

Public Stockholding for Food Security at the WTO: An Unfinished Agenda

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Introduction

Global food security remains a major development challenge, particularly for developing countries, including Least Developed Countries (LDCs). Despite improvements in agricultural production, persistent hunger continues to undermine human welfare and socio-economic stability. According to the Food and Agriculture Organization of the United Nations (FAO), around 673 million people were chronically undernourished in 2024, and nearly 512 million are projected to be chronically undernourished by 2030.¹ These figures reflect the slow pace of progress and, in some regions, a reversal of earlier gains in food security.

In this context, many developing countries rely on Public Stockholding (PSH) programmes as a central pillar of their food security strategies.² Through procurement at administered

prices, buffer stocking, and subsidized distribution, these programmes support small and marginal farmers while improving food access for vulnerable population. However, under the World Trade Organization (WTO) Agreement on Agriculture (AoA), such procurement is treated as trade-distorting support and assessed using a fixed External Reference Price (ERP) based on 1986-88.³ This methodology inflates subsidy estimates and places countries at risk of breaching their permitted limits, even when policies are primarily domestic and welfare-oriented.

This situation significantly narrows the policy space of developing countries. Governments face legal uncertainty and the constant risk of dispute settlement, which discourages them from expanding or reforming food security programmes. As a result, essential interventions for price stabilization, income support, and

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nutrition security remain vulnerable to external challenge. While the Peace Clause adopted at the 2013 Bali Ministerial Conference provides interim protection, its temporary nature underscores the need for a permanent solution.⁴

The transition from interim solution to a Permanent Solution (PS) on Public Stockholding (PSH) is therefore critical to restoring developmental policy autonomy. A permanent solution would provide legal certainty, allow governments to design long-term procurement and distribution systems, and protect them from litigation risks. By safeguarding the right to maintain buffer stocks, support farmers, and ensure affordable food, PSH preserves states' ability to pursue inclusive growth and poverty reduction strategies.

In this regard, more than 75 WTO Members submitted proposal JOB/AG/229 in 2022, calling for reforms that go beyond the Bali framework. The proposal seeks expanded coverage of PSH programmes, updated support calculation based on revised ERP, simplified notification requirements, and flexibility for humanitarian exports.⁵ Most importantly, it aims to institutionalize adequate policy space within multilateral trade rules. However, despite repeated discussions, no substantive outcome has been achieved on this mandated issue at successive Ministerial Conferences (MC), including MC11, MC12, and MC13. The continued absence of consensus has prolonged uncertainty and reinforced dependence on temporary arrangements.

Thus, moving towards a Permanent Solution to PSH remains essential not only for food security but also for enabling developing countries to pursue sustainable development-oriented agricultural policies without external constraint.

The Importance of Public Stockholding for Food Security

Hunger and food insecurity continue to present significant global challenges. The State of Food Security and Nutrition in the World report highlights that approximately 8.2 percent of the global population experienced hunger in 2024⁶, and that progress toward Sustainable Development Goal 2 (Zero Hunger) remains substantially behind schedule.⁷ These vulnerabilities are particularly acute in developing countries and LDCs, where food security outcomes are closely linked to institutional limitations within agricultural systems.

Agricultural systems in these countries are often characterized by structural weaknesses such as limited institutional support, fragmented landholdings, and subsistence-level farming. For instance, average farm sizes in India and Kenya are less than two hectares⁸, compared to more than 186 hectares in the United States.⁹ These challenges are further exacerbated by price volatility, market imperfections, and import surges, which increase the risk of income instability and distress sales for resource-poor farmers. PSH programs help mitigate these risks by providing income security and fostering conditions conducive to agricultural investment.¹⁰

As a result, Public stockholding (PSH) of foodgrains, supported by price support mechanisms, constitutes a central element of food security policy in many developing countries, including LDCs.¹¹ These programs function through three primary components: procurement, storage, and distribution. Their dual objectives are to ensure affordable foodgrain availability and to guarantee remunerative prices that shield farmers from market price volatility.¹²

¹ FAO. (2025). The State of Food Security and Nutrition in the World. Available at: <https://openknowledge.fao.org/server/api/core/bitstreams/e612e779-ec47-44c2-a3e0-499569c3422d/content>.

² Thow, A.M., Sharma, S.K., and Rachmi, C.N. (2019). An analysis of Indonesia's shrinking food security policy space under the WTO. Food Security, Springer. Available at: <https://doi.org/10.1007/s12571-019-00967-2>

³ WTO. (1994). Agreement on Agriculture, Article 6 and Annex 3.

⁴ WTO. (2013). Bali ministerial decision, public stockholding for food security purposes. Document No. (WT/MIN(13)/38).

⁵ WTO. (2022). Public Stockholding for Food Security purposes, proposal by the African-Group, the ACP, and G33. Document No. (JOB/AG/229).

⁶ FAO (2025). The State of Food Security and Nutrition in the World. Available at: <https://openknowledge.fao.org/server/api/core/bitstreams/e612e779-ec47-44c2-a3e0-499569c3422d/content>.

⁷ WTO (2025). 113th Meeting of the Committee on Agriculture 25-26 September 2025. Document No. (G/AG/GEN/256). Available at:

In addition to supporting farmers directly, PSH programs advance broader policy objectives such as price stabilization, affordable access to food, and income support for low-income farmers. In countries dependent on thinly traded commodities like rice, domestic stockholding also protects against disruptions in international markets. The World Food Programme has similarly advocated for enhanced public food reserves to address the effects of recurring food crises.¹³

External Reference Price and Shrinking Policy Space

Under the WTO AoA rules, price support-backed public stockholding for food security is calculated using the external reference price (ERP) based on historic base-period prices of 1986-88, either import or export prices. As administered procurement prices adjust to reflect inflation and changing production conditions, the widening gap between current prices and this outdated benchmark inflates measured

Box: Pitfalls of External Reference Price

On 26 June 2023, during the WTO informal session on External Reference Price (ERP) in Geneva, the limitations of the External Reference Price were highlighted by the Indian delegation represented by Prof. Sachin Kumar Sharma.

To illustrate this issue, consider Egyptian wheat.



- When expressed in current terms (2022), Egypt's wheat translates to USD 0.45 per 100 kg.
- Thus, the price for 1000 kg (1 Metric Ton) of Egyptian wheat will be USD 4.50.

- Any administered pricing more than USD 4.50 per 1000 kg would be considered trade-distorting.
- In contrast, 1 burger costs more than that USD 7.39 (6.5 CHF) in Geneva, Switzerland.
- Therefore, the value of One burger is greater than 1000 kg of Egyptian wheat.

This comparison illustrates the limitation of the current methodology. When the benchmark value for one MT of wheat is comparable to the price of a single burger in Geneva, it highlights how outdated reference prices no longer reflect economic realities. As a result, even modest procurement support for farmers may appear excessive under WTO rules, thereby constraining governments' ability to provide adequate protection to their low-income or resource-poor farmers.

Source: Sharma, S.K. (2023). "Pitfalls of WTO Fixed External Reference Price: Impact on Food Security" Information session. Organized by the Members of G33, ACP, and African Group in WTO, Geneva. Document No. Job/AG/246.

⁸ Sharma, S. K., & Shajahan, A. A. (2024). WTO and a permanent solution for food security: striving for a hunger-free world. *Food Security*, 16, 321–337. Available at: <https://doi.org/10.1007/s12571-023-01426-9>.

⁹ WTO. (2020). Reaffirming multilateralism and development for MC12: Permanent solution on public stockholding for food security purposes (PSH). Document No. JOB/AG/179; USDA. (2026). Farming and Farm Income <https://www.ers.usda.gov/data-products/ag-and-food-statistics-charting-the-essentials/farming-and-farm-income#:~:text=After%20peaking%20at%206.8%20million,recorded%20in%20the%20early%201970s>

¹⁰ Sharma, S.K., Shajahan, A.A., Goswami, A. (2024). Navigating Agricultural Domestic Support, Fisheries Subsidies, and Food Security: A Critical Examination of the WTO Rules. CRIT/CWS working paper series no. 71, Centre for WTO Studies, New Delhi. Available at: https://wto-centre.iift.ac.in/working-paper/Working_paper_71.pdf.

¹¹ Sharma, S. K. (2016). *The WTO and Food Security, Conclusion and way forward*. Springer Singapore. Available at: <https://doi.org/10.1007/978-981-10-2179-4>.

¹² Sharma, S. K., & Shajahan, A. A. (2024). WTO and a permanent solution for food security: striving for a hunger-free world. *Food Security*, 16, 321–337. Available at: <https://doi.org/10.1007/s12571-023-01426-9>.

¹³ World Food Program (WFP). (2023). Food systems. Available at: <https://www.wfp.org/food-systems>.

¹⁴ WTO. (2001). Negotiations on WTO Agreements on Agriculture, proposals by India. Document No. (G/AG/NG/W/102).

¹⁵ Sharma, S. K., & Shajahan, A. A. (2024). WTO and a permanent solution for food security: striving for a hunger-free world. *Food Security*, 16, 321–337. <https://doi.org/10.1007/s12571-023-01426-9>; Sharma, S. K., & Das, A. (2017). Food sovereignty under WTO unfulfilled promise at Buenos Aires. ; Sharma, S. K., & Das, A. (2017). Food sovereignty under WTO unfulfilled promise at Buenos Aires.

¹⁶ WTO. (2001). Ministerial Declaration, ministerial conference fourth session, Document No. (WT/MIN(01)/DEC/1).

¹⁷ WTO. (2002). Special and Differential Treatment for Developing Countries, Committee on Agriculture Special Session Informal Meeting. Document No. (JOB(02)/187).

¹⁸ Sharma, S. K., & Shajahan, A. A. (2024). WTO and a permanent solution for food security: striving for a hunger-free world. *Food Security*, 16, 321–337. <https://doi.org/10.1007/s12571-023-01426-9>; Sharma, S. K., & Das, A. (2017). Food sovereignty under WTO unfulfilled promise at Buenos Aires.

support levels, constraining Members’ ability to operate public stockholding programmes within their existing limits. For most developing countries, including LDC Members, the existing limit is 10 percent of the value of production for the relevant product.

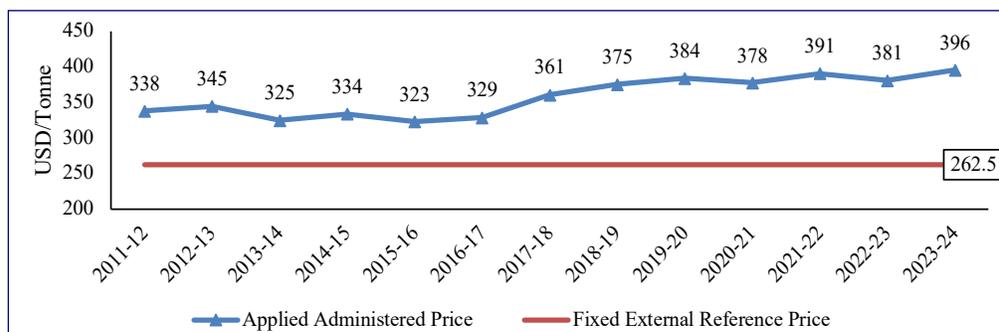
Such outdated benchmarks artificially inflate support measurements and restrict the policy space available for public stockholding programmes. Potentially impacting the food security policy compatible with socio-economic needs in developing countries, including LDCs. Figure 1 reflects this widening gap between the current administered prices and the ERP of Indian Rice.

History of Negotiations for Food Security, Including the Public Stockholding Programme

The Road to Bali: Two Decades of Negotiation in WTO Food Security Policy

WTO agricultural negotiations involve various Member-led negotiating groups and coalitions; details on these groupings are detailed in the Annex. For more than two decades, developing countries have raised concerns about limited policy space for food security within the World

Figure 1: Comparison Between India’s AAP and Fixed ERP for Rice



Source: Authors’ compilation based on India’s Domestic Support notification of the selected years.

Relevant AoA Provision and the Coverage

Article 6 and Article 7: Commitments and general disciplines for Domestic Support

Annex 2: Green Box Measures which are exempted from reduction commitments

Annex 3: Methodology used for calculating Aggregate Measurement of Support under the Domestic Support

Under Paragraph 8,

$$\text{Market Price Support} = (\text{AAP} - \text{ERP}) * \text{Eligible Production}$$

where,

AAP=Applied Administered Price

ERP= Fixed External Reference Price

Source: Authors’ compilation based on WTO Agreement on Agriculture (AoA).

Trade Organization (WTO) framework. Before the Doha Round, India introduced the concept of a “Food Security Box” in 2001¹⁴, which aimed to exclude, under AMS calculation, product-specific support given to low-income or resource-poor farmers¹⁵ (see Figure 2). The Doha Ministerial Conference responded by mandating that special and differential treatment for developing countries, along with non-trade concerns such as food security and rural development, be central to agricultural negotiations.¹⁶ The African Group¹⁷ (see Annex 1) advanced these efforts in 2002 by advocating for the removal of footnote 5 of the AoA, de-linking support under the PSH programme from the Amber box.¹⁸ By 2008, the fourth revised modality¹⁹ recognized that food stocks acquired by developing countries to support low-income or resource-poor producers should not be included in the Amber Box. Still, no binding solution was established.

The Bali Peace Clause: An Interim Solution

Before the 9th Ministerial Conference in Bali in 2013, concerns grew that several developing countries with PSH programmes risked breaching or had already breached their domestic support commitments. The G-33 proposed three interim options: adjusting reference prices for inflation, adopting a moving reference price, or instituting a peace clause to protect PSH programmes from legal challenges.²⁰

WTO Members agreed to adopt the peace clause as an interim solution.²¹ This arrangement required Members to refrain from challenging the PSH programmes of developing countries through the Dispute Settlement Mechanism, even when these programmes breached obligations under Articles 6.3 and 7.2(b) of the AoA.²² However, this protection was subject to strict conditions, including requirements for notification, transparency, anti-circumvention measures, and safeguards.

Figure 2: Timeline of Food Security Negotiations



Source: Authors' compilation based on proposals and Ministerial Conference decisions.

The Bali decision explicitly required that negotiations for a permanent solution be concluded by the 11th Ministerial

Conference in 2017. In 2014, the General Council²³ extended the peace clause indefinitely until a permanent solution is

¹⁹ WTO. (2008). Revised draft modalities, committee on agriculture special session. Document No. TN/AG/W/4/Rev.4.

²⁰ WTO. (2013). G-33 Non-paper on public stockholding for food security purposes, submitted by Indonesia. Document No. (JOB/AG/25).

²¹ WTO. (2013). Bali ministerial decision, public stockholding for food security purposes. Document No. (WT/MIN(13)/38).

²² Sharma, S. K., & Shajahan, A. A. (2024). WTO and a permanent solution for food security: striving for a hunger-free world. *Food Security*, 16, 321–337. <https://doi.org/10.1007/s12571-023-01426-9>; Sharma, S. K., & Das, A. (2017). Food sovereignty under WTO unfulfilled promise at Buenos Aires.

²³ WTO. (2014). General council decision, public stockholding for food security purposes. Document No. (WT/L/939).

²⁴ WTO. (2015). Nairobi Ministerial Decision on Public Stockholding for Food Security purposes. Document No. (WT/L/979).

²⁵ WTO (2022). Public Stockholding for Food Security purposes, proposal by the African Group, the ACP, and G33. Document No. (JOB/AG/229).

²⁶ WTO. (2013). Bali ministerial decision, public stockholding for food security purposes. Document No. (WT/MIN(13)/38).

²⁷ WTO. (2024). Report by the Chair: State of play in the agriculture negotiations. Document No. (TN/AG/58). Available at: <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/TN/AG/58.pdf&Open=True>.

²⁸ WTO. (2023). Towards A Strengthened Negotiation Framework in the Domestic Support Pillar: Building a Comprehensive Approach to Negotiations on Domestic Support. Document No. (JOB/AG/243/Rev.2).

²⁹ WTO. (2024). Report by the Chair: State of play in the agriculture negotiations. Document No. (TN/AG/58). Available at: <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/TN/AG/58.pdf&Open=True>.

³⁰ Sharma, S. K., & Das, A. (2017). Food sovereignty under WTO unfulfilled promise at Buenos Aires.

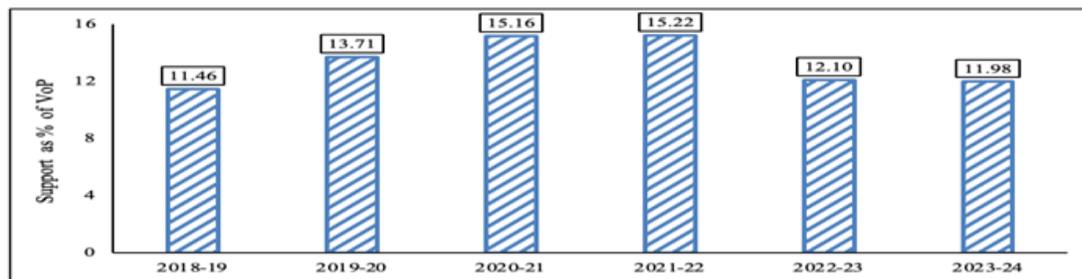
³¹ WTO. (2013). Bali ministerial decision, public stockholding for food security purposes. Document No. (WT/MIN(13)/38).

³² WTO. (2015). Nairobi Ministerial Decision on Public Stockholding for Food Security purposes. Document No. (WT/L/979).

reached, a commitment reaffirmed at the Nairobi Ministerial Conference in 2015.²⁴ India is the only Member to have invoked

this safeguard to protect its food security policy, as rice support exceeded the 10 percent de minimis limit (see Figure 3).

Figure 3. India's Support to Rice as a Percentage of Value of Production (VoP)



Source: Authors' compilation based on India's Domestic Support notification of the selected years.

Proposal on Permanent Solution to Public Stockholding

In the current phase of negotiations, the focus is therefore on achieving a permanent solution that builds upon the Bali peace clause while correcting the underlying methodological flaws in the calculation of market price support (MPS). Therefore, building on earlier proposals, the G-33, the African Group, and the ACP Group have jointly submitted proposal JOB/AG/229 in 2022, demanding a permanent solution that would move beyond the constraints of the Bali framework and should include (i) legal certainty, (ii) expanded coverage of PSH programmes and eligible crops, (iii) updating market price support methodology which includes updating ERP along with defining eligible production as quantity procured, (iv) simplified and less burdensome notification requirements (v) export from Government to Government (G2G) stocks on humanitarian basis.²⁵

For many developing countries, the Bali Ministerial Decision on Public Stockholding for Food Security

purposes²⁶ provides an interim solution through protection from dispute settlement under specific conditions, but it has not been sufficient to fully address their concerns. Table 1 compares the Bali Decision with the 2022 Joint Proposal (JOB/AG/229) to highlight the key differences and the changes being sought. For instance, the limited scope of product and programme coverage, the continued use of outdated MPS methodology, and procedural conditions have constrained their ability to support the food security and livelihoods of their farmers. As a result, these Members have continued to push for a more meaningful and permanent outcome.

Challenges in Achieving a Permanent Solution to PSH

While Members may broadly agree that the interim peace clause cannot serve as a long-term solution, they diverge on how its evolution should be structured. Negotiations, therefore, centre not on whether reform is needed, but on the scope, safeguards, and legal architecture of a future framework.

Proponents of a permanent solution seek arrangements that provide predictable legal protection for food security programmes, including clarity on coverage, duration, and calculation methodologies. Other Members highlight that any permanent solution must incorporate

safeguards to prevent potential trade spillovers and maintain consistency with broader agricultural disciplines.²⁷

For instance, before 2025, the Cairns Group²⁸ addressed PSH within a broader domestic support pillar framework, proposing product-specific flexibilities

Table 1: Differences Between the Bali Ministerial Decision and JOB/AG/229

| Basis | Bali Ministerial decision | JOB/AG/229 |
|---|--|---|
| Nature | Interim solution (peace clause). | <ul style="list-style-type: none"> Permanent in nature. The proposal seeks an amendment to the AoA. |
| Crops/ Products covered | Limited to traditional staple food crops. | All 'Foodstuff'. |
| Programs covered | Limited to programs existing as of December 2013. | No limitations on PSH programs. |
| Method of calculating Market Price support based on the formula: $MPS = (AAP - ERP) * Q$ [AAP = Applied administered price ERP = Fixed external reference price Q = Eligible production] | Fixed External Reference Price (FERP) The average price of basic agricultural products concerned based on export or import prices (f.o.b for a net exporter or c.i.f for a net importer) prevailing during the base period (1986-1988). | Dynamic ERP a. The three-year average price (f.o.b for a net exporter or c.i.f for a net importer) based on Olympic average (removing the highest and lowest entries from the preceding 5-year period). b. ERP adjusted for excessive inflation. |
| | Eligible Production: Production eligible to receive the administered price support. | Eligible Production: Actual quantity of foodstuffs acquired at administered price. |
| Transparency obligations (Notification Requirements) | 1. DS notification requirements as per (G/AG/2) of 30 June 1995. 2. Additional Annex for each PSH program that is maintained for food security purposes. 3. Statistical Appendix with relevant statistical information for the additional annex. | Standard domestic support notification (G/AG/2) without additional burdens. |

³³ Sharma, S.K. and Das, A. (2017). Food Sovereignty under WTO Unfulfilled Promise at Buenos Aires.

³⁴ WTO. (2024). Report by the Chair: State of play in the agriculture negotiations. Document No. (TN/AG/58). Available at: <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/TN/AG/58.pdf&Open=True>.

³⁵ WTO. (2025). African Group Submission on Agriculture for MC14 by Mozambique on behalf of the African Group. Document No. (WT/GC/W/977 TN/AG/W/12).

³⁶ WTO. (2025). Proposal on Food Security and Resilience by The Gambia on behalf of the LDC Group. Document No. (WT/GC/W/980/Rev.1). TN/AG/W/13.

³⁷ WTO (2022). Public Stockholding for Food Security purposes, proposal by the African Group, the ACP, and G33. Document No. (JOB/AG/229).

³⁸ WTO. (2025). Ministerial Declaration on Trade and Global Food Security by Jamaica. WTO Document JOB/AG/270.

| | | |
|-----------------------------------|--|--|
| Anti-circumvention/ safeguards | shall ensure that stocks procured under such programmes do not distort trade or adversely affect the food security of other Members. | <ol style="list-style-type: none"> 1. Stocks acquired under PSH programmes for food security purposes shall not distort trade or adversely affect the food security of other Members. 2. Shall endeavour not to export from acquired stocks except, <ol style="list-style-type: none"> a. International food aid b. non-commercial humanitarian purposes c. Request by NFIDC, LDC, or any other Member facing food shortages and higher food inflation during the international food crisis. |
|-----------------------------------|--|--|

Source: Authors' compilation based on Bali Ministerial Decision (WT/MIN(13)/38 or WT/L/913) and proposal on Public Stockholding for Food Security Purposes (JOB/AG/229).

linked to a country's net trade position and its world share in the given product.²⁹ Reflecting an alternative approach that integrates PSH into broader agricultural reform rather than treating it as a standalone measure.

Prolonged divergence carries broader institutional implications. For many developing Members, representing more than 60 percent of the world's population, there has been no progress on a long-standing food security issue. Particularly amid recurring global supply shocks, this raises concerns about the WTO's responsiveness to development priorities. Addressing these tensions will be central to restoring confidence in the multilateral trading system's ability to balance trade disciplines with food security objectives.³⁰

State of Play: Emerging WTO

Proposals on Food Security

Food security concerns, particularly those related to public stockholding (PSH), have long been part of WTO agriculture negotiations. Ministers at Bali (2013)³¹ and Nairobi (2015)³² instructed Members to seek a permanent PSH solution to support developing countries' food security efforts.³³ Notwithstanding these mandates, progress has remained stalled.

In the lead-up to MC13 in Abu Dhabi and at the conference itself, the chair introduced a draft ministerial text that referenced public stockholding, though no further movement occurred.³⁴

Against this backdrop, several Member groups tabled new proposals in early December 2025 ahead of the 14th WTO Ministerial Conference (MC14).

The African Group submission addresses comprehensive agriculture reform and represents the most detailed engagement with the permanent solution track (see Table 2). It builds substantively on proposal JOB/AG/229, which calls for legal certainty, expanded foodstuff coverage, an inflation-adjusted reference price methodology, and safeguards within existing WTO rules.³⁵

The LDC Group proposal, tabled by the Gambia, includes an explicit instruction to continue PSH negotiations and review reference prices, though its

scope is limited to LDC members only.³⁶

Jamaica’s submission warrants particular attention, given its standing as a co-sponsor of proposal 229.³⁷ Rather than building on a similar position, Jamaica’s new submission³⁸ tabled for MC14 takes a horizontal, political, and declaratory approach, situating PSH within a broader agriculture and food security framework. The proposal neither explicitly reaffirms proposal JOB/AG/229 nor references the permanent solution track, instead offering a general ministerial declaration.

Table 2: Relevant Submissions on a Permanent Solution to PSH for Food Security

| 2022 | 2024 | 2025 |
|---|--|--|
| <ul style="list-style-type: none"> • Submitted by The African group, ACP group and G-33 (JOB/AG/ 229) • Proposal for a permanent solution <ul style="list-style-type: none"> • legal certainty, • expanded programme coverage, • expanded crop eligibility, • updating ERP along with defining eligible production as the quantity procured, • simplified and less burdensome notification requirements • export from G2G stocks on a humanitarian basis. | <ul style="list-style-type: none"> • Communication by the Cairns group and Ukraine (JOB/AG/243/Rev.2) • The amount of support allowed would depend on: (i) how much a country exports, and (ii) its share in world trade. • Instead of giving PSH a separate permanent solution, it treats it as part of the overall domestic subsidy reforms. | <ul style="list-style-type: none"> • The African Group Proposal (TN/AG/W/12) • Calls for a permanent PSH solution with <ul style="list-style-type: none"> • legal certainty, • improve coverage of foodstuffs, • inflation- adjusted methodology, • safeguards. • LDC Group (The Gambia) Proposal (WT/GC/W/980/Rev.1) • Explicit instruction to continue PSH negotiations and review reference prices. • Jamaica Declaration (JOB/AG/270) • Generic acknowledgement within the wider agriculture agenda. |

Source: Authors’ compilation based on WTO Documents JOB/AG/229, JOB/AG/243/Rev.2, TN/AG/W/12, WT/GC/W/980/Rev.1, and JOB/AG/270.

Conclusion

Agriculture is among the most critical and sensitive issues under negotiation at the WTO due to its direct impact on the livelihoods of millions of farmers and undernourished populations globally. Given the importance of food security, WTO Members have engaged in intensive negotiations to establish a permanent solution for public stockholding (PSH) programmes. Despite these efforts,

WTO members remain divided on the PSH issue, reflecting divergent interests and priorities.

Amid rising undernourishment and recurring food crises, food security remains a primary concern for developing countries, including least developed countries (LDCs). Price-support-based PSH programmes have been essential for supplying affordable foodgrains to vulnerable populations and ensuring fair

prices for farmers. However, the limited policy space under the Amber Box, together with the continued use of a fixed external reference price (ERP) based on 1986-88 levels, significantly constrains developing countries' capacity to implement PSH programmes effectively within the current WTO framework.

A permanent solution based on the Bali peace clause has become a prominent proposal in ongoing negotiations. Opponents argue that this approach could provide excessive policy space for developing countries, potentially facilitating subsidised exports from PSH stocks and causing trade distortions. Conversely, many developing country members emphasize significant shortcomings in the current framework, such as limited product coverage, exclusion of future programmes, and overly broad anti-circumvention provisions.

Proponents further contend that the increasing number of conditions attached to the proposed permanent solution, including differentiation among developing countries, export limitations, stricter notification requirements, and the linkage of PSH discussions to broader domestic support negotiations, undermines its practical value. They argue that these conditions risk making the solution ineffective and inaccessible

for countries most dependent on PSH programmes.

The COVID-19 pandemic and recent global food crises have highlighted the urgency of resolving the PSH issue. However, ongoing disagreements among members continue to hinder consensus. In this context, renewed efforts are needed to bridge negotiating gaps and restore trust. A simple, transparent, and operationally feasible permanent solution, including a dynamic external reference price that reflects current market conditions, should be actively pursued at MC 14. A better approach would be to continue the Bali Peace Clause, extend product and programme coverage, and supplement it with a dynamic ERP. This approach must balance trade disciplines with the fundamental goal of safeguarding food security and livelihoods for millions.

The upcoming MC 14 should deliver a credible permanent solution on PSH and, in doing so, fulfil the long-standing mandate. In the absence of a meaningful outcome, this demand for a permanent solution will remain unfulfilled, leaving low-income or resource-poor farmers in these developed countries, including LDCs, without sufficient policy space or even a reliable safety net, thereby prolonging uncertainties for food security.

Annex 1: WTO Group Membership

| The African Group | | G33 Members | |
|----------------------------------|--------------|--------------------------------|-----------------------------------|
| 45 Members | | 47 Members | |
| Angola | Malawi | Antigua and Barbuda | Madagascar |
| Benin | Mali | Barbados | Mauritius |
| Botswana | Mauritania | Belize | Mongolia |
| Burkina Faso | Mauritius | Benin | Mozambique |
| Burundi | Morocco | Bolivia Plurinational State of | Nicaragua |
| Cameroon | Mozambique | Botswana | Nigeria |
| Cabo Verde | Namibia | China | Pakistan |
| Central African Republic | Niger | Congo | Panama |
| Chad | Nigeria | Côte d'Ivoire | Philippines |
| Congo | Rwanda | Cuba | Saint Kitts and Nevis |
| Democratic Republic of the Congo | Senegal | Dominica | Saint Lucia |
| Côte d'Ivoire | Seychelles | Dominican Republic | Saint Vincent and the Grenadines |
| Djibouti | Sierra Leone | Ecuador | Senegal |
| Egypt | South Africa | El Salvador | Sri Lanka |
| Eswatini | Tanzania | Grenada | Suriname |
| Gabon | Togo | Guatemala | Chinese Taipei |
| Gambia | Tunisia | Guyana | Tanzania |
| Ghana | Uganda | Haiti | Trinidad and Tobago |
| Guinea | Zambia | Honduras | Türkiye |
| Guinea-Bissau | Zimbabwe | India | Uganda |
| Kenya | Comoros | Indonesia | Venezuela, Bolivarian Republic of |
| Lesotho | | Jamaica | Zambia |
| Liberia | | Kenya | Zimbabwe |
| Madagascar | | Korea Republic of | |

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| ACP Group | | |
|----------------------------------|----------------------------------|---------------------|
| 64 Members | | |
| Angola | Grenada | Senegal |
| Antigua and Barbuda | Guinea | Sierra Leone |
| Barbados | Guinea-Bissau | Seychelles |
| Belize | Guyana | Solomon Islands |
| Benin | Haiti | South Africa |
| Botswana | Jamaica | Suriname |
| Burkina Faso | Kenya | Tanzania |
| Burundi | Lesotho | Togo |
| Cameroon | Liberia | Tonga |
| Cabo Verde | Madagascar | Trinidad and Tobago |
| Central African Republic | Malawi | Uganda |
| Chad | Mali | Vanuatu |
| Congo | Mauritania | Zambia |
| Côte d'Ivoire | Mauritius | Zimbabwe |
| Cuba | Mozambique | Comoros |
| Democratic Republic of the Congo | Namibia | Timor-Leste |
| Djibouti | Niger | |
| Dominica | Nigeria | |
| Dominican Republic | Papua New Guinea | |
| Eswatini | Rwanda | |
| Fiji | Saint Kitts and Nevis | |
| Gabon | Saint Lucia | |
| Gambia | Saint Vincent and the Grenadines | |
| Ghana | Samoa | |

Continue...

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| Cairns Group | |
|--------------|--------------|
| 19 Members | |
| Argentina | New Zealand |
| Australia | Pakistan |
| Brazil | Paraguay |
| Canada | Peru |
| Chile | Philippines |
| Colombia | South Africa |
| Costa Rica | Thailand |
| Guatemala | Uruguay |
| Indonesia | Viet Nam |
| Malaysia | |

Source: Authors' compilation based on WTO Group Membership (https://www.wto.org/english/tratop_e/agric_e/negoti_groups_e.htm)

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“What the MC 14 intends to do, is to have the Ministers discuss key issues which are being faced by Member countries of the WTO and chart a way forward so that negotiations can then take place and solutions could be found so that to be harvested by the next Ministerial Conference (MC 15).”

Dr. Jayant Dasgupta, Former Ambassador to the WTO



“Public stockholding issue is concerned, it should be such a simple issues for others to agree to that we can [at least] try to make it the minimum to find a permanent solution. There are some issues against which the public stockholding can be negotiated, [where] we give [up] something and we [gain something in return]. ”

Mr. Anwarul Hoda, Former Deputy Director General, WTO



“If we are to design or have a permanent solution, we need to address the critical elements both sides have raised.”

Dr. Edwini Kessie, Director, Agriculture and Commodities Division, WTO



“Rebuilding trust in WTO is essential and credibility of the organization is closely linked to its ability to deliver meaningful outcome in agriculture.”

Ms. Nidhi Srivastava, Counsellor to Permanent Mission of India, WTO



“Public stockholding really sits at the intersection of food security, rural livelihoods, domestic price stabilization, but also the broader macroeconomic stability for grain-dependent economies.”

Ms. Vahini Naidu, Programme Coordinator, Trade for Development Programme (TDP) of the South Centre

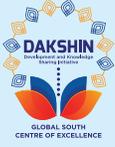


RIS

Research and Information System
for Developing Countries

विकासशील देशों की अनुसंधान एवं सूचना प्रणाली

RIS specialises in issues related to international economic development, trade, investment and technology. It is envisioned as a forum for fostering effective policy dialogue and capacity-building among developing countries on global and regional economic issues. The focus of the work programme of RIS is to promote South-South Cooperation and collaborate with developing countries in multilateral negotiations in various forums. Through its following centres/forums, RIS promotes policy dialogue and coherence on regional and international economic issues.



The word “DAKSHIN” (दक्षिण) is of Sanskrit origin, meaning “South.” The Hon’ble Prime Minister of India, Shri Narendra Modi, inaugurated DAKSHIN – Global South Centre of Excellence in November 2023. The initiative was inspired by the deliberations of Global South leaders during the Voice of the Global South Summits. DAKSHIN stands for Development and Knowledge Sharing Initiative. Hosted at the RIS, DAKSHIN has established linkages with leading think tanks and universities across the Global South and is building a dynamic network of scholars working on Global South issues.



AIC at RIS has been working to strengthen India’s strategic partnership with ASEAN in its realisation of the ASEAN Community. AIC at RIS undertakes research, policy advocacy and regular networking activities with relevant organisations and think-tanks in India and ASEAN countries, with the aim of providing policy inputs, up-to-date information, data resources and sustained interaction, for strengthening ASEAN-India partnership.



CMEC has been established at RIS under the aegis of the Ministry of Ports, Shipping and Waterways (MoPS&W), Government of India. CMEC is a collaboration between RIS and Indian Ports Association (IPA). It has been mandated to act as an advisory/technological arm of MoPSW to provide the analytical support on policies and their implementation.



FITM is a joint initiative by the Ministry of Ayush and RIS. It has been established with the objective of undertaking policy research on economy, intellectual property rights (IPRs) trade, sustainability and international cooperation in traditional medicines. FITM provides analytical support to the Ministry of Ayush on policy and strategy responses on emerging national and global developments.



BEF aims to serve as a dedicated platform for fostering dialogue on promoting the concept in the Indian Ocean and other regions. The forum focuses on conducting studies on the potential, prospects and challenges of blue economy; providing regular inputs to practitioners in the government and the private sectors; and promoting advocacy for its smooth adoption in national economic policies.



FIDC, has been engaged in exploring nuances of India’s development cooperation programme, keeping in view the wider perspective of South-South Cooperation in the backdrop of international development cooperation scenario. It is a tripartite initiative of the Development Partnership Administration (DPA) of the Ministry of External Affairs, Government of India, academia and civil society organisations.



FIRD aims to harness the full potential and synergy between science and technology, diplomacy, foreign policy and development cooperation in order to meet India’s development and security needs. It is also engaged in strengthening India’s engagement with the international system and on key global issues involving science and technology.



As part of its work programme, RIS has been deeply involved in strengthening economic integration in the South Asia region. In this context, the role of the South Asia Centre for Policy Studies (SACEPS) is very important. SACEPS is a network organisation engaged in addressing regional issues of common concerns in South Asia.



Knowledge generated endogenously among the Southern partners can help in consolidation of stronger common issues at different global policy fora. The purpose of NeST is to provide a global platform for Southern Think-Tanks for collaboratively generating, systematising, consolidating and sharing knowledge on South South Cooperation approaches for international development.



DST-Satellite Centre for Policy Research on STI Diplomacy at RIS aims to advance policy research at the intersection of science, technology, innovation (STI) and diplomacy, in alignment with India’s developmental priorities and foreign policy objectives.

— Policy research to shape the international development agenda —

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