International Agriculture Trade and Access to Markets

何茂春  He Maochun
Director and Professor
the Research Center of Economy and Diplomacy
Department of International Relations
Tsinghua University
259 Xinzhai, Tsinghua University, Beijing 10084, China
Tel: 010—62788801 62789511
Fax: 62773173
E-mail: hemaochun@263.net
Part One:
World Agro-trade and Market Access

1. Why shouldn't we be pessimistic?
2. Progress of agro-trade and market access
3. Some comments for national cooperation
Crises in 2008

- High food prices
- Export control
- Riots caused by tight food supplies
- Conflicts even possible wars widely worried by
2008’s snow and ice storms in the South

2008, summer harvest expected.
Roof
High Prices of Development
3 major reasons

• Human
• Climatic
• Astronomic
Note: *Measure of a cluster’s concentration in a region relative to a cluster’s concentration in the nation
New York
Pusan
Pudong 2007
世界气候类型
Don’t forget the astronomic challenge
Questions

Are these **challenges, uncertainties and difficulties** today larger or more complicated than ever before?

Are the agricultural **problems** more severe than those in 1994, or in 1947??
Reasons for optimism

• the world today is so informative
• the supply chains are so convenient
• the techniques of communications and the logistics are so advanced
• the agricultural technologies are so innovative
• the agricultural policies are unprecedentedly transparent
• agro-production potentials are still huge
• the new round of multilateral agro-trade negotiating seems to finish soon.
Aid to Africa
Desertification Control in the West
Reform in Viet Nam
Small Loans Financing Farmers in India
Investment System Reform in the Philippines
Progress in Korea
Forests’ Protection in Russia
Recycling Economy in Europe
US High tech for Anti-desertification
Imbalance and marginalization of most developing countries, especially the least developed economies
Distorted World Agro-trade
International Agro-trade expected to slow as the world economy cools off

• World market prices for many food crops have risen significantly during 2007.
• Costs in 2008
• optimistic scenario
Problems Inherited from the Uruguay Round

• The Agriculture Agreement was negotiated in the 1986–94 Uruguay Round and is a significant first step towards fairer competition and a less distorted sector. It includes specific commitments by WTO member governments to improve market access and reduce trade-distorting subsidies in agriculture. These commitments are being implemented over a six year period (10 years for developing countries) that began in 1995.

• Participants have agreed to initiate negotiations for continuing the reform process one year before the end of the implementation period, i.e. by the end of 1999. These talks have now been incorporated into the broader negotiating agenda set at the 2001 Ministerial Conference in Doha, Qatar.
Rules

• Green Box Policies
• Amber Policies (Aggregate Measurement of Support, AMS)
• Blue Box Policies
• Technical barriers
• ADA, SA8000...
• FLO...
• Labor protection
• Animal protection
• ...


Agriculture-related International Trade Covers Many Issues

- agro-products market access
- technical barriers
- technology transfers
- agro-trade-related investment
- aid
- trade in service
- transparency of policy-making
- legal review
- protection of environment
- e-commerce for logistics and supply-chains
- protection of intellectual property rights
- social accountabilities
- fair competition rules

There is a long way to go to make the free agro-trade fair and benefiting to the less developed areas.
Retroversion of Doha Round

March of 2000

• 2000 03—2003 09  Cancún
• 2003 09—2004 08 01  Geneva
• 2004 08—2007 “modalities”: market access、domestic support and export competition, concession formulas and concrete parameters...
• 2005  Hong Kong  Aid for Trade  Program
2 Big Leaps in the Development Round

• **Aid for Trade work program** initiated at the Hong Kong Ministerial Conference, marked a concrete step forward to world developmental objective;

• and the latest revised draft “**modalities**” on 8 February 2008, containing formulas and related provisions for cutting tariffs and trade-distorting subsidies.

Distortions still remain...
Subsidies of Developed & Developing Members of WTO
TAMS of WTO Members
WTO成员国TAMS约束水平比较（亿美元）
Technology Transfer & TRIPs

• Long time protection of intellectual property rights surely hobbled the progress in developing countries who own the majority of the arable land. This recent food crisis may be the nemesis of surfeit protection or monopoly of the knowledge and knowhow alike.

• TRIPs’ (Art.66.2) says developed countries have to provide incentives for their private sector and institutions, in order to promote and encourage technology transfer to least-developed countries. Least-developed countries have been waiting year by year for the full implementation of the obligations.
Aid

• Far from the commitments
• Far from needs
• Far from the donors’ capacity
4 Comments

• Developed economies have more capacity and responsibility to honor their commitments in Aid for Trade Program.
• A timely conclusion of the Doha Round would bring long-standing benefits to all nations.
• Aid for Trade work program must be concretely implemented.
• The developing areas must quicken the pace of reforming and assimilating the assistance from outside world.
Top Rules and Reform
International Governance

Global Level
UN, IMF, WTO, WDRB, OECD, Group8

Regional Level
EU, NAFTA, ASEAN, Mercosur, FTAA, APEC......

Sovereign States or SCTs Level
227/197/193/151 units

Corporate Level
NGOs, MNCs, MNBs

SEPA
Cooperation
Bilateral free trade areas
Super-hybrid Rice and Other Sci- tech Efforts
Part Two: China’s Agro-economy and Trade
西域形势及张骞出使西域路线
Came down in one continuous line
当时在美国“西北海岸”六便士能买到的毛皮，在广州却卖上了一百美元的好价钱。
Reforms began in 1978: the household contract responsibility system.

Pose by a High Ranking Official In Hunan
Agricultural Industrialization and Scale Agro-economy

Since 2003: six types of demonstration projects for the industrialization of modern agro-technology
Industrialization
China’s GDP per capita ranks behind over 110 other countries, with 80 million disabled people, with some 150 million illiterate people and with 150 million people living under 1 dollar a day.
China’s Agriculture

Agriculture –related technological system
Agri-service sector
Agri- industries
Agri-sidelines & processing
Grain cultivation
China’s Agriculture

• 7 percent of the world's cultivated land feeds 21% of the world's population. The agricultural tax was rescinded.

• China leads the world in output of grain, cotton, oil plants, fruit, meat, eggs, aquatic products and vegetables.

• China's grain output rose four consecutive years to reach 501.5 million tons in 2007.

• In 2004, grain output reached to 362 kg per capita; per capita figures for meat (pork, beef, and mutton), milk, and aquatic products were above world averages, reaching 44.6 kg, 17.4 kg, and 37.8 kg, respectively. In 2007, per capita grain output reached to 400 kg.
2006年，国民经济继续保持增长较快、效益较好

全年国内生产总值及增长率
财政收入总量及增收

2006年农业基础地位得到巩固，支农投入不断增加

粮食增产120亿斤以上
总产量超过9800亿斤

2006年，社会事业加快发展，人民群众得到更多实惠

预计全年农民人均纯收入

新近颁布图广华勇

研究城镇居民
人均可支配收入
thebeijingnews.com
China’ Agro-trade

• 4th largest importer (美国、欧盟和日本之后)。
• 5th largest exporter (欧盟、美国、加拿大、巴西之后)
• 1978  6.1 billion USD
• 2007  78.1 billion USD
• Average annual growth rate 9.2%
## Increase in Outputs of Main Farm Products

(Unit: 10,000 tons)

<table>
<thead>
<tr>
<th>Type</th>
<th>1978</th>
<th>1990</th>
<th>2000</th>
<th>2003</th>
<th>2004</th>
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</thead>
<tbody>
<tr>
<td>Grain</td>
<td>30,477</td>
<td>44,624</td>
<td>46,218</td>
<td>43,070</td>
<td>46,947</td>
</tr>
<tr>
<td>Cotton</td>
<td>216.7</td>
<td>450.8</td>
<td>441.7</td>
<td>486.0</td>
<td>632.4</td>
</tr>
<tr>
<td>Oil-bearing crops</td>
<td>521.8</td>
<td>1,613.2</td>
<td>2,954.8</td>
<td>2,811.0</td>
<td>3,065.9</td>
</tr>
<tr>
<td>Sugarcane</td>
<td>2,111.6</td>
<td>5,762.0</td>
<td>6,828.0</td>
<td>9,023.5</td>
<td>8,984.9</td>
</tr>
<tr>
<td>Beet</td>
<td>270.2</td>
<td>1,452.5</td>
<td>807.3</td>
<td>618.2</td>
<td>585.7</td>
</tr>
<tr>
<td>Dried tobacco</td>
<td>105.2</td>
<td>225.9</td>
<td>223.8</td>
<td>201.5</td>
<td>216.3</td>
</tr>
<tr>
<td>Tea</td>
<td>26.8</td>
<td>54.0</td>
<td>68.3</td>
<td>76.8</td>
<td>83.5</td>
</tr>
<tr>
<td>Fruit</td>
<td>657.0</td>
<td>1,874.4</td>
<td>6,225.1</td>
<td>14,517.4</td>
<td>15,340.9</td>
</tr>
<tr>
<td>Meat</td>
<td>856.3</td>
<td>2,513.5</td>
<td>6,125.4</td>
<td>6,932.9</td>
<td>7,244.8</td>
</tr>
<tr>
<td>Aquatic products</td>
<td>465.4</td>
<td>1,237.0</td>
<td>4,278.5</td>
<td>4,704.5</td>
<td>4,901.8</td>
</tr>
</tbody>
</table>
Consumer inflation jumps 10 percent in the first 4 months.
Agriculture Tax Reduction

中国入世承诺与其他成员乌拉圭回合农产品关税削减比较

[Bar chart showing comparison of agriculture tax reduction commitments.]

- **发达成员** (Blue bar)
- **乌拉圭回合发展中成员** (Red bar)
- **中国入世承诺** (Yellow bar)
15.3%, 8%, 60%
China and World Growth 1997—2006

Real GDP growth, as % of previous year

Sources: China’s National Bureau of Statistics & IMF
New Motivation of Rural Reform
Super-hybrid Rice and Other Sci-tech Efforts
International Agriculture Trade and Access to Markets

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