The OECD Agricultural Outlook 2001-2006
and
Agricultural Policies in OECD Countries: Monitoring and Evaluation 2001

Agricultural markets are on the upturn after a prolonged period of record low values for many commodities. Demand, particularly in non-OECD countries is growing faster than production and global stocks are falling. If global economic growth is sustained in coming years, this will stimulate trade and lift world prices for most agricultural products between now and 2006. But support and protection to OECD agricultural producers remain high, although a slight decrease occurred in 2000 after a two-year rise. The key conclusion is that reform has been insufficient and remains fragile.

Two new OECD reports, Agricultural Policies in OECD countries: Monitoring and Evaluation 2001* and the OECD Agricultural Outlook 2001-2006, look at support levels and agricultural policy developments of the past year and evaluate policy and market prospects up to the year 2006 for cereals, oilseeds, meats and dairy products. Their main message is to urge governments to take advantage of the improved market prospects to design agricultural and other policies to achieve their economic, environmental and social objectives in ways that minimise distortions to production and trade.

The reports will be released at 10.00 a.m. Paris time 4 May 2001. They will be presented to journalists by senior OECD officials in Brussels AT the Dorint Hotel, Boulevard Charlemagne 11-19, at 10.00 a.m. 4 May 2001, and in Washington D.C. at 10.00 a.m. local time at the Economic Research Service of the Department of Agriculture, 1800 M Street NW, 3rd Floor.

The longer term market situation of the evolving BSE situation in Europe and the recent outbreak of foot and mouth disease in the European Union and elsewhere have not been considered. As the situation was evolving when the report went to press, it was not possible to properly assess the longer term effects. However, this developing animal disease situation could result in a bleaker outlook for some livestock product markets, in particular in the European Union.

Farm support in the OECD continues to have a major impact on agricultural markets as the pace and depth of agricultural policy reform has been mixed. Support is still very high at US$ 327 billion (euro 354 billion) or 1.3% of GDP in the OECD area, for the year 2000. Support to producers as a share of farm receipts was 34 per cent in 2000; it was 22 per cent in the United States and 38 per cent in the European Union. However, the decrease in support and protection last year reflected world price rise and exchange rate movements rather than major agricultural policy changes. Farmers’ response to low prices in some of the major OECD countries has been muted by rising support payments which have delayed or slowed needed adjustment.

* Executive summary only

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Journalists in Asia/Pacific time zones will be allowed advance access, on request, to an electronic version of the reports by e-mail under embargo 12 hours ahead of release time. Journalists in other time-zones will be allowed advance access by e-mail 4 hours ahead of release time. The reports will be sent by e-mail on request only. Requests to receive them by e-mail under embargo or to obtain a password to access the website should be sent by fax or e-mail to Nicole Le Vourch (nicole.levourch@oecd.org) or Sonia Primot (sonia.primot@oecd.org) in the Media Relations Division (fax 33 1 45 24 80 03).

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