



Cairns Group Farm Leaders Statement of Intent on World Trade Organization agricultural reforms

The Cairns Group Farm Leaders ('Farm Leaders'), a grouping of national farm representative groups from Cairns Group countries, is pleased to have met in February 2024, to push for a commitment to agricultural trade reform through the World Trade Organization's (WTO) Thirteenth Ministerial Conference (MC13).

The following Farm Leaders organisations, including, Sociedad Rural Argentina, Australian National Farmers' Federation, Federated Farmers of New Zealand, Brazilian Confederation of Agriculture and Livestock, Canadian Federation of Agriculture, Canadian Agri-Food Trade Alliance, Camara del Agro Guatemala, Agexport Guatemala, Asociacion Rural del Uruguay, Asociación Rural del Paraguay, AgriSA (South Africa), AgBiz (South Africa), and the the Sociedad de Agricultores de Colombia agreed to a statement of intent for the group to further the agenda of agricultural reform.

This includes:

- *The need for agricultural trade reform has become urgent, noting the challenges of feeding a growing world population, projected to be over nine billion by 2050, in the face of a changing climate and the need to produce more with less inputs.*
- *Reaffirm support to redouble efforts to reduce trade- and production- distorting domestic support measures, supporting the Cairns Group's proposal to cap and reduce such support entitlements substantially and significantly.*
- *That MC13 makes progress towards a meaningful outcome on agriculture, to reinforce the importance of the WTO rules-based system as a whole.*
- *The need to uphold and strengthen an open, transparent, rules-based global trading system, including commitment and support for WTO dispute settlement institutions and processes.*
- *A greater focus on tackling tariff and non-tariff barriers to trade and guarding against the imposition of agricultural regulations that are not grounded in a robust evidence and science-based approach.*
- *Seek assurance that non-tariff barriers that cannot be justified by reference to evidence-based exceptions recognized by the WTO do not impede the trade of agricultural products.*
- *International and domestic efforts on sustainability and climate action be risk-, science- and evidence-based, in line with international agreements and WTO disciplines, and shall not unnecessarily hinder the critical role international trade in agriculture plays in achieving global food security.*
- *A promotion of the positive environment and climate co-benefits that can result from open trade, enabling each country to take full advantage of their comparative advantage.*

The need for progress on agricultural trade reform

Farm Leaders acknowledged the difficulties and stalled nature of agricultural reform in the WTO and called for meaningful engagement by Members with the reform agenda, including the promotion of the widespread benefits of meaningful reform to agricultural trade rules, as espoused by the Cairns Group proposal on domestic support reform.

While concerns relating to sustainability, climate change and global food security can be used to justify protectionist policies and as pretexts for additional barriers to freer and fairer international agricultural trade (an outcome to be guarded against), the adoption of more liberalized multilateral

trade rules in agriculture would contribute meaningfully to the solutions to many of these global concerns.

Addressing trade-distorting domestic support

Farm Leaders highlighted the importance of progressing outcomes on agriculture at MC13 that lay the groundwork for meaningful reform in future years, particularly on trade-distorting domestic support, to address historical imbalances and level the playing field.

According to the OECD (2023), total support to the agricultural sector has increased over the past several years, to reach a historical high of over USD 851 billion between 2020 and 2022. Some of this increase was due to the need to address the multiple crises that have shaped the global agricultural sector, including the COVID-19 pandemic, the effects of climate change, biosecurity threats and the war in Ukraine.

Farm Leaders reiterated their support to redouble efforts to reduce trade- and production-distorting domestic support measures, supporting the Cairns Group's proposal to cap and reduce such support entitlements substantially and significantly.

Farm Leaders are seeking that MC13 develops a tangible pathway and workplan to limit the use of trade- and production- distorting domestic support.

Farm leaders acknowledged the findings of analytical work completed by the Cairns Group in 2023, including that product-specific support is concentrated on only a few commodities and is dominated by a few Members. Commodities receiving the highest levels of product-specific support are rice, wheat, dairy, bovine and corn/maize.

Addressing NTBs

Farm Leaders noted the challenges and increasing incidence of NTBs, and the lack of science/evidence-based approaches in justifying agricultural regulations.

More broadly, there were significant concerns at the potential use of sustainability as a pretext to justify new tariffs and NTBs or non-tariff measures applied to trade.

Farm Leaders highlighted their commitment to addressing climate change-related issues, while rising to the challenge of feeding a growing world population and reiterated the need to deal with such issues within appropriate frameworks specifically established to deal with climate change, such as the Paris Agreement, and the recently concluded 28th UN Climate Change Conference of the Parties (COP 28).

Farm Leaders seek that MC13 recognise domestic and international efforts on climate action and call on Ministers to ensure that international agricultural trade is not unnecessarily hindered in undertaking its critical role in securing global food security on the pretext of sustainability and climate action.

The past years have been defined by global crises, including those related to the pandemic. During this period, countries have demonstrated an ability to share and provide information and notifications of measures adopted in response to the pandemic in a relatively timely and transparent manner. Such practices should remain in place and be made permanent to increase the transparency and timeliness of notifications for sanitary and phytosanitary as well as other technical measures that affect agricultural trade, recognizing constraints on developing countries on this matter. This timeliness and cooperation should also be extended to sharing information on the justification for such measures as well as working together on other potential solutions to manage risks without blocking trade.

Addressing tariff barriers

Farm leaders call for an expansion of market access opportunities for agricultural products, including the elimination of non-tariff barriers. The elimination of such barriers is essential for the legitimacy of the trade liberalization agenda.

Similarly, Farm Leaders call for greater certainty and transparency on the imposition of bound tariffs and supports calls for tariff certainty for agricultural and food goods in transit. Changes to bound tariffs for goods in transit places unnecessary risk and burden on producers, particularly for perishable goods.

The intersection of trade, sustainability, and food security

The positive role that liberalized agricultural trade can play in supporting sustainable agriculture, action on climate, food systems and addressing global food security needs must be made more explicit in other international fora, in addition to the WTO.

The Marrakesh Agreement establishing the WTO recognized Members' shared desire to optimize 'use of the world's resources in accordance with the objective of sustainable development, seeking both to protect and preserve the environment and to enhance the means for doing so'.

As the exponential risks and the effects of climate change have become more evident, the issues of sustainability, the environment, climate and global food security have become more acute. According to the Intergovernmental Panel on Climate Change (2018)ⁱⁱ, agriculture production will be one of the sectors most severely affected by the impacts of climate change. Agriculture is also a solution and central to addressing sustainability and climate change issues.

The concept of open trade supports a sustainable global agricultural sector by ensuring that the most efficient producers supply agricultural products to consumers at the most market competitive price with the least inputs. This process, coupled with appropriate regulations, is central to ensuring sufficient access to nutritious foods while using fewer resources, has positive environmental benefits, and responds to growing consumer demand for sustainable products. While agriculture faces some of the most significant challenges from issues like climate change, the efficiencies and the best practice processes that competitive global trade provides is a solution to these challenges.

Trade-distorting domestic support and other market distorting government policies, are embedding inefficient and wasteful practices within agricultural production systems which diminish the sector's ability to support global food security and achieve greater sustainability outcomes.

Farm Leaders are concerned that current international dialogue, particularly the 2021 United Nations Food Systems Summit, fails to recognise the central role and benefits of agricultural trade. This is in stark contrast to the position highlighted in the UN Sustainable Development Goal 2 – *End hunger, achieve food security and improved nutrition and promote sustainable agriculture*. Target 2.B states the need to:

“Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round”

Rising food prices across the globe are of concern and it is acknowledged that high food prices will be felt hardest in net food importing, low-income countries. To help address this rising food insecurity, the Cairns Group Farm Leaders advocate for maintaining open, transparent and predictable agricultural trade.

The Farm Leaders urge Members to agree to a pathway forward on agricultural trade reform at MC13. Progress on the agriculture reform agenda would better underpin the global agricultural sector's contribution to sustainability and global food security outcomes in the years to come.

To this end, Farm Leaders also support limiting export restrictions, including a system of prior notification and consultation with affected importing countries, and exemptions for the World Food Programme.

Farm Leaders reaffirmed their support of the Cairns Group's Statement on the Contribution of the Multilateral Trading System to Sustainable and Resilient Agriculture and Food Systems.

Upholding the multilateral rules-based trading system, including support for the WTO dispute settlement system

A central element of the multilateral rules-based trading system is the WTO dispute settlement system. The dispute settlement system provides security and predictability to the multilateral rules-based trading system. Restoring a fully functioning dispute settlement system will increase the likelihood of WTO Members embracing an agricultural reform agenda.

As such, the Farm Leaders seek that Members re-commit at MC13 to restoring a fully and well-functioning WTO dispute settlement system accessible to all Members by the end of this year, as agreed at MC12.



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ⁱ OECD (2023), *Agricultural Policy Monitoring and Evaluation 2023*, at URL: [Agricultural Policy Monitoring and Evaluation 2023 : Adapting Agriculture to Climate Change | Agricultural Policy Monitoring and Evaluation | OECD iLibrary \(oecd-ilibrary.org\)](https://www.oecd-ilibrary.org/agriculture-and-rural-development/agricultural-policy-monitoring-and-evaluation-2023-adapting-agriculture-to-climate-change)

ⁱⁱ IPCC, 2018: Summary for Policymakers. In: *Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty* [Masson-Delmotte, V., P. Zhai, H.-O. Pörtner, D. Roberts, J. Skea, P.R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R. Pidcock, S. Connors, J.B.R. Matthews, Y. Chen, X. Zhou, M.I. Gomis, E. Lonnoy, T. Maycock, M. Tignor, and T. Waterfield (eds.)]. In Press at URL: https://www.ipcc.ch/site/assets/uploads/sites/2/2019/05/SR15_SPM_version_report_LR.pdf