

Geneva Watch

An overview of the WTO negotiations on agriculture

Ministers Meet in Davos, Discuss Bali Deliverables

Heading into the World Economic Forum Annual Meeting in Davos, Switzerland, Director General, Pascal Lamy's objective was to make sure Ministers agreed on the importance of delivering something tangible at the WTO's 9th Ministerial Conference in Bali (MC9) due to take place from December 3–9, 2013. Nobody really questioned that objective, officials attending the gathering said, however, the question before Members remains the same: how to find consensus on a set issues that will be taken to Ministers come December?

As such, on January 26th, key trade envoys from 23 countries (counting the EU as one)¹ attending the traditional Davos informal mini-ministerial gathering hosted by the Swiss Federal Councillor Johann Schneider-Ammann, reiterated their strong will to see a "set of substantial results" which would include, among other issues, trade facilitation, some issues related to agriculture and others of particular interest to least developing countries (LDCs) delivered at the end of MC9.

The task won't be easy, as participants recognized the necessity to be realistic and pragmatic in their approach to make Bali a success. With this in mind, and in order to avoid the complications that occurred with delivering an early harvest package in time for the MC8 in 2011, trade officials agree to "strive for the doable and make proposals likely to attract sufficient support to secure agreement."

Easter Call – Once Again

"We need to have clarity on the scope of the possible deal as soon as possible. Around Easter we should evaluate and take stock of where we are and whether we will be able to reach a meaningful result in Bali," the Swiss trade minister, Schneider-Ammann said in his summary of the meeting.

One official who attended the informal gathering said he expects Members to table additional issues before the Easter deadline. For the time being, it seems like all participants were on board to deliver a deal on trade facilitation this year – with the exception of India who sees the issue as benefiting developed countries more than developing countries. Lamy has described India's position as "tactical" but one could not overlook the fact that it nevertheless underlines a potential duplication of past disputes which prevented Members from agreeing on early topics for MC8.

In addition to trade facilitation, issues such as TRQ administration, export competition, S&D (special and differential treatment) monitoring mechanism and public stockholding for food security purposes were also raised. However, if some topics – like TRQ administration – do not seem to create concerns, others like the G-33 proposal on food security don't seem to be attracting much support either.

Indeed, Members have voiced concern over the G-33 proposal calling for government stockholding and purchases from poor farmers at supported prices to be considered green box subsidies. The G-10 suggested other ways to address food security, such as a clarifying and strengthening disciplines on export prohibitions and restrictions which in turn would increase assurances to Members about their ability to access foodstuffs and feeds in world markets. Furthermore, the group emphasized, that "possible 'deliverables' based on progress achieved in the *Doha Development Agenda (DDA)* cannot be identified predominantly in the area of agriculture; a balance with other issues is necessary," G-10 Ministers declared.

One source said Nepal's Minister, Deependra Bahadur Kshetry, who attended the informal gathering as the LDCs group coordinator, requested that duty-free and quota-free market access and the issue of cotton be added to the deliverables, but the U.S. opposed the request.

Post-Bali Work Program

Brazil, for its part, declared being worried about the state of the negotiations post-Bali, claiming that discussions might be tougher to take place once specific issues of interest to certain Members are “pocketed” in Bali. On the other hand, other stressed that failing to agree on a set of substantial issues in Bali might effectively call the end of the DDA.

As such, Ministers insisted on the fact that a successful MC9 “should not be seen as the end of the Doha road,” adding that Bali should be considered as a “stepping stone” on the way to address the remaining issues under the DDA.

WTO Director General Pascal Lamy will convene a brainstorming meeting on the work post-Bali sometime in mid-February, one informed source said.

¹ Australia, Brazil, Canada, China, Colombia, Costa Rica, European Union, India, Indonesia, Japan, Korea, Malaysia, Nepal, New Zealand, Nigeria, Norway, , Peru, Russia, South Africa, Switzerland, Thailand and the U.S.

Upcoming Events

- WTO General Council, January 29, 2013
- CETA Ministerial Meeting, February 6-7, 2013, Ottawa (Canada)
- TPP Round XVI, March 3–14, 2013 (Singapore)
- Regular Agriculture Committee, March 26, September 4, November 12, 2013
- WTO 9th Ministerial Conference (MC9) December 3–6, 2013, Bali (Indonesia)

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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