

FACULTY OF JURIDICAL SCIENCES

Lecture-18



Agreement on Agriculture

Trade and markets for food and farm goods matter to us all — whether we are consumers of these products, or also produce, transform and trade them.

To address government policies that distort markets and restrict trade, WTO members concluded the Agreement on Agriculture, which came into force in 1995. This initiated reductions in subsidies and trade barriers to make markets fairer and more competitive. It also provided for members to continue negotiations for further reform, taking into account concerns such as food security and the environment. These ongoing talks led in 2015 to a historic decision to abolish agricultural export subsidies and new rules for other forms of farm export support.

The WTO's Agriculture Committee oversees implementation of the Agreement and provides a forum for members to address related concerns.

The WTO Agriculture Agreement provides a framework for the long-term reform of agricultural trade and domestic policies, with the aim of leading to fairer competition and a less distorted sector.

The Agreement covers:

- Market access — the use of trade restrictions, such as tariffs on imports
- Domestic support — the use of subsidies and other support programmes that directly stimulate production and distort trade
- Export competition — the use of export subsidies and other government support programmes that subsidize exports.

Under the Agreement, WTO members agree to “schedules” or lists of commitments that set limits on the tariffs they can apply to individual products and on levels of domestic support and export subsidies.

The Agriculture Committee

The Committee on Agriculture oversees implementation of the Agriculture Agreement and monitors how WTO members are complying with their commitments. Members are required to share information and may ask each other questions or raise concerns about each other's agricultural policies.

Agriculture negotiations

Agricultural trade reform did not end with the birth of the Agriculture Agreement. WTO members are continuing to negotiate agricultural trade reform.

WTO members adopted important decisions on agriculture at the 2015 WTO Ministerial Conference in Nairobi, Kenya. These include a commitment to abolish subsidies for farm exports as well as decisions on public stockholding for food security purposes, on a special safeguard mechanism for developing countries, and on trade rules for cotton.

At the 2013 WTO Ministerial Conference in Bali, Indonesia, ministers also agreed on a package of issues in agriculture.