



## AN OVERVIEW OF THE WTO NEGOTIATIONS ON AGRICULTURE

### Waiting for April 2

One date is circled on every WTO Member calendar: April 2, the day the Trump administration will unveil its analysis of reciprocal tariffs and identify target countries. While some hope this will clarify the US's strategy for the next four years, the situation remains unpredictable. What we do know, so far, is that the US wants to address tariffs. That is, open new markets by lowering the “very high bound tariff rates,” address China's non-trade policies, and reform both the WTO's Dispute Settlement Understanding and its negotiating arm.

The Trump administration's strategy is to impose tariffs to gain leverage in the negotiations. However, the question among delegates is whether this strategy is primarily aimed at using the threat of reciprocal tariffs to force companies to relocate to the US by investing in production facilities; or whether it would take the form of a new trade negotiation aimed at reducing tariffs and eliminating other trade barriers, such as sanitary and phytosanitary measures and non-tariff barriers, through bilateral and small groups agreements. Some US lawmakers and agricultural groups, who are pushing for an ambitious trade agenda to secure new and expanded market access, favor the latter strategy.

The US has claimed that lowering its bound rates to 3.4% thirty years ago brought on no benefits for the country, which is why it is seeking reciprocity. Among the countries targeted by US tariffs, Canada, Mexico, and the EU have decided to postpone part of their retaliatory measures until April. Canada and China have entered into a 60-day consultation period with the US at the WTO, after which they may choose to formally challenge them. However, this approach is doomed to failure given the status of the Appellate Body, if the US decides to appeal the decision. In any case, the retaliatory measures they have already imposed also run counter to their WTO commitments. There are therefore fears that this could become the norm and trigger a full-blown trade war.

Canada continues to challenge US trade policies at the WTO. Its latest initiative took place at the Committee on Agriculture meeting on March 24-25 where Canada asked whether the US has considered:

- a. The severe negative impacts of these unjust tariffs – 25% tariffs on all agriculture goods – from Canada and Mexico, its two close allies and trading partners, including as parties to the United States-Mexico-Canada Agreement (USMCA) on the rules-based multilateral trading system?
- b. The impacts such tariffs will have on North American and global food security, economic growth and prosperity?
- c. The negative impacts these tariffs will have on inflation, including food prices, given the highly integrated nature of North America's supply chains?"

The US simply responded that “as this matter is currently subject to the dispute settlement process, it would be inappropriate to comment on its merits. The US will fully exercise its rights under the Dispute Settlement Understanding to defend its interests.”

### New Agriculture Negotiating Group Chairperson

Preparations for MC14 have been put on hold due to the change in the US administration, as well as the search for new chairs for WTO negotiating bodies, including those on fisheries subsidies and the Committee on Agriculture in Special Session (CoASS).

In recent weeks, the Chair of the General Council, Ambassador Saqer Abdullah Almoqbel (Saudi Arabia), has been reaching out to delegations to fill the CoASS position as quickly as possible, given the importance of advancing the agriculture negotiations.

The Asian Group has nominated Ambassador Ali Sarfraz Hussain of Pakistan to replace Ambassador Alparslan Acarsoy (Türkiye). Sources indicate that the Group of Latin American and Caribbean Countries (GRULAC) lobbied for Guyana's ambassador, but ultimately refrained from opposing the nomination of Ambassador Hussain before the March 20 deadline.

Like Türkiye, Pakistan is a member of the G-33, a coalition of developing countries led by India and Indonesia, which advocates for flexibility to allow developing countries to pursue limited openings of their agricultural markets.

The CoASS is expected to formally appoint Ambassador Hussain as chair at its next meeting, tentatively scheduled for April 1, after which preparatory work for MC14 will resume.

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

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