



**MEDIA RELEASE**



**Buenos Aires, July 25, 2006**

**DOHA ROUND SUSPENSION A MAJOR BLOW FOR  
GLOBAL DAIRY ALLIANCE**

“The suspension of the Doha Development Round negotiations on July 24 is a major blow for members of the Global Dairy Alliance (GDA)”, said Mr Osvaldo Cappellini, President of the GDA. As Pascal Lamy, Director-General of the WTO has said “there are no winners or losers. Today there are only losers”.

“This Round offers the major opportunity to remove many of the major distortions in international trade in dairy products. It is the only means by which broad liberalisation in agricultural trade can occur across the three pillars of market access, export competition and domestic support. In particular, the Round offers major opportunities for developing countries. ”

For dairy products, access to markets in developed countries remains severely limited by high tariffs (over 200% in some cases) and highly restrictive quotas. Implementation of a successful Doha Development Round package would result in increased trade in dairy products. With the Round suspended, existing trade restrictions will now be retained until further negotiations occur.

Mr Cappellini added that it is especially disappointing that commitments already agreed in the Round now have to be placed on hold. For dairy exporters the elimination of export subsidies by 2013, which had been agreed, would have removed a major distortion in international dairy trade - a long awaited goal.

He added that present commitments must remain on the negotiating table, to be picked up at a later stage when there is sufficient will to reach agreement. “We hope that this can happen soon”, he said.

Mr Cappellini thanked the trade negotiators of GDA member countries for their continued and persistent efforts to achieve a result that would lead to new and fairer trade in dairy products. “It is unfortunate that their efforts appear unrewarded at this stage but we hope that wisdom will prevail and negotiations will be resumed. The sooner, the better”, he concluded.

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Visit [www.globaldairyalliance.org](http://www.globaldairyalliance.org) for updates



## **BACKGROUND NOTES**

### **Global Dairy Alliance – Battling the Tariffs**

The Global Dairy Alliance includes the dairy industries of Argentina, Australia, Brazil, Chile, New Zealand and Uruguay.

The Alliance represents more than 1.5 million dairy farmers, 60 billion litres of milk production annually and a majority of world dairy trade.

The dairy sector is one of the most heavily subsidized and distorted sectors in global agricultural trade.

Subsidies, particularly those paid on exports, heavily influence the prices of the global dairy industry and the livelihoods of dairy farmers worldwide.

Here are some examples of how some nations limit free market access, depressing farmers' milk prices in other countries, and thus reducing returns for some of the world's poorest dairy farmers:

- Dairy tariffs are among the highest in the world, with many tariffs in key developed markets being well over 100%.
- The tariff on butter in Japan is more than 500%
- Dairy tariffs in Canada are between 200% and 300%.
- EU cheese quotas are around 100,000 tonnes, in a market of 7 million tonnes
- Fortnightly decisions made by EU officials on export subsidies have negative repercussions on the incomes of dairy farmers throughout the world.

The GDA seeks:

- Elimination of all export subsidies within three years
- Strong disciplines on the use of food aid and all other export competition policies (such as export credits).
- Substantial, progressive improvements in market access for dairy products leading ultimately to the elimination of all dairy product tariffs and tariff quotas
- Progressive elimination of all trade-distorting domestic subsidies in developed countries.

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