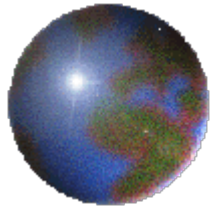


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The Doha Development Agenda: Progress Or Process?

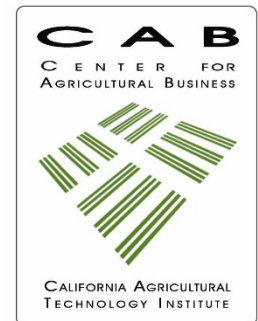
Parr Rosson
Professor & Director
Center for North American Studies
Department of Agricultural Economics
Texas A&M University

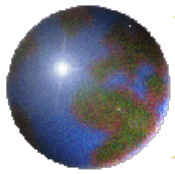
&

Mickey Paggi, Director, Center for Agricultural Business
College of Agricultural Sciences and Technology
California Agricultural Technology Institute
California State University, Fresno



<http://cnas.tamu.edu>





Progress on Doha Development

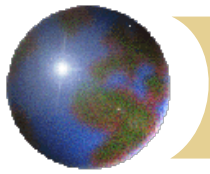
Agenda (2000-Present)

- ✿ DDA Began in 2000 Under WTO Agriculture Committee
- ✿ Since Late 2007, Holding E-Room Sessions in Geneva
- ✿ Some Progress, But Fatigue A Factor
 - NAMA to Use Swiss Formula, But Can't Agree on Coefficients
- ✿ Modalities in Agriculture Difficult to Achieve
- ✿ To An Observer, Appears Process Has Out Paced Progress



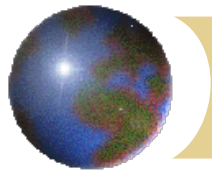
Doha Work Program: Three Pillars of Trade Reform (August 1, 2004)

- ✚ Market Access: Reductions in Highest Tariffs the Most
- ✚ Export Competition: Elimination of Export Subsidies
- ✚ Trade Distorting Domestic Support: Farm Support Reductions Over Time



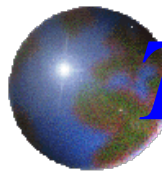
Market Access

- ⊕ Highest Tariffs Cut the Most
- ⊕ Designation of ‘Some’ Sensitive Products
- ⊕ Special & Differential Treatment for Developing & Less Developed Countries
- ⊕ U.S. Pushing for Deep Tariff Cuts by Developing Countries (60-75%)
- ⊕ **Issue:** Many Developing Countries, G-20, G-33 Want Major Cuts in US Trade Distorting Domestic Support



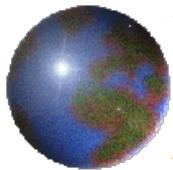
Export Competition

- ✚ Reduce & Eliminate Export Subsidies by Date Certain
 - ✚ EU Export Subsidies, \$2+ Billion/Year
 - ✚ U.S. Export Credit Guarantees > 180 Days
 - \$4.7 Billion/year in Recent Years
- ✚ Eliminate Trade Distorting Practices of State Traders, such as Canadian Wheat Board
 - ✚ Subsidies, Govt. Financing, Increase Transparency
- ✚ Food Aid that Displaces Commercial Sales to Be Eliminated (PL-480 Appears Safe)

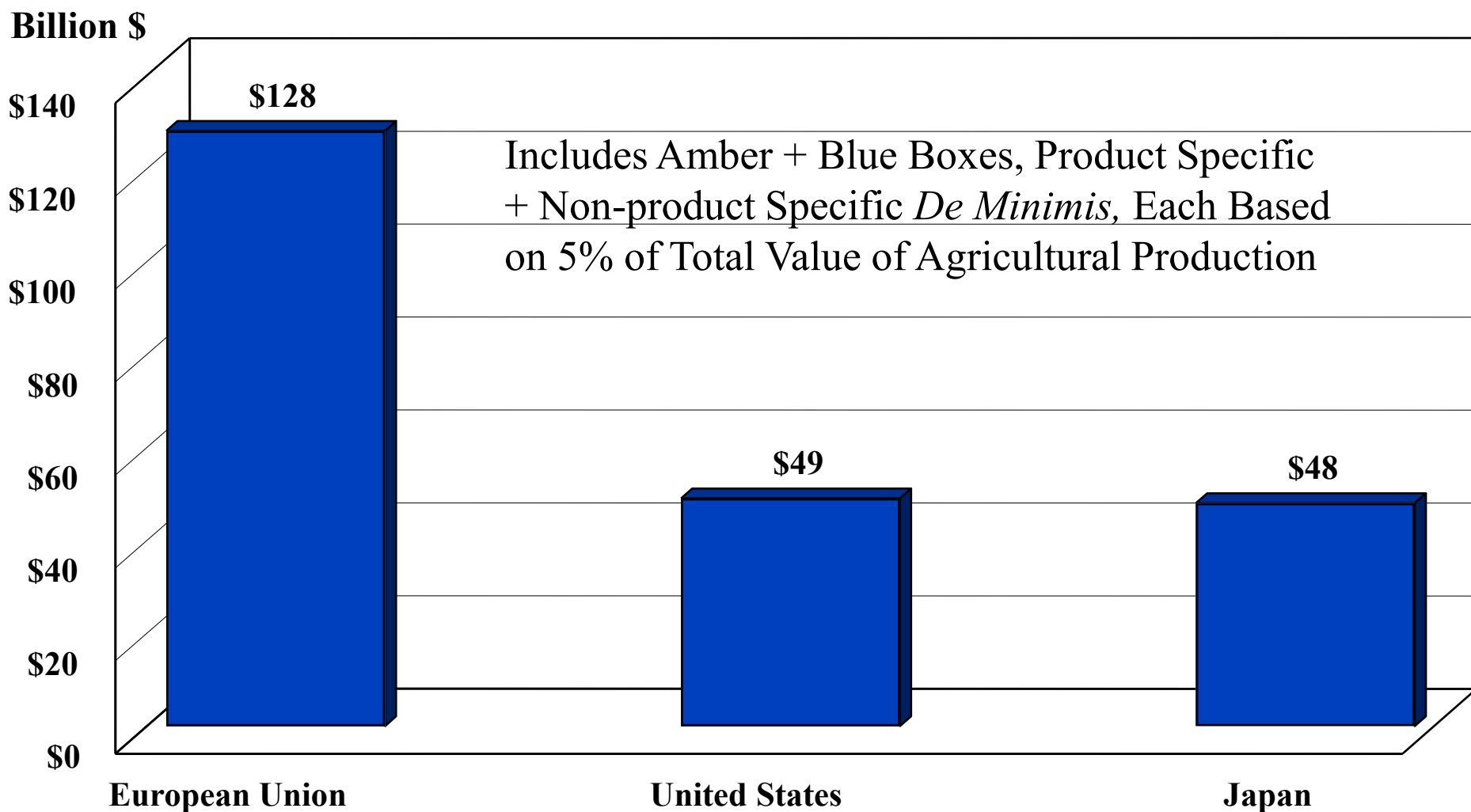


Trade Distorting Domestic Support

- ✚ Year 1 Down Payment of 20%
- ✚ Subsequent Phased Reductions
- ✚ Caps on Amber & Blue Boxes
- ✚ Reductions from *Allowable* Support
- ✚ Issue: Developing & Less Developed Countries Wanted Early Cuts, Tariff Reductions Later
- ✚ EU Supports this Approach

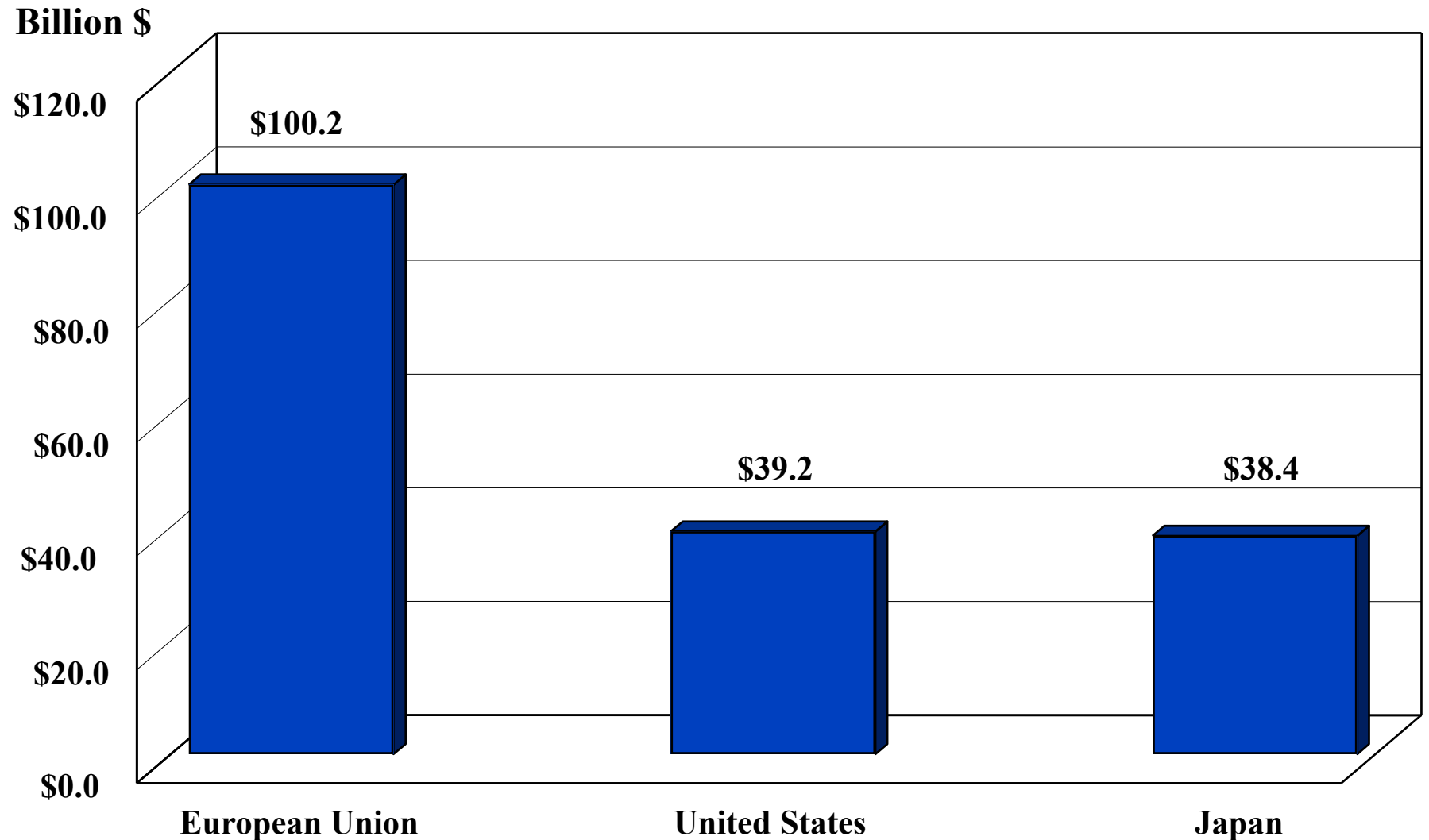


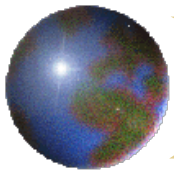
Total Allowable Trade Distorting Domestic Support, 'The Big 3,' 2002





Total Trade Distorting Domestic Support Remaining After Year 1 Down Payment (calculated)

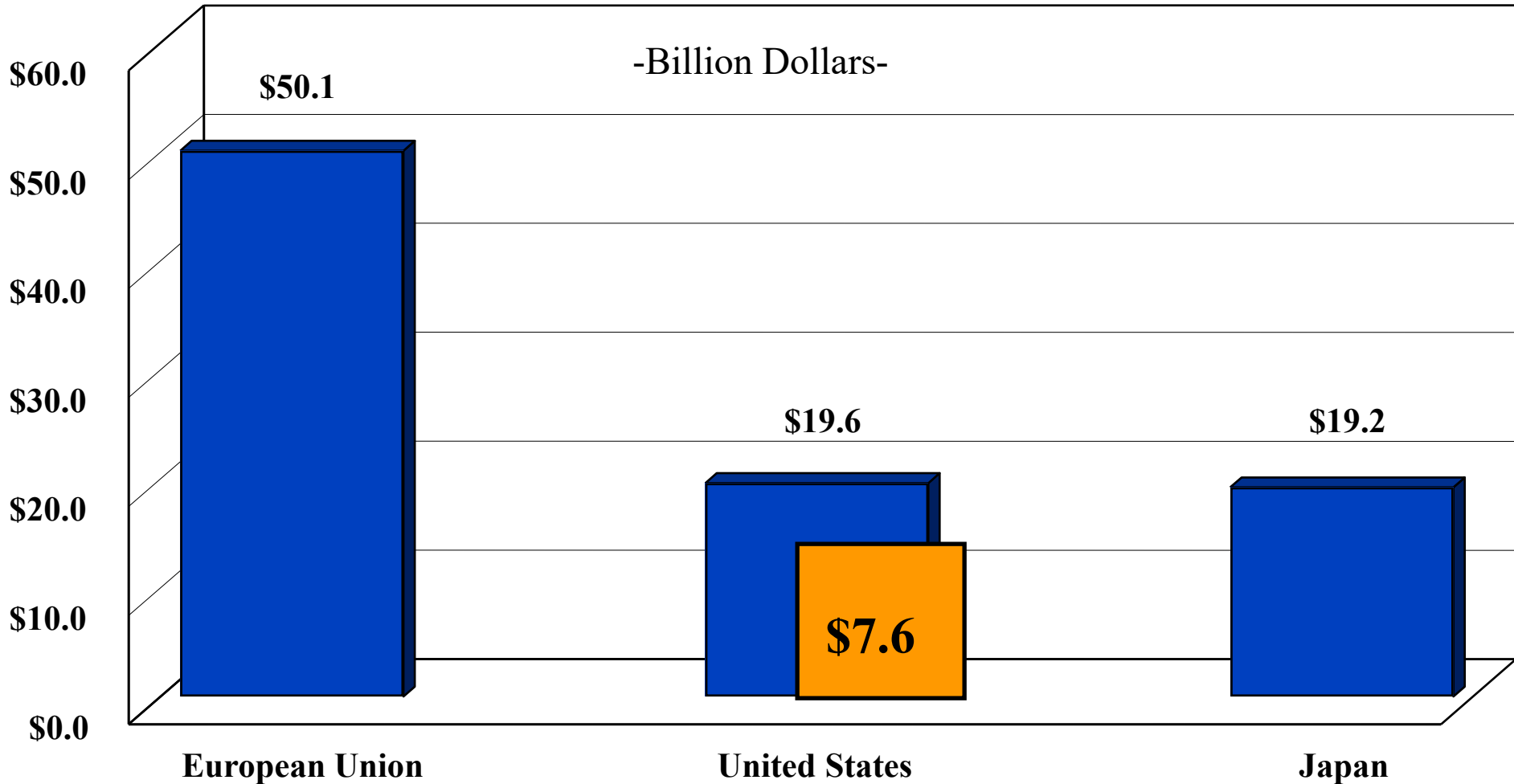




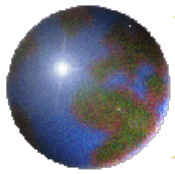
Total Trade Distorting Domestic Support

Assuming 50 Percent Reduction, 60% Cut For Amber Box

For Amber Box

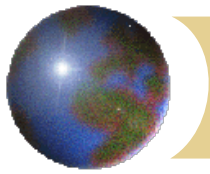


Calculated



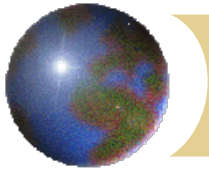
The Cotton Initiative (WTO)

- ✦ Started by Benin, Burkina Faso, Chad and Mali
- ✦ Claim: Rich Country Cotton Subsidies Damage Poor Countries Due to Low World Prices
- ✦ Requested Action: Eliminate Subsidies & In Mean Time, Pay Compensation
- ✦ Action to Date: Cotton Sub-Committee formed Under WTO Ag. Committee, November 2004
 - ▣ Work on Reducing Trade Distorting Support
- ✦ Within Agriculture Framework & Has U.S. Attention
- ✦ Outcome: To Be Negotiated
- ✦ Issue: Desires a Separate Cotton Reduction of about 85% of TDDS



Conclusions & Implications

- ❖ WTO Agricultural Trade Reform is Stalled
- ❖ Large Tariff Cuts, Limiting Number of Sensitive Products & TDDS Cuts Are At Odds
- ❖ Deep Tariff Cuts by DCs/LDCs Will Allow More U.S. Exports, But ...
 - ❑ What is the Cost??
- ❖ Absent Reform, More Litigation in DSB
 - ❑ US Will Lose Most Cases
- ❖ Market Growth Limited & Economic Development Stifled



Thank You!

Questions?

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