



Cairns Group Senior Officials Statement¹

“Continuing the mission”

1. The Cairns Group has a longstanding commitment to agricultural trade reform since its establishment in 1986. Cairns Group Members reaffirm their full commitment to continue the WTO agriculture negotiations and to be a driving force to achieve further meaningful reforms.
2. The conclusion of the Uruguay Round and the establishment of the Agreement on Agriculture provided a rules-based framework to support agricultural trade reform. The benefits to all WTO Members from agricultural trade reform are clear and have been advantageous for both developed and developing economies alike. These gains have delivered increased economic growth, reduced poverty, improved food security and boosted overall living standards.
3. While there have been some successes in further reforming agricultural trade in the WTO, most notably the Nairobi Decision on Export Competition, progress has been slow and agricultural goods still face significant well-established trade barriers, as well as an increasing amount of non-tariff barriers and agricultural subsidies.
4. Agricultural reform remains the significant unfinished business of the WTO. A lack of progression has hindered the rate of agricultural trade growth over the past decade when compared with the 1990s and early 2000s². This emphasises the necessity for collective action, and to continue the mission to rejuvenate agricultural negotiations in the WTO.
5. Cairns Group Members reaffirm our commitment to the continuation of the reform process as mandated under Article 20 of the Agreement on Agriculture. The reform process must deliver substantial progressive reductions in support and protection, and not result in a maintenance of the status quo in agricultural trade distortions, or a reversal of Uruguay Round commitments.
6. With less than one year until the 12th Ministerial Council Meeting (MC12) in Nur-Sultan, WTO Members must seize the initiative and start taking concrete steps to ensure we deliver outcomes on agriculture and develop a robust negotiating roadmap beyond 2020.
7. There is unequivocal support from Cairns Group Members to deliver an outcome on domestic support. Domestic support has a significant distortionary impact on the efficient operation of global agricultural markets, which adversely affects both farmers and consumers.

¹ Agreed in Geneva, 26 June 2019, by Argentina, Australia, Canada, Chile, Colombia, Costa Rica, Indonesia, Malaysia, New Zealand, Pakistan, Paraguay, Peru, Thailand, Uruguay and Vietnam

² Greenville, J., K. Kawasaki and M. Jouanjean (2019), "Dynamic Changes and Effects of Agro-Food GVCS", *OECD Food, Agriculture and Fisheries Papers*, No. 119, OECD Publishing, Paris, <https://doi.org/10.1787/43b7bcec-en>

8. The amount of trade and production distorting domestic support notified across the WTO Membership has continued to increase over the past decade, reaching \$US 114 billion in 2016, an increase of more than 20% from 2006. As the Cairns Group has pointed out previously, the trade distorting domestic support entitlements of just nine WTO Members could equal US\$1 trillion by 2030 if the current trend remains unchanged.³ To avoid such a potentially calamitous situation, we must constrain and limit trade and production distorting domestic support by significantly reducing the current excessive entitlements available and utilised by some WTO Members. The Cairns Group is preparing an options paper on domestic support to help focus and guide our future negotiations.
9. Cotton in particular must remain a focus. The Cairns Group reaffirms that negotiations must lead to a significant reduction, with a view to total elimination, of all types of domestic support that have distorting effects on the cotton market.
10. On market access, Cairns Group Members regret the lack of improvements to the Uruguay Round outcomes, which represent the start of and not the end of the reform process envisaged in Article 20 of the Agreement on Agriculture. The commitments undertaken on market access for industrial products have by far outweighed those agreed on agricultural goods, which is why average tariffs on agricultural goods continue to remain more than eight times higher than the average tariff on industrial products. There are many outstanding issues that need to be effectively addressed in order to correct this imbalance. Therefore, Members must take concrete steps towards substantive negotiations in this important pillar with the objective of obtaining substantial improvements in market access for agricultural goods.
11. While the Nairobi Ministerial Decision delivered major outcomes on export competition, most notably the historic elimination of export subsidies, we must use it as a starting point to strengthen further WTO rules in this important area. It is paramount that WTO Members fully implement the Nairobi outcomes and continue their negotiations on outstanding issues under this pillar.
12. The Cairns Group believes much more can be done to promote transparency in agriculture. There remain significant gaps between the information and data Members provide on their policies, and the information required by Members to assess the compliance of those policies with WTO rules. The Cairns Group will bring forward ideas on new and enhanced disciplines to ensure WTO Members are meeting existing commitments and allow a more meaningful dialogue in the WTO Committee on Agriculture.
13. In this light, the Cairns Group notes that transparency improvements could also be made to address the impact on trade that can occur when Members alter their applied tariffs without sufficient warning, and particularly the impact for shipments en-route. The Cairns Group

³ Based on forecasting growth in AMS and *de minimis* entitlements out to 2030 for Australia, Brazil, Canada, China, the European Union, India, Indonesia, Japan and the United States. The forecast assumes a conservative 6% growth rate in the annual value of production for each Member (originally contained in RD/AG/63).

welcomes continued discussions in this area, with a view to improving certainty for agricultural traders.

14. The Cairns Group reaffirms that the principle of special and differential treatment for developing countries, especially least developed countries, must remain integral to all negotiations. The framework for trade reforms must continue to support the economic development needs, including technical assistance requirements, of these WTO Members.
15. The Cairns Group will continue to be a voice for ambitious agricultural reform and to promote the institutional credibility of the WTO. We remain open to working with all WTO Members in the lead-up to MC12 to continue the mission for further agricultural trade liberalisation.

Follow us on Twitter:

