



## IPC Seminar Proceedings

# Opportunities and challenges for African agricultural development

August 10, 2004

On February 29, 2004, the International Food & Agricultural Trade Policy Council (IPC) brought experts in agricultural trade and development from the IPC and other organizations together with stakeholders from across the spectrum of African agriculture – government officials, farm leaders, agribusiness representatives, among others in Johannesburg, South Africa.

The seminar was the first in the IPC's Capacity Building program and addressed the expectations and responsibilities of national governments, international organizations, and the farming and business communities to help African agriculture grasp the development opportunities offered by more open agricultural trade.

### ***More open agricultural trade is important to African agricultural development***

Dirk du Toit, Deputy Minister of Agriculture and Land Affairs in South Africa pointed out that agricultural trade makes up more than half of economic activity and is the main source of employment in many African countries. "The Doha Development Round is perhaps one of the best opportunities for developing countries to level the playing field and should be used to the fullest extent possible."

Nicolas Sabwa, a former agricultural trade negotiator from Kenya, stated that African economies cannot be insulated from international trade. "The multilateral trade system must be supported and African countries must find ways to take advantage of the opportunities it offers and mitigate the negative impacts." Ajay Vashee, President of the Southern African Confederation of Agricultural Unions, stressed that developing country farmers must understand that trade offers them the opportunity to become competitive producers. However, high production costs, poor infrastructure, outdated technology, inadequate rural finance and many other problems, are barriers to taking advantage of the benefits of trade.

According to Robert Thompson, IPC Chairman and former World Bank Director of Rural Development, even without further trade liberalization, productivity, population and income growth will lead a larger fraction of the world's agricultural production to be traded internationally. A more open trading environment can stimulate faster economic growth and permit developing countries to use their comparative advantage. Trade is a more powerful engine of growth than aid. But liberalization creates both winners and losers, and it matters who loses. If the losers are the rich and powerful, their political clout can prevent the opening of markets; if the losers are politically weak, low-income members of society, it is unjust to knock them further down the economic ladder. Therefore, liberalization must be accompanied by adjustment policies.

"The WTO is a forum for negotiating concessions in international trade," Vashee said. "It does not function very well as a development organization. However, the plight of farmers in developing countries and the social obligations their governments carry must be accepted and acknowledged as consensus is reached." Achieving the development potential presented by more open agricultural trade will require changes in the international trade system, changes in developed country agricultural and trade policy, and changes in developing country policies.

### ***The WTO negotiating system must treat developing countries fairly***

Many participants stressed the need for fairness in the negotiating process and its outcome. Percy Misika, an agricultural trade negotiator from Namibia analogized, "You cannot give one athlete competitiveness-enhancing drugs and allow him to compete with people who are not taking it."

He criticized the practice of convening "mini-ministerial" meetings. Currently, there are no specific criteria established for who is invited to attend mini-ministerials. All groupings – developing countries, least-developed countries, net food-importing developing countries, highly indebted poor countries, and others – should be represented at each meeting. Inter-sessional consultations between the Chair of the Committee on Agriculture and specific WTO members in Geneva should also be widened. Many countries do not have representatives in Geneva, or are bypassed because they are not considered heavyweights, but it is vital for all delegations to be involved in these meetings so their views are incorporated in the negotiating texts.

### ***Developed country agriculture and trade policy must change***

Many participants pointed to developed country policies as the source for much of developing countries' disenchantment with the international trading system. Thompson insisted that OECD countries must deliver increased market access for goods in which developing countries have a comparative advantage and must eliminate import barriers and domestic and export subsidies that depress world market prices and artificially increase price variance. "OECD development assistance, as well as World Bank and African development bank loans, must be made available for investment in infrastructure, technology and know-how to translate latent comparative advantage into real competitiveness and facilitate necessary adjustments to more open markets."

Developed countries have promised technical assistance will be an integral part of any agricultural package in the Doha Round. Vashee asserted that developing countries must be more specific about the kind of technical assistance they want. He suggested assistance to develop liaison mechanisms between the public and private sector to discuss trade negotiations, assistance to evaluate the possible impact of trade negotiations on specific agricultural products and assistance to initiate and carry out challenges on infringements of trade rules.

Speakers also called for technical assistance for agricultural development projects like infrastructure, research, extension, and market information systems as well as assistance in coping with SPS measures and other technical barriers.

### ***Developing country governments must provide an enabling environment***

Thompson asserted that African countries' own policies often impede their agricultural development. "Corruption and/or macroeconomic instability that make countries less attractive to potential investors along with inadequately defined property rights and/or contract sanctity, allows local elites to ride roughshod over impoverished, often illiterate farmers."

He added that there is currently a pronounced urban bias in many low-income countries' investments and in the development assistance they receive. Many developing countries have under-invested in public goods such as rural infrastructure and agricultural research to adapt technologies to the local agri-ecosystem. "The countries that are presently successful agricultural exporters would not be as successful if they had not made these investments. Research, extension, training, market information services, rural roads, telecoms, and port capacity are essential public goods that make it possible for the private sector to create jobs."

An owner of a small African food processing business stressed the need for policies aimed at creating an enabling environment for food and agribusinesses to increase their capacity. She contended that local African food and agribusinesses have no chance to grow their businesses, and agricultural trade reform at the WTO will not improve their situation unless these policies exist.

Other participants argued that WTO reform would benefit only those farmers that are already competitive. Vashee pointed out that some of Africa's competitive advantage comes from subsistence-level production, but large volumes are needed to move those products through international trade. "African political leaders do not seem to understand that international trade works in boatloads." Small surpluses cannot be traded on the world market.

Misika conceded that trade negotiations benefit those who have the necessary economies of scale and production capacity the most. However, it is the responsibility of developing country governments to implement policies that motivate small-scale farmers handicapped by the quantity they produce and distance from markets. He gave two examples from Namibia:

In the livestock industry, the government implemented a program, funded by the European Union, to improve market access. The program gave livestock producers marketing skills and began a vaccination campaign. The government built auction pens then slaughter houses. Namibia is now exporting to South Africa from the areas where the program was carried out.

In the maize sector, a program was developed to improve storage facilities. It began at the household level, then expanded to community storage facilities where farmers bring their stock. Producers have learned to pool their resources to hire one truck to send their products to market, lowering transportation costs. Policies like these help farmers access the local market. From there, producers can move into regional and international markets.

### ***Agricultural commodities must move up the value chain***

Many participants highlighted the difficulties faced by producers of commodities like coffee and cocoa, that receive chronically low prices. Many suggested that adding value to the raw commodity is the answer, but identified both internal and external constraints.

Nduati Kariuki, Chairman of the Kenyan Federation of Agricultural Producers (KENFAP), pointed out that these commodities will not be profitable to produce as long as they are sold in raw form. Coffee roasters receive roughly 35% of the value of the coffee while the farmer gets less than 10%. Marketing systems must be improved so the ratio of the price going to farmers increases. Furthermore, local processors for these products do not exist in developing countries. As a result, farmers must continue to export raw materials and buy back the finished product from developed countries. And, the costs of production for these commodities in most developing countries are in many respects a reflection of the cost of key inputs.

However, he and other speakers pointed out that tariff escalation is a disincentive to investing in added value production. As a product is processed, tariffs increase – for example, raw cocoa beans would enter foreign markets at low tariffs, tariffs on chocolate would be higher, and tariffs on candy bars even higher. “Any attempt by the local processor to export even partially processed products is met with tariff barriers – even where market access is guaranteed.” He compared this to the trading system under the British Empire, where colonies were obligated to send their products to the United Kingdom as raw material to be processed by the mother country.

### ***What do developing countries need from the Doha Round agricultural agreement?***

Several speakers expressed concern that the Doha Round negotiations were diverting from the development objective. Misika insisted that the outcome of the negotiations should be a multilateral, development-oriented agriculture agreement. Deviation from this principle is a betrayal of what Ministers asked of negotiators.

IPC Chief Executive, M. Ann Tutwiler and IPC Member and former Canadian agricultural negotiator, Mike Gifford presented the IPC’s recommendations for the agricultural negotiations if the text issued by Luis Ernesto Derbez, chair of the Cancun Ministerial Meeting were to be used as a basis for negotiations. Other speakers offered their countries’ positions and suggestions for what developing countries should ask from the Doha Round.

There was general agreement that developing countries need real increased access to developed country markets and significant decreases if not elimination of developed country domestic and export subsidies. However, opinions diverged on some details.

### ***Special Safeguards***

The IPC’s recommendations argue that developed and developing countries need access to special safeguards. The threshold for the price or quantity increases that trigger eligibility to use the safeguard should be bound, and the number of tariff lines for which the safeguard can be used should be limited.

An African Ministry of Agriculture official argued that special safeguards should not be available to developed countries. “Developed country subsidies will not be eliminated at the end of the Doha Round; they have substantial market access for commercial goods and services where developing countries are not competitive; they have export subsidies and export credits and on top of that, they use SPS measures and non-trade barriers. Why do they need a special safeguard?”

Tutwiler explained that the IPC believes developed countries will probably not be willing to give up safeguards for political reasons. But, disciplines on developed country use of the special safeguard should be much more restrictive than developing countries *because* they have other mechanisms for protection. Gifford added that in the Uruguay Round, the United States and European Union were given the use of special safeguards on sugar, but were not

required to give significant access in return. In the Doha Round, developed country use of special safeguards must be made contingent on real, increased market access.

### ***Special and Sensitive Products***

The IPC acknowledges that there are commodities central to food and economic security in developing countries, but protecting commodities does not ensure food security. The IPC is concerned about the concept of special products because, to the extent that developing countries are able to exempt certain products from tariff reductions, rich countries will also ask for exemptions. Moreover, once certain commodities become 'special' they tend to be able to continue their protection, even at the expense of broader benefits.

The IPC recommends that *all* products – no matter their sensitivity – be required to apply a tariff ceiling. If necessary, some products could be reduced to the ceiling immediately and others over a period of time. It is important that developing countries also bring their tariffs down to the ceiling – if over a longer time period – so that South-South trade is not negatively affected.

Kariuki agreed that tariffs between developing countries must be phased down, but maintained the phase-out period should be long enough to make sure that developing countries can protect their industries' ability to compete. He also advocated an assessment of tariff removal on a country-by-country basis to determine the effect it will have on each economy. He contended that, the argument that tariffs increase consumer prices and create production inefficiencies is not valid if a holistic view is taken. "A locally-produced item may be more expensive than the imported item if tariffs are removed, but the money that would have been exported is made available for local consumption and further income generation."

### ***Tariff Reduction Formulas***

Tutwiler and David Vanzetti of the Trade Analysis Branch of UNCTAD, reviewed the "blended formula" for tariff reduction used in the Derbez draft text on agriculture. The blended formula is a combination of the Uruguay Round formula, the Swiss formula and duty-free access. The Uruguay Round formula essentially reduces tariffs on a linear basis by a certain percent per year. The Swiss Formula reduces higher tariffs by a higher percentage.

While the Derbez draft did not provide specific numbers with its proposal for the blended formula, Vanzetti offered an analysis of how the formula might be applied, based on the assumption that countries want to protect their most sensitive sectors. Under Vanzetti's assumptions, countries with a dispersed tariff structure – developed countries – can take advantage of the flexibility offered by the formula, whereas countries with uniform tariffs – developing countries – cannot use the flexibility and are required to make bigger cuts. However, countries with high bound tariff rates and much lower applied rates – also developing countries – can take advantage of the flexibility offered because they can make significant cuts in bound rates with little effect on applied tariffs. Therefore, the formula is neither likely to significantly increase market access nor serve the objectives of simplicity, transparency, efficiency, effectiveness and equity.

Tutwiler explained that while the IPC does not think the blended formula is ideal for tariff reductions, if it must be used most developed country products should be subjected to the Swiss formula. As part of special and differential treatment, developing countries could use the Uruguay Round formula more broadly, as it would involve a less rapid reduction of tariffs. Requiring developed countries to use the Swiss formula more heavily forces them to take higher tariff cuts on more product lines and bring tariffs down by a larger percent.

### ***The Green Box***

Gifford asserted that countries should concentrate on ensuring that the aggregate level of non-Green Box support is significantly reduced. Trying to persuade developed countries to accept substantially improved market access on sensitive commodities, eliminate export subsidies, make commitments on all forms of export assistance, substantially reduce all forms of trade distorting support and on top of that cap the Green Box is not practical. "In the short term, politicians must tell farmers the program they have become accustomed to over the last 30 years will have to change. Since the benefits of that program have all been capitalized into land values, developed countries must be able to provide farmers with Green Box compensation. If a developed country Minister of Agriculture is told that he cannot compensate farmers with non-trade distorting support, there will be no basis for a meeting of the minds."

A participant argued that the Green Box should be capped because farmers in developed countries would still produce using the income from Green Box support to live on, and therefore production would not be reduced. Gifford agreed that programs that fall within the Green Box can still impact production and hence trade, but he maintained that it is still better to have a significant increase in market access and a commitment to substantially reduce trade-distorting support, even if it means that developed country governments will have to provide Green Box compensation to sell it.

## ***The Peace Clause***

Misika asked why the IPC's recommendations call for a Peace Clause that confers immunity to Green Box measures, since Green Box measures are already non-actionable. Gifford answered that the provision that says a Green Box measure is non-trade distorting and therefore not subject to countervail expires with the expiration of the Peace Clause. He explained that the IPC is recommending a new Peace Clause that does not exempt countries within their reduction commitments from serious prejudice cases, but keeps Green Box measures immune from countervailing duties.

In other words, in the Uruguay Round Agreement's Peace Clause, countries gave up their right to claim serious prejudice in agriculture against any country that was in line with its tariff and subsidy reduction commitments – Country A may be reducing the value of its subsidies in line with what it agreed, nevertheless their policies might adversely affect Country B's interests. Country B's right to demand that Country A modify its policies to mitigate its negative effects should be regained.

The Peace Clause also made Green Box measures ineligible for countervailing duties. In the long-term, countries are better off agreeing that Green Box support is non-countervailable. "If agriculture is subject to the Subsidies and Countervailing Measures (SCM) Agreement, the predictability of having the WTO rather than the United States Department of Commerce determine what is and is not a Green Box policy might be lost." (Note: The seminar was conducted before the outcome cotton case was announced.)

## ***What can Doha deliver? Political constraints and opportunities***

Developing countries have repeatedly indicated that they will not accept the status quo in agricultural trade. They have demanded significant reduction and even elimination of domestic support and export subsidies. The Doha Declaration promised a 'Development Round,' but many developing country participants in the seminar were skeptical of developed countries' commitment to the development element of the round. Michael MacDonald, Head of Economics at the Steel and Engineering Industries Federation of South Africa pointed out, "At the Ministerial Meeting in Doha... WTO Members began to realize that something substantial must be done to address the needs of developing countries." But, he added that by the Cancun meeting, developed countries "seemed to be unwilling to address the needs of the majority of WTO members – developing countries."

Developed and developing countries are contending with significant opposition to further agricultural trade reform. Alex Werth of the International Center for Trade and Sustainable Development, pointed out that in the United States, many of the usual supporters of trade liberalization have become more protectionist. In Europe, industry is not pushing for flexibility in agriculture; the best way to achieve gains in their areas of interest. Moreover, increasing public awareness of the implications of trade negotiations lead to closer public scrutiny of the activities Geneva. "The Doha Round agricultural negotiations are promising reforms that are not politically feasible – at least for now." Furthermore, he asserted, many developing countries seem to be tired of negotiations and see no major gains in the current Round. "It is difficult to sell a package to their constituencies, the positive effects of which will not be felt for ten years."

Tutwiler and Michel Petit, IPC Member and former World Bank Director of Rural Development, illustrated the political environment driving WTO negotiators in the European Union and United States. According to Petit, "to succeed beyond Cancun, the political realities in the OECD countries must be taken into account. This is not based on reasons of morality, nor is the economic optimum; it is a political economy outcome."

### ***Political constraints in the European Union – Michel Petit***

It is important to remember that positions in international negotiations are only one part of national agricultural policy packages, which are dominated by domestic policies. The evolution of the European Union's Common Agricultural Policy (CAP) over the last 40 years can be explained by four long-term economic forces: 1) rigidity of the price support level; 2) the budget constraint; 3) outside pressures; and 4) institutional arrangements. None of these forces are themselves determinant. The combination of outside pressure, budget constraints and the need to come to closure were such in the 1992 CAP reform that the rigidity of price support constraint was overcome.

The short-term commitment of the European Union to the Doha Round is in doubt. The accession of ten new Member States and the inability to approve a new constitution has created an atmosphere of uncertainty.

However, outside pressures have strong political implications in many EU countries and budget pressure will force agricultural policy reform. There are already proposals for reform of the European Union's sugar regime, which was thought to be unreformable. Significant progress can be made on market access and discipline of export subsidies in the Doha Round. Even though there are political constraints, there is hope for movement.

### ***Political constraints in the United States – M. Ann Tutwiler***

There are governmental, sectoral and public political constraints operating in the United States. Support for trade agreements in the US Congress has been declining. The issue of jobs lost to more open trade has become a strong part of the presidential campaign. The current administration's foreign policy is focused on national defense, which makes a multilateral strategy based on economics and trade issues more difficult. And, the Department of Agriculture has had to spend a great deal of time on food safety rather than trade issues.

However, in the coming years, the United States will likely go back to the deficit reduction methodology of the mid-1990s, which will create a budget constraint similar to the one that existed in 1996 as Congress renegotiates the Farm Bill in 2006-2007. The 2006-2007 Farm Bill is therefore likely to look more like the 1996 Farm Bill, which was more favorable for WTO goals.

There is increasing doubt about the benefits of more open markets among some farm groups. Other farm groups that have historically been pro-free trade no longer believe they can compete. Furthermore, the exemption of sugar and the virtual exemption of dairy and beef, in the US-Australia free trade agreement have polarized some open trade supporters. These groups realize that while the Agreement benefits them, they will lose long-term if the government caves into one or two commodity groups.

But, there is a broad recognition – even among farmers – that the markets with the most growth potential are in the developing world. If the trade system does not provide access and allow for increased economic development in developing countries, the United States agricultural sector will have to shrink.

Furthermore, environmental and international development groups in the United States are increasingly concerned about US farm policy. There is growing concern with a farm policy that gives around 80% of the benefits to 20% of already large farmers at a substantial cost to taxpayers.

### ***Balancing political realities in WTO member countries***

A representative of an African government asked how the varying needs of WTO members can be blended to reach an agreement. "Should members accept the more limited result that might be possible by the end of summer, or call other countries' bluff?"

Petit was skeptical about the prospects for progress in 2004 given the short-term political realities in the United States and European Union. However, he was certain that real progress is possible on the basis of long-term economic forces. If there is no progress this year, there will be a lot of frustration among developing countries. But, he insisted that any window for progress this year would be on a more limited agenda.

Another African government official that political realities do not exist in industrialized countries alone. Gifford agreed that developed countries should not continue to cite political realities implying that they are non-existent in developing countries but, "if developing countries and agricultural-exporting developed countries without big treasuries want a decent result from the Doha Round, political realities in the United States and European Union must be considered and negotiating positions must be adjusted to take those realities into account."

### ***Bilateral and regional agreements: Promise and opportunity***

An official from an African Ministry of Agriculture expressed frustration with the length of WTO negotiations and their implementation. "Trade is continuous while negotiations go on. Is it relevant to expect something that could take twelve years to finish to have a meaningful outcome?" He suggested that bilateral and regional negotiations might offer a faster route to further reform.

Gifford asserted that a minor result can be achieved very quickly. Many of the GATT negotiations in the 1950s and 1960s could be finished within one year. At that time, there were 40-50 GATT member countries, versus 147 WTO members today. A negotiation on issues beyond tariff measures in agriculture and on top of that, a broad non-agricultural negotiating agenda, is much more complex. Hans Van der Merwe, Chief Executive of Agri SA noted, this expanded negotiating agenda has made the stakes of the negotiations higher for governments and the potential economic impacts more significant.

Many speakers pointed out that market access issues can be addressed with bilateral and regional negotiations, but domestic support, export subsidies and other barriers must be dealt with at the multilateral level. According to van der Merwe, "market access concessions alone are of little value to countries that do not already have an efficient agricultural sector."

Other speakers illustrated the potential benefits of regional and bilateral integration. Sabwa asserted that through economic integration, Africa could build the necessary capacity and competitiveness for meaningful participation in the multilateral trading system. "Trade among nations is the most efficient integrating factor," he noted. He contended that the movement toward increased regional integration since the Uruguay Round has had net trade creating effects and has complemented multilateral trade liberalization.

Shem Simuyemba, a trade policy specialist from COMESA, pointed out that increased regional integration will make it possible for regional blocks to act as single supply points. However, there are practical barriers to movement of goods in Africa that must be overcome before taking advantage of bilateral or regional integration. "Coffee moved from Rwanda to the port of Mombassa must transit Uganda and Kenya, where the tariff reduction under the agreement with the United States – the African Growth and Opportunity Act (AGOA) – can be eroded by high transactions costs."

Sabwa stated that to fully benefit from the opportunities of regional integration, market information on countries within the region should be made available, regional infrastructure should be upgraded, all non-trade barriers – police checks, delays at the border – should be removed and SPS measures should be harmonized within the region based on WTO standards. Countries should sustain and strengthen the regional integration process by adopting appropriate measures for common external tariffs, domestic taxation, and pricing policies to provide African products a competitive edge in their own markets.

### ***Being Heard: Integrating agriculture's view into trade policy making***

Gifford reminded the audience that before the Uruguay Round, in the late 1980s, international trade rules effectively ignored agriculture. Trade negotiations were essentially irrelevant for farm groups and it was not necessary for them to be involved. Import barriers and export assistance are no longer the only aspects of agricultural policy negotiated in Geneva. In effect, the parameters for future and existing domestic agricultural policies of WTO members are set in Geneva. "Today – even in Washington, Brussels and Ottawa – a domestic agricultural policy proposal that does not explain its WTO implications in detail cannot be put forward."

Sabwa submitted that negotiators must take the time to really understand agriculture in their country. Van der Merwe agreed and assigned some responsibility to producers and processors. "Communication between government and specific commodity interests must be facilitated, especially if governments want to negotiate both defensive and offensive positions in various trade negotiations."

At the same time, Van der Merwe contended that agribusiness and agriculture must understand the details of trade negotiations. Many farmers still want to be protected from competition, but protectionism will eventually fail. In order to be successful in the global environment, structural adjustments must be made along the way. "It is part of industry organizations' responsibility to understand the recipe for success."

Gifford said producer or processor groups must articulate their views from the beginning of the negotiations – ideally before they begin – to make sure the bureaucracy, the Minister, the Minister's staff and the members of Parliament are fully aware of their concerns and aspirations. They should request face-to-face meetings if there are major developments in the negotiations. "Commitments made in a negotiation will affect the agriculture sector over the next twenty years, so producers and processors must be thinking, not about what they are producing and selling today, but what they want to be producing and selling in twenty years."

Rodger Stewart, President of the World Association of Beet and Can Growers, laid out three responsibilities for farm groups in developing countries to successfully integrate their interests into the trade policy making process: First, farm leaders need to be reelected, so it is necessary to keep the farming community well informed and educated on their stake in trade negotiations. Second, farmers and farm leaders must ensure that there is a strong, empowered professional staff in the representative structures who are there for the long term and understand trade issues. Third, farm leaders must be active both domestically and internationally.

### ***Examples from South Africa, Canada, and Kenya***

Speakers described the mechanisms for government-stakeholder dialogue on agricultural policy issues in their respective countries. Stewart emphasized the importance of these groups. "Farm leaders need transparent, effective, two-way communication with policy makers and trade negotiators... It is absolutely necessary for those who are in the negotiating halls, green rooms, back door discussions and even presidential phone calls, to understand agriculture's position as well as possible."

According to Van der Merwe, when it became clear during the Uruguay Round that real reforms were going to be negotiated in agriculture, Agri SA, a major South African producer group, developed a forum for discussing the nego-

tiations with government. The group later became the Agricultural Trade Forum (ATF) and was brought under government direction.

South Africa also established the National Economic Development and Labor Council (NEDLAC), an arrangement between organized business, labor and government where policies and legislation are discussed. NEDLAC's Trade and Industry Chamber deals specifically with trade negotiations. As a result of this cooperation, the government includes representatives of organized business and labor in its delegation to all WTO Ministerial Meetings to experience the negotiations first-hand and inform negotiators when necessary. Regular meetings with the President of South Africa are also arranged. One outcome of these deliberations is the "Strategy for South African Agriculture." The Strategy discusses trade as well as other imperatives for growth – infrastructure, disaster management, financial arrangements and others. "Trade cannot be addressed in isolation."

Gifford explained that the Canadian government convenes sector advisory groups, comprising representatives of all aspects of Canadian agriculture – primary producers, processors, commodity groups, and national farm organizations. These groups function as a sounding board and a source of advice for the Minister of Trade and the Minister of Agriculture.

In Kenya, according to Sabwa, the government established a national committee on the WTO, which brought government officials together with the private sector and other stakeholders. The committee included representatives from the Ministry of Finance – the ministry in charge of the negotiations – as well as other branches of government. It was broken down into "focal points" one of which was the Agreement on Agriculture. The Agreement on Agriculture focal point was chaired by a Ministry of Agriculture official, but included a representative from the Ministry of Finance to ensure the two departments were communicating effectively.

#### ***How can small farmers be heard?***

Several participants questioned the ability of small producers and processors to participate effectively in the debate through existing structures. Kariuki, Stewart and Simuyemba stressed the importance of organization. Kariuki emphasized, "There is no way to be involved in negotiations as an individual." The private sector must continue to insist that they, non-state actors, and civil society are involved in negotiations.

#### ***Producer and processor groups should develop international relationships***

Gifford and Stewart encouraged farm groups to develop alliances among countries. For example, Gifford noted that Canadian export interests have alliances with their counterparts in the rest of the Cairns Group countries and import sensitive sectors in Canada form alliances with their Japanese, European and Swiss colleagues.

Simuyemba added that COMESA is now negotiating at the WTO level as a block. "Integration begets convergence on international issues. Common positions come best from common interests. As a trading block and as Africa, we need borders need to be opened to trade."

***The IPC would like to thank the United States Department of Agriculture for supporting this seminar.***

***More information on this seminar and the IPC's capacity building program can be found at [www.agritrade.org/capacity\\_building.htm](http://www.agritrade.org/capacity_building.htm) A second capacity building seminar will be held in Southeast Asia in 2005.***

#### **About the IPC**

The International Food & Agricultural Trade Policy Council (IPC) convenes high-ranking government officials, farm leaders, agribusiness executives and agricultural trade experts from around the world and throughout the food chain to build consensus on practical solutions to food and agricultural trade problems.

An independent group of leaders in food and agriculture from industrialized, developing and least developed countries, the IPC's thirty-six members are chosen to ensure the Council's credible and impartial approach. Members are influential leaders with extensive experience in farming, agribusiness, government and academia.