Trade and Agriculture: New Challenges

**Semester:** Fall semester - HS 2021

**Root Number:** 446638

**ECTS:** 3

**Lecturers:** Christian Häberli & Lee Ann Jackson

**Dates:** 28 June – 2 July 2021 (take-home assessment due on 3 July)

**Location:** In response to the COVID-19 pandemic and following the guidelines established by the University of Bern, all courses of the 2020 WTI Summer Academy will only be held online. This course will have live sessions on Zoom.

**Audience:**

- Government officials; Embassy staff; people working for international organisations and NGOs
- Certificate of Advanced Studies / Diploma of Advanced Studies in International Law and Economics (CAS ILE & DAS ILE) Students - World Trade Institute, Unibe
- Master of Advanced Studies of International Law and Economics (MILE) Students
- Joint LL.M. / Diploma of Advanced Studies Trade and Investment Law (TRAIL+) Students - World Trade Institute / Faculty of Law, Unibe

**Course Description**

Since the launch of the Doha Round in 2001 agriculture trade has increased by 200%, and advanced developing countries are playing an increasingly important role. Moreover, the proportion of trade disputes dealing with agricultural products has decreased to less than a quarter of all new disputes.

At the same time, there are signs that the agricultural trading system faces many risks associated with changing geopolitics, climatic conditions and technologies. The Corona virus has motivated governments to restrict food trade (though less than for other products and services), to delay reforms and to increase support. The absence
of serious negotiations in the WTO Committees on Agriculture, SPS, TBT, SCM and TRIPS and the impasse on dispute settlement are indicators of more difficult times ahead.

Yet, WTO squarely remains in the centre of agricultural trade governance. In fact, while Regional Trade Agreements have reduced tariffs in many markets, they often overlook non-tariff barriers, and they never discipline domestic subsidies. This means that trade and investment distortions, caused by constantly evolving national policies, can only be constrained by the current, less than complete, set of rules agreed under the WTO umbrella. Moreover, agriculture and the rules governing agricultural trade have implications for evolving policies to address climate change. While agriculture is one of the biggest greenhouse gas emitters, no substantial “Nationally Determined Contributions” (NDC) addressing agricultural emissions have been notified under the Climate Change Agreement, which entered into force in November 2016. This raises the question whether WTO rules in their current form can accommodate climate change policy measures aimed at mitigation and adaptation.

From an economic perspective, by exacerbating uncertainty these governance challenges impede the ability of the agriculture system to respond to new, and evolving, conditions. The accelerating economic and environmental changes are amplifying pressure on agriculture to contribute to sustainable solutions. The location and type of demand is changing, particularly in food-insecure developing countries. New pressures from extreme weather events and temperatures lead to shifts in location and methods of agricultural production. Global value chains in the agriculture sector link production and consumption around the world. Farm support, industrial subsidies, and trade barriers persistently impact on agricultural trade and investment.

In this week we look at the history of, and the economic justification for, the rules in the Agreement on Agriculture (AoA) and related agreements. 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 for food security, food safety, and climate change mitigation. In addition to participating in interactive lectures and exercises, participants will be invited to identify, and present, specific agriculture-related issues of their choice. In addition to the challenges mentioned above, topics could include sustainable development goals, “land grab”, human rights and gender issues, obesity and malnutrition, water allocation and wood scarcity, fish, biofuels and biotechnology. On the fourth day of the week, participants will lead a discussion on the selected topics highlighting the interaction between existing trade rules and policy space.

At the end of this week participants can expect a good overview of the recent trends on global markets for agricultural products, as well as of the main obstacles preventing
consensus solutions at the WTO Ministerial Conferences from Bali (2013) to Geneva (2021). With their own contributions, participants will also explore specific questions:

- What enabling conditions will allow food trade to contribute to food security, including of marginalized groups such as small farmers, poor consumers, and migrants?
- How to ensure food safety in the context of rapidly globalising food value chains without strangling developing country exports?
- How to address increasing trade conflicts arising from deforestation and other unsustainable production patterns (e.g., palm oil, soybeans, and beef)?
- What are the optimal policies for meeting (at times conflicting) core societal values and new challenges (e.g., climate change, animal welfare, child and forced labour), and for providing consumer information (e.g., on fat and sugar content, organic or halal production, country of origin and geographical indications)?

**Lecturers**

**Lee Ann Jackson**

Head of the Agro-food Trade and Markets Division in the OECD’s Trade and Agriculture Directorate. Based in Paris, she leads the work examining the links between policies and outcomes on food and agricultural markets, including specific analysis related to modelling medium term outlook for commodity markets, understanding policies from a food systems perspective, and enhancing the transparency and predictability of agricultural trade. She has over 20 years of experience working in the area of trade and agriculture, including 16 years working at the WTO, where she served as the Secretary to the Committee on Agriculture, advising WTO member countries on issues related to agricultural trade policy and multilateral negotiations. She was previously a Research Fellow in the School of Economics at the University of Adelaide in South Australia and a researcher in the Environment Division of the International Food Policy Research Institute in Washington DC. Dr Jackson completed her PhD in applied economics at the University of Minnesota; and has a joint master's degree in public policy and environmental studies from Yale University. She earned certification as a mediator through the Center for Effective Dispute Resolution. She has served as a consultant for leading international organisations involved in agriculture policy and trade, including the Food and Agriculture Organization and the Consultative Group for International Agriculture Research.

**Christian Häberli**

Fellow of the World Trade Institute since 2007 and a consultant for scientific research and outreach activities in Europe, Asia, Africa, and in the Americas. Over 60 publications on trade and investment issues related to agriculture, food security and food safety, obesity and malnutrition, water, climate change, employment,
multilateral and regional trade, and development. In 1977 he earned a PhD with a thesis in African Investment Law (Basel University). He also has university degrees in Development Sciences from Geneva (1975) and in Theology from Bern (2009). His professional career started in 1978 with the International Labour Organization (ILO) and then with the Swiss Government, based in Madagascar, Thailand, Nepal, and Switzerland. Dr Häberli was a trade negotiator for Switzerland in the GATT and the WTO during the Uruguay and the Doha Rounds (1986 to 2007). He was Chair of the WTO Committee on Agriculture (Regular Session, 2005 – 07) and WTO Panellist 1996 – 2015, in twenty stages of five dispute settlement cases (bananas, apples, biotech, audiovisuals, and country of origin labelling). He also served as Chair (every other year) of the Joint Committee of the Agriculture Agreement Switzerland–EU (2002 to 2007). He presently chairs the Arbitration Panel established on 28 January 2020, initiated by the EU on restrictions applied by Ukraine on exports of certain wood products.

### Learning Objectives

At the end of this week, participants will have:

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

### Assessments

**Quick Q&A on the preliminary readings (distributed and to be sent to the lecturer during the first lunchbreak)**

- Carries a 10% weight in the final course grade

**In-Class Performance**

- Individual participation in the class discussions, ability to answer questions correctly and demonstration of the expected level of knowledge is evaluated from Monday to Friday, submission of written reflection after day 1, 2, and 3
- Carries a 20% weight in the final course grade

**Group Presentation (Friday, 2 July 2021 10:00 – 12:00)**

- Presentation of a topic “WTO/Agriculture and...” of your group’s choice
- Carries a 30% weight in the final course grade

**Take-home assignment**

- Assignment made available on Friday, after class
- 24 hours take-home assignment to be released via Google Drive on Friday, 2 July after class
- To be submitted via ILIAS before Saturday, 3 July, 20:00 pm CET.
- Carries a 40% weight in the final course grade

## Course Overview*

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<tr>
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<th>Lecturer/s</th>
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<td>28 June</td>
<td>Monday</td>
<td>11:00 13:00</td>
<td>Christian Häberli</td>
<td>GATT and WTO Agrifood Rules</td>
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<tr>
<td></td>
<td></td>
<td>14:00 16:00</td>
<td>Lee Ann Jackson</td>
<td>Preparing Group Exercises</td>
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<tr>
<td>29 June</td>
<td>Tuesday</td>
<td>11:00 13:00</td>
<td>Lee Ann Jackson</td>
<td>Evolving agri-food systems and the role of agricultural trade</td>
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<td>14:00 16:00</td>
<td>Christian Häberli</td>
<td>Agricultural policy space vs &quot;case law&quot;</td>
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<tr>
<td>30 June</td>
<td>Wednesday</td>
<td>11:00 13:00</td>
<td>Lee Ann Jackson</td>
<td>Political economy of agricultural policy</td>
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<td>14:00 16:00</td>
<td>Christian Häberli</td>
<td>Agriculture and sustainable development</td>
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<td>1 July</td>
<td>Thursday</td>
<td>11:00 13:00</td>
<td>Christian Häberli</td>
<td>&quot;Agriculture and...&quot; (name it!)</td>
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<td>14:00 16:00</td>
<td>Lee Ann Jackson</td>
<td>Agriculture, trade, and Covid19</td>
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<tr>
<td>2 July</td>
<td>Friday</td>
<td>11:00 13:00</td>
<td>Lee Ann Jackson</td>
<td>Presentations of selected topics by groups/participants</td>
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<td>14:00 16:00</td>
<td>Christian Häberli</td>
<td>Presentations (cont’d) and Summing Up</td>
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<tr>
<td>3 July</td>
<td>Saturday</td>
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<td>Take-home assignment</td>
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* Lecturing times (and study times, and group work) will be discussed on Day 1, depending on participants’ whereabouts, topical choices and preferences.
Lecturer      Christian Häberli

Subject      GATT and WTO Rules

Topics

The Regulation of Agriculture

- WTO Agreements on Agriculture
  - Agriculture in the GATT
  - The Uruguay Round negotiations
  - The Agreement on Agriculture
  - (Briefly:) Related Agreements (SPS, TBT, TRIPS)
- Agricultural Development Provisions
- Agricultural FDI issues (“land grabbing” and “commercial agriculture”)
- The Doha Negotiations, the Bali Decisions, the Buenos Aires Non-Decisions and the postponement of MC12

Preparation of Group Exercises (examples): Assisting your choice for a topic “WTO / Agriculture and…”

Food Security (e.g.):
  - How to design and manage food reserves
  - Risk management tools
- Climate change
- Water (and virtual water)
- Fish (food and feed)
- RTA (e.g. Brexit)
- Animal Welfare
- Geographical Indications
- Health/Obesity/Malnutrition
- Renewable Energies/Biotech
- Specific Commodities e.g. Rice, Palm Oil, Avocados, Beef
- Food Safety
- Human Rights e.g. Right to Food
- Gender
- Labour Issues (forced labour, child labour)
Compulsory Reading Material for the whole week

• (Excerpts from©):
  o WTO, The WTO Agreements Series: Agriculture
  o In the same series
    (https://www.wto.org/english/res_e/publications_e/wto_agree_series_e.htm)
    you find the official WTO view on Sanitary and Phytosanitary Measures
    (https://www.wto.org/english/res_e/booksp_e/agrmntseries4_sps_e.pdf) and
    the Technical Barriers to Trade
  o For SPS and TBT, even better (but not available for agriculture), read
    Peter VAN DEN BOSSCHE and Werner ZDOUC, The Law and Policy of
    the World Trade Organization, Cambridge University Press (Fourth

• (Much shorter, but not official©):
  o Häberli, Christian, The WTO Agreements on Agriculture, and Climate
    change adaptation in food and agriculture. Chapter III.51 in Elgar
    Encyclopedia of International Economic Law (pp.468-470), Edward Elgar
    Publishing Ltd (2017)
  o Häberli, Christian, The Decision on Landlocked Developing Countries
    (LLDCs) and Net Food-Importing Developing Countries (NFIDCs).
    Chapter III.52 in Elgar Encyclopedia of International Economic Law
    (pp.470-471), Edward Elgar Publishing Ltd (2017)

Optional Materials (including for the Thursday morning Group Exercise! please also
look at IILIAS!)

• Asche, Frank. Impacts of climate change on the production and trade of fish
  and fishery products. (FAO – SOCO – 2018)

• Bartels, Lorand. The Relationship between the WTO Agreement on Agriculture
  and the Agreement on Subsidies and Countervailing Measures (2015,
  available at SSRN and
  https://www.researchgate.net/publication/315336184_The_Relationship_between_the_WTO_Agreement_on_Agriculture_and_the_Agreement_on_Subsidies_and_Countervailing_Measures)

• Bellemare, Marc (2014). Rising Food Prices, Food Price Volatility, and Social
  Unrest. in American Journal of Agricultural Economics, Volume 97, Issue 1, 1
  January 2015, Pages 1–21, https://doi.org/10.1093/ajae/aau038


- Creative Commons. AGRIFOOD ATLAS 2017: Facts and figures about the corporations that control what we eat. (Downloads inter alia at Heinrich-Böll-Stiftung, www.boell.de/agrifood-atlas)

- Cui, Kuiper, van Mejl & Tabeau - Climate change and global market integration Implications (FAO – SOCO – 2018)


- Gonzalez, Carmen. Institutionalizing Inequality: the WTO, Agriculture and Developing Countries. Seattle University School of Law (2002)


Häberli, Christian. Seals and the Need for more Deference to Vienna by WTO Adjudicators. Fourth Biennial Global Conference of the Society of


- Laborde, David et al., Transforming Agriculture in Africa & Asia: What are the policy priorities? (IISD, 2018)
• Lopian, R. 2018. Climate change, sanitary and phytosanitary measures and agricultural trade (FAO – SOCO – 2018)


• Sekhar, C.S.C.. Climate change and rice economy in Asia Implications for trade policy. Rome, FAO, 2018

• Smith, Laurence G. et al. The greenhouse gas impacts of converting food production in England and Wales to organic products. in Nature Communications 10, Article 4641 (October 2019). At https://www.nature.com/articles/s41467-019-12622-7

• Sky, Melissa Blue. The WTO, Agriculture, and Developing Countries: The Need for Trade Reforms. in Sustainable Development Law & Policy, Fall 2008, 41-42. At https://digitalcommons.wcl.american.edu/sdlp/vol9/iss1/14/


Lecturer: Lee Ann Jackson

Subject: Evolving Agri-food Systems and the Role of Agricultural Trade

- What is the agri-food system? How do the pieces fit together?
- How are patterns of production and consumption likely to change?
  - Understanding agriculture supply and demand
  - Factors explaining agricultural supply and demand
  - Price formation for agriculture and food commodities
  - Price trends
- How does trade contribute to the resilience of the system? What are the impacts of agricultural trade at the farm, national and global levels?

Agricultural Trade Policy Landscape

- Agricultural policies in major countries: The potential impact on international trade and resulting hunger and poverty outcomes
- How are these policies evolving in response to COVID-19?
- Measuring economic impacts of policies
- What are the models missing? (climate externalities, food safety risks, gender ...)

Compulsory Reading Materials


Optional Reading Materials

Wednesday, 30 June 2021

Lecturer: Lee Ann Jackson

Subject: Political Economy of Agriculture Policy

- What are the objectives of agriculture policies?
- Who are the winners and losers of different types of policies?
- Who is reforming agriculture and how?

Agriculture, Trade and Sustainable Development

- What’s the role of agricultural trade in achieving the Sustainable Development Goals?
- How do agricultural policies affect the distribution and intensity of resource use?
- What policies can accelerate and amplify the transition to sustainable agro-food systems?

Compulsory Reading Materials


Optional Readings Materials

- Anderson and Martin (2018) Food price changes, domestic price insulation, and poverty (when all policymakers want to be above average) in Agricultural and rural development in a globalizing world: Challenges and opportunities. (to be provided)
THURSDAY, 1 JULY 2021

Lecturer
Christian Häberli
Lee Ann Jackson

Subject
“Agriculture and…” (name it!)
Agriculture, trade, and Covid19

Reading Materials
- See Monday 6 July (additional readings on request to the lecturers)

FRIDAY, 02 July 2021

Lecturer
Christian Häberli

Subject
Group Presentations
Any Other Questions and Summing Up

SATURDAY, 03 July 2021

Take-home assignment