



MEDIA RELEASE



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**Doha Round Approaching Critical Time
says
Global Dairy Alliance.**

“The Doha Development Round of trade negotiations is approaching a critical stage”, said Mr. Osvaldo Cappellini, Chairman of the Global Dairy Alliance.

“Unless there is significant progress in the next week or two, the amount of work to be done prior to the Ministerial Meeting in Hong Kong in December will simply be too great”, he continued.

Mr. Cappellini was speaking following a visit to Geneva by a Global Dairy Alliance delegation. The delegation held discussions with senior WTO officials and with missions from the EU, USA and Global Dairy Alliance countries.

“Apart from the need for progress, we also remain very concerned over the lack of ambition. To achieve significant progress in dairy trade, we need cuts in tariffs well beyond the scenarios currently being mentioned”, he said.

Access is the key aspect in the negotiations for the Global Dairy Alliance. Only about 7 percent of the world’s milk enters international trade and the market is grossly distorted by the massive import barriers, particularly in the major markets in Europe, North America and Japan. Tariff levels for dairy products generally are so high that, without massive reductions, there will be no additional business resulting from the negotiating round.

Following meetings in Washington between the EU and USA and further meetings in Paris last week which also included countries from the G-20 group of developing countries, the reports generally are that, while no progress was made, the “atmosphere” has improved.

“It is time to forget about atmospherics and get down to business”, Mr. Cappellini said. “We simply don’t have the luxury of time if we are to achieve anything in Hong Kong”.

The GDA speaks for 1.5 million dairy farmers and Mr Cappellini warned that real improvements in agricultural trade must be delivered by the Doha round. “We remain totally committed to the process we started years ago, and have never wavered. The negotiations must deliver the substantial short and long term improvement in agricultural market access to which all countries committed to at the launch of the Doha Round.”

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Visit 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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