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For its food security Sub-Saharan Africa needs improved WTO rules on agriculture rather than Economic Partnership Agreements with the EU

The main WTO rules to change and why to refuse the EPAs

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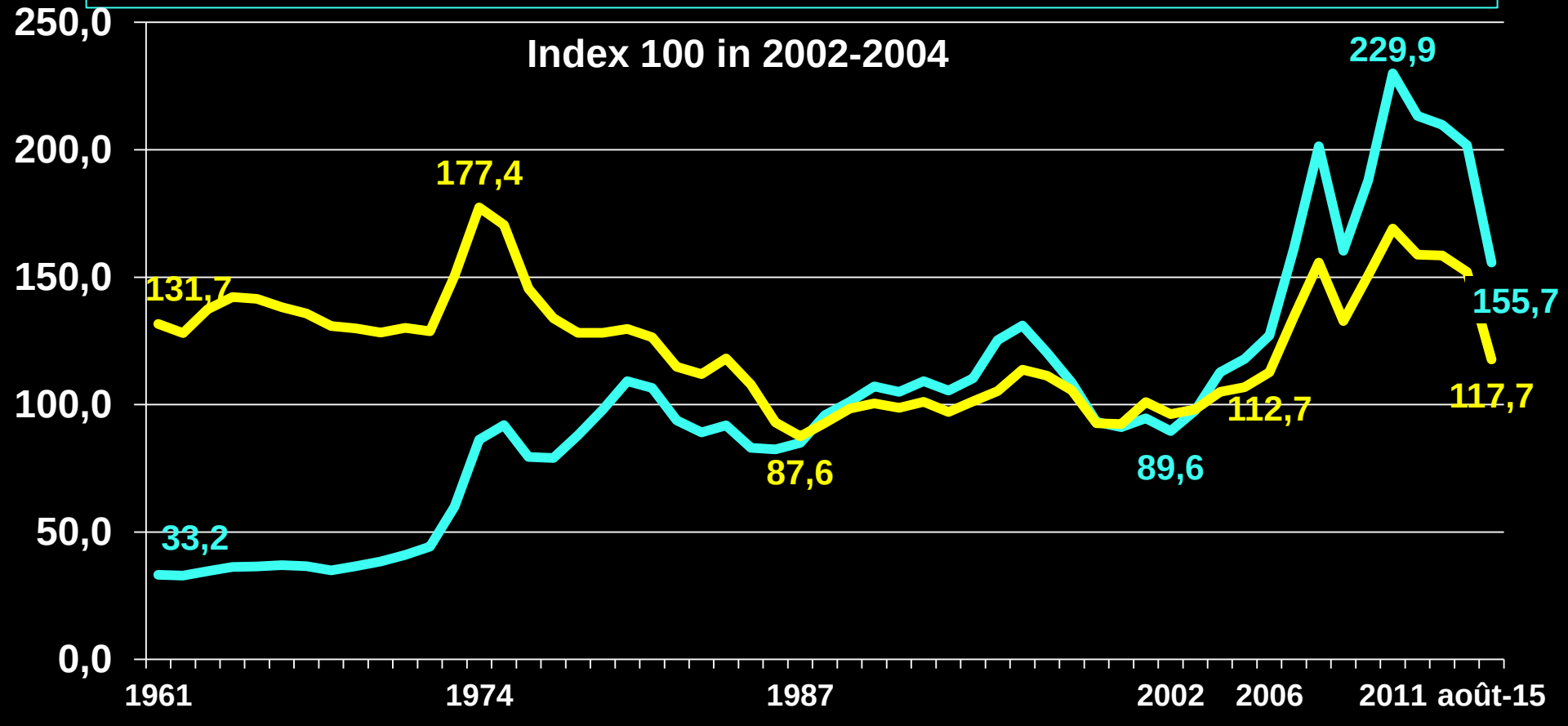
Free trade has never worked in agricultural markets: they cannot self-regulate

Facing a stable demand in the short run, food production fluctuates with climatic vagaries, hence agricultural prices and incomes and consumers prices.

That is why the GATT tolerated exceptions for agriculture: no limit on level of import protection

Very high volatility of food prices due to free-trade

FAO index of nominal prices (pale blue) & real (deflated, yellow)



Lobbying of agri-food corporations + GATT definition of dumping have led the US & EU to change the rules of agricultural trade in 1986-88 against DCs

Once at the top of agricultural competitiveness the US & EU decided in 1986 to deny to DCs the use of import protection, launching the Uruguay Round and writing the AoA rules.

They reduced sharply their guaranteed minimal prices, compensating farmers by huge subsidies declared non-trade distorting in the AoA.

The scandalous definition of dumping in the GATT and the Anti-dumping Agreement (ADA)

For economists and the man in the street dumping occurs if exports are made at prices lower than production cost.

For GATT and ADA, no dumping if exports made at domestic prices, even if lower than average national production cost.

Yet the Appellate Body ruled 4 times that domestic subsidies should be taken into account in assessing dumping

But the WTO Members refuse a binding legal value of precedents to the panels and Appellate Body's rulings.

The scientifically unfounded distinction of agricultural subsidies according to their trade-distorting nature

The distinction in the AoA between amber, blue and green subsidies is scientifically unfounded: all types are reducing the production cost and increasing the competitiveness of the benefiting products. They have a dumping effect for exports and an import substitution effect. The most trade-distorting are those of the green box because not capped.

Main changes in WTO rules to guarantee food security

✓ **REAUTHORIZE the GATT exceptions on import protection for agriculture**

✓ **REFORM the definition of dumping in the GATT and ADA, adding: "*'Normal value' and 'In the ordinary course of trade' mean domestic prices not reduced by offsetting subsidies*".**

✓ **ABOLISH the distinction in the AoA between the alleged level of trade distortion of subsidies (amber, blue, green)**

✓ **REWRITE AoA Article 9: "*All subsidies, including domestic ones, to exported products, are export subsidies*".**

✓**CHANGE the rules on public stocks:**

- **Delete in Annex 2 paragrah 3 footnote 5:"*provided that the difference between the acquisition price and the external reference price is accounted for in the AMS*".**

- **No reason to differentiate between "administered prices" paid by DCs and so-called "market prices" paid by developed countries: not trues one, as highly subsidized**

The EU-ACP EPAs would impoverish a lot the Sub-Saharan countries and increase their food insecurity

Already without EPAs SSA countries face a treble challenge:

✓ **Demographic: SSA population from 947 M in 2015 to 2.1 bn in 2050, that of West Africa (WA) from 353 M to 798 M**

✓ **Food insecurity: WA food balance from a $1.4 bn surplus in 1995 to $4 bn deficit in 2014 and even $11.4 bn without cocoa+coffee+tea+spices which are not food staples**

✓ **Climate change: yields could decrease rather than increase.**

If ratified and implemented the EU-West Africa EPA would:

✓Reduce import duties by €56 bn in 2020-35, of which €26 bn for the 12 LDCs which, without EPA, would not lose anything under EBA (Everything But Arms)

✓ Collapse of the budgets on education, health, environment

✓ Higher food deficit: import duties on cereals (less rice) and milk powder would fall from 5% to 0

✓ Collapse of the already very fragile WA industries

✓ Explosion of unemployment given the demographic surge

✓ Explosion of the illegal migrants to the EU who were already 35,000 in 2014

✓ Surge in drug and arm traffic, kidnapping of Europeans

✓ Expansion of Boko Haram

With the EPAs the EU is shooting itself in the foot

By preventing the SSA countries to ensure first their food sovereignty and protect their infant industries, the EU would lose, in the medium & long term, possible large exports of industrial products and services of high added value, all the more given the SSA demographic explosion.