

Cairns to Bali: time for a new agricultural trade agenda

Twenty-three years ago, in August 1986, Australia hosted a meeting of trade ministers from developed and developing countries. The parties were united by an interest in increasing their share of agricultural export markets and in containing the damage that US and EU agricultural policies did to their export shares. The group was focused, committed and effective.

That was then. This week, Bali will host another meeting of the group - the 33rd Cairns Group Ministerial. Over time, the membership has shifted and evolved. Hungary, once a member, joined the EU and had to resign. There is one African member, South Africa. Today, there are 19 members of the group.

The membership is not the only thing to have evolved in the past quarter of a century. So has our understanding of food security, the strengths and limitations of a free trade agenda, and the complex geo-politics of multilateral deal making. Indonesia is not just a member of the Cairns Group. It is also a founder and leader of the group of developing countries that has pushed for more sensitivity to the issues of food security and rural employment in the context of the Doha trade negotiations (known as the Group of 33 or G33).

Other countries that belong both to the Cairns Group and the G33 include the Philippines, Pakistan and Peru. These countries are all anxious to export agricultural commodities - hence their membership in the Cairns Group. But they are all also acutely aware of the importance of agriculture for domestic food security, rural employment and political stability. The volatility of world commodity prices and the damage done to domestic production by import surges have made policy-makers (and the public) wary of free trade agendas.

When food prices spiked dramatically in the first quarter of 2008, net-food importing developing countries (NFIDC) were paying very close attention to global markets. What they saw was disheartening for the free trade supporters. Big exporters, among them Cairns Group members, imposed restrictions that limited export volumes because they were worried about food security at home, further increasing NFIDC import bills. The proposal that food security can be found in open access to a global pantry looks distinctly untrue. The countries that can afford to are bypassing trade altogether in favour of investment: if they cannot grow their own food at home, they do not want to depend on the market. Instead, they are buying or leasing land across the world's poorest countries to grow their food on someone else's land instead. The trade policy consequences of this new situation are nowhere reflected in Cairns Group interventions in the Doha negotiations.

The global food crisis has shifted the debate and with it the major players. Trade negotiations in Geneva fell apart in July last year because many developing countries, including some Cairn's group members, were insisting on the need for trade rules that respect their need to protect their rural economies as they think best. Most developed countries, Australia at the forefront, denied them that right, insisting in effect that the right to export

trumped all else. This is a fundamental divide within the Cairns Group membership and puts in question whether it can be continue to play an effective role.

It is time for an honest dialogue about these tensions. Australia, and with it New Zealand and Canada, need to show they understand what the Philippines and Indonesia (and with them, a sizeable group of developing countries) are saying about the importance of agriculture beyond the export sector. Indeed, there are doubtless some farmers here in Australia with something to say on that subject. And there are tens of millions more in Indonesia, and across the member countries of the group.

There is plenty of work left to do for a forum that includes both developed and developing country members and that understands agricultural trade. Governments and communities need to have a range of tools at their disposal to be ready for the challenges that lie ahead. This includes a greater emphasis on policies that encourage local investment in local markets, support ecologically and economically sustainable small-scale farming, safeguard local production from dumping, implement genuine agrarian reform, and allow the use of different trade instruments, including quotas and tariffs. All ideas supported by proponents of food sovereignty. And some of them are already on the table in Geneva, thanks to the proposals of the G33, which is chaired by Indonesia.

The Cairns Group no longer links a small group of like-minded countries. Rather it is a forum that links decidedly different views of how to regulate international trade in agriculture. What an opportunity their ministerial provides to think through agricultural trade rules that could work for the 21st century.

Sophia Murphy is based in Adelaide and is the Senior Advisor for the Institute for Agriculture and Trade Policy

Adam Wolfenden is the Trade Justice Campaigner with the Australian Fair Trade and Investment Network (AFTINET) a network of over 90 organisations and individuals concerned about trade and investment policy.