Hopes and Fears: The New World Trade Negotiations and Southern Agriculture

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ABSTRACT

Understanding the impacts of the Uruguay Round (UR) Agreement on southern commodities serves as a starting point to assess the potential impacts of the next global trade negotiations in terms of hope (expanding export markets) and fear (new competition). Key issues examined include whether or not the UR Agreement resulted in new markets or new competition for key southern commodities—cotton, poultry, tobacco, and rice. For new markets, export data were analyzed to determine if exports increased since the passage of the UR Agreement in 1994. Also, countries that are leading world importers of these southern commodities were identified and data analyzed to determine whether the U.S. is exporting to these top markets. Alternatively, to assess whether the UR Agreement resulted in new competition for southern commodities, countries that are leading world exporters were identified and data analyzed to determine whether the U.S. is among them. Data analyses was supplemented with interviews of southern commodities experts who assess impacts of the GATT-UR and identify issues for the next round of global trade negotiations.

Key Words: agricultural trade, cotton, General Agreement on Tariffs and Trade (GATT), international trade, poultry, rice, the South, tobacco, Uruguay Round Agreement, World Trade Organization (WTO)

Expression of Gratitude and Introduction

I would like to take this opportunity to express my gratitude to my fellow officers of the Southern Agricultural Economics Association (SAEA). Over the past three years I have enjoyed working with Drs. Bill Boggess, Lynn Reinschmiedt, Patricia Duffy, Eduardo Segarra, Damona Doye, Hector Zapata, Michael Dicks, Phil Kenkel, Michael Wetzstein, Chung Huang, Charles Moss, and James Seale, Jr. All have been dedicated to the SAEA and I am sure that I can speak for the membership in showing appreciation for their service to our profession. Thank you.

Today, my SAEA Presidential Address focuses on the next round of global trade negotiations and the hopes and fears associated with potential outcomes for southern agriculture. I will briefly discuss the history of the
General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO); the impacts of the Uruguay Round Agreement on major southern agricultural commodities; the potential outcomes for the next round of global trade agreements on these key southern commodities—whether or not they provide new market opportunities, which is the “hope” part of my title, or new competition, which is the “fear” part of my title. I will also discuss general issues for the next trade agreement, and close with a challenge to our profession.

History of the GATT/WTO

The General Agreement on Tariffs and Trade was established by 23 countries in 1947–48. Originally the GATT focused on traded goods only and included a forum for trade negotiations, tariff reductions, and a cumbersome dispute settlement procedure. The World Trade Organization, which evolved from the GATT–Uruguay Round, now has more than 130 member countries. The GATT/WTO is headquartered in Geneva, Switzerland.

Eight trade rounds have occurred since the inception of the GATT in 1947 in Geneva (WTO, 1998). The first five rounds concentrated solely on reducing tariffs. Fewer than 40 countries were involved. The Kennedy Round, from 1964–1967, also focused on anti-dumping in addition to tariff reductions and involved 62 countries. The Tokyo Round, 1973–1979, also examined some non-tariff barriers with 102 countries involved. The most recent round, the Uruguay Round, lasted from 1986 to 1994, with 123 countries participating. In this Round, for the first time, agricultural commodities and intellectual property rights were included in the discussions. Further, a dispute-settlement mechanism was proposed, and the World Trade Organization was created. The Uruguay Round is described in more detail below.

Outcomes of the GATT–Uruguay Round Agreement

Overview

Starting from a broad perspective, the Uruguay Round (UR) created the World Trade Organization, which covers trade in goods, services, and intellectual property rights. In contrast, the GATT focused solely on traded goods; thus the WTO serves as an umbrella organization encompassing all three areas (World Trade Organization, 1998). Additionally, the UR Agreement established a Dispute Settlement Body (DSB) for the purpose of settling disputes among WTO member countries. Most recently, the DSB sided with the U.S. over the preferential treatment by the European Union (E.U.) to former European colonies in the banana trade.

As described in the WTO’S 1998 publication Trading into the Future, although the legal texts of the Uruguay Round consist of a “daunting list of about 60 agreements, annexes, decisions, and understandings,” the agreements fall into a simple structure. “The agreements for the two largest areas of trade—goods and services—share a common three-part outline, even though the detail is sometimes quite different.”

- “They start with broad principles: the General Agreement on Tariffs and Trade (GATT) (for goods), and the General Agreement on Trade in Services (GATS). (The agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) also falls into this category although at present it has no additional parts.)
- Then come extra agreements and annexes dealing with the special requirements of specific sectors or issues.
Table 1. Outcomes of the GATT–Uruguay Round. Numerical Targets for Cutting Subsidies and Protection for Developed and Developing Countries

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<td>Average Tariff Cut:</td>
<td>–36%</td>
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<td>Minimum Cut per Product:</td>
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<td><strong>EXPORT SUBSIDIES</strong></td>
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<td>Cut in Value:</td>
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<td>Cut in Quantity:</td>
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<td><strong>DOMESTIC SUPPORT</strong></td>
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<td>Total AMS cuts</td>
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- Finally, there are the detailed and lengthy schedules (or lists) of commitments made by individual countries allowing specific foreign products or service-providers access to their markets. For GATT, these take the form of binding commitments on tariffs for goods in general, and combinations of tariffs and quotas for some agricultural goods."

"Much of the Uruguay Round dealt with the first two parts: general principles and principles for specific sectors" (WTO, 1998).

For goods (under GATT), many sector specific agreements were included. Specific agreements that relate to agriculture include the following:

- **Agreement on Agriculture** (described in more detail below), which established numerical targets for cutting subsidies and protection. Developed countries were given a six-year target, from 1995 to 2000, while developing countries were given a 10-year target, from 1995 to 2004. The three target reduction areas were market access, export subsidies, and domestic support (See Table 1 for specific cuts. Source: WTO, 1998).

- **Agreement on the Application of Sanitary and Phytosanitary (SPS) Measures**, with the intent that these measures were to be based on science, such as the international standards used by the World Health Organization, rather than used as trade barriers (WTO, 1998).

- **Agreement on Technical Barriers to Trade**, which covers legally binding technical requirements relating to SPS measures, such as product content requirements, processing methods, and packaging (WTO, 1998; Normile and Simone in USDA–ERS "WTO Briefing Room").

Other items of the UR included the Trade Policy Review Mechanism, which calls for the review of national policies in regards to their impact on trade. In the "Quad" countries (Canada, Japan, the E.U., and the U.S.), national policies are to be reviewed every two years, while other WTO nations will review their policies every four years. Additionally, the UR Agreement included a built-in agenda for selected economic sectors in future global trade negotiations, including the upcoming Agricultural Negotiations, which are scheduled to be initiated November 30 through December 3, 1999, in Seattle, Washington.

**Uruguay Round Agreement on Agriculture**

"The Uruguay Round Agreement on Agriculture (URAA) represents a fundamental change in the way agriculture is treated under the rules governing trade among WTO member countries. Under the Agreement, countries..."
agreed to substantially reduce agricultural support and protection in the areas of market access, domestic support, and export subsidies” (Normile and Simone in USDA–ERS WTO Briefing Room).

“Under the URAA, countries pursued comprehensive liberalization of agricultural trade by agreeing to numerical targets for cutting subsidies and protection” (Table 1).

- **Market access.** In the URAA, countries agreed to open markets by prohibiting non-tariff barriers (including quantitative import restrictions, variable import levies, discretionary import licensing, and voluntary export restraints), converting existing nontariff barriers to tariffs, and reducing tariffs. Countries were obligated to provide a minimum level of import opportunities for products that were previously protected by nontariff barriers by establishing tariff-rate quotas (TRQs). TRQs set a relatively low tariff on imports up to the minimum access level, while additional imports face much higher protection. The guidelines established a minimum access level at three percent of domestic consumption initially, expanding to five percent by the end of the implementation period.

- **Export subsidies.** URAA signatory countries also agreed to reduce expenditures on export subsidies and the quantity of agricultural products exported with subsidies, and to prohibit the introduction of new export subsidies for agricultural products.

- **Domestic support.** Domestic support reductions were realized through commitments to reduce an Aggregate Measure of Support (AMS), a numerical measure of the value of all trade-distorting domestic policies, with certain exceptions. The intention was to allow governments to support their agricultural sectors and rural economies so long as the measures employed are non- or minimally trade distorting. Policies not subject to reduction, called “green box” programs, include research, inspection, income stabilization, natural disaster relief, and other programs like crop insurance, environmental programs, and rural assistance which could have an effect on production and trade” (Normile and Simone in USDA–ERS WTO Briefing Room).

**Trade Impacts on Major Southern Commodities**

**An Overview**

Understanding the impacts of the Uruguay Round Agreement on southern commodities can serve as a starting point to assess the potential impacts of the next global trade negotiations. Data analyses are presented below, followed by results of interviews with experts on major southern commodities who assess impacts of the GATT–UR and identify issues for the next round.

First, I defined southern agricultural commodities using data from the *Census of Agriculture* (U.S. Department of Commerce). Next, I examined the impact of the Uruguay Round on these key southern commodities, looking at whether or not the UR Agreement resulted in new markets or new competition. For new markets, the key question is whether exports of these southern commodities have increased since the passage of the UR Agreement in 1994. I used data from the following sources to address this question: U.S. Department of Agriculture (USDA), specifically from the Foreign Agricultural Service (FAS) Bulk, Intermediate, and Consumer Oriented (BICO) Report; and the Economic Research Service (ERS) *Foreign Agricultural Trade of the United States (FATUS)* database.

Alternatively, to analyze whether the UR Agreement resulted in new competition for
southern commodities, countries that are leading global exporters are identified using the PS&D View database. The key question is to determine whether the U.S. is among these leading exporting countries.

Southern Commodities

This analysis focuses on the top four Southern agricultural commodities by export value—cotton, poultry, tobacco, and rice (USDA-FAS; BICO). Given these commodities, key questions concern the relative production of the Southern region of the U.S. and whether U.S. export data for these commodities can be used to proxy exports from the South. The U.S. Department of Commerce’s Census of Agriculture produces maps of the U.S. showing the location and amount of production for agricultural commodities. The Southern region of the U.S. dominates cotton production, with additional production in California and Arizona. For broilers, again, the majority of U.S. production occurs in the South. The Census also includes maps showing the change in production between 1987 and 1992. Broiler production has rapidly expanded in the South, while it decreased in California and Washington over this five-year period. For tobacco, the South dominates production. For rice, the South is once again the major producer in the U.S., with some rice production also occurring in California. Since the majority of U.S. production of these commodities is in the Southern region of the U.S., U.S. export data serves as a proxy for exports from the South.

GATT UR Impacts—The Hope or the Fear?

Exports of Key Southern Commodities

In regards to new market opportunities for major agricultural southern commodities, the general criterion is to determine whether U.S. exports of these commodities have increased since the Uruguay Round was adopted in 1994. Figure 1 includes U.S. export values of our four leading Southern commodities—cotton, poultry, tobacco, and rice (USDA–ERS; FATUS). Exports have increased for all four Southern commodities, although some have increased more than others. Exports have increased dramatically for poultry, while cotton exports dramatically increased in 1995, but have since fallen. Less dramatic increases in export values have occurred for rice, while tobacco export values experienced relatively small fluctuations throughout the 1990s. Thus, overall it appears that exports have increased for these major southern commodities.

Figure 1. U.S. Exports—Major Southern Commodities. Source: USDA–ERS.
Major southern commodities are now examined individually to identify (1) leading world exporting countries, and to determine whether the U.S. is among these leading exporters; and (2) leading world importing countries, and to determine whether the U.S. is exporting to these leading markets. This research procedure is consistent with a similar analysis that examined the impact of developing countries on key southern commodities, since developing countries are both important markets and competitors for the South, and this balance varies depending on the commodity (Marchant and Ruppel, 1993). Following data analyses, results of interviews with commodity experts are presented to assess the impacts of the GATT–UR as well as identify issues for the next round of global trade negotiations.

Cotton

Cotton is an input into textile manufacturing; thus, the demand for cotton is a derived demand. Figure 2 lists the major exporting countries for cotton (USDA–ERS; PS&D View). The U.S. has led the world export market throughout the 1990s with Uzbekistan in second place, excluding 1992. Other leading exporting countries include Australia and Syria, both with recent increases in cotton exports, and Argentina and Turkmenistan. Thus, the U.S. has been competitive on the world market in terms of being a leading exporter of cotton.

Turning to the question of new markets, two questions are relevant: (1) Which countries are leading world markets for cotton exports? And (2) Does the U.S. export to these top markets? Figure 3 lists the top world importing countries of cotton (USDA–ERS; PS&D View). Russia was the leading importer in the early 1990s, followed by Japan; however, both countries’ cotton exports declined throughout the 1990s. China was the leading cotton importer in the mid-1990s. The recent economic crisis in Asia is reflected by its decline in imports. Other leading cotton importing countries include Indonesia, Brazil, and South Korea.

Figure 4 identifies the six leading U.S. export markets for cotton—China, Japan, Mexico, Indonesia, South Korea, and Turkey (USDA–ERS; FATUS). Thus, four of the six markets for U.S. cotton exports—China, Japan, Indonesia, and South Korea—are also leading world markets. Note the dramatic increase in exports to Mexico, indicating the impact of the North America Free Trade Agreement (NAFTA) and the development of the Maquiladora processing area on the U.S.–Mexican border. Thus, overall U.S. cotton ex-
ports have increased since passage of the Uruguay Round Agreement; the U.S. has been the number one world exporting country for cotton, indicating competitiveness; and the U.S. is exporting to countries which comprise top world markets, plus Mexico.

I spoke with cotton experts Drs. Don Ethridge and Eduardo Segarra (Texas Tech University) about the impact of the GATT–Uruguay Round Agreement on cotton, as well as issues for the next round of global trade negotiations. As shown above, U.S. exports of cotton have increased overall since 1994, when the Uruguay Round Agreement was approved, and exports to Mexico particularly increased. The development of the cotton processing Maquiladora area on the U.S.–Mexican border spurred this increase. In the future, the phase-out of the Multi-Fiber Agreement (MFA) will hurt U.S. cotton producers and exporters by eliminating U.S. bilateral trade agreements and increasing competition with developing countries. Also for the future, potential problems exist with the economic
"Asian Flu," where U.S. cotton exports to China have declined in recent years. This is particularly important since China has been the leading U.S. export market for cotton during 1994–1997.

Poultry

Exports of U.S. poultry have dramatically increased in the 1990s, from just over $1 billion in 1993 to nearly $2.5 billion in 1997 (Figure 1). On a volume basis, U.S. poultry exports have increased from 554 thousand metric tons in 1990 to over 2.5 million metric tons in 1998 (Figure 5; USDA–ERS; PS&D View). Figure 5 identifies the leading poultry exporting countries in the world. The U.S. has been the leading world poultry exporter by both volume and value throughout the 1990s, while France has maintained its secondary position, followed by the Netherlands, whose poultry exports were recently surpassed by Brazil on a volume basis (USDA–ERS; PS&D View). China and Hong Kong complete the major poultry exporting countries. Thus, the U.S. has been very competitive in exporting poultry throughout the 1990s.

On the marketing side, the leading world importing countries for poultry are identified in Figure 6 by export volume (USDA–ERS; PS&D View). From 1995–97, Russia was the leading importer of poultry followed by Hong Kong and China, where respective poultry imports have steadily risen in the 1990s. Other key importers of poultry include Japan and Germany, who become the two top-ranking poultry importing countries from a value basis (FAO; FAOSTAT). The United Kingdom and the Netherlands are also important importing countries from a value perspective, while Saudi Arabia is a leading poultry importer from a volume perspective.

Figure 7 identifies the leading U.S. export markets for poultry by volume (USDA–ERS; FATUS). Russia has been our number one export market both by volume and value (USDA–ERS; FATUS; FAO; FAOSTAT). Russian poultry imports from the U.S. dramatically increased in the mid-1990s, peaking in 1997, followed by a recent downturn due to their economic crisis. Hong Kong is the second U.S. export market for poultry, followed by Mexico, and to lesser extent Canada, Japan, and Latvia, which are closely grouped. The U.S. top three markets—Russia, Hong Kong, and Mexico—hold the same rankings, regardless of whether the U.S. export data is viewed from a volume or value perspective. Three of the six major U.S. export markets—Russia, Hong Kong, and Japan—are also major world markets.

According to poultry expert Dr. H. L.
Goodwin (University of Arkansas), phytosanitary regulations prevent the U.S. from exporting poultry to the European Union, which includes important importing countries—Germany, the Netherlands, and the United Kingdom. The U.S. and the E.U. currently have a working group of veterinarians trying to harmonize standards. Also, a slow down of industry growth is expected given the economic “Asian Flu” and the Russian economic crisis.

Recall that Russia and Hong Kong have been the leading U.S. poultry export markets since 1994. Japan may be a potential growth market, since the Japanese do not impose trade restricting phytosanitary standards. Additionally, growth of U.S. domestic consumption for poultry is slowing. Thus, in summary, U.S. poultry exports have dramatically increased in the 1990s; the U.S. is competitive on the global export market for poultry, being the leading
Tobacco

Tobacco is a differentiated product. Different tobacco types—such as, burley, flue-cured, and oriental—are blended together during processing. Figure 8 identifies the leading world exporting countries of tobacco by volume (USDA–FAS; Tobacco: World Markets and Trade). Brazil and the U.S. have been the leading exporting countries throughout the 1990s. If exports were shown on a value perspective instead of a volume perspective, the U.S. would become the number one global tobacco exporter throughout the 1990s (FAO; FAOSTAT). According to tobacco expert Dr. Will Snell (University of Kentucky), the U.S. is quality competitive on the world market but not price competitive. Other important tobacco exporters include Zimbabwe (where tobacco exports peaked in 1994), Turkey (which produces the oriental type of tobacco), and Greece. Italy and Malawi are also major tobacco exporting countries.

The leading tobacco importing countries are identified in Figure 9 (USDA–FAS; Tobacco: World Markets and Trade). In addition to being a leading tobacco exporter, the U.S. is the top tobacco importing country, followed by Germany, on both a volume and value basis (USDA–FAS; FAO; FAOSTAT). Other leading importers include Japan, Russia (on a volume basis only), the Netherlands, and the United Kingdom. Given the differentiated product characteristics of tobacco needed for the blending process, it makes sense that the U.S. is both a leading importer and exporter of tobacco. Figure 10 shows the top U.S. export markets (USDA–ERS; FAGUS). Germany and Japan are the top U.S. export markets on both a volume and value basis. Other key importing countries include Belgium, the Netherlands, Thailand, and Turkey. Thus, the U.S. does supply tobacco to top world markets—Germany, Japan, the Netherlands (which contains a key transshipment port for the European Union), and the U.S. through domestic consumption. According to Dr. Snell, tobacco markets have been more impacted by political issues, both domestically and internationally, as well as price/quality trade-offs related to blending, compared to the impacts from previous trade agreements.  

2 For more information, see Brown, Snell, and Tiller’s SAEA invited paper entitled “The Changing Political Environment for Tobacco Farmers—Implications for Southern Rural Economies, Taxpayers and Consumers” in this JAAE issue.
Rice

Rice is characterized by a "thinly traded" world market, where individual countries (e.g., China, Japan, and Vietnam) can have a major impact on the world market, depending on their domestic production, be it a shortfall or surplus. Figure 11 identifies the leading world rice exporters by volume (USDA–ERS; PS&D View). Thailand has been the leading exporter throughout the 1990s, both by volume and by value (USDA–ERS; FAO; FAOSTAT). The U.S. has historically been the second leading global exporter of rice by value throughout the 1990s, and by volume during the early 1990s. Vietnam's exports have generally increased throughout the 1990s. India was a major exporting country by volume in the mid to late 1990s; however, Italy replaces India as a major rice exporter when viewed from an export value basis. Pakistan is also a leading exporter of rice, on both a volume and value basis, although to a relatively lesser extent than other major exporting countries. China's exports...
have been highly variable, exhibiting the "thin" world rice market characteristics. Thus, the U.S. is one of the world's top exporters of rice, both by value and by volume.

Figure 12 lists the major importing countries of rice on a volume basis (USDA–ERS; PS&D View). Once again, the "thin" world rice market characteristics play a role, so that a variety of major importing countries become dominant in different years. Most recently, Bangladesh has been the top rice importing country. Indonesia's rice imports have been highly variable throughout the 1990s, with 1997 and 1998 imports dramatically rising. Alternatively, rice imports by Brazil and Iran have been less erratic. The Philippines also increased their rice imports in the mid to late 1990s. Japan's imports peaked during the 1993 marketing year—again demonstrating the "thin" rice world market—bottomed-out in 1994, and have generally increased since then, indicating the positive impact of the Uruguay Round. Other leading rice importing countries throughout the 1990s include Iraq, Malaysia,
Nigeria, Saudi Arabia, South Africa, and Turkey, although their relative ranking varies by year. On a value basis, top world rice importing countries include Brazil, France, Saudi Arabia, Japan, the United Kingdom, and the United States (FAO; FAOSTAT).

Figure 13 identifies the U.S. leading export markets for rice by volume (USDA–ERS; FAOSTAT). Mexico's rice imports from the U.S. have steadily increased throughout the 1990s. Mexico has become the number one market for U.S. rice exports by volume in the late 1990s. Alternatively, Japan's imports of U.S. rice have been highly variable. Japan is the number two market for U.S. rice exports by volume, and the number one market by value (FAO; FAOSTAT). Other top markets for U.S. rice exports include Canada, Haiti, Saudi Arabia, and Turkey. Given the "thin" world market characteristics for rice, where individual major importing countries vary by year, it is difficult to apply the above competitiveness criterion regarding U.S. exports to top world markets. Based on export volume, the U.S. is exporting rice to one leading global importing country, Japan. However, by export value, the U.S. is supplying rice to three top global importers—Japan, Saudi Arabia, as well as ourselves, the United States. In both cases, other top U.S. export markets include NAFTA neighbors Mexico and Canada.

According to rice expert Dr. Gail Cramer (University of Arkansas), the minimum access requirement of the GATT–Uruguay Round opened up Japanese and South Korean rice markets. It's a start and it should improve. Exports of U.S. rice (especially to Japan and Mexico) have increased since passage of the Uruguay Round Agreement. Also, phytosanitary regulations affect trade with Central and South America to the benefit of U.S. rice producers and exporters. For the future, continued reduction in trade barriers are expected, but the key question is how fast trade liberalization will occur (Cramer, Hansen, and Wailes). Japan implemented tariffication on rice on April 1, 1999. Considering that the price of rice in Japan is about ten times that of the world price, trade liberalization is expected to dramatically affect their domestic production.

General Issues for the Next Trade Agreement

The previous sections of this paper examined the impacts of the GATT–UR Agreement on major southern commodities in terms of both the hope (expanding export markets) and the fear (new competition). Additionally, key issues for the next round of global trade negotiations were identified through interviews.
with commodity experts. This section identifies general issues for the next round of global trade negotiations, which may indirectly impact southern commodities. As countries enter this next round of trade negotiations, the “80:20 Rule” may prevail. This refers to the concept that the first 80 percent of trade negotiations dealt with “easy” issues in terms of trade liberalization in prior trade negotiations, and that the remaining 20 percent of trade liberalization issues are difficult, and that is what is left for future rounds (Robinson).

Unresolved issues to be addressed in the upcoming agricultural negotiations include further reductions in export subsidies, moving towards their elimination; expansion of market access through tariff reductions and liberalization of tariff rate quotas; further reductions in domestic support, moving towards decoupling; stricter WTO disciplines on state trading enterprises (STEs) with increased transparency of STE pricing and operational activities (see Kennedy, Koo, and Marchant); and tighter restrictions on the use of sanitary and phytosanitary (SPS) measures, ensuring that these measures are based on scientific evidence and principles.

Additionally, biotechnology used in commercial agriculture raises new issues for the next trade round. Agricultural biotechnology has significant potential for consumers and producers by helping to guarantee a global food supply through increased agricultural production, while conserving habitat. Examples of these genetically modified organisms (GMOs) include corn and soybeans that are insect resistant and herbicide tolerant. The U.S. leads the world in acreage planted to GMOs and in their regulatory approvals. Differences among countries’ GMO regulations pose potential barriers to these exports and raise the need for mutual recognition of countries’ regulations, harmonization of existing regulations among countries, or by negotiation of an international standard (Normile and Simone).

Country and regional issues that affect the upcoming global trade negotiations include the following questions: Will the U.S. regain fast track authority? What will be the impact of the E.U.’s Agenda 2000? What role will developing countries play (see Amponsah, Colyer, and Jolly)? Will China and Russia become WTO members and what impact will they have on the next round?

Additional concerns for the next round include the concept of multifunctionality. This refers to issues beyond agricultural trade that enter into the trade negotiations, for example, the impact of trade policies on the environment, rural communities and quality of life. The E.U. is particularly interested in multifunctionality. Finally, process issues are related to the upcoming negotiations. Specifically, will the next round be long and comprehensive, similar to the Uruguay Round, or short and focused, given that it is scheduled to start on January 1, 2000 and the agriculture portion in late 1999 in Seattle, Washington?

Given the above discussion of the history of the GATT/WTO, the impact of the Uruguay Round Agreement on southern agricultural commodities and potential outcomes for the next round—the “hopes and the fears” and general issues confronting the next round, I would like to close with a challenge to our profession.

Challenge to Agricultural Economists

In closing this paper on the hopes and fears associated with the upcoming global trade negotiations and potential impacts on southern agriculture, I ask myself does this next round of global trade negotiations present “hope or fear” for southern agricultural commodities? It may be both. We agricultural economists can provide the leadership in addressing these important issues. We have the analytical skills and tools to address these “hopes and fears” issues. Regardless of your area of specialization within the field—production, marketing, international trade, agribusiness management, resources and the environment, risk assessment, policy analysis, economic development, or others—I challenge you to use your analytical skills to enter this global policy debate. Each of us can contribute valuable information to our peers, students, the general public, the private sector, policymakers, and government
officials regarding the impact of the next round of global trade negotiations. This need for education and outreach to the general public regarding the benefits of trade becomes glaringly apparent during political campaigns. It is important that agricultural economists provide the facts—both positive and negative—on the impacts of international trade.\(^3\) I urge you to accept this challenge and contribute to this global policy debate.

**References**


\(^3\) For more information on international trade issues addressed during this SAEA meeting, I refer you to two trade symposia: (1) Bert Greenwalt and David Schweikhardt’s “An Industry Perspective on the International Trade Environment: Issues and Alternatives for the Next WTO Round” and (2) Parr Rosson and Flynn Adcock’s “Prospects and Potentials for a Free Trade Area of the America’s.”
