



# Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

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## WTO Agriculture Talks Resumes

**The World Trade Organization's (WTO) negotiating group on agriculture held a 2-day meeting that was described as an effective attempt to resume the agriculture negotiations following the summer break. The meeting focused on domestic support, cotton, and the public stockholding for food security purposes (PSH).**

Two papers from Australia ("Trends in global trade-distorting support") and Canada's (Domestic Support in the WTO Agreement on Agriculture) were at the center of the domestic support discussion, both looking to reset the agriculture talks by focusing on the new reality of the sector since the admission of China to the WTO back in 2001.

The main finding in both papers remains the significant increase of trade-distorting support, particularly in major developing economies such as China and India. The notable difference between the two papers is mostly the exclusion of Green Box support in the Australian paper, which was condemned by some countries given the shift of support from Amber Box to Green box by countries like the EU.

More Members including Mexico, ACP Group (African, Caribbean and Pacific countries with preferences in the EU), Ecuador, and the Eastern Caribbean States now argue that Green Box subsidies also result in an unfair competition, and need to be reformed.

Interestingly, one official who attended the meeting said the EU, who has always been firm about leaving the Green Box aside for the next round, now admits

that all categories of support contribute to distorting trade and now suggests that cutting all forms of support by taking incremental steps.

The Africa Group, Pakistan, ACP Group joined China and India's call to start the domestic support reforms by eliminating the aggregate measure of support (AMS) first. AMS is still the major culprit for asymmetry and imbalances in the agriculture sector and deserves to be the first to go, in spite of the fact the total amount has been decreasing, the group stressed.

The other key takeaway from the meeting came from developing countries' (India, China, and the G-33) willingness to consider Food and Agriculture Organization of the United Nations (FAO) data (where this was missing at the WTO) to conduct statistical analyses on PSH with the view to reach a permanent solution by MC12.

Generally speaking, there seems to be a lot of open-mindedness to discuss agriculture reform at the WTO. The fact that the U.S. remains engaged in this file is somewhat changing the dynamic of the talks, one source said. Australia even described the meeting as "one of the best sessions in recent years", given Members' genuine interest.

The negotiating group looks to ride the wave by holding more meetings like this. The chair of the agriculture negotiating group, Guyana's Ambassador John Ford, has already planned the next special session on October 22-23 with a focus on market access and the special safeguard mechanism.

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.

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