Chapter 1.2
State of the Agricultural Negotiations and Prospects for Progress at MC14

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Agricultural negotiations have largely been stalemated since the collapse of the Doha Round in July 2008. Members have struggled to fulfil in its entirety the mandate set out in Article 20 of the Agreement on Agreement (AOA), as well as other relevant Ministerial mandates. With the exception of a few outcomes, including those on Public Stockholding and the administration of Tariff Rate Quotas at the Ninth Ministerial Conference (MC9) in Bali in 2013, on Export Competition at MC10 in Nairobi in 2015, and on export restrictions for food aid in MC12 in Geneva, there has not been any substantive outcome in the agriculture negotiations since they were launched in 2000.[5] The prospects for a substantive outcome at MC14 in Yaoundé remained limited, as sharp divisions persisted among Members on several critical issues, while recent trade actions have added further strain to the multilateral trading system and risk undermining progress achieved over the past three decades. I begin by reviewing progress in the so-called pillars of the AOA: domestic support, market access, and export competition. I then consider the areas of contention during the Doha Round negotiations, specifically the special safeguard mechanism (SSM), cotton, public stockholding (PSH), and export restrictions. I conclude with a broad assessment of the chances for meaningful progress and discuss some potential avenues beyond Yaoundé.

Domestic support

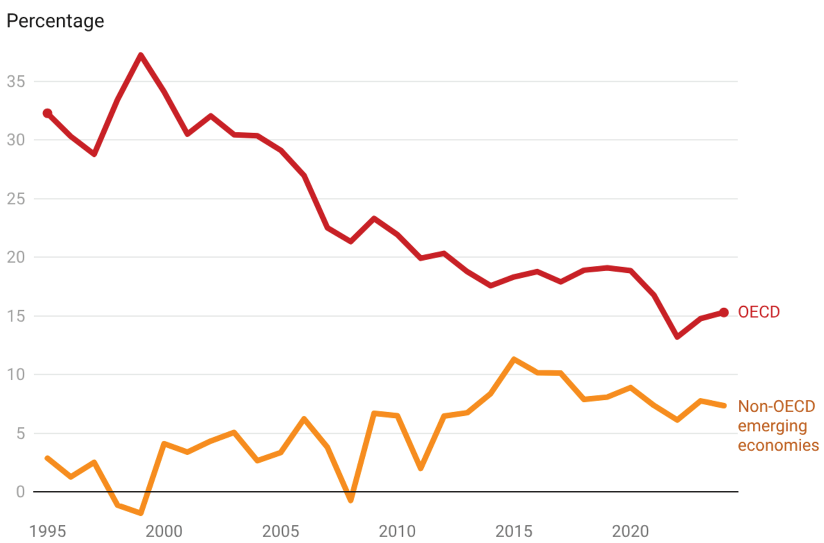
Disciplining agricultural domestic support was arguably one of the more significant results of the Uruguay Round. The AOA differentiated between production-distorting support and support that was minimally trade-distorting.

5 World Trade Organization. 2024. "Committee on Agriculture in Special Session Report by the Chairperson, H.E. Mr Alparslan Acarsoy. State of Play in the Agriculture Negotiations." TN/AG/58. February 8. https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/TN/AG/58.pdf&Open=True

Trade-distorting support was subject to a 20% reduction from the 1986-1988 base period (10% for developing countries). Annex 2 of the AOA (the so-called green box) laid out specific criteria defining what measures were considered minimally-trade distorting.

In the 30 years following the creation of the WTO, trade-distorting domestic support has fallen, particularly among developed countries. Many members shifted support to less distortive measures. Producer support, as calculated by the Organisation for Economic Co-operation and Development (OECD), fell from around 30% of the value of production in 1995 to 20% in 2010 and to about 15% in 2025 (Figure 1). Domestic support among emerging market economies rose over the period 1995 to 2015, but since then, aggregate support as a% of the value of production has fallen.

Figure 1. Producer support as a% of gross farm receipts



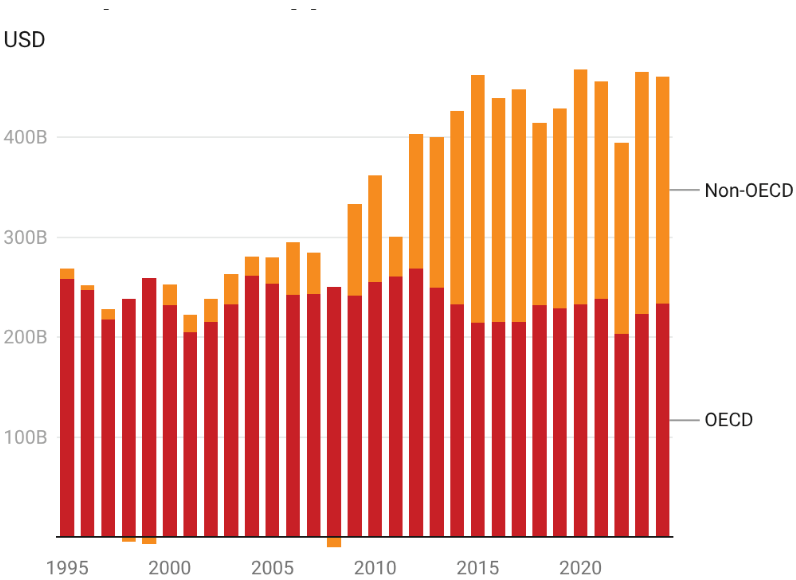
Non-OECD countries include Argentina, Brazil, China, India, Indonesia, Kazakhstan, Philippines, Russia, South Africa, Ukraine, and Vietnam.

Source: OECD PSE database, https://data-explorer.oecd.org

Despite the reduction in producer support relative to the value of production, critics point out that absolute levels of producer support have increased, topping USD 460 billion in 2024 (Figure 2). Producer support among OECD members has remained relatively flat (in nominal terms) since 2000, reaching

USD 234 billion in 2024, while producer support among non-OECD emerging markets has increased from just USD 20 billion in 2000 to over USD 225 billion in 2024. Support to non-OECD emerging economies now equals the levels of support provided to OECD members.

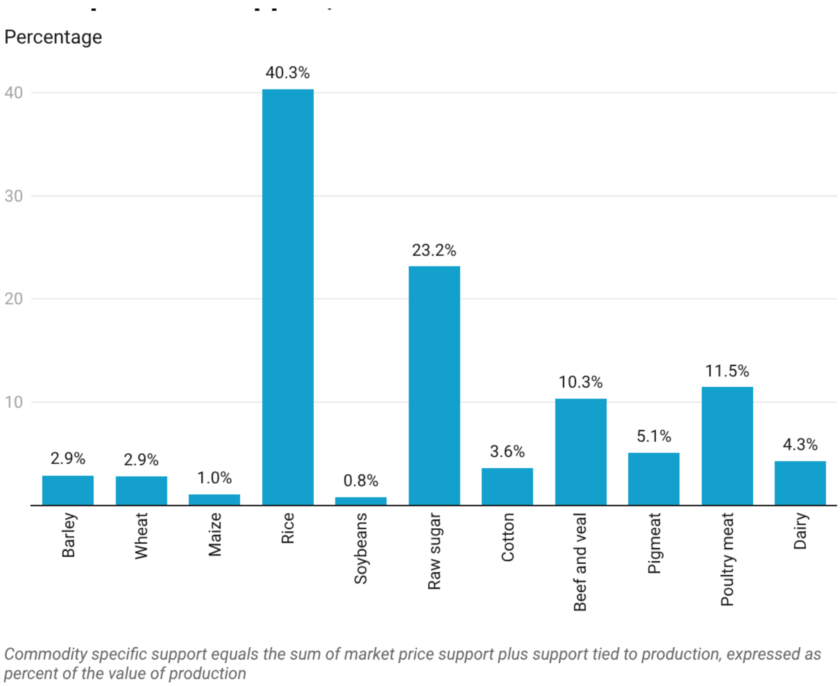
Figure 2. OECD producer support estimates



Non-OECD countries include Argentina, Brazil, China, India, Indonesia, Kazakhstan, Philippines, Russia, South Africa, Ukraine and Vietnam
Source: OECD

Support varies widely by commodity, and for some commodities, like rice and sugar remains quite high relative to the OECD average of 15.3% of the value of production in 2024 (Figure 3). Rice support as a percentage of production value exceeded 40% in 2024. Raw sugar support exceeded 23%, while support for meat and dairy products was between 4.3% and 11.5%. Most other grains were below 3%.

Figure 3. OECD producer support, 2024



Source: OECD

Almost no progress has been made in placing further limits on domestic support since agricultural negotiations were launched in 2000. Members agreed to small changes in Annex 2 criteria during MC9 in Bali,[6] but otherwise, efforts to further reduce support have failed. Moreover, some Members have argued that the criteria for Green box inclusion need to be reexamined, in particular, those covering direct income support and public stockholding (discussed in more detail below).

Over the past 10 years, there has been interest in "repurposing" domestic support, defined here as redirecting fiscal support away from trade-distorting measures towards domestic support measures that provide public goods like research and development or measures that encourage reduction or sequestration of greenhouse gas emissions. One problem with this approach is that for

6 Members agreed to an expansion of the list of "General Services" that qualify for Green Box support, to include spending on land use, land reform, water management, and other poverty-reduction programs.

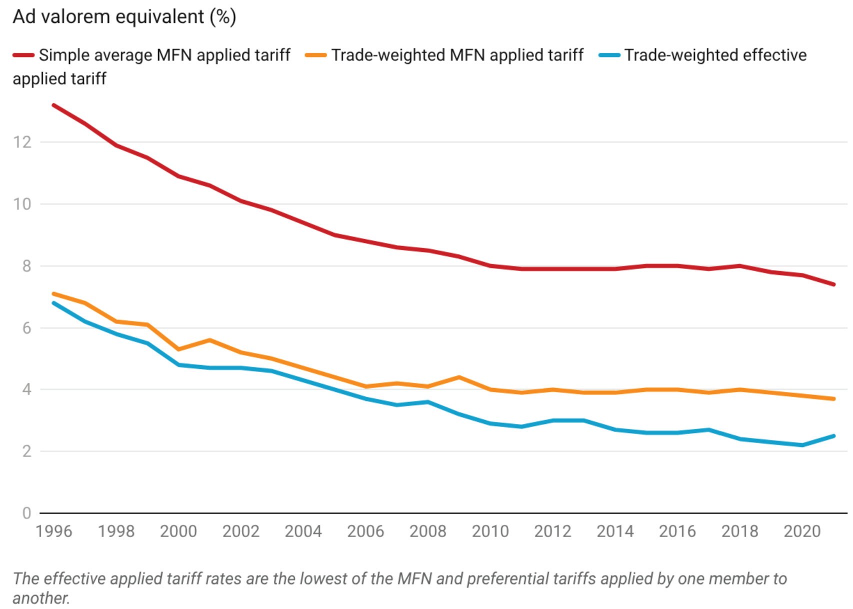
many members, particularly poorer developing countries, domestic support is provided through market price support, not fiscal support. Second, some criticize such measures as "greenwashing" trade-distorting support, arguing that a measure aimed at reducing GHG emissions could still have trade-distorting impacts if it is tied to production or input use. Lastly, the experience of some of the developed countries (e.g., the United States) suggests that producers are supportive of policies that promote public goods, but only as an addition to the current suite of support programs, not as replacements.

Market access

Like domestic support, market access is another area where only limited progress has been made in negotiations since 2000. Under the AOA, Members established tariff bindings for agricultural goods. Members then agreed to reduce tariffs by 36% (24% if you were a developing country). Members agreed that for certain "sensitive" products, tariff rate quotas would be established to ensure minimum access.

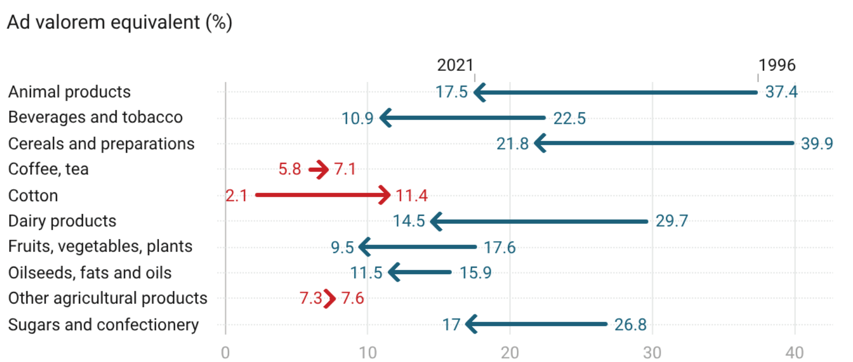
According to the WTO, average applied MFN tariffs for all goods (including non-agricultural goods) fell by almost 50% between 1996 and 2021 (Figure 4). The average applied MFN tariff for most agricultural categories fell as well (Figure 5). For example, average applied MFN tariffs on animal products (meats and poultry) fell from 37.4% in 1996 to 17.5% in 2021. Cotton was an exception—the average applied MFN tariff went from 2.1% in 1996 to 11.4% in 2021.

Figure 4. WTO Members' average applied tariffs, 1996-2021



Source: Monia Snoussi-Mimouni and Edvinas Drevinskas (2023) "Tariffs applied by WTO members have almost halved since 1996" WTO Trade Blog 13 April 2023 https://www.wto.org/english/blogs_e/blog_dta_13apr22_e.htm

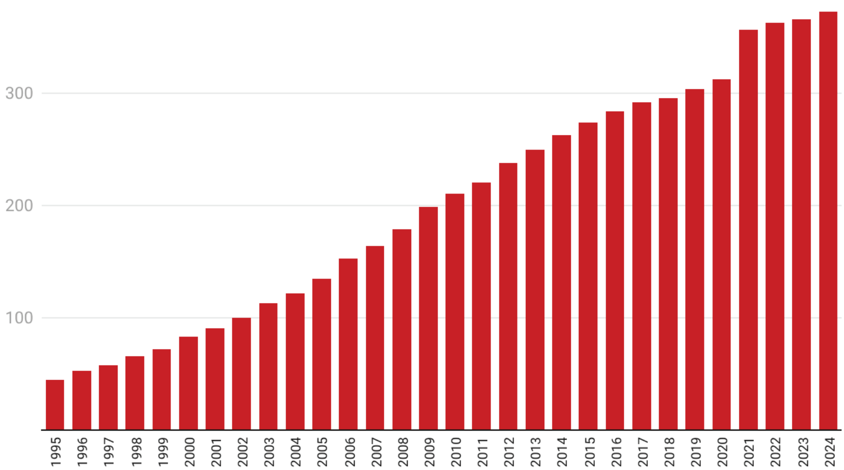
Figure 5. Change in applied MFN tariff rates between 1996 and 2021



Source: Monia Snoussi-Mimouni and Edvinas Drevinskas (2023) "Tariffs applied by WTO members have almost halved since 1996" WTO Trade Blog 13 April 2023 https://www.wto.org/english/blogs_e/blog_dta_13apr23_e.htm

But the failure to get a multilateral agreement on market access since 2000 has created incentives for members to negotiate regional trade agreements (RTA). In 1995, 45 RTAs were in force. By 2024, RTAs totaled 373 (Figure 6). The WTO estimates that at the end of 2022, 83% of global trade was conducted on a Most Favored Nation (MFN) basis, while 17% was traded under an RTA or Preferential Trade Agreement (PTA).

Figure 6. Cumulative number of regional trade agreements in force



Note: The figure shows only those agreements that have been notified to the WTO, which may lead to an underestimation of the total number of agreements in force worldwide.

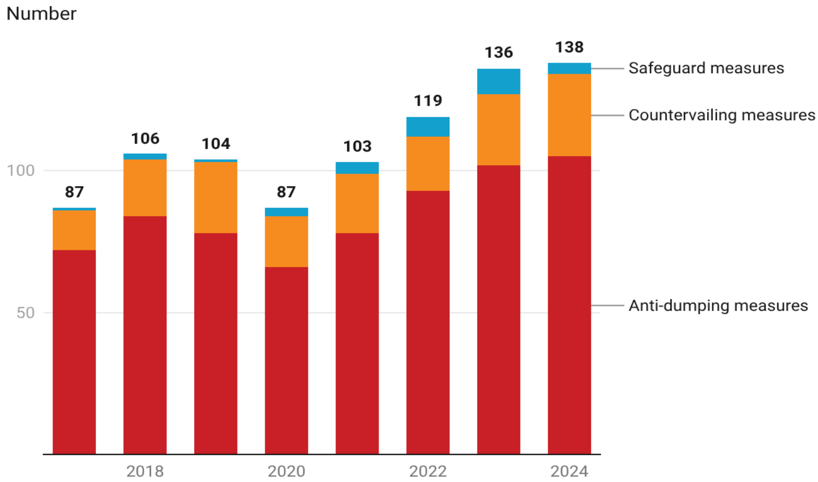
Source: OECD 2025 based on Worldd Trade Organization, Regional Trade Agreements Information System (RTA-IS), https://rtais.wto.org/UI/PublicMaintainRTAHome.aspx

While FTAs and PTAs have largely improved market access for their participants, increased trade tensions have resulted in a deterioration in market access in selected markets and for selected members. Non-tariff measures (NTM) have increased in recent years, particularly anti-dumping and countervailing measures (Figure 7). A far greater concern, however, has been the unilateral actions taken by the Trump Administration to raise tariffs on virtually all goods entering the United States.[7] Actions by the United States have prompted China to take counter-retaliatory actions against U.S. imports. Because of the imposition of the so-called "Liberation Day" tariffs by the United States and sub-

7 There are some exemptions. For example, goods entering the United States from Mexico and Canada that are consistent with the USMCA enter under terms of that agreement (for most goods, under zero tariffs).

sequent counter-retaliation, the WTO estimates that the percentage of global trade conducted on an MFN basis has fallen from 83% in 2021 to only 74% of global trade as of May 2025.

Figure 7. Non-tariff measures in effect on agricultural products



As of December 31.

Source: World Trade Organization, World Tariff Profiles, various issues. https://www.wto.org/english/res_e/publications_e/world_tariff_profiles22_e.htm

Despite the lack of significant progress in market access negotiations at the WTO, market access has improved significantly over the last 30 years, as evidenced by the decline in the average applied MFN tariff rate and the fact that global trade has more than tripled in nominal value and more than doubled in inflation-adjusted terms since 2000. Unfortunately, the recent increase of trade tensions brought on by U.S. tariff actions casts a cloud on that progress, although new RTAs such as the recently completed EU-Mercosur RTA expand market access gains for some Members, albeit on a non-MFN basis.

Export competition

The price-depressing effects of the use of export subsidies in the 1980s and early 1990s by the EU and the USA were a prime motivating factor behind efforts to bring agriculture under the rules-based trading system during the Uruguay Round. The AOA capped and phased down export restrictions both in value and volume terms. By 1995, export subsidies were largely phased out, though members would occasionally resort to their use during periods of low prices. One of the most significant achievements since the agricultural negotiations were launched in 2000 was at MC10 in Nairobi, where members agreed to eliminate export subsidies and place further disciplines on export credits and humanitarian food aid.

Despite the phaseout and elimination of export subsidies, there remain concerns about the potential use of export credits and the use of in-kind food aid under the guise of humanitarian assistance to undermine export subsidy disciplines.

Doha issues

In addition to the traditional "pillars", i.e., domestic support, market access, and export competition, several other issues became central to the agricultural negotiations during the Doha Round. These include (but are not limited to) cotton, public stockholding (PSH), the special safeguard mechanism (SSM), and export restrictions.[8]

Cotton

Cotton arose as an issue in the late 1990s as the Asian financial crisis led to a contraction in fiber demand. Meanwhile, large trade-distorting subsidies paid to cotton producers in the United States effectively insulated its producers from much of the price decline as a result. During the 1990s, the U.S. cotton industry was transitioning as most of its milling facilities were moving offshore to Latin America and Asia. As a result, US cotton exports doubled in volume between 1998 and 2003, while its global market share went from 25% to 42% over that period.

The Cotton initiative was launched in 2003 by four African countries (Benin, Burkina Faso, Chad, and Mali). At the 5th Ministerial Conference in Hong Kong in 2005, members agreed on the following:

- All forms of export subsidies for cotton will be eliminated by developed countries in 2006.

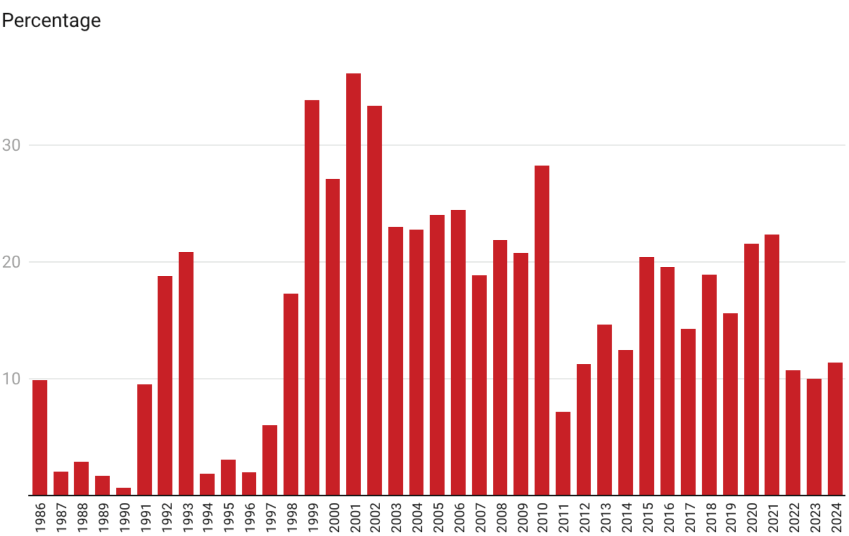
8 Other important issues during the Doha discussions include: Special and Sensitive product treatment under market access pillar, tariff escalation; special agricultural safeguards; and tropical products.

- On market access, developed countries will give duty and quota-free access for cotton exports from least-developed countries (LDCs) from the commencement of the implementation period.
- Members agree that the objective is that, as an outcome for the negotiations, trade-distorting domestic subsidies for cotton production be reduced more ambitiously than under whatever general formula is agreed and that it should be implemented over a shorter period of time than generally applicable.

Progress on cotton has been small. Export subsidies, as noted above, have been phased out. Duty-free, quota-free access has been granted to LDCs by developed countries, but market access remains relatively unchanged. But on domestic support, there has been no consensus on how to reduce support, in part because of the impasse over general disciplines on domestic support.

Producer support for cotton (as measured by OECD) has declined significantly since 2000, but remains highly variable, with support over 20% in recent years (Figure 8).

Figure 8. OECD producer support estimate for cotton



Source: OECD

Public stockholding

The issue of how support for public stockholding (PSH) programs is calculated and disciplined within the WTO Agreement on Agriculture (AoA) has been a point of contention since 2012. The issue was largely uncontroversial during the Doha negotiations, where issues like the Special Safeguard Mechanism, domestic support, and cotton contributed to the collapse of negotiations in 2008 (Blustein 2009). However, members such as India that raised administered prices to keep up with surging market prices in the late 2000s found themselves facing potential challenges, as support levels for PSH programs threatened to exceed domestic support commitments under the AOA.

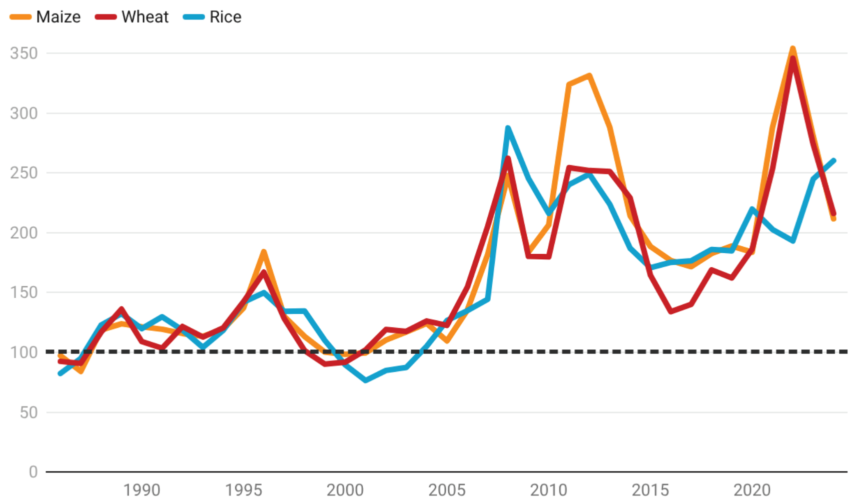
At the Ministerial Conference in Bali in 2013 (MC9), members agreed to an interim mechanism, which granted a "peace clause" to countries with existing PSH programs, effectively shielding them from challenges regarding compliance with domestic support obligations under the WTO Dispute Settlement Mechanism. Under the Bali Decision, members agreed to provide data on how the program operated and to ensure that such programs were not trade-distorting or would not affect the food security of other WTO members.

Unfortunately, almost 13 years later, failure to reach an agreement on PSH continues to block significant progress in overall negotiations. Much of the controversy surrounds how price support is calculated, an issue that goes beyond PSH and concerns more general rules under the domestic support provisions of the AOA on how market price is measured. Under current rules, market price support is calculated based on the difference between the administered price and a fixed external reference price, times production eligible for price support.[9] For most members, the fixed external reference price is based on a 3-year average calculated over the 1986 to 1988 base period.

While the 1986-1988 base period was generally representative of prices over the period 1996-2004, prices for maize, rice and wheat began to diverge in the late 2000s as price levels were driven up by biofuel demand, import demand in many emerging economies, and high energy prices. By 2010, prices were 70 to 100% higher than the 1986-1988 base period levels (Figure 9). Thus, if administered prices were raised far enough above the 1986-1988 base period, a member could be in danger of exceeding de minimis levels of support, even if the administered price were far below the market price.

9 If stocks are procured at current market prices, price support is considered to be zero.

Figure 9. Grain prices relative to the 1986-1988 base period

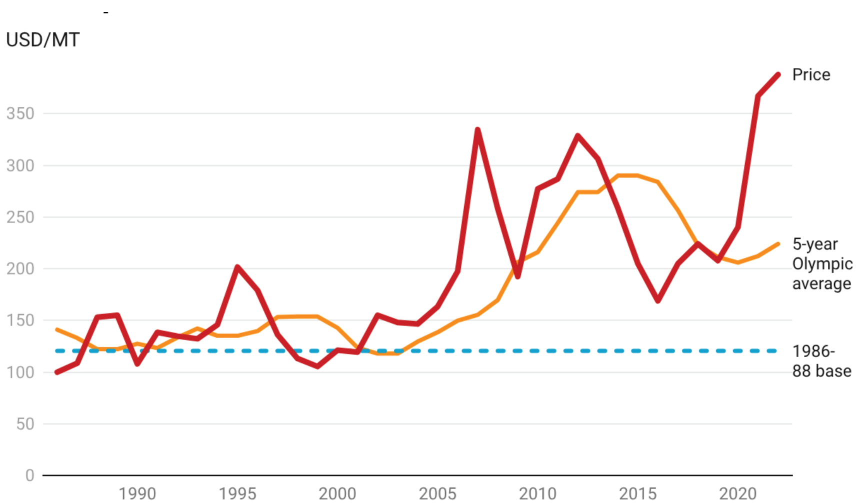


Maize (U.S.), no. 2, yellow, f.o.b. US Gulf ports; Rice (Thailand), 5% broken, white rice (WR), milled, f.o.b. Bangkok; Wheat (U.S.), no. 2 hard red winter Gulf export price

Source: World Bank Group, Commodity Markets database (Pink Sheet) https://www.worldbank.org/en/research/commodity-markets

Some members have proposed fixing the formula by updating the base period to a more "relevant" time period, or by tying the external reference price to a moving average of past prices to more approximate current market conditions. Other members voice concerns that because prices are highly variable, a new external reference price based either on an updated base period or a moving average of previous price levels, support using the updated formula could underestimate the actual support (in the case when market prices are below the external reference price. Figure 10 shows an example where a new external reference price for wheat was set based on a 5-year Olympic average (where the high and low values are excluded from the average). The external reference price follows price movements, but there are periods where the external reference price is in excess of market prices. During those periods, an administrative price set equal to the external reference price could provide significant price support, potentially distorting production decisions and yet the calculated price support would be zero.

Figure 10. Wheat price relative to the 1986-1988 base period



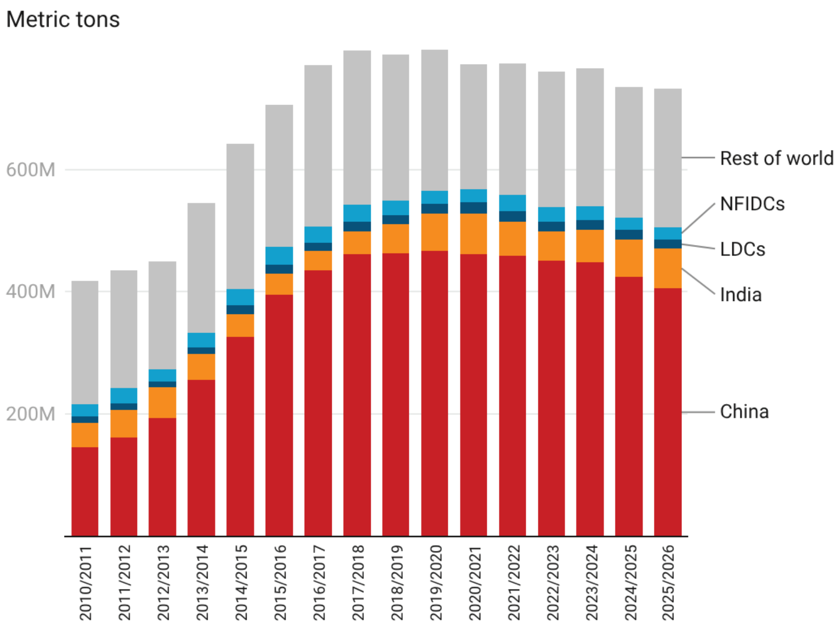
US Gulf HRW. Olympic average = five-year average of preceding years, excluding the highest and lowest values.

Chart: Joseph Glauber, Source: USDA/ERS

Other concerns are that changes to the formula for calculating market support for PSH programs would have broader implications for how market price support is calculated under the AOA.

Other proposals to address the PSH issue have been to consider exemptions for Members who are LDCs or net-food importing developing countries since these countries generally export very little. Stocks held by LDC and NFDICs are also quite small, accounting for less than 5percent of total global grain stocks (Figure 11).

Figure 11. Maize, rice and wheat stocks



Source: US Department of Agriculture, Foreign Agricultural Service, PSD database, 12 September 2025

Characteristics of selected PSH programs are shown in Table 1. India's PSH program for rice stands out because, unlike for the other PSH programs, exports are quite large, both as a share of domestic production (13.7%), and in particular, as a share of global exports (33.5%). China has very large grain stocks but is net importer of grains. Indonesia and Philippines have sizable PSH programs for rice, but they also are large net importers with negligible exports.

Table 1. Characteristics of selected PSH programmes

Percentage

Country/commodity	Exports as share of global exports	Exports as share of domestic production	Stocks as share of global stocks	Stocks as share of domestic consumption
China maize	0.0	0.0	67.4	66.2
China rice	2.6	1.0	57.1	69.7
China wheat	0.5	0.7	49.7	88.8
India rice	33.5	13.7	22.5	35.0
India wheat	0.9	1.8	3.6	8.8
Indonesia rice	0.1	0.0	3.0	15.2
Philippines rice	0.0	0.0	1.9	21.0

Shares based on 3-year average over 2022/23-2024/25 marketing years

Source: USDA PSD database, 12 September 2025

Special safeguard mechanism

Disagreement over the Special Safeguard Mechanism (SSM) was one of the principal causes of the breakdown in negotiations in July 2008. Under the AOA, members are entitled to use the Special Agricultural Safeguard (SSG) for products that have been tariffed, for those tariff lines that are identified in their schedules of commitments. While SSG usage has declined, it is still used by some countries for sensitive products, such as dairy, rice, and processed grain products.

Developing countries argued and won concessions in the Hong Kong Ministerial (MC5) for a price- and volume-based SSM to protect sensitive products. Proponents argued that a mechanism was needed to insulate producers from price fluctuations and import surges, particularly since most developing countries were not eligible to utilize the SSG (Dhar, 2016). Critics have argued that SSM could restrict normal growth in trade and be used improperly as trade protection, thus potentially destabilizing global markets and harming domestic consumers.

Export restrictions

As we saw during the food price spikes of 2007-2008 and 2010-2011, the COVID pandemic in 2020, and Russia's invasion of Ukraine in 2022, export restrictions can exacerbate price volatility in global markets. Disciplines on export restrictions have largely alluded to WTO members. More than 10 years after G20 members agreed to discipline export restrictions affecting humanitarian aid, WTO members agreed at MC12 in Geneva to not impose export prohibitions or restrictions on foodstuffs purchased for noncommercial humanitarian purposes by the World Food Programme.

Unfortunately, the use of restrictions for non-humanitarian exports has continued. India's restriction on rice exports in 2023 and 2024 affected roughly 20% of global rice exports, particularly broken rice exports, much of which would normally go to markets in Sub-Saharan Africa. Rice prices jumped more than 30%, and importers scrambled to find new suppliers.

Prospects for Yaoundé

Expectations for MC14 were tempered by prior failures to reach consensus on the issues outlined above and, more broadly, by rising trade tensions, partly driven by new tariff structures introduced by the United States. On March 5, 2026, the chair of the Committee on Agriculture—Special Session released a "Draft Declaration on Agriculture, Trade and Global Food Security." Under the draft, the Ministerial Conference:

1. Commits to engaging constructively, transparently, and inclusively to fulfil the objective of establishing a fair and market-oriented agricultural trading system and to deliver outcomes that, inter alia, strengthen global food security.
2. Commits to revitalizing the agriculture negotiations pursuant to Article 20 of the Agreement on Agriculture, and subsequent Ministerial Decisions and Declarations.
3. Agrees that the negotiations shall continue on the basis of Members' existing and future contributions, including proposals on possible new approaches to advance the negotiations.

4. Requests the CoA-SS Chair, in consultation with Members, to promptly establish, following this Conference, a calendar of meetings and milestones in the negotiations and invites senior officials to meet periodically after MC14 to review progress and provide guidance on the way forward, as needed.
5. Invites Members and the relevant international organizations to continue supporting the participation of developing country Members, including Least Developed Countries, in the negotiations, including through technical assistance and capacity-building initiatives.

While this may seem like a low bar compared to previous Ministerial, given the current political environment, a positive commitment to continuing negotiations should be welcomed by most, if not all, members.

Conclusion

While multilateral negotiations in agriculture have been largely unfruitful in extending reforms beyond the AOA, agricultural trade has continued to grow, tripling in nominal value and doubling in inflation-adjusted value since 2005. Of the issues that were on the table in Geneva in July 2008, most of the low-hanging fruit have been harvested, notably eliminating export subsidies. There has been much progress in market access, but largely due to unilateral reforms (members lowering applied tariff rates) or through RTAs and PTAs. That has left a handful of thorny issues that have been difficult to agreement, and which unfortunately have become stumbling blocks that some members feel strongly that they need to be addressed before other issues can be considered.

MC14 provided another forum for Members to discuss these issues and explore possible paths forward, or at least identify a process to continue negotiations. However, the risk of backsliding remains, as reflected in recent trade tensions, underscoring that the WTO continues to be a key platform for maintaining an orderly trading system.