

## **Agriculture Negotiations**

Ambassador Adank convened a meeting on March 27<sup>th</sup> to discuss the status of the agriculture negotiations, particularly issues that are on the table for the Bali Ministerial Conference in December (MC9), including the G-33 proposal on food stockholding, the G-20 proposal on TRQ administration and export competition.

### **Stockholding programmes**

Members have held a series of technical meeting to better understand how each other's stockholding programmes work and how these relate to the G-33 proposal aiming at classifying governmental purchases of food from poor farmers for food security purposes as non trade distorting subsidies. The nine technical meetings saw 6 countries – Pakistan, India, China, Indonesia, Brazil and the Philippines – presenting their own programmes which led to detailed discussions on the G-33 proposal.

The G-33 argued that their “policy space” had been reduced by higher prices, and now making the amber box limits more constraining, thus the need for higher “administered prices” to keep the program efficient.

They look at stockholding programmes as the best way to ensure food security for their populations. The administered prices help governments compete with the private sector when purchasing food and stimulating production at the same time to ensure the availability of food as well as providing a fair return to farmers, the G-33 said. The programme helps protect poor farmers from the negative effect of price volatility.

WTO Members said they support the need for stockholding as a way to improve food security. However, they differ over the means of achieving this. Concerns were raised by Australia, Canada, Chile, New Zealand, the U.S. and Paraguay with respect to the “lack of constraints to prevent the programmes from distorting markets” by inflating prices farmers receive, which in turn may lead to increased production that would ultimately affect world prices, one official reported.

Among the critics, was also the need to avoid changing the way WTO rules are constructed: Green box vs. Amber box. Even though all acknowledged the value of the proposal, there is a need to discipline market intervention to avoid distortion and ensure the programmes are really targeted at poor farmers and consumers. The EU meanwhile said it is “unable to support the G-33 proposal as it stands” even though it raises a legitimate concern.

### **Other Potential Bali Deliverables Topics:**

**TRQ Administration:** Japan continued to oppose the G-20 proposal, which they said should be balanced with other agricultural market access provisions. One of the concerns raised by the Japanese is whether special and differential treatment for developing countries would leave Japan as the sole country targeted by the proposal. Brazil, in response, argued that the proposal is only fulfilling the URAA market access commitments and thus shouldn't be interpreted as new market access being negotiated under the Doha Round (Doha Development Agenda or DDA).

**Export Subsidies:** the Cairns Group, which will soon submit a proposal on eliminating export subsidies and other aspects of the export competition pillar, stressed that the time has arrived to eliminate export subsidies, even though the DDA has not been completed. The EU, of course, opposed linking the export competition package to the rest of the DDA and warned against including the issue as part of the Bali deliverables. The U.S. agreed, claiming that eliminating export subsidies might be too complex to settle before MC9.

## Next Steps

At the end of the meeting, Ambassador Adank concluded that Members were ready to begin discussions concerning public stocks at a more political level, in order to start “matching ... our new knowledge about the existing policies with different elements of the proposal, raising therefore both technical and political questions”.

“It is also clear we are not yet close to agreement – in fact, the substantive discussion of the proposal is only beginning,” he said.

The chair will report back to Mr. Lamy, who on February 22<sup>nd</sup> suggested that Members re-evaluate where things stand for Bali at the April 11<sup>th</sup> TNC meeting.

## Upcoming Events

- WTO DG Selection; Round 1, April 9, 2013
- Panel of Experts’ Report: “Defining the Future of Trade”, early April, 2013
- Informal TNC (Bali Stocktaking), April 11, 2013
- APEC Ministers Responsible for Trade, April 20-21, 2013
- General Council, May 1-2, July 24-25, Oct. 8-9, Nov. 5-6, 2013
- TPP Round XVII, May 15–24, 2013, Lima (Peru)
- OECD Annual Forum, May 27–31, 2013, Paris (France)
- Regular Agriculture Committee, June 13-14, September 4, November 12, 2013
- Deadline for Bali Deliverables, August, 2013
- WTO Public Forum, October 1–3, 2013
- APEC Leaders Summit, October 1–8, 2013
- WTO 9<sup>th</sup> Ministerial Conference (MC9), December 3–6, 2013, Bali (Indonesia)

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