

Food Aid and the WTO Agriculture Negotiations

WISHH Washington Workshop

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Texts of 2003

- Harbinson 1- February draft
 - Unsatisfactory for US food aid
- Harbinson 2- March draft
 - Improvement for food aid, but still needs work
- Cancun and the Derbez Text
 - No mention of food aid

Getting Back into Gear

- Post- Cancun Reflection
- Ambassador Zoellick's January 11 letter to his ministerial counterparts
 - Calls for a 2004 ministerial
 - Developing Country Chair
 - Setting a date for the elimination of export subsidies
 - Limited Focus on S&D
 - Reduction of AMS, capping the blue, meaningful market access

Where are we now?

- Chairmen were selected in the February General Council
 - Tim Groser (NZ) Ag Chairman
- Negotiation schedules will be set
- Unofficial Goal of Framework by Mid-Year

What about Food Aid?

- Starting point for the 3-pillars is the Derbez Text but for Food Aid it is still the March 18th Harbinson text
- Per the draft “additional disciplines shall be agreed in order to prevent commercial displacement through food aid operations”
- Disciplines are structured by the type of food aid

Emergency Aid

- “Food Aid to meet or relieve emergency or critical food needs arising from natural disasters, crop failures or humanitarian crises and post-crisis situations”
- Only in response to requests from the victim country, UN organizations, other international bodies, or non-government organizations
- Permitted when provided through PVOs and WFP
- Limits government-to-government assistance to the aftermath of a “natural” disaster

Food Aid for Other Purposes

- Includes non-emergency (developmental food aid)
- In response to request from the UN or PVOs, but not upon request from the government
- Exclusively in grant form through
 - UN programs
 - PVOs
- Non-emergency government-to-government food aid would not be permitted

Concessional Food Aid

- Concessional food aid is prohibited by the current draft which calls for food aid in “exclusively in fully grant form”

Other Obligations Under Harbinson

- Recipients undertake not to re-export
- Food aid could not be tied to commercial exports
- Increased reporting
- Undefined:
 - monetization?
 - what is bonafide food aid?

What's on the line under Harbinson?

- PL 480 Title I-Not viable under current text
- PL 480 Title II-small portion of G-to-G developmental programs
- Food for Progress-G-to-G developmental programs; loss in flexibility to respond
- Section 416(b)-Little change
- McGovern-Dole-No G-to-G

The US position on Food Aid

- Solid international disciplines exist under the FAO
- Better forums for discussing Food Aid exist
- Does the WTO have the competence?
- Support
 - improved reporting
 - minimizing the negative impact of food aid on local and commercial markets

Seeking changes

- Emergency-would like the ability to respond in the aftermath of a disaster not just natural disaster
- Non-Emergency-would like the ability to use government to government
- Concessional-how about primarily in grant

Big Players

- US
- EU-grant only
- Australia
- Brazil and Argentina
- Japan-our only alias on concessional sales

Where are the recipients?