

**Transatlantic Frenemies:
Why US and EU Agricultural Subsidies are the Focus of
WTO Trade Disputes**

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Abstract

This essay examines the history of agricultural subsidies in the US and EU from the Uruguay Round to present, with a specific emphasis on trade conflict caused by agricultural subsidies and other agricultural products. By following the evolution of subsidies in the two trade powers, alongside the negotiations in the GATT (Uruguay Round) and the WTO (Doha Round), this essay seeks to understand how effective the WTO can be as a mechanism for reconciling differences between the US and EU to reduce trade conflict, specifically trade conflict caused by agricultural products (which are usually subsidized). While the Uruguay Round was highly successful for reaching agreements to make international trade in agricultural products more equitable, and for lessening the need to utilize the Dispute Settlement Body, the Doha Round has not been so successful. The Doha round is currently stalled on agricultural import tariffs, and neither the US nor the EU is willing to budge to reach an agreement. This essay proposes that agricultural imports unlike agricultural exports affect food consumption for developed nations such as the US and EU. Once economics begins to intersect with the anthropological notion of *terroir*, it can no longer be solved through mathematics and logic, as it is forced to compete with more emotional and nationalistic sentiments about the origins of a country's food. These findings suggest that the WTO may have reached an impasse for its negotiations on agriculture.

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List of Abbreviations

CAP	[European Union] Common Agricultural Policy	
EC	European Community / European Communities	(1951-1993)
EU	European Union	(1993-present)
FAIR	[United States] Federal Agricultural and Improvement Reform Act	
FAS	[United States] Foreign Agricultural Service	
GATT	General Agreement on Tariffs and Trade	
IBRD	International Bank for Reconstruction and Development	
IMF	International Monetary Fund	
ITO	International Trade Organization	
NAFTA	North American Free Trade Agreement	
OECD	Organisation for Economic Co-operation and Development	
SAPS	[European Union] Single Area Payment Scheme	
SPS	[European Union] Single Payment Scheme	
UN	United Nations	
US	United States of America	
USDA	United States Department of Agriculture	
WTO	World Trade Organization	

Introduction

Agricultural subsidies are a set of policies and financial supports found in all but one country in the developed world (New Zealand).¹ They provide food security, maintain a country's *terroir*, and also cause trade disputes. They are the subject of strong support and criticism in every country in which they are found. The following pages will show the effect that agricultural subsidies have on creating trade conflict by comparing their implementation in the United States (US) and the European Union (EU) (via the Common Agricultural Policy (CAP)). By examining the World Trade Organization's (WTO) regulations regarding agricultural subsidies, and its dispute settlement mechanisms it becomes clear that agriculture and agricultural subsidies have been the focus of these disputes since the WTO's creation.

It is my hypothesis that the US and the EU have both desired the same objectives: financial security for farmers, food security for their citizens, political support from rural communities, and good standing with the WTO leading to increased trade opportunities. These two powerful entities have worked to achieve all of these objectives, and in the process, have become global trade competitors, while remaining loyal transatlantic allies – thus the title, a term coined in 1953 “frenemies.”²

This essay will focus on the US and EU from 1986 to present (covering the Uruguay and Doha Rounds, and the formation of the WTO), and will be focused on the national / federal level in the US and the supranational level in the EU. Although the US has supports which resemble subsidies at the state level, and the EU has similar supports at the national level, the majority of funds come from the national and supranational levels respectively. It is also more conducive to a clear comparison to compare these levels, as opposed to breaking down how much funding comes from Luxembourg or North Dakota.

¹ Laura Sayre, “Farming without Subsidies? Some Lessons from New Zealand,” *The Rodale Institute*, 20 March 2003, <http://newfarm.rodaleinstitute.org/features/0303/newzealand_subsidies.shtml> Accessed: 4 Feb 2012.

² Walter Winchell, “Howz about calling the Russians our Frenemies?” *Nevada State Journal*, 19 May 1953.

Methodology & Case Selection

This essay is designed to be a practical exercise in understanding how agricultural subsidies operate in the empirical world. The use of academic theories will support empirical comparisons and findings, but will not be the focus of this essay. The research process began with the fundamentals of the WTO, GATT, and similar structures in order to understand their roles in international trade. Next was a search for two appropriate and comparable case studies. The selection of cases for this project was fairly straightforward – two major trade actors, who are part of the WTO, who both have agricultural subsidies. Given the author's familiarity with the US and its hegemonic trade status, the US was an obvious choice. Given that China³ only began using agricultural subsidies within the last decade, and that Russia has only joined the WTO as of December 2011, neither would be a strong choice for comparison.^{4 5 6} Although maybe not as obvious as the US, it was apparent that all 27 EU countries are members of the WTO (new members have signed on alongside their accession to the EU), and the unified Common Agricultural Policy makes it easy to study the EU as one aggregate, rather than 27 separate countries. As the research will show, this was a fortuitous pairing.

Once the cases were chosen, the subsidies were compared, the dispute resolution statistics were compared, and conclusions were drawn. Data used and created during this

³ Wang, Zhi, "China and Taiwan access to the World Trade Organization: implications for U.S. agriculture and trade," *Agricultural Economics*, 17 (1997): pp. 239-264, <https://www.gtap.agecon.purdue.edu/resources/download/3482.pdf> Accessed 4 Feb 2012.

⁴ Fred Gale, Bryan Lohmar, and Francis Tuan, "China's New Farm Subsidies," *Electronic Outlook Report from the Economic Research Service*, United States Department of Agriculture, February 2005, <http://libweb.uoregon.edu/ec/e-asia/reada/newfarm.pdf> > Accessed: 11 February 2012.

⁵ Yuneng Du, Bo Sun, and Bing Fang, "The Review and Reflection of Chinese New Agricultural Subsidy System," *Journal of Politics and Law*, Vol. 4, No. 1: March 2011, <http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=11&ved=0CEEQFjAAOAO&url=http%3A%2F%2Fccsenet.org%2Fjournal%2Findex.php%2Fjpl%2Farticle%2Fdownload%2F9598%2F7092&ei=iLw3T-u6C83otQbq5SkDA&usq=AFQjCNEUfi18612NAT0IHfsK2IC3SVB8Q> > Accessed: 11 February 2012.

⁶ "Russia becomes WTO member after 18 years of talks," *BBC News*, 16 Dec. 2011, <http://www.bbc.co.uk/news/business-16212643> > Accessed: 4 March 2012.

process has been included in the text where relevant, as well as in an appendix for further consultation. All of the charts and graphs used in this essay are the author's own.

Chapter 1: Introduction to Terms & Literature Review

The WTO is a highly-complex organization, whose history is still in the making. The world of agricultural subsidies has also been rapidly changing. Before comparing subsidies in the US and EU, or examining their effects on trade conflicts, it is necessary to understand the nature of how the WTO works, what agricultural subsidies are, how they interact, and the existing literature on the topic.

1.1 The General Agreement on Tariffs and Trade (GATT)

At the end of the Second World War, the international community came together to form international institutions which would aid in preventing future global conflict. Many of the world's most powerful institutions emerged during this period, including the United Nations (UN), the International Bank for Reconstruction and Development (IBRD), the General Agreements on Tariffs and Trade (GATT), and the International Monetary Fund (IMF).

The United Nations Monetary and Financial Conference (Bretton Woods) (July 1944) established a need for a worldwide trade organization, which could bridge the newly-created World Bank and International Monetary Fund. In 1947, at the United Nations Conference on Trade and Employment in Havana, Cuba, over 50 countries attempted to create the International Trade Organization (ITO), whose responsibilities included the regulation of international trade, creation of international labor standards, regulation of international investment, and many related areas. At the same time, a subgroup of approximately 23 countries was at work to reduce tariffs and promote trade liberalization. The ITO negotiations were unsuccessful, but the tariff negotiations continued. The first round of tariff negotiations resulted in an agreement affecting 1/5 of the world's trade. This agreement was signed 30

October 1947 and came into effect 30 June 1948 via a “Protocol of Provisional Application,” and it is at this moment that the GATT began, remaining provisional throughout its existence from 1948 to 1995.⁷ In 1995, the Uruguay round of the GATT led to the creation of the World Trade Organization (WTO). From their creation, the GATT and WTO have gone through eight rounds (Annecy, Torquay, Geneva, Dillon, Kennedy, Tokyo, Uruguay, Doha), each round lasting longer than the round before it.⁸ Although industrial trade matters have been discussed throughout all of the rounds, agricultural negotiations only began during the Uruguay Round.⁹ The current round, Doha, has been in progress since November 2001, with no clear end in sight. The Doha Development Round is currently stalled by negotiations on agricultural import tariffs.¹⁰

1.2 The World Trade Organization (WTO)

The WTO was created in 1995 at the conclusion of the Uruguay Round of negotiations (1986-1994). Currently, “the World Trade Organization is the only global international organization dealing with the rules of trade between nations.”¹¹ Headquartered in Geneva, Switzerland, it has an annual operating budget of 196 million Swiss francs (approximately \$205 million, or €163 million). The WTO does not support a singular trade philosophy but utilizes both open markets and limited trade barriers on a case by case basis.¹²

⁷ “The GATT Years: From Havana to Marrakesh,” *World Trade Organization web site* [wto.org], <http://www.wto.org/english/thewto_e/whatis_e/tif_e/fact4_e.htm> Accessed: 11 February 2012.

⁸ “Timeline: World Trade Organization,” *BBC News*, Last Updated: 15 February 2012, <http://news.bbc.co.uk/2/hi/europe/country_profiles/2430089.stm> Accessed: 2 April 2012.

⁹ Tim Josling & Charlotte Hebebrand, “Doha and Beyond: Continuing the Reform of the International Trade System for Food and Agricultural Products,” *International Food & Agricultural Trade Policy Council*, June 2011.

¹⁰ Namrata Acharya, “Consensus on Import Duty Key to Doha Round Success,” *Business Standard*, 19 February 2011, <<http://business-standard.com/india/news/consensusimport-duty-key-to-doha-round-success/425766/>> Accessed: 30 May 2012.

¹¹ “What is the WTO,” *World Trade Organization web site* [wto.org], <http://www.wto.org/english/thewto_e/whatis_e/whatis_e.htm> Accessed: 10 February 2012.

¹² “Who we are,” *World Trade Organization web site* [wto.org], <http://www.wto.org/english/thewto_e/whatis_e/who_we_are_e.htm> Accessed: 10 February 2012.

It operates as a medium for countries to negotiate tariffs and trade disputes, with a highly-effective trade dispute resolution procedure.¹³ One of its many duties is to set out guidelines for subsidies and, more specifically, agricultural subsidies.

The Uruguay Round of the GATT created the first multi-lateral “Agreement on Agriculture.” It was intended as “a first step [toward] order, fair competition, and a less distorted sector.” The implementation of these agreements took place from 1995 through 2000 for developed countries and 1995 through 2004 for developing countries. Through the Agreement on Agriculture, the WTO addressed market access, domestic support, and export subsidies.¹⁴

1.3 WTO “Boxes”

The WTO divides subsidies into different categories to designate their desirability. In a general sense, there are three designations, corresponding to a traffic light: red for forbidden, amber for those to be reduced, and green for permitted. In the case of agricultural subsidies, however, the system is slightly altered. There are no “red box” subsidies, and the only agricultural subsidies which are prohibited are those which exceed the quantitative commitments set down for the “amber box” agricultural subsidies. However, the designation of “blue box” is added for agricultural subsidy programs which limit production, also called “amber with conditions,” these are expressly prohibited. Additionally, there are some exceptions for developing countries, which are colloquially referred to as the “S&D box.”¹⁵

¹³ “Dispute Settlement,” *World Trade Organization web site* [wto.org], http://www.wto.org/english/tratop_e/dispu_e/dispu_e.htm Accessed: 4 March 2012.

¹⁴ “Agriculture: Fairer Markets for Farmers,” *Understanding the WTO*, 2012, http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm3_e.htm Accessed: 2 April 2012.

¹⁵ “Agriculture Negotiations: Background Fact Sheet,” *World Trade Organization web site* [wto.org], http://www.wto.org/english/tratop_e/agric_e/agboxes_e.htm Accessed: 13 February 2012.

Blue box subsidies are the most controversial of the categories, because they are in violation of WTO agreements, and are often the subject of trade disputes. The current Doha Round is stalled in part due to talks on the definition of a blue box subsidy. Several analyses, anticipate that the current negotiation trajectory will limit the definition of blue box subsidies and expand opportunities for trade-distorting agricultural subsidies.¹⁶ Because the blue box designation is very technical, similar subsidies can be considered to fall into the blue box, green box, or amber box. For example, while the current blue box currently includes subsidies that have a ‘production-limiting’ function, the US promotes the inclusion of subsidies ‘that do not require production.’¹⁷ Thus, the US does not currently report any blue box subsidies, whereas, the EU has the largest number of blue box subsidies – when, in reality, their subsidy regimes are very similar in implementation (as will be shown below).¹⁸

1.4 The WTO and GATT Effects on Agricultural Subsidies

While many people consider agricultural subsidies a domestic policy, agriculture (namely export subsidies and import tariffs) has come to the forefront of trade negotiations during the Uruguay Round. While income support to farmers, rural development, and environmental and research funds are in fact domestic programs, subsidies that support export programs, import tariffs, or that prevent the importation of foreign agricultural products have the potential to distort trade, and therefore fall under the jurisdiction of the WTO. The disputes begin when a country does not follow the terms of its WTO agreements, and are often brought to the attention of the WTO’s Dispute Resolution Body when it begins

¹⁶ Gawain Kripke, “A Little Blue Lie: harmful subsidies need to be reduced, not redefined,” *Oxfam International*, 21 July 2005, < http://www.oxfam.org/sites/www.oxfam.org/files/blue_0.pdf > Accessed: 24 May 2012.

¹⁷ Oxfam International.

¹⁸ Alan Swinbank and Richard Tranter, “Decoupling EU Farm Support: Does the new single payment scheme fit within the green box?” *The Estey Centre Journal of International Law and Trade Policy*, Volume 6, Number 1, 2005, p. 47-61.

to negatively affect another country. Because both the US and the EU spend millions of dollars / Euros each year on agricultural export promotion subsidies, and make similar amounts on import tariffs, the analysis below will prove that many of the trade disputes brought to the WTO are related to subsidized agricultural products. This analysis will utilize the work of Kym Anderson and Will Martin (of the World Bank), who have written a number of works together, including “The Relative Importance of Global Agricultural Subsidies and Market Access” (2005), “Agricultural Trade Reform and the Doha Development Agenda” (2005) and “Distortions to World Trade: Impacts on Agricultural Markets and Farm Incomes” (2006). Many of their works utilize a combination of econometrics, historical case studies, and public policy to create cost-benefit analyses of reducing or eliminating agricultural subsidies and / or tariffs.

Despite the general consensus that agricultural subsidies are here to stay, there are a few outliers who think otherwise, the Cato Institute being the most outspoken. Chris Edwards¹⁹ and Sallie James²⁰ are the authors of the majority of the Cato Institute’s publications on agricultural subsidies. They continue to write handbooks for policymakers, eschewing the values of eliminating agricultural subsidies.²¹ Daniel Sumner is another academic with ties to the Cato Institute, who has discussed the tensions between WTO agreements and US domestic policies in his article “Boxed In: Conflicts between U.S. Farm Policies and WTO Obligations” (2005). Interestingly enough, even though these views are not mainstream in the US, it was the US who first proposed cutting agricultural subsidies altogether at the beginning of the Uruguay Round. The so-called “zero-zero” option

¹⁹ “Chris Edwards,” *Cato Institute*, <<http://www.cato.org/people/chris-edwards>> Accessed: 17 May 2012.

²⁰ “Sallie James,” *Cato Institute*, <<http://www.cato.org/people/sallie-james>> Accessed: 17 May 2012.

²¹ Chris Edwards and Sallie James, “Cato Handbook for Policymakers,” *Cato Institute*, 7th Edition, <<http://www.cato.org/pubs/handbook/hb111/hb111-18.pdf>> Accessed: 4 March 2012.

introduced in 1987 proposed that all agricultural subsidies and quantitative restrictions be phased out over ten years.²²

The subsequent pages will show that although the US and the EU have very similar agricultural subsidy regimes, and appear with similar frequency as parties to WTO dispute resolution, a greater portion of the EU's subsidies are prohibited as compared to the US. That said, the EU is also moving much more quickly to make drastic changes to its CAP allocations. The US has also made significant changes over the past few years, with new farm bills nearly every year. By tracing the timing of changes in various types of agricultural subsidies, it will be clear exactly how the Uruguay and Doha rounds have changed the face of subsidies on both sides of the Atlantic.²³ Throughout this continuous competition, the WTO has created a mechanism for each country to continue to meet its goals, while making some compromises to level the playing field for less-developed trading partners.

Previous GATT rounds had left agriculture out of negotiations because it was considered a special case, and at the time, not a topic which would be easy to come to an agreement on.²⁴ Many scholars in the field refer to this phenomenon as "agricultural exceptionalism." It stems from many lines of thought, but at its most basic ideas is the combination of a nation's sovereignty over its food security, combined with the more anthropological notion of *terroir*, that food receives certain special characteristics from the land it grows on. Grace Skogstad compared agricultural exceptionalism in the US and the EU in her article "Ideas, Paradigms, and Institutions: Agricultural Exceptionalism in the

²² "The Implications of the Uruguay Round Agreement on Agriculture for Developing Countries," *UN FAO*, <<http://www.fao.org/docrep/004/w7814e/W7814E04.htm>> Accessed: 21 May 2012.

²³ Ingco, Merlinda, "Agricultural Trade Liberalization in the Uruguay Round: One Step Forward, One Step Back?" *World Bank Policy Research Working Paper No. 1500*, August 1995, <http://papers.ssrn.com/sol3/papers.cfm?abstract_id=636144> Accessed: 4 Feb 2012.

²⁴ "The Implications of the Uruguay Round Agreement on Agriculture for Developing Countries," *UN FAO*, <<http://www.fao.org/docrep/004/w7814e/W7814E04.htm>> Accessed: 21 May 2012.

European Union and the United States.”²⁵ Wyn Grant²⁶ talks more specifically about the EU in his article “Economic Patriotism in European Agriculture,”²⁷ as do Carsten Daugbjerg²⁸ and Alan Swinbank^{29 30} in their article “Curbing Agricultural Exceptionalism: The EU’s Response to External Challenge,”³¹ in which they propose that agricultural exceptionalism ended in 1994, at the conclusion of the Uruguay Round and beginning of the WTO.³²

According to the United Nation’s Food and Agriculture Organization, because agriculture was left out of these talks (save a few agreements on specific commodities during the Kennedy and Dillon Rounds), agricultural protectionism flourished and global prices eventually reached levels so low as to become uncompetitive.

However, the Uruguay Round (1986-1994) brought agriculture to the forefront of global trade negotiations.

“The desire to reduce continual friction between the USA and the EC over agricultural trade was one of the main reasons . . . to bring agricultural trade into the regulatory framework of the GATT. The USA was enthusiastic about promoting greater [liberalization] in agricultural trade, and was keen to reduce the protection and support enjoyed by producers in the EC under the CAP. The EC was much less amenable to far reaching [liberalization], but was keen to reach a workable compromise, that could be enshrined in the GATT, in order to [minimize] future trade friction between itself and the USA.”³³

The Uruguay Round resulted in the Agreement on Agriculture, which included market access restrictions, domestic support commitments, and export subsidy commitments.

²⁵ Grace Skogstad, “Ideas, Paradigms, and Institutions: Agricultural Exceptionalism in the European Union and the United States,” *Governance*, Volume 11, Issue 4, 17 December 2002, p. 463-490.

²⁶ “Wyn Grant,” *University of Warwick*, Last Updated 8 February 2012, <<http://www2.warwick.ac.uk/fac/soc/pais/people/grant/>> Accessed: 17 May 2012.

²⁷ Wyn Grant, “Economic Patriotism in European Agriculture,” *Journal of European Public Policy*, Volume 19, Issue 3, 2012, p. 420-434.

²⁸ “Biography: Carsten Daugbjerg,” *Australian National University Human Ecology Forum*, Updated: 11 January 2011, <http://hec-forum.anu.edu.au/archive/presentations_archive/2010/calendardetails28may.php> Accessed: 17 May 2012.

²⁹ *Personal Website of Alan Swinbank*, Last Updated: 2 March 2012, <<http://alanswinbank.website.orange.co.uk/>> Accessed: 17 May 2012.

³⁰ “Alan Swinbank,” *IDEAS*, Economic Research Division of the Federal Reserve Bank of St. Louis, <<http://ideas.repec.org/e/psw33.html>> Accessed: 17 May 2012.

³¹ Carsten Daugbjerg and Alan Swinbank, “Curbing Agricultural Exceptionalism: The EU’s Response to External Challenge,” *The World Economy*, Volume 31, Issue 5, 3 April 2008, p. 631-652.

³² Ibid.

³³ “The Implications of the Uruguay Round Agreement on Agriculture for Developing Countries,” *UN FAO*, <<http://www.fao.org/docrep/004/w7814e/W7814E04.htm>> Accessed: 21 May 2012.

As a result of various agreements, both the US and the EU changed several aspects of their agricultural subsidy programs during the mid 1990s. (In fact, the large amount of negotiations which have taken place between them has led to the impression that the other countries must be out “sampling fondue” in Geneva, rather than taking part in negotiations.)³⁴ For example, the 1992 MacSharry reforms were considered by many to be a result of internal discussions; however, authors Daugbjerg and Swinbank argued that those reforms were a result of Uruguay Round negotiations. The changes made by the MacSharry Reforms helped to decrease the extent to which domestic subsidies could distort international trade, by ensuring a stable income for farmers without encouraging overproduction. A different kind of reform program took place in the US. “The 1996 US farm bill, the Federal Agricultural and Improvement Reform (FAIR) Act, represented a radical change in American farm policy . . . the FAIR Act [moved] US agricultural policy decisively away from a model of state assistance to one of market liberalism . . . productivist, export-oriented goals became uppermost.” (Grace Skogstad)

This paper subtly touches on the idea of *path dependence*, examined by Daugbjerg in his article “Power, Learning, Or Path Dependency?: Investigating the Roots of the European Food Safety Authority” (2004),³⁵ and by Adrian Kay in “Path Dependency and the CAP” (2003).³⁶ This concept states that present and future decisions will be made based on past decisions, and that through this process, actors will become stuck on a certain “path” which has been carved by past decisions, limiting future decisions. In many ways, the reforms encouraged by the WTO have broken the US and EU out of path dependence, although, the

³⁴ Cheryl Schonhardt Bailey, “Literature Review: The Uruguay Round, the European Union, and the Regionalization of Trade,” *Newsletter of the American Political Science Association’s Organized Section in Comparative Politics*, Volume 5, Number 1, Winter 1994, pp. 15-16.

³⁵ Carsten Daugbjerg and Christilla Roederer-Rynning, “Power, Learning, Or Path Dependency?: Investigating the Roots of the European Food Safety Authority,” *Department of Political Science, University of Aarhus*, 2004.

³⁶ Adrian Kay, “Path Dependency and the CAP,” *Journal of European Public Policy*, Volume 10, Issue 3, 2003, pp. 405-420.

argument could be made that the issues that either entity stalls on or refuses to comply with could be explained by path dependence (such as import tariffs).

Because it is hard to draw the line exactly when a subsidy moves from a purely domestic price support, to an input that allows farmers to flood international markets with artificially-low-priced goods, the distinction has become fairly subjective. Several works highlight the exploitative nature of export subsidies and import tariffs and show the ways in which a theoretically-domestic policy affects other international markets. One such article is “La inserción de la agricultura mexicana en el mercado norteamericano: cambios estructurales, mutaciones de la acción pública y recomposición de la economía rural y regional” [Author’s Translation: “The inclusion of Mexican agriculture in the U.S. market: structural changes, mutations of public action and restructuring of rural and regional economy”], written by Éric Léonard, Bruno Losch and Félix G. Mostajo (2009).

The US has escaped the “blue box” label for the most part, whereas, the EU has the largest number of blue box subsidies of any WTO signatory. In reality, however, a side-by-side comparison of agricultural subsidies regimes shows that the differences are more in the legal phrasing than the actual funds that are distributed to farmers and rural communities. Agricultural subsidies have changed drastically over the past few decades, and the changes continue to speed up, with articles published only a year or two ago becoming obsolete due to the speed with which changes are occurring.

In the section describing subsidies in greater detail, these nuances will all be described in greater depth. It is undeniable that the Uruguay Round was a groundbreaking achievement in reducing trade conflicts caused by agriculture and agricultural subsidies. However, the current Doha Round has been at an impasse since 2008 over agricultural import issues, which has caused many to wonder if the WTO can continue to level the playing field or if its work is done. The section on trade conflicts will show that the number of disputes brought to the

WTO over the past few decades has been on a steady decline. This too begs the question of whether the WTO has outlived its usefulness, whether it has been so effective as to cause trade disputes to grind to a halt, or whether the global market has needs too diverse to reconcile in an organization as broad as the WTO. The stagnation of the Doha Round has raised many questions about the future of the WTO, but the important question for this paper is how it will affect trade disputes with the US and the EU. Is it possible that agricultural exceptionalism has returned? And did it ever leave in the first place?

Chapter 2: A Comparison of US and EU Agricultural Subsidies

Both the US and the EU utilize very similar sets of agricultural subsidies, both sets of which emerged as a result of food shortages during World War I and World War II. In the US, “New Deal [1934] programs included commodity price supports, production controls, marketing orders, import barriers, and crop insurance. The particular structures of federal farm programs have changed over time, but the central planning philosophy behind them has changed little in seven decades.”³⁷ Today’s EU countries began using agricultural subsidies a few decades later than the US. “The focus of EU farm policy was on providing enough food for a Europe emerging from a decade of war-induced shortages. This included subsidizing production and supporting prices for farmers by buying up surpluses. But these methods are now a thing of the past.”³⁸ Although neither set of policies was created for the sole purpose of protectionism, many of the various types of subsidies have come to be seen as a threat to the level playing field the WTO works toward.

To preface the detail below, the section begins with an overview of the costs associated with each type of subsidy, as well as a breakdown of what the subsidies cost the average citizen in the US and EU. This serves to orient the reader to the various priorities, similarities, and differences between the two entities.

The chart below shows an itemization of the costs associated with agricultural subsidies in the US and EU. The first column is the type of subsidy, the second column is the cost in 2012 for the US (given in both US Dollars and Euros), the third column is the cost in 2012 for the EU (given again in both currencies), and the fourth column is the total cost divided by population for each entity, given in the corresponding currency. One important

³⁷ Chris Edwards and Sallie James, “Cato Handbook for Policymakers,” *Cato Institute*, 7th Edition, <<http://www.cato.org/pubs/handbook/hb111/hb111-18.pdf>> Accessed: 4 March 2012.

³⁸ “Activities of the European Union - Agriculture,” Europa.eu, <http://europa.eu/pol/agr/index_en.htm> Accessed: 4 March 2012.

category not mentioned in this chart is “import tariffs.” This is because the tariffs are a profit-creating mechanism, not a cost. Also, it is much more difficult to track exactly how much is earned each year because the tariff “schedule” is extremely complex, and the same item could oftentimes fall into multiple categories.³⁹

³⁹ “Official Harmonized Tariff Schedule of the United States Annotated, Revision 2,” *United States International Trade Commission*, Effective 28 May 2012, <<http://www.usitc.gov/tata/hts/bychapter/index.htm>> Accessed: 29 May 2012.

2.1 Breakdown of Costs Associated with Agricultural Subsidies in the US and EU

Table 1

Category	US (2012) ⁴⁰	EU (2012) ⁴¹	Relative to Population Size
Population	313 302 380 ⁴²	503 824 373 ⁴³	--
Direct Payments / Aids	€8 307 026 991	€43 820 610 000	€86.98 / EU citizen
	\$10 921 000 000	\$57 628 001 123	\$34.86 / US citizen
Agricultural Marketing	€1 131 082 239	Included in direct payments	--
	\$1 487 000 000		\$04.75 / US citizen
Farm Loans	€93 777 314	Included in direct payments	--
	\$118 000 000		\$00.38 / US citizen
Agriculture-related Insurance	€2 996 900 433	Not Specified	--
	\$3 771 000 000		\$12.04 / US citizen
Agriculture Emergency / Disaster Funds	€2 420 726 258	Not Specified	--
	\$3 046 000 000		\$09.72 / US citizen
Agricultural Research & Education	€2 203 766 879	€311 629 000	€00.62 / EU citizen
	\$2 773 000 000	\$392 122 789	\$08.85 / US citizen
Natural Resources, Environment, Conservation	€5 334 975 499	€478 385 463	€00.95 / EU citizen
	\$6 713 000 000 ⁴⁴	\$601 952 457	\$21.43 / US citizen
Animal Welfare	€23 046 967	€333 250 000	€00.66 / EU citizen
	\$29 000 000	\$419 328 495	\$00.09 / US citizen
Agricultural Export Programs	€7 003 099 076	€5 232 618	€00.01 / EU citizen
	\$8 812 000 000	\$6 879 987	\$28.13 / US citizen
Subtotal (w/out rural development)	€29 514 401 660	€44 944 407 080	€89.21 / EU citizen
	\$37 661 000 000	\$59 048 284 850	\$120.21 / US citizen
Rural Development	€28 119 382 515	€15 029 448 019	€29.83 / EU citizen
	\$36 826 000 000 ⁴⁵	\$19 758 655 099	\$117.54 / US citizen
TOTAL (w/ rural development)	€57 633 784 180	€59 973 855 100	€119.04 / EU citizen
	\$74 487 000 000	\$78 806 939 950	\$237.75 / US citizen

⁴⁰ "USDA FY 2012 Budget Summary and Annual Performance Plan," *U.S. Department of Agriculture*, <<http://www.obpa.usda.gov/budsum/FY12budsum.pdf>> Accessed: 4 April 2012.

⁴¹ "Draft General Budget for the European Union for the financial year 2012," *European Union*, <<http://eur-lex.europa.eu/budget/data/DB2012/EN/SEC03.pdf>> Accessed: 3 April 2012.

⁴² "U.S. Population Clock," *United States Census Bureau*, <<http://www.census.gov/population/www/popclockus.html>> Accessed: 4 April 2012.

⁴³ "European Union," *CIA World Factbook*, 2012, <<https://www.cia.gov/library/publications/the-world-factbook/geos/ee.html>> Accessed: 4 April 2012.

⁴⁴ Only includes USDA budget.

⁴⁵ Only includes USDA budget.

What this chart shows is that although the breakdown varies, the total cost before rural development programs, is approximately equal:

Table 2: Total Cost of Agricultural Subsidies per Citizen (without rural development)

Total Cost Per US Citizen (without rural development)	Total Cost Per EU Citizen (without rural development)
\$120.21	\$112.25
€95.53	€89.21

However, once rural development is added (only rural development funds associated with agriculture), the US spends significantly more overall per person.

Table 3: Total Cost of Agricultural Subsidies per Citizen (with rural development)

Total Cost Per US Citizen (with rural development)	Total Cost Per EU Citizen (with rural development)
\$237.75	\$149.79
€188.95	€119.04

These findings are relevant to the larger discussion of this essay in the sense that agricultural subsidies directly related to production are nearly equal on a cost per citizen basis in the US and EU.

2.2 Categories of Subsidies and their current use in the US and EU

In comparing the types of subsidies used in the US and EU, ten distinct categories emerge (although each of the ten categories is not utilized to the same extent by both parties). The first set of these include various types of domestic price supports: direct payments, guaranteed minimum prices (also called marketing loans), countercyclical payments, and various “safety nets” including yield and revenue insurance and disaster aid. There are two categories of subsidies that directly affect international trade: import tariffs and export subsidies. And to further various social and policy-oriented goals, there are also subsidies for agricultural research, conservation / environmental subsidies, animal welfare subsidies and rural development subsidies.

Domestic price supports have several components, which the WTO’s Agriculture Agreement divides into two main categories; those which directly stimulate production and

those which have no direct effect.⁴⁶ In an effort to avoid over-production, and therefore minimize the interference between agricultural subsidies and trade, the WTO has attempted to restrict and limit those domestic price supports which directly stimulate production.⁴⁷ This category of agricultural subsidies now (post-1995) falls under the Amber Box, those which need to be reduced but not totally eliminated. Those measures which do not directly stimulate production, and therefore do not affect trade, fall into the Green Box and can be used freely. “They include government services such as research, disease control, infrastructure and food security. They also include payments made directly to farmers that do not stimulate production, such as certain forms of direct income support, assistance to help farmers restructure agriculture, and direct payments under environmental and regional assistance [programs].”⁴⁸

Direct payments include money given directly to farmers based on the amount of land, past production of a specific target crop (oftentimes grains, oilseed, or cotton), or for not producing a crop (leaving the land empty), the amounts of these payments are independent of market prices for the crop.⁴⁹ The US has utilized direct payments since 1996.⁵⁰ Although subsidies in the past used to be based on non-production, the majority of direct payments for non-production have disappeared and most direct payments are now

⁴⁶ “Agriculture: Fairer Markets for Farmers,” *Understanding the WTO*, 2012, <http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm3_e.htm> Accessed: 2 April 2012.

⁴⁷ “WTO members calculated how much support of this kind they were providing per year for the agricultural sector (using calculations known as “total aggregate measurement of support” or “Total AMS”) in the base years of 1986-88. Developed countries agreed to reduce these figures by 20% over six years starting in 1995. Developing countries agreed to make 13% cuts over 10 years. Least-developed countries do not need to make any cuts.” (“Agriculture: Fairer Markets for Farmers,” *Understanding the WTO*, 2012, <http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm3_e.htm> Accessed: 2 April 2012.)

⁴⁸ “Agriculture: Fairer Markets for Farmers,” *Understanding the WTO*, 2012, <http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm3_e.htm> Accessed: 2 April 2012.

⁴⁹ Sumner, Daniel A., “Agricultural Subsidy Programs,” *The Concise Encyclopedia of Economics*, David R. Henderson, ed. Liberty Fund, Inc., 2008.

⁵⁰ “Cato Handbook for Policymakers,” *Cato Institute*, 7th Edition, pp. 195-196, <<http://www.cato.org/pubs/handbook/hb111/hb111-18.pdf>> Accessed: 4 March 2012.

distributed on the basis of the production of certain specific crops.⁵¹ By contrast, EU direct support is often in proportion to land ownership, and utilizes a set of requirements referred to as cross-compliance.^{52 53} “Cross-compliance is a mechanism that links direct payments to compliance by farmers with basic standards concerning the environment, food safety, animal and plant health and animal welfare, as well as the requirement of maintaining land in good agricultural and environmental condition.” Cross compliance became mandatory for all EU farmers receiving direct payments in 2005.⁵⁴

The 1992 MacSharry reforms (named after European Commissioner for Agriculture, Ray MacSharry) were created with the objective of limiting rising production by switching from a product support system based on production to a producer support system based on income support for farmers.⁵⁵ To compensate for the decrease in price supports (35% for cereals and 15% for beef), direct payments were introduced. These direct payments have almost completely de-coupled payments from the amount of goods produced. More often, they are linked to the amount of land owned or other factors.

In 2012, the EU is projected to spend €43.821 billion (approximately \$57.628 billion) in direct aids, approximately €1 billion more than last year, and comprising 69% of all agricultural funding.⁵⁶ Of this amount, €30.625 billion (approximately \$40.215 billion) is for the Single Payment Scheme (SPS) (decreased slightly from 2011), and €5.974 billion (approximately \$7.846 billion) is for the Single Area Payment Scheme (SAPS) (increased

⁵¹ Sumner, Daniel A., “Agricultural Subsidy Programs,” *The Concise Encyclopedia of Economics*, David R. Henderson, ed. Liberty Fund, Inc., 2008.

⁵² “Activities of the European Union - Agriculture,” *Europa.eu*, <http://europa.eu/pol/agr/index_en.htm> Accessed: 4 March 2012.

⁵³ “Cross Compliance,” *Ireland Department of Agriculture, Food and the Marine*, <<http://www.agriculture.gov.ie/farmerschemespayments/crosscompliance/>> Accessed: 4 March 2012.

⁵⁴ “Cross Compliance,” *European Commission*, Last Updated: 7 March 2012, <http://ec.europa.eu/agriculture/envir/cross-compliance/index_en.htm> Accessed: 29 May 2012.

⁵⁵ “The 1992 Reform (“MacSharry Reform”),” *European Commission Agriculture and Rural Development*, Last Updated: 17 April 2012, <http://ec.europa.eu/agriculture/cap-history/1992-reform/index_en.htm> Accessed: 21 May 2012.

⁵⁶ “Draft General Budget for the European Union for the financial year 2012,” *European Union*, <<http://eur-lex.europa.eu/budget/data/DB2012/EN/SEC03.pdf>> Accessed: 3 April 2012. (pp. 219)

slightly from 2011).⁵⁷ The remaining funds are distributed among specific agricultural products, including sugar, fruits and vegetables, durum wheat, seeds, "suckler" cows, beef, sheep and goats, starch potatoes, rice, olive groves, tobacco, hops, nuts, silkworms, sugar beet and cane sugar, and cotton.⁵⁸

Guaranteed minimum prices (also called marketing loans or marketing loan benefits) are tied to current production of specific crops and are "inversely proportional to current market prices."⁵⁹ Economists argue that without these guaranteed minimum prices, the production of the crops in question would decline.⁶⁰ For this reason, in both the US and the EU, guaranteed minimum prices are given for certain main commodities.

Guaranteed minimum prices have been around in the US since the "New Deal" Era (1934).⁶¹ More recent farm reforms in the US have attempted to reduce guaranteed minimum prices in favor of increasing direct payments to farmers. In one example, cotton growers would have lower guaranteed minimum prices, but in return, their annual direct payments would be increased by 66%.⁶² This category of subsidies is very difficult to classify as trade-distorting or non-trade-distorting because the price level can greatly affect whether or not the crop will be attractive to overproduce.

Countercyclical payments are payments inversely related to the market prices for certain goods, however, they are not tied to the production of any single crop.⁶³ They are considered safety nets in the EU, but were a regular phenomenon in the US up until 2011,

⁵⁷ "Draft General Budget for the European Union for the financial year 2012," *European Union*, <<http://eur-lex.europa.eu/budget/data/DB2012/EN/SEC03.pdf>> Accessed: 3 April 2012. (pp. 252)

⁵⁸ "Draft General Budget for the European Union for the financial year 2012," p. 252-253.

⁵⁹ Sumner, Daniel A., "Agricultural Subsidy Programs," *The Concise Encyclopedia of Economics*, David R. Henderson, ed. Liberty Fund, Inc., 2008.

⁶⁰ Ibid.

⁶¹ "Cato Handbook for Policymakers," *Cato Institute*, 7th Edition, pp. 195-196, <<http://www.cato.org/pubs/handbook/hb111/hb111-18.pdf>> Accessed: 4 March 2012.

⁶² Dan Morgan and Gilbert M. Gaul, "USDA Outlines a Plan to Cut Farm Subsidies," *The Washington Post*, 1 February 2007 <<http://www.washingtonpost.com/wp-dyn/content/article/2007/01/31/AR2007013100671.html>> Accessed: 3 April 2012.

⁶³ Sumner, Daniel A., "Agricultural Subsidy Programs," *The Concise Encyclopedia of Economics*, David R. Henderson, ed. Liberty Fund, Inc., 2008.

when agricultural policy reforms eliminated their use altogether. They are only used in the EU when “major market imbalances . . . could endanger whole sectors of the rural economy.”^{64 65}

Both the US and the EU consider yield and revenue insurance and disaster aid to be safety nets. The US has a separate agency, the Risk Management Agency, which operates the USDA’s various farm insurance programs.⁶⁶ These programs “protect against adverse weather, pests, and low market prices.”^{67 68} Just to emphasize, this insurance is in addition to the existing counter-cyclical payments. In the US, the 2008 Farm Bill created permanent disaster relief programs, replacing decades of expensive and ad-hoc emergency relief bills. In the EU, financial safety nets have been in place for a longer period of time, but the EU has begun using them more selectively, for example “they can be used to provide relief from one-off emergencies like natural disasters, outbreaks of animal disease.”⁶⁹ These types of subsidies are generally considered to be non-trade-distorting.

The two categories of agricultural subsidies most troubling to the WTO include export subsidies and import tariffs. Although both the US and the EU utilize both of these tools, the US does not consider import tariffs to be a part of its agricultural subsidy regime. However, both countries currently (2012) explicitly utilize export subsidies. In the US, the USDA is

⁶⁴ “Cato Handbook for Policymakers,” *Cato Institute*, 7th Edition, pp. 195-196, <<http://www.cato.org/pubs/handbook/hb111/hb111-18.pdf>> Accessed: 4 March 2012.

⁶⁵ “Activities of the European Union - Agriculture,” *Europa.eu*, <http://europa.eu/pol/agr/index_en.htm> Accessed: 4 March 2012.

⁶⁶ Many critics of agricultural subsidies in the US point to the insurance programs as one of the worst abuses of taxpayer money, because the combination of limited options coupled with generous government subsidies (the government generally pays 2/3 of the insurance premium) allows these companies to make tremendous profits. For example, in 2005, these private insurance companies made \$927 million in profit. (Dan Morgan and Gilbert M. Gaul, “USDA Outlines a Plan to Cut Farm Subsidies,” *The Washington Post*, 1 February 2007 <<http://www.washingtonpost.com/wp-dyn/content/article/2007/01/31/AR2007013100671.html>> Accessed: 3 April 2012.)

⁶⁷ “Cato Handbook for Policymakers,” *Cato Institute*, 7th Edition, pp. 195-196, <<http://www.cato.org/pubs/handbook/hb111/hb111-18.pdf>> Accessed: 4 March 2012.

⁶⁸ Dan Morgan and Gilbert M. Gaul, “USDA Outlines a Plan to Cut Farm Subsidies,” *The Washington Post*, 1 February 2007 <<http://www.washingtonpost.com/wp-dyn/content/article/2007/01/31/AR2007013100671.html>> Accessed: 3 April 2012.

⁶⁹ “Activities of the European Union - Agriculture,” *Europa.eu*, <http://europa.eu/pol/agr/index_en.htm> Accessed: 4 March 2012.

responsible for several programs which assist farmers and food companies with their foreign sales, for example the Market Access Program.⁷⁰ The EU is in the midst of efforts to reduce and ultimately eliminate export subsidies by 2013. The EU claims that it has “reformed its support systems so that farm export subsidies are now less likely to distort world markets. And in the Doha Round of international trade talks, the EU has proposed eliminating export subsidies altogether by 2013, as well as significantly reducing import duties on farm produce.”⁷¹

After the Uruguay Round, the new rule for market access in agricultural products became “tariffs only.” Via the newly-coined ‘tariffication’ that took place in 1995, quotas and similar measures were to be converted to tariffs.⁷² This new policy direction also dictated that export subsidies would be reduced (and in the future, ultimately done away with). Developed countries were committed to reduce tariffs by an average of 36%, in equal steps, over six years. Developing countries committed to cut tariff rates by 24% over ten years. However, the “least developed countries” were exempt from the new measures.⁷³ These same proportions were also applied to the reduction of export subsidies. These changes were made in an effort to prevent developed countries from flooding developing markets with artificially-low-priced agricultural goods, and also to give developing countries an equitable opportunity for exporting their goods to the developed world, thereby leveling the playing field.

⁷⁰ “Cato Handbook for Policymakers,” *Cato Institute*, 7th Edition, pp. 195-196, <<http://www.cato.org/pubs/handbook/hb111/hb111-18.pdf>> Accessed: 4 March 2012.

⁷¹ “Activities of the European Union - Agriculture,” *Europa.eu*, <http://europa.eu/pol/agr/index_en.htm> Accessed: 4 March 2012.

⁷² “Agriculture: Fairer Markets for Farmers,” *Understanding the WTO*, 2012, <http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm3_e.htm> Accessed: 2 April 2012.

⁷³ “Agriculture: Fairer Markets for Farmers,” *Understanding the WTO*, 2012, <http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm3_e.htm> Accessed: 2 April 2012.

Both the US and the EU spend large amounts of money on agricultural research. The USDA conducts extensive research on behalf of the agricultural industry.⁷⁴ It provides subsidies for research and education to all 50 states, and carries out research in 108 different locations.⁷⁵ The EU has continued to promote innovation in both farming and food processing through research – specifically targeting increased productivity and greater environmental awareness.⁷⁶ According to the draft budget for 2012, the EU plans to spend €311.6 million (approximately \$412.5 million), increased from €267.9 million (approximately \$354.6 million) in 2011.⁷⁷ It is also interesting to note that each year, the EU allocates far more to agricultural research than it actually spends (see below):

Table 1: General summary of appropriations (2012 and 2011) and outturn (2010) (€)⁷⁸

Heading	Appropriations 2012		Appropriations 2011		Outturn 2010	
	Commitments	Payments	Commitments	Payments	Commitments	Payments
COOPERATION — FOOD, AGRICULTURE AND FISHERIES, AND BIOTECHNOLOGY	311 629 000	200 000 000	267 892 000	181 125 393	219 170 024	157 931 133

Several subsidy programs are directly tied to more social, political, or values-based initiatives, such as environmental and animal welfare. US spending on environmental programs has decreased drastically in the last year. In both 2010 and 2011, the USDA spent \$71 million on natural resources and the environment, and in 2012, it spent \$5 million.⁷⁹ In the EU, however, environmental regulations are oftentimes a precondition to receiving subsidies, rather than an addition to it (cross compliance). In terms of animal welfare spending, however, the EU far outspends the US and has much stricter standards for animal

⁷⁴ “Cato Handbook for Policymakers,” *Cato Institute*, 7th Edition, <<http://www.cato.org/pubs/handbook/hb111/hb111-18.pdf>> Accessed: 4 March 2012.

⁷⁵ Ibid.

⁷⁶ “Activities of the European Union - Agriculture,” Europa.eu, <http://europa.eu/pol/agr/index_en.htm> Accessed: 4 March 2012.

⁷⁷ “Draft General Budget for the European Union for the financial year 2012,” *European Union*, <<http://eur-lex.europa.eu/budget/data/DB2012/EN/SEC03.pdf>> Accessed: 3 April 2012. (pp. 363)

⁷⁸ Ibid.

⁷⁹ “USDA FY 2012 Budget Summary and Annual Performance Plan,” *U.S. Department of Agriculture*, <<http://www.obpa.usda.gov/budsum/FY12budsum.pdf>> Accessed: 4 April 2012. (pp. 5)

welfare, even though its animal welfare requirements are also a precondition for receiving direct payments.

The final category of agricultural subsidies is rural development. Different scholars consider rural development either a part of agricultural subsidies or separate from them. For the purposes of this paper, I will offer tallies both ways, since rural development spending is a huge portion of spending if it is included. Rural development out of the USDA budget only (not including other government agencies) accounts for \$36.826 billion (approximately €28.119 billion).⁸⁰ Meanwhile, the EU has budgeted €15.029 billion (approximately \$19.759 billion) for rural development.⁸¹ These are both huge amounts of money, which ultimately tip the scale such that the US spends more per citizen on agricultural subsidies when rural development is included (as referenced at the beginning of this section). However, rural development is not directly tied to production, and thus, is not a trade-distorting category of subsidy.

⁸⁰ “USDA FY 2012 Budget Summary and Annual Performance Plan,” *U.S. Department of Agriculture*, <<http://www.obpa.usda.gov/budsum/FY12budsum.pdf>> Accessed: 4 April 2012.

⁸¹ “Draft General Budget for the European Union for the financial year 2012,” *European Union*, <<http://eur-lex.europa.eu/budget/data/DB2012/EN/SEC03.pdf>> Accessed: 3 April 2012.

Chapter 3: Trade Conflicts

In order for agricultural subsidies to continue receiving the billions of dollars and Euros that they do each year, it is obvious that there is sufficient support from domestic lawmakers, taxpayers and farmers who are willing to fund and receive them. However, that begs the obvious question of why there are WTO negotiations underway to discuss them. Who is unhappy with the current state of agricultural subsidies and why?

In order to address this question, it is important to revisit the objectives of the WTO. The very first sentence of the WTO's mission statement says: "The WTO provides a forum for negotiating agreements aimed at reducing obstacles to international trade and ensuring a level playing field for all, thus contributing to economic growth and development."⁸² This mission statement very clearly shows that the WTO advocates for the interests of developing nations, as they relate to trade. Given that the US and the EU are both developed entities, the WTO's role is to ensure that developing countries which trade with them are able to trade on a "level playing field."

How level is the current metaphorical playing field? This is a surprisingly politically-polarizing question, because how an individual, country, or organization answers this question will show fairly clearly how they feel about development. The group of individuals and organizations that claims that the playing field is even (or that it should not matter if it is even or not) are often those who see development as an internal rather than external process. They do not believe that the international community has the right or responsibility to tell other states what to do. On the other hand, those who see the playing field as drastically uneven are often those who see developed countries as exploitative of developing countries,

⁸² "About the WTO — a statement by the Director-General," *WTO Web Site*, 2012, <http://www.wto.org/english/thewto_e/whatis_e/wto_dg_stat_e.htm> Accessed: 30 April 2012.

and who see subsidized trade as a continuation of colonial exploitation that made many trading partners poor in the first place.

It is very clear that these are gross over-simplifications of the variety of opinions on the matter, but it is important to see the most extreme opinions on both sides in order to understand the spectrum of more moderate opinions. As with most issues, the real answer tends to lie somewhere in the middle.

The US and the EU both sit at a very precarious position in their WTO negotiations – on the one hand they need to maintain a positive image of their trading practices by describing all of the ways in which current trade patterns with the developing world are mutually beneficial (think NAFTA). However, the fact that they are sitting at the table for WTO negotiations means that they agree that the playing field is not completely even – to the point of affecting development. However, their willingness to rectify the situation (or at least give the appearance) contributes to the creation of a charitable and equitable image for their respective trade policies.

The EU claims that 90% of its CAP spending does not distort trade with developing countries, boasting that 70% of its agricultural imports are from developing countries.⁸³ As a part of its public relations campaign, the EU has emphasized its reduction in export subsidies (to a mere €350 million – more than the GDP of several countries⁸⁴), with intentions to eliminate them fully by 2013.⁸⁵ As a part of this statement, the European Commission's web site discusses the multitude of aid to Africa, strong trade relations with Africa, and the fact that "The value of EU imports of agricultural products from developing countries is 20% higher than the figures for the USA, Canada, Japan, Australia and New Zealand put

⁸³ "EU Budget Myths and Facts," *European Commission Financial Programming and Budget*, 18 April 2012 <http://ec.europa.eu/budget/explained/myths/myths_en.cfm#11of15> Accessed: 30 April 2012.

⁸⁴ "GDP: Official Exchange Rate," *CIA World Factbook*, <<https://www.cia.gov/library/publications/the-world-factbook/fields/2195.html>> Accessed: 30 April 2012.

⁸⁵ "EU Budget Myths and Facts," *European Commission Financial Programming and Budget*.

together.”⁸⁶ This statistic is interesting because although the populations are comparable, geographical proximity is an important factor in international agricultural trade, and Canada, Japan, Australia and New Zealand are not contiguous to a single developing country. The US is the only country on that list that shares a border with a developing country – and even Mexico is a member of the OECD. It is hardly comparable to the level of development of many EU neighbors. Geography alone dictates that the EU would have more agricultural trade interaction with the developing world.

However, the US tries to present a similarly charitable image, through the USDA’s Foreign Agricultural Service: “FAS leads USDA’s efforts to help developing countries improve their agricultural systems and build their trade capacity. These efforts help build market-driven institutions and science-based regulatory frameworks that facilitate trade and create an environment conducive to agricultural growth.”⁸⁷

One important distinction between the EU’s and the US’s critics is that critics of the EU CAP often emphasize its effect on developing nations as a problem of equal weight as the use of taxpayer money, while critics of US agricultural subsidies are more often concerned with taxpayer money⁸⁸ and health.⁸⁹ It is less common to see US citizens protesting agricultural subsidies because of their role in distorting global trade.⁹⁰ This distinction can be helpful in explaining why each government chooses the public relations strategy and talking points that it does.

⁸⁶ Ibid.

⁸⁷ “International Development,” *USDA Foreign Agricultural Service*, 8 March 2012
<<http://www.fas.usda.gov/internationaldevelopment.asp>> Accessed: 30 April 2012.

⁸⁸ “Harvesting Cash: A Yearlong Investigation by the Washington Post,” *The Washington Post*, 2006
<<http://www.washingtonpost.com/wp-srv/nation/interactives/farmaid/>> Accessed: 30 April 2012.

⁸⁹ See the National Institutes of Health: Scott Fields, “The Fat of the Land: Do Agricultural Subsidies Foster Poor Health?” *Environmental Health Perspectives*, October 2004, 112 (14), A820-A823
<<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1247588/>> Accessed: 30 April 2012.

⁹⁰ See the Environmental Working Group’s web site, despite its many points of opposition, it does not once mention the exporting / trade aspects of subsidies. <<http://farm.ewg.org/subsidyprimer.php>> Accessed: 30 April 2012.

However, there do come times in trade negotiations during which even the best public relations campaign cannot solve discrepancies. It is at these moments that WTO members, such as the US and the EU, can bring the dispute to the WTO to be settled.

3.1 WTO Dispute Settlement

One of the WTO's responsibilities is dispute settlement. Whenever a member believes that another member has breached one of the agreements they made in the WTO, they can bring the case to the WTO's Dispute Settlement Body ("the General Council in another guise").⁹¹ Although, ultimate responsibility for finding a solution to the dispute is in the members' hands, the WTO provides an important framework which levels the playing field for developed and developing nations of all sizes. According to the WTO: "Without a means of settling disputes, the rules-based system would be less effective because the rules could not be enforced."⁹² The WTO dispute settlement process is unique from other similar international bodies because its objective is not to punish any actor, but to mediate a conversation between representatives from each state to find a common ground.⁹³ After the transition from the GATT to the WTO, the dispute settlement process has been outlined in a much more straightforward manner and as a result, has been more effective. The Uruguay Round made two important changes to the way the WTO settles disputes. First, it created explicit timelines for dispute settlement, with the mission of being as "equitable, fast, effective, and mutually acceptable" as possible. Second, it made it impossible for a country which lost its case to block the ruling (which had formerly been possible as a result of consensus voting).

⁹¹ "Dispute Settlement," *World Trade Organization*, 2012

<http://www.wto.org/english/tratop_e/dispu_e/dispu_e.htm> Accessed: 30 April 2012.

⁹² "Understanding the WTO: Settling Disputes," *World Trade Organization*, 2012

<http://www.wto.org/english/thewto_e/whatis_e/tif_e/disp1_e.htm> Accessed: 30 April 2012.

⁹³ Ibid.

The current process is as

Table 2: WTO Dispute Resolution Timeline

follows. First, a WTO member
(the “complainant”) that
believes another WTO
member (the “respondent”)
has neglected its commitments

WTO Dispute Resolution Timeline (approximate)⁹⁴	
60 days	Consultations, mediation
45 days	Panel set up and panelists appointed
6 months	Final panel report to parties
3 weeks	Final panel report to WTO members
60 days	Dispute Settlement Body adopts report (if no appeal)
Total = 1 year	(without appeal)
60-90 days	Appeals report
30 days	Dispute Settlement Body adopts appeals report
Total = 1y 3m	(with appeal)

to a WTO agreement presents the case to the Dispute Settlement Body. Other members who have an indirect stake in the dispute can declare their interests and join the discussion as a third party. At any point in the process, the members can choose to settle the dispute on their own, without the aid of the WTO. The mediation and consultation stage generally takes about 60 days. During this first stage, the members are encouraged to settle the dispute on their own if possible. They can ask for mediation help from the WTO Director-General or any other help the WTO might be able to provide. If the members are unable to settle the dispute on their own, the complainant can request that a panel be created. The respondent can reject the creation of a panel once, extending mediation, but once a panel is requested for the second time, the respondent cannot prevent it.

Over the course of approximately 45 days, a panel is formed and panelists are chosen to examine the case. Before the hearing, the members are required to submit their cases in writing. Members present their cases at the hearing as well. At the panel’s second meeting, the members can submit their rebuttals in writing. In some cases, experts can be consulted for technical matters. After a six month period, the panel will report back to the members. This initial report is merely factual, based off of the information provided by each of the members, but does not include any conclusions or decisions. The members have 2 weeks to review the

⁹⁴ Based on a similar chart found on: “Understanding the WTO: Settling Disputes,” *World Trade Organization*, 2012 <http://www.wto.org/english/thewto_e/whatis_e/tif_e/disp1_e.htm> Accessed: 30 April 2012.

report for factual errors. After this first draft report has been confirmed by both the complainant and the respondent, the panel creates an interim report with their findings and conclusion, which the members each have 1 week to review. After this period, the report is made final and distributed to all WTO members. If the report shows that the respondent's trade measure was in breach of a WTO agreement, the panel will suggest solutions for rectifying the situation. This report is taken as the final judgment unless it is appealed (which it frequently is). If the findings of the panel are not appealed, the Dispute Settlement Body adopts the report after 60 days.⁹⁵

The appeals process consists of a hearing by the permanent seven-member Appellate Body, which broadly represents the full membership of the WTO. These Appellate Body members must not be affiliated with any government and must have "recognized standing in the field of law and international trade." The body can accept, reject, or request modifications to the original panel's report. The appeal can take between 60 and 90 days, after which the Dispute Settlement Body can choose to accept or reject the appeals report within a 30-day window. The report can only be rejected by a consensus (unanimous) vote.⁹⁶

But how frequently are these mechanisms used? From January 1995 to April 2012, the WTO has heard 436 dispute cases.⁹⁷ Returning to the topic at hand, how often do disputes arise as a result of trading in agricultural products? Of the 436 cases brought to the WTO since 1995, 151 of them have been directly related to trade in agricultural product; this works out to approximately 35% of all disputes. In terms of the key players in these disputes, the EU and the US figure prominently. The EU (formerly the European Community or "European Communities") and its recently-acceded member states have been respondents in

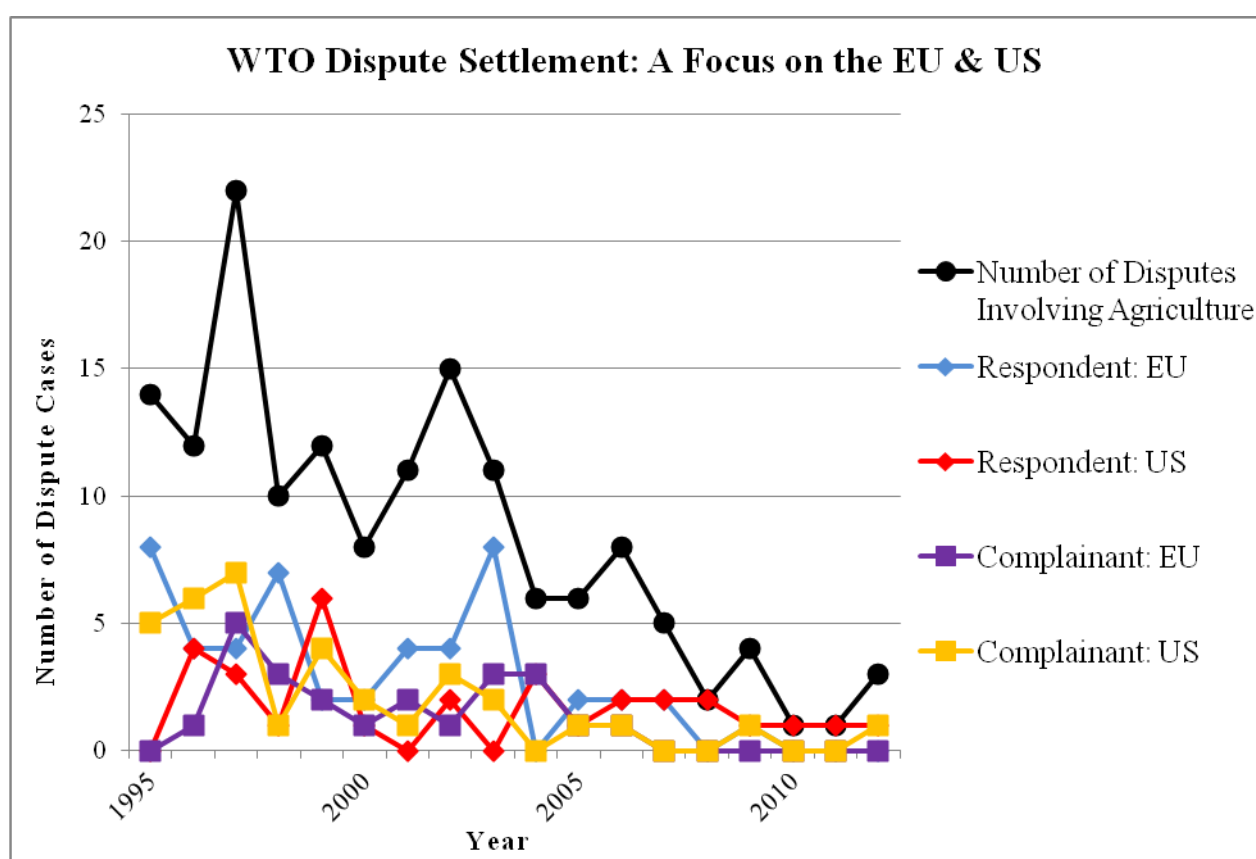
⁹⁵ Ibid.

⁹⁶ Ibid.

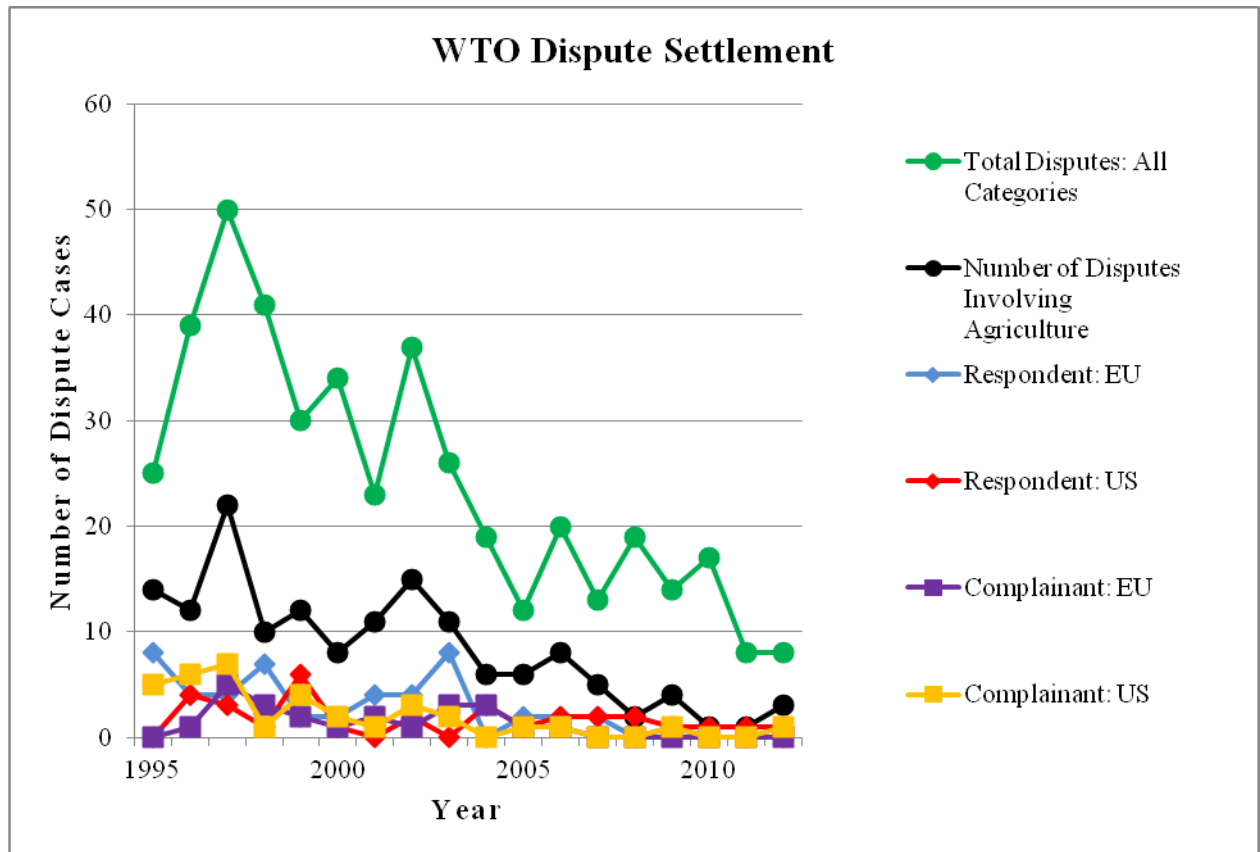
⁹⁷ "Chronological List of Dispute Cases," *World Trade Organization*, 2012
http://www.wto.org/english/tratop_e/dispu_e/dispu_status_e.htm > Accessed: 30 April 2012.

50 and complainants in 23 of these 151 cases. The US has been a respondent in 31 and a complainant in 35 of these 151 cases. In total, the US and the EU have been respondents or complainants in 116 of these 151 cases (many times across the table from each other), representing 77% of all WTO agricultural disputes.

However, the trends over time present a very interesting image of WTO agricultural trade disputes. The total number of agricultural disputes as well as US and EU involvement in them has steadily declined since 1995. The graph below has compiled and analyzed information from the WTO's dispute resolution database to track the trends mentioned above. The top line tracks the total number of disputes involving agriculture (most of which directly related to agricultural subsidies), while the four lower lines each represent the US and EU and complainants and respondents. The same trend can be seen in all five lines.



How do these figures compare to overall trends in WTO disputes? By plotting the same data against more general dispute data, the trend becomes clear. The number of cases brought to the WTO each year is gradually decreasing, overall for all subjects, for agriculture, and for cases in which the US or EU is a party.



Chapter 4: Lessons Learned and Conclusions

What all of this data shows is that since the creation of the WTO two of the largest trade actors in the world have altered many of their domestic and trade policies in order to align with the agreements they signed as WTO members. While it would have been easier to maintain the status quo and continue agricultural subsidy policies as they had been, both of these massive and powerful entities have chosen to reduce agricultural export subsidies and redesign their income support to farmers to minimize trade distortion. The number of trade disputes, both overall and those specific to agriculture, have declined noticeably and steadily since the beginning of the Uruguay Round. This is a significant achievement that has bridged the cultural and economic divides across the Atlantic and beyond.

The comparison between agricultural subsidies in the US and EU has shown the many ways in which, despite the degree of harmonization caused by the WTO, remain starkly different. The two programs prioritize different groups of agricultural products, they determine payments to farmers in different ways, and have different visions of how environmental issues and animal rights fit into the agricultural subsidy regime. All of these differences have remained despite decades of negotiations. It is important to remember that although the two have many similarities, the cultural divide remains. The US and EU operate on entirely different legal systems, different languages, and different value systems. Each entity has worked hard to create its own unique image, and neither has the intention to give that up any time soon.

That said, the current Doha Round, which covers far more than agriculture, is currently stalled on an agricultural issue: import tariffs. However, this should come as no surprise to those familiar with the exceptional nature of agriculture. While altering exports is a very unemotional economic issue, altering imports affects the very diet and culture of the

receiving country. For example, many of the most recent trade disputes brought to the WTO involve the importation and labeling of GMO products in the EU. While GMO produce sits unlabelled beside non-GMO produce in US supermarkets, many EU citizens prefer to have GMO foods labeled as such so that they can make the choice whether or not to buy GMO food. This all returns to the very anthropological concept of *terroir*. Countries want to maintain control over their own food supplies, whether it is a matter of food security (ensuring adequate profitability to allow farmers to continue producing), food safety (avoiding contaminated foods),⁹⁸ nationalism,⁹⁹ culture, or health.

Even a concept that can seem a hard science, economics, can be stopped in its tracks by non-tangible factors that people consider important. Matthias Gruber drew a similar conclusion in his article about the ban on GMO products in the EU, that WTO hard science has often come head-to-head with more emotional, nationalistic (or even protectionist) sentiments.¹⁰⁰ No amount of econometric equations can take into account the taste of Champagne from France or the safety of American beef when trying to resolve a trade dispute.

The issue of agricultural imports just might be the end point for the WTO's work on agriculture. It has accomplished a great deal over the past twenty years, and it has indeed helped to level the playing field for developing countries. It has protected many countries from having their markets flooded with artificially-low-priced agricultural goods, it has ensured that price supports for farmers do not encourage overproduction, and it has tried to

⁹⁸ Pippa Chenevix Trench, Clare Narrod, Devesh Roy, and Marites Tiongco, "Responding to Health Risks Along the Value Chain," *International Food Policy Research Institute*, February 2011, <<http://www.ifpri.org/sites/default/files/publications/2020anhconfpaper05.pdf>> Accessed: 5 April 2012.

⁹⁹ Patricia M. Goff, 'It's got to Be Sheep's Milk or Nothing! Geography, Identity, and Economic Nationalism', in Eric Helleiner and Andreas Pickel (eds.), *Economic Nationalism in a Globalizing World*, Ithaca: Cornell University Press, 2005, pp. 183-201.

¹⁰⁰ Matthias Gruber, "Inside or Outside? The Role of the WTO in the Settlement of the Transatlantic Trade Dispute on GMOs," *Intereconomics*, Volume 39, Number 1, 2004, pp. 36-45 <<http://www.intereconomics.eu/archiv/autor/269/>> Accessed: 29 May 2012.

make developed markets more open to agricultural products from the developing world. However, that last step may have tried to go too far. Perhaps it is time for the WTO to celebrate its many victories, but also to admit its final defeat. It has made great strides in leveling the playing field, but stalled short of opening borders.

The US and the EU have both desired the same objectives: financial security for farmers, food security for their citizens, political support from rural communities, and good standing with the WTO leading to increased trade opportunities. Changing their policies for exporting could happen while achieving all of these objectives. However, altering import procedures by default has the potential to alter a country's food supply, which could potentially be in opposition to the most important one of those goals: food security. After all, in both the US and the EU, it is the citizens who bring leaders into power to represent their interests. Leaders in both governments understand that, and that, this author proposes, is why the WTO has reached the end of its abilities to negotiate agricultural trade.

Appendix: Agriculture-related Trade Dispute Cases Brought to the WTO¹⁰¹

(January 1995 – April 2012)

Case	Respondent	Subject Matter	Complainant	Date
<u>DS3</u>	Korea, Republic of	Measures Concerning the Testing and Inspection of Agricultural Products	United States	4 April 1995
<u>DS5</u>	Korea, Republic of	Measures Concerning the Shelf-Life of Products	United States	3 May 1995
<u>DS7</u>	European Communities	Trade Description of Scallops	Canada	19 May 1995
<u>DS9</u>	European Communities	Duties on Imports of Cereals	Canada	30 June 1995
<u>DS12</u>	European Communities	Trade Description of Scallops	Peru	18 July 1995
<u>DS13</u>	European Communities	Duties on Imports of Grains	United States	19 July 1995
<u>DS14</u>	European Communities	Trade Description of Scallops	Chile	24 July 1995
<u>DS16</u>	European Communities	Regime for the Importation, Sale and Distribution of Bananas	Guatemala; Honduras; Mexico; United States	28 September 1995
<u>DS17</u>	European Communities	Duties on Imports of Rice	Thailand	5 October 1995
<u>DS18</u>	Australia	Measures Affecting Importation of Salmon	Canada	5 October 1995
<u>DS20</u>	Korea, Republic of	Measures concerning Bottled Water	Canada	8 November 1995
<u>DS21</u>	Australia	Measures Affecting the Importation of Salmonids	United States	20 November 1995
<u>DS22</u>	Brazil	Measures Affecting Desiccated Coconut	Philippines	30 November 1995
<u>DS25</u>	European Communities	Implementation of the Uruguay Round Commitments Concerning Rice	Uruguay	14 December 1995
<u>DS26</u>	European Communities	Measures Concerning Meat and Meat Products (Hormones)	United States	26 January 1996
<u>DS27</u>	European Communities	Regime for the Importation, Sale and Distribution of Bananas	Ecuador; Guatemala; Honduras; Mexico; United States	5 February 1996
<u>DS30</u>	Brazil	Countervailing Duties on Imports of Desiccated Coconut and Coconut Milk Powder from Sri Lanka	Sri Lanka	23 February 1996

¹⁰¹ Compiled based off of: “Chronological List of Dispute Cases,” *World Trade Organization*, 2012
http://www.wto.org/english/tratop_e/dispu_e/dispu_status_e.htm Accessed: 30 April 2012.

<u>DS35</u>	Hungary	Export Subsidies in respect of Agricultural Products	Argentina; Australia; Canada; New Zealand; Thailand; United States	27 March 1996
<u>DS36</u>	Pakistan	Patent Protection for Pharmaceutical and Agricultural Chemical Products	United States	30 April 1996
<u>DS39</u>	United States	Tariff Increases on Products from the European Communities	European Communities	18 April 1996
<u>DS41</u>	Korea, Republic of	Measures concerning Inspection of Agricultural Products	United States	24 May 1996
<u>DS48</u>	European Communities	Measures Concerning Meat and Meat Products (Hormones)	Canada	28 July 1996
<u>DS49</u>	United States	Anti-Dumping Investigation Regarding Imports of Fresh or Chilled Tomatoes from Mexico	Mexico	1 July 1996
<u>DS50</u>	India	Patent Protection for Pharmaceutical and Agricultural Chemical Products	United States	2 July 1996
<u>DS58</u>	United States	Import Prohibition of Certain Shrimp and Shrimp Products	India; Malaysia; Pakistan; Thailand	8 October 1996
<u>DS61</u>	United States	Import Prohibition of Certain Shrimp and Shrimp Products	Philippines	25 October 1996
<u>DS66</u>	Japan	Measures Affecting Imports of Pork	European Communities	25 January 1997
<u>DS69</u>	European Communities	Measures Affecting Importation of Certain Poultry Products	Brazil	24 February 1997
<u>DS72</u>	European Communities	Measures Affecting Butter Products	New Zealand	24 March 1997
<u>DS74</u>	Philippines	Measures Affecting Pork and Poultry	United States	1 April 1997
<u>DS76</u>	Japan	Measures Affecting Agricultural Products	United States	7 April 1997
<u>DS79</u>	India	Patent Protection for Pharmaceutical and Agricultural Chemical Products	European Communities	28 April 1997
<u>DS90</u>	India	Quantitative Restrictions on Imports of Agricultural, Textile and Industrial Products	United States	15 July 1997
<u>DS91</u>	India	Quantitative Restrictions on Imports of Agricultural, Textile and Industrial Products	Australia	16 July 1997
<u>DS92</u>	India	Quantitative Restrictions on Imports of Agricultural, Textile and Industrial Products	Canada	16 July 1997
<u>DS93</u>	India	Quantitative Restrictions on Imports of Agricultural, Textile and Industrial Products	New Zealand	16 July 1997
<u>DS94</u>	India	Quantitative Restrictions on Imports of Agricultural, Textile and Industrial Products	Switzerland	17 July 1997
<u>DS96</u>	India	Quantitative Restrictions on Imports of Agricultural, Textile and Industrial Products	European Communities	18 July 1997
<u>DS97</u>	United States	Countervailing Duty Investigation of Imports of Salmon from Chile	Chile	5 August 1997

<u>DS98</u>	Korea, Republic of	Definitive Safeguard Measure on Imports of Certain Dairy Products	European Communities	12 August 1997
<u>DS100</u>	United States	Measures Affecting Imports of Poultry Products	European Communities	18 August 1997
<u>DS101</u>	Mexico	Anti-Dumping Investigation of High-Fructose Corn Syrup (HFCS) from the United States	United States	4 September 1997
<u>DS102</u>	Philippines	Measures Affecting Pork and Poultry	United States	7 October 1997
<u>DS103</u>	Canada	Measures Affecting the Importation of Milk and the Exportation of Dairy Products	United States	8 October 1997
<u>DS104</u>	European Communities	Measures Affecting the Exportation of Processed Cheese	United States	8 October 1997
<u>DS105</u>	European Communities	Regime for the Importation, Sale and Distribution of Bananas	Panama	24 October 1997
<u>DS111</u>	United States	Tariff Rate Quota for Imports of Groundnuts	Argentina	19 December 1997
<u>DS113</u>	Canada	Measures Affecting Dairy Exports	New Zealand	29 December 1997
<u>DS132</u>	Mexico	Anti-Dumping Investigation of High-Fructose Corn Syrup (HFCS) from the United States	United States	8 May 1998
<u>DS133</u>	Slovak Republic	Measures Concerning the Importation of Dairy Products and the Transit of Cattle	Switzerland	7 May 1998
<u>DS134</u>	European Communities	Restrictions on Certain Import Duties on Rice	India	27 May 1998
<u>DS137</u>	European Communities	Measures Affecting Imports of Wood of Conifers from Canada	Canada	17 June 1998
<u>DS143</u>	Slovak Republic	Measure Affecting Import Duty on Wheat from Hungary	Hungary	19 September 1998
<u>DS144</u>	United States	Certain Measures Affecting the Import of Cattle, Swine and Grain from Canada	Canada	25 September 1998
<u>DS145</u>	Argentina	Countervailing Duties on Imports of Wheat Gluten from the European Communities	European Communities	23 September 1998
<u>DS148</u>	Czech Republic	Measure Affecting Import Duty on Wheat from Hungary	Hungary	12 October 1998
<u>DS153</u>	European Communities	Patent Protection for Pharmaceutical and Agricultural Chemical Products	Canada	2 December 1998
<u>DS154</u>	European Communities	Measures Affecting Differential and Favourable Treatment of Coffee	Brazil	7 December 1998
<u>DS158</u>	European Communities	Regime for the Importation, Sale and Distribution of Bananas	Guatemala; Honduras; Mexico; Panama; United States	20 January 1999
<u>DS161</u>	Korea, Republic of	Measures Affecting Imports of Fresh, Chilled and Frozen Beef	United States	1 February 1999
<u>DS165</u>	United States	Import Measures on Certain Products from the European Communities	European Communities	4 March 1999
<u>DS166</u>	United States	Definitive Safeguard Measures on Imports of Wheat Gluten from the European Communities	European Communities	17 March 1999

<u>DS167</u>	United States	Countervailing Duty Investigation with respect to Live Cattle from Canada	Canada	19 March 1999
<u>DS169</u>	Korea, Republic of	Measures Affecting Imports of Fresh, Chilled and Frozen Beef	Australia	13 April 1999
<u>DS171</u>	Argentina	Patent Protection for Pharmaceuticals and Test Data Protection for Agricultural Chemicals	United States	6 May 1999
<u>DS174</u>	European Communities	Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs	United States	1 June 1999
<u>DS177</u>	United States	Safeguard Measure on Imports of Fresh, Chilled or Frozen Lamb from New Zealand	New Zealand	16 July 1999
<u>DS178</u>	United States	Safeguard Measure on Imports of Fresh, Chilled or Frozen Lamb from Australia	Australia	23 July 1999
<u>DS180</u>	United States	Reclassification of Certain Sugar Syrups	Canada	6 September 1999
<u>DS185</u>	Trinidad and Tobago	Anti-Dumping Measures on Pasta from Costa Rica	Costa Rica	18 November 1999
<u>DS187</u>	Trinidad and Tobago	Provisional Anti-Dumping Measure on Macaroni and Spaghetti from Costa Rica	Costa Rica	17 January 2000
<u>DS192</u>	United States	Transitional Safeguard Measure on Combed Cotton Yarn from Pakistan	Pakistan	3 April 2000
<u>DS193</u>	Chile	Measures affecting the Transit and Importing of Swordfish	European Communities	19 April 2000
<u>DS203</u>	Mexico	Measures Affecting Trade in Live Swine	United States	10 July 2000
<u>DS205</u>	Egypt	Import Prohibition on Canned Tuna with Soybean Oil	Thailand	22 September 2000
<u>DS207</u>	Chile	Price Band System and Safeguard Measures Relating to Certain Agricultural Products	Argentina	5 October 2000
<u>DS209</u>	European Communities	Measures Affecting Soluble Coffee	Brazil	12 October 2000
<u>DS210</u>	Belgium	Administration of Measures Establishing Customs Duties for Rice	United States	12 October 2000
<u>DS220</u>	Chile	Price Band System and Safeguard Measures Relating to Certain Agricultural Products	Guatemala	5 January 2001
<u>DS223</u>	European Communities	Tariff-Rate Quota on Corn Gluten Feed from the United States	United States	25 January 2001
<u>DS226</u>	Chile	Provisional Safeguard Measure on Mixtures of Edible Oils	Argentina	19 February 2001
<u>DS228</u>	Chile	Safeguard Measures on Sugar	Colombia	15 March 2001
<u>DS230</u>	Chile	Safeguard Measures and Modification of Schedules Regarding Sugar	Colombia	17 April 2001
<u>DS231</u>	European Communities	Trade Description of Sardines	Peru	20 March 2001
<u>DS235</u>	Slovak Republic	Safeguard Measure on Imports of Sugar	Poland	11 July 2001
<u>DS237</u>	Turkey	Certain Import Procedures for Fresh Fruit	Ecuador	31 August 2001

<u>DS238</u>	Argentina	Definitive Safeguard Measure on Imports of Preserved Peaches	Chile	14 September 2001
<u>DS240</u>	Romania	Import Prohibition on Wheat and Wheat Flour	Hungary	18 October 2001
<u>DS241</u>	Argentina	Definitive Anti-Dumping Duties on Poultry from Brazil	Brazil	7 November 2001
<u>DS245</u>	Japan	Measures Affecting the Importation of Apples	United States	1 March 2002
<u>DS250</u>	United States	Equalizing Excise Tax Imposed by Florida on Processed Orange and Grapefruit Products	Brazil	20 March 2002
<u>DS255</u>	Peru	Tax Treatment on Certain Imported Products	Chile	22 April 2002
<u>DS256</u>	Turkey	Import Ban on Pet Food from Hungary	Hungary	3 May 2002
<u>DS263</u>	European Communities	Measures Affecting Imports of Wine	Argentina	4 September 2002
<u>DS265</u>	European Communities	Export Subsidies on Sugar	Australia	27 September 2002
<u>DS266</u>	European Communities	Export Subsidies on Sugar	Brazil	27 September 2002
<u>DS267</u>	United States	Subsidies on Upland Cotton	Brazil	27 September 2002
<u>DS269</u>	European Communities	Customs Classification of Frozen Boneless Chicken Cuts	Brazil	11 October 2002
<u>DS270</u>	Australia	Certain Measures Affecting the Importation of Fresh Fruit and Vegetables	Philippines	18 October 2002
<u>DS271</u>	Australia	Certain Measures Affecting the Importation of Fresh Pineapple	Philippines	18 October 2002
<u>DS272</u>	Peru	Provisional Anti-Dumping Duties on Vegetable Oils from Argentina	Argentina	21 October 2002
<u>DS275</u>	Venezuela, Bolivarian Republic of	Import Licensing Measures on Certain Agricultural Products	United States	7 November 2002
<u>DS276</u>	Canada	Measures Relating to Exports of Wheat and Treatment of Imported Grain	United States	17 December 2002
<u>DS278</u>	Chile	Definitive Safeguard Measure on Imports of Fructose	Argentina	20 December 2002
<u>DS283</u>	European Communities	Export Subsidies on Sugar	Thailand	14 March 2003
<u>DS284</u>	Mexico	Certain Measures Preventing the Importation of Black Beans from Nicaragua	Nicaragua	17 March 2003
<u>DS286</u>	European Communities	Customs Classification of Frozen Boneless Chicken Cuts	Thailand	25 March 2003
<u>DS287</u>	Australia	Quarantine Regime for Imports	European Communities	3 April 2003
<u>DS289</u>	Czech Republic	Additional Duty on Imports of Pig-Meat from Poland	Poland	16 April 2003
<u>DS290</u>	European Communities	Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs	Australia	17 April 2003

<u>DS291</u>	European Communities	Measures Affecting the Approval and Marketing of Biotech Products	United States	13 May 2003
<u>DS292</u>	European Communities	Measures Affecting the Approval and Marketing of Biotech Products	Canada	13 May 2003
<u>DS293</u>	European Communities	Measures Affecting the Approval and Marketing of Biotech Products	Argentina	14 May 2003
<u>DS295</u>	Mexico	Definitive Anti-Dumping Measures on Beef and Rice	United States	16 June 2003
<u>DS297</u>	Croatia	Measures Affecting Imports of Live Animals and Meat Products	Hungary	9 July 2003
<u>DS310</u>	United States	Determination of the International Trade Commission in Hard Red Spring Wheat from Canada	Canada	8 April 2004
<u>DS314</u>	Mexico	Provisional Countervailing Measures on Olive Oil from the European Communities	European Communities	18 August 2004
<u>DS320</u>	United States	Continued Suspension of Obligations in the EC — Hormones Dispute	European Communities	8 November 2004
<u>DS321</u>	Canada	Continued Suspension of Obligations in the EC — Hormones Dispute	European Communities	8 November 2004
<u>DS323</u>	Japan	Import Quotas on Dried Laver and Seasoned Laver	Korea, Republic of	1 December 2004
<u>DS324</u>	United States	Provisional Anti-Dumping Measures on Shrimp from Thailand	Thailand	9 December 2004
<u>DS326</u>	European Communities	Definitive Safeguard Measure on Salmon	Chile	8 February 2005
<u>DS328</u>	European Communities	Definitive Safeguard Measure on Salmon	Norway	1 March 2005
<u>DS329</u>	Panama	Tariff Classification of Certain Milk Products	Mexico	16 March 2005
<u>DS330</u>	Argentina	Countervailing Duties on Olive Oil, Wheat Gluten and Peaches	European Communities	29 April 2005
<u>DS334</u>	Turkey	Measures Affecting the Importation of Rice	United States	2 November 2005
<u>DS335</u>	United States	Anti-Dumping Measure on Shrimp from Ecuador	Ecuador	17 November 2005
<u>DS337</u>	European Communities	Anti-Dumping Measure on Farmed Salmon from Norway	Norway	17 March 2006
<u>DS338</u>	Canada	Provisional Anti-Dumping and Countervailing Duties on Grain Corn from the United States	United States	17 March 2006
<u>DS341</u>	Mexico	Definitive Countervailing Measures on Olive Oil from the European Communities	European Communities	31 March 2006
<u>DS343</u>	United States	Measures Relating to Shrimp from Thailand	Thailand	24 April 2006
<u>DS345</u>	United States	Customs Bond Directive for Merchandise Subject to Anti-Dumping/Countervailing Duties	India	6 June 2006
<u>DS349</u>	European Communities	Measures Affecting the Tariff Quota for Fresh or Chilled Garlic	Argentina	6 September 2006
<u>DS351</u>	Chile	Provisional Safeguard Measure on Certain Milk Products	Argentina	25 October 2006

<u>DS356</u>	Chile	Definitive Safeguard Measures on Certain Milk Products	Argentina	28 December 2006
<u>DS357</u>	United States	Subsidies and Other Domestic Support for Corn and Other Agricultural Products	Canada	8 January 2007
<u>DS361</u>	European Communities	Regime for the Importation of Bananas	Colombia	21 March 2007
<u>DS364</u>	European Communities	Regime for the Importation of Bananas	Panama	22 June 2007
<u>DS365</u>	United States	Domestic Support and Export Credit Guarantees for Agricultural Products	Brazil	11 July 2007
<u>DS367</u>	Australia	Measures Affecting the Importation of Apples from New Zealand	New Zealand	31 August 2007
<u>DS381</u>	United States	Measures Concerning the Importation, Marketing and Sale of Tuna and Tuna Products	Mexico	24 October 2008
<u>DS382</u>	United States	Anti-Dumping Administrative Reviews and Other Measures Related to Imports of Certain Orange Juice from Brazil	Brazil	27 November 2008
<u>DS389</u>	European Communities	Certain Measures Affecting Poultry Meat and Poultry Meat Products from the United States	United States	16 January 2009
<u>DS391</u>	Korea, Republic of	Measures Affecting the Importation of Bovine Meat and Meat Products from Canada	Canada	9 April 2009
<u>DS392</u>	United States	Certain Measures Affecting Imports of Poultry from China	China	17 April 2009
<u>DS393</u>	Chile	Anti-Dumping Measures on Imports of Wheat Flour from Argentina	Argentina	14 May 2009
<u>DS404</u>	United States	Anti-dumping Measures on Certain Shrimp from Viet Nam	Viet Nam	1 February 2010
<u>DS422</u>	United States	Anti-Dumping Measures on Shrimp and Diamond Sawblades from China	China	28 February 2011
<u>DS428</u>	Turkey	Safeguard measures on imports of cotton yarn (other than sewing thread)	India	13 February 2012
<u>DS429</u>	United States	Anti-Dumping Measures on Certain Frozen Warmwater Shrimp from Viet Nam	Viet Nam	20 February 2012
<u>DS430</u>	India	Measures Concerning the Importation of Certain Agricultural Products from the United States	United States	6 March 2012

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