



Global
Dairy
Alliance

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MEDIA RELEASE



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World Dairy Trade Reform Gains at Risk says Global Dairy Alliance.

The breakdown of negotiations on a final deal has brought the WTO Doha Round to a new crisis point said Mr. Osvaldo Cappellini, Chairman of the Global Dairy Alliance (GDA).

Mr Cappellini said the failure of the G-4 meeting in Potsdam was a setback for world trade reform and the hopes and ambitions of dairy producers around the world.

“World dairy markets are buoyant at present but remain prone to large and rapid shifts. A successful Doha Round outcome is crucial to providing future stability, confidence and growth to dairy farmers.”

The GDA speaks for 1.5 million dairy farmers and Mr Cappellini warned that the Doha Round remains the best avenue to deliver the real improvements in agricultural trade that farmers are seeking.

“We remain totally committed to the process we started years ago, and have never wavered. The key to successfully concluding the Doha Round is securing an ambitious result across agriculture, industrials and services. Everyone has to make a contribution - developed and developing countries alike”.

The Global Dairy Alliance has been concerned for some time at a lack of ambition in negotiations on key agricultural market access issues. Tariff levels for dairy products are generally so high that major reductions are necessary to generate significant progress in dairy trade.

“While recent talks appeared to have made some progress, the latest news means that the Doha Round is now at real risk. Therefore we urge all WTO members to work together to try to quickly establish a new pathway to agreement so that the negotiations can deliver the substantial improvement in agricultural market access that all countries committed to at the launch of the Round.

Contact: Osvaldo Cappellini - Telephone + 54 11 4318 - 5118

Visit www.globaldairyalliance.org



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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