



# DOHA

*Joseph W. Glauber, USDA  
International Trade Workshop  
March 5, 2009*



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- Status of WTO negotiations
  - Issues
  - Paths forward



# Doha timeline

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- 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

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- 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

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- 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

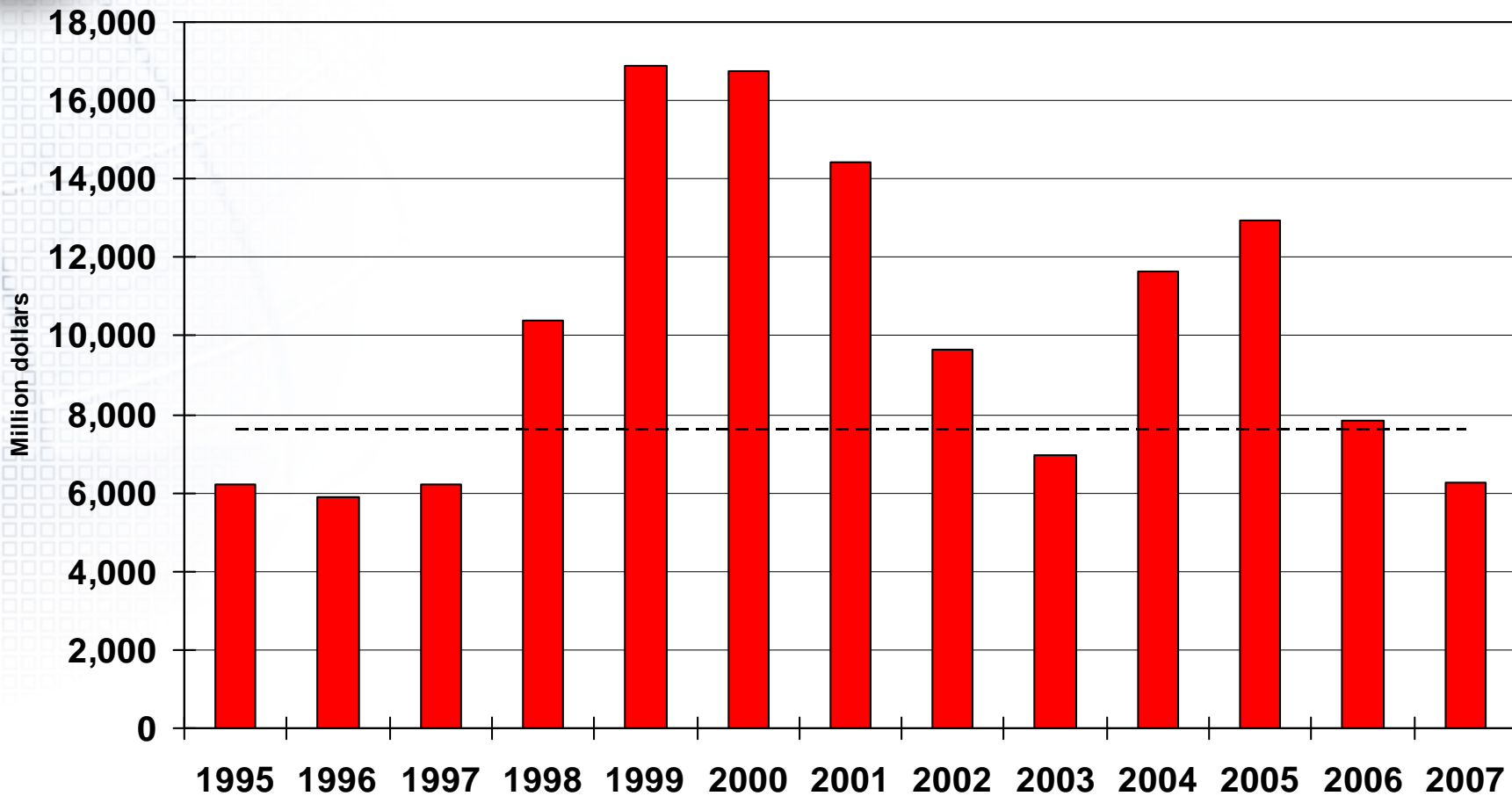


## WTO Boxes for Farm Subsidies

- **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

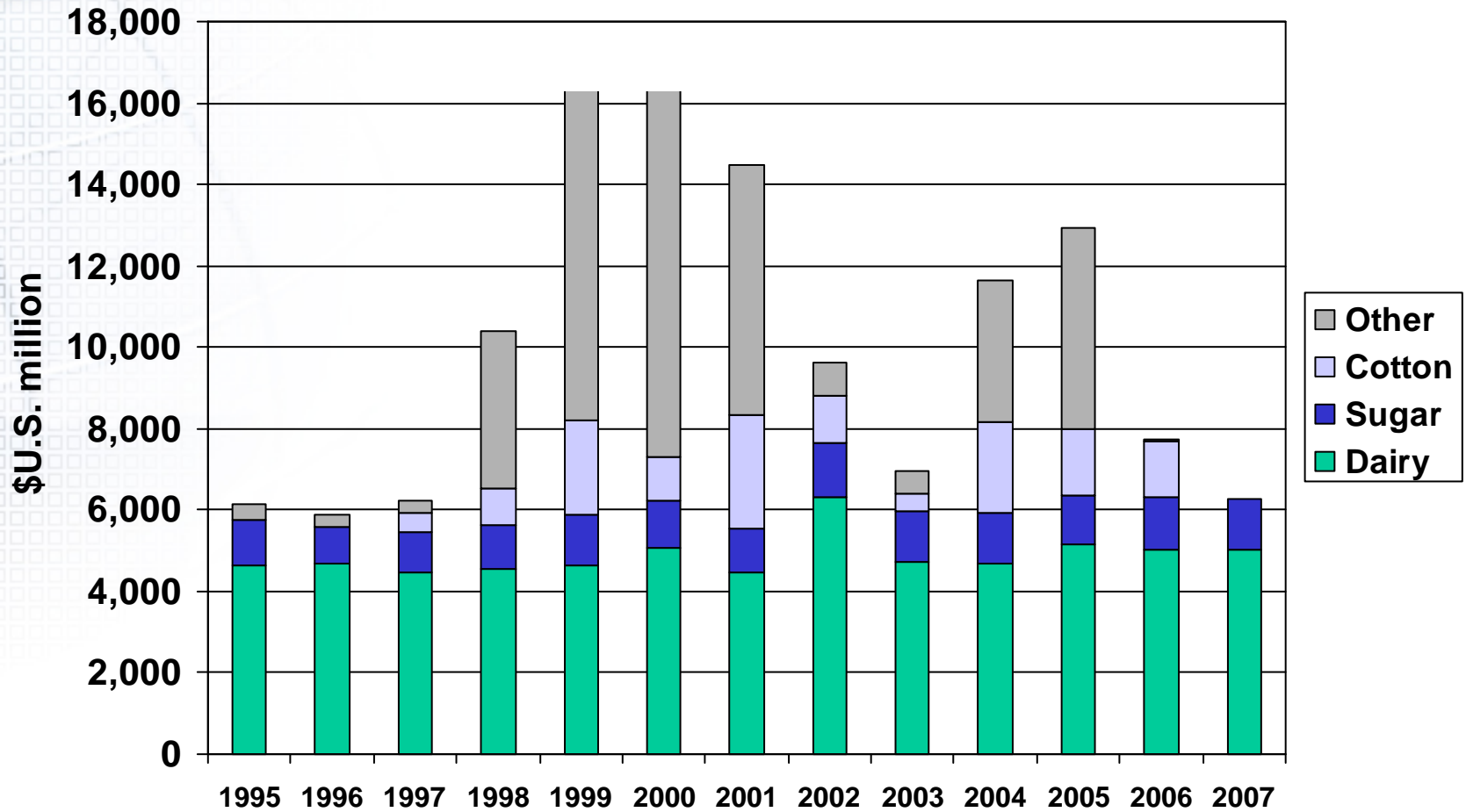


# US amber box support



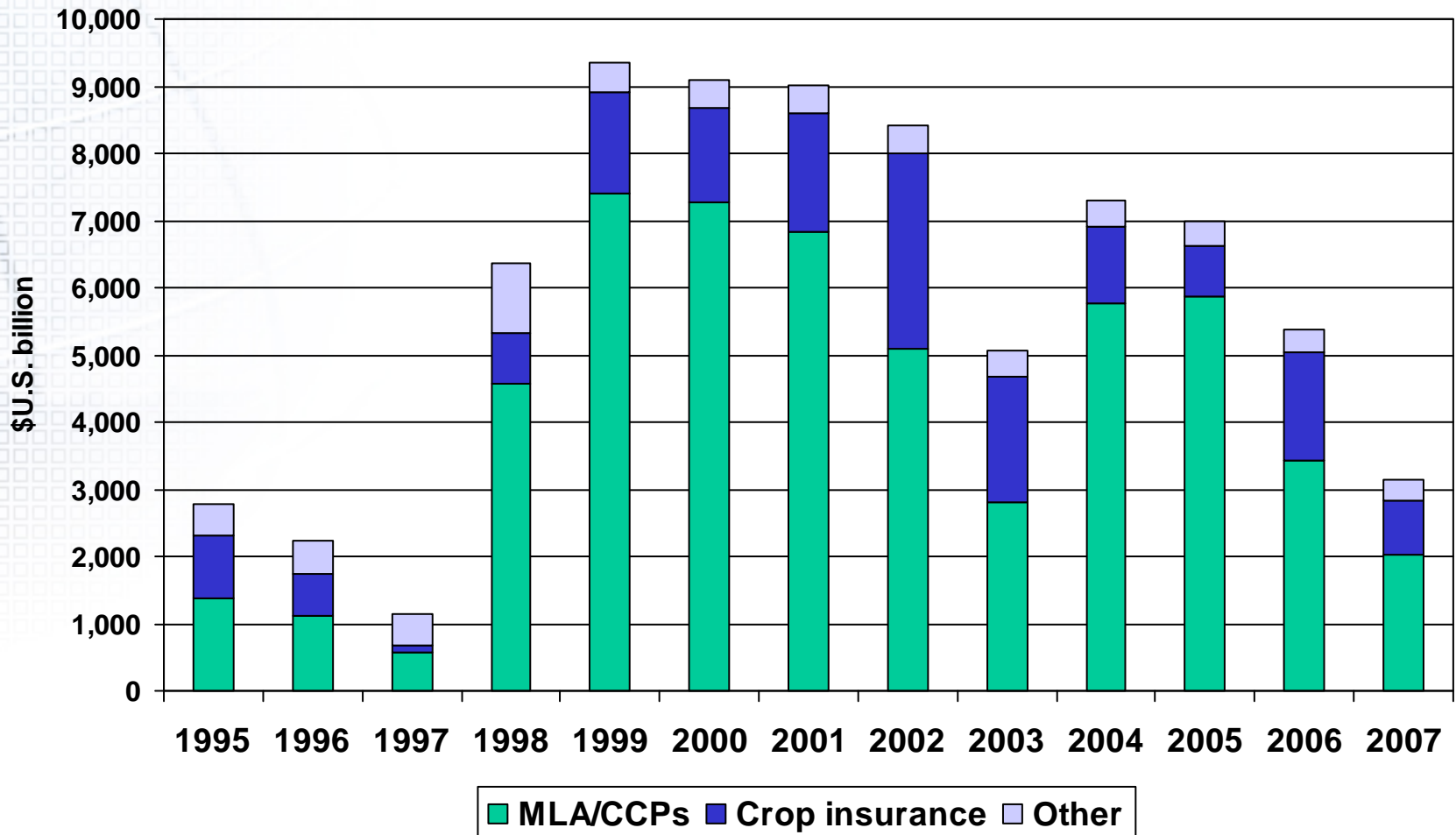


# Composition of U.S. AMS



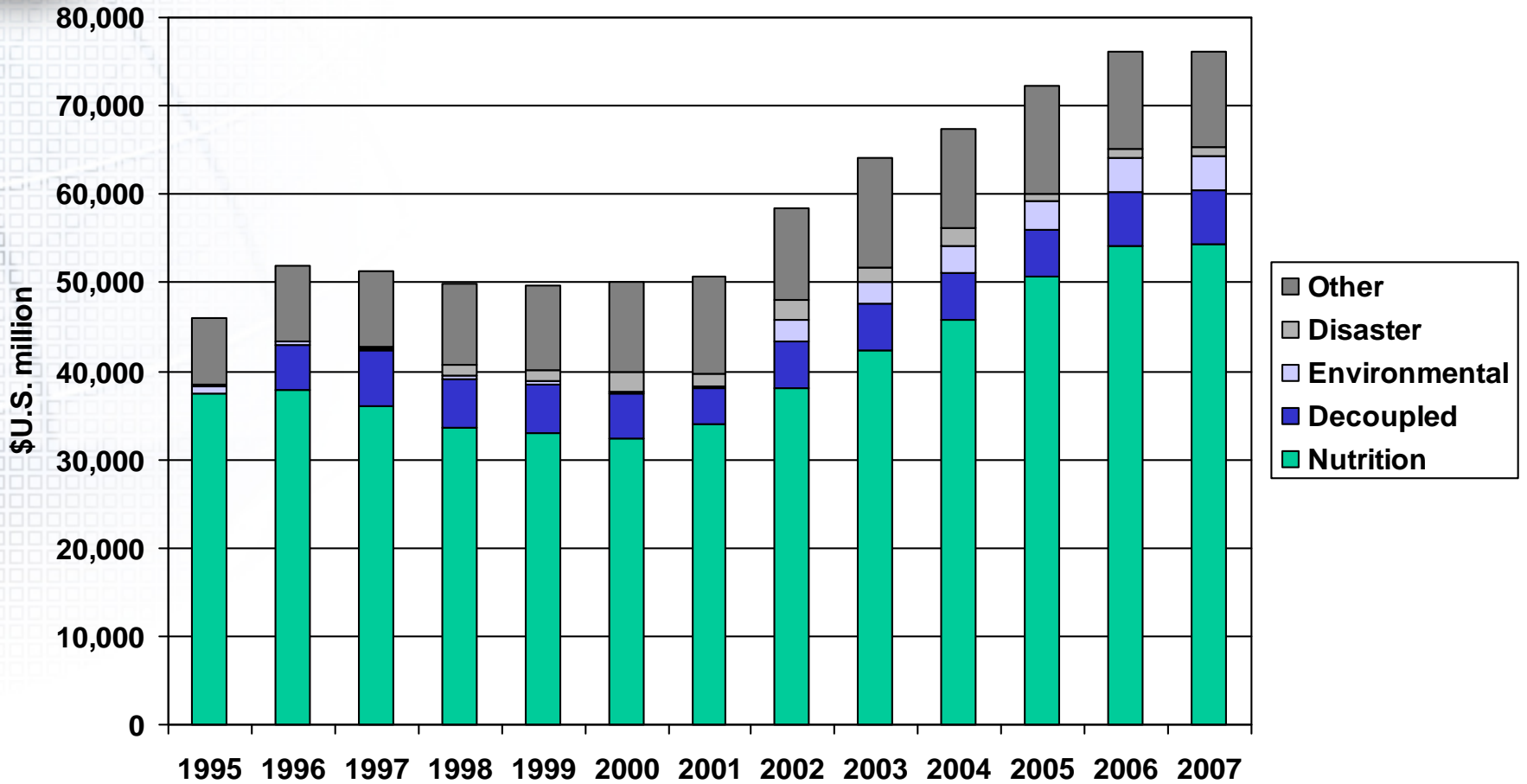


# Non-product specific support



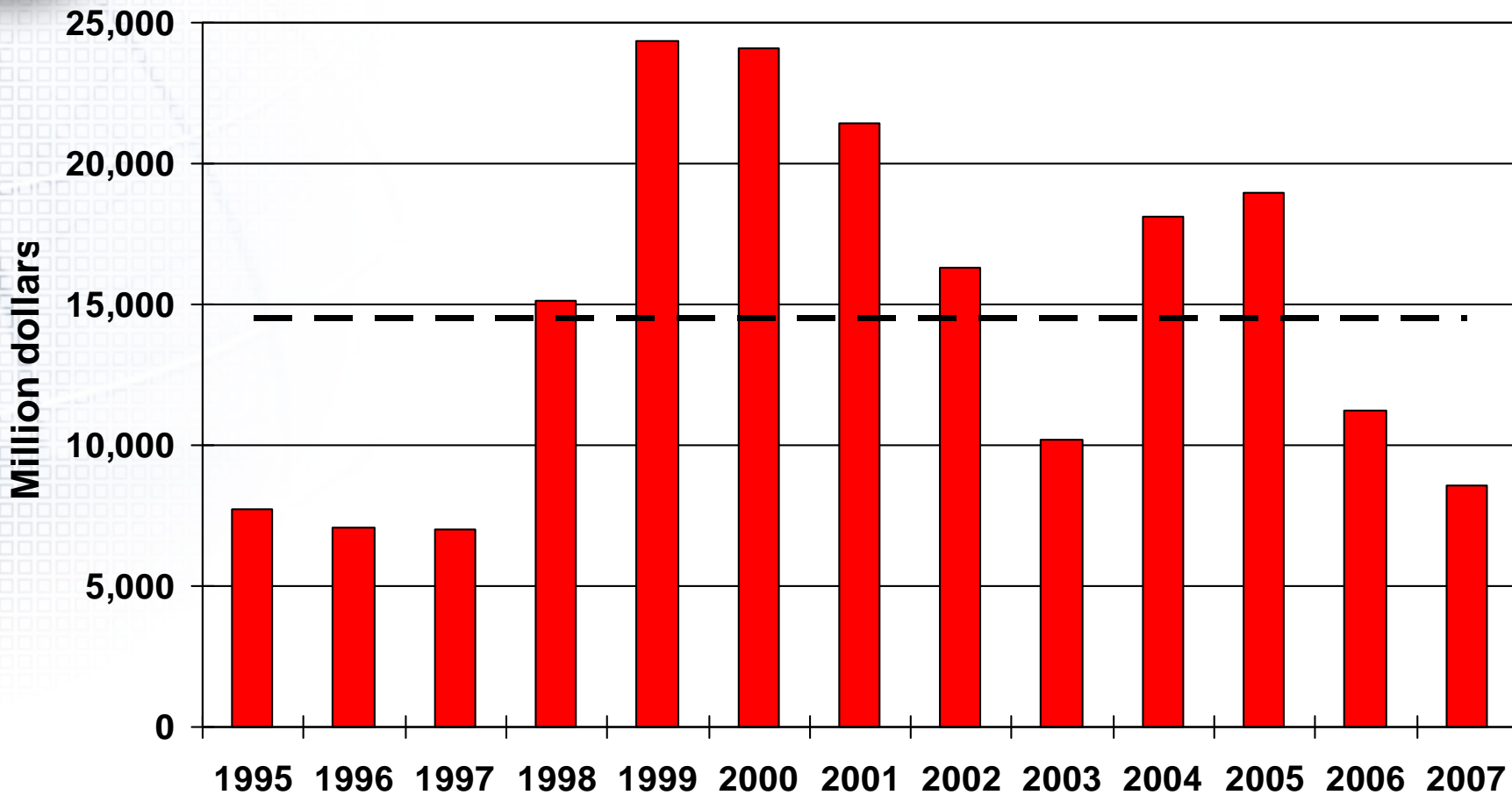


# Green box outlays





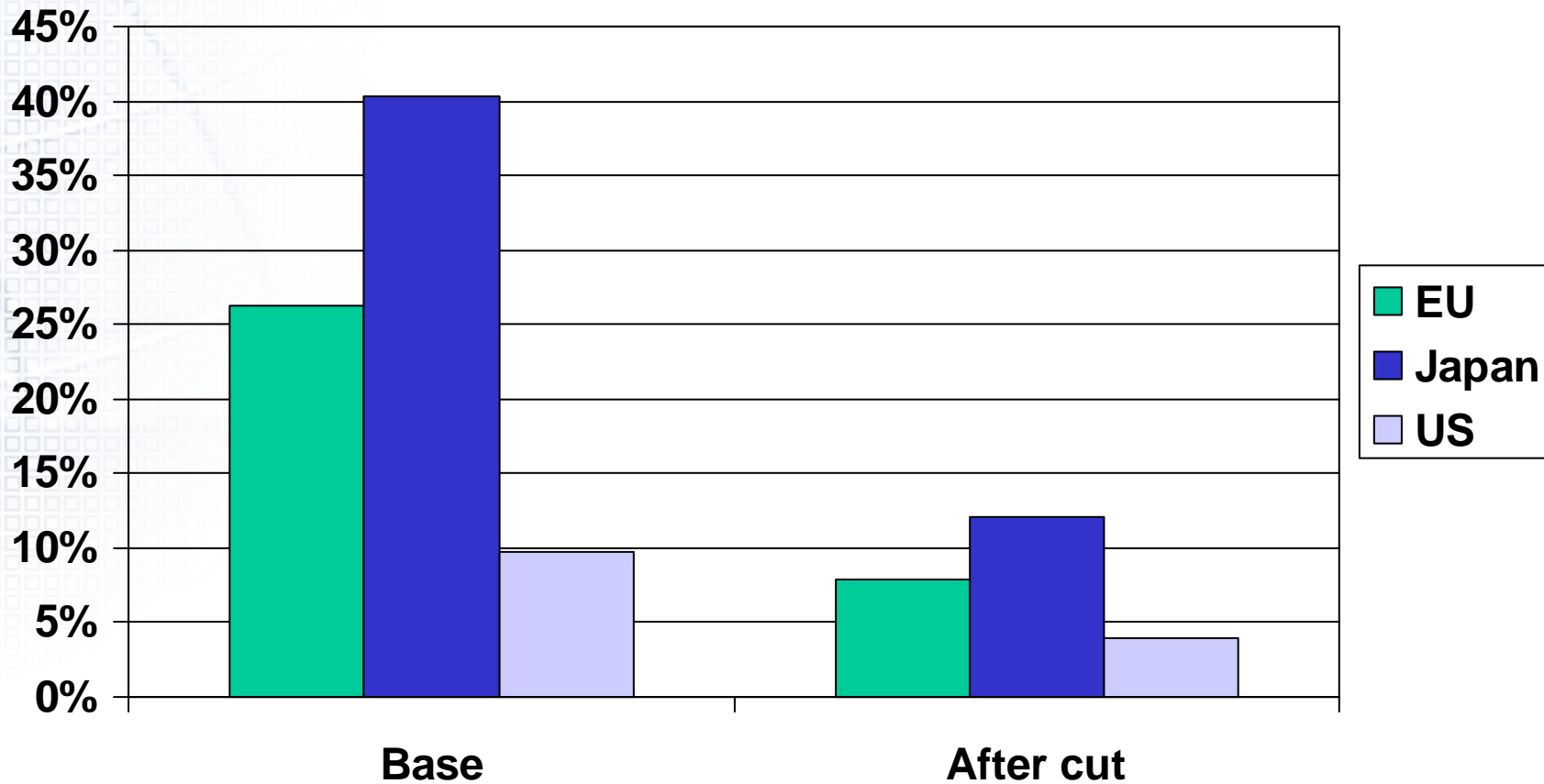
# US Overall Total Domestic Support (OTDS)





# Harmonized reductions in AMS

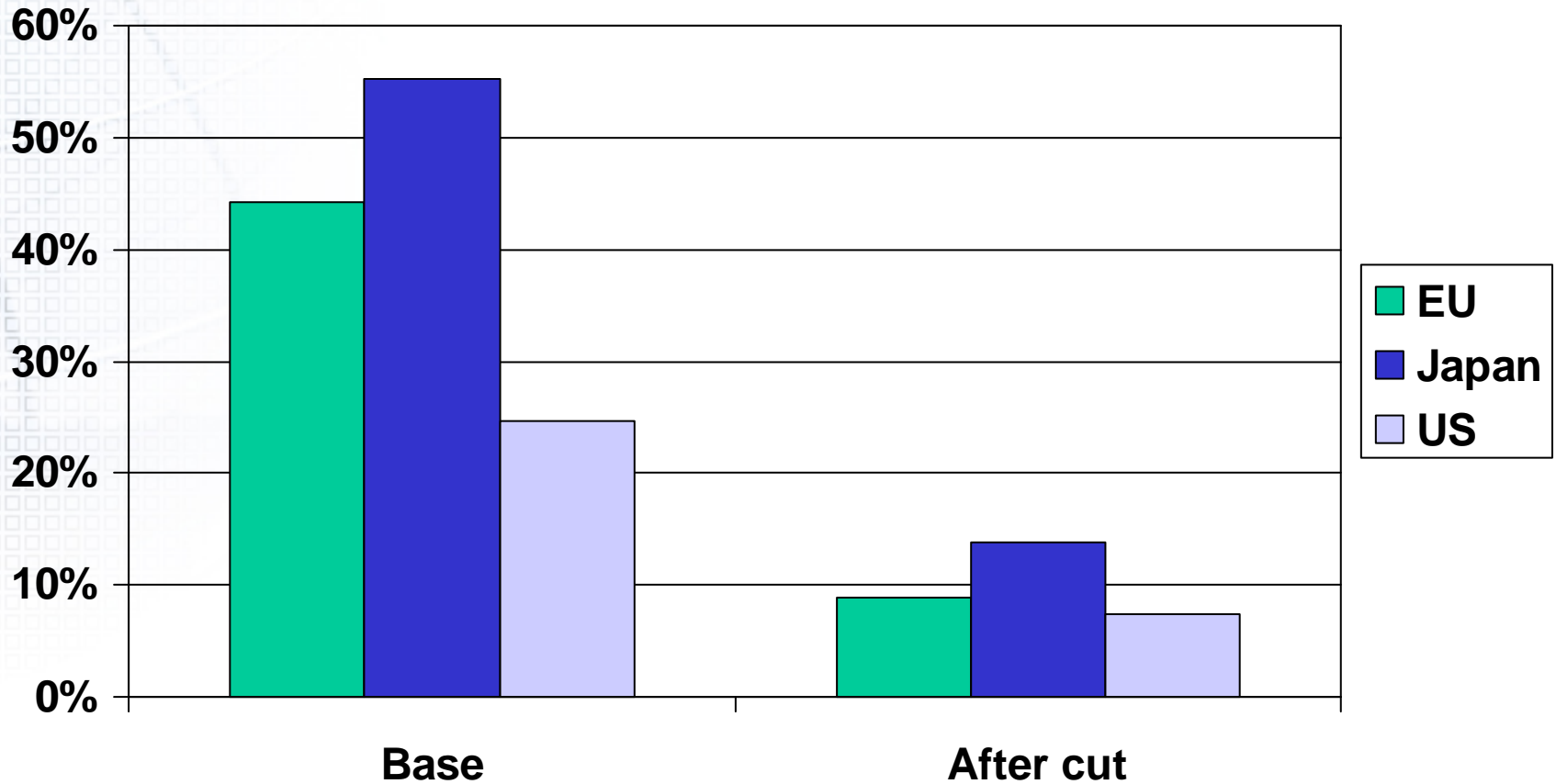
*AMS as percent of value of production*





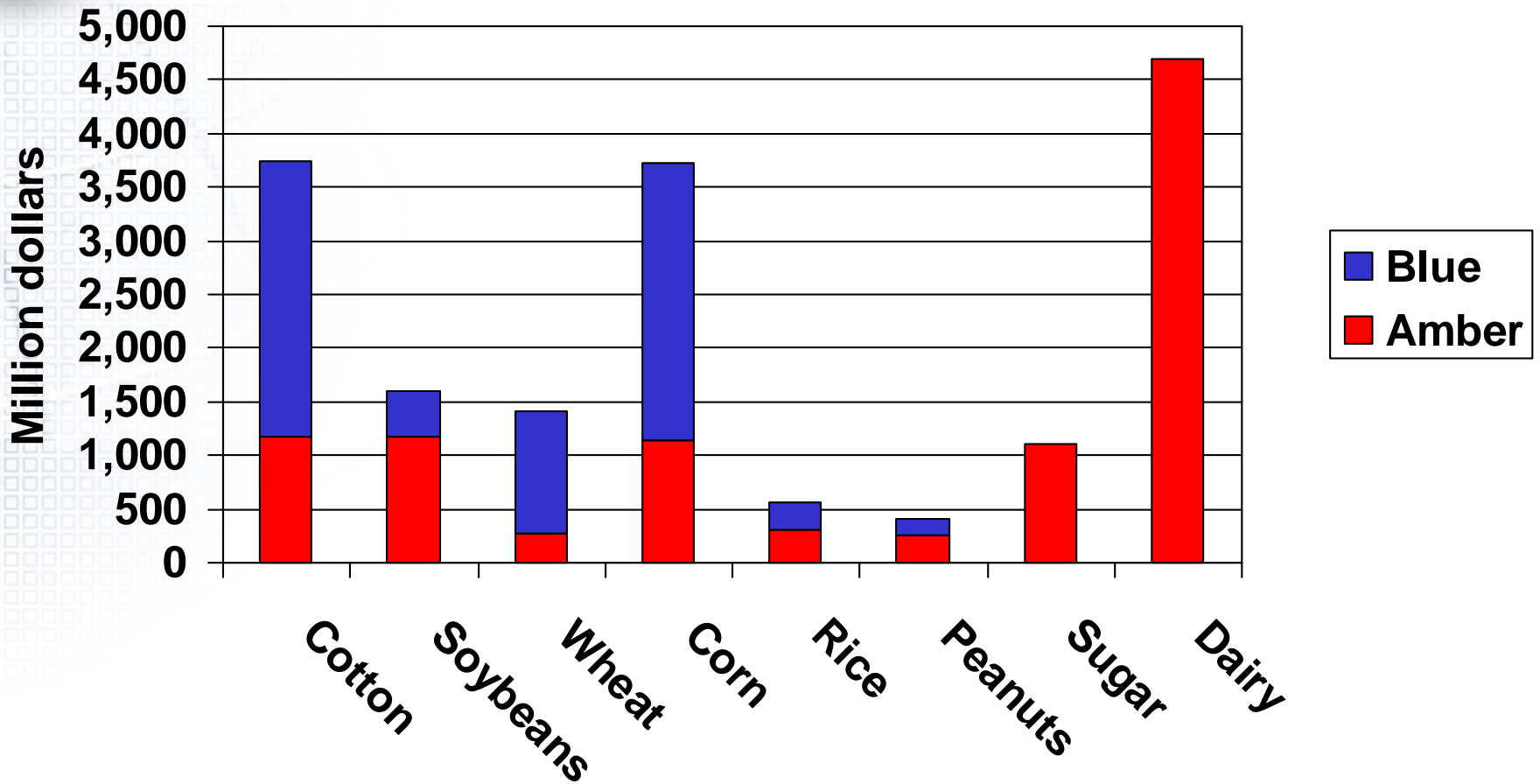
# Harmonized reductions in OTDS

*OTDS as percent of value of production*





# Product Specific Caps





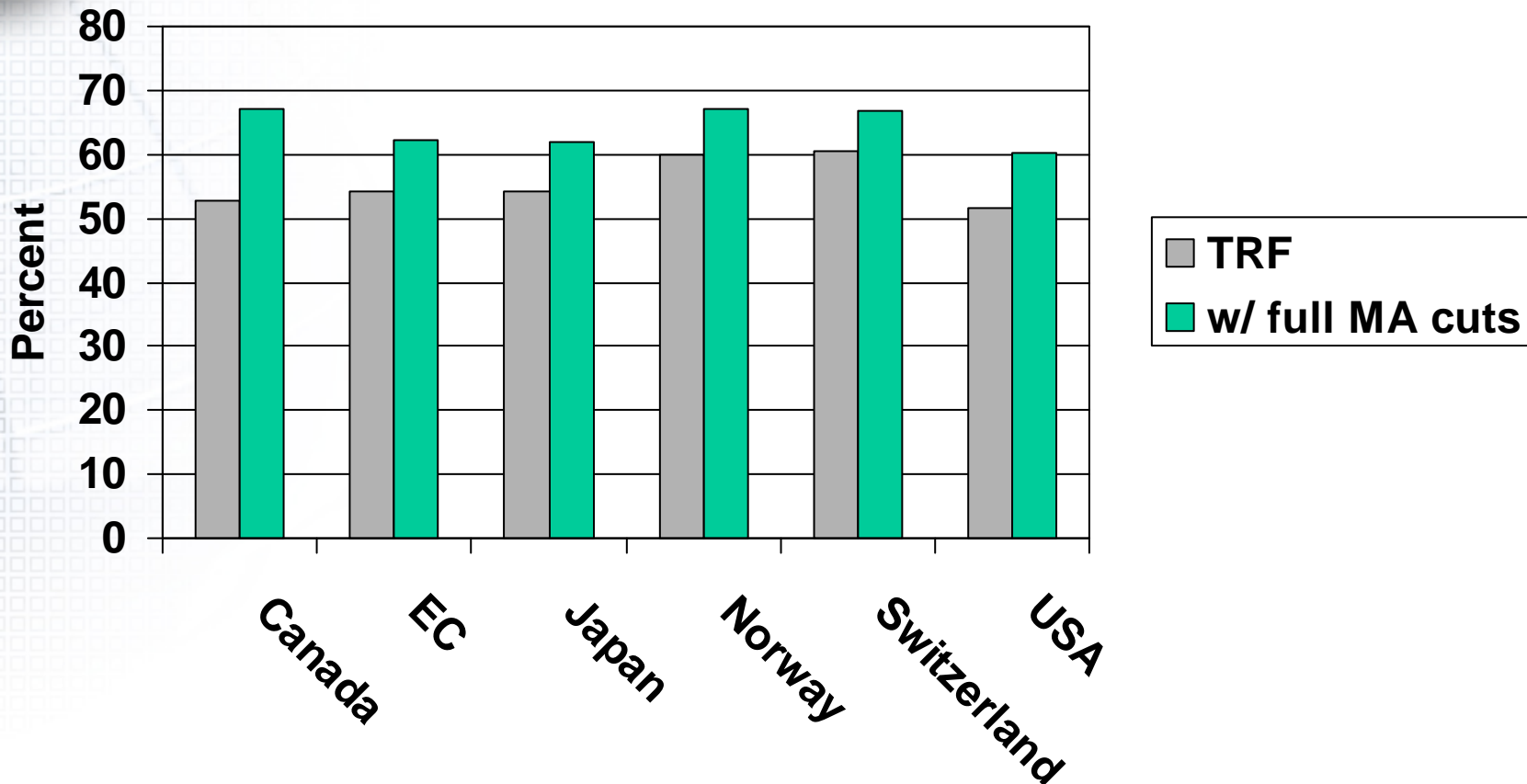
# Market Access



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

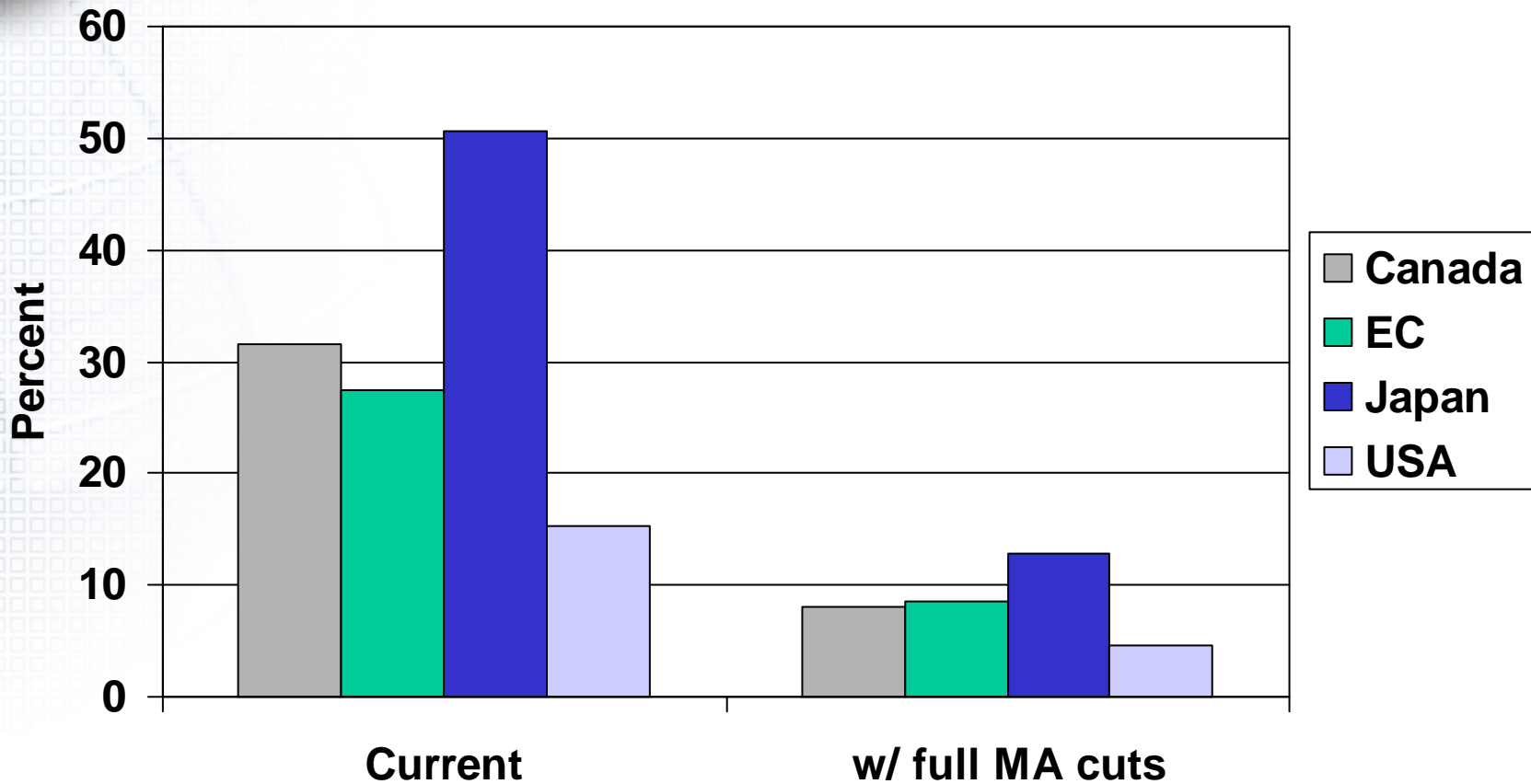


# Average Tariff cuts under Falconer Text



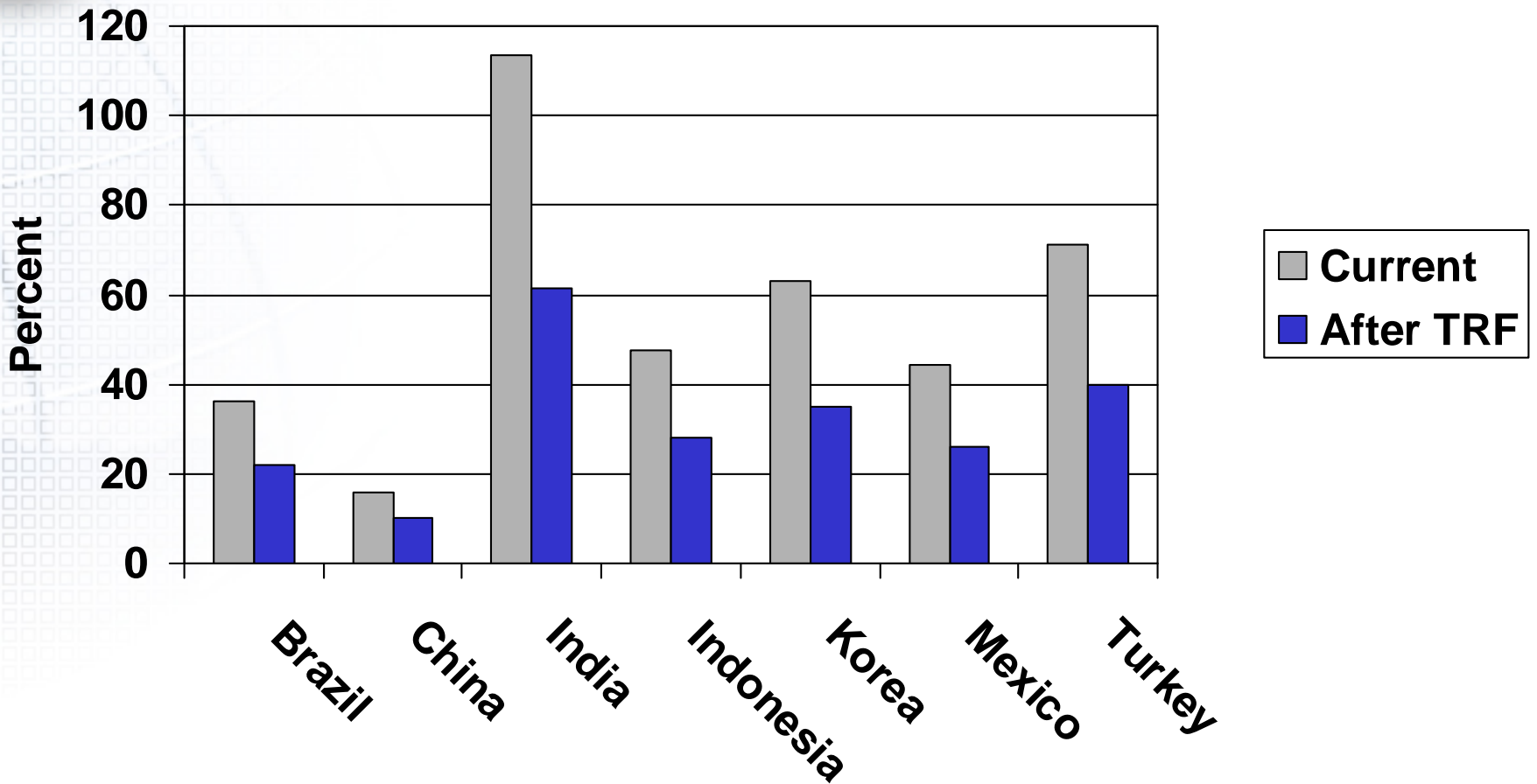


# Average Tariff cuts under Falconer Text



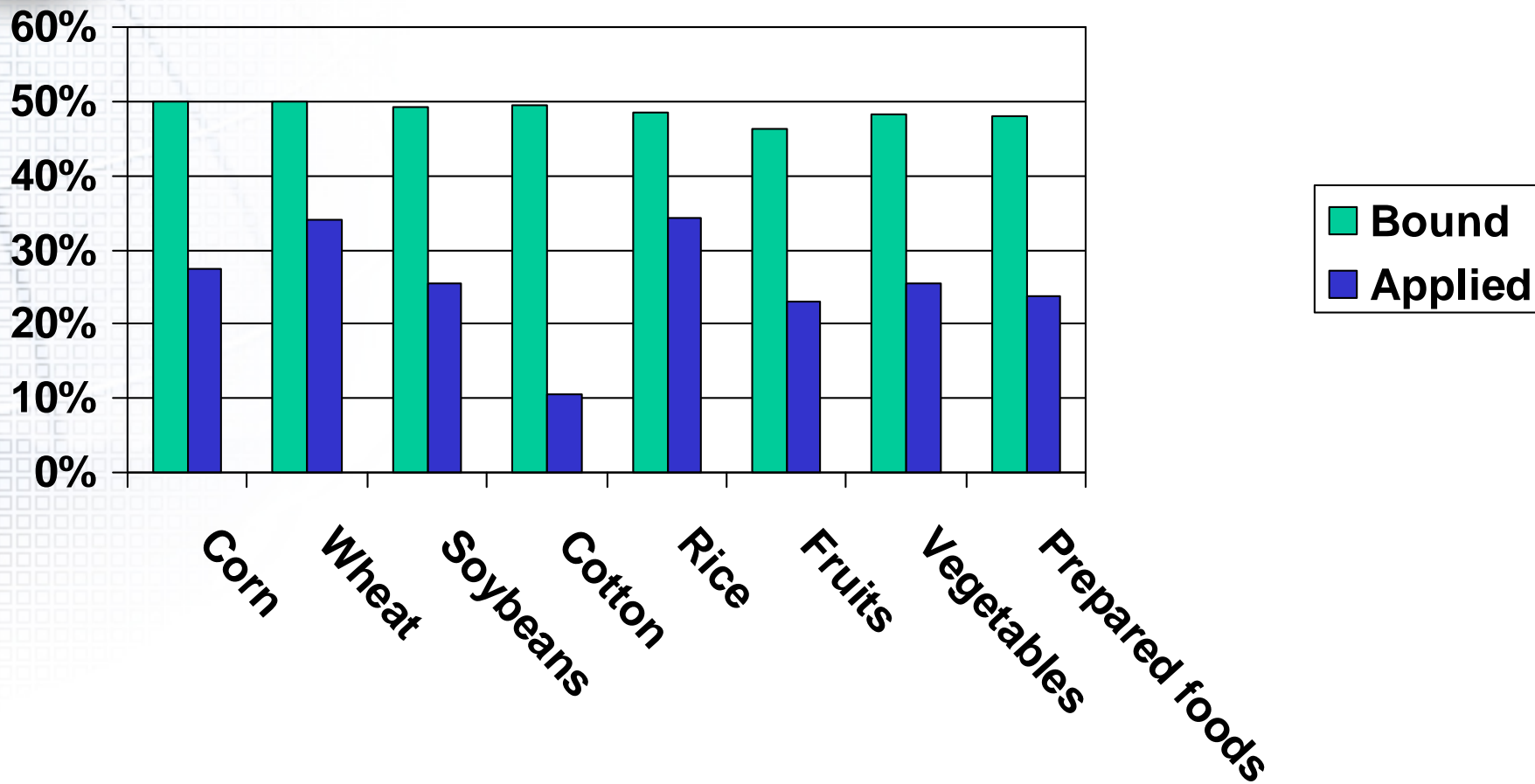


# Average Tariffs under Falconer Text



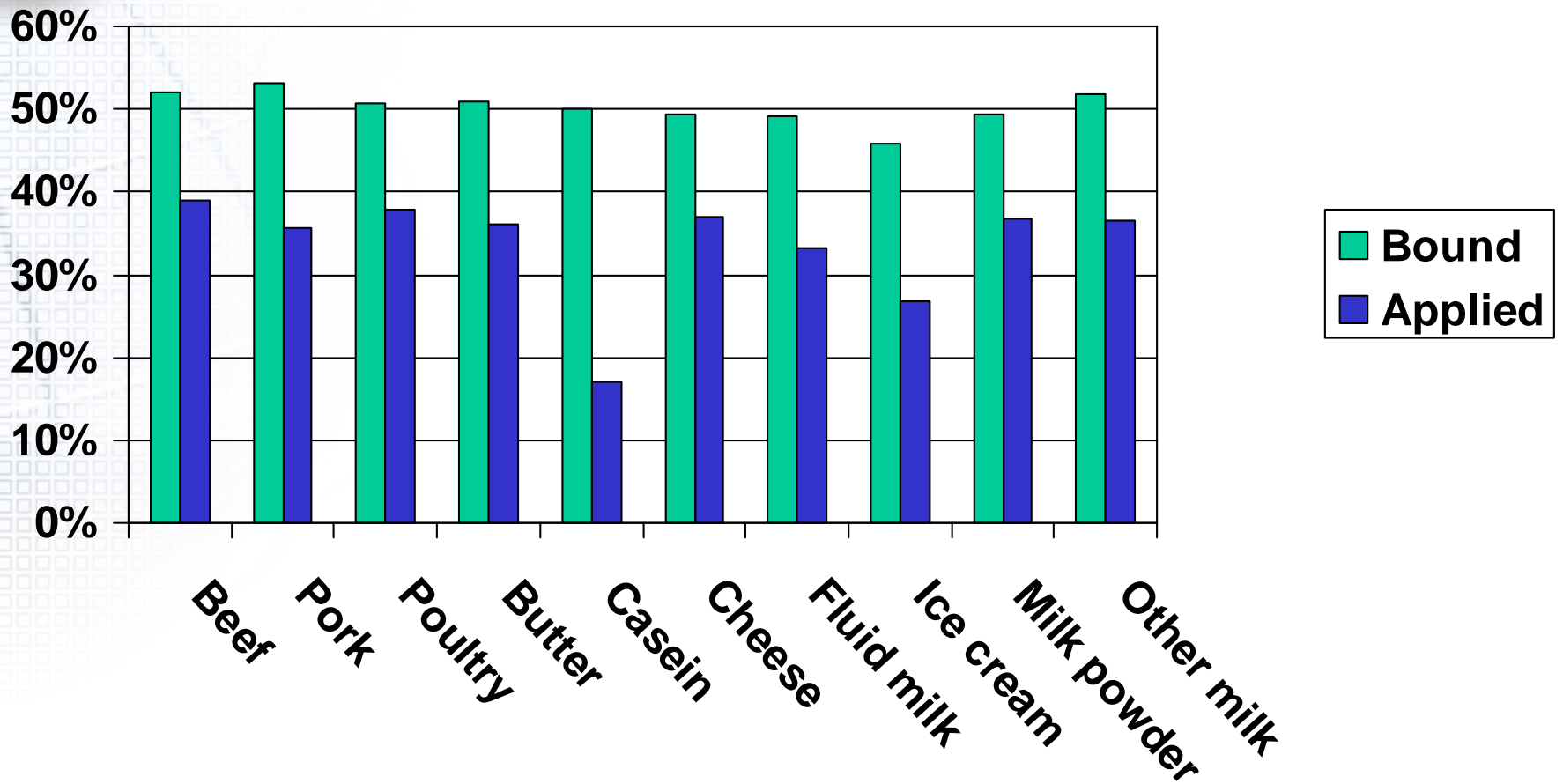


# Average Tariff Cut under Falconer Text





# Average Tariff Cut Under Falconer Text





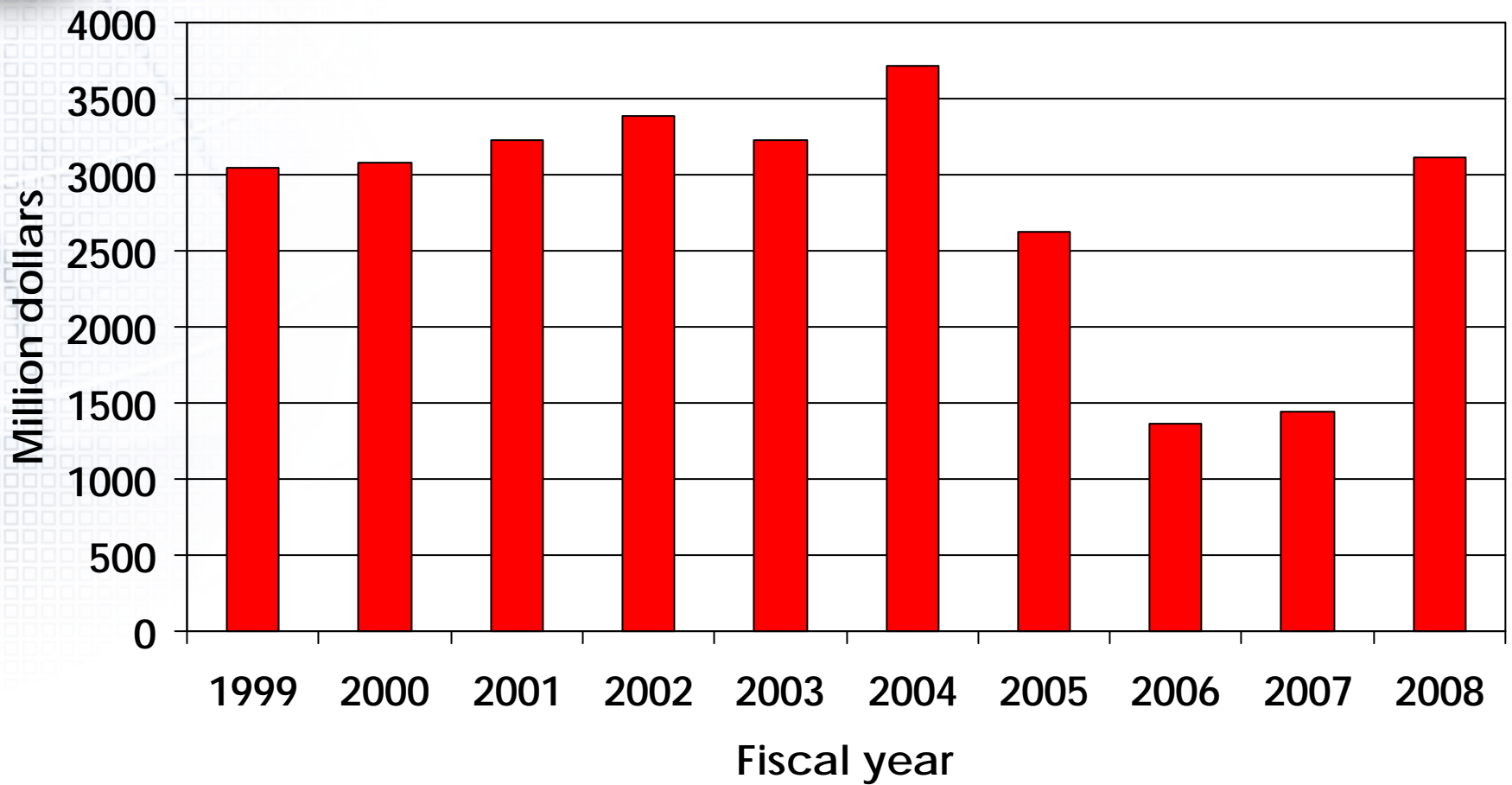
# Export competition



- 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

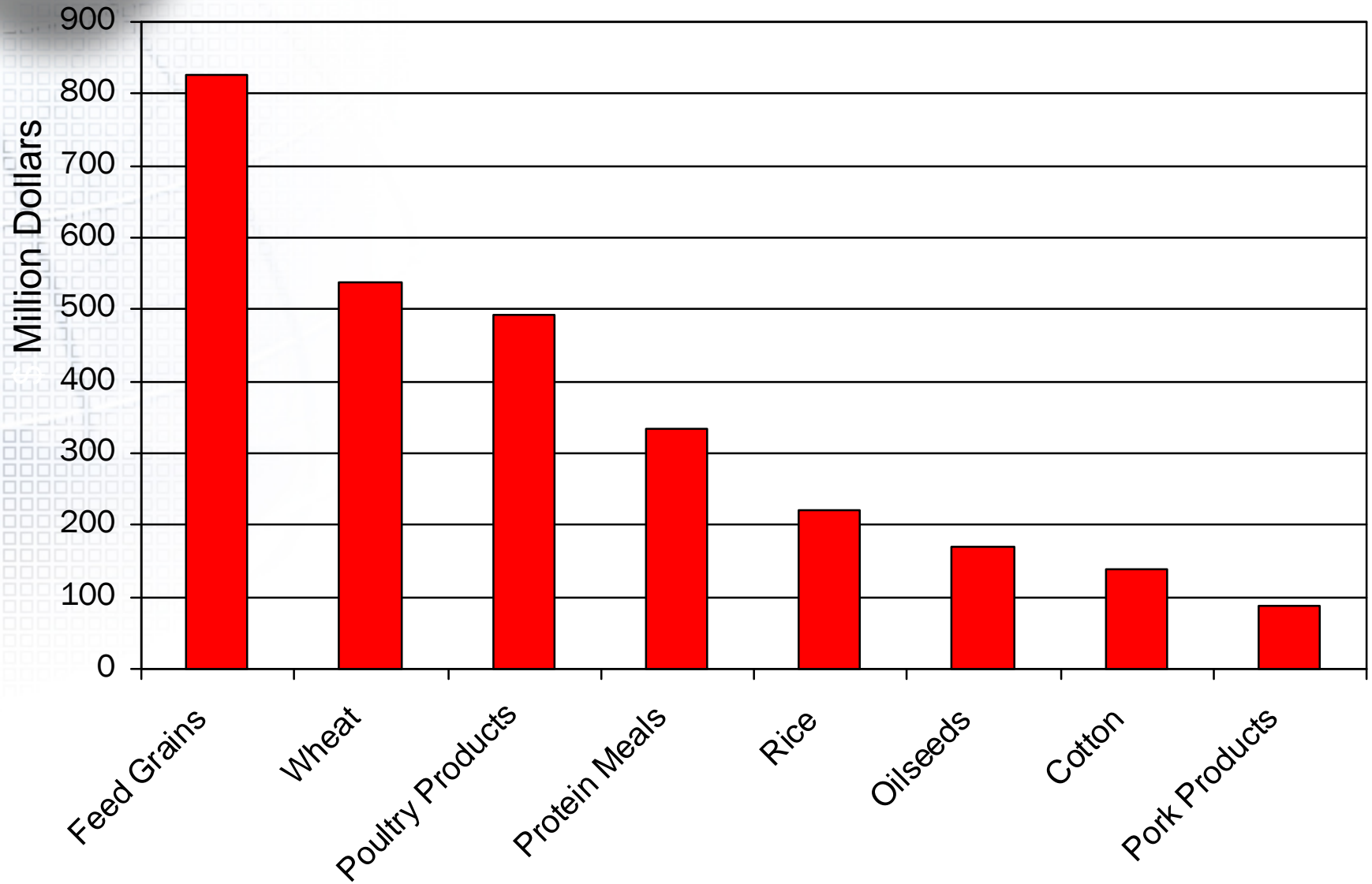


# GSM credits





# GSM-102 Top Commodities—FY 2008





# Biggest Issues for U.S. agriculture

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- 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