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

Carlos Perez del Castillo and Tim Groser join IPC

The IPC is pleased to announce that Carlos Perez del Castillo and Tim Groser have accepted invitations to become Members of the IPC.

Carlos Perez del Castillo is currently an independent international consultant involved in various assignments with governments, private sector and international organizations. He is the Chairman of the WTO Panel established to examine the dispute over large civil aircrafts between the US and EC (Boeing – Airbus). He is also a Member of the Core Team assigned with the Independent External Evaluation of FAO. From March 2004 until October 2005, he was the Special Advisor on International Trade Negotiations to the President of the Republic of Uruguay. Mr. Perez del Castillo has had a long and distinguished career in public and international service that has spanned over 35 years. Until recently, he acted as the Permanent Representative of Uruguay to the United Nations, the WTO and other International Organizations in Geneva.



Carlos Perez del Castillo



Tim Groser

Tim Groser is a Member of the New Zealand Parliament, to which he was elected in 2005. He is regarded as one of the world's leading experts on international trade, and until recently was New Zealand's Ambassador to the World Trade Organization (WTO), and Chair of Agricultural Negotiations for the WTO. He has served New Zealand with distinction in a number of capacities, including being New Zealand's Chief Negotiator in the GATT Uruguay Round.

"The IPC is honored and excited about Carlos Perez del Castillo and Tim Groser joining as Members," IPC Chief Executive Charlotte Hebebrand commented. "Their WTO expertise and experience in trade negotiations will greatly enhance the work of the IPC."

New IPC Publications:

Biosafety Protocol Implementation Costs

In March, the IPC published two technology issue briefs on China and Brazil, examining the costs of implementing different documentation requirements envisaged under the Biosafety Protocol (BSP) for shipments of living modified organisms intended for direct use as food or feed or processing (LMOs-FFP). Focusing on a major importer (China) and exporter (Brazil) of agricultural commodities, the briefs highlight BSP implementation costs for each country under the different potential documentation

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IPC Holds Briefing Sessions Ahead of WTO's April 30 Modalities Deadline

With the WTO's Doha Round negotiations at a crucial stage, the IPC held two briefing sessions in Washington DC, focusing on different aspects of the agricultural trade negotiations.

On 27 March, the IPC hosted a presentation by Tassos Haniotis, Head of the Agricultural Trade Policy Analysis Unit of the European Commission, and previously Deputy Head of Cabinet of former EU Agriculture Commissioner Franz Fischler. Haniotis provided a detailed analysis of the current EU offer for the WTO's

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New IPC Publications:

requirements for the identification of LMOs-FFP. The IPC believes that parties of the BSP need to closely assess the likely impact on individual countries adopting such requirements and to this end had commissioned the papers. The main findings include:

- China will bear major costs if the parties agree to impose a very detailed documentation regime. The brief sets forth costs involved in the operation of China's biosafety regime, as well as the estimated total costs for laboratory and other related costs for testing LMOs at China's border. For soybean imports alone, costs under the strictest documentation requirement would have amounted to US\$ 13.98 million in 2005. The brief also shows through economic modeling that the BSP acts like a tariff, keeping trade down and forcing prices up for importing countries and reducing domestic price in exporting nations.
- Brazil is unique in that its commodities have a long way to travel from field to port. The brief finds that Brazil may well need to set up an Identity Preservation system in order to implement stricter documentation requirements. The paper lays out these costs, which for some regions in Brazil could be close to 9% of a shipment's product value.

Research on the China project, conducted by Dr. Jikun Huang *et al* (Center for Chinese Agricultural Policy) was supported by the USDA and the US Grains Council; the paper on Brazil was supported by the International Grain Trade Coalition and ABIOVE (the Brazilian Association of Vegetable Oils Industry) and the research was carried out by Dr. Jose Maria Silveira *et al* in conjunction with The Institute for International Trade Negotiations (ICONE). The two issue briefs were released prior to the Third Meeting of the Parties to the Cartagena Protocol on Biosafety, held in Curitiba, Brazil on 13-17 March. ICONE made several presentations on the paper ahead and during the meeting.

Implications of WTO Litigation for the WTO Agricultural Negotiations

The IPC has also published an issue brief by IPC member Tim Josling *et al*, examining the dynamic interplay between the WTO's dispute settlement mechanism and the agricultural negotiations. The paper points out that the WTO litigation process is being increasingly used in cases involving agricultural subsidies and other central aspects of farm policies. The link between the legal and the political aspects of the dispute settlement process is highlighted by these actions. The recent US-Cotton and EU-Sugar cases in particular demonstrate the close links between negotiations, litigation and changes in domestic farm programs. Other significant cases, such as those relating to Chilean price bands and to Canadian dairy policy, further represent a trend whereby the scope for domestic agricultural policies is becoming defined as much through the WTO legal rulings as through multilateral negotiations. The paper examines the implications of these four cases and suggests ways in which the adjudicative and legislative processes of the WTO can reaffirm rather than undermine each other.

All publications can be downloaded on the IPC website: www.agritrade.org/publ.htm



Preview of IPC's first Joint Congress with COCERAL and the 37th Plenary Session in Budapest, Hungary

The IPC and COCERAL* will host their first joint Congress on 10 – 12 May in Budapest, Hungary. The Congress will bring together experts and decision-makers from different groups involved in agricultural trade – government officials and ministers, farm leaders, business groups, trade associations, NGOs and academics – to discuss three main topics: Firstly, the Congress will provide a forum to discuss progress of the WTO agricultural trade negotiations; secondly, the sessions will focus on the impact of EU enlargement on the agricultural sector in Eastern and Central Europe; and thirdly, it will address the issue of sustainability, looking at the role of biofuels in particular. The speaker list includes Mariann Fischer Boel, EU Commissioner for Agriculture and Rural Development, Jozsef Graf, Hungarian Minister for Agriculture and Regional Development and Stuart Harbinson, Special Adviser to the Office of the WTO Director-General.

The 37th IPC Plenary Session will be held in Budapest following the Congress on 13 May.

* "Comité du Commerce des céréales, aliments du bétail, oléagineux, huile d'olive, huiles et graisses et agrofournitures"; COCERAL is the European association representing trade in cereals, rice, feedstuffs, oilseeds, olive oil, oils and fats and agrosupply.

IPC Holds Briefing Sessions Ahead of WTO's April 30 Modalities Deadline

agricultural negotiations, stressing that the main aspects of the offer with regards to market access, domestic support and export competition would result in cumulative and significant impact on both the EU market and the rest of the world. He pointed out that: "It is not about subsidies or about market access; it is about both because both create trade distortions and need to be disciplined. It is about the cumulative effects that these areas have." Haniotis highlighted the need for all parties to mutually determine the level of ambition: "Everyone needs to look at the balance of the overall situation, both within agriculture, and also between agriculture and the other sectors." Many members of the audience complimented Haniotis' presentation, indicating that he had brought to Washington an excellent overview of the EU position.



Tassos Haniotis



David Blandford and Joe O'Mara

IPC Members Professor Tim Josling of Stanford University and former US agricultural trade negotiator Joe O'Mara as well as Professor David Blandford of Penn State University held a presentation on 6 April, providing their assessments of the modalities needed for an agreement on agriculture to be reached. The main presentation by Professors Josling and Blandford was structured around the questions posed in February by Crawford Falconer, the chair of the WTO's Agriculture Committee, identifying the main issues on which decisions still need to be taken. Josling and Blandford pointed out that the presentation is based on a draft paper being prepared for review by the IPC Members at its May Plenary in Budapest. The presentation was followed by a discussion and exchange of views with the audience. The revised draft will take into consideration the comments and feedback from the session.

The presentation focused on the remaining technical and operational aspects relating to the three pillars of the Uruguay Round Agreement –market access, domestic support and export competition– and on the other elements that will be necessary for a final agreement, such as Geographical Indications, the Peace Clause, a Continuation Clause, monitoring and notification, tariff escalation, and export taxes and restrictions. This session, as well as the presentation by Haniotis, were well attended, with audiences of over 50 and 70 respectively, and participants coming from a wide range of stakeholders in the agricultural negotiations, including representatives from USDA, USTR, agribusiness, trade associations, embassy delegations and NGOs.



Tim Josling

In addition, Tim Josling presented the draft paper in Geneva on 3 April to representatives from the Cairns Group (25 attendees). While in Geneva, he met with senior members of the WTO as well. The International Centre for Trade and Sustainable Development (ICTSD) also hosted Josling for a luncheon presentation on 4 April to an audience of 35 attendees, mainly WTO member country delegations.



IPC News in Short

IPC Chief Executive Charlotte Hebebrand visited Brussels and Geneva in March, where she met with key members of the European Commission and the WTO engaged in the agricultural trade negotiations. She presented the IPC's recent publications on the implications of implementing the Biosafety Protocol and discussed the progress of the ongoing negotiations of the Doha Round.

IPC Welcomes New Staff

The IPC welcomes Kara Laney, who joined the IPC's Secretariat in March as Policy Associate. Prior to the IPC, Kara served for three years as a program assistant in the International Cooperation and Development branch of the US Department of Agriculture. Most recently, she completed her masters degree in International Agriculture and Rural Development at Cornell University and worked with the Center for American Progress to launch its initiative on renewable energy. Welcome Kara!

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

Malcolm Bailey, New Zealand

Andrew Burke, United States

Csaba Csaki, Hungary

Pedro de Camargo Neto, Brazil

Luis de la Calle, Mexico

H.S. Dillon, Indonesia

Cal Dooley, United States

Franz Fischler, Austria

Michael Gifford, Canada

Tim Groser, New Zealand

Jikun Huang, China

Rob Johnson, United States

Hans Jöhr, Switzerland

Timothy Josling, United Kingdom

Rolf Moehler, Belgium

Raul Montemayor, Philippines

Donald Nelson, United States

Joe O'Mara, United States

Nèstor Osorio, Colombia

Carlos Perez del Castillo, Uruguay

Michel Petit, France

Per Pinstrup-Andersen, Denmark

Henry Plumb, United Kingdom

Marcelo Regunaga, Argentina

Eugenia Serova, Russia

Hiroshi Shiraiwa, Japan

Jiro Shiwaku, Japan

Jim Starkey, United States

Jerry Steiner, United States

Ajay Vashee, Zambia

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