

NFF's Agricultural Trade Strategy

Objective

The objective of NFF's trade strategy is to achieve a more profitable international trading environment for Australia's farmers. To realise this goal Australia has to expand its international lobbying effort for agricultural trade reform by harnessing the resources of NFF and Australian agribusiness and working with the Australian Government and like-minded industry groups in overseas countries.

Background

- World agricultural trade barriers cost Australia dearly. Reform is estimated to be worth \$10 billion *annually* to Australia and just a 10 per cent chance of achieving this goal is worth \$1,000 million a year to us.
- These gains are very large because agricultural trade is highly distorted and very little liberalisation was achieved in the Uruguay Round.
- The success of the Uruguay Round was in getting agriculture 'on the agenda' and within the WTO framework for the first time. It was always known that real progress in cutting trade barriers would have to happen 'next time'.
- 'Next time' has arrived. The WTO Round was launched in Doha in early November 2001. The success of those negotiations will depend upon the political will to liberalise.
- The opponents of reform – mainly Japan, Korea and the European Union - are increasingly active in persuading countries not to apply the same rules of international commerce to agriculture that already apply to industrial products.
- The United States has lost credibility for the liberalising stance it took at Doha since it introduced the highly protectionist Farm Bill in May 2002.
- Australia's international lobbying efforts have been expanded if to counter efforts by protectionist countries and restore American leadership in the WTO.

Strategy

- NFF has taken a leadership role in trade reform to lobby and work independently in overseas countries. While the Department of Foreign Affairs & Trade (DFAT) and the Department of Agriculture, Fisheries & Forestry (AFFA) has expertise, they are constrained in operating overseas by protocol and there are limits on their ability to lobby for change publicly.

- NFF's strategy is to co-ordinate the efforts of Australian agriculture by providing a framework for industry to act quickly and freely to changing circumstances in the trade debate. The freedom to act quickly provides great leverage in tapping the efforts of others.
- The primary task of industry is to build political will for reform and make sure that the correct vision (i.e. one that makes economic sense, one that advances the cause while at the same time is not so unattainable that people give up on it) is pursued. This "big picture" political campaigning is critical before the detailed trade bargaining occurs at the commodity level later in the WTO negotiations.

Cairns Group Farm Leaders

- An important part of the international effort by NFF is the leadership of the Cairns Group Farm Leaders (CGFL), which is an alliance of the presidents of the peak farmer organisations in the 18 Cairns Group countries. The Farm Leaders meet alongside Ministers at the annual Cairns Group Ministerial meeting. The Secretariat for the CGFL is provided by NFF in Canberra (see www.cairnsgroupfarmers.org).
- The strategy of the CGFL is to encourage Cairns Group governments to be more ambitious than they otherwise would be. With farm organisation presidents meeting "next door" to their ministers there is less opportunity for a lowest common denominator outcome.
- A further objective of the CGFL is to send a clear message to the world that farmers and governments in the Cairns Group "speak with one voice" when it comes to agricultural trade reform in the WTO.
- Finally, the CGFL forum provides NFF with a platform to assist other farm organisations with their international lobbying on trade reform. This is important because there are 15 developing countries in the Cairns Group and they all need to articulate in their own way the concerns of farmers with farm protectionism.

Airlie House Group

- Another major initiative of NFF is an alliance with the Cordell Hull Institute, a Washington think-tank dedicated to multilateral trade reform. Chaired by Dr Clayton Yeutter (USTR and then US Secretary for Agriculture during the Uruguay Round) the Cordell Hull Institute has developed a global advocacy campaign with NFF to restore US leadership in the WTO Doha negotiations.
- The first meeting of the Airlie House Group was held in Washington in mid-May this year. The group agreed on an "action agenda" and decided to maintain a stable forum for Australian and US industry to work together to restore US credibility in the WTO and to seek a liberalising outcome in the 2007 Farm Bill.
- The next meeting of the Airlie House Group is planned for October in Brazil. Funding for the Group from supporters inside the US is currently being sought.