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FAOSTAT ANALYTICAL BRIEF 100

Government expenditures in agriculture

2001–2023

Global and regional trends

HIGHLIGHTS

- In 2023, global public expenditures reached USD 38 trillion in nominal terms, or 36 percent of the global gross domestic product. Out of the total expenditures, the amount that went to agriculture reached an estimated all-time high USD 701 billion.
- In line with the overall upward trend in total government expenditure, spending on agriculture increased over time. Its overall share in the total expenditure in 2023 (1.97 percent) confirms the recovery from the pandemic but remains below the 2019 level.
- Asia maintained the highest percentage of government expenditure allocated to agriculture (reaching 4.6 percent in 2023), with Central Asia and Southern Asia driving the increase.
- In 2022–2023, the countries and territories with the highest share of agriculture in government expenditure were Bhutan (9.5 percent), Mali (7.8 percent), New Caledonia (7.6 percent), South Sudan (7.3 percent) and India (6.9 percent).

* The term “agriculture” includes forestry and fishing.

** The term “government” refers the highest level of government for which data are available: if general government expenditure figures are available for a given country, these would be used in the calculation, whereas countries that only report on central government expenditures will continue to use central government figures only.

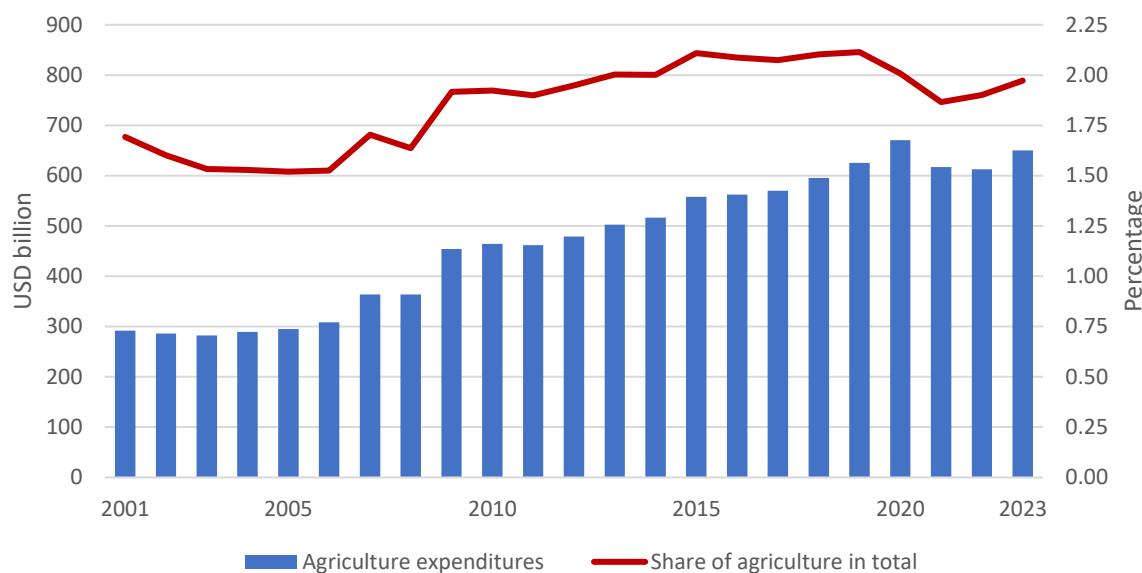
FAOSTAT GOVERNMENT EXPENDITURE IN AGRICULTURE

GLOBAL

In 2023, the global government expenditures reached USD 38 trillion in nominal value, representing 36 percent of the global gross domestic product (GDP). When measured in USD 2015 prices, total government expenditures showed an increasing trend in real value, rising from USD 17 trillion in 2001 to USD 33 trillion in 2023. Throughout this period, government expenditures accounted for 35 to 42 percent of the global GDP.

Government expenditures are distributed among different programmes and sectors, and can be used as a direct response to cushion the impacts of economic and social challenges such as a global pandemic, natural disasters or increasing inflation. These expenditures are reported according to their economic and functional classifications. The Classification of the Functions of Government (COFOG) distinguishes ten major divisions corresponding to the objectives of government: general public services; defence; public order and safety; economic affairs; environmental protection; housing and community amenities; health; recreation, culture and religion; education; and social protection. Agriculture, which falls under the economic affairs function, accounted for 1.5–2.1 percent of total government expenditure between 2001 and 2023 while the sector contributed 3.2–4.3 percent of the global GDP during the same period.

Figure 1: Agriculture sector expenditure and share to total (USD 2015 prices)



Note: The number of countries with data available may vary over time. Global estimates include imputed data.

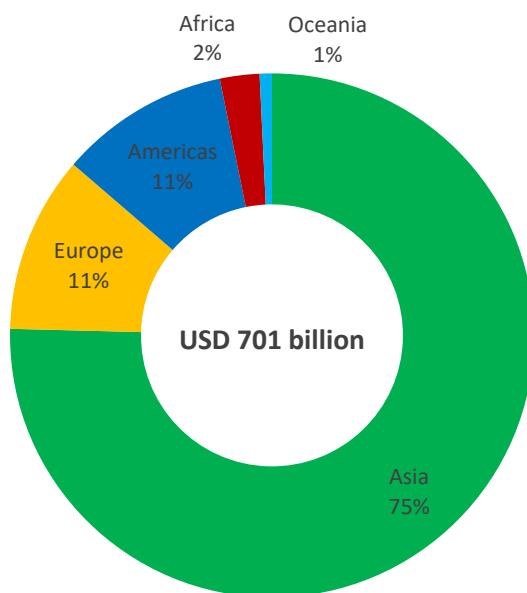
Source: FAO. 2025. FAOSTAT: Government Expenditure. [Accessed February 2025].

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In 2023, government spending on the agriculture sector reached an all-time high of USD 701 billion in nominal value. When measured in real terms (2015 prices), agriculture spending in 2023 stands at USD 650 billion, slightly lower than the record spending of USD 670 billion reported in 2020. The COVID-19 pandemic and inflation, which surged in 2022 and fell in 2023 because of tighter monetary policies adopted in large economies, significantly affected spending on agriculture. The government prioritization of the agricultural sector can be also measured with its share in total expenditure. Agriculture spending relative to the total peaked in 2019 at 2.11 percent and declined to 1.87 percent in 2021 before rebounding to almost 2 percent in 2023 (Figure 1).

REGIONAL

Asia has been responsible for the majority of global public spending in agriculture since 2001. In 2023, it accounted for 76 percent of the global agricultural expenditure in nominal values, even though its share in global total expenditure was only 30 percent. The high allocation in Asia is linked to the size of its population (around 60 percent of the world total). In contrast, Europe and the Americas were in a reversed situation. Europe contributed around 11 percent to the global agricultural expenditure but held a significant 30 percent share in global total expenditure. Similarly, the Americas had a share of 10 percent in global agricultural expenditure and 35 percent in global total expenditure. Meanwhile, Africa and Oceania made contributions of 2 percent and 1 percent, respectively, to the global agricultural spending (Figure 2).

Figure 2: Agriculture sector expenditure by region, 2023 (USD current prices)

Note: The number of countries with data available may vary over time. Global estimates include imputed data.

Source: FAO. 2025. FAOSTAT: Government Expenditure. [Accessed February 2025].

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In 2023, the USD 701 billion allocated to the agriculture sector represented only 1.97 percent of the total global public expenditure. At the regional level, the agriculture spending relative to total expenditure varied from 0.6 percent to 4.6 percent: 0.6 percent in Europe and the Americas, 0.7 percent in Oceania, 2.8 percent in Africa and 4.6 percent in Asia.

Table 1 shows that global agricultural spending had an average annual increase of 1.9 percent between 2015 and 2023. Consistently with the global trends, all regions recorded growth: it was the fastest in Africa and Oceania (both 3.1 percent), Asia (2.1 percent), Europe (1.3 percent) and the Americas (1.0 percent). The picture at the subregional level is less homogeneous. Northern Africa, Western Africa and Eastern Africa showed increases while Southern Africa and Middle Africa showed decreases. In the Americas, the overall growth in agriculture spending is primarily driven by Northern America, with increased spending in the United States of America and Canada. The other subregions (the Caribbean, Central America and South America) all experienced negative growth in agriculture spending in real terms. Economic challenges and declining purchasing power relative to the dollar in several Latin American countries contributed to an overall reduction in spending measured in dollars, with the largest one recorded in Central America (by 5.3 percent on average each year), primarily due to Mexico, though the most recent data suggest an improvement in agriculture spending. Asia and its subregions all recorded growth, which was the fastest in Central Asia and by Southern Asia. Key contributors to the overall growth include China, India, and Kazakhstan while agriculture spending in South-eastern Asia in 2023 is only marginally higher in real terms than in 2015. Oceania (excluding Australia and New Zealand) achieved the second highest average annual growth among subregions (6.6 percent), driven primarily by expenditures in Papua New Guinea and New Caledonia.

Table 1: Expenditures on agriculture and average annual change by region

Region	USD 2015 prices (million)		Compounded annual growth rate (percent)
	2015	2023	
World	558 198	650 020	1.9
Africa	13 478	17 266	3.1
Eastern Africa	2 571	3 009	2.0
Northern Africa	5 838	8 173	4.3
Middle Africa	784	742	-0.7
Southern Africa	1 984	1 975	-0.1
Western Africa	2 301	3 367	4.9
Americas	54 820	59 518	1.0
Caribbean	3 448	3 048	-1.5
Central America	6 911	4 481	-5.3
Northern America	31 322	38 860	2.7
South America	13 139	13 129	-0.1
Asia	428 685	504 881	2.1
Central Asia	2 843	3 855	3.9
Eastern Asia	347 943	399 024	1.7
Southern Asia	45 616	66 251	4.8
South-eastern Asia	18 605	19 238	0.4
Western Asia	13 679	16 513	2.4
Europe	57 841	64 039	1.3
Eastern Europe	15 528	16 893	1.1
Northern Europe	10 391	15 837	5.4
Southern Europe	11 226	13 677	2.5
Western Europe	20 696	17 633	-2.0
Oceania	3 374	4 316	3.1
Australia and New Zealand	3 200	4 027	2.9
Oceania excluding Australia and New Zealand	174	289	6.6

Note: The number of countries with data available may vary over time. Global and regional estimates include imputed data. Annual rate is computed using compounded annual growth rate (CAGR).

Source: FAO. 2025. FAOSTAT: Government Expenditure. [Accessed February 2025].

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COUNTRY

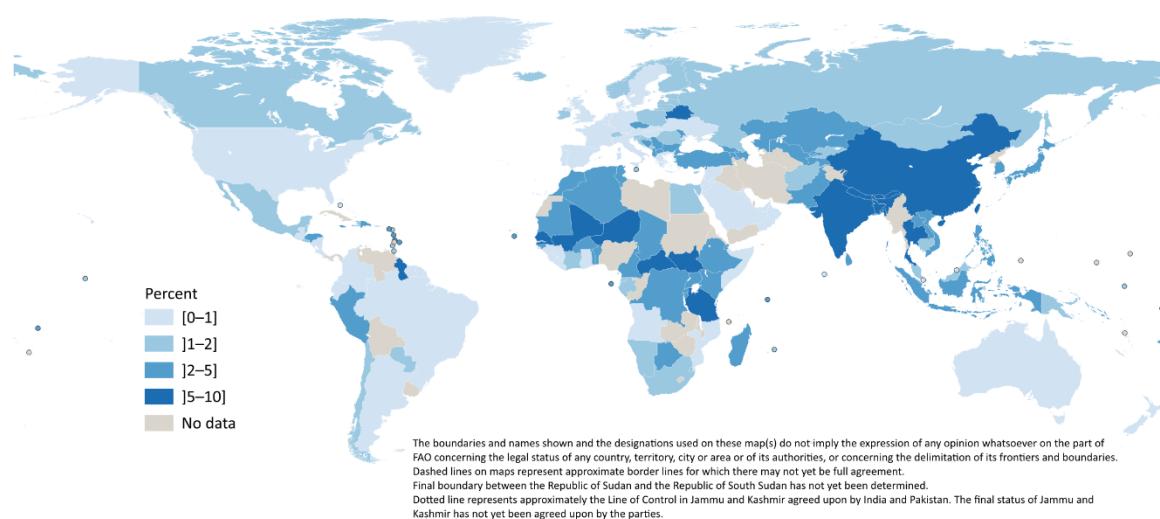
Government expenditure on agriculture plays a crucial role in addressing market failures, thereby contributing to improved agricultural productivity, ensuring food security, and improving the livelihoods of farmers. At the country level, several factors, including government priorities, the size and contribution of agriculture to the economy, external support to agriculture, and commitments to promote agriculture influence the allocation to the agriculture sector. In 2003, African states endorsed the Maputo Declaration on Agriculture and Food Security, committing to allocate 10 percent of their expenditures to agriculture and rural development. Two decades later, most African countries are yet to achieve their

commitment, although some countries have already met the objective (ReSAKSS, 2021). Overall, the regional allocation to agriculture in Africa is still well below the 10 percent target.

Achieving Sustainable Development Goal (SDG) 2 of Zero Hunger requires sizeable investments in agriculture. The 2024 edition of *The State of Food Security and Nutrition in the World* (FAO, IFAD, UNICEF, WFP and WHO, 2024) examined the different investment flows and highlighted the need for proper financing of food security and nutrition to eradicate hunger and malnutrition in all its forms. The report found that governments in low-income countries appear to have low spending capacity to address the major drivers of food insecurity and malnutrition. Over the years, the trend in government expenditure on agriculture varied significantly across among countries, but a decline in the share of agricultural spending in total government expenditure is noticeable.

Figure 3 shows that, among countries and territories with the highest share of agriculture in government expenditure in 2022–2023, many belong to the least developed countries (LDCs) and Land Locked Developing Countries (LLDCs) categories. The top ten countries and territories comprise Bhutan (9.5 percent), Mali (7.8 percent), New Caledonia (7.6 percent), South Sudan (7.3 percent), India (6.9 percent), the Central African Republic (6.6 percent), Nepal (6.4 percent), China (6.3 percent), Bangladesh (6.3 percent), and Belarus (6.1 percent). Five of them are LDCs, three of which are from Africa and two from Asia.

Figure 3: Share of agriculture in government expenditure, 2022–2023 average



Note: The number of countries with data available may vary over time. May include imputed data.

Source: FAO. 2025. FAOSTAT: Government Expenditure. [Accessed February 2025].

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The Agriculture Orientation Index (AOI) measures the extent to which government expenditures in agriculture reflect (or not) the importance of agriculture in the overall mix of government outlays, and the government contribution to the agriculture sector compared to the sector's contribution to GDP.

Table 2 shows that the AOI decreased in most of the SDG regions and subregions between 2015 and 2023. The global baseline AOI was 0.50 in 2015. It fell to 0.45 in 2020 during the COVID-19 pandemic, and further declined to 0.43 in 2023. During the pandemic years of 2020 and 2021, governments allocated more resource and higher expenditures to non-agricultural activities such as social spending

(health, education and social protection) (IMF, 2021). As the share of agriculture in total expenditure went down, it led to a decrease in the global AOI value.

Compared to the 2015 baseline, Western Asia and Northern Africa, and Oceania improved their AOI. However, the more populous regions of sub-Saharan Africa, Eastern and South-eastern Asia, Latin America and the Caribbean, and Central and Southern Asia reported a decline of their AOI in 2023.

Among subregions, increases in the AOI are observed between 2015 and 2023 in Northern Africa (from 0.24 to 0.30), Western Asia (from 0.33 to 0.34), and Oceania excluding Australia and New Zealand (from 0.12 to 0.16) – these subregions mostly include lower-income countries. Australia and New Zealand, which comprise high-income countries, also reported an increased AOI. SDG subregions with a declining AOI include Eastern Asia, South-eastern Asia, Central America and South America. Countries in Latin America reported declining agricultural spending relative to the total, hence the decrease in the AOI.

Table 2: Agriculture orientation index by SDG region

Region	SDG baseline		
	2015	2020	2023
World	0.50	0.45	0.43
Sub-Saharan Africa	0.15	0.11	0.13
Western Asia and Northern Africa	0.29	0.22	0.32
Western Asia	0.33	0.26	0.34
Northern Africa	0.24	0.20	0.30
Central and Southern Asia	0.42	0.32	0.40
Central Asia	0.34	0.38	0.32
Southern Asia	0.43	0.32	0.41
Eastern Asia and South-eastern Asia	0.92	0.80	0.77
Eastern Asia	1.05	0.91	0.87
South-eastern Asia	0.36	0.29	0.29
Latin America and the Caribbean	0.32	0.19	0.20
Caribbean	0.85	0.85	0.84
Central America	0.64	0.24	0.29
South America	0.22	0.13	0.14
Oceania	0.22	0.19	0.25
Australia and New Zealand	0.23	0.19	0.27
Oceania (excluding Australia and New Zealand)	0.12	0.23	0.16
Northern America and Europe	0.41	0.51	0.38
Northern America	0.41	0.82	0.39
Europe	0.39	0.36	0.36
Landlocked developing countries	0.26	0.21	0.19
Least developed countries	0.20	0.18	0.21
Small Island Developing States	0.75	0.69	0.69

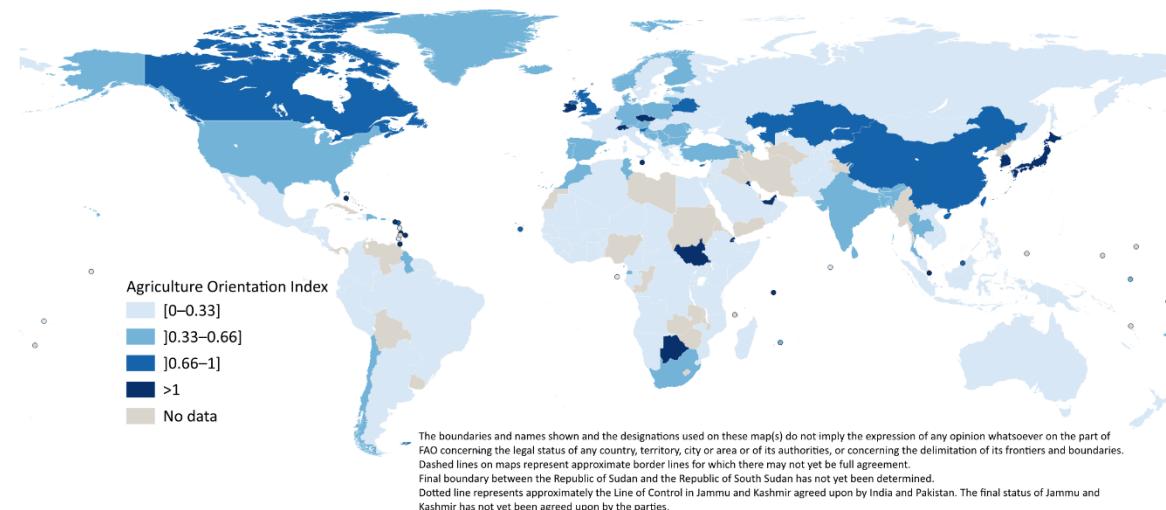
Note: The number of countries with data available may vary over time. Global and regional aggregates may include imputed data.

Source: FAO. 2025. FAOSTAT: Government Expenditure. [Accessed February 2025].

<http://www.fao.org/faostat/en/#data/IG>. Licence: CC-BY-4.0.

At the country level, the AOI varies considerably depending on the economic structure of the economy as shown in Figure 4.

Figure 4: Agriculture orientation index, 2022–2023 average



Source: FAO. 2025. FAOSTAT: Government Expenditure. [Accessed February 2025].

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EXPLANATORY NOTES

Since 2012, the Food and Agriculture Organization of the United Nations (FAO) collects government expenditure on agriculture (GEA) data through a questionnaire sent annually in May to more than 190 countries. The questionnaire was jointly developed with the International Monetary Fund (IMF), using the Classification of the Functions of Government (COFOG) as outlined in the *Government Finance Statistics Manual* (IMF, 2014). For some countries that do not report the GEA questionnaire to FAO, data are sourced directly from IMF Government Finance Statistics database or from official country websites and publications.

Government expenditure in this note refers to expenditure by the highest level of government for which data are available. In other words, if consolidated general government expenditure figures are available for a given country, these would be used in the calculation, whereas for countries that only report central government expenditures the AOI is calculated using central government figures only. Further information is available in the technical note on the methodological changes of government expenditure (<http://www.fao.org/faostat/en/#data/IG>). FAO also cautions that the level or definition of government to which expenditures pertain can differ, thus affecting the cross-country comparability of the AOI. Moreover, not all countries report GEA data according to the COFOG. As not all countries report timely data for the most recent years, regional aggregates for the latest years are computed using projected data. These are estimated starting from GDP data – which are more frequently updated, and time series models; particularly the Holt-Winters approach, applied to the share of agricultural expenditure in total expenditure.

"Agriculture" refers to COFOG Group 042, which includes agriculture, forestry, and fishing subsectors, and aligns to Section A and B of the International Standard Industrial Classification (ISIC) Revision 4.

The regional aggregates have been compiled using a combination of the official data sourced from countries and the imputed data for missing values, and following the classifications prescribed for SDG reporting.

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