

To: President's Export Council Members

From: USA Rice Federation, U.S. Grains Council, U.S. Wheat Associates

Date: September 17, 2013

Subject: Ninth WTO Ministerial Conference

We write today ahead of your September 19 meeting at which you will discuss U.S. priorities for the Ninth World Trade Organization (WTO) Ministerial Conference. As export promotion organizations for commodities dependent on trade, we support the World Trade Organization (WTO) and the rules-based global trading system to improve trade among member countries. We support efforts to achieve a successful Ministerial meeting in Bali, including a trade facilitation package and certain agricultural elements, but we oppose measures that would exempt trade distorting domestic support for public stock holding programs under the guise of food security.

The Group of 33 (G33) proposes that public food stock holdings be exempted from aggregate measure of support (AMS) calculations, but we are not aware that any country has demonstrated how current rules hinder their food security objectives. As several G33 countries (Turkey, India) have failed to notify domestic support programs for many years, it is impossible to definitively illustrate how these existing rules hinder their food security objectives. There has been a dramatic increase in domestic support in advanced developing countries, and we are concerned that AMS commitments are being exceeded in a number of developing countries. India and China, the two most populous countries in the world already maintain high levels of public stocks and we question how purchasing even higher volumes of domestic production would be beneficial and not trade disruptive. In many instances, these same countries seeking to increase food security through subsidization tend to limit agricultural imports through high import tariffs or other non-tariff barriers, removing the essential trade element to a food security plan.

Sound trade policies should play a central role in the food security discussion. Trade facilitation, lower market barriers and dialogue on export restrictions should be part of any food security discussions. Any relaxation of domestic support disciplines agreed upon 20 years ago runs counter to the Doha round's goal of reducing these programs and brings into question the understanding of the role trade can and should play in meeting food security needs. Domestic production can be more sustainably promoted by policies that enhance economic freedom, the functioning of markets and the rule of law. We believe that any step backwards on domestic support would be detrimental to the progress already made in Doha text in this area as well as the overall longer-term goal of achieving a successful Doha Round outcome.

The most effective method to ensure food security is through open trade policies that make importing food reliable and predictable with as few impediments and extra costs as possible. We appreciate the efforts of the U.S. government to oppose relaxing previously agreed domestic support commitments, and we look forward to a successful WTO Ministerial meeting that benefits U.S. agriculture through productive trade discussions and policies.