



WORLD FARMERS'
ORGANISATION

WFO POLICY ON INTERNATIONAL TRADE

This document was prepared based on a draft by the WFO Task Force on Trade, including inputs from all members, under the coordination of the International Secretariat. The consolidated draft, approved by the WFO Board, was discussed and adopted by the WFO General Assembly on 22 May 2023.

World Farmers' Organisation
Rome, June 2023

Preamble

Trade is a central factor in achieving a more peaceful world and building better societies with more efficient, resilient, and sustainable food systems. Trade policy is closely linked and has direct implications on farmers' ability and innovative methods to produce food, ensure food security and tackle climate change.

Trade, alongside domestic agriculture, supported by effective domestic policies, delivers an opportunity to increase local, national and global food security and sovereignty worldwide in a fair and sustainable manner, while contributing to economic prosperity and sustainable development.

Trade plays a positive role in supporting the transfer and adoption of new strategies, technologies and practices that increase farm productivity and profitability in line with social expectations and national circumstances. When it respects the social and cultural specificities of countries, trade offers consumers greater choice to purchase goods that align with their wants and values. Trade also provides farmers with more tools to improve social and environmental outcomes.

We must engage with all governments and the international community and work together to ensure that the major concerns of farmers, citizens and consumers of agricultural products are taken into account, including the achievement of climate policy objectives and the Sustainable Development Goals (SDGs), provision of safe and secure supplies of food for their people, well-being of rural communities, biosecurity and strengthening of the social dimension of the production. If implemented well, trade policies have the potential to be one of the ways of addressing these concerns but also improving outcomes in all of the above areas.

All economic and institutional actors across the globe must commit, notably: (i) to increase the resilience of farmers and farm systems to current and future shocks, including those due to climate change and severe weather events, (ii) to embrace new technologies and innovations to secure a sustainable food system fit for the climate goal set by the Paris agreement, (iii) to address the needs of growing global populations, (iv) to guarantee high quality and affordable food for all, (v) and to remove illegal and infrastructural obstacles to trade flows globally, both of food and inputs, and to improve transparency and predictability of trade.

In fact, international trade can support climate change strategies in developing and least developed countries, contributing to climate risk reduction and disaster preparedness and recovery, and strengthen food security in the face of climate change-induced supply side disruptions.

Governments and the international community must act urgently, along with the private sector, notably business groups and chambers of commerce, engaging with farmers and their cooperatives/producers' associations, to keep global agricultural trade flows open and facilitate trade operations. This would also help prevent war and the long-term consequences of pandemic crisis from transforming into a severe hunger crisis, causing unprecedented migratory flows that, further, endanger food security and sovereignty, when farmers leave their lands.

An open, fair and rules-based global trading system for agriculture is critical for the implementation of the 2030 Agenda for Sustainable Development and the achievement of the 17 Sustainable Development Goals (SDGs). Improving the global trading system to make it more inclusive and fairer for all farmers is a big challenge but it has the potential to increase productivity and diversification of production, promote inclusiveness, and aid in achieving many SDGs, including SDG1 No Poverty, SDG2 Zero Hunger and SDG13 Climate Action. Sub-target 2b of SDG2 acknowledges the link between well-functioning agricultural markets and global food security. The world is running out of time to meet the SDGs by 2030 and tragically many outcomes relating to food security have begun to go backwards.

It is essential, that WFO claims a stake as a key opinion leader in the development of trade policy at the multilateral level and actively contributes to international trade discussions in public fora. WFO is committed to the pursuit of ambitious trade policy objectives and the reinforcement of the rule-based global agricultural trading system. This allows farmers to operate in a fair, transparent and predictable trading environment. It is equally important that international trade is guided by some basic principles to ensure, that farmers throughout the world can fulfil their wider economic, social and environmental role and that the particular needs of each country are taken into account, especially those of the least developed countries.

The uniqueness of agriculture must continue to be recognized in trade agreements due to its fundamental importance for food security and the well-being of rural areas.

i) Policy Objectives

WFO is committed to achieving the following policy objectives for international trade provided they are achieved in a way, which respects Guiding Principles (see section iii) to ensure that agriculture can fulfil its wider role:

- A rules-based trade system that supports sustainable and fair global agri-food supply chains that enable farmers to feed the world population;
- The enhancement of the socio-economic dimension of the agri-food production in terms of youth and women involvement and the welfare of all farmers and workers, their families, and their communities, with positive social and economic outcomes for all farmers and regional communities;
- The reconciliation of agricultural production with the delivery of climate and environmental outcomes, recognising the potential of agriculture to produce sustainably, conserving ecosystems and biodiversity;
- A fair price system which reflects the true cost of production and adequately rewards the work of farmers and enables all farmers to innovate and further increase their productivity, while also improving social and environmental outcomes;¹
- The increase of the global food systems' resilience to market shocks, safeguarding farmers' livelihoods worldwide;
- The parallel elimination of all forms of export subsidies and disciplines on all export measures with equivalent effect;
- Improved market access, taking regard of local conditions;
- Continued efforts to regulate trade-distorting domestic support that affects negatively other markets as well as advancing the other topics of the WTO agriculture negotiations in the area of food and agriculture trade;
- Strengthened rules applied to export prohibition/restriction and export taxes;
- Special and differential treatment for developing countries and least developed countries;

¹ A fair price system is one in which other market participants do not exploit the vulnerable position of farmers and is intended as a base for viable economic business models including sufficient economic returns for farmers.

- The assurance of a safe food supply and prevention of 'dumping' of lesser-quality food in developing and least-developed countries;
- Proper protection of geographical indications as provided for under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and recognition of country-of-origin requirements that allows countries to distinguish their products without distorting trade.

The WFO is committed to working with key stakeholders within relevant international processes and multilateral fora to achieve multilateral improvements to the global trading system. Furthermore, the WFO supports a global framework for trade rules through the World Trade Organization and believes that multilateral negotiations leading to a comprehensive trade agreement is the best way to pursue these objectives if the greatest benefit for the widest population is to be achieved.

In parallel, it should be ensured that bilateral and regional trade agreements contribute towards achieving these objectives in a way which is WTO compatible and, also, respects the Guiding Principles outlined below (see section iii).

ii) Policy Recommendations

WFO calls for the following action to reinforce the global agricultural trading system.

Strengthen international standards

The more open markets become the more important it is to establish international standards to protect human, animal and plant life and health and to facilitate trade. Standards help to ensure that consumers are informed and have confidence in the food they eat and that farmers who adhere to science-based and outcome-focused standards are not undermined by unfair competition. The WFO supports the principles set out in the WTO SPS and TBT agreements. It calls for further progress to agree international science-based and outcome-focused standards relating to the environment, biosecurity, animal welfare and food within the framework of WTO, Codex Alimentarius, the International Plant Protection Convention (IPPC), and other organizations such as the World Organization for Animal Health (WOAH). The farming community should be part of the decision-making process when these standards are developed in order to ensure they work for farmers and can be implemented in a practical and effective way.

Eliminate unlawful protectionist measures

The WFO supports a rules-based trading environment, that provides predictability, vital for farmers to keep producing food and invest for the future. We call on all governments to remove any measures which are inconsistent with WTO disciplines. The WFO also calls for on-going progress in investigating and eliminating non-tariff barriers which impact unfairly on farmers.

Encourage capacity building

The WFO calls on all governments and the international community to provide farmers and farmers' organizations with support for capacity building, in order to improve their understanding of the rules that regulate global markets and economic liberalization as well as their access to international markets. This could include support to comply with, or adopt, international standards and to implement WTO safeguard measures. It is also important to improve access to, and management of, market information and to develop stronger local networks and training. The specific needs of women and young farmers in developing countries should be taken into special consideration.

In this regard, the WFO also recognizes the importance of technical assistance to less-developed countries to provide them with the expertise they need to effectively develop their trade policies, negotiate trade agreements and implement international standards and regulations.

Processors and retailers should also take responsibility to assist farmers, also through farmers' organisations, to meet private standards which, increasingly, are becoming a barrier to trade for producers.

Invest in infrastructure development

The WFO emphasizes the need to foster infrastructure development by building roads, ports, and telecommunication systems that link domestic and global markets as well as improve productive capacity by investing in industries and sectors that enable countries to diversify exports and build on comparative advantage.

Increase the transparency and predictability of agricultural markets

The Agricultural Market Information System (AMIS) set up by FAO should be developed further, in order to increase transparency and predictability of prices on the world market and therefore assist towards greater stability for the benefit of farmers and consumers.

Ensure farmers benefit fairly from the opening of markets

Globally, food and fiber production is a highly competitive industry with some of the lowest rates of market concentration. However, the agricultural supply chain does not share this competitive structure, with significant market concentration along the supply chain. The increased concentration of firms among traders, processors and retailers and the growth in multinational operators, reduces the bargaining power of farmers.

WFO calls upon governments to prevent the abuse of market power and implement competition policies that prevent the exploitation of farmers by firms with significant market power. This includes policies that allow strong farmer-owned organizations, including cooperatives and collective marketing initiatives, to operate effectively. For its part, the WFO will seek to strengthen farmers' organizational structures and institutions so that farmers can be more effective participants in the marketplace.

iii) Guiding Principles

If agriculture is to fulfil its wider economic, social and environmental role, with countries able to take account of their domestic concerns and conditions, trade policy should respect the following Guiding Principles.

Fairness

Trade policies should be fair, equitable, and based on the principles of reciprocity and mutual benefits. All stakeholders in all countries should have an equal opportunity to participate in global trade, and the benefits of trade should be shared among all.

Coherence

International trade agreements should be coherent with other international commitments which have an impact on the agricultural sector, such as commitments aimed at reducing poverty, ensuring food sovereignty and security, respecting labor rights, protecting the environment and tackling climate change. A common set of outcomes will complement and maximize development in agriculture.

Domestic Policy

All governments should ensure that domestic policy is fully transparent and complies with international obligations, while taking into account national circumstances and recognizing the need for measures and programs including orderly marketing and supply management to protect the livelihoods of farmers and rural communities.

Sanitary and Phyto-Sanitary Standards

In setting standards with the objective of protecting human, animal, plant and environmental health, governments should ensure such standards are based on sound science and should adopt internationally agreed standards in line with the WTO SPS agreement.

Developing and Least Developed Countries

Agricultural development is a key component of broader economic development, and it is essential that trade policies do not undermine the development of agriculture in developing and least developed countries, where they can contribute to economic growth and more viable rural communities. Trade agreements should therefore have inbuilt provisions to address these needs on the basis of special and differential treatment, which takes account of different levels of economic development as well as provide safeguard clauses, when a threat or serious injury is caused in a crisis situation.

Government support and development aid (education, training, research & development, infrastructure, marketing and providing social safety nets) should support agricultural development including through greater capacity building and technology transfer to increase agricultural productivity, output and economic development, be directed to fledgling agricultural sectors during their development period.

Food aid

Genuine food aid for humanitarian purposes should be secured, in order to address natural and man-made disasters, in a manner that does not damage domestic markets or distort international trade, and is not a disguised export subsidy. When providing food assistance to vulnerable populations threatened by armed conflicts and natural disasters, Governments should seek a balance between local, regional and global sourcing following international best practice to support food security and long-term recovery.

Participation of farmers' organizations in decision-making

Farmers are critical stakeholders in the global and rural agricultural economy and representative farmers' organizations must take part in the decisions to initiate trade negotiations involving agriculture, including those at bilateral, multilateral and plurilateral level.

Farmers' Organizations play a crucial role in advocating for the interests of farmers and shaping agricultural trade policies. These organizations can provide valuable insights into the needs and challenges of farmers, as well as the potential impacts of trade policies on the agricultural sector. The participation of Farmers' Organizations in decision-making in trade policies should take formal and less formal roles and other forms, including consultations, public hearings, and other forms of engagement with policymakers. Their involvement can help to ensure that the voices of farmers are heard, and their concerns are considered in the development of trade policies.

WFO will support proactive, results-driven and transparent negotiating processes in which governments provide impact assessment of the consequences of trade agreements for the agricultural sector, and inform and consult their farmers throughout the negotiating process.



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www.wfo-oma.org
info@wfo-oma.org