EU's agricultural policy in the WTO context

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Structure of the presentation

1. EU's agriculture and the Common Agricultural Policy (CAP)

2. Transparency in the WTO:
   - Notifications of support to agriculture
   - Review process in the Committee on Agriculture in Geneva
1. EU's agriculture and the Common Agricultural Policy (CAP)
Importance of agriculture in the EU

- 27 EU Member States
- 500 million people
- 13.7 million farms (70% with less than 5 ha)
- Agriculture covers 50% of EU’s land area
- 17% of world’s agricultural trade
- Agrifood sector:
  - 17.5 million employees (7.7% of total employment)
  - 6% of EU GDP
Historical development of the CAP

Productivity

The Early Years
- Food security
- Improving productivity
- Market-stabilisation
- Product support

The Crisis Years
- Over production
- Exploding expenditure
- International friction
- Structural measures

The 1992 Reform
- Reduce surpluses
- Cuts in intervention prices
- Income and budget stabilisation
- Move to producer support
- Environment

Competitiveness

Agenda 2000
- Further cuts in intervention prices
- Direct payments
- Income stabilisation
- Competitiveness
- Rural development

Sustainability

CAP reform 2003
- Market orientation
- Decoupled direct payments
- Cross-compliance
- Consumer concerns
- Rural Development
- Environment

CAP Health Check 2008
- Further decoupling
- Market management - safety net
- Risk management
- Targeting of support
- Rural Development

Food security
Improving productivity
Market-stabilisation
Product support
Over production
Exploding expenditure
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Structural measures
Reduce surpluses
Cuts in intervention prices
Income and budget stabilisation
Move to producer support
Environment
Further cuts in intervention prices
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Competitiveness
Rural development
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Further decoupling
Market management - safety net
Risk management
Targeting of support
Rural Development
The path of CAP expenditure 1980-2020

*billion EUR (current prices)*

Source: DG Agriculture and Rural Development.
2. Transparency in the WTO
Transparency provisions in article 18 of the AoA

- Progress in the implementation of commitments negotiated under the Uruguay Round reform programme shall be reviewed by the Committee on Agriculture.

- The review shall be undertaken on the basis of notifications submitted by Members...
Notification requirements and formats
G/AG/2, June 1995

Market access:
• Tariff and other quotas (MA:1 and MA:2)
• Special safeguard provisions (MA:3 to MA:5)

Domestic support:
• Current total AMS (DS:1)
• New or modified exempt measures (DS:2)

Export subsidies (ES:1 to ES:3)
Export prohibitions and restrictions (ER:1)
Follow-up to Marrakesh Decision on NFIDCs (NF:1)
EU export subsidies notified (mln EUR)
EU domestic support notified (mln EUR)
The Regular Committee on Agriculture

- G/AG/1, March 1995 'Organisation of work and working procedures of the Committee on Agriculture'
- Regular ≠ Special Session

Part I : Review process
  - questions on notifications
  - matters relevant to the implementation of commitments under Article 18.6

Part II : Other matters within the purview of the Committee
The Regular Committee on Agriculture

- Legal role - key in overseeing Members' compliance with commitments
- Forum to raise concerns about developments in Members’ agricultural policies – scrutiny among WTO Members
- Meeting reports and Q&A available on WTO website - public scrutiny
- Understanding each other's policies necessary for trust among Members
- Transparency is crucial
- Effective work of the Committee is in the interest of all WTO Members
The Regular Committee on Agriculture

- Notifications and meetings reports
  http://www.wto.org/english/tratop_e/agric_e/ag_work_e.htm

- Members transparency toolkit
  http://www.wto.org/english/tratop_e/agric_e/transparency_toolkit_e.htm

- Workshops on agricultural notifications
Thank you for your attention.