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## PRESS RELEASE

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# WTO Framework Fails Farmers Around the World

## Proposal Would Continue System of Agricultural Dumping

Minneapolis/Geneva – The negotiating framework currently considered by the World Trade Organization (WTO) would continue to support a system of export dumping that has pushed global commodity prices down and farmers off the land, according to the Institute for Agriculture and Trade Policy (IATP). WTO members are frantically trying to reach agreement on the framework by the end of the month.

“Rather than being pre-occupied with how to force unwanted and unneeded food exports into countries, the framework agreement should focus on facilitating trade at undistorted prices,” said Alexandra Strickner of IATP’s Trade Information Project in Geneva. “That means a commitment to end dumping so that traded commodities do not end up on world markets at below cost of production prices.”

IATP concludes that the WTO framework on agriculture enhances the use of instruments that lead to dumping while providing special treatment for developed countries to protect their sensitive agricultural products. The framework proposes very specific language to respond to the concerns of developed countries – in particular the U.S. and the EC – but is vague when it comes to areas of interest to developing countries. Meaningful and effective proposals for developing countries are pushed back to the post-framework stage of negotiations, where they will have to be bargained for again. IATP concludes that the framework is a step back from development commitments made as part of the Doha Agenda of WTO negotiations.

According to the IATP, the framework text includes:

- huge loopholes that would allow export credits that facilitate agricultural dumping to continue;
- an expansion and shift in the role of the Blue Box, which would reduce the role of domestic support programs that help to manage production. This is a huge concession to the U.S. and EU de-coupled payment programs;
- specific protections of developed countries sensitive products, while offering only vague objectives on special products for developing countries – which depend on these products for food security and rural development.
- lack of commitments to assess the implementation of the existing trade rules – a major concern for developing countries;
- targets to end state trading enterprises, but no commitment to end trade distortion caused by the market power of transnational agribusiness companies that control the prices paid to farmers;

“It is troublesome that WTO Director General, Dr. Panchtipakdi Supachai, has put undue pressure on WTO members to approve this framework without many changes by the end of July,” says Steve Suppan, Research Director at IATP. “Why should developing countries agree to such a framework when its elements will result in continued dumping that undermines their national productive capacity for food security and rural employment.”

To read the WTO framework, go to: [www.tradeobservatory.org](http://www.tradeobservatory.org).

*The Institute for Agriculture and Trade Policy promotes resilient family farms, rural communities and ecosystems around the world through research and education, science and technology, and advocacy.*