

**PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE**

Agriculture Negotiations

*Communication from Australia*

The following communication, dated 27 September 1999, has been received from the Permanent Mission of Australia.

1. Based on the Cairns Group Vision Statement (WT/GC/W/156), the Buenos Aires Cairns Group Ministerial Statement (WT/L/312) and proposals submitted to the preparatory process for Seattle, the following are key elements on agriculture for decisions to be taken on the launch of the agriculture negotiations at the third WTO Ministerial Conference.

**Objective**

2. Consistent with the Preamble and Article 20 of the Agreement on Agriculture and commitments made in 1986 to deliver fundamental reform of world agricultural trade, these negotiations should bring trade in agricultural products under the same WTO rules and disciplines as trade in other goods, thus establishing a fair and market-oriented agricultural trading system.

**Special and differential treatment**

3. Consistent with the need to take fully into account the development and food security needs of developing countries, the negotiations should substantially improve access for products of particular interest to those countries and include specific and concrete special and differential treatment provisions with regard to their commitments and concessions and technical assistance.

**Scope**

4. Consistent with the objective, the negotiations should result in substantial reductions in support and protection. This would be delivered through specific bound commitments based on agreed modalities and timetables for their implementation in the areas of, *inter alia*, export competition, market access and domestic support, and improved rules, resulting in:

Export competition

- the immediate, total elimination and prohibition of all forms of export subsidies. There must be clear rules to prevent all forms of circumvention of export subsidy commitments. Also agricultural export credits must be brought under effective

international discipline before 2001 with a view to ending government subsidization of such credits;

#### Market access

- deep cuts to all tariffs, resulting in the removal and curtailment of tariff escalation and of tariff peaks. These must provide a major expansion of market access opportunities for agricultural products, including value-added products, and particularly in products of special interest to developing countries. The removal of non-tariff barriers must be completed without exception. Trade volumes under tariff-rate quotas must be increased substantially. The administration of tariff-rate quotas must not diminish the size and value of market access opportunities;

#### Domestic support

- major reductions in domestic support for all agricultural products. All trade-distorting domestic subsidies must be eliminated with only non-distorting forms of support permitted. Income aids or other domestic support measures must be targeted, transparent and fully decoupled so that they do not distort production and trade;

#### Rules

- strengthened and more operationally effective rules and disciplines, taking into account experience with implementation of existing rules and disciplines and the need to avoid the circumvention of export subsidy, domestic support and market access commitments.

### **Negotiating process**

5. The structure of the agriculture negotiations will need to be specified and agreed in Seattle. This will require addressing how and in what bodies agricultural trade issues will be negotiated, and the chairing of agreed negotiating bodies. It is likely that a negotiating group on agriculture will be necessary but aspects may need to be addressed in other bodies.

6. Setting a time-frame for the completion of the agriculture negotiations will be important to ensure that they are completed expeditiously. Completing the negotiations before the end of December 2002 will ensure that the results of the negotiations are finalized before the expiry of the provisions of Article 13 of the Agreement on Agriculture (the "peace clause").

7. Also important will be the setting of deadlines or benchmarks within the overall time-frame. Such negotiating deadlines should be specified in Seattle and should include the following:

By mid-2000

- completion of the submission of negotiating proposals for further liberalization;

By end 2001

- negotiation and finalization of multilateral approaches to market access, export competition and domestic support, including modalities for reduction commitments, and amendments to WTO rules and disciplines, as necessary;

- submission of lists of commitments and concessions, consistent with the agreed framework;
- review of progress at the fourth WTO Ministerial Conference;

By end 2002

- completion of the negotiations including finalization of legal texts and submission of schedules of commitments and concessions.

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