



Basic principles of an Alternative Agreement on Agriculture

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Article 1 – Food sovereignty

- a) The present Agreement intends to rebuild the agricultural policies of all countries on the basic principle of food sovereignty – the right to every country or regional grouping of countries to protect its domestic market at the import level – without dumping of any kind on other countries' domestic market. All the provisions of the present Agreement are only the detailed means to implement this basic principle.
- b) Consequently, all the provisions of the Agreement on Agriculture (AoA) and of the other WTO Agreements and all the commitments made by WTO Members on agriculture and agricultural products are cancelled as long as they contradict the provisions of the present Agreement.

Article 2 - Dumping

- a) Members agree to phase out all forms of dumping on agricultural products, defined as exports at prices below the country average total cost of production of each product¹.
- b) All forms of export subsidies, including upstream (on inputs and investments) and downstream (on processing and marketing) domestic subsidies on exported products, shall be eliminated, within 3 years for developed countries and 6 years for developing countries other than the least developed countries.
- c) Members shall notify to the WTO all their export and domestic subsidies in order to prove that their exported products do not receive any of them at the end of this period.
- d) Members shall notify to the WTO the average total production cost of each exported agricultural product and commit to tax exports at a price below this cost.

Article 3 - Import protection

- a) Every Member has the right to protect its production of agricultural products at the import level in order to achieve remunerative prices for its farmers, to ensure food security, livelihood security and rural development needs.
- b) This right to an efficient import protection is available for all countries but is even more necessary to poor countries which cannot subsidize significantly their farmers whereas the domestic subsidies of rich countries have an import substitution effect.
- c) Given the high volatility of world agricultural prices, reinforced by that of exchange rates, and the correlative ineffectiveness of fixed tariffs, Members are encouraged to implement systems of variable import levies to stabilize the domestic agricultural prices and hence the entrance prices in their domestic market, or price band systems that would mitigate the transmission of fluctuations in world prices to their domestic prices. Entrance prices or price bands are calculated

¹ According to the WTO Appellate Body's ruling of 5 December 2002 in "*Canada – Measures Affecting the Importation of Milk and the Exportation of Dairy Products. Second Recourse to Article 21.5 of the DSU by New Zealand and the United States*", WT/DS103/AB/RW2, paragraphs 88 to 132.

so as to ensure remunerative prices for the large majority of the small family farms of each country.

d) In order to maintain a good transparency of agricultural trade for traders, Members must inform the WTO of changes in the levels of their import measures, notably their entrance prices on which the levels of their variable levies or price bands are based.

Article 4 – Supply management

a) Exporting countries shall establish mechanisms of supply management to avoid surpluses of non competitive products, i.e. of products requiring an import protection or export subsidies or domestic subsidies of any colour on exported products.

b) Exporting countries commit themselves to coordinate their agricultural exports policies in order to mitigate fluctuations in international prices.

c) The Members exporting cereals commit themselves to keep minimal public stocks, in line with their usual share of global exports, so as to mitigate the fluctuations in world prices linked to the drop on private stocks when the world prices are high.

d) The Members agree not to use food products, domestic or imported, to produce agrofuels and biogaz.

Article 5 – Tropical products

a) A simple coordination would not be enough for exports of tropical products. Members commit themselves to put in place a worldwide mechanism of minimal prices for exported raw tropical products (according to varieties and qualities), possibly managed by FAO (or/and UNCTAD), in which traders will commit themselves to reimburse, at the end of each marketing year, the gap between the fair value of their purchases (resulting from the multiplication of purchased quantities by the minimal prices prefixed by FAO before the marketing year) and their actual purchasing expenses at current market prices along the marketing year. This implies that only traders committing themselves to abide by this contract would be registered by exporting countries' governments. The latter would do everything possible to ensure that the major part of the minimal prices received by the exporting traders would be transmitted to producers.

b) Since, beyond the inter-annual fluctuations, the main cause of the slump in the world prices of tropical products lies in their structural overproduction that guaranteed minimal prices could foster even more, exporting Members will charge FAO to administer the distribution of production quotas and to enforce them through appropriate sanctions.

Article 6 – Export restrictions

As long as there does not exist a world government able to guarantee a minimal food security for all countries, each State has the right to prioritize the food security of its citizens by restricting food exports when the world prices are higher than domestic prices. Besides, as said in Article 2, export taxes should be used to prevent exports of agricultural products below the average national production cost without subsidies.

Article 7 – Preferential market access

a) The developed countries and the more advanced developing countries shall enhance the market access opportunities of the least-developed countries, land-locked countries, small island developing States and other small vulnerable countries, by special agreements that do not demand reciprocal preferences, in terms of duty-free quota access to products originating in, or of export

interest to, these countries, when it is clear that increased exports would actually be beneficial to small farmers and not harm poor consumers.

b) As long as there does not exist a world government in charge of a worldwide income distribution policy, the more advanced countries are allowed to grant bilateral preferential market access for agricultural products to developing countries, even if this access is not extended to all Members of the same development level.

c) With regard to tropical products (cotton and sugar included) processed within the producing developing countries, the developed countries will end their tariff escalation so as to leave to developing countries the benefit of higher prices and of the value added in the few industries in which they have a comparative advantage.

Article 8 – Subsidies

a) The distinction made in the AoA and in the Agreement on Subsidies and Countervailing Measures between non-specific subsidies (when they are computable) and specific subsidies and between amber, blue and green subsidies is scientifically unfounded and should be abolished: all types of subsidies have the effect of reducing the production cost and increasing the competitiveness of the benefiting products. They have consequently a dumping effect when they are exported and at the same time an import substitution effect. This distinction is particularly unfair to developing countries which have very limited budgetary means to subsidize their farmers and agricultural products.

b) Provided that the benefiting products are not exported, Members have the right to use the kind of subsidies they deem the best, given their level of development. In particular, coupled subsidies are generally preferable in developing countries since they are a direct incentive to increase their agricultural production.

Article 9 – Regulation of market concentration

Vertical and horizontal concentration in global commodity markets is a primary cause of market distortion. Transparency requirements will be applied to companies with 20 percent or more of a national or global market in a given commodity. There is no reason to limit state-trading enterprises (STEs) when the giant private agribusiness corporations dominating the global agricultural trade are manipulating prices and agricultural policies. Properly overseen with the participation of farmers' organisations, STEs offer important benefits, particularly in countries where the private sector is weak or highly concentrated.

Article 10 – Disputes settlement

The agricultural trade disputes among Members are run according to a hierarchy of norms where the applied agricultural trade law recognizes the primacy of international Agreements on human rights – of which the right to food –, the basic social rights of the International Labour Organization and the international conventions on the environment.

The WTO Secretariat must check the conformity of its Members' notifications on agricultural subsidies with the Agreement and to inform the other Members in case of irregularities, which would avoid many useless proceedings at the Dispute Settlement Body.

Article 11 - Food aid

- a) Members agree that the provision of all forms of food aid shall not be tied directly or indirectly, explicitly or implicitly, to commercial exports of agricultural products or of other goods and services to recipient countries.
- b) In the case of food aid for emergency or critical food needs arising from natural disasters, crop failures or humanitarian crises and post-crisis situations, such aid is exclusively provided on the basis of pledges and commitments to, or in response to appeals from, specialized United Nations food aid agencies, other relevant regional or international intergovernmental agencies, or in response to an urgent government-to-government ministerial request for assistance in meeting food needs in the immediate aftermath of a natural disaster. This emergency food aid is provided exclusively in fully grant form. Whenever possible all means of providing food aid through purchases of local staples in the same country or in neighboring countries should be explored, the donors agreeing to provide cash and logistic means instead of exporting food surpluses.
- c) Food aid for other purposes, including under programs and projects to enhance nutritional standards amongst vulnerable groups in least-developed and net food-importing developing countries, is provided exclusively in the form of untied financial grants to be used to purchase food for or by the recipient country. This food aid must be sold on the domestic urban markets and revenues must be used to improve production and marketing conditions for domestic food production or to buy domestically produced food surpluses for domestic food security programs.
- d) Members enact national legislation that favors procurements of food for national food security reserves and national nutrition programs from local peasant production surpluses, guaranteeing reasonable prices that cover production costs.

Article 12 - Measures to guarantee safe and healthy food

- a) Members recognize and operationalize farmers' rights in the International Undertaking of Plant Genetic Resources and implement mechanisms to ensure that farmers primarily benefit from their traditional knowledge and contributions and resources.
- b) Members assess the environmental, social and economic impacts of Genetically Modified Organisms (GMOs) on Food Security with the full and informed participation of civil society and prior and democratic consent of peoples and meanwhile call for a moratorium on all field-testing, commercialization and trade of GMOs in food and agriculture. The Biosecurity Protocol has the primacy over the WTO Agreements.
- c) Members being contaminated with imports of genetically modified seeds and/or food, introduced or produced without legal permissions, are allowed to take immediate remedy action against the country of origin until the situation is cleared and compensation issues are solved.
- d) Members prohibit biopiracy and patents on living matter – animals, plants, the human body and other life forms – and any of its components, including the development of sterile varieties through genetic engineering.
- e) Members establish national mechanisms for quality control of all food products so that they can certify their compliance with environmental, social and health quality standards, and ensure that all food inspection functions are performed by appropriate and independent government bodies.
- f) Members establish regulation for clear and accurate labeling of food and feed-stuff products, based on consumers' and farmers' rights to access to information about content and origins.