

Geneva Watch

An overview of the WTO negotiations on agriculture

Editorial: The Pursuit of Progress

When it comes to WTO negotiations these days, one would not be wrong to invoke the Parkinson's Law – *that work expands so as to fill the time available for its completion*. To borrow the EU Trade Commissioner Karel De Gucht's expression, the negotiations are indeed "in heavy waters". Now that the March deadline for a potential ministerial meeting has been dismissed, more observers have grown pessimistic about the possibility of concluding the Doha Development Agenda (DDA) this year. The scheduled window past this July is very narrow, especially with both Brazil and the U.S. heading into elections. This leaves December 2010 or sometime in early 2011, with hopes that the odds for a deal will be much greater than the 60-40 chance predicted by the EU Director General for Trade, David O'Sullivan.

Agriculture Negotiations' One-Two Step

The focus of the past week's agricultural negotiations was on templates, with Members pursuing their work on "Step 1", which involves identifying what data are needed to make commitments and "Step 2", the creation of the blank forms and formats for schedules and supporting data. Since announcing, at the end of last year, that they were on the verge of finishing Step 1 and were ready to move to Step 2, Members have been stuck on discussions on the passage between the two steps for almost three months now and are still far from the finish line. According to one official, although Members have started "Step 2", not one single form has been approved; there have only been a couple of very tentative suggestions on some easier topics like export subsidies.

"Parkinson's law says this will not be finished until the modalities are close to completion and as you know they have hardly even started. And, so long as there are idle hands around, there will be continual back-and-forth on templates. One step forward, one step back, as they dance round and round the floor," the official added.

The week of March 8th is expected to be devoted to consultations on modalities or "issues bracketed or otherwise annotated" in the December 2008 drafts. It is fair to say that since Director General, Pascal Lamy, announced that the end of March stocktaking meeting will not involve ministers, the intensity of discussions in Geneva has been somewhat reduced from its already low level. Nevertheless, Members are expected to tackle those unresolved issues that have yet not been addressed i.e. the number and treatment of sensitive products (SeP), tariff capping for non sensitive lines, the special safeguard (SSG) blue box headroom and the issue of cotton subsidies which is making most of the headlines lately due to retaliatory measures that Brazil may impose the U.S. following its successful challenge of the U.S. cotton subsidies. In addition, the G-33 has circulated a new paper on the issue of pro-rating.

The concept was tabled to "ensure 'normal trade' and to counter perceived declines in trigger thresholds on account of successive application of the volume-based SSM." The paper which examines, among other things, the impact of pro-rating on the use of the SSM may also be discussed by a smaller group of key delegates the week of March 8th.

USTR 2009 Annual Report

In its 2009 annual report, the United States Trade Representative claimed that it remains "convinced that a Doha success can be achieved if all major economies are willing to come to the negotiating table," maintaining its stance that emerging developing countries – Brazil, China, India – which have enjoyed a new level of influence at the WTO, will each be expected to take on an increased level of responsibility.

With unemployment rates flirting around 10%, the Obama administration believes that a “sound Doha agreement could boost the world economy and support many good jobs”. Meanwhile, the report warned about the negative effects of a weak agreement, which it claimed would not serve the above interests “and ultimately would weaken the WTO.”

This suggests that the U.S. is unlikely to support a “Doha Light” outcome to close the Round as lately floated by several key WTO Members, including Indian Ambassador, Ujal Singh Bathia, who appeared to openly question the 2010 target, stressing that Members may have to consider recalibrating the objective in order to meet the 2010 goal.

Upcoming Events

- Agriculture 2nd Fortnight, March 1-12, 2010
- Regular Agriculture Committee, March 11-12, June 10-11, September 16-17, November 18-19, 2010
- NAMA consultations, March 15-19, 2010
- Senior Officials Meeting (SOM), March 22-26, 2010
- Stock-Taking Meeting, March 29- 30, 2010
- Cairns Group Ministerial Meeting, April 19, 2010 Punta del Este (Uruguay)
- General Council, May 5-6, July 29-30, Oct. 6-7, Dec.14-15, 2010
- G-20 Summit, June 26-27, 2010

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.

For more information or comments, please visit: www.farmsandfoods.ca

Legal Deposit:
National Library of Canada
ISSN 1496-9254

