

WTO POLICIES : HOW PLANT PATENTS AND TRADE POLICY THREATEN GLOBAL FOOD SECURITY

Devinder Sharma*

The fifth WTO Cancun Ministerial has failed. But just prior to it, the United States and the European Union had arrived at a new accord, which in letter and spirit lays out a detailed road map for what can be called as the second phase of the great trade robbery. And after the breakdown of the talks, the US-EU continue to make empty promises of growth and development without making any effort towards a true and meaningful reform in their own domestic policies.

The new framework – a “common vision” rather than a detailed plan – is aimed at further destroying whatever remains of the strong foundations of food self-sufficiency in some of the developing countries already wilting under the compound impact of the Agreement on Agriculture (AoA). For the small farmers and giant agribusiness in North America, Europe and the Pacific, it will however be business as usual. Rich countries subsidise agribusiness by allowing them to buy very cheap, with the government then making up some of the differences with direct payment to farmers.

* Food & Policy Analyst, G 3 F DDA Flats, Munirka, New Delhi - 110 067. E-mail : < dsharma@ndf.vsnl.net.in >

¹ Csaki, C. (2003). “The Right to Food and OECD and Developing Country Trade Policy Reform”, paper presented at the International Conference on the Right to Food and the Cost of Hunger, Rome, June 20-21.

² Barnet, A. (2001). Revealed: How Britain’s richest man takes a pound 3 million tax hand-out. *The Observer*, May 20

³ Sharma, D. (2002). *From the Bovine to the Ridiculous*. *The Ecologist* 32 (3).

⁴ UNDP 2003.

⁵ Pascual, Francisco and Arze Gilpo (2001). “WTO and Philippine Agriculture: Seven Years of Unbridled Trade Liberalisation and Misery for Small Farmers”, Integrated Rural Development Foundation, Quezon City, the Philippines.

So much so that the recipients of the US agricultural subsidies in 2001 also included Ted Turner and David Rockefeller² – no wonder, the CNN continues to stifle the voice of the developing countries farmers. The richest man in the United Kingdom, the Duke of Westminster, who owns about 55,000 hectares of farm estates, receives an average subsidy of 300,000 pound sterlings as direct payments, and in addition gets 350,000 pounds a year for the 1,200 dairy cows he owns³.

It certainly is an unequal world, and perhaps the most debasing and demeaning of all the world’s inequalities is the manner in which the cattle in the rich countries are pampered at the cost of several hundred million farmers in the developing world. When I first compared the life of the western cow with that of the Third World farmer⁴, I didn’t realize that this would hit the sensibilities of at least some of the economists and policy makers. It has now been worked out that the EU provides a daily subsidy of US \$ 2.7 per cow, and Japan provides three times more at US \$ 8, whereas half of India’s 1000 million people live on less than \$ 2 a day⁵.

Irrespective of the stark inequalities, the new agreement throws a stronger protective ring around the domestic producers in the richest trading block – Organisation for Economic Cooperation and Development (OECD). Unmindful of the negative consequences inflicted with impunity, the highway robbers are getting ready once again. Cancun provides them a perfect playground to arm-twist the developing countries into submission.

But first, let us get a glimpse of the extent of exploitation that the WTO has already inflicted – through the first phase of trade robbery — on the poor and vulnerable ever since the *Magna Carta* for hunger, food insecurity and destitution was unleashed in January 1995. In the Philippines, agricultural export earnings were expected to increase by billions of pesos a year after 1994, generating 500,000 additional jobs a year in the Philippines. Instead, traditional exports such as coconut, abaca and sugar have lost markets. Corn production suffered significant negative growth between 1994-2000, partly because of cheaper subsidized grains. With incomes falling, the agricultural sector had lost an estimated 710,000 jobs, and another 2 million by the year 2000⁶.

Trade liberalization has already exposed developing country farmers to ruinous competition, driving down prices, undermining rural wages and exacerbating unemployment. In the Philippines, opening up of corn market in 1997 reduced corn prices by one-third. At that time, US corn growers were receiving US \$ 20,000 a year on average in subsidies, while Filipino farmers in Mindanao had average income levels of US \$ 365⁷. Between 1993-2000, cheap corn imports from US into Mexico increased 18 times, leading to accelerated migration from rural areas to urban centres.

In Central America — Colombia, Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua –

the price of coffee beans have fallen to just 25 per cent of its level in 1960, and the region lost an estimated US \$ 713 million in coffee revenues in 2001. In these countries, traditionally dependent upon coffee exports, over 170,000 jobs were lost the same year with the loss in wages computed at US \$ 140 million⁸. The negative impact was also felt in sub-Saharan Africa, where Ethiopia and Uganda reported huge losses in export revenues. In 2000-01, Uganda exported roughly the same volume, but it earned the country \$ 110 million, a steep drop from \$ 433 million that it notched five years earlier in 1994-95⁹. Ethiopia reported the export revenues dropping from US \$ 257 million to US \$ 149 million between 1999-2000. Ironically, in January 2002, the EU and USAID warned of increased poverty and food insecurity in Ethiopia not realizing that much of the fault rests with their own policies.

In Vietnam's Dak Lak province, farmers who were solely dependent upon coffee are now categorized as 'pre-starvation'. In India, coffee plantations have laid off over 25 per cent of the workers in the southern provinces of Karnataka and Tamil Nadu. In Brazil, low coffee returns have resulted in increased unemployment and hunger. In Honduras, such has been the terrible impact that the World Food Programme reported in March 2002 that the coffee crisis, coupled with prevailing drought, had left some 30,000 farmers in the hunger trap, with hundreds of children so malnourished that they needed to be hospitalised.

In 2001, the 25,000 US cotton growers received roughly \$3.9 billion in subsidy payments, for producing a cotton crop that was worth only US\$ 3 billion at world market prices (one Arkansas cotton grower received US\$ 6 million, equal to the

⁶ Oxfam International (2002). *Rigged Rules and Double Standards*.

⁷ Oxfam International (2002).

⁸ Based on data from ICO, covering the periods October 1994-September 1995, and July 2000-June 2001.

⁹ Oxfam (2002). *Milking the CAP*, Oxfam Briefing Paper 34.

combined annual earnings of 25,000 cotton farmers in Mali). It's also more than the gross domestic product of several African countries and three times the amount the US spends on aid to half a billion Africans living in poverty. In 2002, direct financial assistance by a number of exporting countries, including China, European Union and the US, to the tune of 73 per cent of the world cotton production, destroyed millions of livelihoods in West African countries (Benin, Burkina Faso, Mali, and Chad). India and Pakistan too have been forced to lower import duties, allowing a surge of cotton imports thereby pushing farmers out.

In the dairy sector, the EU subsidized exports have hit the dairy industry in Brazil, Jamaica and India. While the Jamaican dairy producers have time and again split milk onto the streets, the Indian dairy industry too complains of export dumping. In 1999-2000, India imported over 130,000 tonnes of EU's highly subsidized skimmed milk powder. This was the result of Euro 5 million export subsidies that were provided, approximately 10,000 times the annual income of a small-scale milk producer¹⁰. Butter export subsidy paid by the EU, for instance, is currently at a five-year high and butter export refunds have risen to an equivalent of 60 per cent of the EU market price. Consequently, butter oil import into India has grown at an average rate of 7.7 per cent annually. This trend has already had a dampening effect on prices of *ghee* in the domestic market. Ironically, India is the biggest producer of milk in the world, and does not provide any subsidy for the dairy sector.

¹⁰ Mishra, S. (2003). *Foreign fruits and vegetables imports at what cost*, *Hindustan Times*, July 1

¹¹ Oxfam International (2002).

¹² OECD (2003). *Development Assistance Committee; indicator tables 12 and 15*.

Indonesia was rated among the top ten exporters of rice before the WTO came into effect. Three years later, in 1998, Indonesia had emerged as the world's largest importer of rice. In India, the biggest producer of vegetables in the world, the import of vegetables has almost doubled in just one year – from Rs 92.8 million in 2001-02 to Rs 171 million in 2002-03¹¹. Far away in Peru, food imports increased dramatically in the wake of liberalization. Food imports now account for 40 per cent of the total national food consumption. Wheat imports doubled in the 1990s, imports of maize overtook domestic production, and milk imports rose three times in the first half of the previous decade, playing havoc with Peruvian farmers¹².

Looks shocking, but this is merely a peep into the destruction wrought by the 'disagreement' on agriculture. Everyday, thousands of farmers and the rural people in the majority world – without land and adequate livelihoods – constituting a reservoir of frustration and disaffection, trudge to the cities, their abject poverty contrasting vividly with the affluence of the urban centers. These are the victims – in fact, the first generation of the affected – of the great trade robbery. These are the hapless sufferers, who are being fed a daily dose of promises – increase in poverty in the short-run is a price that has to be paid for long-term economic growth.

The complete impact on human lives – women and children in particular – and the resulting loss in livelihood security and thereby the accelerated march towards hunger and destitution cannot be easily quantified. Surging food imports have hit farm incomes and had severe employment effects in many developing countries. Unable to compete with cheap food imports, and in the absence of any

adequate protection measures, income and livelihood losses have hurt women and poor farmers the most.

Farmers in the developing world have suddenly become the children of a lesser god. They are the *neo-poor*.

Through a variety of instruments, the rich countries have ensured complete protectionism. Trade policies therefore have remained highly discriminatory against the developing country farmers. Such is the extent of protection, that the benevolence OECD exhibits through development aid to all countries – totaling US \$ 52 billion – dwarfs before the monumental agricultural subsidies of US \$ 311 billion that these countries provided to its own agriculture in 2001¹³. In reality, you don't even give by one hand to take back with the other. Rich countries effectively use development aid to convince the domestic audiences of their generosity towards human suffering, in essence using aid as the human face for 'ambitious' one-way trade – from the OECD to the rest of the world.

The colourful band of boxes – green box, blue box and amber box – have come in handy for the rich countries to protect its subsidies to agriculture, and at the same time dump the surpluses all over the world. Considering that the world commodity prices are far from adequate anywhere to provide them with a living, these subsidies are actually the cause

of excessive supplies in the world markets, and thus resulting in low prevailing world markets. Still further, US is permitted under AoA to provide \$ 363 million in export subsidies for wheat and wheat flour, and the EU can limit it to \$ 1.4 billion a year¹⁴. At the same time, the US incurs annually \$ 478 million under its Export Enhancement Programme (EEP), which is not being subject to any reduction commitments.

With the availability of all such subsidies, agribusiness companies find it much easier and economical to export. Export credits, used primarily by the US, and not counted as export subsidies, doubled in just one year to reach US \$ 5.9 billion in 1998. The export subsidies and credits are therefore cornered by the food exporting companies. In the US, for instance, more than 80 per cent of the corn exports is handled by three firms: Cargill, ADM and Zen Noh. The level of dumping by the US alone hovers around 40 per cent for wheat, 30 per cent for soybeans, 25 to 30 per cent for corn and 57 per cent for cotton¹⁵. Further, each tonne of wheat and sugar that the United Kingdom sells on international market is priced 40 to 60 per cent lower than the cost of production¹⁶.

The shocking levels of food dumping and its little understood but horrendous impact on the farming sector in the developing countries is the result of clever manipulations at the WTO. The US and EU were successful in ensuring that some subsidies –and that included direct payments - have little or no impact on production levels and so have little or no impact on trade. Using sophisticated models and taking advantage of the un-preparedness of the developing country negotiators, they devised a complicated set of rules that termed only 'amber box' subsidies as

¹³ UNDP (2003).

¹⁴ IATP (2003). *United States Dumping on World Agricultural Markets, WTO Cancun Series Paper # 1*.

¹⁵ ActionAid (2002). *Farmgate: The developmental impact of agricultural subsidies, August*.

¹⁶ Dhar, B. (2002). "Subsidising US Farmers under AoA," *The Economic Times, August 9*.

'trade distorting' that needs to be cut. As it turned out, these were the type of subsidies that the poor countries were also using.

On the other hand, 'green box' and 'blue box' subsidies categorise the farm support that only the rich countries were providing, and which the developing countries are not in a position to afford. Subsequently, in July 2002, the US proposed significant cuts in 'trade distorting' domestic support for all products and trade partners, with a ceiling of five per cent of the value of agricultural production for industrial countries and 10 per cent for developing countries. This however does not mean that the US will make any major cuts in its farm subsidy support, despite the US Farm Security and Rural Investment Act 2002, which provides for US \$ 180 billion in subsidies to agriculture for the next ten years, with more than a third coming in the first three years¹⁷.

TRIPs: Towards Scientific Apartheid

The ongoing attempt to harmonise and strengthen the intellectual property protection regimes worldwide, as part of the TRIPs Agreement, is choking the knowledge spillovers from the industrialized to the developing countries by way of benefit sharing and adversely affecting technology transfer. The implementation of the provisions of TRIPs Agreement is also undermining the right of the gene-rich countries to public goals of food security and poverty elimination. If the two recent patents granted by the European Patent Office (EPO) are any indication, the Third World faces an immediate threat from the resulting scientific apartheid.

At a time when the WTO's TRIPs Council is still engaged in reviewing Article 27.3 (b) of the TRIPs Agreement, dealing with biological materials, traditional knowledge and folklore, the EPO first struck in May 2003 by upholding a controversial patent granted to Agracetus (subsequently bought by the multinational giant Monsanto) for a particle bombardment (biolistic) method of transforming soybeans. In simple words, this broad-spectrum

patent grants Monsanto exclusive control over all genetically modified varieties of soyabean. The patent also covers all other plants that use the same GM technology for crop improvement

Seed multinationals Syngenta and De Kalb had also opposed the patent on the grounds that it provides Monsanto with a monopoly control over a commonly used scientific process. Interestingly, before acquiring Agracetus, Monsanto too had opposed the same patent. Such broad patents are a grave impediment to the developing country scientists to access new crop technologies as well as to breed new crop varieties using the frontiers of new technology. Not only contrary to moral and cultural norms of the developing world, as spelled out by the Africa Groups position before TRIPs Council, broad spectrum patents are a serious threat to the country's food security needs and the livelihood security of its farming community.

A few weeks later, the EPO granted another patent to Monsanto (EP # 445 929) allowing monopoly rights over traditional characteristics of a wheat accession – *Nap Hal*. All that Monsanto had done was to cross *Nap-Hal*, a traditional *durum* wheat cultivar, with another wheat variety to develop an improved variety with 'special baking qualities'. The patent covers biscuits and dough produced from this wheat, as well as the plants themselves. Monsanto's wheat patent extends to European Union, and in addition to Japan, Canada and Australia where the company sees its maximum commercial utility. Since the wheat germplasm – *Nap Hal* landrace – was procured from a UK-based gene bank, it also raises questions about the relevance of the laws on access and equitable benefit sharing.

The unique baking characteristics of *Nap Hal* were traditionally known by the communities, which had preserved these landraces. Monsanto has actually used the traditional knowledge to breed an improved variety and thereby block any further use and application of the Indian wheat landrace. Although, India's unique *sui generis* legislation — the 'Protection of Plant Varieties and Farmers Rights Act 2001', does recognize the rights of farmers and communities in respect of their contribution in conserving, improving and making available plant genetic resources for the development of new plant varieties, it remains helpless when a patent is granted outside the country. National systems cannot by themselves protect traditional knowledge.

¹⁷ WTO document, G/AG/NG/S/9/Rev.1.

New EU Common Agricultural Policy reform proposals were announced prior to the Cancun. WTO Ministerial have also made no attempt to make radical changes in reduction commitments. Moving on US lines, it has shifted most of the 'blue box' subsidies to 'green box'. European agriculture will continue to be subsidised to the tune of Euro 43 billion for another decade, and that amount will increase further when the new members join in. Like a magician, both the US and EU have managed to juggle the farm support from one box to another without making any significant commitments. The magical trick is now being used to create an illusion of sincerity of the rich towards 'free' trade.

EU Trade Commissioner, Pascal Lamy, had made the 'hidden' intentions abundantly clear during his quick visit to India soon after the Doha Ministerial. "Who gave you the impression that we are going to reduce agriculture subsidies? Let me make it clear that EU will not be reducing farm subsidies in the years to come except for what has been agreed upon. I am committed to keep my seven million farmers on the farm," he told a group of civil society representatives. "And how will India gain if I reduce subsidies as a result of which the number of farmers in Europe climbs down to three million?" he asked.

When asked how India will protect the livelihood of its 600 million farmers if EU does not eliminate farm subsidies, he quipped: "That's for your government to decide".

¹⁸ Shirotori, M. (2000). 'WTO Negotiations on Agriculture: The 13th special Session on Agriculture – Market Access: Chairman's Oral Summary'. UNCTAD, September 6, Geneva.

¹⁹ UNDP (2003).

As if the massive subsidies are not enough, developed countries have used high tariffs to successfully block imports from developing countries. They have used special safeguards (SSG), used only by 38 rich countries so far, to restrict imports from developing countries. Developed countries took advantage of this flexibility by reserving the right to use the SSG for a large number of products: Canada reserves the right to use SSG for 150 tariff lines, the EU for 539 tariff lines, Japan for 121 tariff lines, the US for 189 tariff lines, and Switzerland for 961 tariff lines. On the other hand, only 22 developing countries can use SSG. A majority of the developing countries, whose trade in agricultural products takes place under a tariff only regime, have no access to these instruments ¹⁸.

Interestingly, there is a talk of phasing out the SSG provisions in the next 5-7 years. By that time, the developing countries would have been forced to open up their markets still further with devastating impacts. The markets of the developed countries will however remain protected for the next seven years.

At the same time, these countries have managed to fulfill the technical requirements for tariff cuts under AoA without any meaningful reductions. Technically speaking the reductions in tariff cuts are in place, but in reality they have defied the letter and spirit of the agreement. Although the US, EU, Japan and Canada maintain tariff peaks of 350 to 900 per cent on food products such as sugar, rice, dairy products, meat, fruits, vegetables and fish¹⁹, the thrust of the ongoing negotiations remain on pierce opening the developing country markets to more subsidised exports.

The United States, for instance, is in a neck-to-neck race with the European Union on retaining the supremacy over agriculture trade. While steadily expanding foreign demand — brought on by income gains, trade liberalization, and changes in global market structures — have helped American exports double over the past 15 years to \$ 53.5 billion estimated for 2002, its market share had dropped from 24 per cent of global agricultural trade in 1981 to 18 per cent in 2001. The EU, on the other hand, has increased its performance from 13.5 per cent to 17 per cent, in the consecutive period.

“Losing six points over 20 years may not sound like much, but every percentage point loss of market share amounts to \$ 3 billion in lost export sales and a reduction of \$ 750 million in agricultural income. But, the good news is that every percentage point we can recover will add \$ 3 billion in export sales and \$ 750 million to agricultural income each year,” Mattie Sharpless, the then Acting Administrator, Foreign Agriculture Service of the US Department of Agriculture had told the Senate Agriculture Committee in 2002.

“Dollar for dollar, America exports more meat than steel, more corn than cosmetics, more wheat than coal, more bakery products than motorboats, and more fruits and vegetables than household appliances,” Sharpless had said, adding that agriculture is one of the few sectors of the US economy that consistently contributes a surplus to its trade balance. In fact, the US projections for 2002-03 were that 53 percent of its wheat crop, 47 per cent of cotton, 42 per cent of rice, 35 per cent of soybeans, and 21 percent of corn to be exported. This has only been made possible by the heavy subsidies and the removal of trade barriers or QRs by the developing countries.

The US, therefore, has adopted an aggressive posture. After ensuring that the developing countries are made to conform to the WTO obligations of phasing out or lifting of quantitative restrictions that allow easy penetration of the American farm commodities and the processed products, it is now preparing for the final assault. The new policy is directed at the 600 million “new consumers” in Asia and Southeast Asia and another 400 million in Latin America and Central America. It also meets “an eye for the eye” with the EU’s Common Agricultural Policy. And in this ‘clash of civilisations’ the battle is primarily between the developed and the developing countries, between industrial agriculture and food security, between value-added functional foods and growing hunger.

Keeping the economic interests of the developed countries in mind, the chair of the agricultural negotiations, Stuart Harbinson had proposed a compromise formula that suggested creation of two new instruments: ‘special products’ and ‘special safeguard mechanisms’. For crops which are crucial for food security needs, the proposal is to put them in the SP category for which the tariff reduction should on an average be of 10 per cent with a minimum reduction rate per tariff line of 5 per cent. For the remaining products, tariff reduction should be between 25 to 40 per cent. The US-EU proposal however does not make a mention of the special products. The general feeling is that developing countries do require special safeguard measures that act as a partial protection rather than they be allowed a more permanent feature of resorting to ‘special products’.

For all practical purposes, the concept of ‘strategic products’ or ‘special products’ is merely a proxy for the ‘development box’, a proposal that will

eventually turn out to be more damaging if implemented. Moreover, the negotiations are going to be centered around the number of 'special products' that a country can claim. In other words, the debate will very conveniently shift from the more contentious issue of agricultural subsidies in the west. The AoA does not realize that production of crops and its imports into developing countries cannot be equated with industrial production.

The hypocrisy of the developed countries has been echoed by the World Bank Chief Economist Nicholas Stern, while traveling through India recently, denounced subsidies paid by rich countries to their farmers as "sin ...on a very big scale" but warned India against any attempts to resist opening its markets. "Developing countries must remove their trade barriers regardless of what is happening in the developed countries." No wonder, while the negotiation continues and the developing countries are kept busy with diversionary tactics like 'special products', agricultural exports from the OECD countries continue to rise. Between 1970 and 2000, France increased its share from 5.7 per cent to 8.1 per cent, Germany from 2.6 per cent to 5.9 per cent and United Kingdom from 2.7 per cent to 4.1 per cent.

LESSONS FROM CANCUN

Just before the Cancun Ministerial, President Toure of Mali co-authored a letter to the *New York Times* condemning the cotton subsidies in America that have been devastating for West African countries — Burkina Faso, Mali, Chad and Benin. His colleague, President Compaore of Burkina Faso, spoke to the Trade Negotiating Committee of the WTO in June. They voiced their concern at the way direct financial assistance by a number of exporting countries, including US, European Union and

China, to the tune of 73 per cent of the world cotton production, destroyed millions of livelihoods in West African countries. As a result, African cotton producers realise only 60 per cent of their costs, although their cost of production is less than half of that reaped in the developed countries (see the details of cotton subsidies on page 1).

Unrelenting, the WTO has delivered its verdict. The text of the Draft Cancun Ministerial says: "The Director-General is instructed to consult with the relevant international organizations including the Breton Woods Institutions, the Food and Agriculture Organisation and the International Trade Center to effectively direct existing programmes and resources towards diversification of the economies where cotton accounts for major share of their GDP".

In simple words, there is nothing wrong with the highly subsidised cotton farming in the US, EU and China, the fault rests with millions of small and marginal farmers in West Africa. Cancun Ministerial had instructed (the draft obviously remains rejected with Cancun failure) the WTO director general, the FAO and the World Bank/IMF to make available adequate investments for suitable programmes that enable these farmers to diversify from cotton to other crops.

WTO says the West African farmers should stop growing cotton.

The lesson for the rest of the world is crystal clear. The developing world should stop growing crops that are being negatively impacted by monumental subsidies that the rich and industrialised countries provide. For the G-21, that created a lot of noise and dust over the US \$ 311 billion in farm subsidies

that the richest trading block –OECD – provides for its agriculture, the writing is on the wall. And this is exactly what I have been warning all these years. The process to shift the production of staple foods and major commercial commodities to the OECD had in fact begun much earlier. WTO is merely legitimizing the new farming system approach.

World Bank/IMF have under the Structural Adjustment Programmes (SAP) very clearly tied up credit with crop diversification. It continues to force developing countries to shift from staple foods (crucial for food security needs) to cash crops that meet the luxury requirement of the western countries. It has therefore been forcing developing countries to dismantle state support to food procurement, withdraw price support to farmers, dismantle food procurement, and relax land ceiling laws enabling corporates to move into agriculture. Farmers need to be left at the mercy of the market forces. Since they are 'inefficient' producers, they need to be replaced by the industry.

The same prescription for farming has never been suggested for the rich and industrialised countries. Let us be very clear, one part of the world that needs to go in for immediate crop diversification is the industrial world. These are the countries that produce mounting surpluses of wheat, rice, corn, soybean, sugar beat, cotton, and that too under environmentally unsound conditions leading to an ecological catastrophe. These are the countries that inflict double the damage – first destroy the land by highly intensive crop practices, pollute ground water, contaminate the environment, and then receive massive subsidies to keep these unsustainable practices artificially viable. These are the countries that are faced with the tragic

consequences of massive farm displacements, and are in the grip of food calamities arising from industrial farming.

If the WTO has its ways, and the developing countries fail to understand the prevailing politics that drives the agriculture trade agenda, the world will soon have two kinds of agriculture systems – the rich countries will produce staple foods for the world's 6 billion plus people, and developing countries will grow cash crops like tomato, cut flowers, peas, sunflower, strawberries and vegetables. The dollars that developing countries earn from exporting these crops will eventually be used to buy foodgrains from the developed nations – in reality, back to the days of 'ship-to-mouth' existence.

Take the case of Central America. The debt crisis that inflicted the Central American countries in the 1980s, was very conveniently used as the right opportunity to shift the cropping pattern to non-traditional exports. Aided and abetted by the United States Agency for International Development (USAID), farmers were lured to the illusion of greener pastures in the developed world. They shifted to crops like melons, strawberries, cauliflower, broccoli and squash that were shipped to the supermarkets, mainly in America. In turn, these Central American countries disbanded cultivation of staple crops like corn and bean, and have now become major importers and that too from the United States.

In India, which has only three decades back emerged from the shadows of massive food imports, the strategy is the same. World Bank/IMF have forced successive governments to adopt policies that forces farmers to abandon staple crops

like wheat, rice and coarse cereals, and diversify to cash crops. Punjab, the country's food bowl, is presently engaged in a desperate effort to shift from wheat-rice cropping pattern to cultivating cut flowers and the likes. Andhra Pradesh, in south India, has already embarked on a misplaced rural development vision that aims at industrial agriculture at the cost of its millions of small and marginal farmers. As if this alone is not enough, biotechnology companies are being doled out with State largesse and prime real estate so as to encourage corporate farming.

Developed country agriculture has so far enjoyed a unique 'special and differential' treatment that was actually reserved for the developing and least developed countries. The impeccable wall that has been built since the days of the Uruguay Round, is not so easy to impregnate. For millions of toiling farmers in the majority world, the failure of Cancun Ministerial does not signal the end of the evil. It is merely a stop in their long and arduous battle to retain control over their own food security needs, to protect their own livelihoods from the trade robbers, and to move towards a sustainable farming model that survives on equity and justice. For a few million farmers on either side of the Atlantic, the cause is no different. Only the scale and home turf is different.

Cancun conundrum does not mean that the big players will make any significant cuts in their subsidy support. The new EU Common Agricultural Policy reform proposals that have been announced prior to the Cancun WTO Ministerial have also made no attempt to make radical changes in reduction commitments. Moving on US lines, it has shifted most of the 'blue box' subsidies to 'green box'. Although the developed countries have blamed the

G-21 for 'asking the moon', the fact remains that the western countries have got too used to being a parasite on the developing countries. The plight of the farming community, following the Marrakesh agreement – from Chile to South Korea, and from India to Brazil – has failed to move the industrialised countries to bring in any meaningful reforms in international trade.

Tragically, the suicide by the Korean farmer Lee Kyung-hae amplifies the devastation that WTO has wrought on the farming communities all over the world. Not listening to the voice of the marginalized and the poor, a majority of them actively involved with farming, will not only be suicidal but can be catastrophic for the powers that be. The message from Lee's sacrifice is loud and clear. Not listening to the growing discontent and frustration that prevails on the farm front, exacerbated through the trade reforms, will only globalize anger.

A true reform in agriculture is only possible when the global community accepts the guiding principle that food for all is an international obligation. It can only be achieved when the need for national food self-sufficiency becomes the cornerstone of the AoA. It can only be put into practice when the developed and the developing countries refrain from a battle of food supremacy to reorient efforts to bring equality, justice and human compassion in addressing the mankind's biggest scourge – chronic hunger and acute malnutrition.

Developing countries therefore cannot afford to be a silent spectator. If the rich industrialized countries can protect their agriculture, and take an aggressive approach, developing countries should not feel shy in doing the same. Instead of

succumbing to pressure tactics that comes along with olive branch of a 'development box' or 'special products' that helps in partially protecting agriculture, the entire effort should be to demand the abolition of agricultural subsidies in the OECD countries. Easing the transition to more open global markets has to begun by a radical restructuring of the agriculture in the North America and the European Union. Till then, a collective stand based on the following three planks is the only route for developing countries to protect agriculture, the mainstay of their economies:

- **“Zero-Tolerance” on Agricultural Subsidies:** Developing countries should make it categorically clear that the negotiations will move ahead only when the subsidies (under all 'boxes') are removed. The Agreement on Agriculture should wait till the subsidies in the west are grounded. Any agreement without the subsidies being removed will play havoc with developing country agriculture.

- **Restoration of Quantitative Restrictions:** Developing countries should demand restoration of quantitative restrictions (and special safeguard measures for those countries which did not follow the QR route). In fact, the removal of subsidies should be linked with the removal of quantitative restrictions. That alone will provide the necessary safeguard for developing country's agriculture and food security.
- **Multilateral Agreement Against Hunger:** Among the new issues to be introduced at Cancun, the developing countries need to strive for the inclusion of a Multilateral Agreement Against Hunger. This should be based on the guiding principle of the right to food and should form the basis for all future negotiations. Such a multilateral agreement would ensure that countries will have the right to take adequate safeguard measures if their commitment towards the WTO obligations leads to more hunger and poverty.

