

# Agri-Trade FORUM

inside this issue:

- IPC Cancun Prognosis
- IPC Seminar: *Easing the Transition to More Open Global Markets*
- Special and Differential Treatment
- Geographical Indications

a quarterly newsletter from the International Food & Agricultural Trade Policy Council

## Cancun: Crisis as Catalyst

While the proximate cause of the collapse of WTO talks in Cancun was the refusal of developing countries to sign on to negotiations over trade facilitation and government procurement; lack of consensus on agriculture was most certainly a root cause. However, while it is disappointing, the collapse does not have to mean failure.

“The WTO agricultural talks started over two years ago, but the real negotiating began only a few weeks ago,” said IPC Chairman and former World Bank Director of Rural Development, Robert L. Thompson. A lot of progress was made in the six weeks running up to Cancun, with countries moving away from long-held positions and beginning the real give and take of a negotiation. “Unfortunately, that give and take started too late for Cancun,” lamented Thompson. The window for making further progress is narrowing fast, with presidential elections in the United States and enlargement of the European Union both limiting room for maneuver.

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“The crisis of Cancun should be a catalyst for negotiators to return to Geneva, rebuild trust, and continue to work on the framework for agricultural negotiations,” said IPC Chief Executive, M. Ann Tutwiler. “Even though the draft framework put forward in Cancun did not meet with every country’s approval, it can serve as a useful starting point for further negotiations.” Tutwiler noted that while the drafts discussed in Cancun did not promise an ambitious outcome, neither did they preclude one.

Thompson cautioned that the Doha Development Round of WTO negotiations would only succeed if it integrates developing countries into the world economy. “Developing countries have the most to gain if the trade negotiations succeed — and the most to lose if they fail. The Doha Development Round cannot conclude without the active participation of developing countries. They need to return to Geneva and begin negotiating in earnest. If developing countries focus only on avoiding or delaying commitments, rather than on embracing reforms, they will not see the much-needed benefits of greater trade liberalization.”

## IPC Seminar: Easing the Transition to More Open Markets

The 32<sup>nd</sup> IPC Plenary Meeting and Seminar will be held in New Delhi, India from November 11th to 14th, 2003. The IPC will co-host a seminar entitled *Easing the Transition to More Open Global Markets* with the Indian National Institute of Agriculture (NIA) November 12-13. *Information on the seminar is available at [www.agritrade.org](http://www.agritrade.org).*

The IPC-NIA seminar will focus on how governments can ease the economic transition for their agricultural and rural sectors; the role the private sector plays in generating off-farm employment and enhancing productivity; and the role international aid agencies, bilateral donors and the non-governmental sector play in providing additional resources for economic development. Speakers include Shri Ragnath Singh, Minister of Agriculture and Cooperation, India; R.C.A Jain, Secretary, Ministry of Agriculture, India; Shishir Priyadarshi, World Trade Organization; IPC Chairman Robert L. Thompson and IPC Members Jikun Huang, Hans Joehr, Raul Montemayor, Brian Chamberlin, Luis de la Calle, Marcelo Reguana, Csaba Csaki, Piet Bukman, and Nestor Osorio.

## IPC Calendar

October 22:  
*Sustainability Task Force Mini-Meeting - Geneva*

November 10: 3<sup>rd</sup>  
*Sustainability Task Force Meeting - New Delhi*

November 11 & 14:  
*32<sup>nd</sup> IPC Plenary Meeting - New Delhi*

November 12-13: *IPC Seminar: “Easing the Transition to More Open Global Markets” - New Delhi*

December 2-3: *Crans Montana Monaco World Summit - Monte Carlo*

March 8-9: *World Food and Farming Congress - Capetown, South Africa*

May 15-18: 33<sup>rd</sup> *IPC Plenary Meeting and Seminar - Moscow*



## WTO Prognosis After Cancun

IPC Chairman Robert L. Thompson, IPC Member Dale Hathaway and Chief Executive M. Ann Tutwiler shared their analysis of the previous week's World Trade Organization Ministerial Meeting in Cancun, Mexico at a briefing on Monday, September 22<sup>nd</sup>.

Thompson asserted that while the proximate cause of the collapse of the Cancun Ministerial meeting was disagreement on the so-called Singapore issues (investment, competition policy, transparency in government procurement and trade facilitation), agriculture certainly played a role in Cancun's failure. However, he noted that many of the people in the so-called Green Room discussions, where much of the informal negotiating takes place, believed that progress on a framework for agriculture was being made when the meeting was shut down.

Thompson and Tutwiler agreed that the draft paper issued by the Chairman on September 13<sup>th</sup> took the least aggressive pieces of existing proposals, however, the draft neither precluded nor insured an aggressive result. According to Tutwiler, had the draft been more aggressive, it might have been a better platform for intense negotiation.

Thompson noted that many of the parties in Cancun felt that the Chairman's draft incorporated more of the elements from the paper submitted by the United States and European Union in the run up to the Ministerial Meeting than that submitted by the G20. Critics did not think that using the US/EU paper would lead to much real reform, and because they saw so much of the US/EU paper reflected in the Chairman's draft, the G20 countries refused to use it as a basis for negotiations.

According to Thompson, the Chairman's draft ran the risk of resulting in a two-track system — one

set of rules for developed countries and another for developing countries. "One of the primary benefits of the Uruguay Round was that it established a system where all countries had to play by the same rules. Any agreement that leads to a two-track system is going backwards rather than forwards," Thompson said.

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Thompson and Hathaway agreed that the most optimistic end date for the Doha Round is now the end of 2005. In 2005 there will be a new administration in the United States and a new commission in the European Union. Congressional elections in the United States and elections in France and Germany will be an issue in 2006, so if the round is not wrapped up in 2005, it will likely have to wait until 2007.

The presentations were followed by a lively discussion. Attendees and panelists discussed trade liberalization outside of the WTO, the issue of US cotton subsidies, the future of domestic support in developed countries and many other issues.

*The full proceedings of the briefing are available at [www.agritrade.org](http://www.agritrade.org). The views expressed are the personal views of the participants. They do not represent those of the IPC or any other government or organization.*



## IPC in Cancun

IPC Chairman Robert L. Thompson; Members Pedro de Camargo Neto, Dale Hathaway, Luis de la Calle, Robbin Johnson, and Jorge Zorreguieta;

Member Affiliate Willem-Jan Laan; and Chief Executive M. Ann Tutwiler actively participated in the events surrounding the WTO Ministerial Meeting, September 10-14 in Cancun, Mexico. While in Cancun IPC members shared their analysis of the meeting at a briefing for delegates and non-governmental organizations.

The IPC has been actively communicating with media on the subject of the WTO negotiations both at the Cancun Meeting and in the aftermath. The IPC has spoken with representatives from the New York Times, Wall Street Journal, Los Angeles Times, Agence France Presse, Reuters, Inside US Trade, the National Journal, Voice of America, WHYY radio and CongressDaily.

An editorial by IPC Member, Luis de la Calle entitled "Poor countries need trade, not caravans of protesters," was published in the Chicago Tribune in the run-up to the meeting.



## New Supporters and Staff

IPC welcomes **Bunge Limited** as a Sustaining Member and **GrainCorp** of Australia as an Association Member.

Two new interns and a Program Manager have joined the IPC's Secretariat office. **Christin Cogley** joins the IPC as Program Manager. Ms. Cogley was most recently working with an NGO in Albania. Prior to that she was with the World Bank.

**John Taylor** of London, Ontario, Canada will be with the IPC as part of the Young Professionals International internship program, sponsored by the Canadian Department of Foreign Affairs and International Trade, until February, 2004.

**Lee Joungetaek** joins the IPC from Bucheon City, Korea. Mr. Lee is sponsored by CDS International, Inc and will be with the IPC until December of 2004.

## IPC Issue Brief: Beyond Special and Differential Treatment

The goal of the Doha Development Round is to bring the benefits of more open markets to developing countries. Yet much of the discussion about the interests of developing countries has been subsumed under the subject of Special and Differential Treatment (S&D) – a structure that was created in the 1960s when the needs and interests of the developing countries were quite different than they are today. Today, the interests of developing countries are in well-functioning global food markets, with a minimum of distortions. These interests are no different than the interests of many developed countries. If developing countries put their negotiating capital into an ambitious outcome that substantially reduces the distortions in agricultural trade through real increases in market access and substantial reductions in trade distorting subsidies, they will derive far greater benefits than seeking exemptions and exceptions from WTO rules.

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That is not to argue that developing countries do not need special considerations to deal with their very pressing agricultural challenges. Some of these can be addressed through longer implementation periods for policy reforms. Some can be addressed through special safeguard measures. But many must be addressed with additional resources – both domestic and international – to

modernize their agricultural sectors, and with supporting domestic policy environments.

Economic studies demonstrate that it is in the developing countries’ economic interest to continue moving forward with liberalization. But, economic benefits are even greater if both OECD and developing countries liberalize. Difficult reforms are easier to sell politically if everyone makes them simultaneously. The primary goal of developing countries in the Doha Round should not be to create exemptions for themselves. Developing country interests would be better served by expending their political capital on getting the most ambitious deal possible.

The IPC’s Issue Brief on alternatives for special and differential treatment has received praise from agricultural leaders in both developed and developing countries. The Brief is the second in a series developed to link together the needs expressed at the seminars in the IPC’s Capacity Building program. The briefs will be made available on the IPC website [www.agritrade.org](http://www.agritrade.org), and a print subscription is available for \$50 per year.

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### IPC Discussion Paper: Geographical Indications

In the Uruguay Round of WTO negotiations, geographical indications (GI’s) on wines and spirits were granted protections beyond those for other products under Article Twenty-Three of the TRIPS Agreement. Some WTO members want to extend that level of protection to certain foods in the Doha Round. The debate over the protection of GI’s has become exceedingly heated and controversial, and the issues involved are complicated.

The IPC Secretariat prepared a paper to clarify some of the arguments of both proponents and opponents of an expansion of GI protection to cover

foods; to provide a basis for the IPC’s deliberations on the issue; to raise additional questions and to identify additional analysis that might be needed. It has been published on the IPC’s website, [www.agritrade.org](http://www.agritrade.org), as a Discussion Paper on that basis.

The paper covers the rationale for protecting GI’s; attempts to clarify the protection they receive under the TRIPS agreement; addresses some of the current legal, economic and political issues in the debate; and analyses the costs and benefits of enhancing GI protection for foods.

Comments on the paper are welcome.



### IPC Programming

**Sustainability:** At the 2<sup>nd</sup> IPC Sustainability Task Force meeting, Task Force members discussed the first draft of the Sustainability Framework paper written by Dr. John Dixon. At the 3<sup>rd</sup> Sustainability Task Force meeting November 10<sup>th</sup>, members will discuss the second draft of the framework paper and a paper on Sustainability and Technology. Early next year, the Task Force will begin developing commodity case studies on rice, sugar, dairy and cotton to test and build onto the established framework.

**Capacity Building:** The USDA has awarded the IPC a grant to carry out the Capacity Building Program in Southern Africa. IPC is working with partners in the region to implement the program there in early 2004.

Programs on South-South Trade and Trade and Poverty Alleviation are under development by the IPC Secretariat and will be discussed at the upcoming Plenary Meeting.

*For information on any of these programs, please contact Kari Heerman, IPC Communications Director at [heerman@agritrade.org](mailto:heerman@agritrade.org).*

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***Promoting an Open and  
Efficient Food and Agriculture  
System***

[www.agritrade.org](http://www.agritrade.org)

## The IPC's Mission

The International Food & Agricultural Trade Policy Council (IPC) is dedicated to developing and advocating policies that support an efficient and open global food system, that promotes economically and environmentally sustainable production and that distributes safe, accessible food supplies to the world's growing population.

## The IPC's Members

IPC members represent the geographic diversity of the global food system, and the entire food chain from producer to consumer. IPC members are influential and experienced leaders in agricultural trade policy who are committed to finding solutions to global food and agricultural trade challenges.

Robert L. Thompson (Chair), United States  
Piet Bukman (Vice-Chair), The Netherlands

Allen Andreas, United States  
Bernard Auxenfans, France  
Andrew Burke, United States  
Brian Chamberlin, New Zealand  
Csàba Csàki, Hungary  
Devi Dayal, India  
Luis de la Calle, Mexico  
Michael Gifford, Canada  
Ahmed Goueli, Egypt  
Hugh Grant, Scotland  
Dale Hathaway, United States  
Wilhelm Henrichsmeyer, Germany

Huang Jikun, China  
Heinz Imhof, Switzerland  
Hans Jöhr, Switzerland  
Rob Johnson, United States  
Timothy Josling, United Kingdom  
Dean Kleckner, United States  
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Henry Plumb, United Kingdom  
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Marcelo Regunaga, Argentina  
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Jiro Shiwaku, Japan  
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Anthony Wylie, Chile  
Jorge Zorreguieta, Argentina

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