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Agreement on Agriculture

Lars Brink and David Orden

Selected presentation for the International Agricultural Trade Research Consortium's (IATRC's) 2023 Annual Meeting: The Future of (Ag-) Trade and Trade Governance in Times of Economic Sanctions and Declining Multilateralism, December 10-12, 2023, Clearwater Beach, FL.

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Agreement on Agriculture

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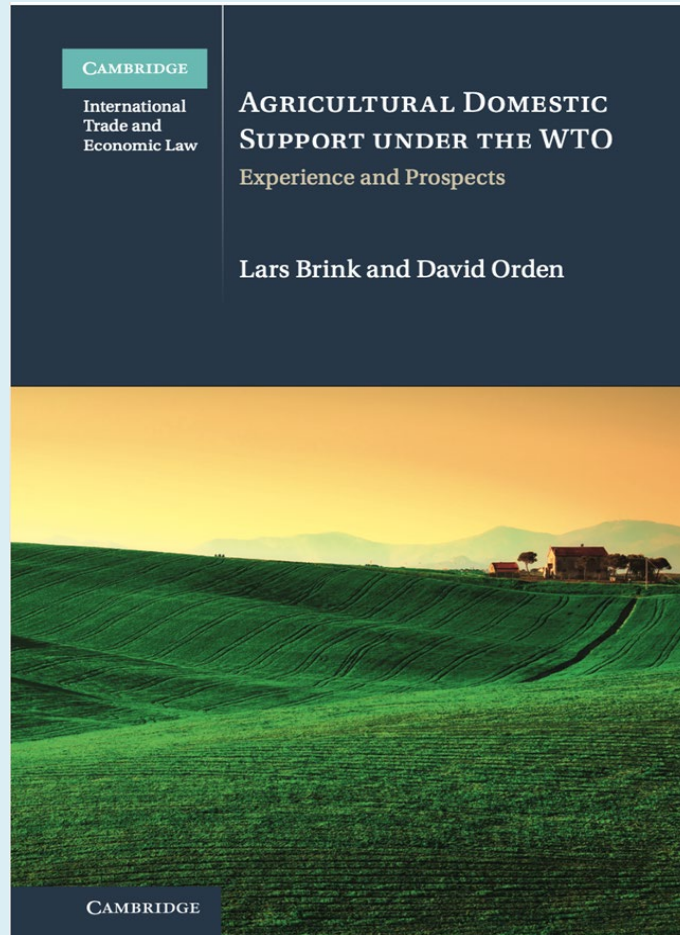
orden@vt.edu

IATRC Annual Meeting

Session 4: The WTO and Agriculture: Status and Prospects

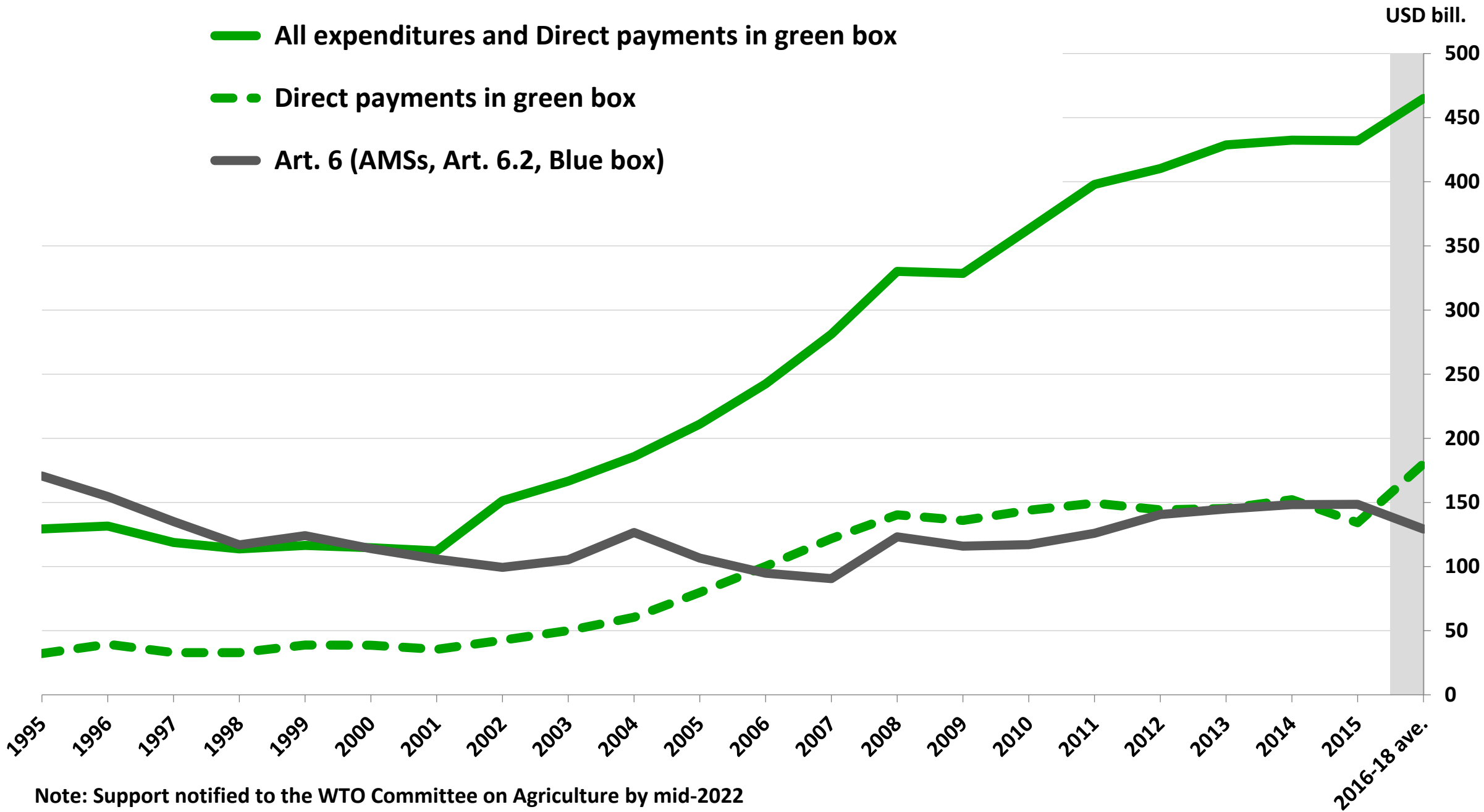
December 10, 2023

Presentation draws on our recent book



Contents

- Introduction
- Agriculture and SCM Disciplines
- Economic Analysis
- Trends in Support
- Transparency
- Issues under Negotiation
- Disputes over Domestic Support
- Twenty-First Century Priorities
- Lessons from the Experience

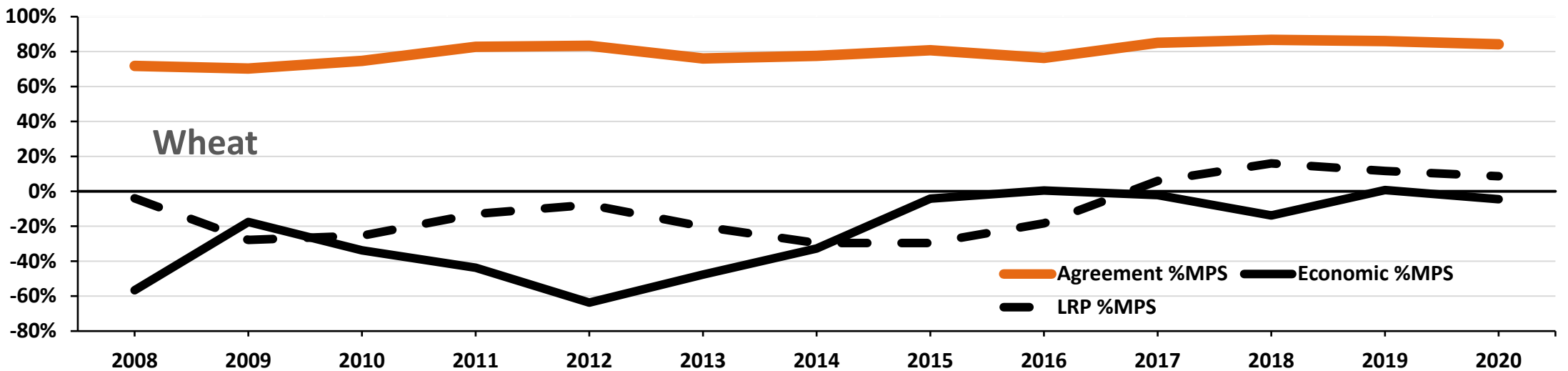
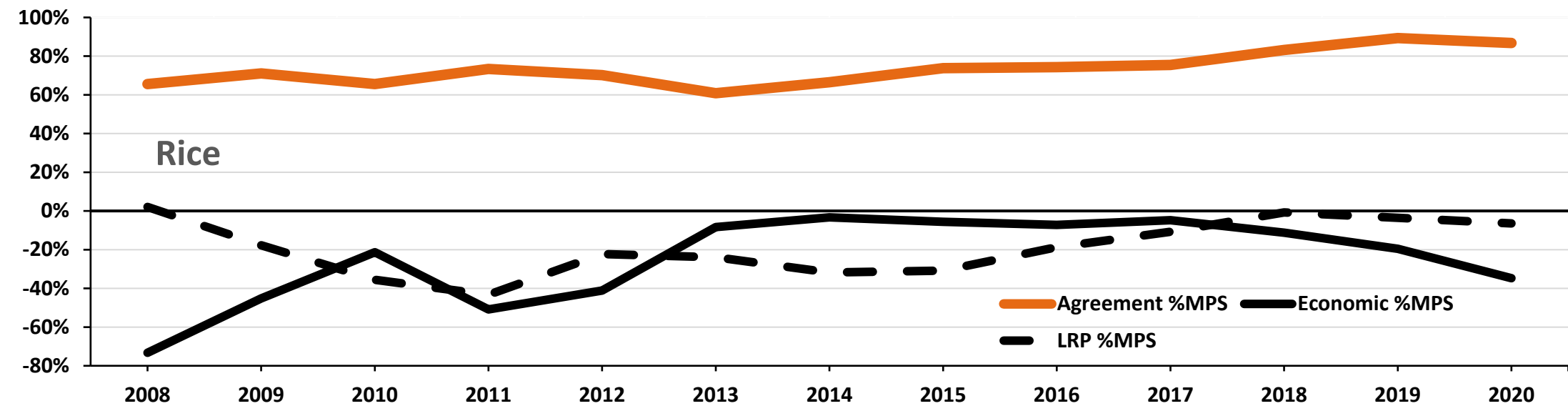


Food security a priority issue but MC13 expectations modest

- Involves multiple dimensions of the Agreement and responsibilities of exporters and importers
- Lack of consensus on steps to be taken

Domestic support issues related to the Agriculture Agreement long-term objective

- Policy space for *de minimis* support
- Concentrated support and unbalanced support flexibility
- Problematic measurement of Market Price Support (MPS)



MPS measurements for India Rice and Wheat

Note: In these figures the Agreement MPS is measured with annual AAPs and the 1986-88 FERP in nominal Indian Rupees and eligible production as total production. India notified lower values.

Significance of the green box (Annex 2)

Exempts from limit support meeting a fundamental requirement of at most minimal trade-distorting effects or effects on production and specifies basic and policy-specific criteria and conditions for measures to be exempted

Issues related to biodiversity and mitigating climate change

Clarify green box rules and wording

- **Fundamental requirement and negative production effects**

- **Payments under Environmental programs (para. 12) limited to extra costs or loss of income**

Pay producers for results or outcome, not production methods

- **Role for payments exempted under para. 5 and para. 6 (Decoupled income support) if conditional on achieving measured biodiversity or climate mitigation results or outcomes**

Thank you for your attention

- **Brink and Orden (2023). Agricultural Domestic Support under the WTO: Experience and Prospects. Cambridge University Press** <http://www.cambridge.org/9781316514054>
- **Orden and Brink (2022). Revising the WTO Measurement of Agricultural Price Support to Resolve the Impasse on Public Stockholding. Trade, Law and Development 14(2) (National Law Univ., Jodhpur; open access)**
<https://www.tradelawdevelopment.com/index.php/tld/article/view/228>
- **IFPRI Policy Seminar (video). Farm Subsidies and International Trade Rules, May 25, 2023** <https://www.ifpri.org/event/farm-subsidies-and-international-trade-rules>