

**36<sup>TH</sup> CAIRNS GROUP MINISTERIAL MEETING**  
Saskatoon, Canada  
7-9 September 2011

*Communication from Australia*

The following communiqué from the 36<sup>th</sup> Ministerial Meeting of the Cairns Group held in Canada, is being circulated at the request of the Delegation of Australia.

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**CAIRNS GROUP COMMUNIQUÉ**

We, the Ministers of the Cairns Group, have met in Saskatoon, on 8-9 September to discuss the international agriculture trade policy environment, to assess the ongoing WTO Doha Round agriculture negotiations and discuss other issues that impact on agricultural trade.

***Global economic and agriculture trade outlook***

We are meeting at a time when the global economic outlook remains uncertain. While trade has rebounded from the sharp drop experienced during the recent economic downturn, the slow growth prospect can become a source of pressure to introduce trade-protectionist measures. We must remain vigilant to resist such pressures and instead work to make trade an engine for development and economic prosperity.

The benefits of the multilateral rules-based trading system were evident during the global financial crisis. We strongly support the WTO's role in reviewing trade developments which has improved transparency in the multilateral trading system.

Globally agricultural commodity prices remain volatile, driven by various factors. These conditions create both risks and opportunities for farmers. Accessing the benefits brought about by higher prices depends largely on being able to trade successfully in an open, fair, market-oriented and predictable trading environment. Of course, as consumers as well as producers, farmers too are affected by high food price volatility. These demand and supply side pressures only serve to underline the need for continued efforts on agricultural trade policy reform.

***The Doha Round Negotiations***

Since we last met in Punta del Este in April 2010 it has become clear that we have not made sufficient progress to conclude the Doha Round negotiations by the end of 2011. We express our disappointment that it has not been possible to bridge the remaining gaps in the negotiations, including in agriculture, despite intensified work this year.

As Cairns Group Ministers, we share a strong concern about the current state of the Doha Round negotiations. We cannot ignore that after ten years an agreement still remains elusive. The agriculture negotiations have taken us far in terms of addressing distortions. However given the current challenges, we must engage in a frank discussion to develop a clear and realistic path forward to advance the needed reform and secure a fair, market-oriented and predictable trading environment, in accordance with the Doha Development mandate, including special and differential treatment. In doing so, we must also take into account that agriculture remains central to the negotiations, given its importance for the development needs of developing countries.

Agriculture remains one of the most highly trade-distorted sectors. There is still considerable scope within the existing commitments of most WTO members to increase levels of protection and distort international trade. The possibility that export subsidies continue beyond 2013 is unacceptable. Likewise, in view of its developmental impact, particularly on Africa, there is a pressing need to implement the Hong Kong mandate on cotton. The inability to lock in efforts to reduce, or in some instances prevent, the use of trade-distorting domestic support can only be damaging to the trading system over the long term. We acknowledge too that the benefits which might be secured through further improvements in market access multilaterally, far exceed the benefits which may be achieved through bilateral and regional trade agreements alone. As Cairns Group Ministers, the status quo is not acceptable and we remain determined to secure the genuine agricultural trade reforms that our agriculture producers so clearly need, and which are of such fundamental importance to development. There can be no weakening of ambition on these issues. The 8th WTO Ministerial Conference presents an opportunity that cannot be missed to assess the situation and take decisions on the way forward in the Doha negotiations.

- . We instruct our officials to work on concrete ideas leading up to the Ministerial Conference to secure a way ahead for the Doha Round negotiations on agriculture which will deliver genuine reforms, in accordance with the Doha Development mandate.

We wish to register our appreciation for the efforts of the Director-General of the WTO and the Chair of the Agriculture Negotiations Committee in seeking a way forward in these negotiations over the last two years.

### ***Fostering Agricultural Trade***

#### *Continuing reform efforts*

We had a broad ranging discussion on various agricultural trade policy issues as well as market access challenges facing agricultural products and identified opportunities to enhance our collaboration to foster a more open, fair and predictable trading system.

We noted that large economies including the US, EU and Japan are considering agricultural policy reforms. We consider that agricultural reforms should not be put off “waiting for better times.” But rather we believe that the current economic conditions should be embraced as an opportunity to make trade-enhancing reforms. These reforms can have the potential to offer direct benefits in terms of improved productivity and budgetary relief and also significant positive knock-on effects for the global trading system. The current EU Common Agriculture Policy discussions and the US Farm Bill processes provide an opportunity for real reform.

- . As Cairns Group members we instruct our officials to work together to monitor and analyse reform efforts and to use opportunities to advocate for trade-enhancing reforms.

We welcome the domestic decision of the Government of Canada to reform its single desk marketing system of the Canadian Wheat Board for trade of wheat and barley, as a positive contribution to improving productivity, promoting growth and enhancing the multilateral trading environment.

### *Food Security*

We note the FAO estimates that the global population will increase to 9 billion by 2050 and as a consequence agricultural production will need to increase by 70 per cent, while facing emerging challenges such as climate change. As a collection of developed and developing country food exporters, the Cairns Group has a unique role to play in helping to meet these objectives. We fully support the central role of the FAO in the global governance of food security. There is a need to find new, innovative and sustainable means, including through the use of technologies, of increasing production capacities and improving access to food by reducing poverty and enhancing income distribution. As agricultural producers, the Cairns Group acknowledges that food security globally is a complex and multifaceted issue. We have pursued reforms through the Doha agriculture negotiations so vigorously because, amongst other things, we recognise that trade policy reform has a role to play in addressing food security. Furthermore, we recognise that trade policy reform is essential to the food security and poverty alleviation objectives of the Doha Development mandate.

Open, fair and well-functioning domestic and international markets spur investment, and create new opportunities for growth in output and improvements in farmers' income. Furthermore, we recognize that policies that distort production and trade in agricultural products can impede the achievement of long term food security. We consider our work under the WTO Agreements, particularly the Agreement on Agriculture, the Agreement on Technical Barriers to Trade (TBT) and the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS), as well as the work of the international standard-setting bodies and the delivery of an outcome in the context of the Doha Development Round, can make a contribution to the issue of food security.

- . Accordingly, we instruct our officials to continue to examine these issues with the view to making a contribution to food security.

We noted that efforts to open up trade and ensure predictability can be undermined by overly complex and restrictive sanitary and phytosanitary measures and technical regulations, including food labelling requirements. Members discussed the increasing prevalence of private standards and the potential for these to impact on market access. We support the continued work on these issues under the existing framework of the WTO SPS & TBT Committees. We stressed the importance of relying on science-based approaches to resolve market access issues, as embodied in the principles set out under the WTO SPS and TBT agreements as well as in the work of international standard-setting bodies (Codex, OIE, IPPC). We committed to work together to further encourage the development and use of international standards and greater participation of developing countries in the standard setting process. We also recognized the need for capacity building to support implementation efforts in developing countries.

- . We instruct officials to explore means for further cooperation at the multilateral level on sanitary and phytosanitary measures and technical regulations including food labelling requirements which affect agricultural trade to ensure rules-based approaches to such issues.
- . We commit to adopt and maintain sanitary and phytosanitary measures and technical regulations in conformity with our rights and obligations under the WTO.

We take note of the initiative of Canada to organize an international meeting in 2012 on the issue of the unintended low level presence of a genetically modified product in exports of agricultural commodities.

We welcome the participation of the Russian delegation at our meeting to provide us with an update on Russia's accession to the WTO, including their domestic support proposal. Cairns Group countries express their strong support for Russia's accession to the WTO before the end of 2011 and we instruct our officials to work with Russian authorities to resolve outstanding issues.

We appreciate the presence of our Farm Leaders and our special guests from the EU, Japan, the Republic of Korea, Mexico, Morocco, the Russian Federation, the United States and Vietnam, who have attended this meeting and enriched our discussions through their contributions. We express our deepest gratitude to the Canadian Government for hosting the 36th Cairns Group Ministerial Meeting.

The Cairns Group comprises Argentina, Australia, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Guatemala, Indonesia, Malaysia, New Zealand, Pakistan, Paraguay, Peru, Philippines, South Africa, Thailand and Uruguay.

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