



Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

Charles Akande, Editor

US Calls for Resumption of “Serious Negotiations” in Agriculture

The July 16th Agriculture special session surprised many for the way Members engaged in the discussion on how to resume the negotiations on agriculture’s three pillars – market access, domestic support and export competition – as well as public stockholding for food security purposes (PSH) and the special safeguard mechanism (SSM).

The meeting featured five new proposals on the aforementioned issues. The US submitted a paper on tariff implementation issues that identified six market access areas that need further analysis in order for Members’ current tariff regimes to be better understood. These are 1) bound tariffs versus applied tariffs, 2) complex tariffs, 3) high tariffs (e.g., tariff peaks), 4) issues with Tariff Rate Quotas, 5) agricultural safeguards (SSGs), and 6) regional/preferential trade agreements.

The US said it wants to achieve a “meaningful outcome” in agriculture - especially in market access, asking Members to adjust their pre-MC11 positions. On the same issue of market access, Paraguay and Uruguay submitted a new proposal suggesting that Members explore new approaches to reducing applied tariffs, while Singapore raised the idea of tackling tariff simplification to reduce costs and customs clearance time, an idea described as useful that drew support from many Members.

Both Canada’s paper (circulated on behalf of the Cairns Group) and a joint proposal by China and India, focused on domestic support, were tabled. The Cairns Group paper looks at the evolution of Members’ domestic support categories including Article 6 (the Aggregate Measure of Support (AMS) and de minimis) and Annex 2 (Green Box), whereas the China-India paper calls for developed Members to eliminate their AMS entitlements beyond de minimis limits as a first step toward reducing trade distorting domestic support.

While the Cairns Group’s proposal was commended by some Members as a good example of a neutral and factual analysis of the state of play in the domestic support discussion, the China-India proposal was described as self-serving and unrealistic by the likes of the US, the EU, Canada and Australia. The EU said the China-India proposal fell short of the balance required for the negotiations to move forward. The US stressed that the Cairns Group paper proved that its AMS has decreased over the past few years whereas China and India’s domestic support has increased sharply over the same period. Australia argued that nothing new was suggested in the China-India proposal compared to their positions prior to MC11.

For its part, China described the Cairns Group proposal as selective rather than comprehensive, highlighting the absence of analysis of the AMS data and the failure to record the high level of developed countries’ per capita support.

The heated discussions that took place on the proposals saw about 37 delegations requesting the floor to comment. Like the US, the EU identified market access as its top priority but recognized its unavoidable linkages with public stockholding (PSH) and cotton.

India reiterated the importance of keeping PSH on an independent track and not linked to other topics. The G33 continued to seek a permanent solution on both PSH and the special safeguard mechanism (SSM) while Switzerland and the G10 pushed for strong regulations on export restrictions and the “unfinished business” from the Nairobi Ministerial Conference (MC10) on export competition. The African Group advocated for stricter regulations on Green Box support.

Next Steps

Ambassador Ford commended Members' engagement on agriculture issues. Some even mentioned "that agriculture was the only reason for them to be part of the WTO." This engagement leads him to strongly believe that "there is commitment by all Members to achieve the agriculture reforms" despite significant differences persisting on issues such as preconditions, linkages among issues, sequencing and level of contributions.

As Ambassador Ford expects Members to submit additional proposals after the summer break, a more intensive meeting schedule will be developed for the fall with delegates meeting at least once a month.

"With hard work, increased flexibilities and enhanced engagement, our creative activities will achieve an outcome for MC12 and beyond as we hoped for," the Chair concluded.

Geneva Watch is published by Dairy Farmers of Canada, Chicken Farmers of Canada, Egg Farmers of Canada, Turkey Farmers of Canada and Canadian Hatching Egg Producers to report on the various events occurring in Geneva, particularly on the WTO negotiations on agriculture.

For more information or comments, please visit: dairyfarmers.ca, chickenfarmers.ca, eggfarmers.ca, turkeyfarmersofcanada.ca, chep-poic.ca

Legal Deposit: National Library of Canada, ISSN 1496-9254

