.0	37.9	39.6
Share of arable land in AA (%)	6.3	6.3	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

In 2025, Colombia's real GDP growth was 2.8%. Employment, which had suffered from the COVID-19 pandemic, started recovering since 2022. The unemployment rate has been decreasing and reached 8.3% in 2025. After three years of continuous increase, inflation decreased in 2024 to 6.61% and to 5.15% in 2025.

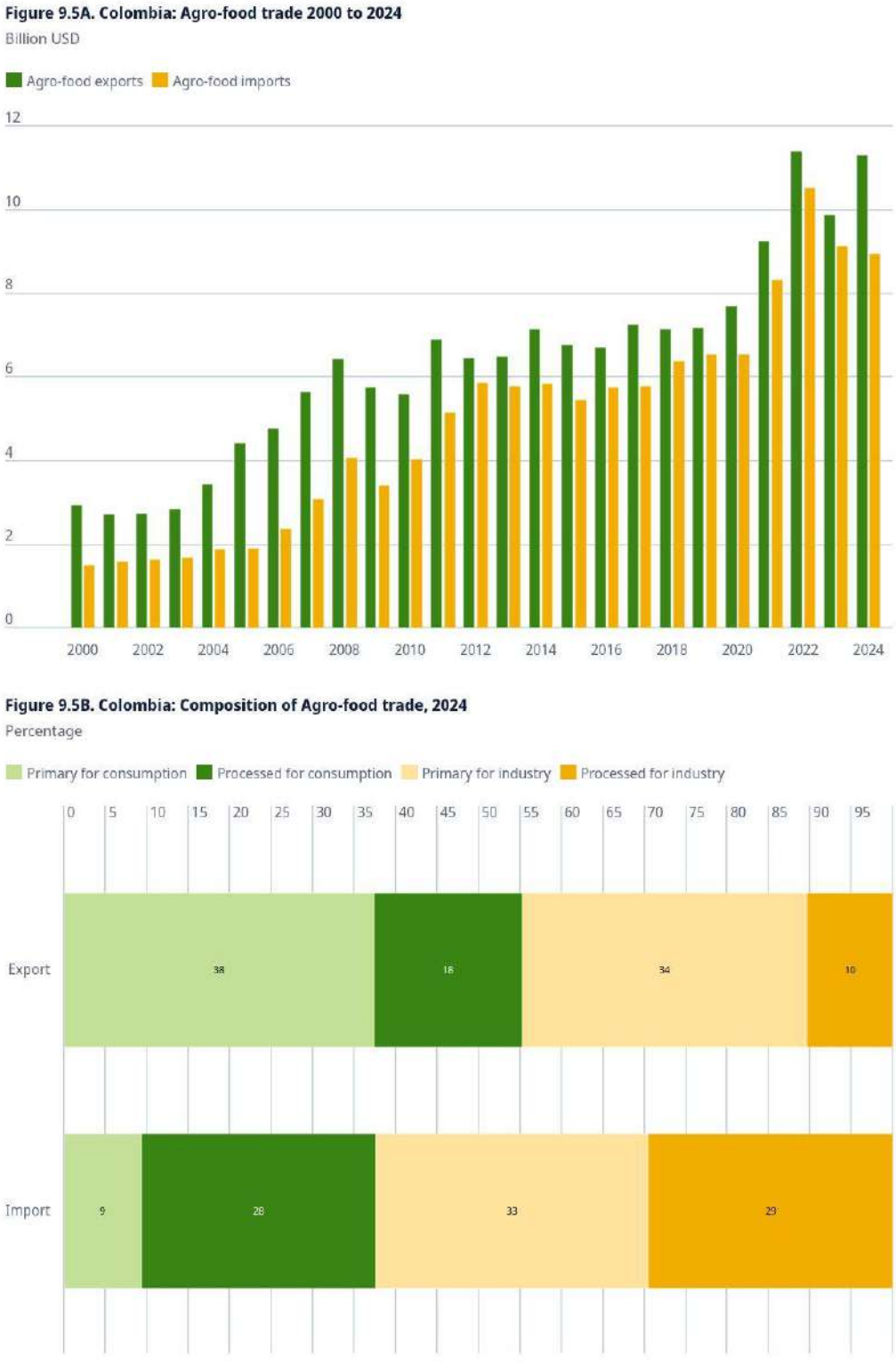
Figure 9.4. Colombia: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

Colombia is a net exporter of agricultural and food products with a net surplus of USD 2 360 million in 2024. For 2024, 56% of agro-food exports are for final consumption, while 44% are sold as intermediate inputs for use in manufacturing sectors in foreign markets. Most agro-food imports (62%) are in the form of intermediates for further processing in the country.

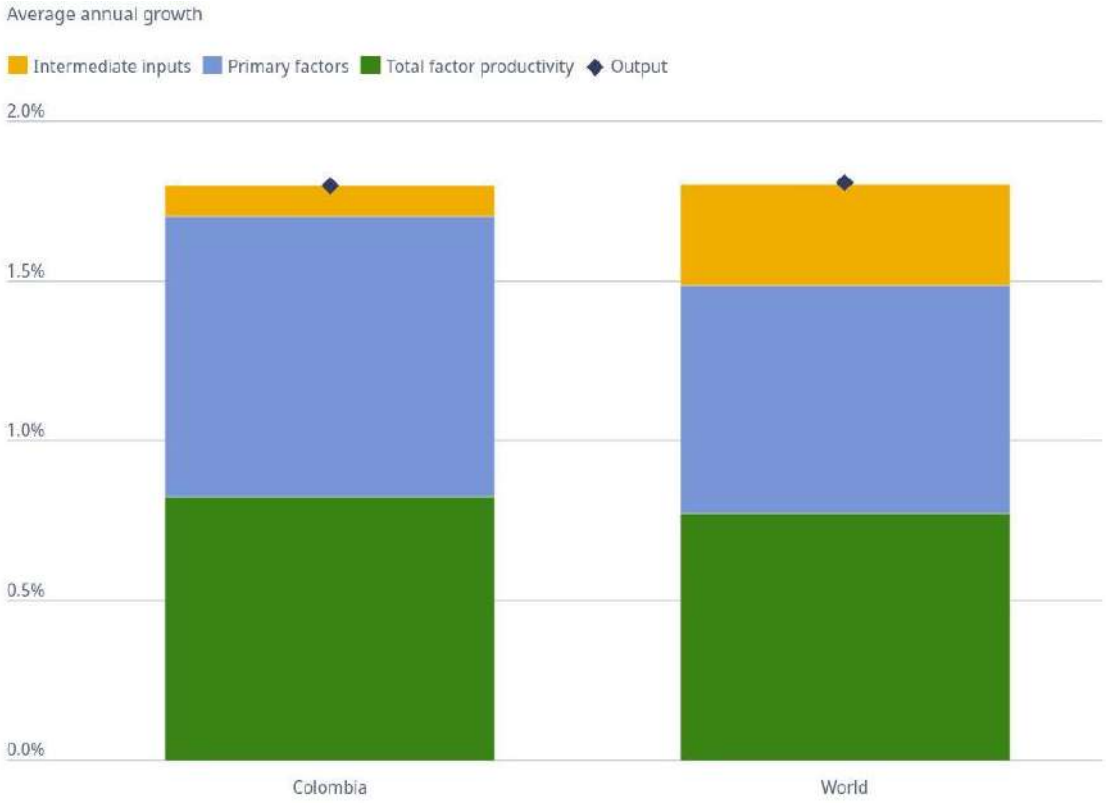
Figure 9.5. Colombia: Agro-food trade



Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Colombia has witnessed an output growth of 1.8% for the period 2014-23. This growth is mostly due to primary production factors use growth (0.9%), intermediate input growth (0.1%), and to Total Factor Productivity (TFP) that contributed to output growth with 0.8%. Agriculture contributed 31.6% of GHG emissions in 2024, well above the OECD average of 10.3%. In contrast, the nitrogen balance (20.2) was lower than the OECD average (29) in 2024.

Figure 9.6. Colombia: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Table 9.3. Colombia: Productivity and environmental indicators

	Colombia		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	0.8%	0.8%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	11.8	20.2	32.3	29.0
Phosphorus balance, kg/ha	6.1	10.0	3.3	2.3
Agriculture share of total energy use (%)[1]	5.8	1.5	1.7	2.0
Agriculture share of GHG emissions (%)	35.2	31.6	8.7	10.3
Share of irrigated land in AA (%)	..	0.7	-	-
Share of agriculture in water abstractions (%)	..	..	46.1	47.7
Water stress indicator	..	..	..	..

Note: * or closest available year.
1. Data are not directly comparable between time periods due to change in methodology in 2013.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

The agricultural sector has played an important role in Colombia's economic growth. Commercial agriculture began a phase of rapid expansion in the 1960s. Growth, especially in the 1960s and 1970s, was partly a response to policy incentives to mechanise and intensify the use of modern inputs, and partly a consequence of the sector's protection from imports. The coffee booms of the 1970s and the 1980s coincided with strong growth in agricultural and total GDP. Until the beginning of the 1990s, agriculture was the largest productive sector of Colombia. Over this period, import substitution policies were used, including tariffs, quantitative restrictions, state marketing enterprise, subsided credit and minimum prices (Anderson and Valdes, 2007[2]).

At the beginning of the 1990s, Colombia experimented with more open trade. The government monopoly on agricultural marketing was eliminated, and private banks were encouraged to lend to farmers and agricultural exporters. To diversify the markets for Colombian agro-food products, the government negotiated trade agreements with Mercosur, the United States, Central America, Chile, Canada, and the European Union (OECD, 2015[3]).

This economy-wide programme of trade liberalisation was combined with deregulated foreign exchange rates and labour markets. Quantitative trade restrictions were abolished and import tariffs reduced and replaced by ad valorem tariffs. The role of IDEMA (*Instituto de Mercadeo Agropecuario*), the agricultural marketing institute that had a monopoly over grain imports, was reduced and its operation limited to poor areas with less access to markets. Minimum guaranteed prices were established for some staple commodities, with international prices used as a benchmark (Anderson and Valdes, 2007[2]).

However, this liberalisation was too rapid for farmers to adjust, putting the sector in crisis. Towards the end of the 1990s, the government implemented policies to protect the sector and stabilise producer incomes in the face of price fluctuations in world markets. Colombia adopted a price band system for six agricultural commodities, along with their substitutes and derivatives was introduced. This eventually evolved into the Andean Price Band System (*Sistema Andino de Franjas de Precios* – SAFP) and incorporated more products. The construction of the price bands, which fixed the floor and ceiling prices, raised the protection of domestic goods against imports.

Moreover, the Price Stabilisation Funds (*Fondos de Estabilización de Precios*, FEPs) originally created for cocoa and cotton, were expanded to also cover palm oil, sugar cane, beef, and milk. The FEPs make

payments to producers when the selling price of a product falls below a minimum (floor) price. When the sales price of a product is higher than an established maximum (ceiling) price, producers contribute to the FEPs. While these funds currently do not represent government outlays, the government provided the initial capital for their set-up.

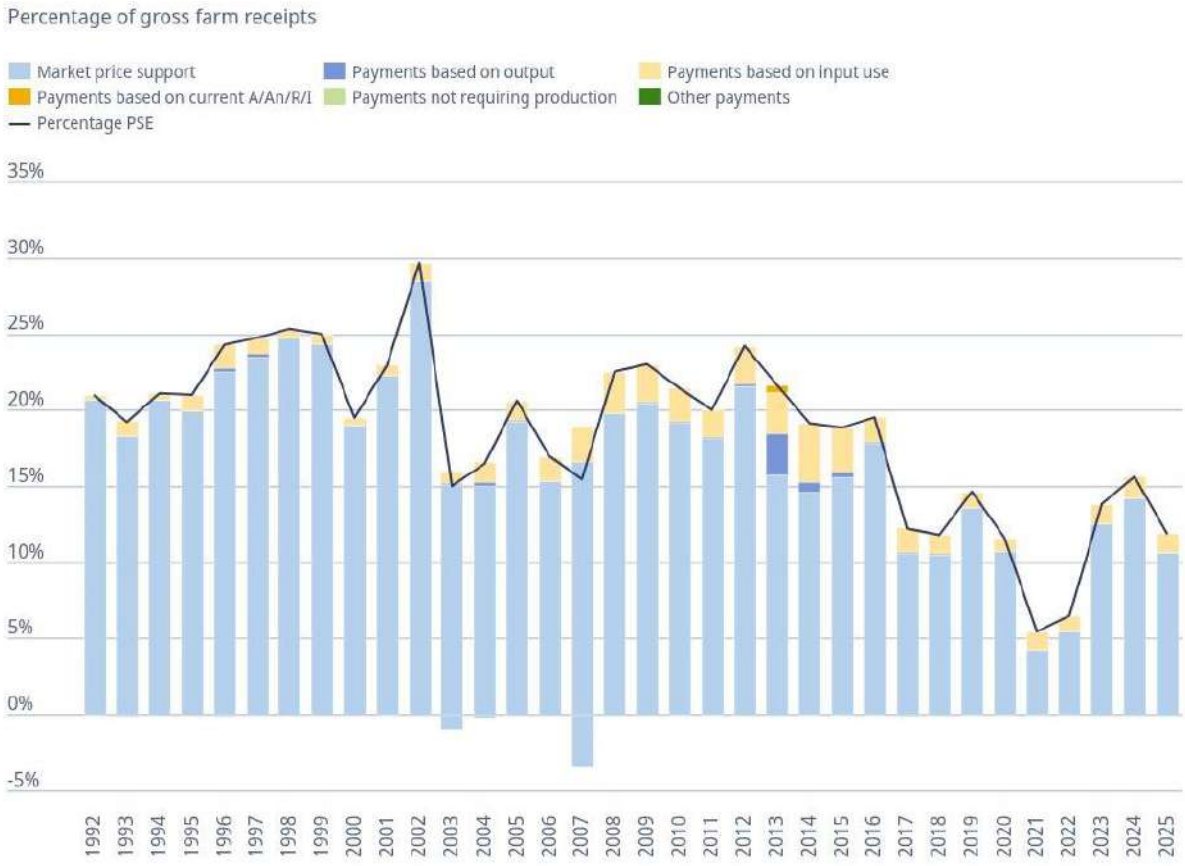
After 56 years of conflict between the government, paramilitary groups and guerrilla groups, a peace agreement was signed in 2016 by the government and the Revolutionary Armed Forces of Colombia (FARC). The peace negotiations resulted in an agreement with a common vision for rural development. It sets out a long-term plan for the sector focusing on the use of land and water resources, increased productivity and competitiveness, improved infrastructure and other public goods for the agricultural sector, and a redefined institutional architecture to design and implement policy (Colombian Government, 2016[4]).

Since 2022, more emphasis has been put on land reform, sustainability, productivity, rural and territorial development, as well as rural services such as rural roads, digital coverage, and housing.

Table 9.4. Colombia: Agricultural policy trends

Period	Broader framework	Changes in agricultural policies
Prior to 1990s	Import substitution policies	Tariffs on agricultural inputs and outputs Other border measures establish tariff rate quotas (TRQs) Minimum prices Export promotion and subsidies for traditional crops (coffee, sugar) State marketing agency (government purchases of agricultural products) Subsided agricultural credit Export taxes
1990-2013	Back and forth changes to trade liberalisation and measures to offset economic crisis Changes to trade liberalisation and some protection measures	Role of the state marketing company reduced and later increased for marketing cereals and oilseeds Reduction of tariffs for both agricultural outputs and inputs Export subsidies Several FTAs signed The price band system evolves into the Andean Price Band System (SAFP), expanding its coverage from a limited number of agricultural commodities to a broader set of products and by-products Quantitative import restrictions created Direct payments introduced Expansion of price stabilisation funds to other crops
2013-2022	Peace negotiations and agreement	Focus on agricultural innovation and public goods Focus on productivity, competitiveness, and rural development Efforts to improve the land tenure system
2022-present	Agrarian reform Agricultural inequalities	Emphasis on land rights, land restitution, land access Emphasis on small-scale farmers and gender issues Emphasis on sustainable productivity and territorial development

Figure 9.7. Colombia: Development of the PSE and its composition, 1992 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2025), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

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Colombian Government (2016), *Final agreement to end the armed conflict and build a stable and lasting peace*, https://www.peaceagreements.org/viewmasterdocument/1845. [4]

OECD (2015), *OECD Review of Agricultural Policies: Colombia 2015*, OECD Review of Agricultural Policies, OECD Publishing, Paris, https://doi.org/10.1787/9789264227644-en. [3]

WTO (2025), *Trade Policy Review. Colombia*, WTO, https://www.wto.org/english/tratop_e/tpr_e/s472_e.pdf?utm_source=chatgpt.com. [1]

Notes

[1] See: https://colombia.unmissions.org/sites/default/files/2026-01/infography_eng_dec2025_final.pdf.

[2] Decree 33 of 2025: https://www.funcionpublica.gov.co/eva/gestornormativo/norma_pdf.php?i=259621.

[3] See WTO | dispute settlement - the disputes - DS591: Colombia - Anti-Dumping Duties on Frozen Fries from Belgium, Germany and the Netherlands.

10 Costa Rica

Main findings

Support to agriculture

In 2023-25, Costa Rica's Producer Support Estimate (PSE) amounted to 3.7% of gross farm receipts, well below the OECD average and down from 8% in 2000-02. Most producer support is market price support (MPS) – among the potentially most production- and trade-distorting forms of support – and arising mainly from border measures, such as tariffs. Products with market price support include pig meat, poultry meat, sugar, and rice. On average, border protection raised producer prices by 3% relative to international prices in 2023-25.

Budgetary support to producers is comparatively small and represented 0.6% of gross farm receipts in 2023-25. It is provided mainly in the form of credit at preferential rates for the agricultural sector, support for on-farm services, and subsidies for fixed capital formation directed mainly to small-scale farmers. It also covers payments for environmental services and support to organic production.

General services expenditure (General Services Support Estimate, GSSE) in 2023-25 averaged 1.3% of the value of agricultural production, an increase from 0.9% in 2000-02 but still less than half the OECD average. Most GSSE expenditure is allocated to the development and maintenance of infrastructure, the agricultural knowledge and innovation system (particularly extension services), and to inspection and control services.

Total support to the sector (Total Support Estimate, TSE) relative to GDP declined from 1.2% in 2000-02 to 0.4% in 2023-25, slightly below the OECD average.

Key policy changes in 2025-26

The Sustainable Agro-Landscapes Initiative and the Planeta Vivo national label were launched in 2025. These initiatives aim to certify and showcase Costa Rica's environmental protection efforts and to differentiate agricultural products in international markets through a label that demonstrates deforestation-free production, a neutral emissions balance, and the responsible use of pesticides.

A credit subprogramme was established to support sustainable production practices in the livestock, coffee, and sugarcane sectors. It targets small and medium producers undertaking investments and provides guarantees covering up to 75% of the loan principal. Beneficiaries must have farm diagnoses, investment plans and technical follow-up to ensure the effective adoption of sustainable practices.

A multi-stakeholder committee to define strategic priorities for agricultural research and development was created and held its first session in 2025. This body brings together public, private and academic actors to ensure that research efforts align with technical evidence, producer and market needs, and sustainability objectives.

The Ministry of Agriculture and its decentralised bodies were reorganised to modernise and streamline their work. A key component of the reform was the creation of a specialised unit within the agricultural

extension directorate to lead the digital transformation efforts and integrate emerging technologies into its services.

Assessment and recommendations

- Put greater emphasis on strengthening productivity through improved technology adoption, more efficient resource use, and better infrastructure, which will be essential to future-proof the sector. Falling rates of agricultural productivity growth continue to be a concern, particularly given growing pressures on agriculture, such as deteriorating export competitiveness due to currency appreciation and the risk of a strong El Niño event in 2026-27.
- Increase support for general services and investment in the innovation system. This would build on recent efforts to guide agricultural research and development by bringing together stakeholders and aligning priorities with producer needs, markets and sustainability, which help strengthen co-ordination and support the uptake of innovative solutions. Ensuring strong and stable funding for agricultural innovation, both through increased public investment and by incentivising private engagement, is essential, for example through targeted incentives or thematic public-private partnerships.
- Incentivise the adoption of sustainable practices and a more efficient use of inputs, for example by consistently linking benefits from existing programmes to the adoption of specific practices. Environmental pressures from agriculture remain high: GHG emissions (mainly methane and nitrous oxide) are well above the OECD average, there is an elevated phosphorus balance, and water use is particularly intensive. Improving input-use efficiency is especially critical in a context of rising fertiliser and agricultural input costs that add pressure on the economic viability of farms.

Key indicators on agricultural support

Figure 10.1. Costa Rica: Development of support to agriculture

Figure 10.1A. Costa Rica: Producer Support Estimate and its composition

Percentage of gross farm receipts

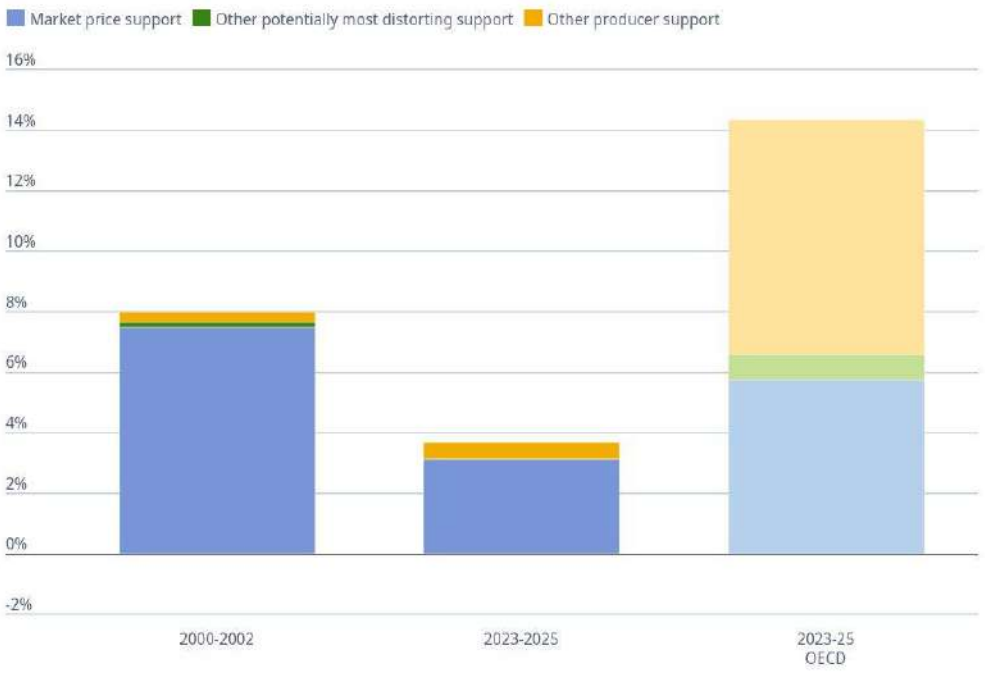


Figure 10.1B. Costa Rica: Ratio of producer to border price

Producer NPC

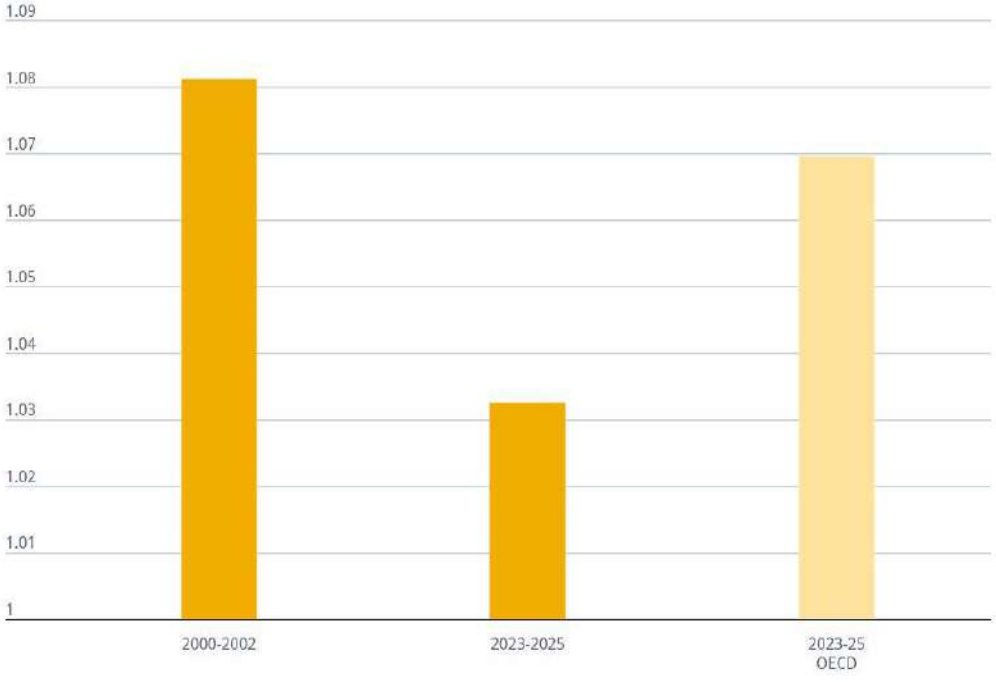


Figure 10.1C. Costa Rica: General Services Support Estimate and its composition

Relative to agricultural value of production

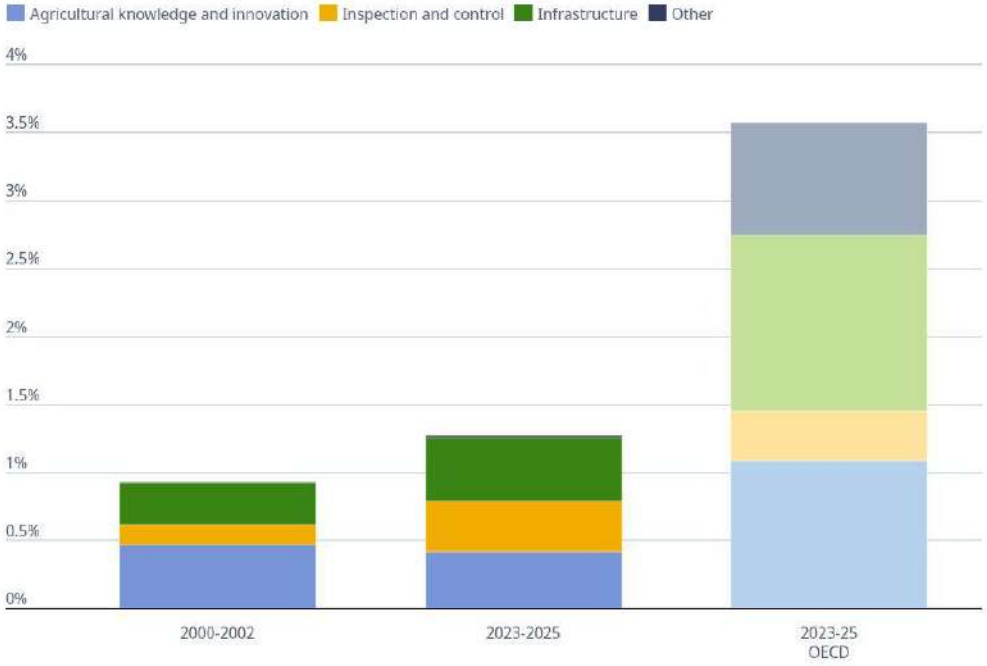
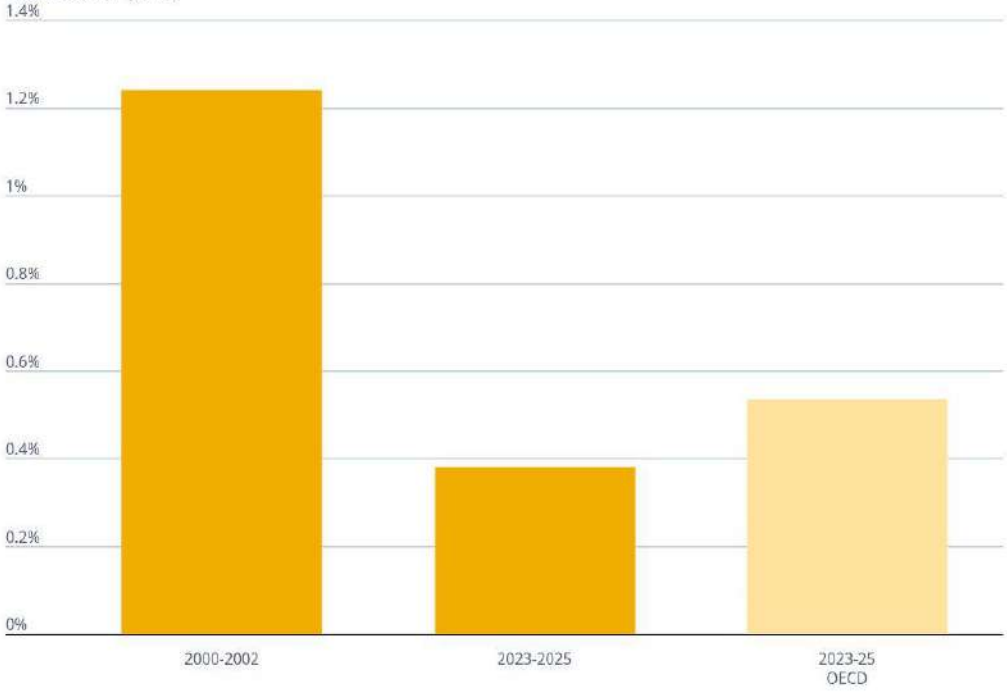


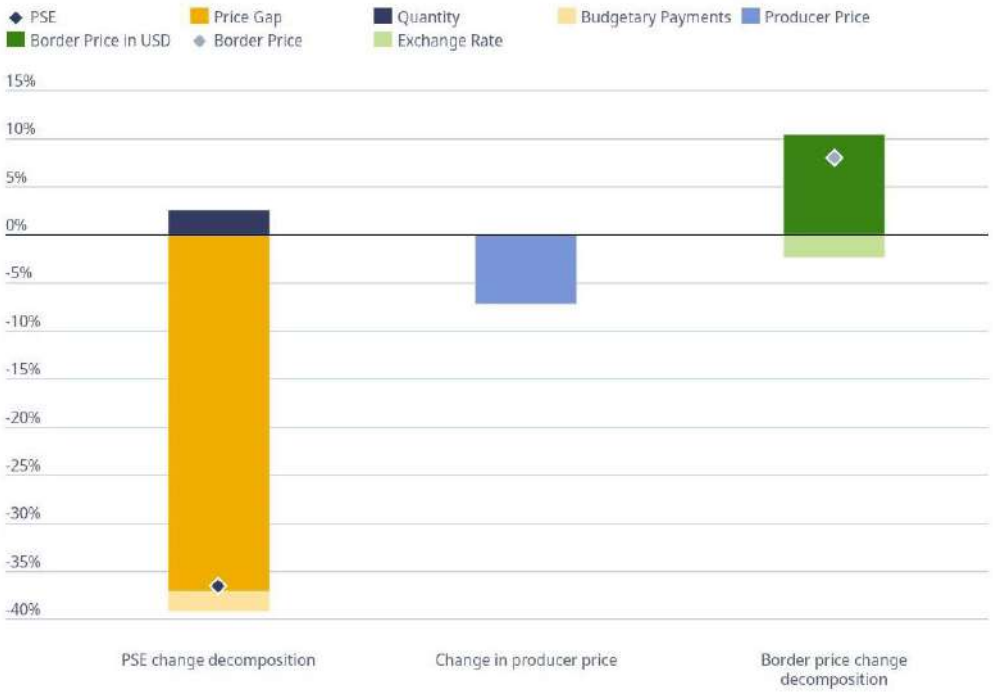
Figure 10.1D. Costa Rica: Total Support Estimate

Relative to GDP (%TSE)



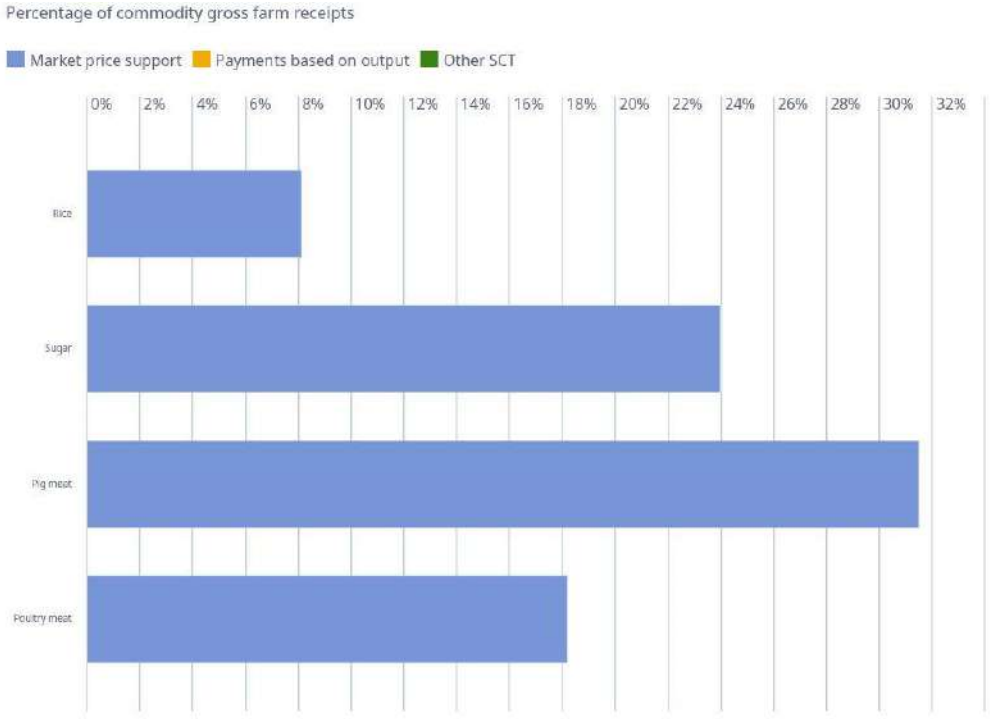
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 10.2. Costa Rica: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Figure 10.3. Costa Rica: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Table 10.1. Costa Rica: Estimates of support to agriculture

Million USD

.	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**2 205**	**7 199**	**6 844**	**7 259**	**7 494**
of which: share of MPS commodities (%)	79.23	79.46	79.60	79.36	79.41
Total value of consumption (at farm gate)	**1 132**	**3 387**	**3 123**	**3 369**	**3 671**
Producer Support Estimate (PSE)	**176**	**267**	**237**	**342**	**222**
Support based on commodity output	165	227	197	299	185
Market price support[1]	165	227	197	299	185
Positive market price support	165	227	197	299	185
Negative market price support	0	0	0	0	0
Payments based on output	0	0	0	0	0
Payments based on input use	10	39	39	42	35
Based on variable input use	4	18	20	22	12
with input constraints	1	18	20	22	12
Based on fixed capital formation	1	9	8	8	11
with input constraints	0	2	1	1	3
Based on on-farm services	5	12	11	12	12
with input constraints	3	0	0	0	0
Payments based on current A/An/R/I, production required	0	0	0	0	0
Based on Receipts / Income	0	0	0	0	0
Based on Area planted / Animal numbers	0	0	0	0	0
with input constraints	0	0	0	0	0
Payments based on non-current A/An/R/I, production required	0	0	0	0	0
Payments based on non-current A/An/R/I, production not required	0	0	0	0	0
With variable payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
With fixed payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
Payments based on non-commodity criteria	1	2	2	2	2
Based on long-term resource retirement	0	2	2	2	2
Based on a specific non-commodity output	0	0	0	0	0
Based on other non-commodity criteria	1	0	0	0	0
Miscellaneous payments	0	0	0	0	0
Percentage PSE (%)	**7.98**	**3.69**	**3.45**	**4.68**	**2.95**
Producer NPC (coeff.)	**1.08**	**1.03**	**1.03**	**1.04**	**1.03**
Producer NAC (coeff.)	**1.09**	**1.04**	**1.04**	**1.05**	**1.03**
General Services Support Estimate (GSSE)	**20**	**92**	**81**	**90**	**105**
Agricultural knowledge and innovation system	10	30	28	30	32
Inspection and control	3	27	26	28	26
Development and maintenance of infrastructure	7	34	26	31	45
Marketing and promotion	0	1	1	1	1
Cost of public stockholding	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Percentage GSSE (% of TSE)	**10.37**	**25.55**	**25.49**	**20.81**	**32.04**
Consumer Support Estimate (CSE)	**-192**	**-250**	**-213**	**-295**	**-242**
Transfers to producers from consumers	-157	-196	-178	-243	-168
Other transfers from consumers	-35	-54	-36	-52	-74
Transfers to consumers from taxpayers	0	0	0	0	0
Excess feed cost	0	0	0	0	0
Percentage CSE (%)	**-16.90**	**-7.38**	**-6.84**	**-8.75**	**-6.60**
Consumer NPC (coeff.)	**1.20**	**1.08**	**1.07**	**1.10**	**1.07**
Consumer NAC (coeff.)	**1.20**	**1.08**	**1.07**	**1.10**	**1.07**
Total Support Estimate (TSE)	**197**	**359**	**319**	**432**	**327**
Transfers from consumers	192	250	213	295	242
Transfers from taxpayers	40	163	141	189	159
Budget revenues	-35	-54	-36	-52	-74
Percentage TSE (% of GDP)	**1.24**	**0.38**	**0.37**	**0.45**	**0.32**
Total Budgetary Support Estimate (TBSE)	**31**	**132**	**122**	**133**	**142**
Percentage TBSE (% of GDP)	**0.20**	**0.14**	**0.14**	**0.14**	**0.14**
GDP deflator (2000-02 = 100)	**100**	**384**	**385**	**385**	**384**
Exchange rate (national currency per USD)	**332.29**	**520.89**	**544.05**	**515.11**	**503.50**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.

1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for Costa Rica are: rice, sugar, milk, beef and veal, pig meat, poultry, bananas, coffee, palm oil and pineapple.

Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Policy landscape

General policy direction

The Public Policy for the Agricultural Sector 2023-32 sets out the main policy guidance. This framework outlines measures to enhance productivity, sustainability, resilience, and climate change adaptation, with the ultimate goals of improving the international competitiveness of Costa Rican products, creating employment and improving living conditions in rural areas (Ministerio de Agricultura y Ganadería, 2023[1]). The policy is structured around four key action areas: modernising and reinforcing the public institutions governing the sector and improving their co-ordination; boosting competitiveness; improving productivity and sustainability; and strengthening value added and marketing channels. Implementation of the policy is guided by the Sectoral Plan of the Public Policy for the Costa Rican Agricultural Sector 2023-27, which defines specific interventions for the first five-year phase.

The National Plan for Territorial Rural Development 2024-30 includes measures to support the agro-food sector, recognising that rural development encompasses more than agriculture. Actions in this plan include agricultural extension services, training in new technologies and sustainable practices, support for local enterprises, and the promotion of family farming.

The National Seed Policy for 2017-30 is implemented by the National Seed Office with the participation of stakeholders from across the seed production chain. Its actions include developing new seed varieties, promoting local seed production and exports, facilitating knowledge transfer, and ensuring the security of the seed supply.

Market and trade policies

Costa Rica applies a range of border measures on agricultural imports, including tariffs and sanitary and phytosanitary (SPS) requirements. In 2025, the average applied most-favoured-nation (MFN) tariff on agricultural goods was 11.5% compared with 4.6% for non-agricultural products. Some sectors face considerably higher MFN average rates, such as dairy (45.6%), animal products (21.2%) and sugars (18.9%) (WTO ITC UNCTAD, 2026[2]). Important reforms in this area took place in 2022 with the elimination of the reference price and a reduction in import tariffs for rice.

Costa Rica has entered into 18 regional trade agreements (RTAs) with 54 trading partners[1] across the world. Most of Costa Rica's agro-food trade is conducted under these agreements: in 2022-24, RTA partners accounted for 95% of agro-food exports and 86% of imports (WITS, 2026[3]).

A programme for agricultural export promotion and diversification (*Descubre*) links farmers to export markets and international value chains and promotes investments in rural and coastal areas. Its activities include providing seed capital and technical assistance to help small producers become providers of exporting companies in selected agro-food value chains.

Budgetary and financial instruments

Budgetary policy instruments primarily support the provision of general services to agriculture, including extension services, research and development (R&D), and plant and animal health services, with a strong emphasis on agri-environmental objectives. Farmers also receive targeted payments and subsidies, mostly directed to small-scale producers. These include non-refundable grants for the purchase of machinery, equipment or inputs and for productive infrastructure, as well as public investments in small-scale irrigation and drainage infrastructure. Support is also provided implicitly through credit at preferential interest rates.

The Institutional Supply Program (*Programa de Abastecimiento Institucional* – PAI), managed by the National Production Council (CNP) procures food from micro, small and medium-sized producers and agribusinesses for consumption in public institutions such as school cafeterias, hospitals and prisons.

The National Institute for Innovation and Transfer of Agricultural Technology (INTA) oversees agricultural research, development and innovation. Its accrued budget in 2025 was CRC 4.9 billion (USD 9.8 million). Together with the MAG's National Directorate of Agricultural Extension (DNEA), INTA also delivers technology transfer and extension services to farmers. Animal and plant health services are provided by the National Animal Health Service (SENASA) and the National Phytosanitary Service (SFE), respectively. The 2025 budgets of these agencies were respectively CRC 9.7 billion (USD 19.4 million) and CRC 12.3 billion (USD 24.4 million) (Ministerio de Hacienda, 2026[4]).

Agricultural producers benefit from some tax incentives related to their activities and inputs. For example, the valuation of agricultural land for purposes of the municipal property tax is based on the land use instead of its market value (OECD, 2020[5]). Any producer registered with the Ministry of Finance is exempt from import taxes on equipment (including work vehicles), machinery, and other inputs. Certain agricultural and veterinary inputs, as well as basic foodstuffs, are subject to a reduced VAT rate of 1% (compared to the standard rate of 13%). Domestic sales of certified organic products are taxed at a VAT rate of 0.5%.

Agri-environmental policies

The Payment for Environmental Services programme, managed by the National Forest Financing Fund (FONAFIFO), provides financial compensation to small and medium-sized agricultural or livestock producers who integrate tree planting into their crop or pasture systems. This helps maintain, recover, and develop forest ecosystems, increase carbon sequestration, enhance rural landscapes and the environmental conditions on livestock farms, and generate additional income through the sale of timber from planted trees. Payments to farmers in 2025 amounted to CRC 102 million (USD 202 582).

The Recognition of Benefits for Good Agricultural and Livestock Practices programme provides monetary incentives to agricultural producers, covering 20% to 30% of the cost of investments that generate positive environmental impacts, such as hedgerows, fodder banks, biodigesters or organic waste-treatment systems. In 2025, total payments to farmers amounted to CRC 362 million (USD 719 092). The Recognition of Organic Environmental Benefits programme offers annual payments for up to three years to producers who are certified organic or in transition. The total amount paid to farmers in 2025 was CRC 158 million (USD 314 718), with individual amounts determined by the department responsible following an assessment of each applicant's investment proposal. Both programmes are managed by MAG.

Irrigation policies are managed by the National Groundwater, Irrigation and Drainage Service (SENARA), which builds and manages irrigation infrastructure. SENARA carries out works for drainage and flood control in regions with high rainfall levels, manages groundwater resources, generates data on the availability, quantity, quality, and vulnerability of Costa Rica's water resources, and provides training and assistance to producers.

The Ecological Blue Flag (*Bandera Azul*) for the agricultural sector is a voluntary programme that recognises farmers who adopt practices related to water management, soil conservation, use of agricultural inputs, fossil fuels and electricity, as well as climate adaptation and resilience.

Consumer and nutrition policies

Costa Rica operates a school meal programme that covers all levels of public education, from preschool to young adults. The School Child and Adolescent Food and Nutrition Programme (PANEA, by its Spanish acronym) is financed by the central government through the Ministry of Education. In 2024, PANEA had

an executed budget of CRC 79 billion (USD 154 million) and reached 96% of schools, providing meals to over 789 000 students, or 88% of students enrolled in the public education system (FODESAF, 2025[6]). The programme is managed in a decentralised manner by school boards, which oversee implementation decisions – including food purchases, menu planning and the creation of school gardens – and receive subsidies to carry out these tasks. Sample menus and nutritional guidelines are tailored to different age groups, and there are regionally tailored menus for indigenous communities. Regulations also govern the types of food that can be sold in school shops. Most food is purchased through the Institutional Supply Programme (PAI), although direct purchases through competitive bidding are possible in some cases. Meals are served five days a week, with some schools also providing them during school holidays.

Climate change mitigation and adaptation

Costa Rica has committed to achieving a decarbonised economy with net-zero emissions in 2050 and set an economy-wide target for reducing greenhouse gas (GHG) emissions by 2030. Although agriculture accounts for 22% of national GHG emissions, there is no sector-specific mitigation target. A sector-specific climate adaptation plan is currently under development and is expected to launch in 2026.

Five sector-specific Nationally Appropriate Mitigation Actions (NAMAs) have been registered with the United Nations Framework Convention on Climate Change (UNFCCC). Two of them, for coffee and livestock, are in the scale-up phase. The coffee NAMA which is being implemented by 375 farms, and the livestock NAMA covers around 3 600 farms (or 14% of Costa Rica's cattle herd). The additional registered NAMAs are for sugarcane, *musaceae* (e.g. bananas and plantain), and rice, all of which are in the pilot phase. The NAMAs have been developed as public-private partnerships and are supported by international co-operation funds.

Recent policy developments

Domestic policy developments in 2025-26

Regulatory and sector management developments

An **institutional reorganisation** was carried out to modernise and simplify the structure of the Ministry of Agriculture and Livestock (MAG) and its decentralised bodies. The new regulation, published in November 2025, consolidates advisory and administrative staff from MAG, the State Phytosanitary Service (SFE), the National Animal Health Service (SENASA), and the National Institute for Innovation and Transfer in Agricultural Technology (INTA) into single departments or units. It also revised the mandates of several units to streamline internal operations and improve institutional service delivery. The reorganisation further updated the structure of the National Directorate of Agricultural Extension (DNEA) to better align with current sector priorities, including environmental sustainability, value added and competitiveness, agribusiness development, climate change adaptation, and reducing gaps in rural communities. A specialised unit was also created within the DNEA to lead digital transformation efforts and integrate emerging technologies into MAG's services.

The **governance of agricultural research** was strengthened through the establishment of the Expert Committee for the Prioritisation of Research and Technology Transfer Activities, which held its first session in September 2025. The committee brings together representatives from the public, private and academic sectors to set research priorities and develop a roadmap to guide the work of INTA. The committee strengthens the relationship between INTA and other bodies linked to scientific-technological development and improves the planning of agricultural research, as well as its alignment with technical evidence, producer and market needs, and sustainability objectives.

The regulatory **framework governing organic agriculture was updated** through a decree published in February 2025. Among other changes, this regulation clarifies the requirements, procedures, and timelines for granting payments under the Recognition of Organic Environmental Benefits programme, addressing aspects that were previously ambiguous. It also enhances MAG's capacity to regulate, supervise and promote organic production.

The government **modernised the certification system for small and medium agricultural producers**. The revised regulation, published in July 2025, aims to streamline registration, improve the traceability of information and ensure a timelier updating of the producer registry. Producer registration was simplified by extending its validity from one to two years, allowing the submission of applications at any agricultural extension agency regardless of farm location, and enabling producers to also register online. The reform established clearer guidelines for co-ordination with institutions that use the small and medium producer registry to determine programme eligibility, to optimise the execution of sectoral programmes and facilitate small and medium-sized producers' access to public support schemes.

The territorial coverage of the **National System for Individual Identification and Traceability of Cattle** was expanded in 2025. Training was carried out for more than 6 500 participants across the livestock chain, with over 417 000 animals identified and registered in the national traceability platform *Trazar-Agro*. Nearly 60% of cattle movement authorisations are now issued digitally. Work also started to include additional sectors in the traceability system, including training on the use of digital permits for the pork sector and co-ordination with the poultry sector for their integration beginning in 2026.

Regulations governing the sale of live cattle and other species at auctions were updated in November 2025 to reduce informal trading practices and promote price transparency. The new framework prohibits pig auctions and livestock markets without veterinary supervision, and requires cattle sellers to present an official movement permit, individual identification and a registered brand consistent with the documentation, with all transactions recorded in the traceability system. Auction facilities must also meet specific infrastructure requirements to ensure animal welfare.

Support to producers

The MAG and the National Institute for Rural Development (INDER) implemented an initiative to **modernise phytosanitary practices** by donating drones for aerial application to organisations composed of micro, small, and medium producers. The initiative has supported over 3 000 producers across multiple crop types. To ensure a safe and appropriate use of drones, MAG and the National Learning Institute (INA) developed a capacity-building programme aimed at the beneficiaries.

In October 2025, MAG and the Development Banking System (SBD) established a credit subprogramme within the Agro-Development portfolio to **promote investments that strengthen sustainable production practices** in the livestock, coffee, and sugarcane sectors. The instrument is designed to support small and medium agricultural producers undertaking investments related to the sector NAMAs. Financing under this subprogramme is supported by guarantee mechanisms that cover up to 75% of the outstanding principal. To ensure that credit effectively translates into the adoption of sustainable practices, the institutions formalised a framework for joint implementation, which includes the performance of farm diagnoses and the formulation of plans and technical recommendations prior to credit approval, as well as follow-up actions.

Animal and plant health and food safety

A regulation **standardising conditions for the terrestrial application of agrochemicals** was issued in November 2025, as part of broader efforts to modernise precision agriculture and promote its responsible use. The regulation sets requirements for manual, motorised, and electric application equipment, including agricultural drones or remotely piloted aircraft systems. It specifies operational requirements for drone use

to reduce worker exposure to agrochemicals, sets mandatory application and buffer distances according to equipment type, and requires the registration and periodic maintenance of all application equipment.

The Regulation to the Phytosanitary Protection Law was updated in October 2025. Among other changes, the updated regulation **simplified the procedure for registering agricultural-use application equipment** and removed numerous obsolete requirements.

SENASA **strengthened the programme for control and eradication of livestock screwworm** (*Cochliomyia hominivorax*) in response to rising case numbers. The programme includes monitoring, reporting, and regulating livestock movements to reduce spread of the pest. Technical personnel were deployed in key production areas to inspect livestock establishments. Training was provided to promote early detection, appropriate wound management, and reporting of suspected cases. Fixed sanitary checkpoints and mobile units were also established to support en-route surveillance and prevention efforts.

Policies to mitigate emissions and facilitate climate change adaptation in agriculture

The **Initiative for Sustainable Agro-Landscapes** (*Iniciativa de Agropaisajes Sostenibles*, IAPS) and the *Planeta Vivo* country label were presented in May 2025. The IAPS – led by the MAG and the Ministry of Environment and Energy (MINAE) – is an integrated landscape-based approach that brings together environmental, agricultural and trade policies under a coherent governance framework to achieve net-zero deforestation, advance toward carbon neutrality within agroforestry landscapes, and promote the responsible use of pesticides. IAPS includes regulatory instruments, financial mechanisms and a robust monitoring, reporting and verification (MRV) system supported by national information platforms. It also provides official spatial data, territorial traceability and indicator tracking to inform decision-making and support compliance with international commitments.

The *Planeta Vivo* (Living Planet) country label differentiates products by formally recognising deforestation-free agricultural production, a neutral emissions balance within the landscape context, and the responsible use of pesticides. This scheme links climate and biodiversity policy objectives with export competitiveness by responding to increasing international requirements for due diligence and geolocation traceability. The technical criteria and verification requirements for the label are still under development.

Trade policy developments in 2025-26

One **new trade agreement** with Israel was signed in December 2025 and is pending ratification. In addition, Costa Rica advanced its integration into two major trading blocs. In March 2025, the Working Group on Costa Rica's Accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) held its first session, launching a series of technical negotiations that continued throughout the year. In July 2025, members of the Pacific Alliance (Chile, Colombia, Mexico, and Peru) finalised the guidelines and approved the start of the technical work required for Costa Rica's entry.

Two **temporary tariff reductions** due to domestic supply shortages were authorised in 2025. This allowed for the duty-free import of 4 189 tonnes of black and red beans and 1 680 tonnes of certain frozen turkey cuts.

Policy context

Key economic and agricultural statistics

Costa Rica is a small country with a population of 5.1 million. Its long democratic tradition and political stability have supported steady economic progress and the development of its agricultural sector. Agriculture still plays a relatively important role, accounting for 10% of employment. While the share of

agriculture in GDP is slightly above the average of all countries covered in this report ("all countries"), it has declined sharply since 2000, reflecting the diversification of the economy. GDP per capita has almost quadrupled between 2000 and 2024 and now stands just below the average of all countries (Table 10.2). In 2025, the World Bank reclassified Costa Rica from an upper-middle income to a high-income economy.

Table 10.2. Costa Rica: Contextual indicators

	Costa Rica		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	32	160	0.08%	0.09%
Population (million)	4	5	0.09%	0.10%
Land area (thousand km^2)	51	51	0.06%	0.06%
Agricultural area (AA) (thousand ha)	1 840	1 692	0.06%	0.06%
			All countries[1]	
Population density (inhabitants/km^2)	77	100	52	64
GDP per capita (USD in PPPs)	7 879	30 063	9 508	31 740
Trade as % of GDP	38.4	22.8	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	10.2	3.9	3.0	3.6
Agriculture share in employment (%)	16.6	9.4	-	-
Agro-food exports (% of total exports)	31.0	32.7	6.4	8.3
Agro-food imports (% of total imports)	7.6	13.1	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	76.2	73.6	62.1	60.4
Livestock in total agricultural production (%)	23.8	26.4	37.9	39.6
Share of arable land in AA (%)	11.4	9.9	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

After the strong post-COVID-19 rebound in 2021, real GDP growth has remained robust at around 4-5% in 2023-25, underpinned by strong domestic demand. Unemployment has fallen steadily since its 2020 peak and, at 6.8% in 2025, was below pre-pandemic levels. Inflation, which briefly surged to 8% in 2022, dropped sharply in 2023 and turned negative in 2024 (Figure 10.4). Drivers of this rapid disinflation include the reversal of external price shocks and a strong appreciation of the local currency; inflation is expected to gradually rise in 2026 (OECD, 2025[7]; OECD, 2025[8]).

Figure 10.4. Costa Rica: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

Costa Rica is a net exporter of agro-food products, which accounted for 33% of the 2024 value of its total exports of goods. Forty-four per cent of Costa Rica's agricultural exports are primary crops for final consumption, such as bananas and pineapples, while 36% of exports are processed products for final consumption. Products for final consumption made up 61% of agro-food imports (Figure 10.5B).

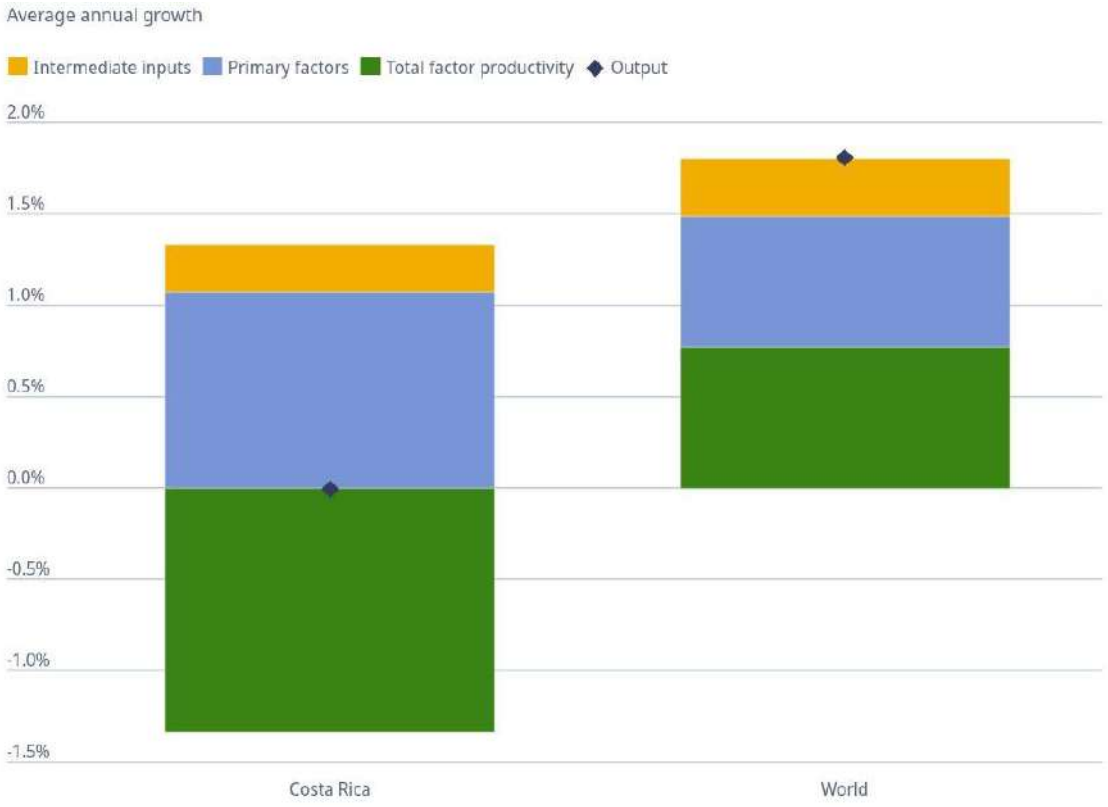
Figure 10.5. Costa Rica: Agro-food trade



Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Costa Rica's productivity performance has been below global trends (Figure 10.6). Between 2014 and 2023, agricultural Total Factor Productivity (TFP) is estimated to have declined by 1.3% on average per year. During this period, average annual output growth was close to zero, while the use of primary and intermediate inputs increased. This suggests that productivity losses largely explain weak output growth, possibly due to limited technological upgrading or resource allocation inefficiencies, such as expansion into less productive land, farm fragmentation, and limited infrastructure, as well as adverse weather shocks.

Figure 10.6. Costa Rica: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Over the past two decades, some of Costa Rica's agri-environmental indicators have improved. For example, the sector's share of total energy use and its contribution to national GHG emissions decreased (Table 10.3). Nevertheless, agricultural emissions (mainly methane and nitrous oxide) still represent around 22% of total GHG emissions, over twice the OECD average. The phosphorus balance also remains above average OECD levels. Agriculture continues to place pressure on water resources, accounting for two-thirds of total freshwater abstractions, significantly higher than the OECD average.

Table 10.3. Costa Rica: Productivity and environmental indicators

	Costa Rica		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	0.5%	-1.3%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	..	10.1	32.3	29.0
Phosphorus balance, kg/ha	..	7.4	3.3	2.3
Agriculture share of total energy use (%)	6.6	1.1	1.7	2.0
Agriculture share of GHG emissions (%)	29.2	21.8	8.7	10.3
Share of irrigated land in AA (%)	5.3	8.9	-	-
Share of agriculture in water abstractions (%)	..	66.8	46.1	47.7
Water stress indicator	..	4.1	..	..

Note: * or closest available year.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Costa Rica's agricultural policy has developed in three phases (Table 10.4). Until the 1980s, the policy framework centred on import substitution, supported by active government market interventions. During this period, the country leveraged its natural comparative advantages by exporting traditional products such as coffee, bananas, sugar, and bovine meat.

From the mid-1980s, Costa Rica adopted an outward-oriented growth strategy, which shaped its agricultural support policies. Market interventions were considerably reduced, while continued domestic reforms and trade liberalisation advanced. Key milestones included accession to the General Agreement on Tariffs and Trade (GATT) in 1990 and, subsequently, to the World Trade Organization (WTO) in 1995. Price controls were eliminated (except for rice), export taxes removed and import tariffs lowered. Costa Rica entered into free trade agreements that enabled duty-free imports from numerous partners, although certain agricultural products remain protected by relatively high tariffs.

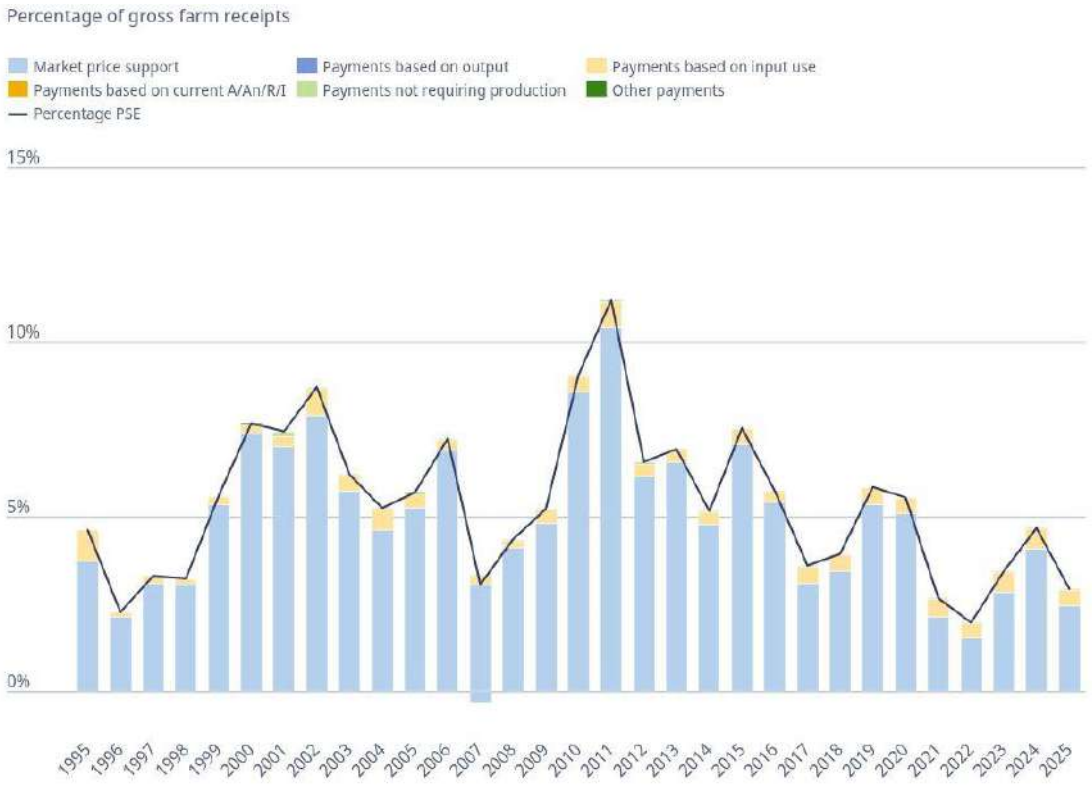
The 2007-08 food price crisis increased concerns about food security, prompting the creation of programmes seeking to increase productivity of staple foods, particularly through extension services aimed at small-scale farmers. The administered rice price, maintained for decades, was reformed in 2015 and replaced with a minimum reference price, which was subsequently eliminated in 2022 as part of a broader reform package that also reduced tariffs on rice imports. Costa Rica's policies continue to emphasise export-oriented agriculture, which has generated asymmetries between exporters and producers serving the domestic market. At the same time, greater policy attention is now directed at promoting productivity, innovation, and environmental sustainability, with a particular emphasis on small-scale farmers.

Table 10.4. Costa Rica: Agricultural policy trends

Period	Framework	Changes in agricultural policies
Prior to 1980s	Closed economy	Import substitution approach; price interventions on agricultural products, particular emphasis on guaranteed price for rice; high tariffs on agricultural imports Creation of the National Production Council (CNP) in the 1940s to promote agricultural and industrial production, control agricultural prices and own public infrastructure for the collection, storage, transport and distribution of grains
1980s-2007/08	Gradual shifts to open the economy	Dismantling price interventions (but minimum price for rice continued) Reduction of trade barriers (import and export tariffs) Reforms to CNP end most functions, keeping only the Institutional Supply Programme (PAI), which purchases food from small and medium farms for consumption in public institutions Strengthening agricultural exports via product diversification and development of destination markets; several FTAs signed; incentives (including in agriculture) to domestic and foreign companies to attract FDI, such as the Free Trade Zone Regime (FTZ) providing tax benefits and preferential port rates Creation of agricultural institutions for animal health (SENASA), plant health (SFE), agricultural innovation (INTA) Creation of the Rural Development Institute (IDA/INDER)
Since 2008	Open economy with a focus on sustainability and small-scale farmers	Emphasis on extension services for small-scale farms; promotion of good agricultural practices; development of GHG mitigation measures for key sectors Small payments to farmers for environmental services Import tariffs persist for some agricultural products Major rice policy reforms: elimination of reference price and lower tariffs

Since 1995, producer support has fluctuated between 2% and 11% of gross farm receipts. Since 2021, it has remained below 5%. The volatility observed can be partly explained by fluctuations in export and import unit values or in the international reference prices for some MPS commodities. Over 80% of Costa Rica's PSE consists of market price support (MPS). Traditionally, MPS concentrated on rice, poultry, pig meat and sugar, although the share of rice in total MPS declined after 2023. Budgetary support to producers is limited and has changed little over time (Figure 10.7).

Figure 10.7. Costa Rica: Development of the PSE and its composition, 1995 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

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Note

[1] Members of the trading blocs that have entered into RTAs with Costa Rica − the European Union, the European Free Trade Area (EFTA), and the Caribbean Community (CARICOM) − are considered individually. The number includes only the five CARICOM member states for which the trade agreement is in force.

11 Egypt

Main findings

Support to agriculture

Egypt's Producer Support Estimate (%PSE) decreased from 20.1% of gross farm receipts (GFR) in 2000-02 to 12.6% in 2023-25, less than the OECD average (14.3%) but higher than the average of 7.7% for emerging economies. Most support to farmers is provided through domestic prices that are higher than international reference prices, reflecting the effects of guaranteed and administered prices, public procurement and stockholding operations, import tariffs and other border measures. These policies mainly benefit producers of grain, poultry, sugar and cotton. Fruits and vegetables are not supported, while livestock products are penalised by higher feed costs.

Direct support to farmers through budgetary transfers was only 1.7% of gross farm receipts in 2023-25. Input subsidies dominate the policy mix, including substantial subsidies for nitrogen fertiliser, preferential lending for crop production, support for on-farm investments in machinery, buildings and irrigation infrastructure, and support for on-farm services.

Budgetary transfers to consumers averaged EGP 141 billion (USD 3.5 billion) annually in 2023-25, or 1.0% of GDP – significantly higher than the other countries covered in this report. These expenditures are primarily allocated to two key food subsidy programmes: the *baladi* bread subsidy and the ration card programme.

Support for general services (GSSE) amounted to 2.3% of the value of agricultural production in 2023-25, down from 3.4% in 2000-02. A major share of these expenditures is allocated to investments in irrigation infrastructure (72% of total GSSE expenditures), followed by agricultural R&D (17%).

Agricultural support policies place a significant burden on Egypt's economy. Total support to the agricultural sector (%TSE) reached 2.8% of GDP in 2023-25, the highest among all 56 countries covered in this report.

Key policy changes in 2025-26

In March 2025, the government expanded the domestic wheat procurement system by authorising Mostakbal Misr Agency for Sustainable Development to purchase domestically produced wheat from farmers. This measure further expands the agency's remit beyond the responsibility for imports of strategic commodities.

The regulated natural gas price for nitrogen fertiliser producers was increased to USD 5.50 per MMBtu in September 2025, in response to rising international fertiliser prices and fiscal pressures. The government also introduced domestic supply obligations and quota mechanisms requiring nitrogen fertiliser producers to reserve a significant share of output for the local market to alleviate domestic supply constraints.

In the context of large-scale land reclamation projects, the first phase of Egypt's Future Industrial City was launched in May 2025. This project forms part of the broader New Delta land reclamation initiative, seeking to bring 800 000 feddans (336 000 ha) of reclaimed land into productive use by the end of 2025.

The Ministry of Finance increased funding for agricultural export promotion and introduced a new automated digital export system to reduce customs delays. In November 2025, the government temporarily banned white sugar imports for a period of three months to protect domestic producers after a major rise in sugar beet output.

Egypt's free trade agreement with Mercosur reached its final stage, eliminating tariffs on several agricultural and food products.

Assessment and recommendations

- Strengthen whole-of-government co-ordination and accountability among the network of government ministries, agencies, state-owned enterprises (SOEs) and military-owned enterprises (MOEs) responsible for agriculture policies. A co-ordination mechanism to oversee food systems and monitor their performance will help enable a participatory approach to food systems policy making.
- Improve the availability, transparency and quality of data to facilitate more informed and evidence-based policy analysis and design. Priorities include better data on agricultural public expenditures, transfers to SOEs and MOEs, market interventions, nutritional outcomes, and agri-environmental performance.
- Shift the focus of policy support towards nutrition targets and innovation, while gradually reducing support for staple crops. This will reduce the burden of agricultural support for the economy, which is aggravated by the current heavy focus on food availability, implemented via targets to increase self-sufficiency rates for strategic crops, minimum guaranteed prices, and large-scale domestic procurement of staple crops.
- Facilitate trade by reducing administrative and regulatory barriers at the border, promoting diversification of trade partners, and supporting private sector development in agri-food markets.
- Address the "double burden of malnutrition" where undernourishment and food insecurity exists simultaneously with one of the highest rates of overweight and obesity worldwide. Reform the food subsidy system to target those most in need: gradually focus support on vulnerable households, shift subsidies away from energy-dense foods toward a wider variety of micronutrient-rich foods, and reinvest savings from reforms into scaling up the school meals programme and promoting nutritional education.
- Strengthen water demand management through the use of alternative market-based, regulatory and voluntary mechanisms. Continue efforts to promote soil moisture conservation and efficient irrigation, and ensure that land reclamation programmes are environmentally sustainable and aligned with long-term resource constraints.
- Improve soil health and water quality by reducing subsidies for fertilisers and strengthening the enforcement of pesticides regulations, redirecting the savings from reformed fertiliser subsidies towards investments in agricultural R&D and the adoption of more environmentally sustainable farming practices.

Key indicators on agricultural support

Figure 11.1. Egypt: Development of support to agriculture

Figure 11.1A. Egypt: Producer Support Estimate and its composition

Percentage of gross farm receipts

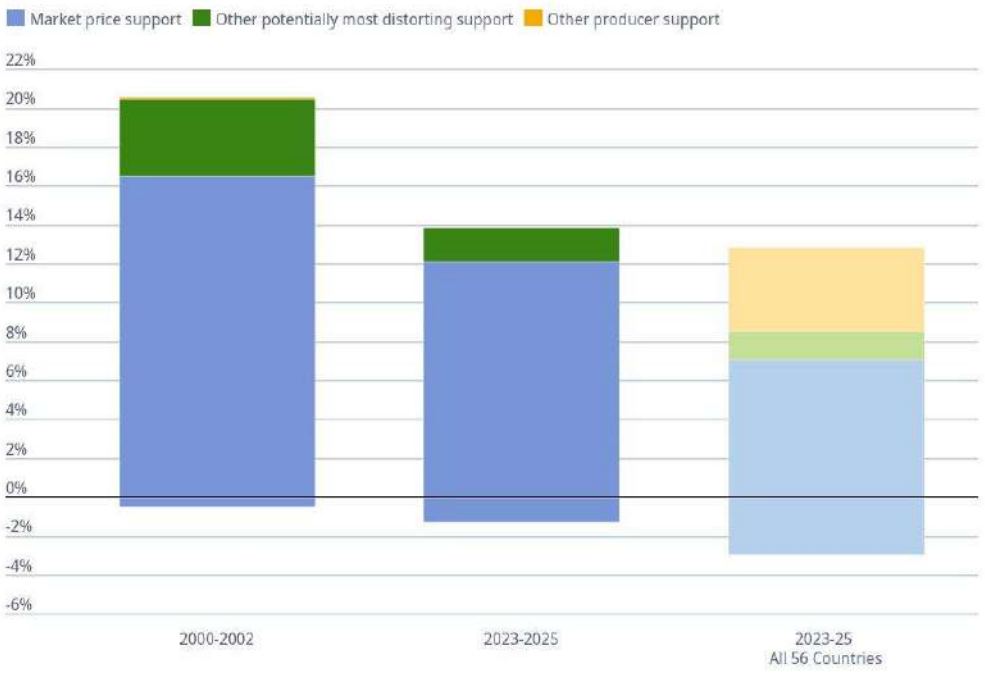


Figure 11.1B. Egypt: Ratio of producer to border price

Producer NPC

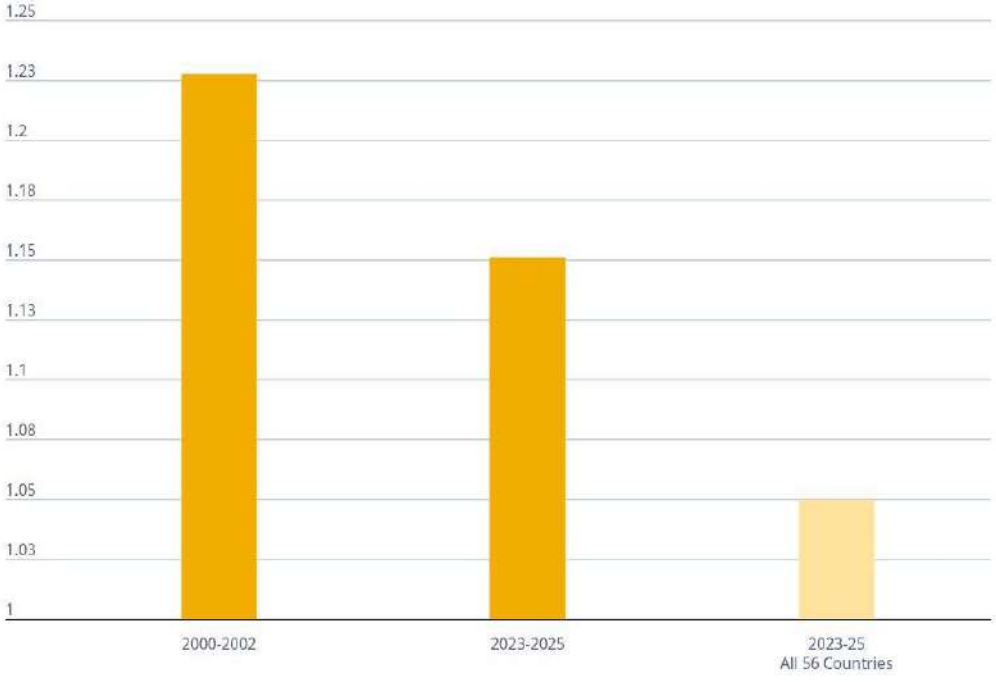


Figure 11.1C. Egypt: General Services Support Estimate and its composition

Relative to agricultural value of production

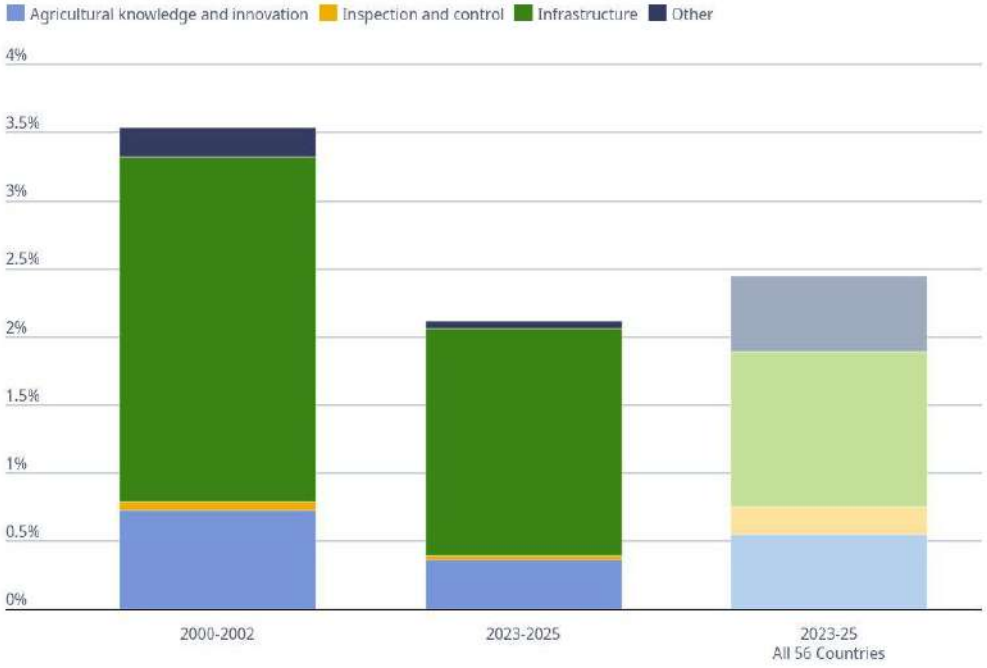
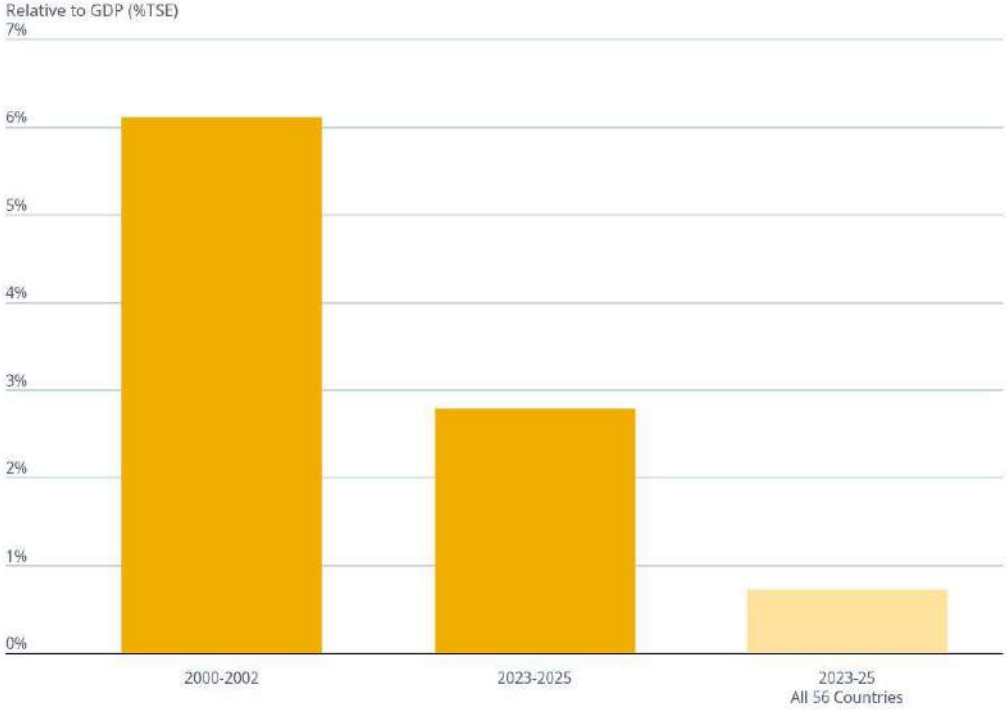


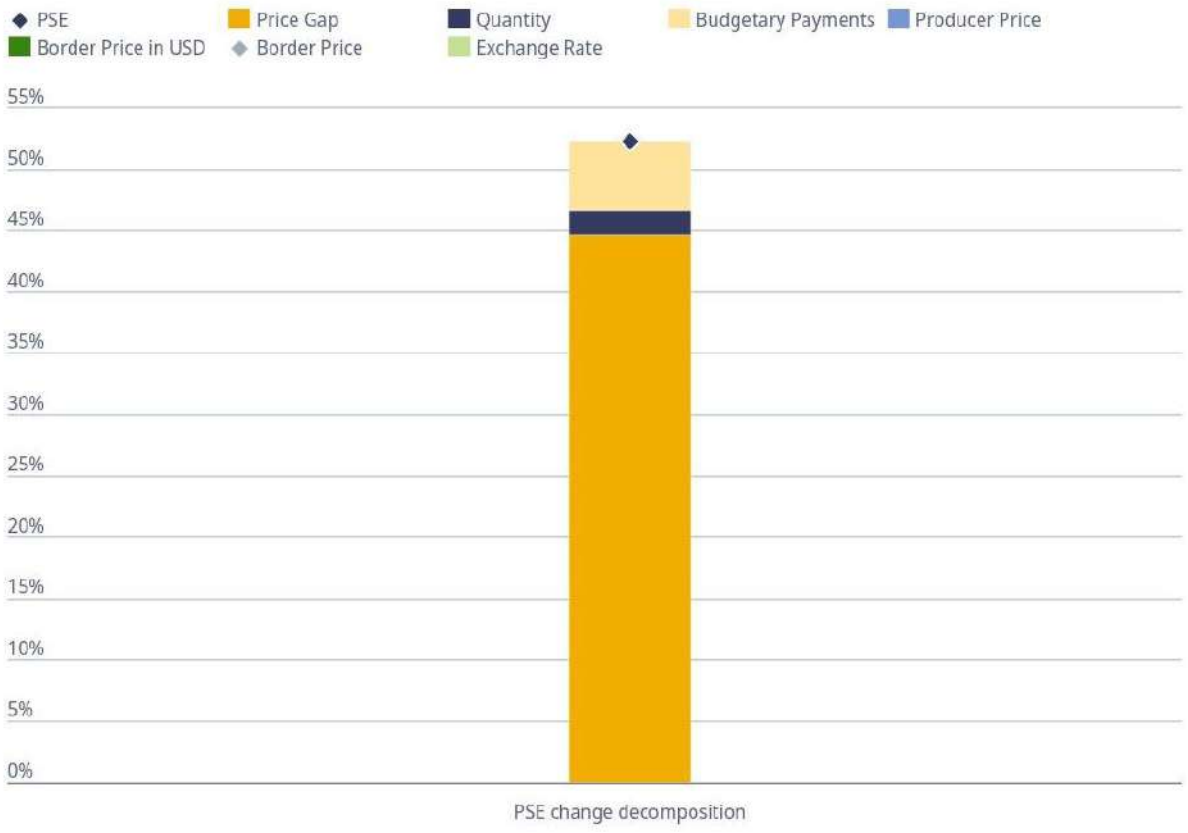
Figure 11.1D. Egypt: Total Support Estimate

Relative to GDP (%TSE)



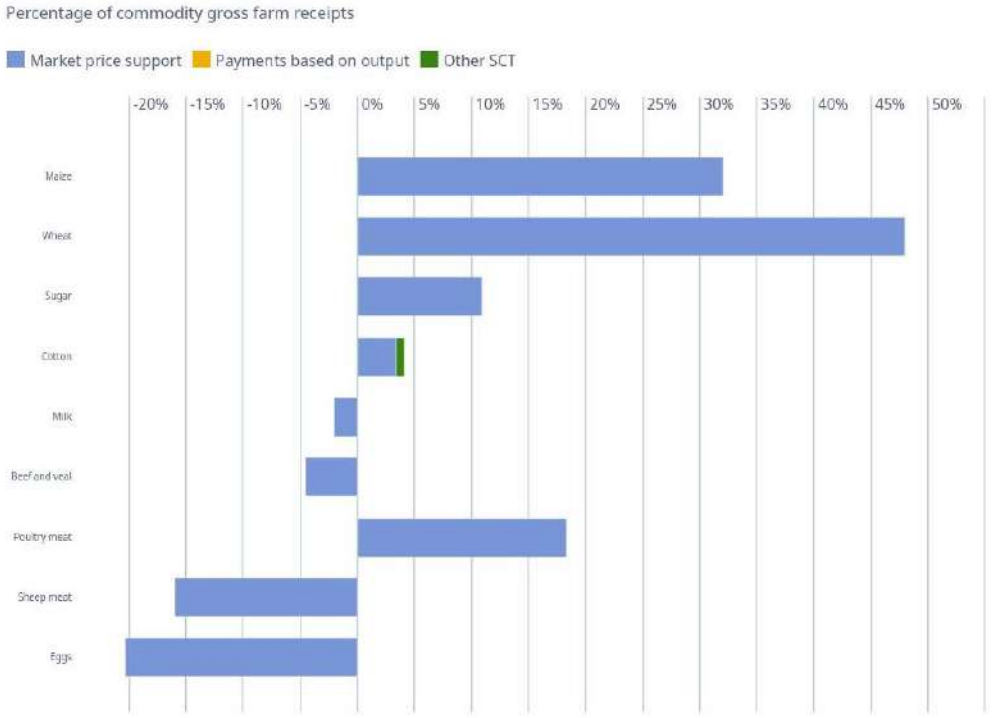
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 11.2. Egypt: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency. The change in Producer Support Estimate (PSE) is not decomposed when PSE is negative for the current and/or previous year. The producer price change and the border price change are not calculated when both negative and positive market price support (MPS) occur at the commodity level for the previous year. Note that negative MPS estimates for livestock products may arise in cases of aligned product prices if there is positive MPS for feed commodities.
Source: OECD (2026), "Producer and Consumer Support Estimates", OECD Agricultural policy monitoring (database), https://data-explorer.oecd.org/.

Figure 11.3. Egypt: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Table 11.1. Egypt: Estimates of support to agriculture

Million USD

	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**17 538**	**41 244**	**54 651**	**35 185**	**33 896**
of which: share of MPS commodities (%)	66.70	66.67	70.07	65.20	64.73
Total value of consumption (at farm gate)	**19 200**	**55 749**	**57 898**	**53 278**	**56 071**
Producer Support Estimate (PSE)	**3 724**	**5 047**	**5 162**	**4 162**	**5 816**
Support based on commodity output	2 974	4 382	4 703	3 474	4 971
Market price support[1]	2 974	4 382	4 703	3 474	4 971
Positive market price support	3 068	4 855	4 891	4 208	5 466
Negative market price support	-94	-473	-189	-734	-495
Payments based on output	0	0	0	0	0
Payments based on input use	749	664	460	689	845
Based on variable input use	734	655	450	681	835
with input constraints	0	0	0	0	0
Based on fixed capital formation	13	8	8	6	8
with input constraints	0	0	0	0	0
Based on on-farm services	3	1	2	1	1
with input constraints	0	0	0	0	0
Payments based on current A/An/R/I, production required	0	0	0	0	0
Based on Receipts / Income	0	0	0	0	0
Based on Area planted / Animal numbers	0	0	0	0	0
With input constraints	0	0	0	0	0
Payments based on non-current A/An/R/I, production required	0	0	0	0	0
Payments based on non-current A/An/R/I, production not required	0	0	0	0	0
With variable payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
With fixed payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
Payments based on non-commodity criteria	0	0	0	0	0
Based on long-term resource retirement	0	0	0	0	0
Based on a specific non-commodity output	0	0	0	0	0
Based on other non-commodity criteria	0	0	0	0	0
Miscellaneous payments	0	0	0	0	0
Percentage PSE (%)	**20.10**	**12.60**	**9.37**	**11.60**	**16.74**
Producer NPC (coeff.)	**1.23**	**1.15**	**1.10**	**1.15**	**1.20**
Producer NAC (coeff.)	**1.25**	**1.14**	**1.10**	**1.13**	**1.20**
General Services Support Estimate (GSSE)	**626**	**975**	**2 019**	**489**	**415**
Agricultural knowledge and innovation system	130	148	179	142	123
Inspection and control	10	10	11	9	11
Development and maintenance of infrastructure	448	794	1 797	320	264
Marketing and promotion	0	0	0	0	0
Cost of public stockholding	39	22	31	18	17
Miscellaneous	0	0	0	0	0
Percentage GSSE (% of TSE)	**11.23**	**9.01**	**17.79**	**6.43**	**4.38**
Consumer Support Estimate (CSE)	**-2 828**	**-5 578**	**-4 215**	**-5 500**	**-7 019**
Transfers to producers from consumers	-3 237	-5 161	-5 141	-4 589	-5 755
Other transfers from consumers	-1 140	-4 579	-3 652	-4 876	-5 210
Transfers to consumers from taxpayers	1 254	3 457	4 170	2 961	3 240
Excess feed cost	295	706	408	1 004	706
Percentage CSE (%)	**-15.35**	**-11.09**	**-7.84**	**-10.93**	**-13.28**
Consumer NPC (coeff.)	**1.29**	**1.22**	**1.18**	**1.22**	**1.24**
Consumer NAC (coeff.)	**1.18**	**1.12**	**1.09**	**1.12**	**1.15**
Total Support Estimate (TSE)	**5 604**	**9 478**	**11 351**	**7 613**	**9 471**
Transfers from consumers	4 377	9 741	8 793	9 465	10 965
Transfers from taxpayers	2 367	4 317	6 210	3 025	3 716
Budget revenues	-1 140	-4 579	-3 652	-4 876	-5 210
Percentage TSE (% of GDP)	**6.12**	**2.80**	**3.42**	**2.48**	**2.69**
Total Budgetary Support Estimate (TBSE)	**2 630**	**5 096**	**6 648**	**4 140**	**4 500**
Percentage TBSE (% of GDP)	**2.87**	**1.48**	**2.01**	**1.35**	**1.28**
GDP deflator (1986-88 = 100)	**100**	**1 488**	**1 114**	**1 489**	**1 860**
Exchange rate (national currency per USD)	**3.98**	**41.77**	**30.63**	**45.30**	**49.38**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for Egypt are: wheat, maize, rice, sugar, tomatoes, groundnuts, grapes, potatoes, mangoes, dates, bananas, oranges, onions, cotton, milk, beef and veal, sheep meat, eggs and poultry.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Policy landscape

Multiple ministries and government agencies share responsibility for agricultural policy design and implementation. The Ministry of Agriculture and Land Reclamation (MALR) is the main ministry overseeing the agricultural sector, and is responsible for fertiliser subsidies, credit programmes, agricultural R&D, extension services, and land reclamation projects. The Ministry of Supply and Internal Trade (MoSIT) administers the food subsidy system, oversees procurement of domestic wheat by the General Authority for Supply Commodities (GASC), and manages the government-owned silos and grain storage infrastructure. The Ministry of Water Resources and Irrigation (MWRI) is responsible for developing and maintaining irrigation infrastructure, the Ministry of Planning, Economic Development and International Co-operation (MPEDIC) oversees rural development initiatives and implements the Decent Life (Haya Karima) initiative, and the Ministry of Investment and Foreign Trade (MIFT) is responsible for formulating and implementing trade measures.

Agricultural policies are guided by several major strategic documents, including MPEDIC's National Agenda for Sustainable Development (Egypt's Vision 2030) and National Structural Reforms Programme, and MALR's 2030 Updated Sustainable Agriculture Development Strategy. As the main strategic document guiding the agricultural sector, the latter focuses on achieving food security and improved nutrition, enhancing sustainable agriculture, eradicating rural poverty, adapting to climate change, increasing agricultural competitiveness, and creating opportunities for youth and women. It outlines ambitious targets to increase self-sufficiency rates for strategic crops, and to increase agriculture's share of GDP and employment by 2030. In addition, MWRI has developed several long-term strategies including the Second National Water Resources Plan 2017-2037, and the Water Resources Development and Management Strategy until 2050 (published in 2017).

The production of strategic crops such as wheat, maize and sugar cane is encouraged by government purchases at **guaranteed minimum prices**. Several state-owned enterprises are mandated to pay the government-set procurement price upon receipt of the crop, and then deliver it to the GASC. In the case of wheat, between one-third and half of domestic production is purchased at the government-set procurement price. In addition, tariffs and import requirements are applied to certain commodities to ensure high prices and protection for domestic farmers.

Support for inputs consists primarily of **fertiliser subsidies and concessional credit**. Fertiliser production is indirectly subsidised through the provision of discounted natural gas to fertiliser manufacturers and requirements to allocate 55% of fertiliser production to MALR, which then sells the fertilisers to farmers at a below-market subsidised price. Subsidised fertiliser is directed to producers of strategic crops – especially wheat farmers – with land holdings of up to 25 feddan (10.5 ha). The Agricultural Bank of Egypt (ABE) provides concessional loans for farmers, often at interest rates around 5%, which is significantly lower than prevailing market lending rates (about 25% in 2025). The ABE is compensated for the interest rate differential through the state budget.

These domestic support policies are complemented by large-scale, government-led imports of strategic commodities, and investments in a network of silos and storage infrastructure, managed by the Egyptian Holding Company for Silos and Storage, to **ensure stability in the food supply**. Since December 2024, Mostakbal Misr Agency for Sustainable Development, an agency under the Egyptian Armed Forces, has been responsible for imports of strategic commodities previously undertaken by GASC. In addition, numerous state- and military-owned enterprises operate across the entire agriculture and food value chain, including the Holding Company for Food Industries and the National Service Projects Organisation.

An extensive food subsidy system benefits nearly two-thirds of the population (about 60-70 million people annually) at a cost of EGP 141 billion (USD 3.5 billion or 1.0% of GDP) per year in 2023-25. Food subsidies consist of two main components: **a subsidy for *baladi* bread**, which allows citizens to purchase five loaves of bread per day for EGP 1 (USD 0.02), and an **electronic ration card programme**, with a monthly

allowance of EGP 50 (USD 1) per person that can be used to purchase from a list of 33 subsidised essential commodities.

Large-scale land reclamation projects to transform desert land into agricultural production are a key focus of agricultural policy involving significant expenditures on infrastructure such as extending electricity networks, road construction, wastewater treatment, and the establishment of irrigation canals. Major land reclamation projects have increased total cultivated areas from 8.7 million feddans (3.7 million ha) in 2010 to 10.5 million feddans (4.4 million ha) in 2025 (MALR, 2020[1]). These include the New Delta Project, the South Valley Development Project (*Toshka Al Khair*), the one-and-a-half million feddans project and the 100 000 feddans of greenhouses project. Agricultural productivity in Egypt's newly reclaimed lands remains below that of the Nile Valley and Delta, although the gap has narrowed significantly over time. Egypt's cultivated area is likely to continue expanding in the medium term, given ongoing large-scale land reclamation projects. However, the pace of expansion is expected to slow over time due to structural constraints such as water scarcity, rising marginal costs of reclaiming desert land, and environmental and climate pressures.

Recent policy developments

Domestic policy developments in 2025-26

In March 2025, Mostakbal Misr Agency for Sustainable Development was added to the list of entities authorised by the Ministry of Supply and Internal Trade to purchase domestically produced wheat from farmers. Thus, for calendar year 2025, five government entities were mandated to pay the government-set procurement price upon receipt of the wheat crop and deliver it to the GASC. The other four are the Holding Company for Food Industries, the Egyptian Holding Company for Silos and Storage, the General Company for Silos and Storage, and the Egyptian Agricultural Bank. A total of 3.93 million tonnes of wheat were procured by the government between April and July 2025, which represents a 16% increase from the previous season (USDA GAIN, 2025[2]).

In May 2025, the first phase of Egypt's Future Industrial City on the Sheikh Zayed Axis in Giza Governorate was completed. This project seeks to bring 800 000 feddans (336 000 ha) of reclaimed land into productive use by the end of 2025 (Presidency, 2025[3]). The project depends on capital-intensive irrigation systems, using recycled water for agriculture and water from deep fossil aquifers.

The regulated natural gas price for nitrogen fertiliser producers was increased to a minimum of USD 5.50 per MMBtu in September 2025, up from USD 4.50 per MMBtu (Egypt Business Directory, 2026[4]). This remains significantly below international market benchmarks, typically around USD 10-15 per MMBtu in Europe and higher in global LNG markets. In response to high international fertiliser prices and domestic supply constraints, the government imposed a requirement for nitrogen fertiliser manufacturers to sign binding protocols setting stringent quotas for producers to reserve sufficient supply for the domestic market, and establishing local auctions prior to export licensing (Ahram Online, 2025[5]).

Rice cultivation was restricted to nine governorates in the Nile Delta for the 2025/26 marketing year, limiting the total allowable area for rice cultivation at 1 074 200 million feddans (451 164 ha) (USDA GAIN, 2025[6]). This area has remained relatively stable over the past few years. Farmers found to be in breach of the restrictions can face financial penalties or may be required to pay charges reflecting the estimated value of irrigation water used in excess of permitted allocations.

Four new rice varieties with enhanced resistance to extreme climates and with early maturity dates were disseminated by the Agricultural Research Centre (Giza 83, Sakha Super 301, 302, and 303). These varieties were developed to withstand extreme heat and soil salinity while using 30% less water than

regular rice varieties. The new decree continues MWRI's continued its policy of controlling the cultivation of water-intensive crops.

The first EU-Egypt High-Level Dialogue on Water was launched at Cairo Water Week on 12 October 2025, building on the EU-Egypt Water Partnership established in 2023. The Dialogue resulted in the approval of a structured two-year work programme focused on integrated water resource management, circular economy solutions for water reuse and efficiency, climate adaptation and risk management for floods and droughts, safe reuse of treated wastewater in agriculture, and private sector investment and financing opportunities (European Union, 2025[7]).

A new state-owned enterprise (SOE) unit under the Prime Minister's office, established in July 2025, was tasked with implementing the state ownership policy, identifying and maintaining a comprehensive database of all SOEs and state-owned assets, determining the optimal exit mechanism from SOEs, and strengthening the governance and management of public assets (Egypt Independent, 2025[8]). The new unit could facilitate the restructuring and privatisation of SOEs in the agriculture and food sectors, while increasing private sector participation and improving efficiency.

The National Food Safety Authority's Decision No. 1/2025, published in January 2026, establishes a regulatory framework governing the handling and marketing of genetically modified foods and their components. The regulation introduces requirements relating to food handling, traceability, and labelling, and defines the responsibilities of food business operators throughout the supply chain. The decision aims to strengthen oversight, transparency and safety in the management and distribution of genetically modified foods. It provides for a six-month grace period for compliance by producers and importers (USDA GAIN, 2026[9]).

Trade policy developments in 2025-26

The draft budget for the 2026/27 financial year prepared by the Ministry of Finance provides for an increase in the allocation for agricultural export promotion to over EGP 50 billion (USD 1 billion), up from EGP 45 billion in FY 2025-26 (USD 911 million) (EnterpriseAM, 2026[10]). The revised budget also places greater emphasis on the export of value-added products. In parallel, the government began rolling out a fully automated digital export system via the *Nafeza* platform that reduces customs clearance times by 75-90%, from around 8 days to 48 hours.

In November 2025, MIFT imposed a ban on imports of white sugar for a period of three months (with some exceptions made for special contractual requirements). The ban aimed to protect domestic producers from market saturation due to a 25% increase in sugar beet planting area to 750 000 feddans (315 000 ha) and a domestic production record of 2.6 million tonnes.

The free trade agreement between Egypt and Mercosur reached its final stage of import tariff reductions, and is expected to further facilitate imports of key agricultural commodities, particularly oilseeds and feed inputs such as soybeans and maize that are critical to Egypt's livestock sector. Tariffs for products under basket "D", including coconut and nut products, are being reduced gradually and are expected to be eliminated by September 2026 (Carrieri, 2026[11]).

Policy context

Key economic and agricultural statistics

As the second-largest economy and the third most populous country in Africa, Egypt benefits from a diversified economic structure, abundant land resources, and significant natural resource wealth. Agricultural land accounts for just 4.1% of Egypt's total land area – among the lowest worldwide.

Nonetheless, agriculture remains a strategically important sector, accounting for 14% of GDP and 18% of employment, significantly higher than in OECD countries (Table 11.2). Agriculture's share in GDP and employment has been declining since 2000, reflecting the higher relative growth of other sectors in the economy, including services.

Real GDP growth has been positive since 2000 but has fluctuated considerably, declining to 2.4% in 2024. Inflation has been particularly volatile due to rising global food prices, and macroeconomic crises that have prompted successive devaluations of the Egyptian Pound. Inflation increased sharply in 2022 as a result of Russia's war of aggression against Ukraine, and remained elevated at 28% in 2024. Unemployment has remained stable at just below 7% over the past three years (Figure 11.4).

Table 11.2. Egypt: Contextual indicators

	Egypt		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	398	2 225	0.98%	1.32%
Population (million)	73	117	1.67%	2.13%
Land area (thousand km^2)	995	995	1.19%	1.17%
Agricultural area (AA) (thousand ha)	3 291	4 058	0.11%	0.14%
			All countries[1]	
Population density (inhabitants/km^2)	73	117	52	64
GDP per capita (USD in PPPs)	5 452	19 094	9 508	31 740
Trade as % of GDP	9.6	22.7	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	15.5	13.7	3.0	3.6
Agriculture share in employment (%)	30.5	18.0	-	-
Agro-food exports (% of total exports)	13.1	22.9	6.4	8.3
Agro-food imports (% of total imports)	24.8	20.3	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	62.7	72.1	62.1	60.4
Livestock in total agricultural production (%)	37.3	27.9	37.9	39.6
Share of arable land in AA (%)	85.1	76.5	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

Figure 11.4. Egypt: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

Egypt's agro-food imports have been systematically higher than exports and the agro-food trade deficit has grown over the past two decades, reaching USD 9 billion in 2024 (Figure 11.5). Egypt is highly dependent on imports of staple commodities like cereals and vegetable oils from a limited number of trade partners. Agro-food exports mostly consist of primary and processed goods for consumption (41% and 30%, respectively), while more than half of agro-food imports are primary goods destined for processing.

Figure 11.5. Egypt: Agro-food trade

Figure 11.5A. Egypt: Agro-food trade 2000 to 2024

Billion USD

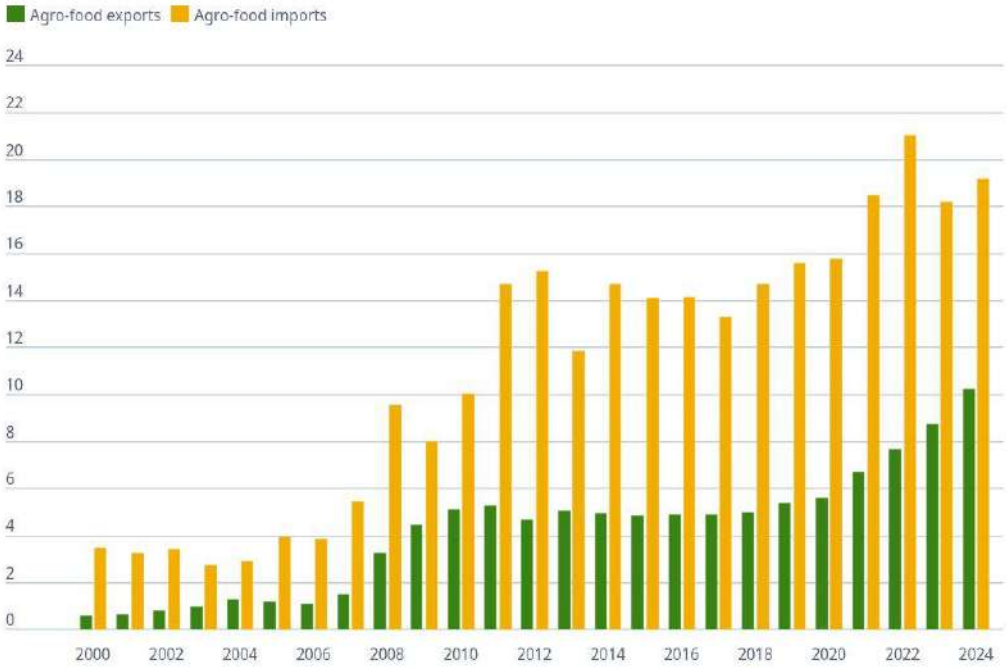


Figure 11.5B. Egypt: Composition of Agro-food trade, 2024

Percentage

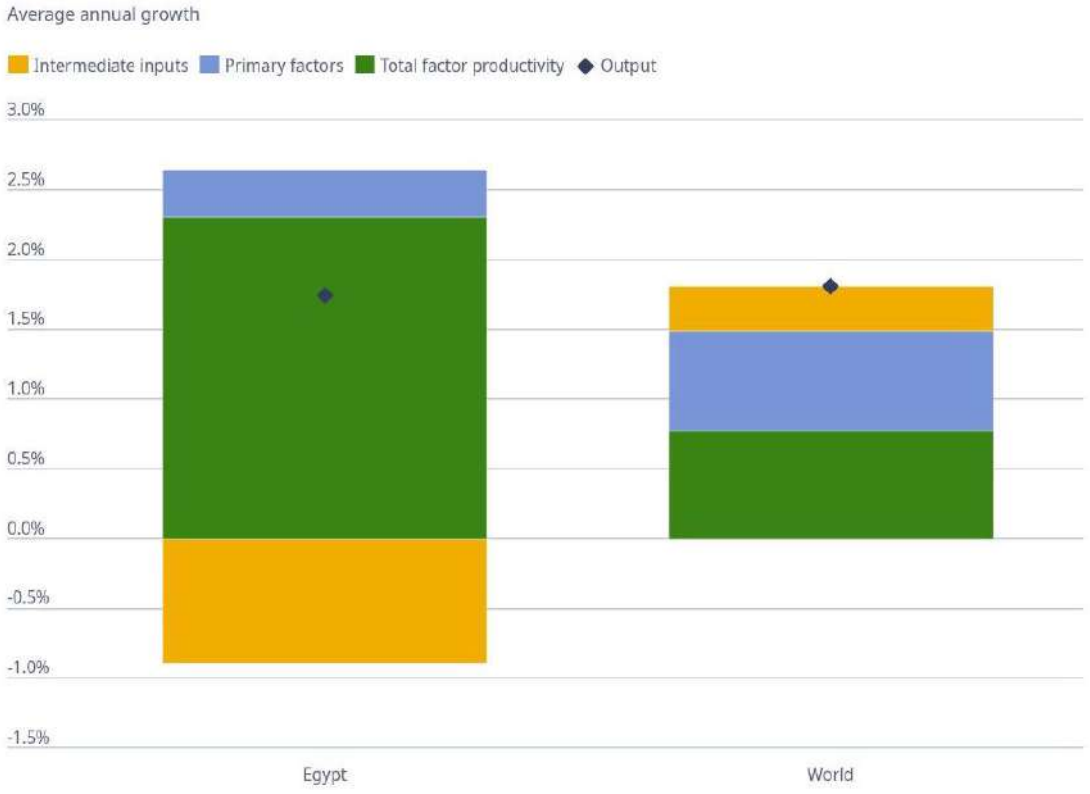


Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Over the 2014-23 period, agricultural output grew by 1.7% per year, compared to a 1.8% per year increase globally (Figure 11.6). Output growth has predominantly been driven by total factor productivity (TFP) growth, which reached 2.3% per year over the same period. Primary factor growth was 0.3% per year, while the use of intermediate inputs declined by 0.9% per year.

Agriculture's contribution to Egypt's GHG emissions has declined over the past two decades, from 18.5% in 2000 to 10.8% in 2024 – slightly above the OECD level (Table 11.3). The share of agriculture in total energy use increased to 1.7% in 2024 but remains below the OECD average of 2%.

Figure 11.6. Egypt: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Table 11.3. Egypt: Productivity and environmental indicators

	Egypt		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	0.8%	2.3%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	..	..	32.3	29.0
Phosphorus balance, kg/ha	..	..	3.3	2.3
Agriculture share of total energy use (%)	0.9	1.7	1.7	2.0
Agriculture share of GHG emissions (%)	18.5	10.8	8.7	10.3
Share of irrigated land in AA (%)	100.0	98.9		
Share of agriculture in water abstractions (%)[1]	87.8	..	46.1	47.7
Water stress indicator	..	..		

Note: * or closest available year.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Following the Egyptian revolution of 1952, the government implemented a comprehensive agrarian reform programme, limiting individual ownership of agricultural land to a maximum of 200 feddan (84 ha), and introducing agricultural co-operatives as a mechanism for controlling crop rotations, output pricing, input supply, and marketing (Ikram, 2006[12]). Construction of the Aswan High Dam began in 1960 and was completed in 1970, providing a significant increase in storage capacity through Lake Nasser reservoir, along with the ability to control the annual flooding of the Nile. Land ownership remained highly concentrated, and reform was viewed as an important mechanism for redistributing wealth. The maximum farm size per family was further reduced to 100 feddan (42 ha) in 1961, and 50 feddan (21 ha) in 1969.

New economic reforms were introduced in the 1970s under the open-door policy (*infitah*), seeking to encourage domestic and foreign investment in the private sector. Spending on food subsidies, which had remained relatively restrained during the 1950s and 1960s, expanded rapidly as the government sought to protect Egyptian consumers from food price inflation. Attempts to moderate spending by increasing regulated food prices met strong opposition during the "bread riots" of 1977, but a series of gradual reforms implemented throughout the 1980s and 1990s ultimately succeeded in reducing the fiscal burden of food subsidies.

The Economic Reform and Structural Adjustment Programme, implemented in collaboration with the IMF and World Bank, supported two key agricultural policy reform programmes focused on reducing government interventions in markets. The Agricultural Production and Credit Project (1987-1995) involved reductions in subsidies for agricultural inputs, in controls on area allotments, and in price and marketing restrictions (Baffes and Gautam, 1996[13]; Cassing et al., 2009[14]). The Agricultural Policy Reform Programme (1996-2002) which followed was more extensive, encompassing the privatisation of state-owned enterprises and greater private sector involvement in the trading of agricultural commodities.

The Egyptian Constitution adopted in 2014 (subsequently amended in 2019) recognised agriculture's importance in the national economy and committed the state to increasing land under cultivation, incriminating encroachments on agricultural land, and developing agricultural and rural areas. The constitution also committed the state to providing the requirements for agricultural production, and purchasing crops at appropriate prices to achieve a profit margin for farmers (Constitute, 2022[15]). Agriculture's strategic importance was also recognised in the National Agenda for Sustainable

Development (Egypt's Vision 2030), the National Structural Reforms Programme, and the 2030 Updated Sustainable Agriculture Development Strategy.

In recent years the government has focused on ensuring food security and sustainability in the face of increasing climate change risks. This includes investing in water-saving technologies such as drip and sprinkler irrigation, upgrading the irrigation infrastructure, improving and expanding public grain storage infrastructure and implementing several large-scale land reclamation projects to incorporate new lands from the desert into agricultural production.

Table 11.4. Egypt: Agricultural policy trends

Period	Framework	Changes in agricultural policies
1952-1973	Agrarian reforms after the revolution	Agricultural land reform and redistribution, limiting individual ownership of agricultural land Agricultural co-operatives introduced to implement compulsory crop rotation schedules, output pricing, input supply and marketing Construction of the Aswan High Dam (1960-70)
1974-1986	The open-door policy (*infitah*)	Expansion of the food subsidy system Law 12 (1984) declared water as a public good provided to farms at no cost
1987-2013	Liberalisation and structural adjustment	Agricultural Production and Credit Project (1987-1995) involved reductions in input subsidies, in controls on area allotments, and in price and marketing restrictions Privatisation of state-owned enterprises under the Agricultural Policy Reform Programme (1996-2002) Accelerated market liberalisation and greater private sector involvement in trading agricultural commodities Establishment of a legal basis for water user associations (WUAs) in Law 213 (1994)
2014-Present	Focus on food security and sustainability	Article 29 of the Egyptian Constitution (2014) recognises agriculture's strategic importance Integration of agriculture in Egypt's structural reform agenda (Egypt's Vision 2030; National Structural Reforms Programme) 2030 Updated Sustainable Agriculture Development Strategy developed by MALR (2020) Launch of large-scale land reclamation projects: New Delta Project (2015); South Valley Development Project "Toshka El Khair" (2014); 1.5 million feddans project (2014); 100 000 feddans of greenhouses project (2014).

Figure 11.7. Egypt: Development of the PSE and its composition, 2000 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

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12 European Union

Main findings

Support to agriculture

Producer support in the European Union (EU), measured by the Producer Support Estimate (PSE), has stabilised since 2010, after falling in the 1990s and early 2000s. EU support to producers as a share of gross farm receipts stood at 17.4% in 2023-25, above the OECD average.

While trade-protection measures remain in effect for several sectors – including import and export licensing, tariff rate quotas (TRQs), and special safeguards – their importance has declined substantially over the last two decades. In 2023-25, market price support (MPS) accounted for around 28% of support to farmers, down from 46% in 2000-02. Producers of beef and veal and of poultry meat are the most important beneficiaries, followed by rice producers. On average, prices received by farmers in 2022-24 were 6% higher than border reference prices, compared to 22% in 2000-02.

On average in 2023-25, 37% of budgetary support to farmers was based on non-current area or animal numbers not requiring production, while a similar share was based on current area or animal numbers that did require production. A further 21% was linked to the use of inputs. Almost half of payments to farmers were contingent on mandatory constraints, while an additional 23% were linked to voluntary environmental constraints that go beyond mandatory requirements, such as agri-environmental measures and eco-schemes.

Expenditures on general services to the agricultural sector (General Service Support Estimate, GSSE) accounted for an average of 12.6% of total support in 2023-25, but only 2.9% of the value of agricultural production – down from 2000-02 levels and below the OECD average. Although spending on agricultural knowledge and innovation systems doubled in absolute terms over the past two decades, it has remained steady relative to the size of the sector, corresponding to around 1.5% of its value of production. While relative to the production value infrastructure spending has declined by more than half, expenditures on marketing and promotion, as well as inspection and control, have increased.

Total support to the sector declined in relative terms over the past 20 years. In 2023-25, total support is estimated at 0.6% of the Gross Domestic Product (GDP), compared to 1.0% in 2000-02.

Key policy changes in 2025-26

Changes to CAP rules were introduced to reduce administrative burdens and increase flexibility for farmers and national administrations. Among these changes, organic farms are deemed compliant with certain conditionality requirements, and on-farm inspections are no longer required where satellite monitoring is available. Administrative procedures have also been streamlined, with European Commission approval now required only for amendments deemed strategic to Member States' CAP Strategic Plans (CSPs).

The newly introduced Soil Monitoring Law establishes an EU-wide framework aimed at halting soil degradation and supporting the achievement of healthy soils across the European Union by 2050. The

Law requires Member States to monitor and assess soil health and support landowners and land managers through advice, training, capacity building, and innovation.

In October 2025, the European Commission presented the Strategy for Generational Renewal in Agriculture, which aims to double the share of young farmers by 2040. In its proposal for the CAP 2028-34, the European Commission encourages Member States to allocate at least 6% of agricultural expenditure to this objective and seeks to reinforce this strategy by increasing support for young farmers through enhanced area-based payments and additional tools.

Newly introduced liquidity-enhancing and risk-management measures to increase farmers' resilience include higher advance payments under the CAP and targeted support to help farmers absorb market disruptions and weather-related losses. Targeted adjustments to trade and border measures were also implemented, including tariff measures adopted in response to changes in trade conditions with key partners, together with import restrictions and regulatory controls aimed at addressing market pressures linked to sector-specific disruptions in neighbouring countries.

The EU-Mercosur Partnership Agreement and the related Interim Trade Agreement were signed, pending review by the European Court of Justice. Negotiations on free trade agreements (FTAs) with India and Australia and on the modernised EU-Mexico agreement were concluded, while the revised EU-Ukraine and EU-Moldova FTAs entered into force. All these initiatives include provisions on market access for agricultural products, covering both tariff and regulatory elements, while taking into account sector-specific considerations.

Assessment and recommendations

- Target coupled support at clearly identified market failures, such as short-term adjustment costs, supply chain disruptions, or well-defined environmental or social objectives, that cannot be effectively addressed through other policy instruments. Coupled income support represents approximately 7.5% of total financial allocations under the CAP Strategic Plans (CSPs) of EU Member States. This type of support can sustain vulnerable sectors; however, it may also distort production choices and trade and potentially generate environmentally harmful impacts.
- When using support to target specific sectors, prioritise measures that enhance productivity and build resilience, including investment in off-farm physical infrastructure, farm advisory services, research and innovation, and improved market advice. Collective action, notably through support for producer organisations, value-chain co-ordination, and the development of quality schemes, already constitutes an important component and could be further promoted.
- Ensure that CAP simplification is accompanied by robust and consistent monitoring to avoid uneven application of requirements. While the 2026 amendments to the CAP rules are a positive step towards reducing administrative burdens and increasing flexibility for both farmers and national administrations, this should be accompanied by adequate safeguards to ensure that control systems remain effective and that measures are properly implemented, notably with regard to GAEC compliance and the use of exemptions from on-farm inspections. Effective use of the available monitoring tools should be promoted to ensure that simplification does not weaken the environmental outcomes of the CAP.
- Ensure effective enforcement of social conditionality through consistent monitoring and sanctions across Member States. While linking CAP direct payments to compliance with labour laws is a positive development, its impact will depend on robust information-sharing, harmonised implementation and credible penalties to avoid uneven implementation.
- Ensure effective implementation of EU sustainability initiatives via strong and coherent enforcement mechanisms at Member State level. While recent EU initiatives – including the Water Resilience Strategy, the Strategy for a Competitive and Sustainable EU Bioeconomy, and the Soil

Monitoring Law – provide an important strategic framework to address water, soil, and biomass challenges, tangible results will require implementing regulations designed around clear, outcome-oriented requirements, supported by measurable indicators and regular reporting.

- Promote the diversification of trade partnerships while ensuring that trade-related policy measures remain transparent, proportionate and time-bound. Recent EU trade policy developments point to strengthened efforts to diversify trade partnerships and enhance market access for agri-food products, aimed at contributing to more resilient supply chains. At the same time, the continued use of tariff rate quotas and exclusions for sensitive sectors under trade agreements may limit the efficiency of trade flows, while the recourse to unilateral trade measures in crisis contexts can undermine their predictability in an evolving global trading environment.
- Rebalance risk management support by strengthening instruments that enhance the sector's preparedness and long-term resilience. While ex-post measures help agricultural producers recover from the impacts of climate events, disease outbreaks, and geopolitical disruptions, greater emphasis should also be placed on support for the adoption of resilience-enhancing practices and technologies, such as land management approaches that help reduce flood risks, to improve the sector's capacity to cope with future shocks.

Key indicators on agricultural support

Figure 12.1. European Union: Development of support to agriculture

Figure 12.1A. European Union: Producer Support Estimate and its composition

Percentage of gross farm receipts

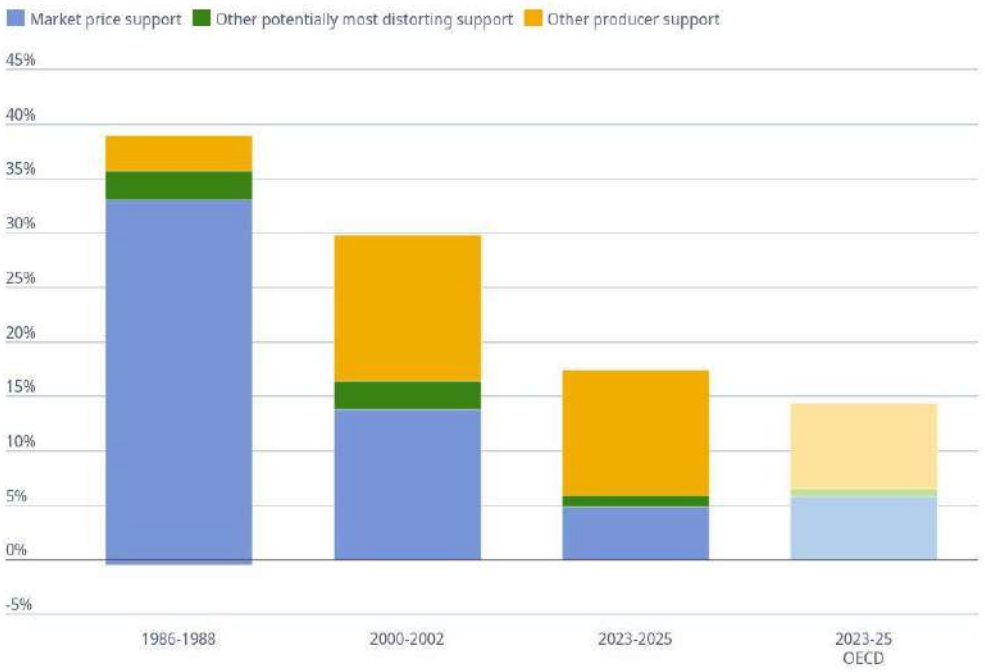


Figure 12.1B. European Union: Ratio of producer to border price

Producer NPC

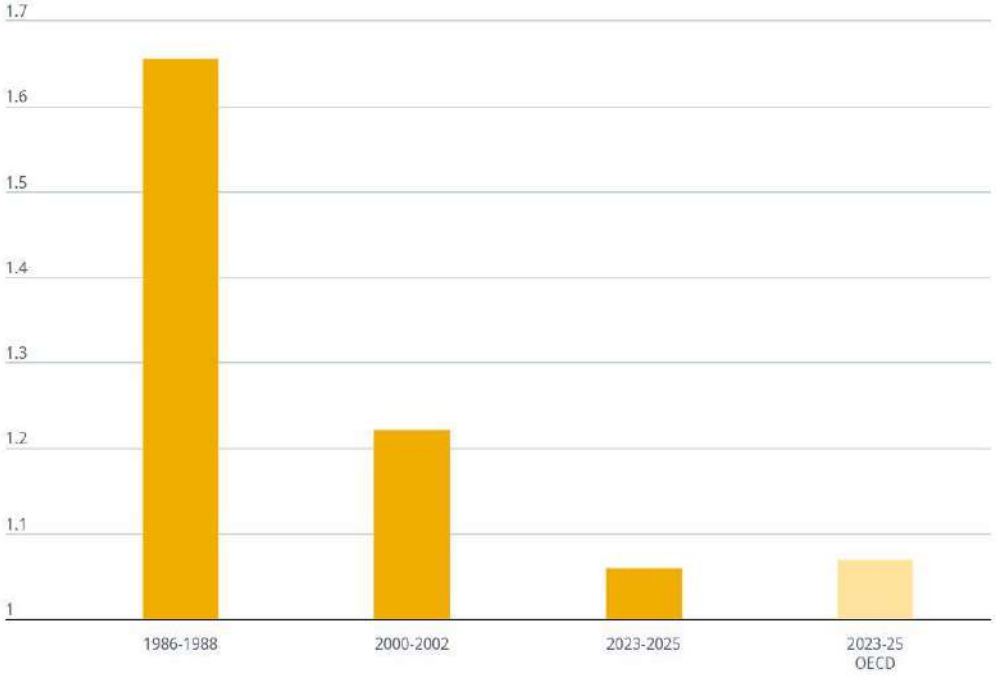


Figure 12.1C. European Union: General Services Support Estimate and its composition

Relative to agricultural value of production

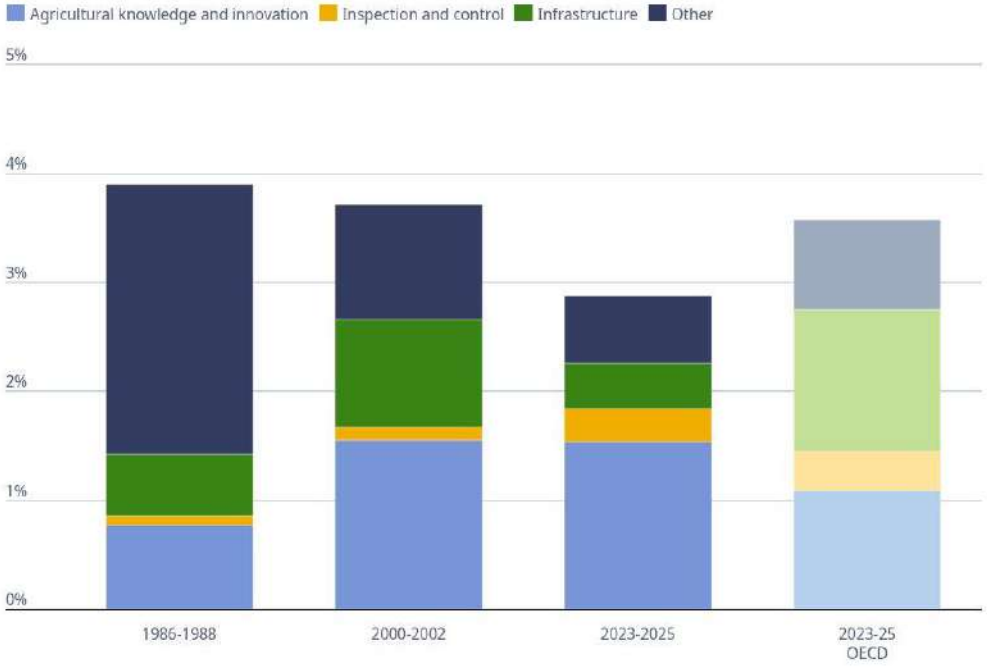
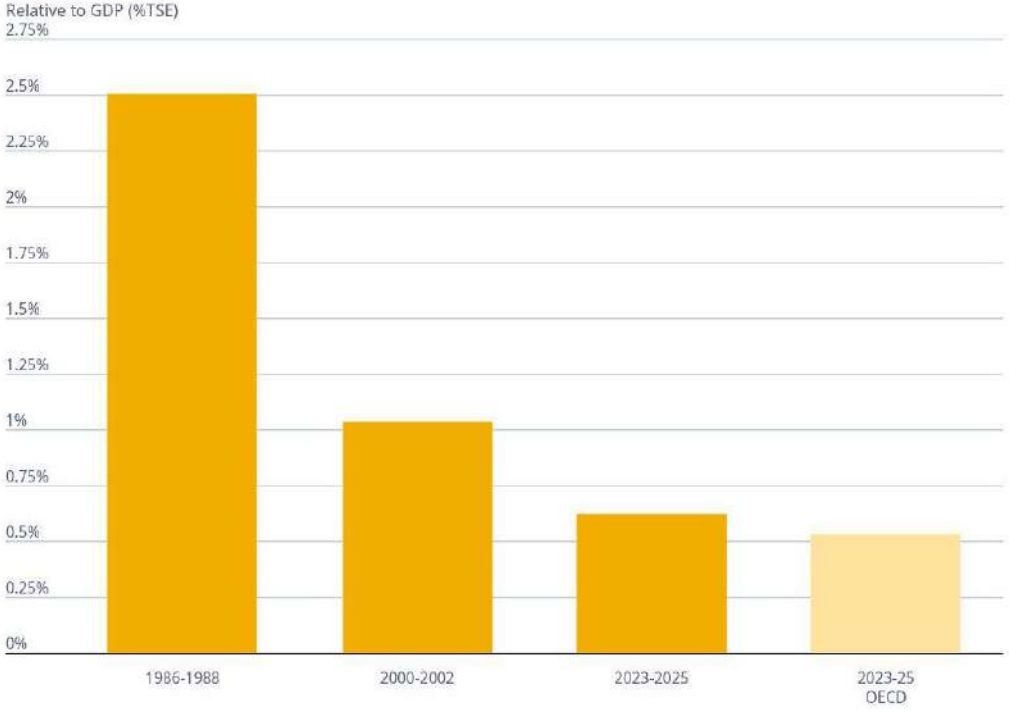


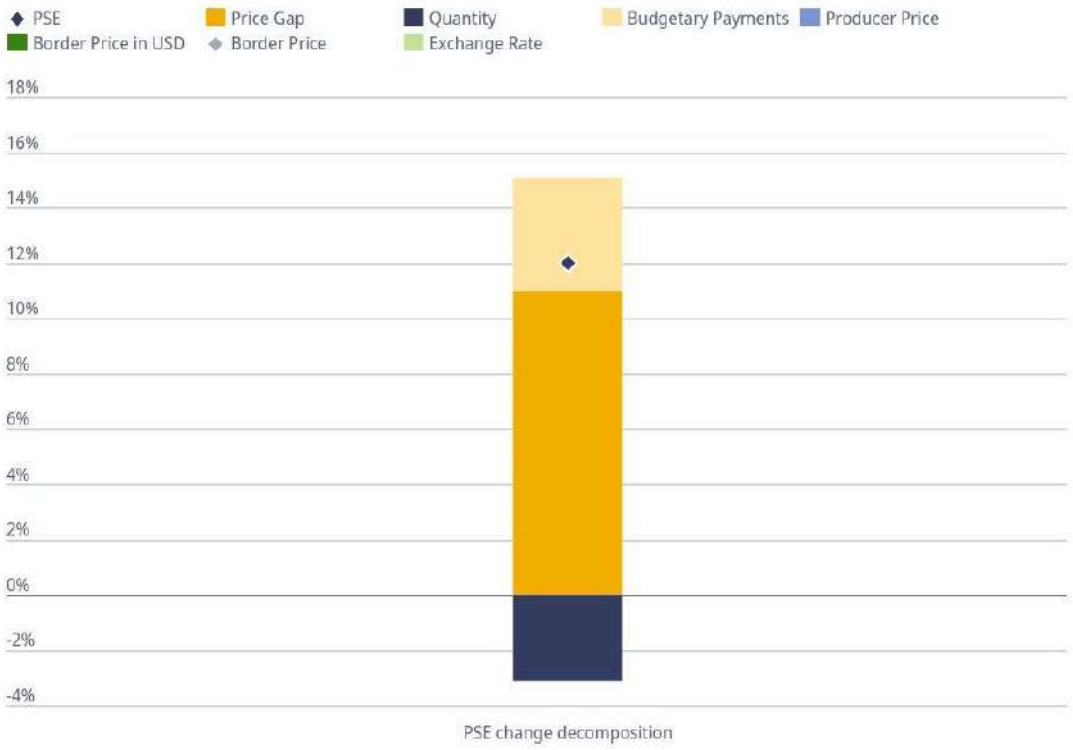
Figure 12.1D. European Union: Total Support Estimate

Relative to GDP (%TSE)



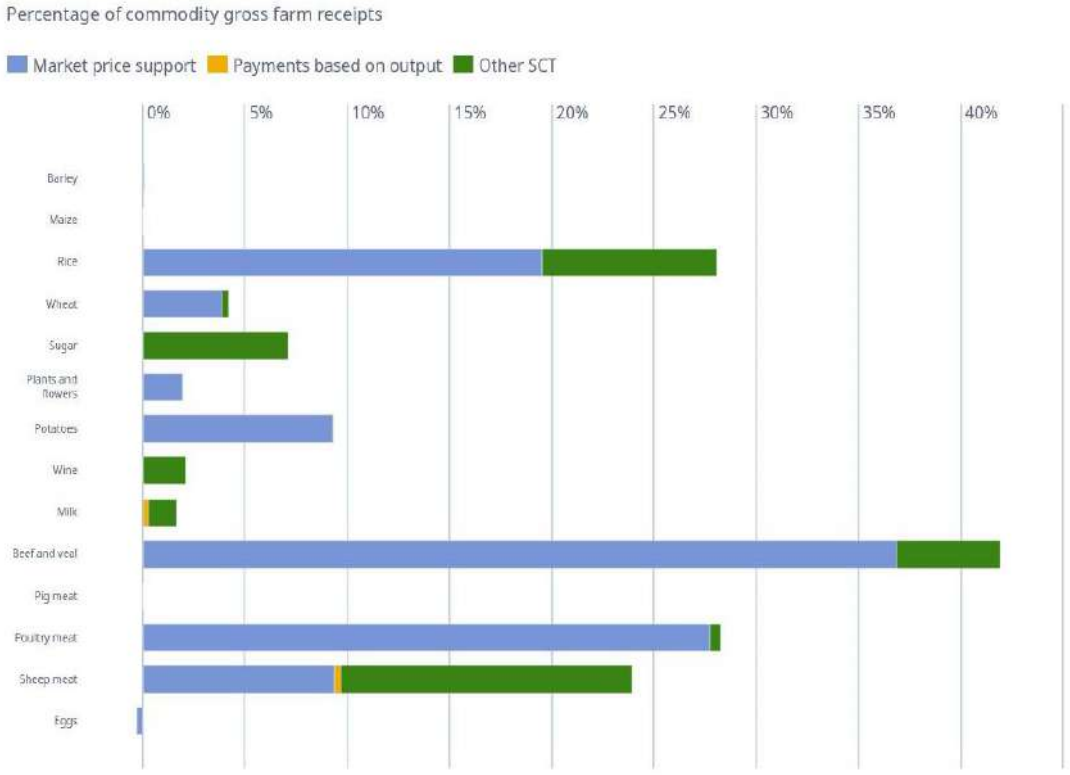
Note: European Economic Community (EEC) with 12 members for 1986-88, EU15 for 2000-02, EU27 for 2023-25.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 12.2. European Union: Drivers of the change in PSE, 2024 to 2025



Note: EU27. % change of nominal Producer Support Estimate expressed in Euro. The producer price change and the border price change are not calculated when both negative and positive market price support (MPS) occur at the commodity level for the previous year. Note that negative MPS estimates for livestock products may arise in cases of aligned product prices if there is positive MPS for feed commodities.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 12.3. European Union: Commodity-specific transfers (SCT), 2023-25



Note: EU27. Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Table 12.1. European Union: Estimates of support to agriculture

Million USD

	1986-88	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**233 558**	**225 516**	**540 350**	**524 583**	**520 449**	**576 017**
of which: share of MPS commodities (%)	74.95	73.34	72.39	72.75	71.99	72.43
Total value of consumption (at farm gate)	**212 900**	**227 220**	**547 039**	**532 316**	**530 917**	**577 886**
Producer Support Estimate (PSE)	**95 385**	**79 935**	**107 530**	**100 672**	**102 289**	**119 628**
Support based on commodity output	86 308	41 078	30 204	25 400	27 756	37 457
Market price support[1]	80 672	37 140	29 930	25 136	27 485	37 170
Positive market price support	81 784	37 140	30 128	25 288	27 562	37 534
Negative market price support	-1 112	0	-197	-152	-77	-363
Payments based on output	5 637	3 938	274	264	271	287
Payments based on input use	5 056	6 846	16 656	15 708	15 317	18 943
Based on variable input use	960	3 053	6 117	5 926	6 080	6 345
with input constraints	0	0	46	37	51	49
Based on fixed capital formation	2 986	2 263	8 323	7 669	7 223	10 077
with input constraints	0	95	130	100	85	206
Based on on-farm services	1 109	1 530	2 216	2 113	2 014	2 522
with input constraints	90	275	21	28	16	20
Payments based on current A/An/R/I, production required	3 587	31 255	29 021	29 176	28 296	29 591
Based on Receipts / Income	147	99	1 451	1 475	1 018	1 859
Based on Area planted / Animal numbers	3 440	31 156	27 570	27 700	27 278	27 732
With input constraints	940	13 979	24 186	23 080	23 836	25 644
Payments based on non-current A/An/R/I, production required	0	0	10	9	10	12
Payments based on non-current A/An/R/I, production not required	0	10	29 011	28 619	28 322	30 092
With variable payment rates	0	0	0	0	0	0
with commodity exceptions	0	0	0	0	0	0
With fixed payment rates	0	10	29 011	28 619	28 322	30 092
with commodity exceptions	0	0	0	0	0	0
Payments based on non-commodity criteria	478	1 080	2 252	1 353	2 203	3 202
Based on long-term resource retirement	476	848	628	116	604	1 164
Based on a specific non-commodity output	2	176	1 297	1 064	1 206	1 620
Based on other non-commodity criteria	0	57	328	173	393	418
Miscellaneous payments	-43	-335	375	407	385	332
Percentage PSE (%)	**38.43**	**29.77**	**17.39**	**16.78**	**17.18**	**18.17**
Producer NPC (coeff.)	**1.66**	**1.22**	**1.06**	**1.05**	**1.06**	**1.07**
Producer NAC (coeff.)	**1.62**	**1.42**	**1.21**	**1.20**	**1.21**	**1.22**
General Services Support Estimate (GSSE)	**9 144**	**8 370**	**15 528**	**14 204**	**15 003**	**17 377**
Agricultural knowledge and innovation system	1 814	3 499	8 282	7 773	8 082	8 992
Inspection and control	194	281	1 667	1 356	1 723	1 924
Development and maintenance of infrastructure	1 331	2 226	2 256	1 987	2 064	2 718
Marketing and promotion	1 210	998	3 261	3 049	3 060	3 673
Cost of public stockholding	4 571	1 297	23	20	23	26
Miscellaneous	24	70	39	20	51	44
Percentage GSSE (% of TSE)	**8.31**	**9.12**	**12.55**	**12.30**	**12.73**	**12.61**
Consumer Support Estimate (CSE)	**-69 408**	**-33 067**	**-29 854**	**-24 217**	**-26 833**	**-38 512**
Transfers to producers from consumers	-80 268	-36 156	-29 409	-24 503	-26 629	-37 094
Other transfers from consumers	-1 699	-719	-1 547	-677	-959	-3 004
Transfers to consumers from taxpayers	4 992	3 544	653	571	589	800
Excess feed cost	7 567	265	448	391	167	785
Percentage CSE (%)	**-33.38**	**-14.75**	**-5.45**	**-4.55**	**-5.06**	**-6.67**
Consumer NPC (coeff.)	**1.63**	**1.19**	**1.06**	**1.05**	**1.05**	**1.07**
Consumer NAC (coeff.)	**1.50**	**1.17**	**1.06**	**1.05**	**1.05**	**1.07**
Total Support Estimate (TSE)	**109 521**	**91 849**	**123 711**	**115 447**	**117 880**	**137 805**
Transfers from consumers	81 967	36 875	30 955	25 180	27 589	40 097
Transfers from taxpayers	29 253	55 693	94 302	90 944	91 251	100 712
Budget revenues	-1 699	-719	-1 547	-677	-959	-3 004
Percentage TSE (% of GDP)	**2.51**	**1.04**	**0.62**	**0.62**	**0.61**	**0.65**
Total Budgetary Support Estimate (TBSE)	**28 849**	**54 709**	**93 780**	**90 311**	**90 395**	**100 635**
Percentage TBSE (% of GDP)	**0.66**	**0.62**	**0.47**	**0.48**	**0.46**	**0.47**
GDP deflator (1986-88 = 100)	**100**	**149**	**240**	**233**	**240**	**247**
Exchange rate (national currency per USD)	**0.91**	**1.09**	**0.91**	**0.92**	**0.92**	**0.88**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
European Economic Community (EEC) with 12 members for 1986-88; EU15 for 2000-02; and EU27 from 2021.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for the European Union are: wheat, maize, barley, oats, rice, rapeseed, sunflower, soybean, sugar, milk, beef and veal, sheep meat, pig meat, poultry, eggs, potatoes, tomatoes, plants and flowers, and wine.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

The Common Agricultural Policy (CAP) is the agricultural policy framework of the European Union. The current CAP 2023-27 entered into force on 1 January 2023. In addition to the CAP, Member States implement measures funded from national or sub-national budgets that target specific sub-sectors or objectives. These measures must comply with the European Union's state aid rules and not distort competition within the common market (OECD, 2017[1]). **The CAP 2023-27 is built around 10 specific objectives**: ensuring a fair income for farmers; increasing competitiveness; improving the position of farmers in the food chain; climate change action; environmental care; preserving landscapes and biodiversity; supporting generational renewal; vibrant rural areas; protecting food and health quality; and fostering agricultural knowledge and innovation.

The CAP is organised in two pillars:

- Pillar 1, almost exclusively financed by the European Agricultural Guarantee Fund (EAGF), covers sectoral interventions, as well as direct payments to farmers.
- Pillar 2, financed by the European Agricultural Fund for Rural Development (EAFRD) and co-financed by the Member States, supports rural development policies.

Member States design and implement their own CAP Strategic Plans (CSPs) and have the **flexibility to design schemes that meet the needs of their farming sector**. There is one CSP for each Member State (except for Wallonia and Flanders in Belgium, which each have their own plan), making a total of 28 plans. The "Country snapshots" section below provides insights from all 28 CSPs.

The initially planned CAP 2023-27 budget is EUR 307 billion (USD 332 billion) for approximately 2 500 interventions, of which nearly two-thirds of the budget is allocated to Pillar 1. Member States can modify the budget allocation between the direct payments and rural development by transferring funds in either direction within predefined limits. Direct payments make up the bulk of CAP spending: these payments – representing 62% of planned expenditure under the CAP 2023-27 – are largely decoupled from production as they are based on farm area, and do not depend on current production decisions.

CAP measures designed to promote environmental and climate benefits are structured around a hierarchy that distinguishes between minimum environmental obligations and additional voluntary efforts. Conditionality requirements link direct payments and certain rural development measures to compliance with a series of rules relating to environmental requirements.[1] In addition to these compulsory requirements, eco-schemes (within Pillar 1) and agri-environment-climate commitments together with other instruments such as support for certain investments (within Pillar 2) are voluntary measures designed by Member States to encourage, among other objectives, the adoption of specific farming practices with environmental and climate benefits. On average across all Member States, 24% of direct payments were allocated to eco-schemes.

Social conditionality requirements link farmer payments to compliance with certain labour laws, with administrative penalties for non-compliance. While some countries introduced this mechanism in 2023 (*Austria*, *Luxembourg, France* and *Italy*) and others in 2024 (*Spain* and *Portugal*), most Member States introduced them within the 2025 deadline (EC and Milieu Law & Policy Consulting, 2025[2]).

Direct payments

The Basic Income Support for Sustainability (BISS) **is an annual payment decoupled from production** based on the number of eligible hectares declared by active farmers. It is a mandatory part of the CAP and accounts for over half of the Pillar 1 envelope. Member States may reduce BISS payments by up to 85% for amounts exceeding EUR 60 000 (USD 65 000) per farm and may also apply a payment cap at EUR 100 000 (USD 108 000) per farm.

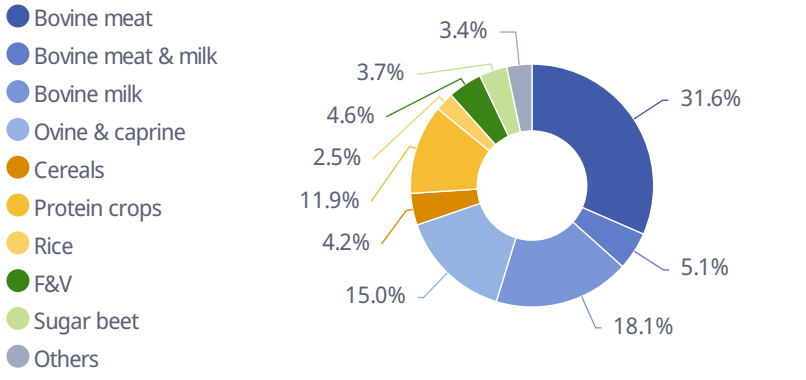
There are four other types of direct payments:

- Complementary Redistributive Income Support for Sustainability (CRISS), an extra payment for a small, fixed number of hectares for farmers receiving the BISS.
- Complementary Income Support for Young Farmers (CIS-YF), a voluntary scheme in the form of a lump-sum payment or an amount per hectare defined by each Member State and aimed at providing enhanced income support to young farmers.
- Coupled Income Support (CIS), paid per animal or hectare subject to various conditions, including restriction to specific commodities and the requirement that support be targeted at clearly defined objectives.
- Schemes for the climate, the environment and animal welfare (eco-schemes), which reward farmers who adopt more sustainable farming methods.

Coupled income support (CIS) accounts for 7.5% of the financial allocations under the CAP Strategic Plans. Most of the support is provided for livestock (beef, dairy, sheep, and goats), protein crops, cereals, rice, and some specialised crops like vegetables, sugar beet and starch potato production (Table 12.2).

Table 12.2. Coupled Income Support: Planned budget under CAP Strategic Plans 2023-27

Budget (EUR)	23.177 billion
Share of total CSP	7.5%



Note: Data refer to CSP 2023-27 aggregate planned budget, as available in the sources below, accessed in April 2026. Figures refer to EU funding. Estimated shares are calculated by the OECD. "Others" category covers oilseeds (0.99%), olives (0.85%), potatoes (0.44%), nuts (0.36%), seeds (0.31%), dried fodder (0.24%), hops (0.1%), hemp (0.04%), flax (0.01%), silkworms (0.01%). F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plans by country and national CAP Strategic Plans, accessible from the European Commission's website (EC, 2026[3]).

Member States that joined the European Union after 2000 may continue to implement Transitional National Aid (TNA), originally introduced as temporary national support measures enabling these countries to supplement EU-funded direct payments during the first years after accession. TNA is granted from national budgets and is mostly disbursed as decoupled payments, though limited commodity-specific payments are allowed. TNA may apply on a per hectare basis to arable land, hops and starch potatoes; on a volume basis to milk; and as a headage payment to livestock. Member States may review TNA budgets and supported commodities on an annual basis.

Member States can also choose to implement the Payment for Small Farmers (PSF), a simplified income support intervention replacing all other forms of income support payment. Farmers applying for the PSF cannot receive any other direct payment and the payment may not exceed EUR 2 500 (USD 2 706). Small farms with an agricultural area of less than 10 ha are exempt from inspections regarding conditionality.

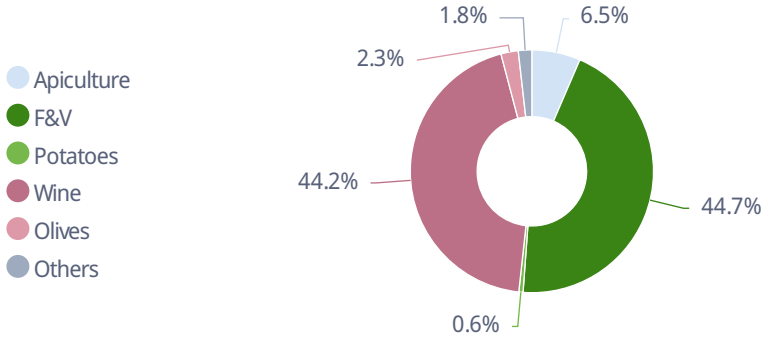
The POSEI scheme (*Programmes d'Options Spécifiques à l'Eloignement et à l'Insularité*) supports farming in the European Union's outermost regions by using production-related payments. The scheme supports access to food, feed and inputs for local communities, as well as the development of local agricultural production. It represented 1.2% of the direct payments' envelope in 2025.

Sectoral interventions and market-related measures

Market-related support to specific sectors – the so-called sectoral interventions – is financed under Pillar 1 and accounts for 3% of total financial allocations under the CSPs, with around 90% directed at the fruit and vegetables and wine sectors (Table 12.3). Support to fruit and vegetables is provided through **operational programmes for producer organisation members**. They cover production planning, quality improvement, market withdrawal, harvest insurance, training, promotion and communication, either at farm or sector level. The **wine and apiculture sectors are supported through specific interventions**. The wine sector receives support for promotion, vineyard restructuring, green harvesting compensation, mutual funds, investments, income insurance, product and process development, and by-product distillation. The apiculture sector benefits from advisory services, technical assistance, training, hive preservation or expansion, and product quality enhancement, with measures co-financed by Member States at a minimum rate of 50%.

Table 12.3. Sectoral interventions: Planned budget under CAP Strategic Plans 2023-27

Budget (EUR)	9.463 billion
Share of total CSP	3.1%



Note: Data refer to CSP 2023-27 aggregate planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. "Others" category covers eggs (0.35%), milk (0.3%), protein crops (0.26%), dried fodder (0.25%), ornamental plants (0.23%), beef & veal (0.14%), hops (0.12%), pig meat (0.07%), cereals (0.02%), rabbit meat (0.02%), sheep & goat meat (0.02%), rice (0.01%), shelled leguminous vegetables (0.001%). F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plans by country and national CAP Strategic Plans, accessible from the European Commission's website (EC, 2026[3]).

Member States may implement and finance certain market-related measures outside their CSP. Those include special **supply arrangements** under the POSEI and Smaller Aegean Islands schemes (e.g. duty exemption and food aid), as well as the **promotion of agricultural products** and **quality schemes** within the Union and in third countries. Pillar 1 also funds the **school schemes for the distribution of milk, fruit and vegetables**, with a total budget of EUR 220.8 million (USD 239 million) per school year, of which up to EUR 130.6 million (USD 141.4 million) for fruit and vegetables and up to EUR 90.1 million (USD 97.5 million) for milk (European Parliament, 2023[4]).

Additional measures aimed at stabilising agricultural markets include public intervention and aid for private storage. Intervention prices are used for some products including cereals, rice, sugar, beef, butter and skimmed milk powder (SMP). While intervention purchases are allowed, they have rarely been used.

During times of low market prices, the European Union may provide support to private sector operators by paying for the cost of storage of their products for a set period. Private storage may be activated as an optional scheme for butter, SMP, certain cheeses, olive oil, flax fibre, beef, pig meat, sheep meat and goat meat. This opportunity was opened for butter, SMP, cheese, beef and sheep meat in 2020-21 in response to the COVID-19 emergency and for pig meat in 2022 in response to Russia's war of aggression against Ukraine (OECD, 2023[5]).

In addition to internal market intervention, the European Union uses a range of trade-related measures, including **import and export licences, import duties, tariff-rate quotas (TRQs) and safeguards** measures. For certain products, an **entry price system** (minimum import price) applies alongside ad valorem duties. TRQs are used across a broad range of agricultural products, including beef, sheep meat, pig meat, poultry, eggs, dairy products, cereals, sugar, and certain fruit and vegetables. The average applied most-favoured-nation (MFN) tariff on agricultural imports in 2024 was 10.5%, above the 4.1% faced by non-agricultural products. Certain sectors face significantly higher rates, such as dairy (27.1% on average), sugars (18.1%) and live animals and meat (15.4%) (WTO, 2025[6]).

Furthermore, **exceptional measures are implemented** to prevent a sudden decline in prices or to mitigate its effects during periods of significant market imbalances, a loss of consumer confidence due to public, animal or plant health risks, or other specific problems (EC, n.d.[7]). An **agricultural reserve** of at least EUR 450 million (USD 487 million) can be directed from Pillar 1 towards such exceptional measures as well as emergency buying and private storage aid. Farmers may also receive financial assistance from Member States' national budgets to address market failures or the consequences of extreme weather events. These "**state aids**" are subject to approval from the European Commission.

Rural development

Under the CAP 2023-27, rural development (RD) interventions will receive EUR 64 billion (USD 69 billion) from the EU budget and EUR 43 billion (USD 46.5 billion) from national funds. Eighteen Member States plan to allocate further national financing (national top-ups) amounting to an additional EUR 13.5 billion (USD 15 billion), mainly to actions for investment and practices related to environment, climate and animal welfare (EC, 2026[8]). The rural development support extends to beneficiaries beyond farmers, including forest owners and municipalities, with most of it provided through multiannual area-based payments and a smaller portion based on animal numbers. Support for projects and investments is primarily provided through capital grants and reimbursements, while financial instruments such as guarantees and loans are also used to reduce credit constraints and support investments aimed at improving producer viability.

Member States have designed nearly 1 200 country-specific interventions, organised into eight broad intervention types:

- **Agri-environment-climate commitments** (ENVCLIM) account for the largest share of CAP-RD funding (32%), financing 397 interventions focused on areas such as organic farming, animal welfare, agroforestry, biodiversity and the conservation of traditional varieties or local breeds.
- **Investments** (INVEST) receive 29% of funding and support productive and non-productive investments, on- and off-farm, including irrigation.
- **Areas facing natural or other specific constraints** (ANC) account for 17% of funding, providing per-hectare payments to compensate farmers in mountain or otherwise constrained regions for additional costs and income foregone.

- **Cooperation** (COOP), with 10% of funding, promotes knowledge, innovation and digitalisation through instruments such as EIP-AGRI operational groups, LEADER projects, quality schemes and producer groups.
- **Installation aid** (INSTAL, 5%) supports generational renewal and rural business start-ups through grants or financial instruments.
- **Risk management tools** (RISK, 4%) contribute to insurance premiums and mutual funds.
- **Knowledge and advice** (KNOW, 2%) funds training, advisory services and information dissemination aligned with Agricultural Knowledge and Innovation Systems (AKIS).
- **Area-specific disadvantages** (ASD, 1%) provide area-based compensation for costs linked to mandatory environmental requirements, including in Natura 2000 and river basin management areas (OECD, 2025[9]).

CAP measures to promote environmental and climate benefits

The "green architecture" of the CAP 2023-27 is based on a hierarchy of actions and compensation that distinguish between minimum obligations and extra effort. At its core is "**enhanced conditionality**" which links direct payments and some rural development measures to compliance with environment, food safety, animal and plant health, animal welfare rules, including maintaining agricultural land in Good Agricultural and Environmental Condition (GAEC) (OECD, 2023[10]). These requirements are defined in terms of nine GAECs. These include protection of wetland and peatland (GAEC 2), the maintenance of permanent grasslands and the protection of environmentally sensitive permanent grasslands (GAEC 1 and 9), crop diversification (GAEC 7) and areas beneficial for biodiversity (GAEC 8).

A share of spending must be dedicated to environmental, climate, or animal welfare goals. Each Member State must include at least one eco-scheme in their CSPs and allocate a minimum of 25% of direct payment funding for these measures unless higher environmental spending under rural development allows a lower share. Eco-schemes encourage the adoption of specific farming practices and are granted per hectare (in a few cases per livestock unit), similar to the agri-environmental support schemes of Pillar 2, or as fixed top-up payments in addition to decoupled direct payments. Environmental objectives are also integrated into sectoral support, notably in fruit and vegetables, with mandatory minimum spending on environment and climate change mitigation and adaptation. Finally, **at least 35% of EAFRD rural development funding must target environmental, climate, or animal welfare goals**.

Policies for agricultural knowledge and innovation

Horizon Europe (HE) is the EU's primary fund for fostering research and innovation, including in agriculture, mainly through Cluster 6 "Food, Bioeconomy, Natural Resources, Agriculture, and Environment". It acts primarily through grants, research partnerships, and EU-wide missions that align funding with strategic priorities. Under HE **several projects have been financed with the objective of building solutions for a more sustainable agricultural sector**. These projects cover areas such as precision farming, sustainable fertiliser production, agroecology, as well as animal, plant and soil health

The European Innovation Partnership for Agricultural Productivity and Sustainability (EIP-AGRI) channels funding from CAP and HE to bottom-up multi-actor public-private agricultural innovation partnerships. This approach enhances collaboration within the Agricultural Knowledge and Innovation System (AKIS) in Europe and bridges the gap between research and practical farming (OECD, 2024[11]).

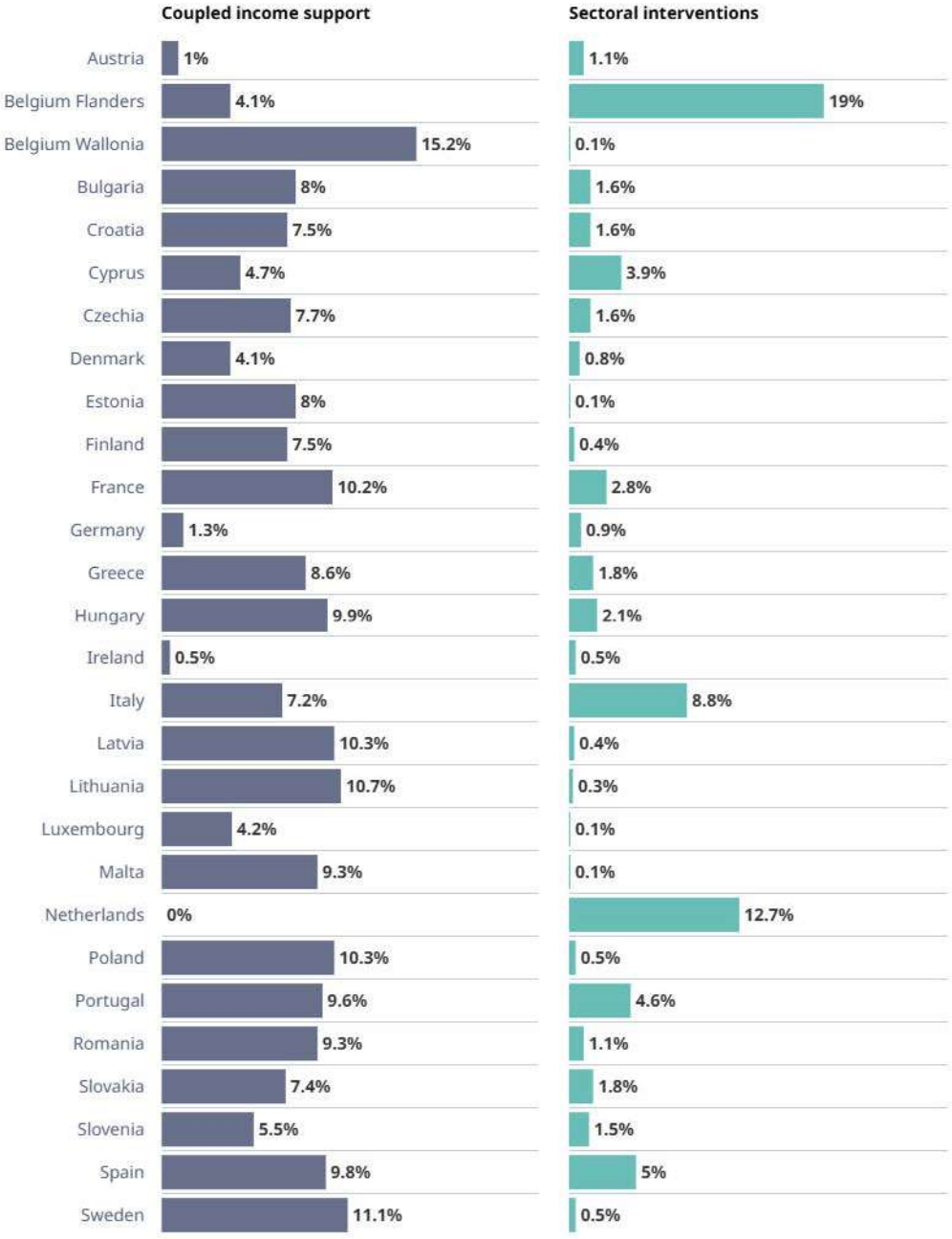
EIP Operational Groups (OGs) are muti-actor partnerships that bring together farmers, researchers, advisors, businesses, and environmental groups to foster innovation in agriculture, forestry, and rural areas. They focus on testing and applying innovation in real farming and rural contexts. There were approximately 5 100 OG projects as of March 2026 (EU CAP Network, 2026[12]).

Overview of the CAP Strategic Plans

The CAP 2023-27 can be implemented flexibly by Member States subject to some mandatory requirements. Member States must allocate 25% of their direct payments for eco-schemes and reserve at least 10% of their direct payments for the Complementary Redistributive Income Support for Sustainability (CRISS).[2] As for Rural Development, not all Member States may choose among some or all eight types of interventions according to their priorities and can implement specific schemes using only national funding. The share of each country's CSP dedicated to rural development varies greatly, with an EU-wide average of 35.5%, ranging from a minimum of 17.1% to a maximum of 73.3% (EC, 2026[3]).

All Member States except the Netherlands use Coupled Income Support (CIS) to target specific commodities and all allocate funding for sectoral interventions, although the level of support varies across countries (Figure 12.4). Regarding sectoral interventions, support is mandatory for apiculture and must be nationally cofinanced at a minimum rate of 50%. Support for fruit and vegetables is mandatory only for Member States with recognised producer organisations, while wine support applies exclusively to wine-producing countries. All other sectoral interventions are left to national discretion (EC, 2025[13]). Additional details on the specific commodities and sectors targeted by each Member State, as well as their respective budget shares, can be found in the "Country Snapshots" below.

Figure 12.4. Share of the CSP budget targeting specific commodities and sectors



Source: At a glance CAP Strategic Plans by country (total CSP budget) and national CAP Strategic Plans (SI total budget and distribution by sectors). Sources accessible from the European Commission website (EC, 2026[3]).

Recent policy developments

Domestic policy developments in 2025-26

Agri-environmental sustainability

Building on measures adopted in 2024, another CAP simplification package entered into force in January 2026 to further **ease administrative burdens and increase flexibility** for both farmers and national administrations. Farms certified as organic are now deemed compliant with certain GAECs, and Member States are also allowed to grant support to farmers to help them comply with GAEC 2 (protection of wetland and peatland) and GAEC 9 (protection of environmentally sensitive permanent grasslands). Member States can also eliminate on-farm inspections for interventions that are already monitored by satellite data.

From 2026, Member States may streamline corrective actions across the main CAP control systems – geospatial land identification, farmer declarations, and satellite-based monitoring – thereby reducing administrative duplication and the need for on-farm visits. The "once-only" inspection principle has been reinforced, limiting farmers to a single official on-farm inspection per year. In addition, European Commission approval is now required only for amendments deemed strategic to CSPs, granting Member States greater flexibility in adjusting implementation. The **Water Resilience Strategy** (EC, 2025[14]) was adopted in June 2025, with the objectives of (i) restoring and protecting the water cycle as the foundation of sustainable water supply; (ii) building a water-smart economy that supports EU competitiveness, attracts investment, and strengthens the EU water industry; (iii) ensuring clean, affordable water and sanitation for all, and (iv) empower citizens to contribute to water resilience.

The Strategy for a Competitive and Sustainable EU Bioeconomy (EC, 2025[15]) was launched in November 2025. It seeks to stimulate innovation and support European companies in the green transition by **promoting circular and sustainable production and consumption of biological resources**. The aim of the strategy is to boost the development of bio-based products and to accelerate their wide-spread deployment, including measures that enable farmers and agri-food businesses to supply and valorise biomass more efficiently.

The **Soil Monitoring Law** entered into force in December 2025. The law aims to establish an EU-wide framework for monitoring and assessing soil health and resilience in order to halt soil degradation and support the achievement of healthy soils across the European Union by 2050. Member States have three years to transfer it into national law and six years for first reporting. The law requires Member States to monitor and assess soil health, as well as support farmers and land managers to improve soil health through advice, training, capacity building, awareness-raising, research and innovation. The law also provides a framework for addressing the long-standing issue of contaminated sites.

Promotion

The EU agri-food promotion policy will expand in 2026, through the allocation of EUR 205 million (USD 232 million) of EU funds to co-finance activities aimed at enhancing the visibility of EU agri-food products, including EUR 160 million (USD 181 million) in grants for promotion programmes in the Union and global markets, of which EUR 10 million (USD 11 million) are reserved for crisis-related measures. Adopted in December 2025, the 2026 programme introduces a new EU-wide campaign aimed at strengthening consumer engagement for domestically produced EU agri-food products, while intensifying outreach through promotion activities in high-growth external markets such as the United Kingdom, Japan, Korea, the People's Republic of China (hereafter "China"), Singapore and North America (EC, 2025[16]).

Digitalisation and data

In October 2025, the European Partnership Agriculture of Data was officially launched (EC, 2025[17]). This new Horizon Europe partnership brings together research centres, funding bodies, and national authorities from EU Member States and Associated Countries to accelerate the digital transformation of European agriculture. It will run for at least seven years and has a planned budget of EUR 300 million (USD 339 million), 30% of which will be co-funded by the European Union while the remaining 70% will be financed by participating Member States and Associated Countries.

Domestic policy responses to ongoing crises, market imbalances and natural disasters

Two new regulations were introduced in September 2025 to allow Member States to raise the level of advance payments for the 2025 claim year: maximum advances for rural development support measures were increased from 75% to 85%, and 70% of direct payments could rise from the usual 50%. Larger advances aim to address liquidity issues and alleviate financial pressure on farmers caused by tariff increases imposed by the United States, the ongoing war in Ukraine, the consequences of the conflicts in the Middle East, as well as extreme weather events, impacting the prices of agricultural inputs and commodities.

A new **temporary measure (M23: "Natural Disasters")** was introduced under the EAFRD 2014-22[3] to mitigate the impact of adverse climatic events that affected certain farmers across Europe. The measure provides a one-off lump-sum payment, to be disbursed by 31 December 2025, to affected farmers, forest holders and SMEs active in agricultural and forestry processing and marketing, with the aim of ensuring continuity of their business activity (EC, 2024[18]). The measure was implemented by Cyprus, Croatia, Estonia, France, Greece, Italy, Spain and Portugal.

In 2025, several crisis-response mobilisations were activated under the **agricultural reserve**, including EUR 98.6 million (USD 111 million) in March 2025 to provide support to farmers in *Croatia, Cyprus, Hungary, Latvia and Spain* affected by **severe climatic events and natural disasters** since spring 2024 (EC, 2025[19]); EUR 15 million (USD 17 million) in May 2025 to assist farmers in *Czechia, Germany and Slovenia* facing losses linked to **adverse weather events and an animal disease outbreak** (EC, 2025[20]); EUR 14 million (USD 16 million) in July 2025 to compensate *Polish* farmers in **areas affected by avian flu outbreaks** in 2023 (EC, 2025[21]); and nearly EUR 50 million in October 2025 to support **fruit, nut and vegetable producers** in *Bulgaria, Hungary, Latvia, Lithuania, Poland and Romania* **affected by adverse climatic conditions** (EC, 2025[22]).

Strategy for generational renewal in agriculture

The European Commission recommends that, under the CAP 2028-34, Member States will **allocate at least 6% of their agricultural expenditure to measures that promote generational renewal** in agriculture. This recommendation comes from the Strategy for Generational Renewal in Agriculture (EC, 2025[23]), presented in October 2025. The objective of this strategy is doubling the share of young farmers in the European Union by 2040, addressing the present imbalance in which young and new farmers account for less than one-quarter of all EU farmers. In the next programming period 2028-34, the Member States will also be asked to prepare a Strategy on Generational Renewal to enhance the effectiveness and coherence of interventions targeting young farmers.

The CAP proposal for 2028-34 (EC, 2025[24]) released on 16 July 2025, includes several measures linked to the strategy for generational renewal. Young farmers would benefit from a wide range of tools provided in a "starter pack", including support for the setting-up and targeted area-based payments. In addition, the CAP post-2027 would aim to improve young farmers' access to training, mentoring, and other forms of support, including knowledge transfer, advisory services, and skills development.

Box 12.1. The European Commission's proposal for the CAP 2028-34

In the framework of the new Multiannual Financial Framework (MFF) (EC, 2025[25]), the European Commission has proposed that the CAP post-2027 will be integrated into the National and Regional Partnership Plans, which bring together existing EU funding programmes under a harmonised framework. For the CAP, this would imply moving away from the current two-pillar structure (based on the EAGF and the EAFRD) and merging the two funds. This new structure would remove existing constraints on transfers between pillars.

The main features of the proposed new Common Agricultural Policy 2028-34 (EC, 2025[24]) are: i) a secured budget for farmers with a ring-fenced amount ii) a single rulebook for the CAP, with new streamlined payments, aimed at reducing the burden for both farmers and administrations; iii) a more targeted distribution of funds to better support the diversity of the EU farming sector; iv) a framework that facilitates synergies with other policies to achieve a stronger impact on EU agriculture and rural areas.

The proposal also includes the introduction of a new approach to environmental and climate priorities that replaces the current conditionality with a "farm stewardship" system and a unified framework for agri-environmental and climate actions that rewards farmers for their contributions. It also includes transitional payments to support the adoption of specific farming practices, such as organic farming (EC, 2025[26]).

Trade policy developments in 2025-26

Trade agreements

EU trade policy made significant progress on several market-opening initiatives, most notably with the signature of the **EU-Mercosur Partnership Agreement (EMPA)** and the related **Interim Trade Agreement (iTA)** on 17 January 2026**.** Reflecting both the EU's aim to diversify trade partnerships and the political sensitivities surrounding agricultural market access, the agreements extend preferential treatment to goods traded with Mercosur while safeguarding sensitive EU agricultural sectors through tariff-rate quotas (e.g. for beef, poultry, rice and sugar) and bilateral safeguard mechanisms that allow for the temporary suspension of preferences in the event of potentially harmful import surges. All four Mercosur partners had ratified both agreements by March 2026, when Paraguay completed the ratification process. On the European side, however, the agreements are undergoing legal review following the European Parliament's request of 21 January 2026 for the European Court of Justice to assess their compatibility with EU treaties. The iTA, covers trade and investment matters under the EU's competence.[4]

The European Union also concluded negotiations of a **Free Trade Agreement with India** on 27 January 2026. Once in force, the agreement will improve market access for EU agri-food products by eliminating or reducing India's tariffs (currently averaging 36%) for selected products. Notably, tariffs on wine will be reduced progressively from 150% to 75%, before falling to 30% for most wines, while the 45% tariff on olive oil will be eliminated within five years. At the same time, several sensitive EU agricultural sectors such as beef, poultry, rice and sugar remain excluded from liberalisation for products imported from India. In parallel, the European Union and India are negotiating a separate agreement on Geographical Indications (GIs) to strengthen the protection of EU food and drink products against misuse of GIs and potential unfair competition in the Indian market (EC, 2026[27]).

Two months later, in March 2026, the **European Union and Australia** concluded negotiations for a free trade agreement after nearly eight years of discussions. Once in force, the agreement is expected to

improve market access for EU farmers by eliminating Australian tariffs across all EU agri-food exports, including key products such as cheese, processed foods and wine. At the same time, it provides safeguards for sensitive EU agricultural sectors through tariff-rate quotas (e.g. for beef, sheep meat, dairy, rice and sugar) and bilateral safeguard mechanisms, while also protecting nearly 400 European geographical indications (GIs).

On 17 January 2025, negotiations on the **EU-Mexico Modernised Global Agreement (MGA)** and accompanying **interim Trade Agreement (iTA)** were concluded.[5] Subject to the completion of the EU's internal procedures, the agreement is expected to eliminate the remaining tariffs on a wide range of EU agri-food exports – including cheese, poultry, pork, pasta, apples, jam, chocolate, wine – and extend GI protection to 568 European products (EC, 2025[28]). On 29 October 2025, the revised and upgraded **EU-Ukraine Deep and Comprehensive Free Trade Area (DCFTA)** entered into force, introducing further concessions in bilateral trade through additional tariff rate quotas and further reductions or eliminations of duties on agricultural products within the broader Ukraine's accession context. A safeguard clause enables both parties to adopt appropriate measures in situations where imports might cause serious difficulties (EC, 2025[28]). On 4 October 2025, the updated terms of the **EU-Moldova DCFTA** entered into force, providing further tariff concessions in bilateral trade. On the European Union side, these included increased tariff-rate quotas or the elimination of customs duties on seven Moldovan agricultural products not yet liberalised – that is plums, table grapes, apples, cherries, grape juice, tomatoes and garlic (European Council, 2025[29]).

Trade policy responses to ongoing crises

The **Autonomous Trade Measures (ATMs)** for Ukraine and Moldova were not extended past June and July 2025, respectively, as the European Union decided to transition to a longer-term framework in which all preferential market access would be integrated into revised DCFTAs. As a result, the European Union temporarily reverted to the **pre-war trade regime** for the products concerned, pending the entry into force of the updated **DCFTA provisions**.

Several EU border states – Poland, Hungary, and Slovakia – kept **unilateral bans on certain Ukrainian agricultural products**, in place since 2023, after the revised EU-Ukraine DCFTA entered into force in October 2025. Hungary made product-specific adjustments to these bans, lifting its import restriction on millet in February 2025 following the removal of its import ban on honey the previous year. In parallel, Ukraine extended its export licensing regime for certain grains and oilseeds until the end of 2026 to address concerns raised by Poland, Hungary, Slovakia, Bulgaria, and Romania about potential market disruptions. A licensing and quota regime for sugar exports was also introduced in 2026. Additionally, Romania established its own import licensing mechanism for the same set of products, complementing Ukraine's export controls.

The EU's trade policy response toward the United States initially took the form of **retaliatory tariffs on US agri-food imports**, implemented in two phases in April 2025 following successive US tariff increases. Those countermeasures targeted a range of products, including **soybeans, beef, sugar, dairy and pork**. Subsequently, the EU-US Tariff Deal announced in July 2025 established a framework for stabilising bilateral trade and potentially reducing agricultural barriers for selected products. Following this agreement, the European Union suspended its retaliatory measures shortly thereafter.

Country snapshots

This section presents 27 country snapshots, one for each EU Member State, detailing how their respective CAP Strategic Plans (CSP) allocate budgets to specific commodities and sectors for the 2023-27 period. Each snapshot also summarises the amendments made to the national CSP, highlights key

implementation achievements and challenges encountered, and presents concise descriptions of other important national policy developments in 2025 and early 2026.

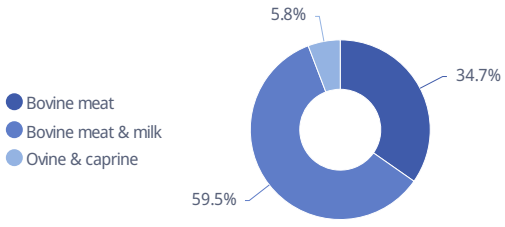
Austria

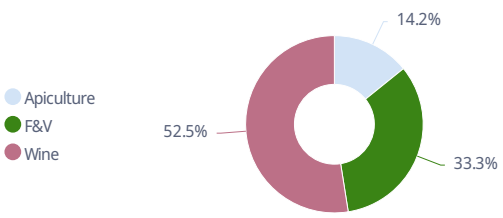
CAP Strategic Plans (CSP): Implementation in 2025-26

- Approved in September 2025, the third amendment of the Austrian CSP introduces two new funding items related to fruit and vegetables and updates the Investments in Renewable Energy measure and the LEADER programme.
- To consolidate the federal budget, the allocations for several measures within the CSP are reduced. The cuts concern in particular the additional national financing for processing and marketing, knowledge transfer, areas facing natural or other specific constraints, and investments in agricultural production.

Table 12.4. Austria's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	90.0 million	**Sectoral interventions (SI)**	Budget (EUR)	100.2 million
	Share of total CSP	1.0%		Share of total CSP	1.1%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

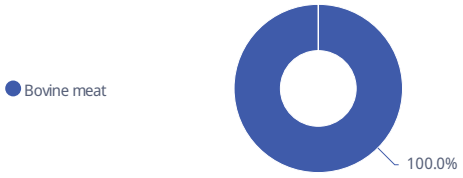
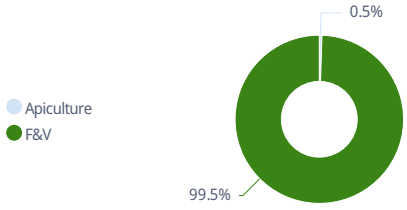
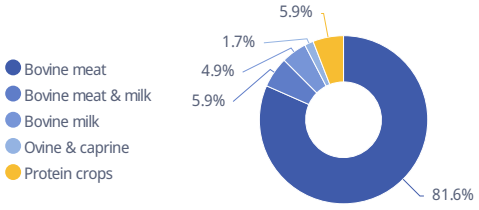
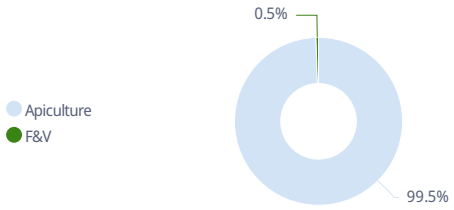
- The National Coordination Centre for Sustainable Food Systems, established in 2023 originally for a period of two years to co-ordinate related policy measures, has been extended until 2027.
- The amended Animal Protection Law, in force since June 2025, generally prohibits pig husbandry on fully slatted floors on 1 June 2034, six years earlier than originally planned. The law prescribes more space, structured bays, air conditioning and more activity material for the animals.
- With implementation of the first amendment of the Austrian Agricultural Environmental Programme ÖPUL from January 2025, additional measures relate to non-productive crop land, agro-forestry, and organic agriculture.
- The new "Peatland Platform", established in November 2025, aims to advance the protection and renaturation of peatland areas in Austria.
- A new special guideline from August 2025 integrates agriculture and forestry in a system supporting the vocational high school degree for apprentices to raise the attractiveness of related professions.

Belgium

CAP Strategic Plans (CSP): Implementation in 2025-26

- Updates to the Flemish and Walloon CSPs in 2025 include revised GAEC requirements, changes to coupled support and investment measures reflecting revised eligibility conditions and adjusted unit payment levels, as well as updated definitions of young and active farmers.
- Eco-scheme participation remained high in both regions, with strong uptake in Flanders and increased compliance flexibility in Wallonia to facilitate broader participation.

Table 12.5. Flanders and Wallonia's CSP planned budget targeting specific commodities and sectors

Flanders	**Coupled income support (CIS)**	Budget (EUR)	83.6 million	**Sectoral interventions (SI)**	Budget (EUR)	389.5 million
		Share of total CSP	4.1%		Share of total CSP	19.0%
						
Wallonia	**Coupled income support (CIS)**	Budget (EUR)	282.9 million	**Sectoral interventions (SI)**	Budget (EUR)	2.1 million
		Share of total CSP	15.2%		Share of total CSP	0.1%
						

Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- In 2025, Flanders updated its Energy and Climate Plan expanding methane-reduction measures and additional carbon removal requirements for agricultural land. Wallonia updated its Air-Climate Energy plan 2030 with technical tools to assess ammonia and GHG emissions at the farm level.
- Wallonia announced a new 2026-2029 action programme under the Food Wallonia plan focused on food waste, collective catering and food access initiatives.
- Flanders launched the Carbon Removals & Carbon Farming Action Platform in line with the EU CRCF certification framework. Wallonia conducted open dialogues on carbon-removal certification.
- Circular and bio-economy initiatives expanded in both regions. Flanders developed new projects for food-loss prevention, and Wallonia expanded actions for developing bio-based value chains.

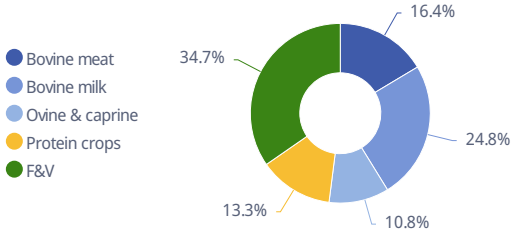
Bulgaria

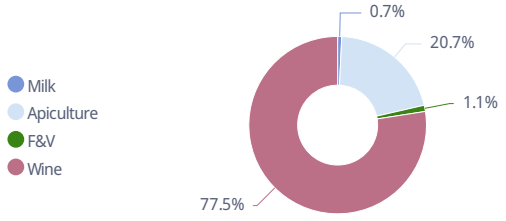
CAP Strategic Plans (CSP): Implementation in 2025-26

- In August 2025, Bulgaria adopted the third amendment to its CSP, introducing a new EUR 65 million intervention promoting environmentally friendly practices (financed partly through a transfer from the intervention supporting integrated production practices). It also increased support for organic crop production, raised the investment ceiling for rural infrastructure projects from EUR 100 000 to EUR 500 000, and increased public support for crop insurance to 70% of premiums.
- Implementation of the CSP accelerated in 2025, with investment calls totalling around EUR 278 million by December, prioritising structurally weaker sectors such as horticulture, livestock and organic farming. These calls are intended to boost investment and improve absorption of CAP funds while addressing competitiveness gaps.

Table 12.6. Bulgaria's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	615.9 million	**Sectoral interventions (SI)**	Budget (EUR)	124.8 million
	Share of total CSP	8.0%		Share of total CSP	1.6%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- In May 2025, Bulgaria advanced amendments to the Water Act related to irrigation, classifying irrigation water supply as a service of general economic interest, which allows the government to grant preferential pricing and other benefits to farmers using irrigation water.
- BGN 28.5 million (EUR 14.6 million) were provided in compensation for fruit growers affected by spring frost, and over BGN 8 million (EUR 4.1 million) for related crop losses, including EUR 7.4 million from the EU agricultural reserve.
- Bulgaria launched "Shop for the People" EAD, a state-owned retail initiative under the Ministry of Agriculture and Food aimed at improving access to affordable essential goods and giving priority to products from Bulgarian producers. Established with BGN 10 million (EUR 5.1 million) in initial capital it crates partnerships with cooperative and regional networks, with markups of up to 10% on selected basic goods.

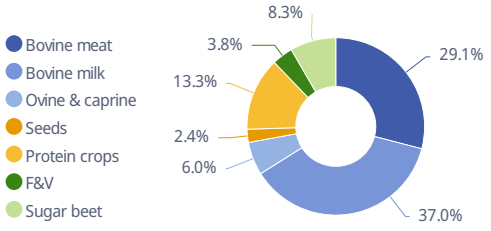
Croatia

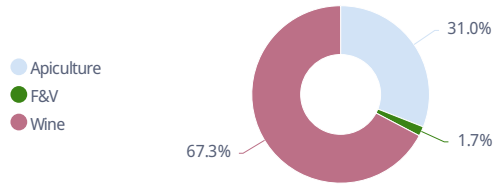
CAP Strategic Plans (CSP): Implementation in 2025-26

- The third amendment to Croatia's CAP Strategic Plan, approved in October 2025, clarified conditionality rules, simplified eligibility for various interventions, and transferred several small-scale measures to national funding to reduce administrative burden and accelerate the implementation of the remaining CAP interventions.
- Eleven calls for project- and investment-based were published, while several simplifications were introduced for direct payments and area-based payments interventions. Uptake of several eco-schemes exceeded expectations, prompting internal reallocation of funds within the direct payments envelope to ensure payment of the minimum unit amounts, and beneficiary interest increased for agri-environment and animal welfare interventions.

Table 12.7. Croatia's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	281.1 million	**Sectoral interventions (SI)**	Budget (EUR)	61.6 million
	Share of total CSP	7.5%		Share of total CSP	1.6%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- The focus of the Agricultural Knowledge and Innovation System (AKIS) shifted from structural establishment to full operationalisation in 2025. To accelerate the uptake of innovative and sustainable farming practices, the Ministry put extra effort on identifying farmers' knowledge needs and tailoring advisory and training activities accordingly.
- National support measures – such as compensation schemes for farmers affected by adverse climatic conditions, crisis support, maintaining production in vulnerable sectors and regions – were implemented with increased emphasis on resilience to climate-related risks and crisis response. Combined with CAP instruments, the national interventions aimed to play a complementary role in enhancing the overall adaptive capacity of the agricultural sector.
- Under the National Recovery and Resilience Plan (NRRP), EUR 81.8 million was invested to establish five logistics and distribution centres (LDCs) for fruits and vegetables; two centres became operational by February 2026, with the remaining three scheduled for completion within the year to improve market access and reduce post-harvest losses.

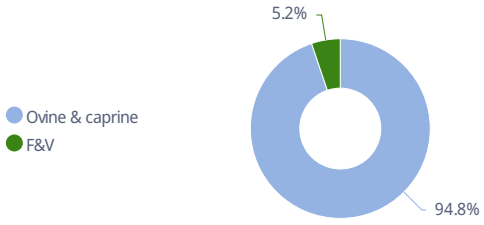
Cyprus

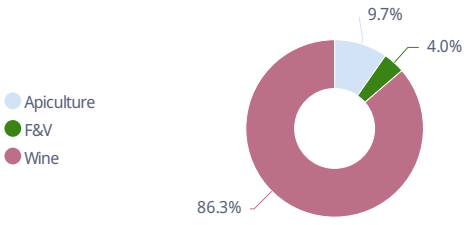
CAP Strategic Plans (CSP): Implementation in 2025-26

- Applications for the Major Investment Measure opened in June 2025, with a EUR 60 million budget. It covers three interventions: supporting investments aimed at modernising farms and livestock holdings, enhancing environmental protection and animal welfare, and improving livestock-waste processing and management. Environmental projects can receive up to 80% of eligible costs.
- Applications for the Young Farmers Installation intervention also opened in June 2025, with EUR 7.5 million allocated to address workforce aging and support the establishment of economically viable and competitive farms.
- The interest in the Small Investment scheme exceeded expectations, with eligible applications amounting to EUR 12.7 million, compared with the EUR 10 million initial target.

Table 12.8. Cyprus' CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	21.3 million	**Sectoral interventions (SI)**	Budget (EUR)	18.1 million
	Share of total CSP	4.7%		Share of total CSP	4.0%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- Under the Major Investment Measure, the Cyprus Electricity Authority established a dedicated financing facility for farmers to install grid-connected photovoltaic systems, while parallel governmental efforts – supported by the Ministry of Interior and other bodies – simplified licensing procedures to accelerate applications, streamline approvals, and boost investment uptake.
- Following significant low rainfall and high temperatures in early 2024 that affected cereals, olives, and fruit and vegetable production, EUR 3.5 million was mobilised from the European agricultural reserve in May 2025 to compensate farmers for their losses.
- The outbreak of the Foot-and-mouth disease in February 2026 led to the culling of infected animals and the launch of a vaccination campaign, alongside movement restrictions and biosecurity measures.
- A new nationally funded research programme will assess GHG emissions from Cyprus' livestock sector. The data gathered will support the design of future rural development measures.

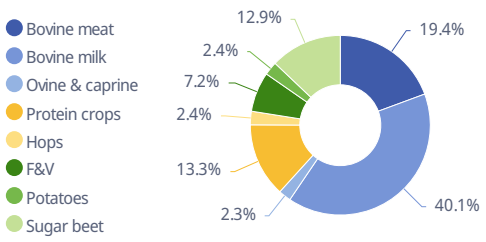
Czechia

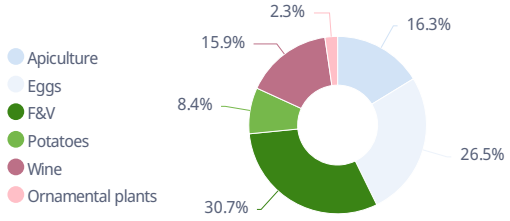
CAP Strategic Plans (CSP): Implementation in 2025-26

- In 2025, updates to the CAP Strategic Plan introduced adjustments to rural-development interventions, including revised unit amounts, rates and allocations, and reformed the eco-scheme from a single whole-farm payment into four distinct support types covering new landscape elements, maintenance of existing ones, sustainable nutrient management and strip-crop rotation
- The 6th rural development call for applications supported investment with preferential treatment for small enterprises and school farms. It also provided fixed-rate support to new entrants (with higher rates when processing is added to production) and innovation grants for co-operation projects.

Table 12.9. Czechia's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	617.6 million	**Sectoral interventions (SI)**	Budget (EUR)	124.9 million
	Share of total CSP	7.7%		Share of total CSP	1.6%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- Following the severe floods of September 2024, compensation amounting to CZK 165.4 million (USD 7.6 million) for crop losses was provided in May 2025 from the European agricultural reserve, along with CZK 2.5 million (USD 0.1 million) in state aid for livestock losses.
- Several state aid schemes were streamlined, including shifting programmes to rate based payments and reducing documentation requirements, to simplify procedures and significantly cut administrative burden for beneficiaries.
- Important regulatory changes were advanced in 2025, introducing in July a formal legal definition of family farms, with clear eligibility criteria, a national registry, and regulated use of the designation to improve policy targeting. Since October, the amended Act on the State Land Office aims to, among others, expand municipal access to state land, strengthen preferential access for young farmers, accelerate land-consolidation procedures, and enhance the state's role in soil protection.
- In January 2026, the new government adopted its Programme Statement, setting priorities for agriculture such as increasing productivity, added value and innovation, redirecting support towards active producers, and fostering rural-urban integration.

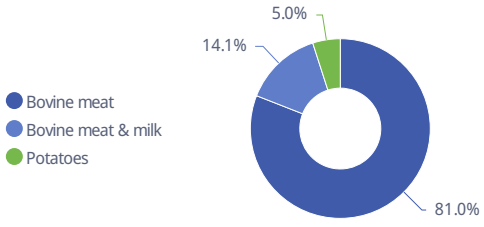
Denmark

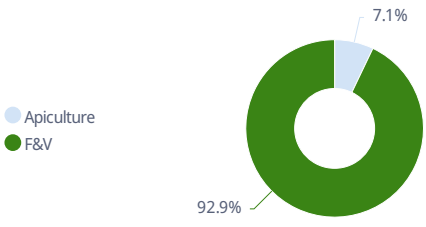
CAP Strategic Plans (CSP): Implementation in 2025-26

- In 2025, Denmark amended its CAP Strategic Plan to transfer funds from Pillar 1 to Pillar 2 in support of the Agreement on a Green Denmark and the Green Area Fund.
- Implementation progressed steadily in 2025. Uptake of eco-schemes stabilised following design adjustments introduced from 2024, and most Pillar 2 interventions have now been launched at least once. Payments and outputs are increasingly materialising, although impacts remain gradual due to multiannual project cycles.

Table 12.10. Denmark's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	203.1 million	**Sectoral interventions (SI)**	Budget (EUR)	39.2 million
	Share of total CSP	4.1%		Share of total CSP	0.8%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- New nitrogen regulation model: since December 2025 a new framework shifts input-based fertiliser limits to farm-level quotas for nitrogen losses to coastal waters from 2027. Catchment-level discharge limits will be translated into individual farm quotas, with flexibility mechanisms (e.g. crop choice, differentiated fertilisation, quota trading and organic conversion). Transitional compensation and targeted support, partly financed by CAP funds, will support implementation.
- Research and innovation system strengthening: in 2025, the Danish Government launched the "Accelerating Future Green Solutions" plan, allocating DKK 500 million annually focused on agriculture. The mission-driven approach supports the scale-up and demonstration of biosolutions, strengthens Denmark's agricultural innovation system, and reinforces public–private collaboration.
- Climate measures: from January 2025, methane-reducing feed additives became mandatory for dairy cattle. Implementation of the 2024 livestock GHG taxation framework has advanced, including preparatory work on monitoring, reporting and verification systems ahead of the 2030 entry into force. Funding allocations under plant-based food schemes and biochar support continued in 2025, contributing to emission reductions and carbon removal in the land-use and agricultural sectors.

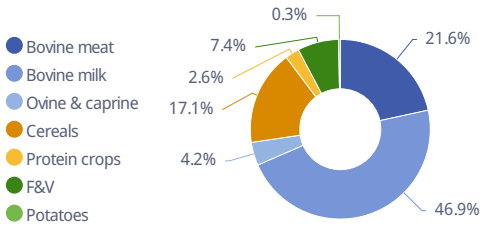
Estonia

CAP Strategic Plans (CSP): Implementation in 2025-26

- Third and fourth amendments to the CAP Strategic Plan were approved in 2025, adding new interventions (support for the restoration of agricultural production after natural disasters) and expanding budgets for animal disease related measures.
- The support eligibility was widened, support rates increased, and funds reallocated to match beneficiary demand, including for soil and water protection measures and for infrastructure investments).
- Eco-scheme uptake patterns varied, with simplifications planned for 2025–2026.

Table 12.11. Estonia's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	131.0 million	**Sectoral interventions (SI)**	Budget (EUR)	1.4 million
	Share of total CSP	8.0%		Share of total CSP	0.1%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- Estonia introduced a wide range of agricultural policy updates reflecting emerging challenges in innovation, climate resilience, animal health, and market transparency. A major focus is enhancing AKIS by clarifying roles among implementing bodies, improving EIP-AGRI innovation support (continuous applications, wider eligibility including co-operatives, shorter processing times), and tightening advisory service compliance rules with adjusted co-financing to better target support and ensure availability of funds throughout 2023-2027.
- Estonia also advanced several investment support schemes to strengthen resilience in the face of climate shocks, energy insecurity, and severe livestock disease outbreaks – particularly foot and mouth disease (FMD) and African swine fever (ASF).

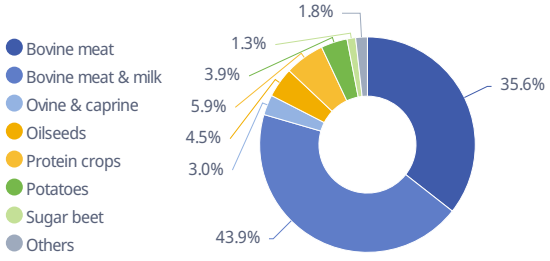
Finland

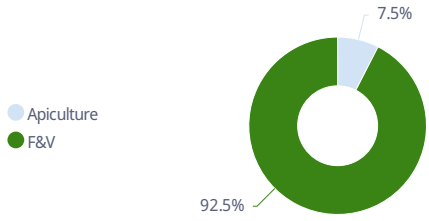
CAP Strategic Plans (CSP): Implementation in 2025-26

- Finland's CAP Strategic Plan for 2023–2027 implementation is progressing as planned.
- Proposed amendments for 2026 aim to: (i) improve achievement of CAP objectives, (ii) ensure full use of EU funding, (iii) increase support levels for certain direct payments, and (iv) strengthen incentives and support for organic farming, some environmental measures, and constructed wetlands investments.

Table 12.12. Finland's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	505.4 million	**Sectoral interventions (SI)**	Budget (EUR)	24.9 million
	Share of total CSP	7.5%		Share of total CSP	0.4%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. "Others" category covers F&V (0.9%), bovine milk (0.6%), cereals (0.26%). F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- Launched on 16 December 2025, the Finland's National Food Strategy 2040 sets a long-term vision for a sustainable, resilient and competitive food system. Its implementation will occur through four-year action plans, with the first report to Parliament in early 2026.
- The comprehensive Rural Policy Report, released on 22 January 2026, outlines the state, trends, and a vision for rural Finland up to 2040. The report provides cross-sectoral recommendations and serves as a governmental strategic tool.
- From early 2026, the Ministry of Agriculture and forestry will operate through three new departments: (i) Food and Research Department – food security, animal/plant health, and welfare, (ii) Agriculture and Fisheries Department – national preparation and implementation of EU agricultural and fisheries policies, and (iii) Natural Resources Department – sustainable and secure management of renewable natural resources, guided by climate and biodiversity priorities.

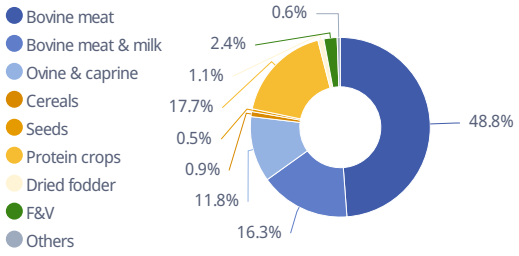
France

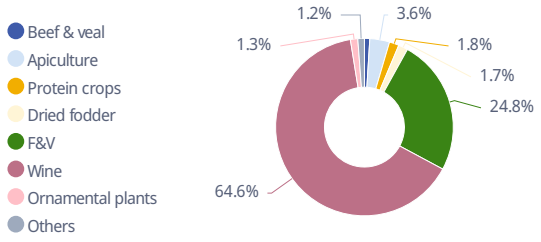
CAP Strategic Plans (CSP): Implementation in 2025-26

- Amendments to the CSP approved in 2025 introduce simplifications for farmers, such as adjusting GAEC rules, easing access to coupled bovine support, adapting crop-insurance loss assessments, and simplifying the mutual fund scheme (FMSE), which is now financed solely through national funds. Key changes also include the implementation of EU regulations on the protection of wetlands and peatlands, as well as increases to the hedgerow bonus payment under the eco-scheme and to the payment rate for the coupled support for starch potatoes.
- In 2025, the implementation of the CSP accelerated, notably in terms of payments for agricultural installation and investment. Eco-schemes recorded a high uptake, with 90% of direct payment applicants participating, while support for conversion to organic farming kept declining. Moreover, 30 000 young farmers received additional income support compared to 26 000 initially planned.

Table 12.13. France's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	5.067 billion	**Sectoral interventions (SI)**	Budget (EUR)	1.399 billion
	Share of total CSP	10.2%		Share of total CSP	2.8%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. "Others" category covers rice (0.18%), potatoes (0.18%), hemp (0.16%), hops (0.04%) for CIS, and milk (0.86%), olives (0.18%), rabbit meat (0.13%), rice (0.04%) for SI. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- In support to the sector resilience, ten laureates were selected in July 2025, receiving EUR 11.7 million under the "Territorial Projects for Legume Sectors" call, promoting stakeholder collaboration for plant protein production. Moreover, an EUR 8 million aid scheme was launched for 2025-2027 for orchard renovation, supporting innovation, plant-disease control, and generational renewal.
- Nineteen research and action projects have been funded in 2025 for a total of EUR 2 million under the Ecoantibio 3 plan, to reinforce ongoing efforts to combat antibiotic resistance in animals.
- To strengthen sanitary and phytosanitary risk management, a EUR 45 million call for projects was launched in June 2025 under the PARSADA plan, supporting alternatives to certain plant protection products. Following the June 2025 Lumpy skin disease outbreaks, research efforts will intensify, focusing on surveillance, vaccination, diagnostics, transmission, and decision-support tools.

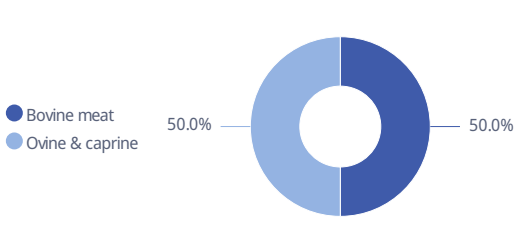
Germany

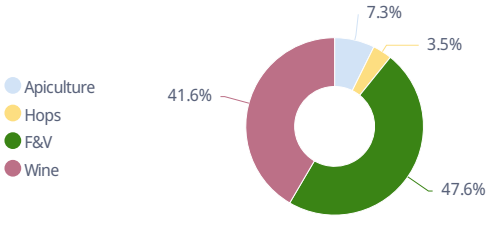
CAP Strategic Plans (CSP): Implementation in 2025-26

- During the implementation of the German CSP in 2025, the uptake of measures has significantly increased compared to the previous year. Almost all of the eco-scheme funds were used, though with varying uptake. Measures with specific management requirements and higher control costs attracted less interest. Further adjustments, such as management simplifications and a premium increase, are foreseen.
- In 2025, the introduction of the relevant IT reporting system has been successfully completed.

Table 12.14. Germany's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	429.1 million	**Sectoral interventions (SI)**	Budget (EUR)	312.7 million
	Share of total CSP	1.3%		Share of total CSP	0.9%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- Changes have been made to simplify measures and reduce administrative burdens for farmers and other primary producers, and to improve planning certainty. Reporting requirements have been streamlined, funding procedures simplified and the coordination between the federal and Bundesländer level strengthened.
- In December 2025, the Federal Ministry of Agriculture, Food and Regional Identity (BMLEH) launched a new agricultural export strategy to realign export promotion, open up new markets and strengthen the long-term competitiveness of agri-food enterprises. The strategy aims to make export promotion programmes more efficient, more flexible and more targeted, with particular attention to the needs of SMEs.
- In 2025, five projects were launched to establish experimental fields for digitalisation and artificial intelligence (AI) in agriculture, with approximately EUR 10 million in funding allocated until 2028. In addition, the "Smart Farming" project supports the ISO's Technical Committee 347 "data-driven agrifood systems", of which Germany hosts the Secretariat.

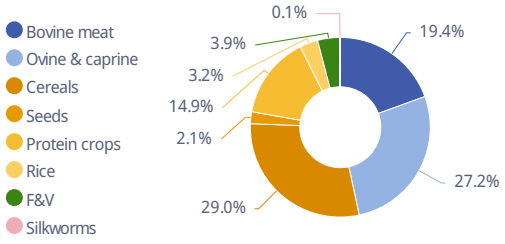
Greece

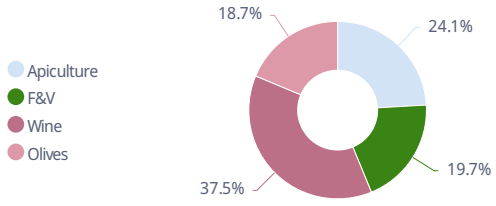
CAP Strategic Plans (CSP): Implementation in 2025-26

- An amendment to the CSP 2023-27 was submitted end of 2025 to finalise three main financial instruments (microloans, first loss guarantees for general use, young farmers support), update GAECs 2 and 8, remove the new risk management measures (covered by the core mandatory scheme), expand the use of simplified cost options, and extend some 2014-22 programmes.
- Direct payments were implemented as planned. The most successful of the 10 eco-schemes were those rewarding the use of species and varieties facilitating climate change adaptation and resilience, supporting environmentally friendly practices with digital tool, and for organic farming.
- All major rural development interventions were launched in 2025, with 12 new calls and 5 pre-calls. Demands public irrigation works, processing investments, greenhouse modernisation and innovation partnerships were the highest, exceeding the allocated budget by more than 500%.

Table 12.15. Greece's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	1.226 billion	**Sectoral interventions (SI)**	Budget (EUR)	253.9 million
	Share of total CSP	8.6%		Share of total CSP	1.8%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- Recovery from various extreme weather events (drought, floodings, fire, hail, etc.) led in 2025 to state aids exceeding EUR 100 million and the activation of Measure 23 of the RDP.
- Most contracts under "Ydor 2.0" (Water 2.0), an EU and national sources-funded programme for the construction of irrigation infrastructure via Public-Private Partnerships, were signed or finalised.
- Emergency support was provided to the livestock sector via an urgent legislation (National Law No. 5251/2025 and several Ministerial Decisions) and de minimis aid amounting to EUR 84 million, to address the sheep and goat pox outbreak that resulted in the culling of 5% of the herd in 2025 and caused significant losses in dairy and cheese production.
- The Greek Payment Authority for Agricultural Subsidy Schemes was reformed and integrated into the Independent Authority for Public Revenue, the centralised tax authority under the Ministry of Finance, initialising a new system of payments and controls, with greater use of digital tools.

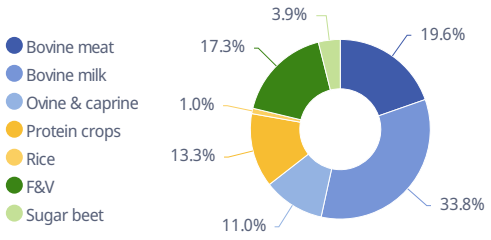
Hungary

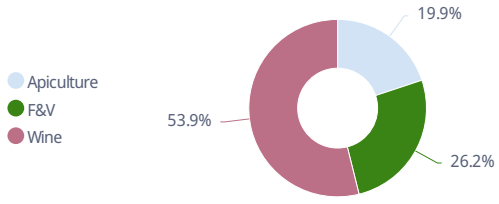
CAP Strategic Plans (CSP): Implementation in 2025-26

- CSP amendments in 2025 introduced measures to improve advisory services and market information for the wine sector, support water retention, and invest in irrigation and vocational training centres. To fund more beneficiaries, payments for generational renewal were reduced.
- Area claimed for complementary income support for young farmers (268 000 ha vs 119 000 ha planned) and agro-ecological programme uptake continued to exceed expectations. Applications were below expectation for coupled support for industrial oilseed crops and fattened bulls, and resources were reallocated from these envelopes.
- In 2025, Hungary launched 30 calls for grants under Pillar 2 of the CAP, e.g. on the technological development of horticultural plants, tackling antimicrobial resistance, support to young farmers, agroforestry practices and the creation of semi-natural and wetland areas on agricultural land.

Table 12.16. Hungary's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	994.9 million	**Sectoral interventions (SI)**	Budget (EUR)	207.7 million
	Share of total CSP	9.9%		Share of total CSP	2.1%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- After the severe drought of 2024, Hungary received EUR 16.2 million of exceptional assistance from the European Commission to compensate maize producers.
- Act CXXII on the Turnover of Agricultural and Forestry Land was amended, modifying the conditions for acquiring agricultural land and the rules for agricultural land leasing.
- A price margin cap (between purchase and sales) from March 2025 limits the margins retailers with a sales revenue over HUF 1 billion (EUR 2.5 million) can apply on certain essential food products.
- Between November 2025 and December 2026, farmers can take loans – for six years, worth HUF 1 million to HUF 1 billion (EUR 2 500 to EUR 2.5 million) – with subsidised interest rates through the Hungarian Development Bank. Sixty per cent of interest rates are covered by the state. For pig keepers, the interest rate is 100% subsidised.
- Act CXXIX was amended to allow the use of non-hazardous plant-based natural organic substances on arable land, facilitating on-site use of by-products and green waste from agriculture.

Ireland

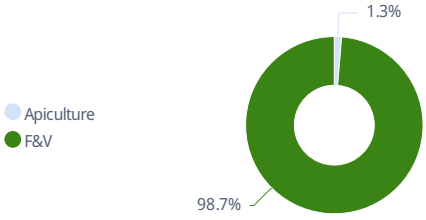
CAP Strategic Plans (CSP): Implementation in 2025-26

- The Fifth Amendment to the CSP, adopted on 30 April 2025, introduced the final conditionality standard, GAEC 2 (protection of peatlands and wetlands) for claim year 2025.
- Three new EIP-AGRI proposals on the theme of generational renewal were funded in 2025, with an additional call opened for tillage projects focussing on enhancing habitats for biodiversity in tillage areas. A new 60% Nutrient Storage Grant Aid scheme for investments under the Targeted Agricultural Modernisation Scheme was introduced to reduce reliance on chemical fertiliser.
- Evaluation activities for habitats and biodiversity are carried out under contract over the next eight years, focusing on monitoring and assessing habitat quantity, connectivity and change. Field work to establish a baseline was conducted in summer 2025.

Table 12.17. Ireland's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	47.0 million	**Sectoral interventions (SI)**	Budget (EUR)	45.3 million
	Share of total CSP	0.5%		Share of total CSP	0.5%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- Ireland's Nitrates Derogation was extended for the period 2026-28, with additional conditions including the need to demonstrate enhanced compliance with the EU Habitats Directive.
- Unprotected urea (that is, urea that has not been coated with a urease inhibitor) in solid form is no longer be permitted to be spread on land since September 2025.
- The Organic Farming Scheme (OFS) received funding of EUR 67 million in 2025. The Green Public Procurement Strategy and Action Plan requires that a minimum of 10% of food purchased via public procurement must be certified organic.
- The maximum allowable crude protein in concentrates fed to adult cattle at grass was reduced to 14% during the period between 15 April and 30 September as a means to reduce GHG emissions.

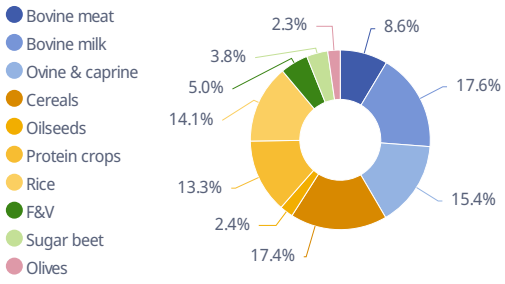
Italy

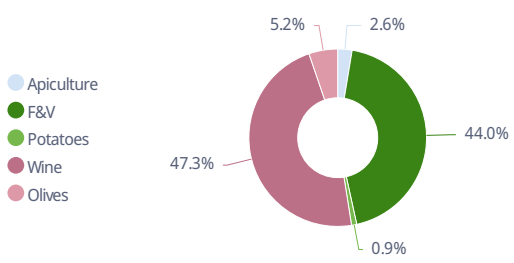
CAP Strategic Plans: Implementation in 2025-26

- Italy introduced several updates to their CSP, including higher complementary income support for young farmers, and an additional support level under eco-scheme 5 for farmers who allocate part of their land to fallow. Further adjustments concerned sectoral interventions, including expanded eligibility for irrigation investments in the wine sector and broader support options in beekeeping.
- Expenditures increased significantly in the 2025 financial year, with direct payments – including eco-schemes – reaching close to 100% of planned expenditure. Rural development spending also advanced, particularly for agri-environmental interventions and payments for natural or other area-specific constraints. Together with risk-management, expenditure for these measures amounted to nearly EUR 2 billion.

Table 12.18. Italy's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	2.641 billion	**Sectoral interventions (SI)**	Budget (EUR)	3.214 billion
	Share of total CSP	7.2%		Share of total CSP	8.8%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- The Food Sovereignty Fund was established to reduce reliance on imports by strengthening supply-chain contracts in strategic sectors. Initially endowed with EUR 25 million per year and increased by EUR 10 million in 2025, the Fund finances measures for the expansion of arable land, increases in livestock numbers, and the protection of native breeds.
- A significant share of support is channelled through the National Recovery and Resilience Plan: in 2025, EUR 8.9 billion was allocated to interventions managed by the Ministry of Agriculture, Food Sovereignty and Forests, including EUR 2.4 billion for Agrisolar Park investments and EUR 1.4 billion for Supply Chain Contracts.
- Italy strengthened several sector-specific disaster-related support measures, including additional funding for the pig sector, kiwifruit disease control, and compensation for losses linked to Xylella, Bluetongue and African Swine Fever.
- The 2026 Budget Law introduced a regulatory framework for seasonal work and a dedicated tax regime for occasional fixed-term employment to help address labour shortages.

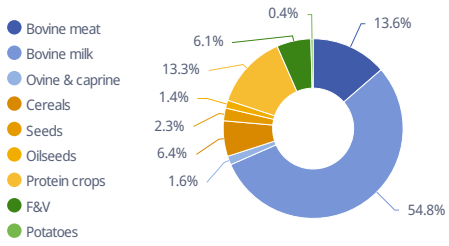
Latvia

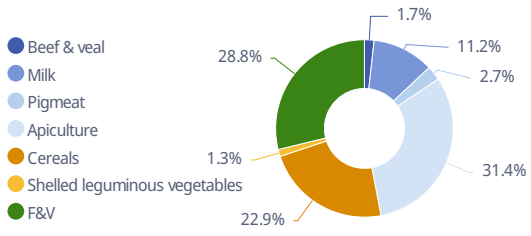
CAP Strategic Plans (CSP): Implementation in 2025-26

- Amendments were made to nine rural development measures which reduced requirements for receiving support, increased aid rates, or broadened the scope of support.
- All 24 direct payment interventions and all 7 apiculture interventions were fully implemented in 2025, while 9 new rural development interventions were launched, bringing the total to 27.
- Several eco-schemes recorded higher-than-planned uptake by farmers, including support for environmentally and climate-friendly farm practices (918 000 ha, 206% of the target), and support for practices that reduce nitrogen and ammonia emissions and pollution (469 000 ha, 195% of the target). However, uptake was lower than expected for some eco-schemes, such as the new eco-scheme aimed at creating or preserving landscape elements (51 000 ha, 49% of the target).

Table 12.19. Latvia's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	257.0 million	**Sectoral interventions (SI)**	Budget (EUR)	10.1 million
	Share of total CSP	10.3%		Share of total CSP	0.4%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- Latvia continued efforts to reduce the administrative burden of farmers through actions including digitalising documents and monitoring and control processes, as well as simplifying data entry and document submissions. A risk-based approach was adopted for agricultural inspections such as for animal health. Amendments were made to a considerable number of Cabinet regulations and regulatory frameworks which reduce administrative burden.
- Latvia developed and approved an Action Plan for improving school catering systems for 2025-2027 which targets improving the procurement systems, setting quality criteria, strengthening local sourcing of products, linking educational content to sustainability and nutrition, setting nutritional standards and promoting student meals.
- Prolonged rainfall in Latvia caused flooding of crops and plantations in many areas, drastically reducing both yield and quality. Nine projects were carried out to improve flood prevention by restoring water flow in 53 km of national watercourses and 10 km of drainage systems.

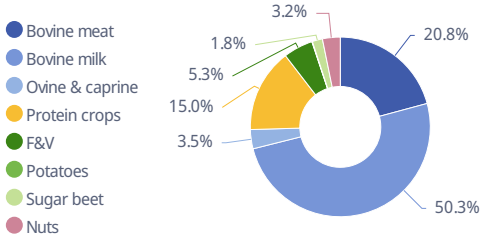
Lithuania

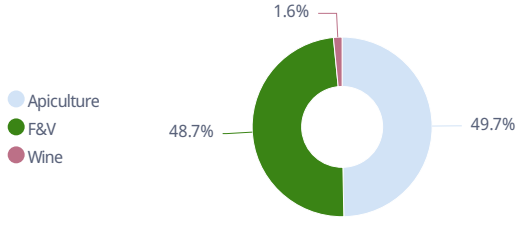
CAP Strategic Plans (CSP): Implementation in 2025-26

- Lithuania amended its CAP Strategic Plan in 2025 and submitted further amendments in early 2026. Changes focused on simplification and flexibility: reduced control and penalty requirements for very small farms, adjustments to GAEC standards and relevant eco-schemes, simplified cost options, additional national financing, and targeted budgetary reallocations. Further proposed amendments target short supply chains, catch crops, and farm investment interventions.
- Eco-scheme uptake strengthened in 2025, particularly for organic farming and key land management practices. Participation in productive arable-land eco-schemes remained strong, while uptake of certified seeds declined.

Table 12.20. Lithuania's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)			Sectoral interventions (SI)		
	Budget (EUR)	451.8 million		Budget (EUR)	11.1 million
	Share of total CSP	10.7%		Share of total CSP	0.3%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- In 2025, agriculture and food policy were recognised as strategically important for national security. Amendments to the Law on the Basics of National Security will strengthen the framework for ensuring food security and continuity of production in times of crisis.
- In 2025-2026, Lithuania strengthened drainage policy through higher public funding and a new governance approach. In 2026, national funding for state-owned drainage infrastructure increased by EUR 15 million. Lithuania also moved towards basin-based management to improve system-wide planning, clarify responsibilities, and strengthen resilience to excess moisture and flooding.
- In 2025-2026, Lithuania advanced digitalisation in livestock administration. New tools included an electronic animal consignment note, digital vaccination records and easier farmer access to the livestock register, reducing administrative burden and improving data management.
- From 2026, Lithuania introduced separate personal income tax treatment for farmers. Income from agricultural activity became subject to lower progressivity than general personal income, reflecting income volatility and sector-specific risks.

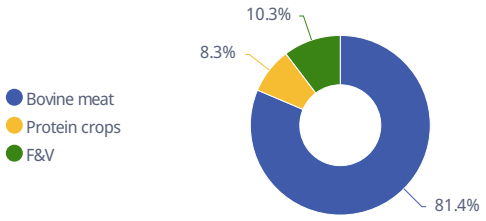
Luxembourg

CAP Strategic Plans (CSP): Implementation in 2025-26

- Luxembourg's scheme supporting the use of synthetic pheromone diffusers in viticulture is no longer financed through EU funds but through national aid, and the measure has been removed from the CSP from 2025. Moreover, following the annulment of the glyphosate ban in 2023, the CSP has been adjusted to revert to a voluntary renunciation scheme in the form of a premium.
- The overall uptake of eco-schemes exceeded the allocated budget, with the shortfall covered through national state aid. The only exception concerns eco-schemes for non-productive areas, whose uptake remains significantly below target.

Table 12.21. Luxembourg's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	19.4 million	**Sectoral interventions (SI)**	Budget (EUR)	0.393 million
	Share of total CSP	4.2%		Share of total CSP	0.1%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- The updated National Action Plan for Organic Farming for the 2026-2030 period (PAN-Bio 2023), published in December 2025, sets a target of increasing certified organic agricultural land by percentage point annually, reaching around 15% by 2030 (from 9.6% in 2024). It focuses on supporting conversion to and maintenance of organic production, strengthening value chains and market opportunities, promoting consumption, and improving governance.
- The adoption in June 2025 of a law supporting the construction of horticultural greenhouses aims to increase Luxembourg's low level of self-sufficiency in fruit and vegetable production, with a EUR 20 million call for projects launched in September inviting farmers to apply.
- In 2025, the Luxembourg Veterinary and Food Administration (ALVA) adopted a preventive approach through reinforced surveillance and voluntary vaccination campaigns to protect livestock against several diseases, including epizootic haemorrhagic disease, bluetongue, lumpy skin disease and avian influenza.
- In April 2026, an action plan for generational renewal in farming was released in co-operation with the Chamber of Agriculture and the young farmers' organizations, outlining seven strategic measures to enhance the sector's attractiveness and support farm takeovers by young farmers.

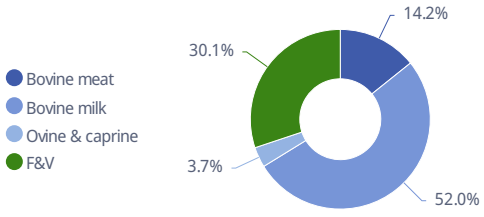
Malta

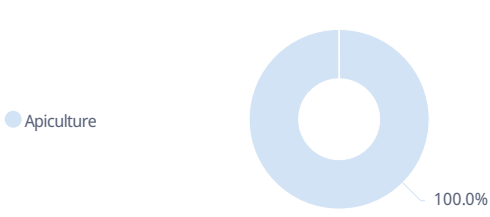
CAP Strategic Plans (CSP): Implementation in 2025-26

- Several amendments to the budgets of specific programmes were made while maintaining the overall budget for Pillars 1 and 2 constant. A planned financial instrument intended to support land acquisition by young farmers was scrapped due to viability concerns, and its resources were reallocated to a financial and technical assistance scheme for young farmers. More resources were also channelled into the implementation of parcel-level soil management and conservation plans in response to high demand, while further resources became available through reductions in schemes focused on off-farm investments and organic farming.
- Implementation has been uneven across schemes, and uptake of several eco-schemes, such as those for biodegradable mulch and biodiversity, has been limited, partly due to farmers favouring production-oriented schemes and because of high land competition and fragmented holdings.

Table 12.22. Malta's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	15.0 million	**Sectoral interventions (SI)**	Budget (EUR)	0.141 million
	Share of total CSP	9.3%		Share of total CSP	0.1%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- The Protection of Agricultural Land Regulations aim to preserve agricultural land and impose certain obligations on farmers. These include compulsory land registration, minimum levels of agricultural activity, and limits on non-agricultural use. Fines are foreseen in the event of non-compliance, along with a mechanism to reallocate unregistered land or place it under government stewardship.
- Two additional schemes aimed at improving access to and use of agricultural land were launched in 2025. The first, a pilot scheme, foresees the lease of government-owned vacant agricultural land to young farmers and new entrants for a 10-year period. The second scheme incentivises the temporary transfer of agricultural land from owners to either young farmers or a government agency, to ensure that the land remains in productive use.
- The Food Safety and Security Authority was established in 2025 to strengthen food safety and oversee both food safety and supply chain security.

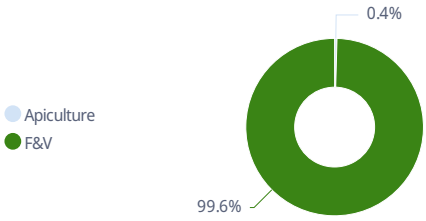
Netherlands

CAP Strategic Plans (CSP): Implementation in 2025-26

- CAP regulations were simplified in 2025 in line with recent EU initiatives. The application process has also been streamlined, making annual reporting less burdensome for farmers.
- Support for young farmers was offered through the EIP generational renewal scheme and opened to applicants for the first time in 2025, promoting generational renewal and sustainable farm transitions within the CAP framework.
- Application numbers remained stable. Direct payment interventions continued their expected slight decline, while participation in eco-schemes remained high and consistent with previous years.

Table 12.23. Netherlands' CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	0	**Sectoral interventions (SI)**	Budget (EUR)	634.7 million
	Share of total CSP	0.0%		Share of total CSP	12.7%



Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- In April 2025, the Netherlands introduced an integral package to unlock operations in agriculture, industry and mobility, whose agricultural component focuses primarily on reducing nitrogen pollution and ammonia-emissions. The *Starter Package* includes immediate measures, such as farming extensification (EUR 627 million), manure management (EUR 250 million), voluntary farm exit schemes (EUR 750 million), target-based approach at farm level (EUR 200 million) and nature development (EUR 100 million). It also allocates EUR 600 million for the regions of Veluwe and de Peel along with EUR 473 million for various support measures such as technical interventions (e.g. Aerius replacements and animal welfare improvements) and policy support (e.g. food education and policy). The *Follow up Package* covers additional measures, including innovation (EUR 442 million) and support to other economic regions (EUR 242 million), among others.
- To increase the sales of organic agricultural products the Netherlands started a new subsidy scheme in February 2026 called "Vabiola" with a budget of EUR 3.7 million.

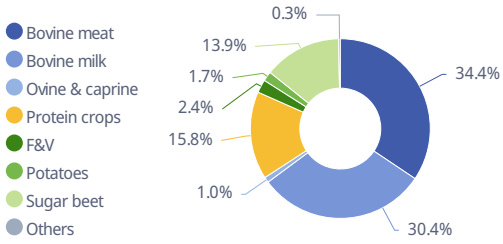
Poland

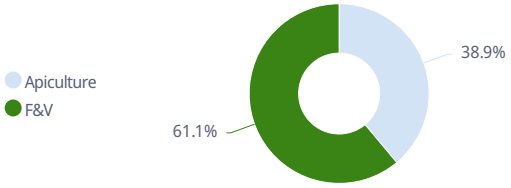
CAP Strategic Plans (CSP): Implementation in 2025-26

- The Act of 21 February 2025 amended Poland's CSP by introducing social conditionality and new interventions, including an eco-scheme for "elite or certified category seed material" and two fruit-and-vegetable sectoral interventions for advice and knowledge exchange. It also enabled the use of agrochemical soil-testing databases for CAP evaluations and established mechanisms to recover penalties. Adjustments and simplifications were made to active eco-schemes and other instruments, including modifications to payment limits, crop-group rates, and land-eligibility rules.
- Demand for most area-based eco-schemes exceeded the budget, resulting in lower payment rates. Between mid-2024 and end-2025, 1 029 guarantees worth EUR 166 million were issued under financial instruments, securing EUR 223 million in loans (27.2% of programmed funds).

Table 12.24. Poland's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	2.599 billion	**Sectoral interventions (SI)**	Budget (EUR)	129.1 million
	Share of total CSP	10.3%		Share of total CSP	0.5%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. "Others" category covers hops (0.17%), flax (0.11%), hemp (0.02%). F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- In 2025, Poland implemented a broad set of natural disaster relief instruments for farmers, including direct financial aid, reimbursement of the third and fourth instalments of the 2024 agricultural tax, preferential loans, and family support. Nearly totalling EUR 180 million, these measures aimed to address damages caused by droughts, extreme rainfall, frost, hail, and storms in 2024 and 2025.
- Under EU emergency support, Polish farmers whose orchards, fruit bushes, or strawberries were severely damaged by frosts in April-May 2025 received EUR 14.8 million, complemented by EUR 29.6 million from the national budget. Similarly, poultry, hatching and table egg, and meat producers affected by avian flue outbreaks between 2021 and 2023 were granted EUR 14 million from the EU agricultural reserve, matched by national funds of the same amount.
- The Council of Ministers adopted in 2025 the National Development Concept 2050, outlining the country's social, economic, and spatial challenges for the next 30 years. It will guide the medium-term strategy to 2035, with "Strengthening Food Security" as a key priority.

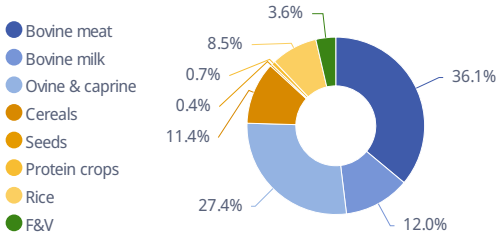
Portugal

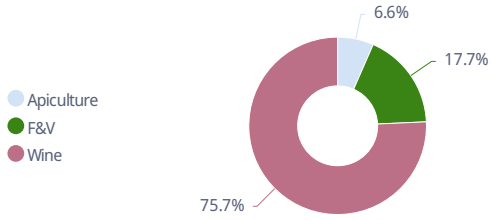
CAP Strategic Plans (CSP): Implementation in 2025-26

- In 2025, Portugal carried out a reprogramming of its CSP that increased basic income support from about EUR 82 per ha to EUR 126 per ha for the 2025 claim year and doubled support for young farmers. It also earmarked EUR 50 million for financial instruments, and introduced greater flexibility for direct payments, including higher coupled support for maize and more flexible eligibility rules for rice. These adjustments reflect efforts to strengthen farm incomes and improve the overall implementation of the plan.
- Portugal also amended the national implementing rules for the wine sector intervention on promotion and communication in third-country markets. The amendment clarified budget management rules and adjusted procedures for modifying approved applications.
- Implementation of the CSP progressed through the 2025 *Pedido Único* application campaign, whose deadline was extended to facilitate participation. New instruments were also activated, notably a risk management regime providing grants covering up to 100% of small losses and up to 80% of losses for insured farms to restore production after natural disasters, highlighting increasing attention to farm resilience.

Table 12.25. Portugal's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	690.6 million	**Sectoral interventions (SI)**	Budget (EUR)	331.1 million
	Share of total CSP	9.6%		Share of total CSP	4.6%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- Portugal expanded agricultural financing instruments to unlock liquidity and investment, extending and reinforcing the Agri Portugal credit line to mobilise up to EUR 150 million in loans for agricultural investment, while creating a EUR 100 million bridge credit facility to help beneficiaries manage payment delays during the transition to 2023-27 CSP.
- Portugal advanced a domestic agricultural simplification package in April 2026, including a temporary regularisation regime for livestock farms, a new licensing framework for mobile slaughterhouses, an extension of phytosanitary applicator authorisations from 10 to 15 years, and updated rules for honey extraction and processing.

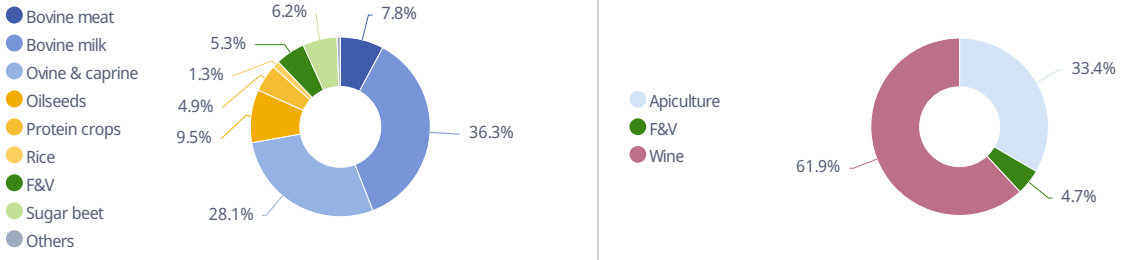
Romania

CAP Strategic Plans (CSP): Implementation in 2025-26

- Romania introduced a new eco-scheme supporting cattle welfare through extensive grazing practices, providing additional payments to farmers who adopt pasture-based systems that improve animal welfare and pasture management while contributing to environmental sustainability.
- Between December 2025 and February 2026, Romania accelerated the rollout of CSP investment interventions, launching funding calls to support farm modernisation and technological upgrading, including investments in agri-food processing, renewable energy, digitalisation and precision farming, horticulture, and support for young farmers.

Table 12.26. Romania's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	1.467 billion	**Sectoral interventions (SI)**	Budget (EUR)	182.1 million
	Share of total CSP	9.3%		Share of total CSP	1.1%



Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. "Others" category covers seeds (0.43%), hemp (0.08%), hops (0.05%), silkworms (0.01%). F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- Romania adopted the National Strategy for the Promotion of Romanian Agri-food Products 2025-2029, aimed at strengthening the visibility and competitiveness of Romanian agri-food products in domestic and export markets. It focuses on promoting quality, authenticity and culinary traditions, while supporting investment, higher value added and sustainable development across the agri-food sector.
- In July 2025, Romania approved a state aid scheme complementing CSP intervention DR-23 to support investments in the processing and marketing of agri-food products, aiming to strengthen domestic processing capacity and increase value added in the agri-food sector.
- In October 2025, Romania received EUR 15 million in emergency support from the EU agricultural reserve following severe spring frosts in April-May 2025, thus providing exceptional financial assistance to farmers affected by extreme weather events.

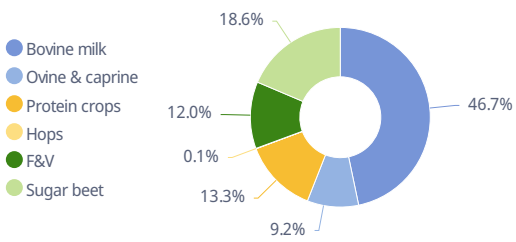
Slovakia

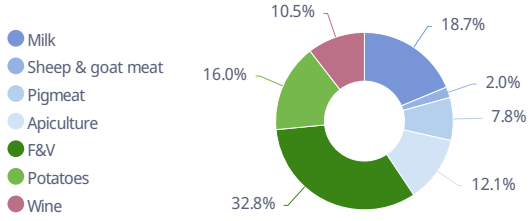
CAP Strategic Plans (CSP): Implementation in 2025-26

- The 2025 amendments to the CSP included the simplification of selected GAEC requirements, alongside minor adjustments to the whole-farm eco-scheme and grazing support, aimed at enhancing flexibility and better aligning with agronomic practices. Commitment conditions for certain interventions were revised, including limited pest-related exceptions for the use of plant protection products, while commitment periods for others were shortened to enable new calls in 2026 and broaden participation.
- By 2025, participation in the *whole-farm eco-scheme* reached 93% of eligible farmers, including the uptake of measures aimed at dividing large arable fields through the introduction of biostrips, which are intended to generate positive environmental impacts. Under coupled income support (CIS), at least 81% of the allocated budget was taken up across the eligible sectors.

Table 12.27. Slovakia's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	308.9 million	**Sectoral interventions (SI)**	Budget (EUR)	76.2 million
	Share of total CSP	7.4%		Share of total CSP	1.8%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- The Slovak Republic implemented a combination of fiscal and regulatory measures aimed at mitigating inflationary pressures and influencing consumer behaviour towards healthier consumption patterns, including the reclassification of selected food products across VAT categories. These measures comprise a reduction in the VAT on selected food products from 10% to 5%, alongside a broader adjustment of VAT rates on food products from 20% to 19%.
- In April 2025, a new Construction Act entered into force, establishing a single fully electronic permitting procedure and other streamlining mechanisms. These changes are expected to speed up rural development projects and reduce the administrative burden on farmers through digitalisation and more efficient approvals.

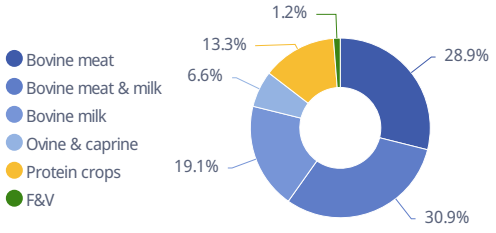
Slovenia

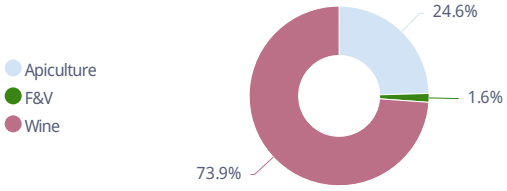
CAP Strategic Plans (CSP): Implementation in 2025-26

- In 2025, Slovenia paid out EUR 130 million in direct payments to more than 53 000 farms, alongside EUR 6 million for sectoral interventions and EUR 143 million for rural development measures. During the same period, twenty-six public tenders were launched to support new projects under development measures in areas such as farm digitalisation, sustainable agriculture, livestock welfare, co-operation, generational renewal and knowledge transfer and innovation.
- Two new measures were introduced in 2025, extending coupled income support to vegetables, and adding a new eco-scheme to preserve and enhance habitats for plants and animals in agricultural landscapes.

Table 12.28. Slovenia's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	98.6 million	**Sectoral interventions (SI)**	Budget (EUR)	26.3 million
	Share of total CSP	5.5%		Share of total CSP	1.5%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- In 2025, Slovenia renewed its regulatory framework for agriculture and food systems, through the adoption of several laws – the Agriculture Act, the Food Act, Food and Feed Safety Act, the Animal Protection Act, and the Agricultural Land Act. The reforms aim to improve farmers' incomes, strengthen rural development, and support farm succession, while simplifying rules. They also introduce an integrated farm-to-consumer approach to enhance quality and transparency across the agri-food chain, alongside measures to protect agricultural land, boost self-sufficiency, and promote sustainability. The updated framework aims to further accelerate the sector's digital transformation through the modernisation of data systems.
- Slovenia's AKIS system was legally defined in the 2025 Agriculture Act, establishing a more integrated approach to knowledge transfer and innovation, supported by new tools such as Knowledge Consortia, demonstration farms, or an upgraded national Knowledge Portal.
- In May 2025, EUR 6.8 million was mobilised from the European agricultural reserve and national funds to compensate farmers for losses to permanent crops caused by frost episodes in April 2024. In addition, EUR 1.3 million was paid to sheep farmers at the end of 2025 to compensate for losses caused by bluetongue disease infection.

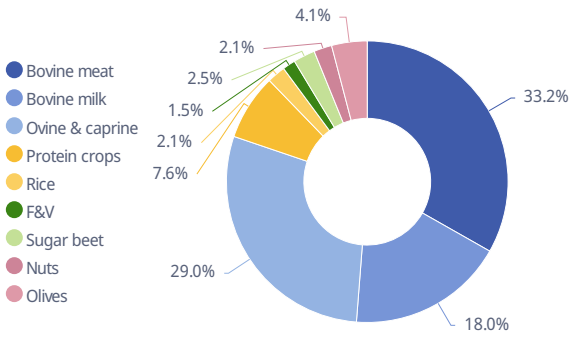
Spain

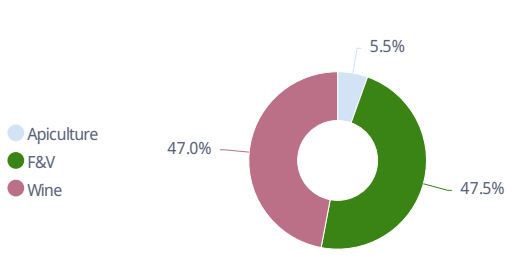
CAP Strategic Plans (CSP): Implementation in 2025-26

- The CSP was amended twice in 2025. The third amendment recognised certain agrivoltaic systems as eligible for CAP support (provided that agriculture remains the primary activity), relaxed some eco-scheme requirements, and adjusted financial allocations for the fruit, vegetables and wine sectoral interventions. The fourth amendment facilitated the transfer of outstanding transition commitments from the former Rural Development Programmes into the CSP.
- In the first year of applying social conditionality (2024), only 0.03% of beneficiaries were found non-compliant with the standards on working conditions and occupational health and safety.
- Uptake of the eco-schemes rose again in 2025, reaching 88.1% of applicants (up from 87.8%). In contrast, applications for the complementary payment for young farmers fell by 5 000 in 2022-25.

Table 12.29. Spain's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	3.386 billion	**Sectoral interventions (SI)**	Budget (EUR)	1.712 billion
	Share of total CSP	9.8%		Share of total CSP	5.0%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- Extraordinary support was paid to producers in 2025 in response to drought, rising costs linked to the war in Ukraine, and damages caused by the October 2024 DANA storm. These payments were financed by the EU Agricultural Crisis Reserve and the state budget, totalling EUR 34 million and EUR 120 million respectively. In addition, extraordinary support was paid to producers affected by the wildfires of summer 2025,
- A new Food Loss and Waste Prevention Act was adopted in April 2025. It requires food chain operators to implement prevention plans. When surpluses cannot be avoided, the law mandates a hierarchy of uses, prioritising human consumption and with disposal as a last resort.
- In 2025, the ECOGAN digital monitoring system to track best available techniques and estimate farm-level GHG emissions was expanded to complete its planned coverage of species.
- The sustainable soil nutrition regulation was amended in October 2025 to make some deadlines more flexible, clarify exemptions, and improve regulatory co-ordination.

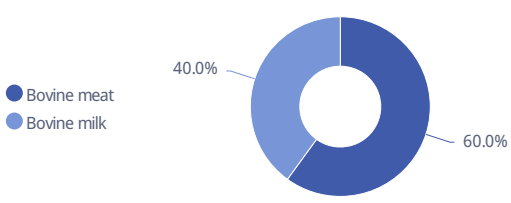
Sweden

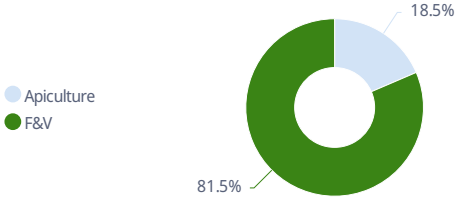
CAP Strategic Plans (CSP): Implementation in 2025-26

- In 2025, the CSP underwent three amendments. These changes raised the EUR/SEK conversion rate for the rural development fund, and increased the overall budget by SEK 620 million (EUR 56 million). Higher payment levels were introduced in several support schemes, including the start-up aid for young farmers and environmentally targeted investments.
- The implementation in 2025 featured both expanded and newly introduced eco-schemes, most notably scaling up the precision-farming eco-scheme to nationwide coverage and introducing a biodiversity-focused eco-scheme for flowering fields and field margins. Participation in eco-schemes has been good, although the level of organic farming remains lower than expected. Around one-fifth of Swedish farmers applied for at least one eco-scheme in 2025.
- Grants equivalent to 60% of the budget set out in the strategic plan have already been approved.
- A new one-year environmental subsidy for ley farming was introduced during 2025, with applications opening in 2026.

Table 12.30. Sweden's CSP planned budget targeting specific commodities and sectors

Coupled income support (CIS)	Budget (EUR)	646.1 million	**Sectoral interventions (SI)**	Budget (EUR)	31.7 million
	Share of total CSP	11.1%		Share of total CSP	0.5%





Note: Data refer to CSP 2023-27 planned budget, as available in the sources below, accessed in April 2026. Figures include EU funding, and in the case of apiculture, national co-financing. Estimated shares are calculated by the OECD. F&V refers to fruit and vegetables.
Source: At a glance CAP Strategic Plan and national CAP Strategic Plan, accessible from the European Commission's website (EC, 2026[3]).

Other key policy developments in 2025-26

- In 2025, construction began on a national reference laboratory for plant pest diagnostics. The laboratory will serve as a knowledge centre for diagnosing plant pathogens and harmful insects, strengthening Sweden's capacity to detect and contain outbreaks that threaten plant health.
- In the 2026 budget bill, the government decided in 2025 to reduce the VAT rate on food from 12% to 6%. It also indicated that it would monitor price developments to ensure that the VAT cut is passed on to consumers rather than absorbed through higher retail prices.
- A new national investment aid, *Kväveklivet* ("The Climate Leap"), became operational in 2025 to support on-farm investments that reduce ammonia emissions from agriculture and improve nitrogen-use efficiency.

Policy context

Key economic and agricultural statistics

The European Union is the largest economic region covered in this report, accounting for 17% of the economic activity of all countries covered herein. Although the contribution of agriculture to both GDP and employment has declined since 2000, the share of agriculture in the region's exports has increased over the same period to 9% of total exports (Table 12.31). More than 40% of the region's landmass is dedicated to agriculture, of which 60% is dedicated to arable land use. Crops (including cereals, oilseeds, fresh fruit and vegetables, and plants and flowers) predominate in agricultural output, accounting for 55.2% of total production, although large differences exist across Member States. Livestock products – including dairy, beef and veal, pig meat, sheep meat, poultry and eggs – account for the remainder.

Table 12.31. European Union: Contextual indicators

	European Union		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	9 951	28 696	24.43%	17.01%
Population (million)	377.6	449.3	8.62%	8.21%
Land area (thousand km^2)	3 115	3 988	3.71%	4.70%
Agricultural area (AA) (thousand ha)	132 277	159 985	4.38%	5.41%
			All countries[1]	
Population density (inhabitants/km^2)	114	107	52	64
GDP per capita (USD in PPPs)	26 361	63 624	9 508	31 740
Trade as % of GDP	10.8	14.5	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	2.0	1.6	3.0	3.6
Agriculture share in employment (%)	4.3	3.3	-	-
Agro-food exports (% of total exports)	7.1	9.0	6.4	8.3
Agro-food imports (% of total imports)	7.4	6.6	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	54.4	55.2	62.1	60.4
Livestock in total agricultural production (%)	45.6	44.8	37.9	39.6
Share of arable land in AA (%)	55.7	60.4	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

After a strong rebound in 2021, real GDP growth in the region remained positive but steadily declined, approaching near stagnation by 2023. This was followed by a slight recovery in 2024, with growth reaching 1% (Figure 12.5). The unemployment rate has been on a steady decline since 2013, falling from a high of 11.6% that year to 5.9% in 2024. A sharp rise in inflation, driven by increases in energy, food, and other commodity prices, hit the European Union economy in 2021-22. Inflation peaked at 9.2% in 2022, but has since returned to more moderate levels, declining to 2.5% in 2025.

Figure 12.5. European Union: Main economic indicators, 2000 to 2025



Note: EU28 for 2000-19 and EU27 (excluding the United Kingdom) from 2020.
Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

The European Union has been the world's largest agro-food exporter since 2013 and, was also the world's largest importer in 2025. The region is a net food exporter, with agri-food products exports rising to EUR 243.4 billion in 2024 (Figure 12.6A). The United Kingdom accounted for 23% of EU exports, while the United States and China ranked second and third. Imports in agri-food products also reached a record level of EUR 192.9 billion in 2024 (EC, 2025[30]). While the region's agri-food exports are predominantly composed of processed goods for final consumption (62%), imports are more evenly distributed among the four categories shown in Figure 12.6B, with primary goods for industry representing the largest share (28%).

The European Union's overall agri-food trade is broadly diversified across numerous trade partners, with a trend toward greater diversification since 2012. At the same time, for certain products – such as pig meat, poultry, eggs, vegetables and tobacco products on the export side, and fruits and nuts, vegetable oils, and processed fruits and vegetables on the import side – the European Union still relies heavily on key partners, which poses a risk of market instability if trade is disrupted (EC, 2023[31]; EC, 2026[32]).

There has been significant growth in the value of trade under the EU's trade agreements, which in 2022 surpassed EUR 2 trillion for the first time. In February 2024, the Joint Research Centre (JRC) published a study entitled "Cumulative economic impact of upcoming trade agreements on EU agriculture - 2024 update", which quantifies the effects of trade agreements recently concluded or in negotiation on key EU agricultural commodities. Comparing conservative and ambitious trade liberalisation scenarios with a baseline for 2032, the study projects an EU agro-food export growth of 27% to 38%. Despite potential negative impacts on beef, wine, processed food, dairy, and sheep meat, the overall benefits of the agreements are expected to surpass these losses, highlighting the need for diversified export markets and import sources (JRC, 2024[33]).

Figure 12.6. European Union: Agro-food trade

Figure 12.6A. European Union: Agro-food trade 2000 to 2024

Billion USD



Figure 12.6B. European Union: Composition of Agro-food trade, 2024

Percentage



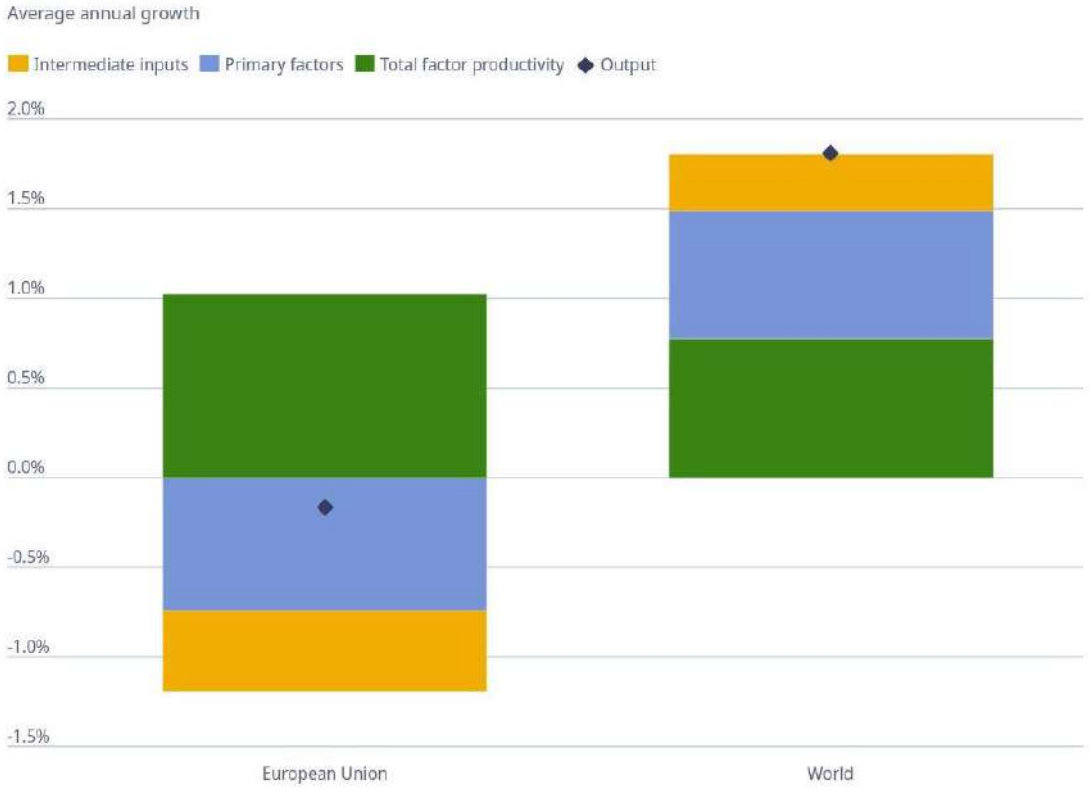
Note: Extra-EU trade: EU15 for 2000-03; EU25 for 2004-06; EU27 for 2007-12, EU28 for 2013-19 and EU27 (excluding the United Kingdom) from 2020. The exclusion of the United Kingdom contributed to the rise of EU export since 2020. Numbers may not add up to 100 due to rounding.

Source: UN Comtrade Database.

Over the period 2014-23, the European Union recorded a slightly negative average annual growth rate of agricultural output (-0.17%) compared with a positive word average of 1.81% (Figure 12.7).Total factor productivity (TFP) growth – averaging 1.02% over the same period – exceeded the global average but was not sufficient to offset the decline in the use of primary factor inputs, including labour, land, livestock, and machinery (which fell by an annual average of 0.74%), as well as the reduction in intermediate inputs such as feed and fertiliser (down by -0.45% on average).

Moderate TFP growth has been achieved in the sector along with a reduction of certain environmental pressures, as illustrated through various environmental indicators (Table 12.32). From 2000 to 2024, the region's nitrogen balance fell by 43.5%, while the share of agriculture in water abstractions fell by 19.5 percentage points. While the European Union's nitrogen balance is 38.6% higher than the OECD average, the phosphorus balance is 69.6% lower. Overall, the region achieved improvements in most environmental indicators, but agriculture's GHG emissions as a proportion of total European Union GHG emissions increased over the period, from 8.9% in 2000 to 11.8% in 2024.

Figure 12.7. European Union: Composition of agricultural output growth, 2014-23



Note: EU27. Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Table 12.32. European Union: Productivity and environmental indicators

	European Union		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	1.3%	1.0%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	71.1	40.2	32.3	29.0
Phosphorus balance, kg/ha	7.5	0.7	3.3	2.3
Agriculture share of total energy use (%)	2.0	2.8	1.7	2.0
Agriculture share of GHG emissions (%)	8.9	11.8	8.7	10.3
Share of irrigated land in AA (%)	..	..	-	-
Share of agriculture in water abstractions (%)1	43.6	24.1	46.1	47.7
Water stress indicator	..	..	..	..

Note: * or closest available year. EU27 for TFP annual growth rate:1993-2002.
1. Due to the data availability, the EU15 aggregate does not include Austria, Germany, Ireland, Italy and the United Kingdom; while the EU27 aggregate does not include Austria, Finland, Hungary, Ireland, Italy and Portugal.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

The Common Agricultural Policy (CAP) has been the European Union's agricultural policy framework since its institution in 1962, although the mix of policy instruments has evolved substantially over time. The Treaty of Rome that established in 1957 the European Economic Community defined common policies on agriculture and trade (OECD, 2011[34]; European Parliament, 2021[35]). Agriculture made up a much larger share of Europe's economy at the time, and the income gap between urban and rural households was increasing. Moreover, the region was a net food importer with concerns about securing adequate food supplies during the Cold War (Grant, 2020[36]). In this context, the Treaty of Rome laid down five main objectives for the CAP:

- To increase agricultural productivity by promoting technical progress and ensuring the optimum use of the factors of production, in particular labour.
- To ensure a fair standard of living for farmers.
- To stabilise markets.
- To assure the availability of supplies.
- To ensure reasonable prices for consumers.

CAP measures targeting these objectives were financed from the European Agricultural Guidance and Guarantee Fund (EAGGF), split into separate Guidance and Guarantee sections. Different rules governed the two: the Guidance section financed operations related to structural policy and development of rural areas, while the Guarantee section funded expenditures on market and price policies (European Parliament, 2021[37]).

For more than three decades until the 1990s, support prices under the CAP were high compared to world market prices, with an unlimited buying guarantee. As a result, European farmers produced increasing surpluses and the cost of managing stocks and subsidising exports grew accordingly. In response, by the 1980s the European Union introduced quantitative production restrictions in the form of quotas on milk production.

The CAP's first major reform occurred in 1992, in conjunction with negotiations on the General Agreement on Tariffs and Trade (GATT) and following the result from the US-EU soya GATT panel. The

MacSharry Reform brought a major shift in the delivery of the CAP. Instead of supporting production (through market intervention and export subsidies), the regime shifted the bulk of support to supporting producer incomes directly through area and headage payments, aiming to close the gap between supply and demand and reduce overall expenditures (European Parliament, 2021[38]). This wide-ranging reform reduced cereal intervention prices, introduced compensatory payments per hectare for cereals or per head for livestock, and introduced a mandatory set-aside scheme to take land out of production. In conjunction with the reform of budgetary support measures through the MacSharry package, market price support (MPS) also declined thanks to EU commitments under the 1995 Uruguay Round Agreement on Agriculture. Namely, bound tariffs were gradually reduced, and variable import levies were replaced with ad valorem or specific tariffs and tariff rate quotas (OECD, 2011[34]).

Subsequent reforms built on the foundation of the MacSharry Reform, reducing distortive support to the agricultural sector or changing how support is delivered. The **Agenda 2000 reform focused on aligning EU and world prices, offsetting the reduction of price support with increased direct aid to producers** under the now called Pillar 1 (European Parliament, 2021[38]). In addition, **the Rural Development Regulation was introduced as Pillar 2 of the CAP**. Finally, this package instituted two types of environmental cross-compliance conditions: an optional measure linked to the direct payment in Pillar 1, and the so-called “Good Farming Practice” requirements for the agri-environmental schemes in Pillar 2.

The 2003 Fischler Reform[6] further developed and consolidated these measures, decoupling most support from production through the introduction of the single payment scheme (SPS) (European Parliament, 2021[38]). Furthermore, in this reform cross-compliance became obligatory and was extended to include not only environmental issues but also public, animal and plant health and animal welfare issues. Cross-compliance rules were enforced through a set of Statutory Management Requirements (SMR) and “Minimum Requirements for Good Agricultural and Environmental Condition” (GAEC). This package also introduced modulation, allowing Member States to transfer funds between the two pillars to reinforce rural development objectives. The reform also prioritised financial discipline, freezing the budget of Pillar 1 (covering the SPS and market measures) and imposing annual compulsory ceilings. This coincided with the splitting of the CAP budget into the European Agricultural Guarantee Fund (EAGF) to finance Pillar 1 and the European Agricultural Fund for Rural Development (EAFRD) to finance Pillar 2 from 2007. Additionally, this round of reform introduced the single common market organisation (CMO) in 2007, which codified the regulation mechanisms of the existing CMOs. Reform programmes for specific commodities (cotton, hops, olive oil, tobacco, sugar, fruits and vegetables, and wine) were introduced from 2003 to 2008, with the aim of reducing distortive payments, restoring market-based incentives and aligning them with the SPS (OECD, 2011[34]). Through the different rounds of CAP reform, as result of budgetary payments replacing MPS, but also as result of the additional Member States joining the European Union, the absolute budget figure for the CAP more than doubled from 1990 to 2010.

Measures taken under the 2009 Health Check sought to continue the direction of the 2003 reform. Namely, decoupling of aid continued and nearly all payments (with the exception of suckler cow, sheep and goat premia) were included into the decoupled direct payments scheme – SPS. It also further reduced market intervention for a number of products, abolished set-aside and introduced phase-out of milk quotas. Additional flexibility for direct payments was introduced as well (OECD, 2011[34]). The Health Check also resulted in changes to both SMR and GAEC of cross-compliance, with the addition of two water management standards.

The 2013 Reform set out a more global, integrated approach to agricultural support for the programming period 2014-20, undertaken through four lines of action (European Parliament, 2021[38]): (1) converting decoupled aid into a multifunctional support system with aid directed toward specific objectives; (2) consolidating the two CAP pillars, with mostly decoupled direct aid and market measures funded through Pillar 1, and rural development funded through Pillar 2, which continued to be co-financed by the

Member State; (3) consolidating CMO tools into safety nets in case of market disruption or price crisis, and ending other supply control measures, namely the sugar and milk quotas; (4) a more integrated, targeted and territorial approach to Pillar 2 through rural development plans, simplifying the range of available instruments to focus on certain core objectives.

During the negotiations of the CAP post-2020, a political agreement between the European Parliament and the EU Member States in the Council was reached on transitional rules for the CAP for 2021-22 on 27 November 2020. These transitional rules were based on the principle of continuity of the 2014-20 CAP rules, while also including new elements to ensure a smooth transition.

In January 2023, the European Commission and the European Union Member States began to implement the CAP 2023-27. Although with a similar annual budget as the transitional period, the new CAP entails a new delivery model, in which Member States play a critical role in designing and implementing their CAP Strategic Plans (CSPs), which include both Pillar 1 and Pillar 2 measures.

While CAP budget has remained relatively stable in nominal terms since 2010, CAP expenditures as a share of the total EU budget declined sharply, from 65.5% in 1981 to 24.6% in 2023. The share of CAP expenditure on the total EU budget was 34.9% in 2020. The stronger decrease since 2021 is linked to additional overall EU expenditure for the Next Generation EU funds (EC, 2024[39]).

Table 12.33. European Union: Agricultural policy trends

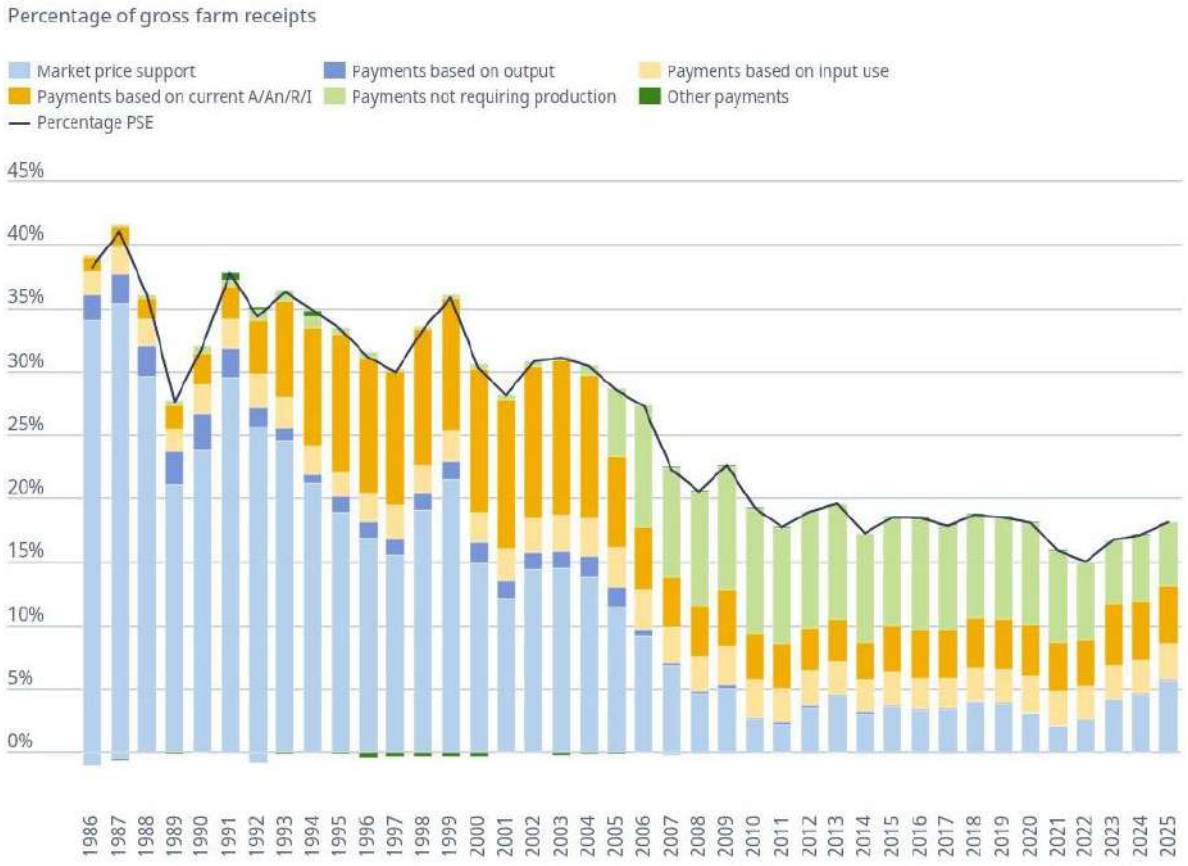
Years	Main Milestones	Key Policy Features
pre-1992	**Coupled support phase**: CAP financed by the European Agricultural Guidance and Guarantee Fund (EAGGF), European Economic Community with 12 members[1]	Support prices greater than world prices Unlimited buying guarantee Production quotas for certain products, including dairy and sugar
1992-1999	**MacSharry Reform**: CAP, EU Expansion 1995 (Austria, Finland, Sweden), Uruguay Round Agreement on Agriculture	Shift from product support through prices to producer support through income-supporting measures, with the reduction in intervention prices compensated by increased direct aid per hectare or livestock headage payments Establishment of set-aside payments to encourage land retirement Tariffication of border measures and gradual reductions in bound tariffs
2000-2002	**Agenda 2000 CAP Reform**: CAP divided into Pillar 1 and Pillar 2 (Rural Development)	Further reduction of EU market support prices in closer alignment with world prices, partly offset by direct aid to producers in the form of increased area or headage payments First introduction of environmental cross-compliance Introduction of Rural Development Regulation as a second pillar of the CAP
2003-2008	**Fischler Reform**: CAP Pillars 1 (financed by EAGF) and 2 (financed by the European Agricultural Fund for Rural Development EAFRD), EU Expansion 2004 (Malta, Cyprus, Estonia, Latvia, Lithuania, Poland, Czechia, the Slovak Republic, Slovenia, Hungary) and 2007 (Bulgaria and Romania)	Decoupling much of CAP support from volume of production, with fixed single farm payment (SPS) introduced based on historical references Cross-compliance for environmental and public health objectives compulsory for receiving full payments. Introduction of Statutory Management Requirements (SMR) and "Minimum Requirements for Good Agricultural and Environmental Condition" (GAEC) Single common market organisation (CMO) introduced Reform programmes initiated for cotton, hops, olive oil, tobacco, sugar, fruit and vegetable and wine regimes
2009-2013	**Health Check**: CAP Pillars 1 and 2	Further reduction of EU market intervention for certain products Phasing out of milk quotas initiated Abolition of set-aside Integration of nearly all payments into SPS New cross-compliance requirements introduced

Years	Main Milestones	Key Policy Features
2013-2020	**2013 Reform**: CAP Pillars 1 and 2, EU Expansion 2013 (Croatia) and Contraction 2020 (United Kingdom)	Decoupled aid converted to multifunctional support (including basic payment, greening payment, small farmer payment, etc.) Consolidation of two pillars of CAP, with direct payments and market measures under Pillar 1 Consolidation of CMO tools, abolition of supply control measures (including ending milk and sugar quota schemes) External and internal convergence, with payment envelopes gradually adjusted to move toward a uniform minimum per hectare payment
2021-2022	**Transitional rules**	Continuity of the 2014-2020 CAP rules, while also including new elements to ensure a smooth transition
2023-2027	**CAP 2023-27** Introduction of new delivery model and CAP Strategic Plans	The new delivery model requires Member States to programme both CAP Pillar 1 and Pillar 2 expenditures within the context of their CAP Strategic Plans. Enhanced conditionality and eco-schemes were introduced.

1. When the Maastricht Treaty establishing the EU was signed in 1992, Belgium, Denmark, France, Germany, Ireland, Italy, Greece, Luxembourg, the Netherlands, Portugal, Spain and the United Kingdom were part of the Union.
Source: European Parliament (2021[38]) and OECD (2011[34]).

Total support to the agricultural sector as percentage of agricultural gross value-added in the European Union largely comes from budgetary allocations. Market price support declined significantly from 1986 through the 2000s but has remained mostly unchanged since around 2010. The most substantial change to PSE composition began in the mid-2000s after the Fischler reform decoupled most payments to farmers from production (Figure 12.8).

Figure 12.8. European Union: Development of the PSE and its composition, 1986 to 2025



Notes: European Union refers to EEC12 for 1986-94, EU15 for 1995-2003, EU25 for 2004-06, EU27 for 2007-12, EU28 for 2013-19, EU27 and the United Kingdom for 2020, and EU27 from 2021. A/An/R/I: Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

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Notes

[1] Farmers are expected to comply with rules relating to the environment, food safety, animal and plant health, animal welfare and to maintaining agricultural land in Good Agricultural and Environmental Condition (GAEC) as well as with statutory management requirements (SMRs), the later stemming in EU Directives and Regulations which apply to all farmers whether or not they receive support under the CAP.

[2] *Denmark* and *Malta* received a derogation relieving them of this requirement because they were able to demonstrate that their redistribution objectives were already achieved through other policy instruments.

[3] Measure 23 may be fully financed by the European Union, provided that the budget remains within the overall EAFRD 2014-22 allocations.

[4] The iTA has entered into provisional application on 1 May 2026, while the EMPA remains also subject to the broader EU ratification process, including approval by Member States.

[5] These agreements have been signed in May 2026.

[6] Also referred to as the June 2003 reform or the 2003 “Luxembourg” reform.

13 Iceland

Main findings

Support to agriculture

Support to farmers in Iceland is the highest across all countries covered in this report. The Producer Support Estimate (PSE) was more than three times the OECD average in 2023-25, at 52% of gross farm receipts. Market price support measures account for 53% of producer support, driven principally by tariffs that maintain high domestic prices relative to world prices and cause a transfer from consumers to farmers. Payments coupled with production factors complement market price support. Output payments for milk producers and largely decoupled payments to sheep meat producers represent most of the remaining support to farmers. About 75% of farm support is potentially most-distorting to production and trade.

Effective prices received by farmers have declined over time on average as the Producer Nominal Protection Coefficient (NPC) declined but remain very high at 59% above border reference levels in 2023-25. Market price support is especially high for poultry and egg products, where it accounts for 66% and 61% of commodity gross farm receipts, respectively. In the case of wool output payments account for 79% of Single Commodity Transfers (SCT). Overall, SCT represent 96% of total PSE.

Expenditures for general services (General Service Support Estimate, GSSE) represent 3% of total support to agriculture (Total Support Estimate, TSE), much lower than the OECD average of 15%. These expenditures decreased from 7% of the value of agricultural production in 2000-02 to 2% in 2023-25. Inspection and control represent 78% of GSSE and the rest is split between agricultural knowledge and innovation system and public stockholding.

TSE as a share of Gross Domestic Product (GDP) declined from 1.7% in 2000-02 to 0.8% in 2023-25. This largely reflects the declining share of agriculture in the overall economy.

Key policy changes in 2025-26

In 2025-2026, Iceland advanced reforms of agricultural support system, guided by a newly formed coalition government and the establishment of the Ministry of Industries. The government's agenda prioritises innovation, generational renewal, sustainable production, and strengthened food security.

Food security has been a central focus, with new assessments of emergency supplies and the launch of a national food security dashboard. In response to crops and livestock losses related to severe weather conditions in 2024, ISK 701 million (USD 5.5 million) in targeted relief were provided to farmers and initiating a review of natural hazard funding arrangements.

Efforts to expand organic farming continued, including new investment support and value chain strengthening measures. Cereal production has received increased attention, with long term funding allocated to research, breeding, and sector infrastructure. Production support for dried grain was introduced in 2025.

Climate policy actions focus on reducing emissions, improving energy efficiency, and supporting climate-smart agricultural practices. In 2025, the Minister of Environment, Energy and Climate identified five priority actions based on cost-benefit analysis and broader assessments, with tangible results expected by 2030. Among these is investment support to farmers through the Climate and Energy Fund. In this context, the Minister of Environment, Energy and Climate, together with the Minister of Industries, will allocate ISK 80 million to support investments in equipment that reduces greenhouse gas emissions associated with fertiliser use in agriculture. Similarly, the Minister of Environment, Energy and Climate has allocated ISK 236 million for 2025-26 to provide dedicated investment grants to horticulture producers for the purchase of energy-efficient LED lighting systems for cultivation, replacing significantly more energy-intensive technologies. According to the government's new climate change adaptation plan, a vulnerability and risk assessment for agriculture sector will be conducted to support the formulation, selection, and prioritisation of adaptation measures.

The Ministry has also concluded an agreement with the Icelandic Agricultural Advisory Centre for the period 2025-26, aimed at strengthening advisory services for farmers. The agreement includes maintaining farm-level operational analyses, improving statistical data collection, and delivering more comprehensive advisory services that integrate agricultural and climate-related advice.

Iceland also strengthened agricultural research and advisory services through new agreements with the Agricultural University of Iceland for continued research, development, and specialised advisory services for the period 2025-2027. Progress on eradicating sheep scrapie has accelerated due to the identification of resistant genotypes, enabling more effective long-term disease management

Assessment and recommendations

- Progressively decouple producer support from production and shift it towards less trade-distorting and more environmentally sustainable forms of assistance. Progress in agricultural policy reform has been limited, and support to farmers in Iceland remains well above the OECD average, with continued reliance on market price support and output-based payments, which are production- and trade-distorting. This contributes to elevated agricultural and food prices and may exacerbate pressures on the environment. Re-instrumenting support away from coupled measures towards decoupled payments and expanding targeted agri-environmental schemes, would support the sector's objective of achieving carbon neutrality by 2040 and enhance resilience to climate change by allowing farmers greater flexibility to adjust production in response to evolving climatic conditions.
- Align agricultural support with climate objectives by reducing production-linked support for ruminant sectors and reinforcing mitigation incentives., Current support measures – especially market price support and output payments for ruminant products such as milk and wool – risk counteracting the mitigation efforts and weakening policy effectiveness. Greater policy coherence would enhance efforts to reduce emissions and support the goal of carbon-neutral agriculture by 2040.
- As a complement and to sustain strong productivity growth strengthen targeted mitigation policies for the livestock sector – such as incentives for low-emission practices, improved herd management, and innovation in feed and breeding. This will help progress toward climate objectives without undermining sectoral performance.
- Increase investment in general services, particularly agricultural innovation systems, by reallocating resources away from producer support. Expenditures for general services are only 3.5% of total support estimate (TSE). A large share of support remains directed towards producers, limiting the resources available for broader sectoral improvements. Shifting budget expenditure from producer support towards Iceland's agricultural innovation systems and other general services could strengthen the sector's capacity to improve environmentally sustainable productivity growth and contribute to climate change mitigation and adaptation.

- Develop a more comprehensive agricultural risk management framework. Current policies may limit farmers' ability to respond to shocks, including market volatility, extreme weather events, and production input disruptions. Existing support is not always well aligned with risk management needs. Expanding tools such as insurance schemes, income stabilisation instruments, and better information systems would improve resilience. This would enhance the sector's capacity to adapt to an increasingly uncertain environment.

Key indicators on agricultural support

Figure 13.1. Iceland: Development of support to agriculture

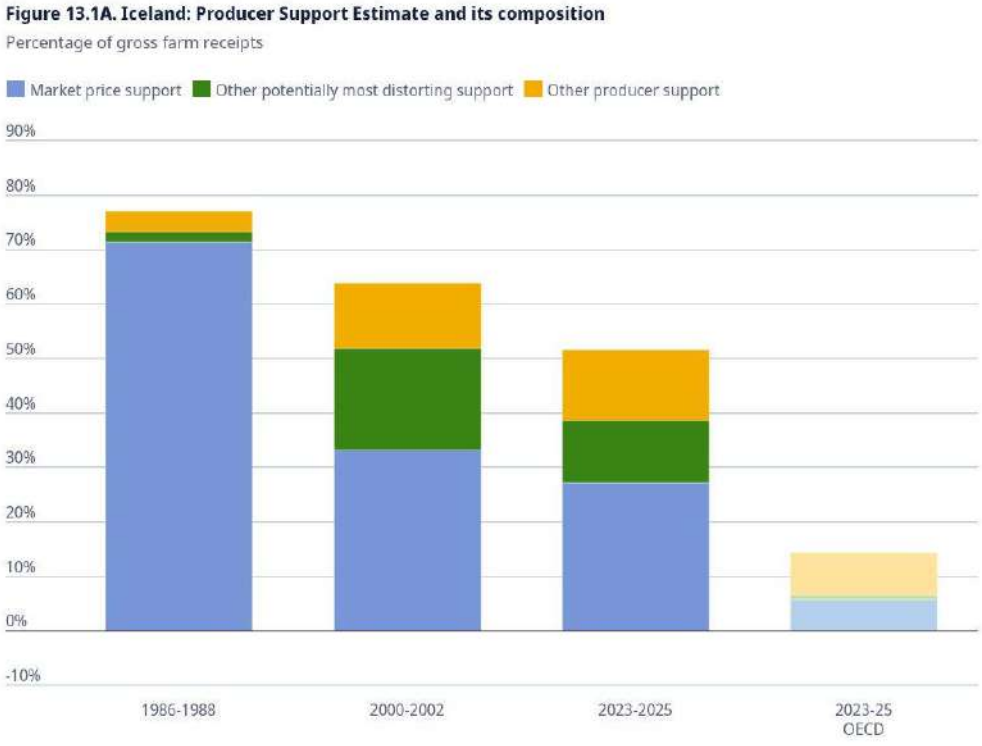


Figure 13.1B. Iceland: Ratio of producer to border price

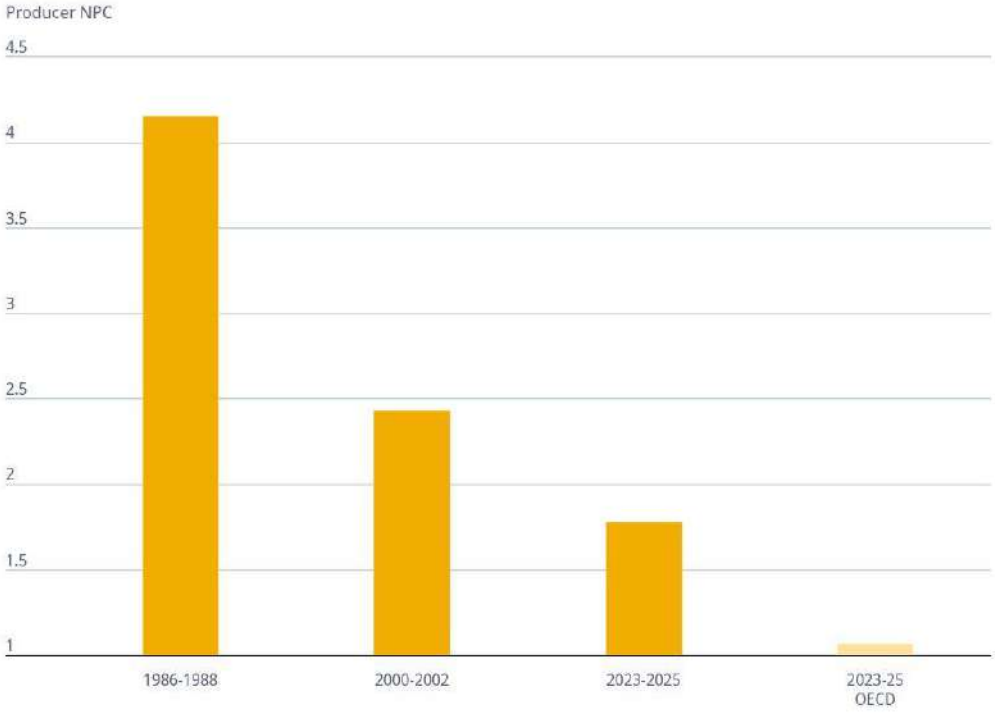
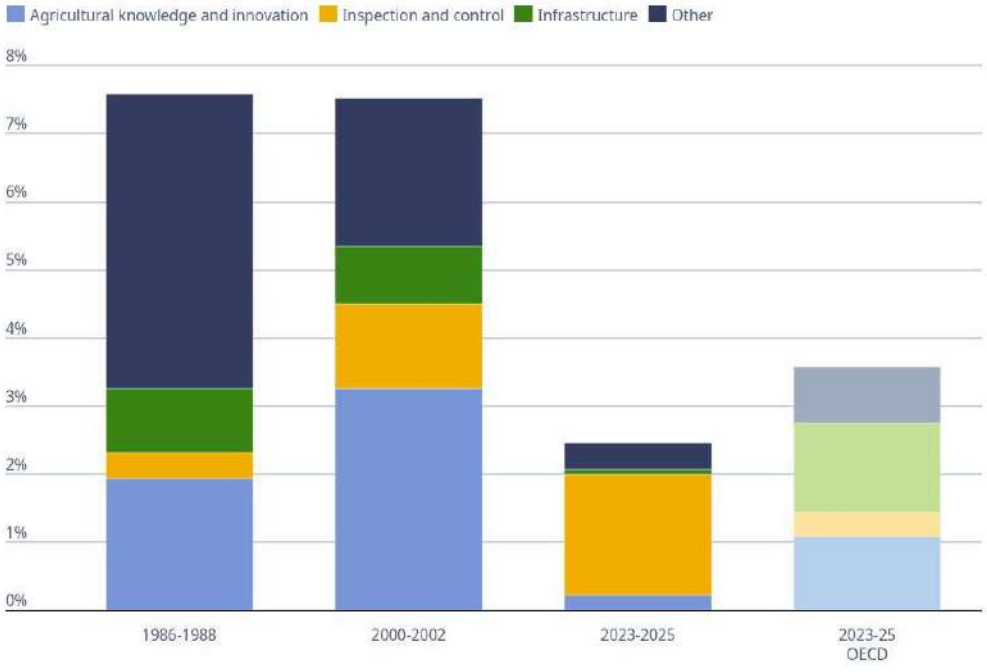
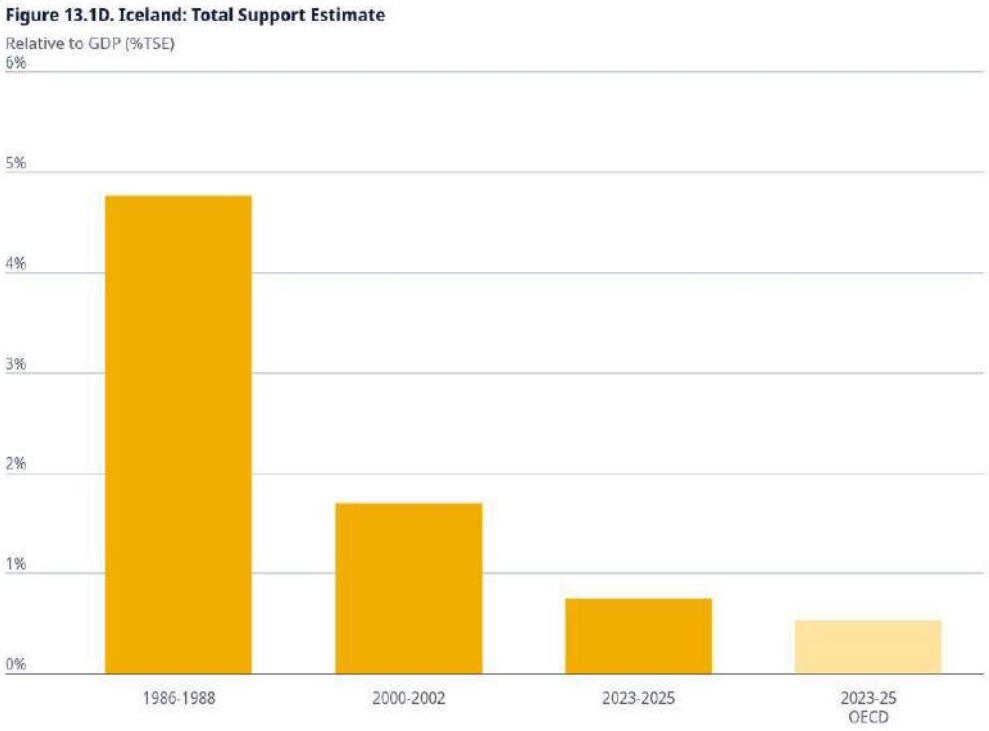


Figure 13.1C. Iceland: General Services Support Estimate and its composition

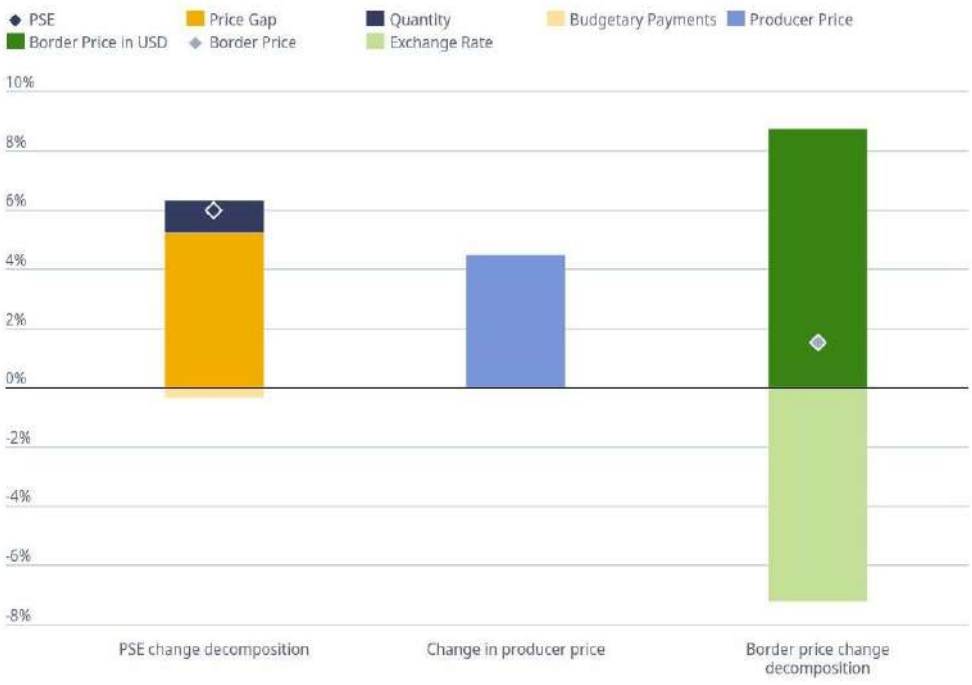
Relative to agricultural value of production





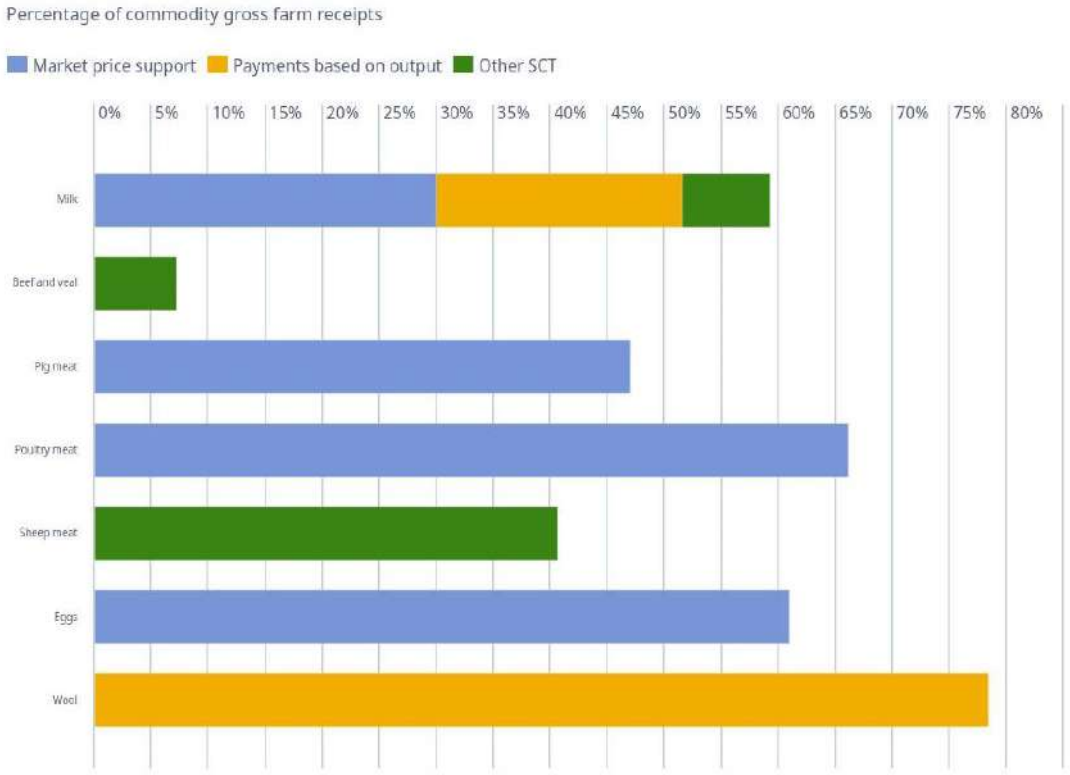
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Figure 13.2. Iceland: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Figure 13.3. Iceland: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Table 13.1. Iceland: Estimates of support to agriculture

Million USD

	1986-88	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**236**	**150**	**367**	**327**	**360**	**412**
of which: share of MPS commodities (%)	80.32	82.11	88.79	87.82	88.93	89.61
Total value of consumption (at farm gate)	**205**	**137**	**337**	**304**	**332**	**376**
Producer Support Estimate (PSE)	**193**	**139**	**250**	**239**	**239**	**272**
Support based on commodity output	180	113	184	168	176	207
Market price support[1]	179	72	132	118	126	152
Positive market price support	179	72	132	118	126	152
Negative market price support	0	0	0	0	0	0
Payments based on output	2	40	52	51	50	55
Payments based on input use	13	4	20	25	18	18
Based on variable input use	3	0	4	4	3	4
with input constraints	0	0	0	0	0	0
Based on fixed capital formation	6	2	11	15	9	9
with input constraints	0	0	0	0	0	0
Based on on-farm services	4	2	6	6	6	5
with input constraints	0	0	0	0	0	0
Payments based on current A/An/R/I, production required	-1	-3	13	12	13	15
Based on Receipts / Income	-1	-3	0	0	0	0
Based on Area planted / Animal numbers	0	0	13	12	13	15
With input constraints	0	0	0	0	0	0
Payments based on non-current A/An/R/I, production required	0	20	33	34	31	32
Payments based on non-current A/An/R/I, production not required	1	5	0	0	0	0
With variable payment rates	0	0	0	0	0	0
with commodity exceptions	0	0	0	0	0	0
With fixed payment rates	1	5	0	0	0	0
with commodity exceptions	1	5	0	0	0	0
Payments based on non-commodity criteria	0	0	-0	0	0	0
Based on long-term resource retirement	0	0	0	0	0	0
Based on a specific non-commodity output	0	0	0	0	0	0
Based on other non-commodity criteria	0	0	0	0	0	0
Miscellaneous payments	0	0	0	0	0	0
Percentage PSE (%)	**77.19**	**63.98**	**51.53**	**53.23**	**50.46**	**51.02**
Producer NPC (coeff.)	**4.16**	**2.44**	**1.78**	**1.80**	**1.75**	**1.79**
Producer NAC (coeff.)	**4.38**	**2.78**	**2.06**	**2.14**	**2.02**	**2.04**
General Services Support Estimate (GSSE)	**18**	**11**	**9**	**9**	**8**	**10**
Agricultural knowledge and innovation system	5	5	1	1	1	1
Inspection and control	1	2	7	6	5	8
Development and maintenance of infrastructure	2	1	0	0	0	0
Marketing and promotion	1	1	0	1	0	0
Cost of public stockholding	9	2	1	1	1	1
Miscellaneous	0	0	0	0	0	0
Percentage GSSE (% of TSE)	**6.94**	**7.39**	**3.46**	**3.64**	**3.12**	**3.62**
Consumer Support Estimate (CSE)	**-112**	**-65**	**-124**	**-112**	**-120**	**-141**
Transfers to producers from consumers	-157	-66	-125	-112	-120	-142
Other transfers from consumers	-1	-2	-0	-0	0	0
Transfers to consumers from taxpayers	46	3	1	1	1	1
Excess feed cost	0	0	0	0	0	0
Percentage CSE (%)	**-70.44**	**-48.30**	**-36.95**	**-36.90**	**-36.16**	**-37.75**
Consumer NPC (coeff.)	**4.38**	**1.98**	**1.59**	**1.59**	**1.57**	**1.61**
Consumer NAC (coeff.)	**3.38**	**1.93**	**1.59**	**1.58**	**1.57**	**1.61**
Total Support Estimate (TSE)	**257**	**153**	**259**	**249**	**247**	**283**
Transfers from consumers	158	68	125	113	120	142
Transfers from taxpayers	100	88	134	136	127	140
Budget revenues	-1	-2	-0	-0	0	0
Percentage TSE (% of GDP)	**4.77**	**1.70**	**0.76**	**0.78**	**0.74**	**0.74**
Total Budgetary Support Estimate (TBSE)	**78**	**81**	**128**	**131**	**121**	**131**
Percentage TBSE (% of GDP)	**1.47**	**0.90**	**0.37**	**0.41**	**0.36**	**0.34**
GDP deflator (1986-88 = 100)	**100**	**264**	**832**	**784**	**832**	**879**
Exchange rate (national currency per USD)	**40.93**	**89.23**	**134.78**	**137.94**	**137.96**	**128.44**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for Iceland are: milk, beef and veal, sheep meat, wool, pig meat, poultry and eggs.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Policy landscape

Iceland's principal agricultural policy objective is to maintain and strengthen a diverse agricultural sector to the extent that physical and marketing conditions allow. Key policy goals include:

- Meeting domestic demand where realistically possible
- Maintaining sustainable production of high-quality, healthy products
- Improving efficiency and competitiveness
- Improving farmers' incomes
- Fostering innovation and the creation of job opportunities
- Sustaining livelihoods in rural areas.

Policies centre around price support and direct payments. Price support is provided for all livestock products and some horticultural products. Direct payments are provided to cattle (mainly dairy) and sheep producers, and on a smaller scale, to certain greenhouse producers.

The support system for agriculture is based on **regular negotiations with the Farmers' Association** concerning the general framework for support and production control in the cattle, sheep, and horticultural sectors. There is also an agreement on so-called horizontal support, such as advisory services, breeding, animal welfare, environmental protection, sustainable land management, organic farming, and land cultivation. The current agreements cover 2017-26, with reviews undertaken in 2019 and 2023. The 2023 revisions focused on issues related to food security, environment, and climate change.

For dairy, direct payments depend on the size of a producer's quota and the current number of animals. Headage payments are provided for up to 180 dairy cows and 260 beef cows per farm, with full payment for each of the first 50 dairy cows and 200 beef cows, then at a declining rate for each additional cow. A **national dairy production quota** is divided among producers based on their annual quotas for the preceding year. Annual dairy quotas also determine entitlements for direct payments. Production in excess of quotas is permitted, provided all such production is for export. **Wholesale prices are regulated** for approximately half of all dairy products based on the volume of raw milk required. A government-chaired committee representing both the Farmers' Association and the labour union (acting on behalf of consumers) determines the guaranteed minimum prices for milk delivered within production quotas on an annual basis. Trade in support entitlements (basic payments to all active dairy and cattle farmers) between entitlement holders is allowed with quantity limitations and takes place in a market operated by the government. Dairy producers also benefit from support for breeding, land cultivation and development programmes.

For sheep, direct payments are connected to historical production. However, receiving a full payment requires **keeping a minimum number of winter-fed sheep** on the farm. Additional payments to sheep farmers relate to a quality-control scheme for lamb meat based on animal welfare, product quality, traceability and sustainability criteria. Premium payments are provided at the wholesale level for purchasers of wool, and to farmers to co-operate in increasing added value for sheep products.

Imports of meat, dairy products, and some vegetables that compete with domestic production are subject to tariffs, often compound duties with an ad valorem component of 30% and a specific duty that varies from ISK 5/kg (USD 0.04/kg) to ISK 1 462/kg (USD 2/kg). The average applied most-favoured nation (MFN) tariff (expressed as an ad valorem equivalent) on agricultural imports in 2023 was 23.5%, significantly above the 0.1% faced by non-agricultural products (WTO, 2024[1]). Certain sectors face higher MFN average rates, such as live animals and meat (67.3%) and dairy (72.7%). However, products originating in partner countries of the European Economic Area (EEA) or in one of the 41 countries with which Iceland has free trade agreements may be subject to lower tariffs. Iceland also applies tariff rate quotas (TRQs) on a number of agricultural products (WTO, 2024[1]).

Iceland is a member of the European Economic Area (EEA) and of the European Free Trade Association (EFTA). While the EEA Agreement does not apply to most trade in agricultural goods, it opens trade in several processed agricultural products and encourages bilateral agreements on primary commodities.

As a member of EFTA, Iceland is also party to Free Trade Agreements (FTAs), including with countries in Southeast Europe, North Africa and the Middle East, Latin America, and Asia, as well as with the South African Customs Union. In addition, Iceland has bilateral FTAs with the Faroe Islands, Greenland, and the People's Republic of China.

Since 2010, EFTA has increasingly integrated environmental and social sustainability considerations into its trade agreements, including commitments on labour rights, climate change mitigation, sustainable agriculture, biodiversity, and responsible business conduct. These agreements require partners to engage in dialogue and report on sustainable agricultural practices and food systems. This approach has been complemented by analytical tools such as the first Sustainable Impact Assessment published in 2024 in the context of the EFTA–Thailand agreement, which identified potential sustainability benefits alongside environmental risks – particularly related to agricultural trade – requiring continued monitoring. In parallel, specific provisions have been implemented in agreements such as the EFTA–Indonesia RTA, under which Iceland grants preferential tariffs for sustainably produced palm oil, contingent on compliance with environmental standards aimed at preventing deforestation, protecting ecosystems, and reducing pollution.

Recent policy developments

Domestic policy developments in 2025-26

The agenda of the new government that was formed in December 2024 includes several agricultural priorities, such as promoting innovation, facilitating recruitment and generational transition, and reducing horticultural energy costs. The Farm Properties Act is also to be amended to ensure the productive use of agricultural land.

Responsibilities previously held under the Ministry of Food – fisheries, agriculture, aquaculture, food, and food safety – are now incorporated into **the new Ministry of Industries**, which also covers responsibilities regarding trade, consumer affairs, tourism, and industry, transferred from other ministries. Forestry and land reclamation matters now fall under the Ministry of Environment, Energy, and Climate.

A comprehensive **dashboard on Iceland's food security** was published in 2025. Food security is addressed broadly, recognising that effective co-operation between government, industry, and society is essential for long-term resilience. The dashboard complements other efforts to strengthen understanding and oversight of factors influencing food security, including several government reports.

In response to substantial crops and livestock losses related to severe weather conditions in summer 2024, in 2025, **targeted one-time relief measures** totaling ISK 701 million (USD 5.5 million) were given to approximately 400 affected farmers. Payments were provided for:

- compensation for crop and livestock losses (Ministry of Industries)
- compensation for hay and crop damage (Agricultural Relief Fund).

In 2025, the Ministry provided investment **support for organic production equipment** for the first time and presented awards for achievements in organic agriculture. This continues the implementation of the 2024 Organic Agriculture Action Plan, which includes 14 actions to strengthen demand, support conversion, and reinforce the organic value chain, aiming to promote long-term growth in organic agriculture.

In 2025, production support for dried grain (primarily barley, but also wheat and oats) was distributed for the first time. Funding for 2025 and 2026 is ISK 378 million (USD 2.9 million) per year.

Approximately ISK 2 billion (USD 15.6 million) was allocated for 2024-28 **to support research, breeding, and infrastructure** to strengthen domestic cereal production. A higher priority on cereal production and food security is motivated by supply chain disruptions from COVID-19, Russia's war of aggression against Ukraine, and other market disturbances.

In the context of Iceland's ambition to make the agricultural sector carbon neutral by 2040, targeted investment support is provided in 2025-26 through the Climate and Energy Fund:

- ISK 80 million (USD 0.6 million) is allocated for equipment that reduces emissions from fertiliser use.
- ISK 236 million (USD 1.8 million) is allocated for horticultural investments in energy-efficient LED lighting to replace high-energy lighting technologies.

The government published its **first climate adaptation plan**, which includes a vulnerability and risk assessment for agriculture will be conducted to support the formulation, selection, and prioritisation of adaptation measures. The **Climate Friendly Agriculture** project continued through 2025 under an extended agreement in which increased emphasis is placed on disseminating knowledge and experience generated by the project to a broader group of farmers. Efforts have also been strengthened to enhance external communication and to ensure that educational materials are widely accessible to all farmers.

The Ministry signed a 2025-27 agreement with the Agricultural University of Iceland to support **research, development, and specialised advisory services** focused on agriculture and food production. Another agreement with the Icelandic Agricultural Advisory Center (2025-26) aims to strengthen advisory services, improve statistical data collection, and provide comprehensive guidance integrating both agricultural and climate-related advice.

The National Plan for the Eradication of Sheep Scrapie, first released in July 2024, is reviewed annually. Implementation is progressing well, with **breeding for disease resistance** exceeding expectations. Goals include: (i) eradicating scrapie within 20 years, (ii) reducing occurrence probability to negligible levels by 2032, and (iii) achieving low probability by 2028. The discovery of resistant genotypes in 2022 significantly transformed eradication strategies.

Policy context

Iceland is a small, sparsely populated country with a GDP per capita above the OECD average. Agriculture contributes about 4% both of GDP and of employment. Conditions for agriculture in Iceland are limited by the country's geographical conditions. The growing season is short – around four months – yields are low, and production and transport costs are high. Approximately one-fifth of the total land area of Iceland is agricultural land, mostly suitable for fodder production and livestock raising. Only around 8% of agricultural land area is arable.

Livestock-rearing is the main farm activity, with milk and sheep meat being the most important products. Livestock production is mostly grassland-based, and most farm animals are native breeds. The main crops are hay, cereals for animal feed and vegetables – the latter are cultivated primarily in greenhouses heated with geothermal energy.

Key economic and agricultural statistics

In 2024 Iceland's real GDP growth was 1.08%, the unemployment rate was 3.9%, and consumer price inflation was about 4.1%. The economy is projected to grow by 1.6% in 2026 and 3.6% in 2027, the

unemployment rate is expected to be around 4% and consumer price inflation 3.3% in 2026 and is projected to approach the 2.5% target by the end of 2027 (OECD, 2025[2]).

Table 13.2. Iceland: Contextual indicators

	Iceland		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	8	32	0.02%	0.02%
Population (million)	0.3	0.4	0.01%	0.01%
Land area (thousand km^2)	100	101	0.1%	0.1%
Agricultural area (AA) (thousand ha)	1 894	1 591	0.1%	0.1%
			All countries[1]	
Population density (inhabitants/km^2)	3	4	52	64
GDP per capita (USD in PPPs)	30 168	83 631	9 508	31 740
Trade as % of GDP	24.5	25.2	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	7.9	4.0	3.0	3.6
Agriculture share in employment (%)	8.3	3.7	-	-
Agro-food exports (% of total exports)	7.9	5.5	6.4	8.3
Agro-food imports (% of total imports)	7.3	10.6	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	13.1	11.1	62.1	60.4
Livestock in total agricultural production (%)	86.9	88.9	37.9	39.6
Share of arable land in AA (%)	7.1	7.7	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

Iceland's prosperity has been built on the sustainable management of its abundant natural resources, including the comprehensive fisheries management system based on individual transferable quotas, renewable energy (geothermal and hydro) and carbon sequestration opportunities (afforestation, revegetation).

Figure 13.4. Iceland: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

The main agricultural exports are pure-bred horses for breeding, sheep meat products and fur skins. The range of Iceland's agricultural products is limited and meets approximately 50% of total domestic food requirements. Consequently, Iceland is a net importer of agricultural products (excluding fishery goods). Imports are more diversified than exports and have increased steadily in recent years.

Figure 13.5. Iceland: Agro-food trade

Figure 13.5A. Iceland: Agro-food trade 2000 to 2024

Billion USD



Figure 13.5B. Iceland: Composition of Agro-food trade, 2024

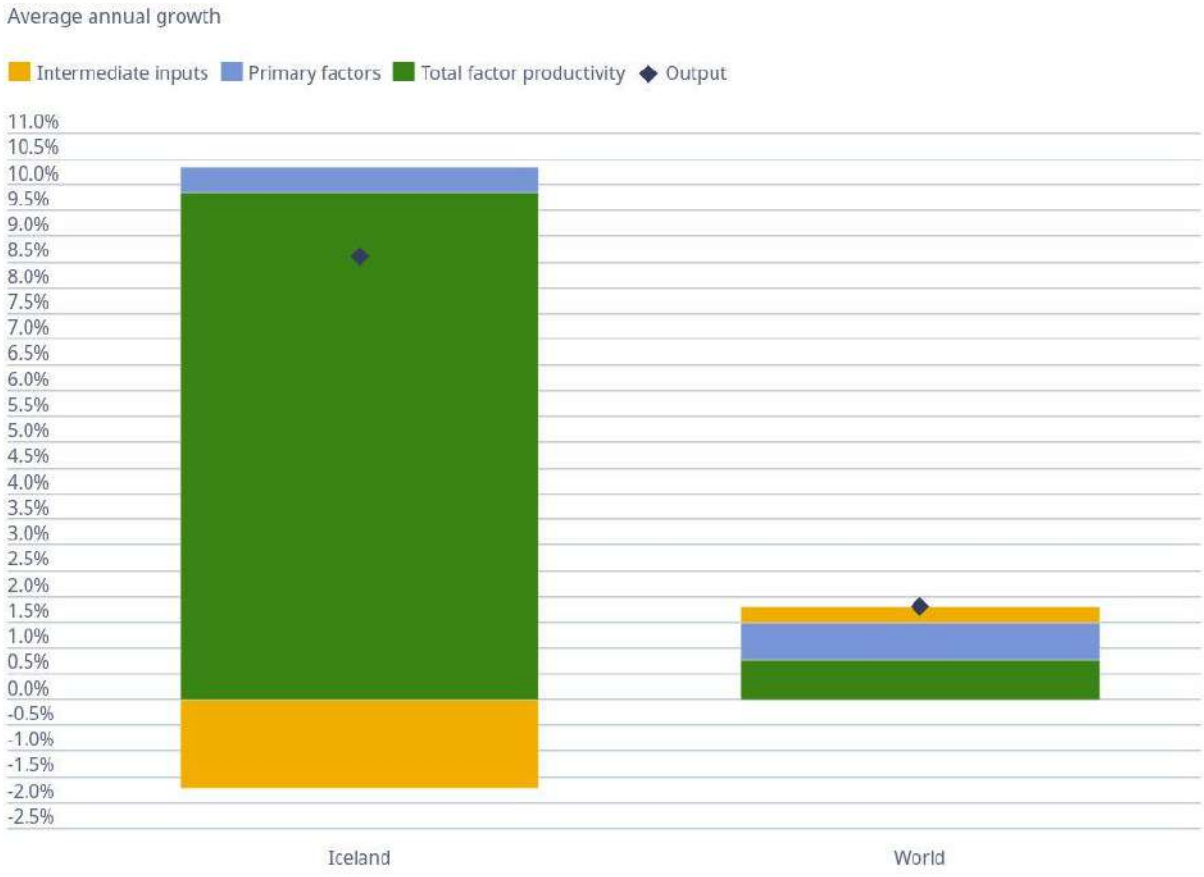
Percentage



Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Output growth in agriculture (8.6%) has clearly outpaced the global average over the 2014-23 period, which has been driven by commensurately robust growth in total factor productivity (TFP) of about 10% per year – which was also much higher than the global average TFP growth (0.8%). This is mostly related to a significant output growth in aquaculture and much less so in crop and livestock output. At the same time intermediate input growth has decreased.

Figure 13.6. Iceland: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

A harsh climate, lack of suitable land, small average farm size, and the narrow genetic base for traditional livestock present significant constraints to the sector. Due to its relatively low livestock densities, Iceland's nutrient balances show a comparatively small surplus of both nitrogen and phosphorus. The share of agriculture sector of the total energy use has fallen over time. GHG emissions from agriculture have decreased during the past two decades but agriculture continues to represent a significant share in the country's total GHG emissions – well above the OECD average – mainly due to the importance of the ruminant livestock sector. Emissions of CH_4 emissions from enteric fermentation and manure management, and N_2O emissions from manure management and fertilisers have historically accounted for over 99% of the total emissions from agriculture, with less than 1% arising from CO_2.

Table 13.3. Iceland: Productivity and environmental indicators

	Iceland		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	-0.3%	9.8%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	8.0	6.0	32.3	29.0
Phosphorus balance, kg/ha	1.8	0.7	3.3	2.3
Agriculture share of total energy use (%)	1.9	1.5	1.7	2.0
Agriculture share of GHG emissions (%)	17.4	14.9	8.7	10.3
Share of irrigated land in AA (%)	..	..	-	-
Share of agriculture in water abstractions (%)	42.4	..	46.1	47.7
Water stress indicator	0.1	..	..	..

Note: * or closest available year.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Iceland's agricultural policy has focused on food security, safety and quality; strengthening rural activity; environmental sustainability; and maintaining farm income.

Iceland supports agriculture heavily and reforms over time have been relatively limited. Support consists mainly of price support sustained with border measures and quotas. Dairy producers receive payments based on output. In 1996, support to sheep meat producers changed from price support to direct payments based on historic entitlements. A regional scheme for sheep farmers implemented in 2008 provides additional direct payments based on historic entitlements. Individual non-transferrable quotas for milk producers were introduced in 1980 and went through a number of reforms. In 1992, the current system of freely transferable quotas was introduced, and production-based payments were linked to the quota, paid directly to the farmer.

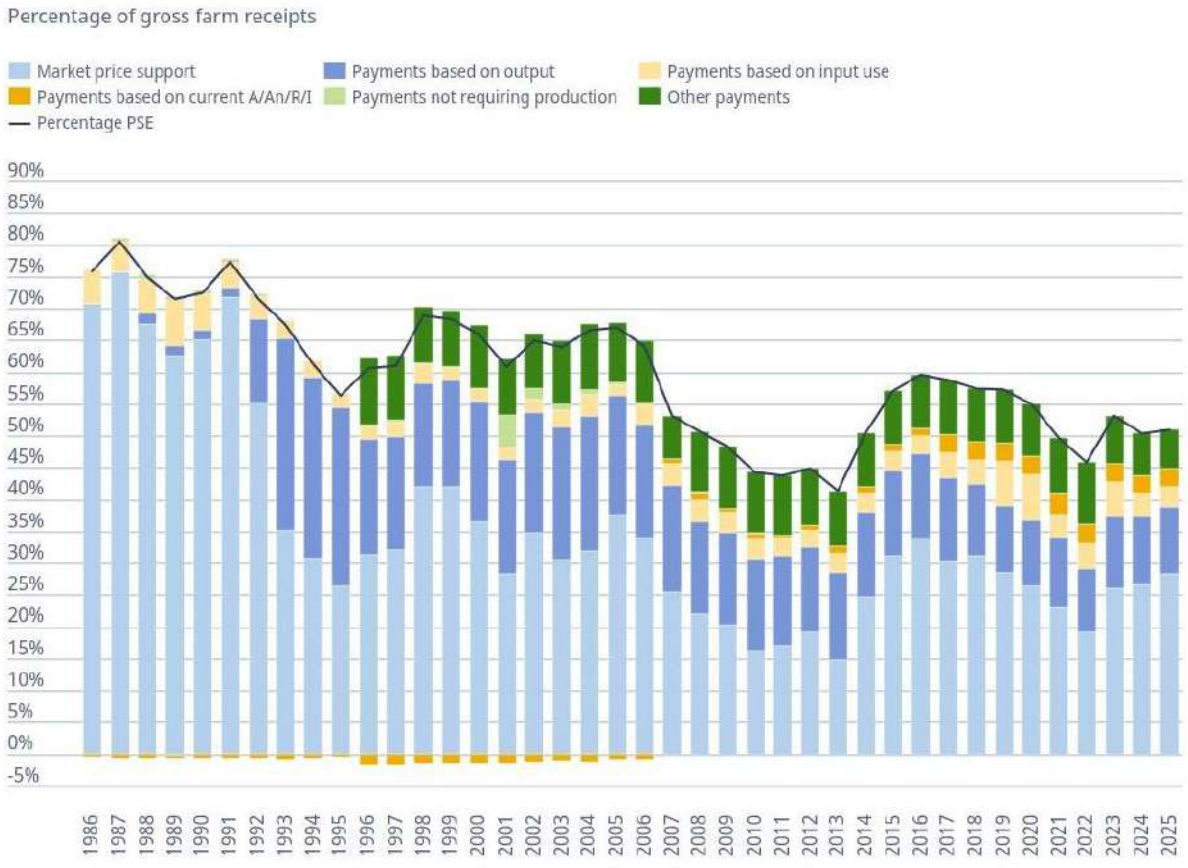
Since the mid-1990s, tariffs on agricultural products were reduced. However, tariffs on several agriculture product groups, particularly meat, dairy and flowers, remain high and complicated. Many compound duties with both ad valorem and specific duties apply. Export subsidies for agricultural products have not been provided since the early 1990s.

Table 13.4. Iceland: Agricultural policy trends

Period	Framework	Changes in agricultural policies
Prior to mid-1990s	Closed economy	Minimum prices Agricultural tariffs and non-tariff measures Consumer subsidies
Mid-1990s-2016	Gradual reforms to open market	EFTA, EEA Phase out of administered prices (except milk) Decoupled payments introduced to substitute price support measures Act Production, Pricing and Sale of Agricultural Products No. 99/1993 Act on Agriculture No. 70/1998
2017-2022	Continuation of gradual reforms	Revisions of agreements for sheep and cattle farmers Several FTAs signed EEA agreement enhanced Reduction of agricultural tariffs

Period	Framework	Changes in agricultural policies
2024	New comprehensive agricultural policy and new food policy	Implementation of the first five-year action plan of Iceland's new agricultural policy (passed by parliament in 2023) started in 2024. The plan contains 28 actions linked to the policy's ten main issues: food security; adaptation and mitigation to climate change; biodiversity; land use and land preservation; circular economy; international market issues; consumers; innovation and technology; education and R&D; and the agricultural support system. New food policy takes all major aspects of food production in Iceland into consideration, including fisheries, agriculture, and aquaculture. The focus is on sustainability and the circular economy of food production, food security and safety, R&D, consumers, and society. A five-year action plan has been implemented for the food policy in 2024 and contain five actions.

Figure 13.7. Iceland: Development of the PSE and its composition, 1986 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

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WTO (2024), *Trade Policy Review of Iceland (WT/TPR/S/454/Rev.1)*. [1]

14 India

Main findings

Support to agriculture

India has one of the highest negative PSE of all the countries in this report, averaging -9.2% of gross farm receipts (GFR) in 2023-25. Net support to producers in India has been negative throughout the last two decades, but fluctuates in level from year to year. The negative producer support implies that domestic producers have been implicitly taxed on average, as budgetary payments to farmers do not offset the price-depressing effect of complex domestic marketing regulations and trade policy measures. Virtually all gross producer transfers (whether positive or negative) come in potentially most production and trade-distorting forms.

Support to producers in 2023-25 includes positive Market Price Support (MPS) of +3.5% of gross farm receipts for commodities that are supported and negative MPS of as much as -23.4% for those that are taxed. Export restrictions have been applied in 2023-25 to various types of rice, wheat, sugar, onions, and related products (e.g. wheat flour). Commodities with positive Single Commodity Transfers (SCT) – ranging between 5.9% and 25.8% of commodity receipts in 2023-25 – include wheat, maize, sugar, poultry meat, and eggs.

Budgetary transfers to producers, which averaged 10.7% of GFR in 2023-25, are dominated by subsidies for variable input use, mainly fertilisers, electricity, and irrigation water. However, budgetary allocations to the direct income transfer programme, PM-KISAN, have been increasing since its implementation in 2018 and represent 7.5% of budgetary spending in 2023-25.

Public expenditures financing general services to the sector (General Service Support Estimate, GSSE) are around half the level of subsidies for variable input use and averaged 4.3% of the value of agricultural production in 2023-25, up from 3.2% in 2000-02. General services policies predominantly focus on programmes for the development and maintenance of infrastructure (85% of general services support in 2023-25), particularly related to irrigation.

Policies that affect farm prices provide implicit support to consumers. Food subsidies provided through the Targeted Public Distribution System also reduce costs for consumers. The consumer support estimate averaged 26.5% of gross expenditures measured at farm-gate prices in 2023-25.

Estimated total support to the sector was about a negative 0.02% of GDP in 2023-25, compared to a positive 1% in 2000-02. Still, budget expenditures for the sector amounted to as much as 2.6% of GDP in recent years, indicating significant costs to the Indian economy arising from agricultural policies.

Key policy changes in 2025-26

The BharatVISTAAR Artificial Intelligence platform marks a forward-looking step in India's digital agriculture agenda, signalling a stronger policy emphasis on data-driven tools for agricultural extension. By providing farmers with guidance on crop management, input use and market conditions, it can support

broader government efforts to raise productivity, encourage crop diversification and strengthen rural infrastructure.

Export restrictions on selected crops were relaxed in 2025 to allow limited exports of rice and wheat flour to the Maldives and certain cereals and vegetable oils to Bhutan. In addition, the export ban on de-oiled rice bran was fully lifted.

Tariff policy developments reflected diverging objectives across commodities. On the one hand, import duties on several edible oils were reduced to contain food inflation and tariffs on cotton were temporarily removed to ease input costs. On the other hand, tariffs on yellow peas were raised to limit imports and support domestic pulse producers.

India reached major new trade agreements and negotiating frameworks with several key partners. It signed the Comprehensive Economic and Trade Agreement with the United Kingdom, concluded negotiations on a Free Trade Agreement with the European Union, and agreed in principle on an interim trade framework with the United States. These agreements contain selective tariff reductions and improved market access for certain agro-food products while maintaining protections for sensitive sectors such as dairy, cereals and other staple commodities.

Assessment and recommendations

- Ensure that agricultural policies are targeted and coherent. This is essential to tackle the significant productivity and environmental issues faced by India's agriculture. The low productivity of farmers, and particularly the prevalence of marginal and small-scale farmers with limited access to finance and technology, represent a substantial challenge. This is exacerbated by fragmented and complex supply chains involving numerous intermediaries, restrictive domestic marketing policies and border measures that have been on average reducing prices below those on international markets over most of the period reviewed. At the same time, the sustained growth in agricultural output and fertiliser use have put mounting pressures on natural resources, particularly land and water.
- Enhance the electronic National Agricultural Market (e-NAM) and implement the 2017 model Agricultural Produce and Livestock Marketing Act more consistently across states, while ensuring these reforms are aligned with changes to the minimum support prices system. Complementary investments in rural infrastructure, digitalisation, transport, marketing, training and other general services will help farmers benefit through higher productivity and incomes.
- Shift resources toward long-term productivity and environmental sustainability. While direct cash transfers (such as through PM-KISAN) can support poorer farmers in the short- to medium-term, gradually reducing fertiliser, irrigation water and electricity subsidies would ease environmental pressures and free resources for education, rural infrastructure, financial services, environmentally sustainable input use, export standards, digital skills and resilience.
- Extend the Agricultural Export Policy framework to more products and limit the use of ad hoc export restrictions on products such as rice, wheat, sugar, or onions. Together with domestic marketing reforms, easing export and import restrictions would make markets more predictable, support food security and diet diversification, and create stronger incentives for producers and traders to invest in more resilient supply chains.
- Resume efforts to eliminating inefficiencies in the food-distribution system, building on India's significant progress period before the COVID-19 pandemic. The experimental replacement of physical grain distribution with direct cash transfers could be gradually expanded, including by drawing on recommendations made by the High-Level Commission on Restructuring the Food Corporation of India, which suggested focusing initially on cities with populations over 1 million, followed by grain surplus states.

Key indicators on agricultural support

Figure 14.1. India: Development of support to agriculture

Figure 14.1A. India: Producer Support Estimate and its composition

Percentage of gross farm receipts

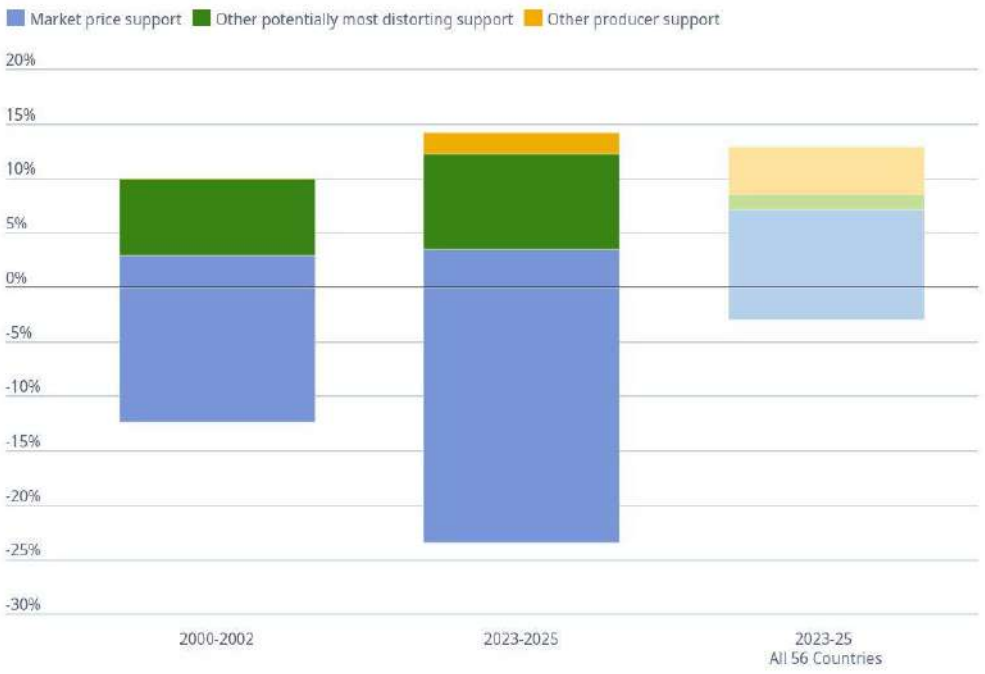


Figure 14.1B. India: Ratio of producer to border price

Producer NPC

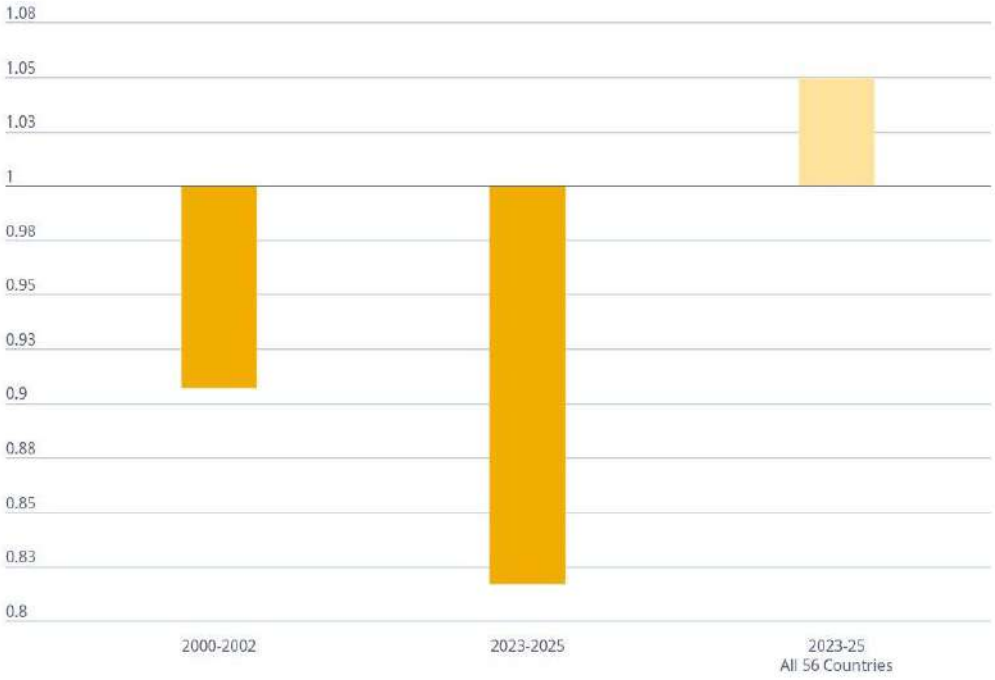


Figure 14.1C. India: General Services Support Estimate and its composition

Relative to agricultural value of production

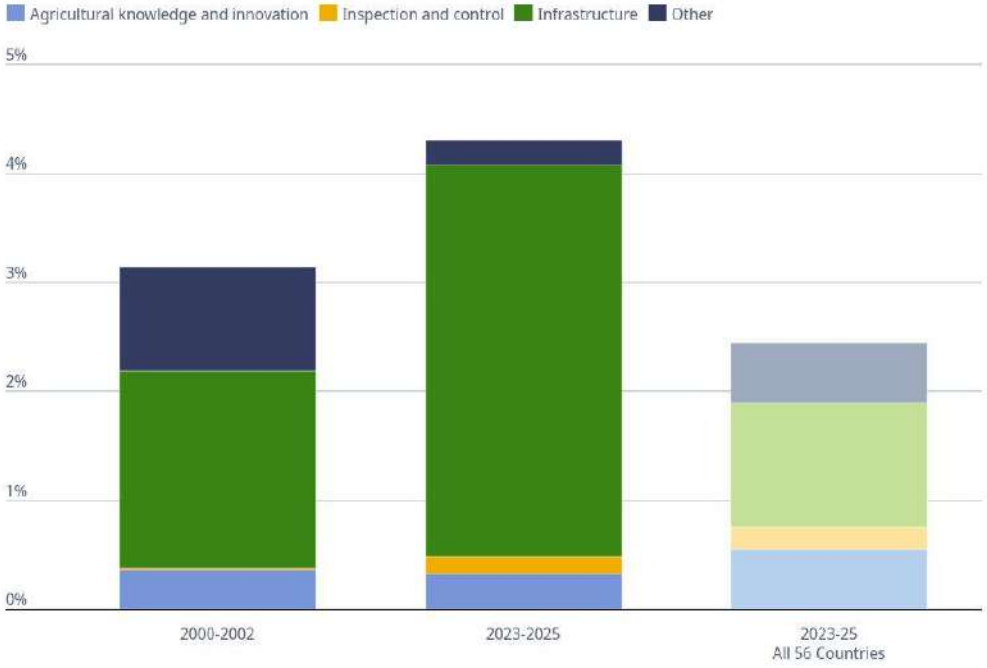
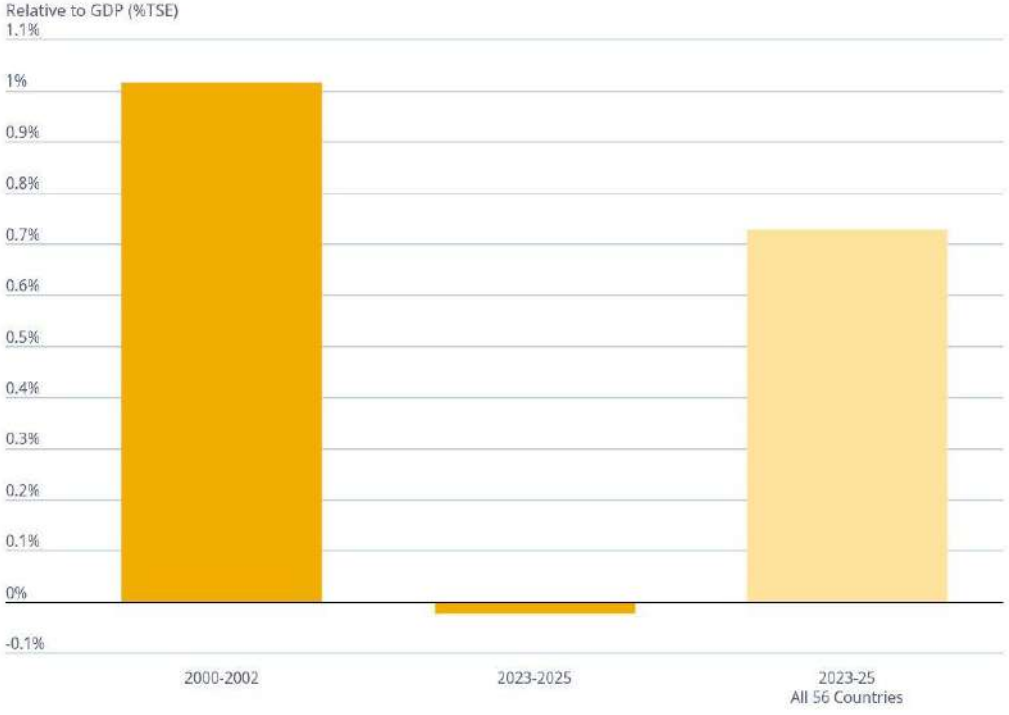


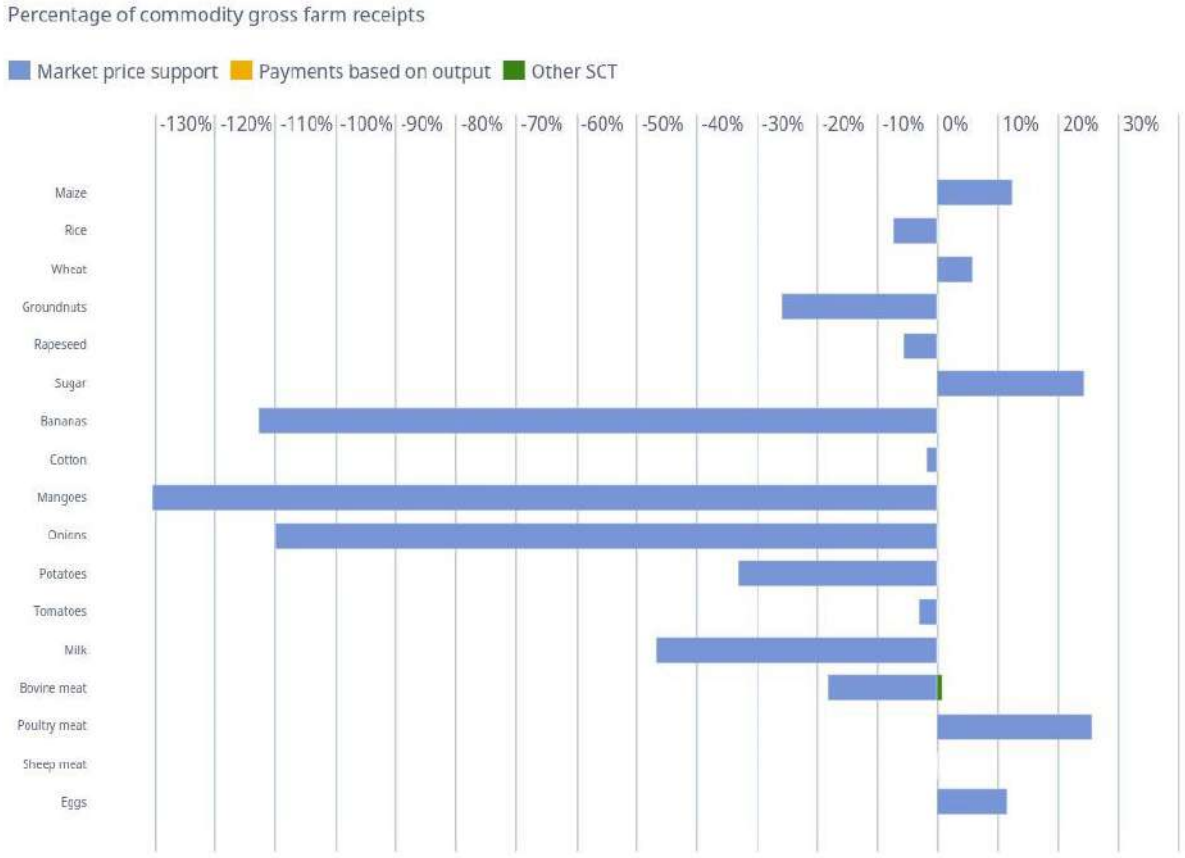
Figure 14.1D. India: Total Support Estimate

Relative to GDP (%TSE)



Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 14.2. India: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Table 14.1. India: Estimates of support to agriculture

Million USD

	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**112 282**	**453 059**	**445 937**	**455 175**	**458 065**
of which: share of MPS commodities (%)	64.75	81.62	79.13	81.51	84.23
Total value of consumption (at farm gate)	**109 060**	**423 295**	**427 812**	**430 041**	**412 032**
Producer Support Estimate (PSE)	**-2 709**	**-46 919**	**-50 649**	**-53 916**	**-36 193**
Support based on commodity output	-11 243	-101 213	-103 444	-109 232	-90 964
Market price support[1]	-11 243	-101 213	-103 444	-109 232	-90 964
Positive market price support	3 583	17 719	9 834	19 311	24 011
Negative market price support	-14 827	-118 932	-113 278	-128 543	-114 975
Payments based on output	0	0	0	0	0
Payments based on input use	8 519	46 167	45 090	46 675	46 737
Based on variable input use	8 519	44 275	43 690	44 378	44 756
with input constraints	0	0	0	0	0
Based on fixed capital formation	0	1 833	1 295	2 265	1 939
with input constraints	0	0	0	0	0
Based on on-farm services	0	60	105	32	42
with input constraints	0	0	0	0	0
Payments based on current A/An/R/I, production required	0	0	0	0	0
Based on Receipts / Income	0	0	0	0	0
Based on Area planted / Animal numbers	0	0	0	0	0
with input constraints	0	0	0	0	0
Payments based on non-current A/An/R/I, production required	0	0	0	0	0
Payments based on non-current A/An/R/I, production not required	0	7 513	7 435	7 867	7 236
With variable payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
With fixed payment rates	0	7 513	7 435	7 867	7 236
with commodity exceptions	0	0	0	0	0
Payments based on non-commodity criteria	0	0	0	0	0
Based on long-term resource retirement	0	0	0	0	0
Based on a specific non-commodity output	0	0	0	0	0
Based on other non-commodity criteria	0	0	0	0	0
Miscellaneous payments	15	614	271	773	798
Percentage PSE (%)	**-2.31**	**-9.21**	**-10.16**	**-10.56**	**-7.06**
Producer NPC (coeff.)	**0.91**	**0.82**	**0.81**	**0.81**	**0.83**
Producer NAC (coeff.)	**0.98**	**0.92**	**0.91**	**0.90**	**0.93**
General Services Support Estimate (GSSE)	**3 526**	**19 496**	**18 789**	**19 547**	**20 152**
Agricultural knowledge and innovation system	402	1 459	1 419	1 448	1 510
Inspection and control	25	732	647	749	800
Development and maintenance of infrastructure	2 021	16 257	15 695	16 284	16 791
Marketing and promotion	14	155	151	156	158
Cost of public stockholding	1 044	874	858	890	873
Miscellaneous	21	20	19	20	21
Percentage GSSE (% of TSE)	**.**	**-2 156.92**	**.**	**.**	**.**
Consumer Support Estimate (CSE)	**14 692**	**105 197**	**112 093**	**108 950**	**94 550**
Transfers to producers from consumers	10 856	79 273	86 103	84 516	67 201
Other transfers from consumers	-224	57	154	-33	49
Transfers to consumers from taxpayers	4 222	26 323	26 918	24 946	27 106
Excess feed cost	-163	-456	-1 083	-479	193
Percentage CSE (%)	**14.12**	**26.46**	**27.96**	**26.89**	**24.56**
Consumer NPC (coeff.)	**0.91**	**0.84**	**0.83**	**0.84**	**0.86**
Consumer NAC (coeff.)	**0.88**	**0.79**	**0.78**	**0.79**	**0.80**
Total Support Estimate (TSE)	**5 040**	**-1 100**	**-4 941**	**-9 424**	**11 066**
Transfers from consumers	-10 632	-79 330	-86 257	-84 483	-67 250
Transfers from taxpayers	15 896	78 173	81 161	75 092	78 267
Budget revenues	-224	57	154	-33	49
Percentage TSE (% of GDP)	**1.02**	**-0.02**	**-0.14**	**-0.24**	**0.27**
Total Budgetary Support Estimate (TBSE)	**16 283**	**100 113**	**98 503**	**99 808**	**102 029**
Percentage TBSE (% of GDP)	**3.33**	**2.58**	**2.71**	**2.54**	**2.51**
GDP deflator (2000-02 = 100)	**100**	**343**	**334**	**345**	**349**
Exchange rate (national currency per USD)	**47.26**	**84.92**	**82.77**	**84.17**	**87.82**

.. Not available

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.

1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for India are: wheat, maize, rice, soybean, rapeseed, groundnuts, chick pea, other pulses, potatoes, onion, tomatoes, mango, bananas, sugar, cotton, milk, bovine meat, sheep meat, poultry and eggs.

Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

Agricultural policy framework

Agriculture and food is governed via six **major policy channels**: 1) managed prices and marketing mechanisms; 2) farm input subsidies 3) general services for the agricultural sector as a whole; 4) public stockholding through purchasing, storing and making certain food staples available to selected groups of the population at subsidised prices; 5) trade restrictions; and more recently, 6) the income support scheme PM-KISAN (OECD/ICRIER, 2018[1]; ICRIER, 2022[2]; Gulati, Kapur and Bouton, 2020[3]).

The central government sets national policy approaches and provides funding to support programme implementation at the state level. It is also responsible for key policy areas, notably international trade policy, and for the implementation of the National Food Security Act (NFSA) of 2013. In turn, states have constitutional responsibility for several aspects of agriculture, including land, agricultural markets, irrigation and local implementation of agricultural programmes.

Policies affecting domestic prices and marketing channels

Policies governing the **marketing of agricultural commodities** – for both producers and the food chain – include controls on the production, supply, distribution, and pricing of essential commodities, and state-level regulations regarding the pricing, procurement, stocking, and trading of commodities. The first point of sale of agricultural products occurs at regulated market yards (*mandis*) under the responsibility of Agricultural Produce Market Committees (APMC), which manage government procurement under the minimum support price (MSP) system.[1]

Twenty-three commodities have MSPs which are set annually based on the average cost of production, considering both the observed costs and the imputed value of family labour. State governments may also provide a bonus payable over and above the MSP for some crops. **Procurement under the price support scheme** operates effectively mainly for wheat, rice, and cotton, and only in a few states. The MSP scheme only applies when approved agencies purchase commodities, it is not a guaranteed price to the farmer if they sell to intermediaries, private traders, consumers, or non-approved agencies. National and state-level agencies operating on behalf of the Food Corporation of India (FCI) can buy wheat, rice, and coarse grains. Several other agencies can buy pulses, oilseeds, and cotton at MSPs – including through the umbrella scheme *Pradhan Mantri Annadata Aay Sanrakshan Yojna* (PM-AASHA), introduced in 2018, which is designed to ensure fair prices to farmers.

The electronic National Agricultural Market (e-NAM) is an online trading platform for agricultural commodities, which aims to create a network of APMC *mandis*. It currently integrates more than 1 000 APMC markets in 18 states and 3 Union Territories (UTs); almost 17 million farmers and 150 000 traders are registered on the e-NAM platform.[2]

Input subsidies and other budgetary transfers

Input support policies enable farmers to obtain **inputs at subsidised prices**. These are largest for fertilisers, electricity and water, although seeds, machinery, credit, and crop insurance are also supported. State-level loan debt waivers, which compensate lending institutions for forgiving debt to farmers, are also important. Aiming to improve formal credit penetration in the agricultural sector, the Reserve Bank of India (RBI) requires banks to allocate 18% of their adjusted net bank credit to agricultural credit.

Premiums for crop insurance are cost-shared through mechanisms including the National Agricultural Insurance Scheme, the Modified National Agricultural Insurance Scheme, the Weather Based Crop Insurance Scheme, the Coconut Palm Insurance Scheme, the National Crop Insurance Program, the Restructured Weather Based Crop Insurance Scheme, and the *Pradhan Mantri Fasal Bima Yojna*

(PMFBY) scheme. PMFBY provides **insurance to farmers for crop losses** linked to adverse weather conditions, including deficient or excess rainfall, droughts, floods and other extreme weather events. Under PMBFY, farmers pay a small share of the total insurance premium: 2% of the sum insured for *kharif* crops; 1.5% for *rabi* crops; and 5% for horticultural crops. The remaining premium is covered by the government, typically split equally between the central and state governments.

The PM-KISAN scheme provides an annual **direct income transfer** of INR 6 000 (USD 84) per farmer to all farmers with land titles. The payment does not require farmers to produce, is irrespective of the farm size, and may be used for any need.

Support to consumers

Public distribution of food grains is the joint responsibility of the central and state governments. The Targeted Public Distribution System (TPDS) operates under the National Food Security Act (NFSA) in all states and UTs. Other Welfare Schemes (OWS) also operate under the NFSA. The central government allocates food grains to state governments and the FCI transports food grains from surplus states to deficit states. State governments distribute the food grain entitlements by allocating supplies within the state, identifying eligible families, issuing ration cards, and distributing food grains mainly through Fair Price Shops.[3]

Trade policy

India's average applied MFN **tariff** on agricultural and food products is around 40%, substantially higher than the 13-15% average applied to non-agricultural goods. Within agriculture, livestock products generally face higher tariffs (around 40-45%) than crop products (around 35-40%), reflecting stronger protection for sensitive sectors such as dairy. In addition, India applies **tariff rate quota** (TRQ) systems for a selected number of commodities, under which imports within the quota face lower tariffs while out-of-quota imports are subject to significantly higher duties, often close to the bound tariff rates.

India currently has 14 **regional trade agreements** (RTAs) in force covering around 25 partner countries and regional groupings, including major arrangements with ASEAN, Japan, Korea, the United Arab Emirates (UAE), Australia, and the South Asian Free Trade Area (SAFTA). These agreements play an important role in India's agro-food trade: around 25-30% of India's agricultural and food imports originate from RTA partners, while roughly 30-35% of its agro-food exports are destined for these markets. The relatively balanced shares reflect the importance of regional markets in Asia and the Middle East for Indian food exports, while imports remain diversified across both RTA partners and major suppliers without preferential arrangements.

Agricultural exports are managed through **export restrictions**, including export prohibitions, licensing requirements, quotas, taxes, minimum export prices,[4] and state trading requirements. In this context, the 2018 Agriculture Export Policy is intended to serve as an overarching policy framework to guide the government's approach to agricultural exports, including the treatment of export restrictions and import facilitation for processing trade. It identifies three main areas of action: recommending that processed agricultural and organic products generally not be subject to export restrictions; consulting among ministries and stakeholders to determine which essential food security commodities may face export restrictions under specific market conditions; and reducing import barriers on agricultural products intended for processing and re-export. In practice, however, the way export restrictions are enforced, extended or terminated may change several times per year, depending on domestic supplies and prices.

Policies relating to climate change adaptation and mitigation

The National Mission for Sustainable Agriculture (NMSA) aims to improve agricultural productivity while promoting environmentally friendly agricultural practices and site-specific approaches. NMSA emphasises sustainable development pathways through a gradual transition to technology supporting environmental objectives, energy-efficient equipment, conservation of natural resources, and integrated agriculture. NMSA promotes these objectives through several implementation channels: soil testing and Soil Health Cards to support balanced nutrient application; micro-irrigation and on-farm water management support to raise water-use efficiency; integrated farming models under Rainfed Area Development to encourage crop diversification; and agroforestry schemes that support tree planting on farmland through nurseries, planting material, demonstrations, and farmer training.

Efforts to reduce GHG emissions from agriculture are pursued mainly through schemes that improve input use efficiency and emissions intensity, rather than through direct farm-level emissions constraints. In horticulture, the Mission for Integrated Development of Horticulture (MIDH) supports area expansion, rejuvenation of old orchards, protected cultivation, quality planting material, training, and post-harvest infrastructure, thereby encouraging a shift toward more productive and often more resource-efficient cropping systems. In rice, mitigation is promoted through systems of rice intensification and direct-seeded rice techniques, with the aim of lowering water use and methane emissions; these practices are disseminated through NMSA extension support. Water use efficiency is further advanced through Per Drop More Crop, which subsidises drip and sprinkler irrigation, with 55% support for small and marginal farmers and 45% for other farmers, often complemented by state top-up subsidies. On the energy side, *Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan* (PM-KUSUM) promotes the replacement or solarisation of irrigation pumps through central financial assistance of 30%, with additional state support. Nutrient-related mitigation relies on the mandatory neem-coating of urea with the aim to slow nitrogen release, alongside Soil Health Card-based nutrient advice and support for bio-fertilisers and organic inputs under the *Paramparagat Krishi Vikas Yojana* (PKVY) and related schemes. In livestock, the main policy levers are balanced rationing, green fodder and silage promotion, and support for total mixed feed rationing, feed supplements, mineral mixtures, and bypass protein through the National Livestock Mission and the Animal Husbandry Infrastructure Development Fund, with the aim of lowering methane emissions per unit of output.

Recent policy developments

Domestic policy developments in 2025-26

Developments in the policy and strategic framework

India's Union Budget 2026-27 emphasises strengthening agricultural productivity, rural incomes and agro-food value chains. The budget allocates around INR 1.6 trillion (USD 19 billion) to the Ministry of Agriculture and Farmers' Welfare, representing an increase of 7% compared with the 2024-25 Union Budget. Key measures include the launch of the *Pradhan Mantri Dhan-Dhaanya Krishi Yojana* scheme (PMDDKY), targeting 100 districts with low productivity to promote crop diversification, improve irrigation and post-harvest storage, and expand access to agricultural credit for around 17 million farmers. PMDDKY has an annual outlay of INR 240 billion (USD 2.6 billion) over six years.

The 2026-27 Union Budget also prioritises modern technologies in agriculture, including digital tools such as the Bharat-VISTAAR Artificial Intelligence platform to support extension services, while increasing support for high-value crops, specific sectors such as livestock and fisheries, and rural infrastructure to enhance productivity, strengthen food supply chains and improve farmer incomes. Bharat-VISTAAR has an outlay of INR 1.5 billion (USD 16.2 million) in 2026-27.

In the Union Budget 2026-27, the Government of India (GOI) specifically allocated INR 61.5 billion (USD 66 million) to the Department of Animal Husbandry and Dairying, representing an increase of about 16% over the previous year. The budget includes support for programmes aimed at improving animal productivity, strengthening breeding and veterinary services, and promoting value chain development.

Minimum support prices

In 2025, minimum support prices (MSPs) were increased for both summer-planted and winter-planted crops compared to the previous season:

- For several summer-planted (*kharif*) crops, the MSP increases in June 2025 range between 3-7% – this includes rice (by about 3%), maize (6%), groundnuts (about 4%), soybeans (about 3%), pigeon peas (about 6%), black gram (about 5%), and cotton (about 7%).
- For several winter-planted (*rabi*) crops, the MSP increases in October 2025 also range between 3-7% – this includes wheat (about 7%), barley (about 6%), gram (about 4%), lentils (about 3%), and rapeseed (about 4%) (the increases in absolute levels are however higher for oilseeds and pulses compared to cereals).
- In addition, the Fair and Remunerative Price (FRP) for sugarcane was increased by about 4%, continuing the policy of periodic price adjustments to support sugarcane growers.

In June 2025, reserve prices for wheat and rice sold under the Open Market Sale Scheme (OMSS) were adjusted. The reserve price for wheat was increased by 9.7% to INR 25.5 per kg, including for the 2025-26 *rabi* marketing season. From 1 October 2025, the reserve price for rice (including broken rice) supplied under the scheme to state governments, state agencies and community kitchens was raised by 3.1% to INR 23.20 per kg, with a sales limit of 3.2 million tonnes. The same reserve price was applied to rice sold to distilleries for ethanol production, subject to a cap of 5.2 million tonnes.

Other domestic market interventions

In May 2025, India reintroduced stock limits on wheat held by private market participants to manage domestic supply conditions and contain potential price increases. The limits were set at 3 000 tonnes for traders and wholesalers, 10 tonnes per retail outlet for retailers, and, for processors, an aggregate ceiling equal to 70% of their monthly installed processing capacity for each remaining month of financial year 2025-26 (for example, where three months remained in the fiscal year, the processor limit would be equivalent to 210% of one month's installed capacity). On 26 August 2025, the government tightened these limits to 2 000 tonnes for traders and wholesalers, 8 tonnes per retail outlet for retailers, and 60% of installed processing capacity for processors. Market participants have also been required to regularly declare wheat stock positions through a government reporting portal, allowing authorities to monitor inventories and discourage hoarding.

To strengthen monitoring of the edible oil sector, the 2011 Vegetable Oil Products, Production and Availability (Regulation) Order was amended in October 2025. Under the revised rules, manufacturers, processors, blenders, re-packers and other supply chain participants are required to register and submit monthly data on production and stock levels through a designated online portal, enabling authorities to improve market transparency and monitor domestic edible oil availability.

Nutrient-based subsidy rates for phosphatic and potassic fertilisers were revised for the 2025-26 *rabi* season, to adjust support levels to reflect changes in input costs and maintain fertiliser affordability for farmers. The subsidy for phosphate fertilisers was increased from INR 43.60 per kg in the 2025 *kharif* season to INR 47.96 per kg (about USD 0.54), while the subsidy for sulphur was raised from INR 1.77 per kg to INR 2.87 per kg (about USD 0.03). Subsidy rates for nitrogen and potash remained unchanged. The revised rates imply a budgetary outlay of approximately INR 379.5 billion (about USD 4.3 billion) for the *rabi* season.

Regulatory developments

On 3 July 2025, India's Ministry of Textiles postponed the implementation of the Cotton Bales Quality Control Order (QCO) by one year, setting the new enforcement date for 27 August 2026. Introduced in February 2023, the QCO establishes mandatory quality standards for cotton bales based on Bureau of Indian Standards (BIS) parameters, including requirements on moisture content, trash levels and fibre quality. The measure aims to improve the quality of cotton supplied to the textile industry and support the competitiveness of Indian cotton exports. The postponement reflects concerns raised by industry stakeholders regarding compliance costs and implementation challenges.

Restrictions on the production of ethanol from multiple sugarcane-based feedstocks, including sugarcane juice, sugar syrup, B-heavy molasses and C-heavy molasses were removed for the 2025-26 Ethanol Supply Year (ESY) ending in October 2026. The measure supports the expansion of the Ethanol Blended Petrol programme, while the Department of Food and Public Distribution, in co-ordination with the Ministry of Petroleum and Natural Gas, monitors sugar allocations to ethanol production to ensure adequate availability of sugar for domestic consumption.

Trade policy developments in 2025-26

Measures affecting imports

The basic customs duty on crude edible oils, including crude soybean, sunflower and palm oil, was reduced in May 2025 from 20% to 10%, lowering the effective import duty to about 16.5%. The basic customs duty on crude olive pomace oil was reduced from 35% to 15% in November. These measures form part of broader efforts to stabilise edible oil markets and contain food price inflation, while supporting domestic refining activity.

The tariff on raw cotton was reduced from 11% to 0% between 19 August and 31 December 2025. The measure aimed to improve raw material availability for textile manufacturers and support export competitiveness, while the government continued to rely on MSP procurement through the Cotton Corporation of India to support domestic cotton producers when market prices fell below the MSP.

Duty-free imports of yellow peas were initially allowed between May 2025 and 31 March 2026 in order to lower domestic pulse prices.[5] However, the policy was subsequently revised, with a 30% import duty on yellow peas becoming effective on 1 November 2025, comprising 10% basic customs duty and 20% Agriculture Infrastructure and Development Cess (AIDC).[6] While allowing for imports of yellow peas, the revised measure aims to limit import volumes and the domestic price reductions induced by those imports during the marketing of *kharif* season pulses, and provide incentives for the cultivation of *rabi* season pulses.

Measures affecting exports

From 1 November 2025, India implemented updated export procedures for peanuts and peanut products to strengthen compliance with international quality and food safety standards, particularly regarding aflatoxin limits. Issued by the Agricultural and Processed Food Products Export Development Authority (APEDA), the measures require exporters to register with APEDA, obtain aflatoxin certification from approved laboratories, and comply with enhanced marking and labelling requirements. The updated system also introduces the *Peanut.Net* digital platform, which facilitates testing, certification and traceability by enabling stakeholders across the supply chain to record and share quality assurance data. The reform builds on earlier procedures introduced in 2013 and revised in 2015, aiming to enhance transparency and facilitate trade. During 2025, the tightening of standards was reinforced following temporary import restrictions by Indonesia, a key market for Indian peanuts, due to concerns over aflatoxin levels, prompting authorities to strengthen export quality controls.

On 30 September 2025, India extended the Remission of Duties and Taxes on Exported Products scheme until 31 March 2026. Introduced in February 2021, the scheme reimburses exporters for embedded duties, taxes and levies that are not otherwise refunded under existing export promotion programmes, thereby helping to offset non-creditable domestic costs associated with production and export. The extension aims to support the competitiveness of Indian exports, including agri-food products, by maintaining the reimbursement mechanism during a period of continued uncertainty in global trade.

Export restrictions applied to selected crops, most notably rice, were adjusted in 2025:

- The export of up to 130 429 tonnes of rice and 114 621 tonnes of wheat flour to Maldives was authorised for 2025-26, exempting these shipments from existing or future export restrictions.
- Subsequently, the export ban on de-oiled rice bran, in place since July 2023, was fully lifted in October.
- Exports to Bhutan of all rice, wheat and meslin, and certain vegetable oils were also exempted from any restrictions or prohibitions, facilitating continued trade with neighbouring markets despite broader export controls on some food commodities.

Limited exports of up to 500 000 tonnes of wheat flour and related products were authorised in January 2025. Outside this quota, exports remain restricted, with shipments largely confined to neighbouring countries such as Nepal and Bhutan through land borders. The 40% import duty on wheat remains in place. These measures reflect ongoing efforts to manage domestic wheat availability and price volatility.

Measures to strengthen oversight and quality control in rice exports were introduced in 2025. In March, the deferral of the mandatory inspection certification requirement for rice exports to certain European destinations was extended by six months. Subsequently, in September, exporters of non-basmati rice were required to register export contracts with the APEDA. Inspection requirements for rice exports to Europe were revised in October, mandating a certificate of inspection issued by the Export Inspection Council or Export Inspection Agency for shipments to European Union Member States and to the United Kingdom, Iceland, Liechtenstein, Norway and Switzerland, while temporarily exempting exports to other European countries from this requirement until 2 April 2026.

Trade agreements

The India–United Kingdom Comprehensive and Economic Trade Agreement was signed in July 2025. The agreement is not yet in force, pending both countries' domestic procedures. For agricultural products, the agreement is a mix of new market access, phased tariff cuts, and retained safeguards.

- India would provide following entry into force zero-duty access for some key UK agri-food exports (notably sheep meat and salmon), phase out tariffs over 5-10 years for a significant range of processed food items (including chocolate, biscuits, infant formula etc.), and would also provide partial tariff cuts for some beverages.
- For selected products such as dairy, imports from India would be liberalised without reciprocal market access.
- Other agricultural products, such as sugar, milled rice, pig meat, chicken meat and eggs would not be covered by the tariff removals.

On 27 January 2026, the European Union and India announced the conclusion of negotiations on a free trade agreement, which includes provisions covering a range of agricultural products. Before entering into force, the agreement must be formally ratified by the European Parliament and approved by the Indian Union Cabinet.

- The agreement would eliminate or reduce tariffs on several EU agri-food exports to India, including olive oil (current tariffs up to 45%, to be eliminated at entry into force or phased out over five years); non-alcoholic beer and certain fruit juices (current tariffs up to 55%, to be eliminated after five years); processed foods such as confectionery, breads, pastry, pasta, chocolates and pet food (current tariffs around 33%, to be eliminated at entry into force or phased out); and sheep meat (current tariff around 33%, to be eliminated over a staging period).
- The agreement would also improve market access for wine, spirits and beer, with India reducing tariffs over time to 30% for most wines, 40% for spirits and 50% for beer, while EU fruit exports such as kiwis and pears would benefit from TRQs. In addition, the agreement establishes a working group on wines and spirits to facilitate regulatory co-operation, including on oenological practices.
- Provisions on customs and trade facilitation aim to improve transparency, advance rulings, simplified procedures and expedited release of goods, while the sanitary and phytosanitary (SPS) chapter introduces mechanisms to enhance transparency and predictability in trade in plant and animal products, including fisheries and aquaculture products, through clearer timelines and mechanisms for key procedures, such as import conditions and approvals, audits, adaptation to regional conditions for animal and plant health, listing of establishments for products of animal origin, exchange of information, and certification.

In February 2026, India and the United States announced an interim reciprocal trade framework, reflecting an in-principle agreement aimed at advancing bilateral trade co-operation while negotiations continue toward a broader India–United States Bilateral Trade Agreement. Under the framework, both parties intend to work towards reductions in tariffs and the easing of certain regulatory barriers, including measures affecting agricultural trade. The initiative envisages tariff reductions or improved market access for selected United States agri-food products, including feed grains, tree nuts, fruits, edible oils, and alcoholic beverages, while discussions also address long-standing non-tariff barriers affecting agricultural exports. The framework is expected to maintain safeguards for sectors considered sensitive within India's agricultural policy framework as negotiations toward a more comprehensive agreement continue.

Policy context

Key economic and agricultural statistics

India is the seventh largest country in the world by land area and became the most populous country worldwide in 2022. While the share of urban population continued to increase over the past decade, about two-thirds of the population still lives in rural areas. At just 0.12 ha per capita, agricultural land is very scarce.

Agriculture continues to be an important part of India's economy. The sector accounts for 16.3% of GDP, but the estimated 42.4% share of employment indicates that labour productivity remains significantly lower than in the rest of the economy (Table 14.2). The productivity gap is also reflected in the evolution of farm incomes, which have increased by less than one-third that of non-agricultural incomes in recent years. Agriculture's weight in the economy has gradually declined, mostly in favour of services, which have led economic growth over the last two decades and played a more important role in India's economic development than in most other major emerging economies.

Indian agriculture is continuing to diversify towards livestock and away from grain crops. While grains and milk remain dominant, there has been a gradual change in the composition of production to other crops – such as sugar cane, cotton, fruit and vegetables – as well as certain meat sub-sectors. The livestock sector has seen faster and less volatile growth than the crop sector. The agricultural sector continues to be dominated by a large number of small-scale farmers, as the national average farm size has been in steady decline.

Table 14.2. India: Contextual indicators

	India		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	2 212	16 192	5.4%	9.6%
Population (million)	1 058	1 451	24.1%	26.5%
Land area (thousand km²)	2 973	2 973	3.5%	3.5%
Agricultural area (AA) (thousand ha)	180 975	178 571	6.0%	6.0%
			All countries[1]	
Population density (inhabitants/km²)	356	488	52	64
GDP per capita (USD in PPPs)	2 091	11 160	9 508	31 740
Trade as % of GDP	10.2	14.3	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	21.6	16.3	3.0	3.6
Agriculture share in employment (%)	59.6	42.4	-	-
Agro-food exports (% of total exports)	10.9	10.5	6.4	8.3
Agro-food imports (% of total imports)	5.6	5.6	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	72.9	63.1	62.1	60.4
Livestock in total agricultural production (%)	27.1	36.9	37.9	39.6
Share of arable land in AA (%)	88.9	86.2	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

Real GDP growth remained robust in the latest year available, reaching around 6.4% in 2025, after moderating from the post-pandemic rebound. This confirms India's position among the faster-growing major economies, although growth remains below the peaks observed in 2021 and 2023. Inflation continued to ease, falling to about 2.5% in 2025, its lowest level in the period shown, suggesting a significant reduction in price pressures after the shocks of 2021-23. The unemployment rate also remained relatively contained, at around 3.9%, although this aggregate figure continues to mask high levels of informal and vulnerable employment. Overall, the latest indicators point to a resilient macroeconomic performance, with strong growth, easing inflation and stable unemployment (Figure 14.3).

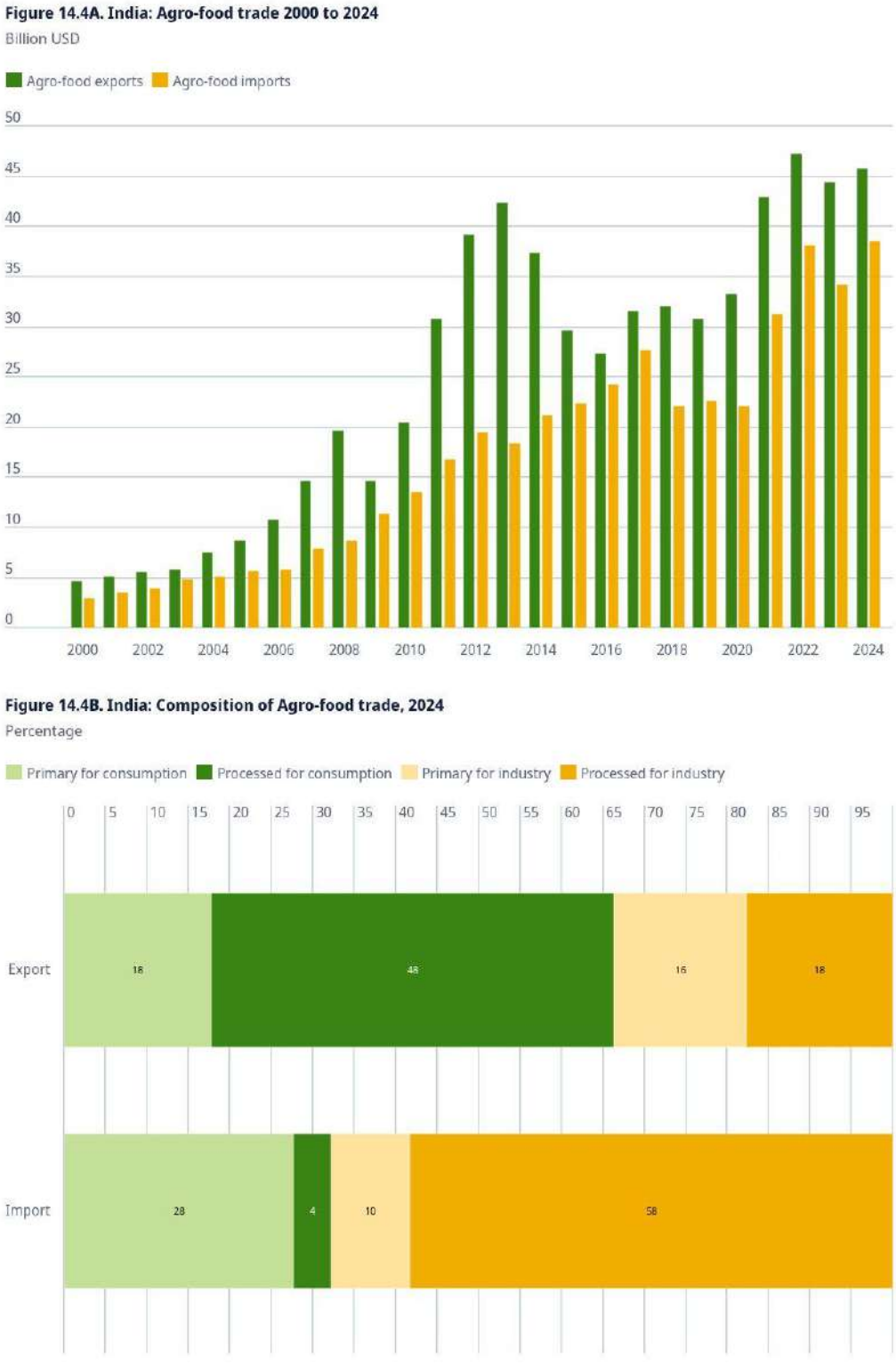
Figure 14.3. India: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

India is a consistent net agro-food exporter, with agro-food exports representing 10.3% of total exports. However, agro-food imports have until recently been growing faster than exports. Products for direct consumption – largely of low value, raw or semi-processed, and marketed in bulk – dominate agro-food exports, representing 66% of the total in 2024. Processed products for further processing by domestic industry are the main import category, accounting for 58% of total agro-food imports (Figure 14.4).

Figure 14.4. India: Agro-food trade

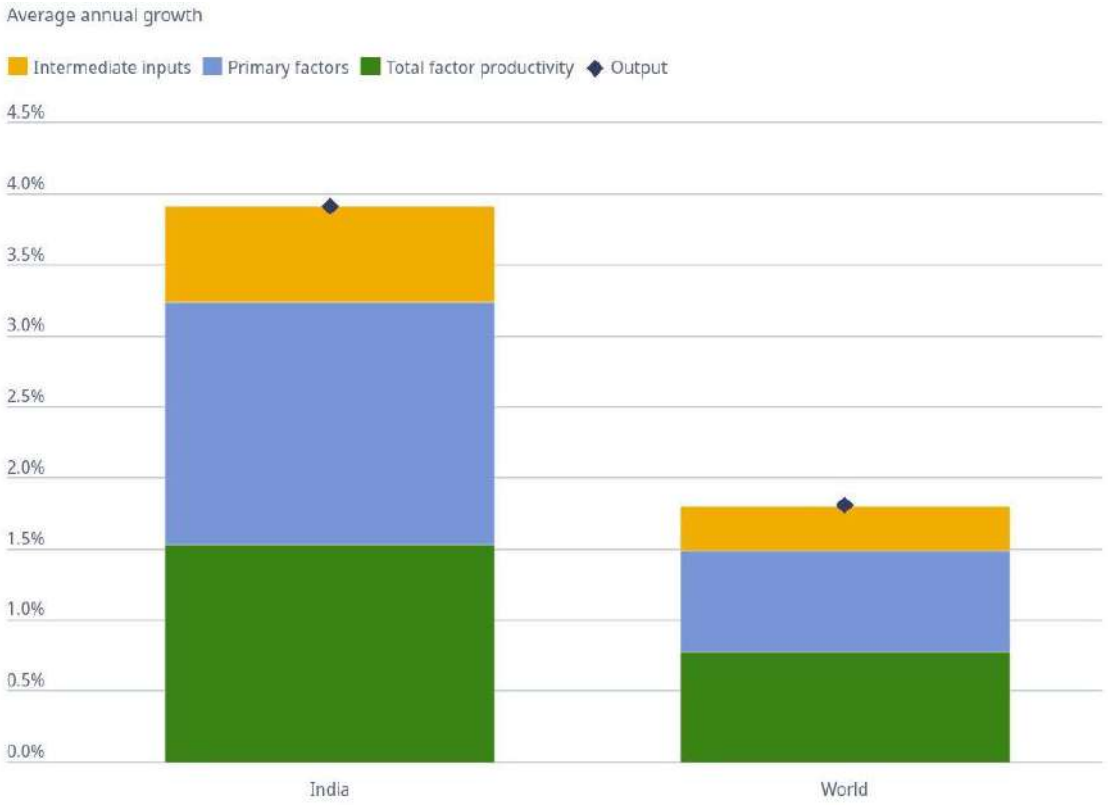


Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Agricultural output growth in India averaged 3.9% in 2014-23, well above the world average (Figure 14.5). This has been driven mainly by a significant increase in total factor productivity (TFP) which grew at 1.5% per year, backed by technological progress in the form of improved seeds and better infrastructure (including irrigation coverage, road density, and electricity supply).

However, the sustained growth in agricultural output and fertiliser use have put mounting pressures on natural resources, particularly land and water. This is reflected in the nutrient surplus intensities at the national level, which have grown over time and are much higher than the average for OECD countries (Table 14.3). The share of agriculture in total GHG emissions is also higher than the OECD average, partly due to the weight of the agricultural sector in the Indian economy. Livestock rearing is the main source of GHGs.

Figure 14.5. India: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Table 14.3. India: Productivity and environmental indicators

	India		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	0.4%	1.5%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	90.7	133.4	32.3	29.0
Phosphorus balance, kg/ha	20.8	28.1	3.3	2.3
Agriculture share of total energy use (%)	5.3	5.1	1.7	2.0
Agriculture share of GHG emissions (%)	23.4	13.7	8.7	10.3
Share of irrigated land in AA (%)	32.2	44.4	-	-
Share of agriculture in water abstractions (%)	..	..	46.1	47.7
Water stress indicator	..	..	..	..

Note: * or closest available year.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Food security has been an important objective of agricultural and trade policy since India's independence in 1947. Food shortages in the early 1960s made crop productivity and farm output a key policy ambition. While scope to further expand the area under cultivation was limited, the advent of the "green revolution" in the mid-1960s raised crop productivity through improved technologies and seed varieties. This was accompanied by expanded extension services and increased use of fertilisers, pesticides, and irrigation.

The government of India (GOI) introduced several marketing regulations affecting the sale, stocking, and trading of agricultural commodities. The Essential Commodities Act (ECA) introduced in 1955 provided for the control of production, supply, distribution, and pricing of essential commodities. During the 1960s and 1970s, most states also enacted and enforced Agricultural Produce Markets Regulation (APMR) Acts, with the first point of sale of agricultural products occurring at regulated market yards (*mandis*) under the responsibility of Agricultural Produce Market Committees (APMC). Two institutions were set up in 1965 to manage prices and distribution of wheat and rice, namely the Food Corporation of India (FCI) and the Agricultural Prices Commission, later renamed the Commission for Agricultural Costs and Prices (CACP). These institutions introduced complex domestic marketing regulations and border measures that increasingly penalised Indian farmers who often received less than international prices for their products.

In the 1970s, several government programmes were set up to increase production, covering industrial organisation, research, finance, and trade. In the case of milk production and processing, this took place at three levels:

- At the farm-level, dairy farmers were organised into co-operatives and provided with advanced technologies, such as animal breeds that produced more milk.
- At the district level, co-operative unions were formed, who owned and operated milk processing plants as well as storage and transport equipment and provided animal health services.
- At the state level, federations conducted and co-ordinated the nation-wide marketing of milk.

Government funding for agricultural research and extension increased, and many State Agricultural Universities (SAU) were set up. Institutional lending to farmers expanded by directing commercial banks (nationalised from 1969) to provide credit to agriculture. New financial institutions were established, such as the National Bank for Agriculture and Rural Development (NABARD) in 1982 and regional rural banks. Import competition was highly restricted to allow domestic agricultural production to increase.

In the 1980s and 1990s, yield-enhancing “green revolution” techniques were increasingly used, reaching new regions and crops such as pulses, oilseeds, and coarse grains. Broader economic deregulation at that time largely bypassed agriculture, in part because of the prevalence of state regulations in the sector. From 1980 to 1999, budgetary support to agriculture increased more than tenfold.

In the 2000s, agricultural policies focused increasingly on enhancing productivity and farmers’ incomes. The National Agricultural Policy (NAP), formulated in 2000, prioritised increasing cropping intensity on existing agricultural land, developing rural infrastructure, and developing and disseminating agricultural technologies. The National Policy for Farmers (NPF), approved in 2007, identified a need to focus more on the economic well-being of farmers than just on production.

The Eleventh Five-Year Plan 2007-12 focused on bringing technology to farmers, improving the efficiency of investments, access for the poor to land, credit, and skills, and addressing water management concerns. The Twelfth Five-Year Plan 2012-17 was articulated around more budgetary support to agriculture and infrastructure along with an aim to improve the functioning of markets, more efficient use of natural resources, and improved delivery of government services such as credit and animal health.

The 2012-17 plan established the Targeted Public Distribution System (TPDS) to replace the previous Public Distribution System (PDS, established in 1997). The new system aimed to reduce the amount of grain released from government stocks for distribution that did not reach intended beneficiaries.[7] In addition, the plan redirected some food subsidies to other welfare schemes to better target the poor, introduced policies specific to individual states or areas, and redefined the definition of “poor” for the purpose of the TPDS. The 2013 National Food Security Act (NFSA) further addressed these concerns.

In 2016, the GOI set the target of doubling farmers’ income by 2022-23, and by 2018, five-year plans were replaced by a framework of three-year action agendas. These agendas were prepared by the National Institution for Transforming India (NITI Aayog, the erstwhile Planning Commission of India), a policy think-tank of the government of India. The Agriculture Export Policy framework was established at the end of 2018, aiming to double agricultural exports by 2022-23 and boost the value-added of agricultural exports. To address farm indebtedness, several states implemented support packages for farm loan waivers between 2017 and 2020.

The only output support payments were introduced between 2018 and 2021 for the clearing of arrears for sugar cane deliveries. The subsidies were provided directly to sugar cane farmers. These were replaced in 2022 by a support scheme for first-stage buyers of sugar cane (the scheme for financially helping sugar mills on marketing costs and other processing costs).

Marketing regulations under the Agricultural Produce Market Committees (APMC) Acts were progressively amended in 2003, 2007 and 2017. This was to address concerns around highly fragmented markets, inadequate physical marketing infrastructure, large numbers of intermediaries in supply chains and insufficient remuneration to farmers. Even though state governments were encouraged to adopt similar reforms, implementation of agricultural marketing reforms remained highly differentiated across India’s states.

In June 2020, the GOI initiated reforms to domestic agricultural marketing regulations as part of a COVID-19 support package. The proposed reforms included a set of ordinances to deregulate major food crops from the 1955 ECA, allow farmers to sell their agricultural products outside of government-regulated markets and allow barrier-free inter- and intra-state trade of agricultural commodities. The central government had also proposed providing a legal framework for farmers to facilitate contract farming schemes with processors and other market actors in supply chains to reduce price risk. However, on 29 November 2021, the Parliament approved a bill withdrawing the three laws. Moreover, in December 2021, the GOI set up a committee to review the legal framework for the MSP system.

In 2022-23, India introduced export restrictions for several commodities with an open-ended timeframe and the objective of stabilising fluctuations in domestic prices following Russia’s war of aggression against

Ukraine. Commodities affected by export bans, duties, or permits include various types of rice, wheat, sugar, and related products (e.g. wheat flour). In addition, India banned the export of onions at the end of 2023 before reintroducing in 2024 a 40% export tax and a minimum export price.

Fertiliser subsidies were reduced in financial year 2023/24 from INR 2.55 trillion (USD 31 billion) to INR 1.9 trillion (USD 23 billion). The 25.5% reduction was triggered by lower fertiliser prices during the 2023/24 marketing year. As regards support to consumers, end November 2023, India extended for five years the *Pradhan Mantri Garib Kalyan Anna Yojana* programme providing free food grains to the poorest segments of the population. The programme started on 1 January 2024 and covered more than 800 million beneficiaries for a cost of INR 11.8 trillion (USD 142 billion).

Environmental sustainability and resilience measures in agriculture – and adaptation measures in particular – have been gaining prominence, notably through programmes called "missions" focused on water management, integrated farming systems, and soil health management. In addition, the Union Budget 2022-23 promoted "chemical-free natural farming" throughout the country.

India's 2025-26 Union Budget set out a broad strategy to strengthen agricultural productivity, resilience and market integration. It focused on six priority areas: enhancing food security and self-sufficiency through higher grain production targets and diversification into horticulture, pulses and oilseeds; promoting sustainable farming practices, including natural and organic farming and climate-resilient crop varieties; accelerating digitalisation via the National Digital Agriculture Mission, expansion of e-NAM markets and increased use of agricultural drones; improving infrastructure through investments in storage, post-harvest systems and irrigation; expanding rural financial inclusion, notably by increasing Kisan Credit Card loan limits and maintaining input subsidies; and strengthening agri-food exports through export-oriented production clusters and trade initiatives supporting organic and processed food exports.

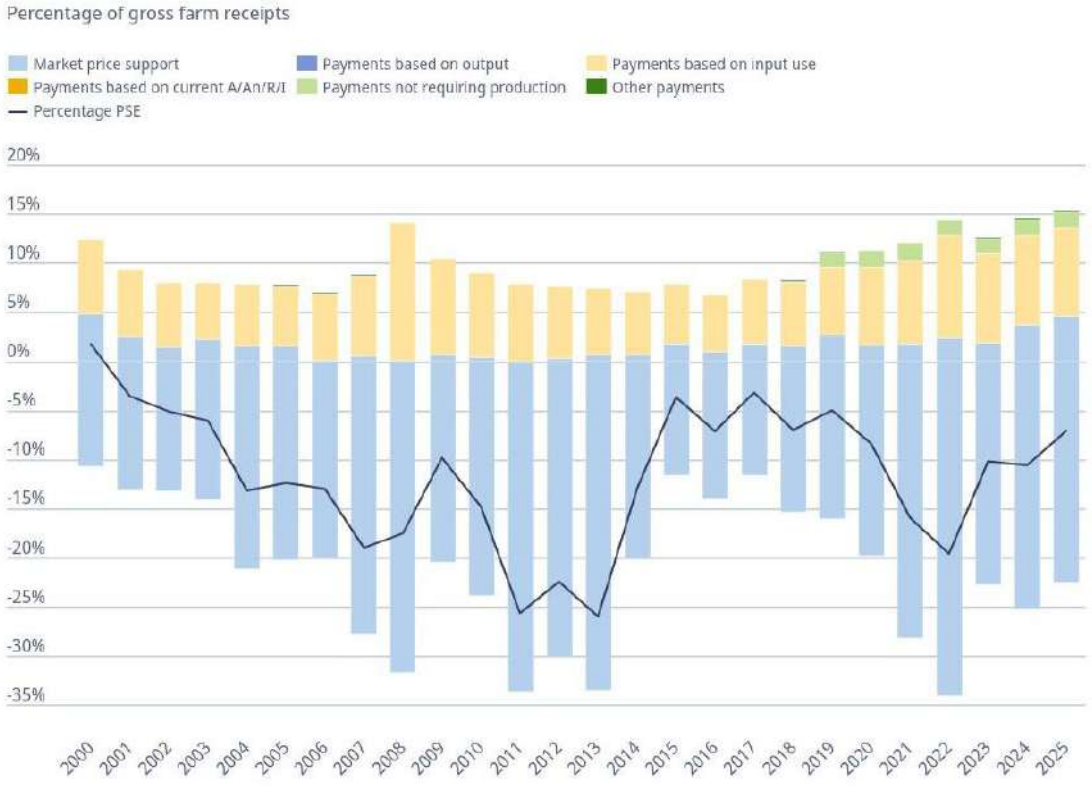
Table 14.4. India: Agricultural policy trends

Period	Broader framework	Changes in agricultural policies
1950-1965	Expansion of agricultural area was the main source of output growth	Agrarian reforms (abolition of intermediary landlordship, imposition of land ceiling) Strengthening of co-operative credit institutions Essential Commodities Act 1955
1965-1980	Increase in productivity main was the source of growth "green revolution"	Promoting the adoption of technological breakthroughs in rice and wheat production Policy support for marketing, research and credit Introduction and formalisation of lending to priority sectors, including agriculture New institutions, e.g. State Agricultural Universities, Food Corporation of India, Agricultural Prices Commission Programmes to increase production and processing of milk (support to breeds producing more milk, producer organisations, and processing and transport equipment) Minimum support prices
1980s	Widespread use of technology in major crop areas	Some delicensing and deregulation Increase in subsidies to agriculture
1990s	Economic and trade liberalisation in agriculture lags behind general economic reforms	Cautious relaxation of trade protection in some products, e.g. sugar, cotton, edible oils, wheat, rice Increases in input subsidies Targeting of beneficiaries of public distribution system of food grains
2000s	Demand-driven shift towards producing more fruit, vegetables and livestock products Increasing price gaps between international and domestic prices for producers	Alternate tightening and loosening of market and trade regulations (including export restrictions) Agricultural marketing regulations influencing pricing, procuring, stocking, and trading of commodities Large increases in input subsidies, including credit Support to high productivity seeds particularly cotton
Since 2010	Major participant in world markets for some commodities Continued price gaps between international and domestic prices	More structured interaction between central and state level authorities Expansion of food subsidies and 2013 National Food Security Act Pilots to replace physical distribution of grains with cash transfers in selected states and Union Territories

Period	Broader framework	Changes in agricultural policies
	taxing producers Increasing direct payments to producers Increasing support to consumers	Agriculture Export Policy framework aimed at ensuring processed and organic products are not subject to export restrictions Doubling Farmers' Income by 2022-23 action plan State-level support packages for farm loan waivers Direct income transfer programme PM-KISAN Changes to domestic agricultural marketing regulations initiated in 2020 as part of the COVID-19 economic support package; withdrawal of reforms at the end 2021 Export restrictions applied to several commodities in 2022-25 (including rice, wheat, sugar, onions, and related products)

Over the past two decades, producer support in India was composed of negative market price support (MPS) and budgetary allocations, including almost exclusively input subsidies. India's percentage PSE fluctuated markedly, registering a high of zero in 2000 and a low of -31% in 2007, followed by large swings before negative support deepened again in 2021-23 (Figure 14.6). It then increased to -7.1% in 2025, reflecting a narrowing of negative market price support as domestic prices increased more rapidly than international reference prices. Export restrictions applied between 2022 and 2024 to various types of rice, wheat, sugar, onions and related products, such as wheat flour. These variations were driven primarily by changes in the relative levels of domestic and international prices underlying MPS, while input subsidies followed a more steadily increasing trend. The particularly large absolute size of negative MPS in 2011-13, and to some extent in 2007 and 2008, coincides with periods of high international commodity prices that were not, or were only partially, transmitted to the domestic market, due at least in part to India's use of export-impeding measures, including export restrictions or export bans applied in several of those years to wheat, non-basmati rice, chickpea, sugar and milk. The negative value of the PSE reflects that, on average, domestic producers were implicitly taxed, as increasing budgetary payments to farmers did not offset the price-depressing effect of complex domestic regulations and trade policy measures. Payments not requiring production have been increasing since 2018, driven by higher budgetary allocations to the direct income transfer programme Pradhan Mantri Kisan Samman Nidhi (PM-KISAN). Against a backdrop of increasing reference prices for the exported commodities covered since 2020, MPS remained less negative than during 2020-22, with the 2025 increase in the %PSE pointing to a further narrowing of the gap between domestic and international prices.

Figure 14.6. India: Development of the PSE and its composition, 2000 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

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Notes

[1] APMC Acts establish the framework for government procurement in the states. Differences exist among states in the status of their respective APMC Acts and in how these acts are implemented. In the seven states or Union Territories (UTs) that do not have an APMC act, procurement can take place outside *mandis*.

[2] Agriculture marketing also covers the futures market governed by the Securities and Exchange Board of India (SEBI), with the largest value of agricultural commodity trade taking place through the National Commodity Derivative Exchange (NCDEX). In addition, the Negotiable Warehouse Receipt System (NWRS) – established under the Warehousing Development and Regulatory Authority (WDRA) – aims to support farmers by storing products in warehouses. However, farmers, especially small and marginal, do not directly trade in agri-futures market in India.

[3] The Fair Price Shops are state-licensed distribution points at the last mile of the TPDS, where eligible households use ration cards to obtain subsidised food grains and other notified essential commodities.

[4] This represents the price below which exporters are not allowed to export a specific commodity. A minimum export price is set taking into consideration concerns about domestic prices and supply of that specific commodity.

[5] Until early December 2023, imports of yellow peas were effectively banned due to an annual (fiscal year) quota with a minimum import price (MIP) of INR 200 per kg (minimum duty of INR 110 per kg). Additionally, imports were restricted to the Kolkata Port only. On 7 December 2023, the Ministry of Finance issued a custom notification exempting the import duty on yellow peas through 31 March 2024. The next day, the Ministry of Commerce and Industry issued Notification No. 50/2023 revising the import policy for yellow peas allowing unrestricted imports until 31 March 2024. Since then, the two ministries have issued a series of notifications giving periodic extensions to the unrestricted imports of yellow peas, with the last extension issued on 10 March 2025 extending the policy through 31 May 2025.

[6] AIDC was introduced in the 2021-22 Union Budget as a tax imposed on the commercial production of agricultural produce. The cess is imposed at a specific rate on the value of these goods. It aims to raise funds specifically for financing the development of agriculture infrastructure in India.

[7] The Targeted Public Distribution System (TPDS) plays the same role as the Public Distribution System (PDS) before the TPDS but with a special focus on the poor.

15 Indonesia

Main findings

Support to agriculture

Support to farmers as a share of gross farm receipts in Indonesia declined to 7.4% in 2023-25 after peaking at 26.5% in 2015, compared with 5.5% in 2000-02. Most support is in the form of transfers to farmers from consumers generated by prices above world reference levels (8% higher on average in 2025), due to border measures and interventions in domestic markets. Staple products targeted by programmes aimed at self-sufficiency (e.g. sugar, maize, poultry, rice, and eggs) had the highest single-commodity transfers relative to their gross receipts.

The share of potentially most-distorting transfers to farmers was 93% in 2023-25, reflecting the prominence of MPS (including large negative price support due to increasing export taxes on palm oil) and payments based on unconstrained variable input use (particularly fertilisers) in the Indonesian policy mix.

Consumers are supported in Indonesia mainly through the Free Nutritious Meals (MBG) programme. Export taxes on palm oil products keep prices of these products low and generate tax revenue in addition to benefitting consumers. However, in 2023-25 these transfers are smaller than the support transferred from consumers to farmers due to higher domestic prices for staple commodities. Overall, consumers are penalised by agricultural policies, as measured by a Consumer Support Estimate (CSE), in an amount equal to -11% of consumer expenditures valued at farm-gate prices.

Expenditures on general services to the sector (General Service Support Estimate, GSSE) focus on irrigation infrastructure and public stockholding, and are small compared to producer support, at 15% of the Total Support Estimate (TSE) in 2023-25. Relative to the value of agricultural production, the GSSE was 1.6%, down from 2.6% in 2000-02.

Key policy changes in 2025-26

Domestic stockholding targets for rice and maize were increased, from 2 million to 3 million tonnes for rice and to 1 million tonnes for maize. This is a strengthened and quantified commitment for maize; previously maize intervention purchases were focussed on price stabilisation and did not have an explicit target on the volume of reserves.

Imports of rice were banned in calendar year 2025 after domestic production was forecast to meet domestic consumption needs. This import ban was extended for calendar year 2026 to include not only rice, but also table sugar and maize.

A new regulation on rice land strengthens past protections and centralises responsibility for paddy land conversion authorisations. The government targets 87% of land registered as rice paddy to come under permanent protection from conversion to other uses on a more accelerated schedule than previous plans. This protected land will be classified as “eternal rice field”. This, and the changes in stockholding and import bans reflect a strategic pivot toward national food self-sufficiency.

The Free Nutritious Meals (MBG) programme increased greatly in operation. The programme provided meals to about 56 million people in 2025 and is expected to feed 83 million in 2026.

Assessment and recommendations

- Rebalance the focus on self-sufficiency for staple crops with more attention to access to an affordable, diverse and nutrient-rich diet by Indonesian consumers. The import ban on rice and maize reflects a narrow definition of food security as self-sufficiency. Maintaining good trade relations with a broad set of trusted partners can be a buffer against unforeseen supply shocks and enable a more diverse diet for consumers.
- Apply means-testing to beneficiaries of the Free Nutritious Meals programme to ensure it helps only those who need it. Concerns about stigma to beneficiaries can be addressed by providing the same meals to all students but charging a cost-recovery fee to higher income families for this service. A more cost-effective programme will enable it to have the strongest impact on improving diets while freeing up fiscal space for other priorities.
- Scale up existing approaches to boosting food productivity, including promoting adoption of technologies, intensifying existing production areas and increasing the scale and efficiency of farm operations. This will help reach food security objectives more efficiently and with less impact on local communities and risk to biodiversity than by expanding production area.
- Shift the Food Estates programme toward a market-driven model, focusing government efforts on enabling conditions rather than top-down implementation. While scaling up agricultural operations can support technology adoption, strengthen value chains, and improve farm profitability, these outcomes are more likely if driven by market forces. Key elements for success are well defined and enforced land property rights (including for traditional and Indigenous communities), effective zoning to distinguish protected and development areas, and easier access to credit to support private investment within a framework of secure and widely accepted land rights.
- Reform the Eternal Rice Field strategy by decentralising land-use decision-making within a national framework, allowing regional governments to manage zoning while ensuring alignment with national targets and limits. The strategy is designed to prevent the conversion of important rice production area to alternative uses in order to preserve production capacity, but this can lead to trade-offs with other development opportunities. Enabling regions to negotiate and adjust land use within agreed national constraints, including the possibility to trade allocations would preserve the central government's role in setting national goals, while giving regional authorities retain responsibility and flexibility for local implementation.

Key indicators on agricultural support

Figure 15.1. Indonesia: Development of support to agriculture

Figure 15.1A. Indonesia: Producer Support Estimate and its composition

Percentage of gross farm receipts

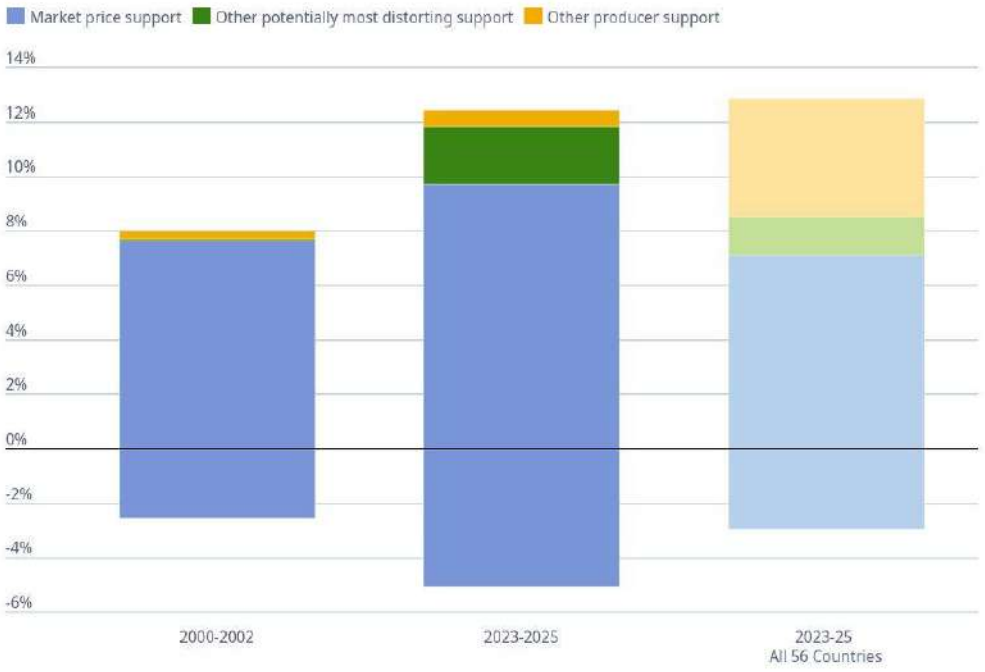


Figure 15.1B. Indonesia: Ratio of producer to border price

Producer NPC

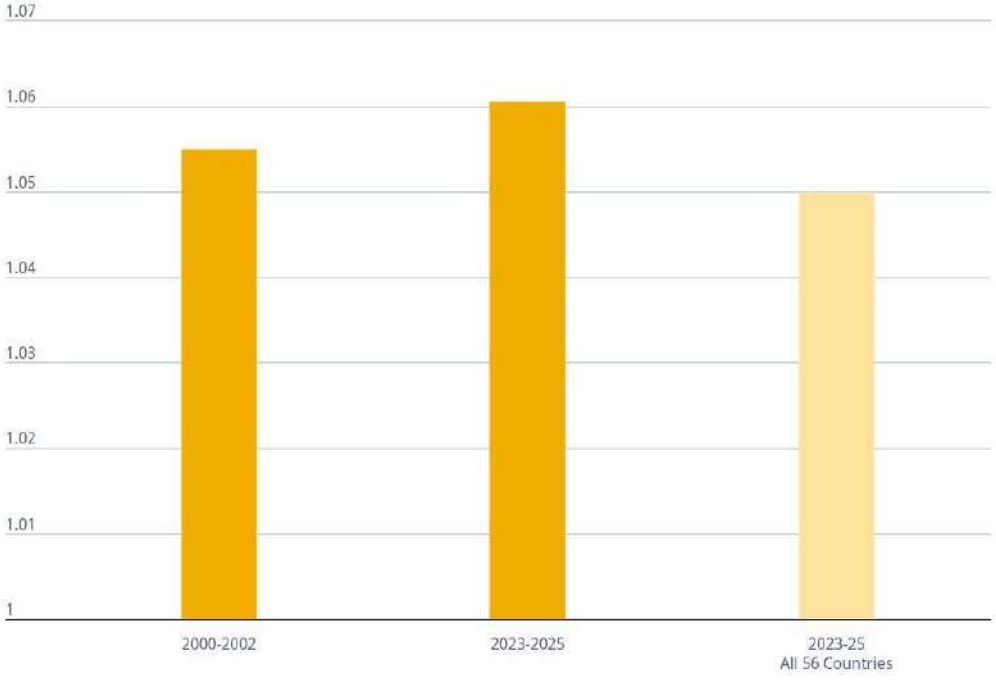


Figure 15.1C. Indonesia: General Services Support Estimate and its composition

Relative to agricultural value of production

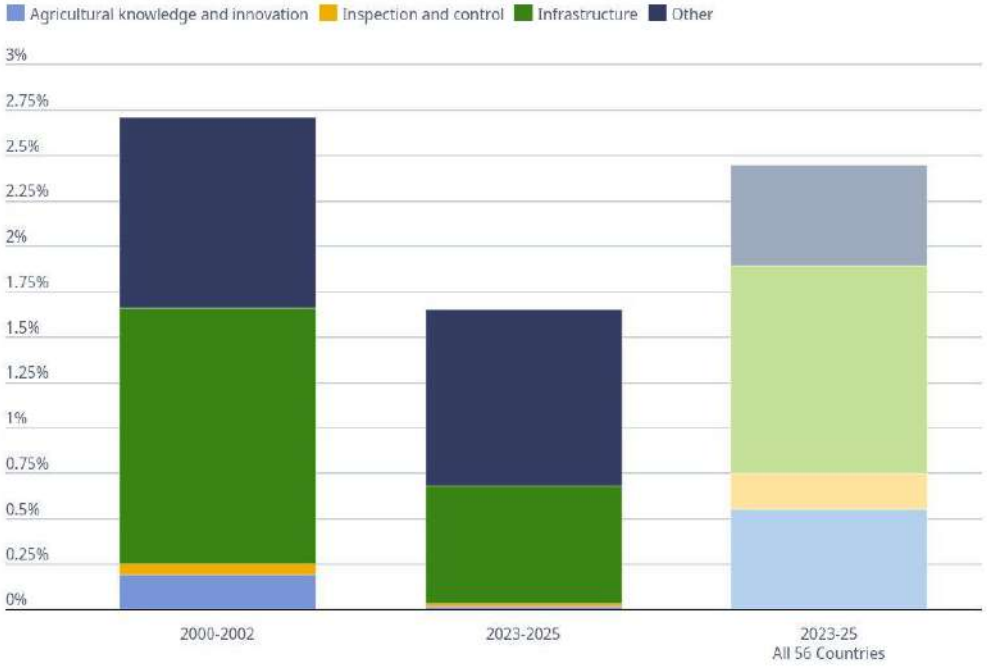
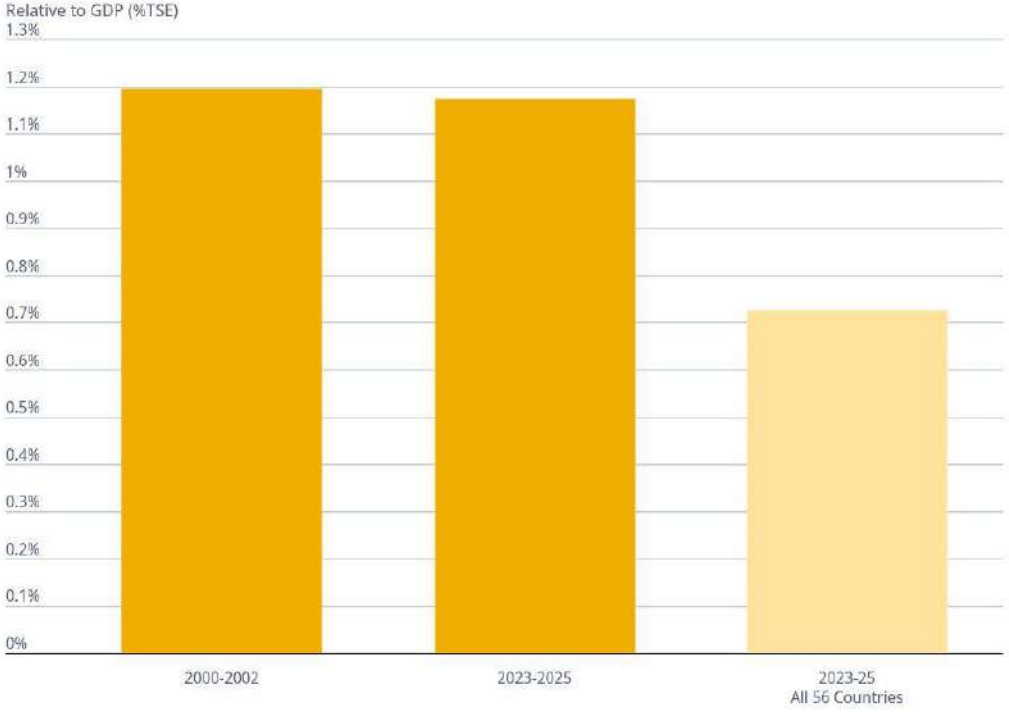


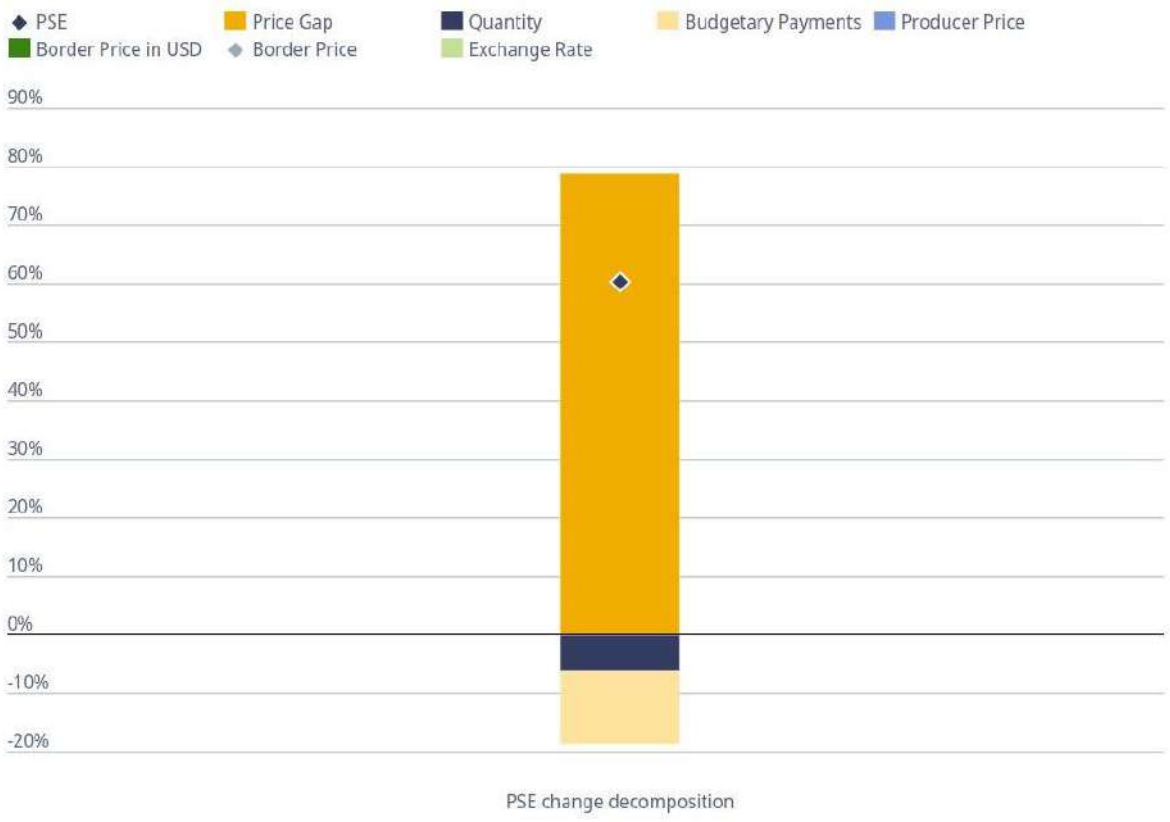
Figure 15.1D. Indonesia: Total Support Estimate

Relative to GDP (%TSE)



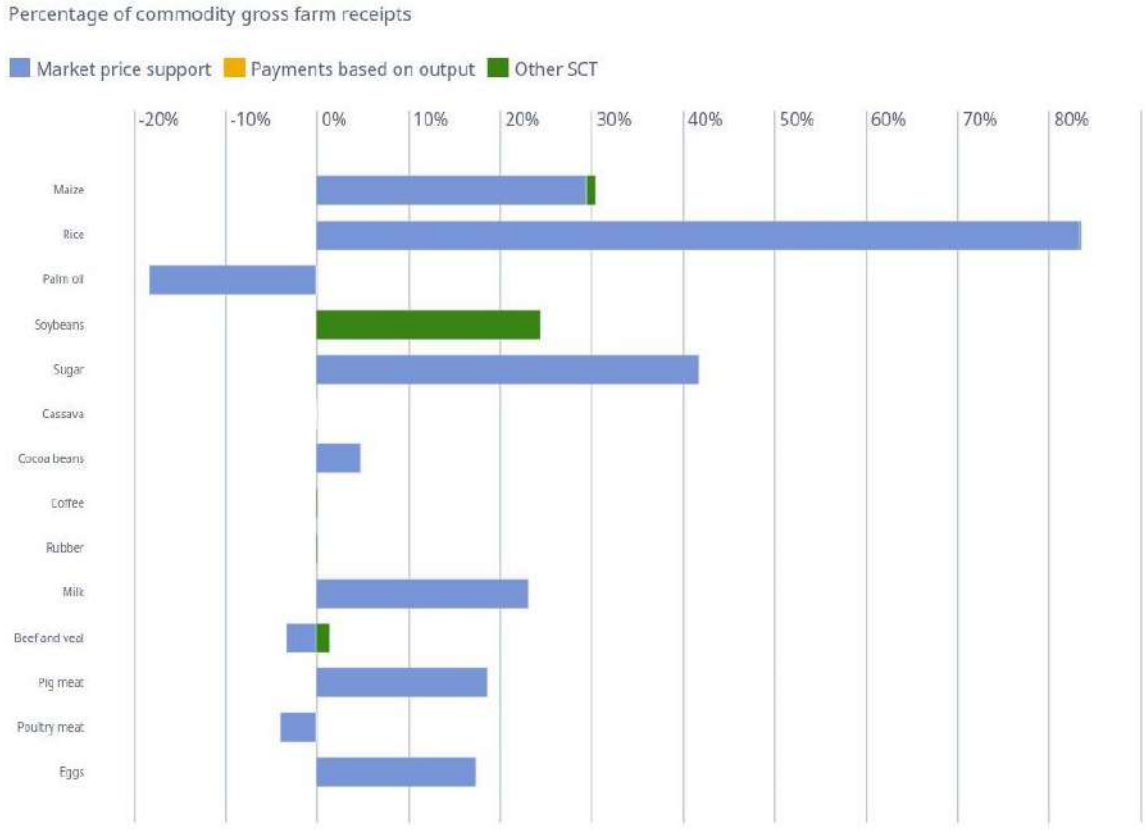
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 15.2. Indonesia: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency. The producer price change and the border price change are not calculated when both negative and positive market price support (MPS) occur at the commodity level for the previous year. Note that negative MPS estimates for livestock products may arise in cases of aligned product prices if there is positive MPS for feed commodities.
Source: OECD (2026), "Producer and Consumer Support Estimates", OECD Agricultural policy monitoring (database), https://data-explorer.oecd.org/.

Figure 15.3. Indonesia: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Table 15.1. Indonesia: Estimates of support to agriculture

Million USD

	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**23 791**	**151 420**	**140 939**	**150 566**	**162 753**
of which: share of MPS commodities (%)	71.96	73.80	75.07	73.32	73.00
Total value of consumption (at farm gate)	**22 661**	**112 803**	**100 351**	**116 276**	**121 783**
Producer Support Estimate (PSE)	**1 328**	**11 469**	**11 726**	**8 918**	**13 762**
Support based on commodity output	1 235	7 229	7 981	3 801	9 906
Market price support[1]	1 235	7 229	7 981	3 801	9 906
Positive market price support	1 832	15 050	14 625	10 478	20 046
Negative market price support	-597	-7 820	-6 645	-6 677	-10 139
Payments based on output	0	0	0	0	0
Payments based on input use	82	4 221	3 732	5 090	3 840
Based on variable input use	19	3 307	3 053	3 792	3 078
with input constraints	0	0	0	0	0
Based on fixed capital formation	59	682	623	849	574
with input constraints	1	1	1	0	0
Based on on-farm services	4	232	56	450	188
with input constraints	0	0	0	0	0
Payments based on current A/An/R/I, production required	11	18	13	26	16
Based on Receipts / Income	11	18	13	26	16
Based on Area planted / Animal numbers	0	0	0	0	0
with input constraints	0	0	0	0	0
Payments based on non-current A/An/R/I, production required	0	0	0	0	0
Payments based on non-current A/An/R/I, production not required	0	0	0	0	0
With variable payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
With fixed payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
Payments based on non-commodity criteria	0	0	0	0	0
Based on long-term resource retirement	0	0	0	0	0
Based on a specific non-commodity output	0	0	0	0	0
Based on other non-commodity criteria	0	0	0	0	0
Miscellaneous payments	0	0	0	0	0
Percentage PSE (%)	**5.47**	**7.37**	**8.10**	**5.73**	**8.26**
Producer NPC (coeff.)	**1.05**	**1.06**	**1.07**	**1.03**	**1.08**
Producer NAC (coeff.)	**1.06**	**1.08**	**1.09**	**1.06**	**1.09**
General Services Support Estimate (GSSE)	**623**	**2 525**	**2 796**	**3 440**	**1 340**
Agricultural knowledge and innovation system	45	25	28	27	20
Inspection and control	14	24	25	30	18
Development and maintenance of infrastructure	323	998	1 094	1 660	239
Marketing and promotion	0	3	1	5	2
Cost of public stockholding	240	1 475	1 647	1 718	1 060
Miscellaneous	0	-0	0	0	0
Percentage GSSE (% of TSE)	**28.27**	**15.19**	**16.01**	**23.83**	**7.62**
Consumer Support Estimate (CSE)	**-1 447**	**-12 427**	**-13 473**	**-7 598**	**-16 210**
Transfers to producers from consumers	-1 506	-13 146	-14 925	-7 806	-16 706
Other transfers from consumers	-291	-3 064	-3 124	-2 585	-3 481
Transfers to consumers from taxpayers	328	2 501	2 937	2 081	2 485
Excess feed cost	22	1 281	1 640	712	1 492
Percentage CSE (%)	**-6.43**	**-11.27**	**-13.83**	**-6.65**	**-13.59**
Consumer NPC (coeff.)	**1.09**	**1.17**	**1.22**	**1.10**	**1.20**
Consumer NAC (coeff.)	**1.07**	**1.13**	**1.16**	**1.07**	**1.16**
Total Support Estimate (TSE)	**2 279**	**16 495**	**17 458**	**14 439**	**17 587**
Transfers from consumers	1 797	16 209	18 049	10 391	20 188
Transfers from taxpayers	773	3 349	2 533	6 634	881
Budget revenues	-291	-3 064	-3 124	-2 585	-3 481
Percentage TSE (% of GDP)	**1.20**	**1.17**	**1.27**	**1.03**	**1.22**
Total Budgetary Support Estimate (TBSE)	**1 043**	**9 265**	**9 477**	**10 638**	**7 681**
Percentage TBSE (% of GDP)	**0.56**	**0.66**	**0.69**	**0.76**	**0.53**
GDP deflator (2000-02 = 100)	**100**	**417**	**411**	**415**	**424**
Exchange rate (national currency per USD)	**9 331.27**	**15 856.73**	**15 236.89**	**15 855.45**	**16 477.87**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for Indonesia are: maize, rice, soybean, sugar, milk, beef and veal, pig meat, poultry, eggs, bananas, cassava, cocoa beans, coffee, palm oil and rubber.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

Legal framework

The Coordinating Ministry for Food covers four core ministries including Agriculture, Forestry, Fisheries and Environment. The Coordinating Ministry for Food also covers the National Food Agency (Bapenas) and the newly created National Nutrition Agency (*Badan Gizi Nasional*, BGN). The National Food Agency is responsible for co-ordinating, formulating, setting, and implementing government policies on food availability, supply and price stabilisation, food and nutrition security, diversification of food consumption, and food safety. The National Nutrition Agency is responsible for maintaining national nutrition primarily through management and delivery of a national meals programme.

The Food Law of 2012 establishes that food is the most essential human need and part of human rights. The law emphasises food self-reliance (*kemandirian pangan*) and food sovereignty (*kedaulatan pangan*). More recently, a strong policy focus has emerged on **nutrition assistance**, in addition to the longstanding goals for **self-sufficiency in food** (MoA, 2024[1]).

Policies aimed at domestic food supply

Subsidies are provided for fertilisers and credit. The percentage of subsidy varies across fertiliser types. **Subsidies are paid to fertiliser manufacturers** who are mandated to sell fertilisers to farmers at a reduced price. Before the beginning of the planting season, the Ministry of Agriculture (MoA) issues a decree on the estimated demand for different types of fertilisers by province, along with the maximum retail price (*Harga Eceran Tertinggi*, HET) of fertilisers. Based on this information, governors of the corresponding provinces break down the demand for fertiliser by district. The decree also serves as a reference for fertiliser companies to distribute fertilisers in the corresponding regions. In addition to the subsidy, the MoA also directly distributes fertilisers to food crop farmers in selected regions.

The HET for fertilisers was reduced by 20% in 2025, with the price of urea fertiliser declining from IDR 2 250/kg (USD 0.14/kg) to IDR 1 800/kg (USD 0.11/kg). The distribution target for 2026 is 9.62 million tonnes of subsidised fertiliser, equivalent to IDR 46.88 trillion (USD 2.85 billion). This is a 6% increase compared to the 2025 fertiliser subsidy budget. The subsidy can reduce the cost of fertiliser by up to 80%.

Indonesia's Food Estate (FE) programme supports land clearing of publicly owned forest, smallholder's land and other land types for conversion into large-scale farming of rice, maize, chili, sugarcane and other staples. Current programme objectives call for **bringing up to 3 million hectares of new land into** production by around 2028. The FE programme also encompasses the development of regional food production centres, bringing together upstream and downstream activities in the food production chain.

Oplah (*Optimasi Lahan*) is a national land-intensification programme aimed at **improving productivity on existing agricultural land**, especially sub-optimal, degraded, or under-utilised land, including *lahan rawa* (swampy land). The goal is to enable two to three rice crops per year instead of a single annual harvest. Main elements of Oplah are rehabilitating irrigation and drainage infrastructure, improving land levelling and field boundaries, and supporting farmers' organisations to manage land and water systems sustainably. The programme also provides inputs such as high-yield rice seed varieties, soil amendments and machinery.

A rice field development programme (*Cetak Sawah Rakyat, CSR)* aims to **create new rice paddies** by converting non-productive or swampy land into irrigated rice fields. It provides funding for land preparation and construction works as well as irrigation and water infrastructure. Unlike the large-scale and centralised FE programme, CSR focusses on smallholders and involves local governments and communities.

The Food Brigade (*Brigade Pangan*, BP) is a corporate-style farming institution that participates in land optimisation (Oplah) and rice-field expansion areas (CSR) programmes and is designed to bring about

modern, mechanised, large-scale rice production. Each BP consists of 15 millennial farmers (aged 19-39) who collectively manage roughly 200 hectares under a 70:30 profit-sharing partnership with landowners. Each BP is provided with IDR 3-3.9 billion (USD 182-236 000) in machinery plus working capital, training, and credit access. BP integrates production, machinery management, and downstream processing within a single business entity. The BP programme is designed to increase the number of crops per year, improve rice productivity, expand modern agribusiness capacity, and increase incomes for members and landowners.

Public investments in infrastructure are combined with exemptions for water delivery costs. Farmers are not charged for the cost of delivering water from the source to the tertiary system via primary and secondary canals. Funded in part by savings from reduced fuel subsidies since 2015 the government has pushed to improve irrigation infrastructure, mainly for rice production. This includes water pumps and other irrigation infrastructure, and support for seeds in in new planted areas.

Most primary agricultural products such as rice, grains, soyabeans, meat, eggs, milk, fruits, vegetables and sugar are exempted from the Value Added Tax (VAT). Certain non-primary agricultural products and sub-products such as palm oil, flowers, medicinal plants or rice husk are subject to reduced VAT rates. Furthermore, small entrepreneurs – a category that cover most farms – are exempted from VAT.

The National Food Agency (*Badan Pangan Nasional*, Bapanas) manages **government food reserves and public interventions in the domestic market** and imports through the state-owned enterprise Perum BULOG (BULOG). Bapanas is also responsible for market operations aimed at **stabilising domestic prices**. BULOG buys rice from farmers at Government Purchase Price (GPP) and is responsible for maintaining and distributing public stocks. BULOG is the only body allowed to import medium-quality rice (rice having a maximum of 25% broken grains). However, private companies can import specialty rice such as jasmine and basmati (USDA FAS, 2018[2]).

The following **commodities are regulated by a Reference Price** (RP): corn, chicken eggs, chicken meat, soybeans, shallots, garlic, curly red chilies, red cayenne pepper, granulated sugar, and beef/buffalo. The RP is the threshold reference price that allows the government to intervene, purchasing if the market price at the producer level is below the RP, and selling if it is above. The price policy regime for corn changed from RP to GPP in 2025.

Micro Business Credit is provided to small and medium-scale farm businesses through partnerships between the private sector and community investment funds. The programme helps private financial institutions to partner with public funds to extend credit to MSMEs, increasing credit availability by reducing risk to lenders.

Policies directed at consumers

The Free Nutritious Meals Programme (*Makan Bergizi Gratis*, MBG) is the main support for consumers and currently a government priority. The MBG provides **free meals, mainly in schools**, aiming to improve the nutritional status of target groups (Presidential Decree No. 115/2025). The target groups in the MBG programme are students and children under five years old, pregnant women and breastfeeding mothers, and certain other groups including educators and education personnel.

Expenditure on the MBG programme in 2025 was IDR 51.5 trillion (USD 3.12 billion), with coverage expanding to 56.13 million people over the course of the year, less than the target of 82.9 million recipients but a substantial increase from 2024. In 2026, the government allocated a budget of IDR 335 trillion (USD 20.30 billion) with the same target number of recipients.

Support for consumers is also provided through the Basic Food (Sembako) programme. This is a revised and renamed version of the *Bantuan Pangan Non-Tunai* (BPNT) programme. The Sembako programme is a **food social assistance** programme provided in cash or non-cash form to beneficiary families

registered in the Integrated Social Welfare Database. This database contains data on those needing social welfare services, recipients of assistance and social empowerment, and potential sources of social welfare. Disbursements under the Sembako programme in 2025 were IDR 28.4 trillion (USD 1.72 billion) reaching 18.3 million beneficiary families. Meanwhile, in 2026, the budget for Sembako was IDR 43.86 trillion (USD 2.66 billion) with a target of 18.25 million beneficiaries.

Price ceilings are in place for rice at the retail level, which vary across regions. When the retail price exceeds the ceiling, BULOG releases rice from stocks to the market. The state-owned food holding company ID FOOD also plays a role in food-related policies, e.g. by facilitating the distribution of cooking oil.

The distribution of Government Rice Reserves is primarily for food supply and price stabilisation, food aid and disaster emergency response, but can be used for other purposes, including distribution to State Civil Apparatus, the National Armed Forces, and the National Police, distribution of rice for the MBG program, and provision for Regional Government Food Reserves as well as for international co-operation and foreign food aid.

Trade policies

The Food Law of 2012 identifies a set of core objectives focused on the principles of food self-reliance (*kemandirian pangan*) and food sovereignty (*kedaulatan pangan*). The law stipulates that domestic food demand can only be met by imports if local food sources are insufficient. Indonesia restricts trade of strategic commodities (those associated with self-sufficiency targets: rice, maize, soybeans, sugar and beef). Additionally, food exports are allowed only after the demands of the National Food Reserve and staple food consumption are met. Importing companies must receive Ministry of Trade approval as registered importers for animals as well as a range of processed products manufactured from meat, cereal, sugar and cocoa.

The trade weighted average of applied Most Favoured Nation (MFN) import tariffs on agro-food products was 8.6% in 2024, with rice and sugar having the highest specific tariffs. Quantitative import restrictions and licensing are in place, notably for rice, sugar and beef. Certain import requirements are imposed for food safety and religious reasons. The MFN tariff schedule (*Buku Tarif dan Kepabeanan*) is updated every five years by the Ministry of Finance.

A variable export duty on crude palm oil is based on a reference price. It is zero for prices below USD 750 per tonne but the tax applies according to a sliding scale when prices exceed that reference. Since 2015, the government collects an additional export levy for crude palm oil on top of the variable export duty to finance subsidies to biodiesel, infrastructure, research and development projects on palm oil, replanting in small farms, market promotion and human resource development. Variable export taxes are also in place for cocoa.

A biofuel mandate requires a blend rate oil-based biodiesel for all uses (Halimatussadiah et al., 2021[3]) fixed at 40% since January 2025. A subsidy to biofuel producers is provided via the Indonesia Oil Palm Estate Fund (*Badan Pengelola Dana Perkebunan*, BPDP). The BPDP collects an export levy and redistributes it to producers of biofuels who sell their products domestically.

Indonesia is a member of the Association of Southeast Asian Nations (ASEAN), Asia-Pacific Economic Cooperation (APEC), and World Trade Organization (WTO). It participates in trade liberalisation between ASEAN members and their major trading partners in the region, including the People's Republic of China (hereafter "China"), Japan, India, Korea, Australia, and New Zealand. The ASEAN economies committed in 2015 to complete the formation of the ASEAN Economic Community by 2025. This is intended to develop a single market and production base, a highly competitive economic region, a region of equitable economic development, and a region fully integrated into the global economy (ASEAN Secretariat, 2017[4]). Indonesia belongs to the group of BRICS countries since January 2025.

Recent policy developments

Domestic policy developments in 2025-26

Administrative changes

As of January 2026, the employment status of agricultural extension workers has been changed from regional (provincial and district) governments employees to employees of the central government. Within the Ministry of Agriculture, the Agency for Agricultural Extension and Human Resources Development (BPPSDMP) is responsible for these workers, including administration, training, and data support.

The status of the Centre for the Application of Agricultural Modernisation (*Pusat Penerapan Modernisasi Pertanian*) has been upgraded from echelon 3a to echelon 2b as part of organisational reforms formalised in 2025. This elevates the unit from a mid-level operational entity to a higher-level strategic and coordinating unit. This gives the centre broader policymaking and supervisory authority for programmes related to agricultural modernisation and implies a higher profile and budget prioritisation for modernisation as a policy area. The purpose and operational scope of the Centre is related to the deployment of advanced technologies, modernisation of agricultural practices, engineering and field testing, digital agriculture systems, and strengthening innovation for improved productivity and resilience.

The governance of subsidised fertiliser distribution was made solely the responsibility of the Ministry of Agriculture in January 2025. Previously this had been carried out jointly by the Ministry of Agriculture, the Ministry of Trade, and the Ministry of Industry. This change aims to simplify bureaucracy and increase the efficiency of direct subsidised fertiliser distribution to farmers. It does not affect the design of the fertiliser subsidy policy.

The regulation on rice quality and grades (Permentan 22/2025) was updated in October 2025. It (i) tightens and clarifies the technical thresholds for Premium and Medium grades; (ii) makes those grades legally binding and the reference for national standards; and (iii) improves enforcement through sanctions for mis-labeling and formalises HET compliance for subsidised rice and rice products within the regulation. These changes are designed to enable more consistent grading, labeling, and price oversight.

A new legal framework was established in February 2026 to cover the conversion of rice land to other uses (Presidential Regulation Number 4/2026). This regulation transfers authority for oversight and land use change permits from regional governments to the central government. It tightens conditions for land conversion, strengthening rules for conversion of protected rice fields (*Lahan Sawah yang Dilindungi*, LSD) and increasing the amount of paddy land with protected designations. The new regulation allows the central government to override prior regional zoning decisions to establish LSDs. The new regulation sets a target of 87% of existing rice fields to be converted to “eternal rice field” status (*Lahan Pertanian Pangan Berkelanjutan*, LP2B), a status even stricter than LSD (which is intended as a transitional designation only). Land designated LP2B cannot be converted to other uses under any circumstances. The LP2B status existed previously, but the reform ramps up the speed at which land will be so designated.

Market policies

The rice reserve policy for 2025 raises the domestic procurement target from a 2024 baseline of roughly 2.0–2.5 million tonnes to a mandatory 3 million tonnes in 2025, with plans to revise this upward to 4 million tonnes in the future. The Government Purchase Price (*Harga Pembelian Pemerintah*, HPP) for unmilled paddy rice (*Gabah Kering Panen*) was increased from about IDR 5 500 (USD 0.33) per kg in 2024 to IDR 6 500 (USD 0.39) per kg to boost farmer incomes and enable large-scale procurement by BULOG. The 2025 rice reserve policy includes new provisions requiring enhanced actions to rotate and preserve rice stocks and expands the scope of authorised uses of government stocks to include the new national free and nutritious meals programme (MBG) and international food assistance and co-operation. The new

policy strengthens and formalises the role of BULOG in procurement, under the authority of the National Food Agency (Bapanas).

An official target of 1 million tonnes was set for Government Maize Reserves (*Cadangan Jagung Pemerintah*, CJP). This is a strengthened and quantified commitment compared to prior practice. Previously maize intervention purchases were focussed on price stabilisation and did not have an explicit target on the volume of reserves. To help meet this target, BULOG may now purchase maize at the maximum retail prices to meet the CJP target, and not only at the lower minimum purchase reference price. The HPP for maize was set at IDR 5 500 (USD 0.33) per kg with a moisture content of 18% to 20%.

Trade policy developments in 2025-26

As part of its new rice reserve policy imports of rice were banned in calendar year 2025 after domestic production was forecast to meet domestic consumption needs (though some imports did take place). This import ban was extended for calendar year 2026 to include not only rice, but also table sugar, and corn. These changes reflect a significant rise in domestic production and a strategic pivot toward national food self-sufficiency.

In 2025, Cassava and its derivative products were added to the list of agricultural commodities that must meet certain import requirements. Such commodities have stricter import procedures, require special permits, and are closely monitored by the relevant authorities. Previously, the list had already included animals and animal products, rice, maize, garlic, sugar, and horticultural products.

In February 2025, Indonesia and the United States signed the Agreement on Reciprocal Trade (ART). Under this agreement, the United States limits its reciprocal tariffs on Indonesian goods to 19%, down from the originally announced 32%. Indonesia agreed to support and facilitate commercial agreements for imports annually for five years of the following amounts:

- a minimum of 3.5 million tonnes of US soybeans
- a minimum of 2 million tonnes of wheat
- 3.8 million tonnes of soybean meal
- 50 000 tonnes of beef
- 163 000 tonnes of cotton.

The agreement also establishes annual quotas for apples (26 000 tonnes), citrus fruit (3 000 tonnes), fresh grapes (5 000 tonnes), corn (100 000 tonnes), beef and beef products (50 000 tonnes), ethanol (1 000 tonnes), and rice (1 000 tonnes) and includes wording on the import of chicken parts (leg quarters, breasts, legs or thighs). The agreement also contains provisions requiring Indonesia to modify certain regulations and controls such as for animal diseases.

Export levies for crude palm oil (CPO) in 2025 increased from 7.5% to 10% of the reference price set by the government. In March 2026, the export levy of CPO was further increased to 12.5%. Export tariffs for related products were also adjusted. These are generally higher than the CPO tariff for raw products and lower for more highly processed products. Export tariffs for cocoa beans were also adjusted in 2025 and vary between 2.5% and 7.5% depending on the reference price (quality grade) of the exported product. Cocoa with higher reference prices face higher tariff rates.

Policy context

Key economic and agricultural statistics

Indonesia is the fourth most populous country in the world with 283 million inhabitants, with rapid population growth and high population density. Indonesia is also one of the world's largest agricultural producers. Despite a reduction of the share of the sector in the economy in the last two decades, it still accounts for 12.6% of GDP. The reduction in the share of the work force employed in the agricultural sector has been proportionally much larger, declining from 45% in 2000 to 28% in 2024, with an increase in the average production per employed person in the sector.

Indonesia is a net agro-food exporter and the share of its total exports that come from the sector have almost tripled in the last two decades to 19% in 2024. The country is also a large importer of agro-food products. Total agricultural area in Indonesia has increased by one-fourth in the last two decades and currently represents 1.9% of the agricultural land in all countries covered in this report. While food crop production is predominantly based on small family farms, there are large commercial farms producing perennial crops, particularly palm oil.

Table 15.2. Indonesia: Contextual indicators

	Indonesia		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	1 097	4 663	2.69%	2.76%
Population (million)	205	283	4.68%	5.18%
Land area (thousand km^2)	1 878	1 893	2.24%	2.23%
Agricultural area (AA) (thousand ha)	44 618	55 122	1.48%	1.86%
			All countries[1]	
Population density (inhabitants/km^2)	113	148	52	64
GDP per capita (USD in PPPs)	5 347	16 448	9 508	31 740
Trade as % of GDP	26.4	18.0	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	15.6	12.6	3.0	3.6
Agriculture share in employment (%)	45.3	28.0	-	-
Agro-food exports (% of total exports)	6.8	18.7	6.4	8.3
Agro-food imports (% of total imports)	12.7	12.5	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	83.6	82.9	62.1	60.4
Livestock in total agricultural production (%)	16.4	17.1	37.9	39.6
Share of arable land in AA (%)	40.2	32.3	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

Indonesia's economy has grown at around 5% per year between 2000 and 2019, almost tripling the real income per capita. In 2020, GDP decreased as a consequence of the COVID-19 pandemic and related restrictions, but economic growth was back to 5% 2022 to 2025. The inflation rate has been steadily decreasing from almost 10% in the 2000s to 1.6% in 2021, rebounding in 2022 and 2023, but down to 1.9% in 2025. The rate of unemployment has remained stable around 4% in the last decade, down to 3.2% in 2025.

Figure 15.4. Indonesia: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

The value of agro-food exports has oscillated around USD 30 billion in the last decade but strongly increased in the last three years up to around USD 50 billion (USD 49.7 billion in 2024) driven by a large increase in palm oil export value. Imports reached USD 29.4 billion in the same year. Three-quarters of agro-food exports are processed products to be further transformed by industries in other countries such as rubber and palm oil. A significant share of agro-food imports (65%) is destined for further processing by Indonesian industry.

Figure 15.5. Indonesia: Agro-food trade

Figure 15.5A. Indonesia: Agro-food trade 2000 to 2024

Billion USD



Figure 15.5B. Indonesia: Composition of Agro-food trade, 2024

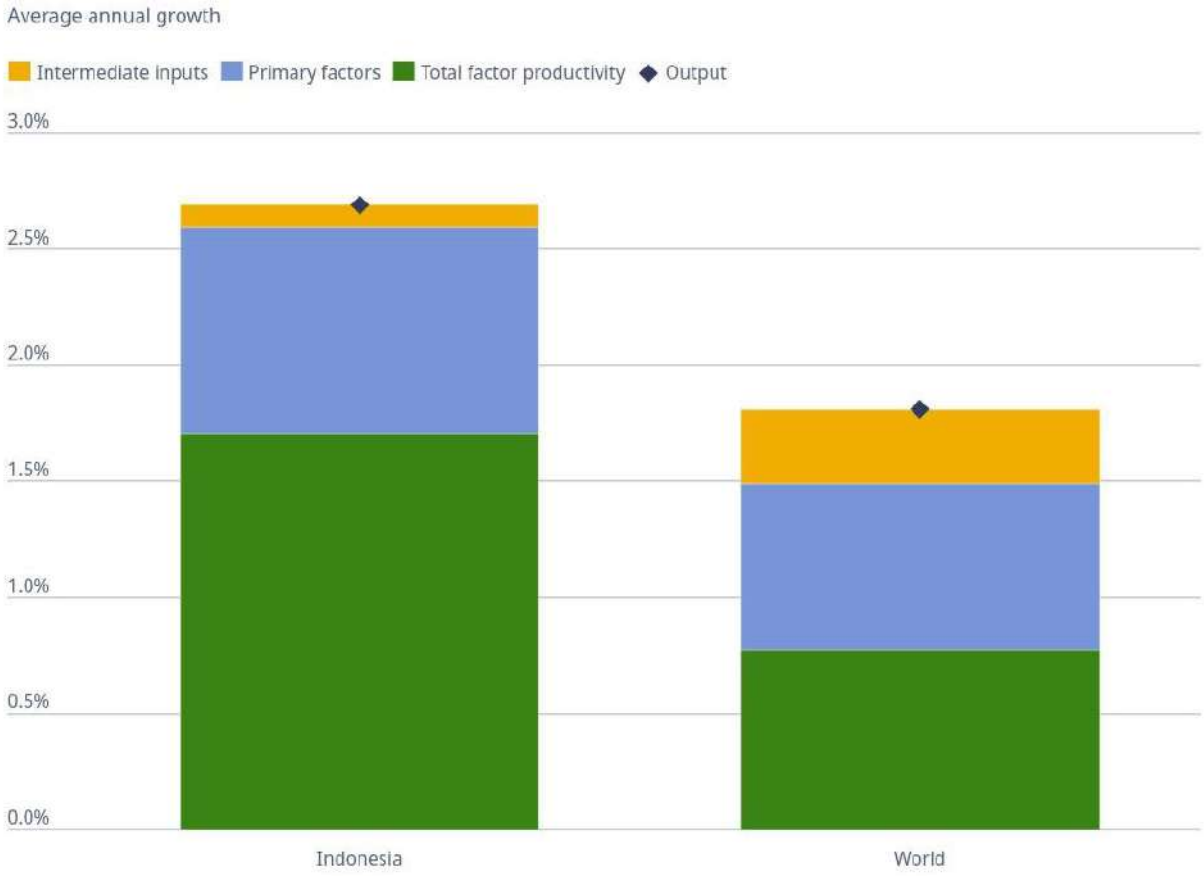
Percentage



Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Indonesia's agricultural production increased at an annual rate of 2.7% in 2014-23, well above the global average. Most of this growth is productivity driven: Total Factor Productivity (TFP) has increased by 1.7% per year, also above the world's average and representing technological improvements and improved efficiency to combine different production factors. Additional primary factors, including land, and intermediate inputs have contributed an additional 0.9 and 0.1 points to the production growth, respectively. Unlike in the 1990s, Indonesia's growth in TFP has significantly outperformed the global averages during the last 10 years.

Figure 15.6. Indonesia: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

The sector's shares of energy used has fallen since 2000 to 0.6% in 2024, while the share of GHG emissions has remained relatively stable at 12.7% in 2024, while the whole of agriculture, forest and other land use – in particular deforestation and forest degradation – represented more than half of Indonesian emissions in 2000-18. The country's nitrogen balance is significantly above the OECD average, as is the 2023 phosphorous balance.

Table 15.3. Indonesia: Productivity and environmental indicators

	Indonesia		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	0.1%	1.7%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	44.9	78.7	32.3	29.0
Phosphorus balance, kg/ha	4.9	19.0	3.3	2.3
Agriculture share of total energy use (%)	3.2	0.6	1.7	2.0
Agriculture share of GHG emissions (%)	21.0	12.7	8.7	10.3
Share of irrigated land in AA (%)	12.3	12.2	-	-
Share of agriculture in water abstractions (%)[1]	..	..	46.1	47.7
Water stress indicator	..	..	..	..

Note: * or closest available year.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Indonesia's economy was relatively closed to trade for almost three decades from the 1960s to the 1980s. Trade liberalisation started only in the 1990s with the signature of agreements that created the WTO and the ASEAN Free Trade Area (AFTA).

Over the past 30 years, the main priorities of Indonesia's agricultural policy have been food self-sufficiency, food diversification, value added, competitiveness, and farmers' welfare. Agricultural producers benefit from a wide range of input subsidies for fertilisers, seeds, and credits, among others. The number and cost of these programmes grew rapidly starting in the mid-2000s. Since 1998, the government has increased the minimum producer price of rice, while targeted food assistance for the poor (via subsidised rice under the programme Raskin) was introduced, increasing expenditure on food assistance programmes.

Raskin went through a number of changes in the last decade and was eventually renamed as Rastra. These programmes allowed the Food Logistics Agency BULOG to distribute about 10 kg of rice per poor family per month. By 2019, this was replaced by the current BPNT programme that has grown to become a large-scale programme to provide an electronic food voucher, replacing physical rice distribution. Indonesia launched an additional in-kind rice distribution programme to low-income households in 2023 and 2024, reversing the trend towards cash transfers programmes for food assistance.

Tariffs fell significantly, with the average for agriculture (excluding alcoholic beverages) dropping from 20% in 1990 to 5% in 2010. Import monopolies, licensing requirements and export restrictions on agricultural products were removed in 1997-98. However, quantitative import restrictions were introduced, notably for rice, sugar and beef. Import requirements imposed for sanitary, phytosanitary and religious or cultural reasons (i.e. halal certification) are significant and potentially stringent. Export taxes were introduced in 1994 on crude palm oil (CPO) and its derivatives, and on cocoa in 2010. These and other export restrictions to CPO persist with adjustments over the years.

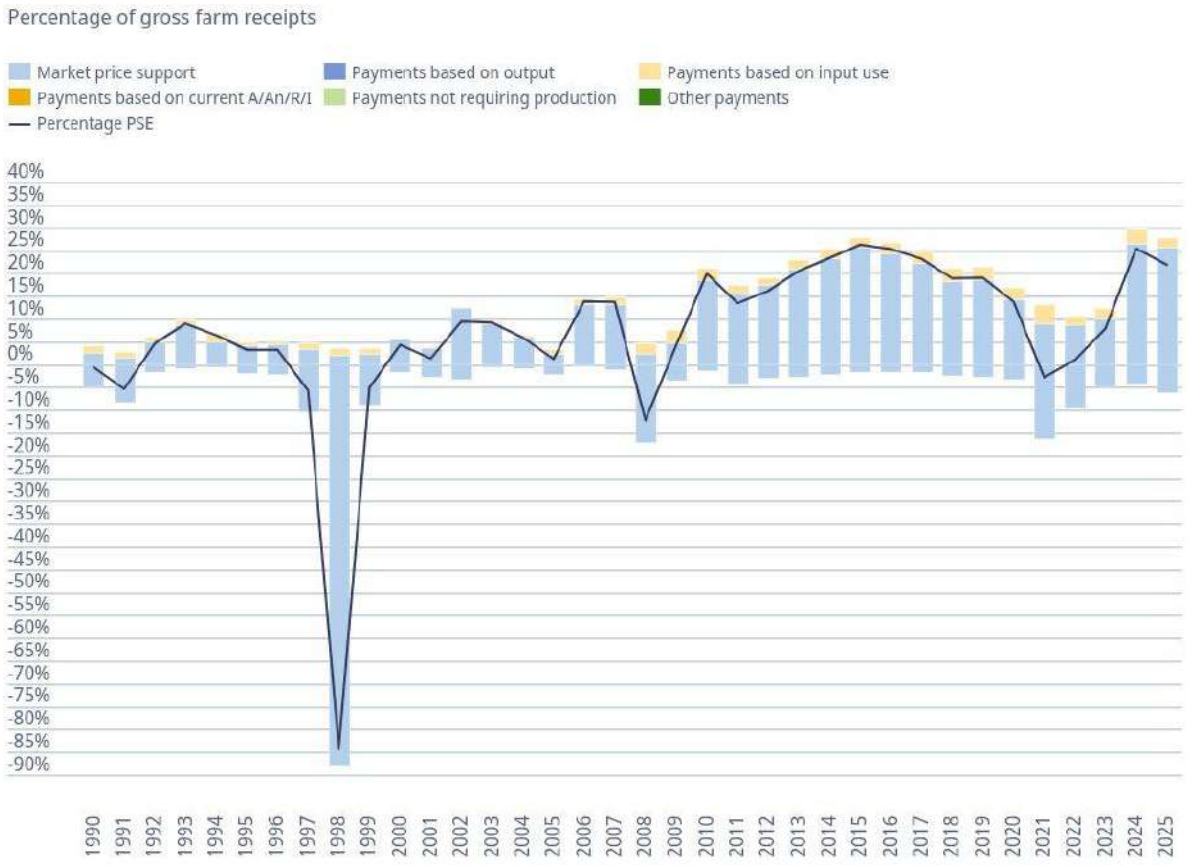
Indonesia's current agricultural policies are framed in the 2012 Food Law, which establishes the objectives of "food self-reliance and food sovereignty" (*kemandirian pangan dan kedaulatan pangan*). In practice, the goal is achieving self-sufficiency on staple and strategic commodities (rice, maize, soybean, sugar, and beef). The country provides subsidies for input use, particularly fertiliser and credit. Since 2024, the Government of Indonesia prioritise nutrition policies through a new National Nutrition Agency that leads the ambitious Free Nutritious Meals (MNG) programme.

Table 15.4. Indonesia: Agricultural policy trends

Period	Framework	Changes in agricultural policies
1960s to 1980s	Closed economy Production expansion to avoid social unrest, rise in oil prices and green revolution	Food Logistics Agency (BULOG) established in 1967 and its marketing role expanded Subsidised inputs such as fertilisers, pesticides and credit Significant spending on infrastructure Increased import tariff rates Quantitative control of exports and imports Export taxes on palm oil and its derivatives
1980s–1996	Trade liberalisation	Abolishment of tariffs, general tariffs reduction programme Trade agreements (URAA, AFTA, APEC) New legislation on export tax on palm oil and its derivatives in 1994 Phase out of input subsidies
1997-1999	Market reform Asian financial crisis	Reduction of BULOG's monopoly powers, particularly in rice markets Reduction of fertiliser subsidy Introduction of targeted rice distribution programme (OPK/Raskin) Tariffs replace import licensing arrangements for sugar Abolishment of local content requirements for dairy and soybeans Temporary removal of export taxes on palm oil and its derivatives
2000-2012	Measures to revitalise the agricultural sector in response to poor productivity	Reinstated fertiliser subsidy Increased expenditures in extension services R&D and irrigation Increased tariffs on rice and sugar Quantitative controls on trade in rice, sugar and beef More stringent non-tariff measures Variable export tax on palm oil and its derivatives, and on cocoa
2012-2023	2012 Food Law, policy focus on self-sufficiency of staple food (rice, maize, soybeans, sugar and beef)	Increased role of BULOG in rice imports and domestic market Distribution of rice at low prices, first through Raskin programme, then Rastra and finally BPNT electronic vouchers organising rice distribution More input subsidies for fertilisers, seeds and credit. Grant for machineries to targeted farmers' groups New initiative on food estates to increase production area
2024-present	New focus on nutrition and boosting domestic production	A new National Nutrition Agency and an ambitious Free Nutritious Meals (MBG) programme Oplah and CSR programmes to increase production intensity Implementation of Food Brigades to promote scale and technology adoption Increased protections for rice land Broader role for government food stocks Stronger role of central government in extension, implementation, and decision-making

Indonesia's producer support estimate has been mostly positive over the past 30 years, mainly due to market price interventions (tariffs and minimum prices). The only exception occurred during the financial crisis in 1998 and the food crisis in 2008, both leading to negative support to producers. Export taxes imposed on palm oil and cocoa result in negative support for those commodities. The negative price support to palm oil quadrupled in 2021 and 2022 due to skyrocketing world prices not fully transmitted to local consumers for which palm oil is a staple commodity, and fell after world prices normalised. Budgetary transfers to producers (mainly input subsidies) are significantly smaller than the negative or positive support provided through producer prices. Food consumers are penalised by policy because the budgetary support they received represents only a small share of the negative support due to higher domestic prices of staple commodities such as sugar, maize, poultry, rice and eggs.

Figure 15.7. Indonesia: Development of the PSE and its composition, 1990 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

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16 Israel

Main findings

Support to agriculture

The share of producer support (Producer Support Estimate, PSE) in gross farm receipts amounted to 12.7% in 2023-25, about two percentage points below the OECD average and a significant reduction from the 2000-02 level of 19%. At the same time, the 88% share of potentially most-distorting forms of support remained twice as high as the OECD average, contributing to high domestic prices relative to world prices by 12%. This can be explained by the persistence of domestic price support driven by border measures, including tariff and kosher restrictions, in favour of several meat and poultry products, and selected food and vegetables.

Single Commodity Transfers (SCT) accounted for 86% of the PSE in 2023-25. Market price support is the main component of SCT: poultry, tomatoes, grapes, wheat, sheep meat, bananas, and eggs have the highest SCT levels, ranging between 3% and 44% of commodity gross farm receipts. Poultry producers benefit from the largest share of market price support, accounting for 44% of the gross farm receipts for this product in 2023-25.

Public expenditures for general services (General Services Support Estimate, GSSE) amounted to 2.2% of the value of agriculture production in 2023-25. This is down from 3% in 2000-02 and well below the OECD average. These expenditures focused mostly on agricultural innovation and hydrological infrastructure.

The total support to the sector (Total Support Estimate, TSE) relative to GDP declined from 0.59% in 2000-02 to 0.29% in 2023-25, about half the share of the OECD average.

Key policy changes in 2025-26

In response to the ongoing conflicts in the Middle East, Israel continues to implement **emergency support measures** to the agricultural sector in impacted regions, mostly in the southern and northern borders. The rehabilitation efforts are strongly embedded with investment in research, development, and implementation of innovative agricultural methods.

In December 2025 Israel signed a new **Agreement on Trade in Agricultural Products (ATAP) with the United States (US)**, replacing the framework in place since 2024. Under the agreement, set to enter into force during 2026, Israel will eliminate import duties on about 300 US food and agricultural products, including meat, dairy, eggs, oils, vegetable, juices, and a range of fresh and frozen products. As of May 2026, the full text of the agreement has not been made public.

In July 2025 Israel began to **implement its water tariff reform**, gradually reducing the reclaimed water tariff from the Shafdan system. For freshwater, a 10-tier reduction scale was introduced based on the utilisation ratio of marginal water sources, including effluents, Shafdan water, and brackish water, with the lowest rates applied to regions lacking alternative water sources.

Assessment and recommendations

- In light of the ongoing regional conflicts, Israel should ensure that its efforts to limit the impact on the agricultural sector and domestic food supply are time-limited, tailored to the specific needs of farmers, transparent and easy to access. Close co-ordination with farmers in affected regions and ensuring the continuity of agricultural activities as much as possible under the given circumstances are key in this context. Ongoing efforts related to infrastructure and regional research and innovation also remain important.
- Gradually reform border protection for certain commodities together with technical barriers to trade. When considering tariff reductions and the adoption of new free trade agreements covering agricultural products, affected producers may require transitional assistance. These changes need to be well defined and transparent to reduce uncertainty and facilitate adjustment. The government could also support favourable ecosystem for local producers, by creating robust and short supply chains, as well as facilitating market opportunities for small to medium agro-food retail chains.
- Improve the sustainability and flexibility of Israel's agriculture water management system by aligning water prices charged to farmers with marginal costs of supplying water, by facilitating further trading in water allocations among farmers and with other water users, and by using optional compensations for unused water quotas in severely dry years. This would help valorise highly skilled farmers, and further contribute to the sector's adaptation to water risks.
- Increase investments in storage facilities for treated wastewater and the expansion of the supply of treated water to new areas to facilitate water access under growing water constraints while lowering water costs for farmers who currently lack access to treated water supplies. With the rising costs of climate disasters, procedures for the official declaration of drought years should be streamlined, alongside well-defined compensation schemes for irrigated farming, to ensure a sound planning of related fiscal costs.
- Strengthen the agricultural knowledge and innovation systems by enhancing the diffusion of innovation across the agricultural sector and to support widespread adoption of new technology. Despite Israel's efforts to support innovation, total factor productivity (TFP) growth has only averaged just 1% per year in the last decade. Redirecting market distorting subsidies towards knowledge transfer services would help reinvigorate productivity growth.
- Upscale regional agri-environmental programmes and introduce targeted and result based policies and regulations that incentivise better environmental performance, particularly in the case of nitrogen emissions. Research and development (R&D), and agriculture extension activities should encourage sustainable productivity improvements.

Key indicators on agricultural support

Figure 16.1. Israel: Development of support to agriculture

Figure 16.1A. Israel: Producer Support Estimate and its composition

Percentage of gross farm receipts

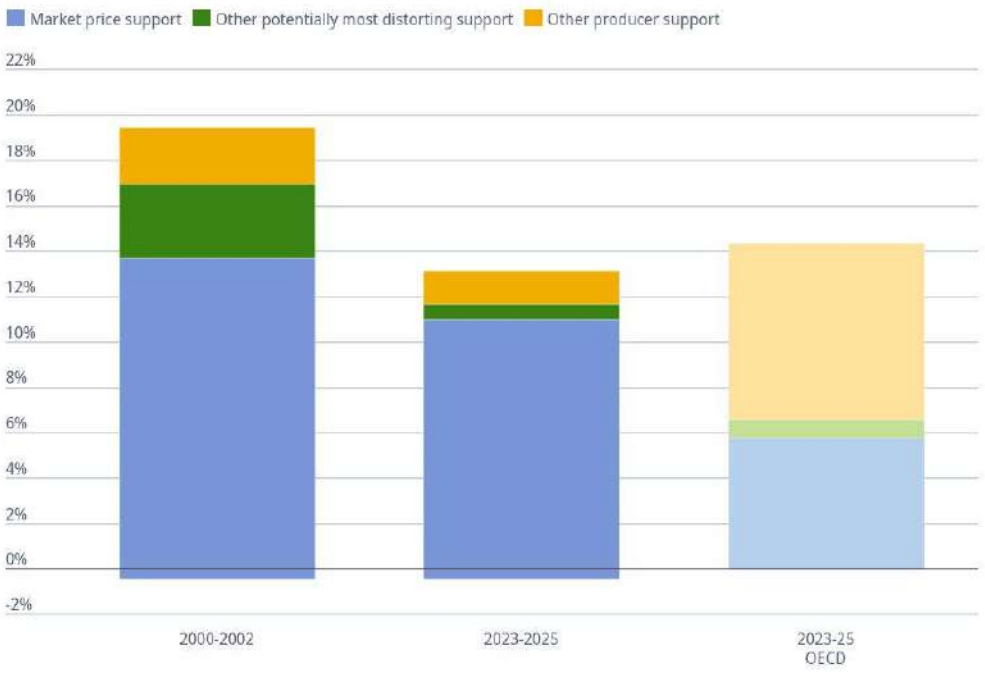


Figure 16.1B. Israel: Ratio of producer to border price

Producer NPC

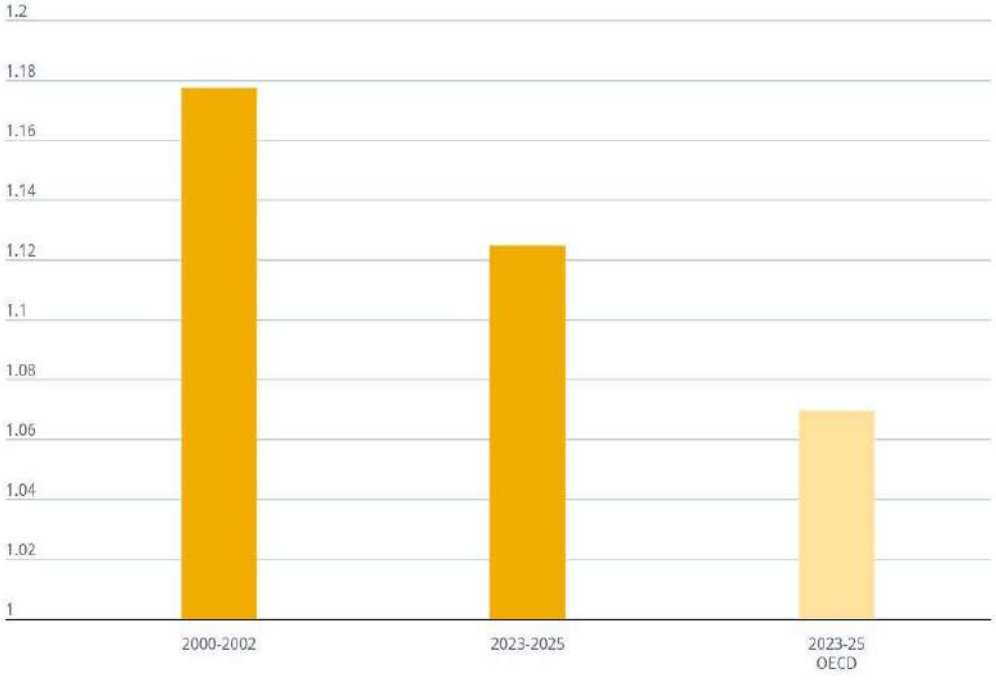


Figure 16.1C. Israel: General Services Support Estimate and its composition

Relative to agricultural value of production

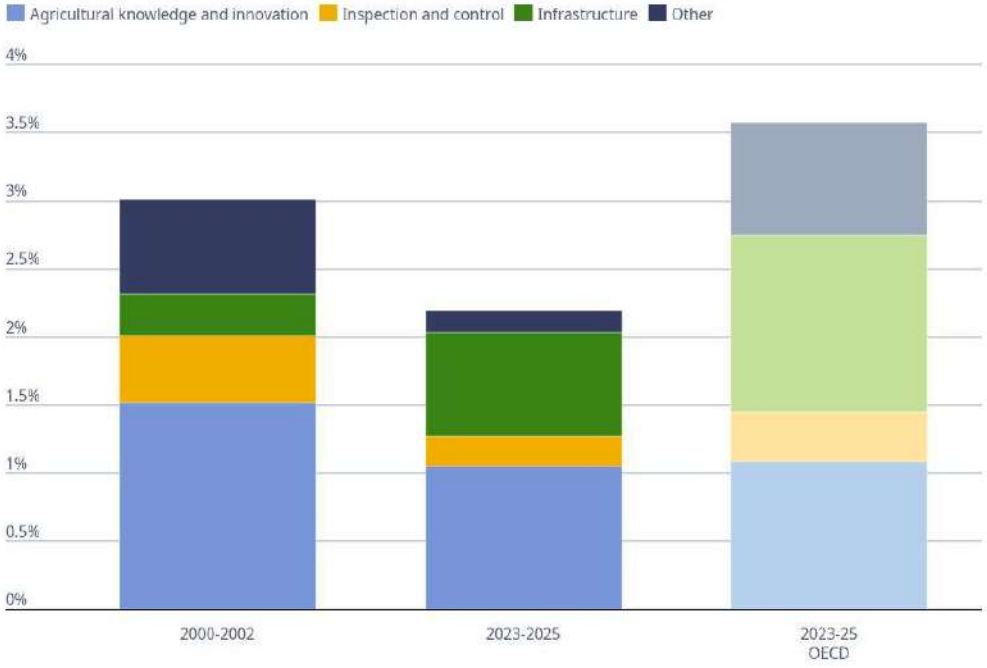
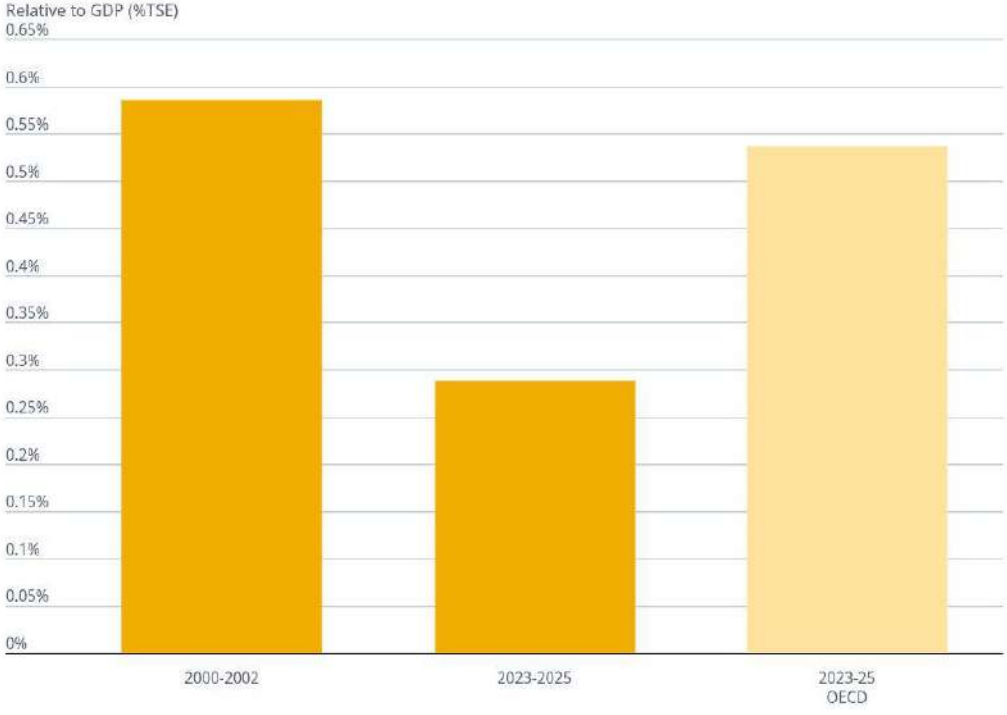


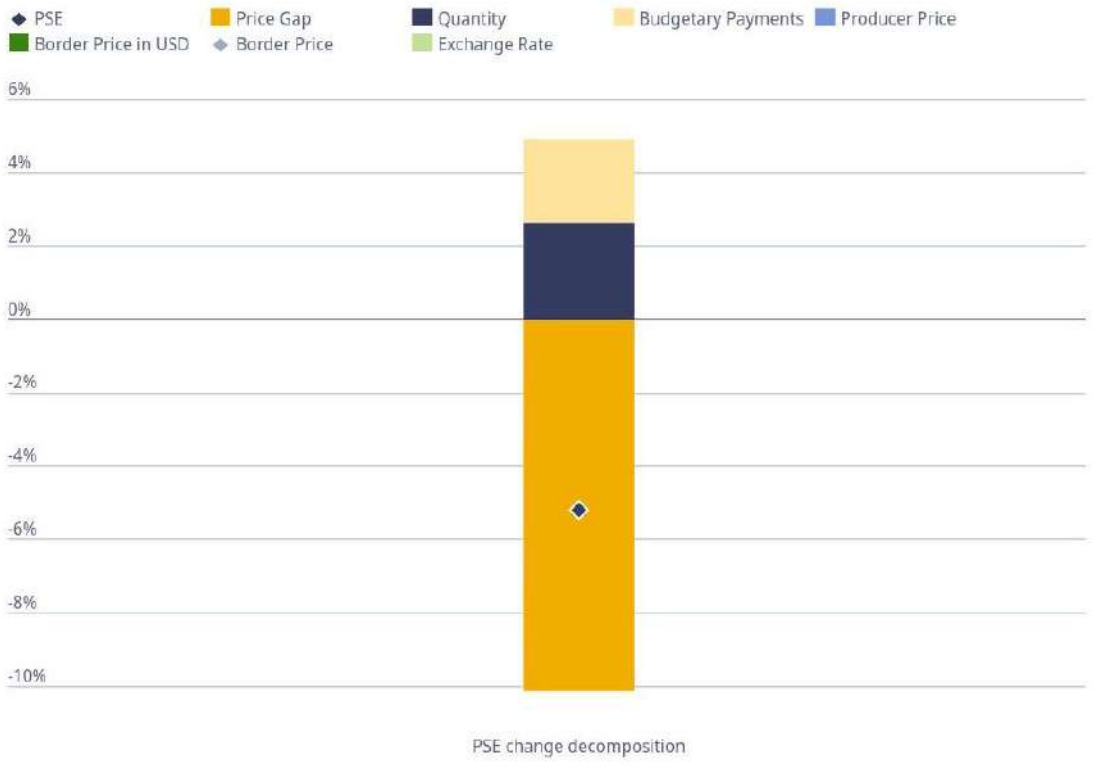
Figure 16.1D. Israel: Total Support Estimate

Relative to GDP (%TSE)



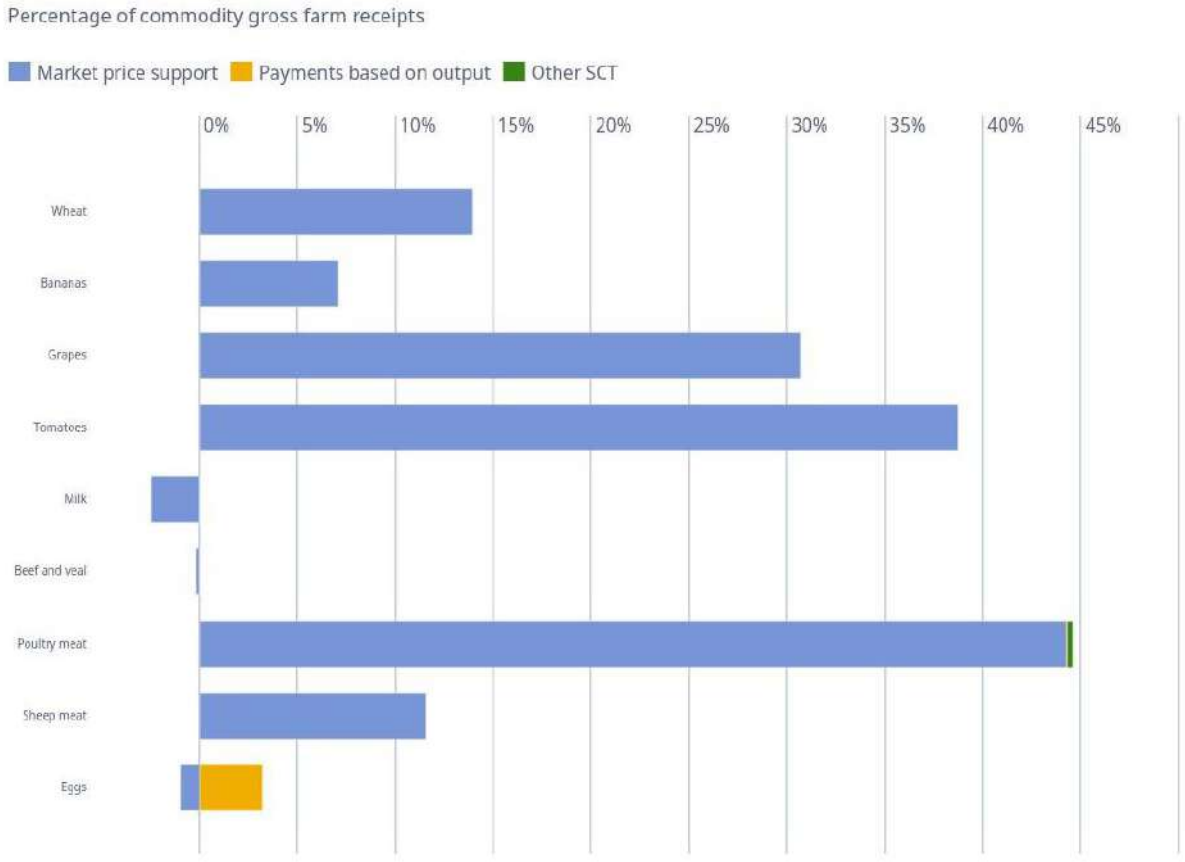
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 16.2. Israel: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency. The producer price change and the border price change are not calculated when both negative and positive market price support (MPS) occur at the commodity level for the previous year. Note that negative MPS estimates for livestock products may arise in cases of aligned product prices if there is positive MPS for feed commodities.
Source: OECD (2026), "Producer and Consumer Support Estimates", OECD Agricultural policy monitoring (database), https://data-explorer.oecd.org/.

Figure 16.3. Israel: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Table 16.1. Israel: Estimates of support to agriculture

Million USD

	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**3 336**	**10 544**	**10 312**	**10 242**	**11 079**
of which: share of MPS commodities (%)	58.28	62.74	62.43	62.04	63.75
Total value of consumption (at farm gate)	**3 635**	**15 034**	**12 436**	**13 715**	**18 951**
Producer Support Estimate (PSE)	**680**	**1 371**	**1 293**	**1 398**	**1 420**
Support based on commodity output	485	1 149	1 095	1 190	1 163
Market price support[1]	475	1 136	1 082	1 177	1 149
Positive market price support	489	1 182	1 136	1 250	1 159
Negative market price support	-14	-46	-54	-74	-11
Payments based on output	10	13	13	13	14
Payments based on input use	160	104	99	99	116
Based on variable input use	106	60	55	61	63
with input constraints	0	0	0	0	0
Based on fixed capital formation	42	29	24	25	39
with input constraints	0	0	0	0	0
Based on on-farm services	12	15	20	13	13
with input constraints	0	0	0	0	0
Payments based on current A/An/R/I, production required	25	111	95	104	134
Based on Receipts / Income	21	83	73	73	102
Based on Area planted / Animal numbers	4	28	22	30	32
with input constraints	0	0	0	0	0
Payments based on non-current A/An/R/I, production required	0	0	0	0	0
Payments based on non-current A/An/R/I, production not required	8	6	5	6	8
With variable payment rates	5	6	5	6	8
with commodity exceptions	0	0	0	0	0
With fixed payment rates	2	0	0	0	0
with commodity exceptions	0	0	0	0	0
Payments based on non-commodity criteria	0	0	0	0	0
Based on long-term resource retirement	0	0	0	0	0
Based on a specific non-commodity output	0	0	0	0	0
Based on other non-commodity criteria	0	0	0	0	0
Miscellaneous payments	1	0	0	0	0
Percentage PSE (%)	**19.01**	**12.72**	**12.29**	**13.36**	**12.51**
Producer NPC (coeff.)	**1.18**	**1.12**	**1.12**	**1.13**	**1.12**
Producer NAC (coeff.)	**1.23**	**1.15**	**1.14**	**1.15**	**1.14**
General Services Support Estimate (GSSE)	**100**	**232**	**230**	**216**	**250**
Agricultural knowledge and innovation system	51	111	111	101	120
Inspection and control	16	23	26	24	21
Development and maintenance of infrastructure	10	80	79	77	85
Marketing and promotion	11	1	1	2	1
Cost of public stockholding	12	10	9	9	11
Miscellaneous	0	7	4	4	12
Percentage GSSE (% of TSE)	**12.96**	**14.46**	**15.09**	**13.38**	**14.96**
Consumer Support Estimate (CSE)	**-612**	**-1 815**	**-1 520**	**-1 949**	**-1 977**
Transfers to producers from consumers	-446	-1 098	-1 061	-1 151	-1 081
Other transfers from consumers	-172	-721	-464	-803	-896
Transfers to consumers from taxpayers	0	0	0	0	0
Excess feed cost	5	3	5	4	0
Percentage CSE (%)	**-16.59**	**-12.12**	**-12.22**	**-14.21**	**-10.43**
Consumer NPC (coeff.)	**1.20**	**1.14**	**1.14**	**1.17**	**1.12**
Consumer NAC (coeff.)	**1.20**	**1.14**	**1.14**	**1.17**	**1.12**
Total Support Estimate (TSE)	**780**	**1 602**	**1 523**	**1 614**	**1 670**
Transfers from consumers	617	1 819	1 525	1 954	1 977
Transfers from taxpayers	335	505	462	463	590
Budget revenues	-172	-721	-464	-803	-896
Percentage TSE (% of GDP)	**0.59**	**0.29**	**0.30**	**0.30**	**0.27**
Total Budgetary Support Estimate (TBSE)	**305**	**467**	**441**	**437**	**522**
Percentage TBSE (% of GDP)	**0.23**	**0.08**	**0.09**	**0.08**	**0.09**
GDP deflator (2000-02 = 100)	**100**	**153**	**147**	**155**	**157**
Exchange rate (national currency per USD)	**4.34**	**3.61**	**3.67**	**3.70**	**3.45**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for Israel are wheat, cotton, groundnuts, peanuts, tomatoes, peppers, potatoes, avocados, bananas, oranges, grapefruit, grapes, apples, carrots, easy peelers, dates, milk, beef and veal, sheep meat, poultry and eggs.
The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

The government in Israel is involved in allocating key factors of production, including land, water and foreign labour. **Land and water resources are almost entirely state-owned**. Land is allocated to farmers for a nominal fee for a fixed duration and is not tradeable. Water is allocated to farmers through a quota system and all water consumption is metred and charged. The government also applies a yearly quota of visas for foreign workers with permits to work in agriculture. The overall quota is agreed by the government, and allocation of foreign workers to individual farmers is regulated, based on an application scheme assessing the type and level of production.

In recent years the government increased the overall **foreign labour** quota for agriculture, which currently stands at 70 000. Not all visas are used, due to factors such as security constraints that make it more difficult for foreign workers to arrive in Israel, as well as administrative bottlenecks. Saying that, since 2009 several programmes have been in place to reduce demand for foreign workers in the agricultural sector including by investment in machinery, as well as **incentives for farmers to hire local labour**.

Some commodities are supported by **guaranteed prices or production quotas**. Guaranteed prices for milk are based on the average cost of production and, while updated regularly, they diverge considerably from international markets price levels. Minimum prices are also guaranteed for local wheat, based on Kansas market price, adjusted for quality and transportation costs. Licensed importers can import wheat duty-free. The license is granted upon commitment to purchase a defined quota of locally grown wheat at the minimum guaranteed prices. Egg production quotas are applied along with border protection, including a changeable tariff-free imports quota, which forms the basis for calculating maximum retail prices.

Consumer price controls are applied for a range of basic food products, including bread, milk and selected dairy products, and salt. Egg and poultry producers in “peripheral areas” at the northern border receive payments based on output levels for egg producers and a mixture of payments decoupled from production and output payments for poultry producers (OECD, 2024[1]). Farmers who participate in the investment support scheme receive **capital grants for investment** as well as income tax exemptions and accelerated depreciation.

The Insurance Fund for Natural Risks in Agriculture (Kanat) provides **subsidised insurance schemes**. The government covers 80% of the cost of the total insurance premium in the case of multi-risk insurance schemes, and 35% in the case of the insurance schemes against natural hazards. Since 2010, subsidised revenue insurance is available for rain-fed wheat and barley to protect against a loss of revenue caused by price falls, low yields or both. Government support for that insurance scheme ranges between 40% and 80% of the total premium.

In 2015, a **credit fund** was launched to help establish new farms or expand small farms that specialise in crop production. Since 2023, eligibility for the credit fund has been expanded to cover also plant and livestock production. The government guarantees 85% of the value of bank loans to ensure that small farms with insufficient collateral can access loans.

The 7 October 2023 attacks and the **war and regional conflicts** that followed have had a major impact on the agricultural sector. The prolonged duration of the war continues to impose significant uncertainty and challenges, with damages to agricultural land and evacuation of agriculture-oriented communities, requiring budgetary reallocations. To support the rehabilitation of the southern region, the government established a dedicated administrative body, “Tkuma”, which, in co-ordination with MOAG, developed a five-year agricultural rehabilitation strategic plan for the region with a dedicated budget. The rehabilitation of the northern region is covered under a four-year plan and the “Tnufa LaTzafon” administration body.

Israel’s economy is characterised by a **transparent and relatively open trade regime overall**, but with persistent protection for certain agricultural products. Border tariff protection on agri-food products remains an important tool to support agricultural producers. Israel’s average applied most-favoured nation (MFN)

tariff on agricultural goods (WTO definition) was 8.1% in 2023, down from 27.7% in 2012 but higher than the 1.3% average for non-agricultural goods (WTO, ITC and UNCTAD, 2024[2]).[1] Israel has WTO tariff rate quotas (TRQs) for wheat, fats and oils, walnuts, prunes, maize, citrus juices, sheep meat and various dairy products (WTO, 2019[3]). Most of Israel's preferential trade agreements include tariff-quota commitments for agricultural products, often with reduced out-of-quota tariffs. In total, Israel implements over 400 preferential TRQs for agricultural goods.

Israel maintains high or prohibitive tariffs for goods including selected dairy products and eggs, and low or zero tariffs for other agricultural commodities such as certain coarse grains, sugar, oilseed, coffee and tea. **The tariff system on agriculture is complex**, involving specific, compound or mixed duties (WTO, 2019[3]). In 2023, 18% of imported agricultural products were subjected to non-ad valorem rates, down from 20% in 2022, but higher than 3% for all goods (WTO, ITC and UNCTAD, 2024[2]). At the same time, more than 60% of agricultural imports entered Israel duty free, mostly through MFN access and preferential agreements (notably with the European Union and the United States). Some commodities, notable eggs, are subject to ad-hoc increase in the imports quota when demand exceeds local production.

Imported beef, poultry, mutton, and products thereof are required by law to be **Kosher** under the supervision of the Chief Rabbinate of Israel. While there is no similar legal requirement for other imported food and agricultural products, market incentives apply. Moreover, a "Kosher" label can only be authorised by the Chief Rabbinate of Israel. This creates a certain surcharge on imported food and agricultural products that are effectively bound by Kosher rules, such as milk and dairy products.

Research and development accounts for over 20% of the annual agricultural budget over the years. This includes a **competitive research fund** and an effective public **Extension Service**, which operates as a unit in the Ministry of Agriculture and centralises and disseminates innovative agricultural methods, while keeping direct contact with famers. This unique institutional framework has allowed Israel to become a leader in agricultural technology, particularly for farming in semi-arid and desert conditions. This in turn contributed to an average annual growth of 1% in the overall productivity of Israeli agriculture in the last decade.

Israel has no sector-specific target for **climate change mitigation** in agriculture, which accounts for less than 3% of the country's total GHG emissions. Agriculture does not feature in Israel's Nationally Determined Contribution or national mitigation plan. However, the government has helped farmers to develop and adopt agricultural practices and technical measures to reduce GHG emissions and adapt to climate change (OECD, 2022[4]).

Recent policy developments

Domestic policy developments in 2025-26

Policy measures adopted to cope with the effects of the evolving conflicts in the Middle East on the agricultural sector in the northern and southern regions

The Tkuma administration body, in charge of overseeing the rehabilitation of the southern region of Israel, which was the most hit area of the 7 October attacks, has focused over the past year on special incentives for innovation and infrastructures improvements in the region, through several main projects:

- *Creation of a regional agri-innovation hub.* With a total allocated budget of ILS 15.4 million (USD 4.46 million) for five years, the hub aims to connect farmers from the region with startups, research centres, government bodies and industry partners to promote the adoption of innovative agricultural practices in the region.

- *Modernisation and automation of packing houses*. A budget of ILS 50.4 million (USD 14.6 million) was allocated to the purchase of new machinery for automation of agriculture packing houses across seven companies and co-operatives, based on the crop and the scale of activity.
- *Incentives for the relocation of livestock and poultry facilities.* A budget of ILS 37 million (USD 10.7 million) was allocated to localities in the regions that seek to develop new residential neighbourhoods in lieu of existing dairy farms and poultry houses. The budget would be used for the relocation of such facilities.

In the northern region (area within 9 km from the northern border), the government, via resolution 3679, approved the plan to grant a total of ILS 418 million (USD 121 million) for the years 2026-2029 for direct support to the agricultural sector in the region. The support, managed by "Tnufa LaTzafon" administration body, is divided into six areas:

- *Long-term capital investment.* ILS 180 million (USD 52.1 million) to farmers for the purchase of new machinery and equipment, construction of greenhouses, rehabilitation of damaged orchards and cultivation areas, establishment of new plantations. The direct financial support is accompanied by professional training provided by the extension service in MOAG, to ensure rapid return on investment and improve the local value chain.
- *Damage restoration and sustainable agriculture.* ILS 123 million (USD 34.7 million) for restoration and conservation of agricultural lands, including maintenance of access roads and drainage systems, and a construction of a runoff regulation site. This chapter also includes initiatives to optimise the use of fertilisers and pesticides, and supporting optimal management of agricultural byproducts.
- *R&D and agricultural innovation*: ILS 71 million (USD 20.56 million) for the establishment of a research centre for advanced agricultural practices (named "Indoor Agriculture"). It will focus on development of new crop varieties adapted to climate change, as well as operation of demonstration sites and ag-tech pilot projects in collaboration with local ag-tech companies.
- *Agricultural tourism*: ILS 25 million (USD 7.24 million) for investments in infrastructure for agro-tourism initiatives.
- *Planning of agricultural infrastructure:* ILS 7 million (USD 2 million) for planning programmes to support agri-tourism initiatives in the areas, as well as for restoring poultry-farming complexes and poultry farms who were abandoned during the war.
- *Youth in agriculture*: ILS 12 million (USD 3.47 million) to support training and education programmes for a new generation of farmers, including professional training for new farmers, agricultural training for youth, and the establishment of a new educational centre for agri-technology.

Several measures were taken to mobilise different groups of potential workers to alleviate the impact of the large drop in the agricultural labour force, in the context of the ongoing regional conflicts:

- To provide short-term labour inputs in labour-intensive subsectors, particularly horticulture and livestock production, MOAG is promoting agricultural *volunteering* over a five-year period (2025-29), supported by a budget of ILS 93 million (USD 27 million) dedicated to logistical support and trainings for volunteers.
- In addition to the total quota of 70 000 *foreign workers* for agriculture, the majority of whom are from Thailand and, since 2023, Sri Lanka, Israel signed a bilateral agreement with Cambodia to allow for additional workers to work in Israel's agricultural sector.
- MOAG has also launched a campaign to strengthen *local youth* engagement in agriculture, via varied training programmes offered by MOAG's Extension Service.[2]

Following the war with Iran in June 2025, and to support specific sectorial needs, MOAG administers compensation to farmers who have been impacted by the conflict with Iran that began in June 2025, in lieu of the usual channel of property tax claims via the Taxation authority. ILS 10 million (USD 2.9 million) was made available for farmers who experienced a decline in turnover of more than 25% and at least ILS 20 000 (USD 5 800) as result of the war with Iran in June 2025. Compensation was capped at 80% of the margin loss and up to ILS 200 000 (USD 58 000) per farmer.

Research and development

Funding for "model farms", which are commercial farms used to implement advanced or emerging agricultural technologies and practices at scale and develop practical knowledge, increased in 2025 with additional ILS 26 million (USD 7.5 million) for establishing ten new farms, expected to be operational by the end of 2026.

Sector specific incentives were also allocated to individual researchers conducting research initiatives aimed at improving the quantity and quality of yields in selected agricultural sectors. For tomato and almond, budget allocations of ILS 15 million (USD 4.3 million) and ILS 6 million (USD 1.7 million), respectively, were granted over a five-year period. In addition, a budget allocation of ILS 6 million (USD 1.7 million) was granted over a three-year period for research in the wheat and chickpea sectors.

Water management

The year 2025 was announced as a severe drought year. In the northern region rainfall reached only 65% of the multi-annual average, while the national rainfall stood at 85%. The extreme aridity of the soil prevented effective absorption of the limited rainfall, exacerbating the crisis. In light of the drought, water allocation to farmers in the north was reduced by 25%, a measure for which agricultural producers were largely unprepared. In July 2025 the Minister of Finance officially signed a decree defining specific "drought-affected areas", which allows for eligible farmers to file compensation claims under the property tax and Compensation Fund Law. The drought compensation scheme applies only to dryland farming.

In July 2025 Israel began to **implement its water tariff reform**, with the gradual decrease of reclaimed water tariff from the Shafdan system from ILS 1.464/m³ to ILS 1.44/m³ in July 2025, and further to ILS 1.38/m³ in January 2026, with a target rate of ILS 1.15/m³ by 2028. For freshwater, a weighted average reference price was introduced at ILS 2.93/m³, adjusted to ILS 3.02/m³ in January 2026. For freshwater, a 10-tier reduction scale was introduced based on the utilisation ratio of marginal water sources, including recycled effluents, Shafdan water, and brackish water, with the lowest rates applied to regions lacking alternative water sources.

Israel continues to **improve its water supply infrastructures**, with the "Reverse Water Carrier" beginning to operate in a pilot mode. The system is designed to convey desalinated seawater to the freshwater Sea of Galilee to maintain its operational level.

Trade policy developments in 2025-26

The Plant Protection and Inspection Services (PPIS) continued to enhance the issuance and reception of electronic phytosanitary certificates. In 2025, PPIS contributed for the first time to the IPPC e-Phyto solution, in line with the decision made by the Commission on Phytosanitary Measures in April 2024 (CPM-18).

In December 2025 Israel signed a new **Agreement on Trade in Agricultural Products (ATAP) with the United States**, replacing the previous framework in place since 2024. Under the agreement, set to enter into force during 2026, Israel will eliminate import duties on about 300 US food and agricultural products,

including meat, dairy, eggs, oils, vegetable, juices, and a range of fresh and frozen products. As of May 2026, the full text of the agreement has not been made public.

A new free trade agreement (FTA) with Costa Rica was signed in December 2025 and is pending approval. Negotiations on new FTAs with the People's Republic of China and India, as well as a new comprehensive economic partnership agreement (CEPA) with Bahrain, are at varying stages of progress. Revised FTA with MERCOSUR is also under negotiation.

Policy context

Key economic and agricultural statistics

Israel's economy is relatively small but has been growing rapidly and its GDP per capita more than doubled over the last two decades, even as the population increased by 66%. The share of agriculture in total employment has been halved to under 1%, while the share of agriculture in GDP declined to 1.4% during the same period.

Israel is unique among developed countries in that land and water resources are nearly all state-owned. Rural communities, principally the kibbutz and moshav, dominate agricultural production, accounting for about 80% of agricultural output. Partly due to this structure, and with limited land area, total agricultural area has moderately decreased over the past 20 years. While the agricultural sector is relatively diversified, most of the value of production and exports is generated by high value fruits and vegetables.

Table 16.2. Israel: Contextual indicators

	Israel		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	162	573	0.4%	0.3%
Population (million)	6	10	0.1%	0.2%
Land area (thousand km^2)	22	22	0.0%	0.0%
Agricultural area (AA) (thousand ha)	511	427	0.0%	0.0%
			All countries[1]	
Population density (inhabitants/km^2)	291	434	52	64
GDP per capita (USD in PPPs)	25 154	57 453	9 508	31 740
Trade as % of GDP	24.6	14.0	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	1.7	1.4	3.0	3.6
Agriculture share in employment (%)	2.2	0.8	-	-
Agro-food exports (% of total exports)	3.1	4.8	6.4	8.3
Agro-food imports (% of total imports)	5.3	9.6	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	54.7	56.5	62.1	60.4
Livestock in total agricultural production (%)	45.3	43.5	37.9	39.6
Share of arable land in AA (%)	66.3	42.0	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

Israel has maintained robust GDP growth exceeding 3% per year on average and close to full employment from 2019 to 2024. Its economy contracted in 2020 due to the COVID-19 pandemic and associated lockdown measures, but recovered quickly in 2021-22, while unemployment remained relatively low. At the same time inflation went up in 2021 to reach 4% in 2022 and 2023 after multiple years of fluctuations around zero. The 7 October 2023 terrorist attacks and the regional wars the followed it heavily influenced the economy. With supply constraints, the recovery was quickly followed by a pick-up in inflation up to 3.5% in September 2024, which have eased back to 3% in 2025. Despite an increase after October 2023, unemployment remains below its long-term trend (Figure 16.4).

Figure 16.4. Israel: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

Israel is a consistent net-importer of agro-food products, and the agriculture trade balance continued to decline in 2024, with the value of imports of mainly processed food products exceeding the value of exports of mainly primary products for consumption (Figure 16.5). This gradual shift since 2022 may be partly influenced by the relative appreciation of the Israeli currency compared to the US dollar and the Euro between 2015-21. The year 2024 saw a notable increase in the import of agricultural products. Nevertheless, this was more notable during the first months of the year, partly driven by the consequences of the war in the region following the 7 October attacks and its immediate impact on the agricultural sector and domestic supply.

Figure 16.5. Israel: Agro-food trade

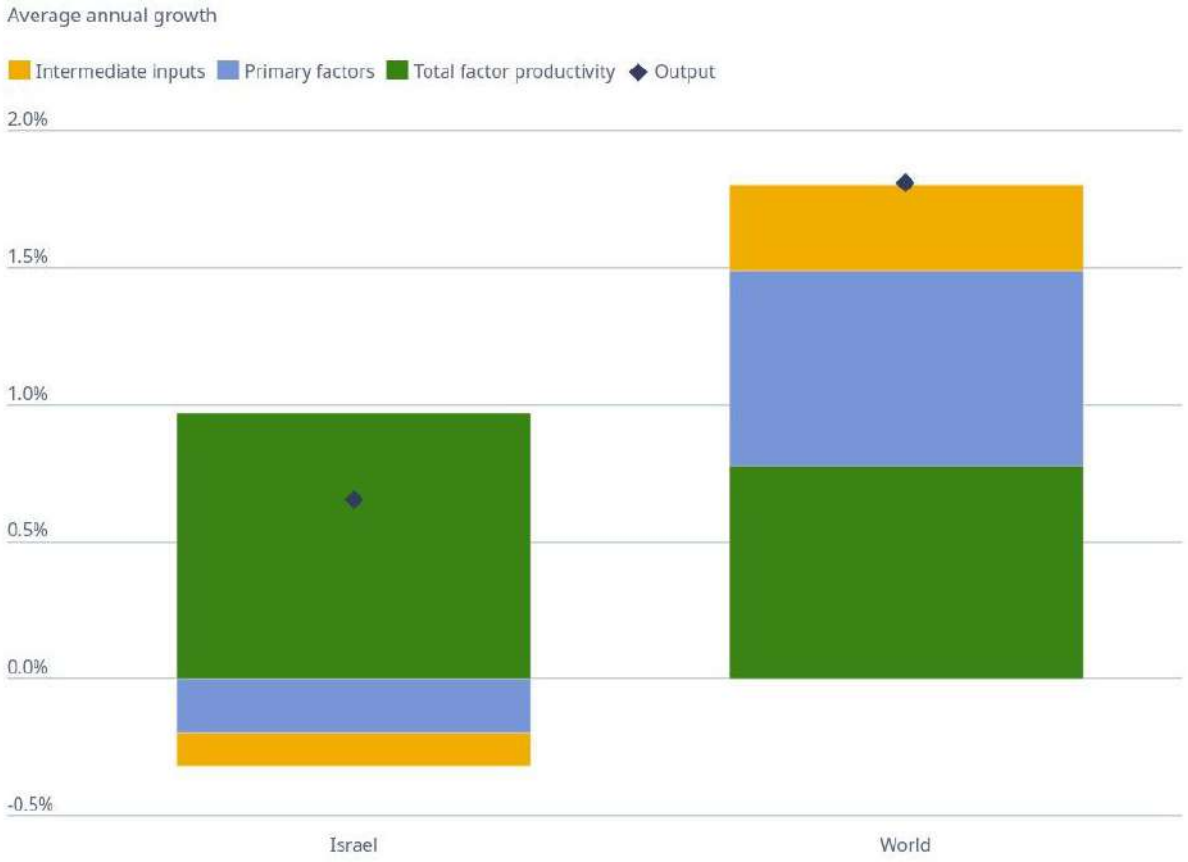


Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

With its profound investments in agriculture innovation, the overall productivity of Israeli agriculture, measured by total factor productivity (TFP), has been growing between 2014-23, accounting for 1% of agricultural annual growth in Israel, down from 2.3% in the years 1991-2000, but above the 0.7% of the world's average. The average annual agricultural output growth remains below the world's average, mainly due to a decreased use in inputs, particularly land and use of farm machinery, and intermediate inputs such as animal feed. Average annual growth reached to 1% (Figure 16.6).

Beyond a substantial reduction in freshwater use, the environmental performance of Israel's agriculture has been mixed since 2000. Despite less than 5% increase in irrigation area, agriculture's share of freshwater abstraction has declined by 10 percentage-points, largely due to changes in water management, encompassing the extensive use of recycled water, efficient irrigation technologies and water demand policies. Nitrogen surplus has slightly declined over time, possibly due to the decreased use of fertilisers, but still maintains a level over three times the OECD average level, while Phosphorus balance declined somewhat but remains excessively high; close to sixteen times the OECD average (Table 16.3).

Figure 16.6. Israel: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Table 16.3. Israel: Productivity and environmental indicators

	Israel		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	2.3%	1.0%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	115.0	111.2	32.3	29.0
Phosphorus balance, kg/ha	34.3	33.5	3.3	2.3
Agriculture share of total energy use (%)	1.2	1.0	1.7	2.0
Agriculture share of GHG emissions (%)	3.4	3.1	8.7	10.3
Share of irrigated land in AA (%)	35.7	42.0	-	-
Share of agriculture in water abstractions (%)	40.6	30.5	46.1	47.7
Water stress indicator	61.0	49.0	..	..

Note: * or closest available year.
1. Share of agriculture fresh water abstraction in total fresh water abstraction.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Agriculture policy in Israel during its early years was driven by three main factors. First, the state needed to settle undeveloped areas of the country for geopolitical security. Second it wanted to avoid food shortages, due in part to an inability to import agricultural products from surrounding countries. Third, it needed to provide employment and livelihoods for new immigrants to Israel (OECD, 2010[5]). Its main objectives are to improve food supply and self-sufficiency in agricultural products that can be produced locally, expand existing export markets, and maintain the rural population, particularly in the peripheral areas.

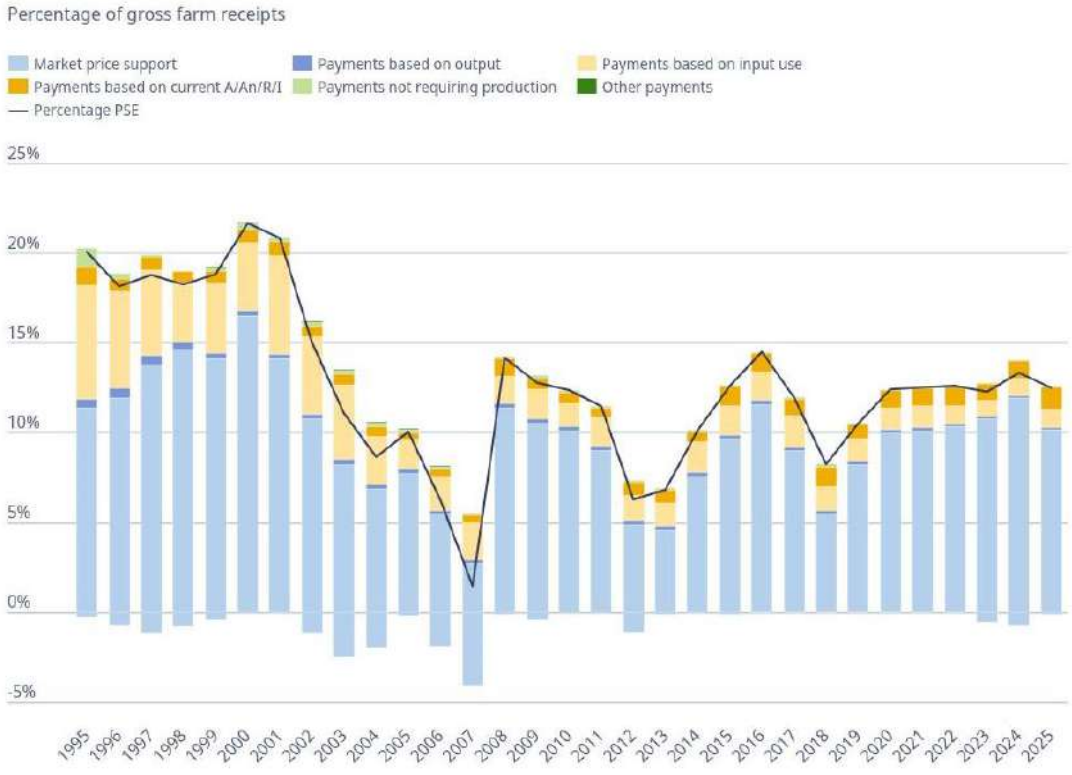
Over the past 30 years, Israel has reformed the way it provides subsidies, reduced central planning of agricultural industries, and changed the way production quotas, price controls and import protection are implemented. Major reforms in the agricultural sector began in the early 1990s with trade and market reforms to limit the role of the state in agricultural markets. Reforms continued into the 2000s with a focus on competitiveness and gradual efforts to limit interventions in the dairy and beef sectors. Over the course of 2021 and 2022 the government renewed its impetus to reform in order to lower food prices. In particular, in March 2022, a schedule of tariff reduction was approved for selected fruits and vegetables, in parallel to agreements on egg, dairy and beef, but without direct support to affected agricultural sectors. However, the plans for further reduction were halted in December 2023. Since the 7 October 2023 terrorist attacks and the regional conflicts that followed, the government has undertaken a broad set of measures to cope with the damages, and limit the effects on agricultural activities in affected areas (Table 16.4).

Table 16.4. Israel: Agricultural policy trends

Period	Framework	Changes in agricultural policies
1985-1990	Trade liberalisation General economic reforms	Economic stabilisation programme Privatisation of state-owned enterprises Dismantling of state grain trading (imports) agency Dismantling of regional co-operatives Debt restructuring and write offs Fruit and vegetable production quotas abolished
1991-1994	Market and trade reforms (export liberalisation)	Gradual abolition of state monopoly of fruits and vegetables exports State meat trading replaced with the Kosher Meat Import Law Consumer price controls removed (except milk, eggs and flour) Reform of agricultural production and marketing boards (diminishing functions) Changes in water pricing Uruguay Round Agricultural Agreement
1995-1999	Trade reforms (import liberalisation)	Non-tariff barriers removed and ceiling binding Broiler sector reformed Reduction of 40% of freshwater use for agriculture FTAs signed
2000- 2010	Focus on competitiveness	Foreign exchange controls abolished Dairy sector reform Abolished minimum prices and surplus removal for fruit and vegetables Abolition of broiler production quotas Farmers' agreement on water charges and water supplies FTAs signed
2010-2023	Continued efforts to reform key sectors	Reform agreement in the beef sector opening import quotas Dairy sector planning law 2011, second dairy agreement in 2022 Egg sector agreement and reform Measures to improve the agriculture marketing systems Water price reforms for equity reasons Tariff reductions for specific fruits and vegetables from 2022-2023 (stopped in 2024) FTAs signed, use of electronic instruments to facilitate import inspections
2023-2025	Emergency response measures	Emergency measures to limit the effects of the evolving conflicts in the Middle East on agricultural activities in affected areas. Reallocations of budgetary transfers to support rehabilitation of agricultural sector in affected regions.

Over the last 20 years, the trend in producer support in Israel, expressed as percentage of gross farm receipts, unrolled in four main phases: (1) a steady reduction until the food crisis of 2007-08; (2) a rapid rebound in support after this crisis, leading to a plateau in 2008-11; then (3) a fall and new increase in support from 2012-16; and (4) fluctuating levels since 2016. Fluctuation in agricultural support are largely attributed to market price support (and to input support early-on corresponding to changes in water price support), as budgetary support to producers remained relatively stable. The market price support results mainly from guaranteed minimum prices and import tariffs, while budgetary support is mostly provided based on current production and input use (Figure 16.7).

Figure 16.7. Israel: Development of the PSE and its composition, 1995 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

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Notes

[1] Data for more recent years are not available.

[2] The Extension Service is a unit under MOAG, in charge of producing agricultural knowledge and disseminating it to the agricultural public in Israel, while training and guiding the agricultural public to meet the main task of increasing productivity for the agricultural sector. The unit also identifies challenges faced by farmers at the farm level and, in collaboration with research institutions, works to develop practical and effective solutions. It further aims at developing integrative knowledge infrastructure that combines applied research and training and provide it to farmers.

17 Japan

Main findings

Support to agriculture

Support to agriculture in Japan has declined gradually over the past two decades. The Producer Support Estimate (PSE), expressed as a share of gross farm receipts, averaged 36% in 2023-25, compared with around 54% in 2000-02. Despite this decline, support levels remained more than twice the OECD average. Total support to agriculture, as measured by the Total Support Estimate (TSE), represented 0.8% of GDP in 2023–25, above the OECD average of 0.5%.

Market Price Support (MPS) remained the dominant component of support to farmers in Japan. It is mainly generated by border protection measures, including tariffs and tariff rate quotas (TRQs). In recent years, MPS has edged up as the gap between domestic and border prices widened, especially for rice. On average, producer prices exceeded border reference prices by 46% in 2023-25.

Budgetary transfers to farmers continued to be provided mainly through payments based on area, income and output. Given the large role of MPS, the potentially most distorting forms of support, including support based on output and on the unconstrained use of variable inputs, represented 82% of total producer support in 2023-25. Although this was below the 93% recorded in 2000-02, it remained substantially above the OECD average.

General Services Support Estimate (GSSE) accounted for 23% of Japan's total support to agriculture in 2023-25. Relative to the size of the sector, this was equivalent to nearly 12% of the value of agricultural production, which was above the OECD average, although below the levels observed in the 2000s. More than 84% of GSSE expenditure was devoted to the development and maintenance of agricultural infrastructure, in particular irrigation, while around 12% supported the agricultural knowledge and innovation system.

Key policy changes in 2025-26

Based on the revision of Japan's Basic Act on Food, Agriculture and Rural Areas, Japan amended its Basic Plan for Food, Agriculture and Rural Areas in April 2025 as the central instrument to translate the revised Act into quantified targets and policy measures. The plan strengthened food security by focusing on ensuring stable access to high-quality food at reasonable prices, while systematically embedding sustainability and resilience objectives across the agri-food system.

MIDORI INFINITY was launched to scale up Japan's GHG-mitigation technologies in 2025. The initiative aims to channel climate finance into agri-food sectors that are currently underfunded. Through the public-private consortium, called "MIDORI Decarbonization Consortium," established in 2025, it seeks to connect Japanese solution providers with partner countries, producer organisations and agribusinesses to pilot mitigation approaches, mobilise investment and embed practical measures within partner countries' agro-food systems.

In 2025, the “Enhancing Linkages between Private Sector and Small-scale Producers (ELPS)” initiative was expanded to commodity-specific partnerships, including the Rwanda macadamia project, to deliver societal and environmental benefits alongside supply-chain resilience. The interventions help small-scale producers meet certification requirements, improving access to inputs and technical knowledge, and strengthening post-harvest process, while boosting productivity and product quality.

Assessment and recommendations

- Strengthen monitoring frameworks with clear and measurable indicators to assess progress towards objectives and guide policy adjustments over time. The effectiveness of the new Basic Plan for Food, Agriculture and Rural Areas, which strengthens the concept of food security to include stable access, sustainability and resilience, will depend on the coherence and alignment of underlying policy instruments.
- Scale the MIDORI INFINITY programme beyond pilots to wider deployment, alongside practical capacity-building such as training, technical guidance and knowledge-sharing with local institutions and private actors in order to support Japan’s effort to promote international deployment of agricultural GHG mitigation technologies.
- Scale up the number of projects in the ELPS initiative by securing funding, stronger partnerships with agribusinesses and local institutions, and capacity-building for small-scale producers to link food security objectives with environmental and social benefits in partner countries. This will expand Japan’s efforts to improve the sustainability and resilience of agricultural supply chains through international partnerships.
- Further reform the composition of support to align Japan’s agricultural policy framework more closely with its updated food security and sustainability objectives. Recent rice price pressures have underscored the importance of complementing domestic production and stockholding policies with resilient supply-chain arrangements, including reliable trade relationships that can provide alternative supplies in times of crisis.
- Reorient public spending from infrastructure toward innovation diffusion and adoption. While Japan’s general services support is substantial, it remains concentrated on infrastructure; reallocating a greater share toward extension services, skills development, and technology transfer would better support the Basic Plan’s sustainability and resilience goals. This should include strengthening co-innovation partnerships between public research institutions, private firms, and producer organisations, expanding digital platforms for farm management and data use, and scaling up advisory services to accelerate adoption of climate-smart and resource-efficient technologies.

Key indicators on agricultural support

Figure 17.1. Japan: Development of support to agriculture

Figure 17.1A. Japan: Producer Support Estimate and its composition

Percentage of gross farm receipts

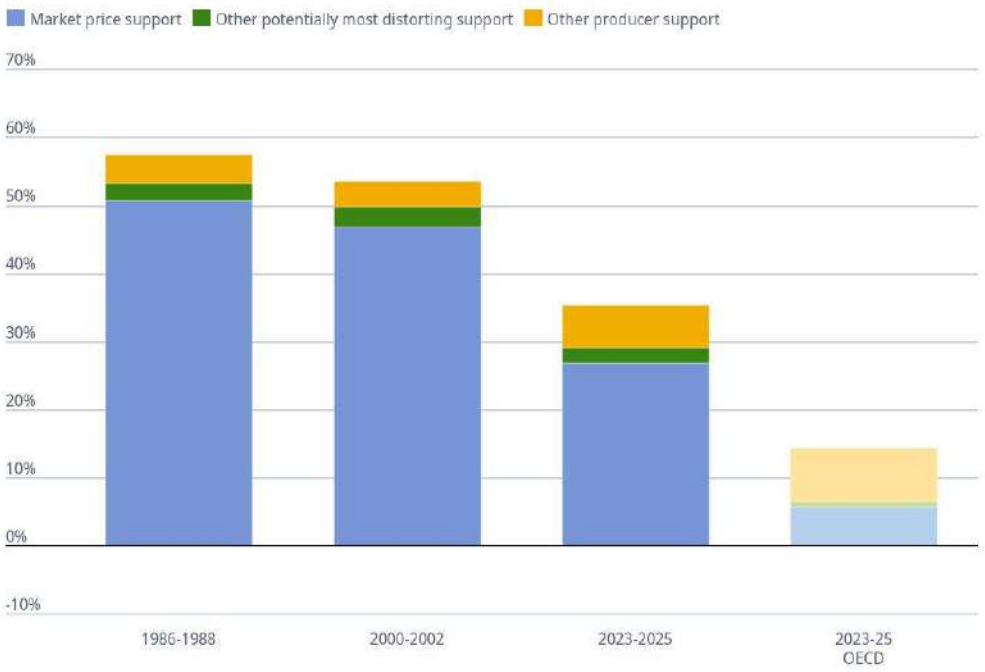


Figure 17.1B. Japan: Ratio of producer to border price

Producer NPC

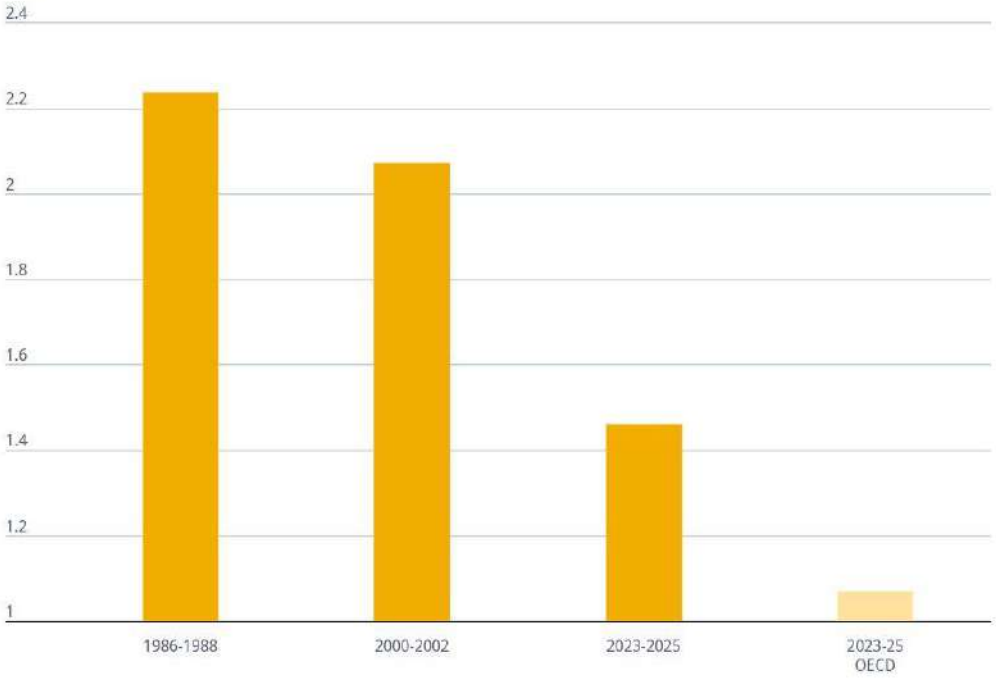


Figure 17.1C. Japan: General Services Support Estimate and its composition

Relative to agricultural value of production

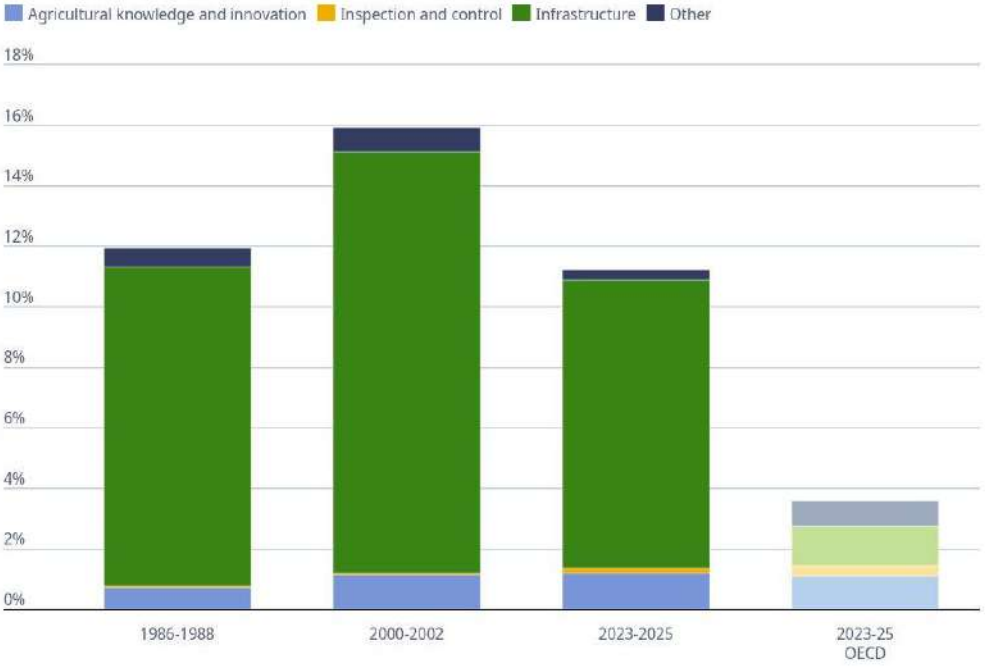
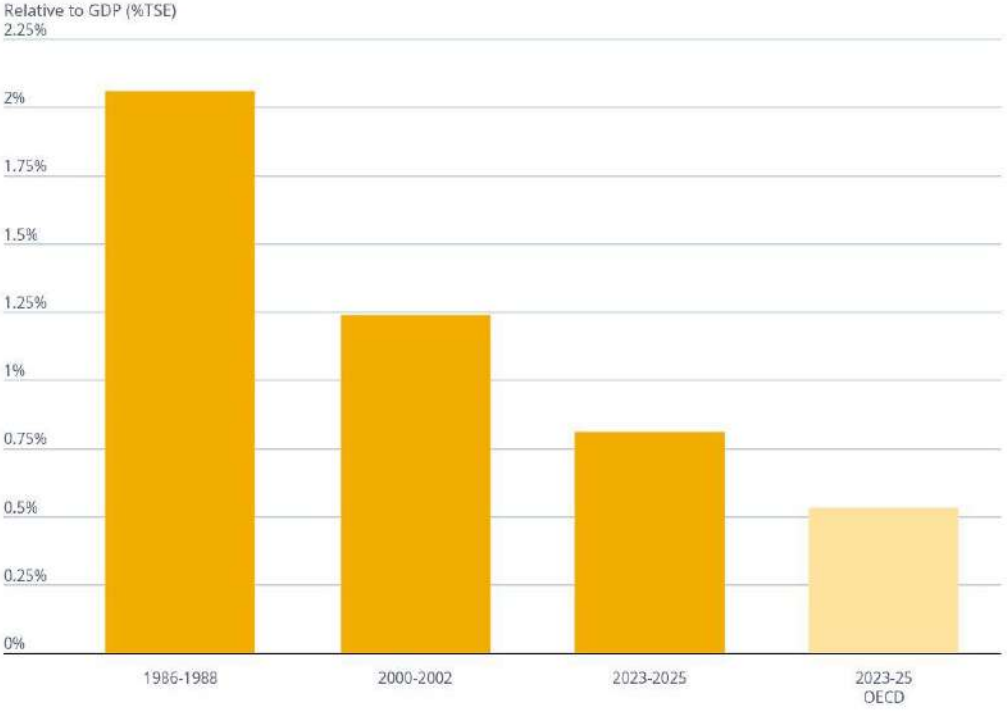


Figure 17.1D. Japan: Total Support Estimate

Relative to GDP (%TSE)



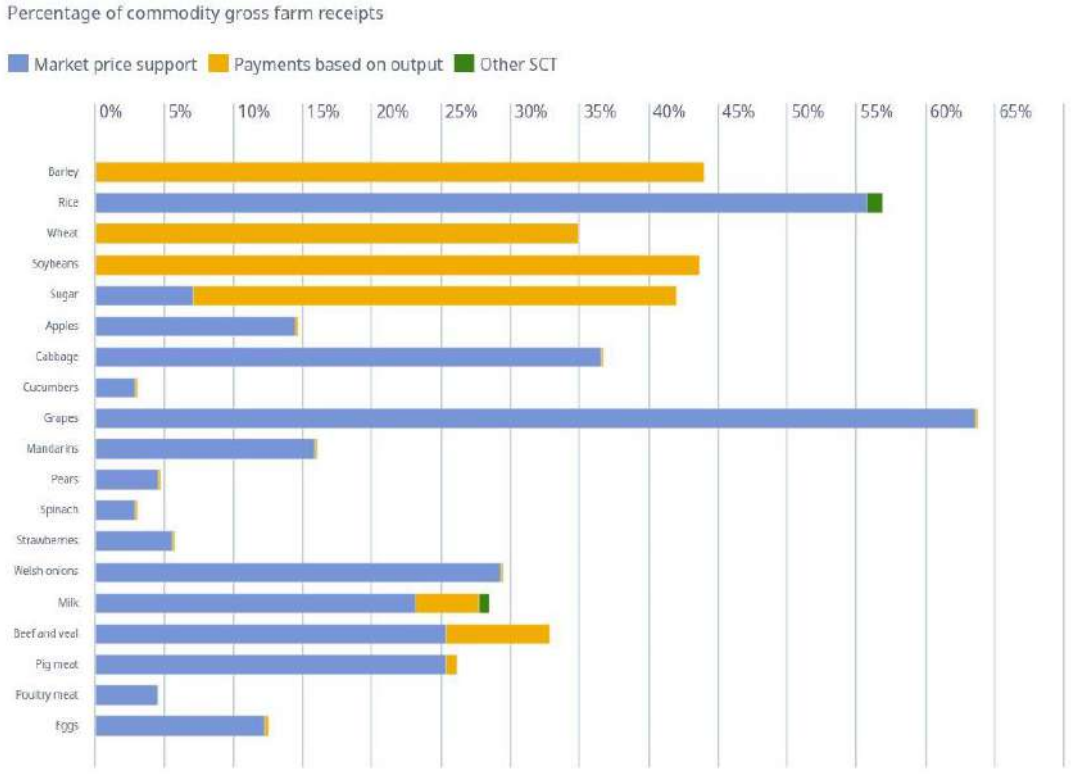
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 17.2. Japan: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency.
Source: OECD (2026), "Producer and Consumer Support Estimates", OECD Agricultural policy monitoring (database), https://data-explorer.oecd.org/.

Figure 17.3. Japan: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Table 17.1. Japan: Estimates of support to agriculture

Million USD

	1986-88	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**72 761**	**76 338**	**67 979**	**67 533**	**71 219**	**65 185**
of which: share of MPS commodities (%)	68.36	63.81	69.45	68.64	70.74	68.98
Total value of consumption (at farm gate)	**94 316**	**107 458**	**96 269**	**96 164**	**92 215**	**100 428**
Producer Support Estimate (PSE)	**44 607**	**43 946**	**26 220**	**22 572**	**23 947**	**32 140**
Support based on commodity output	40 992	40 821	21 444	16 967	19 649	27 717
Market price support[1]	39 454	38 464	19 883	15 489	18 332	25 829
Positive market price support	39 454	38 464	19 883	15 489	18 332	25 829
Negative market price support	0	0	0	0	0	0
Payments based on output	1 539	2 357	1 561	1 478	1 316	1 889
Payments based on input use	1 434	976	831	1 210	633	649
Based on variable input use	403	85	164	431	26	36
with input constraints	0	0	0	0	0	0
Based on fixed capital formation	890	724	443	562	378	389
with input constraints	0	0	0	0	0	0
Based on on-farm services	142	167	223	218	229	224
with input constraints	0	0	0	0	0	0
Payments based on current A/An/R/I, production required	621	613	1 466	1 674	1 374	1 351
Based on Receipts / Income	0	0	267	323	226	251
Based on Area planted / Animal numbers	621	613	1 200	1 352	1 147	1 100
With input constraints	0	0	934	1 089	879	834
Payments based on non-current A/An/R/I, production required	0	0	0	0	0	0
Payments based on non-current A/An/R/I, production not required	1 560	1 537	2 478	2 718	2 292	2 423
With variable payment rates	0	0	0	0	0	0
with commodity exceptions	0	0	0	0	0	0
With fixed payment rates	1 560	1 537	2 478	2 718	2 292	2 423
with commodity exceptions	1 560	1 257	2 300	2 532	2 120	2 248
Payments based on non-commodity criteria	0	0	1	3	0	0
Based on long-term resource retirement	0	0	1	3	0	0
Based on a specific non-commodity output	0	0	0	0	0	0
Based on other non-commodity criteria	0	0	0	0	0	0
Miscellaneous payments	0	0	0	0	0	0
Percentage PSE (%)	**57.42**	**53.61**	**35.37**	**30.25**	**31.17**	**44.95**
Producer NPC (coeff.)	**2.24**	**2.07**	**1.46**	**1.33**	**1.38**	**1.73**
Producer NAC (coeff.)	**2.35**	**2.16**	**1.55**	**1.43**	**1.45**	**1.82**
General Services Support Estimate (GSSE)	**8 768**	**12 138**	**7 641**	**8 063**	**6 998**	**7 862**
Agricultural knowledge and innovation system	514	861	822	827	734	906
Inspection and control	55	66	98	100	69	126
Development and maintenance of infrastructure	7 746	10 618	6 500	6 900	6 011	6 589
Marketing and promotion	152	248	128	143	95	145
Cost of public stockholding	301	345	93	93	89	97
Miscellaneous	0	0	0	0	0	0
Percentage GSSE (% of TSE)	**16.29**	**21.66**	**22.49**	**26.32**	**22.61**	**19.65**
Consumer Support Estimate (CSE)	**-53 520**	**-49 464**	**-26 987**	**-22 873**	**-25 303**	**-32 785**
Transfers to producers from consumers	-38 961	-38 453	-20 325	-15 817	-18 817	-26 341
Other transfers from consumers	-14 519	-11 097	-7 066	-7 365	-6 934	-6 899
Transfers to consumers from taxpayers	-108	35	4	4	3	4
Excess feed cost	68	51	401	305	445	452
Percentage CSE (%)	**-56.81**	**-45.99**	**-28.12**	**-23.79**	**-27.44**	**-32.65**
Consumer NPC (coeff.)	**2.32**	**1.85**	**1.40**	**1.32**	**1.39**	**1.49**
Consumer NAC (coeff.)	**2.32**	**1.85**	**1.39**	**1.31**	**1.38**	**1.48**
Total Support Estimate (TSE)	**53 267**	**56 119**	**33 864**	**30 639**	**30 949**	**40 005**
Transfers from consumers	53 480	49 550	27 391	23 182	25 752	33 240
Transfers from taxpayers	14 307	17 666	13 539	14 822	12 131	13 664
Budget revenues	-14 519	-11 097	-7 066	-7 365	-6 934	-6 899
Percentage TSE (% of GDP)	**2.06**	**1.24**	**0.82**	**0.73**	**0.77**	**0.94**
Total Budgetary Support Estimate (TBSE)	**13 813**	**17 655**	**13 981**	**15 150**	**12 617**	**14 177**
Percentage TBSE (% of GDP)	**0.53**	**0.39**	**0.34**	**0.36**	**0.31**	**0.33**
GDP deflator (1986-88 = 100)	**100**	**105**	**105**	**102**	**105**	**108**
Exchange rate (national currency per USD)	**147.10**	**118.23**	**147.17**	**140.49**	**151.37**	**149.66**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for Japan are: wheat, barley, soybean, rice, sugar, milk, beef and veal, pig meat, poultry, eggs, apples, cabbage, cucumbers, grapes, mandarins, pears, spinach, strawberries and Welsh onions.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Policy landscape

Legal and strategic frameworks

The Basic Plan for Food, Agriculture and Rural Areas revised in 2020 (hereafter "the 2020 Basic Plan") sets Japan's agricultural policy direction for the next decade. It aims to **ensure a stable food supply and improved food self-sufficiency** and continues agricultural policy reforms both to make the sector competitive and manage issues facing the sector, while putting an increased emphasis on rural communities, smart agriculture and digitalisation, and risk management. The plan was revised in April 2025 in response to the new Basic Act on Food, Agriculture, and Rural Areas.

The MIDORI Strategy for Sustainable Food Systems (hereafter the MIDORI Strategy), formulated in May 2021, defines the path to transform Japan's food systems and increase the agriculture and food systems' sustainability and productivity potential by 2050. This strategy is designed to enhance engagement of stakeholders at each stage of food supply chains, and promote innovation to reduce environmental burdens. It sets 14 Key Performance Indicators (KPIs) to be achieved by 2050 through promoting the development and implementation of innovative technologies and production systems as well as enhancing efforts at each stage of inputs, production, processing and distribution, and consumption. More specifically, the agriculture-related KPIs include:

- Zero CO_2 emission from fossil fuels combustion in the agriculture, forestry and fisheries sectors
- 50% reduction in risk-weighted use of chemical pesticides
- 30% reduction in chemical fertiliser use
- Increase of organic farming area to 1 million ha (equivalent to 25% of farmland)
- At least 30% improvement of labour productivity in food production, including through automation (by 2030)
- Sustainable sourcing for import materials (by 2030).

Domestic farm support programmes

Japan maintains a system of border protection and domestic price support for key agricultural products. Average tariffs on agricultural products were 11.9% in 2024, compared to 2.4% for non-agricultural products. However, agricultural tariffs vary considerably. More than 35% of tariff lines are duty-free, but 1.9% of them are above 100% (ad valorem equivalent), while 13.1% of agricultural tariff lines have non-ad valorem tariffs (WTO, 2025[1]). Tariff rate quotas (TRQs) with high out-of-quota tariffs apply to some commodities, such as starch and dairy products.

Rice imports are managed by a state trading enterprise, fulfilling Japan's minimum-access commitment under the WTO Agreement on Agriculture. A TRQ of 682 200 tonnes (milled) applies. The maximum mark-up (collected by the government when importing and selling on domestic markets) for rice imports is set at JPY 292 (USD 2.1) per kg, and the out-of-quota tariff-rate is JPY 341 (USD 2.4) per kg.

A revenue-based payment is available for farmers meeting certain requirements who produce rice, wheat, barley, soybeans, sugar beets or starch potatoes. The payment covers 90% of the difference between current revenue and a benchmark based on the Olympic average of income (average of the most recent five years excluding the highest and lowest values) with the cost shared between the government (75%) and the farmers' reserve fund (25%).

There is a direct support payment (JPY 202.4 billion (USD 1 352.4 million) for upland crops such as wheat, barley, soybean, sugar beet, starch potato, buckwheat and rapeseed based on both area and output. The area-based part is based on current planting, and the output-based part is paid according to the volume and quality of sales.

A crop diversification payment (JPY 275.8 billion (USD 1 842.9 million)) is provided to farmers who **switch their use of paddy fields** from table rice production to other crops (wheat, soybeans, or rice for feed and processing). This payment is area-based, but output is also considered for rice for feed and flour. Within this crop diversification programme, a payment is also provided to municipal governments where high-yield feed rice and processing is located, or the cultivates buckwheat or rapeseed.

The Livestock Stabilisation Programme, known as Marukin, provides support payments to beef cattle and hog producers when the standard **sales price falls below the standard production cost**. Ninety per cent of the difference between costs and sales prices are paid to producers, to which the government contributes 75% and the rest are provided by the producers' reserve fund. Apart from the Marukin, output-value payments go to producers of raw milk used for dairy processing.

Farmers have the option to choose between two insurance programmes: the agricultural mutual relief programme and the revenue insurance programme. They must select one of these programmes to avoid receiving overlapping benefits.

The Agricultural mutual relief programme is a form of commodity insurance that is voluntary and available for a range of commodities (rice, wheat, barley, livestock, fruit, and other field crops) and horticultural facilities. It covers yield losses, damage to facilities from pests and natural disasters, losses caused by death or culling of livestock and veterinary expenses. Crop quality losses are also insured for some agricultural products including rice, wheat, barley, and fruit. Government support covers around 50% of the insurance premium.

The revenue insurance programme compensates for the loss of farm revenue stemming from both market and natural events, relative to a benchmark based on the previous five years' revenues. The government supports 50% of the insurance premium and funds 75% of the reserve fund.

Financial support is provided to young farmers (under 50 years old) during a training period and initial operation period. Annual subsidies are also available for agricultural management entities to employ and train young farmers.

The Agricultural Land Act authorises Agricultural Committees in municipalities to manage agricultural land use. Purchasing, selling and leasing of agricultural land need to be permitted by the Committee. In 2014, Farmland Banks were established in all prefectures to **promote accumulation and consolidation of agricultural land**. The farmland banks lease farmland dispersed and dislocated within the area and reallocate it to business farmers in a cohesive manner. In cases where the farmland banks lease agricultural land to business farmers, they improve agricultural land conditions and infrastructure (expansion of farmland parcels, investment in drainage equipment, etc.) as necessary. The government provides financial support to regions that lease agricultural land to the farmland banks and co-operate in accumulating and consolidating agricultural land to business farmers. In addition, under the "Act on Promotion of Improvement of Agricultural Management Foundation", municipalities formulate a "Regional Plan" through discussions among farmers and local residents. This plan can be a blueprint for regional agriculture that clarifies the future use of farmland and helps the process of its accumulation and consolidation.

Public investment in rural and agricultural **infrastructure is a core agricultural policy**, including agricultural roads, dams and irrigation and drainage facilities. The average annual expenditure of general services support estimate for infrastructure in 2023-25 was JPY 955.1 billion (USD 6.38 billion). The government also invests in natural disaster preparedness and restoring farm infrastructure, as well as constructing public health and recreational facilities associated with agriculture.

About 40% of total agricultural land and total agricultural output are in hilly and mountainous areas. Area-based direct payments go to farmers in these areas to compensate for the physical disadvantages of these locations for agricultural production to prevent this land from being abandoned. Payment rates vary by land type and slope. In addition to the payment, another programme also provides support for the collective

engagement of local stakeholders, in activities such as maintaining farmland, irrigation channels, and farm roads, thereby helping to sustain the different social functions of agriculture.

Japan has defined an agricultural greenhouse gas (GHG) emissions reduction target of a reduction of approximately 3.5% by 2030, compared to 2013 levels. GHG mitigation efforts in agriculture are conducted mostly via support payments, grants, credits or non-financial services. For instance, area-based **direct payments for environmentally friendly agriculture** are provided to farmers who conduct GHG mitigation activities, such as applying compost and in paddy fields. These activities must be in conjunction with reducing the use of synthetic fertilisers and pesticides that is less than half of that of conventional farming practices in the region. The government provides investment support for farmers using climate-smart technologies such as renewable energy and biomass-based greenhouse heating systems in horticulture.

Trade policies

Japan is currently a party to 21 Economic Partnership Agreements (EPAs) and other trade agreements, including with Singapore, Mexico, Malaysia, Chile, Thailand, Indonesia, Brunei Darussalam, the Association of Southeast Asian Nations (ASEAN), the Philippines, Switzerland, Viet Nam, India, Peru, Australia, Mongolia, the European Union, the United States, the United Kingdom, Bangladesh,[1] as well as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and the Regional Comprehensive Economic Partnership (RCEP). In addition, Japan is engaged in EPA negotiations with Colombia, Türkiye, United Arab Emirates (UAE), and the Gulf Cooperation Council (GCC), as well as in negotiations for the plurilateral free trade agreement with the People's Republic of China (hereafter "China") and Korea.

Recent policy developments

Domestic policy developments in 2025-26

Following the 2024 revision of the Basic Act on Food, Agriculture and Rural Areas, the corresponding Basic Plan for Food, Agriculture and Rural Areas has been amended in 2025. The changed plan is positioned as the government's operational framework for translating the revised Act's principles into a policy package, with an explicit focus on intensively advancing structural transformation of agriculture over the five-year plan period, including securing farmland and farmers and promoting farmland consolidation.

The revised Basic Plan embeds an implementation and performance management approach by combining policy measures with targets and key performance indicators (KPIs), combined with annual policy review and public reporting commitments. Substantively, the plan frames food security as a whole-of-system objective, emphasising co-ordinated action across stages from production to consumption, including measures to strengthen domestic production capacity while also addressing food access in emergencies, and promoting price formation that reflects the costs of sustainable supply. It also links food security objectives with environmental sustainability and resilience, including reducing environmental burdens across the food system and strengthening resilience against increasingly severe and frequent natural disasters.

The "Food System Act" was enacted in June 2025. The act provides an integrated framework to advance both proper taransactions that takes costs required for the sustainable supply into account and the sustainable development of the food industry. The act implements these objectives through two main policy instruments:

- A plan certification scheme that enables a food, etc. business operator to receive support including long-term low-interest loans and tax incentives when implementing certified plans such as establishing stable trading relationships with a person engaged in agriculture, forestry, or fisheries.

- Regulatory measures designed to promote proper transactions that takes costs required for the sustainable supply into account across the supply chain.[2]

The Land Improvement Act and related legislation were amended in March 2025 in **response to ageing agricultural water facilities**, declining local capacity for collective maintenance and rising disaster risks under climate change. Reforms are aimed at strengthening planned maintenance and renewal, improving implementation capacity, and reinforcing recovery functions from disasters within land improvement policy.

Following this legislative change, the Long-term Plan of Land Improvement was revised in September 2025. In this new plan, policy challenges were established, beginning with strengthening the agricultural production base on increase productivity and related outcomes. Under this plan, efforts will be made to systematically implement measures to promote the accelerating land consolidation for large-sized paddy fields to achieve significant cost reduction as well as the development and maintenance of degraded agricultural irrigation facilities, among other measures.

From 2025, corporate entry in agriculture is promoted with a new measure designed to reduce the amount of farmland for which future successors cannot be found in co-ordination with prefectures and municipalities. The measure builds a database of entry-ready agricultural areas, and conducts matching between regions and corporations entering agriculture.

Innovation and digitalisation

The “Agriculture, Forestry and Fisheries Research and Innovation Strategy 2025” was published in June. The strategy prioritises technology development aligned with the revised policy direction of the new Basic Plan, notably strengthening food security and establishing an environmentally harmonised food system. The strategy emphasises productivity and labour-saving through smart agriculture and accelerates variety development through smart breeding support systems that integrate industry, academia and government efforts.

Japan compiled an overseas deployment initiative of GHG emission reduction technologies in the agriculture, forestry and fisheries sector in May 2025, nicknamed “MIDORI INFINITY” (Initiative for Net-zero compatible with Food security through INternational expansion of Japan’s Innovative TechnologY). This initiative is a vehicle for scaling Japan’s decarbonisation technologies internationally while explicitly linking climate action with food security. The initiative helps mobilise climate investment into agri-food systems and expands market opportunities for firms providing climate-related solutions, including through pathways such as the Joint Crediting Mechanism (JCM). For its implementation, Japan established the MIDORI Decarbonization Consortium in June 2025 to promote business matching among private sectors, financial institutions and other related sectors to produce a decarbonisation project in the agricultural sector.

Risk management

In response to increasing risks of significant food supply disruptions arising from factors such as the expansion of food demand due to global population growth and risks related to climate and plant and animal diseases, which together heighten the risk of a substantial shortfall in Japan’s food supply, the Act on Countermeasures for Difficult Food Supply Situations was enacted in 2024. The Act aims to prevent such situations from occurring or to facilitate their early resolution by enabling a whole-of-government response from the stage at which signs of food supply shortages first emerge. The basic policy provides the operational framework for classifying events within different severity stages (from “normal times” to a “difficult situation”) and for activating measures to secure supply in a manner proportionate to risk. To support timely and consistent escalation decisions, the basic policy provides quantitative and qualitative benchmarks to set severity stages, and identifies corresponding countermeasures to be implemented at

each stage, from early monitoring and voluntary coordination across the supply chain to progressively stronger actions to secure supply as risks intensify.

Trade policy developments in 2025-26

The strategy to realise export expansion of agricultural, forestry, and fishery products and food was revised in May 2025. The revision positions export expansion as a structural reorientation from reliance on the domestic market toward developing and diversifying export markets, while aligning the strategy with the 2025 Basic Plan for Food, Agriculture and Rural Areas. The updated strategy integrates three policy pillars:

- Export expansion of agricultural, forestry, and fishery products and food
- Overseas expansion of the food industry
- Expansion of food-related consumption by inbound tourists

The strategy set several goals for 2030, including JPY 5 trillion (USD 33.4 billion) in agricultural, forestry, and fishery products and food exports, JPY 3 trillion (USD 20 billion) in revenues from overseas expansions of the food industry, and JPY 4.5 trillion (USD 30 billion) in food-related consumption by inbound tourists.

Enhanced Livelihoods in Private Sector Development (ELPS) is a partnership between MAFF (Ministry of Agriculture, Forestry and Fisheries) and IFAD (International Fund for Agricultural Development) that mobilises Japanese private-sector expertise to strengthen export-oriented agri-food value chains in developing countries. In August 2025, Japan launched the second ELPS project: the “Macadamia Nut Value Chain Strengthening Project” in Rwanda. The project targets multiple regions in Rwanda and aims to strengthen export-oriented value chains by supporting smallholders’ capacity building and promoting the uptake of organic certification. The project seeks to improve quality, productivity and value addition, while also contributing to more stable and sustainable sourcing for private-sector buyers.

Policy context

Key economic and agricultural statistics

Japan is the world’s third largest economy after the United States and China with relatively small land area and high population density (Table 17.2). Agriculture constituted 1% of GDP and 3% of employment in 2023, but the agriculture and agro-food sector as a whole accounted for 10% of GDP if all food-related industries are considered (MAFF, 2025[2]). Livestock accounted for more than one-third of the total agricultural output value in 2024, followed by rice (24%), vegetables (24%), and fruits (10%) (MAFF, 2025[3]).

Two-thirds of the country area is covered by mountains, leaving only 12% of the total land area for agriculture, more than half of which are rice paddy fields. Total agricultural land has decreased from 4.8 million ha in 2000 to 4.6 million ha in 2024 (FAO, 2024[4]) due to the abandonment and conversion of farmland to non-farm uses (e.g. residential, industrial, or commercial uses). The agricultural workforce declined by more than half since 1980 to 1.8 million in 2024, and the pace of this decline has accelerated in the last decade (SBJ, 2024[5]). The average farm size increased from 1.4 ha to 3.6 ha between 1990 and 2024 (MAFF, 2024[6]), but still remains small compared to other OECD countries. The average age of farmers was 67.7 years in 2025 and 70% of farmers in Japan are over 65 years old (MAFF, 2025[7]).

Table 17.2. Japan: Contextual indicators

	Japan		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	3 461	6 454	8.5%	3.8%
Population (million)	127	124	2.9%	2.3%
Land area (thousand km²)	365	365	0.4%	0.4%
Agricultural area (AA) (thousand ha)	4 830	4 298	0.2%	0.1%
			All countries[1]	
Population density (inhabitants/km²)	340	328	52	64
GDP per capita (USD in PPPs)	27 291	52 130	9 508	31 740
Trade as % of GDP	8.6	18.0	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	1.5	0.9	3.0	3.6
Agriculture share in employment (%)	5.0	2.7	-	-
Agro-food exports (% of total exports)	0.3	0.9	6.4	8.3
Agro-food imports (% of total imports)	9.7	8.5	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	74.8	66.0	62.1	60.4
Livestock in total agricultural production (%)	25.2	34.0	37.9	39.6
Share of arable land in AA (%)	79.3	80.4	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

The country has experienced slow economic growth and deflation for most of the past two decades, but has one of the lowest unemployment rates among OECD countries (Figure 17.4). Japan's average consumer price index climbed 3.2 % in 2025, marking its fastest increase in two years, mainly driven up by rising food prices.

Figure 17.4. Japan: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

Japan is one of the world's largest importers of agro-food products, with the United States as the biggest source. The food self-sufficiency rate was 38% in FY2024 on a calorie basis, meaning that more than 60% of Japan's calorie supply depended on imports. Agricultural products and food exports are much smaller than imports, but the export value in 2024 was JPY 982 billion (USD 6.6 billion) which is about five times higher than that of 2000 (MAFF, 2024[8]). Most of Japan's agricultural products and food exports are directed at final consumers (Figure 17.5). Processed food products such as alcohol and beverages, sauces and seasonings, and snacks account for the majority of Japan's agro-food exports. Among unprocessed products, beef, green tea, milk and dairy products and apples are the most exported.

Figure 17.5. Japan: Agro-food trade

Figure 17.5A. Japan: Agro-food trade 2000 to 2024

Billion USD

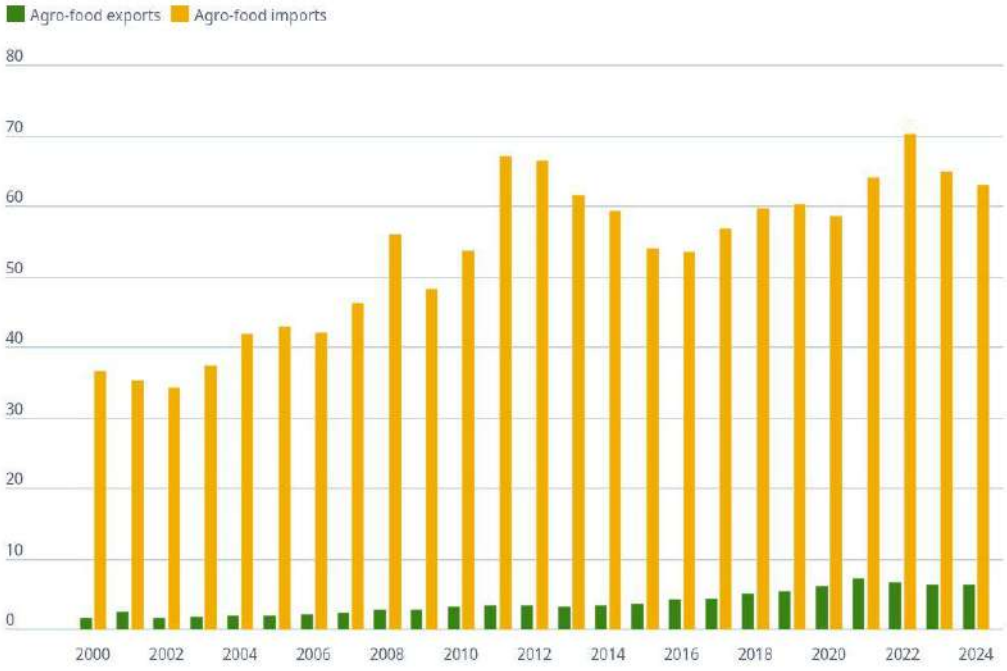


Figure 17.5B. Japan: Composition of Agro-food trade, 2024

Percentage



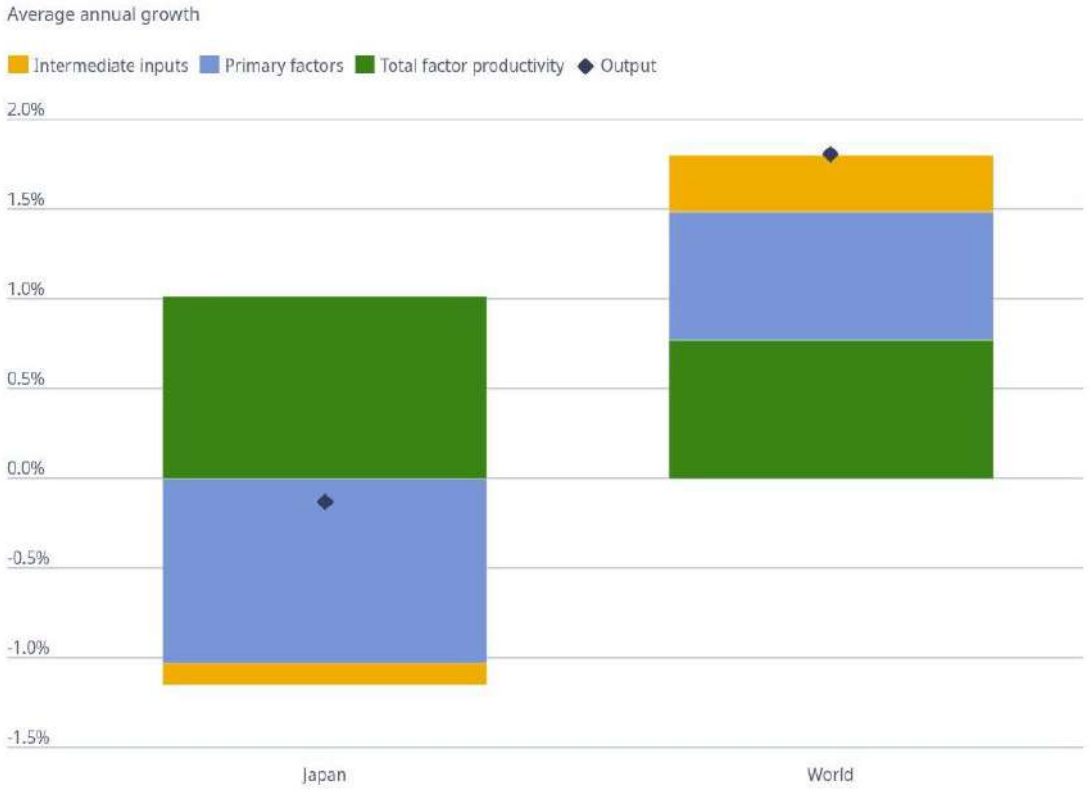
Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Japan's agricultural Total Factor Productivity (TFP) growth averaged about 1.0% a year between 2014 and 2023, which is slightly above the global average and the growth estimated for 1991-2000 (Figure 17.6; Table 17.3). Recent TFP growth in Japan's primary agriculture has allowed some modest output growth, offsetting reductions in the use of primary production factors, in particular labour, and intermediate inputs.

Japan's nitrogen and phosphorus balances remain among the highest in OECD countries (Table 17.3). The high nitrogen balance is due to a combination of high fertiliser use and livestock production on limited pastureland. The high phosphorus balance, in contrast, is partly a result of soil characteristics (OECD, 2019[9]; Shindo, 2012[10]). Agriculture's share of total energy use is below the OECD average, as is its share in GHG emissions – partly a consequence of the sector's below-average contribution to the national GDP. The volume of agricultural water use has remained stable for the past few decades. In 2022, the Japanese agricultural sector used 68.6% of water of which over 90% was directed for paddy field irrigation (MLIT, 2025). While average water stress in Japan has fallen somewhat, it remains much higher than the OECD average.

In response to these environmental challenges, the Japan International Research Center for Agricultural Sciences (JIRCAS) has focused on the phenomenon of "Biological Nitrification Inhibition" (BNI), in which crops release substances from their roots to suppress nitrification. This approach proposes the use of BNI to simultaneously contribute to environmental burden reduction and increased food production. In collaboration with the International Maize and Wheat Improvement Center (CIMMYT) and other institutions, JIRCAS successfully introduced the high BNI capability of a species of perennial wild wheat (*Leymus racemosus*) into cultivated wheat. This resulted in the development of BNI-enabled wheat with approximately a 30% nitrification inhibition rate, enabling high productivity with reduced nitrogen fertiliser inputs. Recently, JIRCAS and CIMMYT aimed to work together to make BNI-enabled wheat available for famers globally to achieve sustainable productivity growth, contributing to the realisation of carbon neutrality by 2050.

Figure 17.6. Japan: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Table 17.3. Japan: Productivity and environmental indicators

	Japan		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	0.8%	1.0%	1.6%	0.7%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	170.9	157.5	32.3	29.0
Phosphorus balance, kg/ha	72.0	44.8	3.3	2.3
Agriculture share of total energy use (%)	1.2	1.0	1.7	2.0
Agriculture share of GHG emissions (%)	2.7	3.0	8.7	10.3
Share of irrigated land in AA (%)[1]	54.7	54.3	-	-
Share of agriculture in water abstractions (%)	65.8	67.9	46.1	47.7
Water stress indicator	20.7	18.7	..	..

Note: * or closest available year. Data for nutrients balance refer to the year 2016.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Agricultural land reform was implemented immediately after World War II, transferring farmland ownership from landlords to previously tenanted farmers in order to improve their economic and social position. The Agricultural Land Act restricted sales of farmland for the purpose of non-cultivation or asset holding, as

well as strongly protected farmers' rights. Acquisition of land rights for agricultural use was restricted to agricultural production companies, other than farmer-organised companies, until 2009, when the Agricultural Land Act was revised to allow non-agricultural production companies to lease farmland. Japan also invested in agricultural research, extension services, and land infrastructure to recover from the devastation of the war. At the same time, the government kept controls on rice procurement – from production to distribution to consumers – under the Food Management Law in order to secure food supply.

To address the rising disparity in living standards and productivity between agriculture and other sectors, Japan implemented the Agricultural Basic Act in 1961 to increase farmers' incomes by promoting the modernisation of agriculture. From the mid-1950s to the mid-1990s, agricultural policies focused on price and marketing control, including tariffs for key products, particularly rice, to ensure affordable food prices for consumers while increasing farm income in rural areas.

In 1993, at the conclusion of the Uruguay Round trade negotiations, Japan agreed to a preferential quota on rice imports. The Food Management Law was repealed in 1995, introducing market mechanisms for rice distribution. Following the replacement of the GATT with the WTO in 1995, Japan converted non-tariff border measures to tariff rate quotas (TRQs) for major commodities, including rice.

Rapid globalisation of the economy, together with the continued decline in farming population and farmland area adversely impacted Japanese farming communities. In response, the Agricultural Basic Act was replaced by the Food, Agriculture and Rural Areas Basic Act in 1999 to establish four basic principles: 1) a stable food supply; 2) the desired multifunctional roles of agriculture; 3) sustainable development of agriculture; and 4) development of rural areas. Under the act, ten-year agricultural policy plans, named the Basic Plan for Food, Agriculture and Rural Areas, have been formulated since 2000.

Recent agricultural policy reforms have been aimed at helping the sector become more competitive, resilient and sustainable. The government-administered allocation of rice production target system was abolished in 2018, and other pro-competitiveness reforms have encouraged farmland accumulation and consolidation, and re-organising agricultural co-operatives. In 2019, the revenue insurance programme was introduced to diversify farmers' risk-management tools. The MIDORI Strategy was introduced in 2021; this is a sector-wide initiative to improve environmental, social, and economic outcomes throughout food systems by 2050.

Promoting agricultural and food exports has also become a key policy goal, as demand for Japanese food products increases globally. Japan improved market access through large-scale trade agreements in recent years, including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in 2018, the Japan-EU Economic Partnership Agreement (Japan-EU EPA) in 2019, the Japan-US Trade Agreement in 2020, and the Regional Comprehensive Economic Partnership (RCEP) in 2022.

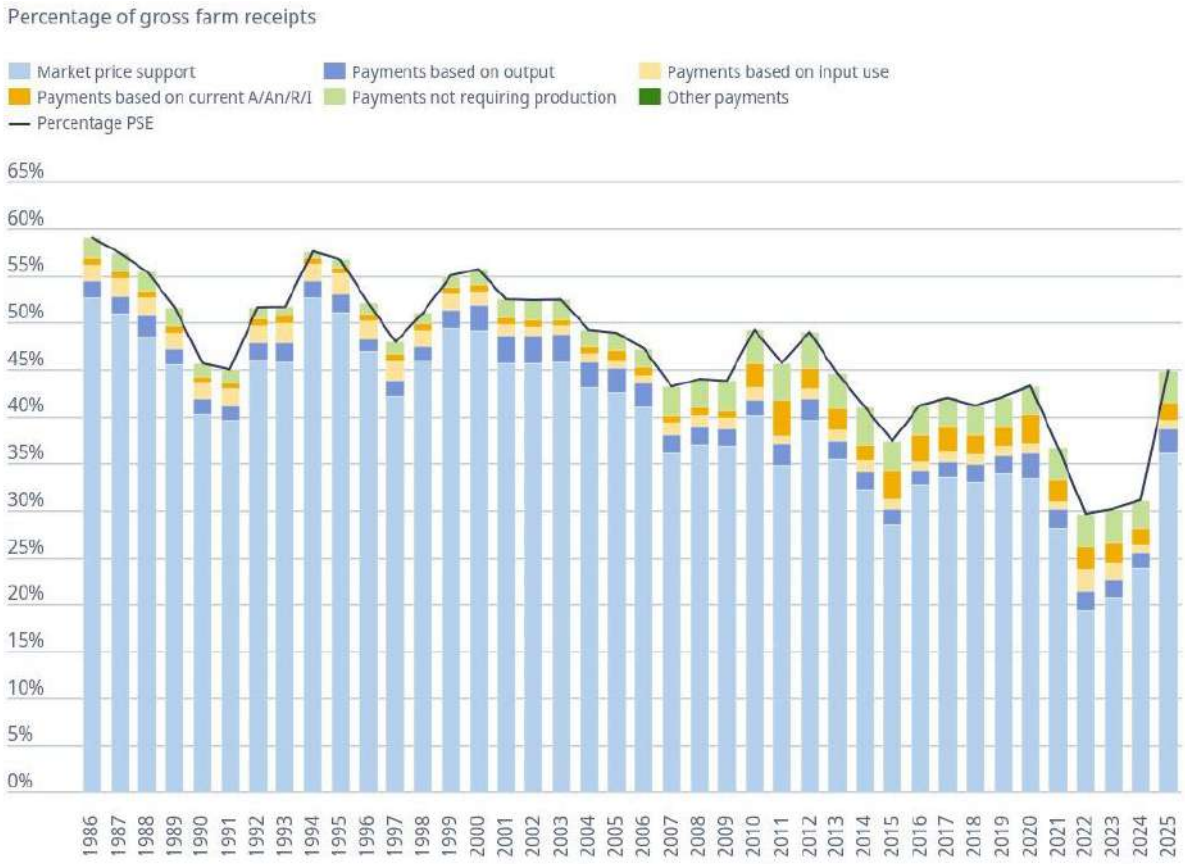
In 2024, the Basic Act on Food, Agriculture, and Rural Areas was revised to address new challenges for the agricultural sector. The revision strengthens food security as a core principle, expanding the focus of the act beyond food supply to ensuring stable access to high-quality food at reasonable prices, promoting sustainable agriculture and maintaining rural communities.

Table 17.4. Japan: Agricultural policy trends

Period	Framework	Changes in agricultural policies
Prior to1960	Eradication of rural poverty and securing food supply	Agricultural land reform implemented to help farmers own farmland (by transferring it from landlords to previously tenanted farmers in order to improve their economic and social position) Arrangements to increase food production (Agricultural Co-operatives Act of 1947, Agricultural Disaster Compensation Act of 1947, Agricultural Land Act of 1957) Policy priority given to increasing rice production to solve serious food shortage (Food Management Law of 1942, Five Year Food Production Increase Plan of 1952)
1960-1980	Reduction of income disparities between agriculture and other industries	Agricultural Basic Act (1961) to increase farmers' income by increasing farm size, improving farmland, adopting agricultural machinery and technology and shifting from rice and wheat-based production to livestock, vegetables and fruits. Rice policy goal changed from increasing rice production to managing quantity as full self-sufficiency achieved in 1967 Rice production adjustment control introduced in 1971
1980-2010	Adjusting towards internationalisation, bringing market principles to the agricultural sector, and integrating concepts of 'rural area' and 'food' into agricultural policies	Agricultural Management Framework Reinforcement Act (1993) systematises support for qualified farmers Act on Stabilization of Supply, Demand and Prices of Staple Food (1994) changes the role of government in rice state trading; government only purchases for stockpiling purposes Quantitative quotas of rice replaced by tariff rate quota (1999) Act on Food, Agriculture and Rural Areas (1999) aims to establish stable agricultural structure in the new economic and social conditions; food self-sufficiency goal and direct payments for farmers in mountainous areas introduced
2010-Present	New agricultural reforms to enhance competitiveness and resilience	Farmland reforms (2009 revision of Agricultural Land Act to allow non-agricultural companies to lease farmland, 2013 Act on Promotion of Agricultural Land Intermediary Management to facilitate agricultural land consolidation) Amendment of Agricultural Co-operatives Act (2015) Abolition of rice production quota system (2018) Introduction of the revenue insurance programme (2019) Large-scale trade agreements (CPTPP, Japan-EU EPA, Japan-US Trade Agreement, RCEP) and export promotion of agricultural and food products Formation of the MIDORI Strategy with sustainability and food related goals (2021) Revision of the Act on Food, Agriculture, and Rural Areas (2024), emphasising the stable availability of high-quality and sustainably produced food at reasonable prices, equitable food access for all individuals, and resilient rural communities

Support to farmers declined from close to 57% of gross farm receipts in the mid-1980s to 45% in 2025. The share of market price support also declined, while Japan provides a range of budgetary forms of producer support, higher domestic prices continue to provide the majority of transfers to producers, accounting for 76% of PSE in 2023-25 (Figure 17.7).

Figure 17.7. Japan: Development of the PSE and its composition, 1986 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

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Notes

[1] Japan-Bangladesh EPA has been reached to an agreement but not been entry into force.

[2] Under the Food System Act, where efforts are found insufficient in consideration of the matters to be standards of judgment, MAFF may issue advice, guidance, and recommendations, and, if the recommendations are not followed, may make public that fact.

18 Kazakhstan

Main findings

Support to agriculture

Total agricultural support (Total Support Estimate, TSE) declined slightly from 1.7% of Gross Domestic Product (GDP) in the early 2000s to 1.6% in 2023-25. Support to farmers as a percentage of Gross Farm Receipts (GFR) in Kazakhstan averaged 18.6% in 2023-25, up from 8.8% in 2000-2002.

The share of potentially most distorting support decreased from 96% in 2000-02 to 75% in 2023-25. Market Price Support (MPS, both transfers to farmers and from farmers to consumers) and payments based on variable input use without constraints dominate this support. Transfers to farmers were estimated to be worth 12% of GFR on average for estimated commodities, while transfers from farmers to consumers worth 3% of GFR; both forms of MPS likely have wider market effects on other commodities due to substitution and trade. Transfers borne by farmers are driven by measures that lower prices, including setting maximum prices for specific commodities, and export restrictions. Measures including export and processing support generate transfers to farmers MPS. Transfers borne by farmers through lower prices occurred for producers of sunflower, rice, pig meat, eggs, beef and veal, and maize; commodities with the largest positive transfers to farmers were for wheat, barley, milk and cotton.

Support based on variable input use and fixed capital formation accounted for most budgetary transfers to producers. In total, budgetary producer support amounted to about 10% of GFR in 2023-25.

Support to general services (General Service Support Estimate, GSSE) accounted for 3.5% of the value of agricultural production in 2023-25, up from 2% in 2000-02. Spending on inspection and control and agricultural knowledge and innovation accounted for 38% and 36% of GSSE respectively.

Key policy changes in 2025-26

In 2026, the new Tax Code of the Republic of Kazakhstan was introduced. It raised the rate of the standard VAT rate to 16%, and also reduced the tax for consumers and farmers through exempting socially significant foods from VAT, and increasing the VAT offset to farmers and co-operatives. The tax code also introduced measures which may have distributional implications including reducing the personal income tax rate for farmers exceeding income thresholds, excluding property donation to farms from taxable income, and increasing the land use fees for inefficient production.

The 2025 amendments to the Land Code reduced the period of non-use after which agricultural land may be forcibly seized, basing monitoring on satellite remote sensing. Lease contracts for agricultural land are now subject to mandatory review every 10 years, and lease of state-owned land is provided exclusively through electronic auctions

In 2026, Kazakhstan eased retail price controls for socially significant foods, abolishing maximum prices and reorienting efforts to monitoring compliance with the 15% trade margin limit. The list of socially significant food products was temporarily expanded from 19 to 31, and a “digital food voucher” was introduced for recipients of state social assistance.

Russia's temporary restrictions on imports of agricultural products, including wheat, from Kazakhstan, implemented in October 2024 on phytosanitary grounds were lifted in April 2025. New Russian restrictions on Kazakhstan grain supplies were introduced in April 2025 and were lifted in October 2025 following negotiations. Additionally, Kazakhstan introduced a temporary state support mechanism for export logistics in 2025 to provide transportation subsidies for grain exports.

Assessment and recommendations

- Strengthen transparency and equity in land tenure by enhancing recently adopted digital lease competitions, while introducing clear selection criteria, independent oversight and safeguards against land concentration. Ensure that monitoring land use using remote sensing and land seizure are complemented by field verification and appeal mechanisms to prevent abuse and unjust land seizure.
- Rebalance agricultural tax policy to improve equity and efficiency by phasing out elements that disproportionately benefit large farms, such as exclusion of property donations to farms from taxable income and the large increase in land use fees for inefficient agricultural land. Closing tax benefits to wealthier producers offers opportunities to raise funds that may be used to support the development and productivity of small farms.
- Extend digitalisation efforts to systematically publish data on subsidy distribution for support programmes to improve transparency and reduce corruption risks as done with GosAgro for subsidised diesel fuel distribution. This can help ensure that support paid to financial institutions and input manufacturers reaches producers.
- Reform production-based subsidies by removing conditions based on production levels and replacing them with more predictable, practice-based support focused on soil health and input efficiency. Farmers cannot reliably maintain or increase production under variable weather and market conditions, so reorienting support toward soil quality, nutrient management, and sustainable practices would both reduce uncertainty and address underlying productivity constraints.
- Build on the momentum of the 2025 comprehensive agricultural census by establishing a regular agricultural census and other data collection processes to support continuous policy monitoring, targeting, and evaluation, ensuring that the newly developed statistical capacity translates into sustained evidence-based policymaking.

Key indicators on agricultural support

Figure 18.1. Kazakhstan: Development of support to agriculture

Figure 18.1A. Kazakhstan: Producer Support Estimate and its composition

Percentage of gross farm receipts

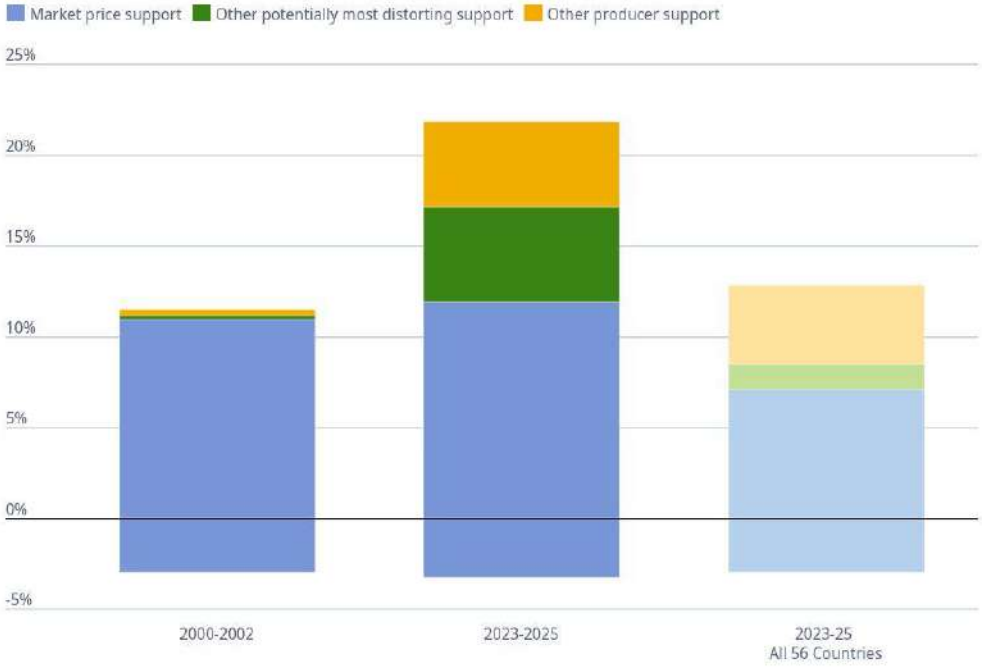


Figure 18.1B. Kazakhstan: Ratio of producer to border price

Producer NPC

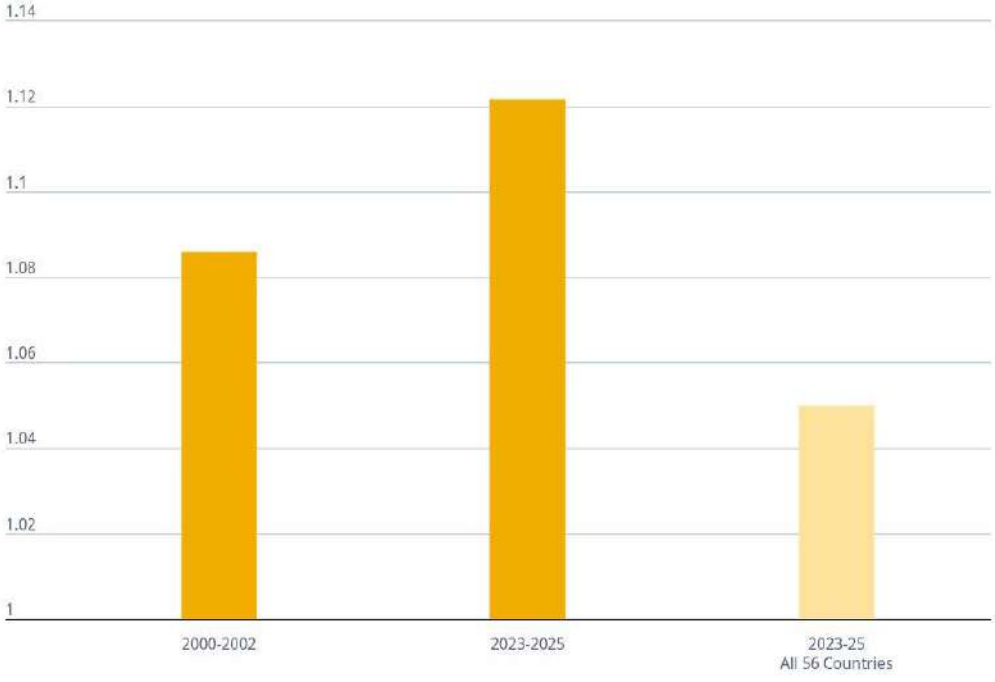


Figure 18.1C. Kazakhstan: General Services Support Estimate and its composition

Relative to agricultural value of production

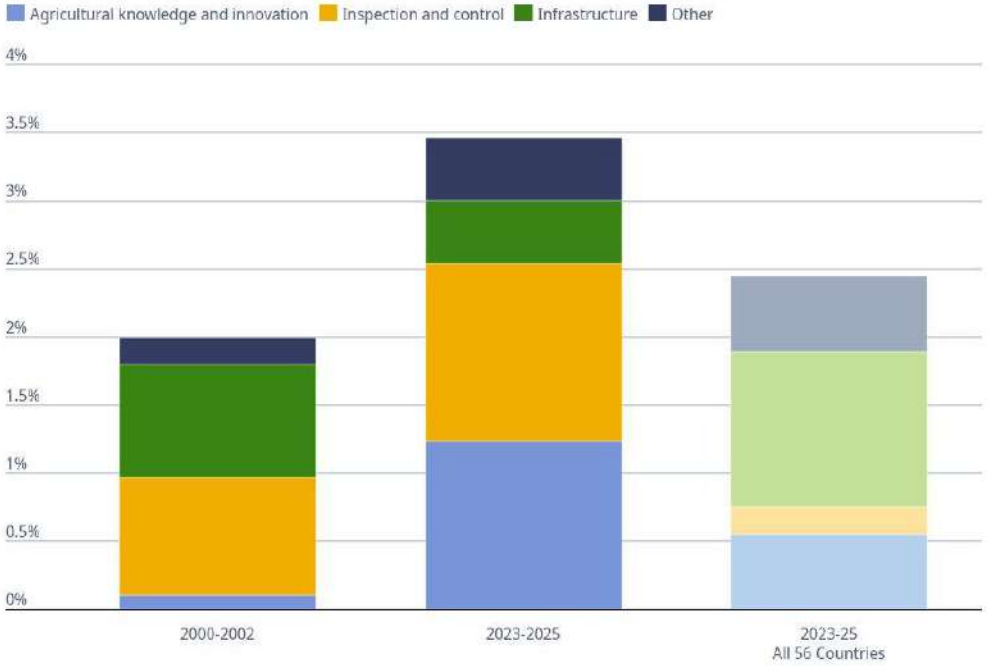
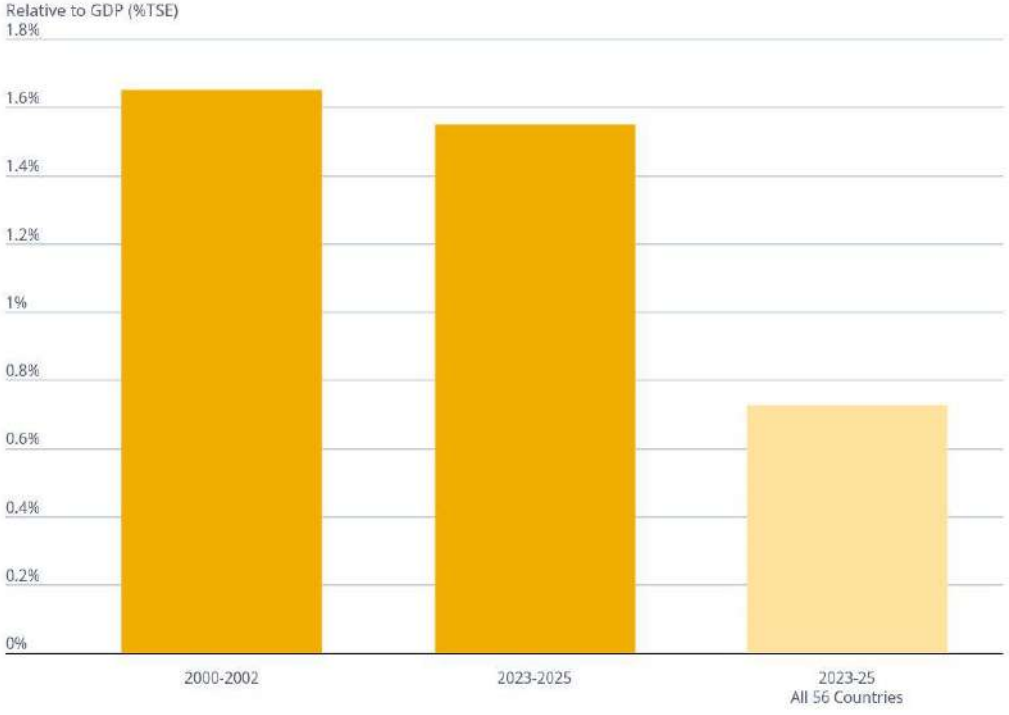


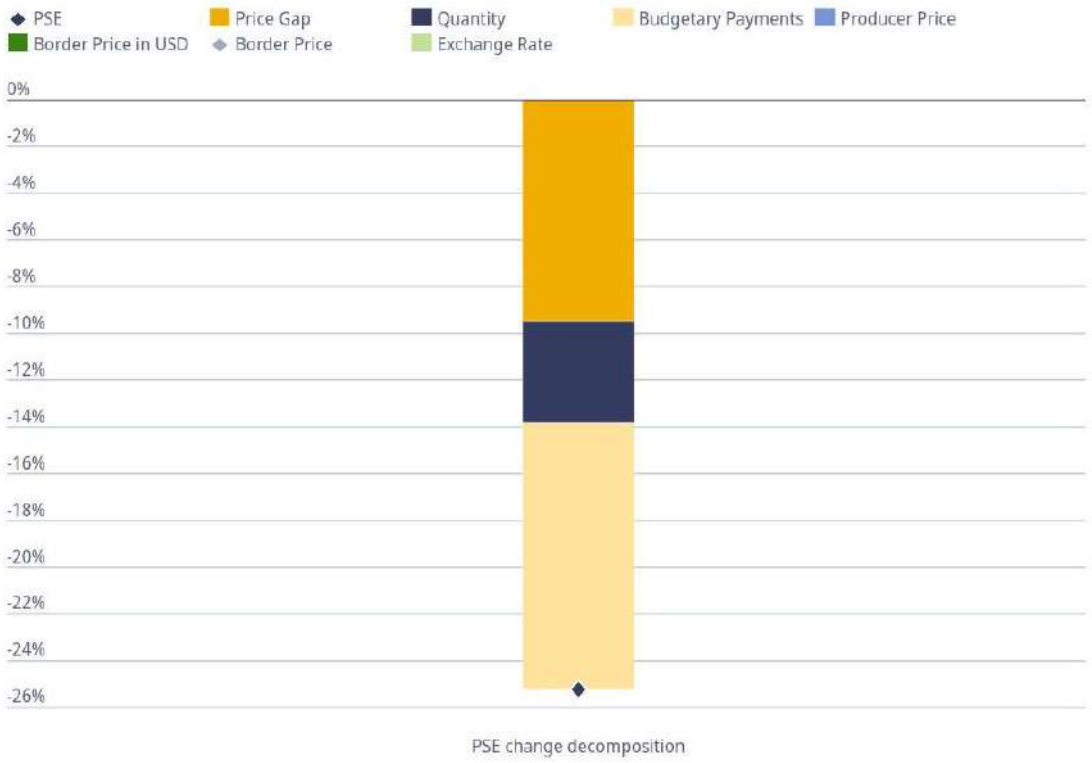
Figure 18.1D. Kazakhstan: Total Support Estimate

Relative to GDP (%TSE)



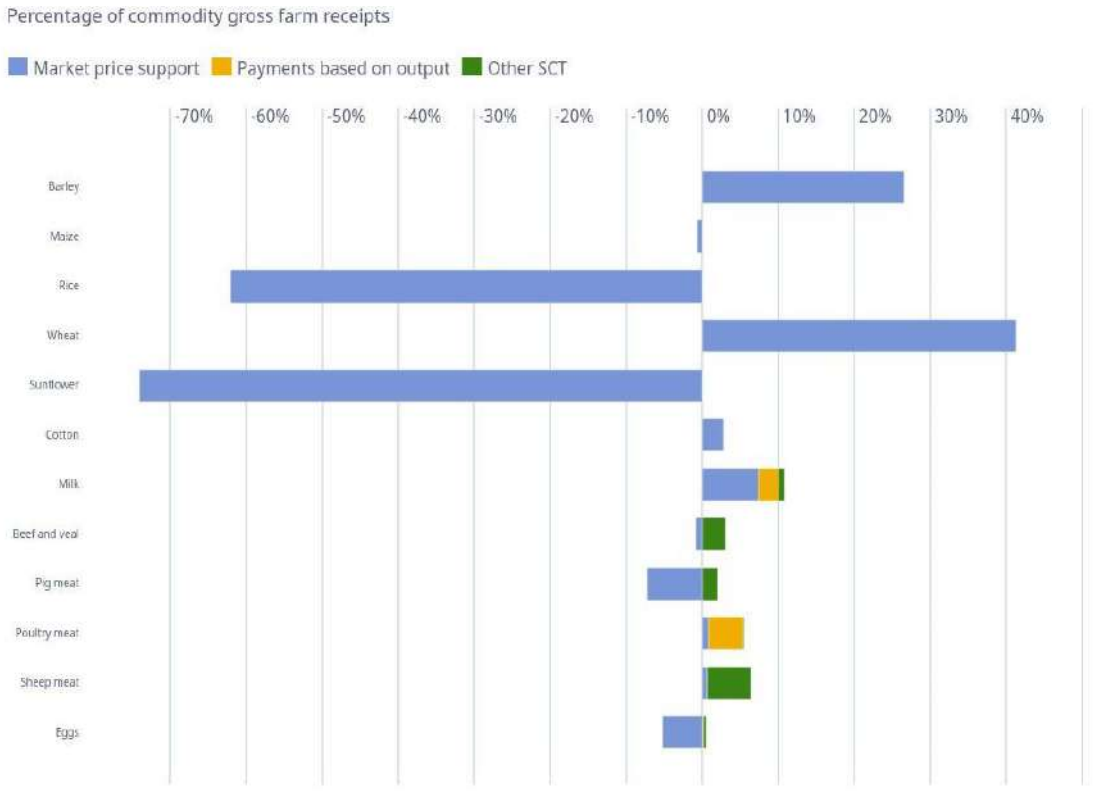
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 18.2. Kazakhstan: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency. The producer price change and the border price change are not calculated when both negative and positive market price support (MPS) occur at the commodity level for the previous year. Note that negative MPS estimates for livestock products may arise in cases of aligned product prices if there is positive MPS for feed commodities.
Source: OECD (2026), "Producer and Consumer Support Estimates", OECD Agricultural policy monitoring (database), https://data-explorer.oecd.org/.

Figure 18.3. Kazakhstan: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Table 18.1. Kazakhstan: Estimates of support to agriculture

Million USD

	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**3 367**	**17 624**	**16 581**	**17 686**	**18 605**
of which: share of MPS commodities (%)	76.60	60.01	60.92	59.51	59.60
Total value of consumption (at farm gate)	**2 933**	**15 782**	**16 093**	**16 921**	**14 331**
Producer Support Estimate (PSE)	**290**	**3 663**	**3 019**	**4 764**	**3 205**
Support based on commodity output	270	1 782	1 312	2 439	1 594
Market price support[1]	270	1 704	1 205	2 369	1 539
Positive market price support	370	2 330	1 595	3 001	2 395
Negative market price support	-100	-626	-390	-632	-856
Payments based on output	0	78	107	70	56
Payments based on input use	20	1 754	1 594	2 161	1 508
Based on variable input use	8	938	407	1 318	1 088
with input constraints	0	0	0	0	0
Based on fixed capital formation	10	811	1 182	835	416
with input constraints	0	0	0	0	0
Based on on-farm services	2	6	5	8	4
with input constraints	0	0	0	0	0
Payments based on current A/An/R/I, production required	0	64	70	79	44
Based on Receipts / Income	0	0	0	0	0
Based on Area planted / Animal numbers	0	64	70	79	44
with input constraints	0	0	0	0	0
Payments based on non-current A/An/R/I, production required	0	0	0	0	0
Payments based on non-current A/An/R/I, production not required	0	0	0	0	0
With variable payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
With fixed payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
Payments based on non-commodity criteria	0	0	0	0	0
Based on long-term resource retirement	0	0	0	0	0
Based on a specific non-commodity output	0	0	0	0	0
Based on other non-commodity criteria	0	0	0	0	0
Miscellaneous payments	0	62	44	86	58
Percentage PSE (%)	**8.61**	**18.62**	**16.41**	**23.73**	**15.81**
Producer NPC (coeff.)	**1.09**	**1.12**	**1.09**	**1.18**	**1.10**
Producer NAC (coeff.)	**1.09**	**1.23**	**1.20**	**1.31**	**1.19**
General Services Support Estimate (GSSE)	**67**	**613**	**581**	**685**	**572**
Agricultural knowledge and innovation system	3	222	284	244	139
Inspection and control	29	232	224	299	174
Development and maintenance of infrastructure	28	78	34	31	168
Marketing and promotion	0	4	5	3	3
Cost of public stockholding	5	77	34	108	88
Miscellaneous	1	0	0	0	0
Percentage GSSE (% of TSE)	**18.74**	**14.13**	**15.47**	**12.52**	**15.06**
Consumer Support Estimate (CSE)	**-314**	**-980**	**-689**	**-1 958**	**-292**
Transfers to producers from consumers	-290	-974	-660	-1 857	-406
Other transfers from consumers	-21	-186	-256	-294	-7
Transfers to consumers from taxpayers	0	66	156	22	20
Excess feed cost	-4	114	71	172	100
Percentage CSE (%)	**-10.73**	**-6.11**	**-4.32**	**-11.58**	**-2.04**
Consumer NPC (coeff.)	**1.12**	**1.08**	**1.06**	**1.15**	**1.03**
Consumer NAC (coeff.)	**1.12**	**1.07**	**1.05**	**1.13**	**1.02**
Total Support Estimate (TSE)	**357**	**4 342**	**3 757**	**5 472**	**3 797**
Transfers from consumers	310	1 160	916	2 152	412
Transfers from taxpayers	68	3 367	3 097	3 614	3 391
Budget revenues	-21	-186	-256	-294	-7
Percentage TSE (% of GDP)	**1.65**	**1.55**	**1.44**	**1.88**	**1.35**
Total Budgetary Support Estimate (TBSE)	**87**	**2 637**	**2 551**	**3 103**	**2 258**
Percentage TBSE (% of GDP)	**0.40**	**0.94**	**0.97**	**1.06**	**0.80**
GDP deflator (2000-02 = 100)	**100**	**1 288**	**1 199**	**1 307**	**1 359**
Exchange rate (national currency per USD)	**147.38**	**482.24**	**456.24**	**469.11**	**521.37**

.. Not available

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.

1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for Kazakhstan are: wheat, rice, maize, barley, sunflower, potatoes, cotton, milk, beef and veal, pig meat, sheep meat, poultry and eggs.

Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

National strategies and plans

The Concept for the Development of the Agro-Industrial Complex of Kazakhstan (2021-2030) (the Concept) sets key policy objectives including **increasing yields, livestock farming, water use efficiency, added value in agriculture, export activities and scientific progress in farming**. Policy efforts increasingly target agricultural production and processing through financing support, seed sector development, and improved digitalisation.

The Comprehensive Plan for the Development of Agricultural Processing (2024-2028) adopted in June 2024, targets **increased food production and export of processed agricultural products, and reduced import dependence**. Key measures under the plan include subsidies for processed agricultural products and restrictions on raw material exports to ensure raw material availability; concessional loans and interest subsidies for capital and working capital financing to enhance production profitability; protective measures, including import restrictions on finished goods, to improve competitiveness of domestically processed products in the domestic market; and opening new markets for processed agricultural products to expand the export potential.

Under the Paris Agreement, Kazakhstan adopted its Nationally Determined Contribution (NDC) to reduce greenhouse gas (GHG) emissions. In 2023, the NDC was revised to include climate change adaptation goals for agriculture, water, forestry and disaster risk management. Adaptation measures for the agricultural sector include crop diversification, a gradual shift from water-intensive crops, the adoption of water-saving irrigation technologies, modernisation of irrigation infrastructure, and adjustments based on projected changes in river runoff. Additional strategies involve transitioning to organic farming, improved soil management to enhance carbon retention, adjusting livestock feed to reduce methane emissions, preventing overgrazing, and ensuring sustainable pasture management.

Support measures

Since 2022, a total of 14.3 million hectares of unused or unlawfully allocated agricultural land was returned to state ownership. The focus of land reclamation policy is shifting from recovery of land toward more accessible redistribution of returned land through electronic competitions, reintegration into agricultural use, combating soil degradation, and reducing pasture deficits around rural settlements. The Land Code introduced in 2003 sets conditions in which agricultural land may be forcibly seized (see the Recent policy developments section below regarding amendments). As an incentive to bring idle land into use, the Tax Code requires land users to pay up to 100 times higher land use fees for inefficient agricultural land use.

Support related to the use of different production inputs is a main part of Kazakhstan's agricultural policy. Producers indirectly receive input support measures for mineral fertilisers, pesticides, agricultural machinery, and equipment. **Manufacturers and financial institutions are subsidised** rather than producers individually which is intended to simplify access. Subsidised diesel fuel quotas for farmers are allocated based on area sown and crop type; the diesel fuel quota allows producers to purchase diesel at a price 15% lower than retail fuel station prices. Overall, support for variable inputs make up for the largest part of the PSE representing less than half of the budgetary producer support in 2023-25.

Loan financing is supported through subsidised interest rate programmes and loan guarantees. The Agrarian Credit Corporation's loan portfolio exceeded KZT 2 trillion (USD 3.8 billion) in 2025, servicing 70 500 producers, for fieldwork and harvesting including the purchase of seeds, fertilisers, pesticides, and fuel. The loan guarantee programme for fieldwork and harvesting provides guarantees covering 85% of the principal debt amount and additionally covers 9.99% of the 10% guarantee commission costs (the borrower pays a commission cost of only 0.01%). For investment loans and working capital, the guarantee covers up to 50% of the principal debt, and up to 85% for priority investment projects prior to

commissioning, with a maximum loan amount of KZT 5 billion (USD 9.6 million). The guarantee mechanism is available to all agricultural producers on equal terms, regardless of their organisational-legal form or scale of operations.

Producers also receive direct support for priority crops (maize, buckwheat, sunflower, flax, rapeseed, soybeans, safflower, and sugar beet) and livestock production and processing. Priority crops are paid per tonne or hectare and differ by region. Livestock subsidies include payments for the rearing and sale of pedigree cattle and small ruminants, delivery of pigs for slaughter, wool sold for processing and marketed honey.

Price stabilisation policies target both producers and consumers. Regional stabilisation funds are used to procure products directly from domestic producers, including through forward contracts and offtake agreements with the Ministry of Agriculture setting recommended volumes. The procured products are used to form reserves and sell at social retail outlets and retail chains. Together with the border measures (see Trade Policies section), these price stabilisation policies generate the MPS pattern observed for Kazakhstan: positive support for wheat, barley, milk, beef and sheep meat, and negative support for most other PSE commodities.

Throughout 2025, Kazakhstan set threshold and maximum permissible retail prices on socially significant food products. The price setting measures were amended in 2026 (see the Recent policy developments section below).

State policies encouraging the adoption of water-saving technologies include 80% (50% from the national budget and 30% from local budgets) investment cost reimbursement and differentiated subsidy rates for water supply services. Farmers using water-saving technologies receive a reimbursement of 60-85% for water supply services depending on tariff costs, while the rate for those not using such methods is being gradually reduced to 30-55% by 2026. Irrigation projects are also eligible for concessional loans with 2.5% interest rates for up to 10 years.

Trade Policies

Kazakhstan is a member of the Treaty on the Eurasian Economic Union (EAEU) established in 2015, together with Armenia, Belarus, Kyrgyzstan and the Russian Federation (hereafter “Russia”). Kazakhstan’s border measures are implemented within the Customs Union of the EAEU; certain national responsibilities are transferred to the EAEU, including sanitary and phytosanitary measures and technical regulations. Within this framework, Kazakhstan applies its national tariff rate quotas and non-tariff measures, targeting commodities such as lower-grade beef, poultry meat, and by-products.

Recent policy developments

Domestic policy developments in 2025-26

The **new Tax Code of the Republic of Kazakhstan** entered into force in January 2026. The new Tax Code introduced the following provisions relevant to the agricultural sector:

- the standard VAT rate was increased from 12% to 16%
- socially significant food products are exempted from VAT
- the VAT offset for agricultural producers and cooperatives was increased to 80%
- the 3% preferential corporate income tax (CIT) rate was maintained for agricultural producers
- simplified tax reporting requirements.

The new Tax Code also introduced measures targeted to larger farms or wealthier producers, including:

- a reduced personal income tax (PIT) rate of 4.5% for farmers exceeding income thresholds
- an up to 100-fold increase in land use fees for inefficient agricultural land use
- the exclusion of property donations to farms from taxable income
- the reduction of the VAT registration threshold from KZT 80 million to KZT 40 million (USD 150 000 to USD 77 000)
- the abolition of the unified land tax.

The Land Code was amended several times in 2025. The period of non-use after which agricultural **land may be forcibly seized** was reduced from two years to one, with monitoring now based on satellite remote sensing. In 2025, a total of 2.2 million hectares of land were reclaimed in line with the annual plan; the 2026 land recovery plan has been set at 1 million ha. Lease contracts for agricultural land are now subject to mandatory review every 10 years, and lease of state-owned land is provided exclusively through electronic auctions.

In 2025, amendments to the 2023 land leasing regulations increased the maximum permissible sizes of agricultural land plots, with limits differentiated by region and user category. By raising plot-size ceilings, the amendment reduces the risk that large grain-producing farms will be required to divest land upon lease renewal. Additionally, land records were fully transferred to a digital cadastre system.

From 1 January 2026, the mechanism for setting threshold and maximum permissible retail prices on socially significant food products was abolished, with state control reoriented from price caps to monitoring compliance with the 15% trade margin limit. The list of socially significant food products was temporarily expanded from 19 to 31 items to improve price transparency and eliminate unproductive intermediaries. Additionally, in 2025, a “digital food voucher” was introduced as targeted non-cash support for recipients of state social assistance

The preferential leasing programme for agricultural machinery was expanded in 2025, with the volume of leasing increasing to KZT 250 billion (USD 480 million) (up from KZT 120 billion – USD 230 million – in 2024). In 2025, agricultural producers acquired 25 000 units of agricultural machinery through self-financing, leasing, and credit.

In February 2025, two new investment subsidies were introduced: “Acquisition of Mounted and Trailed Agricultural Machinery” with a 15% subsidy rate, and “Construction and Expansion of a Poultry Egg Processing Plant” with a 40% subsidy rate. Additionally, a subsidy of 25% was introduced for the purchase of drones and fan-type sprayers to support accelerated technical re-equipment of the phytosanitary service.

In 2025, per-head livestock subsidy rates increased by 73-75%, and were capped at a rate of half of the actual acquisition cost. Since 2025, amendments to production-based priority crop, livestock and processing subsidies require producers and processors receiving KZT 100 million (USD 190 000) or more in aggregate subsidies per year to maintain or increase the gross production. The gross production requirement is planned to extend to all production-based priority crop, livestock and processing subsidy recipients in 2029. Non-compliance for two consecutive years results in a one-year subsidy suspension for a first offence and two years for repeat cases.

In 2025, a digital system (GosAgro) was introduced to improve the transparency and reduce corruption risks associated with the distribution of subsidised diesel fuel.

The phytosanitary system was reformed in 2025 with the introduction of user-paid phytosanitary quarantine and expert examination. The revenue generated is used to reduce the service's dependence on the state budget and fund equipment modernisation.

To inform policy developments and improve data quality, Kazakhstan conducted the National Agricultural Census in 2025. The census covered all agricultural producers, from large agricultural holdings to

individual farmers and private households, gathering information on land, crops, livestock, equipment, labour, and other key resources.

Trade policy developments in 2025-26

The ban on wheat imports into Kazakhstan, which had been in force since April 2023, expired on 31 December 2024 and was not renewed. The non-renewal had limited immediate market effect, as a record 2025 harvest and a strong ruble-to-tenge exchange rate made Russian wheat imports economically unviable during the reporting period. Additionally, a new state support mechanism for export logistics was introduced in 2025 to provide transportation subsidies for grain exports. The measure is scheduled to be in force until 1 September 2026 and supports expansion of the geography of Kazakhstan's grain exports to over 50 countries.

In February 2026, the Antimonopoly Committee concluded that the export duty on sunflower seed exports, in effect since February 2023, was incorrectly structured and negatively affected farmers, and recommended a gradual reduction. The duty rate, set in 2023 was 20% of the cargo value but not less than EUR 100 per tonne, finances a subsidy to farmers for selling to domestic oil processors.

In October 2025, the export ban on breeding stock of cattle and small ruminants, in place since 2023, was extended for a further six months and broadened to include bulls. In November 2025, export quotas for rams were introduced for a six-month period, with a total limit of 120 000 head (60 000 for feedlots and 60 000 for producers). In December 2025, quantitative restrictions on the export of beef were introduced for the first time, initially set at 13 000 tonnes until 31 December 2025. From 31 December 2025, a new quota of 20 000 tonnes was established for the period until 30 June 2026. A six-month ban on the import of chicken eggs, including from EAEU countries, was introduced in early 2026 to support domestic poultry producers, who supplied 98% of the domestic market in 2025.

Russia’s temporary restrictions on imports of agricultural products, including wheat, from Kazakhstan, implemented in October 2024 on phytosanitary grounds, were lifted on 22 April 2025. However, from 23 April 2025, the Russian Federal Service for Veterinary and Phytosanitary Supervision (*Rosselkhoznadzor*) imposed new restrictions on grain supplies from Kazakhstan's main agricultural regions. These were lifted on 20 October 2025 following negotiations between the head of *Rosselkhoznadzor* and Kazakhstan's Vice-Minister of Agriculture.

Policy context

Key economic and agricultural statistics

Kazakhstan has the ninth largest land area in the world and is one of the least densely populated countries. It has the second-highest per-capita availability of arable land in the world. Kazakhstan is also an important exporter of fossil fuels. The country is an upper middle-income economy and the richest country in Central Asia, but its economy remains highly dependent on oil and commodity markets. Its high share of trade in GDP highlights the strong focus on international markets.

Although the contribution of agriculture to the economy has declined sharply since the early 1990s, agriculture remains an important economic sector, contributing to 3.9% of GDP (Table 18.2). Over 75% (or 214 million ha) of the country’s territory is suitable for agricultural production, but only about half of that is currently under agricultural production. Kazakhstan is one of the top ten grain exporters in the world, exporting to over 70 countries. The country’s major crops are wheat, barley, cotton and rice, with wheat exports a major source of foreign currency. Livestock products, including dairy, leather, meat and wool also comprise an important share of agricultural output.

The farm structure is dualistic: with a small number of large-scale and often highly vertically integrated operations dominating the production of the sector, while most farms are rural and subsistence-oriented. Kazakhstan's agricultural sector is particularly vulnerable to the effects of climate change, as increasingly frequent hot weather and severe droughts reduce water availability.

Table 18.2. Kazakhstan: Contextual indicators

	Kazakhstan		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	115	842	0.3%	0.5%
Population (million)	16	21	0.4%	0.4%
Land area (thousand km^2)	2 700	2 700	3.2%	3.2%
Agricultural area (AA) (thousand ha)	215 393	214 266	7.1%	7.2%
			All countries[1]	
Population density (inhabitants/km^2)	6	8	52	64
GDP per capita (USD in PPPs)	7 418	40 891	9 508	31 740
Trade as % of GDP	37.4	24.5	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	8.1	3.9	3.0	3.6
Agriculture share in employment (%)	36.6	11.6	-	-
Agro-food exports (% of total exports)	2.0	6.3	6.4	8.3
Agro-food imports (% of total imports)	0.7	11.0	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	55.6	60.3	62.1	60.4
Livestock in total agricultural production (%)	44.4	39.7	37.9	39.6
Share of arable land in AA (%)	14.0	13.8	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

Kazakhstan's real GDP increased by 5% in 2024. Compared to 2023 which was heavily affected by both drought and floods, the agriculture sector experienced significant expansion, with the gross output of agriculture increasing by 13.7% to KZT 8.3 trillion, (USD 16 billion) (The Press Service of the Government of the Republic of Kazakhstan, 2025[1]). This growth was primarily driven by a 21.1% increase in crop production, reaching KZT4.95 trillion, (USD 9.55 billion) and a 3.6% rise in livestock production, amounting to KZT 3.27 trillion (USD 6.3 billion).

Figure 18.4. Kazakhstan: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

Kazakhstan has been a net agro-food importer since the mid-2000s, yet the country remains one of the world's largest wheat exporters (Figure 18.5). About 50% of agro-food exports are in primary commodities, with most being used for processing by industry. More than 65% of agro-food imports are processed commodities, the bulk of which are for final consumption.

Figure 18.5. Kazakhstan: Agro-food trade

Figure 18.5A. Kazakhstan: Agro-food trade 2000 to 2024

Billion USD

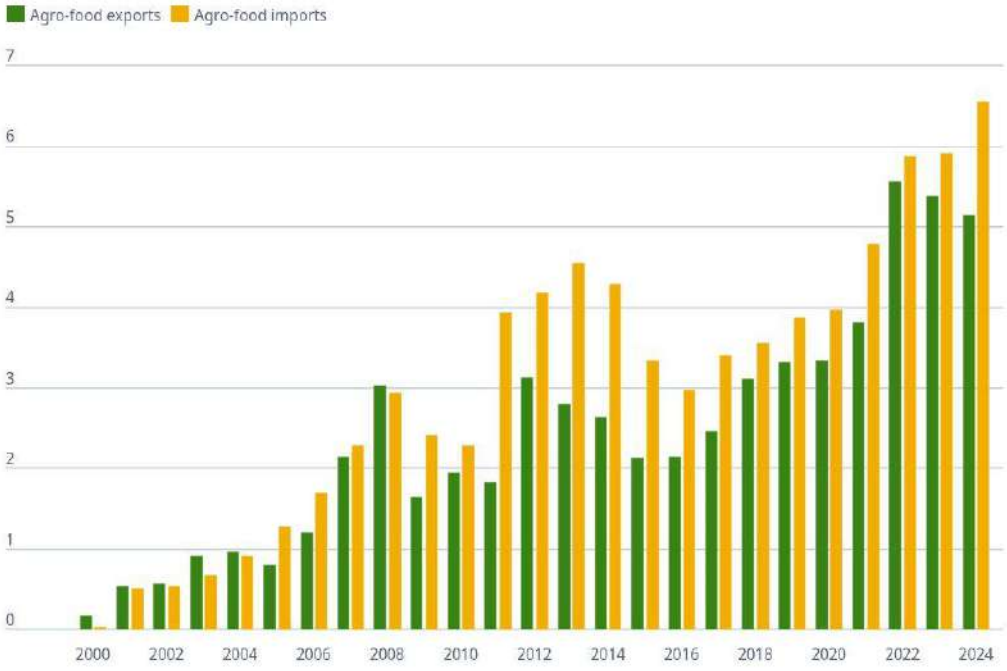


Figure 18.5B. Kazakhstan: Composition of Agro-food trade, 2024

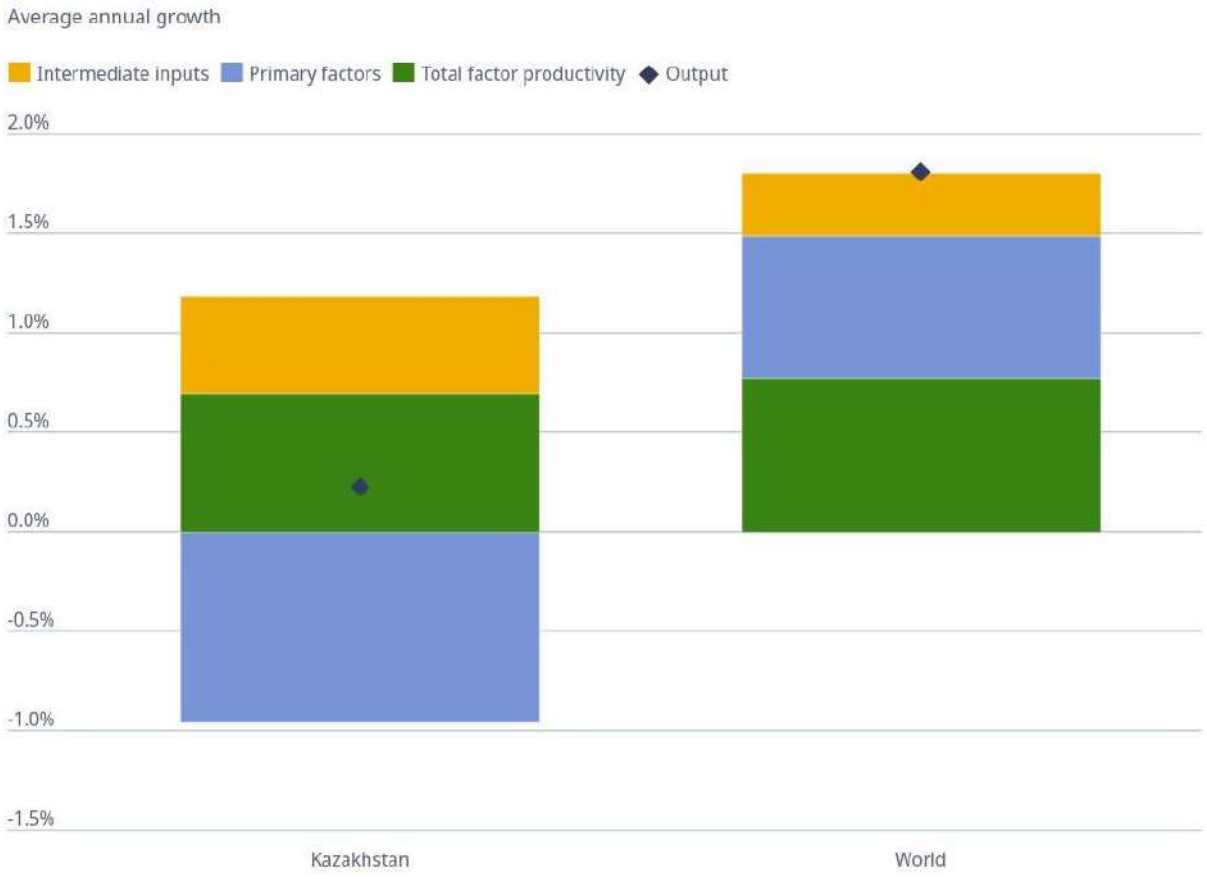
Percentage



Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Agricultural total productivity growth has been similar in Kazakhstan compared to many industrialised systems (Figure 18.6). However, primary factors including targeted inputs like nutrients and machinery renewal are one limitation to productivity growth. Nutrient balances were negative 13.8 kg nitrogen/ha in 2024, with little change since 2000, and far below the OECD average of 29.0 kg/ha (Table 18.3).

Figure 18.6. Kazakhstan: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Table 18.3. Kazakhstan: Productivity and environmental indicators

	Kazakhstan		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	2.0%	0.7%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	-14.8	-13.8	32.3	29.0
Phosphorus balance, kg/ha	-2.7	-2.4	3.3	2.3
Agriculture share of total energy use (%)	4.0	1.8	1.7	2.0
Agriculture share of GHG emissions (%)	12.8	9.7	8.7	10.3
Share of irrigated land in AA (%)	0.6	0.8	-	-
Share of agriculture in water abstractions (%)	68.1	57.6	46.1	47.7
Water stress indicator	..	..	..	..

Note: * or closest available year.
1. 6.4% of sown agricultural area in 2024 was irrigated.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

In the Soviet era, all sectors of Kazakhstan's economy, including agriculture, were regulated by central planning. Production, the marketing of agricultural inputs and outputs, and processing and distribution of food were controlled by state enterprises. Agriculture was supported by high administered prices and considerable input and output price subsidies, in addition to policies such as cheap energy and transport, which were not agriculture-specific.

Kazakhstan became an independent country in 1991 following the collapse of the Soviet Union. Stabilisation and transition to a market economy were its main economic challenges. During the transition, the agricultural sector was affected by economic shocks, land reform and reduced government support. The main agricultural policies were geared towards decreasing food import-dependency and increasing domestic food production (Baubekova, Tikhonova and Kvasha, 2021[2]).

Agricultural products and inputs became exposed to market forces post-independence in the 1990s. After this early period of market reform, Kazakhstan made little progress in pursuing further trade liberalisation. It was not until its accession to the WTO in 2015 that the country restarted trade liberalisation measures. However, Kazakhstan continues to apply a range of border and domestic price intervention measures such as tariff rate quotas and non-tariff measures. Kazakhstan has also imposed export restrictions in times of global uncertainty or high prices, such as 2008, 2020 and 2022.

From the mid-2010s, policy measures including the State Programmes of Agro Industrial Complex Development amended the target and delivery of support for the sector through introducing financing support for investments, reduced area-based subsidies, and national debt restructuring.

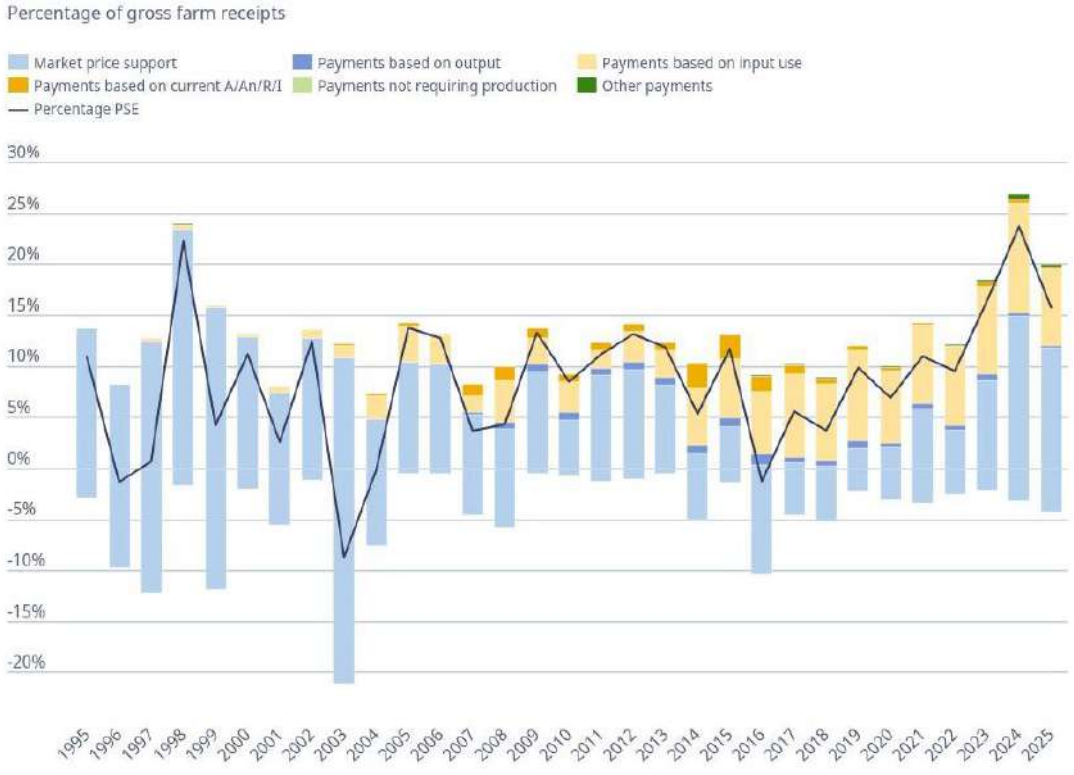
In recent years, Kazakhstan continues to increase support to the sector through many measures and policy frameworks like the Concept for the Development of the Agro-Industrial Complex of Kazakhstan (2021-2030) which set ambitious targets for increasing the productivity of farmers, exports and developing Kazakhstan input manufacturers such as fertilisers, equipment, and machinery. Much of the support is received indirectly from the government through reduced interest rate loans from financial institutions and lower input costs from input manufacturers.

Table 18.4. Kazakhstan: Agricultural policy trends

Period	Framework	Changes in agricultural policies
Prior to 1992	Soviet era Closed economy	Government control of the agricultural economy through regional trade controls, input supply controls, and the continuation of soft budget constraints Taxation of the agricultural sector to support the industrial sector Tariffs Low administrated prices on energy and transport
1992-1997	Initial structural reforms towards an open economy	Price liberalisation of agricultural products and inputs Emergence of new policy institutions
1998-2002	Economic crisis Stabilisation measures	Debt rescheduling Limited support to the sector Agrarian Credit Corporation created as main agricultural lender (credit at preferential rates) Restructuring agricultural enterprises
2003-2015	Agriculture as part of economic diversification	Price support Support for import-competing products Tariff protection for meat Taxation of agricultural exports
2015-2023	Reforms to trade liberalisation	WTO accession 2015 EAEU membership in 2015 Elimination of payments per hectare for priority crops Promotion of agricultural co-operatives Increase in land tax rates Debt restructuring programme Introduction of investment subsidies Introduction of interest concessions Agricultural insurance reform
2024-present	Policies target production and export growth while strengthening domestic self-sufficiency	Increase in production subsidies for inputs Increased support for value-added processing for exports Introduce subsidies for domestically produced inputs including seeds and fertilisers Strengthen irrigation and water saving policies Strengthening focus on domestic self-sufficiency for staple products Large reduction in retail price setting for socially significant food products

The composition and level of support in Kazakhstan has varied over time. Following the Soviet era between 1995-2002, support to consumers was primarily market price support. Since the early 2000s, budgetary support increased. Over the last decade, support is primarily comprised of both market price support and payments based on input use. From 2023-25, the level of market price support was high relative to previous years; trade related policies such as the import ban on Russian wheat likely contributed to the relatively higher levels.

Figure 18.7. Kazakhstan: Development of the PSE and its composition, 1995 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Reference

Baubekova, A., A. Tikhonova and A. Kvasha (2021), "Evolution of Agricultural Policy in Kazakhstan", in *Kazakhstan's Developmental Journey*, Springer Singapore, https://doi.org/10.1007/978-981-15-6899-2_3. [2]

The Press Service of the Government of the Republic of Kazakhstan (2025), *Six Years of Progress: Kazakhstan on Sustainable Development Pathway*, Official Information Source of the Prime minister of the Republic of Kazakhstan, https://primeminister.kz/en/news/six-years-of-progress-kazakhstan-on-sustainable-development-pathway-29812. [1]

19 Korea

Main findings

Support to agriculture

Producer support as a share of gross farm receipts is the fourth highest in the OECD. The Producer Support Estimate (PSE) was to 41.5% of gross farm receipts in 2023-25, down from 52.7% in 2000-02.

Market Price Support (MPS) remains the main form of support to farmers, representing 85% of support to farmers over 2023-25 and covering key commodities such as rice, soybeans, barley, garlic, red peppers, and pig meat. Transfers to producers from consumers of key imported commodities are generated via tariff rate quotas (TRQs) with high out-of-quota tariffs, raising domestic producer prices 56% above border reference prices.

Budgetary support mostly consists of direct payment programmes, agricultural insurance schemes and payments based on variable input use. The proportion of this support has slightly increased over the previous two decades, accounting for 22% of Total Support Estimate in 2000-02 and 27% in 2023-25.

The General Service Support Estimate (GSSE) declined from 10.2% of agricultural value of production in 2000-02 to 7% in 2023-25 but remains at almost twice the OECD average. The majority (52%) of GSSE goes to developing and maintaining infrastructure, particularly irrigation facilities. Agricultural knowledge and innovation system (23%), public stockholding (14%), and inspection and control (10%) are relevant GSSE components as well.

Korea's TSE relative to GDP declined from 2.8% in 2000-02 to 1.3% in 2023-25, though it remains more than twice as high as the OECD average.

Key policy changes in 2025-26

In 2025, Korea strengthened its rural service revitalisation agenda through the formulation of the First Master Plan for Community-based Economic and Social Services (2026-28). This will address service gaps by supporting community-led service delivery and improving service delivery systems.

Policies for the agricultural workforce shifted towards improving the competitiveness of young farmers through tailored training and regional networking. The introduction of the co-principal farm manager system and expanded health screenings strengthened support for women farmers.

Regulatory reforms in 2025 allowed the installation of vertical farms on agricultural land, facilitating high-tech investment. In parallel, the Green Bio and Foodtech Industry Promotion Acts established a robust legal framework for innovation in high value-added sectors. These changes are part of the First Smart Farming Promotion Master Plan (2025–29), which is designed .to accelerate digital transformation.

Assessment and recommendations

- Shift support to farmers away from commodity-specific support towards decoupled, targeted and time-bounded payments linked to income, environmental performance and structural adjustments to improve efficiency and reduce market distortions. This would also enhance farmers' incentives to diversify the composition of farming products and to make the sector more competitive and resilient.
- Strengthen policies to attract and retain young farmers by improving access to land, finance, and innovation. Korea's agricultural sector faces a significant ageing challenge. While existing efforts to support young and women farmers, these measures have not fully reversed demographic trends. Limited access to farmland, high entry costs, and uncertain profitability continue to deter new entrants and constrain generational renewal. Expanding measures that integrate "Smart Farming" technology with improved access to farmland and long-term financing would make entry more viable and attractive.
- Shift from reactive disaster response to a more proactive and resilience-focused climate adaptation strategy. Korea's agricultural sector is increasingly exposed to extreme weather events such as record-breaking heatwaves and intense rainfall in 2025. While emergency disaster relief has improved, this approach does not reduce underlying vulnerabilities. Strengthening preparedness through early warning systems, improving drainage and irrigation infrastructure, and developing climate-resilient varieties would support a more forward-looking adaptation approach.
- Building on the recently introduced low-carbon farming incentives, Korea should scale up incentives for low-carbon and methane-reducing practices such as intermittent drainage in rice paddies and the use of low-methane feed, enhancing the liquidity of the agricultural carbon credit market to encourage private sector participation.
- Scale up effective nutrient management by using pilot programmes to identify and expand cost-effective practices nationally. Korea's increasingly livestock-intensive agricultural sector is generating high nutrient surpluses which requires targeted policy intervention to align sectoral growth with ecological limits. Initiatives such as the Low-Carbon Livestock Innovation Zone pilot programme and manure-to-energy projects provide an opportunity to test and identify effective approaches to handle this problem. Using these pilot programmes as tools to identify cost-effective practices will allow these to be expanded nationally to meaningfully reduce pollution pressure and support a more sustainable trajectory for livestock sector development.

Key indicators on agricultural support

Figure 19.1. Korea: Development of support to agriculture

Figure 19.1A. Korea: Producer Support Estimate and its composition

Percentage of gross farm receipts

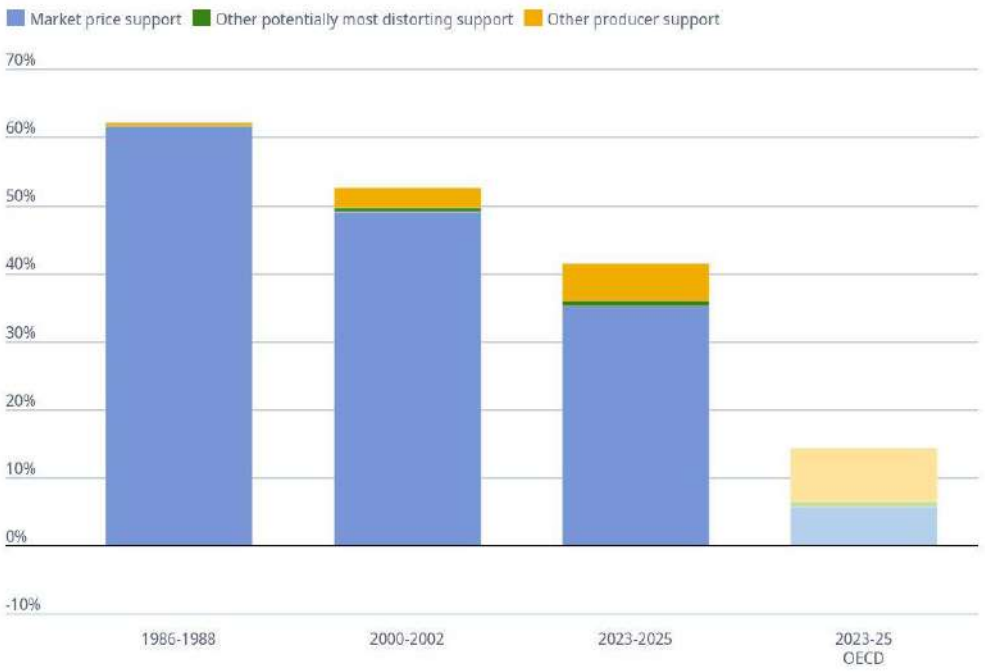


Figure 19.1B. Korea: Ratio of producer to border price

Producer NPC

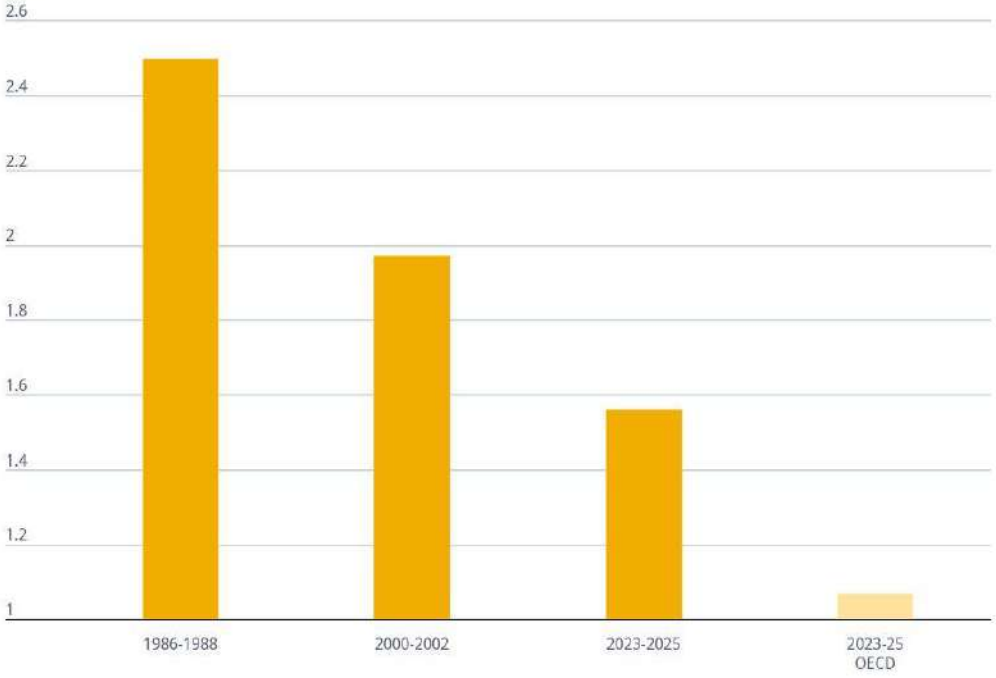


Figure 19.1C. Korea: General Services Support Estimate and its composition

Relative to agricultural value of production

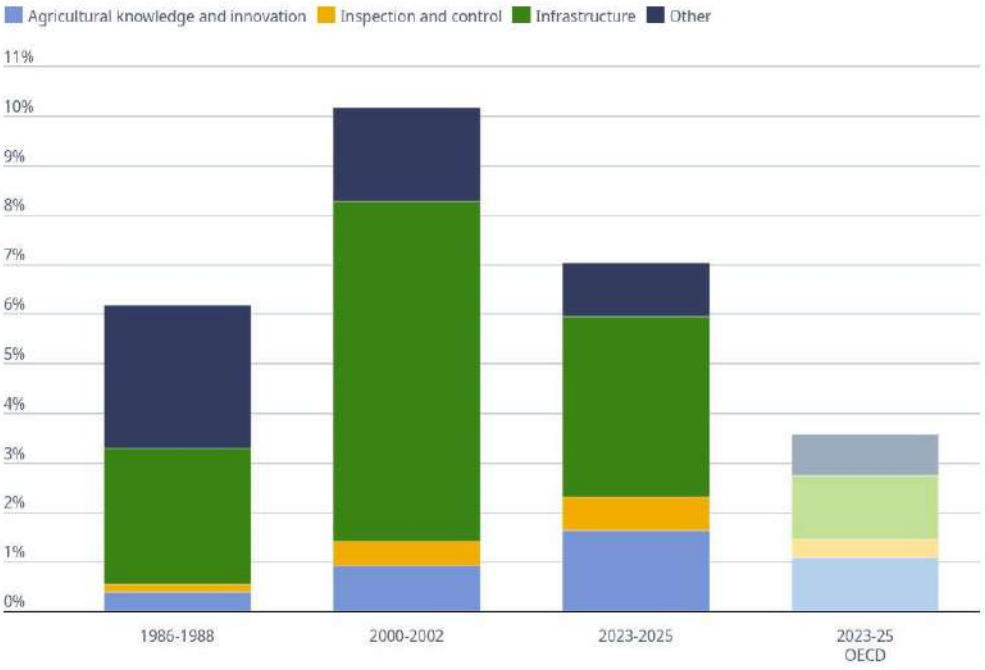
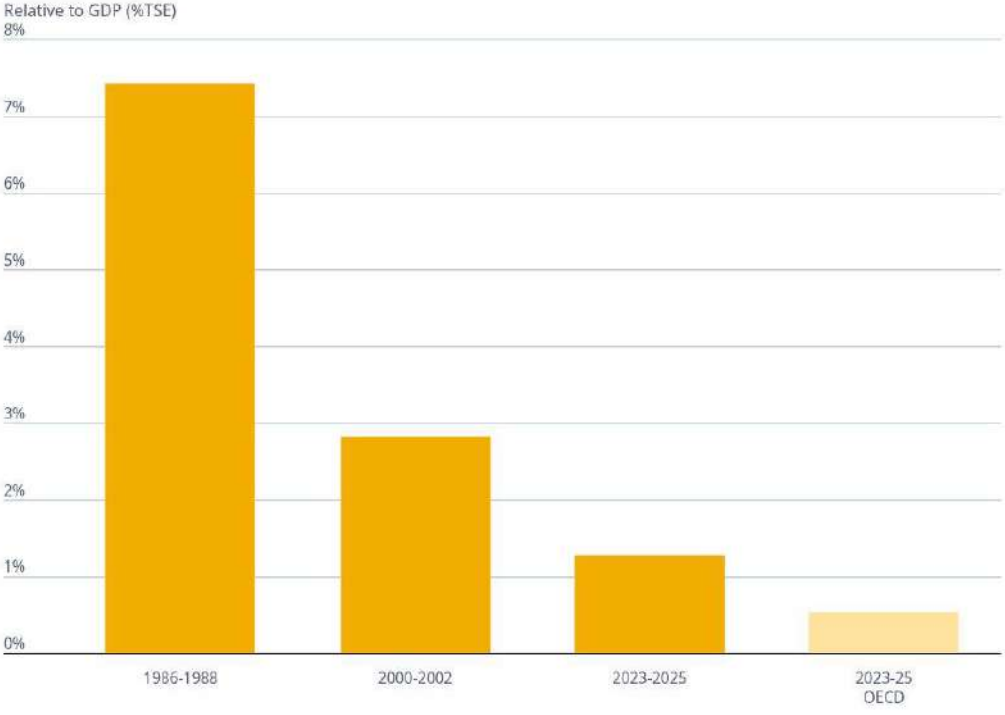


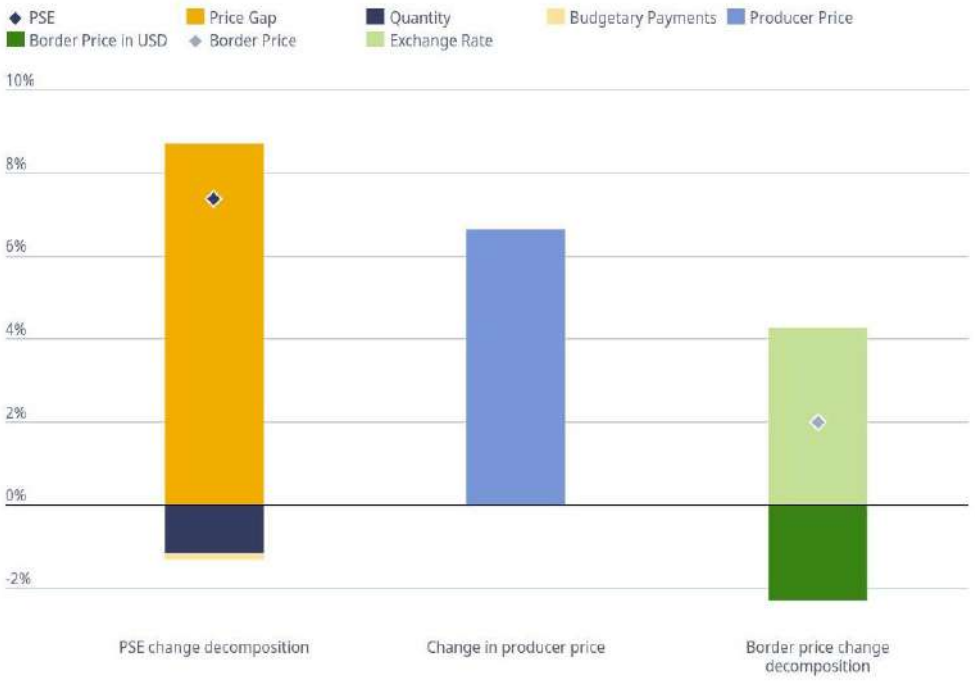
Figure 19.1D. Korea: Total Support Estimate

Relative to GDP (%TSE)



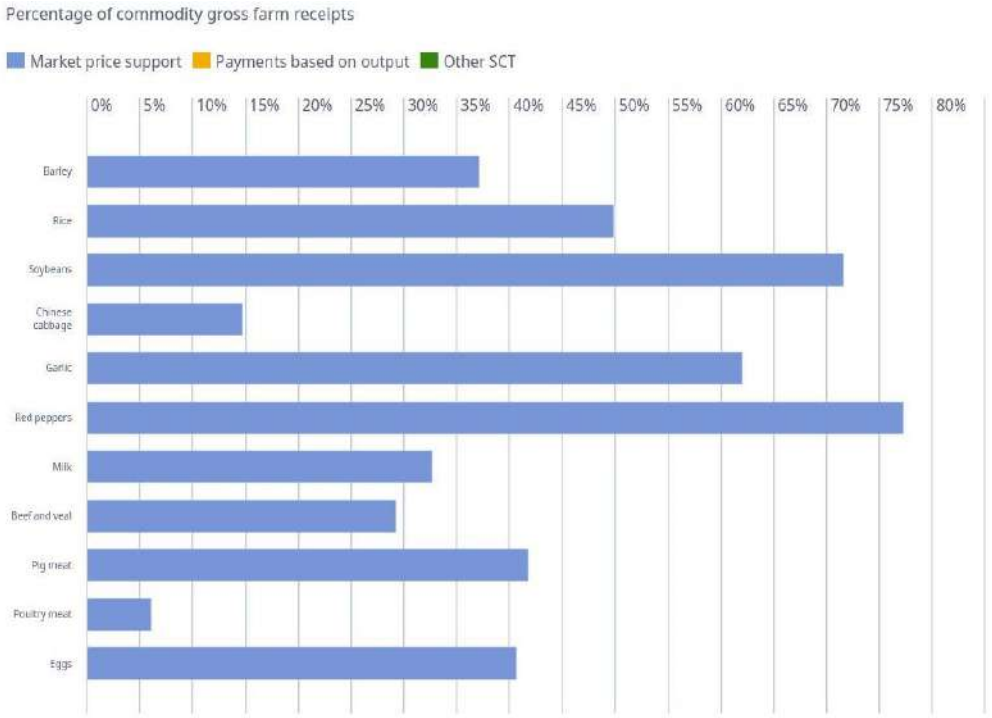
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 19.2. Korea: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency.
Source: OECD (2026), "Producer and Consumer Support Estimates", OECD Agricultural policy monitoring (database), https://data-explorer.oecd.org/.

Figure 19.3. Korea: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Table 19.1. Korea: Estimates of support to agriculture

Million USD

	1986-88	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**16 985**	**26 356**	**46 323**	**45 994**	**46 157**	**46 818**
of which: share of MPS commodities (%)	74.33	63.27	55.59	56.44	55.39	54.94
Total value of consumption (at farm gate)	**17 247**	**33 194**	**57 583**	**62 859**	**53 941**	**55 948**
Producer Support Estimate (PSE)	**10 683**	**14 463**	**20 493**	**19 592**	**20 643**	**21 245**
Support based on commodity output	10 563	13 502	17 420	16 381	17 559	18 319
Market price support[1]	10 563	13 502	17 420	16 381	17 559	18 319
Positive market price support	10 563	13 502	17 420	16 381	17 559	18 319
Negative market price support	0	0	0	0	0	0
Payments based on output	0	0	0	0	0	0
Payments based on input use	90	470	572	592	616	509
Based on variable input use	29	207	384	375	437	342
with input constraints	4	34	47	47	51	44
Based on fixed capital formation	57	246	141	151	138	133
with input constraints	0	18	28	30	27	28
Based on on-farm services	4	17	47	66	41	34
with input constraints	0	0	0	0	0	0
Payments based on current A/An/R/I, production required	29	490	588	698	577	488
Based on Receipts / Income	29	292	122	154	140	72
Based on Area planted / Animal numbers	0	198	466	544	437	416
With input constraints	0	160	-0	0	0	0
Payments based on non-current A/An/R/I, production required	0	0	0	0	0	0
Payments based on non-current A/An/R/I, production not required	0	0	1 914	1 921	1 891	1 929
With variable payment rates	0	0	0	0	0	0
with commodity exceptions	0	0	0	0	0	0
With fixed payment rates	0	0	1 914	1 921	1 891	1 929
with commodity exceptions	0	0	0	0	0	0
Payments based on non-commodity criteria	0	1	0	0	0	0
Based on long-term resource retirement	0	1	0	0	0	0
Based on a specific non-commodity output	0	0	0	0	0	0
Based on other non-commodity criteria	0	0	0	0	0	0
Miscellaneous payments	0	0	0	0	0	0
Percentage PSE (%)	**62.27**	**52.66**	**41.53**	**39.82**	**41.92**	**42.71**
Producer NPC (coeff.)	**2.50**	**1.97**	**1.56**	**1.52**	**1.56**	**1.60**
Producer NAC (coeff.)	**2.65**	**2.11**	**1.71**	**1.66**	**1.72**	**1.75**
General Services Support Estimate (GSSE)	**1 065**	**2 676**	**3 266**	**3 319**	**3 301**	**3 179**
Agricultural knowledge and innovation system	67	243	764	844	695	753
Inspection and control	26	126	314	342	305	295
Development and maintenance of infrastructure	467	1 810	1 684	1 714	1 739	1 597
Marketing and promotion	0	26	36	34	36	36
Cost of public stockholding	505	471	470	385	526	498
Miscellaneous	0	0	0	0	0	0
Percentage GSSE (% of TSE)	**8.92**	**15.62**	**13.71**	**14.46**	**13.76**	**13.00**
Consumer Support Estimate (CSE)	**-10 148**	**-15 373**	**-20 681**	**-20 940**	**-19 803**	**-21 300**
Transfers to producers from consumers	-10 017	-12 812	-16 018	-15 344	-15 939	-16 772
Other transfers from consumers	-205	-2 654	-4 699	-5 639	-3 903	-4 556
Transfers to consumers from taxpayers	73	93	37	43	39	28
Excess feed cost	0	0	0	0	0	0
Percentage CSE (%)	**-58.96**	**-46.08**	**-36.01**	**-33.34**	**-36.74**	**-38.09**
Consumer NPC (coeff.)	**2.45**	**1.86**	**1.56**	**1.50**	**1.58**	**1.62**
Consumer NAC (coeff.)	**2.44**	**1.85**	**1.56**	**1.50**	**1.58**	**1.62**
Total Support Estimate (TSE)	**11 821**	**17 232**	**23 796**	**22 954**	**23 983**	**24 451**
Transfers from consumers	10 221	15 466	20 718	20 983	19 842	21 328
Transfers from taxpayers	1 804	4 420	7 778	7 610	8 044	7 679
Budget revenues	-205	-2 654	-4 699	-5 639	-3 903	-4 556
Percentage TSE (% of GDP)	**7.44**	**2.83**	**1.28**	**1.24**	**1.28**	**1.31**
Total Budgetary Support Estimate (TBSE)	**1 258**	**3 730**	**6 376**	**6 573**	**6 424**	**6 132**
Percentage TBSE (% of GDP)	**0.78**	**0.62**	**0.34**	**0.36**	**0.34**	**0.33**
GDP deflator (1986-88 = 100)	**100**	**208**	**330**	**318**	**331**	**340**
Exchange rate (national currency per USD)	**811.83**	**1 224.25**	**1 363.83**	**1 305.66**	**1 363.38**	**1 422.44**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for Korea are: barley, garlic, red pepper, Chinese cabbage, rice, soybean, milk, beef and veal, pig meat, poultry and eggs.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

Main Policy Instruments

Korea's agriculture policy is based on the Framework Act on Agriculture, Rural Community and Food Industry, enacted in 1999. It requires the government to establish a national policy plan every five years that provides direction for national policies for sustainable development of agriculture and rural communities. In line with the Framework's general aims, the National Plan to Develop Agriculture, Rural Communities and the Food Industry (2023-27) includes five policy objectives: 1) ensuring robust food security; 2) fostering the agri-food industry; 3) strengthening the safety net for farm households; 4) ensuring safe food; and 5) developing rural areas.

The public stockholding scheme for rice, known as the Public Storage Programme for Emergencies, was established in 2005. It addresses supply instability caused by grain shortages or emergencies such as natural disasters. During the harvest season rice and grain are purchased at market prices and stockpiled, with a target of maintaining reserves at least 17% to 18% (two to three months) of annual national consumption (Ministry of Agriculture, Food and Rural Affairs, 2025[1]). To prevent quality deterioration a certain amount is replaced annually. The government has a similar public storage programme for soybeans.

The Direct Payment System aims to stabilise the incomes of small to medium-sized farms and to improve farm compliance with regulatory obligations in agriculture and rural communities. Farmers must comply with 16 rules covering environmental protection, food safety, and farmland management standards such as standards for pesticide application. There is also an annual direct payment designed to maintain the income of retiring farmers who sell their farmland to younger farmers.

Agricultural disaster insurance, revenue insurance and work safety insurance are provided by private companies with government subsidies covering 50% of the insurance premiums. The agricultural disaster insurance scheme, which covers 76 crops (such as apples, pears, grapes, onions, and garlic) and 16 livestock products, protects farmers against losses in crop yields and livestock. Agricultural revenue insurance covers 15 crops and protects farmers from income losses caused by reduced revenue from declines in market prices and events such as natural disasters. Work safety insurance covers injuries, illnesses and accidents, or deaths of farm workers that occur during on-farm work and contributes to stabilising farm income.

The Act on the Restructuring and Regeneration Support of Rural Areas establishes the legal foundation for managing rural spaces. The act aims to address unplanned development and rural depopulation by creating an integrated support system based on region-led, long-term rural spatial plans. Its objective is to restore the multifunctional role of rural areas as places for living, working and recreation by improving settlement conditions and revitalising local economies.

In addition, the Act on the Promotion of Community-based Economic and Social Services in Rural Areas, enacted in 2023, provides a legal framework for the systematic support of economic and social services in rural regions where service provision is limited. Under this act, the government conducts surveys on rural living conditions and formulates and implements a national master plan to strengthen community-based service delivery. The First Master Plan for Community-based Economic and Social Services in Rural Areas (2026-28) sets out three strategic priorities: fostering resident-led service providers, improving rural service delivery systems, and establishing governance mechanisms for rural services. These measures aim to enhance access to basic living and welfare services in ageing and sparsely populated rural areas and to promote community-based service provision grounded in social and solidarity economy principles.

The enhanced update of the First Nationally Determined Contribution for achieving the Net-zero across all the sectors was announced in November 2021. This requires GHG emissions in agriculture and fisheries

to decline 27.1% relative to 2018 levels by 2030 and 37.7% by 2050. Accordingly, the 2050 Agri-Food Carbon Neutrality Strategy was unveiled in December 2021. This sectoral strategy contained a detailed implementation plan for GHG emission reduction for food production, distribution, consumption and energy conversion. The National Framework Plan for Carbon Neutrality and Green Growth, established in April 2023, sets the agricultural sector's greenhouse gas reduction target at 17.2 $MtCO_2eq$ in 2030. This is a 22.5% reduction compared to 2018 levels (22.2 $MtCO_2eq$). The national framework plan includes the development and application of low-carbon practices and technologies such as paddy water management, fertiliser reduction, low-methane feeds and manure management. As a member of the Global Methane Pledge, Korea is working to reduce methane emissions in the agricultural sector by 20.6%.

Tariffs and tariff rate quotas (TRQs) are the main agriculture trade policy measures. A total of 63 agricultural products are subject to TRQs, including rice, corn and soybeans. In-quota tariff rates range from 0% to 50% with out-of-quota rates from 9% up to 887.4%. A TRQ volume of rice (408 700 tonnes, about 9% of annual rice consumption) has been maintained at a 5% tariff rate (the out-of-quota tariff is 513%).

Korea has 22 bilateral and regional free trade agreements (FTAs) in force as of late 2025. The network continues to expand, with negotiations for a bilateral FTA with Malaysia concluded in October 2025 and the Korea-UAE CEPA currently undergoing domestic ratification approval procedures. Some of these agreements include significant tariff reductions for livestock and fruit products, but rice is excluded from tariff concessions. Import tariffs on various meat products from major exporting countries such as the United States, Australia, Canada and the European Union are being progressively phased out over periods ranging between 10 and 15 years from the entry into force of the respective agreements.

Recent policy developments

Domestic policy developments in 2025-26

Revitalisation of rural areas

In 2025, Korea strengthened its rural service revitalisation agenda through the formulation and adoption of the First Master Plan for Community-based Economic and Social Services in Rural Areas (2026-28). The plan aims to address gaps in essential services in ageing and sparsely populated rural areas by strengthening community-based service delivery and improving coordination across levels of government, thereby improving rural living conditions and access to basic services for farm households. Key elements include:

- Fostering resident-led service providers: supporting the establishment and capacity-building of community-based organisations that deliver economic and social services tailored to local needs, including initiatives linked to the social and solidarity economy.
- Improving rural service delivery systems: expanding service provision in areas with limited access to healthcare, welfare, and everyday services through mobile and outreach-based models, while strengthening linkages between service providers and local communities.
- Strengthening governance for rural services: establishing a co-ordinated governance framework across central, local governments and local communities to ensure systematic planning, monitoring and delivery of community-based services in rural areas.

Expanding opportunity in agriculture

Korea reinforced policies aimed at renewing the agricultural workforce by combining targeted support for young entrants with institutional reforms for women in agriculture.

- Support for young farmers: policies shifted from an emphasis on expanding the number of entrants towards strengthening the quality and competitiveness of young farmers (January 2026). Support measures were extended to cover the pre-entry stage, including support for prospective farmers preparing to establish farms, helping new entrants achieve more stable settlement, while tailored programmes for existing young farmers were reinforced through regional networking initiatives and growth-stage training to enhance managerial capacity and long-term viability.
- Institutional recognition for women farmers: REFORMS to the co-principal farm manager registration system now allow women, who represent the majority of co-principal farm managers (85.4%), to maintain their farmer status despite temporary off-farm employment (November 2025). This aims to improve the socio-economic status of women farmers by ensuring their access to income support, social welfare benefits, entrepreneurship programmes and social insurance schemes even when they have temporary off-farm income.
- Welfare and health: the Women Farmers' Special Health Screening Programme was scaled up increasing coverage from 50 to around 150 local governments (February 2025). The programme provides screening for major occupational health risks, including pesticide exposure, musculoskeletal disorders, fracture and injury risks, cardiovascular diseases and impaired lung function.

Risk management

The Crop Disaster Insurance Scheme was expanded to 76 commodities in 2025, including the addition of ginger, sesame and mung beans, with a roadmap to reach 80 commodities by 2027. Premium rates were also adjusted to better reflect individual risk profiles and disaster prevention efforts, with more granular discount and surcharge categories and expanded incentives for the adoption of preventive measures, while coverage was strengthened through improved compensation criteria for weather-related damages and an expansion of yield-based insurance products.

Supporting smart farming

The First Smart Agriculture Promotion Master Plan (2025-29) was adopted in January 2025 to accelerate the digital transformation of the sector.

- Quantitative targets: The plan sets goals to increase the share of smart greenhouses and expand smart technology in major field crop areas to address labour shortages and climate resilience.
- Institutional hubs: Specialised Smart Farming Support Centres were designated in 2025 to serve as national hubs for training, data collection, and technology diffusion in horticulture and livestock.

Promoting research and development (R&D)

A new R&D roadmap and the entry into force of new legislation shifted policies towards mission-oriented projects and the commercialisation of digital and bio-based technologies, including artificial intelligence, robotics, digital breeding and advanced biotechnologies.

- Strategic Roadmap: The Next-generation Agri-food R&D Strategy Roadmap (December 2025) shifts support from project-based research towards investment in key strategic technologies (e.g. artificial intelligence, robotics, digital breeding, and advanced biotechnologies), while strengthening cross-sector integration and inter-ministerial collaboration. Furthermore, greater emphasis will be placed on linking research to field applications, scaling up demonstration projects, and strengthening collaboration with the private sector to accelerate commercialisation.
- Green Bio and Foodtech: The entry into force of the Green Bio Industry Promotion Act and the Foodtech Industry Promotion Act (January 2025) provides the legal and institutional framework for

regional clustering, firm registration, and investment in high value-added industries. This includes the establishment of foodtech innovation clusters to promote regionally specialised industries, the introduction of a registration system for foodtech businesses to clarify eligibility for policy support, and the creation of a dedicated fund of KRW 100 billion (USD 642 million)[1] by 2027 to support start-ups and strengthen the innovation system.

Advancing environmentally sustainable and low-carbon agriculture

Korea further integrated climate objectives into policy through incentive-based schemes and new medium-term strategies.

- Low-carbon rice cultivation: Participation conditions were eased through reforms to agri-environmental payments, including expanded eligibility, higher payment rates and simplified requirements, to encourage wider adoption of emission-reducing practices such as mid-season drainage and biochar application (February 2025).
- Livestock manure management: Designated "Low-Carbon Livestock Innovation Zones" in three regions to launch a pilot project validating models for proper manure treatment, energy conversion, and resource circulation (January 2026).
- Sixth Five-year Plan for the Promotion of Environment-friendly Agriculture (2026-30): Adopted in 2025, this plan targets doubling certified organic and pesticide-free farmland by 2030. To achieve this, it introduces higher direct payments for certified producers, expands public procurement of environment-friendly products, and reforms certification systems to simplify procedures and reduce compliance burdens. These measures apply specifically to certified organic and pesticide-free production systems.

Trade policy developments in 2025-26

Negotiations for the Korea-Malaysia FTA were concluded in October 2025, with signature and ratification expected for 2026. Additionally, the Korea-UAE CEPA is currently undergoing domestic ratification approval procedures and is expected to contribute to exports of smart farming technology and food to the Middle East.

Policy context

Key economic and agricultural statistics

Korea's economy has been growing, with its GDP more than tripling since 2000. However, the growth rate has slowed and is converging with that of advanced OECD economies. Korea is a high-income country in terms of per capita incomes. As of 2024, Korea's agricultural land area was 1.6 million ha, representing approximately 15% of the total land area, continuing a 12-year decline. Korea has one of the highest population densities among OECD countries and is experiencing a rapidly ageing population due to a record-low fertility rate and increased life expectancy. The ageing of rural communities is much more severe, as young generations have migrated to urban areas. Trade remains a critical driver of Korea's economy. In 2024, trade accounted for approximately 35.1% of GDP.

The remarkable growth of the Korean economy has changed the status of agriculture. In the 1970s, agriculture contributed approximately 25% to GDP; this share declined to 4.1% in 2000 and stood at 1.6% in 2024. Over the same period, the share of agriculture in national employment decreased from 10.6% to 5.2% (2024). Since 2000, crop production has declined while livestock production has increased. Crop production accounted for 52.6% of the total value of agricultural production in 2024, while the share of livestock products rose to 47.4%.

Table 19.2. Korea: Contextual indicators

	Korea		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	904	3 159	2.2%	1.9%
Population (million)	47	52	1.1%	0.9%
Land area (thousand km²)	96	98	0.1%	0.1%
Agricultural area (AA) (thousand ha)	2 150	1 638	0.1%	0.1%
			All countries[1]	
Population density (inhabitants/km²)	473	523	52	64
GDP per capita (USD in PPPs)	19 237	61 051	9 508	31 740
Trade as % of GDP	27.8	35.1	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	4.1	1.6	3.0	3.6
Agriculture share in employment (%)	10.6	5.2	-	-
Agro-food exports (% of total exports)	0.9	1.5	6.4	8.3
Agro-food imports (% of total imports)	5.2	5.8	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	74.7	54.1	62.1	60.4
Livestock in total agricultural production (%)	25.3	45.9	37.9	39.6
Share of arable land in AA (%)	97.6	98.1	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

Economic growth is projected to be 1.04% in 2025 down from 2.2% in 2024. The main causes of the slowdown in economic growth include a downturn in the construction industry, higher tariffs in trade, and weakened consumer sentiment. The unemployment rate stood at 2.87% in 2025. Inflation, which peaked at 5.1% in 2022, continued to decline to 2.3% in 2024 and is expected to reach 2.1% in 2025, approaching the Bank of Korea's target.

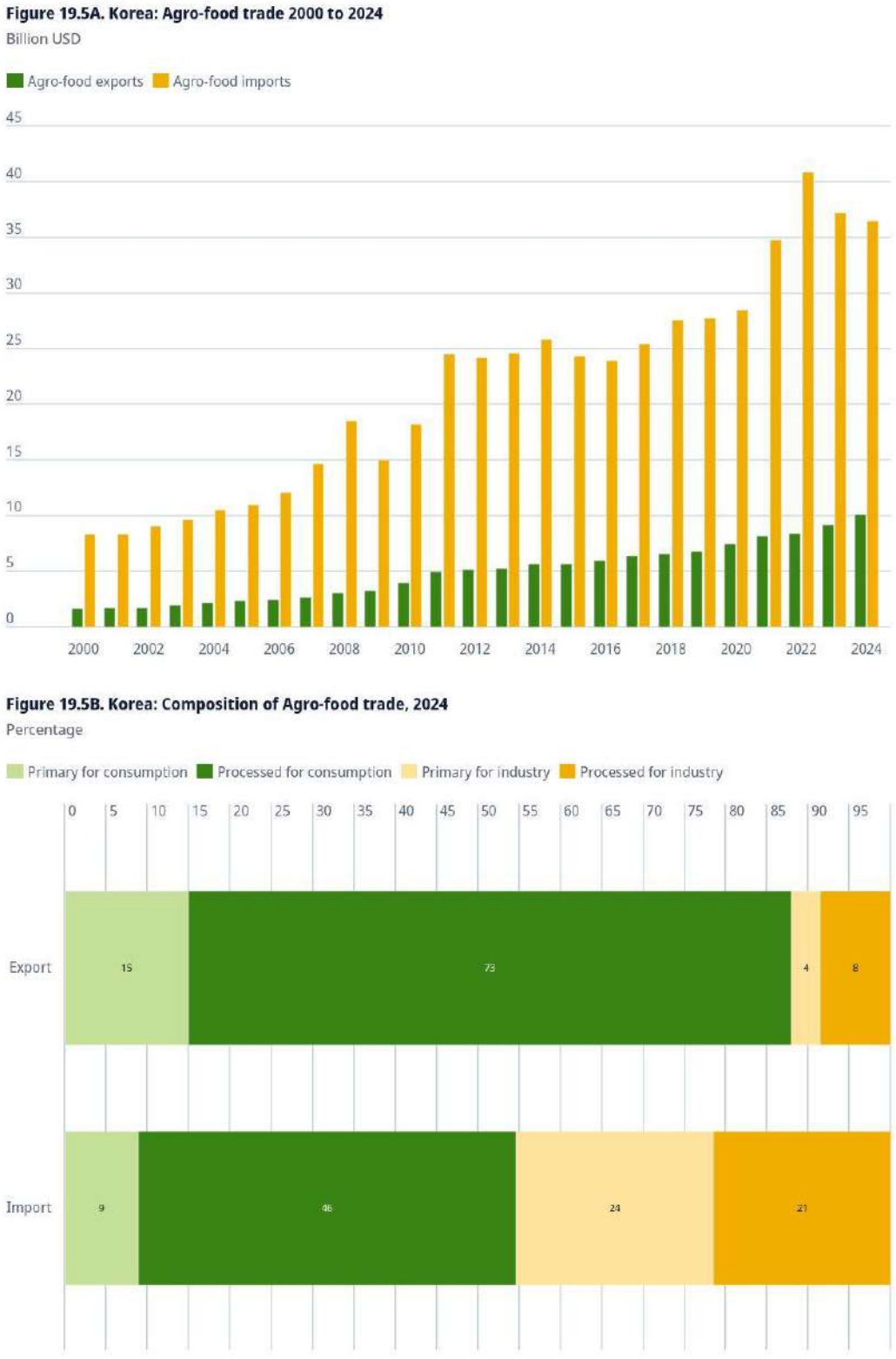
Figure 19.4. Korea: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

Korea is a large net importer of agro-food products. Key imported agricultural commodities include livestock products (beef, pork, dairy) and grains (maize, soybeans, wheat). In 2025, Korea's agri-food exports reached an all-time high of USD 10.41 billion (USD 13.62 billion when including agri-tech and machinery, known as "K-Food Plus"), marking the 10th consecutive year of growth. Export products comprise a significant portion of processed foods such as noodles (*ramyeon*), sauces, and kimchi. Korea also expanded its export presence in the EU market for processed poultry (*Samgyetang,* Chicken products, etc.) following its initial opening in 2024.

Figure 19.5. Korea: Agro-food trade

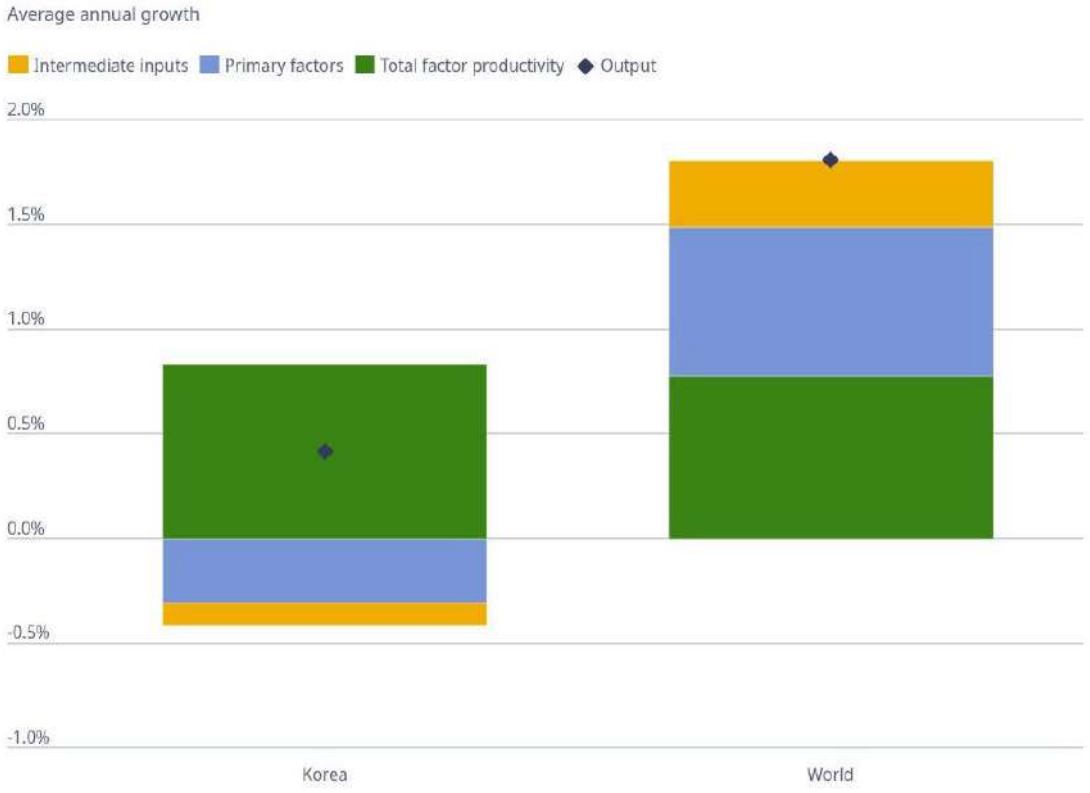


Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Agricultural output in Korea grew annually by 0.2% between 2013 and 2022, lower than the world average during this period. This growth has mainly driven by Total Factor Productivity (TFP) growth, offset by reductions in the use of primary factors and intermediate input. The average TFP annual growth rate in Korea declined from 3.4% in 1991-2000 to 0.8% in 2014-23, in line with the global average during this period (Figure 19.6).

The average nitrogen and phosphorus surpluses remain well above OECD averages, with recent nitrogen balance increases primarily attributed to livestock manure. The share of agriculture in water abstractions experienced a decrease compared to the level in 2000 and is slightly lower than the OECD average level. Korea's water stress remains high at 28.3, with significant water utilization for rice paddy fields. Annual GHG emissions from the agricultural sector account for approximately 3.2% of total emissions, which is below the OECD average (Table 19.3).

Figure 19.6. Korea: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Table 19.3. Korea: Productivity and environmental indicators

	Korea		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	3.4%	0.8%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	218.5	235.1	32.3	29.0
Phosphorus balance, kg/ha	45.4	41.1	3.3	2.3
Agriculture share of total energy use (%)	2.9	1.1	1.7	2.0
Agriculture share of GHG emissions (%)	4.6	3.2	8.7	10.3
Share of irrigated land in AA (%)	41.0	39.6	-	-
Share of agriculture in water abstractions (%)	52.0	46.6	46.1	47.7
Water stress indicator	31.2	28.3	..	..

Note: * or closest available year.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Korea's agricultural sector has undergone rapid structural change, following the country's rapid industrialisation and economic growth. After the Korean War, it was vital for Korean agriculture to be able to feed the population. From the 1950s to the 1970s, the focus was on increasing crop productivity and achieving self-sufficiency in staple crops, particularly rice. During the process of industrialisation, the agricultural sector also provided cheap and high-quality labour to the manufacturing sector and laid a foundation for stable economic growth.

Throughout the late 1980s and 1990s, the main policy objectives shifted to restructuring the agricultural sector and improving its competitiveness. The government adopted more market-oriented policy frameworks, and this period was marked by the progressive liberalisation of agriculture and food markets via free trade agreements. In the late 1990s, policy objectives further diversified into areas such as enhancing productivity, improving long-term agricultural sustainability and increasing provision of public goods.

During the late 1990s and 2000s, trade measures on agricultural products were gradually converted into tariffs and tariff rate quotas (TRQs), with the exception of rice as agreed in the Uruguay Round Agreement on Agriculture. In January 2015, the non-tariff measure on rice was also replaced by a TRQ. The reform of the Direct Payment System in 2020 marked a significant pivot towards decoupling support from production and enhancing the provision of public goods.

Slowed economic growth and demographic changes moved objectives in the 2000s further from growth to broader public policy goals. These goals included revitalising the rural economy, expanding export markets, improving the environmental performance of agriculture and promoting the food industry. A holistic food policy began to take shape that took into account production, consumption, safety, nutrition, welfare and the environment. This entailed a shift from central government leadership to horizontal governance for participation and collaboration with a larger role for local governments and stakeholders.

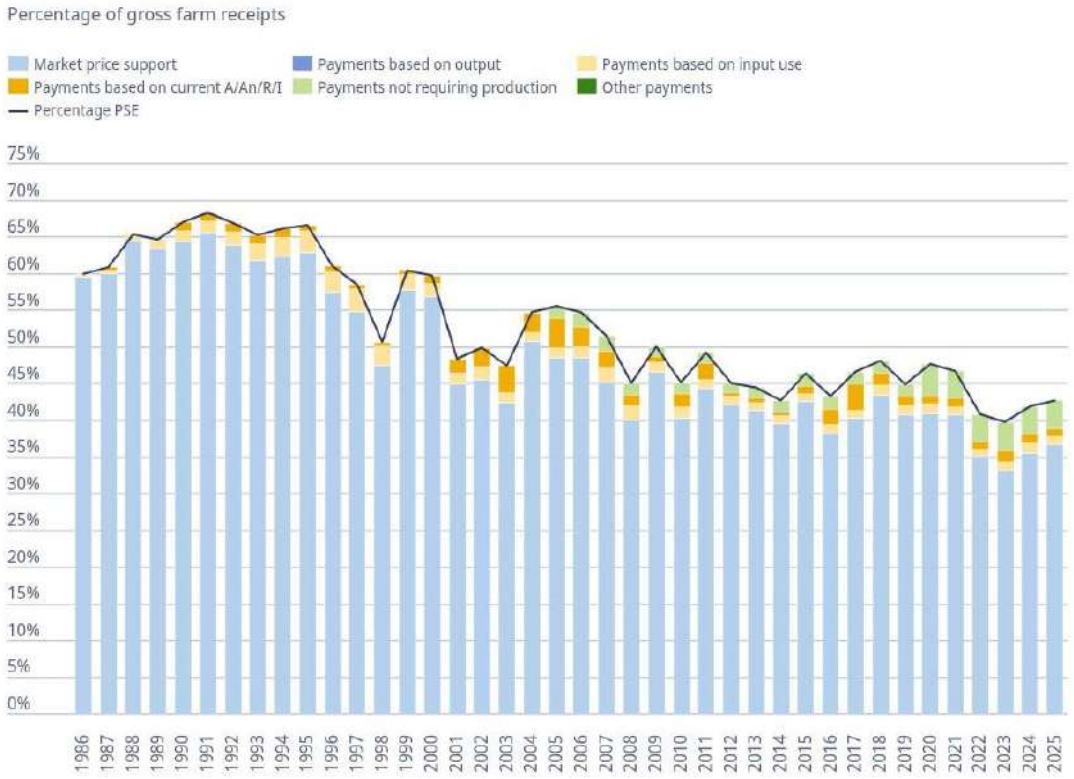
In the early 2020s, the policy focus has further evolved to address global supply chain volatility and climate change. This period is characterised by a strategic shift towards technological sovereignty and value-added growth, driven by the promotion of smart farming, "Foodtech," and "Green Bio" industries. Furthermore, the government has prioritised strengthening the income safety net for farmers and responding to rural depopulation through place-based revitalisation strategies.

Support to producers in Korea has been gradually decreasing since 1990. However, the share of PSE remains high, accounting for about 40% of gross farm receipts (2023-25 average). While MPS makes up most of the producer support, the proportion of payments not requiring production has increased since the introduction of the new direct payment scheme in 2020, which was decoupled from current production (Figure 19.7).

Table 19.4. Korea: Agricultural policy trends

Period	Framework	Changes in agricultural policies
Prior to 1970s	Relatively closed economy Policy focus on productivity and self-sufficiency	Price support and government procurement programmes for crops Subsidies for inputs (including fertilisers and seeds) Land reclamation, land consolidation and water system projects to rearrange the production base R&D and extension projects to enhance productivity (the Rural Development Administration established in 1962) Development of new rice varieties such as Tongil
1980-1990	Exposure of domestic producers to open market Structural adjustment programmes	Non-tariff measures replaced by tariffs and tariff rate quotas (except for rice) Rural restructuring plan (announced in 1991) Government procurement programme for crops Direct payment programmes (early retirement payments from 1997) Agricultural insurance scheme (from 1997) Investment in the renovation of the production base and modernisation of distribution facilities
2000-present	Responding to changing market demands Diversified policy objectives	Tariffs and tariff rate quotas Tariff concession through Free Trade Agreements Public stockholding scheme for major staple crops Direct payment programme for rice (2005-2019) Direct payment scheme reformed (from 2020) Environment-friendly agricultural programmes

Figure 19.7. Korea: Development of the PSE and its composition, 1986 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Reference

Ministry of Agriculture, Food and Rural Affairs (2025), *Cabinet Approves the 2025 Public Stockholding Implementation Plan*, https://www.mafra.go.kr/home/5109/subview.do?enc=Zm5jdDF8QEB8JTJGYmJzJTJGaG9tZSUyRjc5MiUyRjU3NDk4MyUyRmFydGNsVmlldy5kbyUzRg%3D%3D. [1]

Note

[1] Exchange rate KRW/$ 1 557.70 (1 July 2026).

20 Mexico

Main findings

Support to agriculture

Agricultural support in Mexico has declined substantially over the past two decades. The Producer Support Estimate (PSE) averaged 15.1% of gross farm receipts in 2023-25, down from 25.3% in 2000-02. This reduction largely reflects a marked decrease in Market Price Support (MPS), which fell from 17.7% to 9.5% of gross farm receipts over the same period, driven by trade liberalisation and domestic policy reforms. Nevertheless, domestic producer prices remain, on average, 11% above border reference prices, and MPS continues to dominate Single Commodity Transfers, particularly for sugar, rice, barley, beans and wheat.

During 2023-25, payments based on input use (fertilisers and electricity) and land dominated budgetary transfers to producers. These measures mainly targeted small-scale farmers, notably through subsidies for fertilisers, while support for electricity used in water pumping benefited farms of all sizes. Additional instruments included area-based payments to support subsistence producers of staple crops and land-based schemes promoting afforestation and agroforestry.

The General Service Support Estimate (GSSE) averaged 1.9% of the agricultural value of production in 2023-25, less than the OECD average of 3.6%. This spending was directed towards infrastructure development and the agricultural knowledge and innovation system. Overall, total support to agriculture represented 0.8% of Mexico's Gross Domestic Product (GDP) over the same period.

Key policy changes in 2025-26

Following a change in administration in late 2024, agricultural policy was reframed under the National Development Plan 2025-2030 and the Sectoral Programme for Agriculture and Rural Development. These documents focus on food sovereignty, poverty reduction, income growth for small-scale producers, and the sustainable management of natural resources. Policy orientation emphasises social inclusion and resilience, aiming to build a more nutritious, equitable and climate-robust agri-food system.

In 2025–2026, rather than creating entirely new tools, the government restructured and consolidated existing programmes to improve coordination, efficiency, and territorial coverage. Key reforms include replacing SEGALMEX with the Food for the Well-being framework, which integrates procurement, storage, and distribution of food from small producers; reorganising DICONSA into the Stores for the Well-being; and LICONSA into Milk for Well-being to streamline operations. The Guaranteed Prices Programme was restructured into the Well-being Stockpiling and Fair-Trade components to strengthen direct procurement and market access, while its operational activities were transferred to Milk for the Well-being.

In addition, Fertilisers for Well-being and Production for Well-being were expanded with better targeting to women and Indigenous producers. The programme Harvesting Sovereignty was introduced to provide credit as well as insurance, technical assistance, and marketing support to small and medium producers, aiming to boost domestic staple food production under a more co-ordinated food sovereignty strategy.

The country also strengthened its sustainability agenda in agriculture through several co-ordinated actions. The “No Fires in My Parcel” campaign was expanded to reduce agricultural burning and promote compliance with fire regulations, while the Sin Deforestar Digital Platform was established to improve traceability and enforce deforestation-free production by linking geospatial and satellite data with information on producers, land use, and supply chains. The government also adopted a national strategy to reduce and properly use pesticides, including the gradual elimination of hazardous substances and promotion of safer alternatives.

Lastly, in 2025, Mexico focused on improving agricultural productivity through innovation, technology adoption, and stronger sustainability and inclusion measures. Key actions included the National Agreement on the White Corn-Tortilla Chain to stabilise prices and improve supply chain co-ordination, as well as efforts to promote genetic improvement, mechanisation, and digitalisation for small and medium producers. The government also advanced the National Native Maize Plan to conserve and commercialise traditional maize varieties.

Assessment and recommendations

- Mexico has made notable progress in shifting support toward more targeted payments for smallholder and vulnerable producers through programmes such as Production for Wellbeing, Fertiliser for Wellbeing, and Sowing Life. These programmes provide an important foundation for more inclusive agricultural support; however, there is scope to strengthen their sustainability impact further.
- For instance, the Fertiliser for Wellbeing Programme could be complemented with expanded training in good agricultural practices and more systematic soil analysis to better match nutrient applications to local conditions. The safeguards against land clearing under the Sowing for Life programme could be implemented via targeted payments based on forest environmental services.
- Develop tools to improve the targeting and effectiveness of support programmes, such as an agroclimatic zoning system based on soil and climate characteristics
- Promoting digital tools, for example, satellite monitoring and farm-level data platforms, would allow better targeting of support, improved tracking of environmental outcomes, and more timely policy adjustments.
- Phase out electricity subsidies and introduce water pricing to deter excessive water use and facilitate sustainable water management. Improved water allocation systems, stronger user associations, particularly for small-scale farmers, and investments in efficient irrigation are also needed for long-term water security.
- Integrate risk management strategies that combine insurance, early warning systems, climate information services, and diversification to help farmers cope with climate variability.
- Strengthen producer organisations, such as co-operatives, and improve smallholders’ access to input and output markets, including quality seeds, to alleviate scale-related constraints and facilitate productivity gains.
- Facilitate access to finance for smallholders through blended finance instruments, credit guarantees, and partnerships between public development banks, commercial banks, microfinance institutions, and producer organisations to reduce lending risks and improve access to affordable financing, particularly for investments in sustainable technologies and productivity-enhancing practices.
- Increasing linkages between producers, processors, retailers, and exporters through contract farming arrangements to help farmers access markets and capture more value. Improvements in market information systems and investments in storage, logistics, and cold-chain infrastructure is also needed to enhance quality standards and reduce post-harvest losses.

- Recent institutional reforms have improved programme coherence and governance, but stronger coordination, monitoring, and accountability are needed. A central coordination and evaluation mechanism supported by a unified monitoring and evaluation system would better align policy objectives and track results, while stronger regional coordination would improve implementation and ensure that programmes effectively reach diverse producer groups.

Key indicators on agricultural support

Figure 20.1. Mexico: Development of support to agriculture

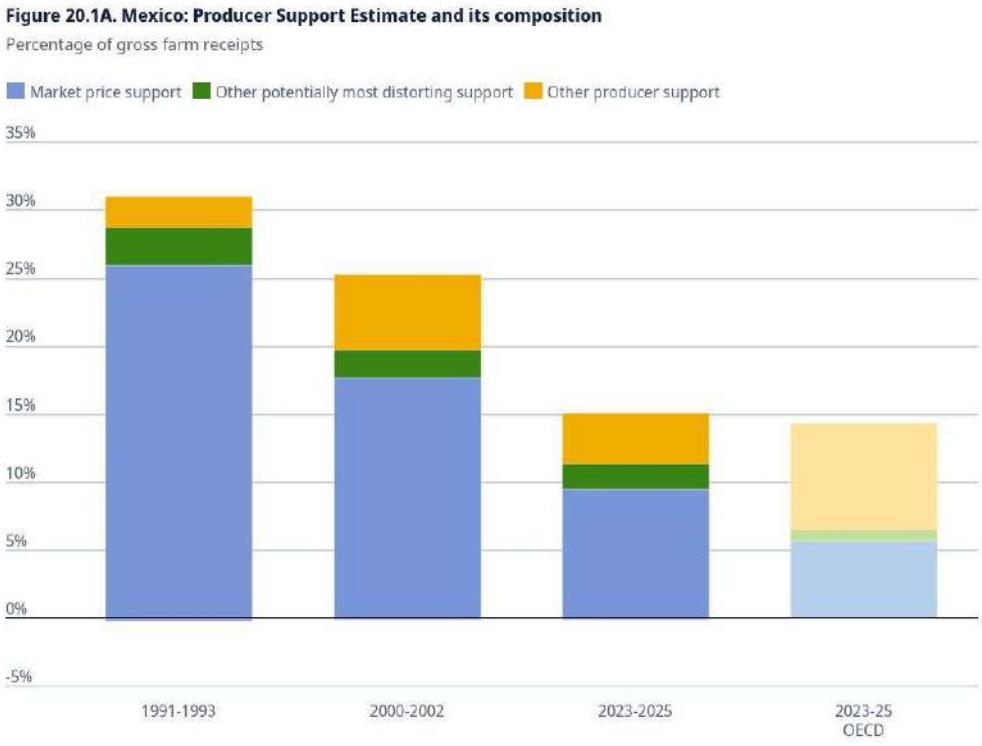


Figure 20.1B. Mexico: Ratio of producer to border price

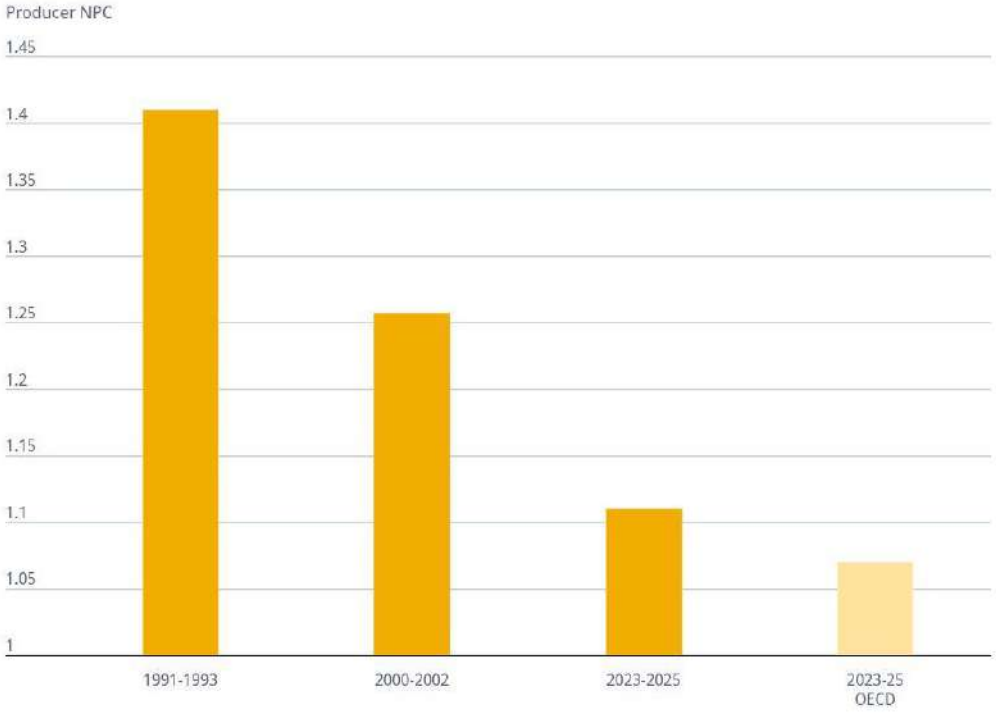


Figure 20.1C. Mexico: General Services Support Estimate and its composition

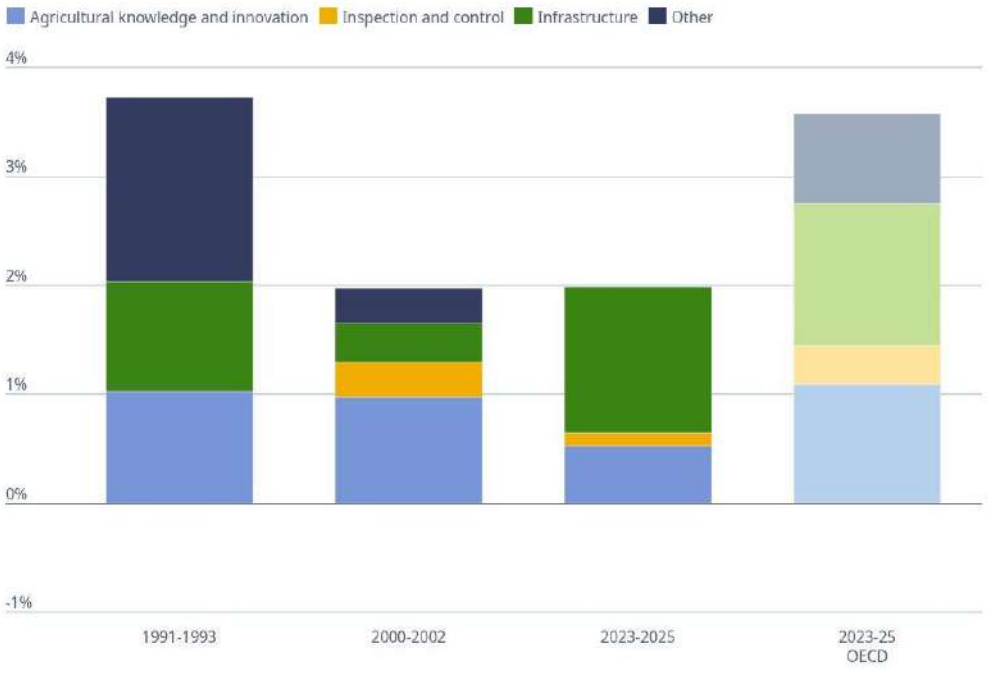
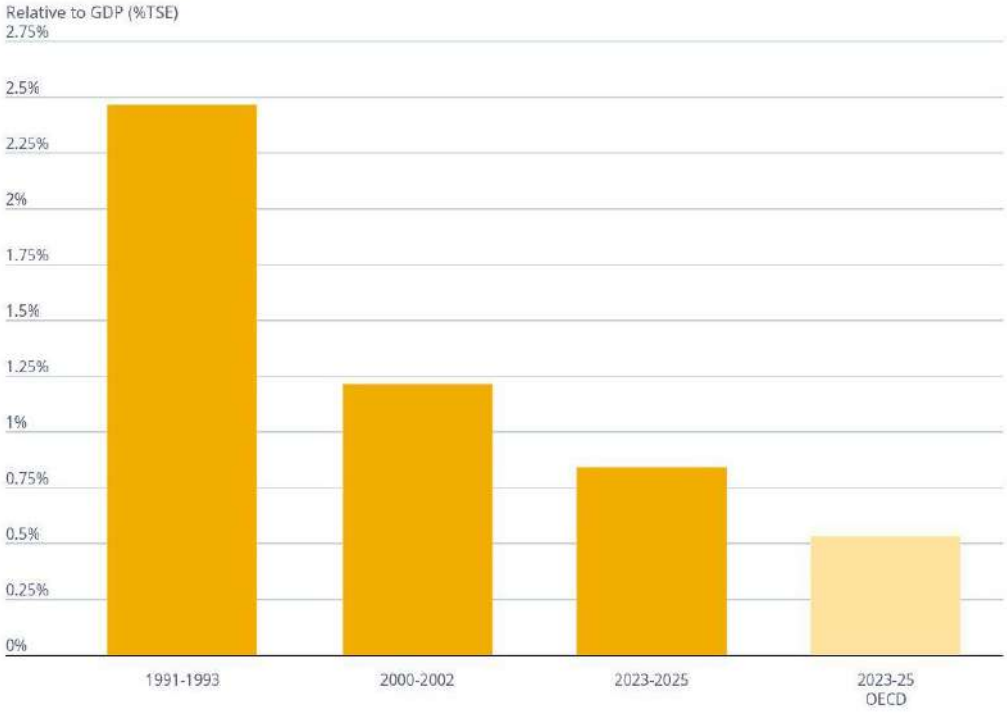
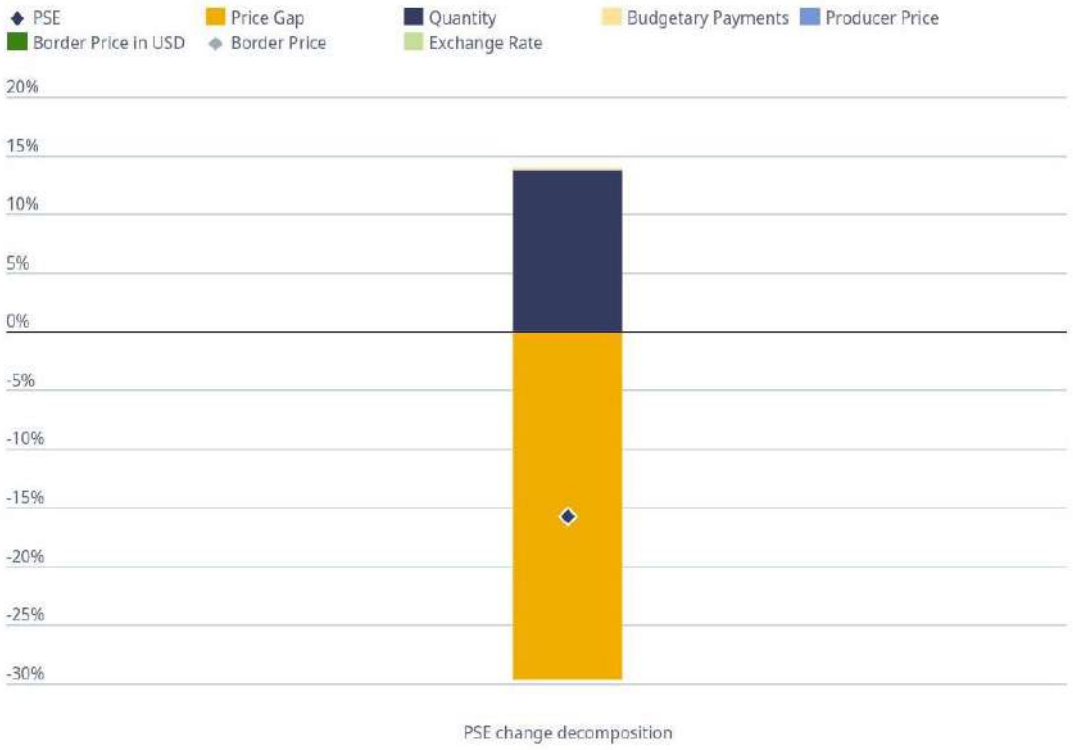


Figure 20.1D. Mexico: Total Support Estimate



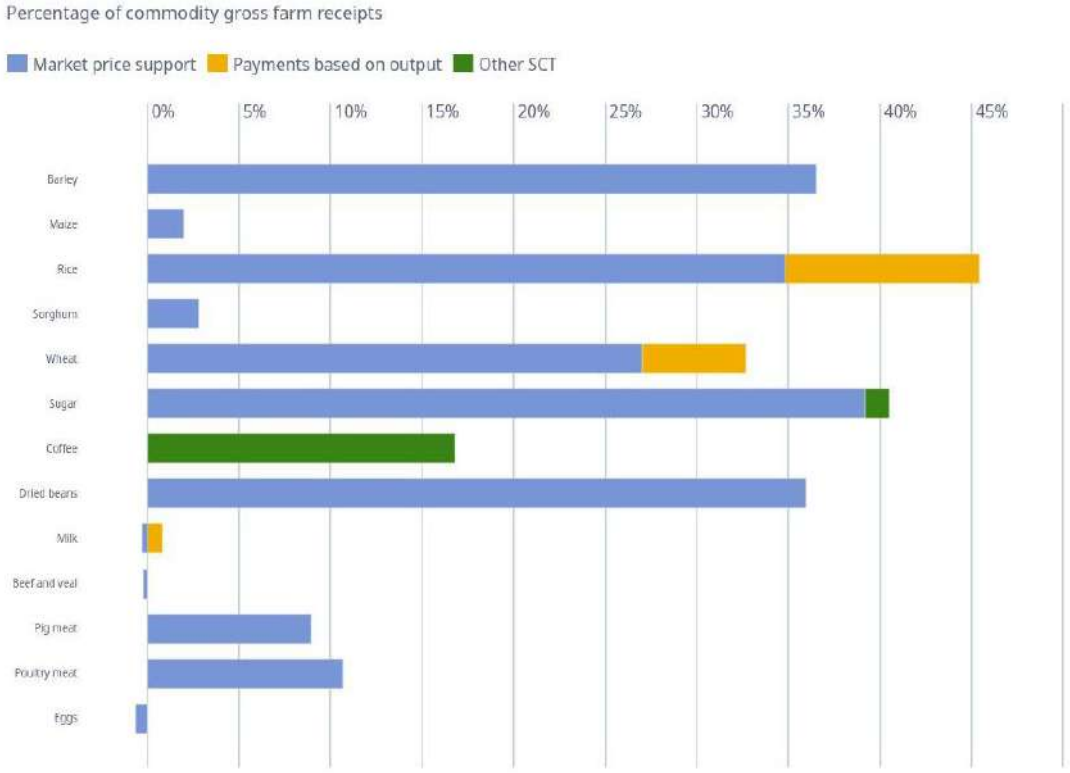
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 20.2. Mexico: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency. The producer price change and the border price change are not calculated when both negative and positive market price support (MPS) occur at the commodity level for the previous year. Note that negative MPS estimates for livestock products may arise in cases of aligned product prices if there is positive MPS for feed commodities.
Source: OECD (2026), "Producer and Consumer Support Estimates", OECD Agricultural policy monitoring (database), https://data-explorer.oecd.org/.

Figure 20.3. Mexico: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Table 20.1. Mexico: Estimates of support to agriculture

Million USD

	1991-93	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**28 123**	**31 350**	**85 425**	**87 181**	**84 311**	**84 782**
of which: share of MPS commodities (%)	68.31	66.28	63.05	62.15	63.13	63.88
Total value of consumption (at farm gate)	**28 207**	**34 367**	**115 423**	**127 630**	**97 696**	**120 942**
Producer Support Estimate (PSE)	**9 148**	**8 541**	**13 577**	**11 665**	**16 131**	**12 935**
Support based on commodity output	7 701	6 283	8 675	6 918	11 036	8 071
Market price support[1]	7 649	5 969	8 517	6 817	10 844	7 889
Positive market price support	7 696	6 000	8 606	6 875	10 978	7 965
Negative market price support	-47	-32	-89	-58	-134	-76
Payments based on output	52	315	158	101	192	182
Payments based on input use	1 444	953	1 897	1 908	1 938	1 844
Based on variable input use	747	350	1 520	1 520	1 545	1 495
with input constraints	0	0	0	0	0	0
Based on fixed capital formation	545	362	194	213	204	166
with input constraints	0	4	27	34	27	21
Based on on-farm services	152	241	182	175	188	183
with input constraints	0	0	0	0	0	0
Payments based on current A/An/R/I, production required	3	137	-0	0	0	0
Based on Receipts / Income	0	59	-0	0	0	0
Based on Area planted / Animal numbers	3	78	-0	0	0	0
With input constraints	0	0	0	0	0	0
Payments based on non-current A/An/R/I, production required	0	0	922	748	1 030	988
Payments based on non-current A/An/R/I, production not required	0	1 168	-0	0	0	0
With variable payment rates	0	0	0	0	0	0
with commodity exceptions	0	0	0	0	0	0
With fixed payment rates	0	1 168	-0	0	0	0
with commodity exceptions	0	0	0	0	0	0
Payments based on non-commodity criteria	0	0	2 083	2 091	2 127	2 032
Based on long-term resource retirement	0	0	2 083	2 091	2 127	2 032
Based on a specific non-commodity output	0	0	0	0	0	0
Based on other non-commodity criteria	0	0	0	0	0	0
Miscellaneous payments	0	0	0	0	0	0
Percentage PSE (%)	**30.91**	**25.22**	**15.02**	**12.68**	**18.00**	**14.40**
Producer NPC (coeff.)	**1.41**	**1.26**	**1.11**	**1.09**	**1.14**	**1.11**
Producer NAC (coeff.)	**1.45**	**1.34**	**1.18**	**1.15**	**1.22**	**1.17**
General Services Support Estimate (GSSE)	**1 048**	**621**	**1 702**	**1 886**	**1 693**	**1 526**
Agricultural knowledge and innovation system	288	304	453	450	463	446
Inspection and control	0	102	100	99	103	97
Development and maintenance of infrastructure	285	112	1 149	1 338	1 126	983
Marketing and promotion	83	103	0	0	0	0
Cost of public stockholding	392	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0
Percentage GSSE (% of TSE)	**9.49**	**6.52**	**10.95**	**13.71**	**9.39**	**10.40**
Consumer Support Estimate (CSE)	**-7 016**	**-5 522**	**-7 312**	**-5 910**	**-8 853**	**-7 173**
Transfers to producers from consumers	-7 671	-5 894	-7 626	-6 200	-9 193	-7 486
Other transfers from consumers	-396	-124	-30	-21	-39	-30
Transfers to consumers from taxpayers	853	348	211	209	213	210
Excess feed cost	199	148	133	101	166	133
Percentage CSE (%)	**-25.65**	**-16.27**	**-6.36**	**-4.64**	**-9.08**	**-5.94**
Consumer NPC (coeff.)	**1.40**	**1.21**	**1.07**	**1.05**	**1.10**	**1.07**
Consumer NAC (coeff.)	**1.34**	**1.19**	**1.07**	**1.05**	**1.10**	**1.06**
Total Support Estimate (TSE)	**11 048**	**9 511**	**15 489**	**13 760**	**18 036**	**14 672**
Transfers from consumers	8 067	6 018	7 656	6 220	9 231	7 516
Transfers from taxpayers	3 377	3 617	7 863	7 561	8 843	7 186
Budget revenues	-396	-124	-30	-21	-39	-30
Percentage TSE (% of GDP)	**2.47**	**1.22**	**0.85**	**0.77**	**0.99**	**0.79**
Total Budgetary Support Estimate (TBSE)	**3 399**	**3 542**	**6 973**	**6 943**	**7 192**	**6 783**
Percentage TBSE (% of GDP)	**0.76**	**0.45**	**0.38**	**0.39**	**0.39**	**0.36**
GDP deflator (1991-93 = 100)	**100**	**391**	**1 247**	**1 188**	**1 246**	**1 309**
Exchange rate (national currency per USD)	**3.08**	**9.48**	**18.43**	**17.76**	**18.30**	**19.24**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for Mexico are: barley, garlic, red pepper, Chinese cabbage, rice, soybean, milk, beef and veal, pig meat, poultry and eggs.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

Agricultural policies in Mexico have been delivered through a set of priority programmes. Public support remains strongly targeted towards small- and medium-sized producers, with increased emphasis on women, Indigenous populations, and vulnerable rural communities. Changes to Mexico's agricultural policy in 2025 and 2026 reflect a shift towards: 1) strengthening food sovereignty and self-sufficiency; 2) reducing poverty and inequality in rural areas; 3) increasing the income of small-scale producers; 4) promoting sustainable management of soil and water resources; 5) developing an inclusive, resilient, and nutritious agri-food system. Main agricultural policy instruments are:

The Fertilisers for Well-being Programme (*Fertilizantes para el Bienestar*) provides in-kind support through the **delivery of nitrogen and phosphate fertilisers** (300 kg per hectare with a cap of 600 kg per producer). Beneficiaries include producers of maize, beans, rice, or any other crop planted on less than 3 ha of land and located in highly marginalised and poor communities of the country.

The Production for Well-being Programme (*Producción para el Bienestar*) provides **direct payments based on area or animal number** to small and medium-sized producers of staple and strategic crops such as maize, rice, beans, wheat, amaranth, chia, sugarcane, coffee, cocoa, nopal-cactus, honey, and milk. The support is complemented by technical assistance promoting agroecological practices. Eligibility is limited to holdings of less than 20 ha and to the inclusion criteria (e.g. vulnerable populations).

Minimum prices apply to key commodities, such as maize, beans, wheat, milk, and rice, through the Guaranteed Prices Programme (*Precios de Garantía*), which is implemented via two instruments: the Well-being Stockpiling Programme for public procurement, and the Fair-Trade Programme for market access. The government buys staples directly from small and medium-sized producers at guaranteed prices, eliminating intermediaries. Food is then sold through a network of Stores for the Well-being that target remote and low-income areas.

Food for Well-being (*Alimentación para el Bienestar*) provides the overall framework for **food access** for vulnerable populations. Stores for the Well-being (*Tiendas del Bienestar, formerly DICONSA*) are also part of the food access framework, and are a network of convenience stores across the country that distribute basic food products to underserved and low-income communities. There are more than 24 500 convenience stores (fixed or mobile) across the country, selling at reduced prices 30 products defined as a staple food basket. The stores help improve food access to marginalised populations while also providing a stable market for products procured from smallholder farmers. Milk for Well-being Programme (*Leche para el Bienestar, formerly LICONSA*) is also part of the Food for Well-being framework; and purchases milk from small and medium-sized farmers at guaranteed prices, then processes, fortifies, and distributes it through a nationwide network to vulnerable households at subsidised prices.

The 2002 Rural Energy Act (*Ley de Energía para el Campo*, LEC-2002) provides reduced electricity rates for water pumping to irrigate land contingent on verified use for pumping and compliance with metering and reporting requirements. While the programme is open to farms of all sizes, it primarily benefits medium and large-scale operations due to their higher irrigation intensity.

A key programme that relates to agriculture but that is under the responsibility of the Ministry of Well-being within the Rural Development strategy is the Sowing for Life (*Sembrando Vida*) programme, which supports agroforestry projects implemented by small-scale farmers located in poor municipalities. Participating farmers receive monthly **income support, technical assistance, and inputs** (such as seedlings), conditional on cultivating designated plots and participating in community-based learning groups. The programme focuses on restoring degraded land, enhancing carbon sequestration, and strengthening local economies, while improving livelihoods for smallholders.

The national public framework for agricultural credit provides preferential loan rates through commercial banks, credit unions, and other financial intermediaries, using funds from FIRA, a second-tier public financial institution. This credit primarily benefits medium and large-scale farmers. The 2025-created Harvesting Sovereignty (*Cosechando Soberanía*) programme uses FIRA funds to provide loans to smallholders, under preferential terms, including lower interest rates and more flexible repayment conditions. It also provides technical support, research for animal and plant health and production and delivery of high-quality seeds.

Public expenditures on general services focus on agricultural knowledge and innovation systems, infrastructure and biosecurity. A key GSSE service is the Agri-food Health and Safety Programme, implemented by the Animal and Plant Health Agency (SENASICA), which strengthens sanitary and phytosanitary systems through **surveillance, prevention, and control measures**. The programme operates through a nationwide network of inspection points, laboratory diagnostics, and rapid response protocols, ensuring early detection and containment of pests and diseases while supporting compliance with domestic and international standards. Additional initiatives aim to increase products' market value, promote circular bioeconomy approaches, and enhance sustainable resource management.

Recent policy developments

Domestic policy developments in 2025-26

Following the change in administration in October 2024, the government adopted the National Development Plan 2025-2030 and the Sectoral Programme for Agriculture and Rural Development 2025-2030, which define the strategic direction of agricultural policy. Major changes to Mexico's agricultural policy in 2025 and 2026 reflect a shift toward a more integrated, state-led food system focused on smallholders, food security, and domestic production. These changes were reoriented to improve efficiency, targeting, and territorial coverage, while maintaining a strong social focus. Rather than introducing entirely new instruments, the restructuring focused on consolidating, renaming, and strengthening coordination among existing programmes. Key developments include:

- The dismantling of SEGALMEX, the food access institution, while creating the Food for the Well-being food access framework (*Alimentacion para el Bienestar*), which consolidates procurement, storage, and distribution functions into a single entity. The system links direct procurement from small producers, processing, and subsidised sales of food products. moving from fragmented institutions to a vertically integrated, state-coordinated agri-food system.
- The restructuring of the public food stores network, DICONSA, into the Stores for the Well-being (*Tiendas del Bienestar*), to improve governance and operational clarity, while making it part of the Food for the Well-being framework.
- The restructuring of the milk procurement mechanism, LICONSA, into Milk for Well-being to improve administrative and logistical efficiency, strengthen the dairy value chain, and enhance the social distribution system. Milk for Well-being is also part of the Food for Well-being framework.
- The Guaranteed Prices Programme was restructured into two components: the Well-being Stockpiling programme, which involves public procurement and storage of staple crops, with the government purchasing directly from small and medium-sized producers at guaranteed prices, eliminating intermediaries; and the Fair-Trade Programme, which supports market access and value chain integration. As of 2025, the operational activities of the Guaranteed Prices Programme were transferred to the Milk for Well-being programme.
- Expansion and improved targeting of the Fertilisers for Well-being Programme, with increased participation of women and Indigenous producers.

Expansion of the Production for Well-being Programme, combining direct income support with technical assistance.

- The Harvesting Sovereignty programme was introduced to provide credit to small and medium producers using FIRA funds. The programme also provides integrated support by combining credit, insurance, technical assistance and marketing. The programme aims to increase domestic production of staple crops (maize, beans, rice, milk). This combines previously separate instruments (credit, extension, market support) into a bundled "integrated support" model aligned with food sovereignty objectives.

Several actions related to sustainability aspects were also undertaken during this period:

- The "No Fires in My Parcel" information campaign, which promotes alternatives to agricultural burning and strengthens compliance with fire-use regulations, was expanded.
- The *Sin Deforestar* Digital Platform was set in place to support traceability and enforcement of deforestation-free production systems, through a data verification system that links agricultural production to land-use information. The platform links geospatial and satellite information with data on producers, farm locations, and supply chains, allowing products to be traced back to their exact plot of land and verifying compliance with deforestation-free criteria.
- The National Strategy for the Reduction and Proper Use of Pesticides was adopted, including the progressive banning of hazardous substances and the promotion of sustainable alternatives.
- The number of Agroclimatic Technical Roundtables, which support climate-informed decision-making through the integration of scientific and traditional knowledge, was increased.
- International co-operation projects were also expanded with a focus on mitigation and adaptation, including initiatives targeting methane reduction, soil carbon sequestration, water efficiency, and sustainable livestock systems.

In 2025, policy efforts were emphasised to improve productivity through innovation and technological adoption while ensuring environmental sustainability and social inclusion. Key initiatives include:

- The National Agreement on the White Corn-Tortilla Chain, which aims to stabilise prices and improve supply chain efficiency through coordination between producers, industry, and government.
- Genetic improvement, mechanisation, and digitalisation, particularly for small- and medium-scale producers.
- The National Native Maize Plan, which promotes the conservation, production, and commercialisation of traditional maize varieties.
- Development of value chains such as coffee, cocoa, and honey, with an emphasis on agroforestry systems and smallholder inclusion.
- Improve livestock productivity and sustainability, including genetic improvement and infrastructure investments.

Trade policy developments in 2025-26

Negotiations on the modernisation of the Mexico-European Union Global Agreement (MGA) and the Interim Trade Agreement (ITA) were concluded in January 2025. The updated agreement expands market access through broader tariff liberalisation, strengthens sanitary and phytosanitary (SPS) provisions, and enhances protection of geographical indications. The agreement removes tariffs of up to 100% on key EU agri-food exports, including cheese, poultry, pork, pasta, apples, jams, chocolate and wine. It also expands the protection of European geographical indications in Mexico to 568 products and simplifies customs and regulatory procedures. The agreement once ratified will enter into force.

Ahead of the 2026 review of the United States-Mexico-Canada Agreement (USMCA), Mexico engaged in discussions with its North American partners on sanitary and phytosanitary measures, agricultural biotechnology, rules of origin, labour and environmental provisions, and dispute-settlement mechanisms to maintain market access and support integrated regional supply chains.

Policy context

Key economic and agricultural statistics

In 2024, Mexico had a population of about 130 million and ranked as the 13th largest economy globally. Agriculture accounted for 3.7% of GDP, up from 3.2% in 2000, and remained an important source of employment, representing 10.8% of total employment. Trade is a key pillar of the economy, amounting to 34% of GDP in 2024, with agro-food products playing a significant role: they represented 7.8% of total exports and 5.3% of total imports, reflecting both Mexico's strong agro-export orientation and its reliance on imported inputs (Table 20.2).

Table 20.2. Mexico: Contextual indicators

	Mexico		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	1 154	3 379	2.8%	2.0%
Population (million)	99	130	2.3%	2.4%
Land area (thousand km²)	1 944	1 944	2.3%	2.3%
Agricultural area (AA) (thousand ha)	106 330	98 545	3.5%	3.3%
			All countries[1]	
Population density (inhabitants/km²)	50	67	52	64
GDP per capita (USD in PPPs)	11 688	25 986	9 508	31 740
Trade as % of GDP	23.0	34.0	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	3.2	3.7	3.0	3.6
Agriculture share in employment (%)	17.3	10.8	-	-
Agro-food exports (% of total exports)	4.6	7.8	6.4	8.3
Agro-food imports (% of total imports)	5.6	5.3	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	57.0	55.5	62.1	60.4
Livestock in total agricultural production (%)	43.0	44.5	37.9	39.6
Share of arable land in AA (%)	21.5	20.3	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

Figure 20.4 shows that Mexico's economic performance over 2000-25 was characterised by moderate growth, relatively stable inflation, and cyclical unemployment, punctuated by major shocks. Real GDP growth fluctuated around 2-4% for much of the period, with sharp contractions during the global financial crisis in 2009 and the COVID-19 pandemic in 2020, followed by recoveries in subsequent years, and a relative slow down around 1% since 2023. Inflation declined from high levels in the early 2000s and remained broadly contained for most of the period, before rising markedly in 2021-22 and easing thereafter.

Unemployment was relatively stable before the pandemic, increased sharply in 2020, and then declined gradually as economic activity recovered.

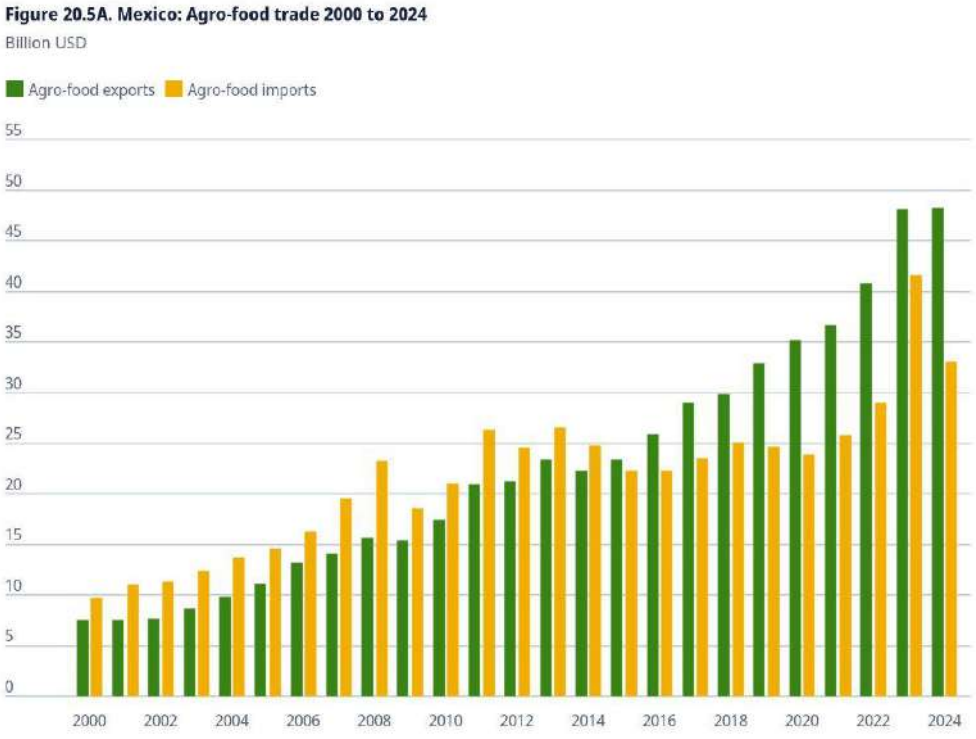
Figure 20.4. Mexico: Main economic indicators, 2000 to 2025

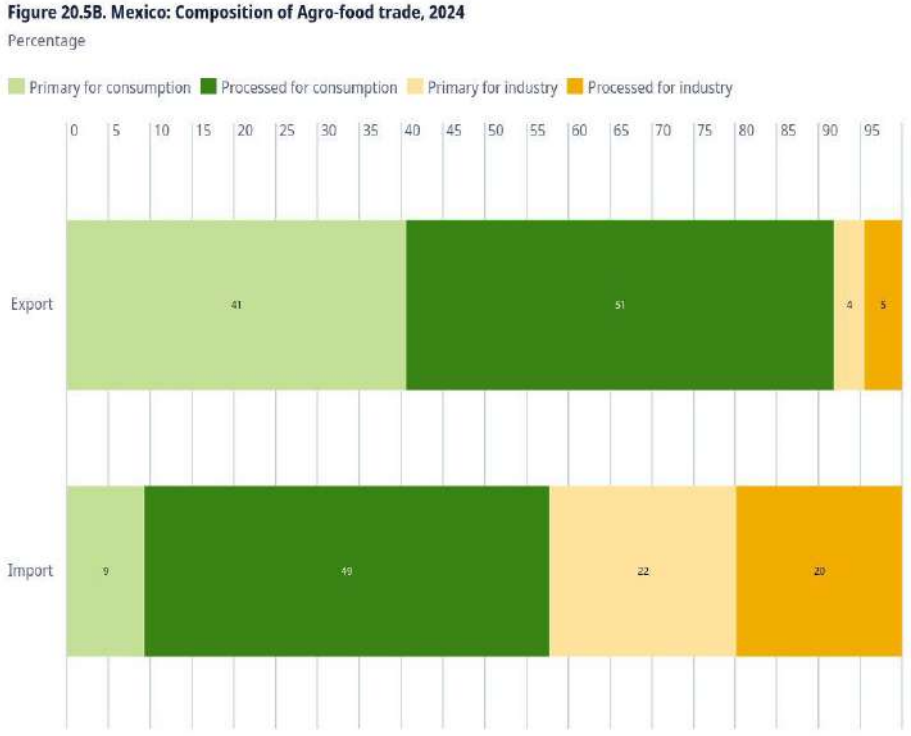


Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

Agro-food exports rose from around USD 8 billion in 2000 to nearly USD 48 billion by 2024, while imports grew from about USD 9 billion to USD 33 billion. Although imports generally exceeded exports in the early 2000s, export growth accelerated from the mid-2010s onward, resulting in a widening agro-food trade surplus in recent years and highlighting the increasing importance of agro-food exports in Mexico's trade. Mexico's agro-food exports in 2024 were largely composed of processed products for consumption, which accounted for just over half of total exports, while primary products for consumption represented around 40%. In contrast, agro-food imports were more diversified, but dominated by processed products, particularly those destined for consumption and industry, together accounting for about 70% of imports. This composition highlights Mexico's strong role in exporting processed food products, alongside a continued reliance on imported primary and processed inputs for food processing and industrial use (Figures 20.5A and 20.5B).

Figure 20.5. Mexico: Agro-food trade

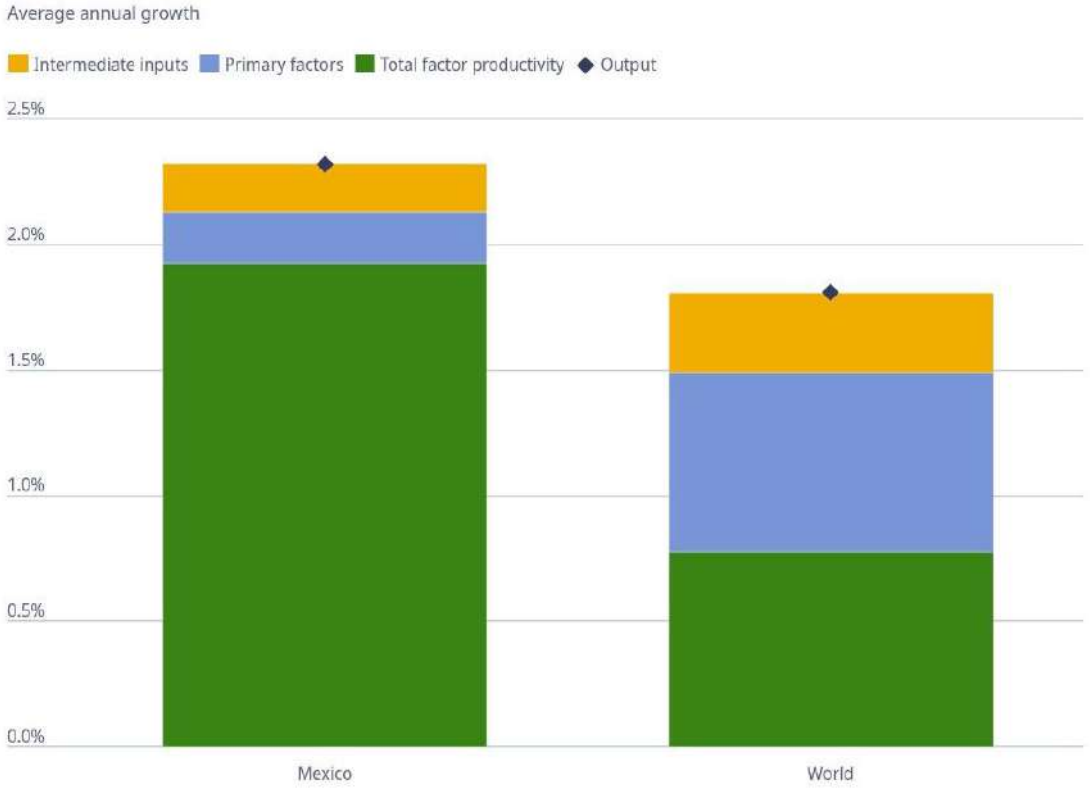




Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Mexico's agricultural output growth over 2014-23 was driven primarily by total factor productivity (TFP) gains, which accounted for the largest share of growth, while contributions from primary factors and intermediate inputs were relatively limited. Compared with the world average, Mexico recorded higher output growth, with a stronger reliance on productivity improvements rather than input expansion, indicating that efficiency gains played a central role in supporting agricultural growth over the period. In 2024, agricultural GHG emissions represent 18.1% of the country's total, which is higher than the OECD average (10.3%) and well above the sector's relative contribution to the country's economy (3.7% in 2024). The water stress index for 2024 is 20.1, well above the value observed in 2000 (15.6). Agriculture is partly responsible for this pressure due to its high share of total water abstractions (76%) (Figure 20.6 and Table 20.3).

Figure 20.6. Mexico: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Table 20.3. Mexico: Productivity and environmental indicators

	Mexico		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	4.2%	1.9%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	26.4	34.2	32.3	29.0
Phosphorus balance, kg/ha	1.9	3.9	3.3	2.3
Agriculture share of total energy use (%)	2.9	3.7	1.7	2.0
Agriculture share of GHG emissions (%)	19.0	18.1	8.7	10.3
Share of irrigated land in AA (%)[1]	4.5	6.3	-	-
Share of agriculture in water abstractions (%)	82.0	76.0	46.1	47.7
Water stress indicator	15.6	20.1	..	..

Note: * or closest available year.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Starting in the 1980s, reforms to price support reduced its prominence in the policy mix. In 1988-89, guaranteed prices for wheat, sorghum, barley, rice and oilseeds were eliminated. After the enactment of the North American Free Trade Agreement (NAFTA) in 1994, guaranteed prices for maize and beans were phased out, and the government also withdrew support for procurement and marketing for all commodities except for beans and maize, for which it was reduced but not eliminated.

The old system of market price support was replaced by a new one of direct income support through farm payments (Procampo) based on the historically cultivated crop area, which was given to all farms irrespective of their size. During this period of trade liberalisation, subsidies for financial instruments to reduce financial risks (price hedge instruments) were also put in place. Input subsidies for seeds, fertiliser, pesticides, machinery and diesel fuel were reduced in the 1990s, but the input subsidy for electricity to pump groundwater was maintained.

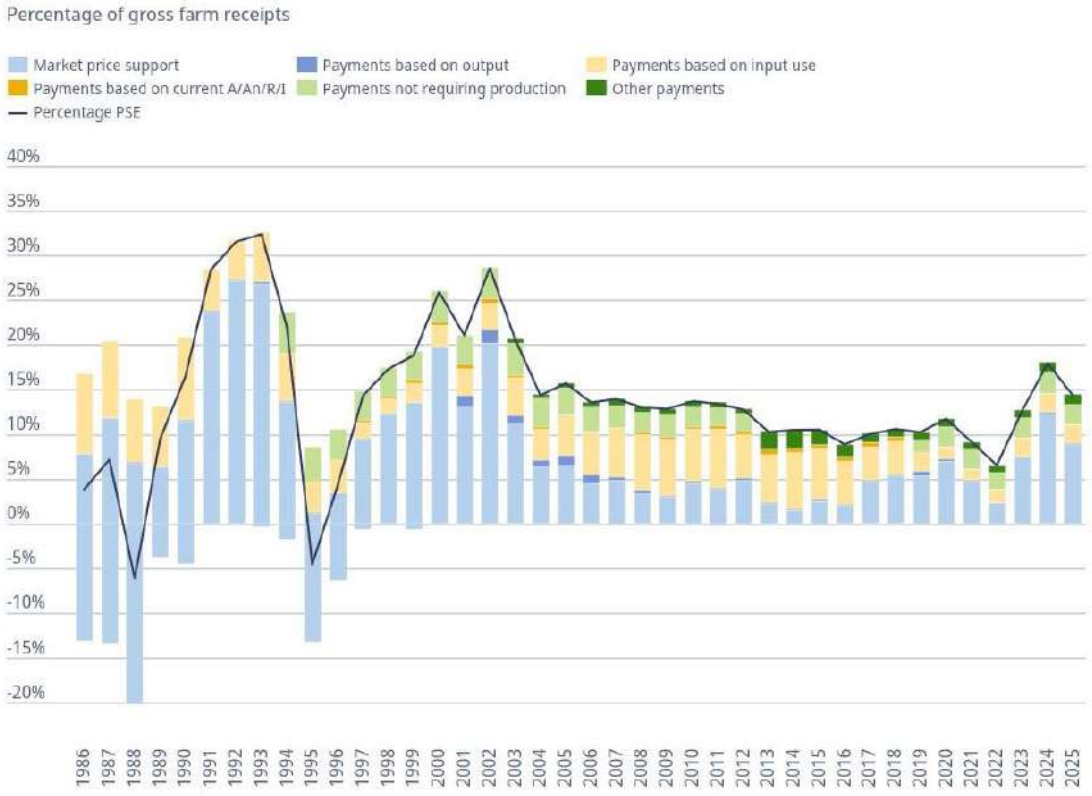
In 2018, direct payments were redirected to target small and medium-scale farmers located in poor regions of the country. Minimum guaranteed prices for staple crops were reinstated in the form of government purchases of crops from a limited number of farmers, targeted to smallholders, at a minimum price. Crops purchased under this intervention were then distributed to poor households at subsidised prices in both rural and urban areas. The Procampo programme (direct payments based on land) was renamed “Production for Well-being” and reformed to provide support only to small-scale farmers, with particular focus on those located in poor communities. Furthermore, subsidies for large farms and food processors to encourage price hedging were dismantled. A fertiliser programme targeted to smallholders was created, as well as the Sowing for Life programme that subsidises agroforestry activities carried out by smallholders. SEGALMEX, DICONSA, and LICONSA were restructured, and functions were reoriented.

Table 20.4. Mexico: Agricultural policy trends

Period	Broader framework	Changes in agricultural policies
Prior to 1990s	Import substitution model	Agricultural tariffs and import quotas Minimum prices for staple food (maize, rice, beans, wheat, etc.) State food marketing enterprise (CONASUPO) Subsidies for inputs (fertilisers, seeds, electricity for water pumps) Preferential agricultural credit
1990-2018	Trade liberalisation	Dismantling of tariffs on agricultural products (except sugar) Dismantling of the state marketing enterprise Elimination of input subsidies, except for electricity for water pumps Elimination of minimum prices Reforms to land tenure NAFTA and other FTAs signed Preferential agricultural credit Creation of direct payment to farmers (PROCAMPO) Insurance and price hedge subsidies
2018- present	Reforms to target and tailor direct payments to smallholders	Guaranteed minimum prices on staples (maize, beans, wheat, rice and milk) are targeted at smallholders and limited to a certain amount of production volume. PROCAMPO was renamed “Production for Well-being” and reformed to provide payments to only small-scale producers living in poverty conditions across the country. The fertiliser for well-being programme was created to target only small-scale farmers and is limited to only 600kg per year per farmer. The Sowing Life programme was created to support agroforestry projects implemented by small-scale farmers. Electricity subsidy for water pumping continues. Preferential agricultural credit continues at a lower rate, while financial institutions have been reformed or dismantled. SEGALMEX was dismantled, and its functions were transferred to DICONSA LICONSA was restructured, and Milk for the Well-being programme was created.

Mexico provides relatively low levels of support to its agricultural sector, and this has decreased over the years. The Mexican Producer Support Estimate (PSE) was mostly comprised of market price support until the end of the 1990s. After this period, the share of market price support declined while that of budgetary support grew, until 2016 when market price support became the largest component of producer support (Figure 20.7).

Figure 20.7. Mexico: Development of the PSE and its composition, 1986 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

21 New Zealand

Main findings

Support to agriculture

Support to agricultural producers in New Zealand consistently ranks among the lowest in the OECD. During 2023-25, the Producer Support Estimate (PSE) averaged 0.8% of gross farm receipts, slightly higher than the 0.5% reported for 2000-02 but far below the OECD average.

Almost all prices align with world market prices. The only exception in recent years has been table eggs. Table eggs, as well as other products such as fresh poultry and certain bee products, cannot be imported in New Zealand due to biosecurity regulations. As a consequence, market price support (MPS, the only form of support to individual commodities in New Zealand), reached 43% for eggs in 2023-25. Additional minor producer support is provided through on-farm services, mainly related to animal health and disaster relief.

Thanks to structurally low producer support, around 70% of all support to the sector for most of the past two decades was for general services. However, such support (General Service Support Estimate, GSSE) is estimated at just 1.5% of the value of agricultural production during 2023-25, well below the OECD average. It mainly focuses on animal disease control and on investments in the agricultural knowledge and innovation system.

Total support to the sector represented 0.21% of Gross Domestic Product (GDP) during 2023-25. This level is similar to that observed two decades earlier but remains less than half of the OECD average.

Key policy changes in 2025-26

A new farm-level emissions calculation platform was launched, including a free web-based tool to support on-farm emissions measurement. In October 2025, the first standardised online calculator for estimating on-farm biogenic emissions was made available, based on the standardised farm-level methodology launched by the government in December 2024. The framework and the online tool help monitor progress, support supply-chain reporting and assist exporters' emissions-related claims in international markets. The basis of the calculation will be updated as additional mitigation options emerge. Collaboration with Germany under the AgriDENZ climate partnership has strengthened comparability of the estimation methods.

The government revised the **second emissions reduction plan (ERP2)** approach to reducing agricultural emissions, deciding not to introduce on-farm emissions pricing by 2030. The updated ERP2 reflects this shift, maintaining a focus on technology to support farmers in lowering emissions.

Launched in 2025, the **Primary Sector Growth Fund (PSGF**) supports high-growth initiatives across New Zealand's food and fibre sector by co-funding up to 40% of project costs for initiatives demonstrating direct economic benefit to the sector. The fund also includes dedicated support for Māori agribusiness projects.

The **Dairy Industry Restructuring** (Export Licences Allocation) Amendment Act 2025 reforms how New Zealand allocates dairy export quotas for markets. Under this act, quotas are now based on export

volume history rather than milk solids collected, and up to 10% of quota can be reserved for smaller or previously ineligible producers.

Assessment and recommendations

- Enhance market openness while preserving biosecurity by developing Import Health Standards (IHS) for currently restricted livestock products (e.g. eggs, fresh poultry, honey) in partnership with trusted trading partners, enabling controlled imports – especially during domestic supply shortages – while maintaining strict biosecurity safeguards. This would improve consumer access and reduce price pressures without undermining New Zealand's strong biosecurity frameworks. It would also better align biosecurity needs with the country's strong trade orientation which is underlined by an absence of formal trade barriers and facilitated by New Zealand's extensive and increasing number of FTAs.
- Strengthen the policy mix for agricultural emissions reduction by complementing the technology-led approach with stronger adoption incentives and farm-level signals. While innovation will play a central role, reliance on future technological breakthroughs alone may be insufficient; additional measures are needed to encourage uptake and to ensure emissions reductions materialise at scale. Given the significance of agriculture in the country's overall GHG emissions, the sector's contributions will be important for meeting New Zealand's overall targets.
- Increase competition and efficiency in the kiwifruit sector by easing restrictions related to regulatory authorisation requirements for entities other than Zespri (the main company). This would allow other firms greater access to export markets while maintaining oversight, thereby improving market functioning, producer opportunities, and overall sector performance.
- Accelerate targeted investment in agricultural R&D and knowledge transfer systems towards sustainable productivity growth. Reversing low or negative productivity growth and high nutrient pressures from the large livestock sector will require scaling up applied innovation systems. Current spending in this area, although a major component of public spending for agriculture, remains below the OECD average relative to the size of the sector.

Key indicators on agricultural support

Figure 21.1. New Zealand: Development of support to agriculture

Figure 21.1A. New Zealand: Producer Support Estimate and its composition

Percentage of gross farm receipts

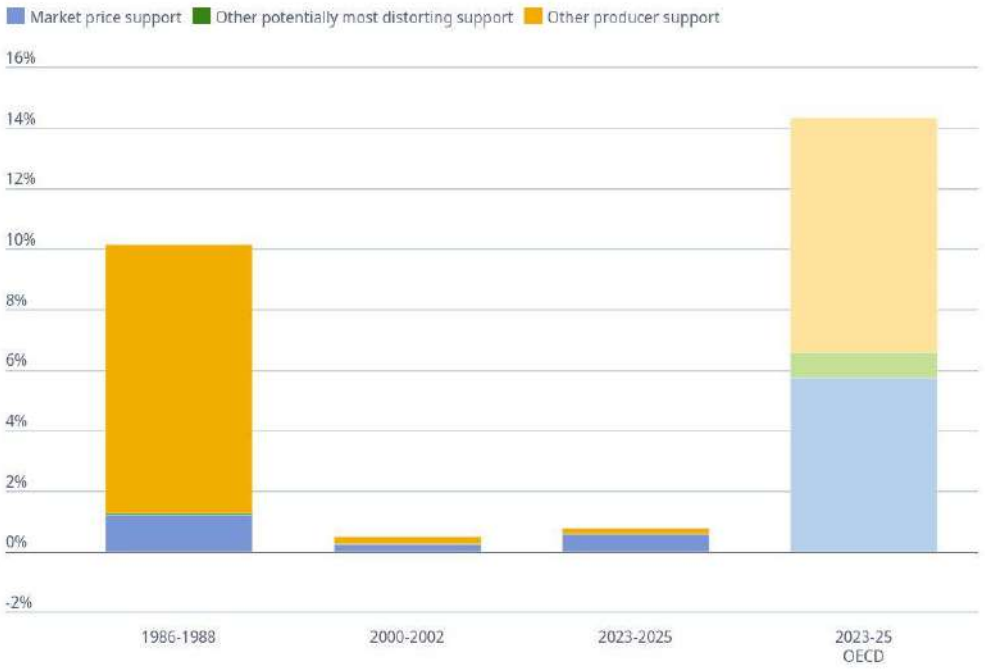


Figure 21.1B. New Zealand: Ratio of producer to border price

Producer NPC

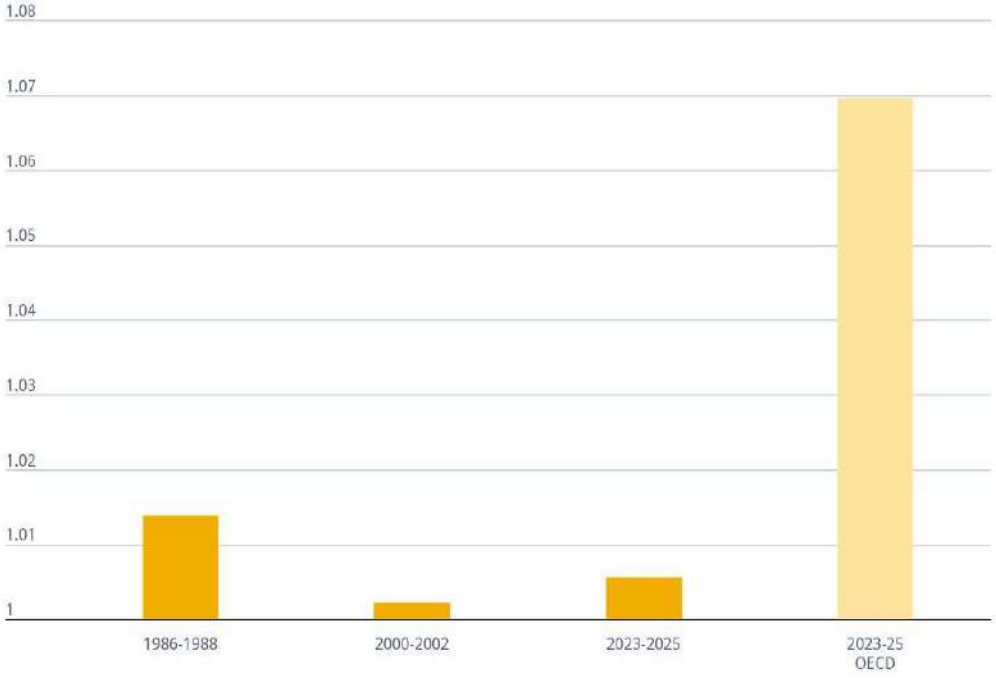


Figure 21.1C. New Zealand: General Services Support Estimate and its composition

Relative to agricultural value of production

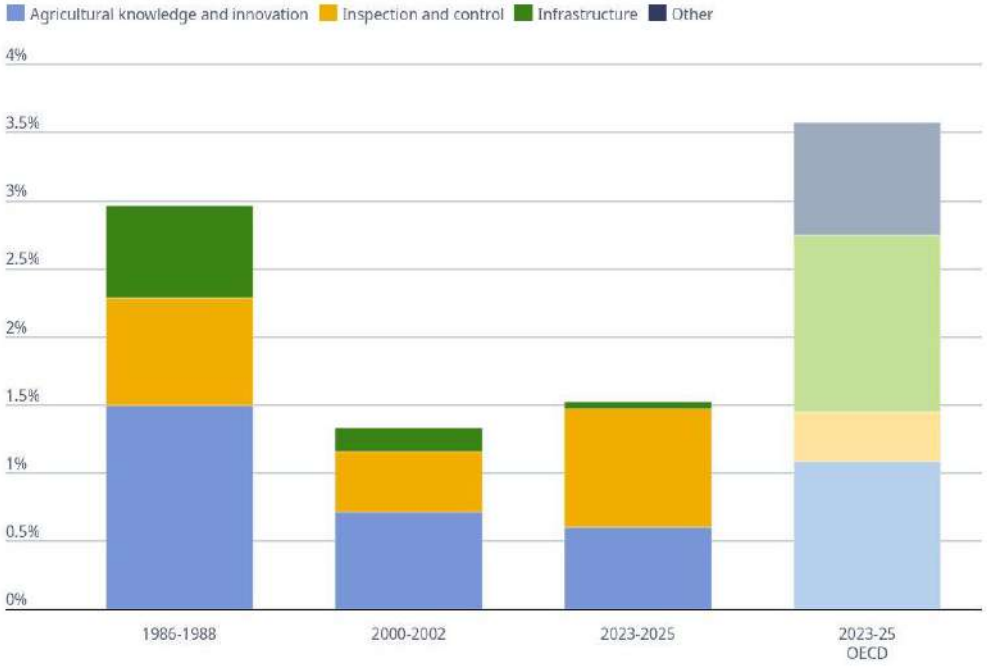
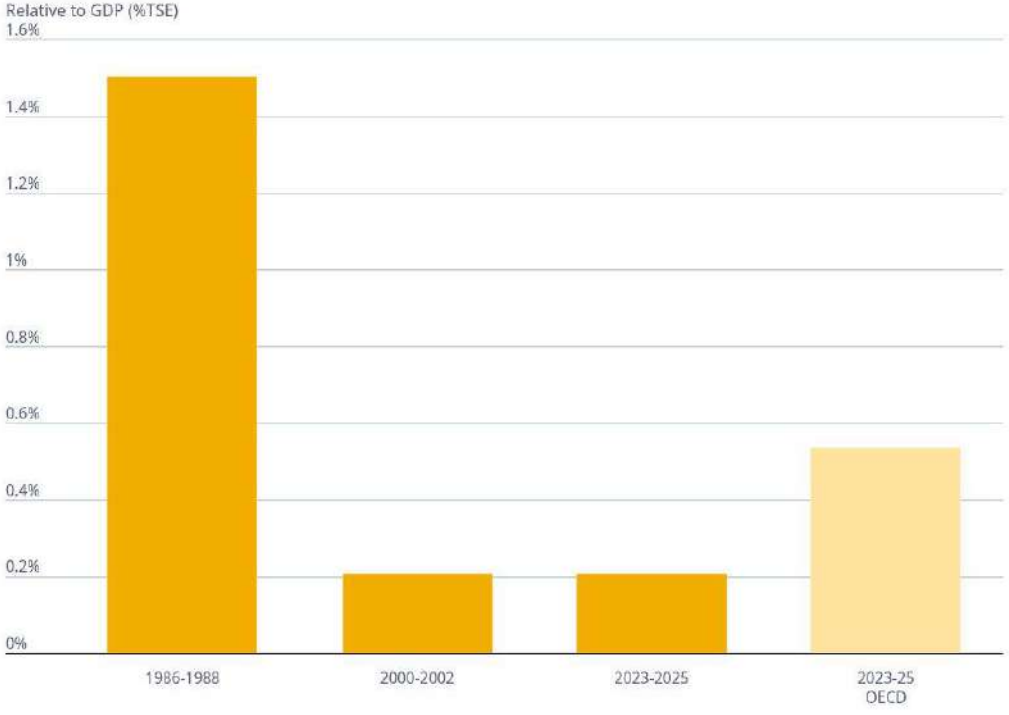


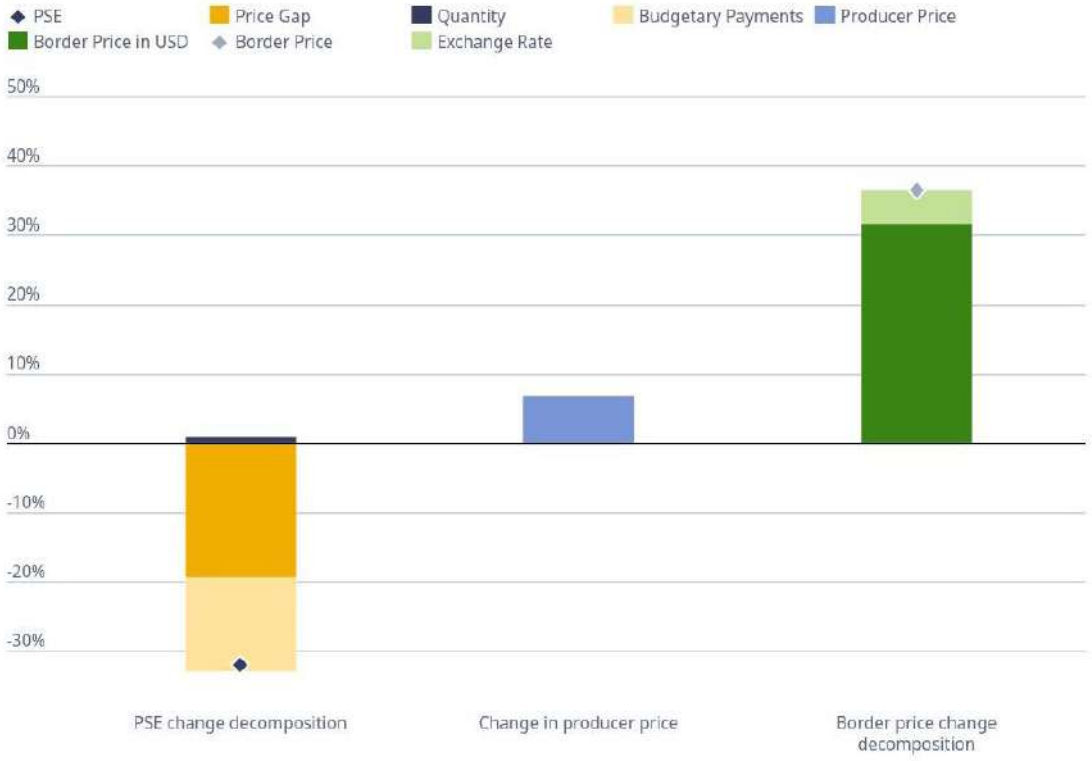
Figure 21.1D. New Zealand: Total Support Estimate

Relative to GDP (%TSE)



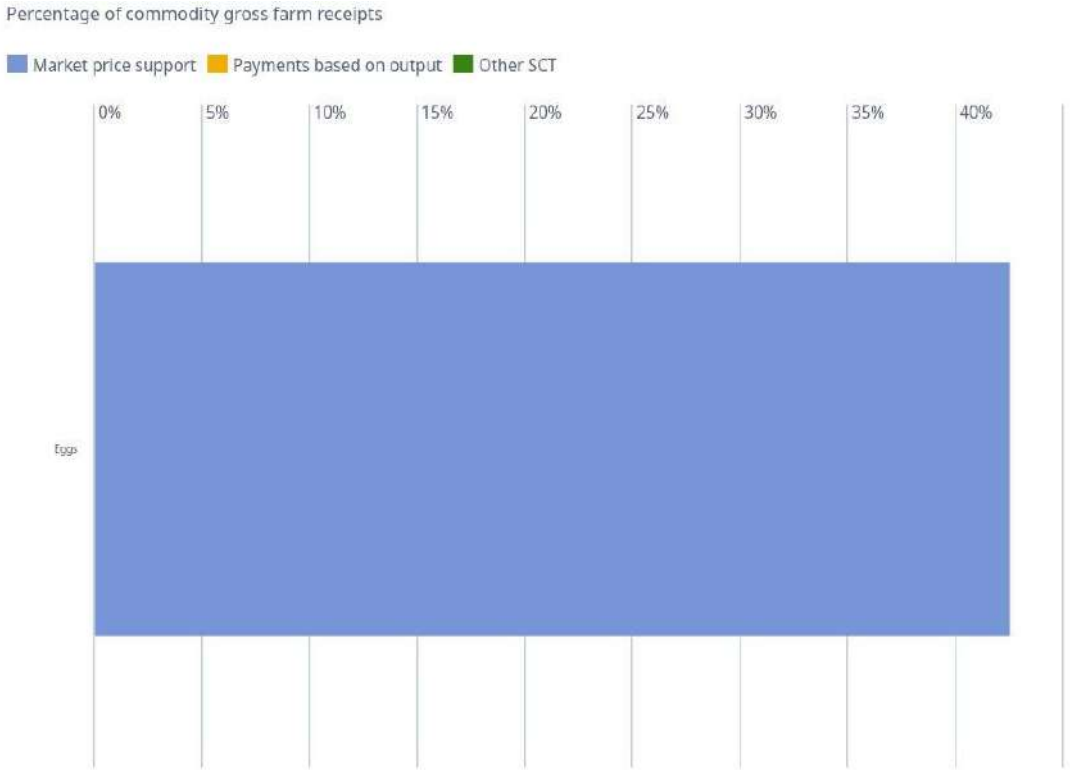
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 21.2. New Zealand: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency.
Source: OECD (2026), "Producer and Consumer Support Estimates", OECD Agricultural policy monitoring (database), https://data-explorer.oecd.org/.

Figure 21.3. New Zealand: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Table 21.1. New Zealand: Estimates of support to agriculture

Million USD

	1986-88	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**4 070**	**6 378**	**22 903**	**20 447**	**24 326**	**23 936**
of which: share of MPS commodities (%)	72.09	73.07	72.54	73.27	72.12	72.23
Total value of consumption (at farm gate)	**1 625**	**2 592**	**11 557**	**9 807**	**12 899**	**11 966**
Producer Support Estimate (PSE)	**424**	**33**	**181**	**249**	**178**	**117**
Support based on commodity output	54	15	131	156	138	101
Market price support[1]	53	15	131	156	138	101
Positive market price support	53	15	131	156	138	101
Negative market price support	0	0	0	0	0	0
Payments based on output	1	0	0	0	0	0
Payments based on input use	179	17	21	33	16	16
Based on variable input use	2	0	0	0	0	0
with input constraints	0	0	0	0	0	0
Based on fixed capital formation	154	-0	-0	0	0	0
with input constraints	0	0	0	0	0	0
Based on on-farm services	24	17	21	33	16	16
with input constraints	0	0	0	0	0	0
Payments based on current A/An/R/I, production required	26	1	29	61	25	0
Based on Receipts / Income	26	1	29	61	25	0
Based on Area planted / Animal numbers	0	0	0	0	0	0
With input constraints	0	0	0	0	0	0
Payments based on non-current A/An/R/I, production required	165	0	0	0	0	0
Payments based on non-current A/An/R/I, production not required	0	0	0	0	0	0
With variable payment rates	0	0	0	0	0	0
with commodity exceptions	0	0	0	0	0	0
With fixed payment rates	0	0	0	0	0	0
with commodity exceptions	0	0	0	0	0	0
Payments based on non-commodity criteria	0	0	0	0	0	0
Based on long-term resource retirement	0	0	0	0	0	0
Based on a specific non-commodity output	0	0	0	0	0	0
Based on other non-commodity criteria	0	0	0	0	0	0
Miscellaneous payments	0	0	0	0	0	0
Percentage PSE (%)	**10.16**	**0.52**	**0.78**	**1.21**	**0.73**	**0.49**
Producer NPC (coeff.)	**1.01**	**1.00**	**1.01**	**1.01**	**1.01**	**1.00**
Producer NAC (coeff.)	**1.11**	**1.01**	**1.01**	**1.01**	**1.01**	**1.00**
General Services Support Estimate (GSSE)	**119**	**85**	**350**	**368**	**345**	**336**
Agricultural knowledge and innovation system	60	46	138	144	140	131
Inspection and control	31	28	200	211	195	194
Development and maintenance of infrastructure	27	11	12	13	11	11
Marketing and promotion	0	0	0	0	0	0
Cost of public stockholding	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0
Percentage GSSE (% of TSE)	**20.97**	**71.96**	**65.10**	**57.60**	**65.84**	**74.27**
Consumer Support Estimate (CSE)	**-53**	**-14**	**-119**	**-113**	**-139**	**-103**
Transfers to producers from consumers	-51	-14	-124	-135	-138	-101
Other transfers from consumers	-2	0	-2	0	-2	-3
Transfers to consumers from taxpayers	0	0	7	22	1	0
Excess feed cost	0	0	0	0	0	0
Percentage CSE (%)	**-3.37**	**-0.53**	**-1.02**	**-1.16**	**-1.08**	**-0.86**
Consumer NPC (coeff.)	**1.03**	**1.01**	**1.01**	**1.01**	**1.01**	**1.01**
Consumer NAC (coeff.)	**1.03**	**1.01**	**1.01**	**1.01**	**1.01**	**1.01**
Total Support Estimate (TSE)	**542**	**118**	**539**	**639**	**524**	**453**
Transfers from consumers	53	14	126	135	140	103
Transfers from taxpayers	492	105	414	504	387	352
Budget revenues	-2	0	-2	0	-2	-3
Percentage TSE (% of GDP)	**1.51**	**0.21**	**0.21**	**0.25**	**0.20**	**0.17**
Total Budgetary Support Estimate (TBSE)	**490**	**103**	**407**	**483**	**387**	**352**
Percentage TBSE (% of GDP)	**1.36**	**0.18**	**0.16**	**0.19**	**0.15**	**0.14**
GDP deflator (1986-88 = 100)	**100**	**136**	**249**	**239**	**249**	**258**
Exchange rate (national currency per USD)	**1.71**	**2.25**	**1.67**	**1.63**	**1.65**	**1.72**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for New Zealand are: wheat, maize, oats, barley, milk, beef and veal, sheep meat, wool, pig meat, poultry and eggs.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

Agricultural policies in New Zealand predominantly focus on biosecurity controls, measures supportive of the indigenous people Māori, and agricultural research and development.

Market and trade regulations

Export rights of some dairy products to certain markets with import quotas have been allocated to dairy companies based on export volume history. Export regulations are also in place for kiwifruit: the New Zealand company Zespri has the default right, although not an exclusive right, to export kiwifruit to all markets other than Australia.[1] No other agricultural commodities face trade restrictions.

New Zealand currently has **17 Free Trade Agreements (FTAs)** in force. Approximately 72% of New Zealand's agro-food exports went to FTA partner countries during 2023-25. In the same period, 80% of its agro-food imports came from FTA partner countries. These shares are similar to New Zealand's non-agro trade with FTA partners (70% of exports and 83% of imports).

National resources management

The Resource Management Act 1991 (RMA), constitutes New Zealand's primary environmental framework, regulating the use and management of land, water, and air resources In the agricultural sector, the act establishes the requirements related to water allocation and quality, land-use changes, and environmental effects of farming activities, including soil erosion, and nutrient management. Farmers require resource consents for irrigation, stock access to waterways, building farm infrastructure, or converting land uses. National direction under the RMA, such as the **National Policy Statement for Freshwater Management**, further shape farm-level practices by setting parameters for water abstraction and discharge management to safeguard freshwater ecosystems. The RMA is undergoing a reform process through two replacement bills aimed at streamlining farm plan requirements and adjusting freshwater management. In addition, the five major National Direction instruments are being revised to establish further rules.[2]

Biosecurity and food safety

The Food Act 2014 applies a **risk-based approach focused on safe and suitable food** to all agro-food businesses. It aligns the domestic food system with the risk-based approach of other New Zealand food statutes that have more of an export focus and with international trends in food regulation.

The Biosecurity Act 1993, together with the Animal Products Act 1999, the Agricultural Compounds and Veterinary Medicines Act 1997, and the Food Act 2014, defines the **legal obligations of food importers**. Import Health Standards (IHS) issued under the Biosecurity Act set the requirements for importing risk goods into New Zealand.[3] Risk goods, including animal and plant products, can be imported only with an IHS in place for the product, and with the product meeting all relevant IHS measures. For some products (e.g. table eggs, uncooked chicken meat, honey), no IHS is in place. These products therefore cannot be imported, leading to some market price support as their domestic prices are above the world market level.

The Government Industry Agreement for Biosecurity Readiness and Response (GIA) established an integrated approach through **voluntary partnerships between the government and primary industry sector groups to manage pests and diseases** that could damage New Zealand's primary industries, economy, and the environment. Signatories share decision-making responsibilities and costs in preparing for and responding to biosecurity incursions. In total, the number of industry groups partnering with the Ministry for Primary Industries under GIA now stands at 24.[4]

Farm assistance services

Under the Commodity Levies Act 1990*,* **"industry good" activities** (such as research and development, forming and developing marketing strategies, and providing technical advice) are managed by industry organisations and funded by levies collected from producers.[5] Levies can only be imposed when approved by producers, who also decide how to spend them.

Policies for Indigenous peoples

Māori are able to retain and manage collectively owned land under the *Te Ture Whenua Māori* Act 1993 and a Māori Land Court. New Zealand has also returned land and other resources to Māori tribal entities through a process of **negotiated settlements as compensation for breaches of the 1840 Treaty of Waitangi**, with most Māori tribes having completed their settlements.

In addition, five specific Māori Agribusiness investment programmes have been developed by the government to **help Māori develop their land and agricultural assets**. These programmes are administered by a team of regional Māori Agribusiness advisers and provide funding for measures such as land-use assessments and business feasibility studies along with support to reduce agricultural GHG emissions.

Sustainability policies

The Sustainable Land Management Hill Country Erosion Programme (HCEP) aims to protect 1.4 million ha of pastoral hill country classified as erosion prone. It co-funds **regional councils to develop and deliver four-year erosion control programmes**, co-funded by councils and landowners. Funded activities within the current period 2023-27 include:

- developing farm-scale erosion control plans in collaboration with landowners
- wide-spaced planting of poplars and willows as agroforestry
- land retirement from production to revert to native vegetation
- small-scale forest-based activities
- regional training and resourcing for delivering targeted erosion control programmes.

Although the main purpose of the HCEP is to reduce erosion and to build on-farm resilience, it also aims to reduce sediment loss to waterways, increase on-farm biodiversity, enhance climate change adaptation, and contribute to carbon sequestration.

As part of the One Billion Trees programme, aiming to double previous tree planting rates over the decade 2018-28, the One Billion Trees Fund was launched in November 2018. The fund provides **tree planting grants to landowners,** including farmers, and supports partnership initiatives to help overcome the barriers to tree planting. While the One Billion Trees programme will continue until 2028 for grants that have already been approved, the fund is closed for new applications.

The Primary Sector Growth Fund (PSGF), launched in May 2025, replaces the Sustainable Food and Fibre Futures Fund. It is a public co-investment programme that finances **projects to create value and improve sustainability in the food and fibre industries**. With a minimum industry investment of NZD 375 000 (USD 218 000) but no cap on government investment per project, the fund supports multimillion-dollar, multi-year programmes to enable farmers, growers, harvesters, and industry to generate economic, environmental and social benefits. All projects require co-funding from the partner organisation of at least 60% of costs.

Climate change mitigation and adaptation

Due to the prevalence of livestock-based agriculture and the large share of renewable sources in the electricity mix, **primary agriculture is responsible for about half of New Zealand's gross greenhouse gas (GHG) emissions**, mostly in the form of methane from dairy, sheep, and beef cattle.

New Zealand's second **Nationally Determined Contribution** (NDC) under the Paris Agreement, submitted in January 2025, covers the period 2031-35. Building on the first updated NDC that committed to halve New Zealand's national net GHG emissions by 2030 relative to gross 2005 levels, the new NDC sets to reduce net GHG emissions by 51–55 % below gross 2005 levels by 2035. Both NDCs set economy-wide targets, including agriculture and other land use sectors.

The Zero Carbon Amendment Act 2019 (Zero Carbon Act) made changes to the Climate Change Response Act 2002 (Climate Change Response Act), which sets separate **emissions reductions targets** for long-lived and short-lived GHG emissions, including a target for biogenic methane. The emissions reduction targets set out in the Climate Change Response Act aim to reduce all GHG emissions, except biogenic methane, to net zero by 2050 and biogenic methane by 10% by 2030 and 14-24% by 2050.The Climate Change Response Act requires the government to set legally binding carbon budgets, which define the maximum amount of GHG emissions the country, including the agricultural sector, can produce over five-year consecutive periods. Emissions Reduction Plans (ERPs), including specific sections for agriculture, set out New Zealand's plans for meeting the emissions budgets (see section on policies for trade and sustainability below). While the first emissions reduction plan set sub-sector targets, including for agriculture (New Zealand Government, 2022[1]), this was not replicated in the second emissions reduction plan (New Zealand Government, 2024[2]).

New Zealand published two ERPs to support the achievement of its emissions reduction targets over specific budget periods. **The first plan (ERP1)** sets out the policies and strategies to meet the first emissions budget for the period 2022-25, while **the second plan (ERP2),** first published in December 2024 and amended in January 2026, sets out the approach for meeting the second emissions budget for 2026-30. The agriculture chapter in ERP2 focuses on reducing agricultural emissions while maintaining the competitiveness of New Zealand's agricultural sector. Key actions include:

- conducting the independent methane science and 2050 target review
- accelerating the development and commercialisation of mitigation tools and technologies to reduce on-farm emissions
- developing the measurement of on-farm emissions for use by 2025.

In December 2024, the government launched a **standardised farm-level methodology for estimating biogenic emissions**, aimed at ensuring that estimates are transparent, consistent, up to date and scientifically robust.

The New Zealand Emissions Trading Scheme (NZ ETS) is an **emissions pricing tool** for the New Zealand economy and a key component of New Zealand's climate change response. Eligible forests can be recognised for their carbon sequestration in the NZ ETS. However, other than non-farm activities such as transport, or the energy used to process, agricultural activities are not part of the NZ ETS.[6]

Research and innovation

The government invests in **emission-related tools and technologies** to reduce agricultural emissions through three main components: **AgriZero^{NZ}**, the **Ag Emissions Centre** (formerly **New Zealand Agricultural Greenhouse Gas Research Centre)** and the **Global Research Alliance (GRA).**

Established in February 2023, AgriZero^{NZ} is a public–private **joint venture to drive development and commercialisation of emissions-reduction products** for New Zealand farms. Industry and the

Government have so far committed NZD 191 million (USD 116 million) over four years. AgriZero^{NZ} aims to make at least two new mitigation tools available by 2028, and to enable development and adoption of solutions to drive towards near-zero methane and nitrous oxide emissions by 2040. To date, investments include a slow-release, biodegradable, methane-inhibiting bolus, probiotics and natural enzymes, a methane vaccine and methane inhibitors.

The GRA, a network of 68 member countries and 29 partner organisations, was established in 2009. New Zealand hosts the Secretariat and GRA Special Representative, and co-chairs its Livestock Research Group. The GRA facilitates collaborative and evidence-based dialogue and knowledge sharing. GRA members collaborate on the research, development and extension of technologies and practices to deliver more climate-resilient food systems without growing GHG emissions. New Zealand builds future capability and capacity through running training programmes and supporting GRA scholarship programmes in developing countries.

Established in 2009, the **Ag Emissions Centre** funds pre-commercialisation research into ruminant methane, nitrous oxide and farm systems to reduce emissions. Investments, partly co-funded by industry, focus on indicators for breeding low-methane sheep and cattle, novel methane and nitrous oxide inhibitors, methane vaccines and possible combinations of new mitigation technologies.

The New Zealand Climate Smart Agriculture Programme supports measuring and monitoring agricultural emissions in South-East Asia, southern and eastern Africa, Latin America and the Caribbean. New Zealand also funds international collaborative efforts to accelerate global research on mitigating GHG emissions from agriculture, especially for pastoral livestock farming, and has co-funded and participated in international research projects to decrease agricultural emissions.

Recent policy developments

Domestic policy developments in 2025-26

Seven Crown Research Institutes were consolidated in July 2025 into three new Public Research Organisations (PRO): **New Zealand Institute for Earth Science**, focused on energy security and strengthening resilience to natural hazards and climate related risks; **New Zealand Institute for Bioeconomy Science**, driving innovation and growth in agriculture, forestry, aquaculture and biotechnology, while supporting environmental sustainability and biosecurity; and **New Zealand Institute for Public Health and Forensic Science**, formed by re-purposing the Institute of Environmental Science and Research (ESR). For agriculture, the reform is intended to strengthen innovation and technology transfer across the food and fibre sectors, supporting productivity growth, biosecurity and environmental sustainability.

The **Primary Sector Growth Fund (PSGF)**, launched in May 2025, replaces the Sustainable Food and Fibre Futures Fund, which is closed to new applications but continues to support existing projects already underway. The PSGF provides co-investment funding of up to 40% of project costs to support high-growth initiatives across New Zealand's food and fibre sector. Projects must demonstrate direct economic benefit to the food and fibres sector. A total of NZD 354 million (USD 205 million) is allocated over five years, including NZD 41 million (USD 23.84 million) for Māori agribusiness projects.

In 2025, the government revised the **second emissions reduction plan (ERP2)** approach to reducing agricultural emissions, deciding not to introduce on-farm emissions pricing by 2030. The updated ERP2 reflects this shift, maintaining a focus on technology to support farmers in lowering emissions.

In 2025, **Operational Agreements** were signed between the government and stakeholders from across the dairy and meat sectors[7] to address high pathogenicity avian influenza and foot and mouth disease,

considered as high priority diseases. These agreements aim to reinforce response capacity and ensure effective management of other potential diseases.

As of late 2025, New Zealand is in the final phase of its ten-year **Mycoplasma bovis** eradication programme, to eliminate a systemic animal health risk and strengthen the credibility of its livestock export assurances. Two consecutive spring seasons with no infections detected in bulk tank milk testing marks the start of the "confidence of absence" stage, during which ongoing surveillance will confirm elimination. With continued collaboration between industry and government agencies, the programme aims to achieve formal disease-free status by mid-2028. By pursuing eradication rather than long-term control, the programme is intended to assure trading partners and minimise the risk of SPS-related trade restrictions.

The **Animal Welfare (Regulations for Management of Pigs) Amendment Act 2025** was passed in December 2025. This regulation aims to ensure locally produced pork products meet good animal welfare practices whilst providing the industry with certainty and maintaining productivity for the sector. The act was developed in a context of growing international scrutiny of production-method standards and their interaction with trade rules, particularly under sanitary and technical barriers disciplines.

In October 2025, the Bioeconomy Science Institute launched a new farm-level emissions calculation platform, including a free web-based tool to support on-farm emissions measurement. The Ministry for Primary Industries will update the underlying calculations as additional mitigation options become available. New Zealand is collaborating with Germany under the AgriDENZ climate partnership to verify the comparability of the on-farm estimation methods.

Trade policy developments in 2025-26

New Zealand and India announced conclusion of negotiations on a Free Trade Agreement (FTA) in December 2025. The FTA aims to reduce tariffs for 95% of New Zealand's current exports over time, with more than 50% of current exports to India benefitting from full tariff elimination immediately on the day one and rising to more than 80% over time. Products receiving immediate tariff elimination include forestry products, wool, and sheep meat. In addition, tariffs are eliminated over time for most industrial cherries, avocadoes, and new quota access for products such as apples, manuka honey and kiwifruit. The FTA was signed in April 2026.

The Dairy Industry Restructuring (Export Licences Allocation) Amendment Act 2025, which took effect on 1 May 2025, reforms how New Zealand allocates dairy export quotas for markets including the United States, United Kingdom, European Union, Japan, and the Dominican Republic. Under the Act, quotas are now based on export volume history rather than milk solids collected, and up to 10% of quota can be reserved for smaller or previously ineligible producers. These changes aim to better reflect the diversity of the dairy sector, to ensure allocations are commercially viable, to support business growth, and to maximise the value of New Zealand's dairy export.

On 28 August 2025, the New Zealand-United Arab Emirates Comprehensive Economic Partnership Agreement (CEPA) entered into force. The CEPA foresees the elimination of duties on 98.5% of New Zealand's exports immediately on entry into force, rising to 99% by 2027. This includes all of New Zealand's major agricultural exports. The CEPA also includes chapters on intellectual property, sustainable development, labour, sustainable agriculture, climate, and indigenous trade. The CEPA includes provisions that reflect opportunities for Māori, including a dedicated co-operation chapter.

Policy context

Key economic and agricultural statistics

New Zealand is a relatively small and sparsely populated country with a per capita GDP that is slightly above the OECD average. Its high degree of market openness is related to its dependency on international trade. Agriculture has a comparatively high, albeit slowly shrinking, importance to the economy, accounting for around 5% of both GDP and employment. Moreover, agro-food products account for more than two thirds of New Zealand's total exports.

With little arable land, grass-fed livestock production represents the backbone of the agricultural sector, with livestock products accounting for around 75% of its total agricultural production value. New Zealand is among the world's leading exporters of sheep meat and dairy products. Both sectors are highly export-oriented, with around 95% of dairy and sheep meat production exported. Beef, fruit and other horticultural products also contribute significantly to the country's agro-food exports.

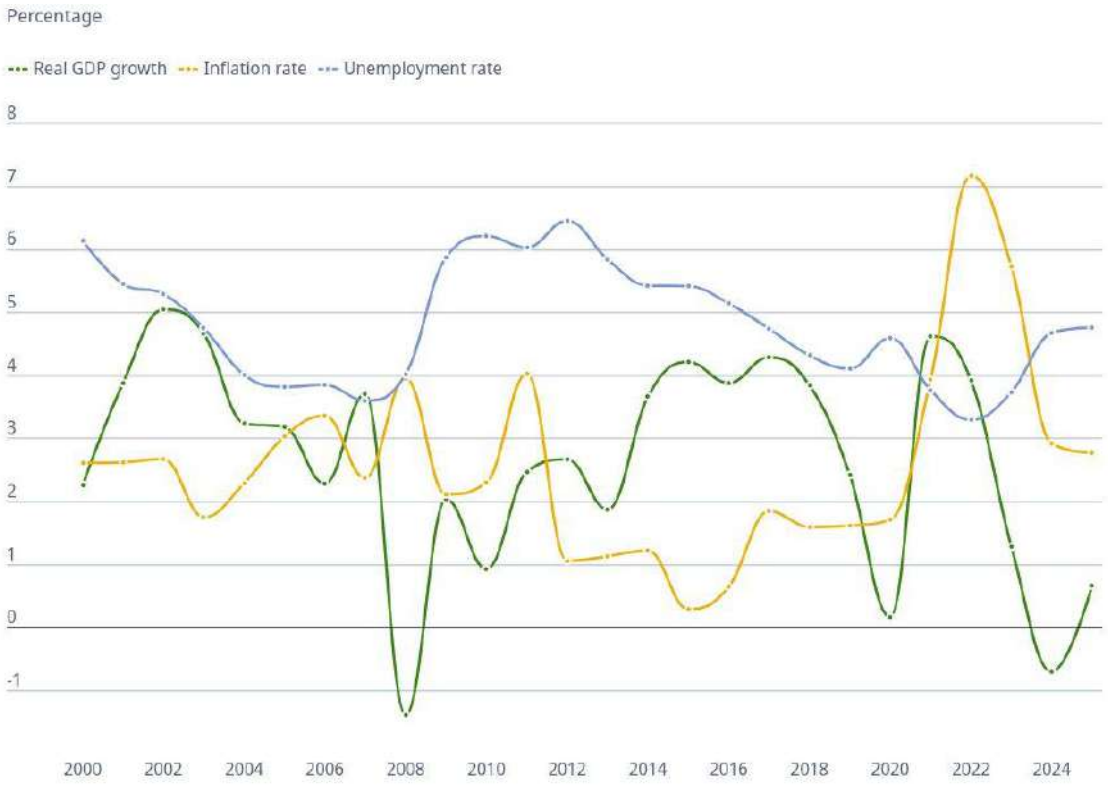
Table 21.2. New Zealand: Contextual indicators

	New Zealand		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	83	294	0.2%	0.2%
Population (million)	4	5	0.1%	0.1%
Land area (thousand km^2)	263	263	0.3%	0.3%
Agricultural area (AA) (thousand ha)	12 670	9 772	0.42%	0.33%
			All countries[1]	
Population density (inhabitants/km^2)	15	20	52	64
GDP per capita (USD in PPPs)	21 458	55 539	9 508	31 740
Trade as % of GDP	24.5	17.1	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	8.3	5.0	3.0	3.6
Agriculture share in employment (%)	8.5	5.5	-	-
Agro-food exports (% of total exports)	50.7	69.0	6.4	8.3
Agro-food imports (% of total imports)	7.9	12.5	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	17.7	25.7	62.1	60.4
Livestock in total agricultural production (%)	82.3	74.3	37.9	39.6
Share of arable land in AA (%)	2.7	6.1	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

New Zealand has a stable economy having experienced growth and relatively low inflation for most of the 2010s. However, both the COVID-19 pandemic and Russia's war of aggression against Ukraine have weighed on economic activity with weaker – negative in 2024 – output growth and higher inflation. Growth resumed in 2025 at a modest 0.7% while inflation has remained slightly above levels seen for most of the pre-pandemic period.

Figure 21.4. New Zealand: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

New Zealand is a consistent and growing net exporter of agro-food products. After some drops in 2015 and 2016 due to, among others, lower dairy prices, its agri-food exports have picked up again since 2017 and reached new record levels in 2022. Most of New Zealand's agro-food trade, and in particular of its exports, is processed food for final consumption. On the import side, however, intermediary products represent about two-fifths of the trade basket.

Figure 21.5. New Zealand: Agro-food trade

Figure 21.5A. New Zealand: Agro-food trade 2000 to 2024

Billion USD

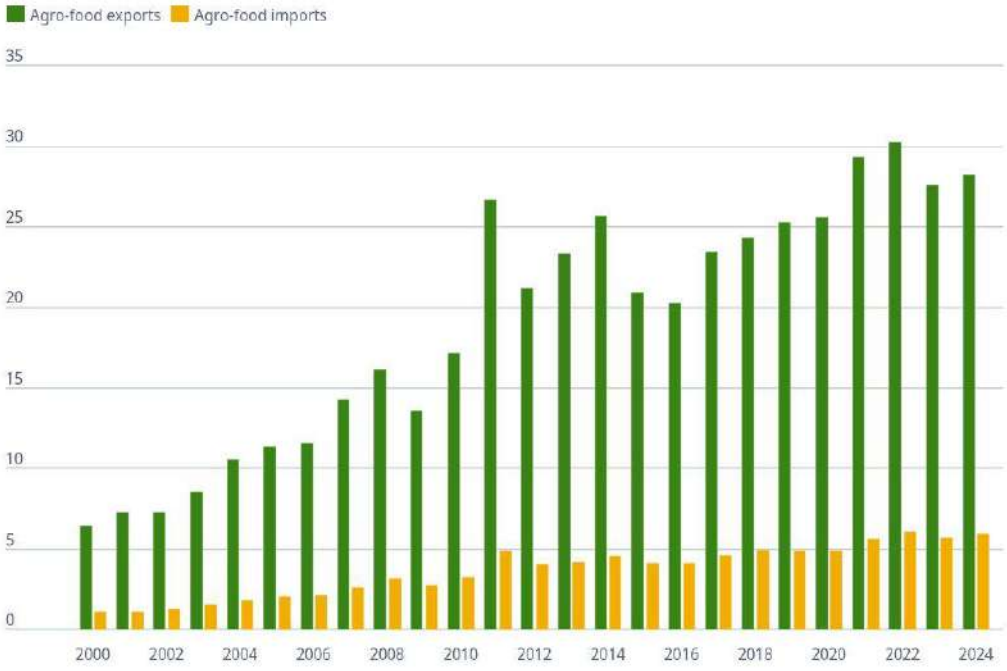


Figure 21.5B. New Zealand: Composition of Agro-food trade, 2024

Percentage

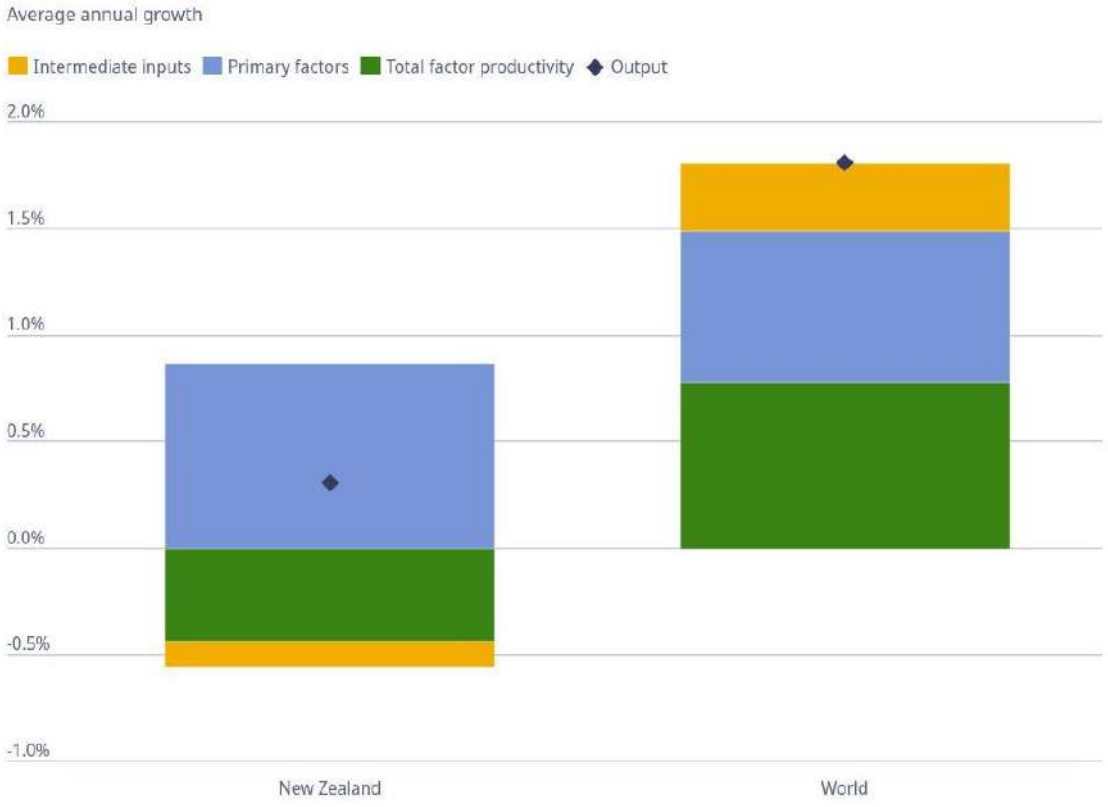


Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

New Zealand's growth in agricultural output over the 2014-23 decade has been below the global average, driven by a slight productivity decline: against an increase (albeit slow) at the global level, and in contrast to a 2% p.a. increase between 1991 and 2000, total factor productivity (TFP) in New Zealand fell by an average of 0.4% p.a.

Agriculture is responsible for half of New Zealand's GHG emissions. This is due to the dominant role of dairy and ruminant meat production and to the large share (88%) of renewables in electricity generation, among other factors. Almost three-quarters of agricultural emissions are in the form of enteric methane from ruminant livestock. Nutrient surpluses are also well above OECD averages, although the phosphorous balance has declined from its levels in the 1990s. The sector is also the main user of freshwater as irrigated land has expanded, partly in response to climate related uncertainties. Nonetheless, its overall level of water stress, while higher than in the 1990s, is relatively low.

Figure 21.6. New Zealand: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Table 21.3. New Zealand: Productivity and environmental indicators

	New Zealand		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	2.0%	-0.4%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	36.7	60.3	32.3	29.0
Phosphorus balance, kg/ha	13.2	4.9	3.3	2.3
Agriculture share of total energy use (%)	3.6	4.9	1.7	2.0
Agriculture share of GHG emissions (%)	52.5	53.1	8.7	10.3
Share of irrigated land in AA (%)	3.0	8.2	-	-
Share of agriculture in water abstractions (%)	57.5	..	46.1	47.7
Water stress indicator	1.0	3.0	..	..

Note: * or closest available year.
1. Data are not comparable between time periods due to change in methodology.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Prior to the 1970s, New Zealand exported more than half its agricultural production to the United Kingdom and support for agricultural producers was largely non-existent except for some import-competing sectors such as eggs and poultry. At the same time, New Zealand's Statutory Marketing Boards, operating since the end of World War I, enjoyed significant rights to regulate the supply and trade of several key export products. Overall, relative to the more protected manufacturing sectors, agriculture was implicitly taxed (Anderson et al., 2008[3]).

The accession of the United Kingdom to the European Economic Community in 1973 weakened New Zealand's access to its most important market, and the oil shock of the mid-1970s generated significant foreign exchange shortfalls given the country's dependence on oil imports. In response, the government introduced policy measures to support agricultural production (MPI, 2017[4]). These included input subsidies, minimum prices supported by import barriers and export incentives, tax concessions, low-interest loans and development grants (MPI, 2017[4]; Harris and Rae, 2004[5]).

In response to macroeconomic problems, including the substantial fiscal burden of these support measures, a new government implemented significant economic reforms during the second half of the 1980s. By the end of that decade, production and trade distorting policies supporting the farm sector practically disappeared (Table 21.4). In the context of these reforms, New Zealand's Statutory Marketing Boards lost most of their authority or were dissolved (Nayga and Rae, 1993[6]).

Table 21.4. New Zealand: Agricultural policy trends

Period	Broader framework	Changes in agricultural policies
Prior to 1975	Export-oriented agriculture with little policy intervention. Implicit taxation notably of exporting agriculture relative to the manufacturing sector	Statutory Marketing Boards with significant authority to regulate production and trade of key export products Agricultural and manufacturing import tariffs Limited farm support, including some input subsidies
1975-1984	Incentivising agricultural production	Introduction of significant farm support measures: price support, input subsidies, tax concessions, low-interest loans, development grants
Late 1980s	Reforms to market and trade liberalisation	Dismantling of price support and most other forms of direct farm support, along with economy-wide reforms liberalising the manufacturing industry as well Restricted function or dismantling of the Statutory Marketing Boards Exit packages and debt restructuring programmes for farmers who had to stop operating
1990-present	Continuing trade liberalisation	Focus on general services and disaster aid

Since the policy reforms of the late 1980s, New Zealand's level of support to agricultural producers has been the lowest among OECD countries (Figure 21.7). For the last almost 20 years, PSE has been consistently below 1% of gross farm receipts. While this low support has been dominated by SPS-related market price support, most of the budgetary producer support has consistently been provided for livestock disease control. Most of the support for the sector, however, has consistently been in the form of provision of general services to the sector, notably through the agricultural knowledge and innovation system and related to the country's biosecurity controls for pests and diseases.

Figure 21.7. New Zealand: Development of the PSE and its composition, 1986 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

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Notes

[1] Other traders can export kiwifruit to markets other than Australia in collaboration with Zespri, subject to approval by Kiwifruit New Zealand, the relevant regulatory body.

[2] In December 2025, the government introduced two replacement bills: The Planning Act and the Natural Environment Act to reform the RMA. Changes to the five major National Direction instruments are intended to redefine the rules for biodiversity, coastal areas, highly productive land, and water resource. Both acts are currently before parliament's Environment Committee and are expected to take effect in late 2026.

[3] Risk goods are any items that may constitute, harbour, or contain an organism that may cause unwanted harm to natural or physical resources, or to human health in New Zealand (https://www.mpi.govt.nz/import/importing-into-nz-how-it-works/import-health-standards).

[4] Three more industry groups, which have not signed the deed, are represented by other signatories.

[5] Activities that are “non-rival and non-excludable (including where the cost of exclusion is prohibitively high), and where the benefits accrue to members of a particular industry”. Commercial and trading activities are not included, to avoid competition between private enterprise and industry organisations (Ministry for Primary Industries, 2012[7]).

[6] In particular, activities undertaken by agricultural processes (e.g. importing or manufacturing synthetic nitrogen fertilisers, slaughtering ruminate animals and dairy processing of milk or colostrum) and farmers (e.g. purchasing synthetic fertiliser containing nitrogen for application to land and farming ruminant animals for reward; or the purpose of trade), for which previously reporting and surrender obligations were going to be included in the NZ ETS, will no longer be subject to those obligations following the enactment of the Climate Change Response (Emissions Trading Scheme Agricultural Obligations) Amendment Act in November 2024.

[7] For foot and mouth disease stakeholders include Dairy NZ, Beef and lamb NZ, Dairy Companies Association of NZ, Deer Industry NZ, Meat Industry Association of NZ, and NZ Pork Industry Board (NZ Pork). For avian influenza stakeholders include the Poultry Industry Association of New Zealand (PIANZ) and the Egg Producers Federation of NZ (EPF).

22 Norway

Main findings

Support to agriculture

Norway provides the third-highest level of agricultural support, relative to the value of production, across all countries covered in this report. In 2023-25, transfers to farmers (Producer Support Estimate, %PSE) averaged 50% of gross farm receipts, compared with 69% in 2000-02.

Market Price Support (MPS) has continued to decline in recent years but still accounts for a substantial share of producer support, representing 24% in 2023-25. Budgetary payments based on current or non-current production factors represents 61% of producer support.

Support for general services, measured by the General Service Support Estimate (GSSE) averaged 3.8% of the value of agricultural production, above the OECD average. Nearly two-thirds of GSSE is allocated to agricultural education services at the Norwegian University of Life Sciences, with most of the remaining funds directed towards agricultural product-safety and inspection services managed by the Norwegian Food Safety Authority.

Norway's total support (TSE) has declined steadily over time, falling from 1.42% of GDP in 2000-02 to an average of 0.7% of GDP in 2023-25. Despite this decline, TSE remains above the OECD average, which stood at around 0.5% of GDP in 2023–25.

Key policy changes in 2025-26

In January 2025, Norway adopted **new regulations on fertilisers**, covering both fertiliser products and fertiliser use: the product regulation ensures quality standards and promotes environmentally sound, circular use of raw materials, while the use regulation introduces stricter limits on the timing and quantities of fertiliser application in line with crop needs.

In 2025, Norway adopted a new national strategy for organic agriculture, aiming to increase production, demand and sales and to reach **10% of total agricultural area under organic farming by 2032**.

In 2026, Norway introduced a **system of regular soil monitoring on arable land**, building on monitoring systems established in 2024 for pastureland and forest soils, with the aim of documenting the status of soils and tracking changes in soil properties over time.

In 2025, Norway, together with the European Free Trade Association (EFTA) states, expanded its trade network by signing or advancing **several trade agreements** with partners including MERCOSUR, Malaysia, India, Thailand and Kosovo*, covering trade in goods and services and incorporating provisions on sustainability, climate and environmental protection.

Assessment and recommendations

- Adapt agricultural support to regional conditions to maintain distributed agriculture. Agricultural support policies should remain flexible and responsive to regional differences in production conditions and environmental constraints. Where policy objectives include maintaining a geographically distributed agricultural sector, support should be tailored rather than applying uniform measures that may disadvantage certain regions or production systems.
- Shift from price-based support toward targeted, outcome-oriented measures. Further progress on environmental and social objectives will require more targeted and outcome-oriented policies, or a combination of both where the outcomes fall beyond farmers' control. This could include expanding and reforming the national and regional environmental programmes from practice-based grants toward results-based payments – such as per hectare payments indexed to verified biodiversity indicators, grazing intensity thresholds, or nutrient runoff reductions in high-risk catchments. Support should focus on addressing specific environmental pressures – such as livestock-related impacts and farmland biodiversity loss – while also supporting viable rural communities and facilitating generational renewal, without suppressing market signals.
- Strengthen generational renewal through targeted support. Redirecting a share of current farm income support toward dedicated renewal packages – such as start-up grants, concessional loans, and tax incentives – conditional on business plans that integrate innovation and environmental performance, will be needed to support long-term sector viability.
- Improve nutrient management through targeted, farm-level approaches. Persistently high nitrogen and phosphorus surpluses in Norway point to ongoing pressures on soil, water, and air quality. Strengthening nutrient management should be a priority, including by promoting farm-level environmental plans to support targeted action. Establishing a robust system to monitor agri-environmental performance at the farm level would help track progress over time and better inform policy design.
- Continue trade engagement while reinforcing environmental provisions. Norway's engagement in trade agreements through EFTA could be further pursued, particularly where agreements are underpinned by clear and robust environmental provisions. Strengthening the environmental dimension of trade policy can help ensure that openness is consistent with sustainability objectives and supports higher environmental standards in agricultural production.

Key indicators on agricultural support

Figure 22.1. Norway: Development of support to agriculture

Figure 22.1A. Norway: Producer Support Estimate and its composition

Percentage of gross farm receipts

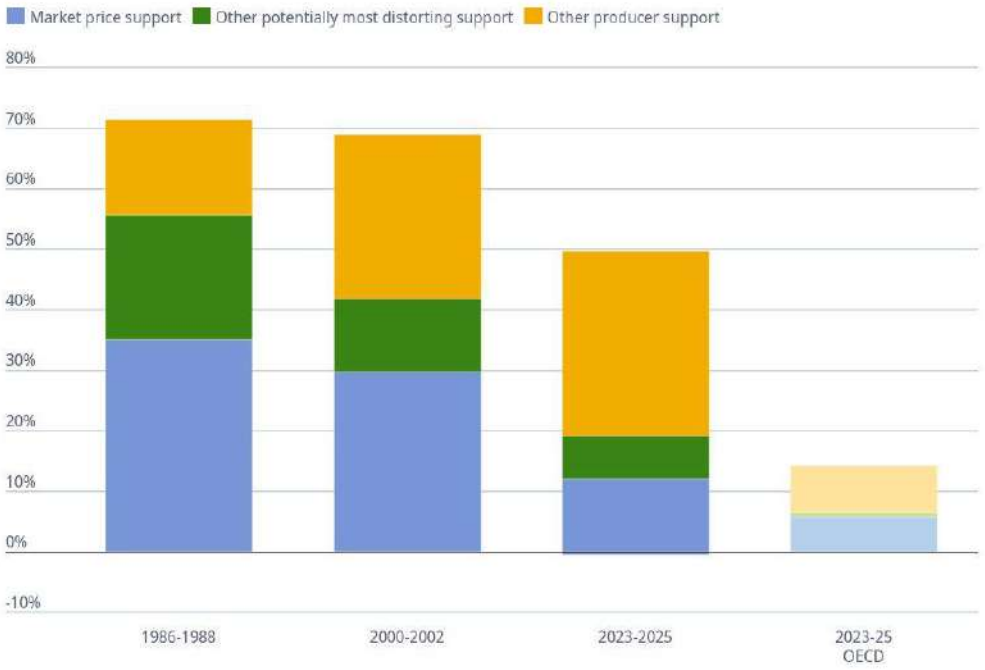


Figure 22.1B. Norway: Ratio of producer to border price

Producer NPC

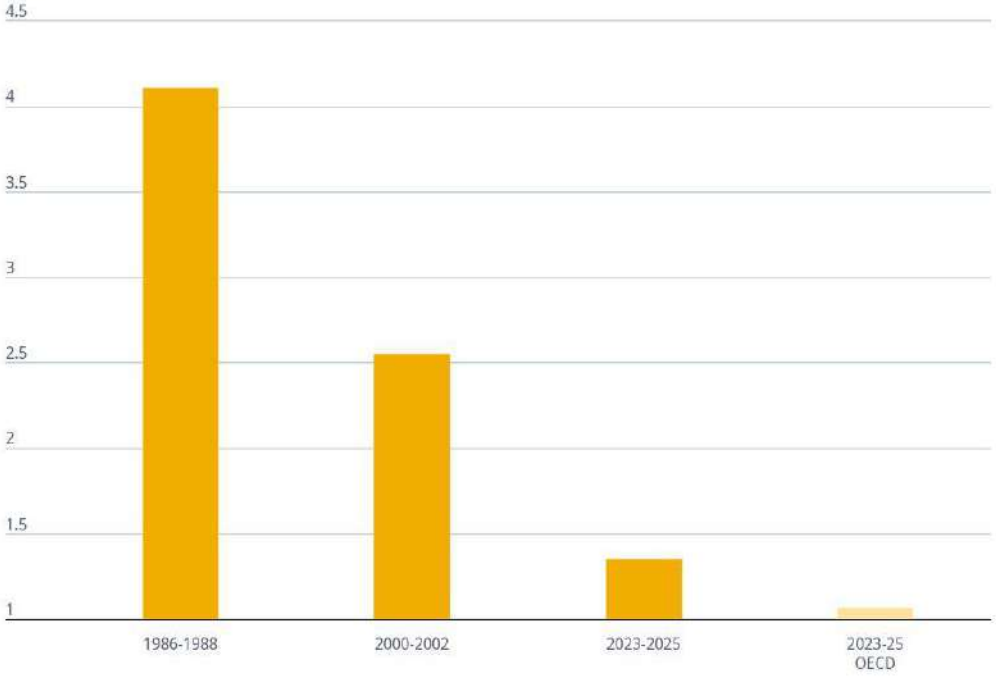


Figure 22.1C. Norway: General Services Support Estimate and its composition

Relative to agricultural value of production

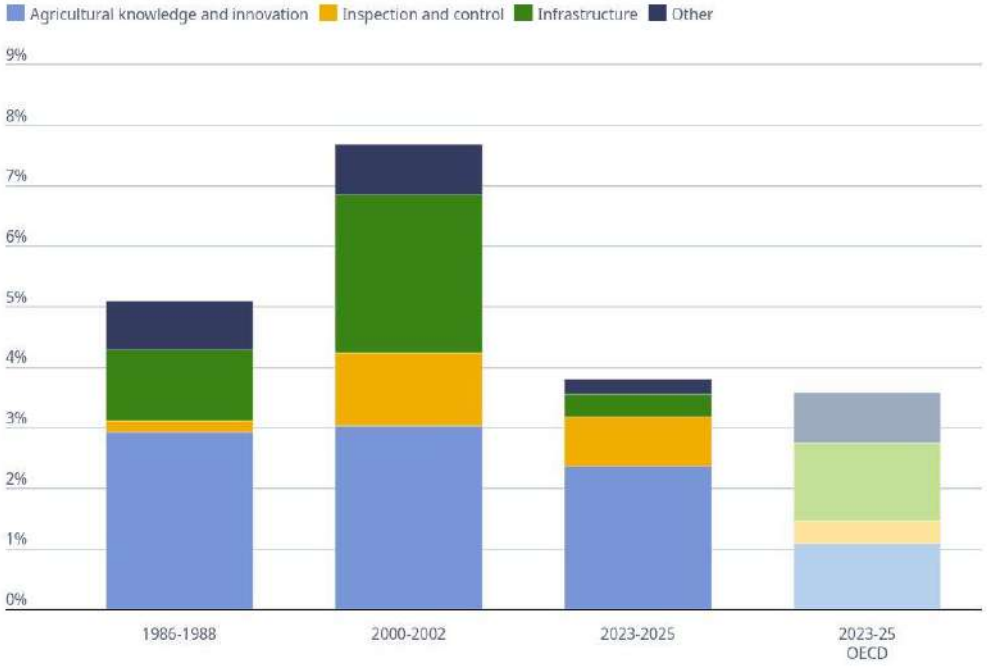
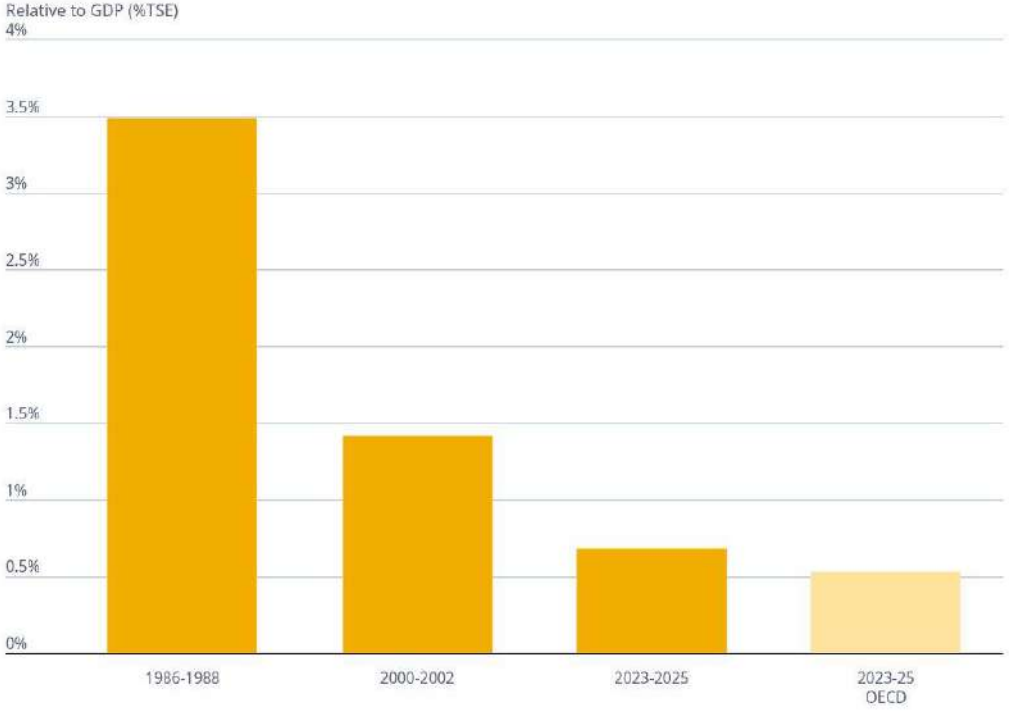


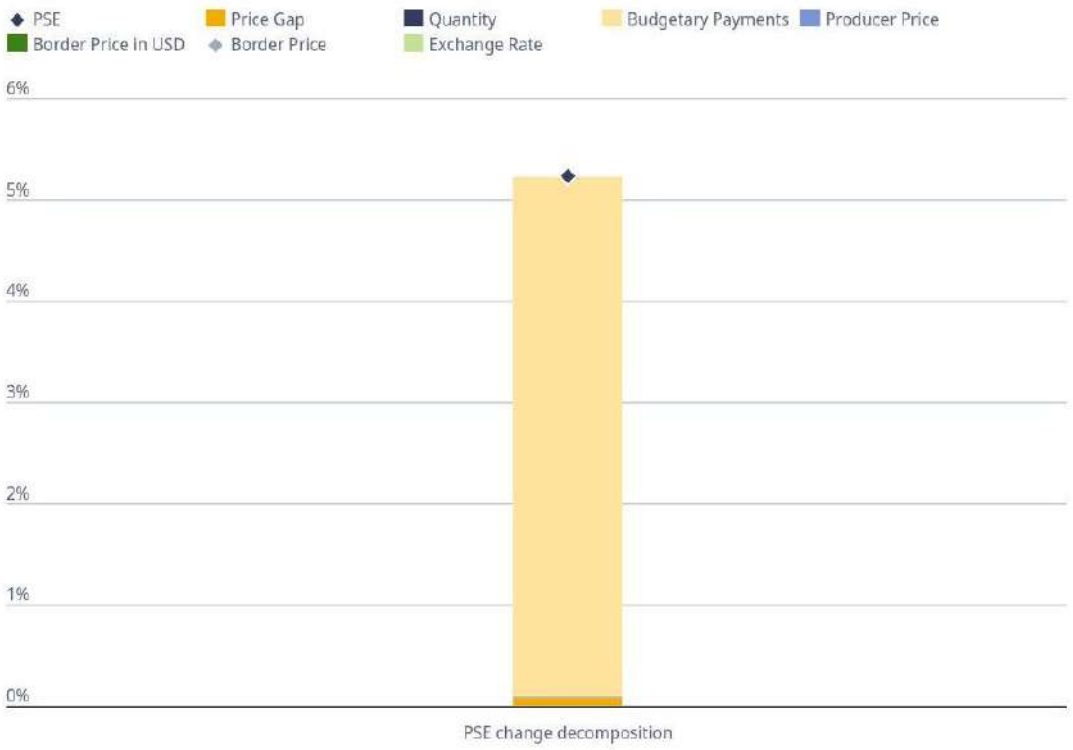
Figure 22.1D. Norway: Total Support Estimate

Relative to GDP (%TSE)



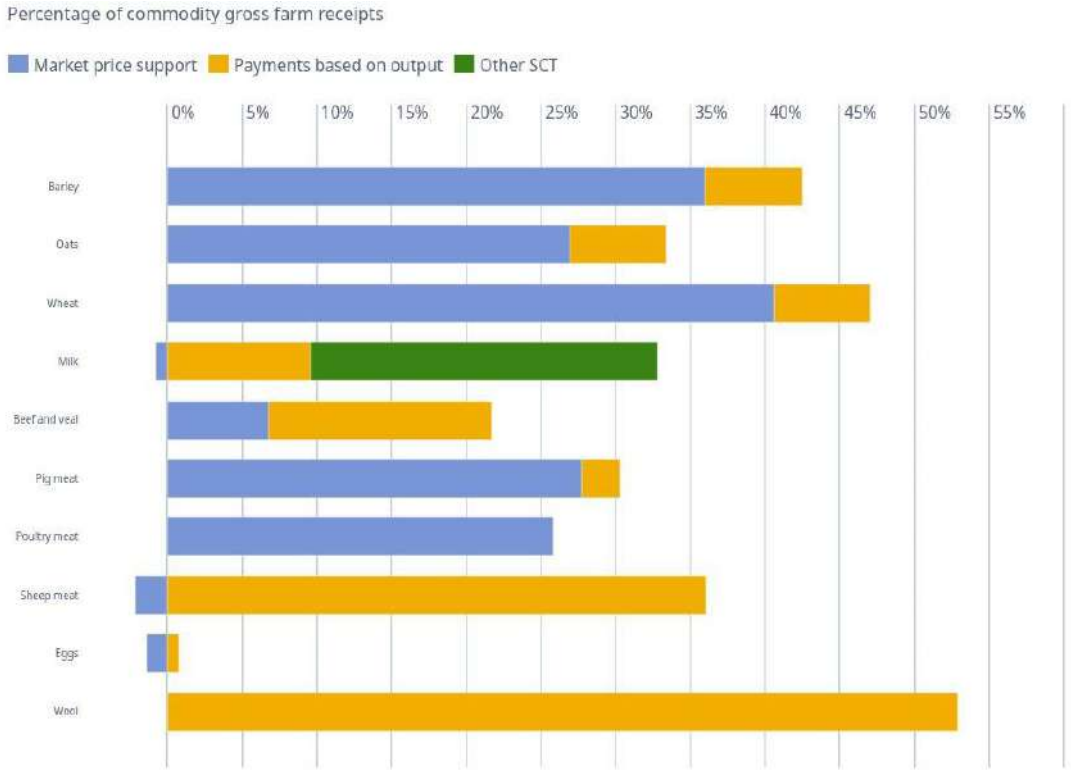
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 22.2. Norway: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency. The producer price change and the border price change are not calculated when both negative and positive market price support (MPS) occur at the commodity level for the previous year. Note that negative MPS estimates for livestock products may arise in cases of aligned product prices if there is positive MPS for feed commodities.
Source: OECD (2026), "Producer and Consumer Support Estimates", OECD Agricultural policy monitoring (database), https://data-explorer.oecd.org/.

Figure 22.3. Norway: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Table 22.1. Norway: Estimates of support to agriculture

Million USD

	1986-88	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**2 533**	**2 051**	**3 885**	**3 592**	**3 882**	**4 181**
of which: share of MPS commodities (%)	73.28	80.83	71.45	73.56	70.83	69.95
Total value of consumption (at farm gate)	**2 686**	**2 085**	**4 165**	**3 962**	**4 061**	**4 472**
Producer Support Estimate (PSE)	**2 843**	**2 337**	**3 069**	**2 726**	**3 104**	**3 377**
Support based on commodity output	2 069	1 346	1 075	960	1 089	1 177
Market price support[1]	1 396	1 009	724	670	737	764
Positive market price support	1 396	1 009	749	680	758	809
Negative market price support	0	0	-26	-10	-21	-45
Payments based on output	673	337	352	290	352	413
Payments based on input use	250	117	212	205	206	226
Based on variable input use	149	71	94	116	78	86
with input constraints	0	0	0	0	0	0
Based on fixed capital formation	91	38	107	79	116	125
with input constraints	0	0	0	0	0	0
Based on on-farm services	11	8	12	10	12	14
with input constraints	0	-0	-0	0	0	0
Payments based on current A/An/R/I, production required	524	871	1 286	1 124	1 307	1 428
Based on Receipts / Income	0	49	91	86	90	96
Based on Area planted / Animal numbers	524	822	1 196	1 038	1 217	1 332
With input constraints	371	644	1 003	854	1 004	1 150
Payments based on non-current A/An/R/I, production required	0	0	487	431	494	537
Payments based on non-current A/An/R/I, production not required	0	0	0	0	0	0
With variable payment rates	0	0	0	0	0	0
with commodity exceptions	0	0	0	0	0	0
With fixed payment rates	0	0	0	0	0	0
with commodity exceptions	0	0	0	0	0	0
Payments based on non-commodity criteria	0	3	8	6	8	10
Based on long-term resource retirement	0	0	0	0	0	0
Based on a specific non-commodity output	0	3	8	6	8	10
Based on other non-commodity criteria	0	0	0	0	0	0
Miscellaneous payments	0	0	0	0	0	0
Percentage PSE (%)	**71.44**	**68.98**	**49.26**	**48.27**	**49.67**	**49.71**
Producer NPC (coeff.)	**4.11**	**2.55**	**1.36**	**1.34**	**1.37**	**1.36**
Producer NAC (coeff.)	**3.50**	**3.22**	**1.97**	**1.93**	**1.99**	**1.99**
General Services Support Estimate (GSSE)	**129**	**157**	**148**	**145**	**143**	**154**
Agricultural knowledge and innovation system	74	62	92	90	90	95
Inspection and control	5	25	32	33	30	34
Development and maintenance of infrastructure	29	54	14	13	14	15
Marketing and promotion	21	15	10	10	9	11
Cost of public stockholding	0	2	0	0	0	0
Miscellaneous	0	0	0	0	0	0
Percentage GSSE (% of TSE)	**4.04**	**6.16**	**4.33**	**4.73**	**4.16**	**4.15**
Consumer Support Estimate (CSE)	**-1 388**	**-1 034**	**-681**	**-655**	**-664**	**-723**
Transfers to producers from consumers	-1 674	-1 099	-807	-730	-835	-856
Other transfers from consumers	-178	-75	-75	-126	-42	-57
Transfers to consumers from taxpayers	220	71	196	205	197	185
Excess feed cost	244	70	6	-3	17	5
Percentage CSE (%)	**-56.34**	**-51.08**	**-17.15**	**-17.44**	**-17.19**	**-16.86**
Consumer NPC (coeff.)	**3.23**	**2.28**	**1.27**	**1.28**	**1.28**	**1.26**
Consumer NAC (coeff.)	**2.29**	**2.04**	**1.21**	**1.21**	**1.21**	**1.20**
Total Support Estimate (TSE)	**3 192**	**2 566**	**3 413**	**3 076**	**3 445**	**3 716**
Transfers from consumers	1 852	1 175	882	857	878	913
Transfers from taxpayers	1 518	1 466	2 605	2 346	2 609	2 860
Budget revenues	-178	-75	-75	-126	-42	-57
Percentage TSE (% of GDP)	**3.49**	**1.42**	**0.69**	**0.64**	**0.71**	**0.71**
Total Budgetary Support Estimate (TBSE)	**1 796**	**1 557**	**2 689**	**2 407**	**2 708**	**2 952**
Percentage TBSE (% of GDP)	**1.96**	**0.86**	**0.54**	**0.50**	**0.56**	**0.57**
GDP deflator (1986-88 = 100)	**100**	**163**	**388**	**383**	**383**	**398**
Exchange rate (national currency per USD)	**6.88**	**8.59**	**10.57**	**10.56**	**10.75**	**10.40**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for Norway are: wheat, barley, oats, milk, beef and veal, sheep meat, wool, pig meat, poultry and eggs.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

The strategic objectives of Norway's agricultural and food policies are set out in the 2016 White Paper "Change and development – A future oriented agricultural production" (Det Kongelige Landbruks - Og Matdepartementet, 2016[1]). Those include food security, agriculture throughout the country, increased value creation, and sustainable agriculture with lower greenhouse gas emissions.

The Marketing Act (*Omsetningsloven*), the Land Act (*Jordlova*) and the Customs Duty Act *(Tollavgiftsloven)* establish the legal framework for the regulation and marketing of agricultural products, and underpins the implementation of key agricultural instruments in Norway. Within this framework, the authorities apply a range of policy tools, including border protection measures, budgetary payments differentiated by commodity and region, and domestic market regulation aimed at balancing supply and demand and ensuring stable market conditions.

The Agricultural Agreement (*Jordbruksavtalen*) is an annual political agreement negotiated between the government and the farmers' organisations, the Norwegian Farmers' Union and the Norwegian Farmers and Smallholders Union. It sets the overall economic framework for the agricultural sector, specifying subsidies, target prices and other support measures. It annually determines the policy measures and financial support for agriculture by adjusting target prices, setting budgetary allocations, and defining tax incentives. Target prices are set for grains and some fruits and vegetables.

Dairy production is controlled by a **milk quota system**. Milk quotas are farm-specific, leasable and tradeable only within the same regional area.

Direct payments are provided to farmers, **by hectare and by head of animal, as well as based on product qualities for meat**. These vary by region and farm size to equalise income opportunities. This is designed to maintain the geographic distribution of farms and diverse production systems in the country.

Since 2004, agri-environmental measures have been implemented as part of the National Environmental Programme (*Nasjonalt miljøprogram)*, which aims to contribute to sustainable agriculture production with reduced greenhouse gas (GHG) emissions and reduced eutrophication (run-off), as well as to fulfilling Norway's international commitments on environment and climate in the agricultural sector.

The most important agri-environmental measures are the Acreage and Cultural Landscape Support programme (*Areal- og kulturlandskapstilskudd*), which provides payments to farmers as an **incentive for land to remain in production** and prohibits major changes to the natural landscape, such as levelling agricultural land, spraying edge vegetation or channelling rivers or streams. In 2024 this programme amounted to NOK 5 564 million (USD 535 million). There are requirements and support for livestock on pasture, with extra payments for grazing on unimproved pastureland. Other measures include those for organic agriculture, payments for regional environmental programmes for specific agri-environmental practices, Special Environmental Measures in Agriculture (*Spesielle miljøtiltak i jordbruket*) and organised grazing measures (*Tiltak i beiteområder*). Environmental levies are applied on agricultural pesticides.

The Selected Cultural Landscapes in Agriculture *(Utvalgte kulturlandskap i jordbruket, UKL)* initiative supports farmers who make additional efforts to safeguard the environmental, cultural, and heritage values of agricultural landscapes. The programme covers 51 selected areas identified as being of particular importance or exceptional value. Support is provided through **voluntary agreements between the state and landowners** and is jointly funded by the Ministry of Agriculture and Food and the Ministry of Climate and Environment. In 2024, funding amounted to NOK 15.5 million (USD 1.49 million) from the Ministry of Agriculture and Food and NOK 16.3 million (USD 1.57 million) from the Ministry of Climate and Environment. National co-ordination of the initiative is the responsibility of the Norwegian Agriculture Agency, working in co-operation with the Norwegian Environment Agency and the Directorate for Cultural Heritage. At the local level, each selected landscape is co-managed by the municipality, landowners, and

agricultural enterprises, in collaboration with regional authorities responsible for agriculture, nature conservation, and cultural heritage management.

The Regional Environmental Programme *(Regionalt miljøprogram)* includes payments (grants and cost sharing, depending on a measure) to **reduce water pollution from agricultural fields**, environmentally friendly spreading of manure, management of fields deemed of high natural value or with special biodiversity, and maintenance around heritage sites in the agricultural landscape. The 2024 budget amounted to NOK 1 285 million (USD 123 million).

The Svalbard Global Seed Vault was established and is fully funded by the government of Norway, with operational responsibility assigned to the Norwegian Ministry of Agriculture and Food, in co-operation with the Nordic Genetic Resource Center and the Global Crop Diversity Trust. It is supported by a dedicated advisory council that provides guidance on the Seed Vault's activities. Deposits of seeds to the vault are continuous and reflect its role as a **long-term global backup for crop diversity**. The first seed deposit of 2026 took place in early February, including seeds from two new depositing countries, Guatemala and Niger, as well as the vault's first-ever deposit of olive seeds.

Fossil fuel emissions from the agricultural sector are subject to the nation's carbon tax. A combination of economic and regulatory instruments exists to reduce run-off and comply with commitments of the EEA agreement for water protection. For instance, autumn tillage is restricted in areas surrounding the vulnerable Oslofjord estuary to reduce run-off.

Recent policy developments

Domestic policy developments in 2025-26

In 2026, Norway launched a public system of regular, soil sampling on arable land. This builds on the system established in 2024 for pastureland and forest soils, which was designed to document the status of and changes in soil properties.

In January 2025, **new regulations on fertilisers** were adopted, one regulating fertiliser products and the other regulating fertiliser use. The Regulation on the production, sale, and import of fertilising products of organic origin and certain inorganic fertilising products (fertiliser regulation) ensures the quality of fertilising products and takes environmental considerations into account while facilitating the circular use of raw materials. The Regulation regarding fertiliser use includes stricter limits on the timing and amount of fertiliser use in accordance with crop needs. Farmers are required to take their own soil samples and report the results to a central register.

The electricity subsidy, originally introduced in 2021, to compensate for the rising energy costs, for agricultural enterprises has been extended to through December 2029. The scheme provides **preferential treatment to agriculture through higher consumption limits** than those applied to households and other businesses. There is no consumption ceiling for greenhouse and irrigation operations, while other agricultural enterprises may consume up to 60 000 kWh at a lower rate. The subsidy compensates a share of electricity consumption above a price threshold, which was increased from NOK 0.75/kWh (USD 0.064/kWh) to NOK 0.77/kWh as of 1 January 2025, with compensation currently set at 100% for all agricultural enterprises. The total allocation for 2025 amounted to NOK 38 million (USD 3.65 million).

In 2025, a new national strategy for organic agriculture was adopted. The strategy aims to increase production, demand, and sale, with an overall target of reaching **10% of total agricultural area under organic farming by 2032**. The strategy also requires the development of sector-specific action plans for dairy, fruits and vegetables, and grains, respectively. In addition, a memorandum of understanding (MoU) has been signed by 26 key actors across the value chain. Each actor has set out specific commitments contributing to the achievement of the overall target, with annual reporting on progress. A dedicated

platform has also been established to facilitate co-operation and monitor the implementation of both the MoU and the strategy.

Trade policy developments in 2025-26

The Trade and Economic Partnership Agreement (TEPA) between the EFTA states – Switzerland, Iceland, Liechtenstein and Norway – and India entered into force on 1 October 2025, following parliamentary approval in March 2025. Signed in March 2024, the agreement is expected to boost trade and investment, create jobs, and support economic growth. Under the TEPA, the EFTA states committed to invest USD 100 billion and generate one million jobs in India over the next 15 years.

In January 2025, Thailand and the EFTA states signed a trade agreement at the World Economic Forum, following ten rounds of negotiations concluded in November 2024. The agreement aims to enhance trade relations by eliminating or reducing customs duties, facilitating trade, and promoting sustainable development. Ratification and implementation are still pending.

In January 2025, the EFTA states signed a free trade agreement with Kosovo at the World Economic Forum in Davos, covering trade in goods and services and including provisions on sustainable development.

In April 2025, the EFTA states and Ukraine signed a modernised free trade agreement, replacing the 2012 agreement. The updated free trade agreement (FTA) includes a new sustainable development chapter and improves market access for selected goods. Ukraine has been granted the same general tariff concessions for unprocessed agricultural products as the EU. For processed agricultural products, the treatment granted to the EU is maintained, with additional duty-free access for certain tariff lines and full duty-free access within WTO tariff-rate quotas for sensitive products. Sensitive Norwegian agricultural products are protected, and no bilateral tariff-rate quotas have been granted for agricultural products.

Beyond trade, both EFTA-Kosovo and EFTA-Ukraine agreements carry political significance, supporting Kosovo's and Ukraine's European integration amid ongoing geopolitical challenges.

In April 2025, the Protocol of Amendment modernising the free trade agreement between the EFTA states and Chile was approved by parliament. Signed in June 2024, the protocol updates the FTA in force since 2004 and will grant duty-free access to 99% of existing agricultural imports into Chile from the EFTA states, while covering 95% of Chilean imports into the EFTA states. The modernised agreement also introduces new chapters on trade and sustainable development and, for the first time, on small and medium-sized enterprises.

On 23 June 2025, the EFTA states signed an economic partnership agreement with Malaysia. The agreement is comprehensive, covering trade in goods, financial services, telecommunications, investment, government procurement, competition and intellectual property rights. It also includes new sustainability provisions and binding commitments related to climate, environmental protection and labour rights.

On 16 September 2025, the EFTA states signed a free trade agreement with the MERCOSUR countries Argentina, Brazil, Paraguay and Uruguay. Once ratified and in force, the agreement will primarily grant MERCOSUR bilateral import quotas and tariff reductions for agricultural products already traded, such as maize, molasses, and soybean. In addition, bilateral quotas have been granted for horses, beef, chicken, honey, apples and apple juice, potato products, and wheat. It will also grant duty-free access to the Norwegian market for MERCOSUR products, within certain WTO quotas. More broadly, tariff reductions apply to tropical products and Norwegian offseason products. The agreement includes a chapter on trade and sustainable forest management, committing parties to combat illegal logging. This is an important provision supporting sustainable forest management and addressing deforestation and forest degradation in the Amazon, notably in the context of Norway's International Climate and Forest Initiative. This chapter also includes a provision on trade and sustainable agriculture and food systems.

In early summer 2025, the Norwegian Government decided to incorporate the EU Deforestation Regulation into the EEA Agreement and to apply it to goods covered by the Agreement, while the need for national rules will be assessed for goods outside its scope. The process of incorporating the Regulation into the EEA Agreement is ongoing, and proposals for its implementation in Norwegian law have already been subject to public consultation.

Policy context

Key economic and agricultural statistics

Norway boasts one of the world's highest GDP per capita at USD 102 014 in 2024, underpinned by its substantial petroleum sector. Agriculture amounts to about 2.3% of Norway's GDP. Farmland in Norway accounts for about 3% of the mainland land mass. The agricultural sector tends to focus on a limited selection of goods. About 67% of agricultural value stems from livestock on extensive grasslands. Crop cultivation is relatively difficult given the climate and the most suitable central regions are reserved for cereal production, with milk and meat production mainly taking place in less favourable rural areas. Sheep farming, cattle rearing for both dairy and beef, and cereal cultivation, predominantly for livestock feed, are the mainstay activities. The industry is characterised by small-scale family-owned farms, a significant number of which operate in isolated areas.

Table 22.2. Norway: Contextual indicators

	Norway		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	166	568	0.4%	0.3%
Population (million)	4	6	0.1%	0.1%
Land area (thousand km^2)	365	364	0.4%	0.4%
Agricultural area (AA) (thousand ha)	1 042	985	0.0%	0.0%
			All countries[1]	
Population density (inhabitants/km^2)	12	18	52	64
GDP per capita (USD in PPPs)	36 994	102 014	9 508	31 740
Trade as % of GDP	27.7	27.9	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	2.0	2.3	3.0	3.6
Agriculture share in employment (%)	4.1	2.5	-	-
Agro-food exports (% of total exports)	0.8	0.9	6.4	8.3
Agro-food imports (% of total imports)	5.6	9.9	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	28.8	32.5	62.1	60.4
Livestock in total agricultural production (%)	71.2	67.5	37.9	39.6
Share of arable land in AA (%)	84.4	81.7	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

Norway's economy is slowing as elevated inflation and higher interest rates weigh on private consumption and investment. At the same time, the labour market remains tight, with robust wage growth. Labour shortages and job mismatches are high and continue to increase, adding to underlying cost pressures.

Inflation eased over 2025 compared with the peaks reached in 2022-23, moving closer to Norges Bank's 2% target (Figure 22.4). However, by December 2025, year-on-year inflation remained elevated at around 3.0-3.2%, reflecting renewed price pressures from food, energy, and rents toward the end of the year. Underlying inflation (excluding energy and tax effects) stayed somewhat high, which explains why monetary policy remained relatively tight through most of 2025 (Bank, 2026[2]).

Figure 22.4. Norway: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

Norway is a large net importer of agricultural goods, with the exception of fish, and these goods make up about 10% of its total imports. In contrast, agro-food commodities constitute only about 1.2% of Norway's total exports (Figure 22.5A). The European Union (EU) is Norway's main trade partner, responsible for nearly two-thirds of the country's import and export activities. Within the EU, Sweden and Denmark combined are the destination for one-third of Norway's agro-food exports. Beyond the EU, the United States and Japan stand out as significant markets for Norwegian agro-food products. Most trade is in processed rather than primary products, with 95% of exports being processed and 72% of imports. Most imports are directed at consumers rather than industry (Figure 22.5B).

Figure 22.5. Norway: Agro-food trade

Figure 22.5A. Norway: Agro-food trade 2000 to 2024

Billion USD

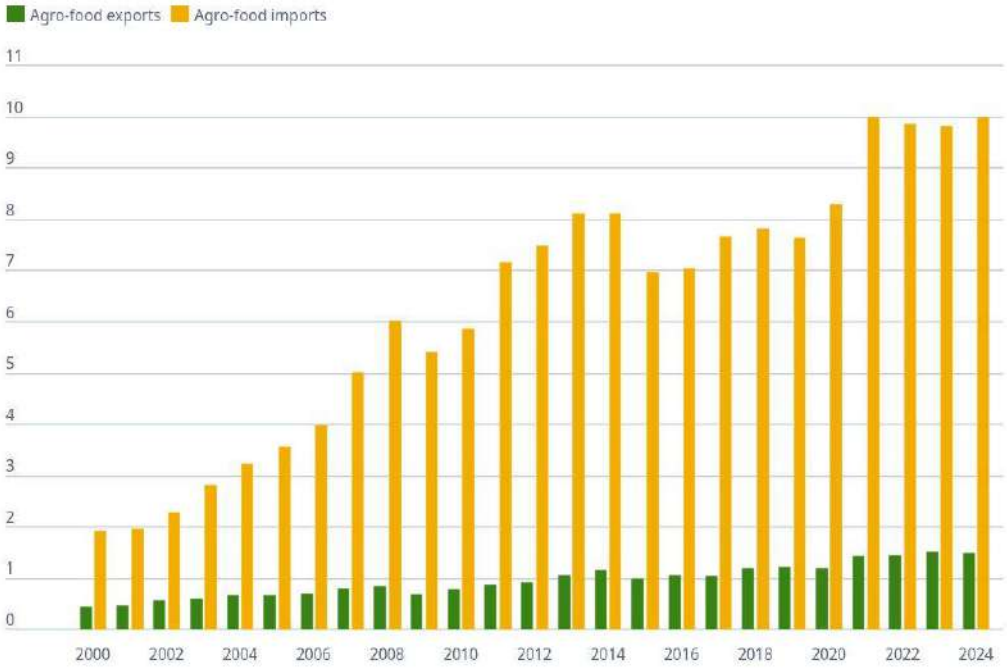


Figure 22.5B. Norway: Composition of Agro-food trade, 2024

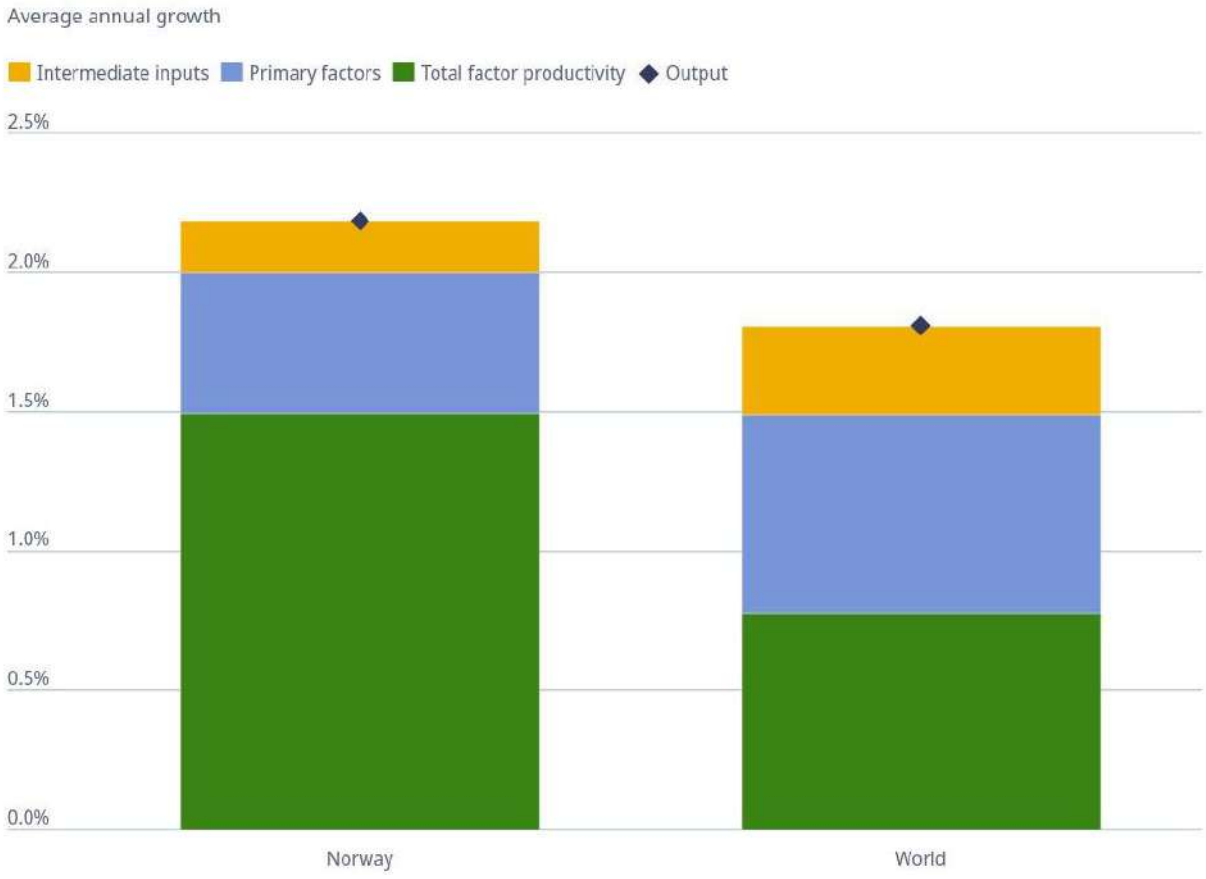
Percentage



Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Agricultural output in Norway increased at an average rate of 2.2% between 2014 and 2023, above the global average growth rate (Figure 22.6). This growth in Norway has been primarily driven by total factor productivity (TFP) growth, which averaged 1.5% over the period. Increased use of both primary and intermediate inputs, such as the use of fertilisers, accounted for the remaining 0.7% of annual output growth.

Figure 22.6. Norway: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Norway has a strong record on domestic environmental performance overall (OECD, 2022[3]). Air quality in urban areas is among the best in Europe. While land-use change is exerting some pressure on Norway's diverse and largely pristine landscapes, the conversion of agricultural land is tightly restricted.

At the same time, the structure of agricultural production contributes to a relatively significant environmental footprint. Norway's high share of livestock and dairy production, combined with its limited land area, has resulted in some of the highest nitrogen and phosphorus surpluses in the OECD, posing risks to water and air quality (Table 22.3). Agricultural greenhouse gas emissions account for nearly 10% of national emissions, close to the OECD average. Irrigation is rarely used, and as a result, agriculture places negligible pressure on water resources.

Table 22.3. Norway: Productivity and environmental indicators

	Norway		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	5.5%	1.5%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	85.3	98.2	32.3	29.0
Phosphorus balance, kg/ha	12.0	10.2	3.3	2.3
Agriculture share of total energy use (%)	1.6	1.6	1.7	2.0
Agriculture share of GHG emissions (%)	8.9	9.7	8.7	10.3
Share of irrigated land in AA (%)	4.2	3.3	-	-
Share of agriculture in water abstractions (%)	..	..	46.1	47.7
Water stress indicator	0.5	..	..	..

Note: * or closest available year.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Historically, Norway's agricultural policies relate to food security and ensuring farm incomes, employment opportunities and regional distribution of production. Today, these objectives are complemented by consumer and societal concerns such as sustainability and environmental issues, climate, food safety and animal welfare, cultural landscape, innovation, agri-tourism, and the small-scale food industry. Norway adopts a four-pillar approach to implement these objectives: i) border protection; ii) legal frameworks to secure family-owned farms; iii) annual negotiations between the state and farmers' organisations to determine producer prices, budget transfers and allocation of funds; and iv) domestic regulations to balance the market through producer co-operatives.

Since the mid-1980s there has been modest policy reform towards market orientation, and modest reductions in the level of support. Farmers in Norway remain heavily supported through border measures, domestic market regulations, budgetary payments and tax breaks, however, some policy reforms were conducted since then. These trends are summarised in Table 22.4.

Environmental cross-compliance was introduced in 1991 with the *Acreage and Cultural Landscape Programme* which grants payments on the condition that farmers meet cultural landscape requirements. Norwegian agri-environmental policies are underpinned by the premise that certain environmental public goods are most cost-effectively provided through positive externalities of agricultural commodity production.

Prompted by the WTO Uruguay Agreement on Agriculture, in force since 1995, a number of changes were introduced to agricultural policies, to improve cost efficiency and market orientation, including removal of administered prices for eggs, poultry, pork, beef and sheep, and phasing out of export subsidies. Norway still holds milk quota system that divides production into 14 regions, with quotas generally not transferable across regions, ensuring geographically balanced milk production nationwide. Although inter-regional transfers are rare, in 2025 the state allowed 4 million litres of milk from other regions to be sold at a reduced price to producers in northern Norway to strengthen production there. High levels of protection remain against imports of the most important and sensitive agricultural products, such as meat, dairy, eggs and grains. Moreover, the primary agricultural sector is exempt from standard competition law.

Most of Norway's tariff rate quotas (TRQs) were eliminated in 2000 when the WTO bound tariff rates became equal to the in-tariff quota rates. Tariffs for some products, particularly livestock products are set between 100% and 400%. However, there is a system of "open periods" allowing imports at reduced tariff

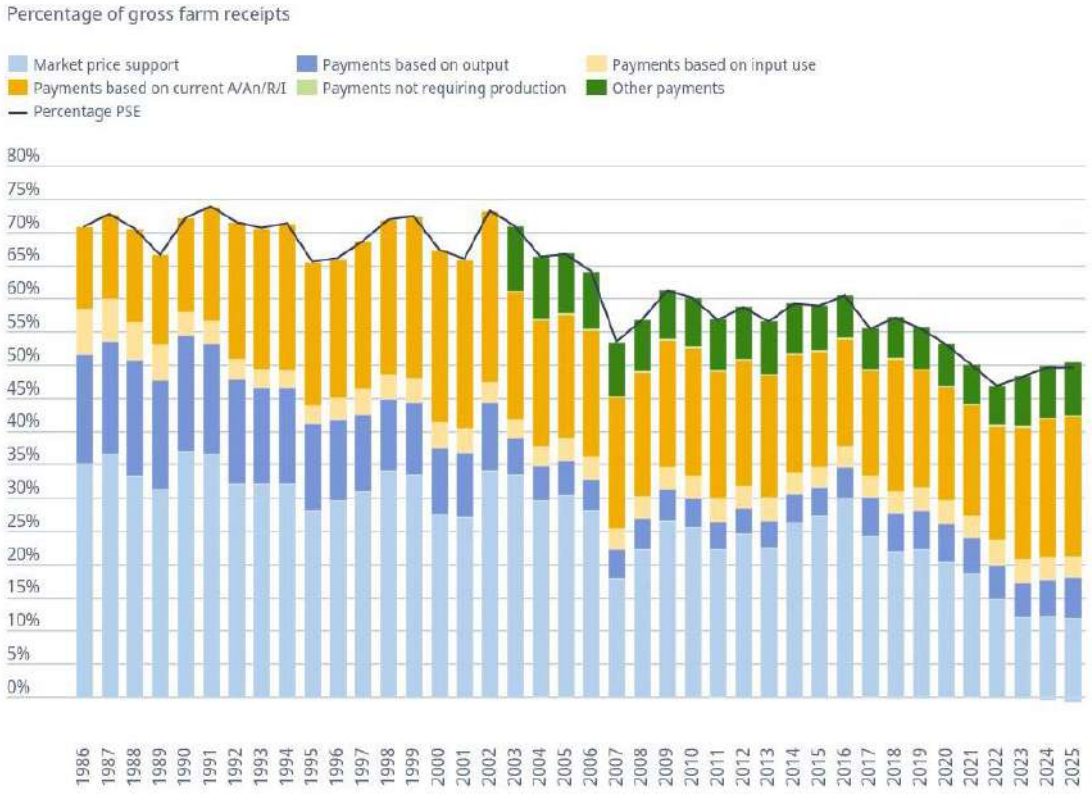
rates in the event that domestic prices rise above threshold levels due to a deficit in domestic production. Since 1 January 2015, Norway has unilaterally eliminated import duties on 114 agricultural tariff lines. While these duties were low (and not important for protecting Norwegian agricultural production), their elimination resulted in reduced customs procedures and administrative costs. Export subsidies were abolished at the end of 2020.

Table 22.4. Norway: Agricultural policy trends

Period	Framework	Changes in agricultural policies
Prior to 1985	Closed economy	High agricultural import tariffs and non-tariff measures Administered prices of agricultural products Production quotas of certain products
1985-1994	Modest domestic reforms	Modest reduction in agricultural import tariffs Removal of several administered prices Increased flexibility in the milk quota system
1995-2000	Implementation of the WTO Uruguay Agreement on Agriculture; more emphasis on environmental sustainability issues	Modest import tariff reduction; tariffication of non-tariff measures Introduction of environmental cross-compliance
2000-present	Continuation of trade reforms	Lower border protection Abolition of export subsidies Removal of several administered prices Introduction of environmental programmes

Agricultural policies have been stable for some time, with no major change to the basic structure of support in the last twenty years. The most noteworthy change was the addition of the cultural landscape payment and structural income support for milk production in 2003 (Figure 22.7). However, support as a share of gross farm receipts has been declining steadily as the growth in the value of production by the sector outpaces support. This trend is most evident in market price support, whose share of overall support has halved.

Figure 22.7. Norway: Development of the PSE and its composition, 1986 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

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23 Peru

Main findings

Support to agriculture

Peru's Producer Support Estimate (PSE) declined significantly from 23.7% in 2000-02 to 6% in 2023-25, well below the OECD average. Market price support (MPS) dominates Peru's producer support and in 2023-25 represented around 80% of the PSE.[1] It was generated mainly by the Peruvian price band system for rice, yellow maize, sugar and milk. The remaining 20% of the PSE comprises budgetary support, primarily payments based on input use (16%, notably for on farm irrigation infrastructure), with small shares for emergency assistance (1%) and environmental services (1%).

Consistent with this decline, the producer Nominal Protection Coefficient (NPC) fell from 1.32 in 2000-02 (indicating that domestic prices on average were 32% above world prices) to 1.05 in 2023-25, pointing to reduced price distortions and a stronger role for market signals. The reductions in PSE and NPC reflect Peru's trade liberalisation strategy since the 1990s, including the dismantling of border protection and price controls, as well as the signing of multiple free trade agreements. Although overall support has declined, MPS remains the dominant component of PSE.

Consumer support in Peru is mainly provided through targeted food assistance programmes such as Qali Warma, Cuna Más and Glass of Milk. Despite these programmes, the Consumer Support Estimate (CSE) has been negative throughout the period analysed, indicating that overall, agricultural and food policies effectively taxed consumers. The Total Support Estimate (TSE) declined from 2.2% of GDP in 2000-02 to 1.1% in 2023-25, above the OECD average, and has remained relatively stable over the past two decades.

Key policy changes in 2025-26

The new Law No. 32434 (September 2025) focuses on modernising agriculture through greater public investments in infrastructure and the formalisation of agricultural land property rights and employment. It also promotes cooperatives and associative value chains. The new 2025 National Public Investment Policy Guidelines prioritise climate-resilient infrastructure and the use of agroclimatic information platforms to reduce production risks. In 2025, institutional reforms emphasised producer associations, access to finance and insurance, and greater land and labour formalisation among smallholders.

A large-scale irrigation investment programme was approved by 15 departments targeting more than 1.2 million hectares through infrastructure upgrades, advanced technologies and farmer training. Implementation in 2025 and early 2026 focused on project structuring, procurement and initial construction phases supported by the national agricultural budget and complementary irrigation schemes.

In 2025, MIDAGRI partnered with SERFOR to accelerate the process of land titling in areas overlapping with Permanent Production Forests, particularly in the Amazon region, and in early 2026, advanced implementation and updating of the National Agricultural Policy 2021-2030 within the framework of the Country Vision to 2050.

In 2025, AGROMERCADO strengthened its operational role, focusing more on promoting value addition, facilitating certification processes, enhancing market intelligence, and improving access to both domestic and export markets. In parallel, AGRORURAL scaled up support instruments for vulnerable producers, including access to financing mechanisms such as seed capital, revolving funds, and community-based financial schemes. Lastly, trade policy focused on deepening existing partnerships, with progress towards an FTA with India, an upgraded agreement with Thailand and with the People's Republic of China (hereafter "China"), and the signing of a Comprehensive Economic Partnership Agreement with Indonesia in 2025.

Assessment and recommendations

- Prioritising long-term structural reform by increasing public investments and expanding the financial capacity of key institutions will help create an enabling environment for the sustainable development of agriculture. Policies should prioritise funding for key public goods such as rural and irrigation infrastructure, extension services, animal and plant health, agricultural innovation, and market information, particularly for subsistence and small-scale farmers.
- Accelerate and simplify land registration and titling, while strengthening land rights, particularly for Indigenous Peoples, and develop a modern land registry for agricultural and forest land. Informality remains widespread in Peru's agricultural sector, which limits access to credit, public programmes, existing support instruments, markets, and sustainability initiatives. More broadly, Peru needs to develop a comprehensive, regionally tailored strategy to formalise land and agricultural employment.
- Strengthen private sector engagement and consolidate governance platforms to align agricultural innovation with national priorities and international standards. A coherent, multi-level governance framework, supported by participatory approaches and stable leadership, will be essential to reduce fragmentation and drive a resilient agricultural transformation.
- Prioritise conserving and restoring ecosystems, while strengthening governance, policies and investment to curb agriculture-driven deforestation and protect biodiversity, forests and water resources. At the same time, scaling up climate adaptation through targeted investments against droughts, floods and land degradation will be critical to build a diversified, environmentally sustainable and resilient agricultural sector.
- Expand and integrate local, regional and national food supply chains through targeted investments in transport infrastructure and stronger urban–rural linkages, building on and extending existing logistics corridors. Strengthened collaboration among public authorities, farmers and local communities will be essential to create more resilient, inclusive and adaptable food systems.

Key indicators on agricultural support

Figure 23.1. Peru: Development of support to agriculture

Figure 23.1A. Peru: Producer Support Estimate and its composition

Percentage of gross farm receipts

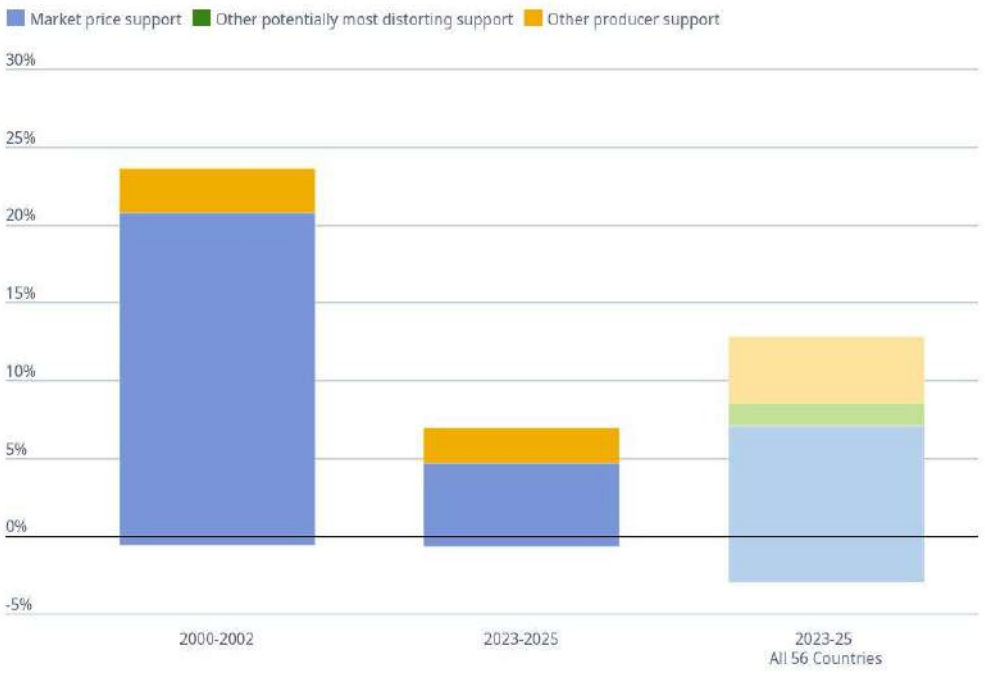


Figure 23.1B. Peru: Ratio of producer to border price

Producer NPC

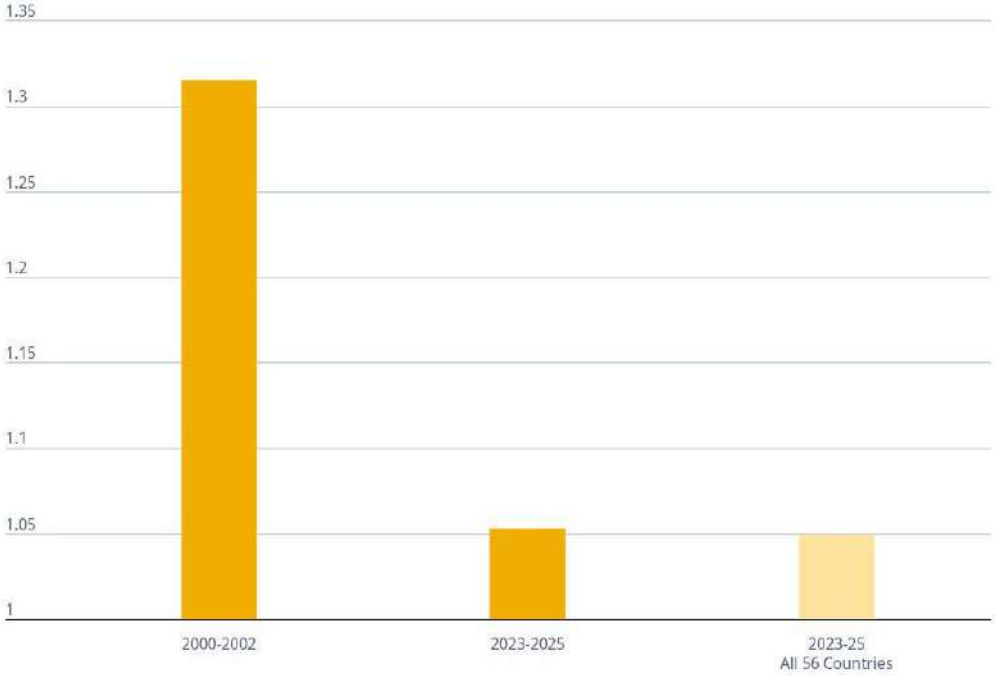


Figure 23.1C. Peru: General Services Support Estimate and its composition

Relative to agricultural value of production

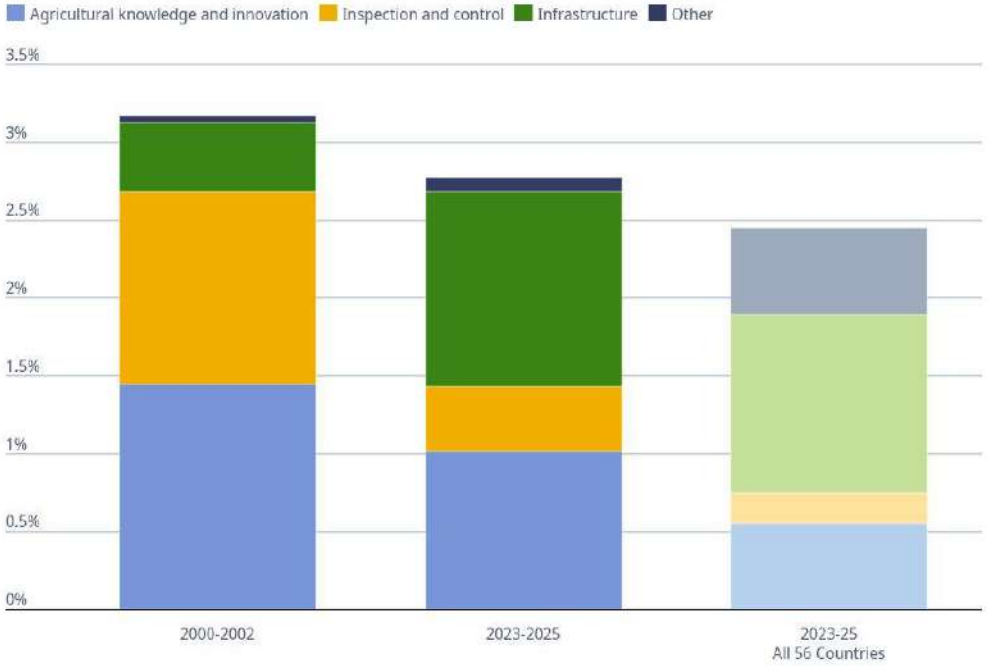
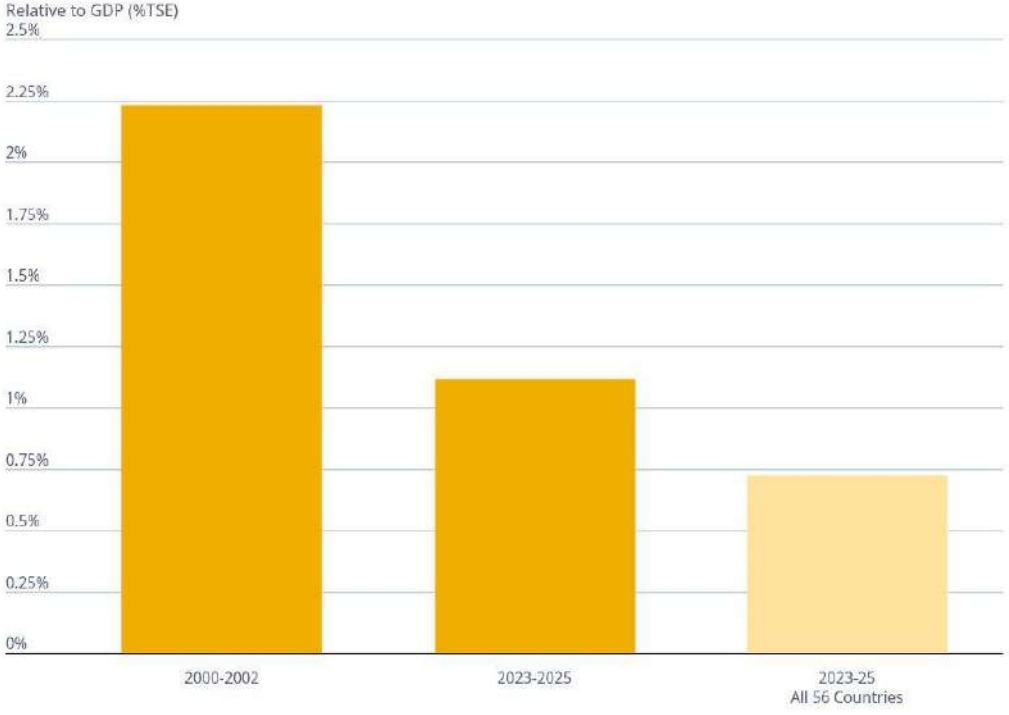


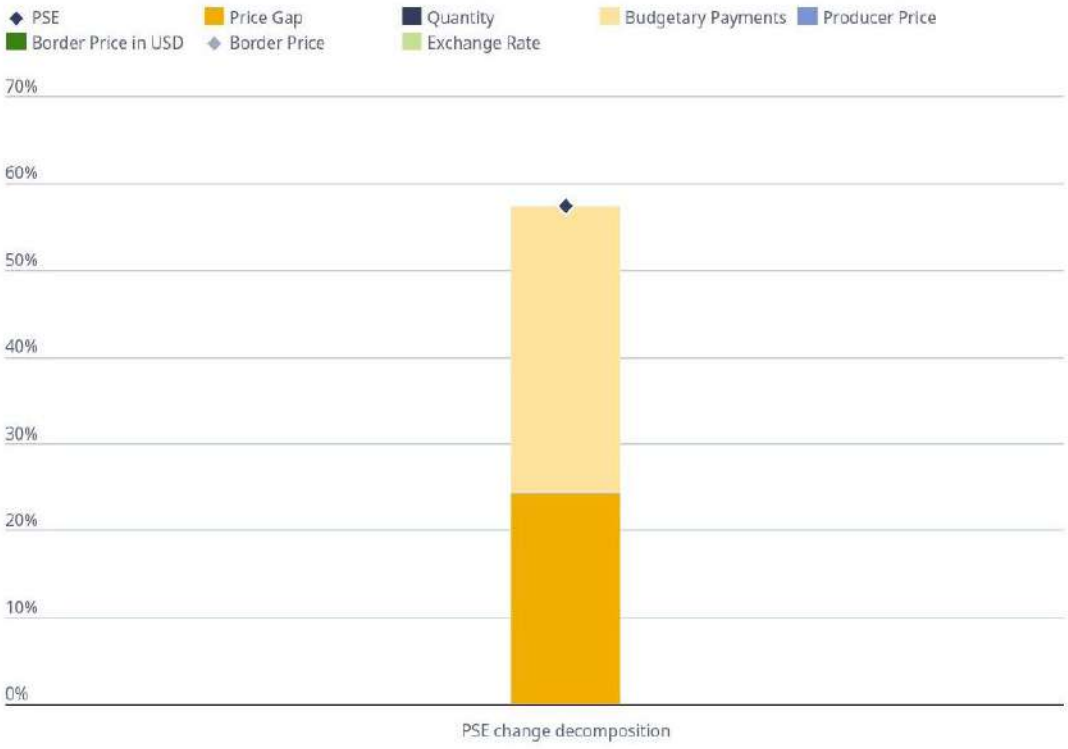
Figure 23.1D. Peru: Total Support Estimate

Relative to GDP (%TSE)



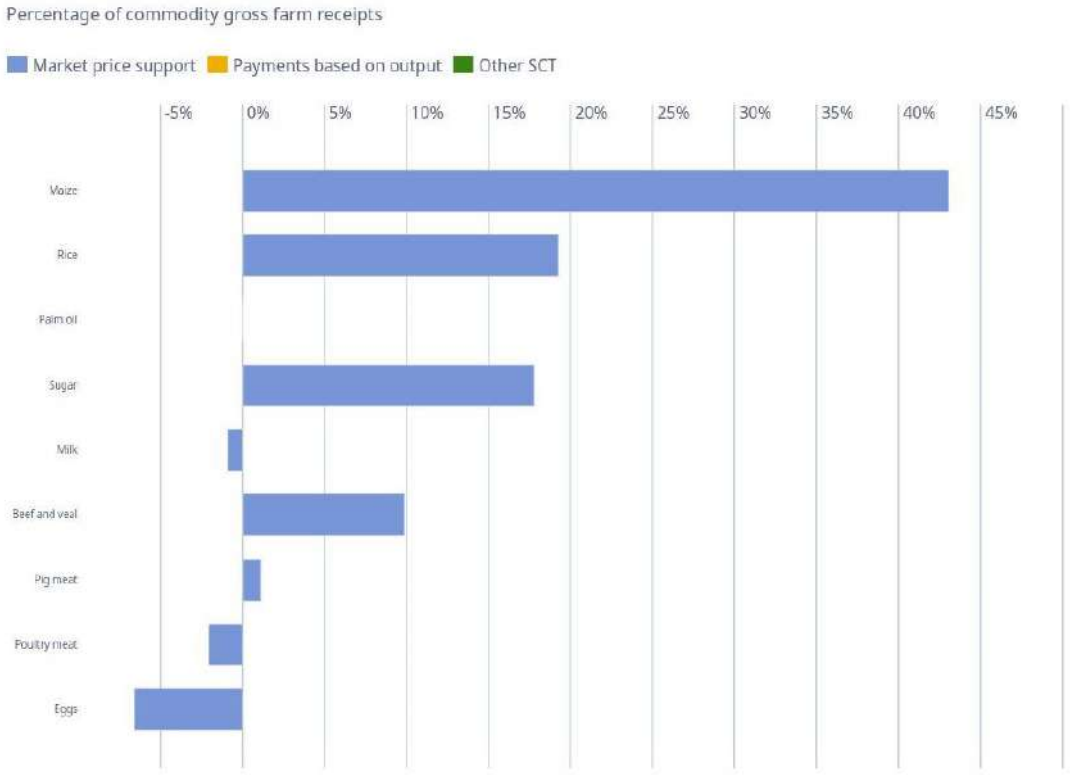
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 23.2. Peru: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency. The change in Producer Support Estimate (PSE) is not decomposed when PSE is negative for the current and/or previous year. The producer price change and the border price change are not calculated when both negative and positive market price support (MPS) occur at the commodity level for the previous year. Note that negative MPS estimates for livestock products may arise in cases of aligned product prices if there is positive MPS for feed commodities.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 23.3. Peru: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Table 23.1. Peru: Estimates of support to agriculture

Million USD

	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**4 175**	**24 973**	**22 619**	**24 631**	**27 668**
of which: share of MPS commodities (%)	73.55	72.47	72.99	73.80	70.62
Total value of consumption (at farm gate)	**4 278**	**22 406**	**21 210**	**22 439**	**23 570**
Producer Support Estimate (PSE)	**994**	**1 639**	**1 738**	**1 197**	**1 982**
Support based on commodity output	868	1 048	1 103	846	1 196
Market price support[1]	868	1 048	1 103	846	1 196
Positive market price support	893	1 205	1 225	1 013	1 376
Negative market price support	-26	-157	-123	-167	-180
Payments based on output	0	0	0	0	0
Payments based on input use	121	493	442	318	720
Based on variable input use	16	89	88	68	111
with input constraints	16	89	88	68	111
Based on fixed capital formation	90	290	246	173	451
with input constraints	90	290	246	173	451
Based on on-farm services	16	115	108	77	159
with input constraints	16	115	108	77	159
Payments based on current A/An/R/I, production required	5	77	178	14	40
Based on Receipts / Income	0	0	0	0	0
Based on Area planted / Animal numbers	5	77	178	14	40
with input constraints	5	77	178	14	40
Payments based on non-current A/An/R/I, production required	0	0	0	0	0
Payments based on non-current A/An/R/I, production not required	0	0	0	0	0
With variable payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
With fixed payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
Payments based on non-commodity criteria	0	20	17	19	25
Based on long-term resource retirement	0	2	1	2	5
Based on a specific non-commodity output	0	0	0	0	0
Based on other non-commodity criteria	0	18	15	17	21
Miscellaneous payments	0	0	0	0	0
Percentage PSE (%)	**23.10**	**6.40**	**7.47**	**4.79**	**6.97**
Producer NPC (coeff.)	**1.32**	**1.05**	**1.06**	**1.05**	**1.06**
Producer NAC (coeff.)	**1.30**	**1.07**	**1.08**	**1.05**	**1.07**
General Services Support Estimate (GSSE)	**132**	**700**	**577**	**397**	**1 125**
Agricultural knowledge and innovation system	60	255	162	178	427
Inspection and control	52	106	97	81	139
Development and maintenance of infrastructure	19	315	292	128	524
Marketing and promotion	2	24	26	10	34
Cost of public stockholding	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Percentage GSSE (% of TSE)	**11.18**	**21.03**	**17.99**	**15.68**	**26.88**
Consumer Support Estimate (CSE)	**-1 039**	**-1 077**	**-921**	**-1 115**	**-1 194**
Transfers to producers from consumers	-1 001	-1 265	-1 261	-1 093	-1 443
Other transfers from consumers	-213	-982	-698	-1 191	-1 058
Transfers to consumers from taxpayers	59	970	891	940	1 078
Excess feed cost	117	201	147	229	228
Percentage CSE (%)	**-24.62**	**-5.02**	**-4.53**	**-5.19**	**-5.31**
Consumer NPC (coeff.)	**1.40**	**1.11**	**1.10**	**1.11**	**1.12**
Consumer NAC (coeff.)	**1.33**	**1.05**	**1.05**	**1.05**	**1.06**
Total Support Estimate (TSE)	**1 185**	**3 308**	**3 206**	**2 534**	**4 185**
Transfers from consumers	1 214	2 248	1 959	2 284	2 500
Transfers from taxpayers	184	2 043	1 945	1 441	2 742
Budget revenues	-213	-982	-698	-1 191	-1 058
Percentage TSE (% of GDP)	**2.24**	**1.12**	**1.20**	**0.88**	**1.27**
Total Budgetary Support Estimate (TBSE)	**317**	**2 260**	**2 103**	**1 688**	**2 988**
Percentage TBSE (% of GDP)	**0.60**	**0.76**	**0.79**	**0.58**	**0.91**
GDP deflator (2000-02 = 100)	**100**	**229**	**217**	**228**	**241**
Exchange rate (national currency per USD)	**3.50**	**3.69**	**3.74**	**3.75**	**3.57**

.. Not available

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.

1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for Peru are: rice, maize, potatoes, avocados, grapes, asparagus, mandarins, blueberries, bananas, coffee, cocoa beans, palm oil, sugar, milk, beef and veal, poultry, pigmeat and eggs.

Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

Peru's agricultural policies are centred on promoting the development of small-scale farmers, while strengthening and expanding the export-oriented agricultural sector. The country's main policy framework, the National Agricultural Policy 2021-2030, focuses on the challenges faced by small-scale agricultural producers. The policy has three key objectives: increasing producers' integration into value chains. facilitating the transition from subsistence to commercial farming and promoting sustainable natural resource management. The Ministry of Agricultural Development and Irrigation (MIDAGRI) is Peru's lead authority for the agricultural sector, responsible for designing and implementing agricultural policies. Its mandate covers the management of agricultural land, agriculture and livestock activities, forest resources and biodiversity, as well as animal and plant health, research, extension, and technology transfer services.

For the export-oriented sector, the public sector acts as an enabler of agricultural export development through investments in GSSE, such as in infrastructure on irrigation, road and port infrastructure projects, improvements in logistics chain infrastructure, maintenance of the animal and plant health system, and trade promotion. Furthermore, Peru's tax framework provides targeted incentives to promote export-oriented agriculture under the Agricultural Promotion Law (27360). The law provides tax benefits such as **reduced income tax rates and a special labour regime** tailored to the specific demands of agricultural work, such as seasonality and daily work hours.

The AGRORURAL programme focuses on improving agricultural and livestock productivity and reducing rural poverty among small-scale and vulnerable producers, particularly in the Sierra and Selva regions. AGRORURAL provides **input subsidies**, on-farm irrigation infrastructure, technical assistance, capacity building, risk reduction measures, and support for value chain integration. It also promotes natural resource management, disaster risk mitigation, such as compensation for damages or agricultural infrastructure reconstruction, and access to financing mechanisms such as seed capital, revolving funds and community banks, often in co-financing arrangements with international partners.

The PSI **provides support for on-farm irrigation systems**, rehabilitation and improvement of irrigation infrastructure, strengthening of water user organisations, and promotion of modern irrigation technologies. PSI operates through a shared financing model involving farmers, user organisations, and the state.

Peru's programme for competitiveness enhancement, AGROIDEAS, delivers support to organised small and medium farmers through **co-financed business plans** that combine non-reimbursable grants with beneficiary contributions for three main types of investments: modern and environmentally sustainable technologies; professional services for business and organisational management; and conversion to higher value or more sustainable crops. The programme includes a dedicated budget component targeting women farmers.

AGROMERCADO, the commercial arm of MIDAGRI, delivers support by **directly linking small and medium agricultural producers to domestic and export markets** through coordinated commercial services and technical assistance. Its services include market information and research, trade promotion support, training and technical assistance, development of productive and post-harvest infrastructure projects, support for certification and value addition, and coordination of financial tools across agricultural value chains.

AGROBANCO is Peru's public agricultural development bank. Its mandate is to improve access to credit and financial services for agricultural producers, with a strong focus on small and medium-scale farmers. **AGROBANCO provides working capital, investment and marketing loans** at preferential rates, individual and associative credit lines, and specialised products such as credit for women farmers. It also implements debt restructuring and write-offs, and channels subsidised interest rate support through dedicated public funds.

The Catastrophic Agricultural Insurance (SAC) is a publicly funded scheme that provides basic protection to smallholders in vulnerable regions, offering **fixed compensation per hectare for crop losses** caused by climatic and natural hazards. Complementing this, the Agricultural Insurance programme (SAGRO) targets more commercially oriented small farmers (up to 10 hectares) with subsidised insurance products, covering crops and livestock through a **premium subsidy of around 80%**. Together, SAC and SAGRO form a two-tier system: SAC ensures universal, minimum risk coverage for the most vulnerable, while SAGRO supports broader risk management and market integration for small-scale commercial producers.

Peru's main trade-related policy instrument is the Peruvian Price Band System (PPBS). The PPBS applies to four product groups, including rice, yellow maize, sugar, and milk powder, and is designed to stabilise domestic prices in the face of short-term volatility in international markets. It operates through a **variable tariff mechanism**, raising the ad-valorem tariff when the global price is below a predefined floor price level and lowering it to zero when the international price is above a predefined ceiling price. Through these automatic adjustments, either import surcharges or tariff rebates, the system seeks to cushion domestic markets from external price fluctuations. In practice, the application of variable duties has been infrequent since its inception.

Peru's network of bilateral and regional trade agreements (around 53 countries including 27 of the EU) underpins its trade policy framework. Approximately 90% of agricultural export value is destined for countries with which Peru has an active trade agreement. Major partners include the United States, China, the European Union, and CPTPP members.

Recent policy developments

Domestic policy developments in 2025-26

In September 2025, Law No. 32434 strengthened the agricultural policy framework by promoting formalisation, associative production models and increased investment in infrastructure, reflected in **expanded support to producer organisations and the scaling-up of irrigation and rural infrastructure projects**. In parallel, the National Public Investment Policy Guidelines introduced stronger project requirements, including climate-risk screening, prioritisation of climate-resilient infrastructure, and the integration of agroclimatic information tools into agricultural decision-making. Together, these reforms are shifting programme delivery towards more structured investment planning, sustainability criteria, and data-driven, market-oriented support for producers.

In 2025, MIDAGRI's mandate was expanded to strengthen agricultural development, irrigation and water management, and family farming areas. This led to institutional reforms focused on strengthening producer associations, improving access to finance and insurance, and promoting formalisation, particularly among smallholders.

A large-scale **irrigation investment package** covering projects in 15 departments was approved in 2025. This investment package aims to improve and expand irrigation across more than 1.2 million hectares through infrastructure development, adoption of advanced technologies, and farmer training. MIDAGRI also partnered with SERFOR to launch a joint programme to accelerate the titling or providing legal property rights of Indigenous lands in areas overlapping with Permanent Production Forests, with a focus on native communities in the Amazon region.

At the beginning of 2026, MIDAGRI advanced the implementation of the National Agricultural Policy 2021-2030 by scaling up its operational rollout across regions and stakeholder groups, while initiating a formal update of the policy framework in response to emerging challenges such as climate risk and evolving market requirements for sustainability. This process included wider communication and rollout of

the policy throughout all government levels and producer organisations, and is aligned with the National Strategic Development Plan to 2050.

In 2025, AGROMERCADO strengthened its operational role through activities focused on **promoting value addition, facilitating certification processes, enhancing market intelligence, and improving access** to both domestic and export markets. In parallel, AGRORURAL scaled up support instruments for vulnerable producers, including access to financing mechanisms such as seed capital, revolving funds, and community-based financial schemes, increasingly delivered through co-financing arrangements with international partners. Together, these changes reflect a shift towards more structured, market-oriented support and expanded access to finance for small-scale farmers.

The role of subnational governments in agriculture was expanded by Law No. 32513 (December 2025), which authorises the use of Canon resources like mining, fishing, and forestry for land formalisation and disaster prevention, strengthening local capacity in land governance and risk management. Furthermore, policy co-ordination was further reinforced through the continued rollout of Regional Management and Articulation Offices (OGAR), which function as integrated service hubs. Together, these changes improve the delivery of agricultural policies through improved alignment between national, regional, and local agricultural interventions.

Trade policy developments in 2025-26

In November 2024, a renegotiated free trade agreement (FTA) with China was signed. Pending ratification by both parties, the agreement is expected to enter into force in 2026. This renegotiated FTA focused less on cutting tariffs and more on making agricultural trade smoother and faster. Since most Peruvian agro-food exports already enjoyed low or zero tariffs under the original agreement, the upgrade mainly improved sanitary and phytosanitary (SPS) rules, customs procedures, and product approval systems. This is especially important for products such as blueberries, grapes, avocados, mangoes, and seafood. The updated agreement also expanded phytosanitary access for additional Peruvian products, including frozen fruits, nuts, pork, and beef, while improving cooperation on food safety and inspections.

In August 2025, a Comprehensive Economic Partnership Agreement (CEPA) with Indonesia was signed, providing for progressive tariff elimination on a large share of bilateral trade and strengthening links with Southeast Asia.

Policy context

Key economic and agricultural statistics

In 2025, Peru had a population of around 34 million people and was an upper-middle-income economy in Latin America. Agriculture plays a relatively important role in the economy, accounting for about 7.3% of GDP in 2024. The sector also remains a major source of employment, representing around 23.4% of total employment. Trade is an important driver of Peru's economy; in recent years, total trade has represented around 22% of GDP. Agro-food trade represents a significant share of total trade, particularly on the export side (19%), reflecting the strong growth of Peru's agro-export sector over the past two decades (Table 23.2).

Table 23.2. Peru: Contextual indicators

	Peru		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	133	609	0.3%	0.4%
Population (million)	27	34	0.6%	0.6%
Land area (thousand km²)	1 280	1 280	1.5%	1.5%
Agricultural area (AA) (thousand ha)	22 918	24 386	0.8%	0.8%
			All countries[1]	
Population density (inhabitants/km²)	21	27	52	64
GDP per capita (USD in PPPs)	5 012	17 802	9 508	31 740
Trade as % of GDP	13.3	22.3	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	8.1	7.3	3.0	3.6
Agriculture share in employment (%)	31.2	23.4	-	-
Agro-food exports (% of total exports)	17.7	19.2	6.4	8.3
Agro-food imports (% of total imports)	12.4	12.3	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	66.9	70.7	62.1	60.4
Livestock in total agricultural production (%)	33.1	29.3	37.9	39.6
Share of arable land in AA (%)	18.2	16.1	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

Over 2000-25, Peru experienced generally strong economic growth, with real GDP peaking at about 8-9% in the 2000s, slowing during the 2009 global crisis, and stabilising at around 2-3% toward the end of the period following a sharp contraction in 2020 and a brief rebound in 2021. Inflation remained low for most of 2000-19, typically within the 1-3% range, but rose markedly in 2021-22 to around 7-8% due to global price pressures, before easing back toward 2-3% thereafter. Unemployment was relatively stable at 3-5% before the pandemic, increased sharply in 2020, and declined gradually during the recovery, remaining slightly above pre-pandemic levels by 2025.

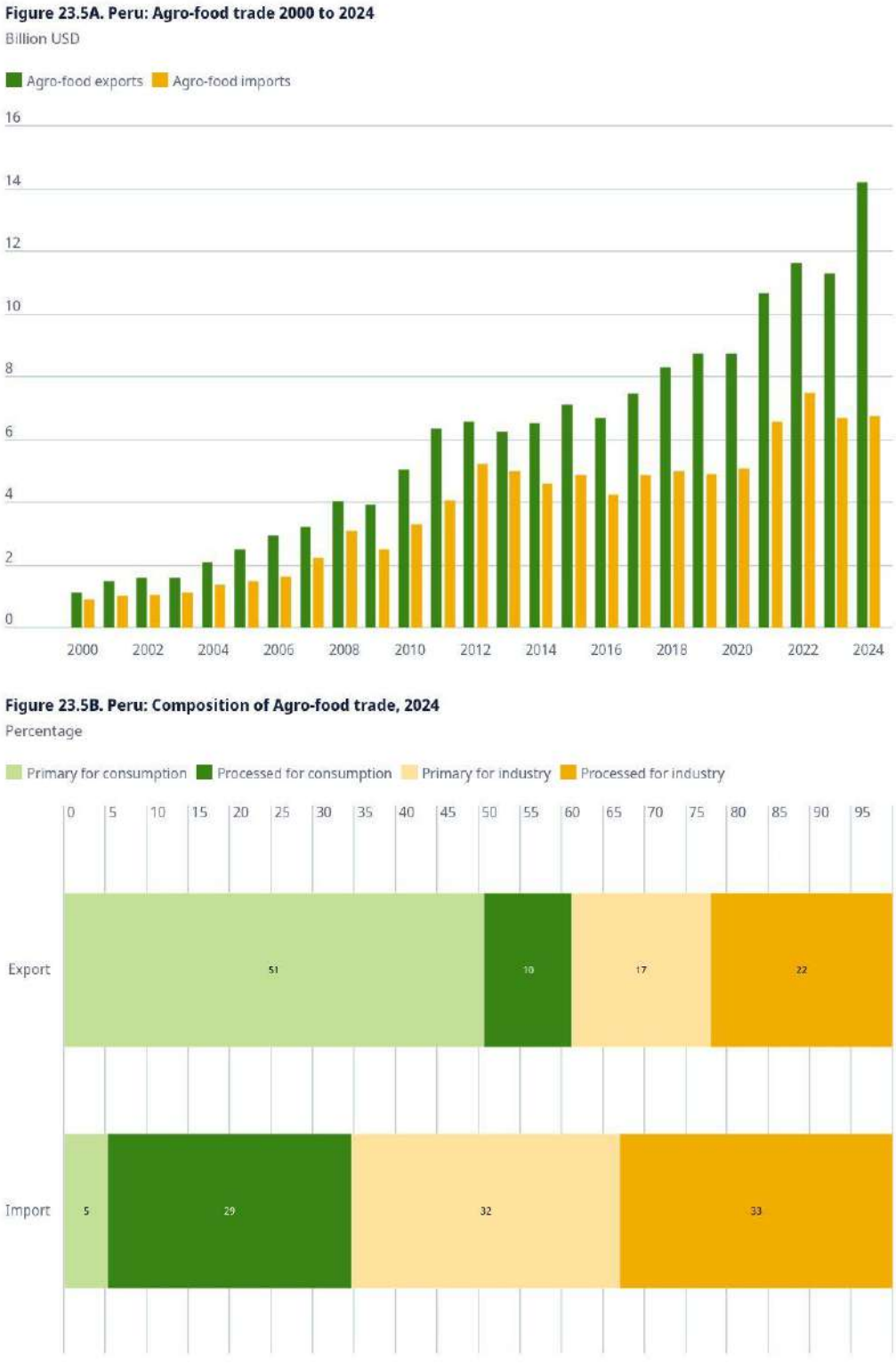
Figure 23.4. Peru: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

Figure 23.5A shows a strong and sustained expansion of Peru's agro-food trade, driven mainly by exports. Agro-food exports rose steadily from around USD 1 billion in 2000 to about USD 14 billion in 2024, reflecting the rapid growth of export-oriented agriculture. Imports also increased, from less than USD 1 billion to roughly USD 6-7 billion, but at a slower pace. As a result, Peru's agro-food trade balance remained positive and widened over time, particularly after 2015 and again after 2020. Peru's agro-food exports in 2024 were dominated by primary products for consumption, which accounted for just over half of total exports, reflecting the strong role of fresh and minimally processed products in export markets. Processed products for industry and consumption together represented a smaller share. In contrast, agro-food imports were largely composed of processed and primary products for industrial use, together accounting for roughly two-thirds of imports, highlighting Peru's reliance on imported inputs for agro-industrial processing and food manufacturing (Figure 23.5B).

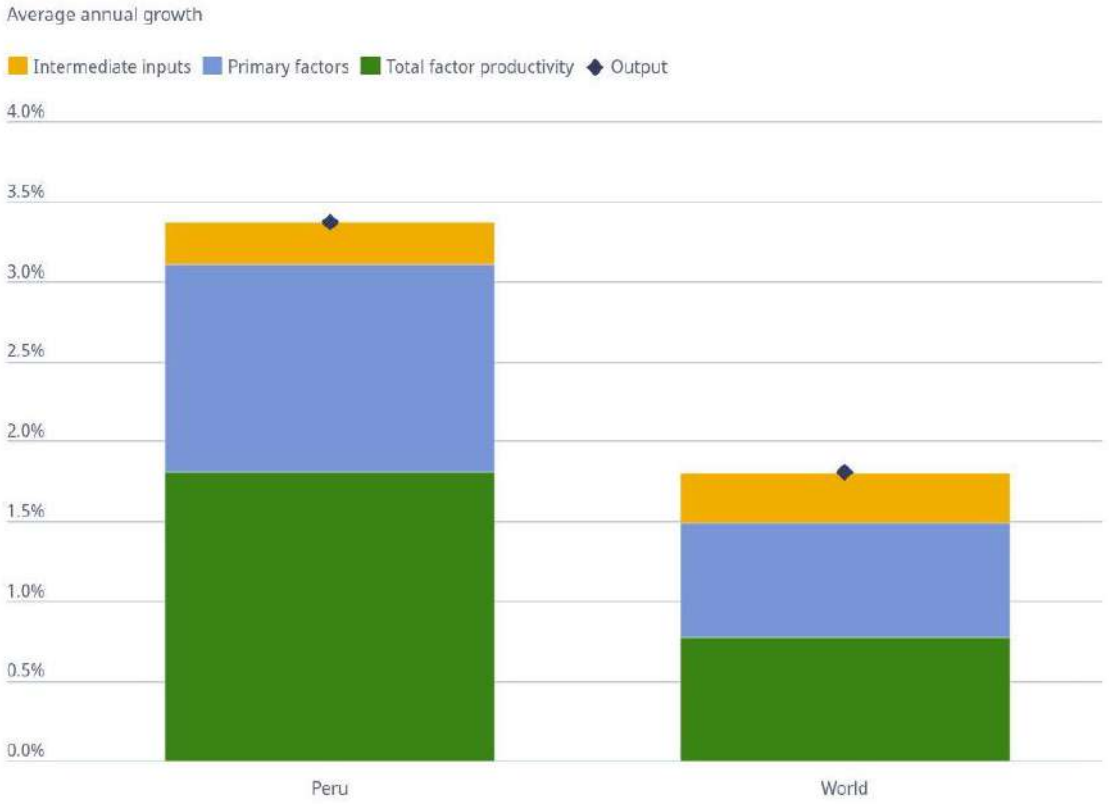
Figure 23.5. Peru: Agro-food trade



Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Figure 23.6 shows that Peru's agricultural output growth over 2014-23 was higher than the global average and was driven primarily by total factor productivity (TFP) gains. Productivity improvements accounted for a substantial share of output growth, while additional contributions came from increased use of primary factors and intermediate inputs. In comparison, global agricultural output growth was more modest and relied relatively more on input accumulation, indicating that Peru's performance over the period was more strongly underpinned by efficiency gains than the world average. For the period 2014-23, agricultural GHG emissions represent 27% of the country's total, which is higher than the OECD average (10.3%), while agriculture only represents 0.8% of total energy use in the country for the same period (Table 23.3).

Figure 23.6. Peru: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Table 23.3. Peru: Productivity and environmental indicators

	Peru		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	2.6%	1.8%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	..	..	32.3	29.0
Phosphorus balance, kg/ha	..	..	3.3	2.3
Agriculture share of total energy use (%)	2.8	0.8	1.7	2.0
Agriculture share of GHG emissions (%)	36.3	27.0	8.7	10.3
Share of irrigated land in AA (%)	8.8	10.6		
Share of agriculture in water abstractions (%)	..	..	46.1	47.7
Water stress indicator	..	..		

Note: * or closest available year.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Peru's agrarian reforms of the 1960s, culminating in Decree Law No. 17716 of 1969, marked a decisive break from a system of highly concentrated, colonial-era land ownership that excluded Indigenous and rural communities. The reform dismantled large estates and reorganised agriculture around cooperatives and peasant enterprises, redistributing approximately 9.5 million ha, about 85% of privately held agricultural land, to over 400 000 families, mainly in the Coast and Sierra. Its objectives were to stimulate agricultural growth, reduce inequality, strengthen internal markets, and promote rural agro-industrial development.

The reform was embedded in a broader socio-economic strategy that combined land redistribution with credit and technical assistance and introduced important institutional changes. Large estates were converted into co-operatives (CAPs and SAIS) to preserve scale and efficiency, a specialised agrarian judiciary (Fuero Agrario) was created, land rental was restricted, and farmers were required to participate directly in farm management and profits. However, the collapse of many co-operatives during the 1980s led to land fragmentation, declining productivity, and reduced profitability, which ultimately constrained the long-term effectiveness of the agrarian reform.

From the 1980s, Peru undertook a major policy shift toward economic liberalisation, reversing key elements of the agrarian reforms of the 1960s and 1970s. Agricultural co-operatives were dismantled, private land markets were restored, and policy priorities moved toward efficiency, competitiveness and agribusiness development, particularly to promote agricultural exports. These changes mainly benefited export-oriented production along the coast, while public spending on rural areas and agricultural extension services declined sharply.

Institutional and legal reforms reinforced this reorientation. The Agrarian Reform Law was repealed, transforming the Ministry of Agriculture into a regulatory and advisory body and eliminating direct state intervention in production and marketing. Financing structures were reconfigured through the closure of the agricultural development bank and the creation of rural savings and credit banks. Land tenure reforms strengthened legal security, facilitated individual ownership, and enabled the free transfer and formalisation of land, laying the groundwork for a market-based land system.

From the 2000s onward, policy frameworks increasingly supported agro export growth and private investment, notably through the Agricultural Promotion Law (27360), which introduced tax, labour and investment incentives for export-oriented agriculture. At the same time, newer policy initiatives sought to

rebalance the model by addressing social inclusion and rural development, including the National Agreement (2002), Agricultural Policy Guidelines (2014), and recent laws to strengthen producer associativity, agricultural co-operatives, and family farming, signalling a gradual shift toward combining competitiveness with inclusive agricultural development.

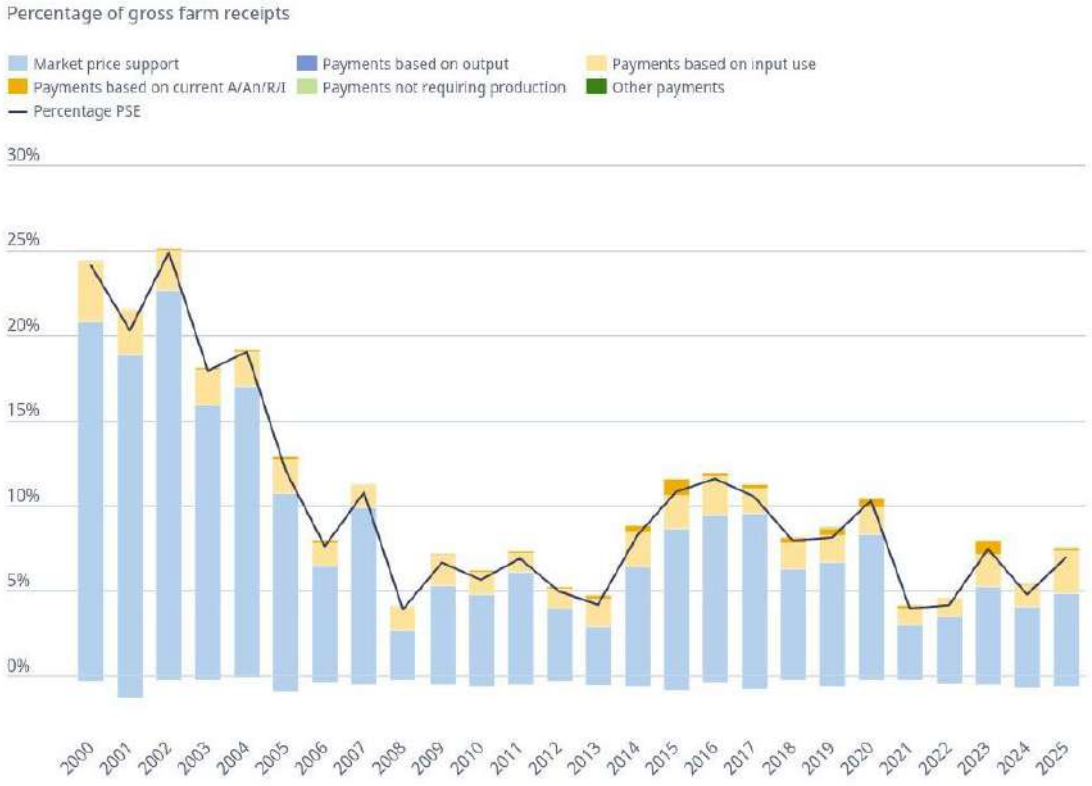
Peru's current agricultural policy framework is built around two complementary priorities: supporting the development and inclusion of small-scale farmers, while continuing to consolidate and expand the export-oriented agricultural sector. Efforts to address the constraints faced by small producers are anchored in the National Agricultural Policy 2021-2030, which seeks to raise incomes and improve livelihoods by enhancing farm competitiveness, strengthening service delivery and institutional support, and increasing agriculture's overall contribution to national economic and social development.

Table 23.4. Peru: Agricultural policy trends

Period	Framework	Changes in agricultural policies
Prior to 1980s	Import substitution model	Strong state intervention and protection of domestic agriculture; food self-sufficiency strategy; price controls and guaranteed minimum prices; large input subsidies (fertiliser, irrigation, credit); state-led agrarian reform (1969) and creation of cooperatives; high tariffs and quantitative import restrictions; state marketing boards controlling procurement and distribution; expansion of public agricultural research and extension systems. Key institutions strengthened/created: Ministry of Agriculture (central planning role); agrarian reform cooperatives (CAPs and SAIS); *Banco Agrario* (state agricultural credit); public irrigation authorities; early agricultural research bodies (precursors to INIA).
1980-2010	Trade liberalisation	Structural adjustment reforms; reduction of tariffs and elimination of quantitative restrictions; deregulation of agricultural markets; removal or reduction of generalised subsidies; promotion of agro-exports; privatisation or dismantling of state marketing boards; encouragement of private investment; decentralisation of agricultural governance; compliance with WTO agreements; increased integration into global value chains. Peru's tax framework promotes export-oriented agriculture under the Agricultural Promotion Law (27360), which reduces income tax rates and provides a special labour regime tailored to the unique demands of agricultural work, such as seasonality and daily work hours. This Law has been extended until 2031. Key institutions created/restructured: INIA (*Instituto Nacional de Innovación Agraria*) strengthened as an autonomous public research body; SENASA (Servicio Nacional de Sanidad Agraria) strengthened (created 1992) to ensure sanitary and phytosanitary standards for exports; AGROBANCO (*Banco Agropecuario*) created in 2001 to provide agricultural credit after the closure of *Banco Agrario*; regional governments gained agricultural responsibilities under decentralisation reforms.
2010- present	Reforms to target and tailor direct payments to smallholders	Shift from broad subsidies to targeted income support and productivity programs; financial inclusion strategies; climate adaptation and water governance reforms; support to smallholder integration into markets; sustainability and environmental regulation; strengthening farmer organisations (cooperatives and producer associations); public–private partnerships in irrigation and agro-export infrastructure. Key institutions created/restructured: ANA (*Autoridad Nacional del Agua*) created in 2008 (strengthened in the 2010s) to manage water resources under integrated water resource management; consolidation of AGROBANCO with restructured mandate to focus on smallholders; strengthening of SENASA for export compliance and food safety; expansion of INIA's innovation and technology-transfer role; creation/strengthening of AGRORURAL, AGROIDEAS, PIS, AGROMERCADO, reflecting expanded rural development focus.

Peru provides relatively low levels of support to its agricultural sector, and this support has generally declined over time. However, in 2023 and 2024 there was a notable increase, mainly driven by higher market price support (MPS). Until the late 1990s, the Peruvian Producer Support Estimate (PSE) consisted largely of market price support. After this period, the share of market price support decreased while budgetary support increased. This trend continued until 2016, when market price support and input-based support once again became the main components of producer support (Figure 23.7).

Figure 23.7. Peru: Development of the PSE and its composition, 2000 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Note

[1] The agricultural products on which Peru's commodity MPS calculations are based include rice, maize, potatoes, avocado, grapes, asparagus, mandarins and clementines, blueberries, bananas, coffee, cocoa, palm oil, sugar, milk, beef, pig meat, poultry and eggs.

24 Philippines

Main findings

Support to agriculture

Support to farmers (Producer Support Estimate, PSE) in the Philippines averaged 22% of gross farm receipts in 2023-25, indicating that slightly more than one-fifth of farmers' gross receipts were generated by support policies. Producer support declined from a peak of around 28% in 2014-15 to 20% in 2023 before increasing again in 2024 and 2025, reflecting stronger price support for several commodities.

Support to farmers continues to be dominated by Market Price Support (MPS), which generates transfers to farmers from consumers when domestic prices are higher than border reference prices, particularly for sugar, rice, maize, and livestock products. MPS mainly reflects border measures, including tariffs and tariff rate quotas, while rice producers also benefit from public procurement at administered prices and domestic market interventions by the National Food Authority. These policies are closely linked to longstanding objectives of food security and greater self-sufficiency, especially for rice, but imply that much of the cost of support is borne by consumers and other first-level buyers. As a result, average domestic producer prices were 29% above border reference prices in 2023-25. Budgetary support has gradually gained importance over time, mainly targeting the use of variable inputs (including seeds and fertiliser) and investment in agricultural equipment, facilities and concessional credit.

Support for general services in agriculture (General Services Support Estimate, GSSE) amounted to more than 5% of the value of production in 2023-25, more than twice the level observed in 2000-02, reflecting continued efforts to strengthen enabling services for the agricultural sector. Spending is concentrated on irrigation systems and farm-to-market roads, alongside agricultural knowledge and innovation services, particularly education and extension programmes.

Budgetary transfers to consumers are in the form of targeted food assistance programmes, including school feeding initiatives, the Supplemental feeding programme and the Walang Gutom food stamp programme introduced in 2023. These programmes aim to improve food access for vulnerable households. However, transfers from consumers to farmers from MPS policies are greater than these budgetary transfers, meaning that consumers are net contributors overall. On average, policies increase consumers' food expenditures (measured at farm gate prices) by about 20%.

Total support to the agricultural sector declined from 2.9% of GDP in 2000-02 to 2.3% of GDP in 2023-25, but remains among the highest levels across countries covered in this report, indicating a relatively high economy-wide cost of agricultural support.

Key policy changes in 2025-26

In February 2025, **the government declared a food security emergency on rice**, following sustained increases in domestic retail prices. The measure authorised the release of National Food Authority (NFA) buffer stocks to government agencies and local distribution channels, reinforcing the use of public stockholding as an instrument for retail price stabilisation.

A formal palay (unmilled rice) floor price mechanism was introduced, mandating the Department of Agriculture to set and periodically adjust regional minimum procurement prices based on production costs and market conditions. Government entities must procure rice at or above the established floor price, adding a new tool for rice price support during harvest periods.

A flexible tariff mechanism for rice imports was established, linking applied tariff rates to movements in international prices within a defined range. While the applied MFN tariff remained at 15% in 2025, as of January 2026, an automatic adjustment mechanism is in place to moderate the transmission of global price fluctuations to the domestic market**.**

The NFA advanced a modernisation programme in 2025 focusing on upgrades to rice storage, drying and milling infrastructure. The programme is expected to expand public storage capacity and improve stock management.

Assessment and recommendations

- Rebalance rice policy by gradually reducing reliance on price-distorting mechanisms and shifting towards more targeted risk-management instruments. While recent measures such as the formalisation of a palay floor price mechanism and the introduction of a flexible rice tariff framework address short-term price volatility, continued reliance on commodity-specific price support may limit diversification and affect production and trade incentives.
- Reduce reliance on border measures and administered prices for rice and sugar, while strengthening the enabling environment for agriculture. Redirecting support towards infrastructure, innovation systems, risk management tools and transparent market information would improve policy coherence and support more sustainable productivity growth.
- Sustain and deepen the shift towards general services by prioritising investments in innovation and resilience. Spending on post-harvest infrastructure, storage modernisation, digital systems and climate advisory services should be complemented by greater focus on R&D, extension services, soil health systems and climate information services to support long-term sector performance and reduce reliance on recurrent market interventions.
- Enhance predictability and transparency in the use of trade and sanitary measures by limiting ad hoc interventions and ensuring measures are transparent, time-bound and consistent with long-term competitiveness, food security and climate objectives. This would support stable investment signals and improve integration into regional and global markets.

Key indicators on agricultural support

Figure 24.1. Philippines: Development of support to agriculture

Figure 24.1A. Philippines: Producer Support Estimate and its composition

Percentage of gross farm receipts

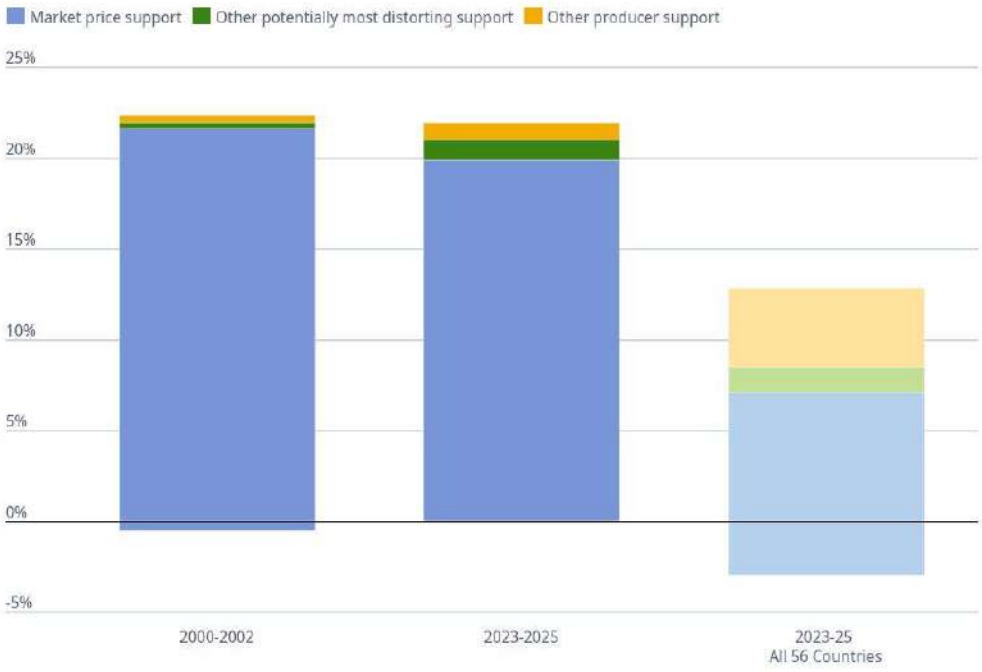


Figure 24.1B. Philippines: Ratio of producer to border price

Producer NPC

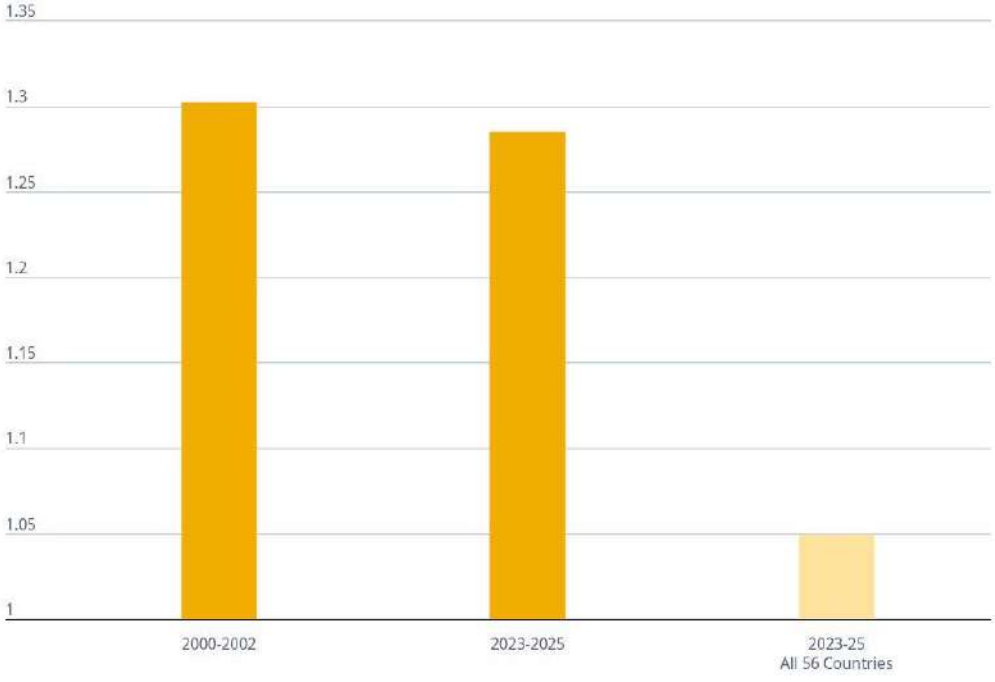


Figure 24.1C. Philippines: General Services Support Estimate and its composition

Relative to agricultural value of production

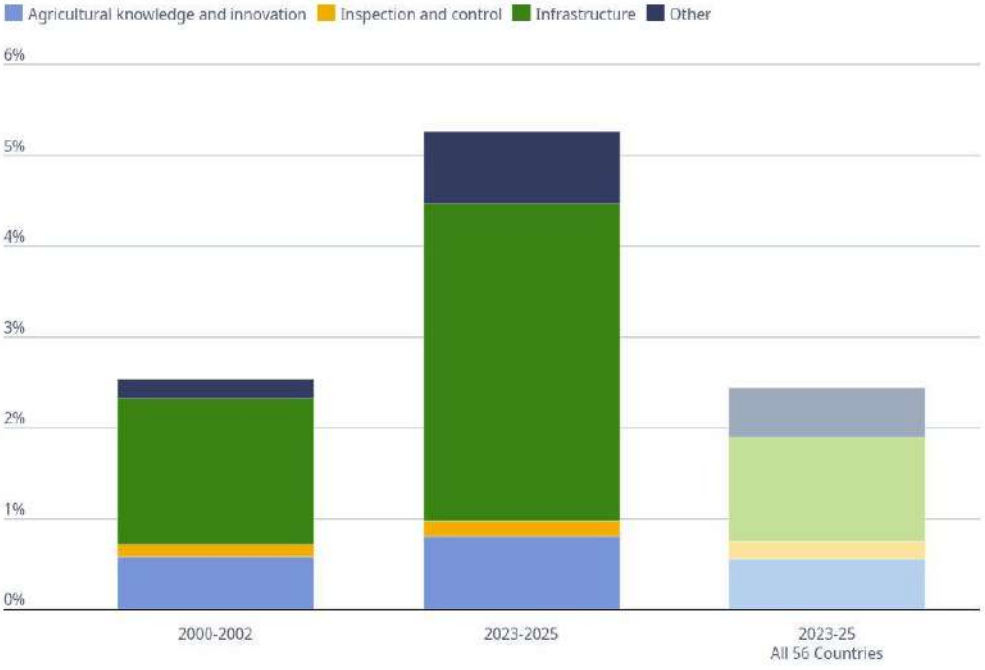
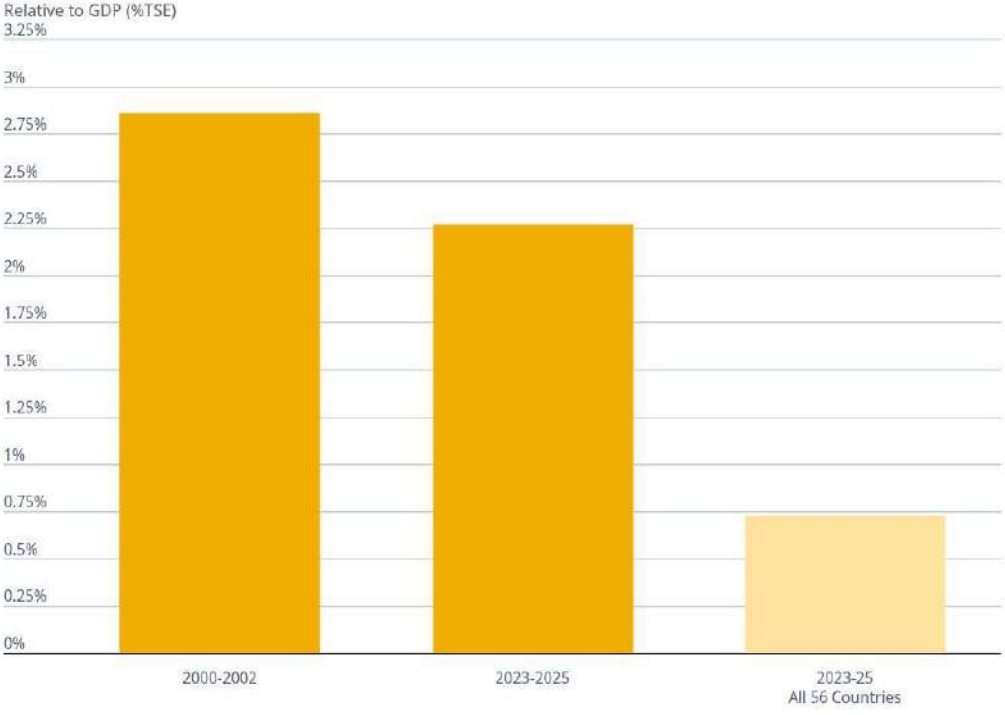


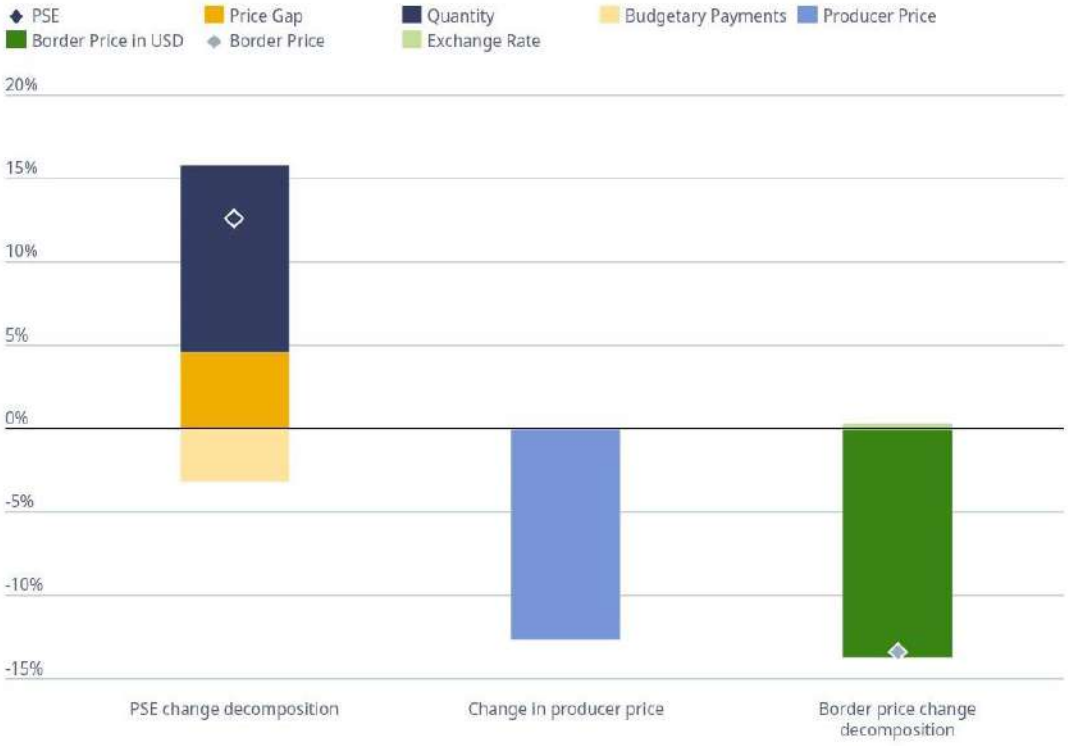
Figure 24.1D. Philippines: Total Support Estimate

Relative to GDP (%TSE)



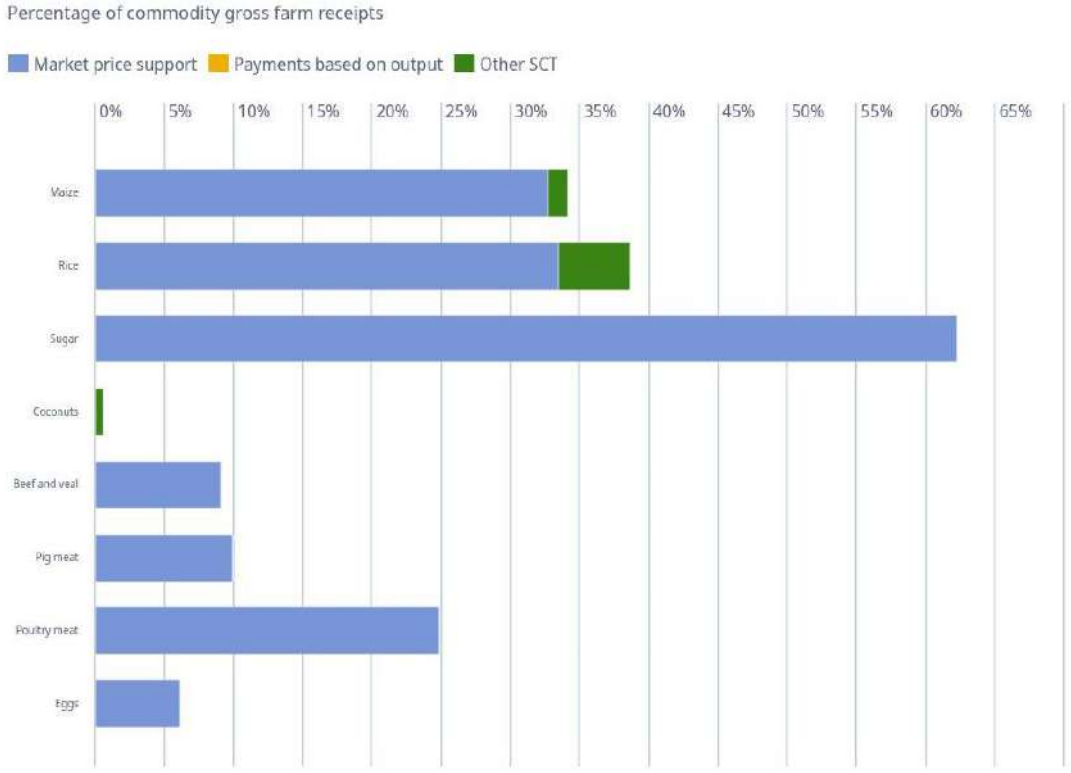
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 24.2. Philippines: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency.
Source: OECD (2026), "Producer and Consumer Support Estimates", OECD Agricultural policy monitoring (database), https://data-explorer.oecd.org/.

Figure 24.3. Philippines: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Table 24.1. Philippines: Estimates of support to agriculture

Million USD

	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**9 608**	**36 851**	**36 426**	**37 392**	**36 735**
of which: share of MPS commodities (%)	90.34	89.60	89.28	89.70	89.82
Total value of consumption (at farm gate)	**9 828**	**41 439**	**40 976**	**42 063**	**41 278**
Producer Support Estimate (PSE)	**2 124**	**8 269**	**7 490**	**8 161**	**9 156**
Support based on commodity output	2 051	7 478	6 611	7 282	8 539
Market price support[1]	2 051	7 478	6 611	7 282	8 539
Positive market price support	2 097	7 478	6 611	7 282	8 539
Negative market price support	-46	-0	0	0	0
Payments based on output	0	0	0	0	0
Payments based on input use	69	772	860	860	598
Based on variable input use	36	433	498	454	346
with input constraints	0	0	0	0	0
Based on fixed capital formation	32	340	361	406	252
with input constraints	0	0	0	0	0
Based on on-farm services	0	0	0	0	0
with input constraints	0	0	0	0	0
Payments based on current A/An/R/I, production required	0	0	0	0	0
Based on Receipts / Income	0	0	0	0	0
Based on Area planted / Animal numbers	0	0	0	0	0
with input constraints	0	0	0	0	0
Payments based on non-current A/An/R/I, production required	0	0	0	0	0
Payments based on non-current A/An/R/I, production not required	0	0	0	0	0
With variable payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
With fixed payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
Payments based on non-commodity criteria	0	0	0	0	0
Based on long-term resource retirement	0	0	0	0	0
Based on a specific non-commodity output	0	0	0	0	0
Based on other non-commodity criteria	0	0	0	0	0
Miscellaneous payments	5	19	19	19	19
Percentage PSE (%)	**21.85**	**21.99**	**20.08**	**21.32**	**24.51**
Producer NPC (coeff.)	**1.30**	**1.29**	**1.23**	**1.29**	**1.34**
Producer NAC (coeff.)	**1.28**	**1.28**	**1.25**	**1.27**	**1.32**
General Services Support Estimate (GSSE)	**244**	**1 935**	**1 611**	**2 264**	**1 930**
Agricultural knowledge and innovation system	56	296	294	287	307
Inspection and control	14	62	65	63	57
Development and maintenance of infrastructure	155	1 286	1 015	1 590	1 251
Marketing and promotion	6	47	49	53	38
Cost of public stockholding	12	219	162	245	251
Miscellaneous	1	26	26	26	25
Percentage GSSE (% of TSE)	**10.30**	**18.48**	**17.38**	**21.06**	**16.92**
Consumer Support Estimate (CSE)	**-2 203**	**-8 292**	**-7 128**	**-8 276**	**-9 471**
Transfers to producers from consumers	-2 243	-7 902	-6 521	-8 138	-9 046
Other transfers from consumers	-149	-1 326	-994	-1 474	-1 511
Transfers to consumers from taxpayers	0	273	169	325	325
Excess feed cost	188	663	217	1 011	761
Percentage CSE (%)	**-22.33**	**-20.17**	**-17.47**	**-19.83**	**-23.13**
Consumer NPC (coeff.)	**1.32**	**1.29**	**1.22**	**1.30**	**1.34**
Consumer NAC (coeff.)	**1.29**	**1.25**	**1.21**	**1.25**	**1.30**
Total Support Estimate (TSE)	**2 369**	**10 477**	**9 270**	**10 750**	**11 411**
Transfers from consumers	2 391	9 228	7 514	9 612	10 556
Transfers from taxpayers	126	2 575	2 749	2 612	2 365
Budget revenues	-149	-1 326	-994	-1 474	-1 511
Percentage TSE (% of GDP)	**2.86**	**2.27**	**2.12**	**2.33**	**2.34**
Total Budgetary Support Estimate (TBSE)	**318**	**2 999**	**2 658**	**3 468**	**2 871**
Percentage TBSE (% of GDP)	**0.38**	**0.65**	**0.61**	**0.75**	**0.59**
GDP deflator (2000-02 = 100)	**100**	**212**	**207**	**213**	**217**
Exchange rate (national currency per USD)	**48.93**	**56.81**	**55.63**	**57.29**	**57.51**

.. Not available

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.

1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for Philippines are: maize, rice, sugar, beef and veal, pig meat, poultry, eggs, bananas, coconut, mango and pineapple.

Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

Tariffs, tariff rate quotas (TRQs) and domestic market regulations are in place for major commodities**. Tariff protection is the Philippines' main trade policy tool**. The simple average applied Most Favoured Nation (MFN) tariff on agricultural products was 11.24% in 2025 (compared to 5.84% for non-agricultural products) (Tariff Commission, 2025[1]). Tariff lines applied for agricultural commodities are ad valorem and range from 0% to 65% (UNCTAD TRAINS, 2024[2]).

Tariff rate quotas are applied to 14 agricultural products, with in-quota tariffs ranging from 15% to 50% and out-of-quota tariffs from 15% to 65% in 2025. Products covered by the TRQs include live swine, goats and poultry, as well as poultry meat, potatoes, coffee, maize, rice and sugar. Import licensing is required for all regulated products (including those under TRQs). Additionally, grains, grain products and sugar require export permits.

The Philippines Department of Agriculture (DA) has implemented several support programmes for rice producers. The National Food Authority (NFA) supports rice prices by buying buffer stocks at administered prices from domestic producers and by selling these stocks at subsidised prices to consumers. Budgetary support is provided for producers' use of variable inputs, including seeds and fertilisers. Additional support is provided through subsidies for fixed capital formation, including credit facilitation, as well as programmes supporting the provision of agricultural equipment and facilities. Investments in general services are mainly for infrastructure and agricultural research and development.

To achieve its Nationally Determined Contribution (NDC) objectives, the Philippines focuses mitigation efforts on the major sources of agricultural GHG emissions (paddy rice cultivation, livestock enteric fermentation, soil cultivation, and livestock manure management) by promoting the adoption of technologies like microbial inoculants or diet modification to reduce emissions from livestock, crop management techniques (such as supplements like biochar and organic fertiliser to increase soil friability), or renewable energy for water management. The Philippines committed to reducing GHG emissions by 75% relative to projected Business as Usual cumulative emissions between 2020 and 2030, of which 2.7% is unconditional and 72.3% is conditional (UNFCCC, 2021[3]).[1] For 2021-30, the conditional target GHG emission reduction for agriculture is 29.4%, below the Business as Usual scenario of 539.09 $MtCO_2eq$ cumulative emissions (Department of Agriculture, 2022[4]).

Recent policy developments

Domestic policy developments in 2025-26

General strategies and plans

In 2025, the Department of Agriculture (DA) updated its investment programming framework to support the For a Food-secure and Prosperous New Philippines (*Para sa Masaganang Bagong Pilipinas*, MBP) 2024–27 strategy**.** The revision covered the Public Investment Program 2023-28 and the Three-Year Rolling Infrastructure Program (TRIP) 2027-29, which identifies **priority infrastructure projects** over a rolling three-year period and aligns them with the medium-term budget framework. This update supports the implementation of the MBP by helping prioritise public investments in areas such as irrigation, post-harvest facilities, logistics, mechanisation and digital systems, and strengthens coherence between sector planning, infrastructure programming and annual budget preparation (Department of Agriculture, 2025[5]).

In parallel, several sector-specific plans and roadmaps were adopted or consolidated in 2025-26. These include efforts by the National Food Authority (NFA) to **modernise rice storage and handling infrastructure**, as well as the formal launch of the Philippine Rice Industry Roadmap 2025-35, which sets out long-term strategic directions for **improving productivity, competitiveness and resilience** in the rice

sector, including through investments in infrastructure, technology adoption and value chain development (Philippine Council for Agriculture and Fisheries, 2025[6]). In addition, other sectoral strategies were developed, including the DA's "White Revolution", which seeks to **improve the stability** of the supply of vegetables and other high-value crops by improving production systems, logistics and market integration. Preparatory work also took place on industry-specific roadmaps such as the Abaca Industry Roadmap 2026-30, which outlines directions for developing the abaca value chain, with a focus on productivity, quality improvement and market development (Department of Agriculture, 2025[7]).

Legislative changes

In May 2025, the Philippine Agriculturists Act (Republic Act No. 12215) was enacted, establishing a **regulatory framework governing agriculture professionals**. The act introduces licensing and registration requirements, clarifies the scope of professional activities, and creates a Professional Regulatory Board of Agriculture under the Professional Regulation Commission. It also sets out requirements for continuing professional development and establishes minimum qualification standards for agriculture-related positions in the public sector (Congress of the Philippines, 2025[8]).

In September 2025, the Animal Industry Development and Competitiveness Act (Republic Act No. 12308) was enacted, providing a ten-year framework to **support the development of the livestock, poultry and dairy sectors**. The act created a new annual PHP 20 billion (USD 348 million) fund to finance public investment in animal production, animal health, genetics and biosecurity. Tariff revenue collected on imported livestock, poultry and dairy products will be used for this newly created fund. The Act strengthened the mandates of key implementing agencies such as the Bureau of Animal Industry, the Philippine Carabao Center and the National Dairy Authority, and established the Animal Emergency Response Task Force (USDA GAIN, 2025[9]).

Producer policies

In 2025, the expanded Rice Competitiveness Enhancement Fund (RCEF) became operational following the amendment of the Rice Tariffication Law adopted in December 2024, which increased the annual funding ceiling from PHP 10 billion (USD 174 million) to PHP 30 billion (USD 522 million). Financed through rice import tariff revenues, the newly expanded RCEF provides additional support options for rice farmers. The prior RCEF assisted with the distribution of certified seeds, farm mechanisation, access to credit and extension services. The new RCEF includes additional interventions such as soil health improvement, pest and disease management, solar-powered irrigation systems, water-impounding projects as well as expanded support for extension services, credit and financial assistance aimed at improving productivity and resilience in the rice sector.

In July 2025, the **Price Protection Program** (PPP) was introduced to address price volatility affecting agricultural producers. Initially implemented as a pilot in selected areas of the southern Philippines, the programme facilitates marketing arrangements with private buyers to strengthen market access for farmers' co-operatives and associations. These arrangements included indicative or pre-agreed pricing, collective marketing to consolidate volumes, and complementary access to credit and insurance, implemented in co-operation with the Agricultural Credit Policy Council and the Philippine Crop Insurance Corporation (Philippine Information Agency, 2025[10]).

In October 2025, **a palay (unmilled rice) floor price mechanism** was introduced to prevent sharp declines in farmgate prices during peak harvest periods. The measure mandates the DA to set and regularly adjust regional minimum procurement prices based on production costs and market conditions. Government agencies, including the National Food Authority (NFA) and local government units, are required to procure palay at or above the established floor price. While the NFA has previously operated administered buying prices for palay procurement, this measure formalises a government-wide floor price mechanism with defined adjustment criteria and compliance requirements across public entities. The

measure followed earlier price stabilisation actions taken during the February 2025 rice food security emergency (see section on consumer policies below), which focused on moderating retail prices through the release of NFA buffer stocks, whereas the floor price mechanism addressed downward pressure on farmgate prices during the harvest period (Official Gazette, 2025[11]).

In 2025, input support measures for agricultural producers were expanded to **mitigate rising production costs and support productivity**. This included scaling up the distribution of hybrid corn seeds, fertilisers and fertiliser discount vouchers as well as a fuel assistance project to reduce operational costs for farmers. Input support was further integrated under Agri Asenso 2025, a framework initiative designed to **co-ordinate existing producer support**, particularly in areas affected by weather-related shocks, market disruptions or elevated input prices. The initiative brought together the provision of rice, corn and vegetable seeds, fertiliser support and fuel assistance, alongside facilitated access to concessional agricultural credit and insurance-based compensation through the Philippine Crop Insurance Corporation (Department of Agriculture, 2025[7]).

Policies targeting the sector as a whole

In 2025, measures were taken to improve agricultural value chains and reduce losses for perishable products. The DA's infrastructure programme included the construction of approximately 99 cold storage facilities nationwide, supported by an allocation of around PHP 3 billion (USD 52 million), with a mix of small modular units and larger installations in key production zones such as Camarines Sur, Occidental Mindoro and Nueva Ecija.

In parallel, **the National Food Authority (NFA) advanced a major modernisation programme for rice storage and processing in 2025**, involving repairs to existing warehouses, upgrades to drying facilities and the construction of new rice mills. The programme, supported by an investment envelope of around PHP 10 billion (USD 174 million), aims to expand NFA storage capacity by approximately 800 000 metric tonnes by 2026, thereby strengthening the agency's ability to procure, store and manage rice stocks and improve the availability of post-harvest facilities linked to public procurement operations (Department of Agriculture, 2025[7]; USDA GAIN, 2025[12]).

In 2025, the DA assumed operational responsibility for **farm-to-market road (FMR) projects** and integrated these into the Three-Year Rolling Infrastructure Programme, TRIP 2027-29. Public access to project plans and progress information was expanded, and priority FMR routes were identified in co-ordination with regional stakeholders. Improved rural connectivity is expected to lower transaction costs, enhance access to markets and services, and support producer competitiveness in agricultural production areas (Department of Agriculture; Department of Public Works and Highways, 2025[13]).

In 2025, the DA continued to expand the *Kadiwa ng Pangulo* (KNP) programme, a government-supported initiative providing direct sales channels for agricultural products through designated outlets and mobile markets. Main developments in 2025 included:

- further expansion of Kadiwa outlets across local government units, including fixed stores and mobile markets
- strengthened support for aggregation, transport and basic post-harvest handling
- continued integration of Kadiwa into food distribution and price stabilisation efforts.

Biosecurity measures against African Swine Fever (ASF) were strengthened, building on the vaccination and control framework introduced in 2024. The rollout of the ASF vaccine was extended to additional priority areas under the amended national zoning and movement plan, alongside tighter animal movement controls and enhanced surveillance at the local level through the *Bantay ASF sa Barangay* programme. Compensation arrangements for pigs culled for disease control were maintained to support

compliance and early reporting, with ASF-related interventions increasingly framed as part of the recovery of the swine sector.

Agricultural knowledge and advisory services were expanded in 2025, with the rollout of mobile soil laboratories and the expansion of soil diagnostics under the National Soil Health Program. These initiatives aim to improve nutrient management and input efficiency through enhanced soil analysis and farmer advisory services. Digital monitoring tools and producer registries were further developed through expanded data collection to support planning and programme coordination (Department of Agriculture, 2025[14]).

Consumer policies

In February 2025, **a food security emergency for rice was declared** in response to sustained increases in domestic retail prices and heightened price volatility. The declaration was made under the amended Agricultural Tariffication Act framework (Republic Act No. 12078). Acting on the recommendation of the National Price Coordinating Council, the declaration authorised the release of NFA milled rice buffer stocks to government agencies, local government units (LGUs) and Kadiwa outlets to support price stabilisation and manage public rice inventories ahead of the harvest season. The NFA planned to release 150 000 tonnes of rice, equivalent to about half of its buffer stock, over a six-month period. The measure established operational procedures for stock releases to LGUs and was subsequently extended to additional beneficiary areas during the emergency period (Department of Agriculture, 2025[7]; USDA GAIN, 2025[15]).

More generally, consumer-oriented agricultural policies in the Philippines focused on moderating food prices and improving access to staple products in a context of elevated price volatility. A mix of price stabilisation instruments, targeted access to subsidised food, and enhanced market monitoring and transparency were used.

- The DA expanded the **subsidised P20 rice programme**, under which milled rice was sold at PHP 20 (USD 0.35) per kilogram through selected public distribution channels, notably *Kadiwa* stores. Targeted at low-income and other eligible households, the programme was extended in 2025 to include registered agricultural producers and formed part of broader efforts to moderate consumer food expenditure pressures.
- **Maximum Suggested Retail Prices (**MSRPs) and temporary price caps continued to be used to contain retail prices of selected agricultural products. These measures were applied primarily to imported rice, and, on a temporary basis, to selected vegetables such as onions, garlic and carrots, as well as to pork, during periods of supply tightness. MSRPs and temporary price caps were adjusted in line with market developments and supported by inter-agency price and supply monitoring mechanisms aimed at strengthening compliance and improving transparency in retail pricing. Monitoring efforts were reinforced through the use of *Bantay Presyo*, the DA's market price monitoring system, which tracks retail prices across major trading centres nationwide. The information collected helped inform price stabilisation measures and guide enforcement activities in public markets (Department of Agriculture, 2025[16])..

Policies to support environmental sustainability in agriculture

In 2025, the **Adapting Philippine Agriculture to Climate Change (APA) project began implementation**, with increased Green Climate Fund disbursements supporting climate-resilient agriculture (CRA) services. Activities included capacity building, the delivery of localised climate information services and the promotion of CRA technologies among target farming communities. The project aims to reach over 1.25 million direct beneficiaries and 5 million indirect beneficiaries, primarily

through the provision of climate information services, while promoting the adoption of climate-resilient agriculture practices across approximately 200 000 farms (Green Climate Fund, 2025[17]).

In parallel, **waste reduction and organic recycling measures were advanced in 2025**. The Philippine Council for Agriculture and Fisheries (PCAF), in collaboration with the Ecowaste Coalition and the DA, supported improved solid waste segregation and organic recycling practices within agricultural communities. Regional DA offices distributed composting facility technology packages to farmer co-operatives and local governments, promoting biodegradable waste recovery and organic fertiliser production. These measures complement the Ecological Solid Waste Management Act (Republic Act No. 9003), which guides waste reduction, reuse and recycling practices relevant to agricultural systems (Official Gazette, 2025[18]; Philippine Council for Agriculture and Fisheries, 2025[19]).

Trade policy developments in 2025-26

The amended Rice Tariffication Law adopted at the end of 2024 was put into effect in 2025. The law allows the President to adjust rice import policy in response to market developments, including temporarily reducing tariff rates or suspending imports. This framework was used in September 2025, when the government announced a **60-day suspension of rice imports during the harvest season**, with the aim of supporting farm gate prices and avoiding additional downward pressure from imports (Official Gazette, 2025[20]). The import suspension was subsequently extended until December 2025, following a further presidential decision to maintain the measure beyond the initial 60-day period (Official Gazette, 2025[21]).

In late 2025, **the Philippines adopted a new rice tariff mechanism** effective from January 2026, introducing a flexible tariff range of 15% to 35%, with adjustments tied to movements in export prices of Viet Nam 5% broken rice. Under this system, tariff rates are set within predefined price intervals and adjusted quarterly. Tariffs increase by 5 percentage points for every 5% decline in international prices relative to a reference value of USD 387/MT up to a maximum of 35% when prices fall below USD 315/MT. Conversely, tariffs decrease by five percentage points for every 5% increase in international prices. Implementation is overseen by an inter-agency mechanism responsible for monitoring international price developments and applying tariff adjustments within the defined parameters (Official Gazette, 2025[22]; USDA GAIN, 2025[23]).

In 2025, **the Philippines adjusted import restrictions in response to evolving animal health risks.** Temporary bans on poultry and poultry products were updated following outbreaks of highly pathogenic avian influenza, including new restrictions on imports from New Zealand, several US states, Türkiye and Belgium, alongside the lifting of earlier bans on France and Minnesota (US). Additional adjustments were made to restrictions on commodities derived from foot-and-mouth disease susceptible animals, including new bans on Germany, Hungary, Korea and the Slovak Republic and the removal of restrictions on Russia. In response to African swine fever developments, a temporary ban was also introduced on imports of pigs and pig products from Chinese Taipei (Department of Agriculture, 2025[24]).

In late 2025, the DA and the Sugar Regulatory Administration reaffirmed a **moratorium on sugar imports**, initially introduced in October 2025, at the start of the milling season, indicating that it would remain in place at least until the end of the milling season and potentially longer, subject to developments in domestic stock levels. The measure was subsequently extended into 2026, with the stated objective of supporting local producers and prioritising domestic supply (Department of Agriculture, 2025[25]).

Over the same period, a **temporary moratorium on molasses imports** was introduced following a marked increase in imported volumes alongside rising domestic production. The measure took effect on 3 October 2025 and was initially scheduled to remain in place until 31 December 2025, subject to review based on domestic stock levels. In November 2025, the authorities extended the molasses import moratorium until March 2026, pending further assessment of inventory conditions and market developments (USDA GAIN, 2025[26]).

In November 2025, the **United States introduced exemptions from its reciprocal tariff measures for a wide range of Philippine agricultural products** that are not produced domestically in significant quantities. Products covered by the exemptions included coconut and coconut products, fruit juices, processed pineapples, desiccated coconuts, bananas and other tropical fruits, tuna fillets and confectionery items, among others, with estimates suggesting that over USD 1 billion of agricultural exports would no longer be subject to US reciprocal tariffs (Ministry of Industry and Trade, Vietnam, 2025[27]).

In 2025, **the Philippines submitted a formal application to accede to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership** (CPTPP), a plurilateral free trade agreement linking 12 Asia-Pacific and transregional economies. The CPTPP includes tariff-reduction commitments covering agricultural and agri-food products, as well as disciplines on sanitary and phytosanitary (SPS) measures, customs procedures and regulatory co-operation. Accession, once concluded, would imply progressive tariff reductions and regulatory alignment across a wide range of agricultural products, expanding preferential market access for Philippine exports while requiring adjustments to domestic trade and regulatory frameworks in line with the agreement's provisions (PortCalls, 2025[28]).

Policy context

Key economic and agricultural statistics

The Philippines is a mid-size country in terms of land area, but with a population of around 116 million, it is among the most populous countries in the world. In 2024, at USD 11 794 in purchasing power parity (PPP), GDP per capita accounts for around 37% of the average GDP per capita of all countries analysed in this report (Table 24.2). Overall, the Philippines' economy is well integrated into international markets as measured by a ratio of trade to GDP of 22% in 2024.

Agriculture remains an important sector in the Philippines, but the sector's 21% share in total employment compared to its 9% contribution to GDP highlights a significant gap in labour productivity. The sector is characterised by small landholdings, with an average farm size of 0.8 ha in 2022, a significant decline from 1.7 ha recorded in the previous Census of Agriculture and Fisheries in 2012.

Table 24.2. Philippines: Contextual indicators

	Philippines		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	268	1 366	0.7%	0.8%
Population (million)	80	116	1.8%	2.1%
Land area (thousand km²)	298	298	0.4%	0.4%
Agricultural area (AA) (thousand ha)	11 234	12 723	0.4%	0.4%
			All countries[1]	
Population density (inhabitants/km²)	265	386	52	64
GDP per capita (USD in PPPs)	3 366	11 794	9 508	31 740
Trade as % of GDP	44.9	22.5	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	13.9	9.1	3.0	3.6
Agriculture share in employment (%)	35.8	21.2	-	-
Agro-food exports (% of total exports)	4.0	9.6	6.4	8.3
Agro-food imports (% of total imports)	7.3	15.1	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	62.4	61.3	62.1	60.4
Livestock in total agricultural production (%)	37.6	38.7	37.9	39.6
Share of arable land in AA (%)	44.8	43.9	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

Since 2012, the Philippines has maintained relatively strong and stable economic growth, averaging around 6% annually, alongside comparatively low and gradually declining unemployment rates, which fell to approximately 2% in 2019 (Figure 24.4). The COVID-19 pandemic led to a sharp economic contraction of around 10% in 2020, accompanied by a temporary increase in unemployment. The economy rebounded in 2021 with GDP growth reaching 5.7% and accelerated further to 7.6% in 2022 before moderating to 5.5% in 2023 and 5.7% in 2024. Inflation was more volatile over the period. After lower rates in 2019 and 2020, inflation rose to 4% in 2021 and peaked at close to 6% in 2023, before easing more recently.

Figure 24.4. Philippines: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

The Philippines has been a consistent and increasing net agro-food importer since 2000. Still, agro-food exports have grown over the last two decades (Figure 24.5). While agro-food exports have plateaued since 2017, agro-food imports have continued to increase at a higher rate during this period. The significant increase in agro-food imports since 2020 has been driven notably by stronger imports of grains (wheat and rice), oilcake, meat and palm oil. Processed products for final consumption dominate the Philippines' agro-food imports, representing 47% of the total in 2024. In turn, processed products for the industry (mainly crude coconut oil) constitute an important export category, accounting for 41% of agro-food exports, followed by primary products for final consumption (mainly fruits such as bananas or pineapple). In 2023, agro-food imports declined significantly compared to 2022, driven partly by reduced imports of palm oil, oilcake, wheat, maize, meat, and dairy products, among other commodities. Agro-food exports also contracted primarily due to a reduction in crude coconut oil exports. In 2024, both agro-food imports and exports increased again. Imports were driven by higher rice purchases, while exports recovered on the back of increased shipments of coconut oil, both crude and non-crude.

Figure 24.5. Philippines: Agro-food trade

Figure 24.5A. Philippines: Agro-food trade 2000 to 2024

Billion USD

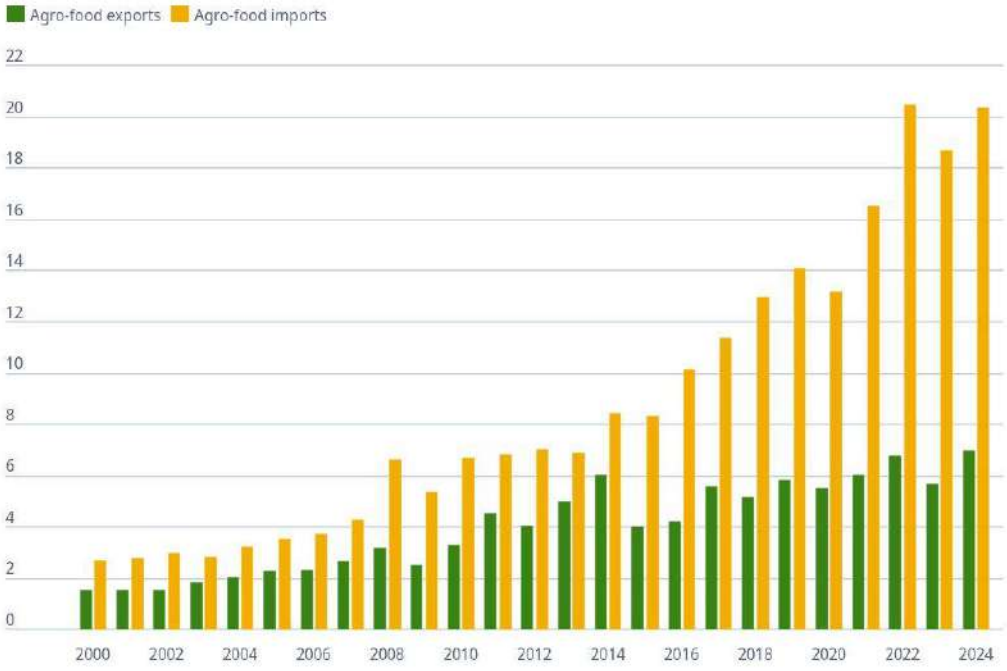


Figure 24.5B. Philippines: Composition of Agro-food trade, 2024

Percentage

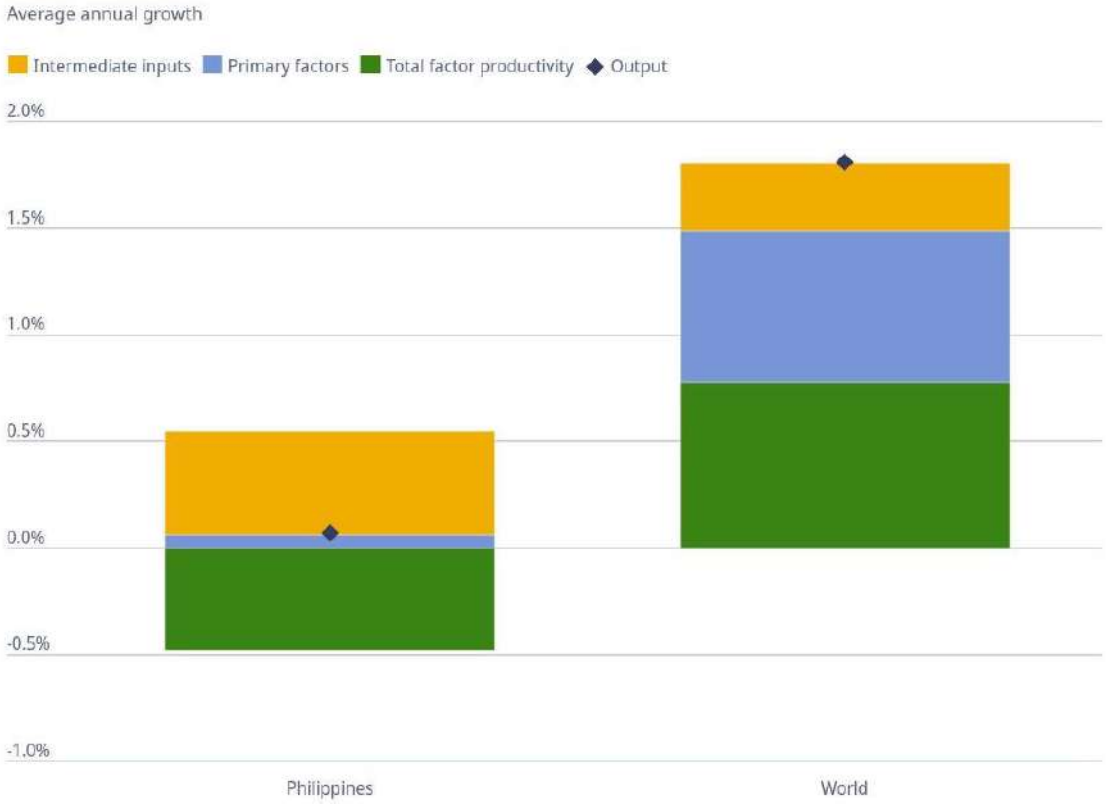


Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Between 2014 and 2023, agricultural production in the Philippines grew at an average annual rate of just 0.1%, significantly below the global average of 1.8% (Figure 24.6). This modest growth was primarily driven by an above-average increase in intermediate inputs (0.5% per year), alongside a small positive contribution from primary factors, such as land, labour or capital (0.1% per year). However, total factor productivity, which reflects gains from innovation, technological improvements and efficiency in resource use, declined at an average rate of -0.5% per year, indicating a negative contribution to overall growth.

Agriculture remains the largest consumer of water, accounting for 76% of total water use in 2024. In contrast, the sector's share in total energy abstractions remains low at just 0.4%. The country's nitrogen balance remained relatively stable, increasing slightly in recent years. However, both nitrogen and phosphorus balances remain high compared to world averages.

Figure 24.6. Philippines: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Table 24.3. Philippines: Productivity and environmental indicators

	Philippines		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	0.3%	-0.5%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	54.0	54.4	32.3	29.0
Phosphorus balance, kg/ha	8.3	5.4	3.3	2.3
Agriculture share of total energy use (%)	0.4	0.4	1.7	2.0
Agriculture share of GHG emissions (%)	29.2	..	8.7	10.3
Share of irrigated land in AA (%)	8.3	9.3	-	-
Share of agriculture in water abstractions (%)	84.5	76.3	46.1	47.7
Water stress indicator	..	..	..	..

Note: * or closest available year.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Heavy government interventions in agricultural markets within a closed economy characterised the Philippines during the period from 1970 to 1986. The government had monopoly control over trade in rice, sugar and maize, operated by the National Grains Authority (NGA) established in 1972 (later renamed the National Food Authority, NFA). Sugar trade was nationalised under the National Sugar Trading Corporation. At the same time, high-yield rice varieties were introduced and their use was encouraged with input subsidies, as was the use of fertilisers and pesticides. Public spending in the sector increased (particularly on irrigation), financed by a mix of taxes on major agricultural exports and foreign loans. Access to credit was facilitated by legally obliging financial institutions to provide 25% of their loans to the agricultural sector. Budgetary expenditures financed extension services to the farming sector (OECD, 2017[29]).

Partial liberalisation of the sector was implemented gradually from 1986 to 2000. Reforms undertaken in the 1990s aimed to improve services provided to agriculture, particularly extension services, and infrastructure. Market interventions were gradually reduced, as were tariffs and non-tariff measures on agro-food imports. The policy of self-sufficiency in rice continued with the provision of input subsidies to farmers, mainly for fertilisers and certified seeds, but also with credit facilitation and the provision of support to public services for agriculture, such as investments in irrigation and farm-to-market roads. At the end of the 1980s and in the middle of the 1990s, the Philippines negotiated two trade agreements: the ASEAN Free Trade Area and the Global System of Trade Preferences among Developing Countries. Upon joining the WTO in 1995, the country committed to removing quantitative restrictions on imports of sensitive agricultural products, with the exception of rice, and to gradual liberalisation of agro-food trade. Public expenditure on agriculture declined substantially in the late 1990s, due to tight fiscal policies adopted in the aftermath of the Asian Financial Crisis (OECD, 2017[29]).

Since 1988, the Philippines has undertaken an ambitious agrarian reform to redistribute agricultural land to landless farmers and land workers. The reform covered close to three-quarters of the country's agricultural area. While the redistribution of land was effectively complete by the end of 2015, property rights remained unsettled and almost half of the reform beneficiaries still have collective ownership certificates instead of individual property rights.

During the 2000s, the government undertook policy measures to further reduce market interventions in agriculture. Subsidised credit programmes were terminated, and private traders allowed to import rice at

limited levels. However, the focus on food (rice) self-sufficiency was reinforced, and after the global food price crisis in 2008, spending on irrigation and input subsidies increased substantially. The Food Staples Sufficiency Programme, launched in 2011, retained a focus on rice and other selected staples, but shifted emphasis away from input subsidies towards providing public services to agriculture, such as extension and infrastructure (OECD, 2017[29]). Following the Uruguay Round Agreement on Agriculture, the system of quantitative restrictions for rice was abolished in March 2019 and replaced by a tariff rate quota system. The government established the Rice Competitiveness Enhancement Fund (RCEF) in 2019 to offset the effect of the liberalisation of rice imports on producers' incomes. This fund has an annual appropriation of PHP 10 billion (USD 174 million) for six years (until 2025) and is financed with receipts from rice import tariffs. The RCEF supports purchases of farm machinery and equipment (50% of the budget), rice seed development and promotion (30%), subsidised credit to rice farmers (10%) and extension services (10%).

In 2018, the government established a comprehensive National Feeding Program *Masustansyang Pagkain Para sa Batang Pilipino Act* to address under-nutrition and nutrient-deficiency among children in public day-care, kindergarten, and elementary schools. The programme includes several components: the School-based Feeding Programme (implemented by the Department of Education), the Supplemental Feeding Programme for children in day care (Department of Social Welfare and Development in co-ordination with local government units) and the Milk Feeding Programme (DA in co-ordination with the National Dairy Authority and the Philippine Carabao Center). In co-operation with the Philippine Carabao Center and the National Dairy Authority, a large portion of the targeted milk volume required by the programme was supplied by local dairy farmers and co-operatives.

Table 24.4. Philippines: Agricultural policy trends

Period	Framework	Changes in agricultural policies
Prior to 1986	Closed economy with heavy state interventions in agricultural markets and trade	Agricultural import tariffs; Export taxes on agricultural products State monopoly control over rice and maize trade (NGA, now NFA) Food self-sufficiency (rice and other staples); Increasing support to those commodities Nationalisation of sugar production; Creation of the National Sugar Trading Corporation
1986-2000s	Gradual reforms towards trade liberalization	Continued policy of food self-sufficiency (rice) Land reform started in 1988 (redistribution of land) National Sugar Trading Corporation reduced its functions and changed to the Sugar Regulatory Administration Investments in general services (irrigation, roads) Input subsidies declined due to the Asian financial crisis Removal of quantitative restrictions of all agricultural products except rice FTAs and WTO accession
2000-present	Minor policy change, some forms of state intervention in markets and trade maintained	Food self-sufficiency (rice) continues to be the main objective Quantitative quotas for imports of 14 agricultural commodities High tariffs of some agricultural products, particularly rice and maize Subsidised credit was dismantled Input subsidies for rice Import quantitative restrictions for rice abolished and replaced by import tariffs (2019) Increased budgetary support to rice producers

Figure 24.7. Philippines: Development of the PSE and its composition, 2000 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

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Note

[1] Unconditional refers to policies and measures which can be undertaken using nationally mobilised resources. Conditional refers to policies and measures which require support or the means of implementation under the Paris Agreement.

25 South Africa

Main findings

Support to agriculture

South Africa's Producer Support Estimate (PSE) amounted to 3.1% of gross farm receipts in 2023-25, down from 7.4% in 2000-02. Market Price Support (MPS) and support for variable input use without constraints are the largest components of producer support, with 97% of support provided in forms considered potentially most-distorting in 2023-25.

Overall, domestic prices for most commodities align with border reference prices. Sugar is an exception, mainly due to import tariffs, leading to support worth 27% of gross receipts for sugar. Milk also benefits from market price support. Most direct payments are provided as input subsidies (fuel tax refund) or as investment subsidies directed towards small-scale farming.

Support for general services to the sector has declined relative to the size of the sector. The General Service Support Estimate (GSSE) averaged 1% of the value of agricultural production during 2023-25, below the 3.9% observed in the early 2000s, and less than half of the average of the 56 countries covered in this report. Most payments to general services go to the agricultural knowledge and innovation system and to infrastructure, mainly related to land reforms, irrigation and other infrastructure. Support in these categories targets an enabling environment for small-scale farming, which became a priority following land reforms. Expenditures for inspection and control are also an important element, accounting for about 24.5% of the GSSE.

Total support to the sector fell in relative terms from an average 0.6% of Gross Domestic Product (GDP) in 2000-02 to 0.3% in 2023-25, with more than three-quarters of the support transferred to individual producers.

Key policy changes in 2025-26

The National Policy on Comprehensive Producer Development Support that began in April 2025 moved into its larger, national-scale implementation phase in 2026. The policy underpins support services given to different categories of farms, from household and smallholder to commercial and corporate producers.

The Agricultural Product Standards Amendment Act came into force in August 2025 with the aim to strengthen quality assurance, consumer protection and regulatory governance within agricultural markets. The amendments formalise the auditing of management control systems to ensure that production method claims, such as organic or free-range, are verifiable and compliant with prescribed standards.

In response to the rapid spread of Foot and Mouth Disease (FMD), a 10-year strategy to contain and eradicate FMD and to restore South Africa's FMD-free status was launched in January 2026. Phase one of the strategy, spanning two years, involves a proactive vaccination programme with the goal of vaccinating 80% of the national cattle herd by December 2026 and reducing outbreak incidents by at least 70%.

Implementation of the revised Raw Water Pricing Strategy began in 2026. The strategy aims to ensure equitable, efficient and sustainable water management in line with the National Water Resource Strategy. For South Africa's commercial agricultural sector, the new framework is likely to translate into higher raw water tariffs, stricter cost-recovery for infrastructure, and charges linked to environmental management and resource protection (AgriSA, 2026[1]).

Assessment and recommendations

- Redirect support to be less market distorting, more efficient and more sustainable. Overall support is low but MPS for sugar remains high. The government should reduce import duties on sugar by gradually lowering the dollar-based reference price (DBRP). This reform should be accompanied by targeted investment support for small-scale sugar producers to facilitate modernisation and improve competitiveness.
- Phase out the diesel rebate as it accounts for a large share of budgetary support. It could be repurposed to investment in rural infrastructure that would help connect farmers to markets.
- Improve transparency on the use of the Agricultural Land Holding Account, the fund for the state to acquire land, to enable better monitoring of progress and strengthen public confidence in the land reform process. Furthermore, land reform should be linked to developing an enabling environment for its beneficiaries, including education, training, infrastructure, access to modern farming equipment, finance and markets.
- Facilitate public-private partnerships and industry associations to strengthen programmes and services offered by public authorities and support the transfer of know-how to new entrant farmers. If support programmes are to help emerging entrepreneurs become commercial producers, they must draw upon the experiences of successful commercial farmers.
- Leverage the capacity in the private sector and learning and training institutions to revitalise public extension services. Upskilling public extension officers and providing them with resources to service rural communities and emerging commercial producers is essential. International experience, such as the Netherlands' voucher-based system for farmers to access independent, impartial advice, may offer relevant lessons if carefully adapted to the South African context.
- Enhance the coordination of government–private action to scale foot-and-mouth disease (FMD) vaccination coverage, deploy a functional national traceability system, restore frontline veterinary services and enforce compliance in high-risk areas. This will be essential to avoid highly costly temporary closures of export markets and help achieve South Africa's ambition of expanding its livestock exports and establishing itself as a reliable supplier in world markets.
- Develop robust and accurate estimation methods to monitor and verify GHG emissions from agriculture, forestry and other land use (AFOLU) activities. This would be the first step to possibly reconsider the exemption of the AFOLU sector to the carbon tax. Furthermore, the processes currently underway to establish sectoral emission targets (SETs), as mandated under the Climate Change Act, and to develop the Greenhouse Gas Emission Reduction Plan (ERP) for South Africa's agriculture sector, should be prioritised and concluded without undue delay.

Key indicators on agricultural support

Figure 25.1. South Africa: Development of support to agriculture

Figure 25.1A. South Africa: Producer Support Estimate and its composition

Percentage of gross farm receipts

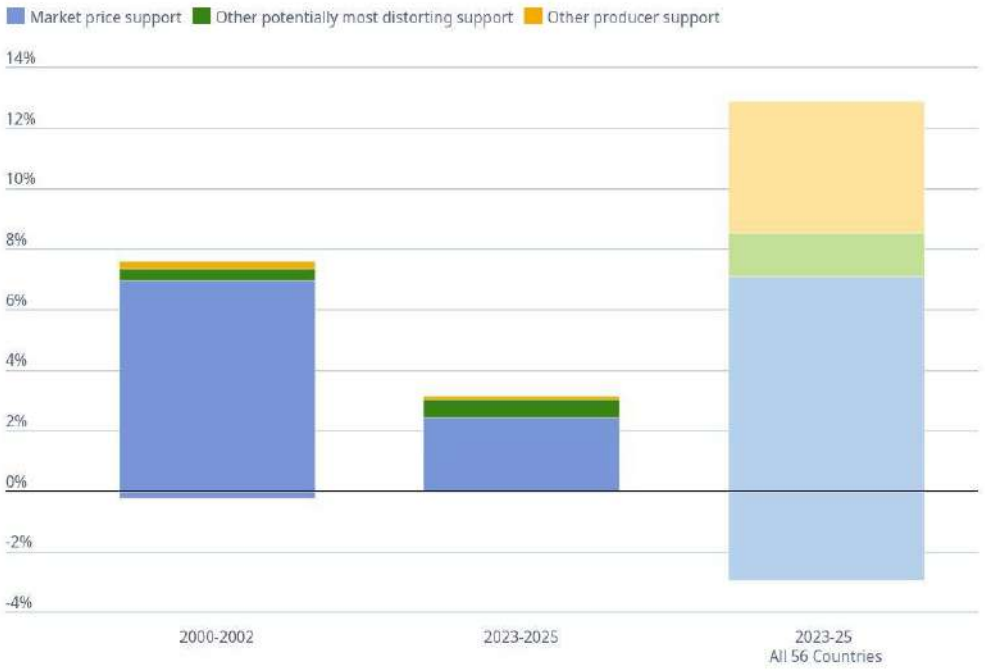


Figure 25.1B. South Africa: Ratio of producer to border price

Producer NPC

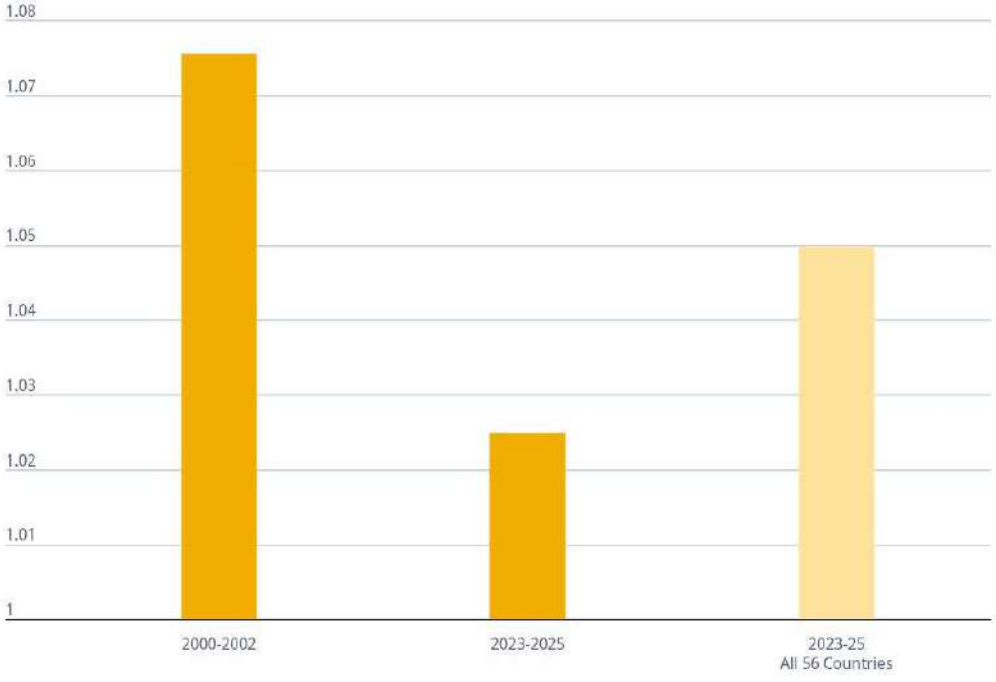


Figure 25.1C. South Africa: General Services Support Estimate and its composition

Relative to agricultural value of production

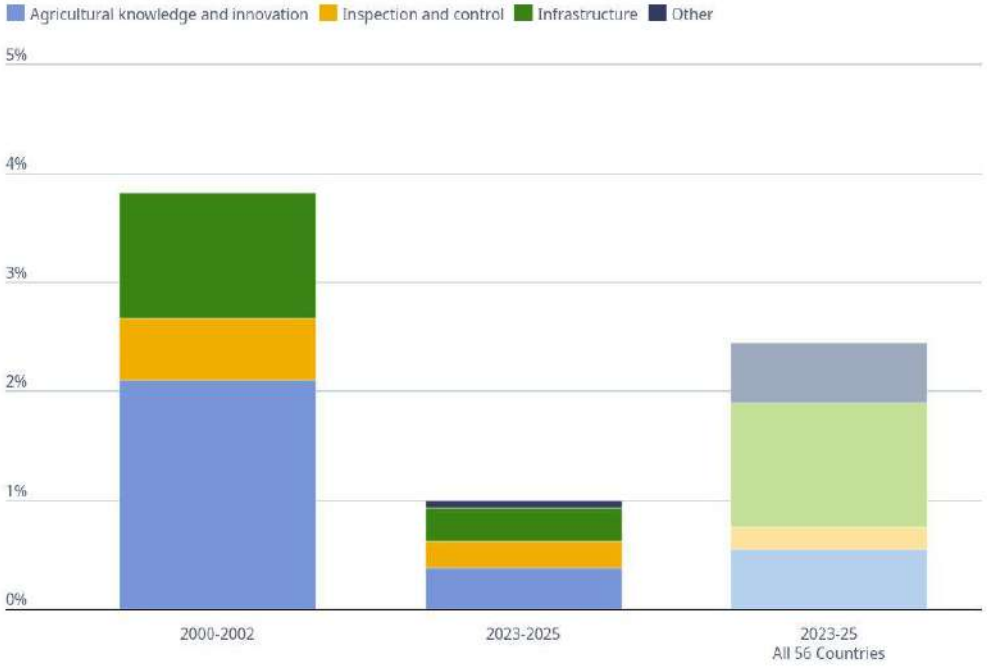
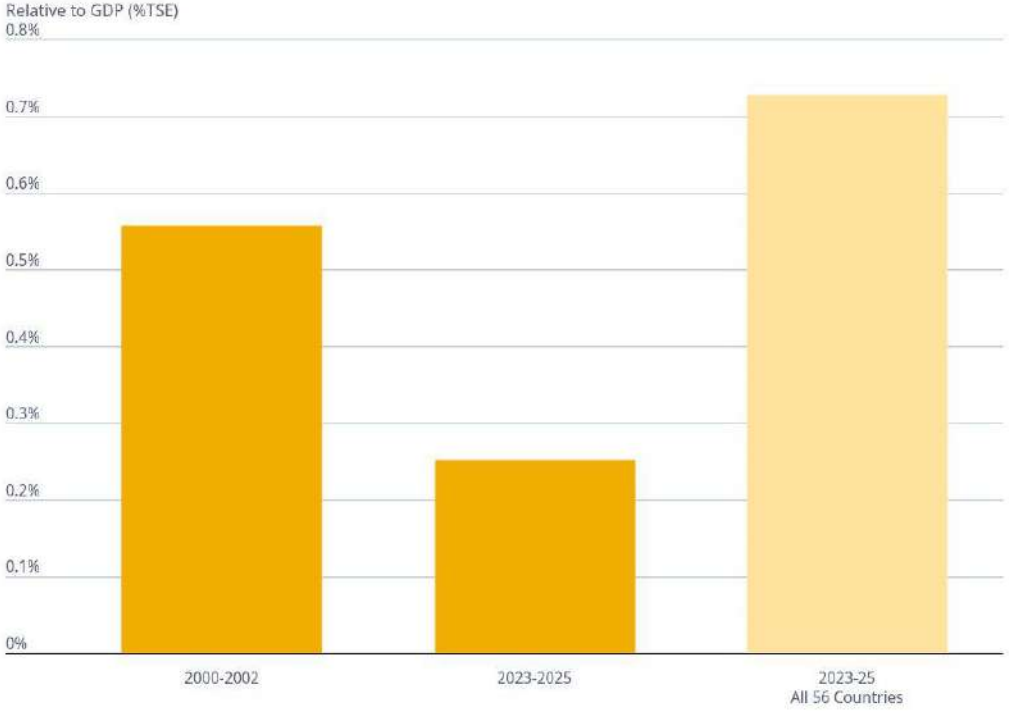


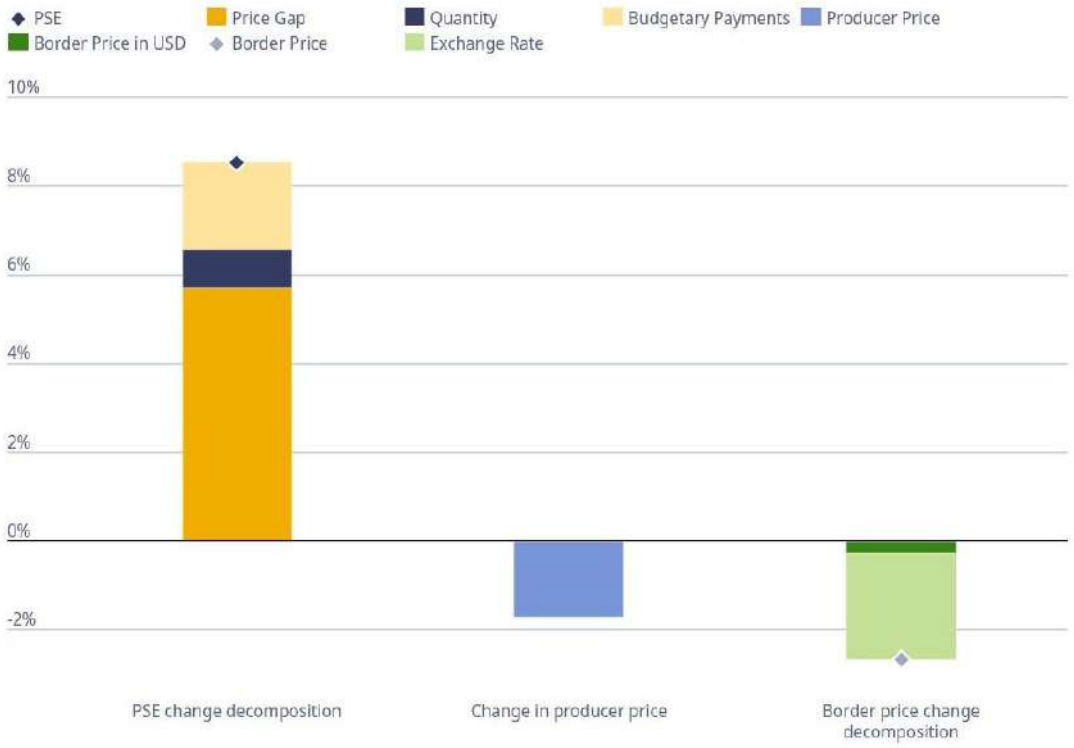
Figure 25.1D. South Africa: Total Support Estimate

Relative to GDP (%TSE)



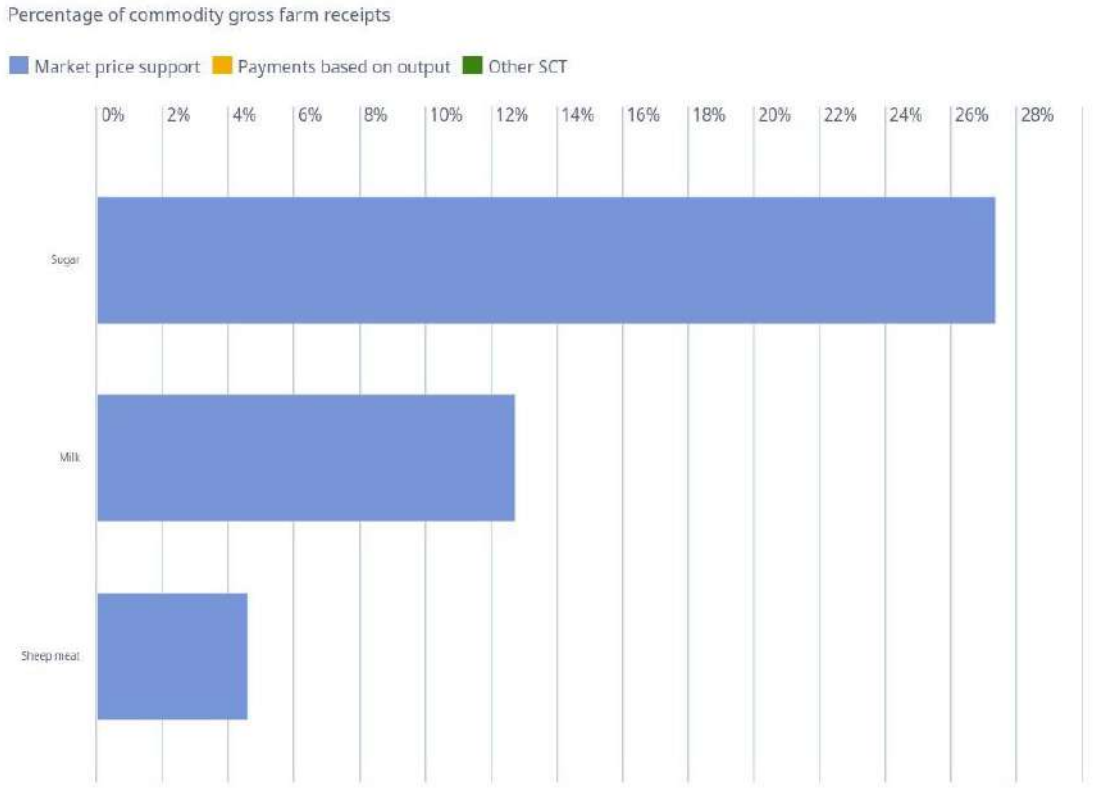
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 25.2. South Africa: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency.
Source: OECD (2026), "Producer and Consumer Support Estimates", OECD Agricultural policy monitoring (database), https://data-explorer.oecd.org/.

Figure 25.3. South Africa: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Table 25.1. South Africa: Estimates of support to agriculture

Million USD

	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**6 819**	**24 576**	**22 744**	**23 960**	**27 024**
of which: share of MPS commodities (%)	74.75	74.97	74.73	75.46	74.72
Total value of consumption (at farm gate)	**5 995**	**22 186**	**20 925**	**21 608**	**24 027**
Producer Support Estimate (PSE)	**480**	**776**	**356**	**934**	**1 038**
Support based on commodity output	440	602	198	764	845
Market price support[1]	440	602	198	764	845
Positive market price support	452	602	198	764	845
Negative market price support	-12	0	0	0	0
Payments based on output	0	0	0	0	0
Payments based on input use	36	174	157	170	193
Based on variable input use	25	150	134	149	167
with input constraints	0	0	0	0	0
Based on fixed capital formation	11	23	22	21	25
with input constraints	-0	-0	0	0	0
Based on on-farm services	1	0	0	0	0
with input constraints	0	0	0	0	0
Payments based on current A/An/R/I, production required	3	-0	0	0	0
Based on Receipts / Income	3	-0	0	0	0
Based on Area planted / Animal numbers	-0	-0	0	0	0
with input constraints	0	0	0	0	0
Payments based on non-current A/An/R/I, production required	0	0	0	0	0
Payments based on non-current A/An/R/I, production not required	0	0	0	0	0
With variable payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
With fixed payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
Payments based on non-commodity criteria	0	0	0	0	0
Based on long-term resource retirement	0	0	0	0	0
Based on a specific non-commodity output	0	0	0	0	0
Based on other non-commodity criteria	0	0	0	0	0
Miscellaneous payments	0	0	0	0	0
Percentage PSE (%)	**7.36**	**3.13**	**1.55**	**3.87**	**3.82**
Producer NPC (coeff.)	**1.08**	**1.02**	**1.01**	**1.03**	**1.03**
Producer NAC (coeff.)	**1.08**	**1.03**	**1.02**	**1.04**	**1.04**
General Services Support Estimate (GSSE)	**264**	**245**	**257**	**225**	**253**
Agricultural knowledge and innovation system	146	94	94	86	102
Inspection and control	39	60	82	48	49
Development and maintenance of infrastructure	78	74	64	76	82
Marketing and promotion	0	17	17	16	19
Cost of public stockholding	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Percentage GSSE (% of TSE)	**34.05**	**24.05**	**41.92**	**19.41**	**19.57**
Consumer Support Estimate (CSE)	**-353**	**-520**	**-211**	**-672**	**-677**
Transfers to producers from consumers	-350	-514	-198	-666	-677
Other transfers from consumers	-17	-6	-12	-6	0
Transfers to consumers from taxpayers	0	0	0	0	0
Excess feed cost	14	-0	0	0	0
Percentage CSE (%)	**-6.08**	**-2.34**	**-1.01**	**-3.11**	**-2.82**
Consumer NPC (coeff.)	**1.07**	**1.02**	**1.01**	**1.03**	**1.03**
Consumer NAC (coeff.)	**1.06**	**1.02**	**1.01**	**1.03**	**1.03**
Total Support Estimate (TSE)	**744**	**1 021**	**612**	**1 159**	**1 291**
Transfers from consumers	367	520	211	672	677
Transfers from taxpayers	394	507	414	493	614
Budget revenues	-17	-6	-12	-6	0
Percentage TSE (% of GDP)	**0.56**	**0.25**	**0.16**	**0.29**	**0.30**
Total Budgetary Support Estimate (TBSE)	**304**	**418**	**414**	**395**	**446**
Percentage TBSE (% of GDP)	**0.22**	**0.10**	**0.11**	**0.10**	**0.10**
GDP deflator (2000-02 = 100)	**100**	**384**	**371**	**386**	**395**
Exchange rate (national currency per USD)	**8.70**	**18.22**	**18.45**	**18.33**	**17.89**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for South Africa are: wheat, maize, sunflower, sugar, milk, beef and veal, pig meat, sheep meat, poultry, eggs, groundnuts, grapes, oranges and apples.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

South Africa's National Development Plan 2030 is a key national framework offering a comprehensive and forward-looking strategy to provide all sectors with a roadmap to address social, economic, and political challenges by 2030. For the agricultural sector, Chapter 6 of the plan outlines the vision to contribute to an integrated and inclusive economy through the expansion of agricultural activity, effective land reform and sustainable rural development.

The Agriculture and Agro-processing Masterplan (AAMP), approved in May 2022, identified six pillars of agricultural policy:

- Resolving policy ambiguities and creating an investment-friendly environment
- Investing in and maintaining enabling infrastructure critical to industry
- Providing comprehensive farmer assistance, development finance, R&D and extension services
- Improving food security, increasing production and employment and ensuring decency and inclusivity
- Facilitating market expansion and promoting trade
- Increasing local food production, reducing reliance on imports and expanding agro-processing exports.

The Preservation and Development of Agricultural Land Act ensures that the country's agricultural land is available to support food production goals and the agriculture sector's contribution to the economy. The act, passed on 28 January 2025, includes provisions for agro-ecosystem management and outlines a guiding framework to establish and manage a national agro-ecological information system.

The Communal Property Associations Act defines the governance of agricultural land held in communal tenure, particularly in rural areas where communal land is often used for agricultural purposes. It makes provisions for the establishment of a communal associations office and the appointment of a registrar of communal property associations. These institutional improvements are expected to enhance security of tenure and decision-making around land use.

The Expropriation Act allows the government to acquire property for public purposes or in the public interest, which includes for the purposes of land reform. Compensation is made based on land use, history, market value, state investment, and purpose, with provisions for little or no compensation in cases when land is unused and held for speculative purposes, owned by a government entity with no intended use, abandoned by the owner, or where state investment in the land exceeds its market value.

The Agricultural Land Holding Account (ALHA) allows the state to acquire land using public funds to meet the demand for land to build sustainable rural livelihoods. Over the medium term, the ALHA aims to acquire 115 467 ha of strategically located land, of which 50% is set to be allocated to women, 40% to young people and 10% to people with disabilities (GCIS, 2023[2]). The ALHA will also provide financial and technical support to farmers at an estimated cost of ZAR 3.1 billion (USD 173 million) and ensure that farms with high commercial capacity are equipped with adequate infrastructure to realise their potential. The ALHA revenue is expected to be ZAR 1.1 billion (USD 61 million) in 2025/26. The majority (79.5%) of this revenue comes from transfers from the Department of Land Reform and Rural Development. The remainder of the revenue is from lease income and other minor sources.

The Comprehensive Agricultural Support Programme (CASP) provides conditional grants to land reform beneficiaries, smallholder producers, subsistence farmers or involved in agri-processing enterprises. Women, youth, people with disabilities and new agro-industries receive priority consideration. CASP provides one-off grants that do not commit the government to recurrent funding. In 2025/26, the total CASP allocation amounted to ZAR 1.69 billion (USD 95 million). The CASP priority areas include on- and off-farm infrastructure and production inputs; training and capacity building; information and knowledge

management; marketing and business development support; technical and advisory services; and financial services, including access to micro-agricultural finance through the Micro-Agricultural Financial Institution of South Africa (MAFISA) for production credit and input financing.

MAFISA is the financial services arm of the CASP that targets smallholders in the agriculture, forestry and fisheries sector. The scheme addresses the financial services needs of smallholders via production loans, savings facilitation and capacity building. Services are accessed through a network of institutions accredited by the DALRRD as retail intermediaries. To date, most of the loans have been given to livestock, sugar cane, vegetables and grain crops.

Complementing CASP, the Ilima/Letsema conditional grant (ZAR 677 million – USD 38 million for 2025/26) assists vulnerable farming communities to increase agricultural production and invest in infrastructure. It targets grain, livestock, horticulture and aquaculture production areas. The main goal is reducing poverty through increased food production in communal rural areas, targeting vulnerable households, small-scale producers and subsistence farmers with inputs and support.

The Climate Change Act provides a comprehensive framework for South Africa's climate change response across sectors including agriculture, energy, water and transport (DFFE, 2025[3]). The act requires the development of an adaptation strategy for the agricultural sector that is aligned with the National Adaptation Plan and Strategy. The Climate Change Act also regulates the agricultural sector's obligation to publish sectoral emissions targets (SETs). The agricultural sector has a draft cumulative SET allocation to reduce emissions by 3.4 $MtCO_2eq$ over the period from 2025 to 2030. However, carbon taxes in place since January 2022 under the Carbon Tax Act have not been applied to agriculture.

South Africa is a founding member of the Southern African Customs Union (SACU), a full customs union with a common external tariff.[1] Border measures applied on SACU common borders (comprised of specific and ad valorem tariffs) are the only price support policy. The average applied Most Favoured Nation (MFN) tariff for agricultural products is 8.3%, which is higher than the average applied MFN tariff for non-agricultural products of 7.4% (WTO, 2025[4]). Tariff rate quotas (TRQs) granted to trading partners by SACU exist for a range of agricultural products under the WTO minimum market access commitments.[2] A zero import-tariff for maize applies since 2007. Beef and sheep meat are subject to tariff rate quotas with outside-quota tariffs of 40% or ZAR 2.40/kg (USD 0.13/kg) for beef, and 40% or ZAR 2.00/kg (USD 0.11/kg) for sheep meat, whichever is higher. For pork meat the outside-quota tariff is 15% or ZAR 1.30/kg (USD 0.07/kg), except for ribs, which are not subject to tariffs. Poultry products have import tariffs ranging from zero to 82%.

South Africa applies the dollar-based reference price (DBRP) mechanism to ensure that the price importers pay for imported sugar (inclusive of the duty) cannot fall below a fixed DBRP level, currently set at USD 680 per tonne. If import prices are lower than the DBRP, an import duty is applicable, whereas if import prices are higher than the DBRP, no import duty is owed (USDA, 2024[5]).[3]

South Africa is also a member of the Southern African Development Community (SADC).[4] Trade between South Africa and the European Union takes place under the SADC-EU Economic Partnership Agreement (EPA) regime. This is a free trade agreement between the SADC EPA States (comprised of all SACU Member States plus Mozambique) and the European Union. The most important benefit for South Africa is the enhanced market access for agricultural products such as sugar, wine, some dairy products, flowers, fruits and nuts as well as their preparations.

Other free trade agreements relevant to agriculture include the SACU-EFTA FTA, a free trade agreement between members of the European Free Trade Association (EFTA) and the SACU which came into force in 2008, and the SACU and Mercosur Preferential Trade Agreement (PTA) which came into force in 2016. Trade between South Africa and the United Kingdom is governed by the SACUM-UK EPA,[5] which is a replica of the SADC-EU EPA in terms of market access commitments with the exception of a few provisions

that were modified during negotiations. The agreement provides important benefits for South Africa, including enhanced market access for wines and sugar into the United Kingdom.

South Africa is also a beneficiary of the US African Growth and Opportunity Act (AGOA), a non-reciprocal trade preference programme that grants eligible Sub-Saharan African countries duty-free, quota-free (DFQF) access to the United States for selected export products. South Africa's major agricultural export products benefiting from AGOA are mandarins, oranges, macadamia nuts and wine. AGOA was originally enacted in 2000 for eight years and has since been extended on three occasions. The most recent extension was signed into law on 3 February 2026, enacting a one-year extension ending in December 2026.

Recent policy developments

Domestic policy developments in 2025-26

Implementation of the National Policy on Comprehensive Producer Development Support began in April 2025. The policy guides and regulates support to different types of farmers and covers the role of stakeholders involved in delivering farmer support services (e.g. from the private sector, civil society and development partners).[6] The policy is designed to promote the social and economic prosperity of producers, with different funding limits imposed for each producer category. The larger scale nationwide rollout phase began in 2026. Implementation of the policy is delegated to provinces, who are the competent authorities for such support.

The CASP grant programme was merged with the Ilima/Letsema grant programme in 2026. For the 2025/26 financial year, CASP had a total budget allocation of ZAR 1.69 billion (USD 94 million), of which ZAR 1.14 billion (USD 63 million) was used to support subsistence and smallholder farmers with infrastructure, training, mentorship and market access. For the 2025/26 financial year, the Ilima/Letsema programme was allocated ZAR 677.40 million (USD 37.9 million).

The Agricultural Product Standards Amendment Act (Act No. 12 of 2023), in force since August 2025, strengthens quality assurance, consumer protection and regulatory governance within agricultural markets. The amendments formalise the auditing of management control systems to ensure that production method claims, such as organic or free-range, are verifiable and compliant with prescribed standards, thereby enhancing consumer confidence and product integrity. The act strengthens governance safeguards, including conflict-of-interest requirements for assignees, institutionalises transparent cost-recovery-based fee mechanisms for inspection, grading, and classification services, and expands regulatory oversight to imported agricultural products. It further broadens the Minister's regulatory powers in respect of audit and management control systems and aligns statutory terminology with current governmental structures. Collectively, the amendments signal a shift toward a more system-based regulatory oversight model centred on audit compliance, credible production claims and structured financial accountability.

The Plant Improvement Act (Act No. 11 of 2018) came into operation in December 2025. The Act regulates the registration of businesses dealing with plants and propagating material for cultivation and sale, sets quality standards and sales conditions, oversees the national listing and evaluation of plant varieties, and imports and exports controls on plants and propagating material in South Africa.

The rapid spread of Foot and Mouth Disease (FMD) prompted a review of legislation and draft amendments to the Animal Diseases Act of 1984 and the Animal Identification Act to enable phased mandatory electronic identification using commercial traceability platforms (Naude, 2026[6]). In January 2026, the Minister of Agriculture outlined a 10-year strategy, consisting of four phases. The strategy aims to contain and eradicate FMD and to restore South Africa's FMD-free status, which was lost in 2019. Phase 1,

spanning two years, involves a proactive FMD vaccination programme with a goal of vaccinating 80% of the national cattle herd by December 2026 and reducing outbreak incidents by at least 70%. The vaccination programme will also target 100% of herds for export (Naude, 2026[6]). Importantly, South Africa must comply with the World Organisation for Animal Health (WOAH) rules and guidelines on the treatment of FMD and adhere to its vaccine guidelines (Sihlobo and Kirsten, 2026[7]). In February 2026, the Agricultural Research Council in Pretoria finalised the first batch of locally produced, multi-strain FMD vaccines (12 900 doses), marking the first domestic production of FMD vaccines in South Africa in 20 years (Capa, 2026[8]).

Effective 1 April 2026, primary sector claimants conducting on-land operations will qualify for a refund on 100% of eligible diesel consumed in qualifying farming, forestry and mining activities. This is an increase from the previous regime, where tax relief was limited to 80% of purchases. To claim the refund, farmers must be registered for VAT purposes and are required to maintain records of purchase invoices, sales invoices and logbooks.

Implementation of the revised Raw Water Pricing Strategy began in 2026. For the commercial agricultural sector, the new pricing strategy is likely to translate into higher raw water tariffs, stricter cost-recovery for infrastructure, and charges linked to environmental management and resource protection (AgriSA, 2026[1]). Water charges for resource-poor farmers will be phased in over ten years from the date of registration of water use, with no charges in the first five years and incremental increases of 20% annually thereafter until full charges apply in year 10. Subsistence farming and animal watering are exempt from water use charges.

Trade policy developments in 2025-26

South Africa's sugar import tariff fluctuated under the variable tariff formula, rising from ZAR 2 349 (USD 131) per tonne on 4 April 2025 to ZAR 3 774 (USD 211) per tonne on 11 April 2025, then temporarily decreasing to ZAR 2 829 (USD 158) per tonne on 9 May 2025. On 1 August 2025 the trigger level rose to ZAR 3 647 (USD 204) per tonne. Thereafter, it increased again, reaching ZAR 4 364 (USD 244) per tonne on 5 December 2025 (SARS, 2026[9]).

On 4 April 2025, the wheat import tariff was reduced to ZAR 183.50 (USD 10.26) per tonne, before increasing to ZAR 549.50 (USD 30.72) per tonne on 17 April 2025. The tariff was subsequently raised to ZAR 851.50 (USD 47.60) per tonne on 11 July 2025, before being reduced to ZAR 619.00 (USD 34.60) on 13 February 2026 (SARS, 2026[9]).

Recently signed agreements opened several Asian markets to South African agricultural produce. The stone fruit trade protocol signed on 15 October 2025 opens the Chinese market for South African apricots, peaches, nectarines, plums and prunes, marking a major diversification of export opportunities with expected job creation and export growth. Apple exports to Thailand started during the 2025 season following phytosanitary market access agreed in December 2024, ending a 16-year ban. In January 2026, South Africa gained phytosanitary market access for table grapes to Korea after a 20-year technical exchange.

On 21 November 2025, South Africa and Viet Nam concluded a Memorandum of Understanding (MoU) to strengthen bilateral relations and co-operation between the two countries in agriculture. The agreement enhances South Africa's strategic access to one of Asia's fastest-growing agricultural import markets, creating expanded export opportunities for citrus, maize, apples, pears, grapes and high-value niche products such as game meat. In addition, the MoU promotes closer collaboration in plant health, veterinary services, research, and technology transfer, thereby facilitating market access, reducing non-tariff barriers and improving regulatory certainty. The MoU secured expanded market access for table grapes with updated protocols. This follows the establishment of the bilateral protocol opening the Vietnamese market to South African oranges in 2024, which saw orange exports rise significantly.

Policy context

Key economic and agricultural statistics

South Africa has the largest economy on the African continent when measured by nominal GDP. With a GNI per capita of USD 6 110 in 2024, South Africa ranks as an upper middle-income country. However, sluggish economic growth has been outpaced by a rising population, resulting in falling GDP per capita over the past decade. While its economy is highly industrialised and diversified, income inequality is high and widespread poverty persists.

Agriculture represents a small share of the economy, at just 3.1% of GDP and 5.4% of employment[7] (Table 25.2). South Africa has abundant agricultural land, but only 12.5% of it is arable, while the remaining agricultural area is mostly semi-arid pastures. South Africa's main agricultural products include grain crops (maize, wheat and barley), oilseeds, sugar, fruit (deciduous, citrus and subtropical) and vegetables, and wine. Extensive livestock farming is vast, appropriating four-fifths of the agricultural land in the country. The farm structure in South Africa is highly dualistic, with a well-developed and market-oriented sector of large-scale commercial farms and a large number of smallholder farms.

Table 25.2. South Africa: Contextual indicators

	South Africa		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	382	989	0.9%	0.6%
Population (million)	44	64	1.0%	1.2%
Land area (thousand km^2)	1 213	1 213	1.4%	1.4%
Agricultural area (AA) (thousand ha)	98 125	96 341	3.2%	3.3%
			All countries[1]	
Population density (inhabitants/km^2)	39	52	52	64
GDP per capita (USD in PPPs)	8 095	15 456	9 508	31 740
Trade as % of GDP	17.5	26.3	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	2.8	3.1	3.0	3.6
Agriculture share in employment (%)	8.5	5.4	-	-
Agro-food exports (% of total exports)	8.5	12.5	6.4	8.3
Agro-food imports (% of total imports)	5.2	7.3	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	55.6	53.4	62.1	60.4
Livestock in total agricultural production (%)	44.4	46.6	37.9	39.6
Share of arable land in AA (%)	14.1	12.5	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

Economic growth has been subdued over the past decade although GDP growth increased marginally in 2025, reaching 1.1%, up from a low of 0.5% in 2024 (Figure 25.4). Unemployment remains high (32.4%) and on a rising trend. South Africa's unemployment rate is among the highest in the world. Inflation has continued to fall since its recent high of 7% in 2022 and stood at 3.3% in 2025, easing price pressures and edging closer to the central bank's target of 3%.

Figure 25.4. South Africa: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

South Africa has consistently been a net exporter of agro-food products (Figure 25.5). In 2024, the share of agrifood exports in total exports was 12.5%, while the share of agro-food imports was 7.3% (Table 25.2). The majority (55%) of agro-food exports are primary agricultural products, whereas nearly three-quarters of agro-food imports are processed products (Figure 25.5). The African continent was South Africa's largest agricultural export market, followed by Europe and Asia.

Figure 25.5. South Africa: Agro-food trade

Figure 25.5A. South Africa: Agro-food trade 2000 to 2024

Billion USD



Figure 25.5B. South Africa: Composition of Agro-food trade, 2024

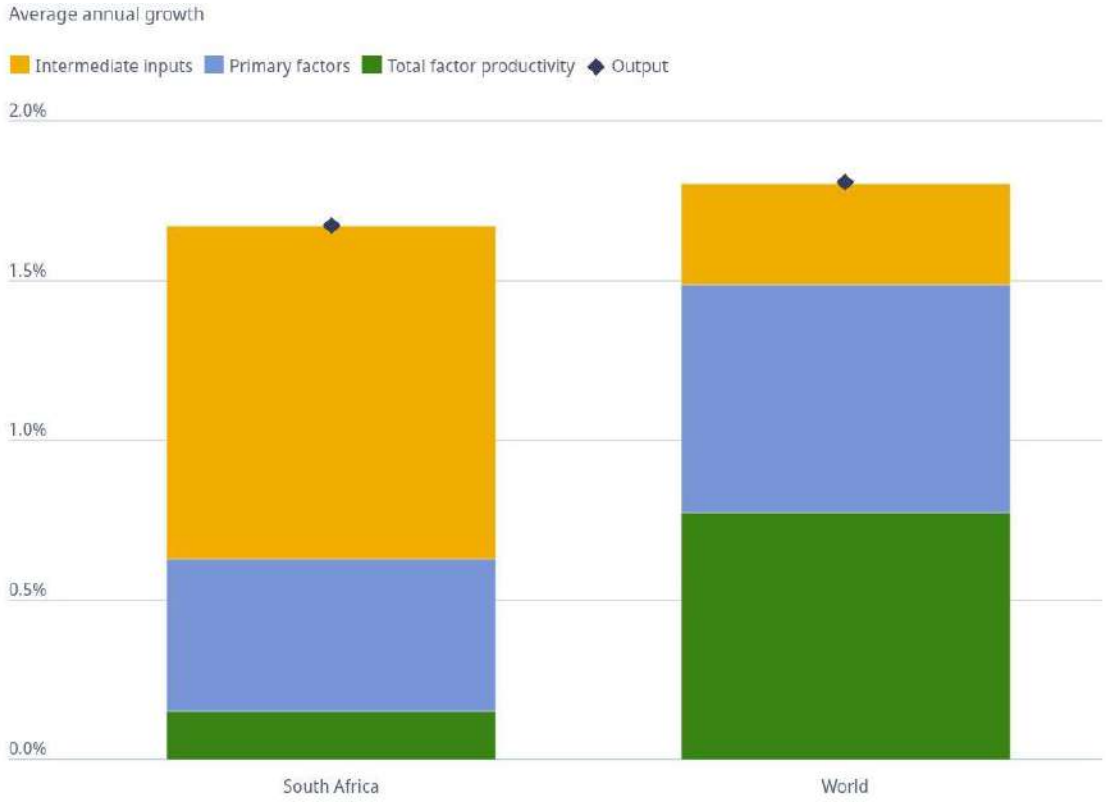
Percentage



Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Agricultural output growth was slightly below the global average over the 2014-23 period and driven predominantly by increased use of intermediate inputs (Figure 25.6). This was not the case in the 1990s, when annual TFP growth averaged 1.6%, only marginally below the worldwide average. TFP growth has slowed significantly since then. While the TFP growth rate worldwide averaged 0.8% between 2014-23, in South Africa it was substantially lower at 0.1% over the same period (Table 25.3).

Figure 25.6. South Africa: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Phosphorus and nitrogen balances are negative and well below the OECD average. South Africa's water resources are increasingly under strain. Agriculture uses most (54%) abstracted water, although only 1.7% of agricultural land is irrigated, mainly in the west of the country where water resources are limited (Table 25.3). Agriculture's share in total energy use has increased to 3.2% and remains above the OECD average of 2.0%. Agriculture's share and absolute levels of GHG emissions have declined since 2000 as livestock numbers have fallen. The agriculture sector represented 11% of GHG emissions in 2024.

Table 25.3. South Africa: Productivity and environmental indicators

	South Africa		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	1.6%	0.1%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	-6.3	-5.0	32.3	29.0
Phosphorus balance, kg/ha	0.2	-0.1	3.3	2.3
Agriculture share of total energy use (%)	2.7	3.2	1.7	2.0
Agriculture share of GHG emissions (%)	11.9	11.1	8.7	10.3
Share of irrigated land in AA (%)	1.6	1.7	-	-
Share of agriculture in water abstractions (%)	70.6	54.4	46.1	47.7
Water stress indicator	33.7	69.0	..	..

Note: * or closest available year.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Widespread support, regulation, and price and production control within a closed economy characterised agricultural policy in South Africa under the apartheid regime between 1955 and 1990.

Post-apartheid, quick and substantial reforms in the mid-1990s reduced state intervention in agricultural markets and led to more market-oriented commercial farming. Domestic marketing of agricultural products was deregulated, and barriers to agricultural trade were reduced by replacing direct import controls with tariffs, removing state controls over exports, and eliminating export subsidies. These reforms reduced market price support and budgetary support to commercial farming.

As stated in the White Paper on Land Policy of 1997, land reform aimed to redress past injustices, foster reconciliation and stability, support economic growth, improve household welfare and alleviate poverty. Key elements of the land reform included land restitution, land redistribution and land-tenure reform. The land reform process is ongoing, and further legislative regulations have been submitted to facilitate the acceleration of the land reform process. As of 2024, 19.3 million ha (or 25% of freehold farmland in South Africa) had been restored, redistributed to black South Africans, or transferred to state ownership (Kirsten and Sihlobo, 2024[10]). Of this, 3.17 million ha has been acquired by the state, 11.55 million ha have been transferred to black owners through land restitution or redistribution, and at least 1.9 million ha of farmland were acquired by black South Africans without assistance from the state. In several instances, communities elected to receive financial compensation where land was successfully identified for restitution (2.68 million ha in addition to the transferred land). Since it started, the land reform has been accompanied by agricultural support targeting black smallholders and emerging producers who were previously excluded from support by the apartheid government. Mainly provided within the Comprehensive Agricultural Support Programme, these measures include subsidies for variable and fixed input credit and financial support, extension, marketing, and training services (Table 25.4).

Table 25.4. South Africa: Agricultural policy trends

Period	Framework	Changes in agricultural policies
Prior to mid-1990s	Closed economy under the apartheid regime	Large subsidies for commercial agricultural producers Import controls; export subsidies for agricultural products Price and production controls under the Agricultural Marketing Act of 1937
Mid-1990s-present	Post-apartheid period; democratic government; market deregulation and trade liberalisation Land redistribution; emphasis on black small-scale producers' development	Marketing of Agricultural Products Act (1996) brings market deregulation and trade liberalisation WTO accession Agricultural tariffs replace import controls Import tariffs applied to sugar and livestock products (except eggs), with tariff-free imports of maize (since 2007) Land restitution and redistribution Land reform-related programmes supporting black smallholder farmers: - Increased spending to finance the land reform process - Direct support targeting black smallholders

Support to farmers decreased as a share of gross farm receipts (with some year-to-year variation) during the period from 1995 to 2007 due to policy reforms and deregulation of the market. Since then, support continued to trend downwards, reaching a record low of 1.6% of gross farm receipts in 2023 (Figure 25.7). Budgetary support to producers, mostly input subsidies, is targeted to black smallholders. Budgetary expenditures on general services to the sector are spent mainly on knowledge transfer and infrastructure.

Figure 25.7. South Africa: Development of the PSE and its composition, 1994 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income. Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

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USDA (2024), "South Africa: Sugar Annual", *Global Agricultural Information Network (GAIN)*, https://fas.usda.gov/data/south-africa-sugar-annual-8 (accessed on 6 June 2024). [5]

WTO (2025), *Tariff profiles - South Africa*, https://www.wto.org/english/res_e/statis_e/daily_update_e/tariff_profiles/ZA_e.pdf. [4]

Notes

[1] The SACU members are Botswana, Kingdom of Eswatini (hereafter, Eswatini), Lesotho, Namibia and South Africa.

[2] TRQs are allocated based on historical trade as specified under each TRQ. If the TRQs are unused by 1 September each year, then unused TRQs are available to other member states. The establishment of a permanent TRQ Management System at the SACU level is still in progress.

[3] Adjustments to the level of protection granted are made when the 20-trading day moving average of the London No. 5 settlement price shows a variance of more than USD 20 per tonne from the previous trigger level for 20 consecutive trading days. The resulting Dollar duty is then converted to Rand, based on the Rand/Dollar exchange rate prevailing on the day that the adjustment is triggered, and subsequently adjusted with the latest available Real Effective Exchange Rate as published by the South African Reserve Bank.

[4] The SADC member countries are Angola, Botswana, Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia, and Zimbabwe.

[5] The Economic Partnership Agreement between the SACU Member States (Botswana, Eswatini, Lesotho, Namibia and South Africa) and Mozambique on the one part, and the United Kingdom on the other part (SACUM-UK EPA) entered into force on 1 January 2021.

[6] Producers are categorised into the following six distinct groups: (1) Household Producer (Vulnerable); (2) Household Producer (Subsistence); (3) Smallholder Producer; (4) Medium Scale Commercial Producer; (5) Large Scale Commercial Producer; and (6) Mega/Corporate Producer.

[7] The methodology used by the ILO to estimate the agricultural share of employment in South Africa has been revised since the previous edition of this report, resulting in a lower estimate. The difference between the 2024 figure reported in the previous edition and the 2025 figure presented here largely reflects this methodological change.

26 Switzerland

Main findings

Support to agriculture

Since the 1980s, Switzerland has undertaken gradual reforms to open its agricultural markets, resulting in moderate reductions in support to agriculture. Support to producers as a share of gross farm receipts plateaued in the late 2000s and remains at 51% on average in 2023-25, more than three times the OECD average and the second highest level across the countries covered by this report.

Even if the structure of support changed with direct payments gaining relative importance, market price support (MPS) remains the main component of support, arising mostly from tariff rate quotas (TRQs) with high out-of-quota tariffs. MPS represented 47% of total producer support in 2023-25, down from 62% in 2000-02. Swiss producers received prices 54% above border reference prices on average in 2023-25. Large price gaps lead to substantial shares of Single Commodity Transfers (SCT) in commodity gross farm receipts for many products – notably poultry, eggs, and pig meat – while sugar benefits from direct budgetary support.

Switzerland provides significant budgetary support to producers, most of which under the form of farm payments subject to environmental cross-compliance. The share of these payments in total support to producers increased from 38% in 2000-02 to around 53% in recent years. Since their reform in 2014, direct support mostly consists of decoupled payments – area-based payments for agricultural land not tied to a specific commodity, payments to maintain farming in less-favoured areas, and payments to farmers who voluntarily apply additional environmental or animal-welfare-related practices.

Switzerland's expenditures for general services (General Services Support Estimate, GSSE) rose from below 6% in 2000-02 to nearly 9% relative to the sector's production value in 2023-25, which is among the highest proportion for countries covered in this report. Almost half of GSSE expenditure goes to the agricultural knowledge and innovation system.

Total support to agriculture (Total Support Estimate, TSE) fell as a share of Gross Domestic Product (GDP) from 2% in 2000-02 to less than 1% in 2023-25.

Key policy changes in 2025-26

In 2025, Switzerland continued to roll out social and economic elements initially planned for the Agricultural Policy beyond 2022 (AP22+). A mandatory social security coverage for spouses working on the farm was established and will be strictly required for payment eligibility as from 2027. Spousal rights under the Rural Land Law were also improved, as well as the legal framing of farms as personal businesses. On the economic side, insurance cost coverage of up to 30% of the premium was introduced to address risks from drought and frost, for a period of 8 years.

Measures to reduce the administrative or operational burden on farmers were launched in 2025 This includes a simplification of rules for insurance and support related to landscape quality or biodiversity

networks. Some new reporting obligations were put on hold, and a political agreement was reached in September 2025 to loosen the obligations related to farm inspection.

Funding for structural improvements was increased, reflecting a higher priority in budget allocations. Acreage payments were also increased in 2026 for some sectors of national interest, such as for potato seedlings, and maize and forage seeds. Meanwhile, the Federal Council initiated in February 2026 the formal discussions on the next agricultural policy reform beyond 2030 (AP30+), expected to lead to public consultation around a first draft later in the year.

Together with other members of the European Free Trade Association (EFTA), Switzerland signed in 2025 several new free trade agreements (FTAs): a comprehensive agreement with the MERCOSUR, and three additional FTAs with Thailand, Kosovo and Malaysia. The Trade and Economic Partnership Agreement (TEPA) with India, signed in 2024, and the FTA with Moldova from 2023 also both entered into force in Switzerland in the course of 2025. The FTAs with Chile and with Ukraine were modernised. A temporary trade agreement was reached in November 2025 with the United States to reduce the additional tariffs imposed on Swiss imports a few months earlier, in exchange of larger quota volumes on specific agricultural products.

Assessment and recommendations

- Foster policy reform in coordination with all stakeholders and ensure that trade-offs and political barriers do not undermine long term policy ambitions. Switzerland aims to take a broader food systems approach for its agricultural policy, as illustrated by the goals set in its Sustainable Development Strategy and the related National Pathway for Food Systems Transformation. In recent years, the country reinforced social provisions for farmers and strengthened water protection measures. However, several reform elements planned for the AP22+ were postponed to the 2030 policy reform discussion phase, and some constraints were eased to reduce the administrative and operational burden on farmers. Diverging interests will need to be constructively addressed to accelerate progress towards sustainability goals.
- Further decouple support from farm output to reduce pressures on the local environment, help decrease domestic food prices, and favour innovation and diversification. While Switzerland reduced its share of most-distorting producer support over the past decades, border measures and output-based payments remain among the highest in the OECD. The increase in acreage payments to potato seedling, maize seed and forage seed in 2026, and the decision to extend the market support for sugar into future years show that single commodity support is still a common instrument, despite its lack of targeting and potential adverse environmental impacts.
- Use more results-based approaches to policy design, combined with stronger regulations, to address persistent environmental impacts, notably on nitrogen. A relatively high amount of funds target improving environmental conditions when compared to other countries, with a focus on landscape features and ecological services, but while results for biodiversity are encouraging, nitrogen pollution remains an issue, with a national surplus still twice the OECD average. More effective instruments are needed.
- Promote broader diffusion of innovation across territories to support more widespread adoption of new technologies, to the benefit of economic competitiveness and environmental sustainability. Switzerland puts an important emphasis on innovation and knowledge diffusion, with the federal budget for agricultural research being among the highest of the OECD relative to the value of production. However, gains in total factor productivity growth have been variable over the past years and more attention needs to be paid to the effective transfer of innovation on the farm.
- Better align policy design with climate and sustainability objectives, in particular for support to livestock products, and the way food self-sufficiency is currently framed. While the country partly depends on foreign crops for its food, the production of livestock products exceeds consumption,

which requires further feed crops imports. This imbalance exacerbates environmental impacts, notably on soil nutrient imbalances, and its reduction would help improve the sustainability and resilience of food systems in Switzerland.

Key indicators on agricultural support

Figure 26.1. Switzerland: Development of support to agriculture

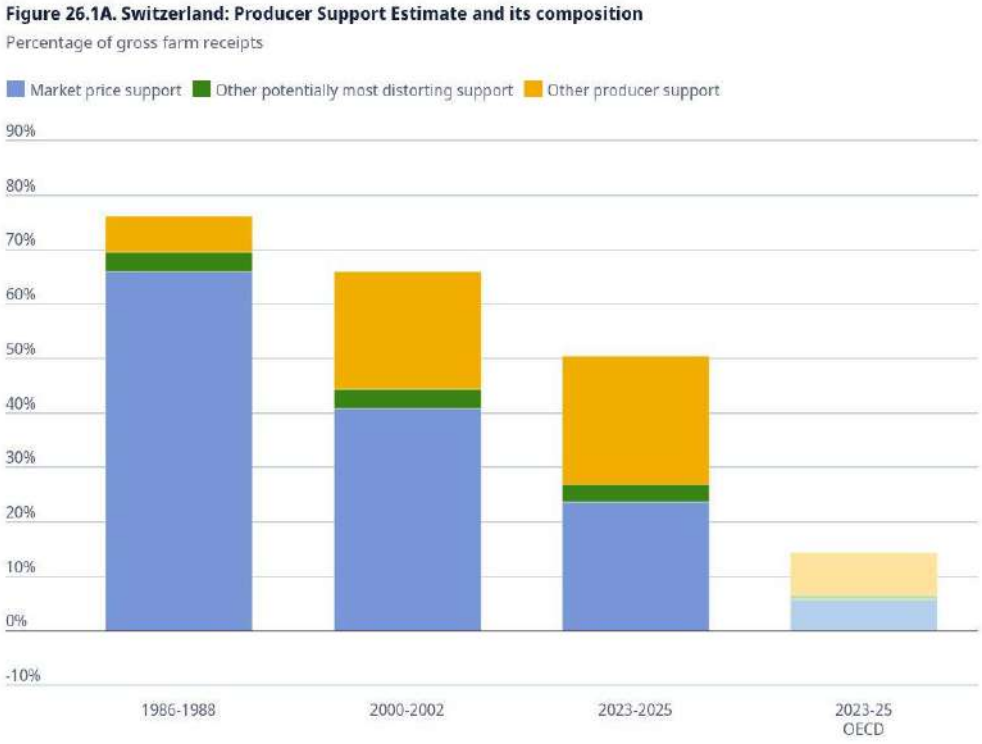


Figure 26.1B. Switzerland: Ratio of producer to border price

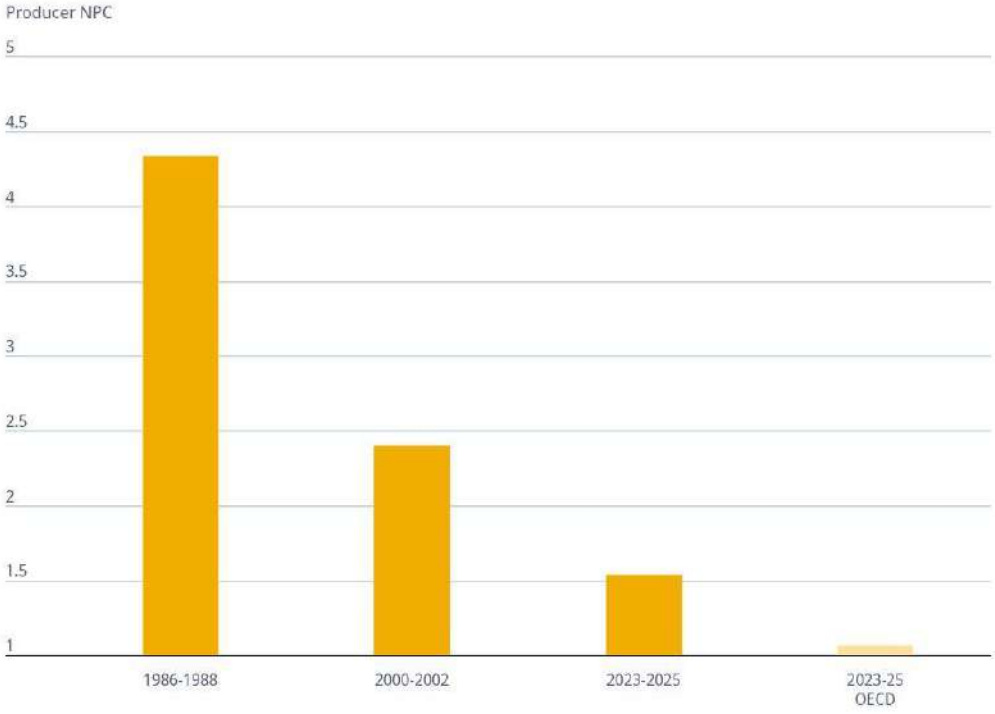


Figure 26.1C. Switzerland: General Services Support Estimate and its composition

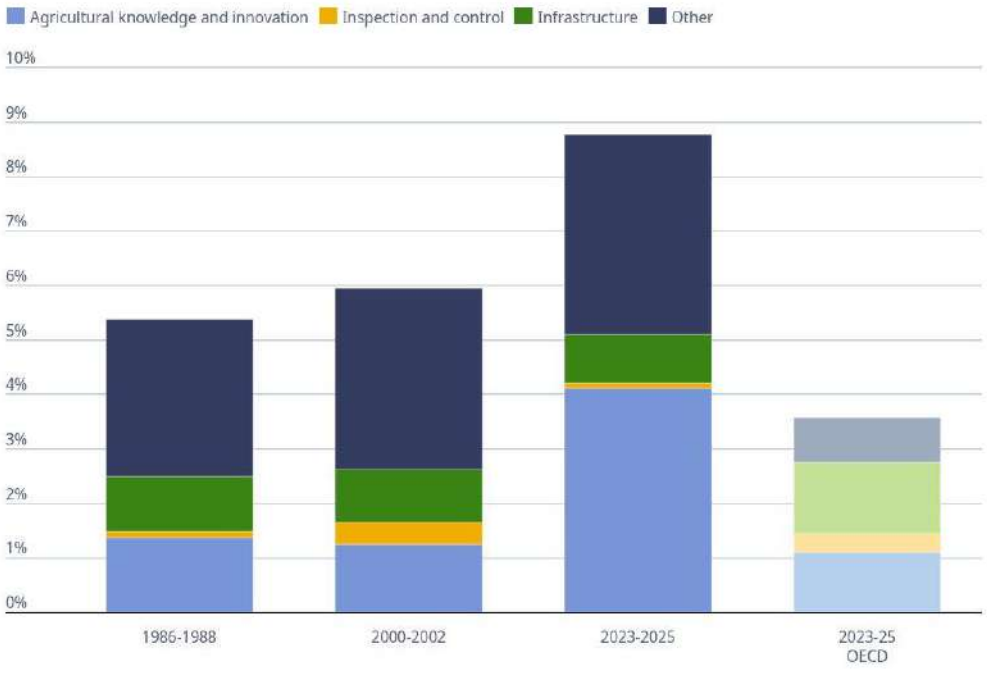
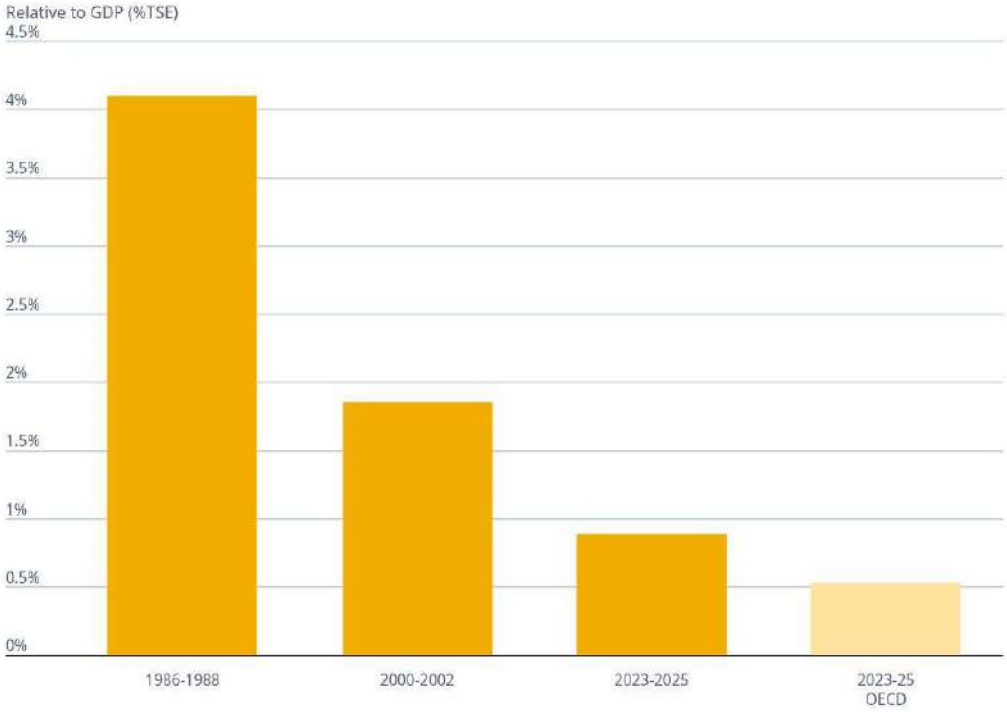


Figure 26.1D. Switzerland: Total Support Estimate



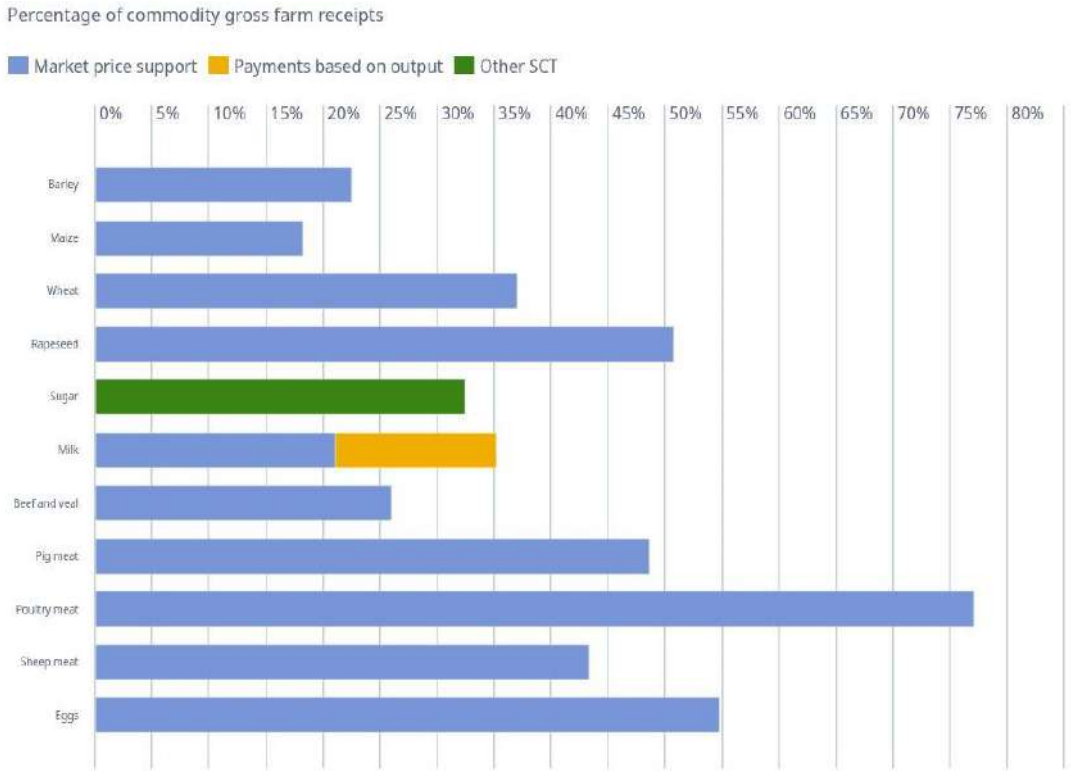
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 26.2. Switzerland: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency.
Source: OECD (2026), "Producer and Consumer Support Estimates", OECD Agricultural policy monitoring (database), https://data-explorer.oecd.org/.

Figure 26.3. Switzerland: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Table 26.1. Switzerland: Estimates of support to agriculture

Million USD

	1986-88	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**8 023**	**5 661**	**11 247**	**10 666**	**10 887**	**12 187**
of which: share of MPS commodities (%)	62.80	57.76	61.71	60.70	62.09	62.33
Total value of consumption (at farm gate)	**12 776**	**8 866**	**19 318**	**17 640**	**19 979**	**20 336**
Producer Support Estimate (PSE)	**6 841**	**4 999**	**7 776**	**7 311**	**7 895**	**8 124**
Support based on commodity output	5 936	3 307	4 069	3 718	4 220	4 270
Market price support[1]	5 909	3 089	3 630	3 297	3 786	3 808
Positive market price support	5 909	3 089	3 630	3 297	3 786	3 808
Negative market price support	0	0	0	0	0	0
Payments based on output	27	218	439	421	434	462
Payments based on input use	357	126	130	132	129	129
Based on variable input use	289	67	76	74	75	79
with input constraints	0	14	0	0	0	0
Based on fixed capital formation	46	53	54	58	54	49
with input constraints	0	0	5	5	6	5
Based on on-farm services	23	6	0	0	0	0
with input constraints	0	0	0	0	0	0
Payments based on current A/An/R/I, production required	392	563	1 463	1 383	1 452	1 553
Based on Receipts / Income	10	0	0	0	0	0
Based on Area planted / Animal numbers	382	563	1 463	1 383	1 452	1 553
With input constraints	217	540	1 407	1 331	1 398	1 493
Payments based on non-current A/An/R/I, production required	18	51	930	963	888	938
Payments based on non-current A/An/R/I, production not required	0	773	64	29	82	81
With variable payment rates	0	0	0	0	0	0
with commodity exceptions	0	0	0	0	0	0
With fixed payment rates	0	773	64	29	82	81
with commodity exceptions	0	0	0	0	0	0
Payments based on non-commodity criteria	0	58	835	821	818	867
Based on long-term resource retirement	0	0	0	0	0	0
Based on a specific non-commodity output	0	58	835	821	818	867
Based on other non-commodity criteria	0	0	0	0	0	0
Miscellaneous payments	137	120	285	263	305	287
Percentage PSE (%)	**76.27**	**65.99**	**50.54**	**49.80**	**52.64**	**49.23**
Producer NPC (coeff.)	**4.34**	**2.40**	**1.54**	**1.51**	**1.60**	**1.52**
Producer NAC (coeff.)	**4.21**	**2.94**	**2.02**	**1.99**	**2.11**	**1.97**
General Services Support Estimate (GSSE)	**431**	**337**	**986**	**926**	**1 005**	**1 028**
Agricultural knowledge and innovation system	110	70	463	445	463	482
Inspection and control	9	24	10	8	10	13
Development and maintenance of infrastructure	80	54	100	97	99	105
Marketing and promotion	29	37	79	75	77	83
Cost of public stockholding	66	32	68	61	71	73
Miscellaneous	137	120	266	240	285	273
Percentage GSSE (% of TSE)	**5.43**	**6.15**	**11.25**	**11.23**	**11.29**	**11.23**
Consumer Support Estimate (CSE)	**-9 056**	**-5 002**	**-6 810**	**-5 707**	**-7 614**	**-7 110**
Transfers to producers from consumers	-6 112	-3 215	-3 670	-3 316	-3 829	-3 865
Other transfers from consumers	-3 785	-1 984	-3 144	-2 394	-3 791	-3 248
Transfers to consumers from taxpayers	700	147	4	3	6	2
Excess feed cost	141	50	0	0	0	0
Percentage CSE (%)	**-74.84**	**-57.37**	**-35.25**	**-32.36**	**-38.12**	**-34.96**
Consumer NPC (coeff.)	**4.41**	**2.42**	**1.54**	**1.48**	**1.62**	**1.54**
Consumer NAC (coeff.)	**3.98**	**2.35**	**1.54**	**1.48**	**1.62**	**1.54**
Total Support Estimate (TSE)	**7 972**	**5 483**	**8 766**	**8 239**	**8 905**	**9 154**
Transfers from consumers	9 897	5 199	6 814	5 710	7 620	7 112
Transfers from taxpayers	1 859	2 268	5 096	4 923	5 076	5 290
Budget revenues	-3 785	-1 984	-3 144	-2 394	-3 791	-3 248
Percentage TSE (% of GDP)	**4.11**	**1.86**	**0.89**	**0.89**	**0.92**	**0.88**
Total Budgetary Support Estimate (TBSE)	**2 062**	**2 394**	**5 136**	**4 942**	**5 120**	**5 346**
Percentage TBSE (% of GDP)	**1.06**	**0.81**	**0.52**	**0.53**	**0.53**	**0.51**
GDP deflator (1986-88 = 100)	**100**	**127**	**145**	**144**	**145**	**146**
Exchange rate (national currency per USD)	**1.58**	**1.65**	**0.87**	**0.90**	**0.88**	**0.83**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for Switzerland are: wheat, maize, barley, rapeseed, sugar, milk, beef and veal, sheep meat, pig meat, poultry and eggs.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

Policy objectives

Swiss agricultural policy is framed by the Agriculture Act (AgricA) from 1998, which establishes the principles and instruments for the regulation of the sector. The AgricA aims to ensure that agriculture is sustainable and innovative, with a focus on 1) food security for the population; 2) conservation of natural resources; 3) preserving cultivated landscape; 4) decentralised occupation of the territory; and 5) improving animal welfare.

The key elements of the AgricA are enshrined in the Swiss Federal Constitution (Art. 104), which contains an article on food security emphasising the need to guarantee the supply of food to the population through:

- safeguarding the basis of agricultural production, especially land
- adapting food production to local conditions and using natural resources efficiently
- ensuring that the agriculture and food sector meet the market's needs
- building trade relationships that contribute to the sustainable development of the agriculture and food sector
- using food in a way that conserves natural resources.

The Federal Constitution and the AgricA require **securing sufficient long-term food supplies for the population**, based on both domestic production and imports, considering the entire value chain. This is achieved through specific measures developed within four-year budget and programme cycles.

Market interventions

Agro-food markets in Switzerland are subject to specific regulations. Imports of key commodities are controlled through **tariff rate quotas (TRQs) with relatively low in-quota tariffs and high out-of-quota tariffs**. The average applied most-favoured-nation (MFN) tariff on agricultural imports in 2024 was estimated by the World Trade Organization (WTO) at 28.5%, while it was zero for non-agricultural products (World Trade Organization, 2025[1]). Switzerland has a total of 28 TRQs within the WTO. These affect particularly meat (average MFN tariff of 95%), and dairy products (avg. 111%).[1] TRQs also regulate egg products, potatoes, fruits, vegetables, bread cereals and wine. A notable exception to the quota system is feed grains, which are subject to single tariffs. These are regularly adjusted depending on international market price conditions to stabilise feed prices for the livestock sector at domestic level.

Preferential tariff rates apply unilaterally to imports from developing countries under the general system of preferences. The Swiss Government grants **zero tariffs to all products from Least Developed Countries** (LDCs), so agricultural imports from LDCs (according to the official UN definition) are duty- and quota-free since September 2009.

Switzerland's network of trade agreements consists of the European Free Trade Association (EFTA, made up of Iceland, Liechtenstein, Norway and Switzerland) Convention, the Free Trade Agreement with the European Union and 35 agreements in place with 45 countries, and four more recently concluded awaiting ratification. All these agreements were signed within EFTA, with the exception of agreements with the People's Republic of China, Japan, the United Kingdom, and the Faroe Islands. Trade sustainability takes an increasing importance in these trade agreements, with more and more systematic evaluations through sustainability impact assessments and possible adjunction of sustainability criteria conditions to obtain preferential market access, e.g. for palm oil imports from Indonesia (OECD, 2025[2]).

Budgetary support instruments

Budgetary support to agriculture consists of three main elements: **direct payments**, **production and marketing expenditures**, and **support to improve the production base**. Support programmes are defined by the agricultural budget of the corresponding four-year Payment Framework (2022-25 in 2025, and 2026-29 currently). The budget allocation for agriculture has been rather stable in nominal terms over the past decade, at about CHF 3.5 billion (USD 3.9 billion) per year. The 2022-25 budget was 1.5% larger than for the previous agricultural policy (AP 2018-21) and is set to remain relatively close for the period 2026-29, with only a 0.9% increase.

Direct payments to farmers (representing 81% of the agricultural budget) include different programmes targeting food production, environmental services and animal welfare. These include:

- basic payments and other production-related payments, dedicated to the maintenance of the production capacity, support to arable farming and strategic crops, and to the compensation of farming under difficult conditions
- biodiversity payments aimed at the conservation and promotion of species and habitat quality
- landscape quality payments and cultural landscape payments dedicated to the conservation of particular landscapes, preserved for environmental or cultural reasons
- resource efficiency payments and production system payments incentivising more sustainable farming practices, with reduced input use or more environmentally-friendly production methods.

These payments are subject to mandatory environmental conditions, with specific “proof of ecological performance” (PEP) requirements.

Production and marketing expenditures (15% of the budget) mainly support dairy producers via payments for processing milk into cheese, for producing milk without silage feed, and for commercial milk and dairy product sales from the farm. In addition, area payments apply to oilseeds, protein crops, cereals and sugar beet. Part of these expenditures are also for general services to the sector, including marketing and product promotion – notably to co-finance marketing communication measures to improve the image and awareness of Swiss agricultural products. This applies notably to the promoting of Swiss cheeses in domestic and foreign markets, of milk and butters product on the domestic market and marketing communications for Swiss meat and wine.

Policies to improve the production base (remaining 4% of the budget) include **direct support for on-farm structural investments and preferential loans** as well as general support for infrastructure improvement (e.g. maintenance of local value chain support in rural or mountainous areas), social aid to farmers, and advisory services, which were all initiated as part of the AP 2014-17 policy framework.

The inter-branch organisation for milk, *l’Interprofession du Lait* (IP Lait), provides standard milk delivery contracts for its members. These set different prices and volumes for milk delivery (contingents A, B and C). These contracts are compulsory for all milk producers, including those outside IP Lait. This acts as a **production control mechanism** implemented on a private basis.

Representing nearly half of its spendings for general services, the federal budget dedicated to agricultural knowledge and innovation systems (AKIS) occupies an important role in the current agricultural policy (OECD, 2022[3]). Notably, the public budget for agriculture research and development more than doubled from an average CHF 93 million (USD 112 million) annually over 2000-02 to CHF 237 million (USD 285 million) over 2023-25. Expenditures for knowledge transfer, mostly supporting universities and specialised schools, increased seven-fold, from an average CHF 23 million (USD 26 million) to CHF 166 million (USD 200 million) over the same period. Public expenditures for general services in Switzerland represent in total 8.8% of the total agricultural production value, more than double the OECD average.

Medium to long-term sustainability goals

The 2030 Sustainable Development Strategy (SDS) and related action plan identify three priority themes for the Swiss economy with specific objectives for 2030: i) **sustainable consumption and production**; ii) **climate, energy and biodiversity**; iii) and **social equity**. For the transformation of food systems, four targets were defined as part of the SDS Sustainable Consumption and Production theme:

- A 25% reduction of food GHG emissions footprint for Swiss consumers by 2030 compared to 2020.
- A share of one-third of the total population with healthy and sustainable dietary patterns by 2030, in line with the food pyramid (national dietary recommendations).[2]
- A reduction of 50% in food waste per capita by 2030 compared to 2017, and a substantial reduction in food losses along the supply chain.
- An increase by one-third by 2030 in the share of farms exceeding PEP requirements in a verifiable manner, compared to 2020.

A number of these targets are reflected in the National Pathway for Food Systems Transformation, developed in co-ordination with stakeholders in 2021 and latest updated in 2025. This document specifies and monitors more detailed measurable goals towards 2030, as well as concrete actionable measures.

For the longer term, Switzerland set the goal in 2019 to reach climate neutrality by 2050 and defined specific commitments for emissions reductions in the agricultural sector. The Climate Strategy for Agriculture and Food 2050, adopted in 2023, sets **an objective of agricultural emissions reduction of 40%** by 2050 (compared to 1990 levels). Beyond mitigation objectives set for national production, a separate objective for a two-thirds' reduction by 2050 was defined for emissions at the consumer level, compared to 2020 levels.

Several measures support climate mitigation in agriculture:

- A **carbon tax on fossil fuels** used to heat greenhouses and barns for livestock, as set out by the 2011 version of the CO_2 Act. Since 2022, the level of this tax has been at CHF 120 (USD 136) per tonne CO_2. Producers who submit a long-term decarbonisation plan for their installations can be exempted from the tax.
- The option for domestic agricultural producers to sell offsets to transport sector emitters by investing in anaerobic digesters or fertilisation improvements. These can be used by fossil fuel producers and importers to meet their obligation to offset part of transport-related CO_2 emissions through national emissions reductions projects.
- A **nitrogen surplus reduction target of 15%** by 2030, compared to 2014-16 levels, set out by the water quality plan. Additional soil fertility improvement measures, more efficient use of fertilisers and longer productive lifetime for cows to reduce emissions also aim to contribute to sustainable production systems, notably through targeted support programmes.

The national Action Plan 2020-25 supporting the Swiss climate strategy also includes several adaptation measures targeting agriculture or other related domains (e.g. water management, biodiversity, human health, animal welfare). The Action Plan contains 75 adaptation measures across the whole economy, including 46 already initiated over a first programming period (2014-19).[3] It clarifies what actions to undertake at federal, cantonal and communal levels, and lays out international collaboration channels to support climate adaptation. Adaptation measures for agriculture are organised around three axes: (1) **adapting products, production systems, and production practices**; (2) **improving knowledge of adaptation possibilities**; and (3) **mitigating weather-related risks** for production and prices.

New water-quality measures in place since 2023 have also tightened environmental sustainability objectives, to support the **goal of reducing pesticide-related risks by 50% by 2027**, compared to

2012-15. These measures include a ban on high-risk pesticides, more-restrictive spraying rules, and adjustments in direct payments to disincentivise pesticide use.

Recent policy developments

Domestic policy developments in 2025-26

General policy orientations

The adoption of policy elements initially planned for the AP22+ reform was continued in 2025-26, with particular attention to social and economic issues, after the previous adoption of some of its environmental measures in 2022-23 (OECD, 2026[4]). The following measures were introduced:

- A new mandatory social security coverage for spouses who work regularly and to a significant extent on the farm. From 2027, spouses will have to be covered by personal insurance to ensure the farm remains eligible to direct support payments. The Federal Council also launched in October 2025 a revision of the Rural Land Law to more generally improve spouses' rights, for instance in terms of preemption rights, to reinforce the legal framing of farms as personal businesses, and to grant farmers greater entrepreneurial freedom, for instance in terms of mortgage capacity.
- New support to help reduce the cost of crop insurances and thereby reduce vulnerability to severe drought and frost. This measure, put in place in 2025 for a period of eight years, covers up to 30% of farmers' insurance costs.

Additional adjustments were implemented to reduce the administrative and operational burden on farmers. As of January 2025, the rules for insurance and for support related to landscape quality or biodiversity networks were simplified. A new reporting obligation for accounting data at the federal level was put on hold, and the plan to restrict mechanised mowing in all biodiversity-promotion areas was abandoned. New sanctions were put on hold for non-compliance with the rules on limiting pesticide runoff, set as part of PEP requirements. In September 2025, the obligations of farm inspections by cantonal authorities were loosened, such as the requirement to inspect 10% of farms subject to support payment every year, and an action plan was set up to foster co-ordination between federal offices, cantons and private entities to limit the number of controls to a maximum of one per year.

Sectoral interventions

Some sectoral support measures were strengthened or consolidated in 2026 through the 2025 ordinance package, and a budget readjustment of CHF 13.6 million (USD 16.4 million) was also approved in February 2026 by the Parliament, retroactive to 1 January, to further support production and restructuring of some strategic sectors:

- Acreage payments for potatoes seedlings were increased from CHF 700 to CHF 2 500 (USD 842 to USD 3 007) per hectare, and those of maize and forage seeds from CHF 700 and CHF 1 000 (USD 842 and USD 1 203), respectively, to CHF 1 500 (USD 1 804) per hectare.
- Area payments for sugar, which were so far administered through ad hoc payments planned to expire at the end of 2026, were converted into a permanent acreage support of CHF 2 100 (USD 2 526) per hectare, while the trade protection regime was also consolidated.
- Livestock support measures were restructured to better target product quality, low environmental impacts, resource use efficiency, animal health and welfare, and profitability, in line with objectives of the Strategy on Animal Breeding 2030 and the AP22+ reform.

- An additional budget of CHF 10 million (USD 12 million) was granted to wine producers to help restructuring the sector through voluntary uprooting of vine, available until end of 2027.

The Federal Office for Agriculture published its strategy for Sustainable Crop Protection to 2035 in January 2026. It describes measures aimed at improving current crop protection practices and supporting the development of innovative methods. Some ordinances recently published support these efforts, such as the 2025 ordinance on crop health that strengthens the capacities of key organisations to take effective actions in the case of pest infestation, and the 2026 ordinance on the co-ordinated measures to combat pests of cultivated plants that promotes traditional biological pest control. The full implementation of the strategy is foreseen in the context of the next AP30+ policy, through ongoing research and extension projects aiming at improving pest management and reducing pollution from chemical use – for example via the establishment of the platform Agrometeo+ or the promotion of hardy varieties through financial support for breeding and variety testing projects.

Trade policy developments in 2025-26

Trade agreements

On 16 September 2025, EFTA members signed a comprehensive Free Trade Agreement with MERCOSUR countries (Argentina, Brazil, Paraguay and Uruguay), after eight years of negotiation. The agreement will provide free market access to 96% of Swiss exports to the region, previously subject to substantial tariffs. In return, Switzerland will grant bilateral TRQ concessions for selected sensitive agricultural products, including meat products – most quota volumes remaining below 2% of the domestic consumption, however. The agreement also foresees lower technical barriers to trade, protection of intellectual property rights, recognition of geographical indications, and enhanced trade conditions for services and public procurement. A specific chapter also includes requirements related to trade and sustainable development, with concrete provisions related to environmental protection and labour rights.

EFTA members also signed or implemented several key trade agreements with Asia in 2025:

- On 23 January 2025, EFTA countries signed an FTA with Thailand. This comprehensive trade agreement includes provisions on trade in basic and unprocessed agricultural products, technical barriers to trade, sanitary and phytosanitary measures, and rules of origin. The agreement was for the first time supported by a Sustainability Impact Assessment commissioned by EFTA.
- On 23 June 2025, EFTA members signed a new FTA with Malaysia. The agreement foresees improved market access for goods and services, as well as co-operation in various areas, including notably international investment, intellectual property rights, technical barriers to trade, sanitary and phytosanitary measures, customs and trade facilitation, or trade and sustainable development. The FTA is accompanied by a Memorandum of Understanding on Cooperation and Capacity Building and a Joint Statement on Sustainable Palm Oil. The FTA ratification by the Swiss parliament is expected in the course of 2026.
- On 1 October 2025, the Trade and Economic Partnership Agreement (TEPA) between EFTA and India, signed in 2024, entered into force. The agreement introduces preferential trade provisions for industrial goods and both processed and unprocessed agricultural products, while providing enhanced domestic market access, particularly for rice and fruits. Other provisions relevant to agriculture include technical barriers to trade, sanitary and phytosanitary measures, rules of origin, trade facilitation, and trade and sustainable development.

Trade relations within other countries within the European continent were also strengthened:

- On 22 January 2025, the EFTA States signed an FTA with Kosovo*, following three years of negotiations. The FTA includes targeted tariff concessions and quotas on agri-food products, with due consideration of sensitive agricultural products. Relevant provisions include technical barriers

to trade, sanitary and phytosanitary measures, as well as trade governance clauses, including on trade and sustainable development.

- On 1 April 2025, the Free Trade agreement between EFTA and Moldova, signed in 2023, entered into force. Agro-food products (including sea products) are part of the sectors covered by the agreement that notably includes provisions on technical barriers to trade, sanitary and phytosanitary measures, rules of origin, trade facilitation, and sustainable trade.
- On 8 April 2025, EFTA countries signed a revised FTA with Ukraine, modernising the first agreement of 2010. Under the new agreement, EFTA countries will notably receive improved market access for some of their agricultural products such as cheese, yoghurt and chocolate, while geographical indications for agricultural products will be better recognised between the trade partners.

In January 2026, the Federal Council adopted a mandate for the negotiation of a trade agreement with the United States, following the stabilisation of the tariff applied to imports from Switzerland (see below).

Trade measures

The TRQs applied by Switzerland on several agricultural commodities had to be adjusted in the course of 2025 to accommodate market tensions:

- For cereals, the in-quota volume, already adjusted in 2024 to address one of the most severe production shortages of bread cereals over the past decades, was further increased in March 2025 by 60 000 tonnes.
- For eggs, as for previous years, the in-quota volume was increased by an extra volume of 10 000 tonnes in the course of 2025 to bridge the gap between consumption and production.
- In-quota volumes were increased temporarily in 2025 for seed potatoes, potatoes for processing, and table potatoes, by between 1 000 tonnes and 20 000 tonnes depending on category, to address shortfalls from reduced cultivation areas countrywide and low stock levels.

A new regulation was enacted in 2026 for the Swiss sugar market. Linking duties to historical and current prices, the new formula is expected to lead to more frequent update of the duties on sugar as from 2027, without exceeding a cap of CHF 14 (USD 16.8) per 100 kg. It replaces temporary measures set to expire at the end of that year which apply a minimum custom protection of CHF 7 (USD 8.4) per 100 kg.

Specific trade quota adjustments were negotiated with the United States in November 2025, following the reduction of the additional duties imposed by the United States in 2025 on all Swiss exports. These duties, that had been previously set at a taxation floor level of 39% starting 1 August 2025, were reduced to a 15% minimum as of 14 November 2025. In exchange for this reduction, Switzerland agreed to lower its duties on US exports for a set of non-sensitive agricultural products and granted bilateral quota volumes of 500 tonnes for beef, 1 000 tonnes for buffalo meat, and 1 500 tonnes for poultry meat.

Switzerland also extended in 2025 its set of sanctions against Russia and Belarus, consistent with measures taken by the European Union. These new measures mostly relate to specific financial and non-agricultural trade flows but also indirectly affect the agriculture sector through their impacts on the energy, fertiliser and logistical markets.

Policy context

Key economic and agricultural statistics

Switzerland is a small economy with high GDP per capita. It experienced low and periodically negative inflation until the 2022 global inflation surge, although inflation declined again in 2023-25. The

unemployment rate has remained below 5% over the past two decades. GDP growth was stable at around 2% prior to the COVID-19 pandemic and following a high-growth recovery period in 2021, it resumed by 2025 with growth rates around 1%, slightly below pre-crisis levels.

The relative importance of agriculture in the Swiss economy is low, accounting for just 0.6% of GDP and around 2.3% of employment. The farm structure is dominated by relatively small family farms. Hills and mountain farming areas (including alpine summer pastures) are used for extensive milk and meat production, while more intensive pork and poultry production is located in valleys. Agricultural land covers 38% of the country area and is composed mostly of grassland, with arable land representing only 27% of agricultural land. Crop production has gradually shifted away from traditional grains and oilseeds towards fruits and vegetables.

Table 26.2. Switzerland: Contextual indicators

	Switzerland		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	264	869	0.6%	0.5%
Population (million)	7	9	0.2%	0.2%
Land area (thousand km^2)	40	40	0.0%	0.0%
Agricultural area (AA) (thousand ha)	1 552	1 490	0.1%	0.1%
			All countries[1]	
Population density (inhabitants/km^2)	180	223	52	64
GDP per capita (USD in PPPs)	36 357	96 388	9 508	31 740
Trade as % of GDP	33.4	42.5	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	1.1	0.6	3.0	3.6
Agriculture share in employment (%)	4.6	2.3	-	-
Agro-food exports (% of total exports)	2.4	2.6	6.4	8.3
Agro-food imports (% of total imports)	5.2	4.9	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	50.5	41.8	62.1	60.4
Livestock in total agricultural production (%)	49.5	58.2	37.9	39.6
Share of arable land in AA (%)	26.2	26.8	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

Figure 26.4. Switzerland: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

Switzerland has consistently been a net agro-food importer, with USD 17.2 billion of total imports of agro-food products in 2023, compared to USD 11.6 billion for its agro-food exports. Swiss agro-food exports consist mostly of processed products for final consumption (87% of total agro-food exports). This category also represents almost half of the agro-food imports (Figure 26.5).

Figure 26.5. Switzerland: Agro-food trade

Figure 26.5A. Switzerland: Agro-food trade 2000 to 2024

Billion USD



Figure 26.5B. Switzerland: Composition of Agro-food trade, 2024

Percentage

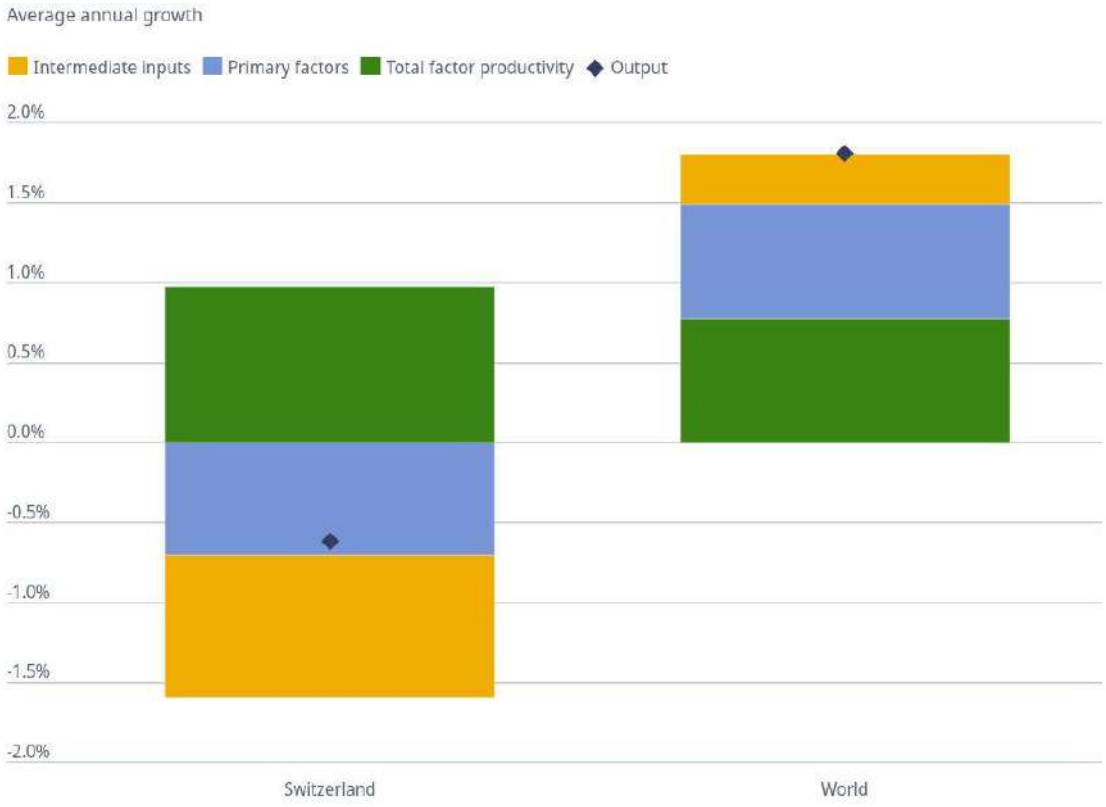


Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Total factor productivity (TFP) growth in agriculture is estimated by ERS to be 1.0% between 2014 and 2023. This large increase can be explained by a decreased use of intermediary inputs (-0.9%) and primary factors (-0.7%). These results may however be partly explained by the reduced purchase of fertiliser in 2022 following Russia's war of aggression against Ukraine, when Switzerland activated its fertiliser strategic reserves. Despite this productivity growth surge according to these estimates, the overall output has declined over that period (-0.6%).

Swiss agriculture is largely rain-fed. Swiss farmers irrigate only 2.3% of their agricultural land and the share of agriculture in the country's water abstraction (8%) is about one-sixth of the OECD average. In addition, the water stress indicator is low and has decreased over time. Agriculture's share of energy use has remained relatively stable and is a third of the OECD average. On the other hand, while nutrient surpluses have declined moderately, the surplus of nitrogen (66 kg/ha for N) is still more than twice the OECD average, which negatively impacts water quality and GHG emissions. Swiss agriculture emissions amounted to 6.0 $MtCO_2eq$ in 2023 (14.7% of national emissions), not counting emissions from energy consumption in agriculture, forestry and fisheries (0.5 $MtCO_2$, i.e. 1.3%). This places the country above the OECD average. While the LULUCF sector in Switzerland is a net sink, thanks to forest management (-2.3 $MtCO_2$ per year since 1990), cropland and grassland also emit together an average 0.7 $MtCO_2$ (1.5% of the national emissions) due to changes in soil carbon.

Figure 26.6. Switzerland: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Table 26.3. Switzerland: Productivity and environmental indicators

	Switzerland		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	0.0%	1.0%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	61.1	65.9	32.3	29.0
Phosphorus balance, kg/ha	2.8	4.2	3.3	2.3
Agriculture share of total energy use (%)	0.6	0.7	1.7	2.0
Agriculture share of GHG emissions (%)	11.9	14.7	8.7	10.3
Share of irrigated land in AA (%)	2.8	2.3	-	-
Share of agriculture in water abstractions (%)	..	8.0	46.1	47.7
Water stress indicator	4.9	3.8	..	..

Note: * or closest available year.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Until the early 1990s, Swiss agriculture was largely isolated from world markets, due to high trade barriers and strong domestic market regulations. Substantial reforms of agricultural policy were implemented in the mid-1990s and early 2000s. These were prompted by commitments made under the GATT and later the WTO. There have been no systematic policy reforms since 2013, and current schemes have been extended to date, with more targeted adjustments.

The reforms implemented between 1993 and 2003 had three main elements:

- Reduced barriers to imports and greater transparency in border measures, gradual removal of price guarantees and other market regulations, maintenance of production quotas for milk, and introduction (in 1998) of new market regulations for sugar.
- New direct payments less coupled to production, and voluntary ecological direct payments linked to ecological services (1993-1998).
- Cross-compliance requirements connecting almost all direct payments to proof of ecological performance as of 1999.

Between 2004 and 2013, policy reforms were comparatively modest and focussed on deregulation of agricultural markets. Export subsidies were phased out, and milk quotas were abandoned in 2009 even though the market continues benefitting from public support.

In 2013, a new Agricultural Policy framework for 2014-17 (AP 2014-17) reformed the system of payments (OECD, 2015[5]). This framework was extended since then and is still in place today. The direct payment scheme was modified under this reform to improve its efficiency and effectiveness and create links to specific agricultural practices (OECD, 2017[6]). Additional payments to producers were introduced in 2019 for commercial milk (AgricA Art. 40) and grain (AgricA Art. 55) to compensate for the phase out of the last export subsidies abolished at the end of 2018, as a consequence of the WTO Nairobi agreement of 2015.

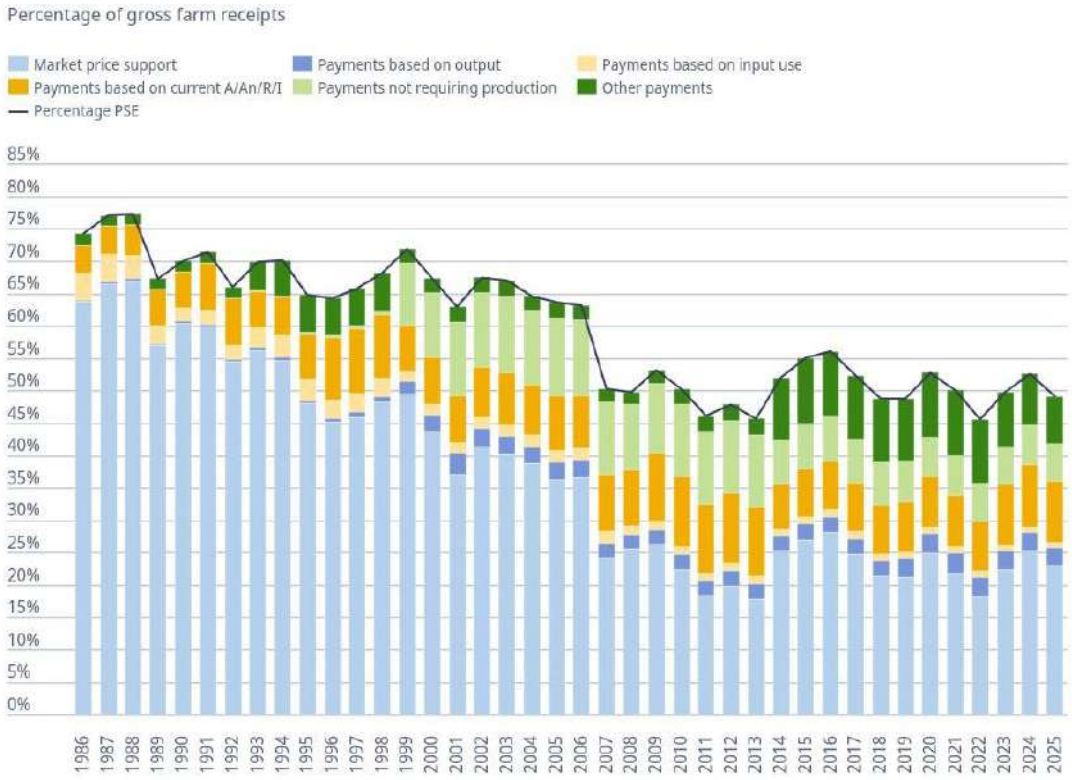
Strengthening of the environmental modalities (regulations on pesticide and nutrient surpluses, cross-compliance requirements and budgetary support to sustainable practices) has been considered in the context of the latest reform discussions for the Swiss Agricultural Policy beyond 2022 (AP22+) and led to the adoption of new water quality measures in 2023. Broader environmental reforms are however postponed to policies post-2030 (AP30+).

Table 26.4. Switzerland: Agricultural policy trends

Period	Framework	Changes in agricultural policies
Prior to 1993	Closed market	High border protection; regulated prices and interventions in domestic agricultural markets Payments based on output and input use; commodity-specific area and headage payments
1993-1998	Reforms to open up markets New system of direct payments	Reduced import barriers; enhanced transparency Reduction of export subsidies for some agricultural and processed products Reduction of domestic market regulations except for milk (production quotas) Creation of General Direct Payments, including: - Complementary Direct Payments based on area (arable and grassland) and other supplementary payments - Payments for integrated production - Payments for farming in difficult conditions Introduction of Ecological Direct Payments as voluntary schemes based on environmental services provided by farmers (biodiversity, landscape, animal welfare, etc.), and incentives for more sustainable use of resources and pollution reduction
1999-2004	Continuation of reforms to open up markets Changes in the system of direct payments	Further gradual reduction of import barriers Elimination of guaranteed prices New sugar market regulations without fixed production quotas Reform of the General Direct Payments; Complementary Direct Payments replaced by a general Area Payment not requiring production of particular crops; introduction of a general payment for ruminants Abolition of payments for integrated production Introduction of environmental cross-compliance; all direct payments conditional to a proof of ecological performance
2005-2013	Abolition of export subsidies Removal of production quotas (dairy, sugar)	Further gradual reduction of import barriers Abolition of export subsidies for primary agricultural products (2010) Abolition of dairy quotas and related guarantee prices for milk (2009) Abolition of sugar market regulations and introduction of area payments for sugar-beet to compensate for related price reductions (2009)
2014-present	Reform of the general direct payments	Reform of the system of General Direct Payments (2014) Abolition of general area payments Reallocation of payments related to specific agricultural practices Introduction of transition payments to make the reform socially acceptable Replacement of general headage payments to ruminants with area payments to pastures with a minimum stocking density Continuation of environmental cross-compliance conditions within the new system of payments Abolition of remaining export subsidies for some processed products (1 January 2019) New payments to producers of commercial milk and grains to compensate for price reductions due to the abolition of export subsidies for processed products (2019)

Support to farmers declined from close to 80% of gross farm receipts in the late 1980s but remained high at 51% on average during 2023-25. Potentially most production- and trade-distorting support (mainly market price support) also declined from around more than 90% to around 50% of producer support between 1986-88 and 2023-25, while other payments grew.

Figure 26.7. Switzerland: Development of the PSE and its composition, 1986 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

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World Trade Organization (2025), *World Tariff Profiles 2025*, WTO, https://doi.org/10.30875/9789287079190. [1]

Notes

[1] Switzerland applies specific tariffs (and in- or out-quota tariffs in the case of TRQs), i.e. tariffs per physical unit of product, rather than ad valorem tariffs, per value of product. We reproduce here AVEs estimates by the WTO, but values remain dependent on the methodology chosen, as well as the base period considered, world market prices, unit values (affected by the source of imports and types of tariffs), exchange rates, and cases where no import occurs. For TRQs, the filling rate at the period considered also plays an important role to determine the final AVE.

[2] This target is an intermediate milestone for a long-term ambition of the whole population adopting a healthy and sustainable diet by 2050.

[3] In 2020, the Swiss Government found that 14 of the 63 measures in the first adaptation plan were fully completed, 28 were in advanced implementation, 19 were in the initial phase of implementation, and 2 were on hold.

27 Türkiye

Main findings

Support to agriculture

Türkiye's Producer Support Estimate (PSE) averaged 10.8% of gross farm receipts, slightly below the OECD average of 14.3% and well below the 25.5% recorded in 2000-02. Market Price Support (MPS) remained the largest component, accounting for 71% of the PSE in 2023-25, generated by border protection and the activities of state-owned enterprises in commodity marketing. MPS policies generate transfers from consumers to farmers through higher prices; domestic producer prices were on average 10% above border reference prices in 2023-25.

Budgetary support is delivered under a multi-year support model, fully operational for crops in 2025-27. The majority of this is in the form of area-based payments, subsidies for certified seeds and other inputs, insurance premiums and per-head livestock payments. Farmers also benefit from price top-ups for certain commodities and different types of investment support.

Public expenditures for general services (General Services Support Estimate, GSSE) was equivalent to 6% of the value of agricultural production, around twice the OECD average but down from 16% in 2000-02. It is highly concentrated on irrigation infrastructure (54% of GSSE), and marketing and promotion (44%, predominantly duty-loss payments and equity injections to state-owned enterprises such as Türkşeker, ÇAYKUR, TMO and TİGEM). Spending on agricultural knowledge and innovation systems made up only a small share of the GSSE, well below the OECD average.

Total Support to the sector (TSE) was equivalent to 1.1% of GDP in 2023-25, above the OECD average of around 0.5% but down from 3.9% in 2000-02.

Key policy changes in 2025-26

Türkiye extended its agricultural production planning framework to crop production as of the 2025 production year, building on the livestock and aquaculture planning introduced in 2024. Under the new system, basin-based planning covers 13 strategic products and forage crops; for these products, production is authorised only in the designated basins and in line with the planned crop pattern.

The agricultural support model, introduced alongside production planning, was further operationalised in 2025-26. Support coefficient values were updated and linked to explicit cost-coverage targets for diesel and fertiliser. From 2026, members of first-degree producer organisations became eligible for an additional top-up. In the livestock sector, lambs and kids became eligible for small ruminant support for the first time. Concessional credit programmes were revised to provide enhanced incentives for planned production and contract farming, and rural development grants were adjusted to exclude new cattle facility investments in water-constrained provinces. Additional basic support was introduced for young and female producers operating in controlled-environment facilities, and an additional organic farming top-up was made available to members of producer organisations engaged in organic production.

Climate and resource management policies advanced on several fronts. In 2026, the premium subsidy rate for frost coverage under TARSİM crop insurance was increased from 67% to 70%, and rye was included under the Revenue Protection Insurance scheme. The National Water Plan (2026-2035) has been completed, introducing strategic elements such as tiered water pricing, conditionality of agricultural subsidies on water efficiency criteria, and digital tracking of groundwater abstraction.

Temporary tariff reductions introduced during the COVID-19 pandemic were phased out, with customs duties on major cereals reverting to 130% and on pulses to 19.3%. Within this framework, targeted temporary adjustments were applied in 2025-26, including temporary reductions in import duties for maize, oats, green lentils, sunflower seeds, and crude sunflower oil.

Assessment and recommendations

- Align trade policy with production incentives by limiting the use and scope of export measures through explicit time limitation, review and exit conditions. Current measures using trade policy to manage domestic supply and prices, such as export bans, create conflicting signals to farmers receiving output support while facing price depressing export restrictions. Targeted consumer support is better suited to alleviate the impact of high prices.
- Reduce the burden of agricultural support on consumers by lowering tariffs on specific commodities and consolidating domestic support into the three-pillar model. This would convert implicit consumer transfers into more transparent, decoupled and targeted budgetary support.
- Strengthen implementation of the National Water Plan (2026-2035) by aligning pricing, enforcement and production incentives with water scarcity. The effectiveness of tiered water pricing, water-efficiency conditionality on agricultural support, and digital tracking of groundwater abstraction will depend on calibrating pricing tiers to the actual scarcity value of water across basins, enforcing metering and abstraction limits, and linking water policy with the production planning system to discourage water-intensive crops in stressed basins.
- Improve the effectiveness of the new support model and basin-based production planning system by linking payments to measurable outcomes rather than administrative compliance. Indicators such as soil organic carbon, nitrogen-use efficiency, or basin-level water abstraction rates would ensure that public expenditure delivers demonstrable gains and facilitate periodic evaluation.
- Reinforce incentives for efficient nutrient use by reforming fertiliser support and building on the existing nitrate framework to implement a comprehensive nutrient management strategy. Introducing measures such as soil testing requirements, application-rate guidelines and improved manure management would help reduce diffuse pollution pressures on water resources.
- Strengthen Türkiye's agricultural climate policy by defining a clear sectoral emissions pathway with measurable targets and integration into the national net-zero pathway. This should include interim milestones, such as carbon-farming schemes, livestock methane-reduction incentives, and integration of agricultural emissions into the future National Emissions Trading System. This would enable the new support model to be aligned with national mitigation objectives.
- Rebalance GSSE composition toward research, advisory and extension services, and digital agriculture towards sustainable productivity growth. While Türkiye has achieved strong productivity gains, continued progress requires shifting funding away from infrastructure and marketing towards investment in agricultural knowledge, research, and extension.
- Improve the efficiency and environmental alignment of concessional credit by decoupling support from input-cost coverage targets and increasing flexibility in eligible uses. While expanded credit can address cash-flow constraints, linking support to diesel and fertiliser costs risks creating implicit incentives for higher input use. Greater flexibility in how credit is deployed, for example towards

labour-saving technologies, or conservation tillage, would improve allocative efficiency and align credit support with environmental objectives.

Key indicators on agricultural support

Figure 27.1. Türkiye: Development of support to agriculture

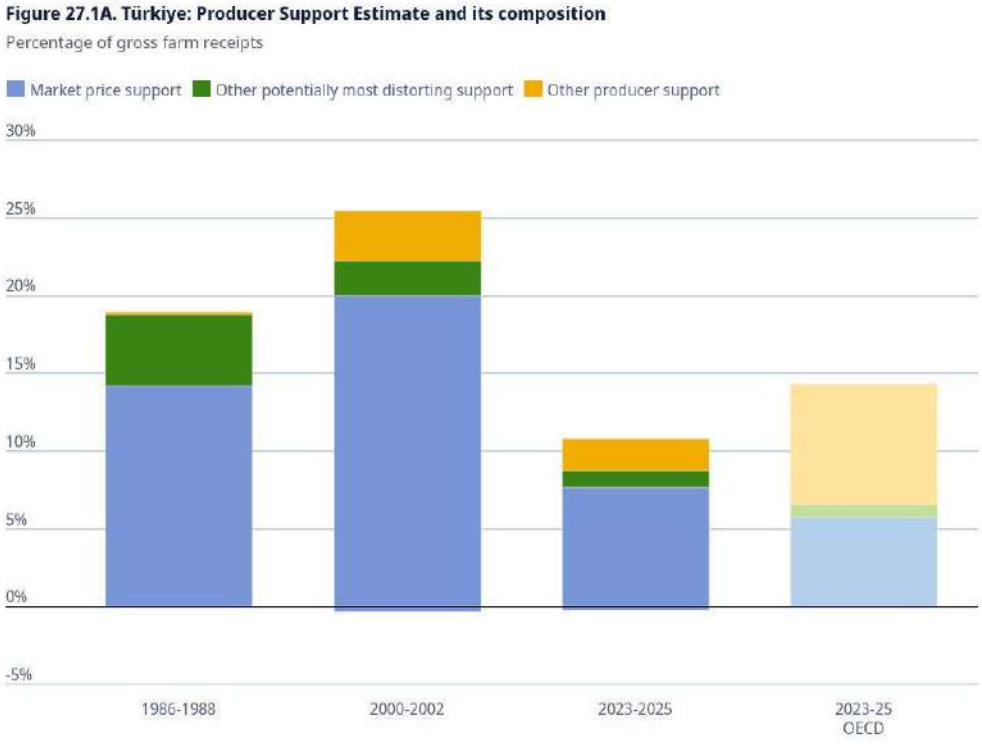


Figure 27.1B. Türkiye: Ratio of producer to border price

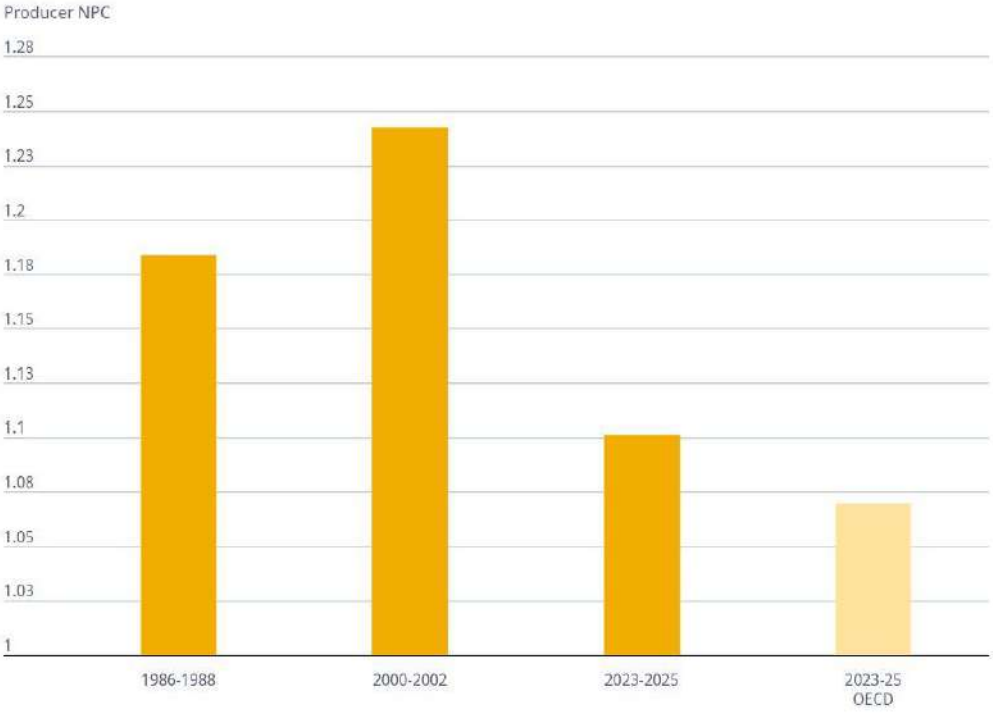


Figure 27.1C. Türkiye: General Services Support Estimate and its composition

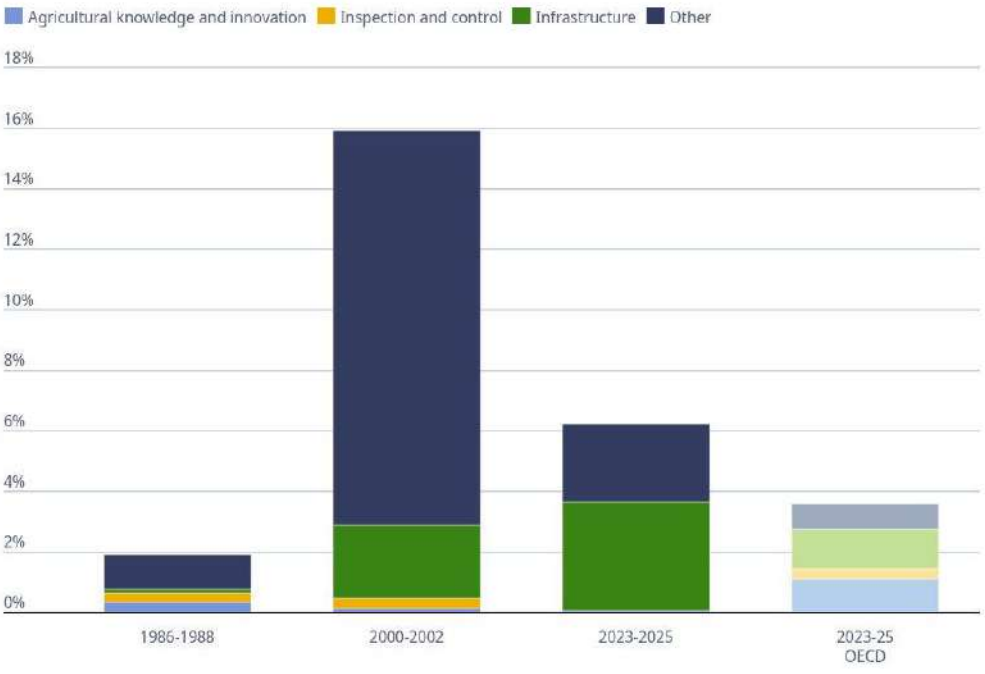
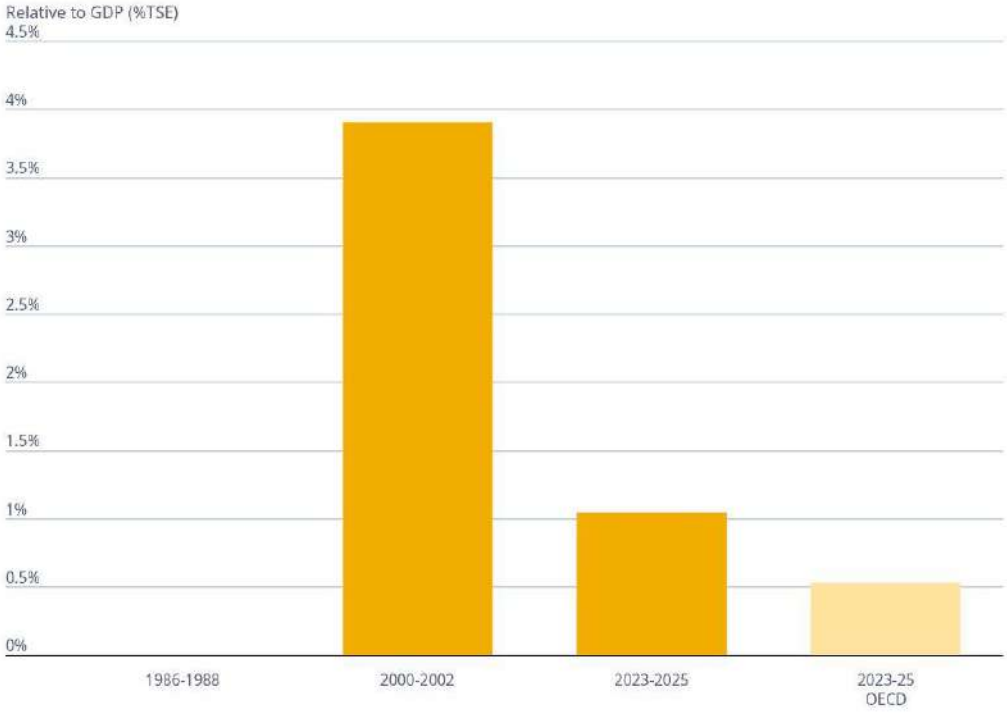
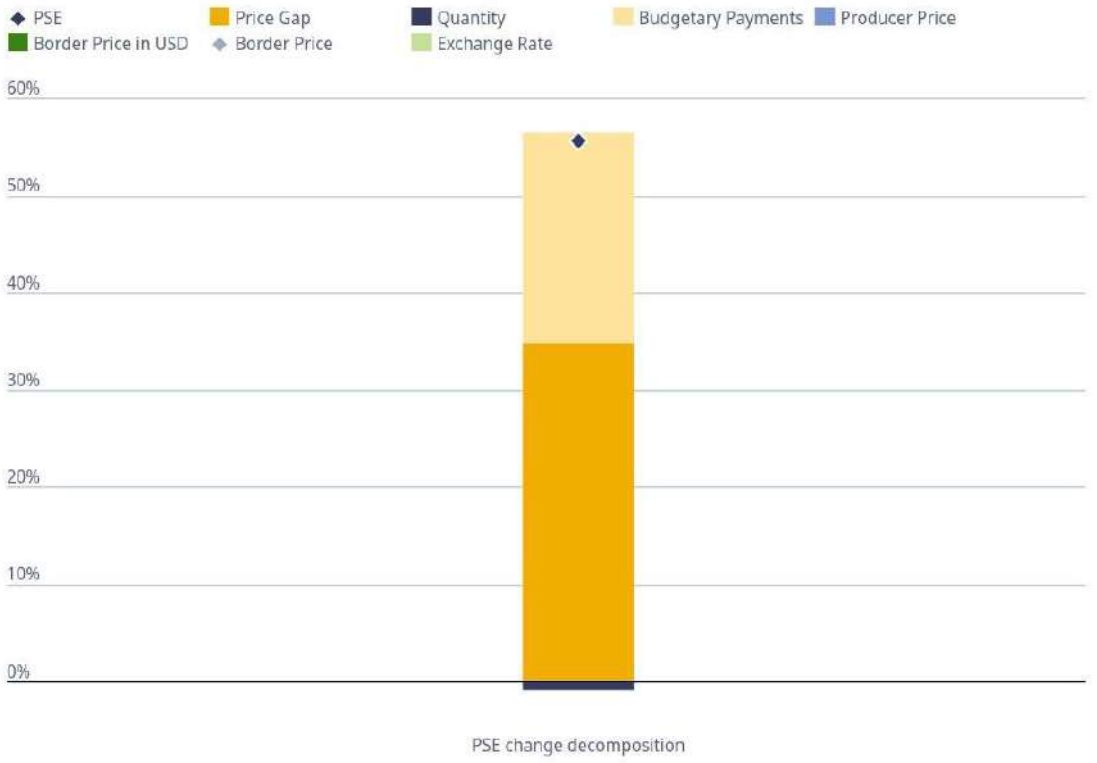


Figure 27.1D. Türkiye: Total Support Estimate



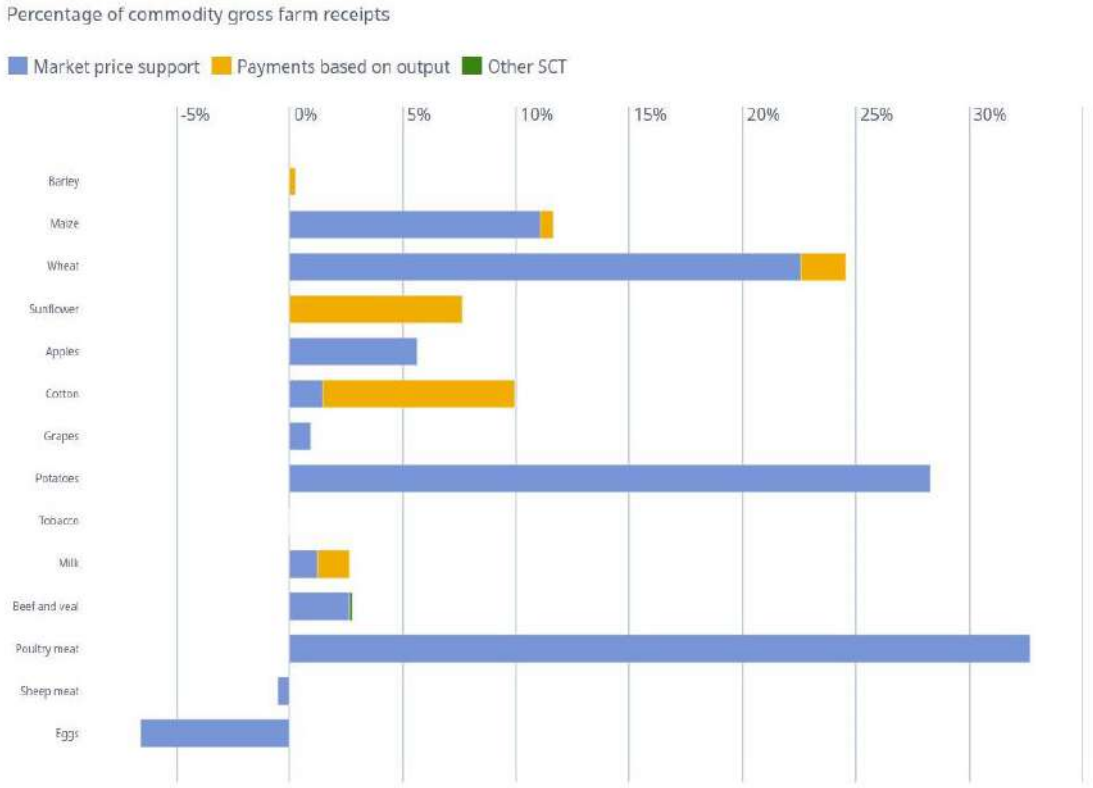
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Figure 27.2. Türkiye: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency. The change in Producer Support Estimate (PSE) is not decomposed when PSE is negative for the current and/or previous year. The producer price change and the border price change are not calculated when both negative and positive market price support (MPS) occur at the commodity level for the previous year. Note that negative MPS estimates for livestock products may arise in cases of aligned product prices if there is positive MPS for feed commodities.
Source: OECD (2026), "Producer and Consumer Support Estimates", OECD Agricultural policy monitoring (database), https://data-explorer.oecd.org/.

Figure 27.3. Türkiye: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Table 27.1. Türkiye: Estimates of support to agriculture

Million USD

	1986-88	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**18 272**	**22 169**	**83 697**	**75 703**	**83 136**	**92 252**
of which: share of MPS commodities (%)	55.00	84.50	75.16	84.92	71.13	69.44
Total value of consumption (at farm gate)	**11 992**	**22 577**	**77 246**	**69 538**	**73 702**	**88 498**
Producer Support Estimate (PSE)	**3 565**	**6 024**	**9 011**	**7 310**	**8 596**	**11 126**
Support based on commodity output	2 684	5 136	7 192	5 662	7 183	8 730
Market price support[1]	2 673	4 821	6 372	5 150	6 296	7 670
Positive market price support	2 675	4 894	6 520	5 179	6 418	7 962
Negative market price support	-2	-73	-148	-29	-123	-292
Payments based on output	11	316	820	512	887	1 060
Payments based on input use	881	426	215	168	155	323
Based on variable input use	847	302	58	100	40	34
with input constraints	0	0	0	0	0	0
Based on fixed capital formation	19	116	150	51	111	287
with input constraints	0	0	0	0	0	0
Based on on-farm services	16	8	8	18	3	2
with input constraints	0	0	0	0	0	0
Payments based on current A/An/R/I, production required	0	25	1 603	1 480	1 259	2 072
Based on Receipts / Income	0	0	393	441	336	402
Based on Area planted / Animal numbers	0	25	1 211	1 039	923	1 671
With input constraints	0	0	64	66	50	77
Payments based on non-current A/An/R/I, production required	0	0	0	0	0	0
Payments based on non-current A/An/R/I, production not required	0	436	0	0	0	0
With variable payment rates	0	0	0	0	0	0
with commodity exceptions	0	0	0	0	0	0
With fixed payment rates	0	436	0	0	0	0
with commodity exceptions	0	0	0	0	0	0
Payments based on non-commodity criteria	0	0	0	0	0	0
Based on long-term resource retirement	0	0	0	0	0	0
Based on a specific non-commodity output	0	0	0	0	0	0
Based on other non-commodity criteria	0	0	0	0	0	0
Miscellaneous payments	0	0	0	0	0	0
Percentage PSE (%)	**18.96**	**25.20**	**10.61**	**9.39**	**10.06**	**11.62**
Producer NPC (coeff.)	**1.18**	**1.24**	**1.10**	**1.08**	**1.10**	**1.11**
Producer NAC (coeff.)	**1.23**	**1.34**	**1.12**	**1.10**	**1.11**	**1.13**
General Services Support Estimate (GSSE)	**332**	**3 714**	**5 325**	**5 178**	**6 194**	**4 603**
Agricultural knowledge and innovation system	66	29	44	69	30	34
Inspection and control	51	67	21	19	23	21
Development and maintenance of infrastructure	21	513	2 896	2 034	2 896	3 759
Marketing and promotion	95	3 094	2 363	3 056	3 245	788
Cost of public stockholding	0	0	0	0	0	0
Miscellaneous	99	11	0	0	0	0
Percentage GSSE (% of TSE)	**8.73**	**37.38**	**36.21**	**41.46**	**41.88**	**29.27**
Consumer Support Estimate (CSE)	**-2 574**	**-3 350**	**-5 445**	**-4 248**	**-5 053**	**-7 032**
Transfers to producers from consumers	-2 569	-3 325	-5 744	-4 321	-5 346	-7 563
Other transfers from consumers	-48	-57	-50	-12	-48	-91
Transfers to consumers from taxpayers	0	0	0	0	0	0
Excess feed cost	43	33	349	85	341	622
Percentage CSE (%)	**-21.48**	**-14.14**	**-7.20**	**-6.11**	**-6.86**	**-7.95**
Consumer NPC (coeff.)	**1.28**	**1.17**	**1.08**	**1.07**	**1.08**	**1.09**
Consumer NAC (coeff.)	**1.27**	**1.16**	**1.08**	**1.07**	**1.07**	**1.09**
Total Support Estimate (TSE)	**3 898**	**9 738**	**14 336**	**12 488**	**14 790**	**15 729**
Transfers from consumers	2 617	3 383	5 794	4 333	5 394	7 655
Transfers from taxpayers	1 329	6 412	8 592	8 166	9 444	8 166
Budget revenues	-48	-57	-50	-12	-48	-91
Percentage TSE (% of GDP)	**.**	**3.91**	**1.05**	**1.10**	**1.09**	**1.00**
Total Budgetary Support Estimate (TBSE)	**1 224**	**4 917**	**7 964**	**7 338**	**8 494**	**8 059**
Percentage TBSE (% of GDP)	**.**	**1.99**	**0.58**	**0.64**	**0.63**	**0.51**
GDP deflator (1986-88 = 100)	**100**	**139 913**	**7 334 733**	**4 649 044**	**7 405 001**	**9 950 154**
Exchange rate (national currency per USD)	**0.00**	**1.12**	**32.04**	**23.79**	**32.83**	**39.49**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for Türkiye are: wheat, maize, barley, rice, sunflower, sugar, potatoes, tomatoes, grapes, apples, cotton, tobacco, milk, beef and veal, sheep meat, poultry and eggs.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

Border measures, particularly import tariffs, remain a major source of market price support. Production quotas apply at the farm level for sugar beet. Budgetary support is primarily delivered through area-based and product-specific payments under **a multi-year support model**. State enterprises play a role in procurement and market intervention for selected commodities, and transfers compensating them for these public service obligations – reported in this chapter as duty-loss payments and regulated under Turkish legislation as assignment fees – form part of general services support. Within general services support (GSSE), public investment in irrigation and water infrastructure remains a key component of support to the sector.

The average applied most-favoured-nation (MFN) tariff on agricultural imports in 2024 was 40.9%, above the 13.6% faced by non-agricultural products. Certain sectors face significantly higher rates, such as dairy (120.2%), other animal products (99.9%) and sugars (99.5%) (WTO, 2025[1]). Türkiye also applies tariff rate quotas (TRQs) for selected agricultural and food products, both autonomously and within the framework of its trade agreements. Türkiye has a Customs Union with the European Union (in force since 1995) and maintains 24 free trade agreements (FTAs) with partners across Europe, Asia, the Middle East and Africa. Türkiye has periodically introduced temporary export restrictions on selected commodities in response to domestic supply and price developments. Trade measures form part of a broader policy approach aimed at managing domestic market stability and price volatility while maintaining Türkiye's international trade commitments.

Support for crop and livestock producers in Türkiye is implemented through a combination of **production planning mechanisms, direct payments, concessional credit instruments, and risk-management tools**, administered primarily by the Ministry of Agriculture and Forestry.

Agricultural production planning is a central feature of the current policy framework. The system operates through a district-based basin model in which agricultural areas are associated with crops considered ecologically and economically suitable for local conditions. Several forms of budgetary support are linked to compliance with designated basin production patterns. As part of the planning framework, the establishment of new fruit orchards on land with slopes below 6% has not been permitted since January 2024.

Crop support payments are organised under three pillars: **Basic Support**, which provides area-based payments to producers registered in the Farmer Registration System (ÇKS) and partially offsets key input costs; **Planned Production Support**, which provides additional payments for producers cultivating designated strategic crops within their assigned basins; and **Production Development Support**, which provides targeted incentives for specific practices aimed at improving productivity and sustainability. Additional top-ups are available for members of recognised producer organisations, as well as for women and young farmers.

Livestock support is structured through Basic Livestock Support, covering cattle farming, small ruminant farming, beekeeping and silkworm breeding, and Product Development Support, covering raw milk, fattening bulls (carcass), mohair and herd health. Access to support is conditional on registration in the relevant Ministry databases and compliance with programme rules. Additional support is provided on top of basic support to family farms, young and female breeders, and members of producer organisations, as well as to breeders located in provinces designated as milk and livestock basins under production planning.

Concessional agricultural credits also play an important role in supporting agricultural production. Treasury-supported loans are provided through the public banks T.C. Ziraat Bankası A.Ş. and Ziraat Katılım Bankası A.Ş., as well as Agricultural Credit Cooperatives. These loans offer reduced interest rates or profit-share support and provide working capital and investment financing for crop and livestock

production. Credit programmes have increasingly been aligned with agricultural production planning objectives.

Risk management is supported by the **Agricultural Insurance Pool (TARSİM)**, a public-private partnership in which private insurance companies provide standardised agricultural insurance products to farmers while **the government subsidises between 50% and 70% of insurance premiums**. TARSİM provides coverage for a wide range of climate-related and production risks affecting both crop and livestock producers.

The EU Instrument for Pre-Accession Assistance for Rural Development (IPARD III) entered into force in April 2024 for the 2021-2027 programming period and covers all 81 provinces. The Fourth National Rural Development Strategy (2024-2028) has been prepared to align with the IPARD III programming framework.

Climate change mitigation, adaptation, and environmental sustainability

Türkiye's agricultural climate policy is framed within broader national climate commitments, including the **2053 net-zero emissions target**. Mitigation and adaptation priorities relevant to agriculture are set out in national policy frameworks such as the **Climate Change Mitigation Strategy (2024-2030)** and the **Climate Change Adaptation Strategy (2024-2030)**.

The combined share of organically managed agricultural land and land under good agricultural practices, estimated at 2.8% of arable land and land under permanent crops in 2024, is targeted to increase to 4.5% by 2030. Under the Türkiye Agricultural Drought Strategy and Action Plan (2023-2027), seed resilience policies aim to expand the development and dissemination of climate-resilient and drought-tolerant varieties. These efforts are complemented by the conservation of plant genetic resources in gene banks, in their natural habitats and on farms, with local varieties collected, characterised and preserved under the Regulation on the Registration, Production and Marketing of Local Varieties (Official Gazette No. 30877 of 3 September 2019). The National Strategy and Action Plan to Combat Desertification (2024-2030) guides land-based mitigation and adaptation efforts, including afforestation, vegetation restoration and soil improvement measures on degraded land. Pasture rehabilitation works covering 200 000 ha annually target a 0.16% per hectare increase in soil carbon stocks from 2025 to 2038, and work is under way to measure the effect of rehabilitation on carbon sequestration and greenhouse gas emissions. New rehabilitation approaches using shrubs, semi-shrubs and herbaceous species aim to establish climate-resilient pasture vegetation, raising both carbon sequestration capacity and forage quality: some 2 million saltbush seedlings were planted in 2025, with a target of 4 million in 2026.

Climate considerations are integrated into agricultural production planning policies. The **Regulation on Agricultural Production Planning** aims to align agricultural production with ecological suitability, strengthen supply security, and take climate change impacts into account.

Türkiye participates in international initiatives aimed at promoting climate-smart agricultural development. Under the **Climate-Smart and Competitive Agricultural Growth Project**, implemented with financing from the **World Bank**, activities are being carried out to reduce environmental pressures associated with agricultural production, including pilot activities targeting the impact of livestock production on water pollution and greenhouse gas emissions.

Monitoring and prevention of agricultural pollution are carried out under the Regulation on the Protection of Waters Against Nitrate Pollution of Agricultural Origin. Nitrate-sensitive areas have been designated across the country by identifying water bodies that are polluted or at risk of pollution from the use of chemical and livestock fertilisers, and a Nitrate Action Plan sets out land, fertiliser and irrigation management measures to reduce pollution pressure on water resources.

Water management and irrigation

Irrigation modernisation and the adoption of more efficient irrigation technologies are a major policy priority. Since 2003, investments have focused on converting open conveyance channels into closed (piped) systems, increasing the share of closed-system irrigation networks from about 6% of irrigated areas to approximately 38% by the end of 2025. Efforts are also under way to move towards full automation of irrigation systems: pilot facilities have been designated where artificial-intelligence-supported irrigation automation is being tested, with the aim of matching water delivery to crop water requirements through remote monitoring and control, ahead of wider deployment. These investments, together with duty-loss payments and equity injections related to state-owned enterprises, constitute the largest components of general services support to the sector.

Farm-level investment support complements irrigation infrastructure modernisation. Under the Rural Development Investments Support Programme (KKYDP), grants covering up to 50% of eligible investment costs are available for the installation of modern irrigation technologies, including drip and sprinkler irrigation systems, solar-powered irrigation systems and smart irrigation technologies. As of the end of 2025, KKYDP support had been provided to over 60 000 projects, equipping approximately 570 000 ha with closed-system irrigation. Under components aligned with climate and EU Green Deal objectives, KKYDP grant support of 50% to 70% is also available for investments in rainwater harvesting infrastructure and climate-resilient farming technologies.

The Water Efficiency Strategy Document and Action Plan (2023-2033) targets increasing irrigation efficiency to 60% by 2030 and 65% by 2050. A Water Efficiency Regulation has since been published, strengthening the legal framework for monitoring and recording sectoral water use, reducing water losses and using non-conventional water sources, and a geographic data-based Water Efficiency Information System has been established to improve traceability and document good practice. Centrally monitored metering stations are being installed at storage facilities and irrigation networks, enabling real-time measurement of water use in irrigation schemes. The National Water Plan (2026-2035) is expected to guide long-term water governance and strengthen basin-level planning and drought risk management. The reuse of treated wastewater is also increasingly promoted as an additional water resource, with priority given to water-stressed basins, including for agricultural irrigation.

Türkiye implements measures promoting the reuse of treated wastewater across sectors, including agriculture, industry and recreation. Urban wastewater treatment plants are required to reuse at least 10% of their treated output, and energy subsidies for treatment plants are increased in proportion to the share of wastewater they reuse. Priority is given to basins facing high water stress, including for agricultural irrigation. The overall reuse rate has risen from around 4% in 2022 to approximately 7% in 2026, against targets of 11% by 2028 and 15% by 2030.

Recent policy developments

Domestic policy developments in 2025-26

Agricultural production planning and aligned support reforms

Building on the agricultural production planning system for livestock and aquaculture introduced in 2024, Türkiye extended the framework to crop production as of the 2025 production year, with a new support model organised under three pillars: Basic Support, Planned Production Support and Production Development Support.

Several elements of the framework have been further specified or strengthened. Production plans now operate on a rolling three-year horizon with annual updates. For products covered by the planning

framework, production is authorised only in the designated basins and in line with the planned crop pattern; products outside the scope of the framework are not subject to production authorisation. Additional crop rotation rules apply in water-constrained basins.

Water-related conditionality has also been tightened. In water-constrained basins, no new large cattle enterprises are permitted, although permits continue to be granted for small ruminant production. Producers cultivating maize or potatoes in water-constrained basins are ineligible for support under all three pillars, while additional support is provided to producers cultivating low-water-consuming crops in those basins.

Support for plant production

Products are grouped into categories based on production costs, with a category-specific multiplier assigned to each. Area-based support payments are then calculated by applying these multipliers to a common base rate per decare (0.1 hectare), known as the support coefficient value. This base rate is updated annually with reference to the costs of diesel and fertiliser and has been set at TRY 244 (USD 6.2) for the 2025 production year and TRY 310 (USD 7.9) for the 2026 production year. Basic Support aims to cover 50% of diesel and 25% of fertiliser costs, while Planned Production Support combined with Basic Support is intended to cover 100% of diesel and 50% of fertiliser costs. For forage crop producers in the ten provinces designated as milk basins, Planned Production Support is increased by an additional 50%. From the 2026 production year, farmers who are engaged in certified organic production and are members of a producer organisation receive an additional organic farming top-up equivalent to 25% of the support coefficient.

Support for animal production

Under the multi-year livestock support framework established in 2024, unit amounts and coefficients were updated for 2025-26. In 2024, lambs and kids became eligible for small ruminant support for the first time. Livestock support payments reported by the Ministry for both years totalled TRY 8 962 million (USD 227 million) in 2025, a 15% decline in real terms from 2024. Raw milk support remained the largest single payment in 2025 at TRY 5 600 million (USD 142 million), followed by beekeeping (TRY 1 364 million, USD 35 million) and support for calves born from artificial insemination (TRY 1 008 million, USD 26 million).

Financial and risk-management instruments aligned with production planning

Concessional agricultural credit programmes have been revised to further strengthen incentives for planned production. An additional 20% discount on interest rates (or profit-share rates for participation banking) is now applied for selected activities, including livestock and crop production above TRY 300 000 (approximately USD 7 600), forage production, fruit and viticulture, and contract farming. Contract farming has been promoted through a broader incentive package, including a further 15% interest/profit-share discount for producers, Treasury-supported credit for contracting firms of up to TRY 200 million (USD 5.1 million) with a discount of up to 70% on interest or profit shares, and premium discounts of up to 15% for agricultural insurance purchased under contract farming.

Rural development grant programmes have been adjusted to align with production planning criteria. In water-constrained provinces, new cattle facility investments have been excluded from grant eligibility, while priority is given to designated production planning development regions, women, young farmers and producer organisations. Under the national programmes, additional grant support and priority in ranking are provided for projects compatible with the targets of the National Water Plan, such as the reuse of treated wastewater in agriculture and rainwater harvesting.

In 2026, the premium subsidy rate for frost coverage under **TARSİM** crop insurance was increased from 67% to 70%, and rye was included under the **Revenue Protection Insurance** scheme. The **Village-Based Yield Insurance** scheme, which operates with a 70% government premium subsidy, has been implemented as a parcel-level pilot project in Tekirdağ province in 2026. **TARSİM** remains a key instrument for managing climate and disaster risks, supported by government premium subsidies of 50-70%.

Water management and the National Water Plan

The National Water Plan (2026–2035) was adopted by Presidential Decision on 14 March 2026 and is expected to guide long-term water governance. The Plan is intended to institutionalise a risk-based drought management approach and strengthen water allocation planning at basin scale. Its key strategic elements include:

- tiered water pricing, to discourage excessive consumption in basins facing scarcity
- conditionality of agricultural subsidies on water-efficiency criteria, such as the use of modern irrigation techniques or the monitoring of water consumption, integrated with the water-based planning approach under agricultural production planning in order to discourage water-intensive crops in water-constrained basins
- expanded support for drip and sprinkler irrigation systems
- tracking of groundwater abstraction, with work under way to monitor wells electronically and to be expanded under the Plan, supporting water budget calculations and basin-level management
- water footprint calculations and product-based water labelling, which remain at an initial stage.

Trade policy developments in 2025-26

Customs duties on major cereals remain at 130% (set in May 2023) and on pulses at 19.3% (set in July 2023), following the phase-out of temporary reductions introduced during the COVID-19 pandemic. Within this framework, targeted temporary adjustments were applied to selected products in 2025-26.

For maize, customs duties were temporarily reduced to 5% until 30 June 2025 and to 0% until 31 July 2025, after which the standard 130% rate was reinstated. The customs duty on oats was temporarily reduced from 130% to 30%; this reduction has since expired and the standard 130% rate has been reinstated. For green lentils, a reduced duty of 10% applied until 30 April 2026.

For sunflower, a tariff quota arrangement was applied in the second half of 2025, with reduced duties allocated to industrial oil-processing firms between 1 July and 30 November 2025. In 2026, customs duties on sunflower seeds were set at 20% between 15 June and 30 November, and at 12% during the remaining periods. The customs duty on crude sunflower oil was reduced from 36% to 30%. Under a tariff quota arrangement valid from 12 January to 31 May 2026, customs duties were reduced to 0% for up to 1 million tonnes of sunflower seeds, or equivalently to 20% for up to 400 000 tonnes of crude sunflower oil.

As of early 2026, Türkiye maintained a range of export restrictions on agricultural products. Exports of red and green lentils, along with beef, sheep meat, sunflower oil and oilseeds, were not permitted. Exports of chickpeas, dry beans, poultry meat and eggs were subject to limitations. In addition, exports of apples and lemons were placed on the Registered Export Goods List, requiring prior notification (Ministry of Trade, 2026[2]). These measures were introduced to support domestic food supply security and price stability.

Policy context

Key economic and agricultural statistics

Türkiye has the 11th largest economy in the world as measured by GDP in purchasing power parities (PPP), with GDP reaching USD 3.8 trillion in 2024. Per capita GDP has more than quadrupled since 2000 to USD 44 434 in 2024, well above the average for the countries included in this report. Türkiye has a large agricultural sector that employed 14.6% of the country's working population and accounted for 5.8% of GDP in 2024. Türkiye's location at the crossroads of Europe and Asia helps make trade an important component of GDP, with trade equivalent to 22.9% of GDP in 2024 (Table 27.2).

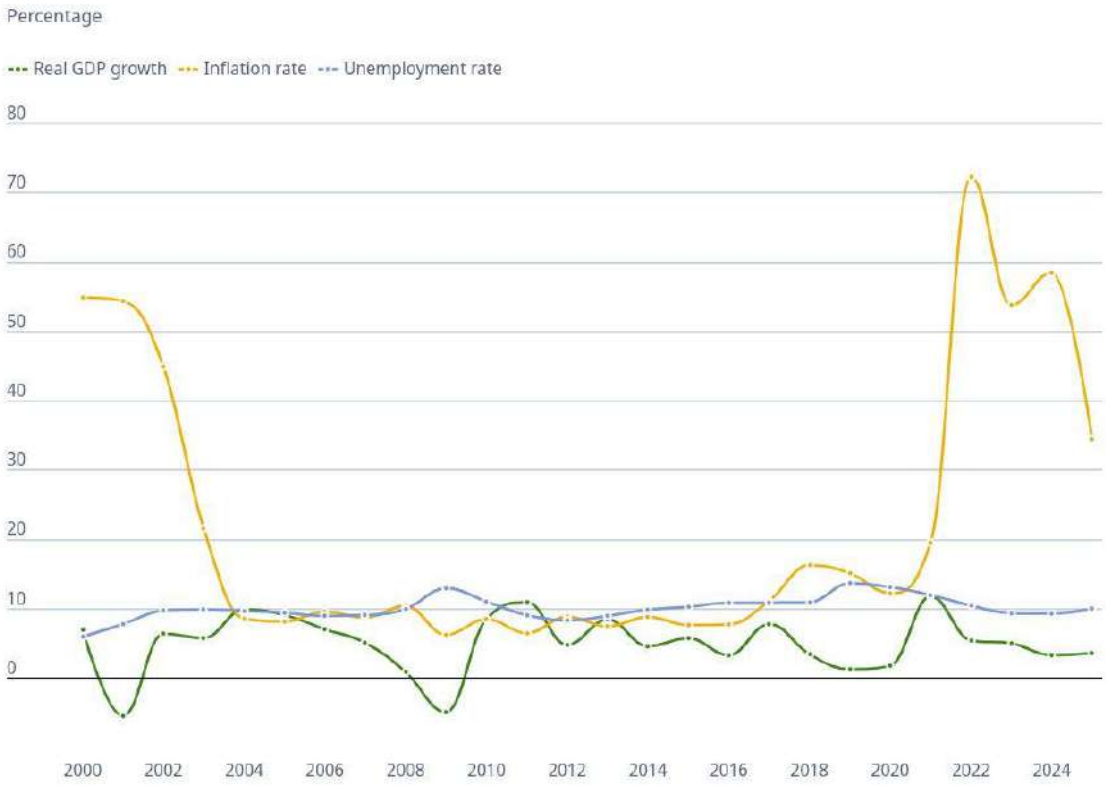
Table 27.2. Türkiye: Contextual indicators

	Türkiye		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	609	3 800	1.5%	2.3%
Population (million)	64	86	1.5%	1.6%
Land area (thousand km^2)	770	770	0.9%	0.9%
Agricultural area (AA) (thousand ha)	38 756	38 619	1.3%	1.3%
			All countries[1]	
Population density (inhabitants/km^2)	85	114	52	64
GDP per capita (USD in PPPs)	9 478	44 434	9 508	31 740
Trade as % of GDP	15.0	22.9	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	10.0	5.8	3.0	3.6
Agriculture share in employment (%)	36.0	14.6	-	-
Agro-food exports (% of total exports)	13.1	12.0	6.4	8.3
Agro-food imports (% of total imports)	5.9	6.8	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	69.4	50.5	62.1	60.4
Livestock in total agricultural production (%)	30.6	49.5	37.9	39.6
Share of arable land in AA (%)	61.5	52.3	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

Türkiye has been one of the fastest-growing economies in the OECD over the past decade. The economy grew by 5.3% in 2022 and 5.1% in 2023, driven by expansionary fiscal and monetary policies (Figure 27.4). These policies boosted consumer spending growth to record levels but also led to significant imbalances, including high inflation that peaked at around 72% in 2022, and a large depreciation of the Turkish lira. Following a shift in the macroeconomic policy stance after the May 2023 elections, growth moderated to 3.2% in 2024 and 3.6% in 2025, with inflation declining gradually but remaining at 33% in 2025.

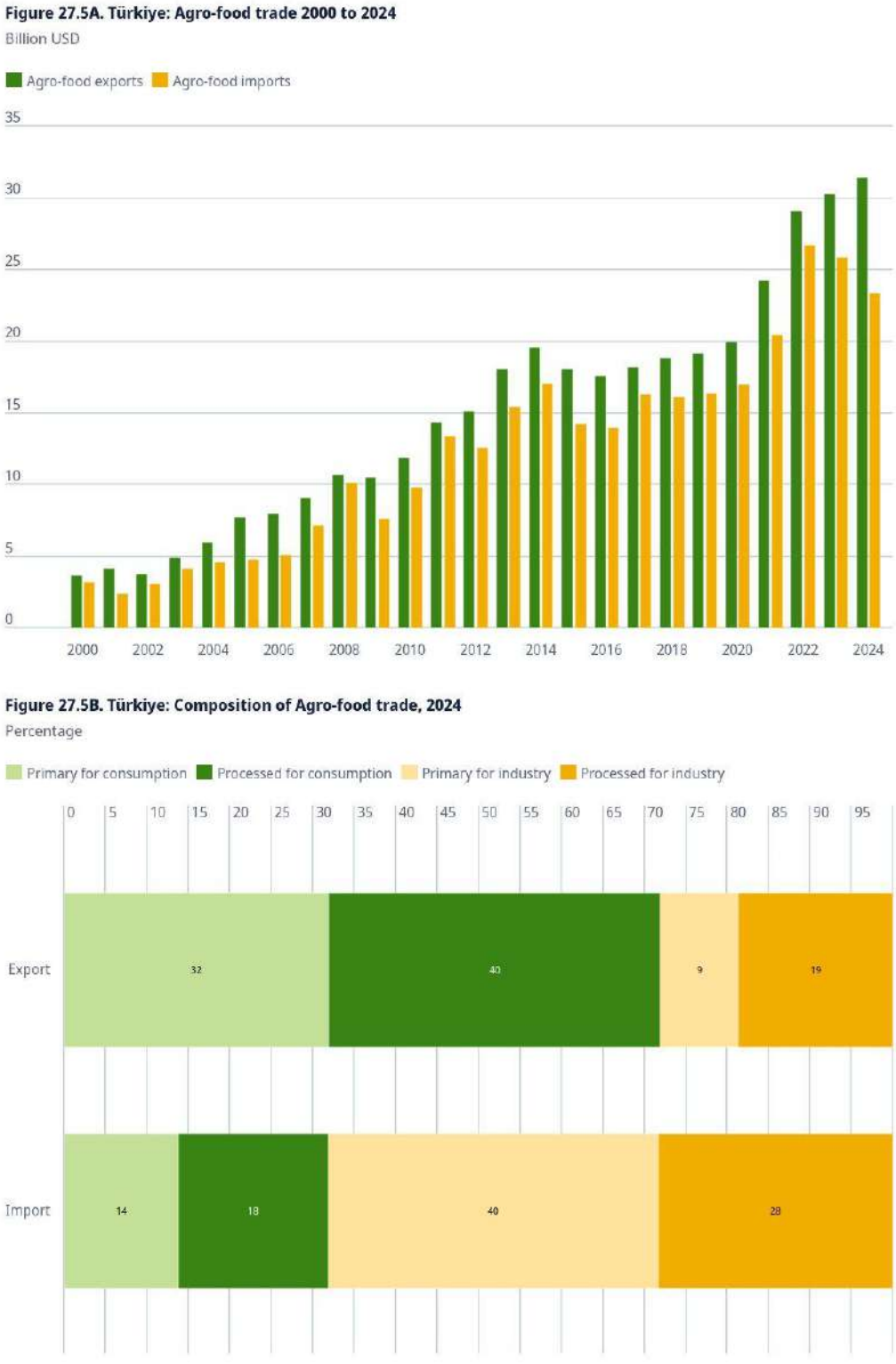
Figure 27.4. Türkiye: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

Türkiye is a significant agricultural exporter of nuts, dried fruits, and fresh fruits and vegetables, with main export destinations including the European Union, Iraq, the Russian Federation and the United States. Türkiye is a major producer of wheat, sugar beets, milk, poultry, cotton, tomatoes and other fruits and vegetables, and is the world's leading producer of hazelnuts, apricots, cherries, figs and quinces, as well as the leading exporter of dried apricots, dried figs and raisins. Türkiye is a net agricultural exporter, with both agro-food exports and imports having steadily increased to reach approximately USD 31 billion and USD 23 billion respectively in 2024. Most imports are products destined for further processing, while most exports are products for consumption (Figure 27.5).

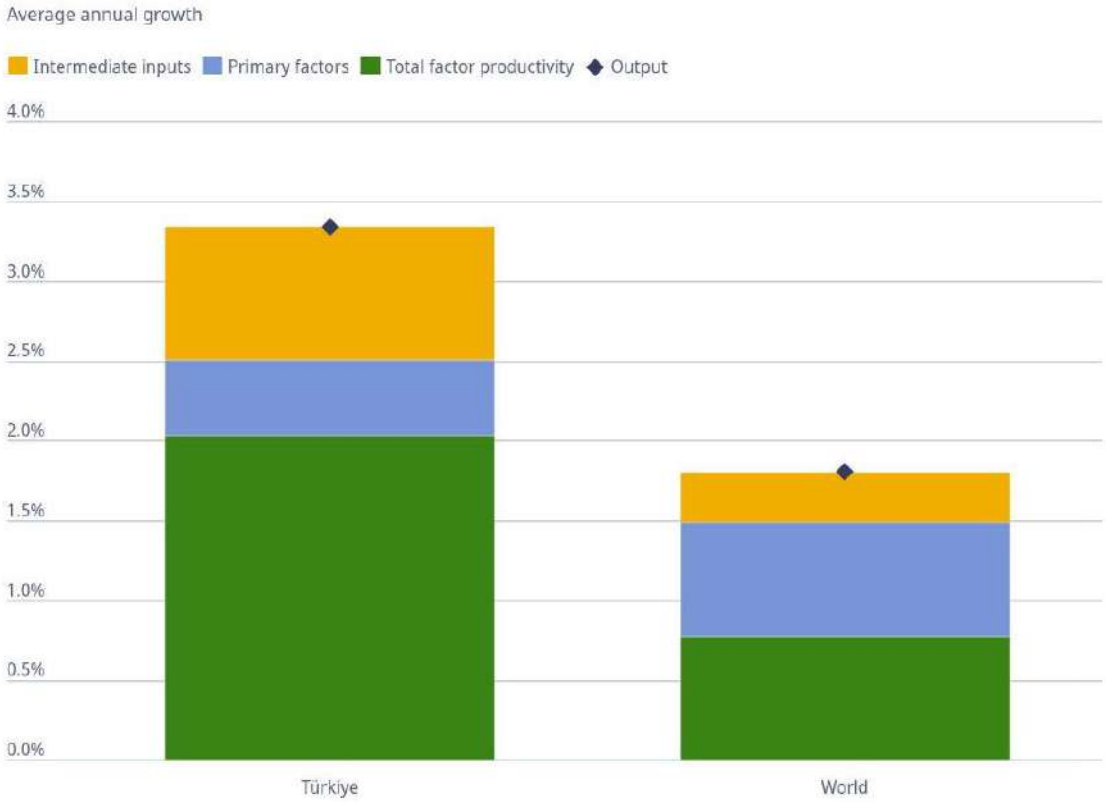
Figure 27.5. Türkiye: Agro-food trade



Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Agricultural output growth between 2014 and 2023 averaged 3.3% per year, well above the world average of 1.8% (Figure 27.6). Agricultural growth has been driven predominantly by total factor productivity (TFP) growth, which averaged 2.0% per year over the same period, 2.5 times the world average (Table 27.3). Continued investments in irrigation infrastructure, increased use of inputs and adoption of improved technologies and management practices have together contributed to this strong performance.

Figure 27.6. Türkiye: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Agriculture accounts for approximately 85% of freshwater abstractions in Türkiye, well above the OECD average of 48%, making water availability for agriculture a critical issue. The water stress indicator has risen from 24.2% in 2000 to 36.6% in 2024 (Table 27.3), and average precipitation is expected to decline as a result of climate change, increasing pressure on the hydrological system. The nitrogen balance increased from 27.8 kg/ha in 2000 to 32.8 kg/ha in 2024, at a time when the OECD average has fallen, and the phosphorus balance at 8.7 kg/ha is nearly four times the OECD average of 2.3 kg/ha, reflecting intensive livestock and crop production. Agriculture accounts for 4.6% of total energy use, below its 5.8% share of GDP, but it represents a relatively high 12.0% of total greenhouse gas emissions, above the OECD average of 10.3%.

Table 27.3. Türkiye: Productivity and environmental indicators

	Türkiye		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	0.9%	2.0%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	27.8	32.8	32.3	29.0
Phosphorus balance, kg/ha	8.0	8.7	3.3	2.3
Agriculture share of total energy use (%)	5.0	4.6	1.7	2.0
Agriculture share of GHG emissions (%)	15.0	12.0	8.7	10.3
Share of irrigated land in AA (%)	8.0	12.5	-	-
Share of agriculture in water abstractions (%)	75.4	85.0	46.1	47.7
Water stress indicator	24.2	36.6	..	..

Note: * or closest available year.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Before 1980, an import substitution policy was in place in Türkiye and agriculture was tightly controlled to meet policy objectives, which included maintaining stable grain prices, increasing yields and production and developing exports. Some agricultural products were taxed while others received subsidies, but the sector was a net payer to the government budget overall.

From the 1980s until 2000, the sector was a net beneficiary of support, directed towards import-competing farm products. The main agricultural policy instruments were price support for crop products and input subsidies. Programmes provided low-cost credit, agricultural chemicals, seeds, irrigation, and fertiliser. Livestock production was supported mainly through border measures.

State enterprises managed intervention buying, in the form of State Economic Enterprises (SEEs) as exclusive purchasers of grains, pulses, sugar, tobacco and tea; and Agricultural Sales Cooperative Unions (ASCUs) responsible for horticultural crops, cotton, oilseeds, nuts, and olive oil. Support prices were announced after planting, and farmers received payment a year or more after harvest and delivery. These bodies also maintained stocks, executed exports, issued export licenses and distributed input subsidies.

After 2000, the country embarked on a process of structural reform as a condition for receiving macroeconomic stabilisation assistance from the International Monetary Fund (IMF) and the World Bank. These reforms were carried out between 2001 and 2008 through the Agricultural Reform Implementation Project (ARIP). ARIP was intended to improve efficiency in the agri-food sector by removing market distortions, and to contribute to fiscal consolidation. Under ARIP, Turkish agricultural policy was oriented towards closer alignment with the European Union's Common Agricultural Policy.

Reforms after 2001 reduced the State's role in setting prices, marketing, and trade of agri-food products. SEEs and producer co-operatives were made independent to varying degrees and at different speeds and became more exposed to market conditions. Structural adjustment in agriculture was promoted through aid to convert land to alternative production, or land consolidation, and with transition support and aid for rural development. This period also saw a shift away from output and input subsidies towards direct income support payments, although high border protection for agri-food products remained in place.

The first national Rural Development Strategy for 2007-2013 was adopted in 2006 as the basis of the EU Instrument for Pre-Accession Assistance Rural Development (IPARD-I). The IPARD II Program, covering the years 2014-20, started with the entry into force of the Financing Agreement on 6 May 2017. The IPARD

III Programme (2021-27) was adopted by the European Commission on 14 March 2022 and entered into operational implementation following the entry into force of the Financing Agreement on 6 April 2024. The most recent National Rural Development Strategy (UKKS-IV) covers the period 2024-28 and is aligned with the 12th Development Plan.

Since 2010, production-linked payments were re-established for many products. Current agricultural policies also include import tariffs, fixed purchasing prices, deficiency payments (income support payments), insurance support, area-based payments and interest concessions (reductions). In addition, there is an emphasis on infrastructure, particularly for irrigation, also connected to rural development objectives.

Until the end of 2022, export subsidies applied to 14 commodity groups, out of the 19 groups eligible under Türkiye's WTO commitments. These included processed fruit and vegetables, poultry meat and eggs. Export subsidies were granted in the form of reductions of the exporters' debts to public corporations (for example, for taxes, and telecommunications or energy costs). Under the Nairobi Ministerial Decision on Export Competition, these export subsidies were phased out at the end of 2022.

Table 27.4. Türkiye: Agricultural policy trends

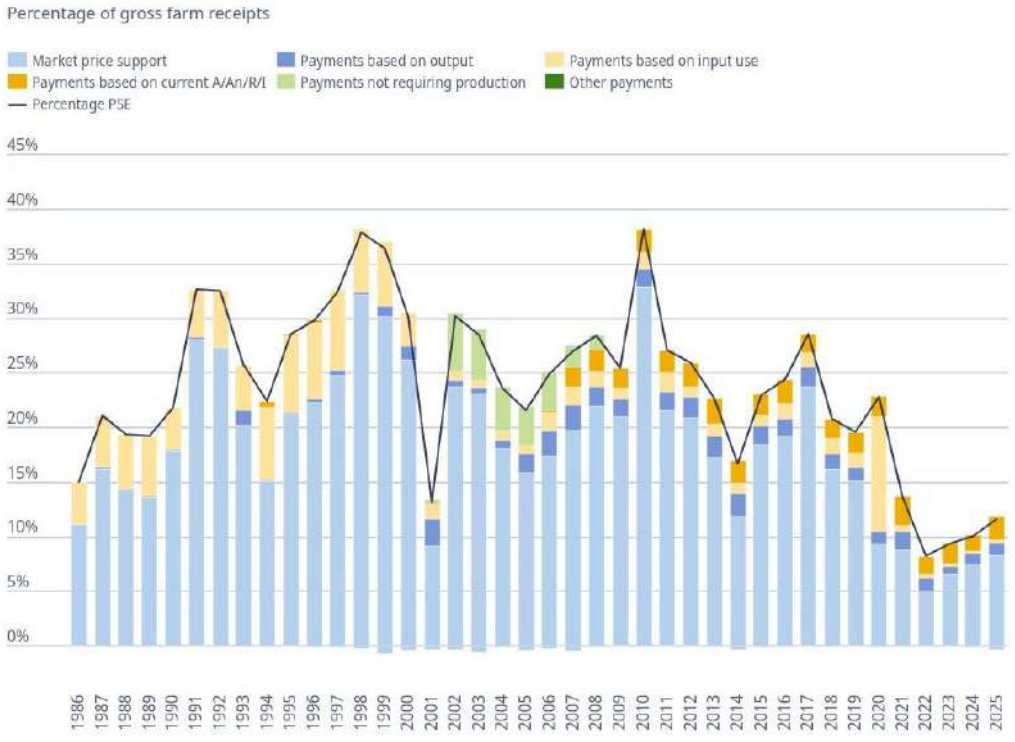
Period	Framework	Changes in agricultural policies
Prior to 1980s	Closed economy (import substitution regime)	High tariffs for border protection Agricultural price controls Input subsidies Import controls by the State Economic Enterprises (SEE) which controlled agricultural marketing and production Agricultural Sales Co-operatives Unions (ASCU) and agricultural member cooperatives (ASC) Agricultural Credit Cooperatives State-owned Agricultural Bank
1980-2010	Gradual reform to liberalise trade but with agricultural protection	Agricultural Reform Implementation Project (ARIP) as a precondition of the World Bank and IMF programmes Privatisation of some SEEs and restructuring of ASCUs Price-fixing by government discontinued for some products but remains for others Gradual reduction of tariffs for some agricultural inputs and outputs Progressively reduced role for ASCUs and ASC Price controls continued Product and input subsidies phased out Introduction of Direct Income Support Compensatory payments to cover the cost of switching from crops in excess supply (e.g. hazelnuts and tobacco) to alternative activities (net imported products) Introduction of agri-environmental policies and cadastral works FTAs signed
2010-2023	Open market economy but with some agricultural protection	Continued use of agricultural tariffs as the primary border protection instrument Export subsidies (phased out at end of 2022 under the WTO Nairobi Decision on Export Competition) Deficiency payments differentiated across agricultural basins Increased infrastructure investment, particularly in irrigation modernisation (closed/piped conveyance systems) Re-establishment of production-linked payments for many products from 2010 Continued IPARD framework (IPARD II 2014-2020; IPARD III adopted 2022, operational 2024) COVID-19 response measures including expanded concessional credit (2020)

Period	Framework	Changes in agricultural policies
2024-present	Comprehensive agricultural policy overhaul	Agricultural production planning introduced for livestock and aquaculture (January 2024) and extended to crops (2025), with strategic crops assigned to designated basins, mandatory crop rotation rules, and penalties for non-compliance New three-pillar crop support model (Basic Support, Planned Production Support, Production Development Support) introduced for 2025-2027, replacing the previous fragmented per-product subsidy system Multi-year livestock support framework (2024-2026) with consolidated unit amounts and basin-conditional top-ups National Water Plan (2026-2035) published March 2026, introducing tiered water pricing, water-efficiency conditionality on agricultural support, and digital groundwater monitoring General Agricultural Census launched July 2025 (first comprehensive census in over a decade) Expanded TARSİM coverage IPARD III Programme operational from 6 April 2024 (EUR 430 million EU contribution, expanded to all 81 provinces)

The PSE has been declining steadily as a percentage of gross farm receipts since the late 1990s, and now is at historic lows. Exchange rate movements and domestic inflation have affected nominal rates of support, but the policy situation is stable when expressed as a share of gross farm receipts (Figure 27.7).

Budgetary payments have grown in importance, starting with the move towards decoupled payments in the early 2000s, and remained significant through successive reforms that changed their basis. Budgetary support jumped in 2020 due to exceptional spending related to COVID-19, mainly for concessional loans and interest concessions, but levels have since returned to the historical trend.

Figure 27.7. Türkiye: Development of the PSE and its composition, 1986 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

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Ministry of Trade (2026), “Gıda Arz Güvenliği ve Fiyat İstikrarına Yönelik Tedbirler [Measures for Food Supply Security and Price Stability]”, *Press statement, 18 March 2026, Ankara*. [2]

WTO (2025), *World Tariff Profiles 2025*, World Trade Organization, Geneva, https://www.wto.org/english/res_e/publications_e/world_tariff_profiles25_e.htm. [1]

28 Ukraine

Main findings

Support to agriculture

For the fourth consecutive year, the Ukrainian agricultural sector has been significantly affected by Russia's war of aggression against Ukraine, with policy responses addressing the ongoing wartime situation. Support to farmers in Ukraine, measured by the Producer Support Estimate (PSE), was volatile over the past three decades, mostly due to fluctuations in Market Price Support (MPS). In recent years, however, PSE fluctuations narrowed around low values, averaging 0.1% of gross farm receipts during 2023-25, well below the OECD average.

Over the past decade, domestic prices for oats, rye, sunflower and milk have been below world reference levels, mainly due to export restrictions for oats, rye and sunflower, while reflecting market-related factors rather than policy intervention in the case of milk. This generates transfers to consumers borne by farmers (negative MPS). In contrast, sugar and pig meat have benefited from tariff protection, resulting in domestic prices higher than world prices and generating transfers to farmers from consumers (MPS). MPS and support for the unconstrained use of variable inputs, including interest-rate subsidies for loans – which represent Ukraine's most production and trade-distorting measures – account for 40% of transfers to farmers in 2023-25. Other forms of budgetary support primarily consist of agricultural tax benefits, complemented by investment grants and targeted payments to small farmers as well as additional support directed to farmers operating in areas impacted by the war.

Support for general services (General Service Support Estimate, GSSE) has historically been below the average of the countries covered in this report, accounting for 0.8% of the value of agricultural production in 2023-25. Most of this support is allocated to inspection and control, which has increased relative to the value of production in recent years. Yet, public spending on agricultural knowledge and innovation system has declined by more than half relative to the sector's size, making it one of the lowest across all countries in this report. Expenditure on infrastructure has been relatively stable in absolute terms, with its share dropping to near zero in recent years. Overall, total support to the sector as a percentage of Gross Domestic Product (GDP), has fallen to 0.2% for 2023-25, compared to 0.4% twenty years ago.

Key policy changes in 2025-26

Ukraine undertook a major institutional restructuring in 2025 by merging three ministries to create the Ministry of Economy, Environment and Agriculture, while simultaneously accelerating efforts to meet the requirements for accession to the European Union. The country advanced EU-aligned reforms by renovating its agricultural support framework, redefining support concepts and establishing a paying-agency model with stronger monitoring and transparency. Ukraine also strengthened policy digitalisation via the State Agrarian Register as the mandatory entry point for support. In parallel, EU systems for farm-level data collection (FSDN) and for managing, monitoring, and controlling agricultural payments (IACS) are being progressively integrated.

Agricultural land demining capacity – in response to explosive-ordnance contamination caused by the war – expanded substantially in 2025. This has been supported by an increase in certified operators, the scaling-up of market-based demining through the fully electronic public procurement platform, updated compensation rules, and the launch of the GRIT digital platform to co-ordinate and monitor clearance activities.

Trade policy advanced significantly through the entry into force of the upgraded EU-Ukraine trade agreement in October 2025. The signing of a modernised Ukraine-EFTA free trade agreement in April 2025 foresees a further expansion of market access for Ukrainian agro-food products.

Assessment and recommendations

- Maximise gains from expanded market access by prioritising investment in transport, storage, and export infrastructure. While deeper integration with EU and EFTA markets creates major opportunities for Ukraine's agricultural sector, their full benefits depend on restoring reliable logistics. Scaling up domestic and international financing to rebuild critical infrastructure will be essential to ensure farmers can efficiently access markets and fully capitalise on export potential.
- Complement investments in logistics by strengthening compliance capacity to meet EU and other high-value market standards. Enabling farmers to benefit from expanded market access will require scaling up inspection and control systems, traceability, and quality assurance, alongside expanded advisory services and improved access to finance to support on-farm upgrades and compliance.
- Strengthen the efficiency and predictability of trade flows by reducing reliance on export restrictions, diversifying trade partnerships, and gradually reducing domestic protection in sectors such as sugar and pork. Reducing over-reliance on a limited number of markets can strengthen resilience to external shocks, while closer alignment with international market conditions can enhance producers' competitiveness.
- Use the suspension of traditional support programmes as an opportunity to shift towards a more productive, sustainable and resilient agricultural sector. Efforts should focus on enabling producers to operate in a low-support environment by pursuing trade opportunities and strengthening key enablers such as market intelligence, weather information, and risk-management finance. As resources become available, priority should be given to investments in sustainable productivity growth, particularly innovation and knowledge transfer, guided by the recently adopted Strategy for the Development of Agriculture and Rural Areas in Ukraine until 2030 to ensure clear prioritisation, synergies, and effective monitoring.
- Ensure that digitalisation and governance reforms are effectively prioritised and sequenced to support broader sector transformation goals. While Ukraine is making important progress in strengthening the institutional governance of agricultural support and advancing policy digitalisation – "no regret" reforms that improve policy efficiency, transparency, and administrative effectiveness – these efforts should remain aligned with sectoral challenges and not divert attention from other pressing priorities and broader long-term policy objectives beyond alignment with the EU's Common Agricultural Policy. Careful sequencing and prioritisation of no-regret reforms and investments, guided by key strategic objectives of the recently adopted Strategy until 2030, will help ensure balanced and holistic sector development.

Key indicators on agricultural support

Figure 28.1. Ukraine: Development of support to agriculture

Figure 28.1A. Ukraine: Producer Support Estimate and its composition

Percentage of gross farm receipts

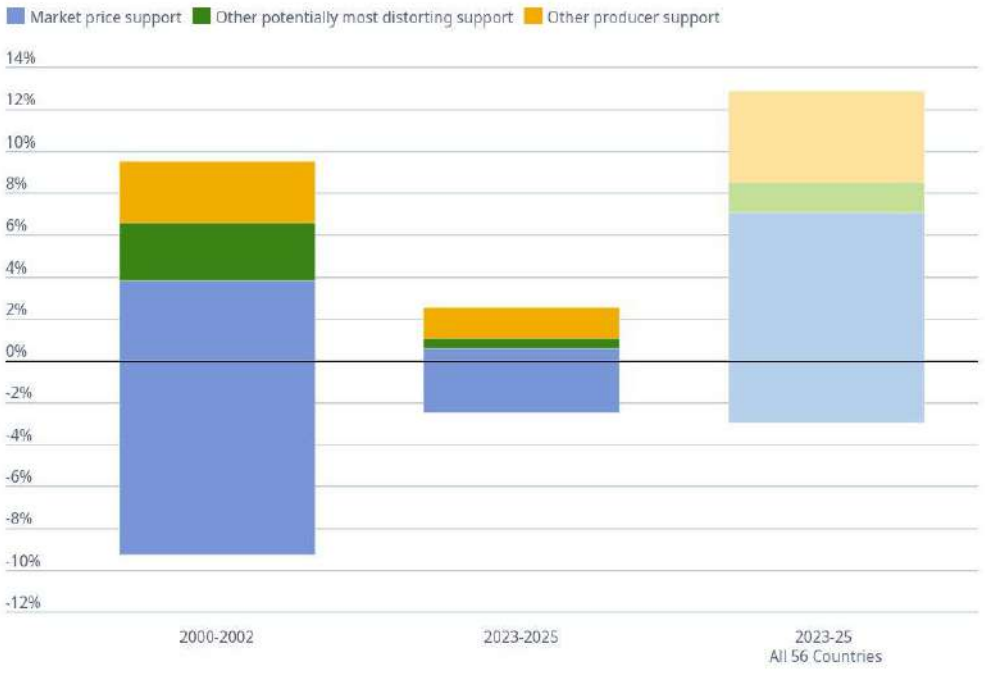


Figure 28.1B. Ukraine: Ratio of producer to border price

Producer NPC

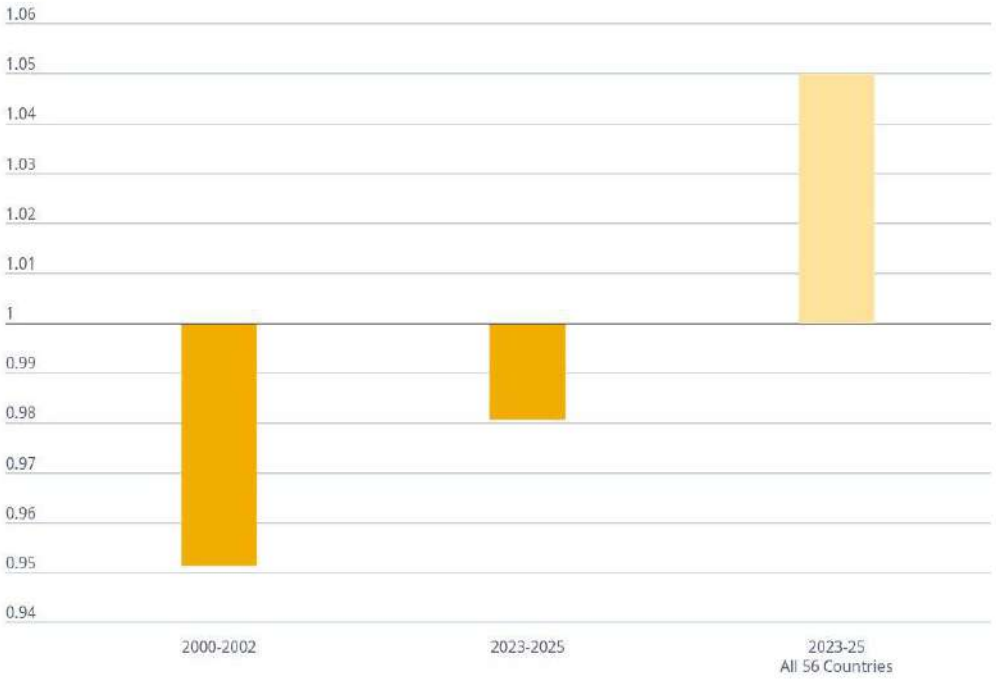


Figure 28.1C. Ukraine: General Services Support Estimate and its composition

Relative to agricultural value of production

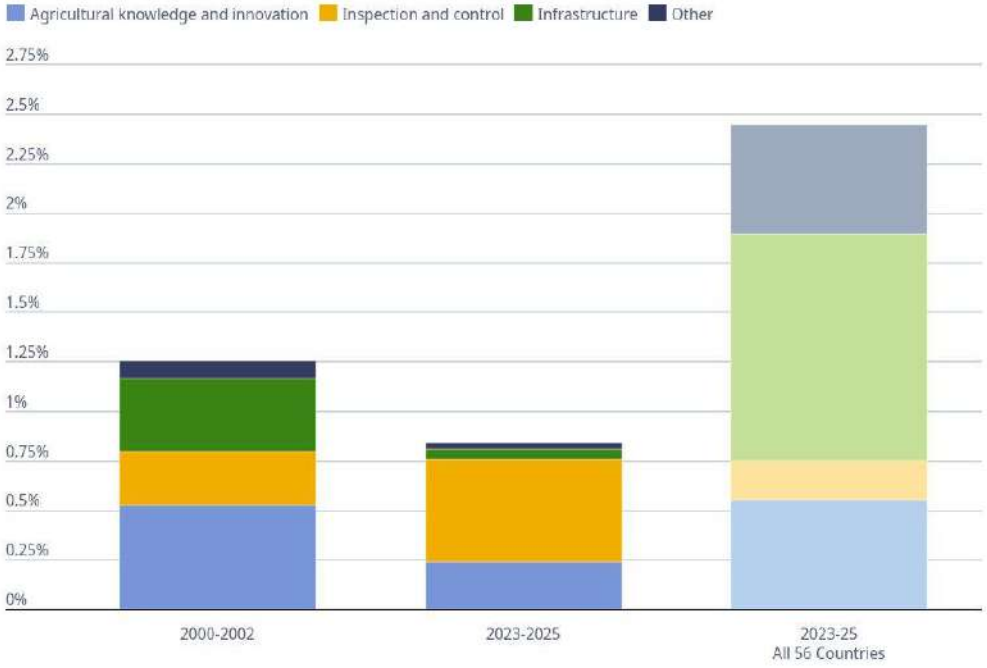
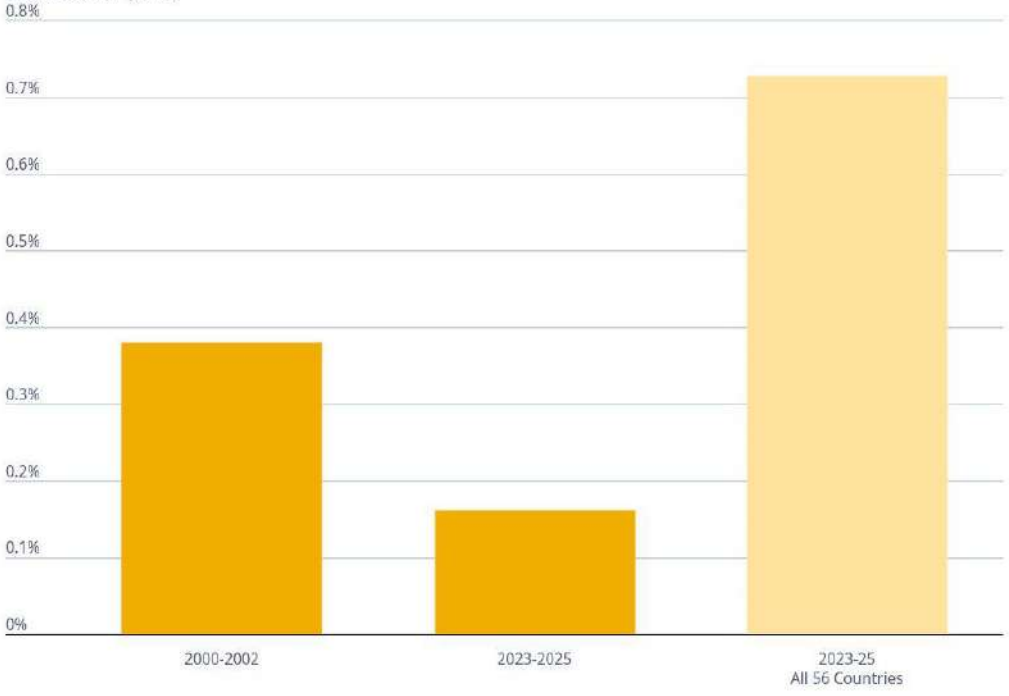


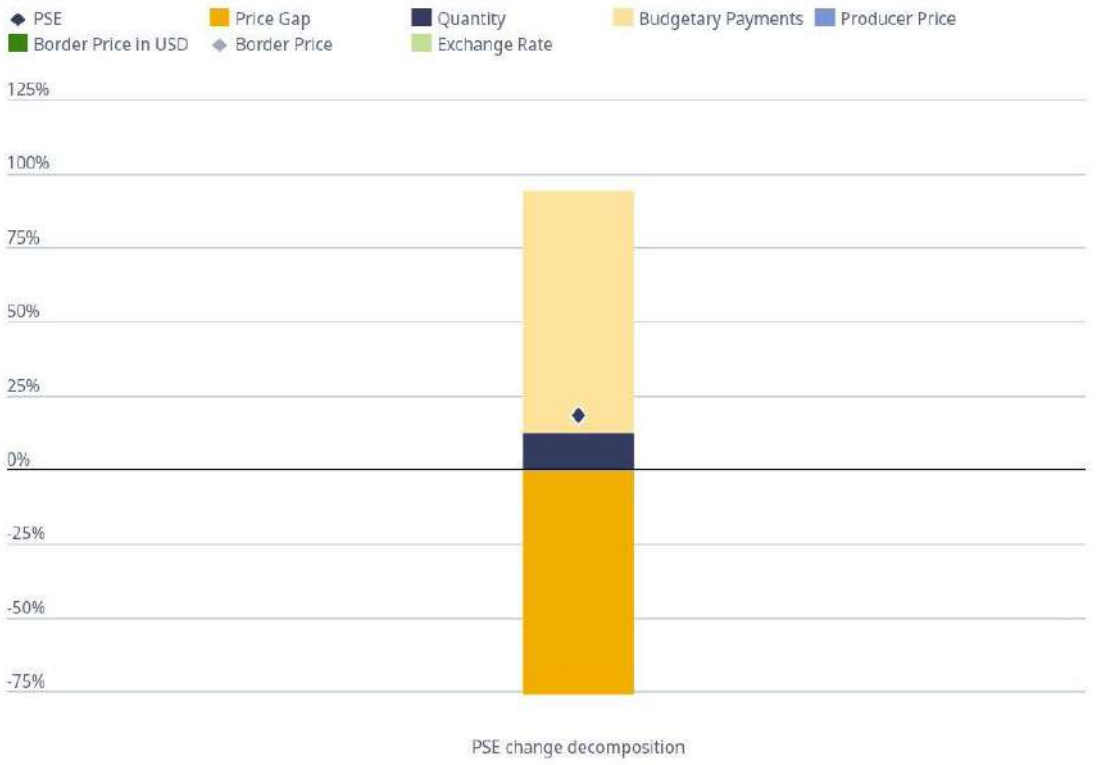
Figure 28.1D. Ukraine: Total Support Estimate

Relative to GDP (%TSE)



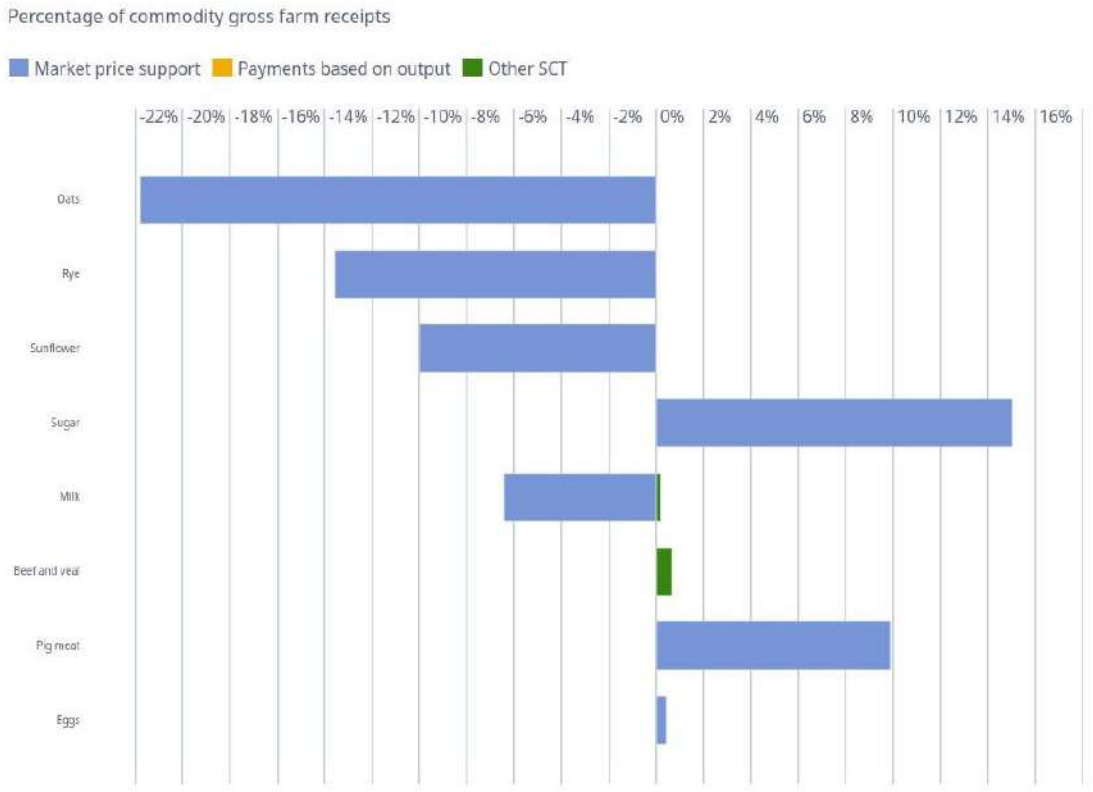
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 28.2. Ukraine: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency. The change in Producer Support Estimate (PSE) is not decomposed when PSE is negative for the current and/or previous year. The producer price change and the border price change are not calculated when both negative and positive market price support (MPS) occur at the commodity level for the previous year. Note that negative MPS estimates for livestock products may arise in cases of aligned product prices if there is positive MPS for feed commodities.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 28.3. Ukraine: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Table 28.1. Ukraine: Estimates of support to agriculture

Million USD

	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**9 619**	**33 404**	**32 333**	**32 298**	**35 583**
of which: share of MPS commodities (%)	86.77	79.31	76.78	79.32	81.82
Total value of consumption (at farm gate)	**8 841**	**23 177**	**21 872**	**23 835**	**23 822**
Producer Support Estimate (PSE)	**23**	**21**	**-377**	**205**	**234**
Support based on commodity output	-444	-649	-670	-586	-690
Market price support[1]	-560	-649	-670	-586	-690
Positive market price support	388	196	255	93	240
Negative market price support	-948	-845	-925	-680	-929
Payments based on output	116	0	0	0	0
Payments based on input use	203	195	214	168	203
Based on variable input use	169	163	196	133	161
with input constraints	0	0	0	0	0
Based on fixed capital formation	31	31	18	34	42
with input constraints	0	0	0	0	0
Based on on-farm services	2	1	0	1	1
with input constraints	0	0	0	0	0
Payments based on current A/An/R/I, production required	265	474	78	624	720
Based on Receipts / Income	265	409	78	504	645
Based on Area planted / Animal numbers	0	65	0	120	75
with input constraints	0	33	0	70	30
Payments based on non-current A/An/R/I, production required	0	0	0	0	0
Payments based on non-current A/An/R/I, production not required	0	0	0	0	0
With variable payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
With fixed payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
Payments based on non-commodity criteria	0	0	0	0	0
Based on long-term resource retirement	0	0	0	0	0
Based on a specific non-commodity output	0	0	0	0	0
Based on other non-commodity criteria	0	0	0	0	0
Miscellaneous payments	0	0	0	0	0
Percentage PSE (%)	**0.25**	**0.10**	**-1.16**	**0.62**	**0.64**
Producer NPC (coeff.)	**0.95**	**0.98**	**0.98**	**0.98**	**0.98**
Producer NAC (coeff.)	**1.00**	**1.00**	**0.99**	**1.01**	**1.01**
General Services Support Estimate (GSSE)	**121**	**280**	**257**	**292**	**290**
Agricultural knowledge and innovation system	51	80	71	84	84
Inspection and control	26	172	153	182	180
Development and maintenance of infrastructure	36	19	24	16	17
Marketing and promotion	1	-0	0	0	0
Cost of public stockholding	1	0	0	0	0
Miscellaneous	7	9	9	10	9
Percentage GSSE (% of TSE)	**82.48**	**88.82**	**.**	**58.78**	**55.33**
Consumer Support Estimate (CSE)	**408**	**685**	**637**	**683**	**734**
Transfers to producers from consumers	501	665	662	593	741
Other transfers from consumers	-38	28	-5	98	-7
Transfers to consumers from taxpayers	-0	-0	0	0	0
Excess feed cost	-55	-9	-19	-7	0
Percentage CSE (%)	**4.59**	**2.96**	**2.91**	**2.87**	**3.08**
Consumer NPC (coeff.)	**0.95**	**0.97**	**0.97**	**0.97**	**0.97**
Consumer NAC (coeff.)	**0.96**	**0.97**	**0.97**	**0.97**	**0.97**
Total Support Estimate (TSE)	**144**	**300**	**-120**	**497**	**523**
Transfers from consumers	-464	-694	-657	-691	-734
Transfers from taxpayers	646	966	542	1 090	1 265
Budget revenues	-38	28	-5	98	-7
Percentage TSE (% of GDP)	**0.38**	**0.16**	**-0.07**	**0.26**	**0.25**
Total Budgetary Support Estimate (TBSE)	**705**	**949**	**550**	**1 084**	**1 213**
Percentage TBSE (% of GDP)	**1.83**	**0.50**	**0.30**	**0.57**	**0.58**
GDP deflator (2000-02 = 100)	**100**	**3 598**	**3 167**	**3 556**	**4 071**
Exchange rate (national currency per USD)	**5.38**	**39.47**	**36.57**	**40.15**	**41.69**

.. Not available

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.

1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for Ukraine are: wheat, maize, rye, barley, oats, sunflower, sugar, potatoes, milk, beef and veal, pig meat, poultry and eggs.

Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

Main policy instruments

The agricultural sector in Ukraine receives support through agricultural taxation arrangements, budgetary allocations, market regulations, and trade policies. The current policy framework is outlined in the Strategy for the Development of Agriculture and Rural Areas in Ukraine until 2030, introduced in November 2024, together with its corresponding Operational Plan of Measures for Implementation in 2025-2027.

Tax concessions to agricultural producers

Agricultural producers are eligible for the Single Tax Regime, a flat rate tax of 0.95% of the normative value of farmland, introduced in 1995 and subsequently adjusted based on the general consumer price index. This Single Tax regroups and replaces several previous taxes, including the profit tax, the land tax for land used in agricultural production, and the special water-use fee. This reduces the overall tax burden for eligible farmers, namely those whose agricultural production accounts for at least 75% of their total output. Additionally, a minimum tax liability regime, introduced in 2022, requires that producers' and landowners' combined tax and social security payments amount to at least 5% of the normative land value annually.

Budgetary support

Budgetary support for agriculture includes partial compensation for agricultural machinery and equipment costs (reimbursement of eligible purchase expenditures), matching grants (investment co-financing), interest rate subsidies and loan guarantees, along with area- and animal-based payments granted under specific conditions. The composition of support measures varies across agricultural sub-sectors:

- The livestock sector receives support through grants for smallholders, reimbursements for the construction and reconstruction of animal farms and buildings, and per-head payments for cows to agricultural enterprises and for young cattle to rural households. Livestock producers are also eligible for partial compensation for the purchase of breeding animals, semen, and embryos, except in 2025, when this programme was temporarily suspended.
- The crop sector benefits from grants for smallholders, subsidies for cultivated land located in warfare-affected zones, and reimbursements for on-farm investments in domestically produced machinery.
- Processing facilities, as well as newly established vineyards, horticultural operations and greenhouses can access dedicated matching-grant schemes, which were recently extended to cotton production.
- Across all sectors, producers may also access two major financing programmes: interest-rate compensation provided under the "*Affordable 5-7-9"* programme (which offers loans at preferential interest rates of 5%, 7% or 9% depending on borrower characteristics and loan conditions), and partial credit guarantees provided through the Partial Credit Guarantee Fund (PCGF).
- New programmes have emerged in response to the war, including cost-sharing for irrigation rehabilitation, the wartime smallholder subsidy programme based on land area and livestock numbers, and targeted support for farmers located in warfare-affected areas.

In addition, several policy measures have been implemented to clear agricultural lands of unexploded ordnance resulting from the war, which has rendered large areas unsafe for cultivation and poses significant risks to local populations, with approximately 132 000 square kilometres estimated to be contaminated as of February 2026. These measures include developing a market for agricultural land demining services, whereby the government covers the demining costs for private service providers participating in public auctions. Another programme reimburses up to 80% of the demining costs directly

incurred by farmers who decide to clear their own plots. The National Mine Action Authority, supported by international partners, coordinates these efforts under the Action Plan for the demining of agricultural land, launched in 2023.

Consumer support measures

Since the start of the full-scale invasion, the Ukrainian Government has capped retail markups at 10% for a range of socially significant products, including wheat flour, pasteurised milk, bread, chicken eggs, poultry, and refined sunflower oil, excluding organic products. In addition, a maximum payment term of 10 days has been introduced for these and several other selected domestically produced goods to improve liquidity for commodity producers.

Sustainability and climate policies

Ukraine's National Energy and Climate Plan (NECP) for 2030 includes a target to reduce GHG emissions by 65% compared to 1990 levels, raise the share of renewable energy to at least 27% of gross final energy consumption, and diversify energy sources. In addition, the National Climate Strategy approved in 2024 aims to promote low carbon development, renewable energy expansion, and climate-resilient food production by 2035.

Agricultural land market regulations

Since 1 January 2024, individual Ukrainian citizens and eligible Ukrainian legal entities may acquire up to 10 000 hectares of agricultural land. Private land (37 million ha or 87% of total farmland) can be both sold or leased independently, whereas communal land (12%) and state land (1%) may only be leased through auctions on the electronic public procurement platform "Prozorro.Sales", which is intended to ensure a fair lease price. Foreigners currently do not have the right to acquire ownership of agricultural land in Ukraine.

Trade policies

Import tariffs are in place for most agricultural products, with applied Most Favoured Nation (MFN) tariffs for agricultural products averaging 9.1%, above the average for non-agricultural products of 3.6% (WTO, 2025[1]). Most import tariffs are ad valorem, with the exception of raw cane sugar, which has a global tariff rate quota. Since there is usually excess sugar supply in the Ukrainian market, this quota has only been used in 2011 and 2021. Export duties are applied to some oilseeds, live animals, and raw hides (WTO, 2024[2]). Government-defined minimum export prices apply to major exported products such as grains (including wheat, maize, barley, oats and rye) and oilseeds (sunflower, soybean and rapeseed).

To boost its export volumes and diversify its trade, Ukraine has expanded its network of regional trade agreements (RTAs) since 1995 and is now a party to 19 such agreements. While the initial partners of its RTAs in the 1990s were primarily countries from the region (Eastern Europe, South Caucasus, and Central Asia), more recent agreements have included members of the European Free Trade Association (EFTA) in 2012, the European Union and Canada in 2017, and Israel and the United Kingdom in 2021 (WTO, 2024[2]).

Under its Free Trade Agreements (FTAs), Ukraine provides preferential tariff treatment to agricultural products that meet origin requirements, with applied tariff rates being significantly lower than the Most Favoured Nation tariff rate for most agricultural goods. Ukraine offers preferential market access through tariff quotas with duty-free in-quota rates in its FTAs with Canada, the European Union, and North Macedonia (WTO, 2024[2]).

Following the application of the Deep and Comprehensive Free Trade Area (DCFTA) with the European Union in January 2016, Ukraine's trade relations shifted significantly. Russia subsequently suspended the

Commonwealth of Independent States (CIS) free trade agreement with Ukraine, and imposed a ban on imports of Ukrainian agro-food products. In response, Ukraine implemented a ban on imports from Russia. This ban now covers 46 agricultural product groups, including meat and meat by-products, fish, milk and dairy products, tea, coffee, grain, baby foods, beer, vodka and cigarettes. Ukraine had also abolished zero import duty rates for goods from Russia. Both measures remained in place through the end of 2026.

Some restrictions on exports are made through mechanisms such as bans, quotas, minimum export prices and licensing mechanisms for specific products. For example, to prevent shortages in domestic markets during crises like the COVID-19 pandemic and the ongoing war, the government implemented temporary bans on exports of several agricultural products (e.g. buckwheat between April and July 2020, and live bovine animals, beef, rye, oats, and millet in 2023). Additionally, export quotas were imposed on certain goods, such as sugar from July to September 2023, and export licensing requirements were enforced for products including cattle, beef, chicken, eggs, rye, buckwheat, wheat, millet, maize, sugar, and sunflower oil throughout 2023 (WTO, 2024[2]).

In addition, annual memoranda of understanding between the government and key stakeholders in the grains markets outline maximum export volumes. Although they are not binding, these agreements aim to prevent the introduction of export restrictions, ensure food security, and provide stability and predictability for market participants (WTO, 2024[2]).

Recent policy developments

Domestic policy developments in 2025-26

Three overlapping priorities

In 2025, agricultural policy in Ukraine was shaped by three overlapping priorities: advancing EU integration, maintaining wartime support for producers, and adapting to institutional restructuring. The government merged the Ministry of Agrarian Policy and Food with the Ministries of Economy and Environment to establish the Ministry of Economy, Environment and Agriculture (MEEA). At the same time, Ukraine intensified its EU-accession efforts, with the Ministry leading legislative screenings between June and September 2025 for Chapter 11 (Agriculture and Rural Development) and Chapter 12 (Food Safety, Veterinary and Phytosanitary Policy) of the *EU acquis communautaire* under the EU accession negotiating framework.

Budgetary support

From 2025, registration in the State Agrarian Register (SAR) became compulsory for most agricultural support programmes. The SAR functions as Ukraine's unified digital platform for administering agricultural support and improving the transparency, targeting and monitoring of beneficiaries.

The subsidy programme for cultivated land in warfare zones, supporting more than 3 000 crop farmers across eight frontline and borderline regions, was simplified. The previous two-tier system was replaced with a single flat payment of UAH 1 000 (USD 25) per hectare for both active and potential warfare areas.

The matching-grant programme for horticulture and greenhouse development was suspended in April 2025 due to budget shortages, with the intention to resume the programme in 2026 with renewed funding. A new area-based subsidy for cotton production was also launched in 2025, providing UAH 10 000 (USD 250) per hectare. The subsidy for cow breeding and livestock farm reconstruction was partially revived in 2025 through a new capital-cost compensation mechanism providing 25% reimbursement for the construction and renovation of livestock facilities, although uptake remained limited due to the late launch and funding uncertainties.

The Affordable Loans 5-7-9% programme's working-capital financing component was extended through March 2027 to help maintain liquidity in the sector. Complementing these measures, the Partial Credit Guarantee Fund targeting farms under 500 ha was expanded in 2025, increasing its guarantee coverage from 50% to 80% of loan amounts and extending eligibility to family farms.

In response to the 2025 vegetable price spike, the government expanded matching grants for the construction of fruit and vegetable cold storage facilities. For 2026, co-financing is set up to 30% of costs (50% in warfare areas), with the aim of reducing the estimated 340 000 tonne storage gap, defined as the difference between estimated needs and actual storage capacity. Also in 2026, the government expanded irrigation support: for the first time, Water User Organizations now have access to sprinkler-irrigation cost-sharing funds. The government also adopted a long-term irrigation strategy to 2050 to address water shortages in rain-fed agriculture.

Demining of agricultural land

Public efforts in demining was significantly expanded in 2025, including a sharp increase in certified mine-action operators; a major upscaling of the market-based agricultural demining programme via government procurement Prozorro auctions; substantial new government funding for reimbursement of humanitarian demining; continued major clearance efforts by Ministry of Defence units; major new international financial commitments; and the launch in December 2025 of the GRIT national digital platform to support data-driven planning, prioritisation, and monitoring of demining activities through integrated datasets and digital land-mapping technologies.

Compensation rules for the demining of agricultural land were revised in 2025 to broaden eligible beneficiaries and tighten ineligibility criteria. At the same time, new procedures were introduced for analysing soil after explosive-ordnance clearance to ensure safe agricultural reuse and a formalised process was established to assess lands receiving local tax benefits due to explosive-ordnance contamination risks, including rules for documentation, territorial limitations, and appeal mechanisms.

Institutional and legislative changes

Ukraine has been reforming its agricultural support framework through a new law that redefined:

- state-support concepts (e.g. paying agency, active producer, risky farming zone)
- support instruments (e.g. investments, co-operation, credit tools)
- governance, by introducing a paying-agency model with enhanced monitoring, sanctions, and data transparency.

The state also advanced digitalisation of agricultural policy by establishing the State Agrarian Register (SAR) as the mandatory entry point for support. In parallel, it initiated the phased integration of EU systems for farm-level sustainability data collection (FSDN) and for managing, monitoring, and controlling agricultural payments (IACS).

The e-Beekeeping service of the MEEA was launched in 2025 to improve co-ordination between farmers and beekeepers during vegetation and plant-protection-product application periods. In the same year, industrial hemp production was simplified through a shift to a declaration-based system, allowing producers to operate without prior authorisation.

Agri-environmental policies

In 2025, Monitoring, Reporting and Verification (MRV) processes for climate policy action were restarted, and an Operational Plan was approved to mandate the development of climate-adaptation action plans

across multiple sectors – such as water management, biodiversity, forestry, and agriculture and soils – which may indirectly influence agricultural land use.

Ukraine submitted its Second Nationally Determined Contribution (NDC) to the Paris Agreement in October 2025 – setting a 2035 emissions-reduction target of more than 65% below 1990 levels. It also adopted an Emissions Trading System Action Plan, initiating alignment with the corresponding EU Directive and extending potential compliance requirements to large agri-industrial processors.

Trade policy developments in 2025-26

Over 2025-26, Ukraine adjusted its trade policy in response to evolving market conditions and its deepening trade integration with the EU, combining export restrictions with gradual liberalisation. At the end of 2025, Ukraine extended export licensing requirements for wheat, corn, rapeseed and sunflower seeds to five neighbouring EU countries (Bulgaria, Romania, Slovakia, Hungary and Poland) and introduced a new quota for sugar exported to EU countries. In addition, the Export Support Mechanism, which conditions exports on VAT registration and minimum export prices, was prolonged in 2025. That same year, due to higher harvests and lower early-season exports, the government refrained from signing its usual non-binding memorandum with grain traders for the first time since 2011, a document that typically outlines indicative export limits to support food security and market stability.

A new 10% export tariff on rapeseed and soybeans was introduced in 2025 for non-producer exporters, with a gradual reduction scheduled from 2030 onward, while the long-standing export duty on sunflower seeds – set at 10% since 1999 –has been set at 0% for exports to EU countries from 2026 (but remain unchanged for other destinations). A dedicated export quota for sugar intended exclusively for shipments to EU Member States was introduced in 2026.

In 2025, Ukraine moved through three different trade regimes with the EU: the EU's less restrictive autonomous trade measures (ATMs), in place since 2022, ended in June 2025 when pre-war tariff-rate quotas where temporarily reinstated; the upgraded trade agreement then entered into force in October 2025 and expanded market access.

In April 2025, Ukraine and the EFTA countries signed a modernised version of their 2012 free trade agreement, expanding market access and reducing import restrictions in both directions. This includes the elimination of certain tariffs and increases in quotas for a wide range of Ukrainian agri-food product, including grains, poultry meat, sugar and eggs. EFTA countries will also benefit from improved market access for some of their agricultural products such as cheese, yoghurt and chocolate, while geographical indications for agricultural products will be better recognised between the trade partners.

Policy context

Key economic and agricultural statistics

Agriculture plays a substantial role in the Ukrainian economy, in large part because Ukraine has a relatively large area of fertile arable land. The importance of agriculture in the economy has declined over time but remains a key sector representing 7.1% of the GDP, 14.1% of employment, and almost 60% of total exports in 2024 (Table 28.2).

Ukraine's economy recorded growth of 2.9% in 2024 (Figure 28.3), although Ukraine's GDP remains below pre-war levels. GDP growth is expected to have slowed in 2025, reflecting a widening trade deficit – driven by weak agri-food and mineral exports and a sharp increase in industrial imports – along with higher budget spending on defence, security and social protection as well as disruptions to local value chains, linked to damage to energy infrastructure. At the same time, a decline in annual inflation to 6.8% in 2024 was achieved through monetary policy measures and a limited depreciation of the hryvnia against the US dollar.

Inflation is expected to have increased in 2025 amid a widening budget deficit and cost shocks. Meanwhile, substantial external financial support, including a EUR 90 billion EU package and an IMF Extended Fund Facility of USD 8.1 billion, contributed to cushioning macroeconomic shocks and rebuilding reserves.

Weather conditions in 2025 were not very favourable for agricultural production in Ukraine. While climatic conditions during the winter and spring were mild for winter crops formation, a severe summer drought reduced harvest of spring crops such as corn, sunflower and soybeans. In particular, sunflower yields reached a 10-year low. Moreover, a cold and rainy autumn delayed the harvesting of spring crops and led to a deterioration in their quality.

Table 28.2. Ukraine: Contextual indicators

	Ukraine		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	210	657	0.5%	0.4%
Population (million)	50	38	1.1%	0.7%
Land area (thousand km^2)	579	579	0.7%	0.7%
Agricultural area (AA) (thousand ha)	41 406	41 311	1.4%	1.4%
			All countries[1]	
Population density (inhabitants/km^2)	86	65	52	64
GDP per capita (USD in PPPs)	4 228	18 550	9 508	31 740
Trade as % of GDP	44.1	29.4	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	14.0	7.1	3.0	3.6
Agriculture share in employment (%)	18.3	14.1	-	-
Agro-food exports (% of total exports)	10.1	59.3	6.4	8.3
Agro-food imports (% of total imports)	6.1	9.4	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	59.3	76.9	62.1	60.4
Livestock in total agricultural production (%)	40.7	23.1	37.9	39.6
Share of arable land in AA (%)	78.6	79.7	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

Figure 28.4. Ukraine: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

Ukraine is among the world's leading exporters of agricultural commodities, in particular grain products (wheat, barley and maize) and vegetable oils (rapeseed and sunflower). Exports of agro-food products grew steadily from 2015 to 2021, reaching a high of USD 26.7 billion before the war (Figure 28.4). Following Russia's full-scale invasion of Ukraine, exports declined in 2022 and 2023, but subsequently recovered to USD 24.7 billion in 2024, supported by the full restoration of deep-water port operations in the Odesa region. Most agro-food exports are primary and processed products used by industry. European Union countries remain the primary destination for Ukrainian exports, accounting for around half of total agro-food exports in 2025.

Figure 28.5. Ukraine: Agro-food trade

Figure 28.5A. Ukraine: Agro-food trade 2000 to 2024

Billion USD



Figure 28.5B. Ukraine: Composition of Agro-food trade, 2024

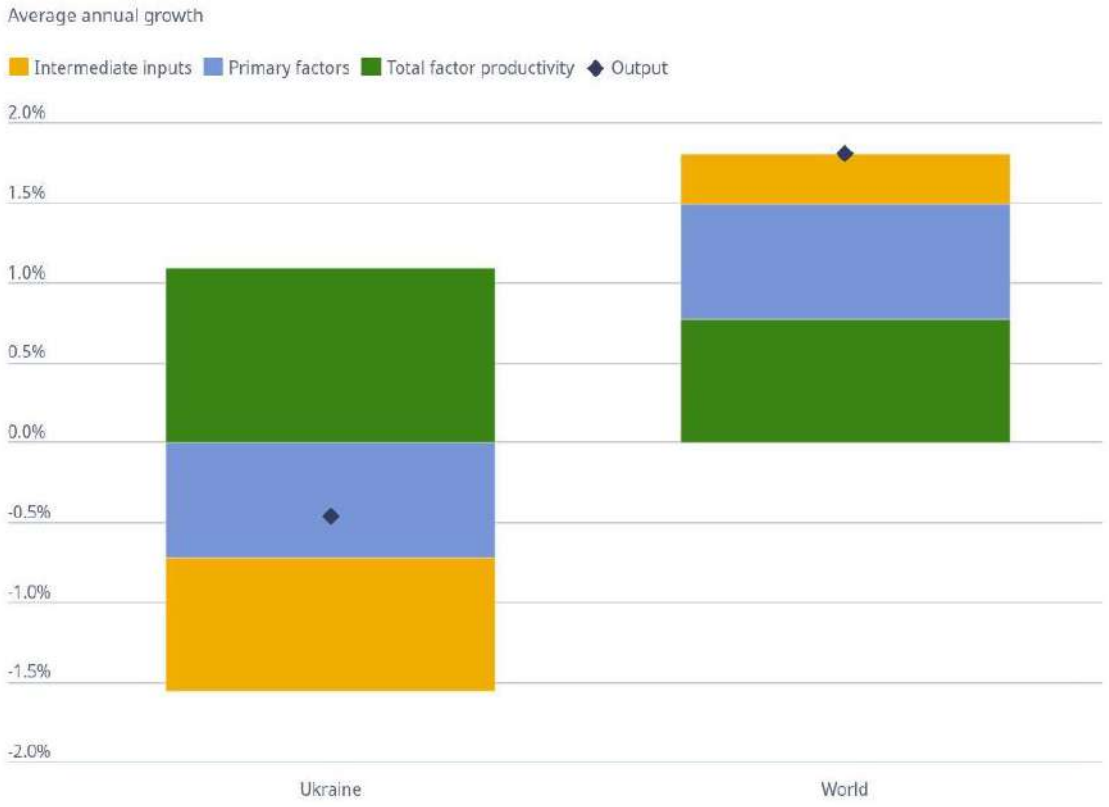
Percentage



Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Ukraine's total factor productivity (TFP) has improved significantly, rising from negative levels in the 1990s to a positive growth rate of 1.1% over the period 2014-23, exceeding the global average (Figure 28.5). Over the same period, the use of intermediate inputs and primary factors continued to decline. As a result, overall output growth remained slightly negative, at around -0.5%, and well below the global average.

Figure 28.6. Ukraine: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Although agriculture's contribution to the Ukrainian economy has declined, its share of national GHG emissions increased from 8.3% in 1991-2000 to 14.2% in 2014-23 (Table 28.3). Over the same period, the nitrogen balance per hectare dropped sharply to levels far below the OECD average (6.8 kg/ha), likely due to the war's impact on fertiliser availability and prices. The phosphorus balance became negative (-3.6 kg/ha), raising concerns about the long-term sustainability of soil fertility. Since the onset of the war, soil health has become a critical challenge, with large areas of agricultural land rendered unusable due to contamination from chemicals and landmines.

Table 28.3. Ukraine: Productivity and environmental indicators

	Ukraine		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	-0.3%	1.1%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	23.9	6.8	32.3	29.0
Phosphorus balance, kg/ha	2.6	-3.6	3.3	2.3
Agriculture share of total energy use (%)	2.1	4.3	1.7	2.0
Agriculture share of GHG emissions (%)	8.3	14.2	8.7	10.3
Share of irrigated land in AA (%)	1.3	0.2	-	-
Share of agriculture in water abstractions (%)	36.8	28.4	46.1	47.7
Water stress indicator	..	..	..	..

Note: * or closest available year.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Prior to the 1990s, Ukraine's economy, including agriculture, was centrally planned as part of the Soviet Union. The state administered prices and state enterprises controlled the production and marketing of agricultural inputs and outputs as well as the processing and distribution of food. The first reforms initiating a transition towards a market-based economy began at the end of the 1980s. A limited right to private production was established for land leased from collective farms or individuals, enabling the establishment of private family farms (von Cramon-Taubadel et al., 2008[3]).

However, Ukraine went through an economic crisis in the early 1990s, involving significant economic contraction and inflation that impacted the agricultural sector and resulted in substantial reductions in agricultural output and productivity. Consequently, several trade and price liberalisation policy reforms were reversed in the mid-1990s. Renewed reforms in agribusiness privatisation and collective farm restructuring intensified only after macroeconomic stabilisation in the 2000s (OECD/The World Bank, 2004[4]). While prior to the 1990s, the state owned all land,[1] today about three-quarters of agricultural land is private property (StateGeoCadastre, 2017[5]).[2]

In 2005, the State Agrarian Fund was established as a state-owned public joint stock company (reorganised in 2013). Its initial mandate was to regulate grain prices through intervention purchases, to store grain in state-owned silos and sell it to bakeries to guarantee bread prices, and to provide loans to grain producers. The fund progressively became involved in other activities, such as state purchases and sales of a broad range of agricultural and food products; forward contracts; flour processing and wholesaling; and sales of fuel and mineral fertilisers to producers (OECD, 2015[6]). Starting in 2016, no state funds were allocated to the Agrarian Fund for the purchase of grain, and since 2020 the activities of the Agrarian Fund are excluded from the law that provides support to agriculture. In 2023, the Agrarian Fund was transferred from the Ministry of Agrarian Policy and Food of Ukraine to the State Property Fund.

Prior to the large-scale military aggression of Russia, two key events helped shape agricultural policies today in Ukraine. First, in 2008, Ukraine became a member of the WTO, setting its agricultural bound tariffs at an average of 10.8%, expanding its export opportunities, and contributing to changes in the system of state support for agriculture. Second, in 2014, the European Union and Ukraine signed the Deep and Comprehensive Free Trade Area (DCFTA) as part of their Association Agreement. The DCFTA formally entered into force in September 2017 and involves tariff reductions and duty-free import quotas to facilitate trade between Ukraine and the European Union, including in agricultural and food products.

Other free trade agreements (FTAs) in which Ukraine is engaged include the FTA with the European Free Trade Association (EFTA), in force since June 2012; the multilateral FTA with the Commonwealth of Independent States (CIS), in force since August 2012; bilateral agreements with all CIS members; and the Canada-Ukraine FTA, in force since August 2017.[3] FTAs with Israel and the United Kingdom entered into force in January 2021. In February 2022, Ukraine and Türkiye signed a new FTA that is expected to enter into force in 2024. Since 2022, Ukraine has initiated the withdrawal from several CIS agreements, encompassing economic co-operation, trade, customs, among others.

From 1999 to 2016, the state provided significant support based on an agriculture-specific VAT regime. Agricultural producers accumulated in special bank accounts the VAT due on their primary and processed products. The accumulated funds could be used by farmers to cover VAT on purchased inputs, with the residual available for any other production purpose. From 2014 to 2016, this mechanism provided 90% of total state support. In 2017, the *Development Subsidy* partially replaced this source of support, before the support was phased out altogether in 2018. Other domestic policy measures notably comprised input subsidies, tax concessions, price controls, import tariffs, non-tariff trade regulation, minimum purchase prices, direct state purchases, and preferential loans (Table 28.2).

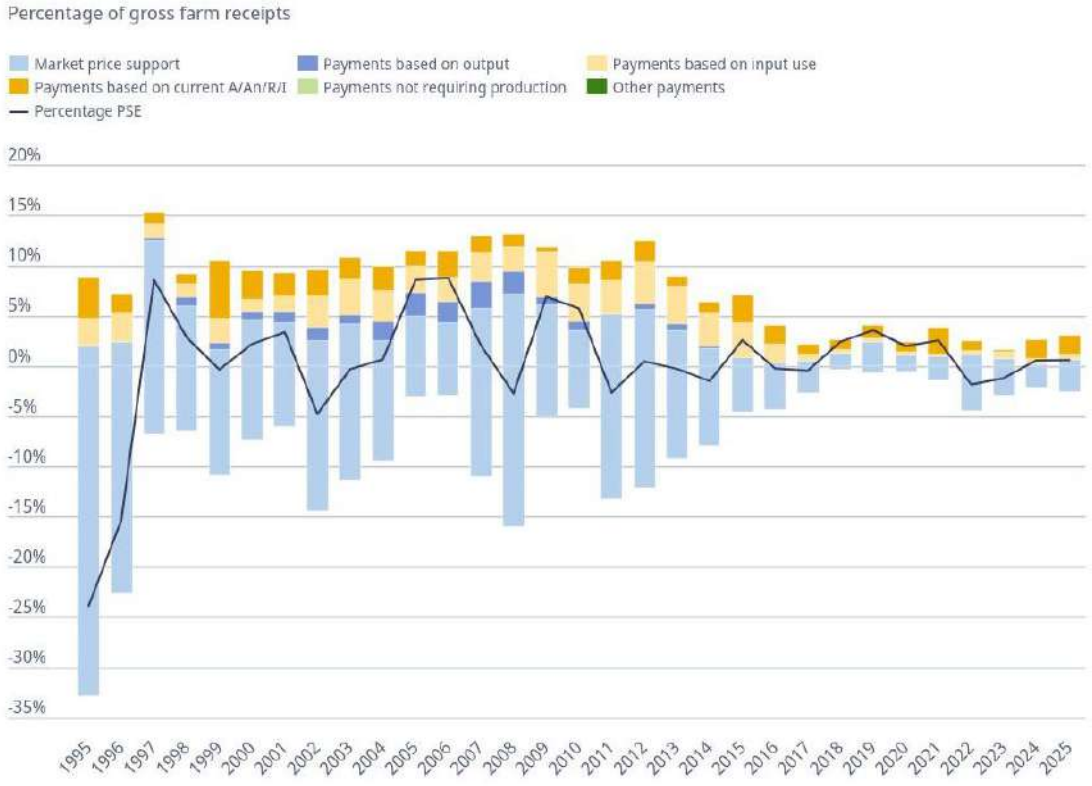
The farmland market in Ukraine has passed several stages of reform since the country's independence in 1991: transformation of Soviet collective farms into cooperatives (1991-1994); distribution of land shares among members of the cooperatives (1994-2001); implementation of a moratorium banning the purchase and sale of land, while leasing for cultivation remained permitted (2002-2021); launch of the agricultural land market for individual citizens, with a purchase limit of up to 100 ha (2021-2024); and opening of the land market to legal entities, allowing purchases of up to 10 000 ha by Ukrainian individual citizens as well as Ukrainian legal entities, including companies, banks and territorial communities (since 2024). Foreigners remain prohibited from purchasing agricultural land in Ukraine.

Table 28.4. Ukraine: Agricultural policy trends

Period	Framework	Changes in agricultural policies
Prior to 1990s	Planned economy	Planned agricultural production, state administered prices State controlled value chain and agricultural trade, including marketing of agricultural inputs and outputs
1990-2000	Transition economy: gradual reforms towards market economy, interrupted by deep economic crisis in the early 1990s	Increased import tariffs for agricultural and processed food products Land reform to allow private ownership Gradual dismantling of centralised marketing schemes Reversal of reforms during economic crisis
2000-2022	Renewed reforms towards an open economy	Reduction of agricultural tariffs following WTO accession Export taxes and quotas for main exported products, successively eliminated or replaced by MoUs State Agrarian Fund (price controls, production controls, marketing, loans, etc.) with market interventions through minimum reference prices and state food purchases successively reduced Sugar production quotas until 2018 Various subsidies for inputs, interest support and tax concessions
2022-present	Period of martial law due to large-scale military aggression of the Russian Federation	Reallocation of agricultural support funds to security and defence Suspension of traditional support programmes Introduction of temporary measures applicable during period of martial law, including tax breaks, food security measures, and simplified regulatory requirements

Due to the negative MPS only partly offset by transfers to producers through tax concessions and other measures, support to agricultural producers was negative for most of the 1990s. While the level continued to fluctuate over the recent decade, it has been closer to zero (Figure 28.7). With little budgetary support to general services or consumers, total support to the sector remained small for most of the past 25 years.

Figure 28.7. Ukraine: Development of the PSE and its composition, 1995 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

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von Cramon-Taubadel, S. et al. (2008), "Ukraine", in Anderson, K. and J. Swinnen (eds.), *Distortions to agricultural incentives in Europe's transition economies*, World Bank, Washington, D.C. [3]

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WTO (2024), *Trade Policy Review of Ukraine*, https://www.wto.org/english/tratop_e/tpr_e/s467_e.pdf. [2]

Notes

[1] Article 3 of the Land Code of the Ukrainian SSR, https://zakon.rada.gov.ua/laws/show/2874%D0%B0-07/ed19920101#Text.

[2] More recent estimates suggest that the share of private property in agricultural land is even higher, at 80%: Mykola Solsky (People's Deputy, Chairman of the Verkhovna Rada Committee on Agrarian and Land Policy), "It's all about the land", 2 April 2020, https://www.epravda.com/ua/columns/2020/04/2/658911/.

[3] Other members and associate members of the CIS are Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, and Uzbekistan.

29 United Kingdom

Main findings

Support to agriculture

The Producer Support Estimate (PSE) in the United Kingdom amounted to 13% of gross farm receipts in 2023-25, well below the 30% measured for the European Union in 2000-02.

The two largest items in the PSE are decoupled payments and Market Price Support (MPS). Observed market price support over the period is estimated at 26% of the PSE and is most relevant for livestock products, some of which are still subject to tariffs, tariff rate quotas (TRQs) and non-tariff measures. A large share of the budgetary support to farmers is provided through payments based on historical entitlements and non-commodity criteria, which account for 41.3% and 11.8% of the PSE, respectively. Payments based on non-commodity criteria have increased substantially as a proportion of the PSE over the last three years.

Support for general services (General Services Support Estimate, GSSE) was 2.4% of the value of agricultural production in 2023-25, below the OECD average of 3.6%. Expenditures on agricultural knowledge and innovation systems account for about half of the GSSE, while inspection and control services account for most of the other half. The Total Support Estimate (TSE) for agriculture represented 0.2% of Gross Domestic Product (GDP) on average in 2023-25, about half the OECD average.

Key policy changes in 2025-26

In England, changes to the Sustainable Farming Incentive (SFI) are expected to limit the concentration of payments. Individual agreements will be capped at GBP 100 000 (USD 131 579) and smaller farms and those without nature-friendly agreements will be able to apply earlier. From April 2026, revised inheritance tax rules will cap the 100% relief at GBP 2.5 million (USD 3 289 474), with 50% relief applying above this threshold.

In Scotland, new conditionalities have been introduced for farmers who receive support through the Basic Payment Scheme (BPS). In 2025, additional cross compliance conditions (restrictions to carrying out certain activities on peatlands and wetlands) to protect these environmental assets were introduced. As of 2026, more farmers will be required to dedicate 5% of their land to practices considered to be good for the environment in order to benefit from greening payments (a top-up on the BPS).

In Wales, the Sustainable Farming Scheme (that intends to replace the BPS) started in January 2026. However, in 2026 farmers will be allowed to decide whether to opt for the new scheme or remain in the BPS scheme which will be terminated in 2029. The new scheme contains three layers (universal, optional and collaborative). All farmers are required to meet the conditions of the universal layer, additional payments will be made for farmers who decide to adopt additional actions (optional) or contribute to areas requiring collaborative action (collaborative).

In Northern Ireland, the Basic Payment Scheme (BPS) was replaced by a one-year transitional payment in 2025 and, subsequently, by the Farm Sustainability Payment (FSP) from January 2026. The FSP

introduces revised land eligibility rules, new farm sustainability standards, as well as new eligibility criteria (e.g. for 2026 scheme year, the requirement to have carried out agricultural activities during a set previous time period) as well as new conditionalities, such as the compulsory participation in the Soil Nutrient Health Scheme and the Bovine Genetics project. A progressive capping of the benefits is also being phased-in over 2026 and 2027.

Assessment and recommendations

- Phase out high MPS for specific commodities as they can contribute to higher food prices and discourage farmers from changing production. Recent increases to the volume levels of the autonomous tariff quota (ATQ) on raw cane sugar and ongoing efforts to reduce non-tariff measures, such as recent trade agreements and the UK-EU SPS agreement currently being negotiated, are important steps in this direction.
- Strengthen the implementation of UK's post-CAP frameworks to deliver environmental improvements while supporting productivity-enhancing change at scale. This will require building on the positive elements already introduced in the different schemes. This includes additional environmental conditionalities introduced (Scotland, Wales and Northern Ireland), as well as important design features of agricultural support schemes in England, which include a degree of flexibility in the choice of selected actions, differentiation in payment rates and bespoke schemes targeting complex actions (e.g. Landscape recovery and Countryside Stewardship). Combining the positive design aspects while addressing remaining challenges, including uncertainty of incentives for long-term adoption, will remain important to ensure the new agricultural support frameworks are at jointly addressing productivity and environmental sustainability.
- Ensure that agricultural support schemes provide stable, long-term incentives aligned with long-term policy objectives that provide the predictability that famers need to make informed decisions about land-use changes. In England, the iterative approach to design has allowed for important corrective action that enabled a high uptake rate of the different schemes. However, uncertainty related to the future relative allocations between lower and higher tier agri-environmental payments and recent challenges related to programme implementation of key programmes can create uncertainty for farmers. Providing a stable multi-year framework with more predictable allocations across different tiers of agri-environmental payments in a way that is aligned with long-term policy objectives is important to jointly addressing productivity and environmental sustainability.
- Invest in innovation and agricultural research and development and improve coordination across actors in the UK Agricultural Knowledge and Innovation system (AKIS) to progress towards sustainable productivity growth. The increase in funding noticed in the last three years is encouraging. Ensuring that increased funding translates into productivity gains in the most efficient way requires good coordination across all key AKIS actors.

Key indicators on agricultural support

Figure 29.1. United Kingdom: Development of support to agriculture

Figure 29.1A. United Kingdom: Producer Support Estimate and its composition

Percentage of gross farm receipts

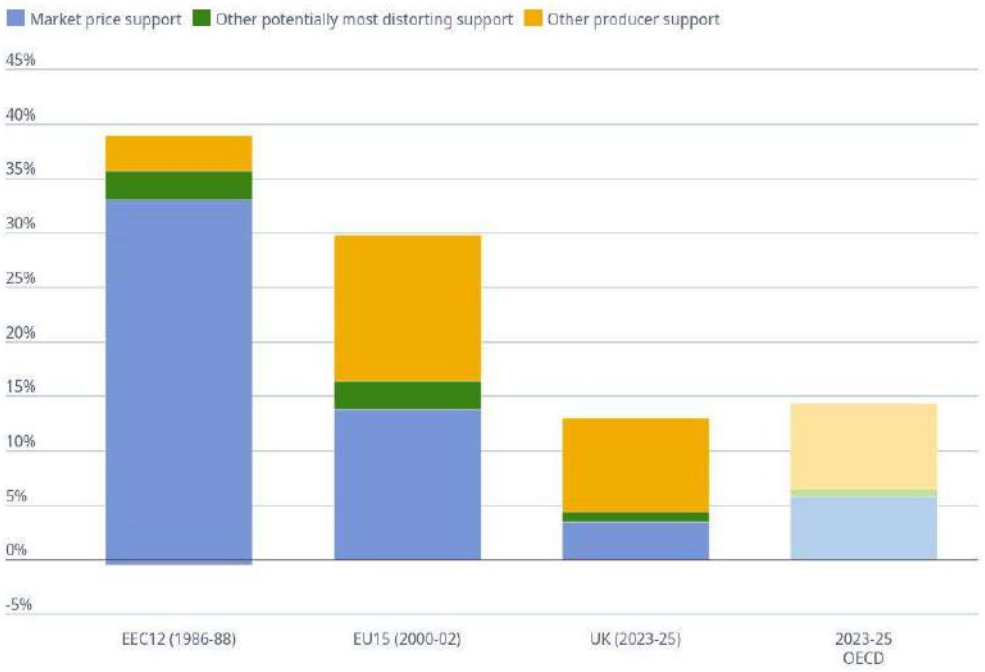


Figure 29.1B. United Kingdom: Ratio of producer to border price

Producer NPC

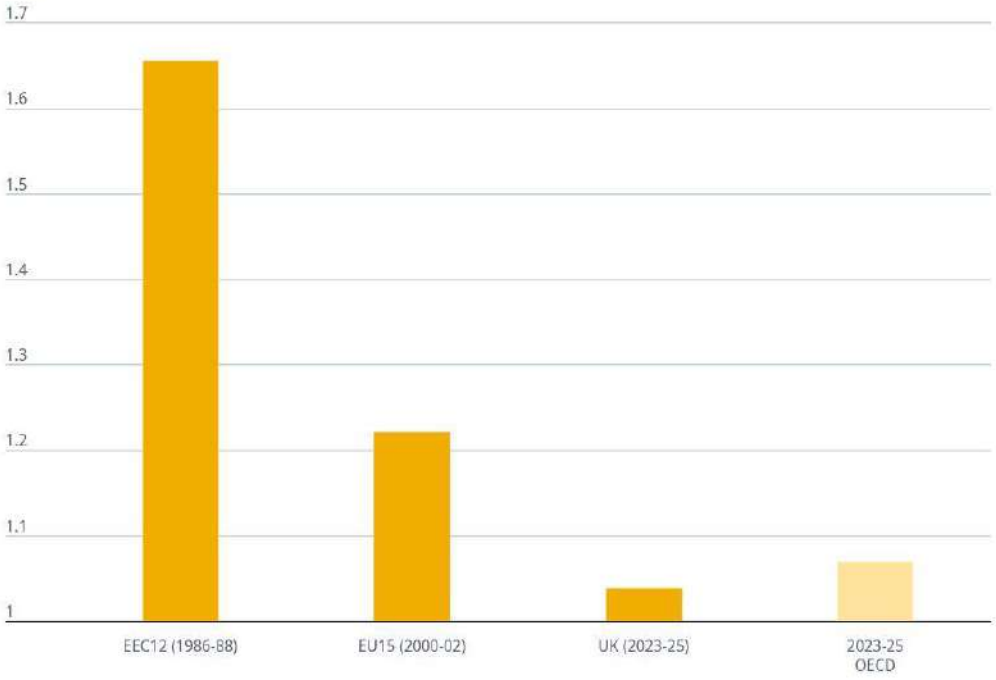


Figure 29.1C. United Kingdom: General Services Support Estimate and its composition

Relative to agricultural value of production

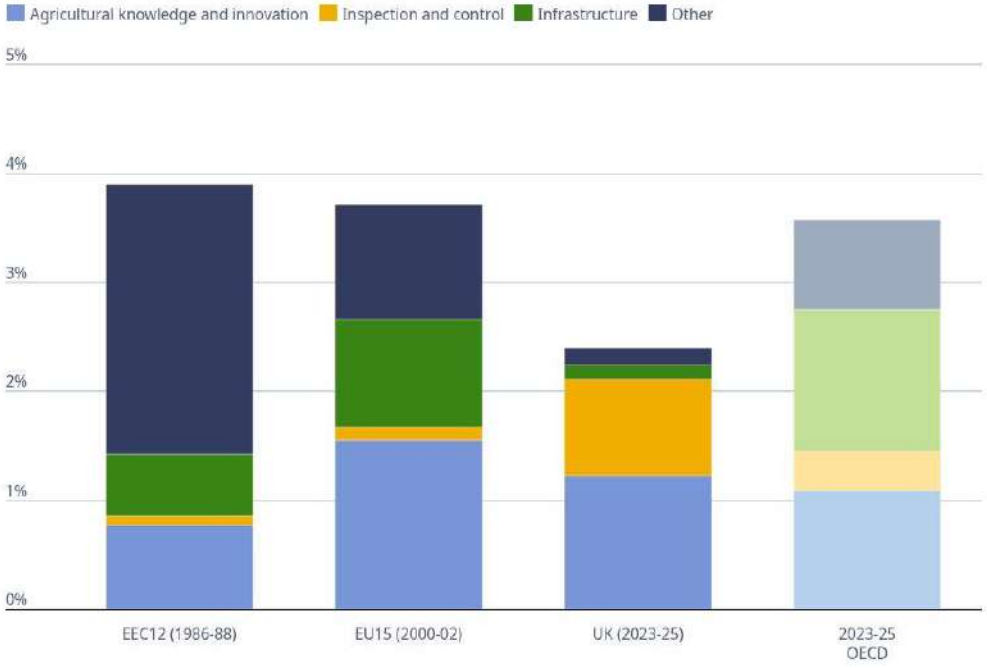
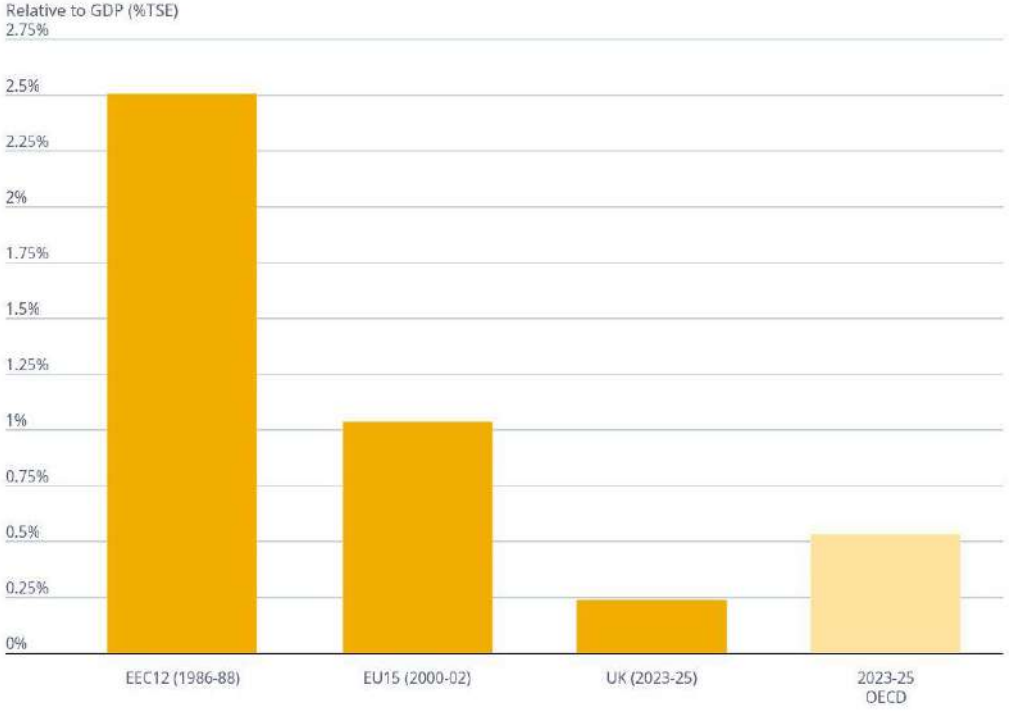


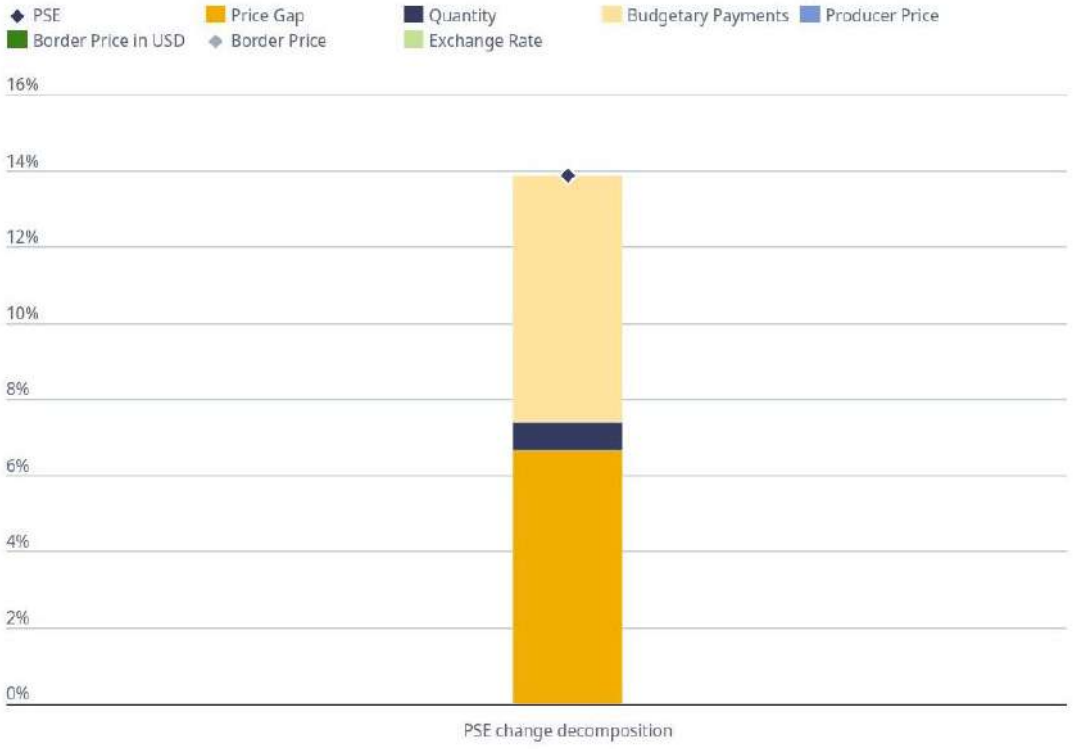
Figure 29.1D. United Kingdom: Total Support Estimate

Relative to GDP (%TSE)



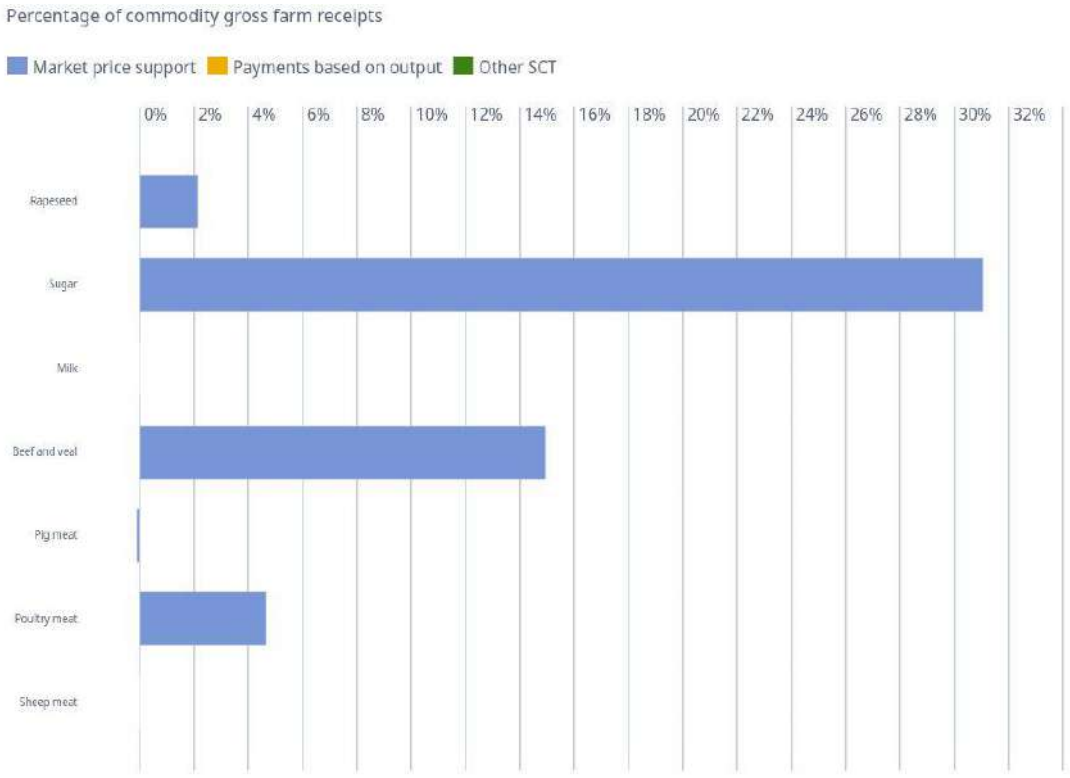
Source: OECD (2026), "Producer and Consumer Support Estimates", OECD Agricultural policy monitoring (database), https://data-explorer.oecd.org/.

Figure 29.2. United Kingdom: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency. The producer price change and the border price change are not calculated when both negative and positive market price support (MPS) occur at the commodity level for the previous year. Note that negative MPS estimates for livestock products may arise in cases of aligned product prices if there is positive MPS for feed commodities.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 29.3. United Kingdom: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Table 29.1. United Kingdom: Estimates of support to agriculture

Million USD

	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	..	**44 475**	**39 808**	**43 360**	**50 257**
of which: share of MPS commodities (%)	..	69.02	71.83	65.84	69.39
Total value of consumption (at farm gate)	..	**50 867**	**44 460**	**50 660**	**57 481**
Producer Support Estimate (PSE)	..	**6 402**	**6 237**	**5 967**	**7 001**
Support based on commodity output	..	1 671	1 939	1 289	1 785
Market price support[1]	..	1 671	1 939	1 289	1 785
Positive market price support	..	1 682	1 939	1 322	1 785
Negative market price support	..	-11	0	-32	0
Payments based on output	..	0	0	0	0
Payments based on input use	..	575	563	535	628
Based on variable input use	..	475	485	433	507
with input constraints	..	0	0	0	0
Based on fixed capital formation	..	89	74	90	103
with input constraints	..	0	0	0	0
Based on on-farm services	..	12	4	12	18
with input constraints	..	0	0	0	0
Payments based on current A/An/R/I, production required	..	739	820	955	441
Based on Receipts / Income	..	0	0	0	0
Based on Area planted / Animal numbers	..	739	820	955	441
With input constraints	..	48	107	26	10
Payments based on non-current A/An/R/I, production required	..	1	0	0	2
Payments based on non-current A/An/R/I, production not required	..	2 646	2 587	2 696	2 655
With variable payment rates	..	0	0	0	0
with commodity exceptions	..	0	0	0	0
With fixed payment rates	..	2 646	2 587	2 696	2 655
with commodity exceptions	..	0	0	0	0
Payments based on non-commodity criteria	..	760	328	491	1 463
Based on long-term resource retirement	..	135	92	135	178
Based on a specific non-commodity output	..	581	181	316	1 246
Based on other non-commodity criteria	..	44	55	39	38
Miscellaneous payments	..	10	0	0	28
Percentage PSE (%)	..	**13.02**	**14.14**	**12.42**	**12.62**
Producer NPC (coeff.)	..	**1.04**	**1.05**	**1.03**	**1.04**
Producer NAC (coeff.)	..	**1.15**	**1.16**	**1.14**	**1.14**
General Services Support Estimate (GSSE)	..	**1 067**	**930**	**1 029**	**1 241**
Agricultural knowledge and innovation system	..	549	441	535	671
Inspection and control	..	392	351	379	446
Development and maintenance of infrastructure	..	56	67	49	53
Marketing and promotion	..	67	71	64	67
Cost of public stockholding	..	1	0	3	2
Miscellaneous	..	1	0	0	3
Percentage GSSE (% of TSE)	..	**12.05**	**12.97**	**11.42**	**11.93**
Consumer Support Estimate (CSE)	..	**-830**	**-2 587**	**228**	**-131**
Transfers to producers from consumers	..	-1 683	-1 939	-1 324	-1 785
Other transfers from consumers	..	-555	-651	-505	-508
Transfers to consumers from taxpayers	..	1 393	3	2 015	2 162
Excess feed cost	..	14	0	43	0
Percentage CSE (%)	..	**-1.73**	**-5.82**	**0.47**	**-0.24**
Consumer NPC (coeff.)	..	**1.05**	**1.06**	**1.04**	**1.04**
Consumer NAC (coeff.)	..	**1.02**	**1.06**	**1.00**	**1.00**
Total Support Estimate (TSE)	..	**8 862**	**7 170**	**9 011**	**10 404**
Transfers from consumers	..	2 237	2 590	1 829	2 293
Transfers from taxpayers	..	7 179	5 231	7 687	8 619
Budget revenues	..	-555	-651	-505	-508
Percentage TSE (% of GDP)	..	**0.24**	**0.21**	**0.24**	**0.26**
Total Budgetary Support Estimate (TBSE)	..	**7 191**	**5 231**	**7 722**	**8 619**
Percentage TBSE (% of GDP)	..	**0.19**	**0.15**	**0.21**	**0.22**
GDP deflator (1986-88 = 100)	..	**290**	**279**	**289**	**300**
Exchange rate (national currency per USD)	..	**0.78**	**0.80**	**0.78**	**0.76**

.. Not available

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.

1. Market Price Support (MPS) is net of producer levies and excess feed cost. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for the United Kingdom are: wheat, barley, oats, rapeseed, sugar, milk, beef and veal, sheep meat, pig meat, poultry and eggs.
The method for estimating MPS changes between 2020 and 2021. Market Price Differentials (MPD) for the United Kingdom are assumed equal to those of the European Union for the years until 2020, while they are calculated from UK domestic and reference prices from 2021.

Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

In the United Kingdom, policy areas that affect agriculture support are characterised by different levels of devolved competence. **Agricultural policy is devolved** to the governments of Scotland, Wales, and Northern Ireland, while the Department for Environment, Food and Rural Affairs (Defra) has responsibility for England's agricultural policy. However, some policy areas and instruments affecting agricultural support remain under the competence of the UK Government. Trade policy and elements of tax policy remain reserved matters (i.e. not devolved) and, in the agricultural sector, Defra remains responsible for setting some standards and regulations at national level and representing the United Kingdom in international negotiations.

Following the United Kingdom's formal withdrawal from the European Union (EU), and consequent departure from the Common Agriculture Policy (CAP), the UK constituent countries agreed a non-legislative framework for intra-UK co-operation on agricultural support (the Agricultural Support Framework). This provides the principles and procedures or co-operation while recognising each nation's right to create and implement national legislation in relation to agriculture.

The United Kingdom's departure from the EU also led to **new trading relationships**. The exit from the single market has led to the negotiation of an EU-UK Trade and Cooperation Agreement. This agreement provides for zero tariffs and zero quotas on all trade of EU and UK goods that comply with the appropriate rules of origin. Outside of the EU, the UK has also signed several Free Trade Agreements (FTAs), including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), as well as bilateral FTAs with Australia, New Zealand, Korea, and India.

Policy instruments to support the food and agriculture sector range from UK-wide trade and tax policies to agricultural support measures and policies specific to its constituent countries. Border measures, in particular **tariffs on imported products**, are an important form of support. The average applied most-favoured-nation (MFN) tariff on agricultural imports in 2024 was 8.8%, substantially higher the 2.9% faced by non-agricultural products. Certain sectors deemed as sensitive face higher levels of protections, including dairy (24.1% on average), live animals and meat (14.7%), sugars and confectionery (21.1%), and cereals (9.9%) (World Trade Organization, 2025[1]). The UK also has in place tariff rate quotas (TRQs) for the import of certain agricultural and food products, including several livestock and dairy products (e.g. poultry, pig meat, milk products, eggs) and cereals. Given the trade agreements in place, these quotas do not apply to the EU. Some other trade partners are also exempt from the TRQs for specific products.

Certain tax rebates or exemptions apply to farmers (OECD, 2020[2]). Farmers pay regular income taxes but benefit from provisions allowing profits to be averaged over several successive years, particularly when there is at least one year with zero profits or when average past profits fall below a given threshold (income smoothing). Farm vehicles are exempt from the annual vehicle tax, while agricultural land and production-related buildings are exempt from the local property tax. Farmers also benefit from reduced taxes through flat-rate VAT schemes with reduced rates of 4%, and lower excise taxes on diesel fuels for use on-farm. Eligible companies may claim tax relief on R&D expenditures to encourage innovation and inherence tax relief allows agricultural property to be transferred free of tax, encouraging family continuity and generational renewal.

The pace and design of reforms following the exit from the European Union have differed in the constituent countries of the United Kingdom. Most systems combine area-based payments, environmental land management schemes and sector-wide programmes supporting innovation, advisory services and public goods. In addition, some constituent countries operate food and nutrition programmes aimed at vulnerable consumers. The following sections summarise the main measures in each nation.

England

Under the seven-year Agricultural Transition Programme (2021-2028) financial support is moving from direct payments to farmers to instead pay farmers to take **actions that benefit the environment**. Under the Agricultural Transition Programme, the Environmental Land Management (ELM) schemes (Sustainable Farming Incentive, Countryside Stewardship, and Landscape Recovery schemes), provide ongoing payments for a range of environmental actions and one-off productivity and innovation grants to help farmers invest in new technologies and innovation to deliver more sustainable farming. The targeted outcomes of the ELM schemes focus on biodiversity, water quality, climate change adaptation and mitigation, air quality, natural flood management, coastal erosion risk mitigation, animal health and welfare, as well as access and heritage. As of 31 March 2025, there were over 70 000 live agri-environment agreements, covering more than 50% of farmed land in England.

- The Sustainable Farming Incentive scheme pays farmers for actions that support food production, farm productivity and resilience, whilst protecting and enhancing the environment. The scheme was reformed in 2025 and the number of actions on offer decreased from 100 to 71. Farmers can choose among several different action areas, including on soil health, moorland, hedgerows, integrated pest management, farmland wildlife, buffer strips, and low input grassland.
- The Countryside Stewardship scheme pays farmers, land managers and foresters for more locally targeted actions relating to specific locations, features and habitats, including woodlands and water courses. The scheme supports a range of enhanced environmental outcomes, from restoring habitats to creating woodlands to managing flood risk. There were over 35 000 live Countryside Stewardship agreements in place across England as of April 2024.
- The Landscape Recovery scheme provides funding for long-term, large-scale projects that help farmers and land managers to produce environmental and climate goods on their land through bespoke 20+ year agreements.

In addition to ELM schemes, various budgetary support schemes are aimed at financing **agricultural knowledge and innovation** with the aim of boosting productivity and sustainability in the farming sector. Key programmes include:

- The Farming Investment Fund, launched in November 2021, provides support for farmers to improve productivity and enhance the environment. It does so via two strands. One such strand is the Farming Equipment and Technology Fund, which provides grants of up to GBP 25 000 (USD 32 894) for the adoption of sustainable technologies and practices (including minimum tillage, regenerative farming among others). Second, more complex higher-value investments with the potential to bring transformational improvements to business performance and the environment are funded through the Farming Transformation Fund that provides grants of up to GBP 500 000 (USD 657 894). These grants are based on a set of themes including water management, improving farm productivity, slurry storage and improving calf housing.
- The Accelerating Development of Practices and Technologies (ADOPT) fund seeks to provide farmer-led, smaller-scale innovation grants, for farmers and farm businesses to trial new technology and methods on their farm. These productivity grants are available to finance projects ranging from GBP 50 000 (USD 65 789) to GBP 100 000 (USD 131 579).
- The Farming Innovation Programme is a grant scheme that provides funding to develop new, innovative methods and technologies that benefit farmers in England such as feed additives, vertical farming, robotics and automation, novel breeding, genetic technologies, and alternative on-farm proteins. The programme includes several different competitions with varying project sizes, ranging from Feasibility studies (GBP 200 000 – GBP 500 000 or USD 263 157 – USD 657 895) to longer term innovations where project size varies from GBP 500 000 to GBP 6 million (USD 657 895 to USD 7 894 737).

Several major **food and nutrition programmes** support infants, children, pregnant women, and vulnerable consumers. Under the Free School Meals (FSM) scheme, over 2 million children in state-funded schools in England (from reception to secondary school) are eligible for free meals during the school year. The Holiday Activities and Food programme provides free or low-cost activities and free meals to children during school holidays. The Healthy Start scheme offers funding for healthy foods to pregnant women and children under four years old from very low-income households. Finally, the Household Support Fund helps low-income families purchase food, utilities, and clothes during winter.

Scotland

The Agriculture and Rural Communities (Scotland) Act 2024 creates a new support system, which will replace the former CAP schemes. As of 2026, reforms will gradually introduce a **four-tier system of agricultural support**. Tier 1 provides direct payments to support active farming, through the existing Basic Payment Scheme (BPS), with additional conditions introduced over time. Tier 2 provides additional support to farmers and crofters doing additional effort for climate and nature. Tier 3 will support actions that protect habitats or species or improve business sustainability. Tier 4 will focus on strengthening skills and capabilities, through training and advice.

Area-based decoupled direct payments to producers are the largest single support measure, targeting individual farmers that meet certain eligibility criteria (e.g. minimum farmed area, land in Good Agricultural Environmental Condition). As of 2026, under the new agricultural support system, farmers will receive the Basic Payment Scheme (subject to additional conditionalities, such as farm plans and audits). Greening payments for agricultural practices will be paid in addition to the BPS.

Coupled support is directed at beef and sheep. The Scottish Suckler Beef Support Scheme (SSBSS) is a direct payment to specialist beef producers based on the number of animals and subject to certain conditions (e.g. calving intervals, breed, birthplace). Similarly, the Scottish Upland Sheep Support Scheme provides complementary funding based on the number of ewe hoggs and is aimed at supporting sheep farmers who farm in Scotland's rough grazing areas.

The Farm Advisory Service (FAS) is the Rural Support Plan funded advice and knowledge exchange service for Scottish farmers and crofters, helping businesses access practical advice, knowledge transfer, events, peer-to-peer and specialist support.

Free school lunches are available in schools funded by the Scottish Government to all pupils in primaries one to five, and to eligible pupils from low-income families from primary six to secondary six. The Best Start Foods programme provides **pregnant women and families** with children under the age of three receiving certain benefits with a pre-paid card that is topped up every four weeks to purchase healthy foods.

Wales

The Agriculture (Wales) Act 2023 establishes Sustainable Land Management (SLM) as the overarching framework for future support to agriculture in Wales. Under the new framework, **area-based decoupled direct payments** are an important feature of agricultural support. These are currently delivered through the Basic Payment Scheme (BPS), which is to be phased out by the end of 2029, and the Sustainable Farming Scheme (SFS), which is being gradually introduced. Compared to the BPS, the SFS places greater emphasis on specific environmental conditionalities and sustainable land management and environmental outcomes. In 2026, the two schemes operate in parallel, allowing farmers to choose which programme to participate in.

The Control of Agricultural Pollution Regulations sets, among other things, a limit for nitrogen for livestock manure at 170 kg/ha across Wales aiming to **reduce the impacts of agricultural inputs** on water quality,

ecosystems, and soils. Funding is also provided to finance plant and animal health activities, including the rolling out livestock vaccination schemes. The Farming Connect advisory service promotes the adoption of sustainable practices that improve livestock health and productivity.

Northern Ireland

Support to the agriculture sector in Northern Ireland is provided through the Sustainable Agriculture Programme (SAP) which aims to transition to a more sustainable farming sector by implementing policies and strategies that benefit the climate and environment while supporting the agri-food sector in Northern Ireland.

As of 2026, the Farm Sustainability Payment (FSP), within the Sustainable Agriculture Programme (SAP), is the largest area-based scheme available in Northern Ireland. Compared with the previous scheme (the Basic Payment Scheme) FSP includes new eligibility criteria (e.g. for scheme year 2026 the requirement to have carried out at least one of a number of defined agricultural activities during a set historic year period). It also introduces revised land eligibility rules, new farm sustainability standards as well as new conditions, such as compulsory participation in the Soil Nutrient Health Scheme and the Bovine Genetics project. A progressive capping of payments above GBP 60 000 (USD 78 947) is also being phased in over 2026 and 2027.

The Pilot Protein Crop scheme provides complementary support to farmers for growing beans, peans and sweet lupins. In the livestock sector, the Beef Sustainability Package includes the Beef Carbon Reduction Scheme, which encourages earlier slaughter of clean beef animals to reduce emissions, and the Suckler Cow scheme, which aims to reduce emissions by lowering the age at first calving and shorten the calving interval of beef breed suckler cows.

Public funding also supports **animal and plant health**, delivered by the Northern Ireland Department of Agriculture, Environment and Rural Affairs (including inspection and certification). One of the largest programmes in this area is the Bovine TB (tuberculosis) control programme, which requires annual testing of all herds. Funding for innovation is also provided, notably through the Agricultural Research and Development Scheme (Northern Ireland) 2024-2029, which supports research and development related to agricultural products.

Recent policy developments

Domestic policy developments in 2025-26

England

In 2025, the application for the Sustainable Farming Incentive (SFI) scheme was paused as requested funds exceeded the available budget. The reforms to the SFI include several important changes. First, the scheme caps the agreements at GBP 100 000 (USD 131 579) per agreement to avoid large landholdings absorbing an overly large proportion of the funding. Second, smaller farms and those without an existing nature-friendly agreement are eligible to in June, whereas the scheme opens for remaining farms in September. Third, the list of available actions was reduced from 102 to 71.

The Genetic Technology (Precision Breeding) Act of 2023, together with the Genetic Technology (Precision Breeding) Regulations, took effect in November 2025. This legislation introduces a new regulatory framework that distinguishes precision-bred plants from traditional Genetically Modified Organisms (GMOs).

Since April 2026, a new inheritance tax regime is in force. The full 100% relief for agricultural and business property is now capped at an individual threshold of GBP 2.5 million (USD 3.29 million). For the value of qualifying property above this threshold, a reduced relief rate of 50% applies.

Scotland

Starting from 2025, farmers and crofters who want to receive support through the Basic Payment Scheme (BPS) must comply with additional conditionalities, including additional cross compliance conditions (restrictions to carrying out certain activities on peatlands and wetlands).

As of 2026, more farmers will be required to manage Ecological Focus Areas (EFAs) as previous exemptions are removed. This means that farmers receiving the BPS need to devote at least 5% the land to practices that are good for the environment. Additional conditionalities have been introduced to farmers choosing to obtain the greening payment (a top-up to the BPS). In 2027, the proportion of land under EFAs is expected to further increase, from 5% to 7%.

New conditions related to calving intervals were introduced for the Scottish Suckler Beef Support Scheme (SSBSS). Since 1 January 2025, calves are only eligible for an SSBSS payment if their dam has a calving interval threshold of 410 days or less. This condition is designed to help balance productivity and profitability with the opportunity to address the climate impact of emissions by encouraging efficient beef production.

Wales

On 1 January 2026, the Sustainable Farming Scheme (SFS) was launched with the aim to eventually fully replace the Basic Payment Scheme. Applications will be open until May 2026. In 2026, farmers will have the choice to opt for the Sustainable Farming Scheme or continue the Basic Payment Scheme (BPS), which will be terminated in 2029.

The SFS contains three layers of actions for farmers: Universal, Optional and Collaborative. All farmers in the scheme will be required to meet all of the 12 universal actions relevant to their farms in order to receive a universal payment. These universal actions cover aspects related to soil health (e.g. soil testing requirement), benchmarking (use of KPIs), and animal welfare (e.g. biosecurity assessments and engage in animal health improvement cycles). In addition, farmers can take on optional actions (grouped into 14 themes) or collaborative actions (3 themes linked to innovation, markets, and collective landscape scale activity). Additional actions will entail additional requirements, but also additional funding which can be a mixture of one-off revenue payments, multi-annual revenue payments (e.g. area-based payments), and capital payments.

Additional schemes are being implemented in 2025 and 2026, to help farmers improve efficiency and environmental performance. These include:

- A new Integrated Natural Resources Scheme, introduced in 2025, supports farmer-focussed partnerships delivering nature-based solutions across a landscape, catchment or on a pan-Wales scale.
- Organic Support, introduced in 2026, provides a payment for existing eligible organic agriculture producers who maintain full organic certification.
- The Farming Connect advisory service scheme, focusing on knowledge transfer and innovation support, was extended until spring 2026.

Northern Ireland

The Basic Payment Scheme (BPS) was replaced by the Farm Sustainability Payment (FSP) from January 2026. FSP includes new eligibility criteria (e.g. for scheme year 2026 the requirement to have carried out at least one of a number of defined agricultural activities during a set historic year period). It also introduces revised land eligibility rules, new farm sustainability standards as well as new conditions, such as compulsory participation in the Soil Nutrient Health Scheme and the Bovine Genetics project. A progressive capping of payments above GBP 60 000 (USD 78 947) is also being phased in over 2026 and 2027.

The Suckler Cow Scheme, introduced in April 2025, is designed to incentivise farm businesses to reduce the age at first calving and/or calving interval of beef breed suckler cows over a four-year phased implementation period.

The Dairy Carbon Networks Project, launched in February 2025, is the result of a collaboration between DAERA and Defra to include a Northern Ireland element within this Defra funded project. The results from this project will inform the development of future Northern Ireland livestock policy, in particular on dietary interventions.

Trade policy developments in 2025-26

The India-United Kingdom Comprehensive and Economic Trade Agreement was signed in July 2025. The agreement is not yet in force, pending both countries' domestic procedures. For agricultural products, the agreement is a mix of new market access, phased tariff cuts, and retained safeguards. For UK exports into India, the goods chapter notes that 64% of UK tariff lines become duty-free when the deal enters into force, rising to 85% after 10 years; this includes agri-food products such as sheep meat, frozen salmon and cod, chocolate, biscuits, infant formula, animal feed, protein concentrates, and soft drinks. No new equivalence decisions for agri-food products were made under the agreement. India gives immediate zero-duty access for some key UK agri-food exports (notably sheep meat and salmon), phases out tariffs over 5-10 years for a significant range of processed food items, gives partial tariff cuts for some beverages. For some areas (e.g. dairy), dairy imports from India be liberalised without reciprocal access in return. Other agricultural products, such as sugar, milled rice, pork, chicken and eggs will not be covered by the tariffs removal.

An updated trade agreement with Korea was concluded in December 2025. The renewal of this agreement was important as part of the trade agreement carried over from EU membership were set to expire in early 2026. This trade agreement ensures continued and permanent tariff-free access across 98% of tariff lines – the same terms the EU has with Korea. The updated trade agreement also includes a modernised SPS chapter, which includes new provisions on certification and import requirements, as well as an expanded article on animal welfare.

Following a 10% tariff rate imposed by the United States, the UK and the US concluded in May 2025 the *Economic Prosperity Deal* (EPD), a non-binding agreement that sought to reduce the potential impacts of US tariffs on the United Kingdom. Two agricultural commodities, beef and ethanol, were affected by the EPD. The UK will create a preferential-duty quota for US beef of 13 000 metric tonnes complying with the UK's sanitary and phytosanitary requirements and will remove the 20% tariff on US beef imports. The US committed to reallocate to the UK 13 000 metric tonnes of its "Other countries" TRQ for beef at MFN rates at the latest by 1 January 2026. The UK also committed to create a preferential duty-free quota for US ethanol of 1.4 billion litres per year.

In May 2025, the UK Government and the European Union agreed to pursue a new Sanitary and Phytosanitary (SPS) agreement covering, among other things, the trade, production and movement of plants and animals, food and feed safety.

The UK Government reviewed to the volume level of its autonomous tariff quota (ATQ) on raw cane sugar from 260 000 tonnes to 350 000 tonnes, with the revised volumes intended to remain in place until 31 December 2033.

Policy context

Key economic and agricultural statistics

Agriculture accounts for a relatively small share of the United Kingdom's economy, representing less than 1% of GDP and total employment, significantly below the OECD average. The share of livestock in total agricultural production is 56.4%, and the share of crop production is 43.6% (Table 29.2).

Table 29.2. United Kingdom: Contextual indicators

	United Kingdom		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	1 568	4 352	3.8%	2.6%
Population (million)	59	69	1.3%	1.3%
Land area (thousand km²)	242	242	0.3%	0.3%
Agricultural area (AA) (thousand ha)	17 531	16 760	0.6%	0.6%
			All countries[1]	
Population density (inhabitants/km²)	243	285	52	64
GDP per capita (USD in PPPs)	26 635	62 872	9 508	31 740
Trade as % of GDP	20.3	17.1	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	0.9	0.7	3.0	3.6
Agriculture share in employment (%)	1.5	0.9	-	-
Agro-food exports (% of total exports)	5.1	6.6	6.4	8.3
Agro-food imports (% of total imports)	7.7	10.4	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	41.1	43.6	62.1	60.4
Livestock in total agricultural production (%)	58.9	56.4	37.9	39.6
Share of arable land in AA (%)	36.8	36.5	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

Real GDP growth has ranged between 1.4% and 4.3% since the turn of the century, with the exception of the recession following the global financial crisis in 2008-09, and the significant contraction linked to the COVID-19 pandemic which started in 2020 (Figure 29.4). The easing of health measures and high level of pent-up consumer demand resulted in a sharp rebound with real GDP growth reaching 8.5% and 5.1% in 2021 and 2022, respectively, with growth rates below 2% observed since 2023.

The unemployment rate was steady at around 5% in the early 2000s and increased to more than 8% in the aftermath of the global financial crisis. With the exception of 2020 and 2021, unemployment declined steadily between 2011 and reached a low point of 3.8% in 2022, before increasing since 2023. In contrast, inflation rose to a multi-decade high of 7.9% in 2022, driven by rising energy and food prices, and supply chain bottlenecks. Inflation rates have since come down, reaching 3.3% in 2024.

Figure 29.4. United Kingdom: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

The United Kingdom is a net importer of agricultural and food products (Figure 29.5). Over the last two decades, the share of agro-food exports and imports have increased, with agro-food exports now representing 6.6% of all exports, while agro-food imports account for 10.4% of total imports. Figure 29.5 also shows that the gap between agro-food imports and exports has increased substantially since 2021, with net agro-food imports increasing by 43% since 2021.The composition of agro-food trade in 2024 shows that the majority (75%) of exports are processed goods for consumption, while 14% of goods exported are processed for industry. In terms of imports, the majority (59%) are processed goods for consumption, followed by primary goods for consumption which account for 18% of imports.

Figure 29.5. United Kingdom: Agro-food trade

Figure 29.5A. United Kingdom: Agro-food trade 2000 to 2024

Billion USD



Figure 29.5B. United Kingdom: Composition of Agro-food trade, 2024

Percentage

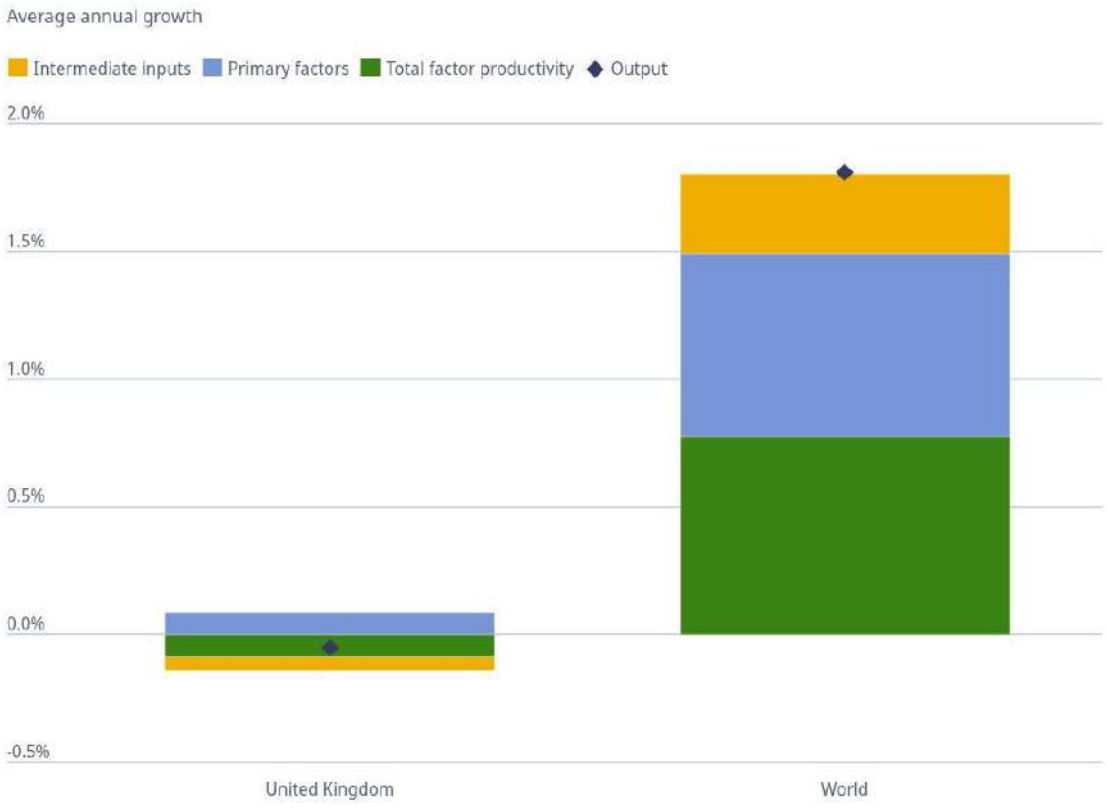


Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

Agricultural output growth averaged -0.05% per year between 2014-23, well below the global average (Figure 29.6). Annual total factor productivity (TFP) growth has also been negative at -0.1%.

Environmental indicators point to improvements over the past two decades (Table 29.3). The nitrogen balance fell by around 20%, the phosphorous balance declined by over 50%, the overall level of GHG emissions decreased, and the share of agriculture in water abstractions (14%) is significantly below the OECD average. However, the sector's share of total energy use and of GHG emissions grew over the same period and the nitrogen balance is almost three times the OECD average. Agricultural GHG emissions have not fallen as quickly as other sectors (in particular energy), and now account for just under 11% of total GHG emissions in the United Kingdom, slightly above the OECD average.

Figure 29.6. United Kingdom: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Table 29.3. United Kingdom: Productivity and environmental indicators

	United Kingdom		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	0.1%	-0.1%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	108.4	89.4	32.3	29.0
Phosphorus balance, kg/ha	9.5	4.5	3.3	2.3
Agriculture share of total energy use (%)	0.8	1.1	1.7	2.0
Agriculture share of GHG emissions (%)	6.7	10.7	8.7	10.3
Share of irrigated land in AA (%)	0.8	0.4	-	-
Share of agriculture in water abstractions (%)	13.9	14.2	46.1	47.7
Water stress indicator	6.2	4.3	..	..

Note: * or closest available year.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

The United Kingdom joined the European Economic Community in 1973, and for several decades its agricultural policies were shaped by reforms to the European Union's Common Agricultural Policy (CAP) (see also the European Union chapter). The 2009 CAP Health Check allowed Member States to adopt a selection of measures under their Pillar 2 funding. Subsequently, elective measures were also allowed under Pillar 1 of the CAP 2014-20. The choices of elective measures the different constituent countries of the United Kingdom were broadly aligned in this context, while specific payments were sometimes chosen, such as the redistributive payment in Wales and voluntary coupled support in Scotland. The United Kingdom opted to transfer 10.8% of its broad-based direct payments envelope to targeted longer-term expenditure under Pillar 2.

On 31 January 2020, the United Kingdom left the European Union. The CAP defined support to agriculture in the United Kingdom until the transition out of the European Union in 2020. In 2020, there were extensive negotiations with the European Union over future trade and co-operation relations, the preparation and adoption of laws to govern agriculture in the United Kingdom after the withdrawal from the European Union, and bilateral trade liberalisation negotiations with third countries.

In 2021, new agricultural support systems were introduced in England and the devolved governments of Scotland, Wales, and Northern Ireland. While the four constituent countries share some common aims and challenges, the proposed timing and nature of the changes to their agricultural support policies vary.

The three devolved governments and England are at various stages of development and implementation of their agricultural transition plans. Alongside the phasing out of the CAP measures, the devolved governments are taking a co-development approach with the sector and stakeholders to design and deliver their new domestic policy instruments.

Table 29.4. United Kingdom: Agricultural policy trends

Period	Framework	Changes in agricultural policies
1973-2020	European Union's Common Agricultural Policy (CAP)	Coupled support phase (pre-1992) MacSharry Reform (1992-1999) Agenda 2000 CAP Reform (2000-2002) Fischler Reform (2003-2008) Health Check (2009-2013) 2013 reform (2013-2020)
Since 2020	Transition to new agricultural support system	Gradually phasing out of CAP agricultural support and introduce new systems of agricultural support: • Agriculture Act 2020 (England) • Agriculture (Retained EU Law and Data) (Scotland) Act 2020 and Agriculture and Rural Communities (Scotland) Act 2024 • Agriculture (Wales) Bill 2022 • 54 policy decisions on Future Agricultural Policy for Northern Ireland

The PSE remained stable at around 18-19% from 2017 to 2021 before decreasing to 12-14% in 2022-25 (Figure 29.7). These fluctuations were partly driven by changes in market price support (MPS) for livestock products, in particular beef and poultry which are subject to tariffs and tariff rate quotas.

Figure 29.7. United Kingdom: Development of the PSE and its composition, 2017 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

References

OECD (2020), *Taxation in Agriculture*, OECD Publishing, Paris, https://doi.org/10.1787/073bdf99-en. [2]

World Trade Organization (2025), *World Tariff Profiles 2025*, http://www.wto.org/statistics. [1]

30 United States

Main findings

Support to agriculture

Support to farmers in the United States averaged 8% of gross farm receipts in 2023-25, well below the 20% of the mid-1980s and early 2000s, and below the OECD average. Sugar is the only major agricultural commodity receiving market price support that raises domestic prices above world reference prices, in the form of border protections (including tariff rate quotas) and domestic market arrangements.

Budgetary support is provided through safety-net programmes targeted at income, risk management, and ad hoc economic and natural disaster relief. Budgetary support increased in 2025 as a result of certain ad hoc economic and natural disaster programmes targeted at prior year losses.

US domestic food-assistance programmes that support consumers account for nearly half of total US support to agriculture. Expenditures for general services (General Service Support Estimate, GSSE) was 12.2% of all support in 2023-25, equal to 3.1% of the value of production, with the largest component (30%) related to institutional infrastructure, mainly for crop insurance. Agricultural knowledge transfer and marketing and promotion are the next largest components. Total support to agriculture was 0.43% of Gross Domestic Product (GDP).

Key policy changes in 2025-26

The One Big Beautiful Bill Act (OBBBA) was signed into law. The Bill authorised increased statutory reference prices for the Agriculture Risk Coverage and Price Loss Coverage programmes; increased subsidy rates for certain crop insurance products; and mandated changes to the Supplemental Nutrition Assistance Program (SNAP), including limiting future benefit amount increases, expanding work requirements, and modifying rules for administrative and benefit cost sharing.

In 2025 the Emergency Commodity Assistance Program (ECAP) was introduced to provide assistance to farmers to mitigate increased input costs and lower commodity prices in 2024. Payments were determined based on area planted to eligible commodities and acreage that was prevented from being planted.

In November, most provisions of the 2018 Farm Bill were extended through 2026 as a provision of the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026.

On 2 April 2025, the trade deficit and absence of reciprocity in trade relationships was declared a National Emergency under the International Emergency Economic Powers Act of 1977. Under this authority, a baseline 10% tariff on imports of all foreign-origin goods was imposed on all countries and additional individualised higher tariffs on countries with which the United States has a large trade deficit. After a Supreme Court Ruling on the use of the Emergency Economic Powers Act to impose such tariffs, they were removed. Subsequently, new tariffs were introduced under Section 122 of the Trade Act of 1974.

Assessment and recommendations

- Strengthen agricultural innovation and knowledge transfer systems. Despite significant spending, public investment in the agricultural knowledge and innovation system remains modest relative to sector size. Increasing public support for applied R&D, extension services, and technology diffusion, in co-ordination with private sector research and development efforts, would help reverse slowing productivity growth while conserving natural resources.
- Rebalance support from ex-post risk management toward long-term resilience and productivity. While ad hoc emergency payments are well-developed, they risk crowding out incentives for other risk management strategies. Redirecting a share of funding toward practices that increase resilience, diversification, and on-farm risk reduction can reduce reliance on recurrent ad hoc support.
- Enhance the effectiveness of existing conservation programmes by strengthening their focus on outcomes related to soil quality, erosion control, and nutrient management. Expanded outcome-based incentives within conservation programmes (e.g. EQIP, CSP) could focus on rewarding measurable improvements in soil quality (such as soil organic matter, erosion reduction, and nutrient balances). Stronger monitoring and data systems can support this by tracking soil condition to ensure public spending delivers long-term productivity and land stewardship benefits. The December 2025 launch of the Regenerative Agriculture Pilot Program is a welcome development in this area.
- Strengthen export resilience and market access by expanding trade diversification. Export promotion and market development through initiatives such as the Agricultural Trade Promotion and Facilitation Program, along with deepening trade agreements to reduce exposure to policy-driven disruptions would help improve competitiveness, support farm incomes, and enhance food system resilience in an increasingly uncertain global trade environment.

Key indicators on agricultural support

Figure 30.1. United States: Development of support to agriculture

Figure 30.1A. United States: Producer Support Estimate and its composition

Percentage of gross farm receipts

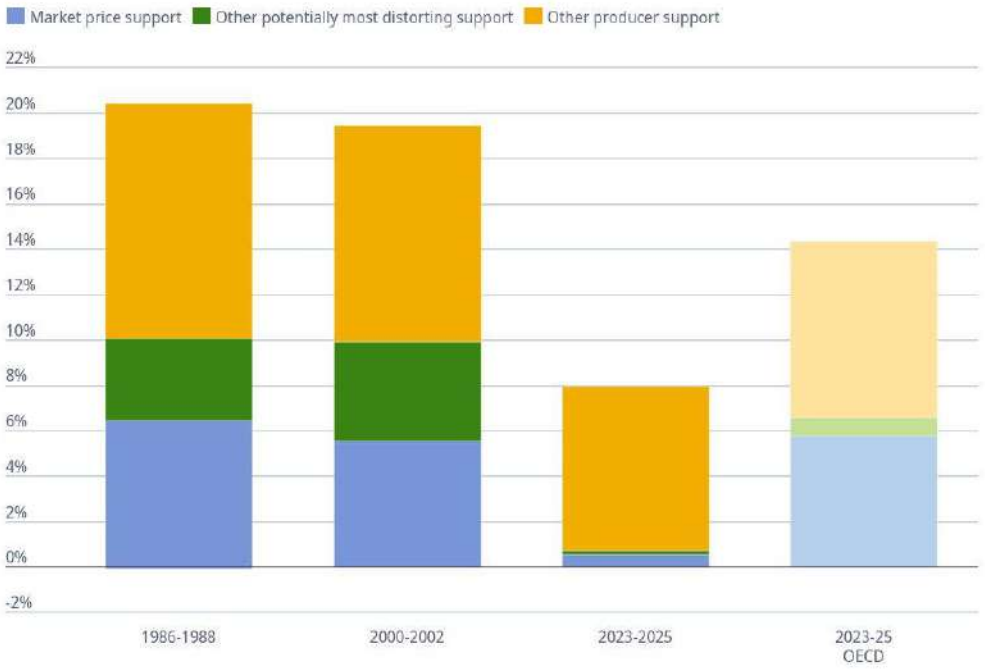


Figure 30.1B. United States: Ratio of producer to border price

Producer NPC

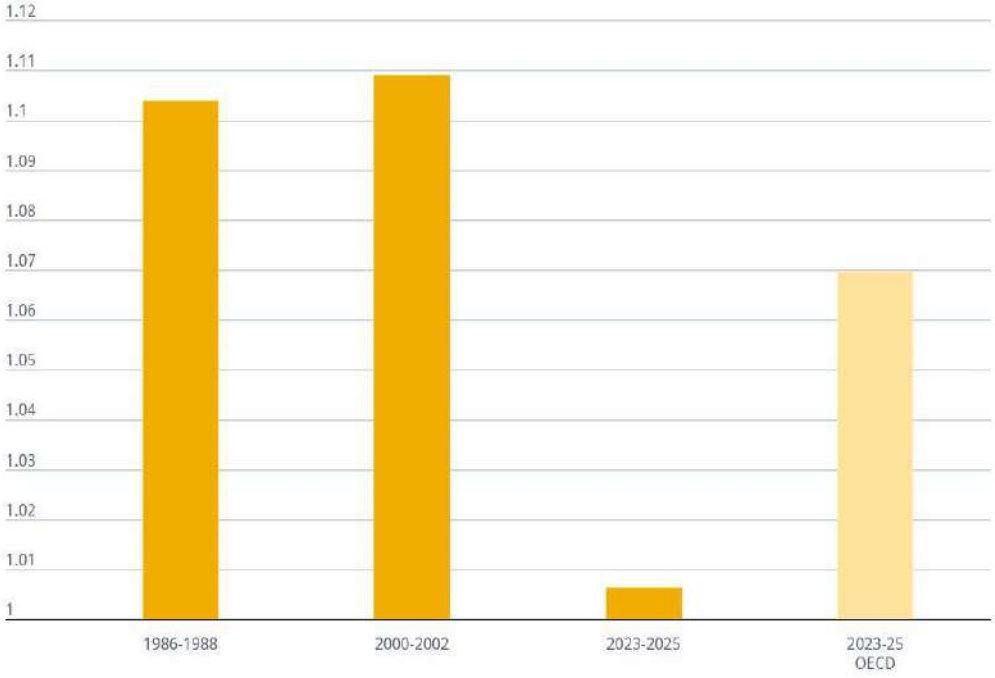


Figure 30.1C. United States: General Services Support Estimate and its composition

Relative to agricultural value of production

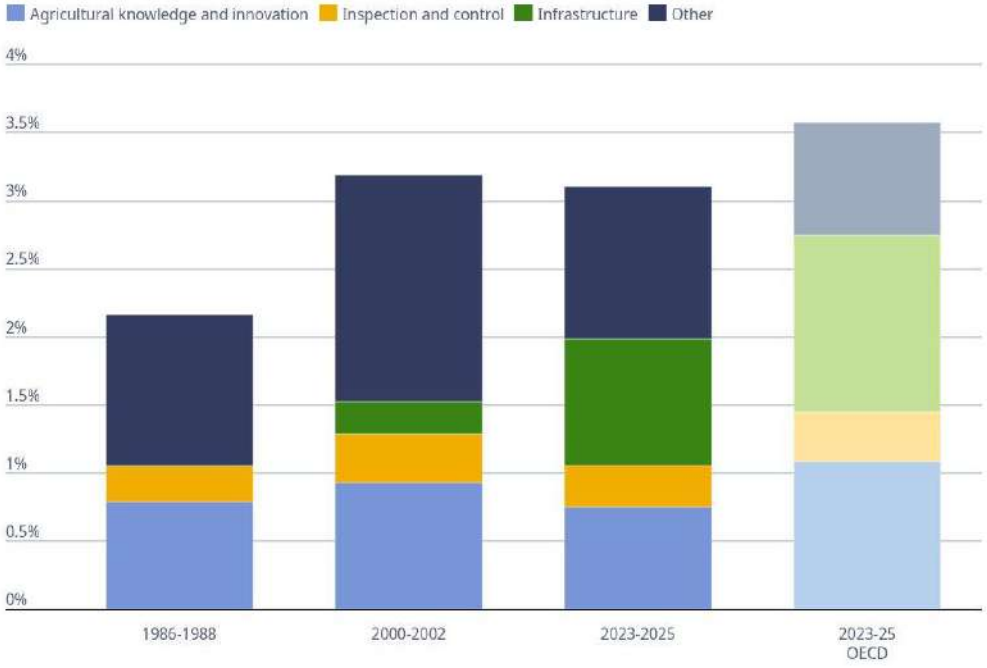
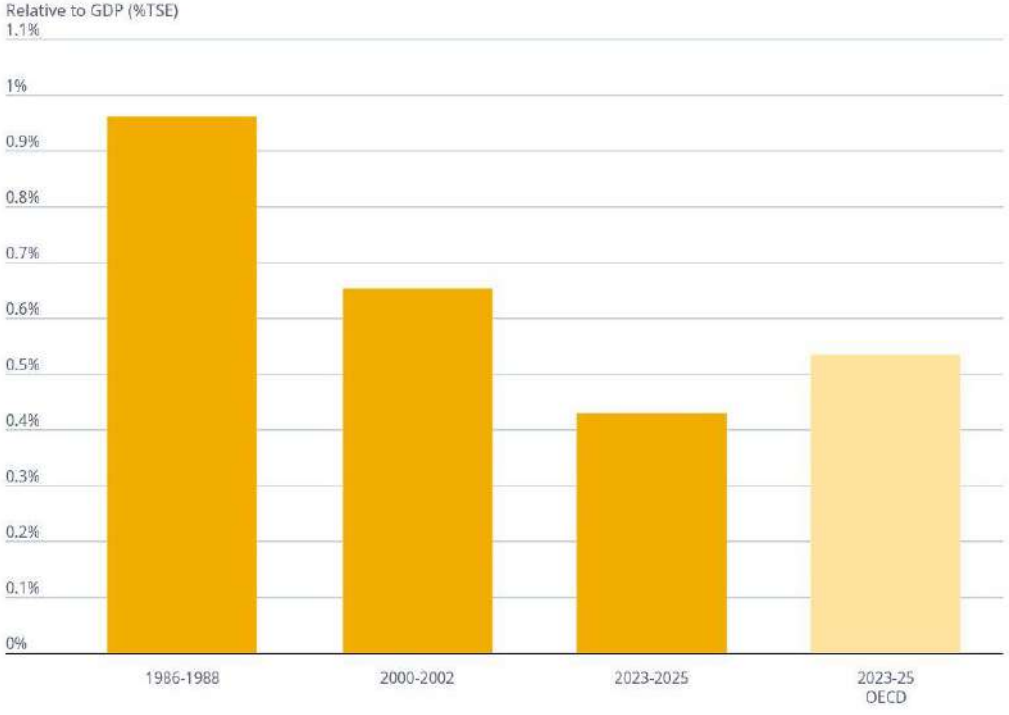


Figure 30.1D. United States: Total Support Estimate

Relative to GDP (%TSE)



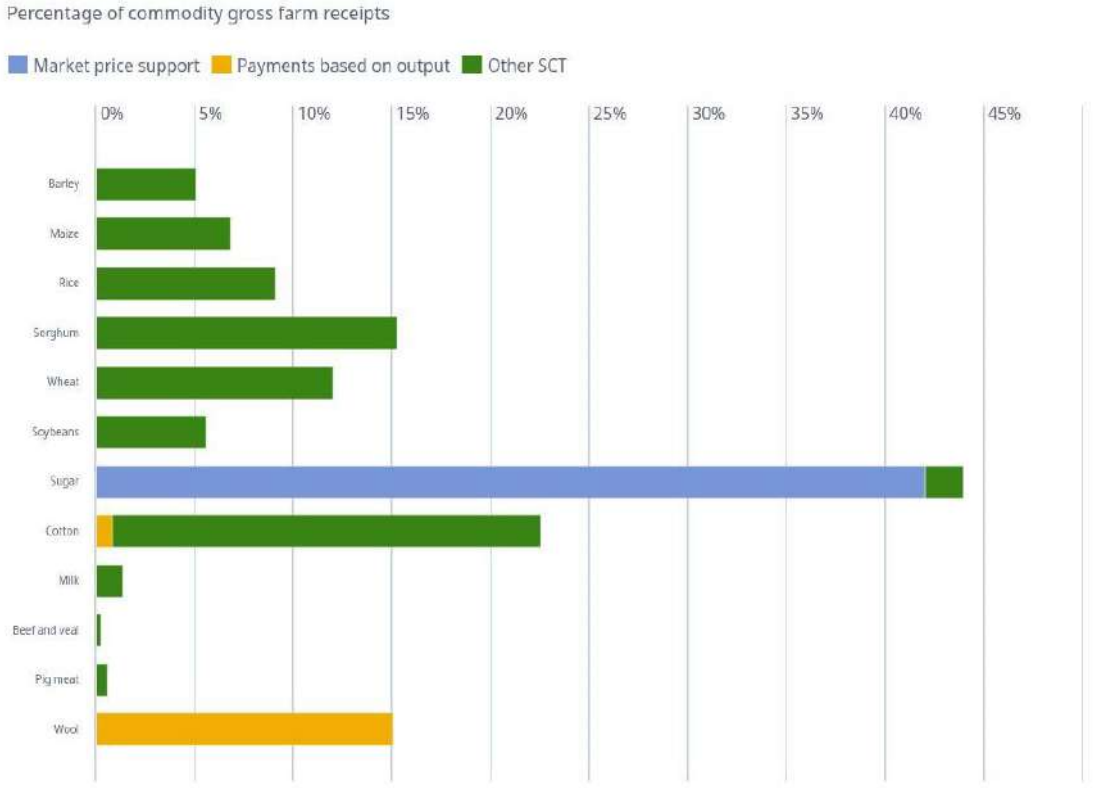
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 30.2. United States: Drivers of the change in PSE, 2024 to 2025



Note: % change of nominal Producer Support Estimate expressed in national currency.
Source: OECD (2026), "Producer and Consumer Support Estimates", OECD Agricultural policy monitoring (database), https://data-explorer.oecd.org/.

Figure 30.3. United States: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Table 30.1. United States: Estimates of support to agriculture

Million USD

	1986-88	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**143 469**	**193 454**	**492 901**	**489 203**	**490 689**	**498 809**
of which: share of MPS commodities (%)	78.31	73.64	78.31	78.77	78.16	78.02
Total value of consumption (at farm gate)	**124 148**	**164 683**	**411 470**	**401 231**	**405 775**	**427 403**
Producer Support Estimate (PSE)	**33 946**	**43 724**	**42 472**	**35 458**	**38 760**	**53 197**
Support based on commodity output	13 724	19 648	3 044	2 615	3 121	3 395
Market price support[1]	10 616	12 467	2 977	2 593	3 033	3 305
Positive market price support	10 737	12 467	2 977	2 593	3 033	3 305
Negative market price support	-121	0	0	0	0	0
Payments based on output	3 108	7 181	67	21	88	91
Payments based on input use	7 061	7 572	15 571	14 056	14 846	17 812
Based on variable input use	3 697	3 091	3 132	3 002	3 004	3 389
with input constraints	791	403	2 269	2 143	2 144	2 519
Based on fixed capital formation	1 233	361	4 516	4 340	4 350	4 856
with input constraints	1 233	358	3 918	3 923	3 821	4 009
Based on on-farm services	2 131	4 120	7 924	6 714	7 492	9 566
with input constraints	349	677	2 671	2 067	2 062	3 886
Payments based on current A/An/R/I, production required	12 231	5 655	20 810	16 501	16 480	29 449
Based on Receipts / Income	912	2 055	6 179	3 904	5 976	8 657
Based on Area planted / Animal numbers	11 319	3 600	14 631	12 598	10 504	20 793
With input constraints	2 565	1 571	14 631	12 598	10 504	20 793
Payments based on non-current A/An/R/I, production required	0	0	-0	0	0	0
Payments based on non-current A/An/R/I, production not required	338	8 789	370	355	277	479
With variable payment rates	0	3 969	370	355	277	479
with commodity exceptions	0	3 969	370	355	277	479
With fixed payment rates	338	4 819	0	0	0	0
with commodity exceptions	0	4 819	-0	0	0	0
Payments based on non-commodity criteria	592	2 061	2 676	1 931	4 037	2 061
Based on long-term resource retirement	592	2 050	1 917	1 920	1 921	1 912
Based on a specific non-commodity output	0	0	0	0	0	0
Based on other non-commodity criteria	0	11	759	11	2 116	150
Miscellaneous payments	0	0	0	0	0	0
Percentage PSE (%)	**20.35**	**19.46**	**7.98**	**6.79**	**7.36**	**9.70**
Producer NPC (coeff.)	**1.10**	**1.11**	**1.01**	**1.01**	**1.01**	**1.01**
Producer NAC (coeff.)	**1.26**	**1.24**	**1.09**	**1.07**	**1.08**	**1.11**
General Services Support Estimate (GSSE)	**3 108**	**6 164**	**15 310**	**13 909**	**15 917**	**16 104**
Agricultural knowledge and innovation system	1 129	1 805	3 716	3 762	3 612	3 775
Inspection and control	372	685	1 496	1 492	1 500	1 496
Development and maintenance of infrastructure	13	461	4 591	3 868	4 667	5 239
Marketing and promotion	495	957	3 189	2 624	3 744	3 199
Cost of public stockholding	0	107	0	0	0	0
Miscellaneous	1 100	2 149	2 318	2 164	2 395	2 395
Percentage GSSE (% of TSE)	**6.59**	**8.89**	**12.15**	**11.61**	**13.15**	**11.76**
Consumer Support Estimate (CSE)	**-1 314**	**5 191**	**61 987**	**64 957**	**60 179**	**60 825**
Transfers to producers from consumers	-10 073	-12 173	-2 977	-2 593	-3 033	-3 305
Other transfers from consumers	-1 624	-2 061	-3 219	-2 936	-3 162	-3 558
Transfers to consumers from taxpayers	10 089	19 425	68 182	70 486	66 374	67 688
Excess feed cost	294	-0	-0	0	0	0
Percentage CSE (%)	**-1.15**	**3.57**	**18.06**	**19.64**	**17.73**	**16.91**
Consumer NPC (coeff.)	**1.10**	**1.09**	**1.02**	**1.01**	**1.02**	**1.02**
Consumer NAC (coeff.)	**1.01**	**0.97**	**0.85**	**0.84**	**0.85**	**0.86**
Total Support Estimate (TSE)	**47 143**	**69 314**	**125 964**	**119 853**	**121 051**	**136 988**
Transfers from consumers	11 697	14 234	6 196	5 529	6 195	6 863
Transfers from taxpayers	37 071	57 141	122 987	117 259	118 018	133 684
Budget revenues	-1 624	-2 061	-3 219	-2 936	-3 162	-3 558
Percentage TSE (% of GDP)	**0.96**	**0.65**	**0.43**	**0.43**	**0.41**	**0.45**
Total Budgetary Support Estimate (TBSE)	**36 528**	**56 847**	**122 987**	**117 259**	**118 018**	**133 684**
Percentage TBSE (% of GDP)	**0.75**	**0.54**	**0.42**	**0.42**	**0.40**	**0.44**
GDP deflator (1986-88 = 100)	**100**	**139**	**235**	**229**	**235**	**242**
Exchange rate (national currency per USD)	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for the United States are: wheat, maize, barley, sorghum, alfalfa, cotton, rice, soybean, sugar, milk, beef and veal, sheep meat, wool, pig meat, poultry and eggs.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

The Agriculture Improvement Act of 2018 (the 2018 Farm Bill) provides the basic legislation governing farm programmes for 2019 to 2023 (most provisions of this legislation have since been extended to cover through the end of the 2026 fiscal or crop year, see the recent policy developments section below). The 12 titles of the 2018 Farm Bill authorise policies for commodity programmes, conservation on agricultural land, agricultural trade promotion, international food aid, nutrition programmes, farm credit, rural development, agricultural research, forestry, energy, horticulture and organic agriculture, and crop insurance. About 75% of budgetary spending under the 2018 Farm Bill is for programmes in the Nutrition title – primarily the Supplemental Nutrition Assistance Program (SNAP) – with farm programmes accounting for most of the remainder. Of the farm programmes, crop insurance is the largest at around 9% of total expenditures, followed by commodities and conservation at 7% each.

The primary crop commodity programmes under the 2018 Farm Bill include programmes that make **payments to producers with historical base acres** of covered commodities (including wheat, feed grains, rice, oilseeds, peanuts, pulses and seed cotton) when prices fall below minimums set out in the legislation or when crop revenue is low relative to recent levels. Producers are not required to produce the covered commodity to receive payments on their historical base acres.[1] Price Loss Coverage (PLC), a **counter-cyclical price programme**, makes a payment when market prices for covered crops fall below effective reference prices.[2] Agriculture Risk Coverage-County (ARC-CO),[3] a **revenue-based programme**, makes a payment when actual revenue at the county level falls below rolling average benchmark revenues. For both programmes, payments are made on 85% of base acres. Producers select their programme participation in either ARC or PLC on a commodity-by-commodity basis each year.

The crop insurance programme offers **subsidised crop insurance coverage** to producers who purchase a policy to protect against losses in yield, crop revenue, or whole farm revenue. In addition, the Supplementary Coverage Option (SCO) and Stacked Income Protection Plan (STAX) offer area-based insurance coverage, SCO in combination with traditional crop insurance policies and STAX for upland cotton producers.

Marketing assistance loans are available for producers of 23 eligible commodities (including wheat, feed grains, upland cotton, rice, oilseeds, pulses, wool, mohair and honey). These loans **provide cash flow at harvest** when prices are typically lower, allowing farmers to delay sales until market conditions improve. These are non-recourse loans that can be repaid at market prices when those fall below the loan rate, although market prices for most commodities have been above loan rates in recent years.

For dairy producers, the Dairy Margin Coverage (DMC) programme offers **risk management coverage** when the margin between a nationally defined milk price and the average feed cost falls below a producer-elected level. Producers may participate in both DMC and dairy livestock insurance programmes.

Sugar is supported by a tariff rate quota (TRQ), together with provisions for non-recourse loans (which are not eligible for the repayment provisions discussed above) and marketing allotments. TRQs are in place for dairy, beef and some other products. US MFN average tariff rates for agriculture were 5% for agriculture and 3.1% for non-agriculture in 2024. Sugar average MFN tariffs were 12.1% (WTO, 2025[1]).

Federal agri-environmental programmes focus on **land retirement, easements restricting land use options and measures to encourage crop and livestock producers to adopt practices** that reduce environmental pressures on working land (cropland and grazing land in production). Working land programmes include the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP). Land retirement and easement programmes include the Agricultural Conservation Easement Program (ACEP) and the Conservation Reserve Program (CRP). The Regional Conservation Partnership Program (RCPP) offers options for regional or watershed-based conservation efforts that may combine land retirement, easements, and working lands programmes. Production of

ethanol and other biofuels is supported mainly in the form of mandated blending for fuel use, and loan and grant programmes. Eligibility for most federal commodity programmes, including crop insurance, is subject to recipients having established an individual farm-based conservation plan to protect highly erodible cropland and wetlands.

Other farm programmes include direct and guaranteed loans (including microloans) for farmland purchase and for operating credit, designed to assist producers who face difficulty obtaining credit in the private market. Farm Bill programmes also support public agricultural research and technical assistance, including programmes targeted to specialty crops; organic production; pest and disease prevention; the promotion of sustainable farming practices; and standing disaster programmes for livestock, forage, and trees, bushes and vines to help producers cope with production, financial and physical losses related to or caused by natural disasters.

Recent policy developments

Domestic policy developments in 2025-26

Modification of existing programmes

In November 2025, the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act 2026 extended most of the authorities of the Agriculture Improvement Act of 2018, also known as the US Farm Bill, through September 2026 or the end of the 2026 crop year. In July 2025, the One Big Beautiful Bill Act (OBBBA) revised many existing US food and agricultural programmes. Some of these changes will take effect after separate rulemaking by relevant agencies. Changes authorised by OBBBA include:

- Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programmes extended through 2031, with increased statutory references prices for both programmes. The changes further authorised the one-time allocation of up to 30 million new base acres, based on the planting history on eligible farms.
- Increased Marketing Assistance Loan rates for major commodities by between 5% and 12% compared with the 2018 Farm Bill.
- Made changes to the Dairy Margin Coverage (DMC) programme:
  - Increased Tier I coverage from 5 million to 6 million pounds of annual milk production, and revised Tier II coverage to anything over 6 million pounds.
  - Updated production history based on highest marketed amounts between 2021-23, or first year of marketing for newer operations.
- Extended eligible losses for the Livestock Indemnity Program (LIP) to cover unborn livestock.
- Changed payment rates for predation losses under LIP to 100% of market value.
- For Federal crop insurance, revised the definition of a beginning farmer to individuals who have less than 10 years of farming experience (previously less than 5 years) and offered additional crop insurance premium support to beginning producers for the first 4 years of crop insurance participation.
- Raised crop insurance premium support levels by 3-5% for coverage levels between 55% and 85%.
- Reallocated unspent funding authorised by the Inflation Reduction Act for various conservation programmes (EQIP, CSP, ACEP, and RCPP) to permanent Farm Bill programmes, resulting in higher spending for some programmes relative to the earlier budget baseline.

- Made changes to the Supplemental Nutrition Assistance Program (SNAP):
  - Requires future updates of the Thrifty Food Plan, which is used to determine monthly benefits, to be cost neutral, capping increases unless offset by savings elsewhere.
  - Expanded the SNAP work requirements for able-bodied adults without dependents to adults up to and including age 64, adults with children aged 14 or older, and certain previously exempted groups; establishes new exceptions for certain American Indian groups.
  - Increased state share of administrative costs from 50% to 75%.
  - Required states to pay a portion of SNAP benefit costs (between 5% and 15%), if their payment error rate exceeds 6%.
  - Eliminated the SNAP Nutrition Education and Obesity Prevention Grant Program (SNAP-ED).
  - Modified calculation of standard utility allowance and shelter cost deduction to exclude costs of internet service.
  - Modified eligibility for some non-citizen groups.

In November 2025, the "Expanding Access to Risk Protection (EARP) Final Rule" was published, which outlined various updates to the crop insurance program, including by changing crop insurance regulations to implement changes required by OBBBA. The rule defined the term "beginning farmer," adjusted some programme deadlines, clarified how prices are set when data are missing, and removed certain extra coverage options with most changes starting in 2026 and the rest in 2027.

Also in November, a new Crop and Livestock Income Protection (CLIP) product was announced. CLIP offers umbrella coverage at a higher level for two or more underlying crop revenue policies. The premium savings under CLIP result from diversification of on farm risk between different commodities. Starting from the 2026 crop year, CLIP will be available in selected counties in 13 states for a variety of commodities with revenue protection policies and spring closing dates.[4]

Agri-environmental measures

In December 2025, the NRCS Regenerative Pilot Program was launched to support regenerative agriculture, with USD 400 million in funding through the Environmental Quality Incentives Program (EQIP); and USD 300 million through the Conservation Stewardship Program (CSP). Participating farmers must work with NRCS staff, partners, or technical service providers to conduct a whole-farm assessment, use at least one primary regenerative management practice and agree to perform soil health testing in the first and last year of the contract.[5]

In February 2026, the US Department of Treasury and the Internal Revenue Service issued proposed regulations for domestic producers of clean transportation fuel relevant to the Section 45Z Clean Fuel Production Credit (45Z). The Credit, originally established by the Inflation Reduction Act in 2022 and extended under the One Big, Beautiful Bill in 2025, provides a tax incentive for clean transportation fuel based on carbon intensity, where producers must meet an emissions threshold to qualify. Fuel producers providing fuel with additional reductions in emissions can earn additional credit, up to USD 1/gallon.

Pest and disease control

In February 2025 a five-pronged strategy to address highly pathogenic avian influenza (HPAI), provide assistance to the US poultry industry, and reduce pressure on retail egg prices was announced. The strategy included USD 500 million for increased biosecurity, USD 400 million for financial relief to farmers, and USD 100 million for vaccine research.

Various actions were taken to reduce the threat of New World Screwworm reaching the domestic cattle herd after the pest was detected in Mexico. These included an agreement between USDA Animal and

Plant Health Inspection Service (APHIS) and its Mexican counterpart on a pre-clearance inspection and treatment protocol for all cattle and bison exported from Mexico to the United States and an investment of USD 21 million to renovate a production facility for sterile fruit flies used to combat the spread of the disease located in Metapa, Mexico.

Disaster assistance

In 2025 the Emergency Commodity Assistance Program (ECAP) provided USD 10 billion in assistance to producers to mitigate increased input costs and lower commodity prices in 2024. Payments were determined based on area planted to eligible commodities[6] and acreage that was prevented from being planted.

The Emergency Livestock Relief Program (ELRP) 2023 and 2024, announced in May 2025, made USD 1 billion in assistance available to compensate producers for losses in the quality and quantity of forage due to qualifying droughts and wildfires on federally managed lands. Similar to previous iterations of the programme, payments were equal to a producer's Livestock Forage Disaster Program (LFP) payment multiplied by a payment factor of 35%. Then in September, USDA launched ELRP 2023 and 2024 Flood and Wildfire (FW). ELRP 2023 and 2024 FW was anticipated to use USD 940 million in assistance to livestock producers in eligible counties to help offset increased supplemental feed costs due to qualifying floods and wildfires in 2023 and 2024.

In July 2025, the Supplemental Disaster Relief Program (SDRP) was launched. SDRP made available USD 16 billion in assistance for producers who had suffered eligible losses due to natural disasters occurring in 2023 and 2024. SDRP was divided into two tranches. Stage 1 was indicated for producers who had received assistance under either crop insurance or the Noninsured Crop Disaster Assistance Program. Stage 2offered assistance for eligible crop, tree, bush, and vine losses that were not covered under Stage 1, including non-indemnified or uncovered losses under FCIP and NAP, and production or quality losses that were uninsured, and was launched in November.

Two additional disaster assistance programmes – the On-Farm Stored Commodity Loss Program (OFSCLP) and the Milk Loss Program (MLP) – were also launched in 2025. OFSCLP has a budget up to USD 5 million for assistance to producers for losses of harvested commodities stored on the farm due to certain qualifying disaster events (such as wildfires, hurricanes or floods) occurring in calendar years 2023 and 2024. MLP had a total budget of USD 1.65 million for assistance to dairy operations for milk that was dumped or removed from the commercial milk market without compensation due to a qualifying disaster event in 2023 or 2024.

The USDA also signed agreements directly with state departments of agriculture for block grants related to impacts from specific adverse events, using funds authorized in the American Relief Act. These included USD 280 million in assistance to the Texas Department of Agriculture for Rio Grande Valley farmers experiencing shortage in water deliveries; USD 675.9 million to the Florida Department of Agriculture to assist producers in recovering from the impacts of Hurricanes Idalia, Debby, Helene, and Milton; and USD 60.9 million to the Virginia Department of Agriculture and Consumer Services, USD 221.2 million to the North Carolina Department of Agriculture and Consumer Services, USD 531 million to the Georgia Department of Agriculture, USD 38.3 million to the South Carolina Department of Agriculture, and USD 38.1 million to the Tennessee Department of Agriculture to help producers in those states recover from Hurricane Helene.

In December, USD 12 billion in assistance was announced to respond to trade disruptions and higher production costs in 2025, to be provided in 2026. Up to USD 11 billion of the assistance was earmarked for the Farmer Bridge Assistance (FBA) Program, which will distribute assistance to producers of eligible row crops. The remainder will cover commodities not eligible for FBA, including specialty crops and sugar.

Consumer support policies

Beginning in May 2025, USDA began authorising SNAP food restriction waivers as part of the Make America Healthy Again (MAHA) initiative. These waivers amend the statutory definition of "food for purchase" available under SNAP beginning as early as 1 January 2026 by prohibiting benefit redemption for foods like soda and candy. As of December 2025, 18 state waivers had been approved.[7]

Trade policy developments in 2025-26

On 2 April 2025, the trade deficit and absence of reciprocity in trade relationships was declared a National Emergency under the International Emergency Economic Powers Act of 1977. Under this authority, a baseline 10% tariff on imports of all foreign-origin goods was imposed on all countries and additional individualized higher tariffs on countries with which the United States has a large trade deficit. On 20 February 2026, the US Supreme Court held that IEEPA does not give the President authority to impose tariffs. Following the Court's decision, President Trump terminated the tariffs imposed under IEEPA and proclaimed new tariffs under Section 122 of the Trade Act of 1974.

In September 2025 the America First Trade Promotion Program (AFTPP) was announced. The programme offers USD 285 million in grants to non-profit US agricultural trade organisations, non-profit State Regional Trade Groups, US agricultural co-operatives, and state agencies that conduct approved market development activities to foster expanded exports and market diversification by encouraging the development, maintenance, and expansion of diverse commercial export markets for US agricultural commodities and products.

Policy context

Key economic and agricultural statistics

The United States is the second-largest agricultural trader globally and a leading producer of grains, soybeans, livestock, and dairy. While primary agriculture represents only around 1% of GDP and 1.4% of employment, agro-food accounts for over 10% of total exports (Table 30.2). The US agricultural sector benefits from a large domestic consumer market, as well as abundant arable and pasture land and diverse climatic conditions that support the production of a wide range of commodities. Key industries include grains (maize and wheat), oilseeds (soybeans), cotton, cattle, dairy, poultry and fruits and vegetables.

Table 30.2. United States: Contextual indicators

	United States		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	10 251	29 298	25.2%	17.4%
Population (million)	282	340	6.4%	6.2%
Land area (thousand km²)	9 162	9 147	10.9%	10.8%
Agricultural area (AA) (thousand ha)	415 208	417 826	13.7%	14.1%
			All countries[1]	
Population density (inhabitants/km²)	31	38	52	64
GDP per capita (USD in PPPs)	36 300	86 117	9 508	31 740
Trade as % of GDP	9.4	8.7	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	1.2	1.0	3.0	3.6
Agriculture share in employment (%)	1.8	1.4	-	-
Agro-food exports (% of total exports)	7.8	10.1	6.4	8.3
Agro-food imports (% of total imports)	3.5	6.5	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	55.8	51.3	62.1	60.4
Livestock in total agricultural production (%)	44.2	48.7	37.9	39.6
Share of arable land in AA (%)	42.6	37.0	33.0	34.0

Note: *or closest available year.
1. Average of all countries covered in this report.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

Economic activity in the United States remained resilient through the fourth quarter of 2025 despite a succession of adverse shocks. Output growth moderated to around 2% since the beginning of 2025, broadly in line with estimated potential (Figure 30.4). Employment growth has slowed, yet the unemployment rate has remained broadly stable. Headline inflation picked up sharply through April 2026, reflecting both energy price pressures and pass-through from higher food and transportation costs (OECD, 2026[2]).

Figure 30.4. United States: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

US agricultural exports and imports increased significantly over the last 25 years (Figure 30.5A). The US agricultural trade balance was positive for nearly 60 years until 2019, when it shifted to a deficit. Imports exceeded exports by USD 45 billion in 2024. The leading US agricultural exports are grains and feeds, soybeans, livestock products, tree nuts, fruits, vegetables, and other horticultural products. The leading US imports are horticultural and tropical products. Canada, Mexico, the European Union, and East Asia are major US trade partners.[8] In 2024, exports were evenly split between processed goods and primary commodities, whereas imports are heavily concentrated in processed goods for final consumption (around 52%) (Figure 30.5B).

Figure 30.5. United States: Agro-food trade

Figure 30.5A. United States: Agro-food trade 2000 to 2024



Figure 30.5B. United States: Composition of Agro-food trade, 2024

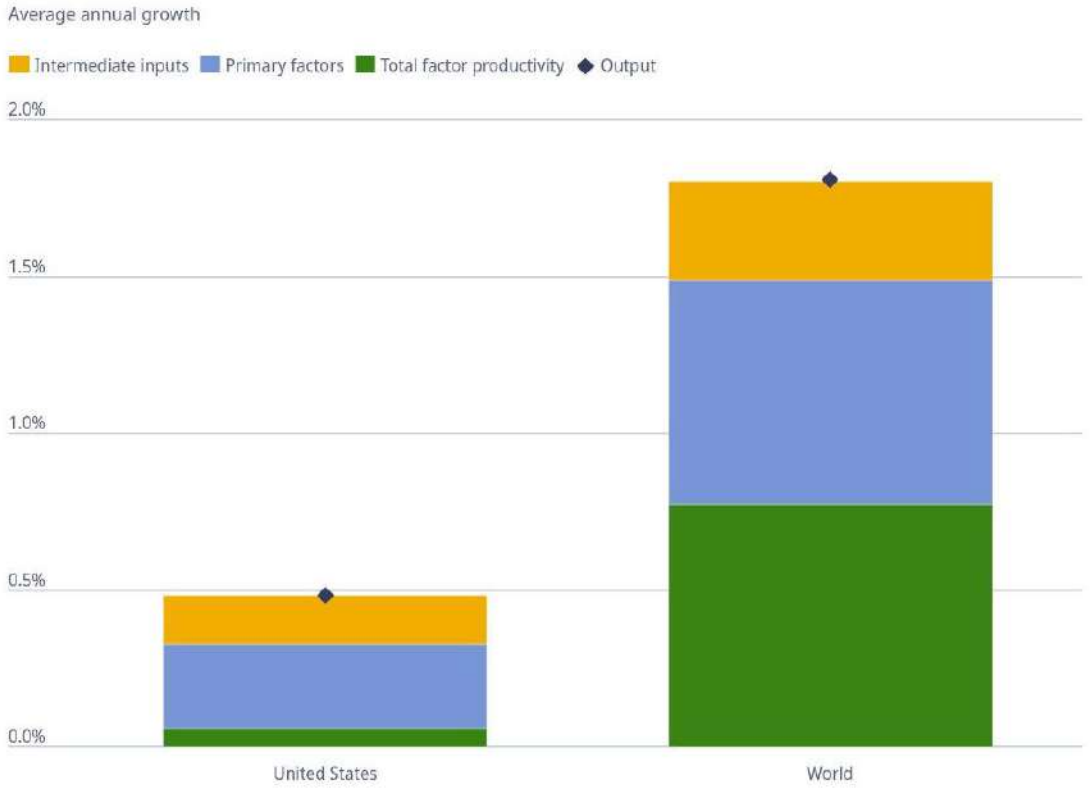


Note: Numbers may not add up to 100 due to rounding.
Source: UN Comtrade Database.

US agricultural output growth over 2014-23 was very modest (around 0.4-0.5% annually) and driven mainly by intensification of production, while total factor productivity (TFP) contributed almost nothing (Figure 30.6). This contrasts with the global pattern, where output growth (1.7-1.8% annually) is higher and supported by strong productivity gains alongside input expansion. In the United States, recent growth has been input-driven rather than efficiency-driven, marking a shift from the long-term pattern in which productivity accounted for most output growth.

This weak TFP contribution reflects structural drivers of productivity. Growth has historically relied on innovation – improved seeds, mechanisation, precision technologies – and sustained R&D investment, which yields high returns but with long lags. However, slow real public R&D spending growth since the early 2000s, combined with diminishing returns at the technological frontier and slower diffusion of innovations, has led to a recent slowdown in productivity gains. Higher private R&D expenditure has not changed the picture of low TFP growth, though the effect of this may have long lags and only be evident in the future.[9]

Figure 30.6. United States: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

Productivity and environmental indicators show US agriculture combining improving nutrient efficiency with rising resource use pressures (Table 30.3). Nitrogen and phosphorus balances have declined (from 34.4 kg/ha to 29.0 kg/ha and 2.8 kg/ha to 1.9 kg/ha, respectively), indicating better input management and reduced nutrient surpluses, broadly converging toward OECD averages. Conversely, the period saw marginal increases in agriculture's share of energy use (0.9% to 1.4%) and water abstractions (39.7% to 41.8%), although both remain below OECD averages.

Table 30.3. United States: Productivity and environmental indicators

	United States		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	2.3%	0.1%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	34.4	29.0	32.3	29.0
Phosphorus balance, kg/ha	2.8	1.9	3.3	2.3
Agriculture share of total energy use (%)	0.9	1.4	1.7	2.0
Agriculture share of GHG emissions (%)[1]	..	..	8.7	10.3
Share of irrigated land in AA (%)	5.4	5.3	-	-
Share of agriculture in water abstractions (%)	39.7	41.8	46.1	47.7
Water stress indicator	..	..	..	..

Note: * or closest available year.
1. The United States no longer provides data on GHG emissions.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

The US Congress passes legislation that sets national agriculture, nutrition, conservation, and forestry policy, commonly referred to as the "Farm Bill". The Farm Bill is an omnibus bill that is renewed on a regular basis, about every five years. Since 1933, the United States has passed 18 farm bills, the most recent being the Agriculture Improvement Act of 2018.

Historically, the commodity support component of Farm Bills focused on stabilising and boosting farm income to aid economic recovery and development during the Depression and post-war eras through price and income support for a specified set of commodities, including but not limited to corn, soybeans, wheat, cotton, rice, peanuts, dairy, and sugar (OECD, 2011[3]). Over time, Farm Bills expanded in scope: the 1973 Farm Bill first included a nutrition title while subsequent farm bills added titles on policy areas such as agricultural trade, farm credit, rural development and crop insurance. The 1985 Farm Bill added conservation provisions; the 1990 Farm Bill, organic agriculture; the 1996 Farm Bill, agricultural research; the 2002 Farm Bill, bioenergy; and the 2008 Farm Bill, horticulture and local food systems (Congressional Research Service, 2019[4]).

Agricultural policy reform in the United States has been characterised by a significant shift towards less production- and trade-distorting forms of support. Commodity programmes originally supported farm incomes through a combination of taxpayer-funded production payments and supply management in the form of acreage limits and commodity storage programmes. The Food Security Act of 1985 introduced changes that moved farmers towards more market orientation by reducing price supports in favour of direct payments, introducing greater planting flexibility and giving more attention to export opportunities for US farm products (OECD, 2011[3]).

Reforms continued with subsequent Farm Bills. The 1996 Farm Bill[10] re-designed income support programmes by replacing target prices, price-based deficiency payments and acreage controls with historically based direct payments independent of current production. A series of ad hoc emergency top-up payments supplemented the historically based payments implemented under the 1996 Farm Bill to provide additional assistance in the face of low commodity prices. These ad hoc payments were institutionalised under the 2002 Farm Bill[11] as counter-cyclical payments linked to the historically based direct payments, and continued under the 2008 Farm Bill[12] (OECD, 2011[3]). The 2014 Farm Bill ended these direct and counter-cyclical payments but continued direct income support based on historical

production with programmes triggering payments based on either reference prices or revenue benchmarks. It also ended the dairy price support programme, replacing it with a premium-based milk-to-feed margin protection programme. The 2018 Farm Bill continued these programmes with only small adjustments (Table 30.4).

The largest of the farm programmes in the Farm Bill, the Federal Crop Insurance Programme (FCIP), was established in the 1930s to cover yield losses from most natural causes.[13] The programme's current form was authorised by the Federal Crop Insurance Act of 1980 and modified by subsequent Farm Bills and other legislation. The 1980 Act introduced federal premium subsidies and brought in private insurance companies (Approved Insurance Providers, or AIPs) to deliver crop insurance policies. The catastrophic (CAT) coverage level was created in 1994, under which 100% of the premium is subsidised and producers pay a fee for coverage of yield loss greater than 50% at 55% of the base commodity price.[14] The Agricultural Risk Protection Act of 2000 expanded the geographic availability of insurance, increased premium subsidy levels, and removed restrictions on livestock insurance products.

The One Big Beautiful Bill Act (OBBBA), signed in July 2025, acts as a partial extension of the Farm Bill by reauthorising and strengthening core farm safety-net programmes. It maintains and expands key tools such as PLC, ARC, marketing loans, crop insurance, and dairy support, including higher reference prices and revenue guarantees. The Act also continues funding for voluntary conservation programmes, partly by integrating resources from the Inflation Reduction Act into the Farm Bill baseline. Overall, it reflects strong policy continuity, reinforcing the long-term focus on risk management and income stabilisation.

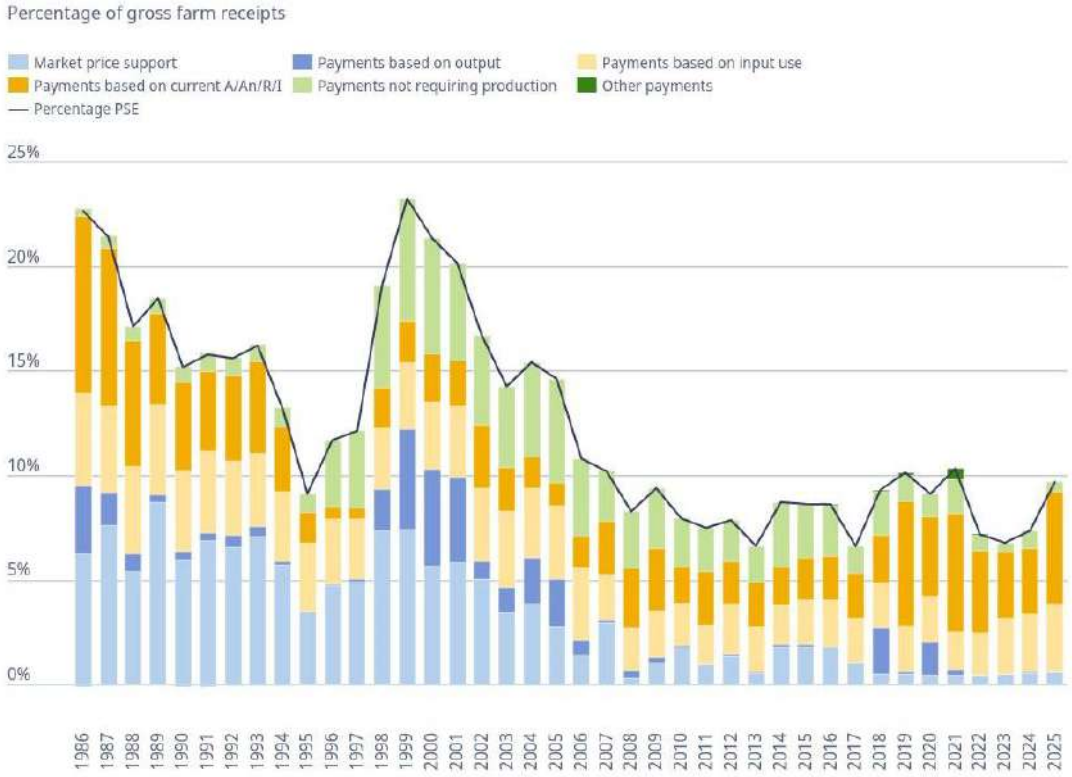
Table 30.4. United States: Agricultural policy trends

Period	Framework	Changes in agricultural policies
1980	Federal Crop Insurance Act of 1980[1]	Introduced federal premium subsidies for crop insurance (30% at the 65% coverage level) Created a public-private partnership with private insurance companies (Approved Insurance Providers), which became responsible for delivering crop insurance policies
1985	Food Security Act of 1985	Established marketing loans for cotton and rice, removing market price support element of cotton and rice commodity loans Set up the Export Enhancement Programme and the Dairy Export Incentive Programme. Established the Conservation Reserve Programme (CRP) Established conservation cross-compliance requirements (highly erodible land and wetland conservation provisions)
1990	Food, Agriculture, Conservation, and Trade Act of 1990	Introduced 15% "normal flex acres" and 10% "optional flex acres" Extended marketing loan provisions to oilseeds in 1991, and to wheat and feed grains in 1993 Allowed oilseeds and alternative crops to be planted on land in a 0/85-92 programme without loss of payments.
1994	Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994[1]	Catastrophic (CAT) crop insurance coverage level created Increased premium subsidies for higher coverage levels (buy-up coverage)
1996	Federal Agriculture Improvement and Reform Act of 1996	Replaced crop deficiency payments and target prices with fixed direct payments decoupled from current prices and production levels to be reduced over time Eliminated most planting restrictions Extended marketing loan provisions to most other covered crops and created alternative direct Loan Deficiency Payments (LDP) Phased-out the dairy support price (although interim legislation modified this provision) Consolidated cost share and technical assistance programmes for crop and livestock producers into the Environmental Quality Incentives Programme (EQIP) Extended CRP authorisation and capped enrolment Lifted conservation cross-compliance requirements for crop insurance participation
2000	Agricultural Risk Protection Act of 2000[1]	Expanded the geographic availability of crop insurance, increased premium subsidy levels, and removed restrictions on development of livestock insurance products

Period	Framework	Changes in agricultural policies
2002	Farm Security and Rural Investment Act of 2002	Annually decreasing Production Flexibility Contract payments replaced by fixed Direct Payments programme Created the Counter-Cyclical Payments programme triggering supplemental direct income support payments when prices fell below targets Added soybeans and peanuts as covered commodities under the fixed Direct Payment and Counter-Cyclical Payments programme Increased payments for environmental conservation and protection Eliminated peanut price support quota system, buying out peanut quota rights
2008	Food, Conservation, and Energy Act of 2008	Retained Direct Payment, Counter-Cyclical Payment and Marketing Assistance Loan programmes Created the Average Crop Revenue Election (ACRE) as a revenue-based alternative to the Counter-Cyclical Payment programme Changed the dairy price support programme basis from milk price to prices of dairy products Increased marketing assistance loan rates and Counter-Cyclical Payment programme target prices for a number of programme crops and sugar Introduced a permanent disaster assistance programme (Supplemental Agricultural Disaster Assistance) to end the need for ad hoc programmes Significantly increased funding for domestic food assistance programmes Ended the Export Enhancement Programme
2014	Agricultural Act of 2014	Repealed Direct Payment, Counter-Cyclical Payment, and ACRE programmes; created the Price Loss Coverage (PLC) and Agriculture Risk Coverage (ARC), which used the historical payment base established for the repealed programmes Added new crop insurance options: Supplemental Coverage Option (SCO), Stacked Income Protection Plan (STAX) for upland cotton; Expanded the Noninsured Crop Disaster Assistance Programme (NAP) to allow for higher premium-based coverage Re-established conservation cross-compliance requirement to receive crop insurance premium subsidies Expanded programmes for specialty crops, organic farmers, bioenergy, rural development, and beginning farmers and ranchers, continuing orientation to technical assistance, research, and development loans.
2018	Agriculture Improvement Act of 2018	Continued 2014 Farm Bill programmes with only minor changes, with some additions to programmes for specialty crops, organic farmers, local and regional markets, and beginning, military veteran and minority farmers. Extended to 2024.
2025	One Big Beautiful Bill Act (OBBBA) of 2025	Extends and strengthens core programmes (PLC, ARC, crop insurance, dairy), raises reference prices; reinforces farm safety net and disaster support; incorporates conservation funding into the Farm Bill baseline.

Overall support in the United States has declined markedly over time, from around 20-22% in the late 1980s to roughly 7-10% in recent years, with a temporary spike around 1999-2001. More important is the shift in composition over this period. Early support is dominated by market price support and payments linked to production (the most potentially trade-distorting forms), while over time these shrink and are replaced by less coupled instruments, including payments based on historical entitlements, risk management, and input use. From the mid-2010s onward, support stabilises at a lower level but becomes more counter-cyclical, with increases during periods of low prices or shocks (e.g. around 2019-2021). The data illustrate a long-term transition toward less production-distorting support combined with continued use of income stabilisation tools.

Figure 30.7. United States: Development of the PSE and its composition, 1986 to 2025



Notes: A/An/R/I:Area planted/Animal numbers/Receipts/Income.
Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

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Notes

[1] Base acres are a farm's crop-specific historical acreage of 22 eligible covered commodities (including wheat, feed grains, seed cotton, rice, oilseeds, pulse crops or peanuts) for purposes of participation in the ARC and PLC commodity programmes. Base acres are not linked to current plantings.

[2] The effective reference price is the greater of the statutory reference price or 85% of the average of the Market Year Average (MYA) price from the preceding 5 years, excluding the highest and lowest prices, capped at 115% of the statutory reference price. This method of calculating the payment rates allows the effective reference price to be greater than the statutory reference price if historic average prices are greater than the statutory reference price.

[3] ARC has an additional variation – Agriculture Risk Coverage – Individual (ARC-IC) – which instead is based on farm level revenues per acre. Under this variation, ARC must be selected for all covered commodities on the farm. In addition, payments under ARC-IC are calculated based on the yields of the farm and are made only on 65% of base acres. Participation in ARC-IC has historically been small, never exceeding 5% of base acres.

[4] Spring barley, spring canola, corn, cotton, dry beans, dry peas, flax, grain sorghum, spring oats, peanuts, popcorn, rice soybeans, sunflowers, weaned calves, and spring wheat.

[5] Primary practices include conservation crop rotation, contour farming, contour orchard and other perennial crop, cover crop, drainage water management, forage harvest management, forest stand improvement, irrigation water management, mulching, nutrient management, pest management conservation system, grazing management, residue and tillage management (no till or reduced till), strip-cropping.

[6] Wheat, corn, sorghum, barley, oats, upland cotton, extra-long staple cotton, long grain rice, medium grain rice, peanuts, soybeans, other oilseeds, dry peas, lentils, small chickpeas, and large chickpeas. Eligible "other oilseeds" are canola, crambe, flax, mustard, rapeseed, safflower, sesame, and sunflower.

[7] Arkansas, Colorado, Florida, Hawaii, Idaho, Indiana, Iowa, Louisiana, Missouri, Nebraska, North Dakota, Oklahoma, South Carolina, Tennessee, Texas, Utah, West Virginia, and Virginia.

[8] See https://www.ers.usda.gov/data-products/ag-and-food-statistics-charting-the-essentials/agricultural-trade/.

[9] US TFP estimates in the database used here are lower than the estimates in US domestic productivity accounts, which use survey-based data instead of international datasets.

[10] Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127).

[11] Farm Security and Rural Investment Act of 2002 (P.L. 107-171).

[12] Food, Conservation, and Energy Act of 2008 (P.L. 110-246).

[13] Agricultural Adjustment Act of 1938 (7 U.S.C. 1281).

[14] Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994. The Food, Conservation, and Energy Act of 2008 ("2008 Farm Bill") continued the 100% premium subsidy for CAT but increased CAT fees from USD 50 to USD 300/crop/county.

31 Viet Nam

Main findings

Support to agriculture

Viet Nam's Producer Support Estimate (PSE) is negative and increasingly so since 2014, with an average of -11.5% in 2023-25. The PSE is largely driven by transfers from farmers to consumers in the form of low domestic prices (negative MPS), most significantly for producers of tea, poultry meat and rubber, and to a lesser extent for producers of rice and cashew nuts. In contrast, producers of maize, sugarcane, peppers and beef benefit from prices above world reference levels. However, the transfers to farmers for these products is outweighed significantly by negative MPS, such that farmgate prices were on average 10% below border reference values.

Budgetary transfers to producers are relatively small. They are primarily delivered through payments based on variable input use, namely an exemption from the payment of irrigation service fees, and subsidies for fertilisers, pesticides and machinery under the Sustainable Poverty Alleviation Programme, which targets producer support to communes in remote and mountainous areas. The government also supports rice production through periodic market stabilisation interventions such as rice purchases for the national strategic reserve, and supportive credit, irrigation and land use policies.

The General Services Support Estimate (GSSE), measured as a percentage of the value of production, fell from 2.2% in 2000-02 to 1.6% in 2023-25. Support for general services for agriculture predominantly goes to the development and maintenance of infrastructure, two-thirds of which goes to hydrological infrastructure for irrigation and the 3.8 million ha paddy field support programme. Expenditures under the Sustainable Poverty Alleviation Programme support the development of infrastructure, including roads and small irrigation schemes, as well as agricultural education, extension and advisory services. Total support accounted for -1.4% of Gross Domestic Product (GDP) in 2023-25, down from +2.1% in 2000-02.

Key policy changes in 2025-26

In early 2025, the Ministry of Agriculture and Rural Development and the Ministry of Natural Resources and Environment were merged to form the Ministry of Agriculture and Environment (MAE).

Agricultural policy implementation was decentralised through the abolition of the district level of administration, establishing a two-tier local governance system at provincial and commune levels.

Support for farmers affected by natural disasters and pest outbreaks was expanded through increased provision of seeds, breeding stock, and partial production cost support. Compensation levels for livestock culled due to disease outbreaks were raised, and financial support was extended to individuals involved in disease prevention and control activities.

VAT exemptions for enterprises and co-operatives trading unprocessed agricultural products were maintained in 2026, and the agricultural land use tax exemption was extended until the end of 2030. Preferential credit policies were amended to allow for loan restructuring, expanded access to unsecured loans, and the use of loan-financed assets as collateral.

The National Action Plan on Circular Economy Implementation was issued in January 2025, identifying agriculture as a key sector for resource efficiency, waste reduction, and environmental sustainability. A national carbon market development plan was approved, with gradual inclusion of agriculture and land use activities supported by monitoring, reporting and verification (MRV) systems. A low-emission production plan for the crop sector was adopted to promote climate smart practices and emissions monitoring.

Viet Nam reduced most favoured nation (MFN) import tariffs on selected agricultural products and inputs, including eliminating duties on maize and soybean meal. Administrative measures were implemented to prioritise customs clearance for agricultural exports, particularly perishable goods. New technical protocols for some agricultural commodities were signed with China, to facilitate agricultural exports through harmonised quarantine, food safety, and traceability requirements. Trade co-operation was further strengthened through ongoing engagement and market access initiatives with key partners, including the United States, South Africa, and the United Arab Emirates.

Assessment and recommendations

- Increase flexibility in land-use policy by gradually relaxing strict paddy land regulations and shifting from rice-focused support toward allowing farmers to seek diversified higher-value production, while maintaining targeted safeguards for food security and rural livelihoods. This would help agricultural support to move away from commodity-specific measures and irrigation infrastructure to improve resource efficiency, farm incomes, and sustainability.
- Phase out ad hoc market interventions in the rice sector that provide income support but may reduce responsiveness to market signals and replace them with more efficient and less distortionary risk-management tools. Progressively reallocate budgetary resources toward agricultural R&D and extension services to enhance productivity and address environmental concerns.
- Phase out the special treatment of state-owned enterprises (SOEs), which play an important role in agricultural value chains and have preferential access to credit and land. This would help eliminate structural inefficiencies and allow prices received by farmers to reflect market value. Further improve market functioning by promoting more competition and private-sector participation in agricultural value chains.
- Strengthen and align mitigation targets and policy instruments to ensure a clear and feasible pathway to net zero. The current 2030 NDC target still implies rising emissions at the economy-wide level, which may undermine progress toward the 2050 net-zero goal. Deepen efforts to develop low-emission and circular agriculture systems by scaling up MRV systems and integrate them with carbon market mechanisms.
- Promote integrated climate-smart agricultural practices to address high nitrogen and phosphorus surpluses and water management challenges, reduce reliance on chemical inputs and enhance soil health. These practices include alternate wetting and drying in rice, site-specific nutrient management, integrated pest management, and circular crop-livestock systems.
- Target investments to improve compliance with food safety, quality, and sustainability requirements to enhance export competitiveness. This will help producers and enterprises to meet international standards, take advantage of new bilateral and regional trade agreements, diversify export markets, and deepen integration into global value chains.

Key indicators on agricultural support

Figure 31.1. Viet Nam: Development of support to agriculture

Figure 31.1A. Viet Nam: Producer Support Estimate and its composition

Percentage of gross farm receipts

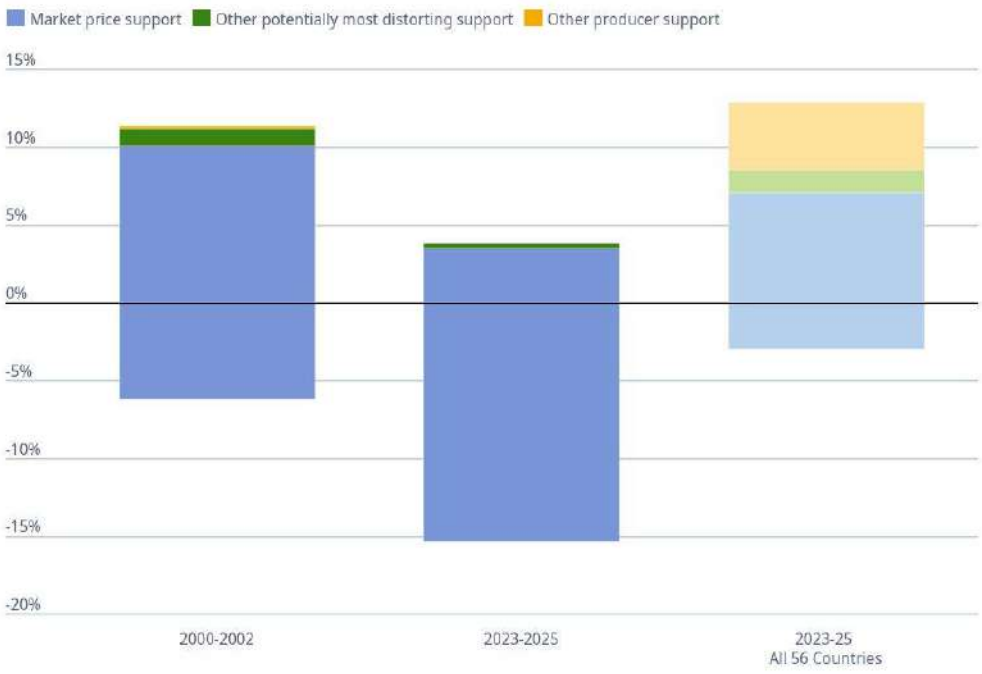


Figure 31.1B. Viet Nam: Ratio of producer to border price

Producer NPC

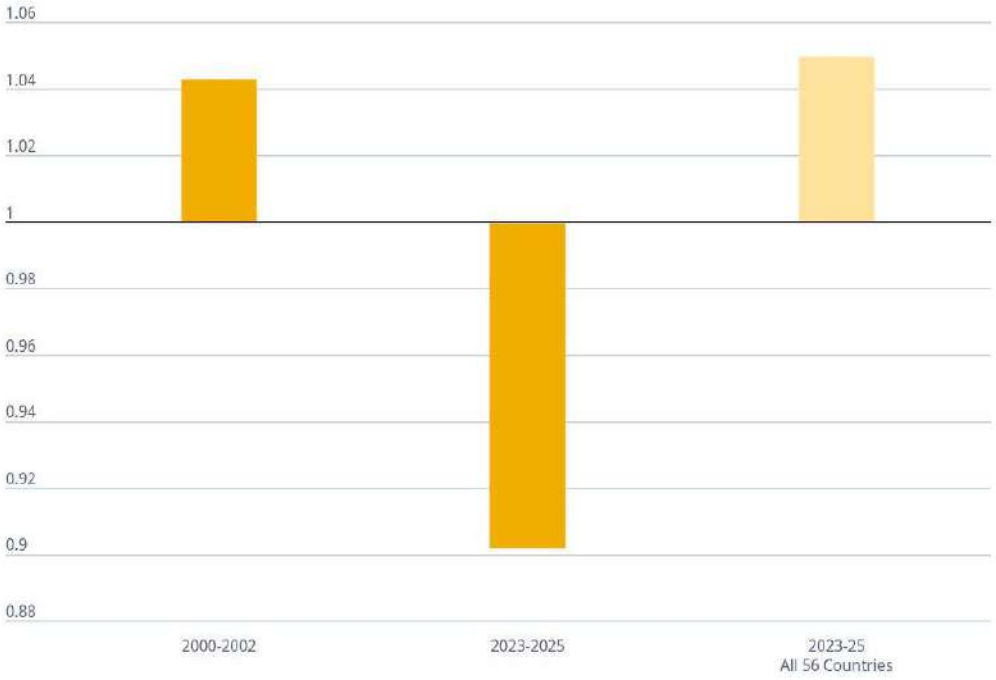


Figure 31.1C. Viet Nam: General Services Support Estimate and its composition

Relative to agricultural value of production

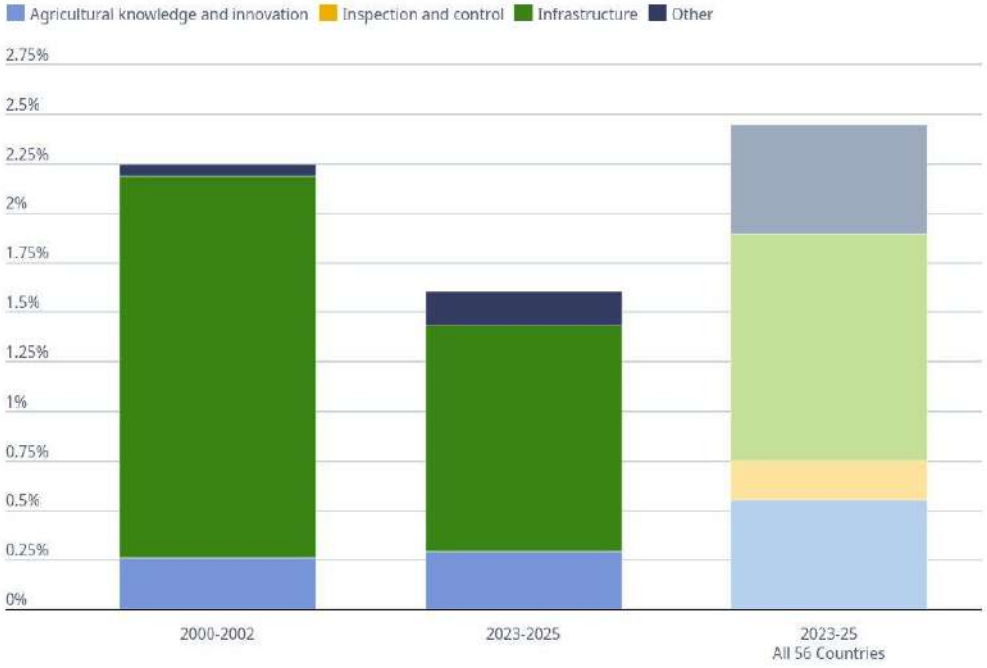
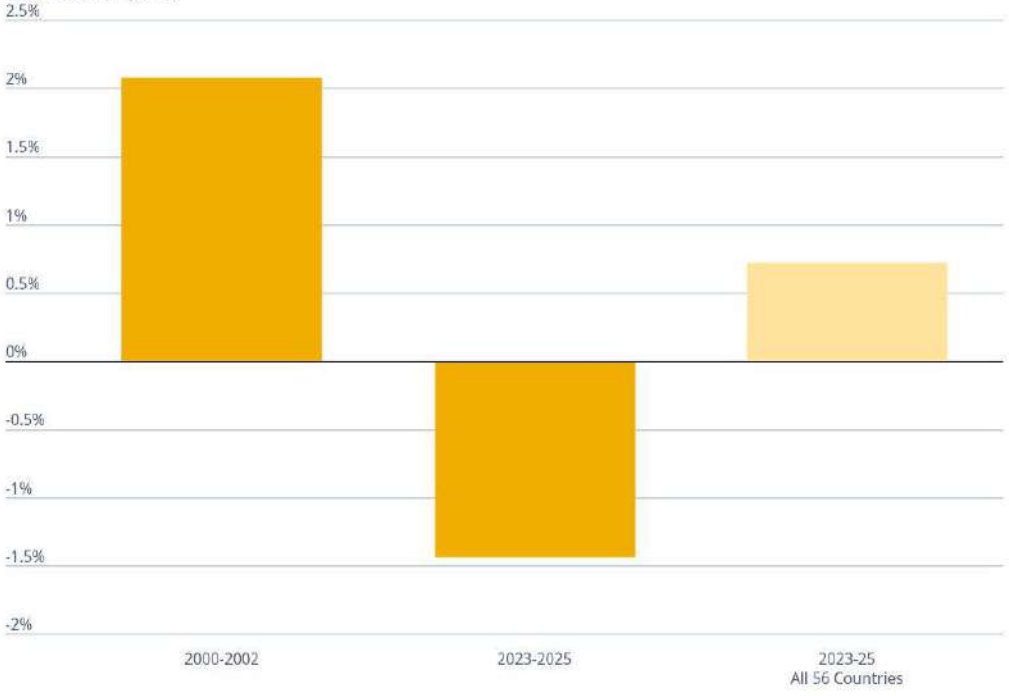


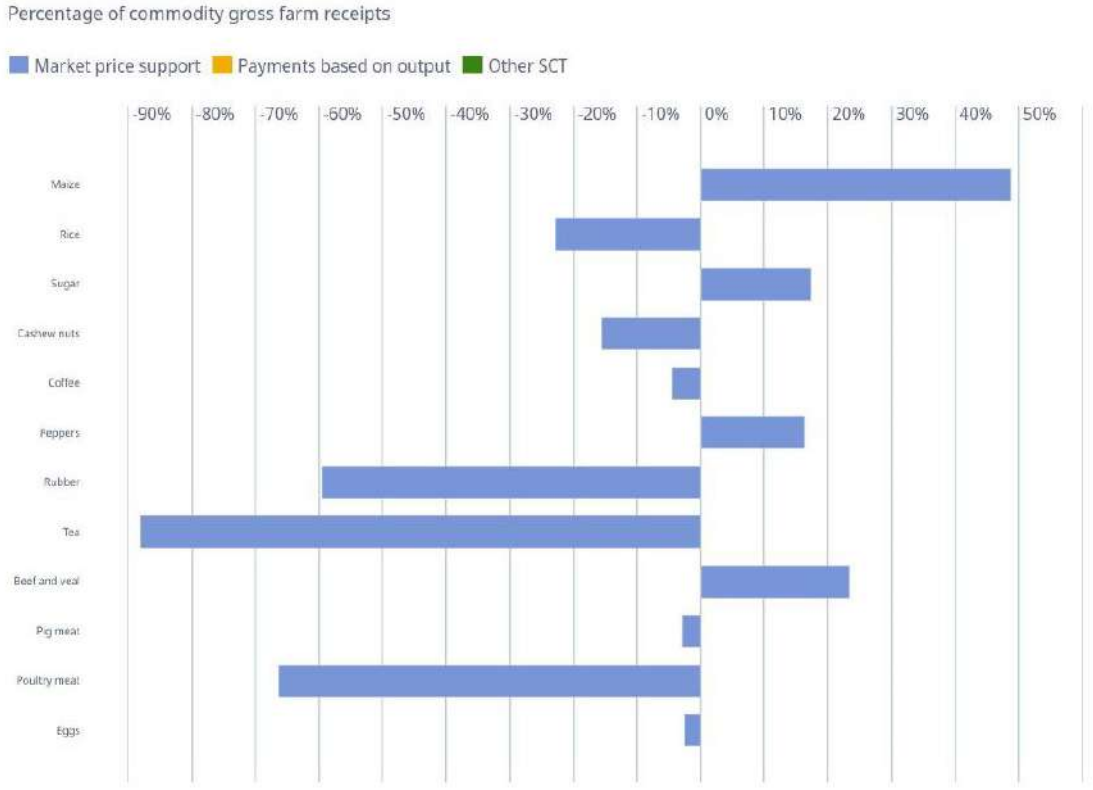
Figure 31.1D. Viet Nam: Total Support Estimate

Relative to GDP (%TSE)



Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Figure 31.2. Viet Nam: Commodity-specific transfers (SCT), 2023-25



Note: Only commodities with non-zero transfers shown.
Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database)*, https://data-explorer.oecd.org/.

Table 31.1. Viet Nam: Estimates of support to agriculture

Million USD

	2000-02	2023-25	2023	2024	2025p
Total value of production (at farm gate)	**8 959**	**59 432**	**54 865**	**56 280**	**67 151**
of which: share of MPS commodities (%)	77.51	76.56	71.96	85.26	72.46
Total value of consumption (at farm gate)	**7 686**	**54 974**	**52 909**	**51 210**	**60 803**
Producer Support Estimate (PSE)	**486**	**-6 885**	**-8 060**	**-5 410**	**-7 185**
Support based on commodity output	364	-7 079	-8 250	-5 615	-7 372
Market price support[1]	364	-7 079	-8 250	-5 615	-7 372
Positive market price support	921	2 096	1 274	3 710	1 303
Negative market price support	-557	-9 175	-9 524	-9 325	-8 674
Payments based on output	0	0	0	0	0
Payments based on input use	101	191	187	203	184
Based on variable input use	101	191	187	203	184
with input constraints	0	0	0	0	0
Based on fixed capital formation	0	0	0	0	0
with input constraints	0	0	0	0	0
Based on on-farm services	0	0	0	0	0
with input constraints	0	0	0	0	0
Payments based on current A/An/R/I, production required	0	2	2	2	3
Based on Receipts / Income	0	2	2	2	3
Based on Area planted / Animal numbers	0	0	0	0	0
with input constraints	0	0	0	0	0
Payments based on non-current A/An/R/I, production required	0	0	0	0	0
Payments based on non-current A/An/R/I, production not required	0	0	0	0	0
With variable payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
With fixed payment rates	0	0	0	0	0
with commodity exceptions	0	0	0	0	0
Payments based on non-commodity criteria	21	0	0	0	0
Based on long-term resource retirement	21	0	0	0	0
Based on a specific non-commodity output	0	0	0	0	0
Based on other non-commodity criteria	0	0	0	0	0
Miscellaneous payments	0	0	0	0	0
Percentage PSE (%)	**5.22**	**-11.49**	**-14.64**	**-9.58**	**-10.67**
Producer NPC (coeff.)	**1.04**	**0.90**	**0.87**	**0.92**	**0.91**
Producer NAC (coeff.)	**1.06**	**0.90**	**0.87**	**0.91**	**0.90**
General Services Support Estimate (GSSE)	**201**	**949**	**670**	**971**	**1 205**
Agricultural knowledge and innovation system	23	174	139	164	218
Inspection and control	0	0	0	0	0
Development and maintenance of infrastructure	173	677	515	722	793
Marketing and promotion	0	0	0	0	0
Cost of public stockholding	5	98	16	85	194
Miscellaneous	0	0	0	0	0
Percentage GSSE (% of TSE)	**29.80**	**.**	**.**	**.**	**.**
Consumer Support Estimate (CSE)	**-592**	**2 541**	**4 963**	**2 177**	**484**
Transfers to producers from consumers	-595	5 101	6 449	5 420	3 433
Other transfers from consumers	-19	-3 076	-1 801	-3 893	-3 533
Transfers to consumers from taxpayers	0	0	0	0	0
Excess feed cost	22	516	315	649	584
Percentage CSE (%)	**-7.56**	**4.49**	**9.38**	**4.25**	**0.80**
Consumer NPC (coeff.)	**1.08**	**0.97**	**0.92**	**0.97**	**1.00**
Consumer NAC (coeff.)	**1.08**	**0.96**	**0.91**	**0.96**	**0.99**
Total Support Estimate (TSE)	**687**	**-5 936**	**-7 390**	**-4 439**	**-5 981**
Transfers from consumers	613	-2 025	-4 648	-1 528	100
Transfers from taxpayers	92	-836	-941	981	-2 548
Budget revenues	-19	-3 076	-1 801	-3 893	-3 533
Percentage TSE (% of GDP)	**2.08**	**-1.43**	**-1.71**	**-1.08**	**-1.51**
Total Budgetary Support Estimate (TBSE)	**323**	**1 142**	**860**	**1 176**	**1 391**
Percentage TBSE (% of GDP)	**1.00**	**0.28**	**0.20**	**0.29**	**0.35**
GDP deflator (2000-02 = 100)	**100**	**580**	**558**	**581**	**601**
Exchange rate (national currency per USD)	**15 000.33**	**24 774.72**	**23 655.98**	**24 853.08**	**25 815.10**

.. Not available

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.

1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for Viet Nam are: rice, rubber, coffee, maize, cashew nuts, sugar, pepper, tea, beef and veal, pig meat, poultry and eggs.

Source: OECD (2026), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

Policy landscape

Domestic price support is the main form of support for Vietnamese producers, **mainly tariffs for import-competing commodities** such as beef, veal and sugarcane. Following Viet Nam's accession to the WTO in 2007, the simple average MFN-applied tariff on agricultural imports decreased from around 25% in the mid-2000s to 17% in 2024. Despite the decline, this is more than double the MFN-applied tariff for non-agricultural goods of 8.3% (WTO, 2025[1]). Applied tariffs are lower on imports originating from countries or regions with which Viet Nam has signed free trade agreements.

Viet Nam is a member of the WTO, the Association of Southeast Asian Nations (ASEAN), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Regional Comprehensive Economic Partnership (RCEP),[1] and the Asia-Pacific Economic Cooperation (APEC), and supports trade liberalisation between ASEAN members and their major trading partners. Outside of ASEAN, Viet Nam has negotiated bilateral free trade agreements with Chile, Cuba, the Eurasian Economic Union, the European Union, Israel, Japan, Korea, the United Arab Emirates (UAE) and the United Kingdom.

State-owned enterprises (SOEs) play an important role in the production, wholesale, and trade of export commodities such as rice, rubber, coffee and tea. They benefit from lower borrowing costs due to guarantees extended by state-owned banks, and preferential access to land and human resources (OECD, 2022[2]). Key SOEs include the Viet Nam Rubber Group (VRG), which controls about 40% of rubber plantation land and 85% of exports; the Viet Nam Southern Food Corporation (Vinafood II), the largest rice exporter; the Viet Nam National Coffee Corporation (Vinacafe), responsible for about 25% of coffee exports; and the Viet Nam National Tea Corporation (Vinatea), which manages the largest concentrated production area in the country and exports to 15 markets. This dominance allows SOEs to exert market power, discouraging entry and reducing farmgate prices below international reference prices. These lower prices are reflected in the PSE as an implicit tax on farmers, measured as negative MPS.

Provincial support programmes provide funding to local rice growers in order to maintain a **target of 3.5 million ha of paddy land**. These programmes focus on the adoption of new rice varieties and investments in agricultural and rural infrastructure, among other measures. The State Bank of Viet Nam requires credit institutions to lend to rice producers with interest rates at least 1% below the existing market rates. This is to support the government's "Sustainable Development of One Million Hectares of High Quality and Low-Emission Rice Associated with Green Growth in the Mekong River Delta By 2030" strategy. Financial support ranging from VND 750 000 (USD 31) to VND 1 500 000 (USD 61) per hectare per year is provided for paddy land, with an extra VND 1 500 000 (USD 61) per hectare per year for dedicated paddy rice in areas reserved for high productivity and high-quality rice cultivation.

Exporters of rice (except organic rice) must have at least one storage and one milling facility (either owned or leased) that meet national standards and maintain rice reserves equivalent to 5% of the volume they shipped in the preceding six months in order to obtain an export certificate. These regulations are designed to **encourage stockholding, stabilise domestic rice prices**, and fulfil international commitments in the event of natural disasters or crop failures.

An irrigation service fee (ISF) waiver exempts producers from payments to manage, maintain and protect irrigation works above the canal gate. Instead, the central and provincial governments pay compensation to irrigation management companies. Other support based on input use includes central and local government **subsidies for certain varieties of rice seeds and seedlings**. Support for producers is also provided through the Sustainable Poverty Alleviation Programme (previously known as "Program 135"), which allocates support to communes in remote and mountainous areas. The programme includes subsidies for agricultural inputs and extension services.

Expenditures on irrigation systems represent a major component of general services for the agricultural sector, a strategy that is manifest in the Hydraulic Work Strategy that sets objectives related to

the supply of water for paddy fields and total land area in irrigation. Expenditures are allocated through investments by the central government in developing and maintaining irrigation infrastructure and through funding provided under programmes such as the Sustainable Poverty Alleviation Programme to support the construction of small irrigation systems.

In Viet Nam, land is owned by the people, with the state acting as the representative of the owner and administering unified management. **Agricultural land use plans tend to favour rice production**. Land users obtain a Land Use Right (LUR), under which title holders may conduct transactions, including buying, selling, bequeathing, and leasing land, as well as using land as collateral for mortgages with financial institutions. LURs cover crop choice, conversion of paddy land, and restrictions on land transfers and exchanges. Foreigners may retain a LUR for 50 years, while locals may hold one indefinitely. An **agricultural land use tax exemption** has been in in place since 2010. Normally, this tax is calculated based on area and land quality (implied yield potential) and so is equivalent to a per-hectare charge.

Funding for extension activities is channelled through both national government agencies and provincial governments. The National Agricultural Extension Centre and the Science and Technology Department of the Ministry of Agriculture and Environment (MAE) administer an open and competitive selection process to allocate central government funding for agricultural extension to both public and non-public providers. Provincial People's Committees play the same role for local level projects. Funded projects follow a top-down model that emphasises the **introduction of new crop varieties or technologies** (Gray and Jones, 2022[3]).

Viet Nam is party to the Paris Agreement on Climate Change. In its updated Nationally Determined Contribution (NDC), submitted in October 2022, the country pledged to reduce projected 2030 greenhouse gas (GHG) emissions (927.9 $MtCO_2eq$ under the business as usual (BAU) scenario) by 15.8% using domestic resources ("Unconditional Contribution") and up to 43.5% with sufficient international financing and support ("Conditional Contribution") (Government of Viet Nam, 2022[4]). Despite these reductions, emissions would still rise by roughly 2.8 times the 2014 level (284 $MtCO_2eq$) under the 15.8% scenario and 1.8 times under the 43.5% scenario. Viet Nam also signed the Global Methane Pledge and committed to achieving net-zero carbon emissions by 2050 at COP26 in Glasgow in 2021.

Agriculture, which accounts for almost one-third of the country's total emissions, has a reduction target of 1.3% by 2030 relative to BAU, as set out in the Unconditional Contribution scenario, and a reduction target of 5.5% in the Conditional Contribution scenario. Adaptation efforts are guided by the National Adaptation Plan in Agriculture (NAP-Ag), under which MAE carries out vulnerability assessments, promotes climate-smart agricultural practices, and implements pilot projects related to early warning systems, disaster response and training of government officials. More broadly, the National Climate Change Adaptation Plan for 2021-2030 was updated in 2024, and in January 2025 a roadmap was approved to establish a national carbon market by 2029.

Recent policy developments

Domestic policy developments in 2025-26

Several **ministries were restructured and consolidated** in early 2025 to reduce institutional fragmentation and enhance inter-sectoral co-ordination. This included merging the Ministry of Agriculture and Rural Development (MARD) with the Ministry of Natural Resources and Environment (MONRE) to establish a new Ministry of Agriculture and Environment (MAE), which officially came into operation on 1 March 2025.

Agricultural **programme delivery was decentralised** with the abolition of the district level of administration effective 1 July 2025. The mandate of MAE was refocused on strategy and policy formulation, while a new

two-tier system shares responsibility between provincial governments, who co-ordinate policy implementation, and commune-level governments who are responsible for implementing policies at the local level. Other administrative procedures have also been devolved from the central to the provincial and commune levels.

Regulations on periodic **reporting of paddy and rice inventories were strengthened**, now requiring that both parties to export contracts hold a valid export eligibility certificate, closing a loophole under the previous rules. Additional grounds for revoking export licences (including failure to report) were introduced. The new measures aim to increase stability in the domestic rice market, by improving the availability and timeliness of data for supply and demand balancing.

Support for farmers affected by natural disasters and plant pest outbreaks was increased in February 2025. The core support measures include: (i) provision of seeds and breeding stock (including rice, annual and perennial crops, and livestock) for production recovery; and (ii) in certain cases, partial support for initial production costs, linked to the severity of damage and the type of production system. As of July 2025, financial compensation was increased for producers whose livestock were culled as a result of animal disease outbreaks. Compensation rates are specified in detail by animal species, production system and degree of loss. In addition, financial support is provided to individuals directly involved in disease prevention and control activities (including culling, outbreak handling and surveillance), based on the duration and nature of assigned tasks.

Under the amended VAT law effective as of January 2026, the existing VAT treatment for unprocessed agricultural products was maintained. As such, enterprises and co-operatives trading unprocessed agricultural products are not required to declare or pay VAT, while remaining eligible to deduct input VAT. Applicable VAT rates have also been clarified for unprocessed agricultural products (non-taxable, 5% or 1%, depending on the taxpayer category and calculation method), thereby reducing VAT payment-refund cycles, lowering compliance costs and supporting agricultural exports. Furthermore, the agricultural land-use tax exemption was extended until the end of 2030 for all entities involved in agricultural production (including households, individuals, co-operative members and organisations directly using land for production).

Preferential credit policies for agriculture were amended in June 2025, allowing for the **restructuring of loan repayment schedules** and the maintenance of existing debt classification for agricultural loans affected by natural disasters, epidemics, or during the transition to sustainable production models (e.g. organic agriculture and circular agriculture). Access to credit was further expanded by increasing ceilings for unsecured loans and permitting the use of assets formed from loan capital as collateral.

The State Bank of Viet Nam also issued detailed guidance in November 2025 for credit institutions and foreign bank branches on lending to the agricultural and rural sectors. The guidance sets out rules on eligible borrowers, loan conditions, and credit principles aligned with agricultural production cycles, and provides for the restructuring of repayment schedules, debt rescheduling, and the maintenance of debt classification for borrowers facing difficulties due to objective causes.

Clearer and more uniform **rules for implementing the 2024 Land Law** were put in place in January 2026. These cover land parcel subdivision and consolidation, changes in land-use purpose, and the determination and payment of land-use fees. This has direct implications for agricultural land and the rights of agricultural land-using households, particularly in cases of conversion from agricultural land to residential land.

Agriculture was identified as a key pillar in the National Action Plan on Circular Economy Implementation by 2035, issued in January 2025. The plan aims to improve resource efficiency, minimise waste generation, and reduce environmental impacts in production. It focuses on key measures such as encouraging the **reuse and recycling of agricultural by-products**, strengthening organic waste

management, promoting the use of biomass and environmentally friendly materials, and integrating circular economy principles into agricultural and rural development planning and programmes.

The plan to establish and develop Viet Nam's carbon market was approved in January 2025 and is expected to become fully operational by 2029. The carbon market system is expected to gradually include emission reduction and carbon sequestration activities for Agriculture, Forestry, and Other Land Use (AFOLU). The carbon market is supported by a monitoring, reporting and verification (MRV) system as a basis for recognising carbon credits from activities such as low-emission farming, land and biomass management; a legal framework to participate in carbon credit trading once technical requirements are met; and measures to strengthen environmental management and emissions data transparency.

The Plan for Low-Emission Production in the Plant Production Sector for the 2025-2035 period, with a vision to 2050, was approved in September 2025. The plan aims to **support innovations in low-emission crop cultivation**, establish an MRV system for crop emissions, provide capacity building and extension services for farmers, co-operatives and local authorities, and implement measures to integrate emission reduction with climate adaptation.

Recent regulatory changes have strengthened the legal framework for plant protection, animal quarantine, veterinary hygiene, and food safety. These include updates to the lists of permitted and prohibited plant protection chemicals, revised rules on veterinary hygiene inspection and food safety, decentralisation of plant protection functions, and new provisions governing the quarantine of terrestrial and aquatic animals and related products.

Policy measures introduced in March 2025 aim to accelerate science, technology, innovation, and digital transformation. These include new funding mechanisms and the mobilisation of resources for R&D and knowledge transfer, alongside efforts to promote the adoption of advanced technologies in sustainable agriculture and environmental management. The changes also emphasise strengthened international co-operation to support innovation and technology transfer.

Trade policy developments in 2025-26

In March 2025, MFN import tariffs were further reduced for a range of agricultural and food products. In particular, import duties on maize and soybean meal were reduced, with a view to alleviating input cost pressures for the domestic livestock and processing industries. This measure reflects Viet Nam's efforts to facilitate imports of key agricultural inputs within the framework of its trade commitments and to promote market competition.

Since May 2025, customs authorities are required to facilitate and prioritise immediate customs clearance for exported agricultural products, particularly perishable goods such as durian and products harvested during peak seasons. They are also instructed to promptly resolve export-related bottlenecks and regularly update and disseminate information on importing countries' trade and tariff policies to exporters.

In the context of ongoing negotiations with China, Viet Nam signed seven new technical protocols in 2025 to facilitate exports of agricultural, forestry, and fishery products through improvements in quarantine requirements, food safety, and traceability. This brings the total cumulative number of technical protocols between Viet Nam and China in the agriculture, forestry, and fishery sectors to 25, providing an important legal framework for exports to the Chinese market.

In October 2025, the United States and Viet Nam announced a Joint Statement on the Viet Nam-United States reciprocal trade agreement, in which the two countries will mutually reduce tariffs and improve market access based on negotiated reciprocal commitments. This followed an Executive Order signed by the President of the United States in August 2025, applying a reciprocal tariff rate of 20% on most goods of Vietnamese origin, including certain agricultural, forestry, and fishery products.

In November 2025, South Africa and Viet Nam concluded a Memorandum of Understanding (MoU) to strengthen bilateral co-operation across crop production, plant protection, animal husbandry, veterinary services, R&D and technology transfer, and agricultural trade. The agreement aims to expand market access, promote sustainable agricultural systems, and facilitate increased trade flows, building on recent successes such as the rapid growth of South African citrus exports to Viet Nam, while deepening long-term institutional and technical collaboration between the two countries' agriculture sectors.

The Viet Nam-UAE Comprehensive Economic Partnership Agreement (CEPA) officially entered into force in February 2026. It will progressively remove tariffs on 99% of UAE exports and 98.5% of Vietnamese exports, with immediate tariff removals on several key Vietnamese exports, including agricultural products such as cashew nuts, pepper, and honey. In the first eight months of 2024, the bilateral trade reached over USD 4.47 billion, a 45% increase compared to the same period in 2023 (VCCI, 2024[5]).

Policy context

Key economic and agricultural statistics

Viet Nam is a mid-sized country in terms of land area, but its population of over 101 million makes it the 16th most populous country in the world. Viet Nam is classified as a lower middle income country, and almost two-thirds of the population live in rural areas. Since the reforms of *Doi Moi* in the mid-1980s, the country has seen strong and steady growth in GDP, in the order of 5-7% annually from 2000-19 (Figure 31.3). GDP growth slowed in 2020-21 as a result of the COVID-19 pandemic, but a recovery in exports and domestic demand led to a rapid rebound, with growth reaching 7.1% in 2024.

Figure 31.3. Viet Nam: Main economic indicators, 2000 to 2025



Sources: OECD statistical databases; World Bank, WDI; and ILO estimates and projections.

Agriculture contributes 12% to Viet Nam's GDP and employs 26% of the labour force, although the relative importance of agriculture in the economy is declining. The sector has undergone significant structural changes in recent decades, reflecting a shift away from staple foods to export commodities, such as rubber and cashew nuts, and to livestock production, particularly pig meat. Crops dominate the agricultural landscape, accounting for 64% of the value of agricultural production in 2025 (Table 31.2). Rice alone plays a dominant role, accounting for around one-quarter of the value of agricultural production.

Table 31.2. Viet Nam: Contextual indicators

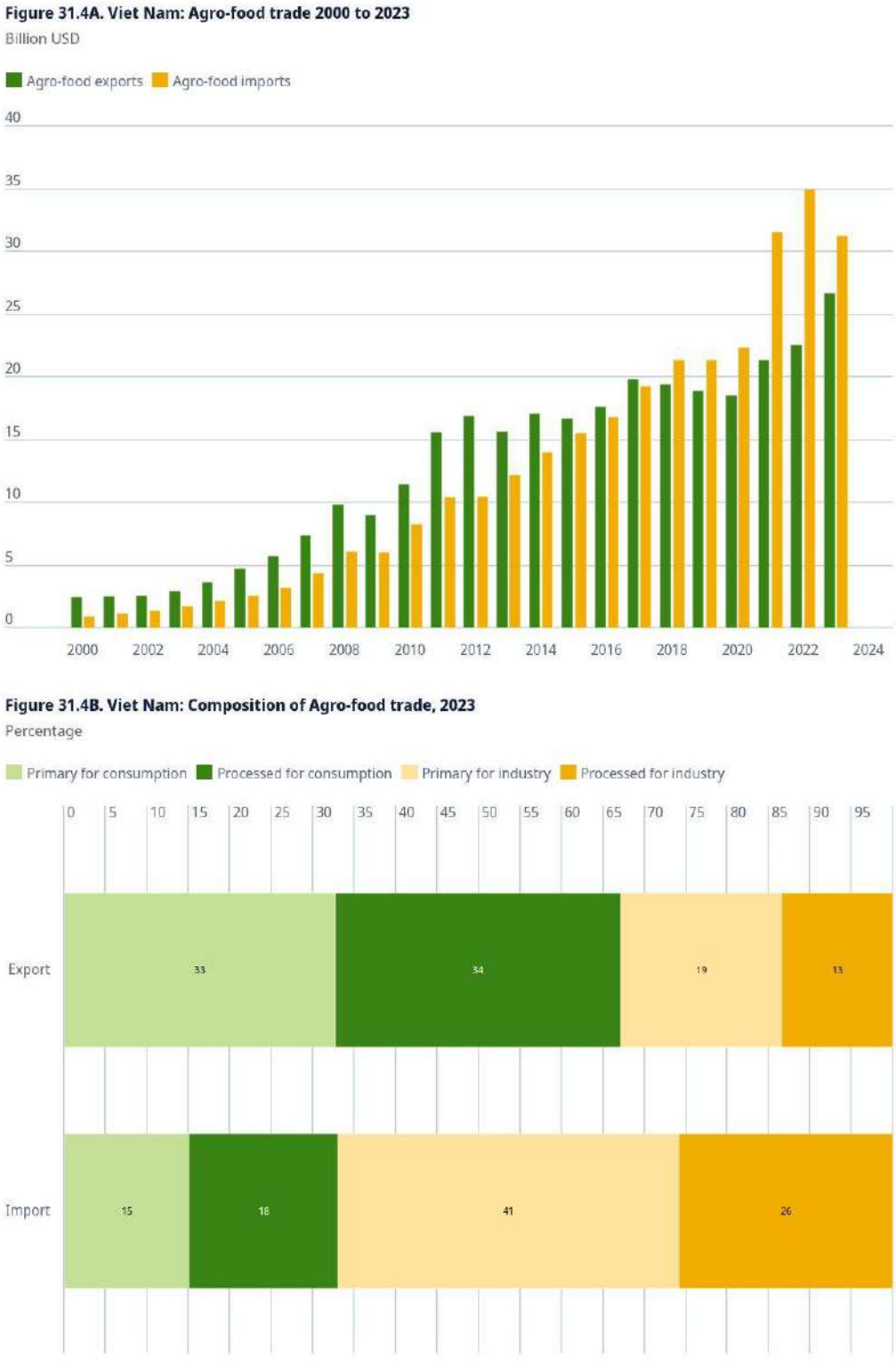
	Viet Nam		International comparison	
	2000*	2024*	2000*	2024*
Economic context			Share in total of all countries	
GDP (billion USD in PPPs)	202	1 655	0.5%	1.0%
Population (million)	77	101	1.8%	1.8%
Land area (thousand km²)	310	313	0.4%	0.4%
Agricultural area (AA) (thousand ha)	8 780	12 291	0.3%	0.4%
			All countries[1]	
Population density (inhabitants/km²)	246	322	52	64
GDP per capita (USD in PPPs)	2 614	16 386	9 508	31 740
Trade as % of GDP	49.5	78.5	12.3	15.0
Agriculture in the economy			All countries[1]	
Agriculture in GDP (%)	22.7	11.9	3.0	3.6
Agriculture share in employment (%)	64.2	25.9	-	-
Agro-food exports (% of total exports)	16.9	7.6	6.4	8.3
Agro-food imports (% of total imports)	6.1	9.6	6.1	7.5
Characteristics of the agricultural sector			All countries[1]	
Crop in total agricultural production (%)	82.2	63.3	62.1	60.4
Livestock in total agricultural production (%)	17.8	36.7	37.9	39.6
Share of arable land in AA (%)	70.6	54.7	33.0	34.0

Note: *or closest available year.
Average of all countries covered in this report. Agro-food trade includes natural rubber.
Sources: OECD statistical databases; International Labour Organisation (ILO); UN Comtrade; World Bank, WDI; FAO database and national data.

With the progressive liberalisation of trade, the value of imports and exports has increased substantially since the early 2000s (Figure 31.4). Agro-food imports, in particular, saw a sizeable jump in recent years, increasing from USD 22.4 billion in 2020 to USD 31.3 billion in 2023. The value of agro-food exports has also steadily increased, reaching USD 26.7 billion in 2023. Viet Nam is among the world's largest exporters of a range of agricultural commodities, including rice, coffee, tea, cashew nuts, black pepper, natural rubber and cassava.

Two-thirds of Viet Nam's agro-food exports are delivered as primary or processed goods for household consumption. In contrast, two-thirds of agro-food imports are used as primary or processed inputs for industry, rather than for household consumption. Key imports into production include livestock feedstuffs, such as oil cake and maize, and raw commodities for further processing and export, including cotton and cashew nuts. The remaining 30% are products to meet food demand from domestic consumers, including higher-value food and beverage products.

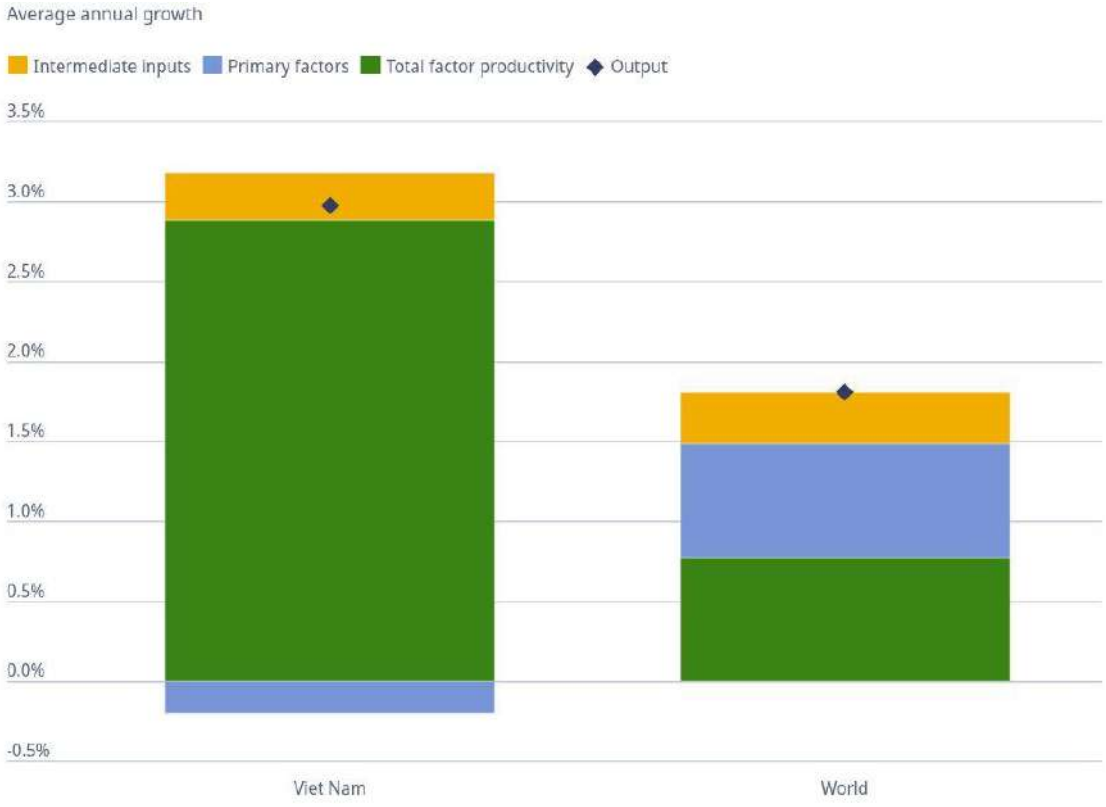
Figure 31.4. Viet Nam: Agro-food trade



Note: Numbers may not add up to 100 due to rounding. Agro-food trade includes natural rubber.
Source: UN Comtrade Database.

Agricultural output increased by 3.0% per year from 2014-23 (Figure 31.5). This was largely driven by total factor productivity (TFP), which grew at 2.9% per year, far outpacing the world average TFP growth of 0.8% over the same period. The increased use of intermediate inputs also contributed to output growth, while the contribution of primary factors (labour, land and capital) declined slightly.

Figure 31.5. Viet Nam: Composition of agricultural output growth, 2014-23



Note: Primary factors comprise labour, land and capital (livestock and machinery). Intermediate input comprises materials (feed and fertiliser).
Source: USDA Economic Research Service Agricultural Productivity database.

However, agricultural production gains have been accompanied by significant pressure on natural resources. The nitrogen and phosphorus balances for Viet Nam exceed the OECD average for the period 2014-23 by a factor of 5 and 19, respectively. Agriculture's share in total GHG emissions declined considerably from 46% in 2000 to 14% in 2023, but remains slightly higher than the OECD average, although agriculture accounts for a larger share in the country's economy. Overall, environmental degradation poses a risk to agricultural production in Viet Nam and the capacity of the sector to support sustainable productivity growth in the future.

Table 31.3. Viet Nam: Productivity and environmental indicators

	Viet Nam		International comparison	
	1991-2000	2014-23	1991-2000	2014-23
			World	
TFP annual growth rate (%)	2.4%	2.9%	1.8%	0.8%
			OECD average	
Environmental indicators	2000*	2024*	2000*	2024*
Nitrogen balance, kg/ha	163.4	146.6	32.3	29.0
Phosphorus balance, kg/ha	30.0	43.4	3.3	2.3
Agriculture share of total energy use (%)	1.7	5.5	1.7	2.0
Agriculture share of GHG emissions (%)	46.2	14.3	8.7	10.3
Share of irrigated land in AA (%)	..	..	-	-
Share of agriculture in water abstractions (%)	..	..	46.1	47.7
Water stress indicator	..	..	..	..

Note: * or closest available year.
Sources: USDA Economic Research Service, Agricultural Productivity database; OECD statistical databases; FAO database and national data.

Historical trends in agricultural policies

Following its declaration of independence in 1945 and ensuing reunification into the Socialist Republic of Viet Nam in 1975, the Communist Party of Viet Nam initially structured the country according to the Soviet model, which was grounded in central planning and self-reliance. Within this context, agriculture's primary role was to support the development of heavy industry by providing food at low prices and achieving food self-sufficiency (OECD, 2015[6]). Production was organised around co-operatives and state farms, with SOEs providing inputs and controlling output markets. By the mid-1980s, food shortages and famine were pervasive, as was inflation.

A long series of reforms embedded within the economy-wide programme known as *Doi Moi* or "Renovation" progressively liberalised Viet Nam's economy and its agricultural sector starting in 1986 (OECD, 2015[6]). The paradigm evolved toward a "law-ruled socialist market economy" in which the development of agriculture, forestry, and fisheries became a priority for stabilising the economy. The model for agricultural management shifted from co-operatives to farm households, with farmland redistributed in the form of land use rights, and farm households given the ability to make their own production decisions provided they met certain production quotas. By 1992, prices for most goods and services were determined by markets, though regulation remained for certain commodities, such as fertiliser, sugar, and rice.

From 1993-2000, Viet Nam underwent a period of expansion, in which the country increasingly opened to trade and integrated into the global economy. Reforms introduced more market-oriented policies with the aim of expanding food production for export. A number of these reforms aimed to improve investment and technological innovation, including the 1993 Land Law, the establishment of a national extension service, and credit access for rural households. The Price Stabilisation Fund (PSF) was established from 1993 to 1999 in order to regulate the prices of certain commodities, including urea, paddy and rice, coffee, and sugarcane.

During this period, Viet Nam entered into bilateral and regional trade agreements and partnerships to expand market opportunities, including its accession to the Association of Southeast Asian Nations (ASEAN) in 1995 and its admission to the Asia Pacific Economic Community (APEC) in 1998. Most importantly, the country relaxed restrictions on the export of rice as well as internal barriers to trade between the south and the north. The country saw strong and steady growth throughout the 1990s, in terms of real GDP (7.4% per year) and agricultural output (6% per year), with the relaxation of production quotas, price controls, collectivised agriculture, restrictions on trade and investment, and bans on private

enterprises (OECD, 2015[6]; World Bank Group, 2016[7]). Budgetary expenditures for agriculture quadrupled during this period, with several large-scale projects implemented, such as the Building Canals for All Rice Fields programme (Phan, 2014[8]; Ellis et al., 2010[9]).

From 2000-08, the policy framework aimed to stimulate agricultural and rural modernisation and industrialisation by improving yields, quality, and the value of production. Further international integration, including accession to the WTO in 2007, reinforced previous reforms. The remaining few quantitative restrictions on agricultural imports and exports were progressively withdrawn but it was not until the late 2000s that private sector involvement in rice exports was encouraged. Prior to this point, the right to export was limited to national and provincial SOEs.

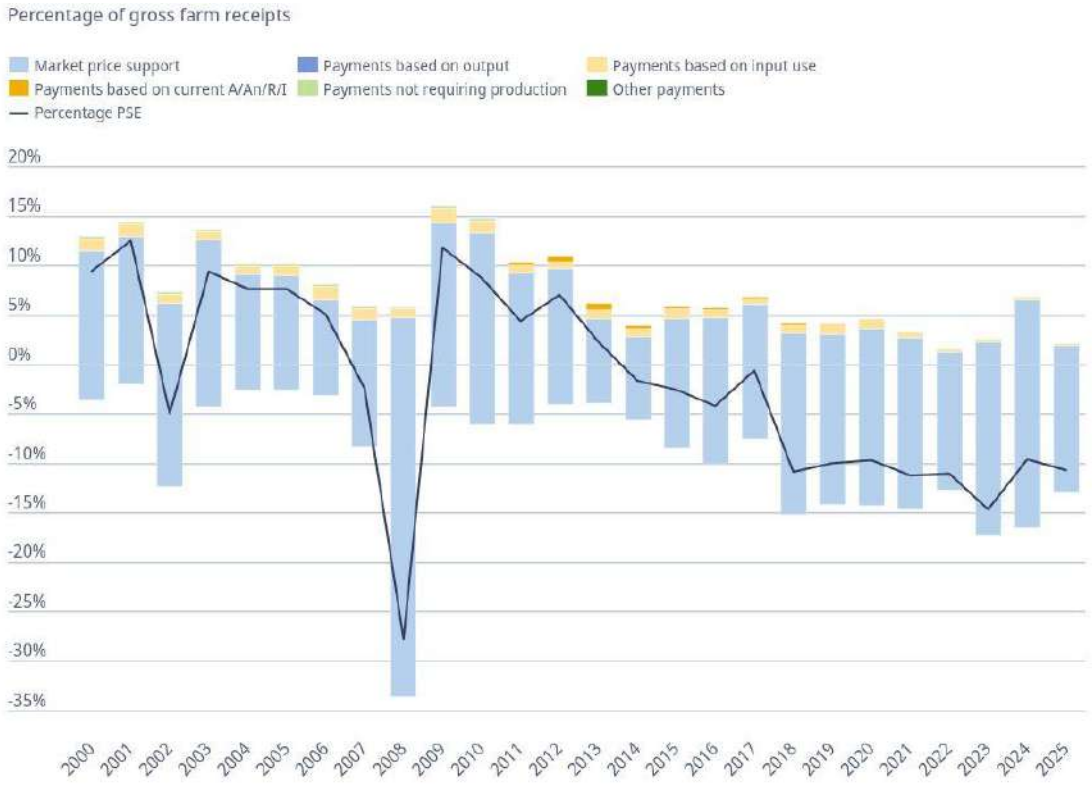
Since 2008, three major resolutions have guided and reoriented agricultural policy development in Viet Nam. The first, the Tam Nong Resolution, emphasises the advancement of agriculture, rural development, and farmer livelihoods based on a socialist market economy. Alongside this, a resolution to ensure national food security was issued in response to sharp increases in food prices from 2007-09. The resolution sought to ensure national food security by guaranteeing adequate food supplies, particularly for rice. It set specific targets to preserve land for the production of rice and to ensure a farm-gate price such that growers are guaranteed a certain profit margin above production costs. In March 2021, this resolution was updated through 2030 to stabilise 3.5 million ha of land in rice production and to ensure an average profit of 35% above estimated production costs. Thirdly, Resolution No. 19/2022/NQ-TW, focuses on accelerating agricultural production, enhancing rural development, and improving farmers' livelihoods amidst industrialisation, globalisation, and climate change. It emphasises building a green, sustainable agriculture, large-scale production, applying science and technology, enhancing quality and added value, and improving agricultural infrastructure.

Table 31.4. Viet Nam: Agricultural policy trends

Period	Framework	Changes in agricultural policies
1976-1986	Reunification: Socialist centrally planned system	Centrally planned economy, including the agricultural sector Agricultural production organised into co-operatives that also administered land Upstream and downstream sectors reorganised as state-owned enterprises
1986-1993	Renovation (Doi Moi): Launch of reforms to transition Viet Nam to a socialist-oriented market economy	Farm households replace co-operatives as focus of agricultural and rural development Role of co-operatives reduced: farmers allowed to make production decisions; co-operatives limited to trading and providing services (e.g. irrigation) Economy opened to trade Reduced government control over prices, although prices regulated for some products (including fertiliser, sugar and rice)
1993-2000	Expansion: Further reforms to expand food production and exports	Land Law 1993; land use rights extended to 20 years (annual crops) and 50 years (perennial crops) Land use tax replaces production quota and agricultural output tax Rural households allowed to borrow loans from commercial institutions Price Stabilisation Fund for essential commodities Restrictions on rice exports relaxed Increased budgetary expenditure for agriculture
2000-2008	Consolidation: Policies to promote agricultural and rural modernisation and industrialisation	Policies to encourage production of primary and processed commodities, quality improvement, domestic and international trade, and increase investments from various sources in physical and social infrastructure Regional and bilateral trade agreements WTO accession
2008-present	Reorientation: Shift in emphasis from extensive development of agriculture based on quantity to one focused on quality and efficiency improvements	Agricultural policy guided by three major resolutions: - Resolution No. 26/2008/NQ-TW on agriculture, farmers and rural areas (Tam Nong) - Resolution No. 63/2009/NQ-CP to ensure national food security implemented through the master plan for agricultural development (2012) and the agricultural restructuring project (2013) - Resolution No. 19/2022/NQ-TW on agriculture, farmers and rural areas to 2030 with a vision to 2045

Support provided to Viet Nam's producers has declined steadily since 2009, largely driven by changes in MPS (Figure 31.6). Since 2014, the %PSE has remained negative, dropping to around -11% in 2018 and remaining at that level since. Total support to agriculture (TSE) has also been negative over the same period, as budgetary transfers to producers and expenditure on general services do not compensate for the high levels of negative MPS.

Figure 31.6. Viet Nam: Development of the PSE and its composition, 2000 to 2025



Note: A/An/R/I:Area planted/Animal numbers/Receipts/Income. Payments not requiring production include Payments based on non-current A/An/R/I (production not required) and Payment based on non-commodity criteria. Other payments include Payments based on non-current A/An/R/I (production required) and Miscellaneous payments.
Source: OECD (2025), "Producer and Consumer Support Estimates", *OECD Agricultural policy monitoring (database),* https://data-explorer.oecd.org/.

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Note

[1] The RCEP countries are Australia, Brunei, Cambodia, China, Indonesia, Japan, South Korea, Laos, Malaysia, Myanmar, New Zealand, the Philippines, Singapore, Thailand, and Viet Nam.

Annex A. Sources and Definitions of Contextual Indicators

Table: Contextual indicators

Gross Domestic Product – GDP (USD billion in PPP): OECD National Accounts Statistics (database), Gross domestic product, USD, current prices, current PPPs. World Bank, World Development Indicators (WDI database) for Emerging Economies not available in the OECD database. Data extracted on 27 January 2026.

Population (million): OECD National Accounts Statistics (database), Population and employment by main activity. Calculation based on Eurostat database for the European Union. United Nations, World Population Prospects: 2024, Population, for Emerging Economies not available in the OECD database. Data extracted on 6 March 2026.

Land area (thousands km^2): FAOSTAT Land Use (database), Land area (1 000 ha) recalculated to thousands km^2. Land area excludes water areas. Data extracted on 9 February 2026.

Agricultural area (AA) (thousand ha): Eurostat: Crop production in EU standard humidity (data extracted on 27 February 2026), FAOSTAT Land Use (database), Agricultural area (1 000 ha) (data extracted on 4 February 2026), OECD Agri-environmental Indicators Questionnaire 2026 (unpublished, submissions received by 6 March 2026).

Population density (inhabitants/km^2): OECD Regional and Cities (database), Regional demography, Population density and regional area. United Nations, World Population Prospects Population density, for economies not available in OECD database. Calculation based on the Eurostat population and area databases for the European Union. Data extracted on 6 March 2026.

GDP per capita (USD in PPP): OECD National Accounts Statistics (database), Gross domestic product (expenditure approach), per head, USD, current prices, current PPPs. World Bank, World Development Indicators (WDI database) for Emerging Economies not available in OECD database. Data extracted on 28 January 2026.

Trade as % of GDP: Calculation based on UN COMTRADE (database) for trade data in USD, and GDP (in USD) indicator. Average trade calculated as (exports+imports)/2. The European Union aggregate does not account for intra-EU trade. Trade data extracted on 12 January 2026.

Agriculture share in GDP (%): OECD National Accounts Statistics (database), "National Accounts at a Glance", Gross value added, Agriculture, forestry and fishing, percentage of total activity. Eurostat database for the European Union. World Bank, World Development Indicators (WDI database) for Emerging Economies not available in OECD database. Data extracted on 25 February 2026.

Agriculture share in employment (%): Calculation based on OECD Labour Force Statistics (database), Employment by activities and status (ALFS), as a share of employment in agriculture, hunting, forestry and fishing in all activities (ISIC rev.3, A-B and A-X; ISIC rev.4, A and A-U). Calculation based on Eurostat, share of employed persons, aged 15 years and over, in agriculture, hunting, forestry and fishing in total NACE activities (Statistical classification of economic activities in the European Community), for the EU

Member States. World Bank, World Development Indicators (WDI database), Employment in agriculture, hunting, forestry and fishing as a share of total employment; Data from the International Labour Organization, Employment in agriculture, hunting, forestry and fishing as a share of total employment (based on ILO modelled estimates) and national data for Emerging Economies not available in OECD or in other international database. The ILO modelled estimates series provides both nationally reported labour statistics observations and imputed data produced through a series of econometric models for countries with missing data. Estimates for countries with limited labour market information have a high degree of uncertainty and are being regularly updated and revised by the ILO especially when a better source in terms of accuracy and international comparability has become available. Data extracted on 26 January 2026.

Agro-food exports in total exports (%): Calculation based on UN COMTRADE (database). Agro-food definition does not include fish and fish products. Agro-food codes in H0: 01, 02, 04 to 24 (excluding 1504, 1603, 1604 and 1605), 3301, 3501 to 3505, 4101 to 4103, 4301, 5001 to 5003, 5101 to 5103, 5201 to 5203, 5301, 5302, 290543/44, 380910, 382360. Trade data extracted on 12 January 2026.

Agro-food imports in total imports (%): Calculation based on UN COMTRADE (database). Agro-food definition does not include fish and fish products. Agro-food codes in H0: 01, 02, 04 to 24 (excluding 1504, 1603, 1604 and 1605), 3301, 3501 to 3505, 4101 to 4103, 4301, 5001 to 5003, 5101 to 5103, 5201 to 5203, 5301, 5302, 290543/44, 380910, 382360. Trade data extracted on 12 January 2026.

Crop in total agricultural production (%): National data, share of value of total crop production (including horticulture) in total agricultural production.

Livestock in total agricultural production (%): National data, share of value of total livestock production in total agricultural production.

Share of arable land in AA (%): Calculation based on Eurostat: Crop production in EU standard humidity (data extracted on 27 February 2026), FAOSTAT Land Use (database), OECD Agri-environmental Indicators Questionnaire 2026 (unpublished, submissions received by 6 March 2026), arable land as a share of agricultural area.

Table: Productivity and environmental indicators

TFP annual growth (%): Agricultural Total Factor Productivity indices of the USDA Economic Research Service use primarily FAO data supplemented by national data. Agricultural TFP indices are estimates by country and for groups of countries aggregated by geographic region and income class. The presented growth rates are sensitive to the choice of the time period. Reported values have changed relative to previous releases following the International Agricultural Productivity database update that includes revisions of historical estimates to reflect newly available data and modifications to the estimation procedures. More information can be found in the section “Figure: Composition of agricultural output growth, 2014-23”.

USDA, Economic Research Service (2024), International Agricultural Productivity database, https://www.ers.usda.gov/data-products/international-agricultural-productivity/ (accessed January 2025).

Nitrogen balance (Kg/ha): Balance (surplus or deficit) expressed as kg nitrogen per hectare of total agricultural land calculated at the national level. OECD aggregate for nitrogen balance is calculated as the ratio between the total surplus and the total agricultural land area in the OECD area. The OECD aggregate excludes Chile. European Union as a single area is calculated as the Gross Nitrogen Balance in the EU area over the utilised agricultural area of the EU.

OECD (2026), Agri-environmental indicators (database), https://data-explorer.oecd.org/s/43d, (accessed 3 March 2026).

Phosphorus balance (Kg/ha): Balance (surplus or deficit) expressed as kg phosphorus per hectare of total agricultural land calculated at the national level. OECD aggregate for phosphorus balance is calculated as the ratio between the total surplus and the total agricultural land area in the OECD area. The OECD aggregate excludes Chile. European Union as a single area is calculated as the Gross Phosphorous Balance in the EU area over the utilised agricultural area of the EU.

OECD (2026), Agri-environmental indicators (database), https://data-explorer.oecd.org/s/43d, (accessed on 3 March 2026).

Agriculture share of total energy use (%): Share of agricultural consumption in total final consumption (TFC). The indicator is calculated by dividing direct on-farm energy consumption by total final energy consumptions. Direct on-farm energy consumptions includes both agriculture and forestry sectors.

Based on IEA data from the International Energy Agency (2025) World Energy Statistics and Balances (database), https://www.iea.org/data-and-statistics. All rights reserved; as modified by OECD (accessed on 30 November 2025) and OECD (2026), OECD Agri-environmental indicators (database), https://data-explorer.oecd.org/s/43d.

Agriculture share in total GHG emissions (%): Greenhouse gas emissions by source, excluding land use, land-use change and forestry (LULUCF). European Union as a single area is extracted from the European Union 2025 Common Reporting Table submitted to UNFCCC data as Agriculture greenhouse gas emissions in the EU area over the total GHG emissions in EU area. Data for Vietnam is sourced from FAOSTAT and is Tier 1 data. Data for India come from the latest Biennial Update Review submitted to UNFCCC. In the case of India all calculations in the BUR use a Global Warming Potential (GWP) as per IPCC AR2. For all other countries, data is sourced from the OECD Air emissions – Greenhouse gas emissions Inventories database which sources its data from the 2024 and 2025 National Inventory Submissions. For these countries, the conversion from tonnes of raw gas to CO2-equivalent are based on default conversion factors as per IPCC AR5.

OECD (2025) Air emissions: Greenhouse gas emissions Inventories (database), https://data-explorer.oecd.org/s/43e (accessed 27 February 2026); FAO (2025), FAOSTAT: Emissions indicators, (accessed 4 February 2026); and OECD Agri-environmental indicators (database), https://data-explorer.oecd.org/s/43d (accessed 27 February 2026).

Share of irrigated area in Agricultural Area (AA) (%): Share of irrigated area in total agricultural area. For most countries in this report, the definition used refers to land that is actually irrigated. However, in the cases of Egypt, Indonesia and Peru the numerator used refers to irrigable area (i.e. area equipped with irrigation infrastructure but not necessarily irrigated).

OECD (2026), Agri-environmental indicators (database), https://data-explorer.oecd.org/s/43d; and FAO (2025), FAOSTAT: Land Use (accessed 4 February 2026)..

Share of agriculture in water abstractions (%): Share of agriculture in total freshwater abstractions. European Union as a single area is calculated as the total abstractions for agriculture in the EU area over the total freshwater abstractions in the EU area. The EU 2000 aggregate refers to the EU15 and excludes Austria, Germany, United Kingdom and Italy. The EU aggregate for the latest year excludes Austria, Cyprus, Finland, Ireland, Italy, Malta, and Portugal. The OECD 2000 aggregate excludes Austria, Chile, Colombia, Costa Rica, Germany, the United Kingdom, Iceland, Israel, Italy, Switzerland, Norway, and New Zealand. The OECD aggregate for the latest year excludes Austria, Chile, Colombia, Finland, Ireland, Iceland, Italy, Norway and Portugal.

There are also certain countries where definitions differ over time or with respect to the OECD standard definition. For the United States, the 2000 value refers to the share of agriculture in freshwater abstractions, whereas the latest value refers to the share of irrigation in freshwater abstractions. Total freshwater abstractions for the United States are divided by 0.9 to account for the fact that the new USGS methodology

currently covers sectors that account for approximately 90% of historical withdrawals. In the case of Israel, the share refers to the share of agriculture in freshwater consumption. In the case of the data for the Philippines, there is a structural break in the sectoral coverage of the data submitted through the UNSD/UNEP questionnaire on environmental statistics. From 2010 onwards, the Electricity, gas, steam and air conditioning supply (including electricity) is included and this sector accounts for over half of total abstractions. To keep consistency with the previous observation, the Electricity, gas, steam and air conditioning supply (including electricity) sector is removed from the total abstractions in the value reported in this report. In the case of China, definition is not based on freshwater abstractions, but instead freshwater use.

OECD (2025), "Water: Freshwater abstractions", OECD Environment Statistics (database), https://data-explorer.oecd.org/s/43i (accessed 27 February 2026); OECD (2026), Agri-environmental indicators (database), https://data-explorer.oecd.org/s/43d (accessed March 2026); and UNSD, Country Files from the UNSD/UNEP Questionnaire on Environment Statistics (available at: https://unstats.un.org/unsd/envstats/country_files) (accessed 10 February 2026).

Water stress indicator: The indicator refers to the intensity of use of fresh water resources. It is expressed as gross abstraction of freshwater as percentage of total available renewable freshwater resources. European Union is treated as a single area.

OECD (2025), "Water: Freshwater abstractions", OECD Environment Statistics (database), https://data-explorer.oecd.org/s/43i (accessed 27 February 2026).

Figure: Main macro-economic indicators, 2000 to 2025

Real GDP growth (%): OECD National Accounts at a Glance, real GDP growth. OECD Economic Outlook: Statistics and Projections (database) as a benchmark for the latest year. World Bank, World Development Indicators (WDI database) for Emerging Economies not available in OECD database. Eurostat database for the European Union from 2020. Data extracted 5 March 2026.

Inflation rate (%): OECD National Accounts Statistics (database), Consumer price indices (CPIs, HICPs), COICOP 1999. OECD Economic Outlook: Statistics and Projections (database) as a benchmark for the latest year. World Bank, World Development Indicators (WDI database) for Emerging Economies not available in OECD National Accounts Statistics. Data extracted 9 March 2026.

Unemployment rate (%): OECD Economic Outlook: Statistics and Projections (database), Labour market statistics. Eurostat database for the European Union. International Labour Organization (ILO), Unemployment rate by sex and age (estimates and projections) for Emerging Economies not available in OECD database. Data extracted 5 March 2026.

Figure: Agro-food trade

Agro-food exports (USD billion), 2000 to 2024: UN COMTRADE (database). Agro-food definition does not include fish and fish products. Trade data extracted on 12 January 2026.

Agro-food imports (USD billion), 2000 to 2024: UN COMTRADE (database). Agro-food definition does not include fish and fish products. Trade data extracted on 12 January 2026.

Composition of agro-food trade, 2024: UN COMTRADE (database). Agro-food definition in HS classification (see above) combined with the Classification by Broad Economic Categories (BEC) to generate breakdowns into type of commodities (Primary or Industrial commodities) and type of destination (Consumption or Industry). Trade data extracted on 12 January 2026.

Figure: Composition of agricultural output growth, 2014-23

TFP annual growth (%): Agricultural Total Factor Productivity indices of the USDA Economic Research Service use primarily FAO data supplemented by national data. Input growth is the weighted-average growth in quality-adjusted land, labour, capital and materials (synthetic NPK fertilisers, and animal feed), where weights are input (factor) cost shares. Special breakdown created to dissociate primary factors (land, labour and capital) from intermediate input: materials (feed and fertiliser) growth. Output growth corresponds to gross agricultural output for each country.

Agricultural TFP indices are estimates by country and for groups of countries aggregated by geographic region and income class. The European Union single area is recalculated from individual countries data and weights. The presented growth rates are sensitive to the choice of the time period.

The full documentation is available at: https://www.ers.usda.gov/data-products/international-agricultural-productivity/update-and-revision-history/.

US Department of Agriculture, Economic Research Service. *International Agricultural Productivity* data product, January 2026, https://www.ers.usda.gov/data-products/international-agricultural-productivity/ (accessed February 2026).

Indicators used to calculate selected ratio and percentage indicators

GDP (local currency): OECD National Accounts Statistics (database), Gross domestic product, local currency, current prices. OECD Economic Outlook: Statistics and Projections (database) as a benchmark for the latest year. Calculation based on Eurostat database for the European Union. World Bank, World Development Indicators (WDI database) for Emerging Economies not available in the OECD database. Data extracted on 28 January 2026.

Agriculture Gross Value Added (local currency) (AgGVA): Calculation based on Agriculture share in GDP (%) and GDP (local currency) indicators. Data extracted on 25 February 2026.

Deflator: OECD Economic Outlook: Statistics and Projections (database), Gross domestic product, market prices, deflator. Eurostat database for the European Union. World Bank, World Development Indicators (WDI database) for Emerging Economies not available in the OECD database. Data extracted on 9 February 2026.

Exchange rate: OECD National Accounts Statistics (database), Prices and Purchasing Power Parities, Nominal Exchange Rate. Eurostat database for the European Union and EU Member States. World Bank, World Development Indicators (WDI database), International Monetary Fund (IMF database) and national data for Emerging Economies not available in the OECD database. Data extracted 3 March 2026.

Agricultural Policy Monitoring and Evaluation 2026

Enhancing resilience in a world of interconnected risks

This annual report reviews agricultural policies in 56 countries, including the 38 OECD Member countries, five non-OECD EU Member States, and 13 emerging economies. Against the backdrop of more frequent, significant and interconnected global shocks with increasing economic impact, overall support to agriculture has increased to a new high at more than USD 950 billion in 2025, USD 121 billion or nearly 15% above 2023. Contrary to past decades of declines relative to production, the increase in support since 2023 has exceeded production growth. While the rise across emerging economies is driven predominantly by price inflating measures, the increase in OECD countries is mainly in budgetary transfers to agricultural producers, including significant ad-hoc disaster support. Despite the growing need for sector transformation, public investments in knowledge and innovation and other services to enhance sustainable productivity growth are receiving a falling share in total support in a rapidly growing agricultural sector. This report offers guidance for future-proofing policies for a more efficient, sustainable and resilient agriculture.

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