EXECUTIVE SUMMARY

The provision of an update on World Trade Organization (WTO) agricultural negotiations and developments in regional trade agreements (RTAs) features as a regular item on the agenda of CCP sessions, given the interest of the Committee in trade-related issues and the important role played by trade in contributing to global food security and nutrition, agricultural development and sustainability. Trade is recognized as one of the key means of implementation for achieving the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs).

The document provides an update on developments since the Seventy-fifth Session of the Committee, held on 13-15 July 2022. It reports on agriculture-related discussions in the context of the multilateral trade negotiations at the WTO, including at the 13th WTO Ministerial Conference, which was held in Abu Dhabi, United Arab Emirates (UAE) on 26-29 February 2024. It also discusses recent trends in RTAs, with a particular focus on environment-related provisions.

The document also highlights the work of FAO in supporting the Members in the formulation and implementation of trade policies and agreements.

SUGGESTED ACTION BY THE COMMITTEE

The Committee is invited to take note of the information presented in the document and provide guidance as deemed appropriate. In particular, the Committee may also wish to:

- underline the significance of multilateralism and a freer, fairer, predictable, non-discriminatory and rules-based multilateral trading system, for promoting agricultural and rural development and contributing to world food security and improved nutrition;

This note reflects the state of play at the time of the writing in June 2024. The Committee will be verbally updated during the presentation of this agenda item, as required.

Documents can be consulted at www.fao.org
NP574/e
- underscore the importance of open, inclusive, resilient, sustainable, diversified and reliable global supply chains, and their role in ensuring that production and trade can more easily recover from crises and disruptions;
- express appreciation for FAO’s work and activities in agricultural trade;
- provide guidance regarding future activities that could be emphasized to strengthen FAO’s support to Members in the field of agricultural trade.

Queries on the substantive content of the document may be addressed to:

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1. **UPDATE ON THE WTO AGRICULTURAL NEGOTIATIONS**

*The Twelfth Ministerial Conference (MC12)*

1. As presented verbally during the last CCP Session (13-15 July 2022), the Twelfth Ministerial Conference (MC12) of the World Trade Organization (WTO) took place in Geneva, Switzerland, from 12 to 17 June 2022.

2. At MC12, despite initial uncertainty, WTO Members delivered the “Geneva package” of agreements, a set of decisions and declarations on various trade issues that included a *Ministerial Decision on World Food Programme (WFP) Food Purchases Exemption from Export Prohibitions or Restrictions* and a *Ministerial Declaration on the Emergency Response to Food Insecurity*.

3. With the former, WTO Members agreed not to impose export prohibitions or restrictions on foodstuffs purchased by WFP for humanitarian purposes, while stressing that this would not prevent any Member from taking measures to ensure its domestic food security. With the latter, Members emphasized their concern about trade disruptions, record food and agricultural prices and excessive volatility, and recognized the role of trade and domestic production in improving global food security and nutrition.

*Agriculture negotiations in the run-up to the Thirteenth Ministerial Conference (MC13)*

4. Following the conclusion of MC12, WTO agriculture negotiations remained on hold until 27 January 2023, when Ambassador Alparslan Acarsoy of Türkiye was appointed as the new Chair of the Committee on Agriculture in Special Session (CoA-SS).

5. In preparation for the MC13, Ambassador Acarsoy organized a series of seminars and meetings to stimulate the negotiations on the seven negotiating issues, namely Public Stockholding (PSH) for food security purposes, domestic support, market access, the Special Safeguard Mechanism (SSM), export restrictions, export competition and cotton. Food security was treated as a cross-cutting issue.

6. On 30 January 2024, following a year of consultations with Members, the submission of various negotiating proposals, and the organization of a virtual mini-ministerial meeting on the agriculture negotiations on 28 November 2023 by the Chair of MC13, his Excellency Dr Thani bin Ahmed Al Zeyoudi, UAE's Minister of State for Foreign Trade, the Chair of the CoA-SS presented a draft negotiating text to Members. The document, which was mainly intended to provide a roadmap for the WTO agriculture negotiations after MC13, covered the seven main areas under discussion.

7. After its presentation, the Members engaged in intensive text-based negotiations, and on 16 February 2024, Ambassador Acarsoy circulated a revised negotiating text. The draft text sought to

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strike a delicate balance between the different negotiating positions, reflecting the state of play in the ongoing talks, and had the objective of facilitating the achievement of an outcome on agriculture at the Conference. However, after the submission of the revised negotiating text, the Chair acknowledged that, while some progress was made, the negotiating positions of Members remained widely divergent on many issues.\(^9\)

8. In particular, the Ambassador informed that while proponents of the PSH insisted on the adoption of a permanent solution at MC13, others believed that PSH should be addressed as part of the overall domestic support negotiations.\(^10\) Similarly, on domestic support, the Chair reported that while all the Members agreed on the need to reduce trade-distorting support, there were disagreements on some basic elements of the negotiations, including the starting point and the scope of the support to be reduced/disciplined.

9. On market access, Ambassador Acarsoy underlined that Members had not been able to find common ground and that significant differences remained, both in agreeing on a work programme and in relation to other selected issues. Similarly, on SSM, the Ambassador noted that Members remained divided, particularly on the issue of the linkage between SSM and market access.

10. As regards export competition, Ambassador Acarsoy reported that while some Members expressed the view that further work might be needed to achieve better results in some of the areas covered by the “Export Competition Pillar”, many others felt that the issue had been largely addressed by the Nairobi Ministerial Decision.

11. Concerning cotton, the Chair noted that while some proponents continued to call for reductions in trade-distorting domestic support for the sector and for greater transparency, Members' negotiating positions remained far apart.

12. Regarding export restrictions, the Chair reported that the discussions had focused mainly on how to improve the transparency and predictability of these measures, while several developing country Members considered that the existing disciplines were sufficient.

13. Finally, the draft text also proposed some possible immediate actions to support most vulnerable countries in their fight against food insecurity. These included a best-effort commitment by exporters not to apply export restrictions to foodstuffs imported for domestic consumption by the least developed countries (LDCs) and net food importing developing countries (NFIDCs) that are net importers of the products concerned and the extension for the same group of countries of the Bali interim solution\(^11\) regarding public stockholding programmes for food security purposes.

The Thirteenth Ministerial Conference (MC13)

14. MC13 took place from 26 February to 2 March 2024 in Abu Dhabi, UAE. The Conference was chaired by His Excellency Dr Thani bin Ahmed Al Zeyoudi, the host country’s Minister of State for Foreign Trade.

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\(^11\) WT/MIN(13)/38-WT/L/913
15. Ministers discussed the Chair’s draft negotiating text, and on 29 February, the MC13 Agriculture Facilitator, Minister Rebecca Miano of Kenya, presented a streamlined text.12

16. Despite the extension of the Conference by two additional days in an effort to reach a consensus, WTO Members continued to hold divergent positions and were not able to reach consensus on the text presented by the Minister Facilitator, preventing an outcome on agriculture at MC13.

17. In this regard, on 16 April, at the first meeting of the CoA-SS following the conclusion of MC13, Ambassador Acarsoy of Türkiye told trade officials that “fresh thinking” was needed to break the persistent deadlock in the talks, urging Members to acknowledge the work undertaken so far.13

*Abu Dhabi Ministerial Declaration*

18. During MC13, despite modest results in agriculture, WTO Members adopted the *Abu Dhabi Ministerial Declaration*.14 In the Declaration, Members reaffirmed the principles and objectives of the WTO and underscored the importance they attach to open, inclusive, resilient, sustainable, diversified, and reliable global supply chains, and their role in ensuring that production and trade can more easily recover from crises and disruptions.

19. Moreover, they recognized the short-term challenges faced particularly by developing country members in confronting global and domestic crises, including disasters caused by natural hazards, and encouraged discussions in the WTO to support resilience and disaster preparedness, highlighting that the inclusion of other relevant international organizations in the discussions can promote coherence.

20. Members also recognised that women’s economic empowerment and participation in trade contribute to economic growth and sustainable development, and that micro-, small- and medium-sized enterprises (MSMEs) play an important role in economic growth, sustainable development and poverty reduction.

*Work programme pursuant to the MC12 Declaration on the Emergency Response to Food Insecurity*

21. Pursuant to paragraph 8 of the *Ministerial Declaration on the Emergency Response to Food Insecurity* adopted at MC12, a work programme was established in November 2022 to help LDCs and NFIDCs to strengthen their resilience to food insecurity.

22. Under the work programme, WTO Members elaborated on the themes of “access to international food markets”, “financing of food imports”, “agricultural and production resilience of LDCs and NFIDCs” and “horizontal issues”, including fostering collaboration among international organizations. Over the course of the work programme, FAO, along with other international/regional organizations, contributed to the discussions by participating in meetings and delivering technical presentations on topics under the mandate of the Organization.

23. On 17 April 2024, WTO Members reached consensus on the report and recommendations under the work programme15.

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13 WTO. 2024. Fresh thinking needed to move agriculture talks forward, says Chair. [https://www.wto.org/english/news_e/news24_e/agng_16apr24_e.htm](https://www.wto.org/english/news_e/news24_e/agng_16apr24_e.htm)


24. The report\textsuperscript{16} outlined a set of actions and recommendations in relation to “access to international food markets”, “financing of food imports”, “agricultural and production resilience of LDCs and NFIDCs”, and “horizontal issues”. Under “horizontal issues”, the report welcomed the collaboration among international organizations in responding to food insecurity and between the WTO Secretariat and other relevant international organizations, including the Agricultural Market Information System (AMIS) partners, to enhance trade and market intelligence and transparency, and invited the AMIS Secretariat to explore ways to strengthen links with regional economic cooperation institutions to gather timely and reliable food market data, analyse and disseminate this information and provide timely alerts to the international community.

25. WTO Members will follow up on the adopted report and recommendations under the WTO Committee on Agriculture.

II. TRENDS IN REGIONAL TRADE AGREEMENTS (RTAs)

26. As of May 2024, a total of 371 RTAs in force were notified to the WTO (Figure 1).\textsuperscript{17}

27. Since the last CCP Session held in July 2022, countries have continued to be engaged in developing and concluding regional trade negotiations. As shown in Table 1, developing countries have been particularly active.

28. Between April 2022 and May 2024, a total of 21 RTAs were notified to the WTO. Among these, there were only three RTAs in which no developing country was a party (UK-Australia, UK-New Zealand, and EU-New Zealand). However, it should be noted that some of the new RTAs were already in force, but they were notified to the WTO at a later stage.

29. Lastly, and similarly to what was presented during the Committee’s meeting in 2022, the European Union continued to register the highest number of notifications to the WTO for RTAs currently in force (46), followed by the United Kingdom (38), Iceland and Switzerland (35 each), Liechtenstein and Norway (34 each).\textsuperscript{18}

30. From a regional perspective, a total of 165 RTAs have been notified to the WTO involving Europe, 107 involving East Asia, 72 involving South America, 50 involving North America, and 48 RTAs involving Africa.\textsuperscript{19}

\textsuperscript{16} WTO. 2024. Work Programme pursuant to paragraph 8 of the Ministerial Declaration on Emergency Response to Food Insecurity- Report by the Committee on Agriculture. https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/G/AG/38.pdf&Open=True

\textsuperscript{17} WTO. 2024. Regional Trade Agreements Database. RTAs currently in force (by year of entry into force), 1948-2024. Accessed on 15 May 2024 at: https://rtais.wto.org/UI/charts.aspx

\textsuperscript{18} Regional Trade Agreements Database. RTAs in force, including accessions to RTAs, by country/territory. Accessed on 15 May 2024 at: https://rtais.wto.org/UI/publicPreDefRepByCountry.aspx

\textsuperscript{19} The composition of regions is available on the WTO website: http://rtais.wto.org/userguide/User%20Guide_Eng.pdf
Figure 1. RTAs currently in force (by year of entry into force), 1948-2024

![Graph showing RTAs currently in force (by year of entry into force), 1948-2024](https://rtais.wto.org/UI/charts.aspx)


Table 1. RTAs notified to the WTO from April 2022 to May 2024

<table>
<thead>
<tr>
<th>RTA Name</th>
<th>Date of notification</th>
<th>Date of entry into force</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea, Republic of - Israel</td>
<td>25-Apr-24</td>
<td>01-Dec-22</td>
</tr>
<tr>
<td>EU - New Zealand</td>
<td>09-Apr-24</td>
<td>01-May-24</td>
</tr>
<tr>
<td>Kazakhstan - Serbia</td>
<td>01-Apr-24</td>
<td>10-Jan-12</td>
</tr>
<tr>
<td>Kazakhstan - Uzbekistan</td>
<td>01-Apr-24</td>
<td>16-May-98</td>
</tr>
<tr>
<td>Türkiye - Bolivarian Republic of Venezuela</td>
<td>05-Mar-24</td>
<td>21-Aug-20</td>
</tr>
<tr>
<td>China - Cambodia</td>
<td>07-Feb-24</td>
<td>01-Jan-22</td>
</tr>
<tr>
<td>China - Nicaragua</td>
<td>02-Feb-24</td>
<td>01-Jan-24</td>
</tr>
<tr>
<td>Kyrgyz Republic - Azerbaijan</td>
<td>31-Jan-24</td>
<td>28-Mar-06</td>
</tr>
<tr>
<td>Türkiye - Bosnia and Herzegovina</td>
<td>15-Jan-24</td>
<td>01-Aug-21</td>
</tr>
<tr>
<td>Mozambique - Indonesia</td>
<td>19-Nov-23</td>
<td>06-Jun-22</td>
</tr>
<tr>
<td>India - Australia</td>
<td>07-Sep-23</td>
<td>29-Dec-22</td>
</tr>
<tr>
<td>United Kingdom - Australia</td>
<td>22-Jun-23</td>
<td>31-May-23</td>
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<tr>
<td>United Kingdom - New Zealand</td>
<td>22-Jun-23</td>
<td>31-May-23</td>
</tr>
<tr>
<td>Korea, Republic of - Cambodia</td>
<td>21-Jun-23</td>
<td>01-Dec-22</td>
</tr>
<tr>
<td>Indonesia - Korea, Republic of</td>
<td>15-Jun-23</td>
<td>01-Jan-23</td>
</tr>
<tr>
<td>Colombia - Israel</td>
<td>14-Mar-23</td>
<td>11-Aug-20</td>
</tr>
<tr>
<td>Türkiye - Faroe Islands</td>
<td>01-Nov-22</td>
<td>01-Oct-17</td>
</tr>
<tr>
<td>European Free Trade Association (EFTA) - Gulf Cooperation Council (GCC)</td>
<td>06-Oct-22</td>
<td>01-Jul-14</td>
</tr>
<tr>
<td>India - United Arab Emirates</td>
<td>22-Sep-22</td>
<td>01-May-22</td>
</tr>
<tr>
<td>EFTA - Indonesia</td>
<td>26-Apr-22</td>
<td>01-Nov-21</td>
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**Environment-related provisions for agriculture, fisheries and forestry (Ag-ERPs) in RTAs**

31. As presented to the Committee in 2022, although RTAs were originally established with the objective of promoting trade and cooperation, the latest trend aims to pursue “deeper” integration by incorporating a broader range of policy areas that may be challenging to agree-on at a multilateral level. In this lens, RTAs have rapidly increased in terms of regulatory coverage and evolved to directly referencing sustainable development and including environment-related provisions (ERPs).

32. Countries include ERPs in the RTAs for a variety of reasons. These include promoting SDGs, supporting international environmental agenda(s), such as the United Nations Framework Convention on Climate Change (UNFCCC), ensuring fairness among RTA signatories, and improving the overall environmental cooperation. ERPs also ensure that trade and environment-related policies are mutually supportive, preventing trade policies from harming the environment and environmental policies from becoming disguised protectionist measures.

33. In addition to a significant increase in ERPs in RTAs since 1995, the number of environment-related provisions with a clear link to agriculture, fisheries and forestry has also increased. According to a recent FAO study, the total number of Ag-ERPs included in the 318 active RTAs notified to the WTO that entered into force between 1995 and 2022 increased from 30 to 5,807 provisions. While the trend of their inclusion - in absolute terms - fluctuated significantly from year to year, the average number of Ag-ERPs per RTA increased steadily (Figure 2), from 8 in 1995-2001 to 28 in 2019-2022.

**Figure 2: Number of RTAs and average number of Ag-ERPs per RTA (per year), 1995-2022**

![Graph showing the number of RTAs and average number of Ag-ERPs per RTA (per year), 1995-2022](source)

34. However, analysis of the number of Ag-ERPs per country suggests that high-income countries generally have a higher number of Ag-ERPs than low- and middle-income countries. In particular, as shown in Figure 3, there appears to be a positive relationship between gross domestic product (GDP) per capita and the total number of Ag-ERPs per country.

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35. Various studies\textsuperscript{21} have shown that several RTAs with ERPs have produced positive results, such as strengthening environmental laws and regulations, introducing new institutional arrangements, promoting cooperation to improve environmental legislation and enforcement, promoting environmental capacity building in developing countries, raising environmental awareness, and influencing countries to adhere to various multilateral environmental agreements.

36. Ag-ERPs can also help mitigate the environmental impacts of trade-induced production growth, and there is evidence of significant reductions in agriculture-related greenhouse gas (GHG) emissions in countries that are part of RTAs with a higher number of Ag-ERPs.\textsuperscript{22}

37. However, it remains to be confirmed whether the inclusion of Ag-ERPs in RTAs is the appropriate means to improve and extend the reach of different environmental practices globally, as RTAs could also create asymmetric approaches to environmental commitments. This may contribute to the “spaghetti bowl” phenomenon, where countries face complex challenges in managing different levels of environmental commitments and institutional arrangements.

38. To make ERPs more effective in RTAs, policymakers could therefore consider several policy recommendations. These include promoting compliance and enforcement, enhancing cooperation with other stakeholders, monitoring the impact of trade agreements, and supporting demand-driven capacity building on environmental issues. Furthermore, it would be very important to continue policy-level discussions on Ag-ERPs through multilateral processes to avoid the creation of asymmetric approaches to environmental commitments through RTAs and to support the creation of common rules to enhance mutual environmental benefits.

III. **FAO’S SUPPORT TO MEMBERS ON AGRICULTURAL TRADE**

39. Recognizing the important role of trade in achieving global food security and in realizing the needed transformation towards more efficient, inclusive, resilient and sustainable agrifood systems,


FAO supports the effective participation of the Members in trade agreements and the evidence-based formulation of trade and trade-related policies and strategies.

40. With the objective to enhance market transparency and inform policy decisions, especially in view of the rising risks and challenges, FAO has strengthened its market intelligence work. Through its core activities and periodic reports and briefings, the Organization has provided timely and objective data and information on market developments and prospects and conducted assessments of impacts on global commodity markets. Products include the publication of the monthly FAO Food Price Index and the Cereal Supply and Demand Brief, the Food Price Monitoring and Analysis (FPMA) Bulletin, the biannual Food Outlook report, and the annual OECD-FAO Agricultural Outlook report. Furthermore, following the outbreak of the war in Ukraine in late February 2022, FAO has produced a series of briefs and information notes, including assessments of impacts on global agrifood markets and food security. In addition, the G20 Agricultural Market Information System (AMIS), hosted in the Markets and Trade Division (EST), has contributed to improving market transparency, including through the publication of the monthly AMIS Market Monitor, and promoted policy dialogue and the coordination of responses through its Rapid Response Forum and the organization of webinars. In response to new demand, the programme of work of AMIS is being expanded to cover vegetable oil and fertilizer markets and the monitoring of trade disruptions.

41. FAO continued to produce evidence-based analysis and facilitate policy dialogue on trade, agriculture, and food security at the global and regional levels. For instance, a series of seven trade policy briefs on several pressing and emerging issues in agricultural and fisheries trade were published to support Members’ preparation for MC13. A technical note on agrifood trade and gender equality was produced analysing key features of the interplay between trade and gender equality in agriculture and exploring gender dynamics in agrifood trade and their implications for developing countries, with a focus on employment, market participation and entrepreneurship.

42. FAO has also produced several reports on agrifood trade. One major report assessed trends in the inclusion of Ag-ERPs in RTAs, while another examined the impact of these provisions on environmental outcomes. It is noted that FAO presented key findings from these reports to the Geneva-based trade community, fostering an open and interactive exchange on important agricultural trade policy issues away from the WTO negotiating context.

43. FAO continued to conduct capacity development activities and facilitate knowledge sharing to strengthen countries capacities in agricultural trade. After a full update of the content (including on fisheries-related issues) of the two courses already available through the FAO elearning Academy – “Agriculture in International Trade Agreements” and “Trade, Food Security and Nutrition” – FAO delivered many e-learning courses, engaging thousands of officials and stakeholders in the agrifood sector in interactive learning and regional knowledge sharing, complementing capacity development activities at the country level. In addition, FAO provided backstopping to several projects (regional and country level) supporting inclusive agricultural value chain and trade development.

44. Technical dialogues on agricultural trade have also been facilitated at the regional level and through FAO’s support to expert networks. The Agricultural Trade Experts Network (ATEN) in Europe and Central Asia is part of FAO’s Regional Initiative on Transforming Food Systems and Facilitating Market Access and Integration. ATEN organized its annual regional meetings to facilitate knowledge generation and exchange. Similarly, and following the establishment of a network in the Near East and North Africa in 2022, in 2023 a parallel initiative was launched in Latin America and the Caribbean (LAC) to bring together specialists and experts with extensive experience in conducting research and delivering training programmes on issues related to agricultural trade and trade policy. FAO also worked with the African Continental Free Trade Area (AfCFTA) Secretariat to assist countries in formulating and implementing their AfCFTA-related strategies and provided support to several projects at country and regional level.
45. Moreover, FAO participated in several meetings of the WTO Committee on Agriculture. The Organization has provided information, participated in meetings and made written submissions on various issues, including the “Work Programme pursuant to Paragraph 8 of the Ministerial Declaration on Emergency Response to Food Insecurity” and the “Annual monitoring exercise on the follow-up to the Marrakesh Net food importing developing countries (NFIDC) Decision”.

46. Lastly, a Memorandum of Understanding (MoU) was signed by FAO Director-General QU Dongyu and WTO Director-General Ngozi Okonjo-Iweala on the margins of the 28th UN Climate Change Conference (COP28) in Dubai, reinforcing the already excellent collaboration and broadening the partnership between the two organizations across the nexus between agrifood systems, trade, fisheries, climate, environment and nutrition. The MoU serves as an enabling framework to enhance integrated technical and policy support to countries in their efforts to attain the SDGs.