

**June 20, 2011**

## **Call for Coherence**

### **BACKGROUND**

#### **Special role of agriculture**

The special role of agriculture must be recognized in international negotiations. Agriculture is a unique sector which not only provides people's most vital requirement – food – but also looks after much of the world's territory. The agriculture sector faces huge challenges such as increasing price volatility, finite land and water resources and threats posed by climate change, etc. It therefore cannot be treated in the same way as other economic sectors.

#### **Food security**

Faced with the challenge of climate change on the one hand and persistent high levels of hunger in the world (925 million people in 2010 suffered from hunger according to the FAO), together with a rising population on the other, it is in the interests of everyone to ensure that farmers throughout the world are equipped with proper tools to maintain their production capacity and employ sustainable methods of production. States, therefore, must be able to establish their own agriculture and food policies in order to address the specific needs of their population, particularly regarding food security.

#### **Market concentration**

Agricultural markets are defined by a large number of farmers and a small number of large processors and retailers. It is crucial that farmers have the adequate tools to negotiate in the marketplace to ensure a fair balance in market returns between farmers and processors/retailers.

Numerous examples exist in the respective jurisdiction of the Call for Coherence signatories, and all lead to the same conclusion: without proper planning and coordination on the market place, farmers will have very little market power.

The former International Federation of Agricultural Producers did extensive work on this question in the early 2000s and was instrumental in bringing this question on the agenda of the OECD. Further work in this area is still required.

### **Recognition of agricultural realities**

Less than 10% of the world's agricultural production –all commodities combined– is traded on global markets. Most agricultural products are traded on local or national markets. While it is important to establish and respect fair rules of trade, a trade agreement must not impose a *one-size-fits-all* policy for agriculture. States must have the flexibility to develop agricultural policies according to a region's specific situation and needs. It is particularly important to allow States to develop their own agricultural production capacity and a fair income for their farmers and thereby ensure food security and the development of rural areas.

### **Market Coordination**

The specific nature of agriculture requires better market coordination. Global price volatility for agricultural commodities in increasingly liberalized markets continues to penalize farmers worldwide. Appropriate coordination/regulations/policy measures are necessary to ensure farmers receive a fair income and the price of agricultural products remains stable.

### **Coherence in international treaties**

Better coherence is required between any agreement on agriculture at the WTO and the commitments undertaken within major international treaties on issues such as climate change, biodiversity, poverty and hunger. For example:

- The notion of non-trade concerns, recognized by the WTO, is essentially ignored in the Doha negotiations;
- The fundamental rights that are the right to food and the right to decent work have not been taken into consideration in the Doha negotiations;
  - Convention 122, Employment Policy Convention adopted by the International Labour organization is a binding policy;
  - The Right to Sufficient Food adopted by the United Nations, although not constraining, is ignored in the WTO negotiations

- The Environmental Impact Assessment of the Doha Development Agenda performed by the *Impact Assessment Research Centre* Institute for Development Policy and Management, University of Manchester for the European Commission has concluded that the probable increase in agricultural trade is likely to degrade the environment.

## **Development**

It must be recalled that the official name of the Doha Round is the Doha Development Agenda (DDA). Therefore, development cannot be forgotten or ignored. Development requires stable agriculture and sustainable food production, particularly in developing countries with highly rural populations.