Doha Development Agenda
Implications for U.S. Meat Trade

Andrew Burst
Office of Negotiations and Agreements,
Foreign Agricultural Service, USDA
September 18, 2008
Doha Development Agenda (DDA)

- Status of DDA Negotiations
- Basis of Negotiations
- Key DDA Provisions
- Implications for U.S. Meat Trade
- Way Forward?
Doha Round

-- Potential Benefits

- Generate new trade flows
- Lift millions from poverty worldwide
- Reduce tariffs and trade restrictions that raise food/fiber prices
- Help farmers by cutting subsidies that distort markets and discourage agricultural development
- Broaden global markets
Doha Round
-- Status

- Crawford Falconer’s Revised Draft Modalities for Agriculture, July 10, 2008
- Geneva Mini-ministerial meeting, end July 2008 (G-7)
- Falconer’s Report to the Trade Negotiating Committee, August 11, 2008
- Re-engagement (G-7) in Geneva, September 2008
Doha Round
-- Basis of Negotiations

Three Pillars of the agriculture negotiations

➤ Market Access
  • Tariffs, sensitive and special products
  • Agricultural safeguards – SSG and SSM
  • Tropical products, preferences, tariff escalation, etc.

➤ Export Competition
  • Food aid, export credits
  • Export subsidies, State Trading Enterprises

➤ Domestic Support
  • OTDS reduction, product-specific caps, blue box
Doha Round
-- Tiered Tariff Reduction Formula

- **Developed countries**, tiered tariff reduction formula:
  - Reduced **50%** for tariffs > 0 but ≤ 20%
  - Reduced **57%** for tariffs > 20% but ≤ 50%
  - Reduced **64%** for tariffs > 50% but ≤ 75%
  - Reduced [70%] for tariffs > 75%

- Minimum average cut of 54%, inclusive of sensitive products, tariff escalation and tropical products
Doha Round
-- Tiered Tariff Reduction Formula

- **Developing countries, formula:**
  - Reduced $\frac{2}{3}$ of 50% for tariffs $> 0$ but $\leq 30\%$
  - Reduced $\frac{2}{3}$ of 57% for tariffs $> 30\%$ but $\leq 80\%$
  - Reduced $\frac{2}{3}$ of 64% for tariffs $> 80\%$ but $\leq 130\%$
  - Reduced $\frac{2}{3}$ of [70%] for tariffs $> 130\%$

- **Maximum average cut of 36%, inclusive of special products**
Doha Round
-- Sensitive Products

- Sensitive Products available for developed and developing countries
- Developed countries designate [4-6]% of tariff lines as Sensitive Products
- Provision for additional lines
- Tariff cap “buyout”
- Deviation for tariff reductions (1/3, 1/2, 2/3)
- Provide “tariff quota expansion” of [4-6]% of domestic consumption for 2/3 deviation
- Creation of new tariff-rate-quotas?
- Developing countries designate 1/3rd more
Doha Round –
-- Special Products

- Special Products available only for developing countries
- Designate [10-18]% of tariff lines as Special Products
- [6]% of tariff lines no tariff cut
- [10-14]% overall average overall tariff cut
- Special rules for small vulnerable economies (SVEs) and recently acceded members (RAMs)
Doha Round –
-- Special Agricultural Safeguard

➢ Special Agricultural Safeguard (SSG)
  • Developed countries:
    ✓ Eliminate
    ✓ Or, reduce to 1.5% of tariff lines
  • Developing countries:
    ✓ Remain unchanged, except updated for DDA conditions
    ✓ Or, reduce to 3% of tariff lines
Doha Round –
-- Special Safeguard Mechanism

Special Safeguard Mechanism (SSM)

- Developing countries only
- Price and volume mechanisms
- Volume-based
  - Variable triggers/remedies, based on rolling average of preceding three-year period
- Price-based
  - CIF import prices, shipment by shipment
- Special provisions where remedy exceeds pre-Doha tariff bindings
Doha Round –
-- Domestic Support

- Overall Trade Distorting Domestic Support (OTDS)
  - July text calls for U.S. OTDS range of $13-16.4B

- AMS and Product-Specific Caps
  - July text foresees a 60% cut in amber box
  - Product-specific caps within amber box

- Blue Box
  - Definition expanded to allow U.S. counter-cyclical type programs
  - Overall cap reduced by 50% to maximum of 2.5% of value of production

- Cotton
Doha Round –
-- Export Competition

- Export Credits / Food Aid
  - New disciplines
- Export Subsidies
  - Eliminated/phased-out
- State Trading Enterprises
  - New disciplines/elimination
Doha Round –
-- Implications for U.S. Meat Trade

- Developed countries – EU, Japan, etc.
  - Reductions in tariffs of 50-70%
  - Average tariff cut of minimum of 54%
  - Sensitive product tariff deviations/TRQs
  - Reduction/elimination of UR Special Agricultural Safeguard
Doha Round – Implications for U.S. Meat Trade

- Developing countries – China (RAM), India, Philippines, Taiwan (RAM)
  - Reductions in tariffs of 33-47%
  - Average tariff cut of maximum of 36%
  - Special Product tariff deviations
  - UR Special Agricultural Safeguard
  - Doha Special Safeguard Mechanism
Doha Round – Implications for U.S. Meat Trade

Elimination of EU export subsidies

- Beef
- Pork
- Poultry
- Eggs
Doha Round –
-- Way forward?

WHAT’S NEXT?