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Is it appropriate to cut agriculture out of the current EU - US trade negotiations?

Recently, free-trade talks have been launched between the EU and the US – the biggest trade deal in history, hoped for to be finalized in two years time. Quickly the maybe-obstacles come into view, not surprisingly one of them being agriculture. Whereas officials like the US trade representative Ron Kirk claim that „everything is on the table“, and not even sensitive issues in agriculture (GMOs...) shall be factored out, some trade specialists like the director of the German BGA Jens Nagel and the AmCham President Fred Irwin propose to cut agriculture completely out of the process, as would put a strain on the talks. Which is right?

As there can always be made some gains for further prosperity with agricultural trade liberalization some basic obstacles may remain. I try a short characterization:

Agriculture has always been a stumbling bloc in trade negotiations, starting with Havana 1947 and leading to the Doha Round stalemate in 2008. What is true to the multilateral level is true to the regional and bilateral level, as well. Be it Japan currently not being able to join the TPP, or be it Switzerland and Chinas FTA facing obstacles in this issue, it is because of agriculture. Agriculture is always a significant bone of contention in free trade talks. This is ostensible due to the fear of countries to loose national food sufficiency and due to the pressure of the agricultural sector in the country to sustain itself. But enigmatic there seem to lie deeper causes for the resistant attitude of agriculture to trade liberalization. And they will never vanish. - The whole issue of trade liberalization is *effective specialization*, as pointed out by Pascal Lamy on the latest CUTS forum on 30st of January. But that is exactly, what agriculture from its natural base is resistant to. One of agriculture's main principles, by being interwoven with nature, which itself is depending on interaction, is diversity. This unique character makes agriculture different to other industries (and this is, in the end, true in Cairns-Group countries, too). One can narrow diversity in the sake of specialization with the help

of inputs even down to monocultures, but the more one does it, the higher the impact on the environment. In times of climate change and galloping biodiversity loss this is no longer a neglectable issue. Countries which have industrialized their agriculture already face or will face severe constraints (water shortage, polluted waterways, soil degradation and loss of functional biodiversity, etc., see for example the Murray Darling River System problems in Australia) in the future. These constraints can be somehow addressed, but never solely solved just by new technologies. It's a systemic issue. Besides, from the social side of agriculture, food security for rural populations is only partly addressed and met when some of the former small scale farmers get – mostly seasonal and precarious – jobs on the new plantations of specialized agriculture. Agricultural markets by itself are of local/regional nature (due to nutritional needs for diverse staples, freshness, trust and cultural identity). That doesn't exclude some reasonable specialization and trade and exports. But the core of farming, accounting for food security and environmental sustainability is of that nature. Trade rules should take that into account, by accepting and respecting preference for local/regional agricultural markets (as just recently proposed for the item of food stockpiling by the WTO G-33 in advance of the Bali ministerial). Additionally, agriculture is strongly related to cultural patterns. In the EU – US dispute especially, it is not only the question of GMOs or beef treated with hormones which cause major concerns, but the question of food safety. The US for example is cleaning beef carcasses before distribution as an end-of-the-pipe-approach with lactic acid, or broilers with chlorine, whereas the EU is having a strict hygiene regime 'from farm to fork', looking for harmful microbes like salmonella not to appear in any product on any step of the value chain. These are different cultures, which could – the european model being more costly – strongly be affected if FTAs come into force.

Agricultural trade obviously doesn't follow the same logic as other goods and products do. In this respect it is the question, whether to exclude agriculture from (this) trade negotiations, or at least dealing with it in a special package?