

Geneva Watch

An overview of the WTO negotiations on agriculture

No Time to Lose

At the General Council held on May 14th, Members formally approved the Troika's recommendation to appoint Azevedo as Director General of the WTO. This was done by consensus which allowed avoiding controversies, giving the Brazilian high official a chance to start working on the Bali package without needing to heal any potential divides that might have occurred if there was no consensus on his appointment.

The selection committee – the so-called Troika – was comprised of the General Council's chair, Pakistan's Ambassador to the WTO, Shahid Bashir, the Dispute Settlement Body's chair, Canadian Ambassador Jonathan Fried and the Trade Policy Review Body's chair, Sweden's Ambassador Joakim Reiter.

Azevedo told the full Membership that MC9 was “just around the corner” and they have “no time to lose” to start working on solving the most pressing issues.

Among those issues are the G-33 proposal on amending the Agriculture Agreement to loosen disciplines on domestic support, including public stockholding and food aid, which will be discussed next week in the committee on agriculture special session (COASS) chaired by Adank and the G-20 proposal on export competition expected to be formally tabled at the COASS meeting.

The G-20 was expected to finalize the draft on May 16th, but no dramatic amendments were anticipated. Officials said the text was pretty stable, and almost endorsed by all G-20 Members – except Mexico and Venezuela, which is waiting to hear from Caracas before giving its final approval.

G-20 officials say the most important points, i.e. the request to slash budgetary outlay commitments by 50%, will remain as is, just like the suggestion to reduce the export quantity commitments to an average level based on 2003-05 period.

The only aspect of the proposal that is still up for discussion concerns developing countries' provisions and especially the end-date suggested in the proposal that developing countries continue to benefit from the provision for five years after the end date for elimination of all forms of export subsidies.

The EU and U.S. have yet to react on this (partly because the proposal was not finalized) but G-20 sources say it has been crafted to provide flexibility to please “targeted” Members and increase the chances of including it among the Bali deliverables.

Even if the proposal is deemed acceptable for the EU, the Europeans will likely request something in return which could be an agreement on trade facilitation (TF) despite India's (and the G-33's) implicit linkage drawn between the public stockholding proposal and TF.

Members, and particularly developed ones, have criticized the G-33 proposal as not calibrated for Bali. The objective is to try to find a way to amend the proposal so it fits WTO subsidy rules or, as suggested by the U.S., to tackle it after Bali, which was ultimately rejected by India who threatened to reject TF if its proposal on public stockholding was rejected.

TF Still Too Slow

Meanwhile, the Chair of the negotiating group on TF, Guatemala's Ambassador, Eduardo Ernesto Sperisen-Yurt, insisted on May 15th that progress towards achieving a deal on TF in Bali was hampered by the slow speed of the negotiations.

At the meeting of Heads of Delegation, Ambassador Yurt urged Members “to change attitude and show more flexibility to engage and negotiate and be willing to offer real concessions” if they look to progress on the text.

“I am asking the Friends of the Chair to keep pushing you, but they cannot force the pace without your cooperation”.

The Chair convened the meeting to hear Members thoughts and suggestions ahead of the group meeting the week of May 20th, with the aim of circulating a new revision to the draft consolidated text for an agreement.

The majority of Members who took the floor expressed their concern with respect to the state of the negotiations. Some participants said there has been some progress, but not enough, and many blamed it on the lack of a real negotiation taking place and on the fact that some countries are holding TF hostage to influence other negotiations.

There were calls for more a more realistic approach that would intensify the pace and see an increased engagement of ambassadors in the negotiations. It’s time, some say, to apply the flexibility that was promised by some Members, but not delivered.

With only few weeks to go before the summer break, both outgoing and upcoming Director Generals will have to use every bit of their negotiating skills and diplomatic talents to get Members, and notably G-33/India and the U.S. /EU, on the same page to increase the chances of a successful MC9.

Upcoming Events

- TPP Round XVII, May 15–24, 2013, Lima (Peru)
- OECD Annual Forum, May 27–31, 2013, Paris (France)
- Informal Trade Negotiations Committee, May 31, 2013
- Regular Agriculture Committee, June 13-14, September 4, November 12, 2013
- General Council, July 24-25, Oct. 8-9, Nov. 5-6, 2013
- Deadline for Bali Deliverables, August, 2013
- WTO Public Forum, October 1–3, 2013
- APEC Leaders’ Summit, October 1–8, 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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