



AMERICAN BUSINESS
COALITION *for* DOHA

AGRICULTURE – HARVESTING RESULTS FROM THE DOHA ROUND

The American Business Coalition for Doha applauds U.S. leadership in putting forth serious and comprehensive proposals for moving the WTO agriculture negotiations forward at this critical juncture. This is a negotiation, however, requiring equally bold and creative proposals from our trading partners. ABCDoha calls on other countries to rise to the challenge and match the United States' level of ambition and demonstrated commitment. The time is now.

America's farmers are the most efficient in the world. We produce more than we can eat at home, and with 96 percent of the world's consumers living outside the United States, access to global markets is vital to the long-term growth and success of U.S. agriculture.

Exports generate one quarter of gross cash receipts on American farms and support 750,000 agricultural jobs. However, agricultural trade suffers from high tariffs, quantitative restrictions, and trade-distorting subsidies. At just 12 percent, the average U.S. agricultural tariff is far lower than the worldwide average of 62 percent and those in its trading partners.

Only ambitious and comprehensive liberalization market access opening by all WTO members will produce significant gains for U.S. farmers.

Average Agricultural Tariff	
European Union	31%
Japan	51%
Industrial Developing Countries	>100%
World	62%
United States	12%

The World Bank estimates that 93 percent of the welfare gains from removing global distortions to agricultural trade would come from reducing tariffs, while only 5 percent would be attributable to reform of domestic support measures. In addition, large reductions in bound rates are necessary to achieve real improvements in market access—we cannot lower our sights or allow diminished returns by exempting key products from liberalization.

Over half the gains to developing countries would derive from liberalization by developing countries themselves. And, if all WTO members reduce tariffs and trade-distorting supports, developing countries stand to gain nearly \$40 billion annually.

The United States has taken the next steps but others must do the same. We urge other countries to bring forward equally strong proposals. Only by removing global distortions to agricultural trade, coupled with new market access, will U.S. farmers be able to compete and succeed on an equal footing.

The American Business Coalition for Doha (ABCDoha) is an umbrella group representing the diverse interests of service-providers, manufacturers, agribusiness, customs facilitators, and many other stakeholders all dedicated to achieving an ambitious result from the Doha Round in 2006.

Visit our website at www.ABCDoha.org.