

Policies for Agriculture and Food: A review

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1. Introduction

This note presents findings of the extended work related to policies for agriculture and food with particular reference to policy issues and policy processes to provide policy assistance to countries.

- Regarding the issues, the point is made about the need for clarification of the broad aspects in which policy assistance is actually done.
- Pertaining the process, the point is to identify in which of the stages of the *policy daisy* is technical assistance provided.

These notes do not address policies for rural development, yet a reference is made of the importance of non agricultural policies of high relevance for agriculture and food and their relations with the rural economy and social structure.

2. The Policy Issues

Policies needed for agriculture and food can be defined in many areas; or expressed in another way - they can relate to many issues. The analysis of policy options and implementation has particularities in each one of those issues, Furthermore, entities responsible are also different. Thus, recognizing those issues is important for the definition of the adequate policy instruments.

An issue is a thematic area where the constraints for competitive and sustainable agriculture are found. More properly, the issue is the matter where Science and Organizations have located such constraints in order to analyze them and generate solutions. Thus, issues are grouped in technical, social, economic, environmental, behavioral; and several other categories. Certainly there is much disaggregation within each category.

Farm level and general enterprise level solutions to these constraints are the responsibility of private actors (in the many categories in agriculture, from peasants to corporations), but certainly, governments are called to define and implement the required policies to facilitate the solutions. This is the rationale used to identify public policies coincident with issues or the problems faced.

As it will be discussed here, the variety of issues in which international agencies assist countries is very large. The problem is the significant dispersion of effort in such a wide agenda.

2.1 Is grouping policy issues feasible and necessary?

Table 1 is useful to identify the many policy areas or issues: First are those specific within each of the major sectors; then those which are cross-cuttings policy issues closely related to agricultural organizations; and the other policies which important for agriculture and food, usually of the responsibility of other entities.

Table 1. The wide agenda on policy areas or issues in agriculture

Policy Categories	Policy Areas	Crops	Livestock	Fisheries	Forestry
Sector related policies that acquire specificity in each case	Genetic resources	X	X	X	X
	Animal health		X	X	
	Plant protection	X			X
	Food safety	X	X	X	
	Biotechnology and biosafety	X	X	X	X
	Seed industry	X			X
	Postharvest and marketing	X	X	X	X
Cross-cutting policies Regardless of sector	Irrigation and water management	X	X	X	X
	Land use and land markets	X	X	X	X
	Watershed management	X	X	X	X
	Human Resources and gender	X	X	X	X
	Agricultural Information	X	X	X	X
	Agricultural extension	X	X	X	X
	Agricultural enterprise development	X	X	X	X
	Agro-industry and value added	X	X	X	X
	Energy saving	X	X	X	X
Agricultural organizations	X	X	X	X	
Other policies important for agriculture and food	Rural infrastructure	X	X	X	X
	Public expenditure and investments	X	X	X	X
	Labor markets	X	X	X	X
	Foreign private investment	X	X	X	X
	Trade policy	X	X	X	X
	Nutrition Education policy	X	X	X	X
	Emergency Policies	X	X	X	X
	Macroeconomic policy	X	X	X	X

2.2 Sector specific policies

Sector specific policies are those that are associated to the particular functioning of each of the four sectors within the broad scope of agriculture. Also, they tend to be associated to more technical matters. Because of the technical weight in these issues it is considered that this knowledge is essential in the definition and management of related matters for the implementation of policies. It is fair therefore to consider them within the scope of the Departments responsible for each one of those sectors in the ministries of agriculture; although in the cases of forestry and fisheries, sometimes they are located in different ministries.

The international agencies specialized in agriculture as FAO and IICA must recognize that there are other organizations in which the technical capacities are better developed in some of these areas: as in the CGIAR Centers regarding genetic resources, OIE in animal health, etc, and therefore FAOs and IICA effort could be focused in the policy relevant matters within the cited areas. Recognition

of capabilities in such other organizations and the establishment of partnerships will allow the resources allocated to focus more on policy assistance.

2.3 Across-cutting policies

In this area it is possible to group issues in two major categories, the ones related to recourses and the one related to agricultural support services. Issues related to resources have implications for the farm unit as a whole and not for a particular activity or subsector; also they need to be considered in the context of territories and social organization. Competition and complementarity among activities is a growing issue regarding the use of resources as land and water at the farms and territorial level. Thus, policies as land tenure and acquisitions, water management, human resources, gender and others do not have to focus on specific subsectors.

The second subgroup includes issues more related to a renewed vision of agriculture and support services: information, value adding and agrifood chains, organizations and others, are matters which are becoming of increasing importance for the proper performance of agrifood systems and rural development. Also, agricultural extension is more and more a farm level issue, particularly in the case of small producers and the family farm.

Policies in these aspects are becoming most important as part of a renewed responsibility of governments for a better link between agriculture and food systems and more open view of agriculture and its relation to the rural environment. Policies in these areas are needed to create an adequate environment through the provision of innovative public goods. It appears desirable to consider the work of the specialized agencies in these areas to be more integrated to assure that these issues become stronger within their agenda. As these issues are becoming more important in the global agenda, allocation of more significant amount and quality of resources for policy assistance in these areas will be most needed.

2.4 Other policies important for agriculture and food

Policies in this area include those related to economic, trade and environmental matters, education and rural infrastructure and others involving public investments. As indicated in the table they may or may not have specific relations to sectors, but they are of increasing importance

It is well known that policies in this group have a more significant impact on agriculture; however the specialized agencies in the agricultural sector have little or no influence on them, in spite of the research done in some of these matters. They are not of the responsibility of authorities in agriculture, but authorities in agriculture must have the capacity to dialog with those responsible for them.

This aspect is of increasing importance as evidence demonstrates the great influence that these policies have on investment in agriculture. Thus, Ministries of Agriculture need to revise their organization and composition of staff in order to become qualified partners for those responsible for these policies in other entities. The challenge is also for the international agencies specialized in agriculture and food

3. Walking through the Stages in the Policy Work

3.1 Identifying the stages in the Policy Daisy

Figure 1 identifies the desirable main stages in policy work. The work of policy not always follows this pattern, and in fact in several cases the work is performed exclusively at a particular stage by an independent entity. The unfortunate results is lack of consistency, efficiency and effectiveness in the policy implementation.

Some entities focus on addressing issues that may require policies, and provide general conclusions. Significant effort is placed in analysis and case studies. Involvement of the staff at local level in such initiatives is not always substantive as the work is done mostly with consultants. On the other hand, most country or local level projects focus on what can be referred as policy implementation activities, mainly through projects that “presumably” emerge from a policy decision; however there is rarely evidence of such fact. Moreover, rarely local or national projects include up scaling initiatives and/or policy recommendations and pursuance of their implementation. There are however some examples which are worth recognizing.

The interaction between field staff and those responsible for research and design on policy assistance, works quite well in some cases when there is a mandate to assure complementarity among responsible Units. In other cases the research on a particular topic of interest is undertaken without making explicit the implementation process, including resources needed for that purpose.

Figure 1. The stages in the Policy Cycle



3.3 Building Institutional Capacity for policy work at country level

The international agencies provide significant contributions for the improvement of capabilities of individuals through training materials and training events on different aspects of policy matters and the different stages of the policy cycle. Valuable publications, courses, workshops, etc. have been given at international and national level.

Building institutional capacity requires much more than training staff. It implies organizational strategies, developing a work agenda, setting priorities, developing abilities to perform properly at all levels of the policy cycle, gaining prestige and recognition, and especially assuring funding and a funding strategy. All this in turn requires investing for sustainable institutional capacity.

This is a most challenging task for international agencies and for national institutions. This area of investment is weak, in part because there are few efforts to generate the adequate indicators of institutional capacity. The fact that Ministries of Agriculture usually last few months on their post, is another cause of the limited efforts in this long term task.

3.4 The Politics-Policy Interaction

At the global level, agreements of the Ministers of Agriculture on major policy needs and response to agricultural and foods goals, has been recognized as a major achievement for international organizations. The evidence would be the multiple declarations, yet there is little evidence that Ministers of Agriculture actually committed individually to the terms of the Group Declarations once they got at home.

WTO, OIE, FAO, UNEP, IICA and others have been permanently challenged with addressing issues in which there are significant differences in position of member countries. However agreements have been reached in several areas of global interest. Politically sensitive issues (as some trade matters, the influence of transnational corporations, biotechnology and others) have been rarely addressed nor has a political consensus been obtained.

The regional agreements are also a challenge. The existence of political bodies like the Central America Agricultural Council of the seven countries in this sub region facilitates the sub regional initiatives of FAO and other agencies as IICA, RUTA, IFAD, etc. Such results include for example the FAO sub regional project for basic seeds, and the cattle modernization policy project; the PACA and ECADERT in which RUTA, IICA and other agencies cooperate. In other regions the coherence of these political bodies is weak and it limits feasibility of regional policy agreements.

At national level the political issues are of much greater relevance for the work on policy support from international agencies. In some cases, the agencies are able to be forward on policy matters that require government attention, but only on matters that are not politically sensitive. Furthermore, the agencies had little or no influence at country level to encourage governments addressing economic, trade, financial, environmental policies of importance for agriculture. Neither has there been a contribution to policy dialog on these matters between Ministers of Agriculture and other authorities.

4.3 The economics of policies in agriculture

Economists usually depart in their analysis of constraints to agriculture from the basic hypothesis regarding how income is affected. The rationale is that of an economic problem. Moreover, many economists would be concerned fundamentally with economic rationale and explanations and ultimately recommendations for the removal of market distortions, as the way to create the proper environment for sound farm-enterprise decisions.

No doubt economic aspects are essential for profitable agriculture. They include inputs, products and financial markets, regulations on trade, tariffs on services, subsidies, etc. They can make agriculture possible or miserable. However, in many cases what appears as an economic problem is most of the time the result of many factors not possible to solve with economic policy instruments. Low productivity is in many cases the result of human capabilities, risk aversion of the operator, family health constraints, soil conditions, access to water, unexpected deterioration of health of animals and pests on crops, weather instability, etc. And in the case of profitability, other factors affect it, besides market imperfections, including access to information, rural conflicts, conditions of roads, etc.

Therefore, there is evident need for policy in many fields. In all cases, there is an economic implication; however, not always an economics based solution. This is very different from having information on the cost and benefit of a measure to solve the problem.

The above described issue calls for interaction and dialog amongst economists and those knowledgeable about the other aspects of agriculture, including technical, social and political aspects. Furthermore, this knowledge is necessary at every step of the policy process.

4.4 Linking Policies and Investments

As seen in the scheme of the policy cycle, implementing policies requires in some cases, many in fact, public investments. The decision to allocate such funds is in the hands of Ministers of Economics and Finance. Such decision is made in light of many considerations, being one of them quality of the investment proposal. One element of such quality is the indicator of impact through direct provision of public goods and/or inducing private investments (of all actors) which allow multiplier effects.

Project preparation and implementation has to be viewed as part of the policy process. Only in this way the decision to allocate public funds will have coherence with the policy framework adopted.
