

Geneva Watch

An overview of the WTO negotiations on agriculture

Members Meet Lamy's Panel of Experts

WTO Director General Pascal Lamy's panel of experts, which is expected to define "the future of trade" by analyzing current and future trade patterns, held a meeting with WTO's ambassadors on September 26th, on the sidelines of the public forum. Most Members seized the opportunity to reiterate their support for the multilateral process, and by extension, to the Doha Development Agenda (DDA), which Brazil and the EU described as going through a "transition period."

According to Brazil, the problem is that Members have conflicting agendas which makes arriving at a consensus much more difficult. How do we find discipline to work through conflicting agendas? How we come up with a common agenda in terms of the negotiations themselves? It asks.

From Brazil's perspective, what Members need to do is to focus on three areas of the negotiations: services, goods and food industry. Even if the latter represents about 7% of world trade, all 3 areas must be addressed if Members are to ever succeed in negotiations.

The EU agreed that Members need to preserve the negotiating function of the WTO, find a link between regional trade agreements and the multilateral trading system (MTS), and need to ensure that regional trade agreements (RTA) are disciplined in a way that makes them compatible with the rules and disciplines of the WTO, ambassador Angelos Pangratis stressed.

The U.S., for its part, asked three questions: What is the evidence that trade supports development? How to address the global schizophrenia about trade, i.e. why is there trade opening bilaterally and regionally but not in Geneva? But the key question now is how can Members build consensus when the biggest players are not like-minded, i.e. when they didn't really have a consensus on how to deal fully with the single undertaking (SU)? There is a need to find ways where Members can generate new kinds of consensus and 2012 has been all about a search for these other kinds of consensus, the U.S. said. Lamy's panel of experts should undertake some analysis on this, the U.S. said.

El Salvador insisted on the notion of governance and coherence urging the panel to look very closely at the issue of coherence between international organizations and how they are working together to advance sustainable development.

China, meanwhile, wondered what Members need to do to address the remaining issues that might affect the rest of the Membership i.e. agriculture, tariff peaks, tariffs escalation, LDC issues. What can we do to get all the issues that remain on the Doha agenda back on track? Are bilaterals, plurilaterals and regional trade negotiations beneficial to the multilateral system? China asked.

The panel offered a few responses, saying that they noted that there was a similar theme to many of the questions. As far as the business community is concerned, the panel stated, the best thing the WTO can do is to deliver on the Doha deal. But if that cannot be done, then they would favour going for bilateral, regional or plurilateral agreements; in this case they would like to see a deal between China and the U.S. However, the fact is that these deals would be much less interesting than getting a global deal which will encompass all countries, the experts said.

The panel's objective is to inject energy and support for a new negotiating approach. It is expected to consult with Members throughout the fall. A report – which some countries insist should be Lamy's and not be considered as a WTO document – is anticipated to be circulated early 2013.

G-20 Requests Studies on TRQ Administration and Export Competition

As announced early in the week, New Zealand's ambassador John Adank convened an open-ended meeting on September 28th, so Members could share information on their discussions since the group's last meeting in March. At the meeting, Brazil – who claimed that the G-20's members have been working on new ideas since last March – presented two G-20 non-papers on TRQ administration and export competition which they described as an effort to comply with instructions from the 8th Ministerial Conference (MC8) where Members were asked to focus on elements of the DDA where “provisional or definitive agreements based on consensus earlier than the full conclusion of the single undertaking” could be reached.

As for now, the G-20 asked the WTO secretariat to perform updated studies – for Members' information – on tariff rate quota (TRQ) administration and more specifically on their fill rate percentages between 2002 and 2011.

On a separate non-paper, the G-20 provided an “understanding” piece on TRQ administration under Article 2 of the Agreement on Agriculture whereby the WTO regular Committee on Agriculture would monitor the fill rate of products under TRQ and if those rates are below 65%, Members may request that the committee analyze the circumstances of the under-fill, i.e. whether it is due to market circumstances or how the TRQ is administered, in which case the committee may request changes in the way the TRQ is run.

China is still conducting internal consultations on the paper before being in a position to fully endorse it. The group also requested that the secretariat update Members on the use of export competition (export subsidies, export credits, export credit guarantees and insurance programmes, state's trading enterprises and food aid).

A similar request was made earlier this year by Australia on behalf of the Cairns Group, but had been subsequently shot down by the EU. This time, Members requested more time to analyze the non-papers before they could provide their comments when the agriculture negotiating group gathers again.

However, in their preliminary responses, some countries questioned the selection of topics for early harvest, which they say may affect the balance of the December 2008 draft modalities if indeed these issues were taken in isolation. Brazil, meanwhile, retorted that the approach should not be challenged since ministers had instructed their negotiators to look for potential topics for early harvest.

The non-papers will clearly require another meeting, said Ambassador Adank, who concluded that after going through a quiet period, the G-20 proposals may have the potential to revitalize Members' engagement in the agriculture talks.

Upcoming Events

- Services Plurilateral, October 1–5, 2012
- WTO General Council, October 3-4, December 19-20, 2012
- Trade Facilitation Negotiating Group, October 8–12, 2012
- CETA, Weeks of October 15–24, 2012, Mid-November, 2012 (TBC)
- Regular Agriculture Committee, November 14-15, 2012
- TPP Round XV, December 3–12, 2012, Auckland (New Zealand)

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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