

A Declaration for Fair and Equitable Agricultural Trade Rules at the WTO - October 25, 2002

We, the undersigned, represent the leaders from a broad group of like-minded farmers' organizations from around the world calling for the establishment of internationally recognized agricultural trade rules at the WTO.

These rules must be clear, fair, effective and equitable, result in better functioning of international and domestic markets, and contribute to the improvement of farmers' incomes.

These rules and standards must apply equally to all countries thereby creating a "fair trade" environment and level the playing field for agriculture. However, due account must be taken to the fact that natural and structural conditions vary among countries, and to the obligation every country has with regard to responsibility for the food security and safety of its population. As a consequence, every trading partner must have the right to adapt its national agricultural policy within the framework of the WTO trading rules. In addition, these rules must let farmers address the particular concerns of farmers' market power and the imbalance of market power between the participants in the marketing chain. These rules should also address the particular difficulties of developing countries who have no resources to provide satisfactory defenses against world market instabilities in designing their agricultural policies.

Agriculture is not just another industrial sector. It differs from the production of industrial goods in countless respects, as recognized by the Uruguay Round Agreement which separates agriculture from industrial goods. People in every country of the world depend on regular and dependable access to safe food - it is the basic necessity of life. Farmers cannot readily stop and restart producing agricultural commodities. In fact, once land goes out of agriculture production or a farmer leaves farming, it is usually gone forever.

Family-owned and family-operated farms have been the core of the agricultural system and continue to be crucial for the production of a safe and affordable supply of food and fiber. Strong farm families are the basis for thriving rural communities, and rural communities are vital to the health and economic well-being of a country's economy.

Agriculture also fulfills a multitude of other functions, in both developed and developing countries, including rural employment, enhancing food security, improving soil conservation, preserving cultural heritage, strengthening rural economic viability, preventing natural hazards, maintaining scenic landscapes, enhancing biodiversity, and improving water management. In particular, agriculture is a crucial factor for maintaining social and political stability and growth in developing countries.

The approach to trade reform and developing fair trade rules must be balanced. It must respect the domestic concerns of farmers and meet the needs of export-dependent farmers and provide improved export opportunities and assurances that all forms of measures, which in effect distort trade, are brought under WTO disciplines.

In many ways, international agricultural trade rules are biased against all farmers in favor of certain agri-business enterprises. In promoting equity, fairness, stability, and transparency, the WTO needs to address not only the inequities between developing and developed countries, but also those between farmers, agri-business, and food retailers. Consumers' concerns must be met by providing appropriate information on agricultural products. In order to correct the distortions and depressed world commodity prices caused by the imbalance of power between the participants in the market chain, the WTO must address the particular concerns of those who have little or no power in the market place. The results of the WTO negotiations must recognize and validate that governments can empower producer supported cooperatives or marketing bodies to manage domestic production and/or collectively market agricultural products to offset the power exerted by other players in the marketplace, provided such

marketing bodies operate in a transparent and predictable manner. We believe that, in a number of cases, better management of production would help resolve problems related to trade of agricultural products.

The Uruguay Round Agreement represented a major change in approach to both domestic agricultural policies and agricultural trade policies, requiring significant commitments. The clear achievement was the establishment, for the first time, of rules governing agricultural trade. Some farmers have benefited from improved market access for their products while others have experienced drastic price fluctuations with only marginal changes in supply and demand. These effects have made it extremely difficult for these farmers to generate adequate income from the marketplace. The result has been a resurgent demand and reliance on supplemental government support. It has also led many efficient family-sized farms into untenable economic situations resulting in a further decline of rural communities. In addition, some countries have experienced increased trade deficits and higher dependency on imports for their basic food requirements, which have reduced their levels of food security. The vast social, economic, and geographical differences around the world call for a wide and diverse range of agricultural production models, as evidenced by the array of different proposals on agriculture before the WTO. Promoting the co-existence of various agricultural models that respond to local circumstances will strengthen the agriculture industry around the globe. At the same time, developing countries must be provided with adequate and effective special and differential treatment in consideration of low levels of development and lack of resources of agricultural sector.

We therefore strongly urge the WTO and its Members to consider the following principles and realities, to give them priority in the negotiations, and to enshrine them in the next WTO Agriculture agreement as a means to enhance the welfare of farmers and rural communities worldwide.

Guiding Principles

- 1 - The current World Trade Organization round of multilateral negotiations must achieve positive results for farmers around the world.
- 2 - Further agricultural trade negotiations must result in a better functioning of international and domestic markets for agricultural products, including through orderly marketing (supply management, production discipline, etc.), and contribute to the improvement of global and individual incomes of agricultural producers.
- 3 - The WTO must be the principal vehicle for the establishment of fair and effective trade rules.
- 4 - The outcome of the WTO agricultural negotiations should allow for mutual co-existence of the various forms of agriculture and the various forms of marketing systems in all countries.
- 5- Special and differential treatment provisions should allow for flexibilities for developing countries in the areas of market access, domestic support, and export subsidies in order to sufficiently address their food security, poverty, rural development and related concerns. There may be a need to vary the level of special and differential treatment dependant on the level of development within a country. Clear objective criteria should be established to identify the level of development and which countries and sectors qualify for special and differential treatment. Every effort should be made to ensure that the benefits of special and differential treatment go all the way to the farm gate.
- 6 - Further commitments resulting from the current negotiations must be implemented in a progressive manner, consistent with the spirit of Article 20 of the WTO Agreement on Agriculture.
- 7 - As opposed to industrial sectors which improve or maintain the quality of life, agriculture is essential for human life. Therefore, agriculture cannot be treated in the same way as industrial sectors.

8 - One of the specificities of agriculture is the need to reduce volatility of markets. Therefore, it is necessary to ensure a proper functioning TRQ system which provides for a level of minimum access and the predictability of imports while providing WTO members, particularly developing countries, with the ability to establish and maintain domestic agricultural industries.

9 - We strongly support the right of countries to promote sustainable agriculture.

10 - We attach importance to the Sanitary and Phytosanitary Agreement (SPS), the Technical Barriers to Trade Agreement (TBT) and the Trade Related Intellectual Property Rights Agreement (TRIPS) and support the clarification of the relationship between the WTO and other multilateral bodies and the related agreements.

11 - Initiatives seeking to improve transparency at the WTO must be undertaken.

Signed in Geneva on October 25, 2002:

Canadian Federation of Agriculture

Canada

COPA/COGECA

European Union

Icelandic Farmers Union

Iceland

JA Zenchu

Japan

National Agricultural Cooperative of Korea

Korea

Norwegian Farmers Union

Norway

Réseau des organisations paysannes et de producteurs agricoles de l'Afrique de l'ouest ROPPA

Benin, Burkina Faso, Côte d'Ivoire, Gambia, Guinea, Guinea –Bissau,

Mali, Niger, Senegal, Togo

Sri Lanka Cooperative Marketing Federation

Sri Lanka

Swiss Farmers Union

Switzerland