



OCCASIONAL PAPER NO 54

Development Through Trade Programme

February 2010

The Quest for Affordable Food: Prospects in the Doha Round for Net Food-importing Developing Countries

Fantu Farris Mulleta

South African Institute of International Affairs

African perspectives. Global insights.

ABOUT SAIIA

The South African Institute of International Affairs (SAIIA) has a long and proud record as South Africa's premier research institute on international issues. It is an independent, non-government think-tank whose key strategic objectives are to make effective input into public policy, and to encourage wider and more informed debate on international affairs with particular emphasis on African issues and concerns. It is both a centre for research excellence and a home for stimulating public engagement. SAIIA's occasional papers present topical, incisive analyses, offering a variety of perspectives on key policy issues in Africa and beyond. Core public policy research themes covered by SAIIA include good governance and democracy; economic policymaking; international security and peace; and new global challenges such as food security, global governance reform and the environment. Please consult our website www.saiia.org.za for further information about SAIIA's work.

ABOUT THE DEVELOPMENT THROUGH TRADE PROGRAMME

Established in March 2003, SAIIA's Development through Trade (DtT) Programme is based on the view that properly managed trade and investment liberalisation is vital for addressing Southern Africa's enormous development challenges.

Its work is broadly divided into two streams. (1) Area studies analyse various free trade area negotiations, either under way or envisaged, in order to understand their broader impact on the region and identify negotiating options. (2) Issues analysis unpacks key multilateral (WTO) and regional issues with a view to formulating recommendations on policy and/or negotiating options. It also considers unilateral trade policy issues lying outside of the reciprocal trade negotiations arena.

This process takes place through publications; events, including roundtables, workshops and conferences; interaction with the media and governments; a growing network of regional and international partners; and participation in Business Unity South Africa's trade committee.

SAIIA gratefully acknowledges the Australian Agency for International Development (AusAID) and the Swedish International Development Agency (SIDA), which has generously supported the DtT Programme.

Programme head: Peter Draper peter.draper@saiia.org.za

© SAIIA February 2010

All rights are reserved. No part of this publication may be reproduced or utilised in any form by any means, electronic or mechanical, including photocopying and recording, or by any information or storage and retrieval system, without permission in writing from the publisher. Opinions expressed are the responsibility of the individual authors and not of SAIIA.

South African Institute of International Affairs
Jan Smuts House, East Campus, University of the Witwatersrand
PO Box 31596, Braamfontein 2017, Johannesburg, South Africa
Tel +27 (0)11 339-2021 • Fax +27 (0)11 339-2154
www.saiia.org.za • info@saiia.org.za

ABSTRACT

In the past few years, a sharp rise in the price of food commodities has caused a critical global food crisis, increasing the food bill of consumers in a way that deeply affects the food security of low-income societies, whose members spend more than half of their household incomes on food purchases. Despite the slight decline recorded recently, food prices are still too high when compared to the level in the past three decades, and nearly 100 million people in the world's poorest countries are still seeking food assistance and adequate nutrition, and are unable to afford food available in the market.

The immediate victims of this global food crisis are net food-importing developing countries, which can scarcely afford their rising import bills that result from the rise in world food prices.

Designated as a 'development round', the current Doha Round of trade negotiations was launched to address the various needs and interests of developing countries, including the serious food insecurity problem prevalent in most of these countries. While the food security concerns of net food-importing developing countries were to a certain extent recognised in previous rounds of trade negotiations, a lot more is expected from the Doha Round, which is still in progress.

After identifying the link between agricultural trade policies and food security, this paper examines how and to what extent a Doha Round agricultural trade reform will positively and/or negatively affect the food security concerns of net food-importing developing countries.

ABOUT THE AUTHOR

Fantu Farris Muleta was a research intern in the Development through Trade Programme at the South African Institute of International Affairs in 2009. She holds an LLM in International Trade and Investment Law from the University of the Western Cape. Her areas of research interest include trade negotiations under the World Trade Organisation (particularly agricultural trade negotiations), food security issues, economic partnership agreements and aid for trade.

ABBREVIATIONS AND ACRONYMS

AMS	Aggregate Measure of Support
AoA	Agreement on Agriculture
FAO	UN Food and Agriculture Organisation
GATT	General Agreement on Tariffs and Trade
IFPRI	International Food Policy Research Institute
OECD	Organisation for Economic Co-operation and Development
SSM	Special Safeguard Mechanism
WTO	World Trade Organisation

INTRODUCTION

The alleviation of hunger and food security has been the concern of many developing countries for a long time. Although the UN sets the eradication of extreme hunger and poverty by 2015 as one of its Millennium Development Goals, the world has experienced a greater degree of food insecurity in the past few years, essentially due to the mismatch between demand and supply for food commodities and the resulting hike in prices.

In 2008 the sharp rise in the price of food commodities caused a critical global food crisis, increasing the food bill of consumers in a way that deeply affected the food security of low-income societies, which spend more than half of their household income on food purchases.¹ According to the UN Food and Agriculture Organisation (FAO), the world experienced an average 64% rise in the real price of food commodities between 2002 and 2008, with a 97%, 87% and 46% rise in the price of vegetable oil, cereals and rice, respectively.² The World Bank has also estimated an 83% hike in food prices during the period 2006–09.³

Economic analysts suggest several factors that have contributed to the rise in the price of food commodities in 2008, including bad weather in key food-producing areas, low global food stocks, population growth, exchange rate fluctuation, high oil prices and a greater shift from food to biofuel production, among other reasons.⁴ However, the level of impact each factor has on rising food prices is different, since some factors have the potential of keeping food prices higher for a longer period, while others have a provisional, but cyclical effect. For instance, while climatic variability is seasonal by nature, the growing demand for biofuels and their extensive production are expected to have a persistent effect on food prices. According to an FAO projection, 'growth in bio-fuel demand over the next decade is likely to push commodity prices 12%–15% above the levels that would have prevailed in 2017 if bio-fuels were held at 2007 levels'.⁵

Although there has been a slight decline in the price of food commodities since the beginning of 2009, it does not suggest that the price hike is over, since some of the factors that triggered the hike have a long-lasting market effect and are still in play. For instance, according to a projection by the International Food Policy Research Institute (IFPRI), the growth in biofuel production will keep the price of maize, oilseeds, wheat and sugar higher by 20%, 44%, 20% and 27%, respectively, by 2020.⁶

Besides, despite the slight decline recorded recently, food prices are still too high as compared to the level in the past three decades, and nearly 100 million people in the world's poorest countries are still seeking food and nutritional assistance, since they are unable to afford food available in the market.⁷

Convinced of the gravity of the prevailing food security problem, the G8 countries, in their July 2009 summit in L'Aquila, endorsed a Joint Statement on Global Food Security and initiated the L'Aquila Food Security Initiative. Raising their concern on the adverse impacts of the global food, financial and economic crisis on the food security of developing countries, the G8 countries called for the placement of food security and sustainable agriculture issues at the top of the political agenda at global, regional and national levels.⁸

Although some countries, particularly net food exporters, are beneficiaries of rising world food prices through a boost in export earnings, the reverse is true for net food-importing countries, whose import bills will rise together with a rise in the world food

prices, triggering food insecurity. A recent FAO estimate shows that the global average import bills for food commodities increased by 29% during 2006–07, with a greater (44%) rise in import bills for cereals.⁹ Particularly in least-developed and net food-importing developing countries, food import bills for 2007–08 climbed by 125% from 2002–03 levels.¹⁰ The primary victims of such rising import bills are poor consumers in net food-importing developing countries who cannot afford high-priced food imports. This can be easily inferred from the high degree of undernourishment in most net food-importing developing countries. For instance, in countries like Comoros, Eritrea, Sierra Leone and Liberia, where the significant share of domestic food consumption is supplied through imports, more than 50% of the population suffer from undernourishment.¹¹

Table 1: Major cereals imported and undernourishment in selected countries

Country	Major cereals imported (% of domestic production)	Undernourishment (% of population)
Botswana	76	32
Central African Republic	25	44
Comoros	80	60
Democratic People's Republic of Korea	45	33
Eritrea	88	75
Ethiopia	22	46
Guinea-Bissau	55	39
Haiti	72	46
Kenya	20	31
Liberia	62	50
Mozambique	20	44
Niger	82	32
Rwanda	29	33
Sierra Leone	53	51
Tajikistan	43	56

Source: FAO, *op. cit.*

Food security is a function of different factors, including a growth in income, climate change, agricultural investment, population growth, agricultural trade policies and political stability, among others.¹² However, in this paper, emphasis is placed on agricultural trade policies and their impact on food security. Specifically, an examination will be made of how and to what extent Doha Round agricultural reforms can positively and/or negatively affect the food security concerns of net food-importing developing countries.

TRADE IN AGRICULTURAL PRODUCTS: THE MOST PROTECTED AND DISTORTED SECTOR OF GLOBAL TRADE

The idea of trade liberalisation or the provision of improved market access to imports on the basis of reciprocity has gained wider recognition since the adoption of the General Agreement on Tariffs and Trade (GATT) in 1947 and with the subsequent establishment of the World Trade Organisation (WTO) in 1995. Although the WTO has generally succeeded in bringing down the industrial tariffs of its members to a lower level and abolishing trade-distorting subsidies on industrial products, it has not been able to maintain a similar or comparable process of trade liberalisation for agricultural commodities.¹³ As a result, the global trade in agricultural commodities has been a subject of various protectionist measures in the past 50 years of the multilateral trading system.

The maintenance of high tariffs, tariff peaks¹⁴ and tariff escalation¹⁵ by both developed and developing countries has long become the distinctive features of the global trade in agricultural products.¹⁶ As identified in one study, while the world average bound tariff rate for industrial products is 29%, agricultural commodities are subjected to an average bound tariff of 62%.¹⁷ Particularly in the EU, the US, Canada and Japan, the average most-favoured nation applied tariff rate on agricultural commodities is four times greater than the average tariff applied on industrial products.¹⁸ Such high tariff walls erected at borders make it difficult for agricultural exporters to penetrate the domestic markets of importing countries.

Over and above the exercise of import restrictions through high tariff rates, the global trade in agricultural products is further restrained by the trade-distorting domestic support measures and export subsidies of developed countries that hinder unsubsidised agricultural commodities of developing countries from penetrating their markets at market prices.¹⁹

The total agricultural support of the Organisation for Economic Co-operation and Development (OECD) countries in 2003 was estimated to be around \$350 billion, which is roughly equal to the sum annual gross domestic product of all sub-Saharan African countries.²⁰ What makes agricultural support measures of developed countries problematic is the fact that the significant portion of such support measures are directly or indirectly trade distorting, which results in the distortion of natural market competition, price volatility and import surges, especially in the markets of developing countries. For instance, in the EU, the US and Japan, 57%, 38% and 90%, respectively, of agricultural domestic support measures are provided in the form of market price support,²¹ whereby the government sets an artificial price in disregard of the market price, which is therefore trade distorting. It is taking all these protectionist measures into consideration that the director-general of the WTO described agricultural trade as 'the most protected, subsidized, and thus distorted sector of members' economy'.²²

THE NEXUS BETWEEN TRADE POLICIES AND FOOD SECURITY

The notion of food security has been defined differently by different writers. While Walter Goode in his *Dictionary of Trade Policy Terms* defines food security as the concept of ensuring that the nutritional needs of a country are met,²³ Daniel Sumner and Fran Buck

add an element of sustainability in their definition of food security when they state that it comprises 'the probability that some given share of the population will be able to achieve an adequate food intake in the future'.²⁴ Strengthening their definition of food security, Sumner and Buck further state that 'food security means more than a current absence of hunger or even the current possession of nutritional health. Food security concerns potential food intake into the future and is thus inherently dynamic.'²⁵

A more comprehensive definition of food security is given by the FAO as 'a situation when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food which meets their dietary needs and food preferences for an active and healthy life'.²⁶ This definition, in addition to referring to the sustainable character of food security, points to the issue of the accessibility of food from a physical, social and economic point of view, which is important in highlighting the different factors affecting food insecurity.

Food insecurity might arise when people lack physical access to food, which mostly happens when there is a supply-side constraint in the food market due to weather-related crop failure, drought or any other reason. However, food insecurity can also prevail while food commodities are physically, but not economically, available in the market. This is true when the prices of food commodities escalate to an extent that paralyses the buying capacity of consumers, especially the poor.

Trade policies, especially agricultural trade policies, are among those factors that have a major impact on countries' food security. It is a long-established fact that no country is self-sufficient and it is in the interests of every country to trade on the basis of comparative advantage. This holds true, at least in principle, in the food markets too, where countries produce and export those food commodities that they have a comparative advantage in and import other foodstuffs from countries with a comparative advantage in different food commodities. In fact, there is a group of countries that rely heavily on imports for most of their domestic food consumption, and these are commonly referred as net food-importing countries. Hence, although at varied levels, every country depends on imports for one or more food commodities. It is this reliance of countries on international trade for the importation and exportation of foodstuffs that creates the foundation for the nexus between trade policies and food security.

Countries use import barriers (tariffs and non-tariff barriers) for the protection of domestic food producers from foreign competition and the promotion of local foodstuffs as a means to attain some level of food self-sufficiency and thus food security. Sometimes, especially in times of food shortage, countries also impose restrictions on the export of food commodities to ensure the physical availability of sufficient food supplies in the domestic market. For instance, many countries, including China, India and Ethiopia, imposed restrictions on the export of cereals and other food commodities as a policy response to the food security problem in 2008.²⁷

However, it is worth noting that export restrictions have a different impact on the food security concerns of different countries. While food-producing and food-exporting countries can easily increase the supply of food in their domestic market and provisionally promote their food security through the application of export restrictions, same export restrictions are major threats to food security in net food-importing countries where it is highly reliant on the adequate availability and affordability of imported foods.

Moreover, food security forms part of the non-trade concerns or multifunctional effects of agriculture,²⁸ which are frequently cited by developed countries as a justification for their generous provision of agricultural subsidies.

In fact, several exceptions are made to the general trade rules under the GATT and the Agreement on Agriculture (AoA) with regard to food security concerns. The following section will briefly examine the state of agricultural trade reform under the multilateral trading system and the place of food security in it.

THE MOVE TOWARDS AGRICULTURAL TRADE REFORM: ANY ROOM FOR FOOD SECURITY?

Although some writers refer to agricultural trade as being first regulated under the AoA,²⁹ trade in agricultural products was indeed regulated under the original GATT. While the prominent principles of the GATT were meant to regulate the import and export of products in general, distinctive exceptions were made under the GATT in the treatment of agricultural products on the basis of non-trade concerns, including food security.³⁰

Since the progressive liberalisation of tariffs and the elimination of non-tariff barriers are the central objectives of the multilateral trading system, the GATT provides for the general elimination of quantitative restrictions from international trade. Accordingly, under Article XI of the GATT, members are generally prohibited from instituting or maintaining non-tariff restrictions on the importation or exportation of products. However, this general principle suffers from various exceptions in respect of agricultural trade in that members are given wider flexibilities for the application of non-tariff restrictions on agricultural imports or exports. Among the various grounds on which members can exceptionally apply quantitative restrictions, food security is a prominent one.³¹

Under Article XI(2)(a) of the GATT, members are allowed to temporarily apply export prohibitions or restrictions on food commodities for the prevention or relief of critical shortages of foodstuffs.³² While this exception can potentially help food-producing countries to boost the supply of foodstuffs in their domestic markets, at the same time it poses a threat to the food security of countries that are highly reliant on imports.

Due to the negative effects of export prohibitions or restrictions on the food security of importing countries, especially net food importers, Article 12(1) of the AoA requires exporting members to 'give due consideration' to the food security concerns of importing members and consult, on request, with members having a substantial interest as importers before imposing export prohibitions or restrictions.³³ However, both requirements impose no enforceable obligation on food-exporting members other than a best-endeavour clause.

While requiring members instituting export prohibitions or restrictions to give due consideration to the effects of their measures on the food security of importing members, Article 12(1)(a) of the AoA does not define what 'due consideration' means, nor does it limit the application of export prohibitions or restrictions upon the provision of proof of an adverse effect on the food security of importing members. Rather, it simply requires exporting members to make an endeavour to take note of the food security concerns of importing members, which is fully discretionary.

Article 12(1)(b) of the AoA also requires members instituting export prohibitions or restrictions to hold prior consultation, on request, with other members who have substantial

interests as importers. Here again, no obligation is imposed on food-exporting members other than one of mere consultation. Hence, once a member has consulted with importing members, it can freely apply export prohibitions or restrictions, despite a disagreement during the consultation process or irrespective of the fact that the food security of importing members will be highly threatened by the export prohibitions or restrictions.

In general, even if there is common recognition of the adverse effects of export prohibitions or restrictions on the food security of importing members, there is no legal avenue for importing members to challenge and prevent the application of such measures on the ground of food security.

Because the GATT opens various avenues for the application of quantitative restrictions and export subsidies on agricultural products,³⁴ despite the prohibition of both in respect of industrial products, it was found to be important to introduce some new disciplines for trade in agricultural products, which resulted in the adoption of the AoA in 1994 in the Uruguay Round of trade negotiations.

With the general understanding that tariffs are less restrictive than non-tariff barriers, under the AoA, members are called on to convert the non-tariff barriers they apply on agricultural imports, including quantitative import restrictions, variable import levies, minimum import prices, discretionary import licensing and voluntary export restraints, into tariff 'equivalents' through a process commonly called 'tariffication'.³⁵ In that regard, Article 4(2) of the AoA prohibits members from maintaining, resorting to or reverting to non-tariff measures that are generally subjected to tariffication. However, an exception is made to this general principle in that members are allowed to maintain or apply non-tariff measures on some specific grounds, of which food security is one.³⁶

Under Annex 5 of the AoA, members are allowed to continue applying non-tariff barriers on some primary agricultural commodities that they designate in their schedule of commitment as beneficiaries of special treatment on the grounds of non-trade concerns, particularly food security.³⁷ The AoA also provide developing members with further flexibility to maintain non-tariff barriers on primary agricultural products that are predominant staples in their traditional diet.³⁸ These flexibilities provide members with some level of policy space to impose, when necessary, quantitative restrictions on food imports for the protection and promotion of domestic food production, with the overall objective of attaining food security.

However, a greater application of import barriers on food commodities does not always guarantee a positive effect on food security. In fact, the imposition of high tariffs on food commodities poses a threat to food security, since such tariffs potentially increase the price of food commodities, especially in net food-importing countries,³⁹ rendering food economically inaccessible to poor consumers.

The role of agricultural subsidies in dealing with food security concerns is also well recognised under the AoA, which allows members to freely subsidise food accumulation and holding through food security programmes.⁴⁰ Such subsidies fall under the category of Green Box domestic support measures,⁴¹ the provision of which is excluded from members' commitment to reduce outlays on trade-distorting domestic support measures.⁴²

Members are also entitled to provide subsidies in the form of domestic food aid under the Green Box measures.⁴³ Such subsidies are meant to increase the physical accessibility of food through a direct provision of food to those in need or to enhance its economic accessibility through the provision of the means to buy food at market or subsidised

prices.⁴⁴ Excluding the above as non-trade-distorting domestic support, the AoA requires developed and developing members to reduce their budgetary outlays on trade-distorting domestic support measures by 20% and 13.3%, respectively, from the level in the base period 1986–88.⁴⁵

Beyond of the provision of agricultural subsidies to deal with countries' own food security concerns, the food security of some countries, particularly poor net food-importing countries, is reliant on the application of agricultural subsidies by food-exporting countries. For most net food-importing countries, the provision of farm subsidies by major food exporters, including the leading food exporter (the EU⁴⁶) is desirable, since such subsidies, especially production and export subsidies, have an immediate effect of depressing the price of imports⁴⁷ and thus reducing the food bill of importing countries. As a result, agricultural reforms, particularly the reduction of farm and export subsidies by major agricultural exporters, have been considered as a challenge to food security in poor net food-importing countries, affecting the economic accessibility of food. In affirmation of this fact, the FAO had estimated a 20% rise in the food bills of food-importing developing countries following implementation of the various commitments under the AoA,⁴⁸ which required members to bound and progressively reduce their outlays on export subsidies and trade-distorting domestic support measures. It is with regard to such food security concerns that WTO members adopted the Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries (Ministerial Decision) as one of the results of the Uruguay Round of multilateral trade negotiations in 1994. In acknowledgement of the tension between agricultural reform and food security in net food-importing countries, the Ministerial Decision states:

during the reform programme leading to greater liberalization of trade in agriculture least-developed and net food-importing developing countries may experience negative effects in terms of the availability of adequate supplies of basic foodstuffs from external sources on reasonable terms and conditions, including short-term difficulties in financing normal levels of commercial imports of basic foodstuffs.

Accordingly, the Ministerial Decision stresses the need to mitigate the adverse effects of the agricultural reform process through establishing a level of food aid commitments sufficient to meet the legitimate needs of developing countries through the provision of agricultural export credits on more favourable terms and by extending technical and financial assistance to enhance agricultural productivity and infrastructure in least-developed and net food-importing developing countries.⁴⁹

Although the reform process has some negative consequences on all net food-importing countries through an increase in import bills, greater attention is paid to net food-importing developing countries that, due to weaker trade balances and smaller foreign exchange reserves, can hardly afford high-priced food imports, posing a greater threat to their food security. Accordingly, in this context and based on its mandate to monitor the follow-up to the Ministerial Decision,⁵⁰ the Committee on Agriculture made a list of 19 net food-importing developing countries that, together with 48 least-developed countries, will be beneficiaries of the Ministerial Decision and other flexibilities in the subsequent Doha Round of trade negotiations.⁵¹

However, several criticisms have been made regarding the enforceability and effectiveness of the Ministerial Decision in addressing the needs of net food-importing developing countries and least-developed countries. In this regard, Egypt, in its March 2001 proposal to the WTO negotiations on agriculture,⁵² called for an urgent review of the Ministerial Decision to strengthen the language and thus make it more mandatory, besides increasing the level of technical and financial assistance promised under the decision.⁵³ Highlighting the past failure to operationalise the Ministerial Decision, the African Group also, in its Joint Proposal on the Negotiations on Agriculture,⁵⁴ pressed for the establishment of a mechanism to fully implement the provisions of the decision.⁵⁵

Because of the modest effect of the disciplines under the AoA in curtailing high tariffs and trade-distorting agricultural subsidies, a new round of agricultural trade negotiations — the Doha Round — was launched at the fourth WTO Ministerial Conference in November 2001. The following section will address the Doha Round developments in bringing greater liberalisation of trade in agricultural commodities and the place of food security in these developments. Particularly, an assessment will be made as to the potential implications of the Doha agricultural reform process on the food security of net food-importing developing countries and how far the concerns of these countries are accommodated in the negotiating draft modalities text.

POTENTIAL FOOD SECURITY IMPLICATIONS OF THE DOHA ROUND AGRICULTURAL REFORM FOR NET FOOD-IMPORTING DEVELOPING COUNTRIES

Noting the fact that the attainment of deeper liberalisation in agricultural trade needs an ongoing reform process, the AoA sets a built-in agenda for the initiation of a new round of agricultural negotiation immediately before the end of the implementation period for the Uruguay Round agricultural commitments.⁵⁶ Setting the mandate for the launch of a new round of agricultural trade negotiations, Article 20(c) of the AoA requires members to initiate the new round with an overall objective of establishing a 'fair and market oriented agricultural trading system', which, however, also takes into account non-trade concerns, including food security.

In furtherance of the approach adopted under the AoA, the Doha Round directs agricultural trade reform in the areas of agricultural market access, domestic support and export subsidies — commonly referred as the three pillars of agricultural trade.⁵⁷ Defining the overall negotiating mandate in respect of the three pillars and reaffirming the placement of food security in the Doha Round negotiating agenda, the Doha Ministerial Declaration states:⁵⁸

We commit ourselves to comprehensive negotiations aimed at: substantial improvements in market access; reduction of, with a view to phasing out, all forms of export subsidies; and substantial reductions in trade-distorting domestic support. We agree that special and differential treatment for developing countries shall be an integral part of all elements of negotiations ... to enable developing countries to effectively take account of their development needs, including food security and rural development. We ... confirm that

non-trade concerns will be taken into account in the negotiations as provided for in the Agreement on Agriculture.

Under the ongoing Doha Round of trade negotiations, the major issue in the market access pillar of agricultural trade is a further reduction of agricultural tariffs, since non-tariff barriers have already been tariffed and bound during the Uruguay Round.⁵⁹ Hence, in an effort to make a large cut in high tariffs and bring about a substantial improvement in agricultural market access, members have agreed to undertake tariff reduction commitments using a tiered formula under which the rate of tariff reduction increases with an increase in the bound tariff rate.⁶⁰

Under the 2005 Hong Kong Ministerial Declaration, members have further agreed to structure tariff lines into four bands,⁶¹ such that the level of reduction commitment under each band will be different, based on bound tariff rates. Although no agreement has been reached yet on the thresholds for each band and the amount of tariff reduction in each band, the chairperson of the agriculture negotiations, under the December 2008 draft, proposed that developed and developing members should cut their agricultural tariffs by 50–70% and 33.3–46.6%, respectively,⁶² according to the principle of progressivity — i.e. deeper cuts in higher tariffs.

The tiered formula is far more efficient than the average linear cut of 36% (24% for developing members) in the AoA, since it deeply affects high tariffs and tariff peaks,⁶³ thereby bringing a greater liberalisation in agricultural market access and improved harmonisation of tariff rates.

The general rules on agricultural market access are, however, subject to various exceptions and deviations under the Doha Round, according to which members are allowed to make less than a formula cut on some tariff lines or deviate from their reduction commitment on the basis of safeguards and non-trade concerns.

Under the 2004 Doha Work Programme and the Hong Kong Ministerial Declaration, developing members are provided with the flexibility, in the form of special and differential treatment, to increase their tariffs beyond their bound limit as a Special Safeguard Mechanism (SSM) against an import surge or a price fall.⁶⁴ While the Hong Kong Ministerial Declaration postponed detailed agreement on the point at which the mechanism can be triggered and the tariff remedy available to future negotiations, members have failed to reach an agreement on such matters under the 2008 Mini-Ministerial Conference, which took place in Geneva in July 2008. In fact, the disagreement among members (particularly between the US and India) on the issue of the SSM played a central role in the collapse of the entire negotiation process in July 2008.⁶⁵

The SSM was introduced to increase developing members' accessibility to agricultural safeguard measures, given the fact that the AoA restricts the application of the SSM among members that have reserved such a right in their schedule of commitment and only in respect of tariff lines that have gone through the process of tariffication.⁶⁶ This especially holds true for net food-importing developing members, only five of which (Barbados, Botswana, Morocco, Tunisia and Venezuela) have reserved a right for the application of the SSM in terms of the requirement under the AoA.⁶⁷

Although the SSM will be available to all net food-importing developing members, as an extension of special and differential treatment to developing members it will have a very minimal role, if any, in the promotion of food security in such countries, since the

safeguard mechanism is meant to raise the price or reduce the volume of agricultural imports, as opposed to the interest of net food-importing developing members to get more food imports at a reduced price.

Agricultural safeguard mechanisms are most relevant for countries with extensive food production where it is economically sound to protect domestic agricultural producers at the expense of consumers' access to cheaper imports. In such food-producing countries, consumers will also not face food insecurity from the application of safeguard measures, since they will have access to foodstuffs from the domestic markets at reasonable or market prices. However, in net-food importing developing countries, where domestic food consumption is highly reliant on imports, a fall in the price or an increase in the volume of food imports is not really a problem; it is even desirable in assuring food security, rendering agricultural safeguard mechanisms less relevant in such countries.

Furthermore, as an extension of the food security exceptions under the GATT and the AoA, the Hong Kong Ministerial Declaration entitles developing members to make a less-than-formula cut tariff reduction commitment on products that will be designated as 'special' by developing members on the grounds of food security, livelihood security and rural development.⁶⁸ In terms of the Revised Draft Modalities for Agriculture, developing members would be able to self-designate 12% of their tariff lines as special products in respect of which they can deviate from the ordinary formula cut and undertake a much smaller tariff reduction commitment comprising an 11% overall average cut.⁶⁹

The flexibility for developing members to designate and make a smaller tariff reduction commitment on special products is essentially meant to enable these countries to protect their domestic agricultural producers through higher tariffs or to ensure that the livelihoods and food security of domestic agricultural producers are not threatened as a result of foreign competition.

Food-producing or food-exporting countries will be great beneficiaries of the flexibilities for special products than net food-importing countries, since the maintenance of higher tariffs on food imports works in favour of food producers and not consumers, at least in the short run. Hence, it is in countries where the economy is reliant on agricultural production and export and where domestic production meets a significant part of domestic food demand that it will be worthwhile to protect agricultural producers at the expense of consumers' access to cheaper imports. As a reflection of this idea, Annex F of the Revised Draft Modalities for Agriculture gives an illustrative list of indicators for the designation of special products. Accordingly, a special product needs to form part of staple foods; the significant proportion of its domestic consumption needs to be met through domestic production rather than imports; a large part of its domestic production needs to be used for domestic consumption rather than export; and/or the production of such commodities should employ a significant proportion of the total agricultural population that are low-income, resource-poor or subsistence farmers.⁷⁰

Regarding the market access pillar of the Doha Round of agricultural negotiations, the food security concerns of net food-importing developing countries are better reflected through an effort to strengthen the disciplines on the prohibition or restriction of food exports under Article XI(2)(a) of the GATT and Article 12(1) of the AoA.⁷¹ Noting the fact that Article 12(1) of the AoA sets no practical limitation on food-exporting countries in their application of export prohibitions or restrictions, the Revised Draft Modalities for Agriculture came up with different conditions that can limit, to a certain level, the free

application of prohibitions or restrictions on food exports and thus lessen the threat to the food security of net food-importing countries.

Primarily, a time limitation is set under paragraphs 178 and 179 of the Revised Draft Modalities for Agriculture such that exporting members should bring to an end all existing export prohibitions and restrictions on food commodities within the first year of the implementation period and cannot normally institute new export prohibitions or restrictions for more than 12 months.⁷² The only way for an exporting member to maintain export prohibitions or restrictions for more than 18 months is through the approval of food-importing members that are affected by the measure.⁷³ This gives food-importing members, especially net food-importing developing countries as immediate victims of export prohibitions and restrictions, some say on the application of such measures that they never had under the AoA.

Members are also required under the Revised Draft Modalities for Agriculture to notify the Committee on Agriculture of the introduction of export prohibitions or restrictions on foodstuffs and the reasons for instituting these measures within 90 days of the coming into force of such measures.⁷⁴ Even if food-importing members cannot challenge export prohibitions or restrictions based on the reasons for the institution of such measures, since there is no specific list of legitimate reasons, the requirement of specifying reasons to the Committee on Agriculture will generally promote transparency in the application of export prohibitions or restrictions.

The other area of agricultural reform under the Doha Round that can have a food security implication for net food-importing developing countries is the reduction of trade-distorting domestic support measures.

As compared to the Uruguay Round AoA, the Doha Round presents an initiative for a 'significant' reduction of Total Aggregate Measure of Support (AMS), which is the aggregate of all outlays on trade-distorting domestic support measures with a production effect.⁷⁵ As required by the 2004 Doha Work Programme and the Hong Kong Ministerial Declaration, members have agreed to the calculation of Total AMS reduction commitments using a tiered formula with three bands,⁷⁶ which will impose stiffer reduction sanctions on members with a higher Total AMS, particularly the EU, the US and Japan. This makes sense because these three members provide around 95% of the total domestic support outlays reported to the WTO Committee on Agriculture.⁷⁷

Defining the structure of the three-band Total AMS reduction commitment, the Hong Kong Ministerial Declaration provides that members with the highest level of domestic support measures will fall under the first band, with the highest level of reduction commitment; while members with the second- and third-highest level of support will undertake reduction commitment under the middle band; and all other members will fall under the third band, with a relatively lower reduction commitment.⁷⁸

Accordingly, under the Revised Draft Modalities for Agriculture, a proposal is made for the EU to reduce its trade-distorting domestic support measures by 70%, Japan and the US to undertake a 60% reduction commitment, and all other members to make a 45% reduction on their Total AMS.⁷⁹ Beside a greater percentage of reduction commitment, the EU, Japan and the US will undertake a faster reduction process, with a 25% reduction on the first day of implementation.⁸⁰

Given the fact that farm subsidies of developed countries are known to depress the world price of agricultural commodities,⁸¹ there is a general understanding that a

substantial reduction of agricultural subsidies in the developed world will result in a decline in the volume of subsidised exports and a rise in the world price of agricultural commodities, including foodstuffs.⁸² This price effect will be felt in net food-importing countries, where the domestic food market is highly reliant on imports and thus exposed to a greater price transmission. In affirmation of this point, a World Bank study projects that, setting other factors aside, the liberalisation of agricultural trade in OECD countries will cause an 18% rise in the price of cereals in net food-importing developing countries,⁸³ threatening the economic accessibility of food to the poor in these countries.

However, although net food-importing developing countries might be immediate losers from the reduction of agricultural subsidies in the developed world, the same agricultural reform can be a strategic long-run solution to the soaring global food prices and food security problems in most developing countries, including net food-importing developing countries. This is because a deep cut of trade-distorting domestic support outlays by major providing members, particularly the EU, the US and Japan, can help the establishment of a fair and market-oriented global agricultural trade. This in turn could be a big incentive for agricultural producers in the rest of the world (especially in countries with comparative advantages in agriculture) to invest more in the production and export of agricultural products,⁸⁴ resulting in a boost in the supply of food commodities and competition, with the end result of a price decline. In affirmation of this view, the director-general of the WTO, Pascal Lamy, has stated:⁸⁵

Agreeing to cut trade distorting agricultural subsidies in a very substantial way and import tariffs on agricultural products can contribute to better connecting offer and demand, to stabilising prices in the medium-run and to create incentives for boosting farm production in many developing countries.

Beyond the theoretical role of a reduction of trade-distorting domestic support measures in lowering food prices and bringing food security, the provision of trade-distorting domestic support measures has indirectly played a key role in the current hike in the price of food commodities, which has posed a threat to food security in net food-importing countries through a sharp rise in import bills.

As mentioned earlier, one of the central factors affecting the current rise in the price of food commodities is the rapidly growing demand for biofuels and their extensive production from food commodities like maize, sorghum, wheat, sugar cane, barley, soybeans, peanuts and others.⁸⁶ According to a current FAO estimate, the production of biofuels increased more than tenfold between 2000 and 2007, and 93 million tonnes of wheat and coarse grains were used for ethanol production in 2007, which is double the amount used in 2005.⁸⁷ Such a growing use of food commodities for biofuel production has contributed to the rise in the price of food commodities in two ways.

Primarily, it has resulted in a greater absorption of some food crops in the biofuel production process, reducing the supply of such crops in the food markets and thus pushing their price higher. In 2007, while the world utilisation of maize had generally increased by 40 million tonnes, 75% of this amount was utilised for biodiesel production.⁸⁸ Particularly in the US, a quarter of the total corn production in 2007 was consumed by the biofuel industry,⁸⁹ while the EU diverted 60% of its rapeseed oil production during the same period to biodiesel production.⁹⁰

Also, motivated by price incentives and government support programmes for the production of crops that can be used as biofuel inputs, agricultural producers in developed countries have shifted from producing crops that are solely foodstuffs to producing biofuel inputs, thereby causing a decline in the supply of the latter, which, coupled with the growing world population and food demand, has resulted in the rise in the price of such food crops.⁹¹

According to an International Monetary Fund estimate, the increased demand for biofuel commodities has contributed to a 70% and 40% in the rise in the price of corn and soybeans, respectively.⁹² The IFPRI has also attributed 22% and 21% of the rise in the price of wheat and rice, respectively, to biofuel production. As pointed out previously, the immediate victims of such soaring world food prices are net food-importing developing countries.

The extensive production of biofuels and the absorption of food commodities by biofuel industries is induced by subsidies and support measures that countries, especially OECD countries, provide for the production and consumption of biofuels.⁹³ In a 2006 study, the total level of support to producers and processors of biofuel commodities in the US, the EU, Canada, Australia and Switzerland was estimated at around \$11.3 billion, with these countries contributing 56%, 41.6%, 1.4%, 0.7% and 0.1%, respectively, to the total figure.⁹⁴

Countries provide biofuel subsidies in different forms such as input subsidies, production subsidies, farm income support, tax credits/exemptions for producers of biofuel crops and production-linked payments for biofuel processors.⁹⁵ For instance, in the US, while biodiesel producers who use agricultural feedstock are generally provided with a tax credit of \$1 per gallon, maize-based ethanol producers are granted a tax credit of 6% per gallon under the 2007 Farm Bill.⁹⁶

Under Article 6(1) of the AoA, domestic support measures that are neither production-neutral (Green Box) nor production-limiting subsidies (Blue Box) fall under the category of trade-distorting or Amber Box domestic support measures that are subjects of members' reduction commitments. Hence, production subsidies or domestic support measures that have the effect of boosting production volumes clearly form part of trade-distorting domestic support measures and are the subject of reduction commitments.

Substantial portions of the subsidy programmes for the production of biofuel feedstocks fall under trade-distorting or Amber Box domestic support measures, as laid down in Article 6(1) of the AoA, since they are indeed provided with a view to boosting outputs of feedstocks that can be used for biofuel production.

Hence, the initiative for a deeper cut in outlays, especially in the EU and US, on trade-distorting domestic support measures (Total AMS) under the Doha Round of trade negotiations will also result in the reduction of biofuel subsidies, which could bring agricultural producers back to the production of food commodities. This in turn will generate a boost in the supply of foodstuffs in the food market with reduced prices, thereby lessening the threat to food security in most net food-importing developing countries.

However, it is worth noting that some part of biofuel subsidies does not fall under agricultural subsidies and thus will not be affected by the Doha initiative for a substantial reduction in outlays on trade distorting domestic support measures. Outlays on biofuel subsidies will form part of Total AMS only to the extent that they are provided to producers of foodstuffs that will be used as inputs in biofuel production and insofar as these subsidies

are production incentives. Hence, subsidies that are provided directly to processors of biofuels will not form part of agricultural subsidies and thus Total AMS, since biofuels, as an output, are treated as chemicals and not agricultural products in the classification of tariff lines.

A special and differential treatment is also provided under the Revised Draft Modalities for Agriculture in favour of net food-importing developing countries to enable them to invest more in agricultural production through agricultural subsidies and support programmes as a way of promoting food security. Accordingly, a proposal is made under the Revised Draft Modalities for Agriculture that net food-importing developing countries should not be required to make reduction commitments in their Final Bound Total AMS under the Doha Round.⁹⁷ However, the practical significance of this provision is questionable, given the fact that only three of the 19 net food-importing developing countries (Morocco, Tunisia and Venezuela) have the right to make use of trade-distorting (Amber Box) domestic support measures in excess of their *de minimis* level, which is 20% of developing members' total value of agricultural production (10% for product-specific and 10% for non-product-specific domestic support).⁹⁸

Under Article 7(2)(b) of the AoA, the application of domestic support measures is restricted to the *de minimis* level for all members that have not scheduled their Total AMS commitments, while members with scheduled Total AMS commitments can employ trade-distorting domestic support measures in excess of their *de minimis* level, but within their reduction commitment.⁹⁹ Hence, it is only those members with scheduled Total AMS commitments under the Uruguay Round that will be required to further reduce their Total AMS under the Doha Round of negotiations.

Of the total 34 members that have scheduled their Total AMS commitments,¹⁰⁰ only three (Morocco, Tunisia and Venezuela) are net food-importing developing countries. This means it is only these three countries, among all net food-importing developing countries, that are subjects of Total AMS reduction commitments, and therefore it is only to these three countries that the current proposal for exemption of net food-importing developing countries from Total AMS reduction commitments would be applicable. The rest of net food-importing developing members, being restricted to the *de minimis* level, would be beneficiaries of paragraph 32 of the Revised Draft Modalities for Agriculture, which relieves net food-importing developing countries from making a reduction commitment on their *de minimis* levels under the current round of negotiations.

CONCLUSION

While the rising price of food commodities in the global market generally threatens the food security of many countries, making food economically inaccessible to the poor, the threat is particularly severe in net food-importing developing countries where a greater portion of domestic consumption is reliant on imports and where there is a higher degree of price transmission. The vulnerability of net food-importing developing countries to rising food prices is aggravated by export prohibitions and restrictions that food-exporting countries apply in times of food shortage as a policy response to a rise in food demand in their domestic market.

Although an effort is made under the AoA to discipline the application of export prohibitions and restrictions on foodstuffs, these disciplines set no enforceable obligation on exporting members, nor do they give any say to food-importing countries in the application of such measures.

Even if a promise is made to consider the food security concerns of net food-importing developing countries in the current Doha Round, these are not great beneficiaries of most of the flexibilities under the Hong Kong Ministerial Declaration and the Revised Draft Modalities for Agriculture, including the flexibility to apply the SSM, designate special products and gain exclusion from reduction commitments on Total AMS. In respect of trade-distorting domestic support measures, while net food-importing developing countries are generally considered as losers as the result of the substantial reduction of outlays on trade-distorting domestic support measures in the EU and US, there is a greater possibility for net food-importing developing countries to be better off in the long run from this reform process, given the fact that the agricultural subsidies of the developed world have played an indirect role in the current price increases of foodstuffs and increased food security problems in net food-importing developing countries.

ENDNOTES

- 1 Evans A, *Rising Food Prices: Drivers and Implications for Development*. New York: Center on International Cooperation, 2008, p. 5.
- 2 FAO (Food and Agriculture Organisation), *The State of Food and Agriculture*. Rome: FAO, 2008, p. 41.
- 3 Evans A, *op. cit.*, p. 2.
- 4 Rosegrant M, *Bio-fuels and Grain Prices: Impact and Policy Responses*. Washington, DC: International Food Policy Research Institute (IFPRI), 2008, p. 1.
- 5 FAO, *op. cit.*, p. 101.
- 6 Mitchell D, 'A note on rising food prices', World Bank policy research working paper. Washington, DC: World Bank, 2008, p. 15.
- 7 WFP (World Food Programme), *Coping with High Food Prices and the Financial Crisis*, 2009, <http://documents.wfp.org/stellent/groups/public/documents/newsroom/wfp197596.pdf>.
- 8 G8, Joint Statement on Global Food Security, LAquila, 10 July 2009, para. 2.
- 9 FAO, *op. cit.*, p. 73.
- 10 ICTSD (International Centre for Trade and Sustainable Development), 'High food prices will continue to hurt poor countries, WTO Ag committee hears', *Bridges Weekly Trade News Digest*, 12, 42, 2008, <http://ictsd.net/i/news/bridgesweekly/35923/>.
- 11 FAO, *op. cit.*
- 12 Andersen P, Lorch R & M Rosegrant, *The World Food Situation: Recent Developments, Emerging Issues, and Long-Term Prospects*. Washington, DC: IFPRI, 1997, p. 7.
- 13 Bermann G & P Mavroidis (eds), *WTO Law and Developing Countries*. New York: Cambridge University Press, 2007, p. 342.
- 14 Relatively high tariffs, usually on 'sensitive' products, amid generally low tariff levels. For industrialised countries, tariffs of 15% and above are generally recognised as 'tariff peaks'. See http://www.wto.org/english/thewto_e/glossary_e/glossary_e.htm.

- 15 Higher import duties on semi-processed products than on raw materials, and higher still on finished products. See http://www.wto.org/English/theWTO_e/glossary_e/glossary_e.htm.
- 16 Bermann G & P Mavroidis, *op. cit.*, p. 342.
- 17 WTO (World Trade Organisation), *World Trade Report*. Geneva: WTO, 2003, p. 127.
- 18 WTO, *The WTO Director-General Annual Report: Overview of Developments in the International Trading Environment*. Geneva: WTO, 2005, p. 22.
- 19 *Ibid.*, pp. 22–23.
- 20 *Ibid.*, p. 23
- 21 *Ibid.*, p. 24.
- 22 *Ibid.*, p. 23.
- 23 Goode W, *Dictionary of Trade Policy Terms*. New York: Cambridge University Press, 2003, p. 150.
- 24 Sumner D & F Buck, *Agricultural Trade Policy and Food Security*, 2000, p. 3, <http://aic.ucdavis.edu/research1/BerlinSumner.pdf>.
- 25 *Ibid.*
- 26 FAO, *Trade Reforms and Food Security: Conceptualizing the Linkage*. Rome: FAO, 2003, p. 28.
- 27 Braun J, 'Rising food prices: What should be done?', IFPRI policy brief. Washington, DC: IFPRI, 2008.
- 28 AoA (Agreement on Agriculture), *The Legal Texts: The Results of the Uruguay Round of Multilateral Trade Negotiations (Marrakesh 1994)*, 'Preamble', para. 6.
- 29 Hoekman B & W Martin (eds), *Developing Countries and the WTO: A Pro-active Agenda*. New York: Blackwell, 2003, pp. 1 & 61.
- 30 GATT (General Agreement on Tariffs and Trade), *The Legal Texts: The Results of the Uruguay Round of Multilateral Trade Negotiations (Marrakesh 1994)*, arts. XI(2) & XVI.
- 31 *Ibid.*, art. XI(2)(a).
- 32 *Ibid.*
- 33 AoA, art. 12(1).
- 34 See GATT, arts. XI(2) & XVI(3).
- 35 Desta M, *The Law of International Trade in Agricultural Products: From GATT 1947 to the WTO Agreement on Agriculture*. The Hague: Kluwer, 2002, pp. 62 & 67.
- 36 AoA, Annex 5.
- 37 *Ibid.*, Annex 5, para. 1(d).
- 38 *Ibid.*, Annex 5, para. 7.
- 39 Sumner D & F Buck, *op. cit.*, p. 10.
- 40 AoA, Annex 2, para. 3.
- 41 Subsidies with no or at most minimal trade-distorting effects.
- 42 AoA, para. 6(1).
- 43 *Ibid.*, Annex 2, para. 3.
- 44 *Ibid.*, Annex 2, para. 4.
- 45 Modalities for the Establishment of Specific Binding Commitments under the Reform Programme, MTN/GNG/MA/W/24, December 1993, paras. 8 & 15.
- 46 The EU supplies the largest share (44.6% in 2007) of total world food exports. See WTO, *International Trade Statistics 2008*. Geneva: WTO, 2008, p. 56.
- 47 Desta M, *op. cit.*, p. 100.
- 48 Murphy S, 'WTO agricultural deregulation and food security', *Institute for Policy Studies: Foreign Policy in Focus*, 4, 34, 1999, p. 2.

- 49 Ministerial Decision, Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries, para. 3.
- 50 *Ibid.*, para. 6; AoA, art. 16.
- 51 The 19 net food-importing developing countries are Barbados, Botswana, Côte d'Ivoire, Cuba, Dominican Republic, Egypt, Honduras, Jamaica, Kenya, Mauritius, Morocco, Pakistan, Peru, Saint Lucia, Senegal, Sri Lanka, Trinidad and Tobago, Tunisia, and Venezuela. See http://www.wto.org/english/tratop_e/ag_intro06_netfood_e.htm.
- 52 Egypt, Comprehensive Proposal by the Arab Republic of Egypt to the WTO Negotiations on Agriculture, G/AG/NG/W/107/Rev.1, 21 March 2001.
- 53 *Ibid.*, para. 10.
- 54 WTO African Group, Joint Proposal on the Negotiations on Agriculture, G/AG/NG/W/142, 23 March 2001.
- 55 *Ibid.*, para. 19.
- 56 AoA, art. 20.
- 57 Goode W, *op. cit.*, p. 353.
- 58 Doha Ministerial Declaration, WT/MIN/(01)DEC/1, November 2001, para. 13.
- 59 AoA, art. 4.
- 60 Doha Work Programme, adopted by the General Council, WT/L/579, August 2004, Annex A, paras. 28–29.
- 61 Hong Kong Ministerial Declaration, WT/MIN/(05)DEC, December 2005, para. 7.
- 62 Revised Draft Modalities for Agriculture, December 2008, paras. 61–63.
- 63 Desta M, 'Legal issues in international agricultural trade: The evolution of the WTO Agreement from its Uruguay Round origins to its post-Hong Kong directions', *FAO legal papers*, 55, 2006, p. 12, <http://www.fao.org/legal/prs-ol/lpo55%20.pdf>.
- 64 Doha Work Programme, Annex A, para. 42; Hong Kong Ministerial Declaration, para. 7.
- 65 WTO, News item, 2008, http://www.wto.org/english/news_e/news08_e/news08_e.htm.
- 66 AoA, art. 5(2).
- 67 For list of members who have reserved a right for the application of the SSM, see http://www.wto.org/english/tratop_e/agric_e/negs_bkgnd11_ssg_e.htm.
- 68 Hong Kong Ministerial Declaration, para. 7.
- 69 Revised Draft Modalities for Agriculture, December 2008, para. 29.
- 70 See *ibid.*, Annex F.
- 71 As examined in the previous section, the disciplines under the GATT and the AoA on the prohibition or restriction of food exports are too lenient, as the institution of such measures is fully discretionary on the part of food-exporting members.
- 72 Revised Draft Modalities for Agriculture, paras. 178–79.
- 73 *Ibid.*, para. 179.
- 74 *Ibid.*, paras. 172–73.
- 75 AoA, art. 1.
- 76 Doha Work Programme, Annex A, paras. 7–9; Hong Kong Ministerial Declaration, para. 5.
- 77 McCalla A & J Nash (eds), *Reforming Agricultural Trade for Developing Countries*, 1. Washington, DC: World Bank, 2007, p. 36.
- 78 Hong Kong Ministerial Declaration, para. 5.
- 79 Revised Draft Modalities for Agriculture, para. 13.
- 80 *Ibid.*, para. 15.

- 81 Aksoy M & J Beghin (eds), *Global Agricultural Trade and Developing Countries*. Washington, DC: World Bank, 2005, p. 195.
- 82 McCalla A & J Nash (eds), *Reforming Agricultural Trade for Developing Countries*, 2. Washington, DC: World Bank, 2007, p. 125.
- 83 *Ibid.*, p. 209.
- 84 Ingco M & J Nash (eds), *Agriculture and the WTO: Creating a Trading System for Development*. Washington, DC: World Bank, 2004, p. 180.
- 85 Lamy P, speech to a Development Committee Meeting, Washington, DC, 13 April 2008, http://www.wto.org/english/news_e/sppl_e/sppl89_e.htm.
- 86 FAO, 2008, *op. cit.*, p. 14.
- 87 *Ibid.*, pp. 41 & 43.
- 88 'Soaring food prices: Facts, perspectives, impacts and actions required', document prepared for the High-level Conference on World Food Security: The Challenges of Climate Change and Bio-energy, Rome, 2008, p. 10.
- 89 Flammini A, *Biofuels and the Underlying Causes of High Food Prices*. Global Bioenergy Partnership, 2008, p. 12, http://www.globalbioenergy.org/uploads/media/0810_Flammini_-_Biofuels_and_the_underlying_causes_of_high_food_prices.pdf.
- 90 'Soaring food prices', *op. cit.*, p. 10.
- 91 Flammini A, *op. cit.*, p. 7.
- 92 Lipsky J, 2008, 'Commodity prices and global inflation', remarks at the Council on Foreign Relations, IMF, <http://www.imf.org/external/np/speeches/2008/050808.htm>.
- 93 Mitchell D, *op. cit.*, p. 7.
- 94 FAO, 2008, *op. cit.*, p. 32.
- 95 *Ibid.*, p. 28.
- 96 *Ibid.*, p. 30.
- 97 Revised Draft Modalities for Agriculture, para. 17.
- 98 AoA, art. 6(4).
- 99 *Ibid.*, art. 3(2).
- 100 For the list of members that have scheduled their Total AMS commitments, see http://www.wto.org/english/tratop_e/agric_e/negs_bkgrnd13_boxes_e.htm.

SAIIA'S FUNDING PROFILE

SAIIA raises funds from governments, charitable foundations, companies and individual donors. Our work is currently being co-funded by AusAid, the Bradlow Foundation, the Department of International Development (DFID), the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), the European Commission, the Finnish Ministry for Foreign Affairs, the Ford-Foundation, the Friederich Ebert Stiftung (FES), the Graduate Institute of International Studies (GIIIS), the International Development Research Centre (IDRC), the International Institute for Sustainable Development (IISD), INWENT, the Konrad Adenauer Foundation, the Organisation for Economic Co-operation and Development (OECD), the Royal Norwegian Ministry of Foreign Affairs, the Royal Danish Ministry of Foreign Affairs, the Royal Netherlands Ministry of Foreign Affairs, the South Centre, the Swedish International Development Agency (SIDA), the Sustainable Development Policy Institute (SDPI), the United Nations Conference on Trade and Development (UNCTAD), the United Nations International Research & Training Institute for the Advancement of Women (INSTRAW), the South African Department of International Relations and Cooperation (DIRCO), Trade and Industrial Policy Strategies (TIPS), the Department of Environmental Affairs (DEAT) of South Africa and the South African Revenue Service (SARS).

In addition SAIIA has 49 corporate members which are mainly drawn from the South African private sector and international businesses with an interest in Africa and a further 53 diplomatic and 11 institutional members.



South African Institute of International Affairs

African perspectives. Global insights.