



**GROCERY MANUFACTURERS OF AMERICA**  
MAKERS OF THE WORLD'S FAVORITE BRANDS OF  
FOOD, BEVERAGES, AND CONSUMER PRODUCTS

## **Grocery Manufacturers of America Priority Objectives for WTO Agriculture Negotiations**

GMA views the WTO agriculture negotiations as a crucial opportunity for the United States to continue its pursuit of open markets and expanded trade in food and agricultural products. Processed foods now account for over one third of all U.S. agricultural exports. These products must be made a top priority during the agricultural negotiations. To achieve meaningful improvements in trading conditions for processed foods, it is essential to eliminate or significantly reduce all tariff and non-tariff barriers to trade as well as trade-distorting subsidies in this sector.

A number of particular problems continue to hamper the growth of global trade in the processed sector. These include, for example, tariff peaks (atypically high tariff rates); tariff escalation (higher tariffs on processed foods than their commodity components); TRQs (tariff rate quotas—with prohibitive over-quota rates and inefficient administration), export subsidies and trade-distorting domestic support. To address these concerns, we recommend the following:

### *Market Access*

- An approach to tariff reductions across the board that leads to the elimination of tariff peaks and tariff escalation. Any formula should be ambitious enough to achieve substantial reductions in bound and applied tariff rates. It is also critically important that the concept of “substantial improvement in market access” be applied to all products, even those considered “sensitive.” No tariff lines should be exempt from reduction commitments.
- Increased market access for sensitive products through tariff cuts and substantial increases in tariff-rate quotas (TRQs). TRQs should be increased by a formula to be decided, which should be based either on an absolute increase in volume or by an increase in the percentage of consumption, whichever is greater.
- A cap on tariff levels.
- Additional reductions in tariffs through a zero-for-zero approach for particular products, including but not limited to, pet food, dry cereals, powdered soft drink mixes, cocoa and cocoa containing products, French fried potatoes, oilseeds, beef, pork, soft drinks, soups and biscuits.

### *Export Subsidies*

- Elimination and prohibition of export subsidies within five years.
- A progressive approach towards elimination that reduces higher export subsidy levels at a faster rate than lower export subsidy levels.

### *Domestic Support*

- Substantial reductions in all forms of trade-distorting domestic support – amber box, blue box and *de minimus*.
- Amber box payments must be capped and reduced on a product-specific basis to ensure that there are meaningful reductions in support across all products.
- The creation of an expanded Blue Box could undermine the goal of substantial reductions in trade-distorting domestic support. It is imperative that negotiators establish clear disciplines and caps to ensure that the Blue Box is the least trade distorting as possible.

### *Geographical Indications*

- GMA opposes the general extension of rules governing geographical indications in intellectual property rules to food products. Attempts to “claw back” generic names in the agriculture negotiations must be resisted.

### *Special and Differential Treatment*

- Negotiators should develop objective criteria for differentiating between advanced and less-advanced developing countries in the WTO. Special and differential treatment (SDT) provisions should be targeted in a graduated fashion and made available to countries depending on their level of need.