

STATEMENTS

COMMUNIQUE
CAIRNS GROUP FARM LEADERS
31 March 1998
Sydney, Australia

PREAMBLE

As farm leaders we represent millions of farmers in 14 of the Cairns Group countries: Argentina, Australia, Brazil, Canada, Chile, Colombia, Fiji, Indonesia, Malaysia, New Zealand, the Philippines, South Africa, Thailand and Uruguay, countries which rely heavily on trade and must have a rules based system in which to work.

Problems still exist and new issues are surfacing which risk undoing all the advantages gained in the last round of trade talks. Countries are increasingly using technical, sanitary and phytosanitary trade barriers to block imports. Many of these barriers are merely replacing the border measures which previously restricted access to their markets.

Examples of this are the use of non-tariff technical trade barriers, the use of export credit and several countries roguish approaches to administering their tariff rate quota commitments. Finally, there is an absolute need to accept WTO trade panel rulings.

These issues must be addressed in the lead-up to the start of the next WTO round. The progress made will be lost if countries can ignore their current commitments and snub those areas of the agreement they don't like.

Adjustments have been painful in some countries but all must implement their negotiated commitments if the next round is to be meaningful.

Cairns Group agriculture ministers need not wait to the next round to deal with issues like harmonization of international standards and designing protocols for international movement of new technologies. It is critical for our own governments to aggressively proceed with the reforms to maximise the potential gains for their producers and ensure the real advantages of the new trading regime are seen at the farm gate.

COMMITMENT TO THE FUTURE

Following our talks in Sydney this week, we will mount an international campaign to demand reform of farm trade through the World Trade Organisation's next round of trade talks in 1999.

We insist that our Ministers aggressively pursue the elimination of trade distorting barriers on food and other agricultural products.

Despite the gains in the Uruguay Round, our members continue to suffer from the heavy distortions in world trade.

World subsidies amount to US \$280 billion a year. For farmers to grow and prosper through agricultural trade all forms of trade distorting measures must be eliminated.

There are very great gains to be won for farmers. Global cuts in trade distorting measures would help increase farm incomes, help to alleviate rural poverty and help increase prosperity in rural communities.

Consumers will benefit from more open trade because trade offers a more reliable supply of efficiently produced, high quality food. Ultimately, benefits from increased agricultural trade will add significantly to world economic growth and prosperity.

Many markets in food and other products of agricultural origin¹ are effectively closed to high quality and lower priced imports. This is leading to slower growth in developing and developed countries alike.

The impact is especially serious for developing countries. Unfair competition in their domestic markets constrains development as well as their ability to become export orientated. Growth would be significantly increased if they were allowed to exploit their comparative advantage

as efficient producers.

Countries cannot be allowed to nullify the gains achieved in increased market access through the use of non-tariff barriers. Countries are increasingly using technical, sanitary and phytosanitary trade barriers to block imports. Many of these barriers are merely replacing the border measures which previously restricted access to their markets. We will stand together to fight this disturbing trend.

As a unified group of farm leaders, we will strongly encourage the Cairns Group Ministers to exert maximum pressure on those countries that want to 'stop the clock' on trade reform. They must enter the 1999 negotiations with a genuine resolve for reform.

We have agreed to collaborate to mount parallel pressure in global forums to support the Cairns Group Governments and to play an active role in lobbying for world acceptance for change.

Currently, the rules of the WTO discriminate against trade in agriculture and food. In the continuing spirit of the Agreement on Agriculture signed in Marrakesh we must achieve the eventual elimination of tariff barriers in food and agricultural products.

Tariffs on agricultural products are at least ten times greater, on average, than tariffs on industrial products. Export subsidies are banned for industrial products and likewise should be banned for agricultural products. The WTO has sanctioned much higher levels of protectionism in farming than in industrial sectors.

The international community must act decisively to cut barriers to trade in world food and other agricultural products¹. It should be committed to:

- Outlaw all export subsidies
- Reduce levels of domestic support for agriculture permitted under WTO rules especially those countries with high levels of support
- Negotiate comparable access and tariff reductions for primary, semi-processed and processed products
- Increasing and improving market access
- The rules surrounding the administration of tariff rate quotas must ensure that real access is provided
- Ensure regulations on standards for food and other agricultural products¹, environmental and social issues are not used as barriers to trade and should be dealt with within appropriate international protocols
- The elimination of technical barriers to trade including sanitary and phytosanitary measures that are not based on science
- Push for effective WTO rules governing the use of export credit programs, export promotion programs and food aid programs. They should not be used as disguised export subsidies
- The import safeguard clause rules should not be abused
- The 'blue box' category of domestic expenditures should be abolished
- Open access to improved agricultural technology.

We urge all Cairns Group governments to commit resources to explain the benefits and challenges of free trade to their domestic constituents because farmers and non-farmers alike need to understand the benefits of international trade liberalisation. Cairns Group farm leaders will support their governments' efforts with education campaigns among their own groups and in conjunction with our own farm organisations.

We recognise that adjustment to more open trade is a difficult issue for those industries and regions directly affected. However, over the long term, adjustment to change is in the best interest of all nations.

We recognise the need for governments of developing countries to promote rural development and security by investing in economic and social infrastructure.

We accept the need for advanced agricultural countries to provide tangible assistance to developing countries where agriculture constitutes a significant part of their national economies and agree to the continuation of such arrangements.

Signed by the leaders, or their representatives, of the following organisations:

Argentina
Sociedad Rural Argentina

Australia
National Farmers' Federation

Brazil
National Agriculture Confederation

Canada
Canadian Federation of Agriculture

Chile
Sociedad Nacional de Agricultura

Colombia
Sociedad de Agricultores de Colombia
Colombian Farmers Federation of Stock Breeders

Fiji
National Farmers' Union

Indonesia
Indonesian Farmers' Association

Malaysia
National Farmers Organisation

New Zealand
Federated Farmers of NZ

Philippines
Federation of Free Farmers Coop

South Africa
South African Agricultural Union

Thailand
Cooperative League of Thailand

Uruguay
Asociacion Rural del Uruguay

Click [here](#) for a speech by Sir Leon Brittan calling for the retention of the "Blue Box"