

IPC Alert

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Policy Council



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“PLAN B” MUST INCLUDE ONGOING EFFORTS TO CONCLUDE THE DOHA ROUND

It is now abundantly clear that the DDA cannot be completed by the end of 2011 and WTO members are engaging in a discussion around “Plan B,” alternatively also referred to as an “early harvest” or a “down payment.” IPC members are in favor of reaching a positive conclusion for those parts of the negotiations that are close to agreement by the December Ministerial, but also stress the need to ensure that full Doha negotiations continue.

Discussions about how to proceed in the Doha Round are taking place while the international community is also considering how best to respond to increased food price volatility. **“While there are many factors that help smooth extreme price volatility, let us be clear that better integrated markets play a very important role: they provide for increased sources of food supply, lower prices and help to transmit international price signals paramount for triggering supply responses to increased demand,”** states IPC Chairman Carlo Trojan, former Ambassador of the EU to the WTO.

IPC’s newest Position Paper, “Doha and Beyond: Continuing the Reform of the International Trade System for Food and Agricultural Products,” shows the important agricultural trade reforms encompassed in the Doha Round agricultural modalities and points to the need to conclude these negotiations in order to tackle issues that have arisen since the Doha Mandate was agreed to in 2001. **“Relatively speaking, the agricultural negotiations have progressed quite far,”** says IPC Vice Chairman Carlos Perez del Castillo of Uruguay, **“and we must see that they can be finalized as they provide an extremely important step towards a more open and equitable trading system for food and agricultural products.”**

Plan B should focus on development and address price volatility

“Given the fact that the Doha Round was launched as a development round, Plan B should squarely focus on issues of interest to LDCs,” urges IPC member Deb Bhattacharya of Bangladesh.

IPC sees an opportunity to advance an interim package of trade reforms by December 2011 that

is development focused and seeks to address some trade-related aspects of food price volatility. Extreme price volatility places the greatest burden on the most vulnerable living in poor countries.

With respect to the agricultural component of the Round, the following should be seriously considered for inclusion in a December package:

- A duty free/quota free package for least developed countries to encompass all food and agricultural tariff lines.
- The elimination of agricultural export subsidies and similar disciplines on all export measures with equivalent effect, including export credits, food aid and STEs.
- Improved disciplines on agricultural export prohibitions and restrictions, including an exemption to such restrictions for food aid purchases.
- Addressing all trade distorting policies affecting cotton and development assistance related aspects.
- Improvements in the administration of TRQs, including the introduction of a Tariff Quota Underfill mechanism.
- Enhanced Monitoring and Surveillance of Domestic Support and other aspects of the Uruguay Round Agreement on Agriculture in order to improve transparency and accountability.

The IPC's Position Paper, "Doha and Beyond: Continuing the Reform of the International Trade System for Food and Agricultural Products," by Tim Josling and Charlotte Hebebrand is available at <http://www.agritrade.org/Publications/DohaandBeyond.html>.

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About IPC

The International Food & Agricultural Trade Policy Council promotes the role of trade in creating a more open, equitable, productive and sustainable global food & agricultural system. IPC makes pragmatic trade policy recommendations to help solve the major challenges facing the global food & agricultural system in the 21st century—the need to promote global food security, to sustainably increase productivity, and to contribute to economic growth and development.

IPC convenes influential policymakers, agribusiness executives, farm and civil society leaders, and academics from around the world in order to clarify complex issues, foster broad stakeholder participation in policy deliberations, and build consensus around pragmatic policy recommendations. More information about the organization and its membership can be found on our website: www.agritrade.org.