



17 May 2018

(18-2950)

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**Committee on Agriculture
Special Session**

Original: English

THE WAY FORWARD

CIRCULATED ON BEHALF OF THE FOLLOWING CAIRNS GROUP MEMBERS: AUSTRALIA, ARGENTINA, BRAZIL, CANADA, CHILE, COLOMBIA, COSTA RICA, GUATEMALA, NEW ZEALAND, PAKISTAN, PARAGUAY, PERU, THAILAND, URUGUAY AND VIET NAM

The following communication, dated 16 May 2018, is being circulated at the request of the aforementioned supporting Members.

The following comments are provided by Members of the Cairns Group on the way forward in the agricultural negotiations in 2018 and beyond. This statement is without prejudice to the individual views expressed by Cairns Group Members in their consultations with the Chair.

Processes

1. The Cairns Group was disappointed with the lack of an outcome at MC11; however, we are committed to working towards achieving progress and outcomes at MC12 and beyond. We believe improvements can be made to the negotiating process, to give ourselves the best possible chance at achieving these outcomes.

2. Firstly, it is clear that we need to "restart" negotiations. We believe priority should be placed on technical engagements, and on Chair-driven consultations on specific topics to build understanding, consensus, and momentum. It should be ensured that the process is inclusive and open to all Members. Members should be encouraged to submit detailed technical papers to allow for in-depth discussions at the Committee on Agriculture in Special Session.

3. Seminars and workshops can help deepen the technical engagement between Members on agriculture. However, while seminars and workshops can be useful to advance negotiations, they can never be seen as a substitute for negotiations. To be effective, educational activities should remain focused on how improvements to WTO rules, and particularly the Agreement on Agriculture, can help tackle the challenges affecting farmers, traders, and consumers. We need to make sure that we are constantly reviewing – and negotiating – how we can address the challenges identified in seminars through the continuation of the reform process.

Timelines

4. While reflection can help us understand the problems encountered in the past, so we can better prepare for the future, reflection is not a process that needs occur in isolation. It is now five months since MC11, and there is no need to stall our work further.

5. The Cairns Group notes that the mandate for negotiations under the Agreement on Agriculture has not lapsed, and so negotiations continue. Our stakeholders expect no less, since agriculture remains the most important unfinished business from the Uruguay Round.

6. We should be working to establish a work program for our negotiations – including the areas for focus for MC12. This work program should include realistic milestones to avoid back-loading the agenda in the lead-up to MC12.

7. For MC12, we should be looking for a concrete step forward in the reform process which sets the scene for comprehensive action at MC13 across agriculture.

The Negotiations

8. As per the Cairns Group's Objectives for MC11 and Beyond¹; the October 2017 joint ministerial statement with the EU²; and in the 40th Cairns Group Ministerial Statement³ delivered at MC11 – the Cairns Group underscores our strong interest in addressing the inherent risks to global agricultural trade and food security caused by the accumulation of excessive domestic support entitlements.

9. The entitlements for trade-distorting domestic support by just nine major Members under Article 6.3 and 6.4 of the Agreement alone will reach an estimated USD 1 trillion by 2030.⁴ We must further our work to create new disciplines on domestic support now, in order to prevent the continued accumulation of massive trade-distorting support entitlements which could be used to devastating effect on world markets in years to come.

10. The Cairns Group is also open to exploring any ideas across all pillars which help progress the reform objectives of Article 20 of the Agreement on Agriculture. Market Access is an area where no progress has been made since the Uruguay Round, and protection remains substantially higher than for industrial products. The Cairns Group believes progress is achievable in this area. In spite of the successes at MC10, unfinished business also remains in Export Competition and Cairns Group Members will continue to look for ways to strengthen disciplines.

11. The main priority of the Cairns Group remains to move forward on agricultural trade reform, which continues to lag behind other negotiating areas in the WTO and remains one of the most distorted sectors in global trade. We need to build on our achievements from MC10 on export competition to make progress across the full suite of agricultural negotiating areas. Acknowledging that some areas will be harder than others, we need to find a way forward which ensures that all Members make a contribution and believe the outcome is a "win-win".

¹ JOB/AG/91.

² <http:// CairnsGroup.org/Pages/joint-ministerial-statement-on-next-steps-in-wto-agricultural-reform.aspx>.

³ <http:// CairnsGroup.org/Pages/171211-statement-of-the-40th-cairns-group-ministerial-meeting.aspx>.

⁴ RD/AG/63.