Many governments intervene in agricultural markets. The reasons for doing so vary greatly: to keep food prices low for consumers; to support farm incomes; to reduce price volatility; and to meet other political objectives. Some policy interventions can have unforeseen consequences. Monitoring the levels of incentives in many countries provides information on changes in global markets, and measuring the impact of incentives helps governments to make necessary policy adjustments.

Several international organizations have for some time been regularly monitoring agricultural incentives, but in an uncoordinated way. “Historically, global information and data on incentives for agricultural production have been widely scattered and not comparable,” says David Laborde, senior research fellow at the International Food Policy Research Institute (IFPRI).

To address these issues, a group of leading international organizations joined with IFPRI and PIM in 2013 to form the Agricultural Incentives Consortium (Ag-Incentives). Ag-Incentives brings together data from

---

**Key Facts**

- Regular measurement and monitoring of agricultural incentives and distortions are necessary to understand how policies influence agricultural performance.
- Several international organizations (IOs) collect data on distortions to agricultural incentives. Coordination of these efforts was needed to improve efficiency and make the databases comparable.
- In 2013, IFPRI and PIM, along with leading IOs, established the Agricultural Incentives Consortium (Ag-Incentives) to produce a joint harmonized database on measures of distortions.
- The Ag-Incentives website provides access to the latest information on...
the Organisation for Economic Co-operation and Development, the Food and Agriculture Organization of the United Nations, the Inter-American Development Bank, and the World Bank. IFPRI leads the harmonization and sharing of these data.

By interacting regularly and comparing data and methods, Consortium members are continually improving and upgrading their databases on agricultural incentives and price distortions. The interagency collaboration fostered by the Consortium reduces duplication of research efforts and provides a forum for participatory discussion. “Ag-Incentives harmonizes fact-based analysis from several international organizations to give policy makers a better understanding of the effects of their domestic policies on prices,” adds Laborde.

Launched in 2017, the Ag-Incentives website, managed by IFPRI, hosts a harmonized database that provides various stakeholders, including journalists, academics, policy makers, and NGOs, access to key indicators on agricultural policies in a user-friendly way. By pulling together comparable data, the Ag-Incentives database can be used to analyze the impact of agricultural policies on the welfare of farmers and consumers. “When countries change their trade policies to protect themselves against price falls, small farmers—particularly those in developing countries—tend to lose out,” says Will Martin, senior research fellow at IFPRI. “This platform gives governments access to the most recent information available, so they can make informed decisions on food policy that avoid creating global price instability.”

“IFPRI’s expertise and its overall contribution to the IO Consortium for measuring the policy environment in the agricultural sector has been critical for the success of this initiative. Throughout the existence of the Consortium, IFPRI’s researchers have been taking a central role, especially by linking the individual efforts, data, and methodologies of IOs and providing a web-based platform that will be publicly accessible and updated regularly. The Consortium dataset and this platform will not only be a valuable basis for methodological discussion, data comparison, and future work for the Consortium members, but also extremely useful for researchers who are working in the area of agricultural policies.”
—Jean Balié, Team Leader, Monitoring and Analysing Food and Agricultural Policies (MAFAP) program of the Food and Agriculture Organization of the United Nations (FAO), 2016

Lessons learned

› No one organization can adequately monitor developments in assistance to world agriculture.

› The use of different methods of data collection and presentation makes it difficult to analyze data from multiple sources.

› By working together, international organizations can provide much more of the information that users need to understand developments in critical markets.

› A multi-institution consortium with a balanced approach can overcome political sensitivities and accelerate policy makers’ engagement.

Further reading
