

Agri-Trade FORUM

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

Stenholm to address IPC seminar in Washington on Transforming US Ag Policy

On May 24th the IPC will hold a seminar entitled "The 2007 Farm Bill Debate: Converging Domestic and International Policy Imperatives. Former United States Congressman Charles Stenholm will give the opening address on "Shaping a Modern Agricultural Policy." Former European Commissioner for Agriculture, Franz Fischler, will give the story behind the European Union's agricultural policy reform during the luncheon address.

In 2007, the United States Congress must pass a new Farm Bill to replace the Bill passed in 2002. Measures included in the 2007 Farm Bill will aim to address multiple domestic goals including: enhancing the competitiveness of US farmers; conserving natural resources; promoting environmental stewardship and supporting rural communities. Authors of the Bill will also have to keep international policy objectives in mind, including: creating a more open trading system for agricultural products, complying with WTO and other international commitments, and promoting economic development in developing countries. Perhaps most importantly, the Bill will be debated at a time when the United States government is focused on reducing the federal budget deficit.

Given the particular importance of the 2007 Farm Bill, the Congressional Committees responsible for developing the Bill are expected to begin discussing it in the very near future. The IPC's May 24th seminar is an effort to galvanize the discussion on how the authors might design a Farm Bill that would achieve its domestic goals, while conforming to international commitments.

The seminar will feature leaders from the government, business and farming communities in the United States and elsewhere, as well as experts on environmental stewardship and hunger and poverty alleviation. Speakers include **Cal Dooley**, President of The Food Products Association and former Member of the United States House of Representatives; **Mark Drabenstott**, Vice President and Director, Center for the Study of Rural America, Kansas City Federal Reserve Bank; **David Beckman**, President, Bread for the World; **Craig Cox**, Executive Vice President, Soil and Water Conservation Society; **Luis de la Calle**, former Mexican trade negotiator; **Isabelle Garzon**, former Agricultural Advisor, European Commission Directorate General for Trade; **Mike Gifford**, Canada's Uruguay Round agriculture negotiator; **Craig Hill**, Vice-President of the Iowa Farm Bureau Federation; **Tim Josling**, Emeritus Professor at Stanford University; **Rolf Moehler**, former European Commission Deputy Director General for Agriculture; **Raul Montemayor**, National Business Manager, Federation of Free Farmers Cooperatives in the Philippines; **Per Pinstrup Andersen**, Cornell University Professor and World Food Prize Laureate; **Marcelo Regunaga**, former Argentine Secretary of Agriculture; **Ajay Vashee**, President of the Southern African Confederation of Agricultural Unions; and **Don Villwock**, President of the Indiana Farm Bureau. *For more information and registration, go to www.agritrade.org/DC05.htm.*

IPC Calendar

May 21-23: *IPC Plenary Meeting, Washington, DC*

May 24: *IPC Seminar, The 2007 Farm Bill Debate: Domestic and International Imperatives, Washington, DC*

May: *IPC Position Paper on Trade and Poverty Alleviation release*

June: *IPC Recommendations for the Doha Round of Agricultural Negotiations release.*

June 19-21: *IPC presents options for the Doha Round of agricultural recommendations at IATRC Summer Symposium, Sevilla Spain*

Former Aid to Indonesian Minister of Agriculture, H.S. Dillon, Joins IPC

H.S. Dillon, a former assistant to the Indonesian Minister of Agriculture has accepted an invitation to join the IPC. Dillon was raised on the Indonesian island of Sumatra, where the difficult lives of the farmers motivated him to pursue a career in agricultural development. After completing his degree at Cornell University, he returned to Indonesia where he felt he could make a significant impact.

Dillon is a strong advocate for agriculture and agriculture-based industrialization in Indonesia where 70 percent of the population is rural and agriculture employs roughly 50 percent of the labor force. IPC Vice-Chairman, Piet Bukman expects that, as a development expert from a developing country, Dillon will be able to voice an important perspective in IPC's deliberations on rural development and the needs of developing countries in the WTO agricultural negotiations.

Biosafety Protocol study presented to worldwide audiences

On March 9th the IPC's European Office hosted a public seminar in Brussels where IPC Chief Executive, M. Ann Tutwiler presented the IPC study, "The Potential Impacts of the Biosafety Protocol on Agricultural Commodity Trade," authored by Prof. Nicholas Kalaitzandonakes of the University of Missouri at Columbia. The seminar also featured Brussels-based attorney, Prof. Lucas Bergkamp, who introduced the audience to the relationship between the Biosafety Protocol (BSP) and the WTO.

Tutwiler explained that the BSP will affect the major crops dominating global commodity trade and urged decision-makers to pay attention to costs and trade barriers that could arise from the decisions on implementation that BSP signatories will make this spring. She concluded that the costs of complying with the BSP requirements will:

- Be borne mostly by countries with large import volumes;
- Fall disproportionately on smaller importers (developing countries) who pay higher per unit costs and do not always have access to testing technologies;
- Increase the cost of food and feed, particularly in developing countries;
- Increase the cost of food aid;
- Be spread unevenly across commodities; and
- Be spread unevenly through the global food chain.

BSP signatories should evaluate implementation options based on their costs; who will bear those costs; and trade policy implications before making final decisions on implementation.

Bergkamp illustrated that countries which are parties to both the BSP and the WTO might find that they cannot apply BSP provisions to countries that are not parties to the agreement, including major commodity exporters, such as the United States and

Argentina. Furthermore, countries cannot use their participation in the BSP agreement as a reason not to comply with their WTO obligations.

According to Bergkamp, WTO agreements and the Biosafety Protocol have provisions that indicate they are not subordinate to other international agreements. However, conflict might arise if countries implement trade-restricting measures under the BSP that violate provisions in the WTO's Agreement on Sanitary and Phytosanitary measures (SPS Agreement). Measures that restrict trade under the SPS Agreement must be supported by

Measures that restrict trade under the SPS Agreement must be supported by science-based evidence, whereas such measures can be taken under less stringent conditions in the BSP agreement.

science-based evidence, whereas such measures can be taken under less stringent conditions in the BSP agreement because it is based on the precautionary principle.

He concluded that "despite their mutually supportive rhetoric, BSP measures raise serious issues under WTO law", in particular in export trade from BSP non-parties to BSP-parties. Given that the scientific basis for subjecting LMOs to stringent regulation is lacking, he argued that both the BSP

and measures under it are vulnerable to challenge, since LMOs and their conventional counterparts are "like products". He underlined that "consumer anxiety, in particular when government-induced, and the right-to-know do not justify irrational trade-restrictive BSP measures." *The BSP Study and associated resources can be found at <http://www.agritrade.org/Technology/BSP.htm>.*

BSP Outreach: The BSP study was also presented to other international audiences, throughout February and March, including WTO delegates in Geneva; the World Food Program and Food and Agriculture Organization of the United Nations in Rome; delegates to the Meeting of the Technical Experts to the Biosafety Protocol in Montreal; the Canadian Grains Council Meeting in Ottawa; the Inter-American Institute for Cooperation in Agriculture in Buenos Aires; the Private Sector Forum at the APEC meeting in Seoul; and the Interagency Biotechnology Working Group and AgBiotech Forum in Washington.

Additional presentations are planned for the Zambian National Farmers Union in Lusaka, the Southern African Confederation of Agricultural Unions in Johannesburg and the African Centre for Technology Studies in Nairobi in April.

IPC Task Force prepares options for the Doha Round agricultural negotiations

The IPC has convened a Task Force to develop a set of alternative approaches to resolving the issues that remain to be negotiated after the July Framework Agreement. The IPC has established a Task Force for each of the negotiating pillars in conjunction with the International Agricultural Trade Research Consortium (IATRC – iatrcweb.org), and with the support of the Hewlett Foundation and the German Marshall Fund of the United States.

Members of the Task Forces met in Washington, DC on March 3 and 4 to discuss draft options papers presented by authors David Blandford of Penn State University (Domestic Support); IPC Chief Executive M. Ann Tutwiler and IPC Member, Timothy Josling of Stanford University (Market Access); and Linda Young of Montana State University (Export Competition).

The three papers will serve as the basis for concrete recommendations from the full Membership of the IPC, which will be issued in early June of this year. Once the options papers are complete they will be made available through the IPC and the IATRC.

IPC Update

Trade Negotiations

Recommendations for the WTO agricultural negotiations: The IPC has convened a Task Force to prepare papers discussing alternatives for addressing the issues remaining after the July Framework Agreement. The options papers will serve as the basis for IPC recommendations, to be issued in June 2005.

WTO Negotiations Outreach: IPC Chief Executive, M. Ann Tutwiler has presented updates on the WTO negotiations to the UK Farmers Weekly Conference (Cambridge, UK), Cordell Hull Institute (Washington), AgCanada (Ottawa), Colombia Global Initiative (Bogotá) and the Argentine Export Board (Buenos Aires).

Implications of WTO Jurisprudence on the Agricultural Negotiations: IPC Member, Tim Josling has agreed to prepare a paper exploring the impact of the cotton, sugar, dairy, wheat board and price band cases on agricultural policies and trade negotiations. The paper will also look at the impact of the dispute settlement system on the WTO negotiating process.

International Development

Trade and Poverty Alleviation: In advance of July's G8 Summit and September's Millennium +5 Summit, The IPC will publish a paper on the relationship between trade and poverty alleviation. The paper will be released in summer 2005.

Capacity Building: IPC staff traveled to Laos, Vietnam, Cambodia and Thailand in January with the support of the Rockefeller Foundation to meet with government officials, farm leaders, business leaders and academics to identify the issues of interest to the region. Stakeholders felt that a program focusing in part on trade negotiations themselves, and in part on complementary agricultural and rural development policies would be extremely useful. A seminar on these topics is being planned.

Sustainability

From Trade Negotiations to Global Adjustment: In conjunction with the World Wildlife Federation and the World Bank, and with support from the Dutch Directorate General for Development Cooperation (DGIS), the IPC is working on a project that will generate analysis, dialogue, and action to address the environmental and social adjustments that national stakeholders need to make in response to changes in the international agricultural trade environment. The first stage of the project entails identifying agricultural commodities and social and environmental themes important to the economy, society and environment in Colombia, Vietnam and Kenya. WWF and the IPC will identify local stakeholders to be partners in the preparation of background papers on key agricultural commodities for each country, including an overview of agricultural and environmental issues and relevant intervention options.

IPC Sustainability Program – Oilseeds Case Study: As part of the second phase of its sustainability program, the IPC is undertaking a study to look at the social and environmental effects of liberalizing trade in oilseed crops with support from the United Nations Foundation. This paper will also be used to inform the Negotiations to Adjustment project. The IPC has commissioned Thomas and Jane Earley to author this study; both are consultants in international commodity trade and experts in environmental policy. The project will focus on soy and palm oil in key producing countries, namely Brazil, the United States, Malaysia and Indonesia. Soy and palm oil were selected based on their volume of trade, their increasing global demand, and the perceived magnitude of their sustainability impacts. Consideration is also being given to the influence of alternative energy policies (specifically bio-diesel) on oilseed production.

Animal Agriculture: The IPC will commission an analysis of animal agriculture, and its future sustainability under projected increases in global demand and changes in patterns and location of production. The study will assess the impact of production systems on quantity, quality, safety, income, animal health and welfare, and the environment on trade, including economic and social drivers, brand and retail developments and international standards. The study will also examine the impact on the agricultural supply industry, including the types of technological inputs required, necessary knowledge base and the distribution and availability of knowledge and technology around the world.

Technology

Biosafety Protocol: The IPC's study, authored by Nicholas Kalaitzandonakes, entitled "Potential Impacts of the Biosafety Protocol on International Commodity Trade" was published in January 2005. The paper has been presented in several international fora throughout the winter and spring. The IPC is exploring the preparation of additional case studies looking at China, India, and Brazil.

Sponsorship

The IPC would like to thank Fonterra Cooperative Group, Ltd. for joining the IPC as a Sustaining Member.

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

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
Pedro de Camargo Neto, Brazil
Luis de la Calle, Mexico
H.S. Dillon, Indonesia
Cal Dooley, United States
Franz Fischler, Austria
Michael Gifford, Canada

Ahmed Goueli, Egypt
Dale Hathaway, United States
Huang Jikun, China
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