

Trade and Agriculture: New Challenges

ECTS: 3

KSL Root Number: 446638

Agriculture is one of the more sensitive subjects within the WTO framework. While agriculture was covered by GATT 1947, many exemptions existed which allowed countries to use measures and to provide subsidies that obstructed imports and displaced more efficient producers abroad. The Agreement on Agriculture (AoA) includes a built-in reform agenda with a comprehensive set of reforms in the sector: remove trade barriers, reduce tariffs, domestic price and income support, and prohibit export subsidies. However, efforts to address distortions through negotiations have been unsuccessful.

In the decades since the end of the Uruguay Round, the agri-food sector has undergone significant changes. Old and new forms of farm support and trade barriers persistently impact on agricultural trade and investment. The location of demand is changing due to growing and increasingly urbanized population, particularly in developing countries. At the same time increasing incomes have led to higher consumption of animal products and demands for feedstock commodities, as well as for biofuels and other non-food uses. New pressures from extreme weather events and temperatures are likely to lead to shifts in location of agricultural production. Global value chains in the agriculture sector link production and consumption around the world and have implications for processing and marketing. These changes have created new challenges for policy makers who are seeking to balance their agriculture and food policy objectives with their commitments under the WTO framework. These challenges are likely to compound still unsolved problems where both multilateral and preferential trade rules appear to look out of date. Pressing questions include:

- What enabling conditions will allow food trade to contribute to food security of marginalized groups such as migrants and consumers in poverty-stricken areas?
- How to ensure food safety in the context of rapidly globalising food value chains?
- How to address increasing trade conflicts arising from deforestation and other unsustainable production patterns?
- What are the optimal policies for meeting societal demands for information on organic or halal content, country of origin, animal welfare, or child and forced labour?

When facing new challenges, regulators, trade negotiators, scholars, politicians and activists need to understand existing rules in the AoA and their impact on a wide range of policy issues. In this week we look at the history of, and the economic justification for, the rules in the AoA. We then examine how these rules which were created in response to the agricultural policy landscape of the 1980's fit the current global context and what the implications of these rules are for food security, food safety and the food trade impact of climate change.

In addition to participating in interactive lectures and exercises, participants will be invited to identify specific agriculture-related issues for further discussion. In addition to the challenges mentioned above, topics could include sustainable development goals, gender issues, obesity and malnutrition, water scarcity, biofuels and biotechnology. On the final day of the week, participants will lead a discussion on

the selected topics highlighting the interaction between existing trade rules and policy outcomes, and identifying the ways the existing framework provides flexibility to, or constrains, policy makers and operators.

This course on agricultural goods trade (food, feed, fuel, fibre) builds on the basic knowledge which students will have acquired, especially in the courses on International Economic Law and the Pursuit of Core Societal Values and Interests, and on other WTO Agreements (e.g. GATT/GATS, SPS/TBT, ASCM, TRIPS, TRIMS).

At the end of this week, participants will have:

- Improved understanding of existing rules affecting food production, trade and consumption and policy trends in global markets for agricultural products;
- Enhanced perspective on the implications of liberalising agricultural trade on trade, income, and policy options to address domestic priorities; and
- Exposure to a wide range of agri-food related policy issues.