

# Geneva Watch

*An overview of the WTO negotiations on agriculture*

## Editorial: Toronto G-20 Summit Preview

It has been said many times before and it bears repeating that the upcoming G-20 Summit to be held in Toronto this upcoming weekend is less about trade than it is about finding a solution to the global financial system and its regulation.

Even though it was rumoured that leaders may hold a working lunch on trade and the Doha development agenda, it should come as no surprise if discussions are dominated by topics such as China's currency manipulation, taxing financial and other banking transactions or the recent Greek crisis.

The one thing that is expected to be discussed in the area of trade is the latest joint WTO/OECD/UNCTAD report reviewing the G-20's trade and investment measures between November 2009 and mid-May 2010. The report has stated that protectionist measures taken by the G-20 nations have been fairly limited only covering, together, approximately 0.4% of annual global imports.

Although the report mentioned that "there continues to be few instances of new import restrictions and a greater use of export restrictions," it meanwhile stressed that "some G-20 governments have also taken steps to facilitate trade". Many countries may see this finding as good incentive to do more in opening further markets in these difficult economic times.

## Brazil – U.S. Cotton Dispute

On June 17<sup>th</sup>, Brazil announced that it would suspend sanctions against the U.S. in retaliation for the latter's illegal cotton subsidies. Brazil said it will extend until 2012 the current agreement it has established with the U.S., i.e. that the U.S. pays up to \$147.3 million annually to the Brazilian cotton sector as "technical assistance".

Although this is not a "definitive solution" as proclaimed by Brazilian ambassador to the WTO, Roberto Azevedo, the decision nevertheless allows the U.S. to buy additional time to find a solution for its cotton sector.

It was widely known that the U.S. could not amend its current cotton program before the new Farm Bill is negotiated in 2012, partly because of the complications it will require for the Obama administration to get this done with the current Democratic-led Congress. In addition, trade observers say that the arrangement makes sense for the U.S., which would pay out \$442 million over the three years instead of enduring penalties that could reach up to roughly \$850 million.

Critics said the new arrangement does not provide any comfort to the "Cotton Four", African cotton producing countries – Benin, Burkina Faso, Chad, and Mali – seen as the biggest losers in the arrangement even though Ambassador Azevedo warned that "Brazil does not abandon its right to apply countermeasures at any moment." The Cotton Four have requested that the U.S. Amber Box support for cotton be reduced by 82.2%

## Upcoming Events

- G-20 Summit, June 26-27, 2010, Toronto (Canada)
- Agriculture Consultations, July 5, 2010
- NAMA consultations, week of July 12, 2010
- General Council, July 29-30, Oct. 6-7, Dec.14-15, 2010
- WTO Public Forum, September 15-17, 2010
- Regular Agriculture Committee, September 16-17, November 18-19, 2010
- G-20 Summit, November 11-12, 2010 Seoul, (South Korea)
- OECD Global Forum on Agriculture, November 29-30, 2010, Paris (France)

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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