

Call for Action on the Crisis in Agricultural Commodities

Common position in support of the African Group proposal submitted to the WTO Agriculture Committee on June 7th 2006

The signatories of this common position are united in their concern about the serious crisis facing commodity-dependent developing countries.

UNSTABLE AND NON-REMUNERATIVE PRICES

Internationally, agricultural commodity prices are permanently unstable and in long-term decline. For example, between 1980 and 2005, world sugar, cotton-fibre, coffee and cocoa prices fell by 25%, 32%, 44% and 47% respectively. After taking inflation into account, the price falls over that period were between 69% and 78%.

This has done lasting damage to the economies of poor countries which depend on these goods for their export incomes, constraining the governments' efforts to provide the most basic public services and combat poverty. Low and unstable prices have led to substantially lower incomes for their farmers and pressure on wages for their food workers.

Structural oversupplies on world markets, induced by donor agencies' insistence on policies of export orientation, form a large part of the reason for this crisis.

SUPPLY MANAGEMENT

World agricultural markets offer no mechanism to guarantee stable and remunerative prices. On the contrary, on most markets price instability arises from the unresponsiveness of both supply and demand to changes in price. This is an inherent feature of these markets and only non-market mechanisms can correct it. However, market liberalisation has deprived public authorities of the policy tools required. In particular, instruments that enable them to manage supplies have been abandoned in many national and regional markets and are no longer even discussed at international level.

However, many close observers of the situation now share the same analysis: production quotas, export restrictions and taxes, buffer stocks, import quotas and duties and other supply management techniques are important tools that should remain available for States to regulate agricultural prices and trade.

TARIFF ESCALATION

If poor countries were in a position to reduce their dependence on commodity exports, their economies would be less vulnerable. However, their efforts to develop agro-processing and reduce dependence on commodity markets are undermined by the "escalating" tariffs imposed by importing countries, which place higher tariffs on processed products than on raw materials. The barriers that prevent the processed products of developing countries from entering many developed countries' markets remain significant, especially for the poorest countries.

THE RESPONSE OF THE AFRICAN GROUP AT THE WTO

Africa's governments have launched various initiatives in recent years to tackle these problems in the framework of international trade negotiations. The most important was the most recent: the 41-country African Group's Communication to the Committee on Agriculture at the World Trade Organisation on 7 June 2006. This Communication (no. TN/AG/GEN/18) made four main proposals concerning agricultural commodities:

- Reductions in the levels of tariff escalation, to be achieved by negotiations between countries.
- A legal instrument clarifying WTO rules to authorise joint actions by producing countries, alone or with consuming countries, with a view to attaining stable, fair and remunerative prices. Such arrangements could be negotiated by the producing countries themselves or adopted after negotiations at UNCTAD or

the International Commodity Organisations. They could entail the control of overproduction or restrictions on exports.

- Technical and financial assistance for the implementation of these arrangements, from relevant organisations including UNCTAD, the International Commodity Organisations, the World Bank, the IMF and perhaps the WTO. One requirement would be to compensate farmers for losses of income in the period immediately after the adoption of supply management systems.

The Communication also called for procedures to negotiate the elimination of non-tariff measures that harm developing countries' export trade in commodities.

The signatories of this common position consider that the African Group's proposal of 7th June 2006 is a serious attempt to help resolve the problems described above. As such, it offers a major opportunity which should be seized as soon as negotiations on agriculture under the Doha Round resume.

In the light of the above, the signatories:

- **strongly support the African Group's proposal of 7th June 2006 at the WTO Committee on Agriculture;**
- **invite all WTO Member States to do likewise;**
- **call for the policies outlined to be firmly supported and pursued through all relevant channels, whatever may be the future status and outcome of the negotiations at the World Trade Organisation.**

List of signatories as of March 5th, 2007:

This common position is supported by the following national and international networks and federations:

1. ABC (Platform Aarde Boer Consument), The Netherlands: comprises five agricultural organisations at the national level.
2. ActionAid International, South Africa: comprises NGOs of international solidarity operating in more than 40 countries in Africa, Asia, America and Europe.
3. AEFJN (Africa-Europe Faith and Justice Network), France Antenna: represents 71 Catholic missionary organisations active in France and Africa.
4. AEFJN, France/Pôle de Strasbourg Antenna: represents 12 Catholic missionary organisations active in France and Africa.
5. AEFJN, Italy Antenna: represents around 10 Catholic missionary organisations active in Italy and Africa.
6. AEFJN, Madrid Antenna, Spain: represents more than 20 Catholic missionary organisations active in Spain and Africa.
7. AOPP (Association des Organisations Professionnelles Paysannes), Mali: comprises 127 farmers' organisations at the national level.
8. Canadian Council for International Co-operation, Ottawa: represents 100 Canadian development NGOs.
9. CILONG (Centre d'Information et de Liaison des ONG), Chad: comprises 43 national and international development NGOs.
10. CNCD (Centre National de Coopération au Développement), Belgium: represents around 100 Belgian development groups.
11. Coordination SUD, France: represents more than 120 French development NGOs.
12. EUROBAN, Paris: represents more than 20 national and global trade union organisations and NGOs, based in Europe and elsewhere.
13. FECONG (Fédération des Collectifs d'ONG), Mali: represents 15 Malian NGO coalitions, comprising in turn several hundred national and international development NGOs.
14. FONGTO (Fédération des Organisations Non Gouvernementales au Togo), Togo: comprises around 100 development NGOs.
15. Friends of the Earth Europe, Brussels: comprises more than 30 national environmental organisations in Europe.
16. IFAT (International Fair Trade Association), The Netherlands: comprises around 300 fair trade organisations located in 70 countries in Asia, the Middle East, Africa, South America, North America, the Pacific Rim and Europe.
17. JPIC (Justice, Peace and Integrity of Creation of the Missionaries of Africa), The Netherlands: comprises

nine religious organisations at the national level.

18. MEJN (Malawi Economic Justice Network), Malawi: comprises more than 100 organisations at the national level, including NGOs and trade unions.
19. PFSA (Plate-Forme Souveraineté Alimentaire), Belgium: comprises 41 Belgian organisations including development groups, farmers' organisations, consumer associations and environmental organisations.
20. RODADDH (Réseau des ONG de Développement et Associations de Défense des Droits de l'Homme et de la Démocratie), Niger: comprises 78 NGOs.

This common position is also supported by the following individual organisations:

1. ADDC-Wadata (Association de Défense des Droits des Consommateurs), Niger
2. Almocafre, S. Coop. And. De consumo ecológico, Spain
3. Association of Social and Ecological Intervention, Greece
4. Banana Link, UK
5. CCPA (Cadre de Concertation des Producteurs d'Arachide), Senegal
6. CIDAC (Centro de Intervenção para o Desenvolvimento Amílcar Cabral), Portugal
7. Congrégation des Sœurs des Sacrés-Coeurs, France
8. CRBM/Manitese, Italy
9. CSA (Collectif Stratégies Alimentaires), Belgium
10. Deziq Incorporated, Zimbabwe
11. Ecologistas en Acción, Burgos, Spain
12. Ecocentro, Spain
13. Economic Justice and Development Organization (EJAD), Pakistan
14. Fair, Italy
15. Fédération Artisans du Monde, France
16. Global Basic Income Foundation, The Netherlands
17. Humanitas, Slovenia
18. IATP (Institute for Agriculture and Trade Policy), USA and Switzerland
19. IDEAS (Iniciativas de Economía Alternativa y Solidaria), Spain
20. JTM - Córdoba, Spain
21. Koperattiva Kummerc Gust, Malta
22. Mouvement pour une agriculture équitable (MAÉ-MAÉ), Québec, Canada
23. MAP (Mouvement d'Action Paysanne), Belgium
24. Missionnaires d'Afrique, France
25. Oxfam Canada, Canada
26. Oxfam-Magasins du Monde, Belgium
27. Oxfam-Solidarité, Belgium
28. Oxfam-Wereldwinkels, Belgium
29. Peuples Solidaires, France
30. Peuples Solidaires Belgique, Belgium
31. *Riksi* newspaper, Greece
32. Solidarité, France
33. SOS Faim, Belgium
34. Traidcraft Exchange, UK
35. Umanotera, Slovenian Foundation for Sustainable Development, Slovenia
36. WERVEL, Belgium
37. World Development Movement (WDM), UK

The following individuals support this common position:

1. Gilles Besner, Québec, Canada
2. Kevan Bundell, UK
3. Marta Cano, Colombia
4. John Fowler, UK
5. Rafael Gómez Díaz, Spain
6. Anna Karlsson, UK
7. Aileen Kwa, Switzerland
8. Thomas Lines, UK
9. Kathy McAfee, USA
10. Faith Mansfield, Canada
11. Doris Monrós Sánchez, Spain
12. David J. Pardo Arquero, Spain
13. Sophie Pasleau Callejón, Spain

14. Peter Robbins, UK
15. Esther Rubio López, Spain
16. M. Santiago Molina, Spain

For further information or to add your signature, contact Thomas Lines (tlines@globalnet.co.uk)
or Stéphane Parmentier (stephane.parmentier@mdmoxfam.be)