

View: Make food security fair'n'square

Synopsis

Everything the WTO does becomes redundant if it fails the large constituency in developing countries that depends on agriculture for their survival. WTO's survival, in turn, is dependent on whether MC12 succeeds in addressing the historical injustice in agriculture on the food security front.



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The 12th World Trade Organisation (**WTO**) **Ministerial Conference** (MC12) may have been postponed due to Covid restrictions, but one issue that will be on the MC12 agenda is local availability of food and its supplies. According to a World Bank study, 72 countries have a significant population running out of food, with nearly 811 million people having gone hungry in 2020.

Everything the WTO does becomes redundant if it fails the large constituency in developing countries that depends on agriculture for their survival. WTO's survival, in turn, is dependent on whether MC12 succeeds in addressing the historical injustice in agriculture on the **food security** front.

The most prominent of a long list of WTO-enabled historic injustice includes the flawed formula of Aggregate Measure of Support (AMS) calculation. The definition and method of measurement adopted for **AMS** in the **Uruguay Round** in 1986-1994 were problematic. The Agreement on Agriculture (AoA) text calculates export subsidies with the base year period 1986-88, and allows key providers of export subsidies to continue with this support. On the other hand, it does not allow any country to provide export subsidies afresh, if the country did not have the provision of export subsidy during the base year or notify about such provisions for the base year in its schedule.

Implementation of this flawed AMS formula led to indiscipline of domestic support to agriculture in major **OECD**

countries. As a result, the WTO has failed to achieve one of the foremost objectives because of structural assistance from the

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and the IIS in the agricultural markets is retained through a mix of domestic support WTO-mandated special safeguard

India has maintained that its AMS has been negative, that too by a very large magnitude, and so the question of notification did not arise then. Moreover, with the existing base year, inflation is not taken into account, and administered price - as opposed to market price - is counted as 'support'. This reinforces the injustice, as agricultural earnings are abysmally low in India, and are increasingly vulnerable to the impacts of climate change.

As of April 2021, India notified that it has exceeded the small scale (de minimis) level for rice for the marketing year 2019-20. India's breach of commitment for the traditional staple food crop, under Article 7.2(b) of the AoA, is linked with the support provided as part of public stockholding programmes for food security purposes aligned with the decision at MC9 in Bali in 2013. India's high standards of transparency should set similar benchmarks for developed countries as well.

India is representative of the developing world, for which a very large share of its population is dependent on subsistence agriculture. India's National Food Security Act (NFSA) of 2013 legitimised supporting small farmers and for public stockholding for food security. The country's championing the case at WTO, particularly in the Bali 'peace clause,' reflects such priority. With the Covid-19 pandemic still wreaking havoc on lives and livelihoods of small farmers, finding a permanent solution to the issue is a priority.

Such a solution has to be fair, with adequate lessons learnt from the past so that a catastrophe like the AMS formula is not repeated. Any push to block the progress made under the public stockholding track would mean the collapse of trade negotiations. Agriculture negotiations at the WTO have failed to bring in any convergence on the issue of domestic support, with strong resistance from leading agriculture exporting countries. India, along with several other developing countries, has made it clear that any meaningful reform process of the WTO should entail removing existing imbalances in the AoA and ensuring a level playing field.

As WTO celebrates its 25th anniversary under trying Covid circumstances, it is important to reconsider the need of making the organisation relevant and contemporary. The AoA will have to be reformed to discourage 20th century-style production structures, and create new incentives for accessing modern, cost-effective technologies for greener and sustainable agriculture.

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