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Report to the Chairmen, Committee on  
Agriculture, Nutrition, and Forestry,  
U.S. Senate, and Committee on  
Agriculture, House of Representatives

February 1991

# AGRICULTURAL TRADE NEGOTIATIONS

## Stalemate in the Uruguay Round



**93-23467**



National Security and  
International Affairs Division

B-230527

February 1, 1991

The Honorable E (Kika) de la Garza  
Chairman, Committee on Agriculture  
House of RepresentativesThe Honorable Patrick J. Leahy  
Chairman, Committee on Agriculture,  
Nutrition, and Forestry  
United States Senate

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As you requested, we have been monitoring the multilateral trade negotiations in Geneva with respect to liberalizing agricultural trade. Our first report, Agricultural Trade Negotiations: Initial Phase of the Uruguay Round (GAO/NSIAD-88-144BR, May 5, 1988), assessed progress in the negotiations through the first year of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT).<sup>1</sup> This report assesses progress in the negotiations through December 1990, the originally scheduled completion date for the Uruguay Round. It also discusses the concerns of producers of major U.S. agricultural commodities with respect to the negotiations.

While agriculture was but 1 of 15 issues discussed in the Uruguay Round of the GATT, it was clearly the key. Whereas the liberalization of agricultural trade had a relatively low priority in previous negotiating rounds, the U.S. government made agricultural trade reform its top priority in the Uruguay Round.<sup>2</sup>

## Results in Brief

After 4 years of negotiations, the United States and the European Community (EC), the two major participants in the agriculture negotiations, have continued to disagree strongly on the nature and extent of trade liberalization. Not only the United States, but other countries as well, especially developing country members of the Cairns Group,<sup>3</sup> made it

<sup>1</sup>The GATT is an organization which currently has more than 100 participating nations. The goal of the GATT, as set forth in the preamble to the 1948 General Agreement, is "the substantial reduction of tariffs and other barriers to trade."

<sup>2</sup>According to the Department of Agriculture, the United States spent more than \$26 billion on agricultural support and export programs in 1986, the year the Uruguay Round was launched. The European Community spent almost \$23 billion that year.

<sup>3</sup>The Cairns Group is a group of 14 developed and developing countries that consider themselves to be "fair traders in agriculture." They include Argentina, Australia, Brazil, Canada, Chile, Colombia, Fiji, Hungary, Indonesia, Malaysia, New Zealand, the Philippines, Thailand, and Uruguay.

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clear that reform in agricultural trade was essential if the Uruguay Round were to succeed. The Uruguay Round was scheduled to conclude the week of December 3, 1990, in Brussels, but participating countries failed to reach a compromise on agricultural reform. Thus, the entire round of negotiations has been suspended, with the ultimate outcome uncertain.

Before negotiations are restarted, it is clear that the EC must show signs of flexibility. In retrospect, the United States and the EC may have been negotiating on different planes. The United States, seeking to extend the GATT system of trade rules to agriculture and to improve economic efficiency, was willing to make fundamental changes in its system of government support for agriculture. The EC through December 1990 never evidenced the readiness to make comparable changes in its agricultural support system given its long-standing commitment to use support for agriculture as a social policy tool.

The administration has little leeway to continue credible negotiations on its own because of deadlines imposed by U.S. law. The President must notify Congress of his intent to enter into a Uruguay Round agreement by March 1, 1991, in order for Congress to consider such an agreement and its implementing legislation under special fast-track approval procedures.<sup>4</sup> If the existing deadlines cannot be met, the President must ask the Congress for an extension of fast-track authority by March 1, 1991. The extension of fast-track authority, which could be disapproved by either the House or Senate, is very important to the negotiating process. Without fast-track consideration, it is unlikely that Congress would approve any international agreement and its implementing legislation without potentially complicating amendments.

The backing of the major agricultural commodity groups within the United States may be an important factor in obtaining congressional approval of any negotiated agreement. Concerns among the groups vary. The impact of an agricultural trade liberalization agreement would depend on what types of trade-distorting support would be reduced, the extent of such reduction, and the manner in which such reductions would be implemented, monitored, and enforced. All of these are unknown at this time. Many important commodity groups publicly supported the original U.S. proposal. Once the United States retreated from calling for total elimination of trade-distorting support, however, certain

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<sup>4</sup>Under fast-track approval procedures, the Congress must vote the entire package up or down without amendments.

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commodity groups began expressing concern that a compromise agreement might not be in their best interests.

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## Background

The current round of multilateral trade negotiations was launched in Punta del Este, Uruguay, in September 1986. The negotiations, which were to take place over a 4-year period, were separated into 15 negotiating groups, one of which was agriculture. Discussions in the agriculture negotiating group focused on four areas: (1) export subsidies, (2) market access barriers, (3) internal support that distorts trade, and (4) health and sanitary import restrictions.

From the outset, the United States and the European Community disagreed about the manner and extent to which agricultural trade should be liberalized. The United States initially proposed eliminating all agricultural subsidies that directly or indirectly distorted trade, as well as market access barriers, while the European Community called only for a reduction in agricultural support. The Cairns Group largely supported the United States. Japan and the Nordic countries of Finland, Iceland, Norway, and Sweden generally supported the European Community but sided with the United States on the export subsidy issue.

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## Disagreement Between the United States and the EC

No significant progress was ever made in closing the wide gap between the U.S. and EC negotiating positions. The United States approached the negotiations from the perspective of extending the GATT system of trade rules to agriculture and improving economic efficiency. The U.S. position was predicated on the willingness of the United States to make fundamental changes in the present system of U.S. government support for agriculture. The EC through December 1990 never evidenced the willingness to make comparable changes in its agricultural support system.

Although the United States retreated somewhat from its insistence that all trade-distorting support be eliminated over time in the three areas of export subsidies, market access barriers, and internal support programs that distort trade, European leaders were unwilling to make any compromise that would have been extremely unpopular with the agricultural communities in their countries. With political commitment lacking at the highest level, negotiations were suspended. It should be noted that such external events as the movement toward a single EC market in 1992 and the changes in East and Central Europe, including the reunification of Germany, may have made European leaders less inclined to

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initiate radical reform of the Common Agricultural Policy. This policy has been a cornerstone of the European Community.

In its October 1990 proposal, the United States called for 90-percent reductions in export subsidies and 75-percent reductions in market access barriers and internal support programs over a 10-year period beginning in 1991. In its November 1990 proposal, the EC made no specific commitments on either export subsidies or market access barriers and essentially called for 10- to 30-percent reductions in internal support programs over a 10-year period retroactive to 1986.

U.S. negotiators may have underestimated the political power of Europe's agricultural interests and the commitment of the EC to the social policy objectives of its Common Agricultural Policy. The EC has been more concerned with maintaining its members' significant rural population and income than with promoting economic efficiency.<sup>5</sup> U.S. negotiators expected, from the beginning, that European leaders at the highest level would ultimately intervene and assure a satisfactory agreement. However, the European political leadership was unwilling to do so. Similarly, the EC may have underestimated the resolve of the United States and the importance of the Cairns Group in insisting on fundamental reform and dramatic reduction in trade-distorting agricultural support. With the two sides to the negotiations never able to reach common ground, the negotiations were suspended. It is clear that the EC must show signs of flexibility before negotiations are restarted.

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## Cairns Group and Other Countries Urge Agricultural Trade Reform

In seeking substantial agricultural trade reform, the United States has had support from the Cairns Group, which includes several developing countries. Developing countries view increased market access for their agricultural products as vitally important to their national interests. Several developing countries, such as Argentina, have indicated that if GATT participants did not agree to substantial agricultural trade reform, they would not agree to trade liberalization in other areas, such as services and intellectual property. A number of Latin American members of the Cairns Group were able to exert substantial leverage during the ministerial mid-term review held in Montreal, Canada, in December 1988.

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<sup>5</sup>While only about 2 percent of the U.S. population is engaged in agriculture, about 9 percent of the EC population is so engaged.

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## Time Frame for Completing Negotiations Is Short

The Omnibus Trade and Competitiveness Act of 1988 (P.L. 100-418) gave the President authority to submit trade agreements to Congress for fast-track consideration. Regarding the current Uruguay Round, the President must notify Congress by March 1, 1991, of his intent to enter into an agreement. Such a strict time frame leaves little leeway to continue credible negotiations. If the existing deadlines cannot be met and the President wants further authority to negotiate with the expectation of fast-track consideration by Congress, then the President must ask for an extension of fast-track authority by March 1. Either the House or the Senate could disapprove the extension of such authority. Without fast-track consideration, it is unlikely that Congress would approve any international agreement and its implementing legislation without potentially complicating amendments.

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## Backing of U.S. Agricultural Groups May Be Important

To obtain congressional approval of any negotiated agreement, the backing of major agricultural commodity groups in the United States may be important. Specific groups' concerns vary. The likely effects of trade liberalization on particular commodity groups are difficult to predict, even in a scenario in which all trade-distorting support to agriculture is eliminated. Assessing the potential effects where there is only a reduction of support is even harder. How producers of a specific commodity would fare would depend on their costs of production and world prices under a liberalized trade regime. Where U.S. producers of a particular commodity have a comparative advantage, production should continue and perhaps expand. It is not always clear, however, which countries have a comparative advantage for a particular commodity.

It appears that those U.S. commodity groups for which import quotas have been or may be a significant means of protecting domestic production are most fearful of, or uncertain about, the likely impact of trade liberalization. These groups include sugar, dairy products, peanuts, and cotton. Even within those commodity group sectors that are generally expected to prosper under a liberalized trade regime, however, there are inefficient producers, and such producers may feel the impact of trade liberalization.

Many important commodity groups have publicly supported the thrust of the U.S. proposals. In principle, they agreed to the concepts of the "level playing field" and the elimination of all trade-distorting support by all countries. Despite repeated assurances by U.S. negotiators that they would walk away from a bad agreement, certain commodity groups

became increasingly concerned that, in their desire to conclude an agreement encompassing areas in addition to agriculture, U.S. negotiators would agree to something potentially harmful to their particular group. Commodity groups have noted that their positions on any final package would depend on the concessions obtained from other countries and the concessions given by the United States.

## Scope and Methodology

We have monitored the multilateral trade negotiations with respect to agriculture since the Uruguay Round began. We observed the opening ministerial meeting in Punta del Este in September 1986 and what was to be the closing ministerial meeting in Brussels in December 1990. We have interviewed officials of the Office of the U.S. Trade Representative and the Department of Agriculture on an ongoing basis. We have also interviewed officials of other U.S. government agencies and foreign government officials. In addition, we have interviewed representatives of various agricultural commodity groups. We have reviewed pertinent documents from all those organizations. In addition, we have attended and reviewed minutes of meetings of the Agricultural Policy Advisory Committee and the 10 commodity-specific Agricultural Technical Advisory Committees.<sup>6</sup>

As requested, we did not obtain formal agency comments on this report. However, we did obtain technical comments from officials at both the Office of the U.S. Trade Representative and the Department of Agriculture and have incorporated them into the report as appropriate.

We performed our work from September 1986 to December 1990 in accordance with generally accepted government auditing standards.

We are sending copies of this report to the U.S. Trade Representative, the Secretaries of Agriculture and State, and other interested parties. Copies will also be made available to others on request.

Appendix I discusses the GATT negotiations from 1968 to the present. Appendix II provides more details about U.S. agricultural commodity groups' concerns with respect to the negotiations.

<sup>6</sup>The 10 specific commodities are (1) cotton, (2) dairy products, (3) fruits and vegetables, (4) grain and feed, (5) livestock, (6) oilseeds, (7) poultry and eggs, (8) processed foods, (9) sweeteners, and (10) tobacco.

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Please contact me on (202) 275-4812 if you or your staff have any questions concerning this report. The major contributors to this report were Phillip Thomas, Assistant Director, and Stanton Rothouse, Evaluator-in-Charge.

A handwritten signature in dark ink, appearing to read "Allan I. Mendelowitz". The signature is fluid and cursive, with the first name "Allan" being more legible than the last name.

Allan I. Mendelowitz, Director  
International Trade, Energy,  
and Finance Issues

# The GATT Negotiations From 1988

The initial phase of the Uruguay Round was highlighted by the submission of proposals by the United States and other GATT participants on the liberalization of agricultural trade. This phase was essentially completed by the end of 1987.

The second phase of the negotiations began in January 1988. Although the various GATT participants supplemented their initial proposals with additional papers and proposals during 1988 and 1989, many observers believe that the negotiations had lost much of the momentum which had existed during the first year of negotiations.

A "mid-term" review meeting at the ministerial level was held in Montreal, Canada, in December 1988. Although "framework" agreements were reached in 11 of the 15 negotiating groups at that time, there was no agreement on agriculture, textiles, import safeguards, or intellectual property. Several Latin American countries who are members of the Cairns Group refused to agree to any overall agreement unless there was agreement in agriculture. By April 1989, following further negotiations, GATT participants did reach framework agreements in the four remaining areas.

The April 1989 framework agreement on agriculture called 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." While many viewed that language as an indication that the United States was retreating from its initial July 1987 proposal that all trade-distorting support to agriculture be eliminated, U.S. negotiators stated that "substantial progressive reductions" would ultimately lead to the elimination of such support.

In the April 1989 agreement, the trade negotiators established a work plan for completing the negotiations. Also, for the short term, GATT participants agreed, within the scope of existing legislation, to freeze domestic and export support and protection at levels prevailing in 1989.

The United States submitted a comprehensive proposal in October of that year. During the next few months, other GATT participants submitted comprehensive proposals: These included the European Community, the Cairns Group, and Japan.

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## The Negotiations in 1990

Following submission of the major proposals during the last months of 1989, there appeared to be little progress in moving toward a compromise between the two primary parties, namely the United States and the European Community. According to U.S. negotiators, the Community wanted a minimal agreement, and the EC strategy had been one of stalling. Nonetheless, U.S. negotiators had remained optimistic about the chances for a satisfactory agreement. Their optimism had been based on the fact that not just agriculture, but many other trade issues as well, were being discussed in the Uruguay Round. According to U.S. negotiators, the trade and finance ministers of the European Community member states, having responsibility for their entire national economies rather than just their agricultural economies, would see their national interests served by a GATT agreement which included significant agricultural trade reform.

The differences between the United States and the European Community on agricultural trade reform continued into 1990. At the ministerial meeting of the Organization of Economic Cooperation and Development<sup>1</sup> in Paris in May, U.S. and EC officials publicly disagreed as to the structure of agricultural trade reform. The EC maintained that an agreement needed to specifically address only internal support while the United States insisted that the three areas of internal support, market access, and export subsidies all be addressed.

At the conclusion of the Economic Summit of the G-7 countries<sup>2</sup> in Houston, Texas, in July 1990, there was a joint statement supporting the use of a paper submitted by the Chairman of the Agricultural Negotiating Group, Aart de Zeeuw, as a "means to intensify the negotiations." According to U.S. negotiators, the pledge by the leaders at the Summit to remain personally involved suggested political commitment at the highest level for substantial agricultural reform.

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## The De Zeeuw Paper

The de Zeeuw paper addressed the four areas of internal support, border protection, export competition, and health and sanitary regulations and barriers. Under this framework, all internal supports, including price supports, deficiency payments, and input and marketing subsidies that distort trade, would be substantially reduced using an

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<sup>1</sup>The Organization of Economic Cooperation and Development consists of 24 industrialized nations.

<sup>2</sup>The G-7 countries are Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States.

aggregate measure of support. Minimally trade-distorting forms of support, such as general services to agriculture or rural communities, environmental and conservation programs, disaster relief, and income safety-net programs, would not be subject to reduction commitments but would be subject to an "overall ceiling" and to surveillance and review.

According to the de Zeeuw paper, all nontariff border measures would be converted to tariff equivalents and be substantially and progressively reduced over a negotiated period of time. These tariff equivalents would be bound, and no less than current access levels would be maintained. Where there were no significant imports presently allowed, a minimum level of access would be established from 1991-92. Safeguard provisions would enable recourse to tariff increases in case of import surges or world price movement, subject to certain conditions. Addressing the European Community's concern about rebalancing, i.e., that the level of protection could be raised on some commodities, the de Zeeuw paper noted that it would be possible for participants to negotiate specific solutions in cases of particular situations which may exist for some products.

Export assistance, under the de Zeeuw framework, would be reduced by more than other forms of protection and support. Some export assistance, such as export credits, food aid, and concessional sales, would be permitted but would become subject to negotiated disciplines. GATT members would make commitments to progressively lower aggregate budgetary outlays, per unit export assistance, the total quantity of a product for which export assistance might be provided, or some combination of such commitments.

The de Zeeuw paper called for GATT participants to submit country lists dealing with reducing internal support, converting nontariff barriers to tariffs, and limiting export subsidies by October 1, 1990. Special and differential treatment would be accorded developing countries. With respect to health and sanitary barriers, the de Zeeuw paper laid out a process for settling disputes.

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## The U.S. Proposal

The United States submitted a proposal based on the de Zeeuw paper on October 15, 1990. It called for the most trade-distorting internal support measures to be reduced by 75 percent over 10 years and other trade-distorting measures to be reduced by 30 percent. All nontariff import access barriers would be converted to tariffs, existing tariffs would be bound, and the newly converted and existing tariffs would be reduced

by an average of 75 percent over 10 years. For products currently subject to nontariff import barriers, minimum access commitments would be set and subsequently expanded by 75 percent over 10 years using a tariff rate quota mechanism. The tariff rate quotas would be eliminated after 10 years. The proposal called for export subsidies on primary agricultural products to be reduced by 90 percent over 10 years. Export subsidies on processed agricultural products would be phased out in 6 years.

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## The EC Proposal

After difficult deliberations among agriculture, trade, and foreign ministers of its 12 member states, the European Community submitted an agriculture proposal on November 7, 1990. The proposal called for a reduction of internal supports for such commodities as cereals, rice, sugar, oilseeds, livestock, and dairy products by 30 percent from 1986 to 1996; for other commodities, such as fruits and vegetables and tobacco, the reduction would be 10 percent. With respect to market access, the proposal called for converting variable levies and other nontariff barriers to tariffs. Tariffs would consist of a fixed and a variable component. A "corrective factor" would take into account world market price fluctuations and exchange rate changes. The EC proposal made no specific commitment to reduce newly converted tariffs. It also contained the possibility of reducing existing tariffs through a request/offer basis. The EC proposal called for rebalancing, which would allow for the reduction of support and protection for cereals to be accompanied by an increase in the protection of cereal substitutes, derivatives, and oilseeds. The proposal contained no precise commitment on export subsidies; rather, it noted that the proposed reduction of support and protection would lead to a considerable lowering of export subsidies.

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## December 1990 Ministerial Meeting in Brussels

At the opening of the December 1990 ministerial meeting in Brussels, the U.S. Trade Representative reiterated the U.S. position that success in the Uruguay Round was not possible without fundamental reform of world agricultural trade. Efforts to break the stalemate between the United States and the Cairns Groups on the one hand and the European Community on the other failed.

On December 6, the Swedish farm minister, who had been chairing the ministerial agriculture negotiations, offered a compromise agriculture paper. However, the European Community insisted that certain conditions of its proposal had to be met. Specifically, "credit" must be given for reforms taken since 1986, tariffication would be subject to

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rebalancing, and commitments on export subsidies would also apply to deficiency payments. It should also be noted that Japan and Korea rejected the Swedish farm minister's proposal. On December 7, the Uruguay Round negotiations were suspended.

# Agricultural Commodity Groups' Concerns

The concerns of particular agricultural commodity groups vary, depending largely on how they perceive U.S. producers would fare under a liberalized trade regime. Although difficult to predict, the likely effects of trade liberalization are clearer with respect to some commodity groups than with others. How particular groups would fare would depend on their costs of production and world prices under a liberalized trade regime. The type and amount of support the U.S. government currently provides U.S. producers of various commodities, as compared with the type and amount of support foreign competitor governments provide their producers, is also relevant in analyzing how producers would manage if trade were liberalized.

As we noted in our May 1988 report, several commodity and farm group representatives believed the initial U.S. proposal of July 1987 was a good first step, since it sought the optimal scenario. However, some had noted that the proposal was neither realistic nor feasible because it was improbable that other countries, and especially the European Community, would dismantle their domestic support programs and eliminate all trade-distorting policies. Our report outlined the concerns of the various U.S. commodity and farm groups but noted that the domestic groups were generally taking a wait-and-see attitude. No commodity group appeared to want to undermine the position of the U.S. negotiators. In 1988, all commodity groups we spoke with, except for dairy and cotton, believed that the United States would be competitive under a liberalized trade regime.

Despite these generally optimistic views, however, all groups had stated that there was a lack of available information concerning how well their groups would do under a scheme to liberalize trade. Most groups we interviewed had not conducted studies analyzing the impact of reducing or eliminating domestic and export subsidies and import barriers on their sectors. They were not willing to commit resources while the issues were still theoretical and the outcome of the negotiations uncertain. As of the end of 1990, most groups had still not undertaken any rigorous analysis with respect to the impact of trade liberalization on the producers of particular commodities.

## Potential Impact of Trade Liberalization

During the last 2 years, much attention has been focused on the potential effects of trade liberalization. According to the Congressional Budget Office, the impact of a Uruguay Round agreement to liberalize agricultural trade would depend on, among other things, the final shape of the reform and the nature of policies pursued during the transition

period. At this point, the form any final agreement might take is unknown, as is the manner in which it would be implemented.

Within the U.S. government, the U.S. Department of Agriculture, and, specifically, its Economic Research Service, have undertaken many studies aimed at outlining the effects of agricultural trade liberalization. One major effort was that of assessing the impact of trade liberalization on 11 particular commodity sectors.<sup>1</sup> The assumption generally made by the Economic Research Service analysts in their studies was that there would be elimination, in the industrialized market economies, of domestic and trade policies that distort trade. Developing countries would be afforded some form of preferential treatment. It was assumed that the Soviet Union and China would not initiate reforms but would react to policy reform by other countries. Government support to agriculture would not need to be eliminated completely; policies and programs that did not affect production, consumption, and trade would be permitted.

The Economic Research Service generally concluded that the elimination of all programs that distort production, consumption, and trade should produce net benefits to society through increased efficiencies and improved resource use. Policy reform, however, would entail significant costs for inefficient producers.

Since the spring of 1990, the Office of the Assistant Secretary of Agriculture for Economics has been analyzing the potential impacts on U.S. commodity groups of trade liberalization as called for in the U.S. and EC proposals. Such analyses have not been made public but their conclusions have been presented to the Agricultural Technical Advisory Committees and in other forums and have been made available to U.S. negotiators. The Assistant Secretary's conclusions, using assumptions as outlined in the final U.S. proposal, tended to show economic benefits for most U.S. commodities. Peanuts and sugar were exceptions.

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## Concerns of Specific Groups

U.S. negotiators have repeatedly stressed their belief that U.S. agriculture will fare very well under a liberalized trade regime as called for in the U.S. proposal. Nonetheless, they will admit that certain commodity

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<sup>1</sup>These sectors are (1) beef, (2) coarse grains, (3) dairy products, (4) fruits and vegetables, (5) oilseeds, (6) pork, (7) poultry, (8) rice, (9) sugar, (10) tobacco, and (11) wheat.

groups might not be competitive under such a regime. Although the circumstances for each commodity are different, it appears that those commodity groups for which import quotas have been or may be a significant means of protecting domestic production are most fearful of, or uncertain as to the likely impact of, the elimination of trade-distorting support to agriculture. In the United States, those commodities include sugar, dairy products, peanuts, and cotton. Understandably, these commodity groups have withheld or substantially qualified their support of U.S. negotiating objectives in the Uruguay Round.

Even within those commodity group sectors that are generally expected to prosper under a liberalized trade regime, however, there are inefficient producers. According to the Economic Research Service, the impact of trade liberalization may be felt by such inefficient producers. For such commodities as tobacco, wheat, and corn, there could possibly be a shift in production from one geographical area to another.

Most commodity groups have generally agreed with the concept of the "level playing field" and the principle, embodied in the U.S. proposal, that all countries should remove trade-distorting support. However, once there was talk of compromise and the United States retreated from its call for total elimination of all trade-distorting support, many commodity groups became increasingly wary of the agreement that may ultimately be concluded between GATT members.

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## Agricultural Advisory Committees' Role

While communication between government officials and representatives of the various commodity groups may take many forms, a formal mechanism for communication exists in the advisory committee process. The advisory committees are to give advice and counsel to U.S. officials concerning negotiating objectives and bargaining positions. In addition to the 10 Agricultural Technical Advisory Committees for specific commodity sectors, there is the higher-level Agricultural Policy Advisory Committee, which consists of about 26 representatives of national farm organizations, specific commodity groups, state farm bureaus, etc.

While Agricultural Policy Advisory Committee members have generally supported the U.S. position in the Uruguay Round and the proposals that the United States submitted in Geneva, several commodity groups have expressed concerns with respect to the negotiations. Some groups are fearful that, despite the assurances of U.S. negotiators to the contrary, the interests of agriculture in general may be traded off against the interests of other sectors of the economy. In addition, several groups

are concerned that the interests of their particular commodity group might be bartered off against those of another commodity group. From the outset many groups were extremely doubtful that U.S. negotiators would prevail on any agreement calling for the elimination of government trade-distorting support to agriculture. Some of these groups are fearful that, in drawing up a compromise agreement, U.S. negotiators might agree to items that might harm their particular group. Nonetheless, several commodity group associations<sup>2</sup> have stressed their support of U.S. efforts to lower unfair trade barriers and subsidies on a multilateral basis. They have noted that their positions on any final package would depend on the concessions obtained from other countries and the concessions given by the United States. They have stressed that they would not support unilateral actions by the United States and would not agree to the trade-off of one commodity sector for another.

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<sup>2</sup>These associations include the American Farm Bureau Federation, the American Soybean Association, the National Association of Wheat Growers, the National Cattlemen's Association, the National Corn Growers Association, the National Grange, the National Pork Producers Council, the National Turkey Federation, the United Fresh Fruit and Vegetable Association, and the U.S. Feed Grain Council.

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