



Committee on Agriculture Special Session

COMMITTEE ON AGRICULTURE IN SPECIAL SESSION

REPORT BY THE CHAIRPERSON, H.E. MS GLORIA ABRAHAM PERALTA, TO THE TRADE NEGOTIATIONS COMMITTEE

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## 1 INTRODUCTION

1.1. This report – which I am sharing with the entire Membership – captures the progress we have made in the negotiations thus far, and my assessment of where the main fault lines are in the positions of Members in the outstanding areas. Attached to it, in the Annex, is a revised draft negotiating text on agriculture resulting from all my consultations with Members in different configurations and all the inputs received in this process.

1.2. I am sharing this revised draft text under my own responsibility. I would like to emphasize that it does not purport to reflect consensus among Members, neither on the negotiations in their entirety nor on the specific negotiating topics. Furthermore, while it seeks to take into consideration the positions expressed by all WTO Members on all topics in the negotiations to date, it also does not seek to reflect these positions exhaustively. The content of my report is entirely without prejudice to any Member's position on any of the negotiating issues.

1.3. When I circulated the previous draft negotiating text in July (JOB/AG/215), I urged Members to see it as a tool to advance their work. I am pleased to be able to report that Members have done precisely that, and used it as a reference for their engagement with one another on the outstanding issues, taking also into account their own submissions. In the discussions, Members have willingly shared proposals that they considered necessary to address their concerns, exploring ways to find possible options to reflect their previous submissions and identifying the most promising paths forward towards consensus.

1.4. During this period, I organized five meetings of the Committee on Agriculture in Special Session<sup>1</sup> back-to-back with dedicated sessions on Public Stockholding for Food Security Purposes and on the Special Safeguard Mechanism, including two at the Heads of Delegation level, open to the full WTO Membership.

1.5. I also had multiple bilateral meetings with individual Members and held numerous consultations with smaller groups of Members in various formats and on different topics. Of particular importance was the "room D" process held during the month of October, during which Members engaged constructively in intensive text-based discussions based on the draft text circulated at the end of July, and on Members' various additional inputs.<sup>2</sup> The pace of my consultations intensified during the month of November.

1.6. In order to ensure a transparent and inclusive process, I also met throughout this period with the coordinators of negotiating groups, in addition to the open-ended meetings.

1.7. Last but not least, the negotiation process was also informed and enriched by contacts made between different groups of Members as they explored with one another compromise options to narrow gaps in negotiating positions. Many valuable inputs were produced as a result of this process.

1.8. I am extremely grateful to Members for their tireless efforts and constructive attitude in the talks thus far. To the extent that the revised draft negotiating text represents a useful contribution to the preparations for the Ministerial Conference, credit is due to the hard work, determination, and good faith of Members.

1.9. Notwithstanding this intense engagement, we have not made as much progress as we had anticipated on some key issues, especially Domestic Support, Public Stockholding and Market Access.

1.10. Members have thus not yet been able to agree on detailed and specific outcomes on several negotiating topics. In some instances, positions still diverge. I will provide my more detailed topic-by-topic assessment in the subsequent sections of this paper. Members have also struggled to find ways to identify a balance across negotiating topics that they consider mutually acceptable.

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<sup>1</sup> On 7-8 September, 20-21 September, 14-15 October, 28 October and 15 November. See my reports in documents JOB/AG/217, JOB/AG/221, JOB/AG/222, and JOB/AG/223.

<sup>2</sup> A compilation of textual inputs by Members was circulated in document RD/AG/89.

1.11. I urge Members to acknowledge the gaps in negotiating positions, as well as the implications these have for our ability to move forward on our shared agenda. It is against this background that I have decided to issue the revised draft text in the Annex. The options it contains have been carefully drafted based on Members' inputs and suggestions, as well as positions expressed during my consultations.

1.12. The text covers the seven main negotiating areas, namely agricultural domestic support, market access, export competition, export restrictions, cotton, the special safeguard mechanism, public stockholding for food security purposes, as well as the cross-cutting issue of transparency. Following the suggestion by several Members, it also includes an introductory part, which is meant to provide context for our negotiations and the different topics covered.

1.13. I am sure that this text will be considered by many Members as not ideal, as it does not fully reflect their initial ambitions. It is indeed a more streamlined and less ambitious version than what I initially had in mind. But all Members' positions have to be respected and balanced in a fair manner. This text reflects the reality of where we are today. It acknowledges the current state of play in Members' positions and the difficulties we face in building convergence or narrowing the gaps on some key issues.

1.14. This text therefore constitutes my best attempt to put on the table a balanced and realistic package that could garner the support of all Members for an outcome which all may be able to accept. I firmly believe this text would represent a significant step forward.

1.15. The basic premise of this text is that all Members share a commitment and a desire to continue the agriculture negotiations after the Twelfth Ministerial Conference (MC12) despite the continued divergence in their negotiating positions on some specific questions. This text therefore aims at sending a clear signal of this shared commitment by finding a realistic compromise that preserves Members' main interests and prepares for a fruitful post-MC12 negotiation by providing Members with as much guidance as possible under the circumstances.

1.16. It is our collective responsibility to present to Ministers a text that is manageable. We cannot present them with a text that reflects significant divergence in negotiating positions and still expect them to bridge these in just a few days – especially when we have not been able to do so over a period of several months.

1.17. It is important that we all bear in mind our shared resolve and commitment to deliver a successful outcome on trade in food and agriculture at the Ministerial Conference. Such an outcome is needed to ensure that trade contributes to progress on the goals that Members have set out in the Agreement on Agriculture (AoA), including under Article 20 and the objectives and concerns set out in the Agreement's Preamble. It is also needed more broadly for other reasons: to ensure that trade contributes towards the achievement of the Sustainable Development Goals, including SDG 2 on hunger, food security and nutrition, and sustainable agriculture; to lay the foundations for our recovery from the COVID-19 pandemic, and to enable our effective response to new challenges such as climate change, which is already having significant effects on global markets. This context is articulated in the proposed introductory part of the draft text.

1.18. At MC12, success will therefore demonstrate that WTO Members can take steps forward together and reaffirm their commitment towards the achievement of our shared objectives on food and agriculture – and will prove the WTO's relevance in today's world.

1.19. The following sections of my report present the various elements of the draft negotiating text, which I sincerely hope will be considered a useful contribution to our collective endeavour to reach a positive outcome on agriculture.

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## 2 DOMESTIC SUPPORT

2.1. The Domestic Support pillar has been at the heart of the agricultural negotiations since their commencement in 2000. Numerous submissions have been made on this subject by Members emphasizing the shared objective of addressing trade-distorting domestic support (TDDS). It is also the pillar of the negotiations that has been discussed the most in my consultations, and is the area where, for both developed and developing Members, the expectations for an outcome at MC12 have been the highest. Indeed, the two topics that are together seen as likely to set the overall level of ambition for an agricultural package at MC12 are domestic support and public stockholding.

2.2. Many calls have been made to strengthen the existing disciplines on TDDS while at the same time leaving sufficient space for Members to pursue legitimate policy objectives such as food security, supporting small scale and resource-poor farmers, and fostering a resilient agricultural sector. Members also need to address TDDS to ensure a "level playing field" and equitable trade, and to avoid costly competition between treasuries.

2.3. Despite the broad agreement on the need to address trade-distorting domestic support, the views of Members have continued to differ sharply on: how to achieve this objective; a numerical target (e.g., 50% reduction); the timeframe (e.g., agreed reduction to be made by 2030); the scope, and the potential of different support categories to distort trade (e.g., the determination of which categories of support should be included, along with the treatment of these categories); the sequencing of reform steps (e.g., whether AMS above *de minimis* should be addressed first, or whether all categories should instead be addressed in parallel); the level of ambition for MC12, and what is attainable, especially considering the wide divergence among positions and the limited time until MC12.

2.4. Members could not agree on a broad numerical target, nor on a pre-determined timeframe. With respect to the scope of the negotiations, several Members stressed that it should address all categories of support under Article 6, without any *a priori* exclusion of any category, while also recognizing that they would not be treated equally. This was considered unacceptable by many developing countries, which demanded the exclusion of Article 6.2 from reduction commitments.

2.5. There was also no convergence on addressing AMS beyond *de minimis* in the negotiations. Some Members held the view that this category of support should not be singled out since the negotiations would address all support that have the effect of distorting trade and production. The proponents insisted however that this issue should be given priority in order to "level the playing field". There was also no convergence on the proportionality principle, as a number of Members stressed that there was no universal definition of this concept that was acceptable to all Members. Some Members opposed using the size of entitlements as the sole criterion. In that regard, some Members suggested amendments to the wording, while others wanted it to be dropped altogether. There was also disagreement over how to address Green Box support<sup>3</sup> (which does not fall under Article 6). Several Members insisted on the need for Green Box criteria to be clarified, along with those in Articles 6.2 and 6.5 of the AoA.

2.6. Taking into account the limited time left until MC12, and the persistent differences over how to discipline TDDS, it is clear that Members will be unable to achieve a substantive outcome at the Conference involving agreement on concrete modalities for the reduction of TDDS entitlements. I continue to believe, however, that MC12 can benefit all Members by delivering a useful step forward in the domestic support reform process that would set the direction for work after the Conference. I also believe that it is our collective duty to make every effort to find a way forward in this important area where an outcome is long overdue. I therefore suggest Members establish modalities by MC13 to substantially reduce trade-distorting domestic support by the date to be agreed upon by Members, coupled with some guiding principles and improved transparency requirements.

2.7. I am aware that the suggested draft text will not reflect all Members' views and that the level of ambition may not be what Members had in mind. But in my view, this text strikes a careful balance between the competing negotiating priorities and sensitivities of different Members and reflects the wide divergence among Members' positions.

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<sup>3</sup> Covered under Annex 2 of the Agreement on Agriculture.

### 3 MARKET ACCESS

3.1. As I stated during the presentation of my draft text in July 2021, an outcome in the Market Access pillar would help Members to attain an overall balance in the agriculture negotiations. My subsequent consultations with Members have since confirmed this view. I am also very aware of the great political sensitivity of this pillar for several Members. My revised simplified text on a market access work programme seeks to respond to the comments and concerns I have heard in my post-July consultations. Broadly, the draft work programme in the revised text entails negotiations covering all elements of the Market Access pillar and acknowledges the need for technical discussions to inform these negotiations. Specific principles such as a "harmonizing" tariff reduction approach, which formed part of the July draft text, have not been retained in this revised version.

3.2. In my July draft text, I had also proposed a transparency exercise for Members to report *ad valorem* equivalents (AVEs) of bound non-*ad valorem* agricultural tariffs in their Schedules. During my consultations, several Members considered such an exercise to be premature in the absence of any clarity on the tariff reduction modality, and argued it was not necessarily useful in the absence of a common methodology to undertake the proposed conversion. The revised draft text omits this element.

3.3. As Members preferred to consider transparency under each area or pillar, the revised text includes elements of further work on improving market access transparency and notification compliance, to be pursued in the Committee on Agriculture.

3.4. On the issue of applied tariff transparency, some Members remain concerned about logistical constraints or the implications of the proposed decision for possible legislative changes that it might necessitate. I sensed the reluctance of those Members to consider a definitive agreement at MC12, even on a "best endeavour" or voluntary basis. Accordingly, I have proposed that Members' work in this area continues in the Committee on Market Access, anchored by their sharing of current national practices when changing applied tariffs, and with a view to developing a non-exhaustive list of good practices for national customs authorities.

### 4 EXPORT COMPETITION

4.1. During my consultations, there was broad support for several elements in the draft text contained in JOB/AG/215. This was the case for the sections on: the continuation of post-MC12 negotiations; the recognition of the importance of effective implementation and monitoring of the Nairobi Ministerial Decision on Export Competition; the acknowledgement of the triennial reviews of the Decision; and the recognition of the need for the Secretariat to provide appropriate support to developing country Members that are not yet accustomed to responding to the annual Export Competition Questionnaire.

4.2. Most of the discussions addressed the question of transparency, including a post-MC12 work programme and the possibility of encouraging Members to provide export data with the support of the Secretariat if deemed necessary.

4.3. The draft text builds on the intensive exchanges between proponents and groups of non-proponents, and seeks to find a compromise that reflects the concerns of all Members. It therefore both acknowledges Members' shared willingness to enhance transparency in this area and also recognizes that some developing country Members remain concerned about the capacity constraints they may face.

### 5 EXPORT PROHIBITIONS OR RESTRICTIONS

5.1. The revised text on export prohibitions or restrictions reflects the view, broadly shared by Members, that the two elements of this topic contained in document JOB/AG/215 should be addressed in separate decisions. Thus, the draft Decision on exempting WFP food purchases from export restrictions is now presented as a stand-alone Decision.

5.2. Discussions since July 2021 have indeed confirmed that Members hold in high esteem the work of the WFP and are willing to make their best efforts to support it, especially at a moment when the

number of undernourished people is growing again. In this context, a vast majority of Members view this as a "very low hanging fruit" for MC12.

5.3. The draft text in Annex I is intended to capture the current state of play following the efforts that Members have made in recent weeks to explore possible compromises by adjusting the text in document JOB/AG/215. These changes have sought to strike a careful balance between, on the one hand, the concerns of Members where the foodstuff is purchased by WFP, while on the other hand acknowledging the fact that the WFP purchases food in accordance with its existing practices and principles to avoid negative impacts on such Members. The text is also intended to take on board sensitivities expressed by some Members regarding the reference to Article 12 of the AoA and Article XI of the GATT 1994.

5.4. One Member that has ongoing concerns restated the questions it had posed to the proponents and WFP. These have sought examples of actual export restrictions hindering the Organization's work in the past, and an assessment of the potential impact of such measures in the future. One of the proponents submitted a communication on 16 November aimed at providing responses to these questions.<sup>4</sup>

5.5. In light of these remaining concerns, the draft text acknowledges that it may be difficult to attain a multilateral outcome on this issue. In such a scenario, it is suggested that Members take note of the adoption of the Joint Statement WT/L/1109 or of any subsequent joint initiative that may be developed in the coming days in this regard.

5.6. On the other element, namely, enhancing compliance with notification requirements under AoA Article 12, Members have engaged in active and constructive discussions since July, including during the "Room D" process. The draft text reflects a possible outcome which has emerged from such discussions, consisting of the following four elements:

- a. the continuation of the negotiation post-MC12;
- b. a transparency work programme in the context of the regular CoA aimed at updating, transparency requirements, as part of the overall transparency-enhancing efforts. This transparency work programme should be read together with the horizontal section on transparency issues at the end of the revised text in the Annex;
- c. the provision of technical assistance upon request by the Secretariat, as well as annual supporting trade data to facilitate the implementation of the existing transparency requirements, and
- d. a potential deliverable on the timeline for advance notice pursuant to Article 12 of the AoA on a "best endeavour" basis, pending the outcome of a post-MC12 work programme.

5.7. Regarding this latter issue, I have listened carefully to the concerns expressed by some Members that are reluctant to accept new commitments that could pre-empt the post-MC12 work on transparency in this area, as well as concerns regarding the feasibility and potential impacts on markets of such practices.

5.8. I nevertheless consider that a "best endeavour" outcome on this issue should preserve the interests of these Members facing difficulties, while at the same time enhancing the transparency and predictability of international markets for the benefit of importing countries, including – most importantly – developing ones.

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<sup>4</sup> In document RD/AG/90.

## 6 COTTON

6.1. As indicated in document JOB/AG/215, an outcome on cotton remains for many Members an important element of an MC12 agricultural package, in view of its critical role for the socio-economic development and livelihoods of many people, particularly in LDC Members.

6.2. The revised text is the result of a series of consultations held between the C-4 and other interested Members, including in the "Cotton Quad plus" format, as well as on the occasion of the 16<sup>th</sup> Cotton Dedicated Discussion of the relevant trade-related developments for cotton, which was held on 4 November.

6.3. I was encouraged during all these consultations by the level of engagement and willingness to explore possible compromise solutions with a view to achieving an outcome on cotton at MC12.

6.4. The trade component is composed of two main elements, namely transparency and trade-distorting domestic support for cotton. On transparency, the discussions confirmed the importance that Members attach to exploring ways to enhance it through an evidence-based process, building on existing dedicated mechanisms on cotton.

6.5. The main outstanding issue between Members remains how to address the question of Trade-Distorting Domestic Support for cotton. On the one hand, the C-4 – with the support of several Members and groups of Members – invited other Members to continue discussions around the proposal contained in its submission TN/AG/GEN/51 - TN/AG/SCC/GEN/23.

6.6. On the other hand, other Members considered that agreement on modalities for reductions by MC12 was out of reach in light of the short time left, the remaining strong divergence in positions, and the overall level of ambition for an agricultural package at MC12. The draft text therefore aims at finding a possible way forward reflecting Members' commitment to continue the negotiations with a view to agreeing on modalities for the reduction of trade-distorting domestic support for cotton, in accordance with the mandate to address cotton ambitiously, expeditiously, and specifically, while also taking into account the overall context of the agriculture negotiations.

6.7. Finally, as stressed on several occasions, an outcome on cotton has to be considered in its entirety, i.e., both its trade and development components. This latter component was developed under the Director-General's Consultative Framework Mechanism on the development aspects of Cotton (DGCFCM) and takes the form of a paragraph<sup>5</sup> welcoming the work achieved in the DGCFCM context.

## 7 SPECIAL SAFEGUARD MECHANISM (SSM)

7.1. Several developing Members attach importance to an outcome on SSM at MC12, especially in the wake of the COVID-19 pandemic. However, given the deep divergence among Members on some fundamental aspects of the SSM negotiations, including on the issue of linkage with market access, it has become apparent that a substantive outcome on SSM at MC12 – even in a limited or temporary setting – is increasingly unlikely. In these circumstances, and taking into consideration the current technical deficit in the SSM negotiations, my revised text proposes that Members engage in targeted thematic discussions post-MC12 to address this aspect – as my July draft text did as well. Technical elements of the SSG may inform these discussions to facilitate timely agreement on the numerous highly technical parameters of an SSM, including on scope, triggers and remedies. My draft revised text also proposes that the General Council makes recommendations on this matter to MC13 for the consideration of Ministers.

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<sup>5</sup> This paragraph is based on the proposal made by the C-4 in document TN/AG/GEN/51 – TN/AG/SCC/GEN/23.

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## 8 PUBLIC STOCKHOLDING FOR FOOD SECURITY PURPOSES (PSH)

8.1. Public Stockholding for Food Security Purposes (PSH) has remained a priority issue for the proponents, who have repeatedly stressed its usefulness as a tool for addressing food security and rural livelihoods, especially in times of crisis such as the COVID-19 pandemic. The proponents have also stressed that the deadline for the adoption of a permanent solution at the Eleventh Ministerial Conference (MC11) in 2017 was missed and a solution is therefore long overdue. They have therefore urged Members to adopt a permanent solution by MC12 that is simple, efficient, and broader in programme and product coverage.

8.2. While Members acknowledge the Bali and Nairobi Ministerial mandates to find a permanent solution and recognize the potential role of PSH programmes in supporting food security, the non-proponents remain particularly concerned about potential trade distortions and unlimited market price support beyond the Uruguay Round commitment levels. These Members argue therefore that parallel progress is needed on domestic support, and consider that more information is needed on actual use of PSH programmes. Several Members have also underscored that PSH programmes represent one tool among many that can be used to ensure food security, and that the least trade-distorting measures should be prioritized. Transparency requirements and safeguards are considered crucial to providing these Members with reassurances against any unintended consequences.

8.3. Given the persistent wide gaps in Members' views, this question has turned out to be the most difficult issue in the agriculture negotiations. It has become increasingly evident that it would be difficult for an agreement on a permanent solution to be reached at MC12. I have therefore tried to determine what could be done in the interim.

8.4. In my first draft (JOB/AG/215), I had suggested two options, i.e., Option 1 for a permanent solution, and Option 2 for a work plan and an expansion of the Bali Interim Solution to LDCs. In my consultations, I had also tested other ideas, such as expanding the Bali Interim Solution for five years to new programmes of all developing Members, provided the procured quantity did not exceed 15% of the volume of production of the relevant product. Another possibility was for this option to be restricted only to developing country Members that did not benefit from the Bali Interim Solution. One more idea broached in my consultations was the option for developing countries to submit a request to the Committee on Agriculture for their PSH programmes to benefit from the Bali Interim Solution, in recognition of the food security challenges faced by developing countries particularly as a result of COVID-19.

8.5. There was strong resistance to these ideas from different sides. A number of Members nevertheless indicated that they could envisage an expansion of the Bali Interim Solution to cover LDCs. This view was strongly opposed by several developing country Members who objected to what they considered as an increasing trend in the WTO to distinguish among developing countries. They insisted that the proposed intermediary step should be extended to all developing country Members. A few non-developing country Members also objected to the LDC proposal, leading me to conclude that there was not broad support for it. Accordingly, I have deleted it from my revised draft text.

8.6. My assessment that it would be extremely difficult to achieve a permanent solution at MC12 was not shared by some developing country Members, who insisted that I forward this issue to Ministers for their consideration and decision.<sup>6</sup> Several Members strongly objected to this proposed course of action, notably due to the lack of detailed technical work on elements for a permanent solution and the absence of parallel progress on domestic support. Consequently, given the stalemate, my recommendation to Ministers is for the adoption of a work programme with a view to agreeing on a permanent solution by MC13. I also propose that the General Council regularly reviews progress in these negotiations. Given the importance attached to the PSH issue by several developing country Members, Ministers may, if they so wish, consider revisiting it, bearing in mind the significant divergent positions as outlined above, among the Membership.

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<sup>6</sup> Two proposals have recently been made by the proponents for a permanent solution, one by the African Group (JOB/AG/204, 12 July 2021) and the other by G33 Members (JOB/AG/214, 28 July 2021 and JOB/AG/214/Rev.1, 16 September 2021).

## **9 TRANSPARENCY**

9.1. Members, including proponents on this topic, have signalled their readiness to consider a horizontal decision complemented by transparency-related elements incorporated in topic-by-topic sections, which I have already addressed above.

9.2. Generally speaking, Members have expressed their readiness to engage in a post-MC12 work programme aimed at reviewing, streamlining and updating transparency requirements, as well as review in parallel of information technology tools through the Agriculture Informational Management System as suggested in the text contained in JOB/AG/215.

9.3. The draft text aims at reflecting the efforts made by both proponents and non-proponents to develop some possible compromise texts. The recognition of the capacity constraints of some developing Members is also an important element of this section.

9.4. The work programme also includes a possible timeframe for the adoption of a revised G/AG/2 document on notification requirements and formats, which in my view should be considered in the context of the timeframes on the other topics and overall balance of the agricultural package.

## **10 CONCLUSION**

10.1. Members will have an opportunity to comment on the draft text contained in the Annex during the next meeting of the CoA Special Session on 25 November.

10.2. This meeting will be critical as it will take place less than a week before the opening of the Ministerial Conference and negotiation will soon be taken over at the Ministerial level.

10.3. As stated on several occasions, this text is our collective text, representing the results of our work in recent weeks.

10.4. My sincere hope is that it constitutes a significant step forward in the right direction to help Ministers in their task at MC12.

10.5. As you consider it, I also invite you to keep in mind that it does not represent the end of the road for our negotiations, but rather a major confidence-building milestone to reinvigorate the negotiation process towards MC13 and future ministerial conferences. As such, it would reaffirm the credibility of the WTO and its capacity to seriously and constructively address contemporary challenges faced by the food and agriculture system.

10.6. For my part, I remain fully committed to facilitating convergence, and will do everything humanly possible to work with Members to achieve a positive outcome on agriculture at MC12.

10.7. If Members can continue to demonstrate commitment, goodwill and flexibility, a successful Ministerial Conference is within reach. Let us remain focused on that goal and redouble our efforts to ensure that the success of MC12 enables trade to contribute positively to the achievement of our shared objectives for the future.

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**ANNEX: DRAFT CHAIR TEXT ON AGRICULTURE****DRAFT MINISTERIAL DECISION ON TRADE, FOOD AND AGRICULTURE OF [XX] DECEMBER 2021**

*Having regard to* paragraph 1 of Article IX of the Marrakesh Agreement Establishing the World Trade Organization;

*Recalling* the long-term objective to establish a fair and market-oriented agricultural trading system and to provide for substantial progressive reductions in agricultural support and protection sustained over an agreed period of time, resulting in correcting and preventing restrictions and distortions in world agricultural markets as stated in the Preamble of the Agreement on Agriculture;

1. We, the Ministers, have met in Geneva from 30 November to 3 December 2021 at our Twelfth Session of the Ministerial Conference of the World Trade Organization, and have adopted the following declaration on trade, food, and agriculture.
2. We recall the objectives set out in the Preamble to the Agreement on Agriculture, and strongly reaffirm our commitment to continue the reform process under Article 20 of this Agreement.
3. Accordingly, we reiterate our shared objective of establishing a fair and market-oriented agricultural trading system, and our commitment to substantial progressive reductions in support and protection. We acknowledge that special and differential treatment for developing countries is an integral element of the negotiations, and agree to have particular regard to the needs of the least-developed among them. Non-trade concerns, including food security and the protection of the environment shall also be taken into account in the negotiations, as well as the possible negative effects of the implementation of the reform programme on least-developed and net food-importing developing countries.
4. We underscore the vital role trade can play in the achievement of food security and nutrition, including through improving availability of food where it is scarce, and facilitating access to food by creating jobs and raising incomes, particularly for the poor.
5. We also commit to ensuring that open and predictable markets for food and agricultural products support the recovery from the COVID-19 pandemic.
6. We recognize the progress that has been made towards overcoming poverty and malnutrition since the adoption of the Agreement on Agriculture. We note with concern that economic downturns, the COVID-19 pandemic, conflicts, and climate variability and extremes have undermined this progress in recent years.
7. We reaffirm our conviction that WTO agriculture negotiations continuing the reform process under Article 20 of this Agreement should support progress towards the targets set out under the United Nations Sustainable Development Goals, including to improve food security and nutrition, encourage sustainable agriculture and food systems, and enable an improved agricultural policy response to the climate crisis through both mitigation and adaptation actions.
8. We commend the achievements in the negotiations to date, and in particular the contribution they have made towards the achievement of the United Nations Sustainable Development Goal 2.
9. We are also conscious of the considerable work that remains to be done in order to make progress on our shared objectives in the area of food and agriculture, particularly to reinforce the positive contribution that trade makes to people's lives. We therefore resolve to improve the functioning of global markets for food and agriculture and reaffirm our commitment to correct and prevent trade restrictions and distortions in world agricultural markets.
10. We therefore resolve to intensify our negotiations and continue our work under all the topics as described in the following paragraphs/decisions, with a view to reaching substantial results by MC13.

### Domestic Support

11. We agree to continue negotiations on domestic support after MC12 with a view to negotiating modalities by MC13 to reduce substantially trade-distorting domestic support [entitlements] [by 20XX] [within a timeframe to be determined by Members] in furtherance of the reform programme under Article 20 of the Agreement on Agriculture. The negotiations shall be based on submissions by Members and shall take into account and build on the progress made thus far in these negotiations.
12. We agree that special and differential treatment of developing countries, particularly the needs of low income or resource poor farmers, as well as the non-trade concerns of Members shall be taken into account in these negotiations.
13. We agree that contributions by Members to the objective of achieving a substantial reduction of global trade-distorting domestic support shall be fair and underpinned by the principle that Members who distort trade the most shall contribute more in the reform process. The individual circumstances and development needs of Members shall be taken into account.
14. We note the importance of the implementation of existing notification obligations under Article 18 of the Agreement on Agriculture and undertake to make the necessary efforts to provide outstanding domestic support notifications prioritizing as from the year 2010 to enhance transparency with respect to existing domestic support commitments. To this end, we agree to explore ways in the Committee on Agriculture to streamline and update the notification requirements related to domestic support, taking due account of the capacity constraints that some developing country Members including especially least developed among them are facing. Members undertake to provide the value of production data as part of their DS:1 notifications and to provide the required information in a complete and comprehensive manner.
15. We instruct the WTO Secretariat to maintain and update on a regular basis a domestic support analytical tool based on Members' notifications or publicly available official information where necessary. Members' past contributions can be used as examples for this tool with modifications to be made as necessary to ensure neutrality.
16. Acknowledging the importance of the Green Box in the reform process in assisting Members to address contemporary challenges, we agree to clarify the criteria and transparency-related requirements of Annex 2. Members shall also clarify the criteria in Articles 6.2 and 6.5 of the Agreement on Agriculture.

### Market Access

17. We agree to continue negotiations, as mandated by Article 20 of the Agreement on Agriculture, on all elements of agricultural market access after MC12 with a view to improving substantially and progressively market access opportunities for Members. Technical discussions on relevant elements in the Market Access pillar shall be undertaken to inform these negotiations. The negotiations shall take into account special and differential treatment for least developed and developing country Members, non-trade concerns of Members, and progress on other outstanding agricultural issues.
18. We agree to make all efforts to comply with current notification obligations under the Market Access pillar with assistance from the WTO Secretariat, as necessary. We also commit to enhance transparency and streamline existing market access notification requirements and formats through a detailed work programme to be elaborated by the Committee on Agriculture.
19. We agree that enhanced transparency in the application of changes to MFN ordinary applied tariff rates would provide greater certainty and predictability to businesses and traders, especially those who have shipments *en route* to destinations which may effect changes in their tariffs. We also recognize that some Members currently have provisions in place that provide greater certainty through various mechanisms. Accordingly, Members agree to provide

details<sup>1</sup> on their current practices on effecting changes in MFN applied tariffs to the Committee on Market Access with a view to establishing a non-exhaustive list of good practices for customs authorities to take into account when effecting changes to a Member's applied ordinary tariff rates.

### Export Competition

20. We agree to continue negotiations on export competition after MC12 building on the evidence amassed during the review undertaken in the Committee on Agriculture, with a view to enhancing disciplines on export credits, export credit guarantees or insurance programmes, agricultural exporting state trading enterprises and international food aid, to ensure that there is no circumvention of the relevant disciplines which undermines export subsidy elimination commitments and to prevent non-commercial transactions from being used to circumvent such commitments. Flexibilities, when appropriate, may include, *inter alia*, longer implementation periods.
21. We reaffirm our commitment to ensure an effective implementation and monitoring of the Nairobi Ministerial Decision on Export Competition (WT/MIN(15)/45 - WT/L/980).
22. We welcome in this regard the two Triennial Reviews of the Nairobi Decision undertaken by the Committee on Agriculture in 2018 and 2021, pursuant to paragraph 5 of the Nairobi Decision and commit to successfully conclude the Second Triennial Review at the first 2022 meeting of the Committee on Agriculture.
23. With a view to ensuring the effective implementation of the Nairobi Decision, Members invite the WTO Secretariat to pursue efforts to provide support as appropriate, based on the challenges identified by developing country Members that are not yet accustomed to responding to the annual Export Competition Questionnaire, including through information sessions, technical assistance and capacity-building activities.
24. In light of the changes introduced in the area of export competition following the adoption of the Bali Ministerial Declaration on Export Competition (WT/MIN(13)/40) and the Nairobi Ministerial Decision on Export Competition, we commit to explore ways in the Committee on Agriculture to streamline and update the monitoring and transparency requirements on export competition through an evidence-based process, taking due account of the capacity constraints faced by some developing country Members, particularly the least-developed among them.<sup>2</sup>

### World Food Programme food purchases for humanitarian purposes

25. We commend the humanitarian work by the World Food Programme and its valuable contribution to global food security.
26. [In this regard, we take note of the Joint Statement on agriculture export prohibitions or restrictions relating to the World Food Programme adopted by a group of Members on XX/XX/2021 in document YYY and shall continue to consider possible avenues to facilitate its work.][In this regard, we adopt the decision contained in Annex I.]

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<sup>1</sup> This may contain, *inter alia*, the following information: (i) the current domestic procedures for changing MFN applied tariffs; (ii) timing of the publication of the information on changes in applied tariffs; (iii) whether the proposal to change applied tariffs is published at the draft stage providing an opportunity to interested parties to provide comments; and (iv) how shipments *en route* or in-transit are treated when there is a change in applied tariff rates and whether this treatment differs depending on whether there is a tariff rate increase or decrease.

<sup>2</sup> Pending the outcome of the work on a possible update of the export competition questionnaire, Members are encouraged to provide national level export data by product or product group for: (i) export financing programs, (ii) international food aid, and (iii) agricultural state trading enterprises, subject to normal commercial confidentiality considerations. The WTO Secretariat shall upon request by Members provide this data and shall also provide total world exports for the corresponding products and product groups.

### Export Prohibitions or Restrictions

27. We agree to continue negotiations after MC12 with the aim of enhancing transparency and predictability of export prohibitions and restrictions, including by exploring ways to clarify provisions of Article 12 of the Agreement on Agriculture regarding relevant aspects of these measures, such as: (i) how due consideration was given to the effects on importing Members' food security; (ii) practices regarding advance written notice; (iii) transparency requirements for measures of long duration, and (iv) other aspects Members consider relevant.
28. For the purposes of Article 12.1(b) of the Agreement on Agriculture, pending the outcome of the negotiation on this issue, any Member instituting any export prohibitions or restrictions to prevent or relieve critical shortages of foodstuffs in accordance with Article XI.2(a) of the GATT 1994 shall, where possible, endeavour to give notice in writing to the Committee on Agriculture of the measure no later than 30 days, prior to the coming into force of the measure.
29. The provisions in paragraph 28 shall not apply to (i) any least developed country or net food-importing developing country (NFIDC)<sup>3</sup> Member instituting new temporary export prohibitions or restrictions on foodstuffs; or (ii) any other developing country Member instituting new temporary export prohibitions or restrictions on foodstuffs, unless the measure is taken by a developing country Member which is a net-food exporter of the specific foodstuff concerned.
30. With a view to ensuring effective implementation of Articles 12 and 18 of the Agreement on Agriculture, we invite the WTO Secretariat to:
  - a. pursue efforts to assist developing country Members, upon their request, to comply with the relevant notification requirements, including through *ad hoc* advice, technical assistance and capacity-building support, and
  - b. provide annual data on volumes and values of exports and imports by Members, covering agriculture products as defined in Annex 1 of the Agreement on Agriculture.<sup>4</sup>
31. We agree to explore ways in the Committee on Agriculture to review and update the notification requirements related to export prohibitions and restrictions through an evidence-based process, taking due account of the capacity constraints that some developing country Members including especially the least developed among them are facing.

### Cotton

32. We undertake to continue holding Dedicated Discussions on cotton on a bi-annual basis, as mandated by paragraphs 5, 6 and 7 of the Bali Ministerial Decision on Cotton (WT/MIN(13)/41 - WT/L/916) and confirmed in paragraph 14 of the Nairobi Ministerial Decision on Cotton (WT/MIN(15)/46 - WT/L/981).
33. We undertake to continue monitoring the implementation of commitments contained in the Nairobi Ministerial Decision on Cotton across the three pillars of Market Access, Domestic Support, and Export Competition during the Dedicated Discussions on Cotton, based on relevant Members' notifications to the WTO, complemented as necessary by Members' replies to specific requests for information from the WTO Secretariat.
34. We welcome the work undertaken in the Dedicated Discussions on Cotton to monitor cotton trade and markets including through side events, notably in relation to the impact of the COVID-19 pandemic on the cotton sector and commend WTO partners participating in this exercise.
35. We acknowledge the statement on the WTO Cotton negotiations adopted by a group of Members on 7 October 2019 (JOB/AG/165) and commit to intensify discussions on factors

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<sup>3</sup> As listed in the latest revision of document G/AG/5.

<sup>4</sup> These data shall be sourced from data provided by WTO Members to the WTO Secretariat, officially available international databases or other relevant easily accessible well-recognized sources after being verified by Members.

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negatively impacting cotton trade and markets and to continue efforts aimed at enhancing transparency and the monitoring of cotton-related trade measures.

36. To this end, we commit in particular to undertake post-MC12 work through an evidence-based process with a view to enhancing collection, processing, and circulation of cotton-related relevant data including by streamlining and clarifying as necessary the bi-annual cotton questionnaire and the notification requirements and formats under G/AG/2, taking due account of the capacity constraints of some Members.
37. Noting what we have agreed on Domestic Support in this Decision, we agree to continue negotiations after MC12 with a view to agreeing on modalities for the reduction of trade-distorting domestic support for cotton in accordance with the mandate to address it ambitiously, expeditiously, and specifically within the agriculture negotiations. The negotiations shall be based on Members' existing and future submissions, as well as on up-to-date domestic support notifications.
38. We agree to review progress in respect of cotton at the 13<sup>th</sup> Ministerial Conference and adopt any necessary decisions. In that regard, we invite the Director-General to submit a report to the Conference on the progress made in implementing the trade-related components of this Decision, including on the negotiations on cotton trade domestic support.
39. We note that development-related aspects of cotton are addressed under the Director-General's Consultative Framework Mechanism on Cotton and welcome the work undertaken in this context, which will continue to be handled as provided for in paragraph 12 of the Hong Kong Ministerial Declaration (WT/MIN(05)/DEC) and in paragraphs 10, 11, 12 and 13 of the Nairobi Ministerial Decision on Cotton.

#### **Special Safeguard Mechanism**

40. Pursuant to the Nairobi Ministerial Decision (WT/MIN(15)/43 - WT/L/978), we undertake to continue negotiations on a special safeguard mechanism for developing country Members in dedicated sessions of the Committee on Agriculture in Special Session (CoA-SS).
41. We agree to engage in enhanced technical discussions, *inter alia*, on the following themes: evaluation of import surges and price decreases; triggers and cross-check; remedies; scope, including coverage and the treatment of preferential trade, and transparency.
42. Technical elements of the Special Agricultural Safeguard (SSG) in Article 5 of the Agreement on Agriculture and the experience gained in its implementation since 1995 shall be taken into account in designing the elements of the special safeguard mechanism.
43. The General Council shall regularly review progress in these negotiations with the aim of making recommendations for the consideration of Ministers at MC13.

#### **Public Stockholding for Food Security Purposes (PSH)**

44. We note the Ministerial Decision of 7 December 2013 (WT/MIN(13)/38 - WT/L/913), the General Council Decision of 27 November 2014 (WT/L/939) and the Ministerial Decision of 21 December 2015 (WT/MIN(15)/44 - WT/L/979).
45. We undertake to intensify our negotiations and make all concerted efforts to agree and adopt a permanent solution on the issue of public stockholding for food security purposes by MC13, taking into account existing and future submissions by Members. The negotiations shall continue to be held in dedicated sessions of the Committee on Agriculture in Special Session.
46. The General Council shall regularly review progress in these negotiations.

## Transparency

47. We reaffirm the importance of the implementation of existing transparency requirements under Article 18 of the Agreement on Agriculture as well as those stemming from relevant Ministerial Decisions and undertake to make the necessary efforts to provide outstanding notifications and responses to questionnaires, prioritizing those for the most recent years.
48. Further to the provisions in Article 18 of the Agreement on Agriculture and in document G/AG/2 on "*Notification Requirements and Formats*", we commit to reviewing transparency provisions to improve monitoring in all areas of agriculture by the Committee on Agriculture.
49. We direct the WTO Secretariat to provide information on a regular basis to the Committee on Agriculture on available technical assistance and capacity-building support, including examples of recent technical cooperation activities, in an effort to assist developing country Members to prepare notifications and fulfil other relevant transparency and monitoring requirements.
50. We welcome the development of information technology (IT) tools through the Agriculture Information Management System (Ag-IMS) to facilitate data processing and on-line data submission by Members in implementing their notifications obligations and other relevant transparency and monitoring requirements. We shall undertake a regular review of the IT tools in the Committee on Agriculture with assistance from the WTO Secretariat, with a view to putting in place a methodology to permit regular updates to reflect global IT developments.
51. In light of the various transparency-related elements contained in the previous sections, we agree to work in the Committee on Agriculture to review, update and streamline as necessary through an evidence-based process the transparency provisions contained in document G/AG/2, with a view to adopting a revised version of document G/AG/2 by the end of 2023.
52. Due consideration shall be given to capacity constraints faced by some developing countries including especially the least developed among them, notably based on Members' assessment of the reasons accounting for the low level of compliance with transparency requirements by some Members.

**ANNEX I**

**WFP FOOD PURCHASES EXEMPTION FROM EXPORT PROHIBITIONS OR RESTRICTIONS**

The *Ministerial Conference*,

*Having regard to* Paragraph 1 of Article IX of the Marrakesh Agreement Establishing the World Trade Organization;

*In view of* the critical humanitarian support provided by the World Food Programme, made more urgent in light of the COVID-19 pandemic and other crises,

*With* the understanding that the World Food Programme always takes procurement decisions on the basis of its principles to "do no harm" to the supplying Member and promote local and regional food procurement,

*Decides* as follows:

Members shall not impose export prohibitions or restrictions<sup>1</sup> on foodstuffs purchased for non-commercial humanitarian purposes by the World Food Programme.<sup>2</sup>

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<sup>1</sup> Recalling Article 12 of the Agreement on Agriculture and Article XI of the GATT 1994.

<sup>2</sup> Provided that the domestic availability of the procured foodstuffs will not be harmed by such purchases.