

## **Current Situation of Agricultural Trade: What Effects Does It Have on Food Security in Africa?**

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### **Abstract**

The history of food policy in Africa started with the beginning of independence with the adoption of the strategy based on the planned development model. However, the financial and administrative planning requirements were felt quickly. By the early 80s, the debt crisis led African economies to abandon the policy of self-sufficiency and to adopt a so-called liberal agro-food strategy. In this context, food security based on external trade and its requirements became integral parts of structural adjustment programs. Thus, Africa took a stand before the rest of the world in the controlling of extraversion. Despite mixed results, in January 1995, Africa strengthened its accession to a liberal system by adopting the agreement on agriculture (AoA). Again, the promises would not match up to the results. In fact, the sector remains far from the liberal recommendations advocated by the World Trade Organization (WTO). Between protectionism and bilateralism, the liberalization of agricultural products was certainly imperfect, but full of future promise for Africa. A more just and multilateral agreement based on development issues is one of the cornerstones of trade that connects to food security.

*Keywords:* trade openness, food security, Africa, agreement on agriculture,

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In the early 1980s, Africa adopted a food strategy based on external trade. Thus, the continent was opened before the rest of the world. In 1995, the other members of the new World Trade Organization (WTO) came to join the continent by adhering to the Multilateral Agreement on Agriculture (AoA). This commitment should have ensured Africa's food autonomy, distributed the cards of the game between different countries, and erased substantially the distortions of agricultural trade.

Many studies predicted the significant gains to Africa in the long-term, despite some imbalances in food security in the short-term. Nearly eighteen years after the adoption of the Sasakawa Africa Association (SAA), the WTO members have not liberalized agricultural products. The distortion measures persist and have spread to all actors of international trade, and access to markets remains relatively difficult. Yet in the meantime, in 2008, there had been an unprecedented reversal of agro-food markets. In a few days, the price of food products experienced an unprecedented increase. Many populations of the developing world, especially in Africa, demonstrated and demanded "the right to eat." This was the beginning of the revolts for the hungry.

Despite this fact and a willingness to stop the extension of the Doha Round, the WTO is struggling to find an agreement on the issue of agriculture. December 7, 2013 marked the

conclusion of the Doha agreement, or at least its rescue. The date would mark the conclusion of a new agreement on agriculture that is still struggling to be defined. In this context, the objective of this article is to give a brief assessment of the current state of trade liberalization of agricultural products, and its potential effects on food security in African countries while showing that international trade is likely to improve the situation of food security in African countries, but under what conditions? This is the question that I intend to address in this paper.

The African countries are dependent on food imports so the objective of the study is to analyze the effects of trade liberalization on food security based on the capacity of the countries to finance food imports through their export revenues. In order to do this study, we used a methodology based on descriptive analysis of the data that comes from the following main bases: OECD (Organization for Economic Co-operation and Development), WTO, UNCTAD (United Nations Conference on Trade and Development), and the Center of International Trade.

### Persistence of Protectionist Agricultural Policies

Agriculture is one area in which the liberalization of business collides with the protectionist trade policies of some WTO members. The sector's situation is characterized by an impeded access to the market and a standardization of anti-competitive practices that seem to have become a customary strategy more or less tolerated, despite objections.

### Hindered Access to the Market

For a long period, agriculture has been regarded as a specific sector. Thus, it does not meet the same requirements as other sectors (Wongkaew, 2010). Its openness should be done gradually while taking into account the reservations of the WTO members and without undermining the food security of their populations. It is in this light that the AoA improved the market access for its different members (Carreau and Juillard, 2005). Its revenues, although controversial, cannot be denied. Even if it turns out that the tariffs applied to agricultural products remain relatively higher than those of industrial products (Graph 1), that is not the problem. It probably resides in the methodology of the taxation, and its impact on the structure of small economies like the African economies (FAO, 2003).

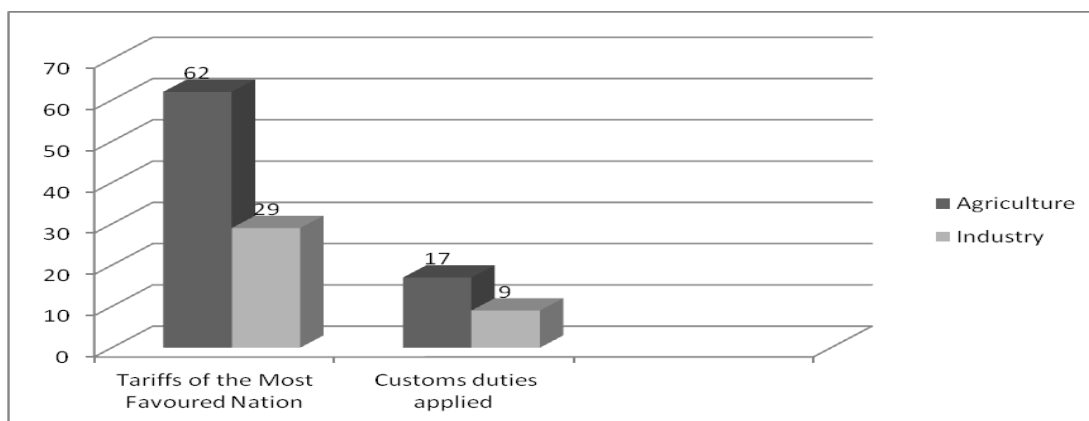


Figure 1: Average of Duties / Tariffs in the World. Source: Data WTO.

Furthermore, the fixation of the tariffs based on the value of the product seems to be common sense: the products are sold at different prices depending on their nature and their level of processing on the market. Progressivity has therefore emerged as a more or less equitable method. However, behind a goal may hide another, less transparent and protectionist, whose effects can be damaging to the other members that participate in international trade.

As part of the comparative advantages theory, it appears that the revenues in trade come from the nature of the specialization of an economy. In other words, a specialization is advantageous depending on the nature of the goods produced by a given economy. In practice, the more a product is processed, the greater its value. However, although initially an economy is specialized in the production of commodities with low value added, it must participate in international trade because specialization is not a static process. The rise in the value chains is always possible. However, the progressivity of tariffs produces an opposite effect and reinforces, to some extent, the specialization of African countries in the production of commodities that remain highly subject to market fluctuations (ECA, 2013). In 2011, the agricultural commodities represented 10% of the total merchandise exported by Africa while the share of finished products represented 3.5% (WTO, 2012).

While the AoA called to facilitate market access of tropical products (the main source of income for African countries), it seems that the response differed depending on the degree of transformation of the product (Table 1). Take the example of cocoa, the raw material was taxed respectively by the United States, the European Union, Japan and Canada to 0%. When it came to chocolate, the tariffs tended to increase considerably depending on the strategy of the preceding importing country (Table 1). In countries like Ivory Coast, Cameroon, Nigeria and Ghana, parts of chocolate products have tended to regress since 1970. The case of Nigeria provides a good illustration of the negative effect that the progressivity of the tariffs can have on the structure of African exports. Nigeria is the fourth largest producer of cocoa in the world. Cocoa has been the second most exported product after oil in this country since 2007. The cocoa exports increased by 47% between 2006 and 2010 reaching 822.8 million dollars. Again, only about 20% of Nigeria's cocoa production is processed locally. The rest is exported non-transformed. The paradox is more striking when one considers that Nigeria imports a large share of chocolate from Europe and the United States. Nigeria would profit if it produced chocolate not only to meet domestic demand, but also to conquer new markets and to develop a whole range of products derived from the raw material: cosmetics, food (like confectionery, biscuits, etc.). In this example, one can easily infer the potential impact of “progressive tariffs [...] on the process of transformation of the agricultural products; that is to say the various stages of transformation of a commodity like cocoa into finished products like chocolate” (ECA, 2013).

Table 1

*MFN Bound Average Tariffs in Major Importing Developed Countries, Selected Products*

<i>Product</i>	<i>Primary / Degree of Processing</i>	<i>MFN Bound Average Tariffs</i>			
		EU	UE	Japan	Canada
<b>Cocoa</b>	<i>Beans</i>	0	0	0	0
	<b><i>Chocolate</i></b>	<b>6,9</b>	<b>21,1</b>	<b>21,3</b>	<b>59,0</b>
<b>Coffee</b>	<i>Unripe</i>	0	0	0	0
	<b><i>Roasted</i></b>	<b>0</b>	<b>9,0</b>	<b>12,0</b>	<b>0,4</b>
<b>Oranges</b>	<i>Fresh</i>	3,5	16,7	24,0	0
	<b><i>Juice</i></b>	<b>11,0</b>	<b>34,9</b>	<b>31,0</b>	<b>1,0</b>
<b>Ananas</b>	<i>Fresh</i>	1,2	5,8	12,1	0
	<b><i>Juice</i></b>	<b>4,1</b>	<b>11,6</b>	<b>24,3</b>	<b>0</b>
<b>Hides and Skins</b>	<i>Raw</i>	0	0	0	0
	<b><i>Tanned</i></b>	<b>3,0</b>	<b>5,4</b>	<b>23,5</b>	<b>6,3</b>
<b>Sugar</b>	<i>Raw</i>	32,8	134,7	224,9	8,5
	<b><i>Refined</i></b>	<b>42,5</b>	<b>161,1</b>	<b>328,1</b>	<b>107,0</b>

*Source:* Calculations of the FAO services.

Besides the progressivity of tariffs, one can observe that the levels of tariffs are abnormally high on certain products (Abdelmaliki and Sandretto, 2011). Tariff peaks do not concern only tropical products, but almost all agro food products (Table 2). This situation can reinforce the specialization of African countries in the production of basic agricultural commodities and not those more intensive in capital, and thus with higher added value. The opening of international markets could contribute to encouraging African countries to produce more sophisticated goods in order to conquer new markets and to improve their ability to export while meeting domestic demand. It is difficult to consider that market access of the Sub-Saharan Africa (SSA) members has been improved because the essential tariff protection was not dismantled (Ben Hammouda et al. 2005). For example, Switzerland applies the maximum most favored nation (MFN) tariffs that are lower than or equal to 1000 on a number of products like dairy, animal origin, fruits, and vegetables, and greater than 100 on other products like tea, coffee, beverages, tobacco, sugar and sweets. Table 2 provides more information about the persistence and pervasiveness of these tariffs to "alpine silhouettes" (FAO, 2004). Therefore, market access is not the only aspect of the AoA that is disputable or controversial.

Table 2

*MFN Tariffs Imposed and Maximum Average of Some Developed Countries*

Product	<i>MFN tariffs means (1) / and maximum (2)</i>											
	Canada		United States		European Union		Japan		Norway		Swiss	
Products of Animal Origin	<b>30.5</b>	621	<b>2.4</b>	26	<b>23.0</b>	140	<b>15.7</b>	472	<b>174.6</b>	741	<b>156.4</b>	<1000
Dairy products	<b>246,8</b>	314	<b>19.1</b>	92	<b>55.2</b>	205	<b>178.5</b>	687	<b>69.4</b>	213	<b>163.4</b>	<1000
Fruits, vegetables, plants	<b>3.5</b>	19	<b>4.9</b>	132	<b>11.5</b>	170	<b>12.3</b>	378	<b>30.6</b>	520	<b>22.6</b>	<1000
Coffee, tea	<b>10,4</b>	213	<b>3.2</b>	23	<b>6.2</b>	25	<b>16.3</b>	182	<b>8.5</b>	115	<b>5.2</b>	191
Cereals and other preparations	<b>20.3</b>	277	<b>3.5</b>	54	<b>16.3</b>	167	<b>68.3</b>	827	<b>75.3</b>	640	<b>21.7</b>	293
Oilseeds, fats and oils	<b>4.8</b>	218	<b>4.5</b>	164	<b>7.1</b>	171	<b>11.0</b>	587	<b>35.1</b>	357	<b>28.6</b>	180
Sugars and sweets	<b>5.0</b>	27	<b>16.6</b>	123	<b>29.1</b>	131	<b>28.4</b>	124	<b>25.7</b>	134	<b>12.8</b>	207
Beverages and tobacco	<b>4.2</b>	256	<b>15.4</b>	350	<b>19.2</b>	162	<b>15.4</b>	57	<b>26.7</b>	496	<b>42.7</b>	600
Cottons	<b>0.0</b>	0,0	<b>4,6</b>	19	<b>0.0</b>	0,0	<b>0.0</b>	0	<b>0.0</b>	0	<b>0.0</b>	0
Other agricultural products	<b>9.0</b>	606	<b>4.6</b>	67	<b>4.8</b>	131	<b>4.2</b>	441	<b>30.0</b>	<1000	<b>8.5</b>	778

Source: World Tariff Profiles, WTO, ITC (International Trade Center) and CNUCDE, 2012.

### **The Anticompetitive Practices: Use Strategy**

Market access is not the only point of the ASA that is controversial today and must be renegotiated. The AoA has some positive points, but those will not be in question in this study. One of its merits is that it has the ability to distinguish between the "good and bad" subsidies in order to limit trade distortion, and to make as clear as possible international trade (Zouré, 2011). Subsidies have often been the point of contention in international negotiations, particularly because of their damaging effects on the prices of food products and ultimately on the economies of the countries that export those products (Ben Hammouda et al., 2005).

However, even though the AoA have gradually reduced the support for distortion, they remain in use. Between the period of 1986-1988 and 2009, the subventions accorded to OECD producers increased by 4.75% (Table 3). Over the same period, the share of support for market prices fell by 38 (82%) (Table 3) in favor of support to inputs and revenues which, according to current indicators, have the largest distortion effect on trade (Rainelli, 2007). Those measures counteract the market forces and divert the flow of north south trade to the chagrin of African countries (Baldin, 2011). In fact, regardless of their nature, when the subsidies distort the market,

they generate a surplus of production, and thus lead to lower world prices for the products concerned, and this practice compounds the detriment to African countries because their revenues from exports decline. Thus, a significant proportion of the rural population turns from this activity and moves to big cities in search of a better life. In most cases, this simply contributes to increase the degree of insecurity and poverty in African cities (Raman, 2005).

Table 3

*Producer Support Estimate (PSE) and Market Price Support (MPS) Million*

<i>Years</i>	<i>1986-88</i>	<i>1995-97</i>	<i>2008-2010</i>	<i>2008</i>	<i>2009</i>	<i>2010p</i>
<i>Estimation of Support to Producers (PSE)</i>	239,160	254,048	246,287	261,074	250,523	227,265
<i>Supporters at market prices (1) (MPS)</i>	183,756	171,573	108,516	111,623	112,411	101,515
<i>WHOSE part of MPS (in %)</i>	76,83	67,53	44,06	42,75	44,83	44,66
<i>Support to inputs (2)</i>	20,171	24,041	32,797	34,182	31,640	32,569
<i>WHOSE in % of MPS</i>	8,43	9,46	13,31	13,09	12,62	14,33
<i>Income support and area (3)</i>	18,735	41,778	35,663	38,237	35,437	33,315
<i>WHOSE in % of MPS</i>	7,83	16,44	14,48	14,64	14,14	14,65

Source: OECD, Database PSE and CSE, 2011. P = Provisional calculation, MPS = market price support. The numbers (1), (2), (3) and (4) indicate the level of the trade distortion by measurements.

To avoid the scenario depicted and maintain the export revenues at a suitable level, one possible solution is to subsidize domestic producers. This is a solution that has the disadvantage of increasing market instability while decreasing the foreign exchange reserves. In other words, the subsidies create a vicious circle that encloses the African countries in the ruts of pauperization.

Subsidizing domestic producers is more detrimental when it is known that the most subsidized products continue to be food products (Table 5). For example, it is estimated that the wheat received in 2008-2010 garnered 2,815 million USD in all of the OECD countries. Yet, this product is by far one of the least subsidized foods. For comparison, rice received 17,657 million USD during the same period, which is more than six times the amount for wheat (Table 4).

Table 4

*The Transfers to Producers of a Single Product (TSP) Million USD*

<b>Products</b>	<b>1986-88</b>	<b>1995-97</b>	<b>2008-10</b>
<b>Wheat</b>			
<i>TSP to producers</i>	16,020	3,673	2,815
<b>TSP in percentage</b>	43,2	8,8	5
<b>Corn</b>			
<i>TSP to producers</i>	11,012	2,724	2,849
<b>TSP in percentage</b>	36,2	7,4	3,9
<b>Rice</b>			
<i>TSP to producers</i>	25,346	31,241	17,657
<b>TSP in percentage</b>	79.8	75.4	54.3
<b>Colza</b>			
<i>TSP to producers</i>	1,833	52	140
<b>TSP in percentage</b>	47.5	1.2	1
<b>Sunflower</b>			
<i>TSP to producers</i>	1,161	75	153
<b>TSP in percentage</b>	47.3	4.5	5.4
<b>Soy</b>			
<i>TSP to producers</i>	1,101	354	1,646
<b>TSP in percentage</b>	8.7	2	4.6
<b>Sugar</b>			
<i>TSP to producers</i>	4,988	5,727	2,659
<b>TSP in percentage</b>	50.8	41.2	22
<b>Milk</b>			
<i>TSP to producers</i>	45,217	42,226	12,760
<b>TSP in percentage</b>	59.2	44.7	10.6
<b>Bovine meat</b>			
<i>TSP to producers</i>	18,034	19,805	13,882
<b>TSP in percentage</b>	27.8	25.1	13.7
<b>Sheep meat</b>			
<i>TSP to producers</i>	4,284	4,085	1,522
<b>TSP in percentage</b>	51.7	39.8	14.7
<b>Poultry meat</b>			
<i>TSP to producers</i>	3,224	5,019	8,662
<b>TSP in percentage</b>	13.3	13.7	14.1
<b>Eggs</b>			
<i>TSP to producers</i>	3,379	2,374	1,545
<b>TSP in percentage</b>	21.6	12.3	5.3

Source: OECD, Database PSE and CSE, 2011.

Table 4 does not present an exhaustive list of the subsidized products. There are others like cotton that are supported by direct aid. Direct payments are to ensure a minimum income to farmers regardless of the quantity of production (decoupling). These products were introduced within the Common Agricultural Policy of the European Union in 1993, and are an integral part of the US Farm Bill (American agricultural policy) (Desriers et al., 2009). They are also increasingly used by emerging countries like China, India, and Brazil. This practice has been strongly criticized because of the negative impact that it has had on the African cotton producers.

Since 2002, the US Farm Bill has increased the level of aid to US producers. This increase has resulted in an overproduction of cotton that has led to a decrease in world prices. In 2001, the US cotton farmers received \$311 billion of support. This decision had a strong detrimental impact on the economy of some African countries, like Burkina Faso, Benin, Chad, and Mali, for whom the export revenues for cotton accounted 5-10 % of GDP and 30-40% on average of the total export revenues in 2001. On June 10, 2003, the President of Burkina Faso, Blaise Compaore, said in the committee meeting of WTO trade negotiations, "By this, Burkina Faso lost in 2001, 1% of its GDP and 12% of its export revenues, Mali 1.7% and 8%, and Benin 1.4% and 9%. The very high levels of the subsidies accorded to the cotton producers in certain member countries of the WTO are one of the direct causes and major problems encountered by the world cotton market. These subsidies artificially increase the offer on international markets and depress export revenues" (Stiglitz and Charlton, 2005). The union of these countries into the multilateral trade negotiations of the Doha Round (named the group C4) resulted, in late 2005 at the Hong Kong Conference, in the decision to suspend all forms of the subsidies on cotton. However, this decision was not implemented because of China's opposition. In March 2011, the cotton prices had reached a record level in the markets, which was \$2.27 USD on the pound, and declined under the pressure of an abundant supply to 70 cents USD. Volatility is one of the problems created by trade distortion, and another problem that undermines trade and development of much of the developing world. The case of cotton provides a good illustration of what distortion to trade is, and why it seems necessary to guard against this anti-competitive practice. Beyond this, it recalls how, it is not always easier to choose between "good and bad subsidies." A subsidy may hide one problem from another with a pernicious effect on international trade.

### **Food Security and Trade Negotiations: The Cleaving Other Aspects of the SAA**

The way the AoA was envisaged has undermined food insecurity. Indeed, food security appears to have been compromised in African countries, the big loser in globalization. The current impasse of the Doha Round has not facilitate the situation, and has contributed to its deterioration.

#### **An Agreement that Undermines Food Security**

The period before the beginning of the SAA had sparked hope for the long-term improvement of food security in African countries. Aware that in the short term, the increase in prices due to the reduction of the subsidies to farmers and the decrease of the customs tax would have a potentially detrimental effect on food security of developing countries that are net food



importers, some provisions were adapted under special and differential treatment (SDT) to absorb these effects.

In the long-term, the remediation of agricultural trade should open new market opportunities for African countries. The conquest of the new markets on a more equitable basis might have encouraged countries to develop the agro-food sector in order to go up in the value chain of agricultural products. That is to say to leverage effects that increase the export revenues of these countries (Eba Nguema & Assoumou, 2014).

However, almost eighteen years after the beginning of the implementation of the Marrakesh Agreement, the protectionist agricultural policies of various members have been partially dismantled. On the tariff level, in accordance with what was mentioned in the preceding paragraphs, the core of the protection persists. Progressivity, escalation and tariff peaks remain relevant and contribute to diminishing the efforts to promote access to member markets. All these measures have had a negative effect on trade diversification of African countries and, to some extent, on their export revenues. The purchasing power of these countries has also been affected by the proliferation of the subsidies beyond the regulatory mechanisms of the WTO. The proliferation of the subsidies has distorted the effect and incited the subsidization that ultimately increases volatility and market instability. On March 23, 2012, 44 African countries were designated as net food importers by the Agriculture Committee of the WTO. These included 34 LDCs that are highly dependent on revenue from the export of the agricultural commodities. How can the import of food be financed when the prices of the products that one exports are increasingly unstable? How can the peasantry be maintained when the purchase price of farm products decreases? The blockage of the Doha Round and the current economic crisis have continued to reinforce the concerns that the different participants and observers have faced since they are related to higher costs of anticompetitive practices, and are impacting the economic and food situation of African countries.

### **Impasse in the Doha Round**

On November 14, 2001, representatives of world trade met in Doha under the auspice of the WTO, and began the first round of negotiations of the young organization. Its main objective was to correct the mistakes of the past by giving more prominence to developing countries in international trade. According to Article 2 of the Doha Declaration, the members agreed that "international trade [can] play a major role in promoting economic development and poverty reduction. [They also recognize] the need for all [people] to take advantage of the opportunities and welfare gains that the multilateral trading system generates. [Going from the observation that the majority of WTO members are developing countries, they agree to integrate] their needs and interests at the heart of the Work Program adopted in this Declaration." It was an ambitious day that opened the Doha Development Agenda considering that only a few years earlier, in 1999, the Seattle ministerial conference ended in an acrimonious climate marred by anti-globalization protests and opposition from developing countries to the Singapore issues (Madeley, 2006). No doubt, the enthusiasm of a new round promising "growth, development and prosperity" declared

by the US Trade Representative Robert Zoellick had momentarily cleared the Seattle divisions. However, the participants were not counting on the interest, the game of alliances, the oppositions, and north-south antagonism. It seemed that the WTO had become what UNCTAD was in the 60s - a place of confrontation between north and south, although in practice the reality was more diverse. There was one reason for this situation. While the Doha Round should have been completed by 2003 in Cancun, Mexico, this end was constantly programmed to a later date. Why this extension? The reason was tied to the obstinacy of the developing countries to focus their voices on issues that reflected their interests and not on engagement in trade negotiations that might affect them, and more generally to obstruct trade development (Stiglitz, 2005). This is probably why agriculture remains one of the points that blocks trade negotiations. In fact, agriculture was the area on which the developing countries were ready to focus their efforts provided that the most developed countries agreed to do the same. If not, the negotiations would follow a path of anticompetitive practices to the detriment of the smaller economies. Beyond the nature of the sector and its financial and strategic importance, the main difficulty blocking the progress of the current negotiations came from the fact that the sector had remained too far out of the reach of International trade rules (Dufourt, 2012). This situation created the winners and the losers. Whereas the negotiations were to equitably redistribute the cards of the trade game between the different members, it became evident that the winners were less inclined to apply the liberal orthodoxy advocated by the WTO (Voituriez, 2009).

Nevertheless, recent years seem to bring good omens and portend a favorable outcome to the Doha Round. In 2011, in Geneva, members apparently found the convergence points in almost all discussions on agriculture despite some misgivings from Japan and Canada on proposals affecting sensitive and special products. Members must resolve differences between China, India and the United States concerning the threshold for special safeguard measures and corrective action. The question remains whether the rate could exceed the previous bound rate in the Doha Round. Until a consensus can be found, agriculture will continue to obstruct the smooth functioning of the multilateral system and make a game for bilateralism (Lamy, 2006).

Although December 17, 2013 in Bali, the closure of the Doha Development Round was initiated, the agricultural issue remains unresolved and impaired by antagonism and by the emerging countries who are against the traditional agricultural powers. Yet the current situation of the international agro-food market argues for an efficient reform of the sector. It only makes good sense that the different members should find a solution that can satisfy the different positions involved.

### **Fairer Multilateral Trade**

This section will discuss some suggestions that can ensure a better fit for African economies as to affect the opening of the agriculture sector for food security. This will be done by analyzing market access and subsidies.

## **Promoting Market Access**

The food security objectives often differ from those of opening trade, but "for fairer trade" based on development, it is important to pay special attention to the aspects that can have a positive and not a destabilizing effect on the developing economies. Knowing that the link between development, agriculture, poverty and food is important, the current negotiations should take into account the agro-food situation that is particularly delicate in the African countries that are promoting products for which they have a comparative advantage by gradually opening the sectors that are most sensitive to international competition.

As part of the future "Bali Package" in the agricultural section, it would be desirable to give primacy to tropical products that are the main sources of foreign currency for African countries. These countries should have easier access to the external markets. The tariffs should therefore be lower than those applied to other agricultural products. The goal is to facilitate their marketing. Similarly, in accordance with what was mentioned in the previous sections, a sensible approach in this area would be that the sanitary and phytosanitary standards should be reduced at the international protection threshold. In this context, any other form of redundant protection must be removed.

Beyond the measures for increasing export revenues, the whole point of this agreement relies, in the long term, on its ability to encourage the African countries that import food products to stimulate and promote food production. To do this, the new measures of the SAA should allow these countries to maintain a level of efficient protection. In fact, the tariff thresholds granted to emerging countries such as China, India, Taiwan, and Brazil should not be similar to those granted to the African countries that are net food importers. This is similar concerning the adjustment period. Moreover, the concept of special products should be redefined in order to extend the scope in a larger portion of developing countries. When does a product present a particular interest for a country or a population? Beyond the economic aspect, the food security aspect seems to be a determining factor in the concept of product sensitivity. Those products considered as sensitive would be any cereal product that is used for the alimentation of the population or the animals in the poor and net food importing countries.

Also, contrary to the ideas received, all were not addressed in the tariff plan. While NTBs represent the most pernicious forms of protectionism in comparison to the preceding forms, it seems that the members have not attacked the core of tariff protection. The tariff peaks and progressivity as a method of fixing tariffs lead to tariff escalation. In other words, significant differences exist in the different levels of agro-food processing. In the previous sections, we took the example of the FAO Aid. Gaps existed between beans, powder and cocoa paste. The conclusion arrived at was that these abnormally high rates spoiled any hope of diversification and progression in the value chains in the countries that are major exporters. At this time of the agribusiness, it would be important that the SAA eliminate such practices. Tariff escalation often indicates the existence of the peaks applied to certain products like dairy, cereal and others. A rebalancing of the applied tariffs must be conducted to remove the peaks, and allow tariffs to lose their Alpine

aspects. But all these measures can have meaning only if they are accompanied by the elimination, or substantial reduction, of the subsidies.

### **Overcoming the Grants**

The subsidies given to production or exports have contrasting effects on the prices of the agricultural products. They increase the variability and the depreciation of prices. Agriculture remains, despite the existence of the SAA, "a lawless zone" in which, within a few years, the developed economies can become commercial powers because of subsidies. At the time of writing this work, the new farm bill has not been passed, but it has already raised many concerns about the amount of aid accorded to the American farmers. One of the consequences of the subsidies is that they create a diversion of the trade flow to countries that produce greater quantities at low prices. In other words, they distort competition. The recent episode of African cotton gave a good illustration of the possible effects of subsidies on smaller economies. To redistribute the cards of the game, it would be important to proceed to the total elimination of all forms of export subsidies on products that compose a major part of the export revenues of developing countries, except the measures that have a neutral effect on trade.

Furthermore, the implementation of such measures would require a certain transition period to cushion the potential damaging impact of the increase of prices resulting from a substantial reduction of the subsidies on the net importer countries. But, the fairness is that the countries that have been adversely impacted by the lower prices of commodities must be "compensated." To do this, one solution concerns the ability of the WTO to authorize an exceptional use of production subsidies in order to boost food production of the small net food importing economies. This objection is not for seeing the developing economies distort the competition. The goal is to repair, at least in part, the injustice suffered.

### **Conclusion**

The multilateral agreement on agriculture appears today, in many ways, unsuited to trade of agricultural products because of its nature to know and lay the bases for long-term fair trade. This is probably why it was, in the first years of its existence, called upon to be supplemented by a series of trade negotiations. However, almost fourteen years after the launch of the Doha Round, no agreement has been reached on this question. Nevertheless, its rescue comes from a willingness of the WTO, and its members, to end commercial antagonism and find "common ground" to reach a new agreement on agriculture that promises to be more complete and less flexible in regulating exchanges. However, to satisfy all members, the food security of countries most exposed to the situation of the breaking of the policies must be taken into account, at least on behalf of fairer multilateral trade. Beyond the fairness, the solution must lead to the reparation of the commercial security of African countries with a commercial, and not just financial compensation, according to the slogan of the developing countries in 1964 in Geneva, "Trade not aid."

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