



**General Council
Committee on Agriculture
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COVID-19 INITIATIVE: PROTECTING GLOBAL FOOD SECURITY THROUGH OPEN TRADE

COMMUNICATION ON BEHALF OF MEMBERS OF THE CAIRNS GROUP

Revision

The following communication dated 25 June 2020, is being circulated at the request of the Delegations of Argentina, Australia, Brazil, Canada, Chile, Costa Rica, Indonesia, Malaysia, New Zealand, Paraguay, Peru and Uruguay.

Introduction

1.1. COVID-19 has caused a global health crisis of unprecedented complexity, affecting the well-being and livelihoods of millions around the world. We recognise that our primary focus is to ensure the health and safety of our citizens, while laying the groundwork for a strong, inclusive and sustainable economic recovery.

1.2. The global agricultural and food system, underpinned by World Trade Organization (WTO) rules, spans international borders, bringing food, fibre, and other essential products to people all over the world. Agriculture contributes over USD 3.3 trillion to the global economy each year, and employs around 27% of the global workforce, including on average 60% of employment in low income countries.¹ Trade is an important component in ensuring the availability of diversified, safe and nutritious food for all.

1.3. Throughout the first phase of this pandemic, the agriculture sector has been resilient and international markets have remained relatively stable despite strong pressures on production, supply chains, and rapid shifts in demand. At this critical time, it is vital that we put in place trade facilitating measures and that we do not put the global agricultural and food system at risk by introducing new measures that distort trade or production, limit supply or unduly distort prices, at the expense of people's wellbeing.

1.4. Open trade complements domestic production in ensuring and supporting global food security. No single economy can lay claim to full self-sufficiency.² We all rely on international trade for key components of our diet, and for access to inputs, machinery and services that allow us to produce safe and affordable food. Trade facilitates access to food during local production shocks and across different production seasons, and acts to prevent domestic shortages. Trade also leads to a more efficient and sustainable allocation of factors of production, such as land and water resources. Under open market conditions, agricultural supply chains are able to adapt to occasional and temporary challenges. Without predictable agricultural and food trade we would all be significantly worse off.

1.5. At this critical time, when countries are responding to the challenges of the COVID-19 pandemic, the risks posed by additional distortive subsidies, the disposal of subsidised stocks

¹ World Bank data.

² Only 17% of countries produce more calories than they consumed between 2005-2009 and even those countries relied on trade to ensure a varied and nutritional diet. (M.J. Puma et al Environmental Research Letters January 2015).

(whether privately held or in public storage), and other measures that distort or disrupt trade cannot be overestimated. Producers who are already under pressure could be put in an unviable position and the supply chains that are critical to the global agricultural and food system could be put at risk. Such developments could increase the levels of global food insecurity as a result of COVID-19.

1.6. To avoid this, Members must show restraint and live up to their commitments, including in recent declarations and statements³, to ensure all emergency measures in response to COVID-19 are targeted, temporary, proportionate, science-based where relevant, and transparent – including by informing and notifying all relevant COVID-19 related measures as soon as practicable to the WTO Secretariat. The international community must continue to respond to the COVID-19 food security threat by ensuring open and predictable agricultural markets, which will result in market-based price signals and preserved supply chains.

1.7. Through the following commitments, we are seeking to lessen the impact of COVID-19 and to promote an economic recovery that embraces the benefits of open and fair agricultural markets. We encourage others to join on to this initiative in a demonstration of our joint commitment to global food security.

1.8. Now more than ever, we must continue our efforts to "build back better" by rejecting protectionism, continuing the reform process with a view to achieving positive results by MC12, and giving the agricultural sector a key role in the economic recovery. We must continue our work across all pillars of the negotiations to achieve fundamental reforms and a fairer and more market-oriented agricultural trading system. This means progress in market access, in export competition, and in domestic support, where the Cairns Group has laid out a Framework for Negotiations to ensure that harmful trade and production-distorting subsidies are appropriately addressed.

³ Including statements such as WT/GC/208/Rev.2 and G20 Agriculture and Trade Ministers' statements.

ANNEX

Commitments

We, the following Members, Argentina, Australia, Brazil, Canada, Chile, Costa Rica, Indonesia, Malaysia, New Zealand, Paraguay, Peru, Uruguay:

Restraint on measures and roll-back

1. Commit to and call on all Members to ensure that any emergency measures in agriculture in response to COVID-19 and its effects are targeted, proportionate, transparent, temporary and consistent with WTO rules.
2. Commit to and call on all Members to exercise restraint when considering introducing such measures in response to COVID-19 and its effects and to give preference to the use of those measures that will not distort trade or production.
3. Commit to and call on all Members to exercise restraint in establishing domestic food stocks of agricultural products that are traditionally exported so as to avoid disruptions or distortions in international trade.
4. Commit to and call on all Members to ensure that the disposal of any food stocks built up in public storage facilities, or as a result of the public subsidisation of private storage facilities, is transparent and consistent with WTO Agreements and the Nairobi Decision on Export Competition. Such disposals should avoid creating trade distortions that adversely affect the food security of other Members.
5. Commit to and call on all Members to refrain from implementing unjustified trade barriers on imports of agriculture and agri-food products, and to consider the adoption of trade-facilitating measures where possible to strengthen agriculture supply chains.
6. Commit to and call on all Members to roll-back those trade and production distorting agricultural measures put in place in response to COVID-19 and its effects, in a timely and effective manner; and to ensure they do not become entrenched and continue to distort global trade.

Food aid

7. Commit to and call on all Members not to impose export restrictions or extraordinary taxes on food and agricultural products purchased for non-commercial humanitarian purposes by the World Food Programme (WFP) and other humanitarian agencies; and
8. Call for a permanent, multilateral agreement not to impose export restrictions or extraordinary taxes on food and agricultural products purchased for non-commercial humanitarian purposes by the WFP and other humanitarian agencies to be agreed by WTO Members by MC12.
9. Reaffirm the commitment to provide any food aid in full compliance with disciplines under the Agreement on Agriculture and the MC10 Nairobi Ministerial Decision on Export Competition.
10. Commit to and call on all Members to ensure that all food aid, when provided, is in fully grant form, needs driven, and avoids commercial displacement and adverse impacts on local and regional production and markets.

Transparency

11. Commit to and call on all Members to be transparent about any agricultural COVID-19 trade-related measures and to inform the WTO, including the WTO Trade Monitoring Mechanism, as soon as practicable of any such measures, including their entry into force, their expected duration, any budgetary allocation for the measures, and when they cease to be applied. Such information could be provided without prejudice to existing notification obligations or templates.
12. Call on the WTO Secretariat to continue its monitoring of COVID-19 trade-related measures, and request that, as part of this process, the Secretariat identifies, registers, tracks and publishes all agricultural measures to the extent possible, including export restrictions, border measures, export competition measures, and domestic support, and their proposed duration.

13. Request that as part of future WTO Committee on Agriculture (CoA) meetings, a new agenda item be included focused on COVID-19. The agenda item shall be dedicated toward review by Members of agricultural measures put in place in response to COVID-19, an exchange of information on Members' experiences in responding to the COVID-19 crisis, and a presentation by the WTO Secretariat on its tracking of agricultural measures. This agenda item should remain in place until such time as measures have ceased. Members should explore the possibility of inviting experts from other Organizations, such as the Food and Agriculture Organization and the International Trade Centre to present on COVID-19 agricultural measures and their impact.
14. Establish a Member-driven WTO COVID-19 Agricultural Working Group, open to any WTO Member, to track informally COVID-19 agriculture measures, acknowledging existing limitations with tracking measures in the WTO, and discuss ideas on how to ensure the global community's response to this crisis does not undermine trade, food security and the stability of agricultural markets in the long-term.

Reform

15. Commit to continuing to drive forward the reform process in the WTO to establish a fair, and market-oriented agricultural trading system, including through positive and meaningful results at MC12.
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