WEBINAR SERIES
Moderator: Doaa Abdel-Motaal

WTO
Trade Dialogues on Food
Big Take-Aways, A Very Quick Read

Volume 2
(2023-2024)
PREFACE

The aim of the WTO Trade Dialogues on Food is to create a conversation around the role of international trade in food security. The Trade Dialogues on Food invite experts from governments, non-governmental organizations, businesses, academia, think tanks and foundations, to debate the most topical issues in food trade. Each year the international trading system moves enough wheat, maize, rice and soybean to feed approximately three billion people around the globe. Meanwhile, 190 million tons of fertilizer applied to farmland annually play a key role in helping us grow enough food to sustain our expanding population, with much of it traded on the international stage. Climate change will make international trade even more central to food security, acting as a vital conduit for food from food-surplus to food-deficit nations in the wake of natural calamities. The Trade Dialogues on Food are designed to shed greater light on the complexity of the food trade nexus, creating a safe space for public policy debate.

BIG TAKE-AWAYS

The “Big Take-Aways” seek to identify some of the most salient points made during the course of past dialogues, and are intended to act as a resource for trade experts and scholars. They are, however, only an informal set of notes and are done entirely under the WTO Secretariat’s own responsibility.
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High Tech Foods and WTO Rules

Moderated by Doaa Abdel-Motaal, Senior Counsellor, WTO Agriculture and Commodities Division

THE TEAM

Shir Slutzky, Deputy Permanent Representative to the WTO, Permanent Mission of Israel

Maximilian Marquart, CEO Planet A Foods

Phil Webster, Principal, Global Technology & Innovation, Arthur D. Little

Nir Goldstein, Managing Director, Good Food Institute, Israel

Gabrielle Marceau, Senior Counsellor, WTO Research Division

Christiane Wolff, Counsellor, WTO Agriculture and Commodities Division

Big Takeways, A Very Quick Read

In the context of the future of food, this webinar was designed to explore how the WTO can best accompany high tech foods. These foods solicit all aspects of the WTO rulebook from trade in goods, to trade in services and intellectual property rights.

- The webinar made clear that the food of the future will look nothing like today’s, and that agriculture itself is being revolutionized. Speakers spoke of robotic farms, integrated crop protection systems, sensors in fields for data collection and the quick identification of diseases, and the application of machine learning and algorithms to agriculture. The Israeli Deputy Permanent Representative spoke of the 3D printing of beef in Israel; a country with the highest number of start-ups per capita which is trying to respond to its challenging soil and climatic condition, and the climate crisis.

- The entrepreneurs and innovation experts on the dialogue made a compelling case for the need for food system change and innovation. Planet A foods indicated that it was trying to create alternatives for palm oil and cocoa so as to reduce deforestation, decrease biodiversity loss and address child slavery. It described its mission as that of “decoupling supply chains from scarce natural resources.” It added that cocoa production was in trouble anyway with climate change making it harder to grow cocoa in countries near the equator (Ghana and Ivory Coast); adding that most cocoa trees were ageing – exceeding 20 years of age. Cocoa trees were also amongst the most threatened tree species by pests, with cocoa alternatives now becoming necessary to meet growing demand. These alternatives would never displace traditional cocoa, but would co-exist with it to become an additional option for the manufacture of more premium cocoa products.

- The Good Food Institute argued that alternatives to fish, meat and dairy were necessary given the impact of the livestock sector on our climate, and the safety concern they raise with 70% of antibiotics going to animal use. It pointed out that extracting 1 calorie from a cow required a cow to be fed with 40 calories, and that more efficient food/energy systems needed to be found. Israel has become a leading hub for protein innovation, and hosts the world’s only two agricultural research centres working in this area.

- Arthur D. Little’s innovation expert explained that innovation was also required in response to greater consumer demand for healthy food, for food labels, sustainable and traceable food, and for food more tailored to specific dietary requirements. Currently, it said that approximately 80% of new foods are
withdrawn for false health claims. Therefore appropriate regulatory environments were necessary to accompany these foods. The areas of focus in food innovation included the meats, flavours, vitamins and fragrances.

• The WTO explained how the WTO rulebook functions, and the number of WTO agreements that are relevant to high tech foods, which go much beyond the Agreement on Agriculture. The rules governing industrial products, the General Agreement on Trade in Services (GATS), and the Agreement on the Trade-Related Aspects of Intellectual Property Rights (TRIPs) were all equally relevant to high tech foods. The Agreements on Sanitary and Phytosanitary Measures (SPS) and Technical Barriers to Trade (TBT) were also explained, with the message being that while the WTO was not a standard-setting body, its goals is to ensure that food standards and regulations do not constitute unnecessary obstacles to trade.

• Emphasis was placed by the private sector on the need for regulatory frameworks that are grounded in science and knowledge, and that can react to innovation with speed, clarity and consistency. Some described the innovation in this sector as a “food tech arms race,” requiring agile regulatory structures.

• The Israeli Deputy Permanent Representative called for dialogue on high tech foods in the WTO, indicating that the Food and Agriculture Organization (FAO) and the World Health Organization (WHO) had recently added a new agenda item to the work of the Codex Alimentarius Commission on “New Food Production Systems.” She argued that the WTO could follow suit, with there being a need to discuss agreements such as the Information Technology Agreement (ITA), the SPS and TBT Agreements and TRIPs. Issues to do with the customs classification of these new foods would also need to be explored.
Big Takeways,
A Very Quick Read

This webinar was designed to explore the global food security situation in light of the conflict in the Black Sea region, and to better understand the functioning of the Black Sea Grain Initiative.

• Food security has been a major concern on the international agenda since the outbreak of the COVID-19 pandemic, supply chain disruption, conflict in the Black Sea region, and the uncertain global economic picture. The Black Sea region has been vital to global food and fertilizer security, supplying over 12% of internationally traded calories prior to the conflict.

• Food security has also been a major concern on the WTO agenda, with WTO Members keen to ensure that trade policy would not exacerbate international crises (whatever their cause – pandemic or otherwise) through measures such export restrictions; but rather would act to ease and protect global supply chains.

• The Black Sea Grain Initiative alongside the Memorandum of Understanding on promoting Russian food products and fertilizers to the world markets, has been critical for global food security, especially for developing countries.

• Abdullah Abdul samad Dashti, United Nations Coordinator for the Black Sea Grain Initiative, told the Trade Dialogue that some 30.5 million tons of grains have now been exported to 45 countries through the Initiative, with priority for Word Food Programme (WFP) shipments to Afghanistan, Ethiopia, Kenya, Somalia and Yemen. This agreement has “contributed very dramatically to lowering global world prices and continues to do so,” he said.

• The renewal of the Initiative in mid-May this year has been greatly welcomed by agricultural markets, and indeed world prices of most grains and oilseeds have started to fall back to pre-war levels. However, the webinar revealed that the renewal of the Initiative beyond mid-July will not be automatic, with some parties wanting reassurance that the Memorandum of Understanding on promoting Russian food products and fertilizer will also be operationalized.

• The webinar demonstrated that, at the global level, the food security situation remains problematic. Prices continue to be high in numerous food importing developing countries because of a weakening of many national currencies against the US Dollar, higher freight costs and other variables.

• According to the United Nations Global Crisis Response Group: “The nature of the crisis has shifted from a fast-moving crisis to a slow-moving cascade of increasing vulnerability and poverty among poor people, especially in low-income settings. All countries are off track in achieving the SDGs and their climate targets.”
The jump in food and energy prices triggered by the conflict “has brought a completely new spotlight” on the issue of food security, the Director-General of the WTO told participants. “Many of our developing country members, particularly the least developed countries, are on the receiving end of the crises that are happening in the world. This is something that did not cause but they are the ones who are suffering the most from the lack of access to food, from the lack of access to fertilizer, and from high prices.”

With one in five calories traded internationally, “imagine how important the role of trade is now in order to help us solve this problem of access, of building resilience and of managing the volatility of food prices and energy prices,” she said. So “the first and best thing is keeping an open, predictable and stable international multilateral trading system. Trade has been absolutely central on the food front, and keeping a predictable, stable and fair system is key.”

Alzbeta Klein, CEO and Director General, International Fertilizer Association (IFA), said the Black sea initiative “is tremendously important for global food security” and that the situation regarding fertilizer shipments has improved. Nevertheless, the affordability of nitrogen and phosphates was becoming a more general concern, particularly in sub-Saharan Africa, mainly due to the depreciation of local currencies.

“One thing that we learned over the past year is that food security, which we took for granted for many, many decades, is actually extremely vulnerable, and it’s much more vulnerable than we ever thought it was,” Ms. Klein said.

Arnaud Petit, Executive Director of the International Grains Council, gave participants an overview of global market trends for rice, wheat, maize and soybeans. He underlined the importance of the Black Sea Grain Initiative for global food markets. “The Black Sea region represent more than 70 million tons of grains every year, we don’t have another area elsewhere in the world that produces 70 million tons,” he noted. “It’s a very big matter in terms of balancing global grains markets.”
COP 28 and Food Trade

Moderated by Doaa Abdel-Motaal, Senior Counsellor, WTO Agriculture and Commodities Division

THE TEAM

Danielle Nierenberg, President, Foodtank
Ackim Mwape, Africa Programme Lead, The Global Research Alliance on Agricultural Greenhouse Gases
Hoe Lim, Director, Trade and Environment Division, World Trade Organization (WTO)
Tatiana Campos, Executive Director, International Fruit and Vegetable Juice Association
Joseph Glauber, Senior Research Fellow, Markets, Trade, and Institutions Unit, International Food Policy Research Institute (IFPRI)

Big Takeways,
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This webinar was designed to explore the impact of COP28 on food trade, and how international trade can contribute to food system sustainability.

• At COP28, 134 countries signed the Leaders Declaration on Sustainable Agriculture, Resilient Food Systems, and Climate Action. Meaning that countries responsible for 76% of total emissions from the global food system agreed to incorporate these systems into their Nationally Determined Contributions by 2025. In this declaration they also agreed by 2025 to, amongst other things:
  • Revisit and re-orient public support for agriculture and food systems towards climate-friendly goals (a matter of great interest to WTO, where there are ongoing negotiations on agricultural subsidy reform); and
  • to “Strengthen the rules-based, non-discriminatory, open, fair, inclusive... multilateral trading system - with the World Trade Organization at its core” (so a recognition that international trade in food has to be part of the climate solution).

• Also at COP28 150+ Non-State Actors signed a corresponding Call to Action for Transforming Food Systems for People, Nature, and Climate in which they committed to strong collective response. In their statement they indicated that they see a significant need and opportunity for: “Governments to reorient agricultural policies [and] redirect subsidies away from harmful practices and [to] repurpose public support, [and] address trade, finance and regulatory barriers.” These were two very important outcomes from COP28 of particular interest to the WTO.

• For Food Tank, COP28 represented a major step forward in the integration of food systems into climate discussions, although in future emphasis would need to be placed not just on food production, but on food consumption and food loss and food waste as well.

• The dialogue highlighted that food production is highly vulnerable to the effects of the climate crisis, with research suggesting that as much as a third of global food could be at risk from global heating. At the same time, agriculture and livestock farming are major sources of greenhouse gas emissions, contributing roughly a 10th of global carbon output directly, and more than double that figure if the conversion of natural habitat to farming is included. When food production is added to the picture, these emissions rise even further. So the food system is both a culprit and a victim of the climate crisis.
Trade policy was discussed in the dialogue from a number of different angles, with the Director of the WTO Trade and Environment Division indicating that “battles of the past, must remain battles of the past,” but that Members needed to design a positive trade and environment agenda going forward - in particular in light of the urgency of the climate crisis. The International Food Policy Research Institute (IFPRI) indicated that the repurposing of environmentally-harmful and trade-distorting agricultural subsidies needed to focus on “repurposing” instead of building of new categories of permissible subsidies under the Green Box of the WTO Agreement on Agriculture. It also cautioned that the discussion on repurposing was premised on the notion that countries had subsidies to repurpose, which may not be the case of Least Developed Countries (LDCs). LDCs needed to be assisted in meeting climate goals, so the climate discussion is not centered on the needs of wealthier countries.

IFPRI also emphasized the important role of standards in this discussion, arguing that there is a need for a new international standardizing body in the climate arena to measure carbon footprint. Carbon standards would ensure an equitable implementation of WTO rules; but it acknowledged that they would need time to build. Such standards would be key since producers want to know that there will be no carbon leakage, and that their foreign competitors are abiding by a similar regulatory framework.

The Global Research Alliance on Agriculture Greenhouse Gases (GRA) echoed the importance of standards, indicating that they needed to be transparent, science-based and non-discriminatory. Africa, it argued, needed to be assisted in meeting standards rather than penalized, in particular since Africa still needed to ensure food and nutrition security and equitable access to food. The International Fruit and Vegetable Juice Association argued that standards in the field of sanitary and phytosanitary measures (SPS) were essential and that the WTO SPS Agreement played a very important role in levelling the playing field, and in avoiding a fragmented policy response to the climate crisis. It indicated that global supply chains provide an excellent opportunity to multiply best practices in collaboration with smallholder farmers, processors and retailers.

The WTO explained that Trade Day at COP28 was intended to show, across sectors, the solutions that trade could offer to the climate crisis. Through two reports tabled at the COP (Trade Policy Tools for Climate Action, and International Trade and Green Hydrogen), the WTO demonstrated that a range of trade policy measures were already being used by countries to achieve climate goals (from trade facilitating measures, all the way to tariffs, subsidies and government procurement) and that more could be done to avoid market fragmentation.
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