



Doha Development Agenda

Implications for U.S. Meat Trade

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Doha Development Agenda (DDA)

- **Status of DDA Negotiations**
- **Basis of Negotiations**
- **Key DDA Provisions**
- **Implications for U.S. Meat Trade**
- **Way Forward?**



Doha Round

-- *Potential Benefits*

- Generate new trade flows
- Lift millions from poverty worldwide
- Reduce tariffs and trade restrictions that raise food/fiber prices
- Help farmers by cutting subsidies that distort markets and discourage agricultural development
- Broaden global markets



Doha Round

-- *Status*

- Crawford Falconer's Revised Draft Modalities for Agriculture, July 10, 2008
- Geneva Mini-ministerial meeting, end July 2008 (G-7)
- Falconer's Report to the Trade Negotiating Committee, August 11, 2008
- Re-engagement (G-7) in Geneva, September 2008



Doha Round

-- *Basis of Negotiations*

Three Pillars of the agriculture negotiations

➤ **Market Access**

- Tariffs, sensitive and special products
- Agricultural safeguards – SSG and SSM
- Tropical products, preferences, tariff escalation, etc.

➤ **Export Competition**

- Food aid, export credits
- Export subsidies, State Trading Enterprises

➤ **Domestic Support**

- OTDS reduction, product-specific caps, blue box



Doha Round

-- *Tiered Tariff Reduction Formula*

- Developed countries, tiered tariff reduction formula:
 - Reduced **50%** for tariffs > 0 but $\leq 20\%$
 - Reduced **57%** for tariffs $> 20\%$ but $\leq 50\%$
 - Reduced **64%** for tariffs $> 50\%$ but $\leq 75\%$
 - Reduced **[70%]** for tariffs $> 75\%$
- Minimum average cut of 54%, inclusive of sensitive products, tariff escalation and tropical products



Doha Round

-- *Tiered Tariff Reduction Formula*

➤ Developing countries, formula:

- Reduced **2/3 of 50%** for tariffs > 0 but $\leq 30\%$
- Reduced **2/3 of 57%** for tariffs $> 30\%$ but $\leq 80\%$
- Reduced **2/3 of 64%** for tariffs $> 80\%$ but $\leq 130\%$
- Reduced **2/3 of [70%]** for tariffs $> 130\%$

➤ Maximum average cut of 36%, inclusive of special products



Doha Round

-- *Sensitive Products*

- Sensitive Products available for developed and developing countries
- Developed countries designate [4-6]% of tariff lines as Sensitive Products
- Provision for additional lines
- Tariff cap “buyout”
- Deviation for tariff reductions (1/3, 1/2, 2/3)
- Provide “tariff quota expansion” of [4-6]% of domestic consumption for 2/3 deviation
- Creation of new tariff-rate-quotas?
- Developing countries designate 1/3rd more



Doha Round -

-- *Special Products*

- Special Products available only for developing countries
- Designate [10-18]% of tariff lines as Special Products
- [6]% of tariff lines no tariff cut
- [10-14]% overall average overall tariff cut
- Special rules for small vulnerable economies (SVEs) and recently acceded members (RAMs)



Doha Round -

-- *Special Agricultural Safeguard*

➤ Special Agricultural Safeguard (SSG)

- Developed countries:

- ✓ Eliminate

- ✓ Or, reduce to 1.5% of tariff lines

- Developing countries:

- ✓ Remain unchanged, except updated for DDA conditions

- ✓ Or, reduce to 3% of tariff lines



Doha Round -

-- *Special Safeguard Mechanism*

- Special Safeguard Mechanism (SSM)
 - Developing countries only
 - Price and volume mechanisms
 - Volume-based
 - ✓ Variable triggers/remedies, based on rolling average of preceding three-year period
 - Price-based
 - ✓ CIF import prices, shipment by shipment
 - Special provisions where remedy exceeds pre-Doha tariff bindings



Doha Round -

-- *Domestic Support*

- Overall Trade Distorting Domestic Support (OTDS)
 - July text calls for U.S. OTDS range of \$13-16.4B
- AMS and Product-Specific Caps
 - July text foresees a 60% cut in amber box
 - Product-specific caps within amber box
- Blue Box
 - Definition expanded to allow U.S. counter-cyclical type programs
 - Overall cap reduced by 50% to maximum of 2.5% of value of production
- Cotton



Doha Round -

-- *Export Competition*

- Export Credits / Food Aid
 - New disciplines
- Export Subsidies
 - Eliminated/phased-out
- State Trading Enterprises
 - New disciplines/elimination



Doha Round -

-- *Implications for U.S. Meat Trade*

- Developed countries – EU, Japan, etc.
 - Reductions in tariffs of 50-70%
 - Average tariff cut of minimum of 54%
 - Sensitive product tariff deviations/TRQs
 - Reduction/elimination of UR Special Agricultural Safeguard



Doha Round –

- Implications for U.S. Meat Trade

- Developing countries – China (RAM), India, Philippines, Taiwan (RAM)
 - Reductions in tariffs of 33-47%
 - Average tariff cut of maximum of 36%
 - Special Product tariff deviations
 - UR Special Agricultural Safeguard
 - Doha Special Safeguard Mechanism



Doha Round –

- Implications for U.S. Meat Trade

➤ Elimination of EU export subsidies

- Beef
- Pork
- Poultry
- Eggs



Doha Round – *-- Way forward?*

WHAT'S NEXT?