

Geneva Watch

An overview of the WTO negotiations on agriculture

Editorial: In Listening Mode?

For his first ever visit to Geneva as U.S. Trade Representative, Ron Kirk was to come to listen to what other trade partners have to say about the current state of the negotiations. But lately, one idea on how to move the negotiations forward has emerged and the USTR is expected to test it with members. The latest idea in question proposes to skip modalities and start negotiations directly, on a line-by-line tariff concession basis. The USTR will certainly run up against a wall, as emerging developing countries are unlikely to embrace the idea.

New Negotiation Approach Floated as USTR Sets to Visit Geneva

The Obama administration has made it clear that they needed to review what was on the table before re-engaging in the Doha Round negotiations. In a speech delivered at Georgetown University in Washington on April 23rd, U.S. Trade Representative Ron Kirk said the U.S. is looking for a “much clearer picture” of what it is going to get out of Doha. The USTR chief assured that he will meet with WTO counterparts to exchange views while reiterating the need for emerging developing countries such as India, China and Brazil to do more in order to strike a deal. On May 5th, Kirk declared that a new approach was needed for members to secure that deal. “What we are looking for is a broad and ambitious agreement in which the benefits for the U.S. agricultural and non-agricultural interests are at least as definable as what we are expected to cut,” the USTR said.

That new approach, which many believe Kirk is expected to discuss with key WTO countries while visiting Geneva on May 11-12, will be to explore skipping modalities to jump straight to negotiating schedules i.e. bilateral negotiations on a product-by-product basis.

This new approach was first floated about three weeks ago when several ambassadors discussed it in a small group chaired by Canada. The idea at the time did not receive any support and was thought to be dead in the water before the U.S. showed interest in pursuing it.

On May 7th, new agriculture negotiations chairman, David Walker, presented the so-called U.S./Canada idea at a G-20 meeting. Walker said he was testing the waters to see whether there was support for the idea, arguing that it will allow countries to have a great sense of clarity on what they will likely get out of the negotiations—like in the sensitive products area for instance—not to mention that the approach would also accelerate the process.

But diplomats said it is easy to see that the major incentive behind this new approach is simply to allow major players like the U.S. to influence directly what they will get in areas such as sectorals, sensitive products and special products.

“Dead in the water?”

Although the idea received support by countries like Switzerland, and Japan, sources said all members of the G-20 that spoke at the meeting rejected the U.S./Canada idea with one diplomat claiming that the idea was somewhat “dead in the water”. G-20 leaders—Brazil, India and China—also remained unenthusiastic knowing that they will be the first targeted. The EU also said it did not like the proposal, as it continues to favour the draft modalities package currently on the table. Sources said Walker, meanwhile, faced some serious heat at the G-20 meeting, as some suspected he was trying to push the idea through.

Meanwhile, USTR Ron Kirk is expected to meet with WTO ambassadors on May 11th and hold separate bilateral meetings with Director General Pascal Lamy and EU Trade Commissioner Catherine Ashton on May 12th.

Provisional Agreement Reached in Beef Dispute

A new step toward a resolution of the long dispute involving U.S. and Canada versus the EU on hormone-treated beef has been found on May 6th when the EU and the U.S. announced an agreement that could settle the differences between the parties involved in the dispute. Under the terms of the agreement, the U.S. would agree not to impose new sanctions that would affect a range of EU products including, Roquefort cheese—which the U.S. had threatened with a tariff increase to about 300%. In return, the agreement would provide additional duty-free access to the EU market for “high quality beef” produced from cattle that have not been treated with growth-promoting hormones. The agreement would provide additional duty-free access for 20,000 tons of beef in the first three years, climbing to 45,000 tons at the start of the fourth year. The quota of 20,000 tons meanwhile is granted on a most-favoured nation basis (MFN) and is a separate quota and to the existing 11,500 ton quota entirely reserved for both U.S. and Canadian beef.

The two parties agreed to reach a deal on the conditions for the settlement applicable beyond that period before the end of the four-year.

EU-Canada Trade Deal Launched

Meanwhile, the EU and Canada have launched negotiations for an economic agreement in Prague at the EU-Canada Summit on May 6th. A deal, that some say, will likely generate total benefits of more than €20 billion per year (\$31.6 billion CAD) in added trade opportunities. The deal will seek a maximum level of liberalization in trade in goods and services, EU officials said but negotiations will also focus on enhancing opening and cooperation on investment and improving the protection and enforcement of intellectual property rights among others things.

Upcoming Events

- [General Council](#), May 26- 27, July 28-29, Oct. 13-14, Dec. 17-18, 2009
- [India General Elections](#), May 2009 (at the latest)
- [EU Elections](#), June 7, 2009
- [Cairns Group Ministerial Meeting](#), June 7-9, 2009 (Indonesia)
- [OECD Ministerial Meeting](#), June 24-25, 2009 (Paris, France)
- [G-8 Summit](#), July 8–10, 2009 (La Maddalena, Italy)
- [APEC Meeting of Ministers Responsible for Trade](#), July 21-22, 2009 (Singapore)
- [WTO Public Forum](#), Sept 28–30, 2009

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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