



World Trade Organization (WTO) Negotiations Stalled as U.S. Administration Evaluates U.S. Objectives

Background: On November 14, 2001, trade ministers emerged from an overtime negotiating session in Doha, Qatar, to announce an agreement launching a new round of global trade talks under the World Trade Organization (WTO). Negotiators originally agreed to complete the round by Jan. 1, 2005. However, due to lack of progress, this deadline was pushed back and countries are now trying to conclude talks by the end of 2008.

After some false starts and delays in negotiations, a major milestone occurred in July 2004, when a new text was agreed upon by all WTO members. This new framework outlined how agricultural trade reform would be achieved as talks moved forward over the next few years. It included several key objectives of the U.S. dairy industry such as the total elimination of export subsidies, movement towards harmonization of tariffs and the continued existence of some level of domestic support, which will also be subject to a certain degree of harmonization.

After July 2004, negotiators spent considerable time focusing on technical details. Throughout that time, talks advanced only minimally. The December 2005 Hong Kong Ministerial text, also a key document, contained an agreed-upon end date for export subsidies of 2013, but only slight forward movement on other areas of importance. Talks continued to progress extremely slowly until mid-2007 when Negotiating Committee Chairmen drafted papers aimed at forging additional convergence in members' positions. WTO members deemed these sufficient to serve as the basis for further negotiation. Since then, countries have been striving to work towards achieving consensus and a final agreement. Much focus in 2008 was on reaching agreement on key market access provisions, as this remains a less clear area.

WTO Director General Lamy argued strongly for a ministerial meeting before the end of in hopes of gaining agreement before the Bush Administration left office, but the failure of other countries to offer sufficient concessions in the market access area for both agricultural and non-agricultural products made it impossible for the U.S. to approve even convening a meeting. The new Administration has said it intends to work hard with our trading partners to reach a final Doha agreement, but that such a deal has to be balanced.



USDEC Position: Overall, USDEC sees the Doha Round as offering the potential for a positive outcome for the future of the U.S. dairy industry, if the final text establishes policies that benefit the U.S. dairy by reducing and eliminating current inequities. USDEC supports efforts by the United States to eliminate export subsidies, harmonize tariffs and reduce domestic support faster in countries with higher levels, while maintaining a safety net from dairy producers. USDEC has created a brochure outlining its position on the three pillars of export subsidies, market access and domestic support. This brochure, entitled *Balanced Trade, Not Unilateral Disarmament* is being used to educate U.S. policy makers about the needs and desires of the U.S. dairy industry regarding the WTO agriculture negotiations. [Click here](#) for a copy of this brochure.