


DOHA

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National Workshop for Dairy Economists and
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- Status of WTO negotiations
- Issues
- Paths forward



Doha timeline

- November 2001 – kickoff in Doha
- August 2003 – Cancun collapse
- July 2004 – Framework Agreement
- October 2005 – US proposal
- December 2005 – Hong Kong Ministerial
- July 2006 – talks suspended
- June 2007—collapse of G4 process at Potsdam
- July 2007—Falconer text on agriculture
- Sep 2007—Ag negotiations in Geneva resume
- July 2008—revised texts on Ag, NAMA
- July 2008—Collapse of mini-ministerial in Geneva
- December 2008—revised texts on Ag, NAMA
- 2009 ?



Basic Framework

- Three Pillars for Agriculture
 - Market access (tariffs, TRQs, sensitive/special products)
 - Domestic support (subsidies, boxes)
 - Export competition (export subsidies, credits, food aid, STEs)
- Other for Non-Agriculture
 - NAMA
 - Rules
 - Services
 - GIs



Key unresolved items

- Domestic Support
 - Blue and amber box caps
 - Overall Trade Distorting Support
 - Cotton (more ambitious, expeditious)
- Market Access
 - The general tariff formula
 - Flexibilities: Sensitive products and Special products
 - Special safeguard mechanism
- Export Competition
 - Food Aid - monetization
 - STEs - end monopoly powers
 - Credits - maintain some viable program



Domestic Support

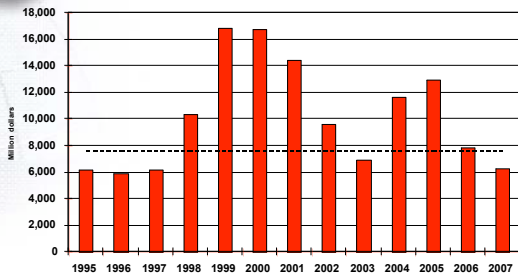


WTO Boxes for Farm Subsidies

- **Amber:** most trade-distorting; tied to price or output; currently subject to annual limits
 - Product specific
 - Non-product specific
- **Green:** non or minimally trade-distorting; decoupled support, no limit on support
- **Blue:** trade-distorting but has production-limiting features and payments based on historical production; no limit on support

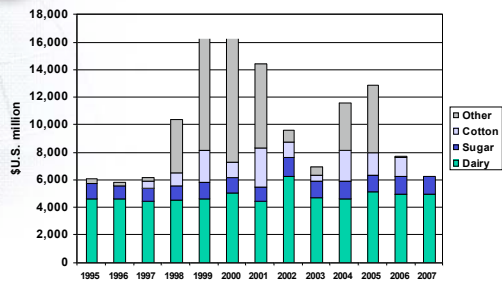


US amber box support



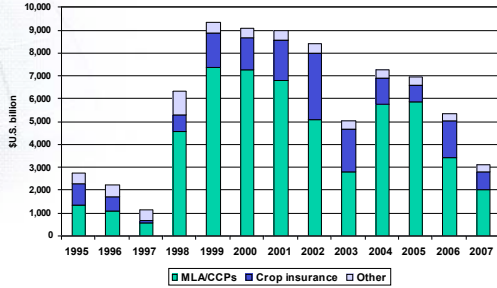


Composition of U.S. AMS



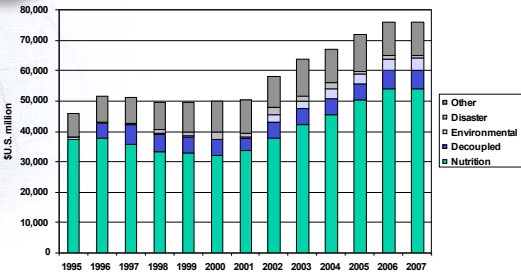


Non-product specific support



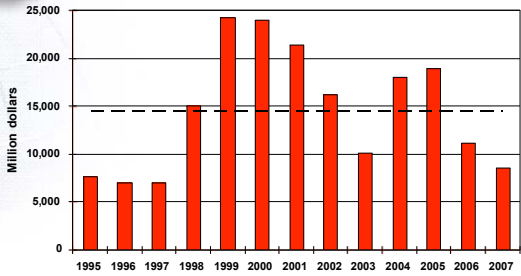


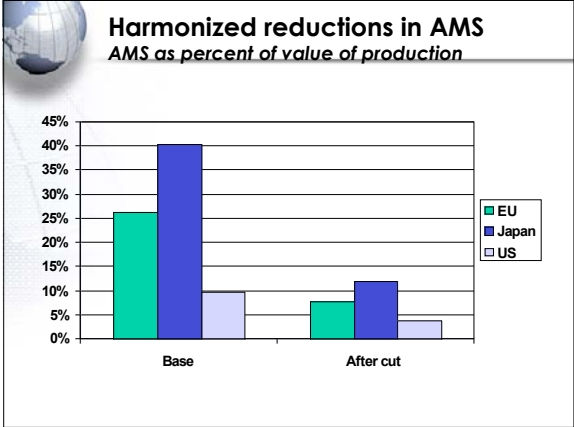
Green box outlays

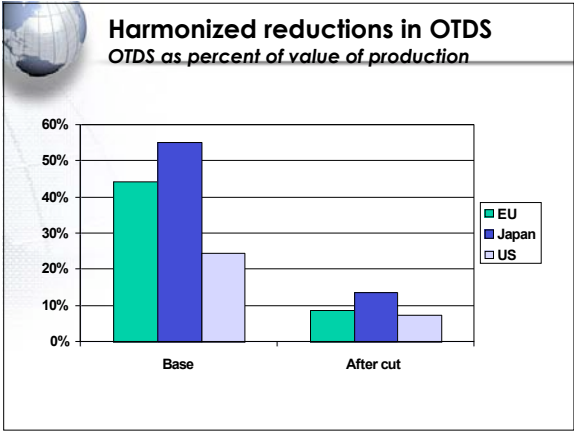


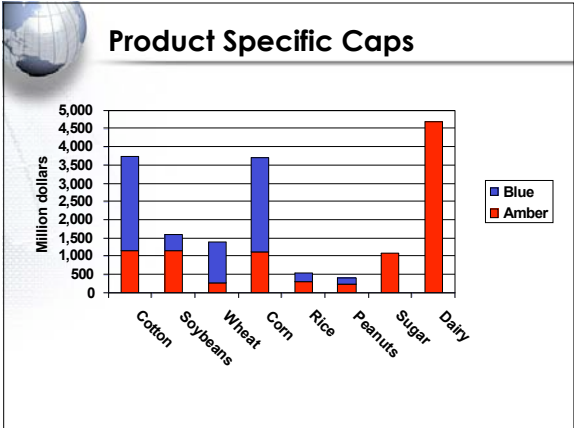


US Overall Total Domestic Support (OTDS)



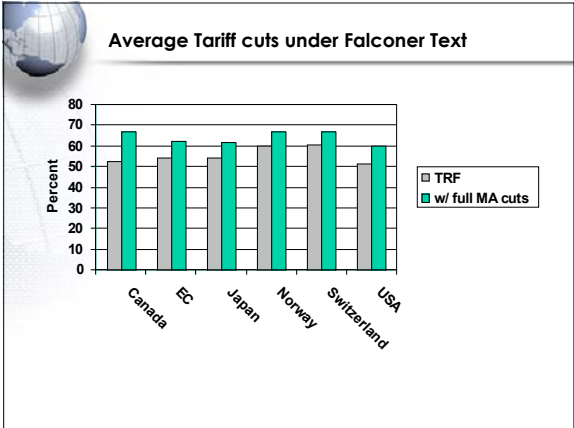


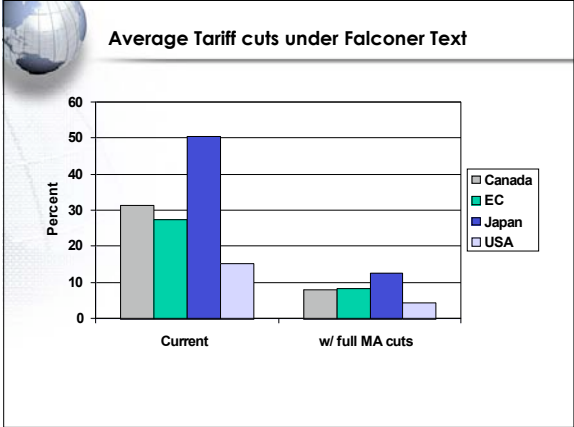


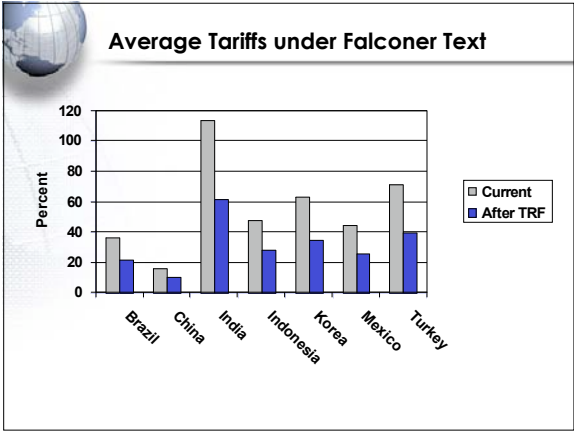


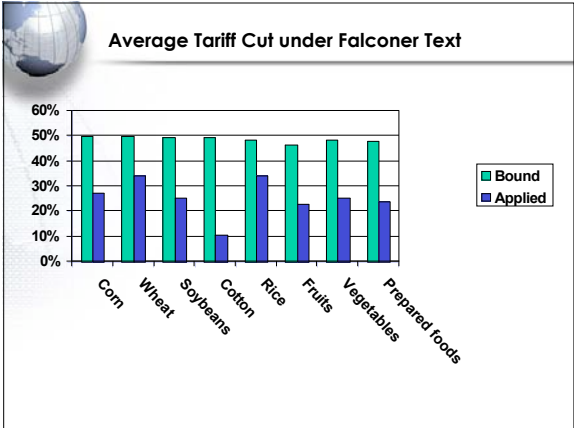


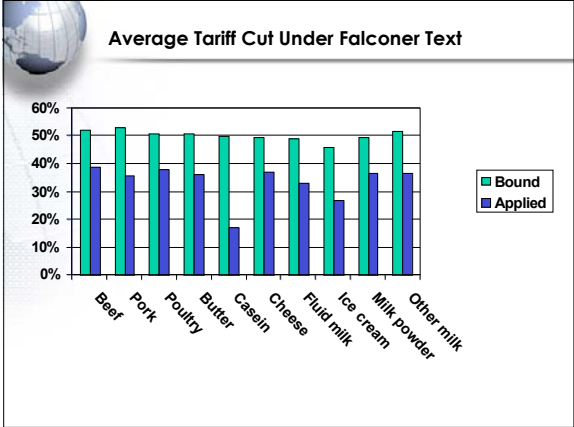
- Tariff rate formula
- Exceptions
 - Sensitive products
 - Special products
- Special Safeguard Mechanism
- Other
 - Tariff escalation
 - Tariff simplification
 - Tropical products
 - TRQ administration









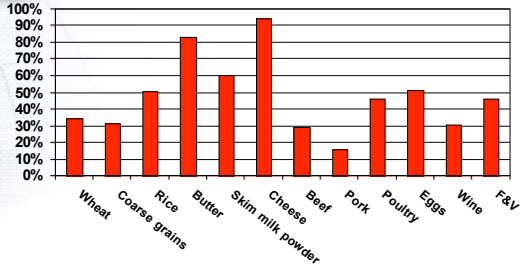




- Elimination of export subsidies by 2013
- Disciplines on export credits—180 day tenor
- Disciplines on non-emergency food aid
- Elimination of monopoly power held by State Trading Enterprises
- Export prohibitions

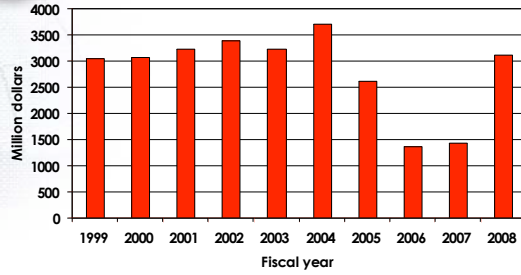


EU export subsidies in 2003-05 as percent of URAA commitments



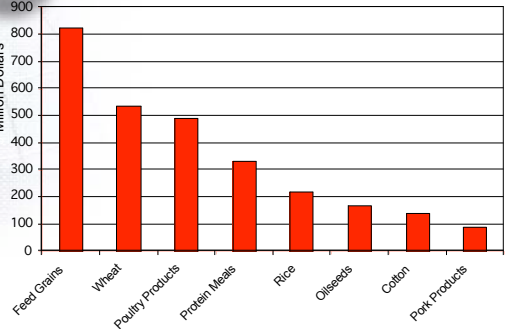


GSM credits





GSM-102 Top Commodities—FY 2008





Issues for U.S. agriculture

- Perceived trade-off between improvements in market access, especially in developing countries, AND
- Cuts in domestic farm programs—particularly cotton
- Transparency
- Assessing the value of “water”:
 - Bound vs applied tariffs
 - Bound vs applied domestic support levels
 - Allowable export subsidies
