



INSTITUTE FOR AGRICULTURE AND TRADE POLICY
2105 FIRST AVENUE SOUTH
MINNEAPOLIS, MINNESOTA 55404 USA

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Contact: Ben Lilliston, 612-870-3416, blilliston@iatp.org

New Briefing Report on Agriculture and the WTO Hong Kong Ministerial

U.S. Proposal, Food Aid, Agriculture Dumping, Among Issues Covered

Minneapolis - When the World Trade Organization meets next month in Hong Kong, agriculture negotiations will take center stage. Negotiators are far apart with only a few weeks to find common ground. A new briefing report by the Institute for Agriculture and Trade Policy (IATP) outlines the key agriculture issues facing WTO negotiators.

The report, *Sailing Close to the Wind: Navigating the Hong Kong WTO Ministerial*, is available at: www.iatp.org. The WTO Hong Kong Ministerial takes place on December 13-18. The Hong Kong ministerial is considered a critical benchmark for the Doha Round of negotiations, scheduled to be completed by the end of 2006.

Negotiations are stuck because governments cannot agree on new rules for agriculture. At issue is how much rich WTO members, such as the U.S. and the European Union, should be able to continue their support to agriculture with subsidies and tariffs, and how much developing countries should have to lower their own tariffs as part of a reciprocal deal.

Many developing countries are rightly skeptical that the Doha Round will bring them benefits even if cuts to subsidies and rich countries' tariffs are made. The briefing report substantiates this skepticism, concluding that WTO rules serve the interests of multinational food companies rather than the interests of farmers - particularly those in poor countries.

"The Doha Round is in trouble because the negotiators refuse to confront the harmful impact of agricultural dumping by global food companies," said IATP's Trade Director Sophia Murphy. "Dumping is the most trade distorting practice in agricultural trade because it drives prices down to unsustainable levels. It hurts farmers in rich and poor countries alike. Agricultural dumping has been devastating because farming is a vital engine for development and a vibrant local food market is essential for food security."

The briefing report includes sections on:

* **The U.S. WTO agriculture proposal of October 10.** The U.S. proposal, although hailed by some as a major step forward, contains numerous conditions that would allow a deeply flawed system in agricultural trade to continue.

* **Proposed Blue Box expansion in the Agreement on Agriculture.** A framework agreement last year expanded the Blue Box to include U.S. countercyclical payments. We explain why an expanded Blue Box undercuts its original intent, yet is essential to the U.S. agriculture proposal.

* **Food Aid and the WTO.** The European Union is pushing hard for disciplines on food aid that would require major changes in U.S. food aid. We discuss the proper role for the WTO in improving food aid programs.

* **GATS and agriculture.** The General Agreement on Trade and Services (GATS) is often considered to have little to do with agriculture. We outline how GATS negotiations could have severe impacts for farmers, particularly in poor countries.

* **Policy coherence and agricultural trade.** For decades, those supporting trade liberalization have touted huge potential benefits for poor countries. Now, after 10 years of the WTO, World Bank economists are downgrading those benefits. We discuss how these new assessments should impact agricultural trade rules.

The report also includes updates on previous fact sheets published by IATP, including:

* **Navigating non agricultural market access (NAMA) negotiations**

* **Agreement on Agriculture glossary**

* **10 Ways to Fix Agricultural Trade**

* **U.S. dumping on world markets**

* **Human rights and the WTO.**

The Institute for Agriculture and Trade Policy is based in Minneapolis, Minnesota. IATP has been documenting the impacts of international trade rules on family farmers and rural communities in the U.S. and around the world for nearly 20 years. IATP staff have attended every WTO ministerial. IATP has an office in Geneva, which reports on WTO negotiations to nongovernmental organizations around the world. In 2003, IATP, along with an international steering committee, organized the first international Fair Trade Fair and Symposium next to the WTO ministerial in Cancún. In 2005, IATP and global partners will host another Fair Trade Fair and Symposium in Hong Kong across the street from the WTO Ministerial. More details can be found at fairtradeexpo.org.

IATP's trade Web site—tradeobservatory.org—includes the latest news, reports and analysis on international trade issues. IATP's Radio Hong Kong—radiohongkong.org—includes weekly reports on WTO-related stories available for download in MP3 format and through XML feeds (podcasts). Radio Hong Kong will be at the Hong Kong ministerial reporting on breaking developments.

The Institute for Agriculture and Trade Policy works globally to promote resilient family farms, communities and ecosystems through research and education, science and technology, and advocacy. Find out more at - iatp.org