

Members Start Tabling Proposal for the MC8 Agenda

Members started to submit proposals for the upcoming Dec 15-17 Ministerial Conference (MC8). So far, most of them originate from developing countries, including proposed elements on Aid for Trade in the framework of trade and development tabled by the LDC Group, but also a decision aiming at easing future accession of LDCs to the WTO. It is believed that the above proposed decisions on these two topics are unlikely to create problems. However, it is the proposed language on duty free-quota free (DFQF) and cotton that are likely to create more controversy.

The LDCs call upon developed countries to provide “commercially meaningful market access for at least 97% of products originating from LDCs” and “in a progressive manner, DFQF market access for the remaining 3% of products originating in all LDCs no later than the end of the implementation period, and to provide specification, on a product-by-product basis, of the dates on which they would grant DFQF market access for the remaining 3% of products by the time they would submit their comprehensive draft schedules of concessions.”

Informed sources say Bangladesh and Lesotho are currently negotiating terms on how to move forward with the DFQF matter. The US has always claimed – albeit behind closed-doors – that Lesotho and other members of the African Growth Opportunity Act (AGOA) implore the US not to agree on DFQF, fearing of Bangladesh’s competition in textiles. If Bangladesh and Lesotho manage to agree on DFQF, it may create some momentum to have this included as part of the early harvest, sources said.

On Cotton, the so-called C-4 countries (Benin, Burkina-Faso, Chad and Mali) asked for a standstill on current cotton domestic support levels that have distorting effects on the world market. They asked to freeze these subsidies “as an interim measure” prior to full implementation of the decision reached at the Hong Kong Ministerial Conference and which directs Members to address cotton ambitiously, expeditiously and specifically, ensuring that cotton trade distorting domestic subsidies are “reduced more ambitiously than under whatever general formula is agreed and that it should be implemented over a shorter period of time than that generally applicable”.

Most observers agree that an agreement on cotton as requested by the C-4 is unlikely to garner the US support at this point and this even though G-20 leaders in Cannes directed their respective Trade Ministers to address issues of concern for Least Developed Countries through paragraph 47 of the Doha Declaration and report back at their June 2012 Summit in Mexico.

Officials said the deadline for submission of items for consideration at the MC8 has been prolonged to mid November.

Russia’s WTO Accession Deal

Following the deal agreed with Georgia on November 2 regarding the international monitors of the Russian-Georgian border (Abkhazia and South Ossetia), Russia, on November 10, closed its accession to the WTO, only waiting for Trade Ministers to formally ratify the package deal at the upcoming December 15-17 Ministerial Conference. Russia committed to gradually reduce its AMS support from \$9 billion/ year in 2012 to \$4.4 billion by 2018.



Meat TRQ

Russia will apply tariff rate quotas (TRQs) to beef (530,000 metric tons of frozen beef and 40,000 tons of fresh and chilled beef annually), pork (400,000 tons for fresh, chilled or frozen pork imports and 30,000 tons for pork trimmings per year) and poultry (250,000 tons for frozen boned chicken and 100,000 tons for frozen boneless chicken and 14,000 tons of turkey meat per year).

In-quota tariffs and out-quota tariffs for each product will be set as follow (out of quota rates in parentheses):

- For beef 15% (and 55%)
- For pork zero (and 65%)
- 25% (and 80%) for some selected poultry products

Some of these quotas are also subject to country-specific allocations: the US and the EU will both receive a quota of 60,000 tons of frozen beef while 29,000 tons of fresh and chilled beef will be reserved to the EU. Russia said it could replace the TRQ by a flat 27.5% duty on beef imports.

The EU gets the largest allocation of the annual frozen boneless chicken quota – 80,000 tons. Here as well, Russia could eliminated the TRQ and apply a flat rate of 37.5% on imports. For pork, the TRQ will be replaced by a flat top rate of 25% as of 1 January 2020.

Formal Agriculture Special Session

The first agriculture special session since the departure of Ambassador Walker who returned to Wellington in June is scheduled to take place the morning of November 18. The main reason of the meeting is first and foremost for agriculture negotiators to formally elect their new chairman, Ambassador John Adank also from New Zealand.

As it currently stands, only one item is featured on the agenda which could possibly be amended at the start of the meeting to include additional topics. Officials said discussion on issues such as matters for consideration as “early harvest” at the MC8 i.e. cotton etc. could also be tackled.

Upcoming Events

- Regular Agriculture Committee, Nov 17, 2011, Mar.21-22; June20-21, Sept 26-27, 2012
- Agriculture Special Session, November 18, 2011
- WTO General Council, December 1-2, 2011
- WTO Ministerial Conference (MC8), December 15-17, 2011

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