



*Towards sustainable and competitive  
agriculture for the Americas*

# Technical Note 05-12

San Jose, Costa Rica, June 18, 2012

## RELATIONS BETWEEN IICA AND THE WTO

With this technical note, the Inter-American Institute for Cooperation on Agriculture (IICA), through its Center for Strategic Analysis for Agriculture (CAESPA), is honoring its commitment to keep the member countries informed of developments related to agriculture in Latin America and the Caribbean taking place within the World Trade Organization (WTO). Since 2010, the Institute has been an Observer Member of and participated in the meetings of the WTO Committee on Agriculture.

### IICA and the WTO

Inasmuch as trade policy, agricultural trade and negotiations related to agriculture are priority topics for IICA, the Institute attaches particular attention to them. Following the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), the inclusion of agriculture in multilateral trade negotiations and the subsequent creation of the WTO have resulted in permanent changes in such negotiations. Therefore, IICA has been making adjustments in its cooperation actions in order to take into account the effect of such negotiations on the formulation of policies, and to contribute to the implementation of appropriate actions in its member countries.

With the November 2003 launch in Doha, Qatar, of a new round of multilateral trade negotiations under the aegis of the WTO, known as the Doha Development Agenda, the topic of agriculture has taken on a new dimension. IICA, convinced that trade must contribute to the development and well-being of the peoples of the Americas, especially in its rural sectors, and in keeping with its commitment to support the competitive, sustainable and inclusive development of agriculture, has strengthened its relations with the WTO. The Institute has been paying particular attention to the discussions taking place in the WTO on agriculture and related topics, such as sanitary and phytosanitary measures and intellectual property rights related to trade.

As a result of collaboration between the two organizations and a request that the Director General of IICA submitted to the Chair of the WTO Committee on Agriculture, requesting that IICA be admitted as an observer on that committee, the members of the WTO studied the request in March 2010 and granted IICA the status of ad hoc observer. This has made it possible for the Institute to collaborate with its member countries in ensuring that their priorities and interests are taken into account in the negotiations, and to coordinate efforts aimed at strengthening the capacities of the countries to share more fully in the benefits of agrifood trade. With regard to the latter point, the decision was made to develop annual joint work programs which, in 2011, included two regional workshops at IICA Headquarters, one on intellectual property rights and the other on notifications related to agriculture. Both organizations also collaborated with the Latin American Integration Association (ALADI) to hold a regional course on trade policy in Montevideo, Uruguay.

### **The WTO Committee on Agriculture and its meetings**

The WTO Committee on Agriculture oversees the proper application of the WTO Agreement on Agriculture, which was negotiated during the Uruguay Round from 1986 to 1994, and monitors the current Doha Round and the commitments assumed during it. This committee also provides the member countries<sup>1</sup> with the opportunity to submit enquiries regarding any matter related to the correct application of the agreement.

The member countries must report to the WTO any commitments assumed by the Parties, set forth in documents known as notifications. To this end, the Committee meets four times a year (March, June, September and November). At each meeting, compliance of the member countries with the requirement to notify is studied.

Depending on the specific commitments established on its “list of commitments related to agriculture,” each member country of the WTO must provide the following:

1. Market access<sup>2</sup> with respect to tariff quotas<sup>3</sup> and the use of the special agricultural safeguard.<sup>4</sup>
2. Internal support provided by the countries. “Internal support for agriculture” refers to any domestic subsidy or other measure aimed at maintaining producer prices at levels above those prevailing in international trade; direct payments to producers, including deficiency payments, and input and marketing cost reduction measures available only for agricultural production.

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<sup>1</sup> As at March 21, 2012, there were 153 member countries. For further information:

[http://www.wto.org/spanish/thewto\\_s/whatis\\_s/tif\\_s/org6\\_s.htm](http://www.wto.org/spanish/thewto_s/whatis_s/tif_s/org6_s.htm)

<sup>2</sup> A set of conditions that enable foreign exporters of goods and services, foreign providers of services and foreign investors to access the market of an importing country (which is a signatory to the trade or investment agreement).

<sup>3</sup> The maximum amount of a product to which a preferential tariff is applied during a specific period of time.

<sup>4</sup> Temporary increase in an import duty in response to an increase in imports or a fall in prices, applicable under the special terms of the WTO Agreement on Agriculture.

3. Export subsidies, which constitute a benefit granted by governments to a company so it can export goods competitively, without necessarily reflecting the production costs.
4. Export prohibitions and restrictions, which are measures that limit the amount or value of the products that can be exported during a given period of time.
5. The application of the “Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries.”

On March 21, 2012, the WTO Committee on Agriculture held its 65<sup>th</sup> regular meeting in Geneva, Switzerland, and addressed the following topics:

*I. Matters related to fulfillment of the commitments assumed by the countries under the Agreement on Agriculture*

Specifically, the following cases were discussed:

- **A challenge on the part of Argentina** regarding obstruction of access to markets via regulations that have no scientific or technical basis, which is incompatible with the agreements of the WTO.
- **A challenge on the part of the European Union and the United States** regarding Egypt’s prohibition of imports of cotton and India’s prohibition of imports of cotton yarn.
- **A challenge on the part of New Zealand** regarding Canada’s initiative on the promotion of ice cream.
- **A challenge on the part of the United States** regarding Brazil’s internal support programs, the system for the purchase and storage of cotton from China, the permits in Ecuador for the importation of certain food and agricultural products, India’s program for condoning agricultural debts and quantitative restrictions and other restrictions of Indonesia on the importation of certain food products.

*II. Specific issues that have been raised regarding the notifications the member countries must present to the WTO, such as:*

- Notifications presented by Japan, Morocco and Norway regarding imports in tariff rate and other quotas
- Notifications presented by Korea and China (Taipei) regarding the safeguard measure
- Notifications related to commitments of internal support presented by Albania, Bahrain, Barbados, Brazil, Canada, China, Colombia, Korea, Nigeria, Paraguay, St. Vincent and the Grenadines, Togo and Tonga.
- Notifications regarding internal support measures exempt from reduction, presented by Honduras and Uruguay.
- Notification presented by Costa Rica regarding commitments related to export subsidies.

**Upcoming events**

The next meeting of the WTO Committee on Agriculture is scheduled for June 20, 2012. We will be reporting on the results of the meeting in July.

*I want to take this opportunity to inform the member countries that IICA and the WTO will hold a joint training event entitled “The Agreement on Agriculture and Agricultural Negotiations” from July 3-5 at IICA Headquarters. Please send us the name of potential candidates for participation. For further information, please contact Adriana Campos Azofeifa, CAESPA Trade Policies and Negotiations Specialist, at [adriana.campos@iica.int](mailto:adriana.campos@iica.int).*