



WTO, MC11 and the CAP

COMAGRI 6.11.2017

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EU Leadership at WTO

- **EU seen as:**
 - credible, trustworthy, constructive
 - plays tough but fair
 - one of the "majors"
- **CAP reforms translate to the WTO...**
- **... meaning EU less defensive in agriculture**
- **WTO impact of future CAP reform decisions should be assessed – both for legal constraints and political effect**



MC11 – what's on the agenda?

- Long wish lists but limited result?
- Fisheries subsidies + agriculture?
- Agriculture package:
 - Public Stockholding – mandate for MC11
 - Domestic Support – difficult discussions
 - Cotton – domestic support issue
 - Export restrictions and prohibitions – "low hanging fruit"?



DOMESTIC SUPPORT and the CAP

- **EU (+ others) proposal**

Amber Box - cap now – but with space for EU policies (intervention, PSA, wine and F&V envelopes, emergencies)

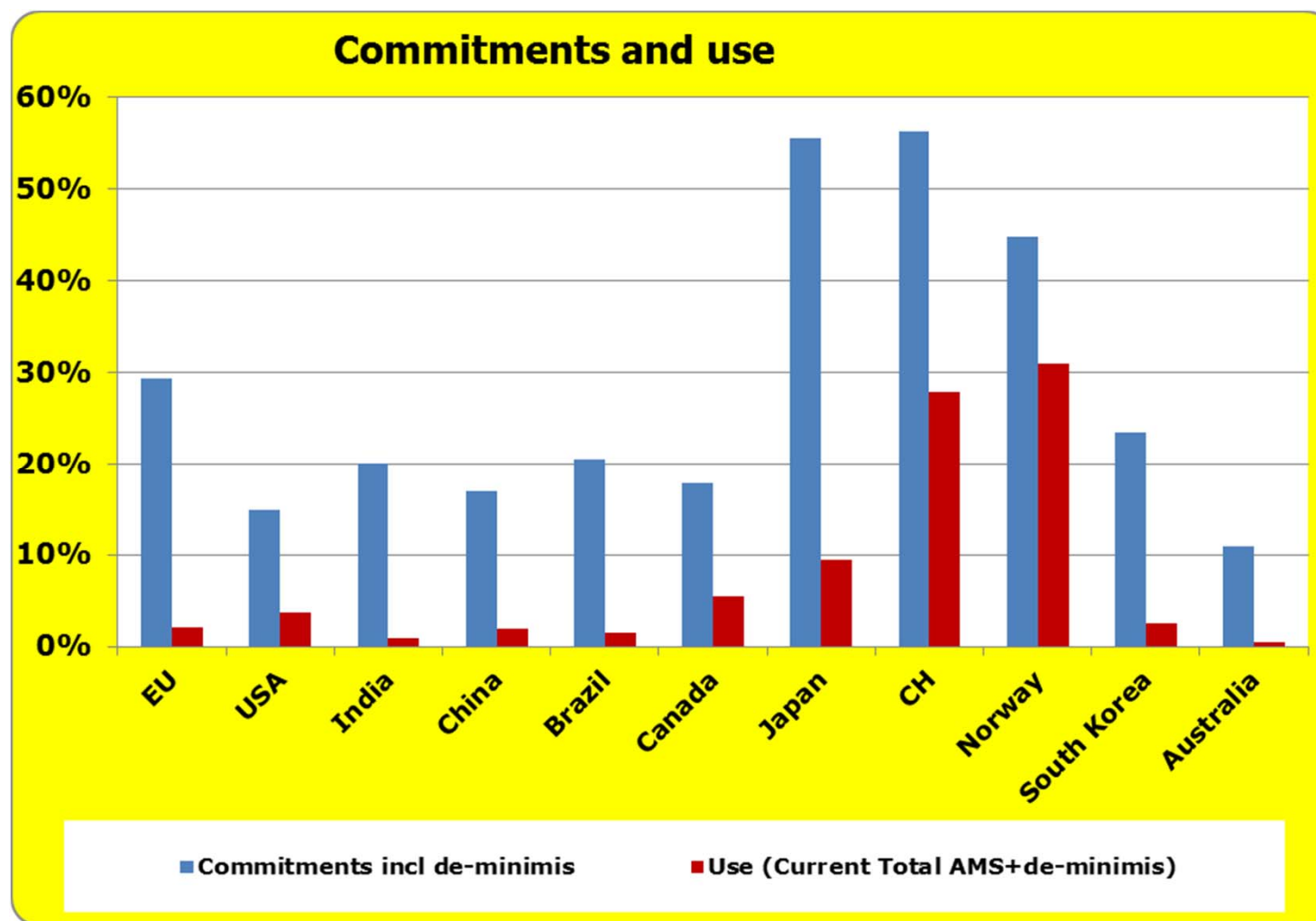
Blue Box - negotiate cap later – but with discount/transition/grandfathering to keep space for EU policies (VCS, cotton, bananas)

Green Box unlimited – EU direct payments and rural development

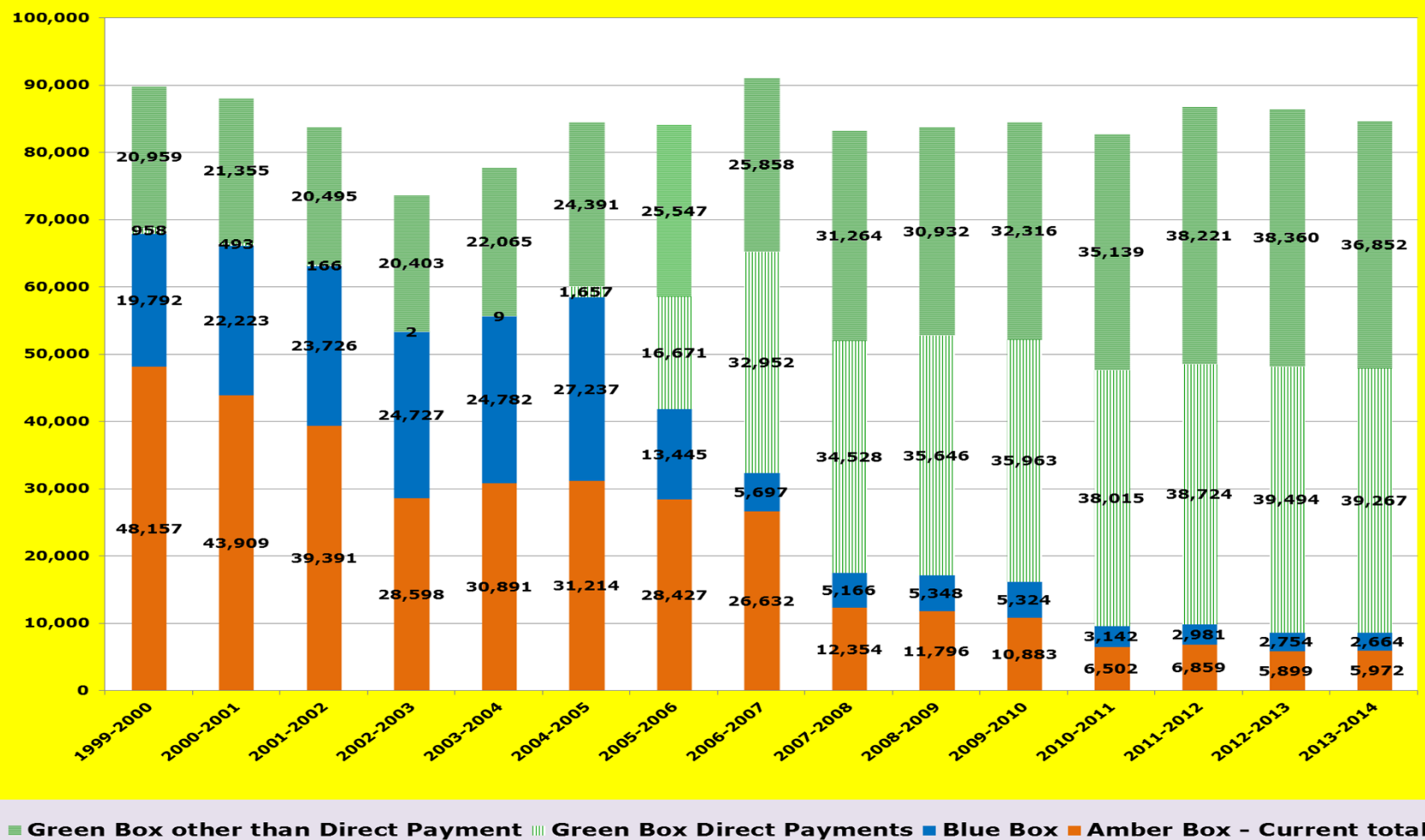
- **Space for CAP modernisation and simplification post-2020**

- **Others' proposals more ambitious but more unrealistic**

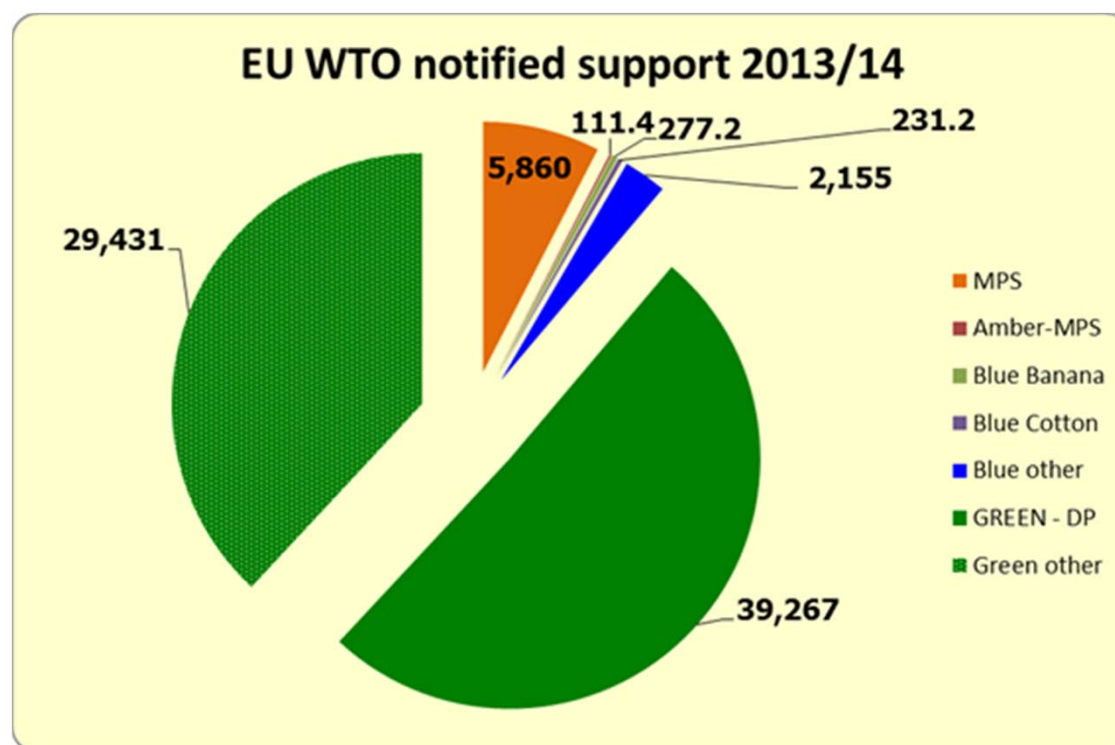
Domestic support – Amber Box limits/use



DOMESTIC SUPPORT commitments and use



EU support breakdown (mio €)



Public Stockholding

- **Political issue for India (and others)**
- **Food security or unlimited price support?**
- **Bali interim solution → MC11 mandate**
- **Current schemes - limited impact for EU**
- **Issues:**
 - New schemes?
 - Safeguards?
 - Transparency?
- **Domestic support link**



Cotton

- **Political issue for "Cotton 4"**
 - Mali, Benin, Burkina Faso and Chad
 - C-4 proposal covers Amber, Blue and Green Boxes
- **EU proposal includes cotton...**
 - cotton Amber Box ceiling of "W%" of value of production
- **..whilst protecting EU Blue Box scheme**
 - to be "grandfathered"
- **US and China main opponents**



Export Restrictions and Prohibitions



- **Quantitative limits (ban and quotas)**
 - Not export taxes
- **Products: Mainly staple crops**
Examples IND, EGY, but also RUS, UKR
- **Negative effects on food security of importing countries: price spikes, speculation, panic buying**
- **MC11 outcome: increased transparency but no substantial disciplines?**



MC11 Prospects.

- **Protect multilateral, rule-based trading system...
... but not at any price**
- **EU (+others) proposal: realistic, middle ground...
... but can't do it all alone**
- **Public stockholding and export restrictions ...
... for proponents and opponents to talk**