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AGREEMENT ON AGRICULTURE RE-IMAGINED

Making the Case for New Trade Rules

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Executive Summary

The world urgently needs more diversified and healthier food systems, environmentally and socially sound agricultural practices, and more equitable economic outcomes. A central lever for recognizing the importance of food and agriculture and moving their governance onto a fairer and more sustainable path is the legal framework for international food and agricultural trade.

The current global framework is the World Trade Organization's (WTO) Agreement on Agriculture (AoA). The Agreement on Agriculture Re-Imagined (AoA ReI) initiative is based on the observation that the AoA is ill-suited to the realities of today's world. The AoA ReI initiative steps back from the WTO framework to propose a model treaty for global food and agricultural trade. The AoA ReI Model Treaty seeks to foster global sustainable food security across the globe, consistent with international human rights law and the Sustainable Development Goals (SDGs). The aim is to catalyse transformative thinking and open up new space to take the steps needed for fair and sustainable food and agricultural trade.

The present background paper draws together research and scholarship that illustrate the AoA's shortcomings, to which the Model Treaty responds. Section II describes some of the AoA's inherent flaws, outlining how it prioritized trade over social, environmental, and food security objectives. It notes how the Agreement overlooked the specific needs of different categories of developing countries, restricting their policy space to implement food security or other public interest policies whilst enabling more affluent countries to subsidize their agriculture sector – usually not for public interest purposes.

Sections III, IV, and V document how the AoA has proven unable to adapt to meet economic, social, and food security needs. Global food systems have undergone profound changes since the AoA came into force. Agricultural production has grown and shifted geographically. Over the last three decades, trade patterns have become increasingly globalized and complex. Climate change and new trade policies in major markets are likely to reshape the landscape anew. Market concentration has intensified since the AoA came into force and lack of adequate regulation has empowered large agribusiness while limiting the bargaining power of farmers and governments alike.

Section VI reminds us that the political economy of trade is now fundamentally different to that which prevailed at the time the WTO came into being, challenging past assumptions about the objectives and regulation of international trade and making a new global trade regime not just desirable but urgent and necessary.

I. Introduction

The world urgently needs more diversified and healthier food systems, environmentally and socially sound agricultural practices, and more equitable economic outcomes. A central lever for recognizing the importance of food and agriculture and moving food system governance towards a fairer and more sustainable path is the legal framework for international food and agricultural trade.

Agriculture is a vital economic sector in every economy, yet governments often overlook or discount its importance. Many of the natural systems on which food production and distribution depend are under stress, from empty aquifers and depleted rivers to lost topsoil, excessive nitrogen pollution, and increasingly erratic weather. Diet-related illnesses are common in all parts of the world, and no country is on course to halt the rise in adult obesity and diabetes.[1] Growing and distributing food is labour intensive, with high fixed costs alongside returns on investment that are modest in comparison to other economic sectors. Farmers and farmworkers typically earn unstable and inadequate incomes in the context of highly concentrated markets where profits may be high but are unfairly distributed.[2]

Today's trade framework fails to address these crucial challenges. Its centrepiece, the World Trade Organization's (WTO) Agreement on Agriculture (AoA), was adopted three decades ago. It was flawed at its inception[3] and has since proved unable to adapt as the world evolves. It fails to prevent unsustainable practices, and it limits policy options that WTO members might otherwise use to advance public interest goals. Decades of negotiations to update the AoA have not borne fruit, and the chances of their doing so appear slim.

Against this backdrop, a group of experts from around the world have come together in the Agreement on Agriculture Re-Imagined (AoA ReI) initiative, to propose new global trade rules for food and agriculture, built on an explicit set of principles.[4] The initiative's starting point is that if properly governed, food and agricultural trade can be beneficial for communities, consumers, and the natural world.

Rather than proposing adjustments to current agricultural trade rules, the AoA ReI initiative puts forward a comprehensive set of new objectives and rules in the form of a model multilateral treaty to govern international trade in food and agricultural products. The resulting AoA ReI Model Treaty is offered as a heuristic to inspire bold thinking and bring a fresh impetus to transforming international regulation of food and agricultural trade. Box 1 presents the Model Treaty's objectives.

As a first step in its work, the AoA ReI expert group undertook a broad factual scoping of trends and challenges for agricultural trade regulation, as well as of benefits and shortcomings of the current framework. This enabled identification of the factors to which the new AoA ReI Model Treaty must respond. This background paper is a synthesis of the group's factual scoping.[5]

[1] GNR. 2021. 2021 Global Nutrition Report. 2021.

[2] Bourne JK. 2024. Eating the Earth. Science. 386(6725):956–967; Clapp J. 2021. The problem with growing corporate concentration and power in the global food system. Nat Food. 2024;2(6):404–408.

[3] Bello W. 2000. Why Reform of the WTO is the Wrong Agenda. IATP; Lovett WA. 2000. The WTO: A Train Wreck in Progress? Fordham International Law Journal. 2000;24(1):410; Yigzaw D. 2015. WTO Agricultural Trade and the Unfulfilled Promise of Development. South Carolina Journal of International Law and Business. 2015;11(2). Murphy S, Manduna C. 2025. Food security and the Agreement on Agriculture: Old wine in new bottles? In: Rolland SE, editor. Research Handbook on Trade Law and Development. Edward Elgar Publishing Limited; 2025. p 133–147.

[4] Dommen C. 2025. Agreement on Agriculture Re-Imagined: Underlying Principles. Centre for Development and Environment (CDE), University of Bern; 2025. Working Paper No.: AoA-ReI-WP01-2025.

[5] Manduna C. et al. 2024. AoA ReI Factual Scoping Paper. Internal working document, on file with the authors.

The background paper is structured as follows: Section II presents some of the AoA's inherent flaws; Section III notes areas where the AoA has failed to adapt; Section IV illustrates changes in food and agriculture production, trade and consumption since the AoA entered into force. Section V lists more recent global challenges and trends which agricultural trade and trade rules need to respond to, and Section VI reminds us that the political economy of trade has changed fundamentally in the years since the WTO came into being. The new context defies past assumptions about the objectives and regulation of international trade.

BOX 1. AoA ReI Model Treaty Objectives[6]

The AoA ReI Model Treaty's objective is to ensure that food and agricultural trade enables sustainable food systems across the globe, consistent with international human rights law, international environmental law, and the Sustainable Development Goals (SDGs). It recognizes the contributions to food security of small-scale producers, peasants, and rural populations as well as their needs, the crucial importance of healthy and nutritious food and the imperative of fostering inclusive and equitable societies. The Model Treaty is designed to ensure that trade rules facilitate transformation of the current system in such a way that a diversity of agriculture and food systems can thrive. It seeks to strengthen diversified local food systems and incentivize sustainable and socially just agricultural practices, production, and distribution methods, so as to bring these within planetary boundaries[7] and redress structural inequalities between different countries, regions, and food system actors.

Source: The authors, based on group work amongst AoA ReI experts.

II. The Agreement on Agriculture: Problematic from the start

Negotiations towards the Agreement on Agriculture began in 1986 and concluded in 1994, with the AoA forming an integral part of the results of the Uruguay Round of Multilateral Trade Negotiations, a set of legal texts which established the WTO.[8] The negotiations for the AoA were particularly hard fought. The resulting agreement contains inherent flaws, some of which are outlined here.

1. Developing countries specificities overlooked

The AoA negotiations were dominated by the European Union and the United States. In the 1980s, the challenge in much of the Global North was overproduction, while in large parts of the Global South the challenge was underproduction and low investment in agriculture. Even though a number of developing countries[9] were active in the negotiations, the AoA as adopted favoured the interests of rich country producers and major commodity exporters. Its text reflected the demands of major commodity exporters – a small group of Global South countries with the largest Global North economies – while overlooking those of a much larger group of net

[6] The wording of the Model Treaty's objectives might change as it is open for revisions until mid-2026.

[7] Planetary boundaries are scientifically determined thresholds, representing the limits within which humanity can operate to avoid irreversible and destabilizing changes to Earth's systems. See Stockholm Resilience Centre. 2025. Planetary boundaries. 2025.

[8] GATT. 1994. The results of the Uruguay Round of multilateral trade negotiations: the legal texts. GATT Secretariat; Stewart TP, editor. 1993. The GATT Uruguay Round: A Negotiating History (1986-1992). Vol I: Commentary. Kluwer Law and Taxation Publishers; 1993.

[9] A small but influential group of large agricultural commodity exporting countries, including developing country members of the Cairns Group, were particularly active. The Cairns group gathers agricultural exporting nations lobbying for agricultural trade liberalization, formed in 1986 in Cairns, Australia just before the beginning of the Uruguay Round: WTO. 2025. Glossary. 2025.

food-importing countries and, in particular, the concerns of low-income net food importers. The AoA reflected developing countries' food security needs as an afterthought, if at all.[10] It also did not adequately consider the specificities of the agricultural sector in countries of the Global South,[11] some of which are set out in Box 2.

BOX 2. Agriculture in developing countries

Agriculture is at the core of the economy in many developing countries and least-developed countries (LDCs). In many low- and middle-income countries, most of the labour force works in farming and relies on it as their primary source of income.[12] Nearly 80% of the world's poorest people live in rural areas[13] and are dependent on agriculture for their income, food supply, and livelihoods. Yet agriculture often does not provide an adequate or sustainable source of livelihood for those active in the sector. Most agricultural producers in developing countries are smallholder farmers, family farmers, herders, pastoralists, or artisanal fisherfolk[14] who face specific economic, social, and cultural challenges.[15] As a group, LDCs have seen their agricultural trade balance deteriorate, as their imports have grown faster than their exports.[16] LDCs are particularly vulnerable to commodity price swings, given their dependence on exports of primary commodities.[17]

Source: The authors, based on group work amongst AoA ReI experts.

The WTO only recognizes a few categories of members, most notably developed, developing, net food-importing developing countries (NFIDCs),[18] and least developed countries (LDCs).[19] These categories gloss over significant differences in power and in the importance of agricultural trade in different economies, as Box 3 shows. The A0A's failure to recognize these differences limits the scope available in the rules to adapt in accordance with the characteristics of a member's economy and the role agricultural trade plays within it.

[10] Greenfield J, de Nigris M, Konandreas P. 1996. The Uruguay round agreement on agriculture: food security implications for developing countries. Food Policy. 1996;21(4):365–375. (Implications of the Uruguay Round for Developing Countries); Gonzalez CG. 2002. Institutionalizing Inequality: The WTO Agreement on Agriculture, Food Security, and Developing Countries Symposium: Trade, Sustainability and Global Governance. Columbia Journal of Environmental Law. 2002;27(2):433–490.

[11] The AoA ReI initiative experts have used a variety of terms to refer to different sets of countries, such as majority world, emerging economies, affluent countries, Global South or Global North. This background paper similarly uses different terms depending on the context. When referring to groupings of countries in the WTO, however, it tends to use the terms "least-developed", "developing", "developed", although it recognizes that these insufficiently capture the differences amongst developing countries and the similarities between some so-called developed and developing countries. See also discussion in Box 3.

[12] Roser M. 2023. Employment in Agriculture. Our World in Data; FAO. 2024. Employment indicators 2000–2022. FAOSTAT Analytical Briefs No.: 92.

[13] UN General Assembly. 2024. Eradicating rural poverty to implement the 2030 Agenda for Sustainable Development. Report of the Secretary-General, UN Doc. A/79/248; Dommen C, Golay C. 2020. Switzerland's Foreign Policy and the UN Declaration on the Rights of Peasants. 2020.

[14] IFAD, UNEP. 2013. Smallholders, food security, and the environment. 2013.

[15] FAO. 2012. Smallholders and Family Farmers. 2012.

[16] van Berkum S. 2021. How trade can drive inclusive and sustainable food system outcomes in food deficit low-income countries. Food Security. 2021;13(6):1541–1554.

[17] UNCTAD, FAO. 2017. Commodities and Development Report 2017: Commodity Markets, Economic Growth and Development. United Nations; 2017. p 10; Glauber JW. 2023. LDCs, agriculture and food security. In: WTO, EIF, editors. LDCs and the Multilateral Trading System: A Collection of Essays. Vol. 2. 2023. p 4–10, 5.

[18] WTO. 2023. WTO List of Net Food-Importing Developing Countries for the Purposes of the Marrakesh Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries. 2023. Doc No. G/AG/5/Rev.12.

[19] The WTO relies on UNCTAD's classification of least-developed countries: UNCTAD. 2024. UN list of least developed countries. 2024.

BOX 3. Diversity of "developing countries" in agricultural trade

Developing countries include very different economies. Some categorizations that are relevant for agricultural trade include the following:[20]

Major exporters of commodities can strongly influence the world market price. For example, Brazil for sugar, Argentina for soybeans, or Thailand and India for rice.

Major importers of commodities, such as China, whose commodity restocking and purchase policies have price impacts on various markets (e.g. soybeans or corn), but on the import side.

Large and medium net food-importing developing countries (NFIDCs) mainly in the lower middle-income group, such as Egypt, Senegal, or Tunisia, who are heavily dependent on staple food imports. Urban consumers are politically influential constituencies and commodity price increases are acutely politically sensitive.

Small island states who rely on only one or two cash crops for the bulk of their exports (e.g. sugar or bananas). Some of these countries were previously self-sufficient in food, many are now net food-importers and price-takers for both imports and exports and are significantly affected by world market prices.

Source: The authors, based on WTO Committee on Agriculture. 2000. Developing countries and non-trade concerns (prepared by Mauritius). 2000. Doc No. G/AG/NG/W/36/Rev.1; Musselli I. 2017. Agriculture, Price Stabilisation and Trade Rules: A Principled Approach. Brill Nijhoff; 2017.

2. Policy space – for some

The negotiations that resulted in the AoA took place at a time when neoliberal economic ideas were ascendant. Yet despite their free trade rhetoric, richer WTO members secured exceptions to the trade liberalization proposed for agriculture. The result is that the AoA sets out a patchwork of disciplines and exemptions that reflect the power relationships that prevailed among countries at the time. Unsurprisingly, wealthier countries were able to protect their domestic policy needs, while poorer countries found themselves locked in to a system that limited their ability to protect domestic agriculture or to promote food security.[21]

For example, the AoA favoured countries that already had high tariffs in place, without asking them to align them with sustainability goals. Most of these countries were among the world's wealthiest. In contrast, countries from the Global South that had undergone structural adjustment programmes had already had to reduce their tariffs significantly and found themselves 'locked in' at lower levels of protection. This reduced many majority world countries' ability to shield their agricultural sector from imports.[22] It also reduced their ability to use tariffs to stimulate domestic production and processing.[23]

Another example is that the AoA restricted subsidies on the grounds that they were "trade distorting". Yet exemptions created a range of loopholes for countries that had the spending power to continue subsidizing.[24] The "green box" (Annex 2 of the AoA) put few effective constraints on developed countries' spending, nor did it successfully encourage a shift in subsidies towards encouraging more sustainable production methods, despite the Annex's stated intent to satisfy "non-trade concerns".[25] In other words, the AoA effectively limited policy space in a range of areas particularly relevant to developing countries, including reducing their ability to set up and run public stockholding programmes as discussed further in Section III below.

[20] A country can be part of more than one of these groupings. For example, China is a major exporter of some commodities and a major importer of others.

[21] See Greenfield, de Nigris, Konandreas (n 10); Gonzalez (n 10).

[22] Bürgi Bonanomi E. 2015. Sustainable Development in International Law Making and Trade: International Food Governance and Trade in Agriculture. Edward Elgar Publishing; 2015. p 204 ff.

[23] Elamin N, Khaira H. 2003. Tariff Escalation in Agricultural Commodity Markets. In: FAO. Commodity Market Review 2003-2004. FAO. 2003.

[24] Murphy S. 2009. Free Trade in Agriculture: A Bad Idea Whose Time Is Done. Monthly Review. 2009.

[25] ibid. See also Desta MG. 2002. The Law of International Trade in Agricultural Products: From GATT 1947 to the WTO Agreement on Agriculture. Springer; 2002; Bürgi Bonanomi (n 22) p 202 ff.

3. Market power ignored

Consequently, the AoA has perpetuated inequality. Many countries from the Global South continue to rely on exporting primary products without benefiting from the significantly greater profits associated with value-added processing.[26] Many majority world countries have also increased their dependence on staple food imports, leaving them vulnerable to shocks in world markets.

The AoA is blind to the power dynamics in international agricultural trade. Its rules ignore market concentration and buyer power in commodity markets, which has increased since 1995, as discussed in Section IV.5 below. Whilst WTO rules limit state trading, they do not restrict abuse of market power by private sector oligopolies and oligopsonies, such as the handful of grain traders that dominate international markets. This is problematic both from a market perspective (due to possible price distortions) and a governance perspective (due to opaque exercise of power, including these companies' strong political influence).[27] The failure of multilateral trade rules to discipline concentrated market power in the private sector has further exacerbated the unequal distribution of the gains from globalized markets.

4. Trade prioritized over other objectives

The AoA prioritized international trade over other policy objectives, notwithstanding references to non-trade concerns and food security. Indeed, the qualification of food security as a "non-trade concern" reveals an assumption that food security is primarily a domestic matter without direct relevance to agricultural trade.[28] In practice, the agreement has been used to sideline territorial markets and shorter food chains in many countries. The AoA fails to effectively address the multiple roles of agriculture, particularly in countries with large rural populations whose livelihoods are closely connected to the sustainable use of the land, forests, or the ocean. Food and agriculture have important cultural, health, community, and well-being dimensions in addition to being a source of food or income. In some cases, the WTO agreements have been used to block domestic policies that recognize these broader dimensions of agriculture.

In general terms, the WTO was premised on the economic assumption that "a rising tide lifts all boats". In other words, its legal framework assumes that the gains from liberalization will eventually accrue to everyone in the global economy. Trade regulation and liberalization under the WTO have indeed brought benefits to many, enabling valuable technology and capital transfers, creating new jobs, and offering benefits to consumers.

However, it has also coincided with increased inequality between countries,[29] widespread levels of non-remunerative farm income,[30] persistence of precarious and sometimes dangerous working conditions in the agriculture sector,[31] and, since 2014, rising levels of food insecurity.[32] The competition for agricultural export markets, which the AoA has contributed to, has increased pressure on natural resources[33] and on working conditions, with women arguably bearing the brunt of adverse effects.[34] In addition, the agreement has coincided with an implicit focus on urban consumers and the formal sector, neglecting the needs of rural populations – whether as producers and consumers – and those in the informal sector.

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[26] UNCTAD. 2025. Commodity dependence runs deep. Developing countries must add value to turn the tide. 2025.

[27] Callander S, Foarta D, Sugaya T. 2022. Market Competition and Political Influence: An Integrated Approach. Econometrica. 2022;90(6):2723–2753.

[28] Murphy S. 2015. Food Security and International Trade: Risk, Trust and Rules. Canadian Food Studies / La Revue canadienne des études sur l'alimentation. 2015;2(2):88–96.

[29] UNCTAD. 2021. Transforming Trade and Development in a Fractured, Post-Pandemic World. Report of the Secretary-General of UNCTAD to the Fifteenth Session of the Conference. United Nations. 2021; Murphy (n 24).

[30] FAO, IFAD, UNICEF, WFP, WHO. 2023. The State of Food Security and Nutrition in the World 2023. Rome: FAO. 2023; Lowder SK, Sánchez MV, Bertini R. 2021. Which farms feed the world and has farmland become more concentrated? World Development. 2021;142:105455.

[31] ILO. 2015. Agriculture: a hazardous work. ILO. 2015.

[32] FAO, IFAD, UNICEF, WFP, WHO (n 30).

[33] As discussed in Section V.1 below.

[34] UNCTAD. 2014. Trade and Gender Vol.1: Unfolding the Links. United Nations. 2014.

The international trading system also lacks incentives for enterprises or states to take the environmental and social impacts of trade into account. The WTO has not facilitated engagement with intergovernmental agencies that have a mandate to protect social and environmental objectives. In a world where diet-related illnesses are increasing everywhere the failure of the AoA to support states in efforts to tighten the regulations governing trade in unhealthy foods is particularly glaring.

Overall, the AoA's underlying objectives are too narrowly focused on increasing productivity, international trade and economic growth – objectives that are not always fully aligned with social justice objectives and environmental stewardship.[35]

5. Institutional shortcomings

The WTO decision-making process suffers from a democratic deficit. Starting at the national level, there is typically little public or parliamentary participation in the design, negotiation, and implementation of trade rules. At the WTO itself, many majority world delegates were historically excluded from key phases of WTO negotiations; non-inclusive informal negotiating meetings have continued to be a sore point for many smaller WTO delegations.

Evidence suggests that the WTO's separation from the UN has made it harder for governments to build trade strategies that are coherent with their deliberations in organizations like the UN Food and Agriculture Organization (FAO) or in treaties such as the UN Framework Convention on Climate Change or the body of international human rights law.[36]

III. The Agreement on Agriculture's failure to adapt

WTO members have failed to adapt the AoA to a changing world. Efforts to reform agriculture rules have been ongoing within and outside the WTO since the late 1990s but have remained mired in disagreement. For years, the WTO did not have adequate mechanisms for systems thinking, iterative adjustments, or reflexive learning.[37] More recently, a few initiatives have emerged that seek to address specific sustainability issues through adapted trade governance. Examples include initiatives related to fisheries subsidies,[38] as well as tighter regulation of trade in plastics.[39] However, there is still reluctance among trade diplomats to address issues such as environmental protection and human rights in trade negotiations in a comprehensive way.

Understanding how the WTO has addressed – or tried or failed to address – challenges related to food and agricultural trade is a starting point for the identification of challenges and gaps that the AoA ReI Model Treaty seeks to address. This section considers four of the food and agricultural trade-related areas where WTO agriculture negotiations have failed to yield adapted rules.

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[35] Barros L, Martínez-Zarzoso I. 2022. Systematic literature review on trade liberalization and sustainable development. Sustainable Production and Consumption. 2022;33:921–931; Felber C, Herrmann B, Knirsch J. 2024. A New Paradigm for the EU's Global Trade Strategy: Ethical World Trade and Economy for the Common Good. European Environmental Bureau, WEAll and International Fair Trade Organization. 2024.

[36] See e.g. Bernstein S, Hannah E. 2012. The WTO And Institutional (In)Coherence in Global Economic Governance. In: Daunton M, Narlikar A, Stern RM, editors. The Oxford Handbook on The World Trade Organization. Oxford University Press. 2012. p 776–808; Bogers M et al. 2022. The impact of the Sustainable Development Goals on a network of 276 international organizations. Global Environmental Change. 2022;76:102567.

[37] Cooney R, Lang ATF. 2007. Taking Uncertainty Seriously: Adaptive Governance and International Trade. European Journal of International Law. 2007;18(3):523–551.

[38] Irschlinger T. 2025. Fisheries Subsidies and the WTO: How far have we come? IISD Policy Analysis. 2025.

[39] Deere Birkbeck C, Sugathan M, Ardila Eraso S. 2022. The WTO Dialogue on Plastics Pollution: Overview and State of Play. Forum on Trade, Environment, & the SDGs (TESS). 2022.

1. Public stockholding

Many countries use food buffer stocks or stockpiling schemes – commonly referred to as public stockholding – as a tool for promoting food security and managing price volatility.[40] The AoA allows governments to make food purchases for public stockholding. The purchases, however, must be made at "prevailing market prices" rather than a fixed (or "administered") price, which it considers a "trade-distorting subsidy". Moreover, the WTO dispute settlement system has determined that any amount of purchase at administered prices should be considered a subsidy that affects the whole sector, vastly increasing the amount counted as domestic support.[41] This has created a significant impediment for public stock operations where production stimulus is desired for domestic food security reasons. The interpretation is especially problematic for developing countries that use public purchasing to provide some price predictability and support their smallholder farmers.

WTO negotiations have not succeeded in adapting the AoA rules to adequately address these countries' concerns.[42] A temporary "peace clause" was agreed in 2013, which protected developing countries using public stockholding programmes from legal challenges.[43] But this remains provisional and restrictive, and negotiations for a permanent solution have repeatedly stalled, exposing deep divisions between WTO members.

2. Special Safeguard Mechanism (SSM) for food security

WTO members have disagreed for more than two decades on whether to introduce a Special Safeguard Mechanism (SSM) that would allow governments in developing countries to impose tariffs in response to an import surge or a sudden steep fall in international prices that could threaten their food security.[44] The disagreement is principally between net agricultural exporters, from the Global North and South, and the net food-importing developing countries.[45] The WTO's Doha Round talks collapsed in 2008, largely over disagreements on the SSM and a linked proposal to create a list of special products that would be entitled to greater protection from tariff liberalization on food security grounds.[46] The issue remains unresolved. Despite having maintained their own flexibility to use tariffs, Global North members have resisted proposals for a flexible, easily triggered mechanism, arguing it could distort trade and harm exporters. Low-income countries, on the other hand, insist that SSM and special products are critical to their realization of food security, protection of livelihoods, and rural development.[47]

[40] Manduna C. 2024. Buffer Food Stocks for Addressing Volatility and Food Security in Developing Countries – Trends and Future Direction. IATP. 2024.

[41] Galtier F. 2023. Take an inch for a mile. About an error of metrics in WTO rules and its impact on the ability of countries to build public stocks for food security. Food Policy. 2023;116:102400.

[42] Dhar B. 2023. WTO Agreement on Agriculture: Worsening India's Agrarian Crisis. The Indian Economic Journal. 2023;71(1):152–161.

[43] WTO. 2014. Agriculture Negotiations Fact Sheet: The Bali decision on stockholding for food security in developing countries. 2014.

[44] WTO. An unofficial guide to agricultural safeguards. Agriculture: Negotiations; WTO. 2025. Agriculture Chair urges innovative approaches to move talks forward. 2025.

[45] Dhar B. 2013. The future of the World Trade Organization. In: Baldwin ER, Kawai M, Wignaraja G, editors. The Future of the World Trading System: Asian Perspectives. Centre for Economic Policy Research and Asian Development Bank Institute; 2013. p 121–126.

[46] WTO. 2024. Doha Work Programme: Decision Adopted by the General Council on 1 August 2004. Doc No. WT/L/579.

[47] ICTSD, FAO. 2013. G-33 proposal: early agreement on elements of the draft Doha accord to address food security. 2013.

3. Domestic support to agriculture

One of the primary objectives of the AoA negotiations was to regulate and reduce so-called trade-distorting public support (subsidies) to agriculture. This agenda was not fully implemented. Instead, through exemptions such as those allowed under the agreement, WTO members are still allowed to provide significant amounts of subsidies to their agriculture sectors. While in some cases this support is used to promote positive environmental and social outcomes, in other cases it promotes overproduction and environmentally harmful practices such as overuse of fertilizers and pesticides.[48] While in theory all countries can use these exemptions from spending limits, the vast majority of state support given to agriculture is provided by a handful of wealthy and emerging economies. This puts farmers in poorer countries at a competitive disadvantage vis-à-vis producers in subsidizing countries, thereby exacerbating global inequalities.[49] It has also contributed to the vertical consolidation of agri-industries, including feed and livestock production, at the expense of remunerative farmgate prices.

4. Trade and the environment

Since the WTO came into being, the body of empirical evidence showing the need to drastically reduce the environmental harms of human activities has grown significantly. Environmental aspects of trade in food and agriculture were touched on in Section II.4 above, and are discussed in more detail in Section V below. This sub-section focuses on environment-related topics that the WTO has tried to address, with limited success.

In the Uruguay Round negotiations, environmental questions were scarcely present: the focus was narrowly on commercial interests up until the end of the talks. At the last minute, some references to sustainable development and the environment were included in the WTO agreements[50] – along with a reference to non-trade concerns in the AoA – but they lacked precision. Discussions on environmental policy and its relation to trade governance have continued to be contentious. WTO members have struggled to find common ground over whether members can uphold environmental policies that have trade-restrictive effects.

At its inception, the WTO set up a Committee on Trade and Environment (CTE). But its work has only yielded declarative results, even as the international community has taken on new environmental commitments. Biodiversity, climate change, and plastic pollution are just some of the areas where members have set new legal standards or policy targets outside the WTO, and where the WTO has only recently intensified its discussions.

Although the international community has repeatedly emphasized the importance of coordinating trade and environment policies,[51] the WTO's core disciplines make it challenging to derogate from WTO rules for the purpose of environmental protection.[52]

One of the topics on which the WTO has failed to make progress and which is relevant to food and agricultural trade is clarification of the scope for distinguishing between products that are similar ("like products") but produced in ways with different social or environmental footprints (known as "production and processing methods" or "PPMs").

PPMs have been controversial since the WTO was established. WTO rules limit the ability of countries to restrict imports based on how a product is produced (e.g. with child labour or high carbon intensity, or using a banned substance as an input). While WTO case law provides some guidance for designing WTO-compliant PPM distinctions, their practical implementation is challenging. So far, most PPM regulations challenged before the WTO failed on specific details related to the dispute at hand, and WTO rules remain resistant to

[48] FAO, UNDP, UNEP. 2021. A multi-billion-dollar opportunity – Repurposing agricultural support to transform food systems. FAO, UNDP, UNEP; 2021.

[49] ibid.

[50] Arden-Clarke C. 1991. The General Agreement on Tariffs and Trade, Environmental Protection and Sustainable Development. WWF International. 1991.

[51] WTO, Agreement Establishing the World Trade Organization (Marrakesh Agreement). 1994. 1867 UNTS 154, 33 ILM 1144. Preamble. See also Agenda 21. 1992. para 17.118; UNGA Res. 66/288 (2012), annex. The Future We Want. paras 26, 58(h) and 78.

[52] Trachtman JP. 2017. WTO Trade and Environment Jurisprudence: Avoiding Environmental Catastrophe. Harvard International Law Journal. 2017;58:273–309.

explicitly incorporating non-product-related PPMs (i.e. PPMs that leave no trace in the final product) into trade disciplines. As a result, WTO members are increasingly resorting to unilateral mechanisms, such as the European Union's Carbon Border Adjustment Mechanism (CBAM) and its Deforestation Regulation (EUDR), even though they may be challengeable under the WTO.

BOX 4. The example of the Carbon Border Adjustment Mechanism (CBAM)

Some economies are implementing trade measures to recognize the competitivity impacts of higher environmental standards. CBAM is a prime example. Its objective is to reduce carbon emissions, put a price on carbon emitted during the production of carbon-intensive imports into the EU, and encourage cleaner production by calculating embedded emissions.[53] By assigning a carbon price to imports, the CBAM aims to "level the playing field" by taxing production in countries with lower emissions standards than the EU. The EU argues that the CBAM is compatible with WTO rules and its WTO obligations. Others disagree, and a complaint has been lodged against the mechanism through the WTO's dispute settlement procedure.[54] Meanwhile, a number of observers argue that CBAM discriminates against the poorest nations, which do not have climate regulations or the administrative capacity to comply with the mechanism.[55] The CBAM does not apply directly to agricultural products but can impact agricultural trade.[56]

Source: The authors, based on group work amongst AoA ReI experts.

IV. The changing structure of global food systems

There have been stark changes in food and agricultural production and trade since the AoA was negotiated in the 1980s, particularly in terms of quantities, commodity types, and geographies. This section highlights some of the most salient shifts.

1. Increased productivity

Over the past six decades, global production of crops, livestock, and aquaculture commodities has grown nearly fourfold; agricultural output per capita has increased 53% since the 1960s.[57] Technology, research, and intensive use of inputs such as fertilizers have been the main contributors to the productivity increases.

While the additional food supply has been welcomed, these productivity increases are associated with several problems. Agricultural research and development funding are predominantly concentrated in higher-income countries, creating disparities that leave lower-income nations at a disadvantage.[58] Research has historically focussed on just three staples (rice, maize, and wheat) as well as cash crops, neglecting crops better suited

[53] European Commission. 2023. Carbon Border Adjustment Mechanism (CBAM). See also Benson E, Majkut J, Reinsch WA, Steinberg F. 2023. Analyzing the European Union's Carbon Border Adjustment Mechanism. CSIS Briefs. 2023.

[54] WTO. 2025. Russia initiates WTO dispute regarding EU's carbon border adjustment and emissions trading. 2025.

[55] Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 Establishing a Carbon Border Adjustment Mechanism (CBAM). OJ L 130/52 16.5.2023. Preambular para 15; European Commission. 2024. Carbon Border Adjustment Mechanism (CBAM): Questions and Answers. p 9.

[56] AGRINFO. 2022. Carbon Border Adjustment Mechanism (CBAM). 2022.

[57] Fuglie KO, Morgan S, Jelliffe J. 2024. World Agricultural Production, Resource Use, and Productivity, 1961–2020. Economic Research Service, United States Department of Agriculture. 2024.

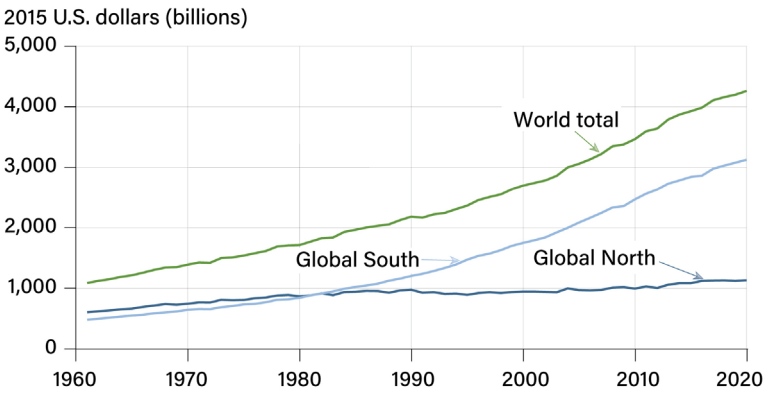
[58] Gladek E et al. 2017. The Global Food System: An Analysis. Metabolic, commissioned by WWF Netherlands. 2017.

to specific (and often difficult) growing conditions that are crucial for local diets, such as millet, taro, or pigeon peas.[59] Research has also neglected agrobiodiversity.[60] Large-scale intensive farming has gone hand in hand with increased deforestation and reduced agrobiodiversity.[61] Synthetic chemical inputs rely on fossil fuels and contribute to greenhouse gas (GHG) emissions. High-yielding methods and technologies tend to deplete soils and increase the risk of nutrient runoff into water bodies. Irrigation has led to aquifers, lakes, and rivers being depleted faster than they can be replenished.[62] In other words, agriculture production is pushing impacts beyond safe planetary boundaries.[63]

2. The changing geography of agricultural production

In the 1960s and 1970s, agricultural production was evenly distributed between the majority world (Africa, Latin America, and parts of Asia) and the Global North (Europe, Australia and New Zealand, high-income East Asia, Canada, and the United States). Since the 1980s, volumes of agricultural production have generally grown faster in the majority world than in the Global North. By 2020, the majority world accounted for 73% of global agriculture production, up from 44% in 1961, as Figure 1 shows. In contrast, the Global North's share declined from 56% in 1961 to 27% in 2020. Since the early 1990s, China has become the largest agricultural producer, with other top producers being India, North America, and South America, as illustrated by Figure 2.[64]

Figure 1. Value of world agricultural output from Global North to Global South, 1961–2020



Note: Values are represented in purchasing power parity dollars, which means that a given quantity of agricultural product will have the same purchasing power. The Global South consists of Africa, Latin America and the Caribbean, and Asia except high-income countries of East Asia. The Global North consists of Canada, the United States, Europe, Australia and New Zealand (Oceania), and high-income countries of East Asia.

Source: Fuglie KO, Morgan S, Jelliffe J. 2024. World agricultural production, resource use, and productivity, 1961-2020. Economic Research Service, United States Department of Agriculture; 2024.

[59] Wani AB, Biaza, I. 2021. Neglected and Underutilized Crops: Present Status and Future Prospectus. In: Zargar, S.M et al, editors. Neglected and Underutilized Crops – Towards Nutritional Security and Sustainability. Springer. 2021. p 51–70.

[60] Rist S et al. 2020. Variety is the source of life: Agrobiodiversity benefits, challenges, and needs. SCNAT. 2020. Swiss Academies Factsheets 15(1).

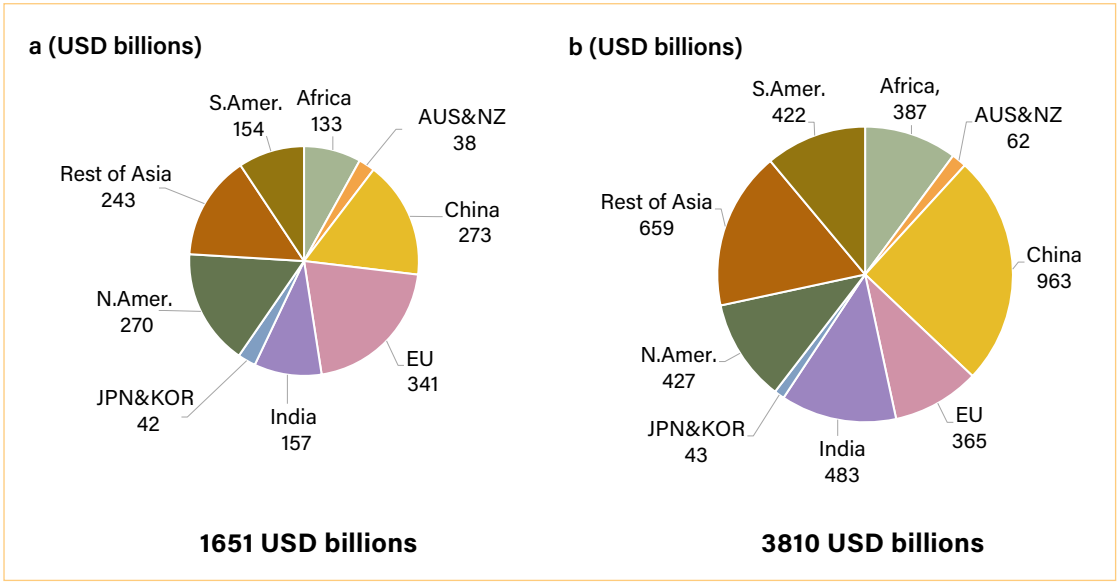
[61] Duflot R et al. 2022. Farming intensity indirectly reduces crop yield through negative effects on agrobiodiversity and key ecological functions. Agriculture, Ecosystems & Environment. 2022;326:107810.

[62] Ashraf S, Nazemi A, AghaKouchak A. 2021. Anthropogenic drought dominates groundwater depletion in Iran. Scientific Reports. 2021;11(1):9135.

[63] See definition of Planetary Boundaries (n 7).

[64] Fuglie, Morgan, Jelliffe (n 57).

Figure 2. Agricultural production by major countries/regions in 1970 (a) and 2021 (b) in USD billions

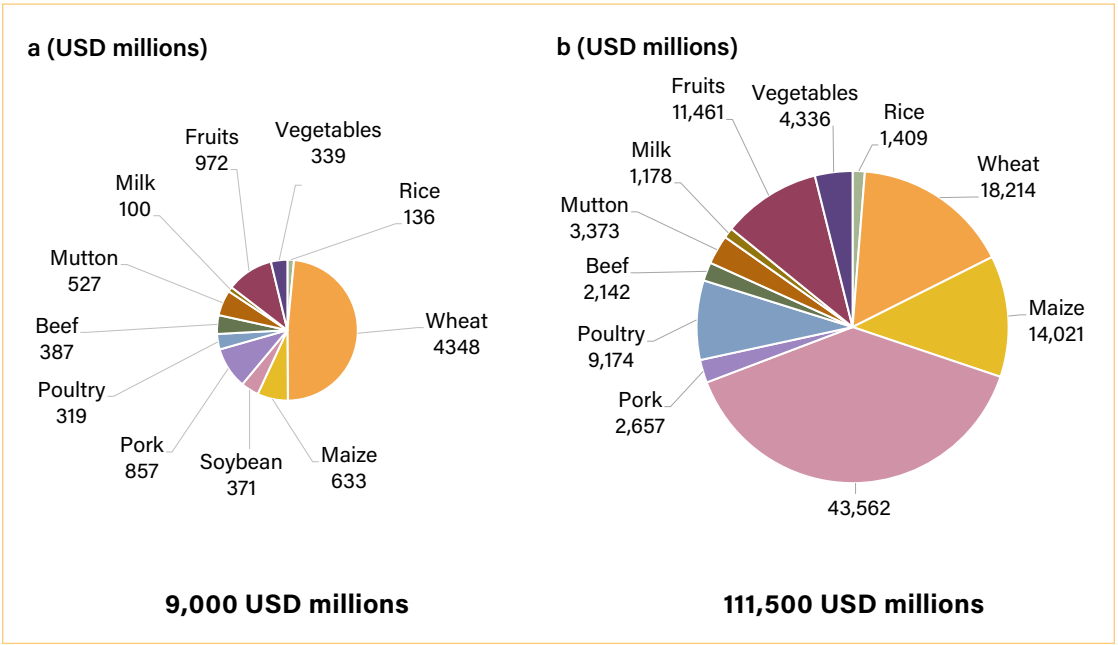


Source: FAO. 2024. FAOSTAT data base. 2024.

3. Change in what is produced and traded

The global commodity mix has changed since the AoA was negotiated, as shown in Figure 3. Traded agricultural commodities have diversified beyond cereal grains, with horticulture (including fruits and vegetables), oil crops, meat, dairy, and aquaculture having enjoyed considerable growth. The growth in production of poultry and meat, soybeans, and vegetables can be attributed to evolving consumer preferences, increased global demand for protein-rich diets, and the versatility of soybeans and oilseeds in various industries, including animal feed and biofuel production. In 1986, wheat was the leading export commodity (by value), but by 2021 soybeans (which have multiple uses as food, feed, and biofuel) had claimed the top spot.

Figure 3. Global exports of major agricultural products in 1986 (a) and 2021 (b) in USD millions



Source: FAO. 2024. FAOSTAT data base. 2024.

4. Evolving patterns of trade

In 1986, only 9% of agricultural production was traded internationally. By 2011, this share had risen to 13% and by 2020 it was estimated to exceed 20%.[65] The value of agricultural exports increased 70% (in nominal terms) between 2010 and 2024.[66] Much of this expansion has been led by emerging economies in Latin America, Africa, Asia, and Southeast Asia. Figure 4 shows the expansion of agriculture exports between 1986 and 2021, led by the EU, North America, South America, and countries like Australia and New Zealand.[67] The Americas are the biggest net exporter. Oceania was a net exporter of food between 2000 and 2020, led by Australia and New Zealand. Europe was a net food importer across most of the period but became a net exporter in 2013, overtaking Oceania in 2020.

As discussed in section V.1 below, climate change will affect where food is grown as well as how it is distributed: global trade routes and port cities are susceptible to rising ocean levels, drought-prone rivers, and less predictable weather. The growth in relatively high value commodity trade, such as seafoods, in part accounts for the shifting trade balances among countries, which are measured in dollar terms and thus put more emphasis on high-cost goods.

These trends point to market globalization but also mask a more complex reality of regionalized food trade and shifting geographies of production, with multifaceted interdependencies in the trade networks of major commodities.[68] Production for export markets remains concentrated in a handful of countries, whereas importers are more numerous and diverse. About one third of global agricultural and food exports are traded within global value chains and can show up both in the imports and export columns in the statistics of countries in the middle of the chain.

Increased international trade has changed the composition, quality, nutritional value, and relative prices of food available in local markets.[69] Diets worldwide are now more likely to include animal-sourced foods and horticultural products than in the past, as well as more processed foods and carbonated sugar drinks, with mixed effects on nutritional outcomes.[70] Many governments have sought to restrict less healthy foods through their trade import rules, but exporting firms and their government advocates have fought back with trade agreements to limit or nullify these efforts.[71]

[65] Poonyth D. 2021. Changing Patterns of Agrifood Trade: The Rising Importance of Developing Countries. FAO. 2021. Trade Policy Briefs No. 48; Gladek (n 58) 77.

[66] FAO. 2024. Trade of Agricultural Commodities 2010–2023. 2024.

[67] FAO. 2022. World Food and Agriculture – Statistical Yearbook 2022. FAO. 2022.

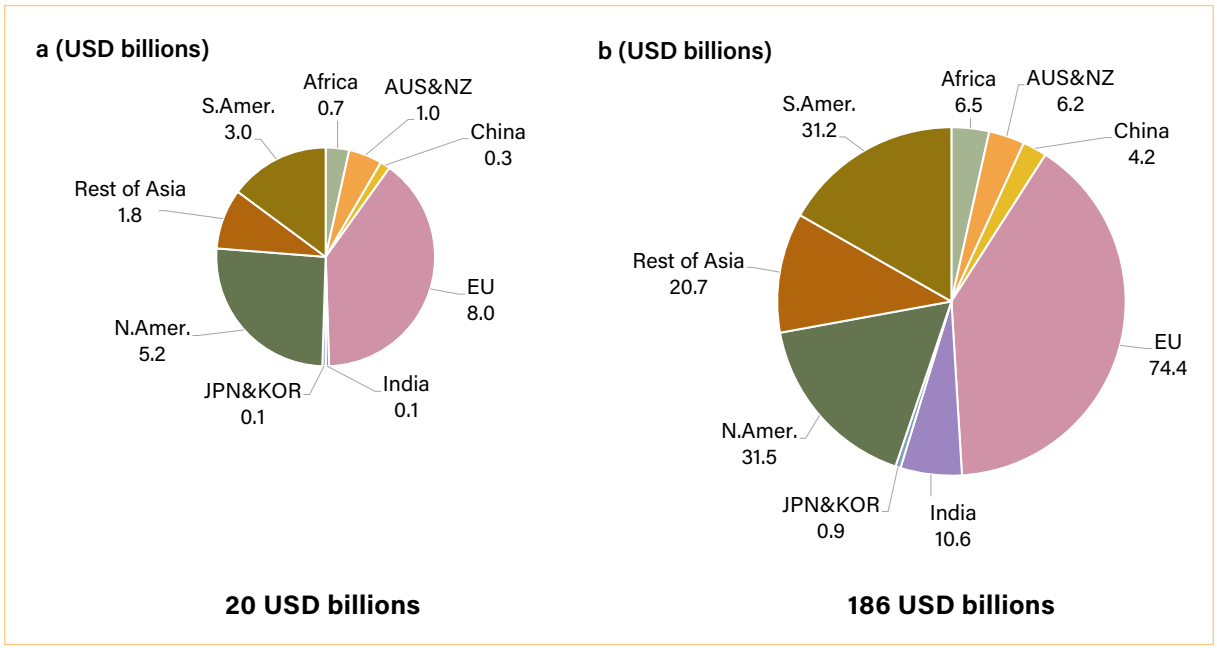
[68] Gladek (n 58).

[69] Zimmermann A, Rapsomanikis G. 2023. Trade and Sustainable Food Systems. In: von Braun J, Afsana K, Fresco LO, Hassan MHA, editors. Science and Innovations for Food Systems Transformation. Springer. 2023.

[70] HPLE. 2017. HLPE Report # 12: Nutrition and food systems. CFS. 2017. A report by the High Level Panel of Experts on Food Security and Nutrition of the Committee on World Food Security.

[71] Hawkes C. et al, 2010. Trade, Food, Diet and Health: Perspectives and Policy Options. Wiley-Blackwell. 2010.

Figure 4. Agricultural exports by major countries/regions in 1986 (a) and 2021 (b) in USD billions



Source: FAO. 2024. FAOSTAT data base. 2024.

5. Market concentration

Concentration in global agricultural industries and global food value chains has risen significantly since the 1980s. Global supply chains have expanded as a result of trade liberalization, enabling increased power of corporations vis-a-vis consumers, producers, and governments.[72] As noted in Section II.3, such intense concentration leads to market distortions, competition issues (abuse of dominant power), excessive profits for larger value chain actors, and weakening of farmers' bargaining position.

A small number of food and agri-business firms are powerful in determining what we eat. They exert power in food systems both directly and indirectly. They can shape markets (including promoting more ultra-processed food), influence technology and innovation agendas, manipulate prices and supply, and impact policy and governance frameworks while reducing bargaining power for smaller producers and farmers.

This market power is evident across the food system spanning everything from agricultural research and development[73] to seeds, agrochemicals, credit and finance, farm machinery, animal feed, storage, packaging and transportation, and retail. For example, just seven firms control over half the flow of grains, oilseeds, and agri-food processing markets around the world.[74]

Food system consolidation has particularly harmful impacts on small farmers, who cannot compete with the scale of large corporations, or are forced to buy and sell into what are often oligopoly or local monopoly markets. This applies to inputs such as seeds and fertilizers, as well as to farmgate sales. Governments are also weak vis-à-vis some of the big multinational companies.[75]

[72] Gladek (n 58) 128.

[73] McMichael P. 2009. A food regime genealogy. The Journal of Peasant Studies. 2009;36(1):139–169.

[74] See e.g. Kelloway C. 2023. Bunge and Viterra's Mega Merger Would Dramatically Consolidate Global Grain Trade. Food & Power. 2023.

[75] Gladek (n 58) 77, 126.

The WTO also included new rules on intellectual property in its Agreement on Trade-Related aspects of Intellectual Property (TRIPs), which made intellectual property rights enforceable through trade agreements and gave impetus to international intellectual property systems such as the International Union for the Protection of New Varieties of Plants (UPOV), which govern seed propagation, distribution, and use. As a consequence, private intellectual property in the agricultural sector has increased dramatically in recent decades. Although evidence is mixed,[76] intellectual property in agriculture appears to have further facilitated concentration in the sector, also reducing the space in which the informal systems that prevail in many developing countries operate.[77]

Other issues that have emerged since the signing of the AoA in 1994 and have contributed to distorted, unequal economic and political power include financialization of markets[78] and digital technologies that have enabled consolidation and sale of farm data, collected through computerized systems encompassing tractors, satellites, and other technologies.[79]

V. Global trends and challenges for agricultural trade governance

The AoA ReI initiative experts identified a number of key biophysical, governance, and political economy trends that have emerged since the AoA was adopted, which need to be addressed by global governance of food and agricultural trade. This section discusses three of these emergent issues: environmental imperatives, social impacts of trade, and evolving food system challenges.

1. Environmental imperatives

Human activity is widely understood by scientists to have exceeded Earth's planetary boundaries. Food production accounts for over a quarter (26%) of global greenhouse gas emissions.[80] Factoring in non-food agriculture and agriculture-related deforestation, the share rises to almost a third (31%). Half of the world's habitable land and 70% of global freshwater withdrawals are used for agriculture,[81] while food production creates about 32% of global terrestrial acidification and 78% of eutrophication.[82]

[76] Amentae TK, Song W, Wang J. 2024. Intellectual property rights in the agri-food chains: A systematic review and bibliometric analysis. World Patent Information. 2024;77:102279.

[77] Human Rights Council. 2021. Seeds, right to life and farmers' rights: Report of the Special Rapporteur on the right to food, Michael Fakhri. Un Doc No. A/HRC/49/43. p 4; Howard PH. 2015. Intellectual Property and Consolidation in the Seed Industry. Crop Science. 2015;55(6):2489–2495; Clapp J. 2021. The problem with growing corporate concentration and power in the global food system. Nature Food. 2021;2(6):404–408.

[78] Isakson SR. 2014. Food and finance: the financial transformation of agro-food supply chains. The Journal of Peasant Studies. 2014;41(5):749–775.

[79] McFadden J, Casalini F, Griffin T, Antón J. 2022. The Digitalisation of Agriculture: A Literature Review and Emerging Policy Issues. OECD; 2022. OECD Food, Agriculture and Fisheries Papers No. 176; Leterme C. 2019. Digitalization of agriculture: what are the risks for farmers and populations in the Global South? GRAIN. 2019.

[80] Ritchie H, Rosado P, Roser M. 2022. Environmental Impacts of Food Production. Our World in Data. 2022; Poore J, Nemecek T. 2018. Reducing food's environmental impacts through producers and consumers. Science. 2018;360(6392):987–992.

[81] Ritchie, Rosado, Roser (n 80).

[82] ibid.

International trade can drive and exacerbate these impacts. Export-oriented agriculture is typically intensive and highly specialized, generating high greenhouse gas emissions, using large amounts of water and pesticides, and bearing a strong impact on habitats. Transport, logistics, and cold chains – all crucial components of today's food and agricultural trade – account for one-fifth of all carbon emissions in the food system.[83]

Current trade patterns make the global food system a primary driver of biodiversity loss, with agriculture being the identified threat to 24,000 (or 86%) of the 28,000 species at risk of extinction.[84] International trade in agricultural products can affect biodiversity in various ways.[85] For example, trade takes place in internationally benchmarked varieties of crops. When production for export is primarily of bulk commodities, it disincentives production of a diversified set of varieties.[86] And agricultural trade can be a vehicle for the introduction of alien species, pests, and diseases that may be invasive and may affect local biological diversity.

Many of the environmental and social challenges related to food and agricultural trade are due to the fact that these costs are not truly reflected in prices, as Box 5 illustrates.

At the same time, trade allows for more environmentally rational decisions around where to situate production, such as moving from stressed regions to regions with greater carrying capacity or closer to the intended consumer market.

While agriculture is a driver of climate change, it is also among the sectors suffering some of the worst harm of rising average temperatures and more erratic weather.[87] Climate change and related phenomena are affecting yields and food supply. This has already led to displaced populations and higher and more volatile food prices, which will likely get worse as climate change accelerates, as natural resources degrade, and as risk and uncertainty increase.[88]

BOX 5. Economics of biological diversity: Trade, consumption, and wealth transfers[89]

If a low-income country government awards timber concessions in an upstream forest to raise export revenue, the costs associated with the logging may be hidden, implicitly transferring wealth to importing countries.

Forests stabilize soil and water flow and are habitats for birds and insects. Deforestation erodes soil, increases water run-off, and reduces pollination and pest-control downstream. If the law were to recognize the rights of those who suffer damage from deforestation, the timber company would be required to compensate downstream farmers. But compensation is unlikely when the cause of damage is many miles away and the victims are scattered groups of farmers as well as assorted flora and fauna, none of whom can negotiate with the company.

Downstream farmers may not even realize that their farms' productivity decline is traceable to logging upstream. The timber company's operating cost would thus be less than the social and environmental cost of deforestation and the export would contain an implicit subsidy (the externality), paid for by people downstream as well as by nature. The subsidy is hidden from public scrutiny, but it amounts to a transfer of wealth from the exporting to the importing country. Ironically, some of the poorest people in the

[83] Li M et al. 2022. Global food-miles account for nearly 20% of total food-systems emissions. Nature Food. 2022;3(6):445–453; Normand A. 2023. Understanding the Carbon Footprint of Food Logistics Industry. Food Logistics. 2023.

[84] UNEP. 2021. Our global food system is the primary driver of biodiversity loss. 2021.

[85] Maney C, Sassen M, Giller KE. 2024. Are agricultural commodity production systems at risk from local biodiversity loss? Biology Letters. 2024;20(9):20240283.

[86] Polasky S, Costello C, McAusland C. 2004. On trade, land-use, and biodiversity. Journal of Environmental Economics and Management. 2004;48(2):911–925; Musselli I, Sonderegger G. 2025. Trade and biodiversity loss: disentangling the complexities for effective policy action. Ecology and Society. 2025; 30(3):1.

[87] IPCC. 2023. Sections 2 and 3. In: Climate Change 2023: Synthesis Report. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. First. Intergovernmental Panel on Climate Change (IPCC); 2023. p 35–115.

[88] FAO. 2022. The future of food and agriculture – Drivers and triggers for transformation. FAO. 2022. p 149.

[89] Dasgupta P. 2021. The Economics of Biodiversity: The Dasgupta Review (Abridged Version). HM Treasury. 2021. p 65.

exporting country would be subsidizing the incomes of the average importer in what could well be a rich country.

This example bears a noteworthy feature that is rarely noted in celebrations of free trade: As low-income countries depend greatly on the export of primary products, there is a hidden transfer of wealth from them to importing countries. If the importing country is rich (which tends to be the case), then this wealth transfer exacerbates the disparity. The transfer of wealth remains hidden from the national accounts of both countries because national accounts do not record such externalities.

The message from this example is that modern consumption patterns, relying as they do on imported primary goods from distant parts of the world, are currently under-priced at source. Such under-pricing provides people with an incentive to consume not only too much, but also the ecologically wrong sorts of goods. Moreover, research and development expenditure are directed towards producing new products and new technologies that are profligate in the use of primary products, putting further pressure on the biosphere.

Source: Dasgupta P. 2021. The Economics of Biodiversity: The Dasgupta Review (Abridged Version). HM Treasury; 2021.

2. Social impacts of trade

Over the last four decades, export markets have created new jobs in agriculture, particularly for women who have benefited from these opportunities either in cultivating new crops, finding work in processing plants, or, in some regions, expanding their traditional role as traders.[90] Some rural areas that had been left out of national development investment have also benefited from access to export markets. At the same time, however, the levels of informality in agriculture remain high in many parts of the world for both men and women. In Australia, for instance, 63% of agricultural workers are in informal employment, thus lacking job security, benefits and protection. That figure stands at 75% in Brazil, 54% in the United Kingdom, and over 90% in several African countries.[91]

Meanwhile, most of the gains from exports remain in the hands of international traders.[92] A lack of multilateral frameworks for ensuring minimum environmental or labour standards has enabled investors to pit countries against each other, competing to offer less stringent conditions in a bid to attract investment that could create jobs and opportunities to earn foreign income.[93] In parallel, the lack of a unified global tax regime enables global corporations to book revenues where it is most profitable for them, often enabling rich individuals and companies to benefit rather than facilitating reinvestment of profits in local economies.

Until recently, the economic arguments presented by the international trade community mostly ignored the distributional effects of trade rules within countries. The dominant assumption was that benefits would automatically flow to all. Beginning in the mid-2010s, the agencies responsible for international trade policy began to pay more attention to the fact that deregulated trade was leaving "too many individuals and communities behind."[94] In 2016, G20 leaders called for domestic policies to share the gains from trade more widely.[95]

[90] UNCTAD. 2016. Trade as a tool for the economic empowerment of women. 2016. UN Doc No. TD/B/C.I/EM.8/2.

[91] ILO. 2024. Share of informal employment in agriculture 2023. Our World in Data. 2024.

[92] FAO. 2020. The State of Agricultural Commodity Markets 2020 – Agricultural markets and sustainable development: Global value chains, smallholder farmers and digital innovations. FAO. 2020; UNCTAD. 2015. Commodities and Development Report 2015: Smallholder Farmers and Sustainable Commodity Development. United Nations; 2015. UN Doc No. UNCTAD/SUC/2014/5.

[93] Olney WW. 2013. A race to the bottom? Employment protection and foreign direct investment. Journal of International Economics. 2013;91(2):191–203; Duanmu J-L. 2014. A race to lower standards? Labor standards and location choice of outward FDI from the BRIC countries. International Business Review. 2014;23(3):620–634.

[94] IMF, World Bank, WTO. 2017. Making Trade an Engine of Growth for All: The Case for Trade and for Policies to Facilitate Adjustment. 2017.

[95] G20 Research Group. 2016. G20 Leaders' Communiqué: Hangzhou Summit. G20 Information Centre. 2016. para. 28.

These long-overdue acknowledgements were welcome, but insufficient to address the fundamental reasons that permit some to benefit tremendously from trade while others lose out, or to address the effects of this imbalance. The failure of trade law and economics to acknowledge and address the costs of global economic liberalization has made trade a political liability, and contributed to a populist backlash against globalization.

3. Food system challenges

The global food security agenda has grown more comprehensive but also more complex since the AoA was adopted. Frameworks for food security policy now routinely include consideration not just of supply and access to food, but also nutrition, stability of supplies, agency, and environmental sustainability.[96] Concepts like food sovereignty, alongside principles and practices like agroecology,[97] have taken root in many places, radically reconceiving what food production, distribution, and consumption could look like.

Relying on a handful of countries and firms for food poses risks, particularly for low-income net food-importing countries. Seven out of ten countries are net food importers. Countries with high levels of import dependency are exposed to the risk of food insecurity from factors such as shifts in production among exporters, supply restrictions, transport disruptions, price volatility, or political and economic conflicts. Small island developing states (SIDS) and countries in Africa and the Middle East are particularly reliant on imports; several Caribbean states import more than 80% of their food. A focus on production for export can also distract governments from the risk of food insecurity at home, particularly in countries with successful export sectors and large populations who live near or below the poverty line, such as Brazil.[98]

Demographic changes will affect where and how food needs to be produced and distributed. The world population is expected to grow by some 1.5 billion people between now and 2050.[99] Most of this growth is forecast to take place in developing countries, especially sub-Saharan Africa and to a lesser extent South and Southeast Asia. A parallel trend towards urbanization points to the need to consider scales and intensity of food production. When the AoA was adopted, only 2.4 billion people were in urban areas; today, about 4.5 billion (roughly 56% of the global population) live in towns. By 2030, the urban population is projected to reach about 5.2 billion people.[100]

VI. A new political economy of trade

The factors put forward in the preceding sections of this background paper need to be considered in light of the fact that the political economy of trade is quite different today than at the time the AoA was coming into being.

During the Uruguay Round, neoliberalism was in full force. The neoliberal movement's efforts to limit the role of the state, to privatize, to deregulate markets, and to enhance economic integration through trade liberalization found expression in the AoA, resulting in its focus on reducing state subsidies to agriculture, facilitating access to foreign markets, and favouring export competition. Since then, as noted in Section V.2, several factors point

[96] HPLE. 2020. HLPE Report # 15: Food security and nutrition: building a global narrative towards 2030. CFS. 2020. A report by the High Level Panel of Experts on Food Security and Nutrition of the Committee on World Food Security.

[97] Agroecology aims for a socially just and ecologically sustainable transformation of the agri-food system, where food producers, workers and consumers are put at the centre of policymaking and of food systems governance.

[98] Global Alliance for Food Security. 2025. Global Food and Nutrition Security Dashboard. 2025.

[99] INED. 2024. 2024: the United Nations publishes new world population projections.

[100] United Nations Department of Economic and Social Affairs. 2019. World Urbanization Prospects: The 2018 Revision. United Nations; 2019. UN Doc No. ST/ESA/SER.A/420.

to a deglobalization trend[101] and a move away from neoliberal orthodoxy as countries seek to balance openness with security, sovereignty, and sustainability.

Trade flows began to slow after the 2008 global financial crisis. The slowing became increasingly visible in the wake of the COVID-19 pandemic as many economies favoured resilience and supply chain security over efficiency.[102] Geopolitical considerations and renewed state intervention in trade through industrial policies further contributed to this.[103] Proposals to strengthen rural–urban linkages and support local food systems emerged more strongly as part of these trends.[104] At the same time, the world witnessed an expansion of foreign investments in land for food production, by companies that are often state-owned – be they Emirati, Saudi, or Chinese – which serve as quasi-direct supply policies and bypass market mechanisms.[105]

In the 1990s, the WTO was the unquestioned centre of international trade governance. In the early 2000s, it began splintering into a myriad of bilateral and regional trade arrangements. Today, the WTO is still the only multilateral forum, but negotiations on new rules have moved elsewhere, reducing the WTO's relevance and its power to address key global concerns.

Most recently, the US administration's new and varying tariffs on imports, and associated uncertainties, are posing a severe challenge to the international trade regime, as well as further reconfiguring supply chains – including in agriculture.

VII. Conclusion

The WTO AoA was born of a different era. Its narrow definition of human and environmental welfare was criticized from the start. Over time, the agreement's rules have contributed to global disparities and encouraged unsustainable practices. Perhaps most problematically, WTO members have not been able to adapt the rules as they gained implementation experience and as their contexts evolved. As a result, the AoA is not meeting the pressing environmental, social, and economic challenges of our times.

The Agreement on Agriculture Re-Imagined initiative proposes a new Model Treaty to meet these challenges. The Model Treaty seeks to foster global sustainable food security, consistent with international human rights law and the SDGs.

The expert group drafting the AoA ReI Model Treaty is taking account of, and responding to, the factors noted in this background paper. Most notably, it is elaborating proposals to redress economic power imbalances, to respond to the needs of countries with different agricultural trade profiles, and to ensure that it can adapt to circumstances as they evolve. The Model Treaty will also address the environmental and social aspects of food and agricultural trade so that all can live well within planetary boundaries.

The Model Treaty aims to catalyse transformative thinking and open new space for the steps needed for fair and sustainable food and agricultural trade. Re-imagining the global trade regime for agriculture is not just desirable, it is urgent and necessary.

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