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Agriculture and the Environment

WTO Rules and Commitments

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Note: The views expressed do not represent the WTO Secretariat or the Member states of the WTO.

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Agriculture both positive and negative effects

Positive Effects	Negative Effects
Landscape management Prevention of Erosion Biodiversity wild flora/fauna Domestic animals Flood Control Control of noxious weeds Reduction in greenhouse gases	Landscape degradation Excessive Erosion Biodiversity wild flora/fauna Domestic animals Flooding Pesticide/Herbicide Residues Fertilizer Runoff Greenhouse gas emissions etc

- Do national policies make things worse?
- Agriculture trade could have similar affects?
- Affects of trade-related measures on other countries?

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Agreement on Agriculture



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A. Market Access

Tariffs
 Bound tariffs
 Ceiling bindings

Market Access
 Tariff Quotas

Special Safeguard

B. Domestic Support

Amber Box
 Reduction Commitments

Blue Box
 Production Limiting

Green Box
 Non Trade Distorting

S & D Box
 Exceptions for Dev'g

C. Export Competition

Quantity Reductions
 Value Reductions

Other Rules

Special and Differential Treatment, Peace Clause, Commitment to Reform

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Environment Related Trade Measures on Agriculture

Article XX(g) of GATT: - Exhaustible Natural Resources

SPS Agreement: - Measures to protect a country from entry, establishment or spread of pests

Agreement on Agriculture: - Preamble
 - Annex 2 (Green Box) government services programmes and direct payments

But significant implicit flexibility in agriculture as well...

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Environment Related Trade Measures on Agriculture

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Governments can use general rules for environment programmes.....

Market Access: Agriculture Tariffs high
BUT many countries apply tariffs below bound rates

Domestic Support: Green Box
Blue Box
Amber Box
Special and Differential Treatment
BUT for many countries lack of resources limit support

Export Subsidies: Some countries have reduction commitments
Special and Differential Treatment
BUT export subsidies most distorting form of subsidy

Export Restrictions: Consultation requirements
BUT export restrictions affect food security in other countries

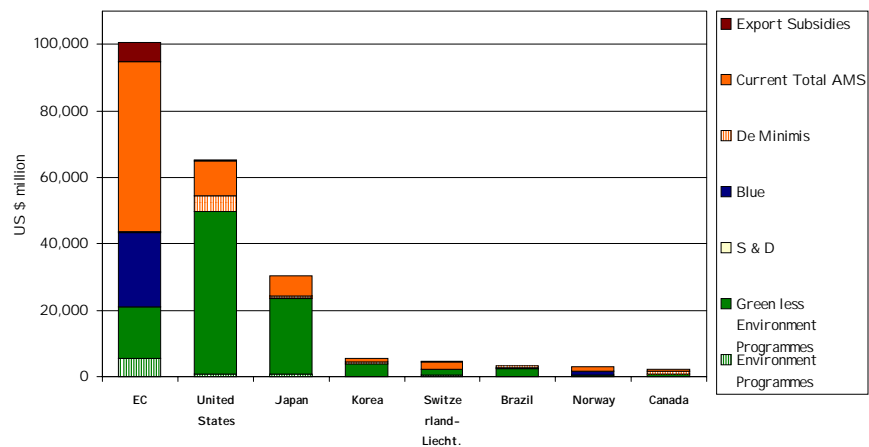
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Environment Related Trade Measures on Agriculture

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Agriculture Subsidies by Category in 1998



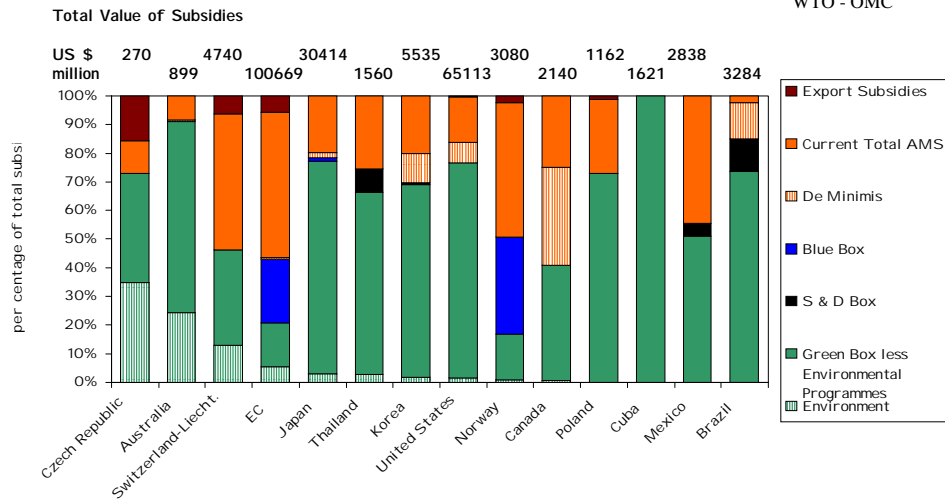
Note: Environment programmes refer only to programmes specifically stated as such in Members' notifications. Therefore, the graph may under-represent the actual level of support given to environmental programmes

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Subsidies in some WTO Members in 1998



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Negotiations



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1997-1999

AIE Process

- informal open ended process, no conclusions
- concluded September 1999

1999

Ministerial Conference

- Preparations in Special Sessions of General Council
- Seattle - no agreement but agriculture negotiations mandated

2000-Feb 2002 Article 20 Agriculture Negotiations

- Negotiations in Special Session of Committee on Agriculture
- Services negotiations, Panels, Peace Clause and Special Safeguard

2001

Ministerial Conference

- Agriculture once again difficult but round launched
- Mandate and deadlines

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Negotiations



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Doha Declaration 14 November 2001 on Agriculture

- Building on the work undertaken already
- Long term objective of fair and market orientated agriculture trading system
- Work programme:
 - (i) substantial improvements market access
 - (ii) reduce/phase out export subsidies
 - (iii) substantial reductions in trade distorting support
- Special and differential treatment integral to negotiations and outcome
- Take account of non-trade concerns

Deadlines

- March 2003 for modalities - work programme decided 26 March '02
- Fifth Ministerial for Offers
- 2005 for conclusion

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Negotiations Issues



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- Linkage between agriculture production and environmental objectives
- Efficiency and effectiveness of policy measures and impact on environment
- Impact on other countries of trade/production measures
- Impact of changing structures of agriculture production from reform of agriculture trade

BUT

Debate now more about trade distortion and damage caused to other countries than about specific non-trade concerns such as environment