



CHECK AGAINST DELIVERY

**World Trade Debate**  
**NFF President, Mr Peter Corish**  
**Bush Capital Club, The Lobby Restaurant**  
**27 October 2005**

**Introduction**

- It gives me great pleasure today to welcome my good friend and colleague Bob Stallman and his delegation from the US Farm Bureau Federation to Australia.
- Only last month, I visited the Farm Bureau in Washington and it is great to have them here in Canberra. Bob, you have started your visit with some productive discussions this morning and I'm sure you will have a very informative and enjoyable visit to Australia.

**A Shared Vision for International Trade Reform**

- Ladies and gentlemen, you might be surprised to know that American and Australian farmers share the same views on many more issues than we differ, and international trade reform is one issue where we share many common views.
- Because for Australian and American farmers increased access to foreign agriculture markets is essential to our future viability and growth.
  - Australian farmers export produce from two out of every three acres of production; and,

- US farmers export production from one in three acres of production.
- As many of you will know, since our formation in 1979, NFF has led the charge in Australia for domestic and international trade policy reform.
- And on the international front, NFF remains committed to achieving our goal of a fundamental improvement in the fairness of international trade rules for trade in agricultural products.
- NFF's number one trade priority unequivocally remains the WTO Doha Round and we will be working hard in the weeks remaining before this December's 6<sup>th</sup> World Trade Organisation (WTO) Ministerial Conference in Hong Kong to cement support for change.
- I'm sure Bob and his delegation will agree that the greatest opportunity for farmers and agricultural exporters to realise improved returns in international markets lies with multilateral reform under the WTO umbrella.
- But, we are now little more than six weeks out from Hong Kong – 48 days I'm told from the start of the Ministerial - and the Doha Round is on a knife's edge – success is disappointingly far from guaranteed – some might even say the negotiations are on the brink of collapse.
- In recent weeks we have seen renewed political leadership particularly from the United States who have tabled a credible proposal on domestic support, market access and export competition – sure we would like to see the US cut their domestic supports by more – the proposal does contain a bit of wriggle room particularly as it relates to the new Blue Box - and we will continue working on that.
  - But, I must acknowledge the US proposal it goes well beyond their previous offers.
  - It offers to cut domestic support by 60 per cent and on market access it would deliver what we want – tariff cuts of between 50 and 90 per cent.

- So the US offer is credible and it has injected much needed new life into the negotiations.
- On the other side of the fence we are, however, still waiting on the European Union and others like Japan and Switzerland in the G10 to come forward with a credible agricultural market access offer.
- If Hong Kong is going to be a success and, no one can afford it not to be, urgent political leadership is required from the European Union particularly in the fundamental area of agricultural market access – make no mistake without credible movement from them and others on market access Hong Kong will almost certainly fail.
- World leaders must recognise that we are running out of time and if progress isn't made soon American, Australian and Cairns Group farmers will miss a once in a generation opportunity to make world trade in agriculture fairer.
  - The World Bank says eliminating all agricultural protection (subsidies as well as barriers to trade whether tariffs or quotas) would lift over 300 million people out of poverty. There is no other policy or action world leaders could take that can deliver these benefits, in such a short time frame.
  - Most of this gain (93 per cent as estimated by the World Bank) comes from removing barriers to agricultural trade at the border. We have to open our markets and allow competition. Competition will drive efficiency and rising incomes. And, leaving just a few 'sensitive' products out of the equation leaves most of these benefits unrealised.
  - Ladies and gentlemen: if we are serious about addressing global poverty we have to make the Round work.

## **WTO Ministerial Meeting in Hong Kong**

- So what are the prospects for Hong Kong?

- When the Round was launched an ambitious mandate was agreed by all WTO members across all three pillars – market access, domestic support and export competition.
- Today, I think, we can all see a deal on export subsidies – they will be eliminated. It is just a question of setting a date and of agreeing to new disciplines on food aid, export credits and STE's.
- On domestic support, a bit tougher, but I think there is a good chance that progress will be made. The US offer has significantly improved our chances but here again we need more from everyone but the EU and the G10 in particular.
- But the real sticking point remains - not surprisingly - market access. Market access is the nut that remains to be cracked. A genuine commitment from the European Union, Japan, Switzerland and others on agricultural market access is essential to success of the entire Doha Round.
- Ladies and gentlemen: Australian farmers firmly believes the Doha Round must do more than eliminate export subsidies and it must do more than merely lock current domestic support spending in where it is now – we need to see actual cuts.
- But, make no mistake, market access is the key and as the Doha mandate stipulated, and the July 2004 Framework reaffirmed we need “substantial improvements in market access” for all products.
  - We will not support an outcome that falls short of this.
- To this end, our priorities in the Round remain:
  - Reaching agreement on an approach that will deliver substantial and commercially meaningful improvements in market access on all products;
  - Achieving the quick elimination of export subsidies on all products, and;

- Achieving actual cuts to current spending on trade distorting domestic subsidies.

## Conclusion

- When we visited Washington last month NFF and the Farm Bureau put out a strong joint statement on the Round. In it we said that:
  - American, Australian and Cairns Group farmers could not afford a “status quo” outcome from these negotiations.
  - And that, Reform must include the real, substantial and ambitious expansion in access to markets on a fair and transparent basis through aggressive tariff reduction; the meaningful and substantial reduction of trade-distorting domestic support and the early elimination of export subsidies along with disciplines on export credits, state trading enterprises and food aid.
- Ladies and gentlemen: This is an opportunity of a lifetime.
- American and Australian farmers will judge the Round not by its processes but by how much new trade is created. We need meaningful access and reform.
- The time is right to conclude this Round and the time is right to deliver American, Australian and the world’s efficient farmers and agricultural exporters the new market access we need to grow our businesses for the next decade and beyond.
- It is time for those countries like France to dig deeper and come forward with something on market access. The ball is in their court. Lets hope they realise this and do something about it.

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