



GDA TO FOCUS ON DAIRY MARKET ACCESS IN THE DOHA ROUND

Brasília (22.02.06) – Members of the Global Dairy Alliance (GDA) have called for ambitious expansions of tariff rate quotas and tariff reductions – well beyond the European Union (EU) draft proposal presented at last year’s WTO ministerial meeting in Hong Kong.

The GDA is the group that represents 1 million dairy farmers from Argentina, Australia, Brazil, Chile, New Zealand and Uruguay,

The GDA considers the 39% average tariff cut proposed by the EU to be insufficient to expand the international dairy market.

“The proposal presented by the EU is neither ambitious nor effective -it will barely reduce existing tariffs”, said GDA Chairman, Osvaldo Cappellini, during a meeting held at the Confederation of Agriculture and Livestock of Brazil (CNA).

GDA members, that together count for 60 billion litres of annual production, met in Brasilia to discuss outcomes from the Hong Kong Ministerial meeting and their affect on the dairy sector. Brazilian Ministries of Agriculture and International Relations received the GDA position paper that covers their ambitions for the Doha Round with regard to market access, exports subsidies and trade distorting domestic support.

According to the Hong Kong agenda, WTO members are due to establish their formulas and modalities concerning the three negotiating pillars till the upcoming April 30.

The commitment made in Hong Kong to eliminate export subsidies by 2013 represents a major step forward, Mr Cappellini said. Far greater benefits can be achieved through increases in market access, he added.

The GDA considers market access improvements as a major priority as it will result in the growth of the international market. In 2005, the world dairy production was estimated at around 550 billion litres while international trade accounted for only 40 billion litres – around 7% of world production.

According to the Organisation for Economic Co-operation and Development (OECD), the dairy sector receives US\$ 40 billion in subsidies each year and is one of the most protected and distorted agricultural sectors.

During the meeting, GDA members have also warned that the *special* and *sensitive* categories are the major danger: this is where products may remain effectively prohibited for vague reasons at best.

This would represent a major step back in negotiations as they will lead to even greater trade barriers for dairy products, not reducing them.

GDA members will continue to work together to ensure that the Doha Round delivers a substantial increase in market access for all dairy products.

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