

# Measures taken in the context of the Covid-19 and discussed at the WTO Committee on Agriculture<sup>8</sup>

*Adriana Campos*

The purpose of this chapter is to take an inventory and to present the main content of some of the trade-related communications and declarations that WTO member countries submitted to the WTO Committee on Agriculture in 2020 and 2021 as response to the current pandemic.

## **Introduction**

The Covid-19 pandemic induced a proliferation of economic and trade measures to deal with its effects on the population, including consumers and producers. Information became a valuable public good in today's global context. The fast-paced nature of the measures in which countries are responding to the impact of the pandemic, and their possible effect on markets, makes it more important for governments, companies and consumers to have comprehensive and up-to-date information about these measures, and to ensure that countries respect the commitments they acquired before the WTO which, indeed, are set out to avoid market distortions.

WTO notifications are a transparency commitment that governments undertook (in form and on time) to inform each other of their domestic measures that may affect international trade in goods and services. This requirement seeks to guarantee the transparency necessary to monitor compliance with the rules and commitments for predictable and better functioning markets. In addition, notifications are key to the proper functioning of the multilateral system and agricultural trade.

## **Some economic data**

Agriculture plays a strategic role in Latin America and the Caribbean (LAC) in the sustainable development of many of its national economies, is one of the main sectors

---

8. Special thanks to Federico Villarreal and Daniel Rodríguez from IICA and Jose Javier Ocampo from the WTO, who played a collaborative role in preparing the content of this chapter.

that generates exports and is the most important economic sector in many countries. The average share of primary agriculture in the total gross domestic product in 2019 was 4.7 percent, with variations from a little over 2 percent in Panama to over 15 percent in countries like Nicaragua and Haiti. However, if the multiplying effects of primary agriculture on food systems and on the rest of the economy are taken into account, the share can double, such as in the case of Mexico (Morris et al. 2020).

In this context, the region's importance in international agrifood trade stands out, due to its strategic role in world food security. Indeed, exports from the LAC agrifood sector represent around 14 percent<sup>9</sup> of world agrifood product exports and one quarter of total exports from the region. Likewise, the region includes some of the main net food producing and exporting countries, key suppliers of the world's "pantries," according to the index of net food exports per capita (Arias et al. 2020<sup>10</sup>), including Argentina, Brazil, Chile, Costa Rica, Ecuador, Paraguay and Uruguay. The increase in production and exports in recent years has turned the region into the world's greatest net food exporter.

During the pandemic, the region had a positive performance in agrifood trade with respect to that of total goods, which placed the sector as one of the main engines for economic recovery. Thus, in 2020, LAC agrifood exports resisted the impact of COVID-19 better than total goods exports. According to data for an aggregate of 17 countries from the region, in 2020 agrifood exports increased 2.7 percent while total goods exports decreased 9.1 percent (Salazar et al 2021). In nine of these countries, agrifood exports in 2020 grew in comparison to 2019, while the total goods exports decreased. In the rest of the countries, agrifood exports fell, but much less than the total of products.

Despite this situation, the region is not exempt from the challenges present even before the emergence of COVID-19. 86 percent of LAC agrifood exports are concentrated on a few markets<sup>4</sup>: the United States represents 23 percent, followed by East Asia with 19 percent. The Chinese market stands out with a share of 13 percent, as does the European Union with an 18 percent share. It is thus important to recognize that if a large percentage of basic agrifoods export income originates from a small number of markets, the economies will be vulnerable to problems in the export destination countries and to the conditions of the world markets for those products. In the medium and long term, these vulnerabilities can be translated into macroeconomic imbalances, which also affect the political, institutional and social environment.

This situation raises major challenges for the region, centered on the need to diversify production models, including agroindustry and trade destinations. At the same time, it presents an opportunity to increase the region's presence on international markets and to contribute to the supply of healthy, nutritious, safe food produced under suitable environmental management for the world.

---

9. This analysis was conducted by CAESPA at IICA with data from the United Nations. COMTRADE.

10. This analysis was conducted by CAESPA at IICA with data from the United Nations. COMTRADE.

This is especially true in a context of post-pandemic recovery and increasing world demand for agrifood products by the year 2050, as a consequence of population growth, increased urbanization, greater sanitation, health and quality demands, a larger middle class and the diversification of diets, among other aspects linked to the necessary strengthening and transformation of agri-food systems. (Rodríguez et al, 2021).

In the wake of the Covid-19 pandemic, Members put in place agricultural policies in an effort to minimize its impact on farmers and the population in general. A number of these policies took the form of domestic support, market access policies and export prohibitions and restrictions. In the midst of the pandemic, WTO Members convened a special meeting of the Committee on Agriculture to discuss these agricultural measures as they could potentially have implications on the agricultural markets and on members WTO commitments. In this meeting, members emphasized the importance of transparency and committed to provide, on a voluntary basis, information on all such agricultural policies. Members ad hoc reports are submitted and discussed at the meetings of the Committee on Agriculture. A summary of some of these ad hoc reports are described below.

### Some 2020 measures

In November 2020, Switzerland<sup>11</sup>, reported on its Covid-19 measures for the agricultural sector. The country reported two domestic support measures: a temporary increase in the contribution to the voluntary freezing of bovine and goat meat and special financial aid for reclassifying Swiss wines from 2019 and earlier with Appellation of Controlled Origin as table wines. Switzerland also reported three market access measures: the extension of import rights for tariff quota 5 (red meat) and an increase in volumes of tariff quota 7 (dairy products) and of tariff quota 9 (birds' eggs).

In the same month, Norway<sup>12</sup> reported extraordinary Covid-19 measures for the agricultural sector aimed at compensating crop losses due to the shortage of seasonal labor and making certain adjustments to the investment aid scheme for rural development purposes.

In September 2020, Brazil<sup>13</sup> announced domestic aid programs applied to the agriculture sector during the pandemic. These included: Food Acquisition Program; National School Feeding Program; Funding and Investment Credit; National Program for Strengthening Family Farming; and National Support Program for Micro and Small Enterprises.

In the same month, Canada<sup>14</sup> presented the commitments made by the country in response to Covid-19. These included: the Local Food Infrastructure Fund; Mandatory Isolation Support for Temporary Foreign Workers Program; Surplus Food Rescue Program; Cattle and Hog Set-Aside (AgriRecovery); Advance Payments Program: Stay of Default for eligible farmers; Plan to Develop Agriculture Sector and Create Jobs; 10percent reduction in Crop Insurance Premiums; Temporary Foreign Worker Isolation Protocol for Ag-

---

11. G/AG/GEN/164/Add.1

12. G/AG/GEN/172

13. G/AG/GEN/165

14. G/AG/GEN/167/Rev.1

riculture and Aquaculture; Risk Management Program; Ontario-Canada Agri-Food Workplace Protection Program; Ontario-Canada AgriRecovery for Hogs and Cattle; Financial investment to support the recruitment of agricultural workers; Loan guarantee of up to \$50,000; 6-month moratorium on loan repayment; Northern MB Food Security Support; Local Cooking Initiative; Food Distribution model; cattle set aside; Saskatchewan Premium Rebate; Livestock Set Aside Program; 2020 Canada/Alberta Fed Cattle Feed Cost Offset Initiative developed due to COVID-19; Agriculture Training Support; Alberta Beekeeper Stock Replacement; Temporary Foreign Worker Supports; B.C. Farmers Markets Transition to Online Systems; E-Commerce for B.C. Producers and Processors; Agri-Business Planning Program COVID-19 Recovery; Domestic Temporary Worker Accommodation Supports; On Farm Food Safety Program-PPE for COVID-19; Temporary Foreign Worker Supports; and B.C. Farm, Fish & Food Job Connector.

In August 2020, El Salvador<sup>15</sup> announced the main measures taken in the context of the Covid-19 pandemic with implications for the agricultural sector. These measures included a modification to the Central American Import Tariff; the opening of a scarcity quota for rice in the husk; the opening of a scarcity quota for yellow maize (corn); the opening of a scarcity quota for white maize (corn); a temporary export restriction on red beans; special and transitional provisions for the Ministry of Agriculture and Livestock; and an import procedure under Legislative Decree No. 604. These measures expired as of 3 February 2020.<sup>16</sup>

In July 2020, the main actions announced by the United States<sup>17</sup> in relation to the COVID-19 pandemic included: Coronavirus Food Assistance Program (CFAP); USDA Farmers to Families Food Box; Crop Insurance; Marketing Assistance Loans (MAL); USDA Farm Loans; Supplemental Nutrition Assistance Program (SNAP); Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); Food Distribution; Coronavirus Pandemic EBT; Paycheck Protection Program (PPP); and Economic Injury Disaster Loan (EIDL). Since the onset of the pandemic in the United States, the USDA has maintained a COVID-19 webpage that is regularly updated with all the activities the USDA is undertaking to respond to the pandemic<sup>18</sup>.

In July 2020, Paraguay<sup>19</sup> submitted a report on the measures adopted by its government to deal with the Covid-19 pandemic that had some form of implication or consequence for the country's agricultural sector. These measures included:

- COVID-19 contingency measure: Provision of seeds, inputs, and technical assistance for 50,000 plots of farmland used by vulnerable families to produce food for their own consumption. The production plan amounted to approximately USD 8 million.

---

15. G/AG/GEN/163

16. G/AG/GEN/163/Add.1

17. G/AG/GEN/161

18. Visit <https://www.usda.gov/coronavirus>

19. G/AG/GEN/162

- “Ñangareko” program: Money transfers to informal workers to purchase food, medicine, and hygiene products. The benefit was provided as a one-time payment per person. Total amount: PYG 165 million. The program would benefit approximately 330,000 families.
- “Pytyvo” and “Pytyvo 2.0” programs: Aimed at the informal and formal workers (SMEs) most affected by the COVID-19 pandemic. The total amount of the benefit was provided as one-time payment per person. The payment was made in two installments, but only once per beneficiary and it could be used to purchase food, medicine, and hygiene products. Total disbursement: PYG 1,914,600 per beneficiary. Payments were received by approximately 2 million people.
- Agrarian Market Integration Project (PIMA): Improved market access conditions for producer organizations and indigenous communities, including mechanisms for investing in improving production techniques and incorporating the use of technology to enhance competitiveness and sustainability. The project would benefit approximately 170,000 small and medium-sized producers. Total amount budgeted: USD 25 million.
- Agricultural Equipment Bank (CAH) investment program: Investment program to be implemented by the Agricultural Equipment Bank (CAH) as part of the Covid-19-related measures introduced within the framework of the Paraguayan Guarantee Fund (FOGAPY). A total of 7,922 loans would be granted in 2020 in the economic, services, and consumption sectors.
- Capitalization of livestock sector MSMEs: To be implemented by the Livestock Fund for a total amount of USD 20 million. The loans were earmarked for production, animal purchases, and the livestock sector value chain, including working capital, transport, veterinary services, equipment, infrastructure, and technology.
- Establishment of an exceptional and transitional regime to facilitate the payment of taxes: Facilitates the payment of taxes for IRACIS and IRAGRO for the 2019 fiscal year and extends the deadline for the first IRE payment to July 2020.
- Reduction of import costs: Adjustment to fees related to goods imports, resulting in a 30-40percent reduction in import costs.
- Reduction of export costs: Digitization of export procedures.

In July 2020, Australia, Brazil, Canada, New Zealand, and Paraguay<sup>21</sup> held a discussion about the transparency of Covid-19 related agricultural support measures.

In June 2020, the delegations of the Cairns Group<sup>22</sup> presented a Covid-19-related initiative to the WTO titled protecting global food security through open trade. The countries established commitments on four major issues:

- Restraint on measures and roll-back: Commit to exercise restraint in establishing domestic food stocks of agricultural products that are traditionally exported so as to avoid disruptions or distortions in international trade;

---

21. RD/AG/77

22. Argentina, Australia, Brazil, Canada, Chile, Costa Rica, Indonesia, Malaysia, New Zealand, Paraguay, Peru and Uruguay.

- Food aid: Commit to not impose export restrictions or extraordinary taxes on food and agricultural products purchased for non-commercial humanitarian purposes by the World Food Program (WFP) and other humanitarian agencies;
- Transparency: Commit to be transparent about any agricultural Covid-19 trade-related measures and to inform the WTO.
- Reform: Commit to continuing to drive forward the reform process in the WTO to establish a fair, market-oriented agricultural trading system, including through positive and meaningful results at MC12<sup>23</sup>.

In May 2020, a group of countries<sup>24</sup> presented a declaration aimed at responding to the Covid-19 pandemic with open and predictable trade of agricultural and food products. These countries accounted for 67percent of global exports of agriculture and agri-food products and 60percent of global imports of agriculture and agri-food products.

The cosignatories of the declaration committed to ensuring that supply chains remain open and connected; to not impose agriculture export restrictions; to ensure that emergency measures related to agriculture and agri-food products designed to tackle Covid-19 were targeted, proportionate, transparent, and temporary and did not create unnecessary barriers to trade or the disruption of global supply chains for agriculture and agri-food products; and to support the efforts of the WTO and other international organizations in analyzing the impacts of Covid-19 on global agriculture and agri-food trade and production<sup>25</sup>.

## Some 2021 measures

In March and September 2021, the European Union<sup>26</sup> submitted two updated reports on Covid-19-related domestic support measures adopted by the EU and its member states in the agricultural sector. The EU reported support targeting specific products such as cheese, butter, sugar, milk, fruits, vegetables and meat; in addition to support measures for workers, help for agricultural producers, and direct subsidies for the seed and wine sector.

In March 2021, the government of Israel<sup>27</sup> reported that it had authorized an additional water quota of 71 million m<sup>3</sup> for agriculture so that local food production could guarantee adequate food supply during the crisis and that a special fund of 6 million Israeli Shekels (ILS) was granted to support the logistic expenses of public institutions recruiting volunteers to replace absent agricultural workers. Furthermore, 12 million ILS were allocated to fund non-profit organizations that coordinated the engagement of volunteers during the first COVID-19 wave (18 March – 30 June). A significant increase in volunteers in agriculture

23. WT/GC/218/Rev.1; G/AG/31/Rev.1; TN/AG/44/Rev.1

24. Australia; Brazil; Canada; Chile; Colombia; Costa Rica; Ecuador; European Union; Georgia; Hong Kong, China; Japan; Republic of Korea; Malawi; Malaysia; Mexico; New Zealand; Nicaragua; Paraguay; Peru; Qatar; Kingdom of Saudi Arabia; Singapore; Switzerland; Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Ukraine; United Arab Emirates; United Kingdom; United States and Uruguay.

25. WT/GC/208/REV.2 - G/AG/30/Rev.2

26. G/AG/GEN/159/Add.4 and Add. 5

27. G/AG/GEN/160/Add.1

was recorded during the crisis. Israel also created an aid package for agricultural activities affected by export constraints and for niche products for the local market. These included fresh produce affected by declining air transport and produce affected by the closing of the Flower and Plant Auction in the Netherlands and the cancellation of orders. The aid was provided for crops that were sold fresh and it was calculated so that growers who were hit the hardest receive a higher rate of assistance. The total aid would not exceed 600,000 ILS.

South Africa<sup>28</sup> reported the creation of a Covid-19 agricultural disaster support fund measure for smallholder and communal farmers only. The programme would provide assistance to financially distressed small-scale farmers as a result of Covid-19 and focused on farmers who were in production and preparing for winter crops. The objective was to complete the production cycle to ensure adequate food production and supply. Funding was provided in the form of a voucher system that was applied in partnership with distributors and manufacturers of these inputs. The grant was not to exceed ZAR 50,000 per farming operation.

Finally, in March, Japan<sup>29</sup> announced its Covid-19-related measures, including an emergency support project to ensure the availability of labor force in agriculture; the introduction and demonstration of smart agriculture to resolve the labor shortage; special emergency support measures, such as cattle fattening; emergency measures for businesses by facilitating the distribution of beef calves; projects to stabilize vegetable prices; priority support to promote and improve facilities to maintain and strengthen marketing potentials; measures to strengthen the supply of agriculture and livestock products; support for production in the next crop season in response to new domestic and overseas demand; support to promote the use of flowering plants in public facilities; emergency aid to support the inventory of Wagyu beef; and emergency measures to promote sales of agricultural products.

## Conclusions

Transparency is one of the key principles of the WTO and plays a central role in monitoring compliance with its rules. It has become increasingly important in the WTO, and outside of its walls, as it contributes to political and business decision-making on the rapidly and constantly changing economic environment. The Covid-19 pandemic has evidenced even further the importance of transparency in a timely and proper manner. However, discussions in the Committee on Agriculture have shown that there is work to be done in this regard as countries have highlighted important areas for improvement in the reporting process of agricultural measures. Countries have called for cooperation and to intensify work on notifications in order to guarantee transparency.

The Committee on Agriculture meets 3-4 times a year in Geneva, Switzerland. Countries' participation in these meetings is key as they provide an opportunity for WTO member countries to exchange information, ask questions or raise concerns about each other's agricultural policies.

---

28. G/AG/GEN/180

29. G/AG/GEN/166/Rev.1

Transparency is not an end in itself, but a means for a better functioning multilateral trading system. The lack of compliance with notifications has been a source of concern and discussions in the WTO's committee on agriculture. There are a number of challenges faced by the countries of the Americas to comply with their notification obligations in the agricultural area. Countries often face difficulties in collecting the information to be notified; there is a lack of specialized personnel; problems determining which measures or policies should be notified; complexity of the information to be notified or the process of preparing the notifications; and coordination problems between national institutions<sup>30</sup>. In this regard, governments can implement some actions that could potentially improve their performance in compliance with notification obligations. This includes:

- fostering cooperation and exchange of good practices,
- developing regional efforts to monitor and analyze trade policy;
- strengthen the institutions responsible for preparing notifications and analyzing agricultural policies by creating a department dedicated to the WTO;
- promoting a commitment to the WTO by national authorities at the highest level, and
- encouraging the participation of experts from capitals in the forums in Geneva as well as good coordination with delegates from missions to the WTO.

---

30. Source: Study prepared by IICA.

## References

- Arias, J; Chavarría, H; Salazar, E. 2020. Vulnerabilidad alimentaria ante el COVID-19 (on-line, blog). San José, Costa Rica. Consulted 28 April 2021. Available at <https://blog.iica.int/blog/vulnerabilidad-alimentaria-ante-covid-19>.
- Morris, M; Sebastián, AR; Perego, VME; Nash, JD; Díaz-Bonilla, E; Piñeiro, V; Laborde, D; Chambers, TT; Prabhala, P; Arias, J; De Salvo, CP; Centurion, ME. 2020. Panoramas alimentarios futuros: Reimaginando la agricultura en 26 EL COMERCIO INTERNACIONAL DE PRODUCTOS AGROALIMENTARIOS DE ALC América Latina y el Caribe (en línea). Washington, DC, Estados Unidos, World Bank Group. 246 p. Consultado 29 abr. 2021. Disponible en <https://cutt.ly/sxRJ57k>.
- Rodriguez et al. 2021. International trade in agri-food products from Latin America and the Caribbean and the transformation of food systems. Inter-American Institute for Cooperation on Agriculture. – San Jose, C.R.: IICA, 2021. Available at <https://repositorio.iica.int/handle/11324/18591>.
- Salazar, E; Arias, J. 2021. Las exportaciones agroalimentarias de América Latina y el Caribe crecen 2,7percent durante primer año de pandemia (on-line). San José, Costa Rica, IICA. Consulted 29 April 2021. Available at <https://blog.iica.int/blog/las-exportaciones-agroalimentarias-america-latina-caribe-crecen-27-durante-primer-ano-pandemia>