



Doha Mandate:

"Building on the work carried out to date and without prejudging the outcome of the negotiations we commit ourselves to comprehensive negotiations aimed at: substantial improvements in market access; reductions of, with a view to phasing out, all forms of export subsidies; and substantial reductions in trade-distorting domestic support. We agree that special and differential treatment for developing countries shall be an integral part of all elements of the negotiations and shall be embodied in the Schedules of concessions and commitments and as appropriate in the rules and disciplines to be negotiated, so as to be operationally effective and to enable developing countries to effectively take account of their development needs, including food security and rural development. We take note of the non-trade concerns reflected in the negotiating proposals submitted by Members and confirm that non-trade concerns will be taken into account in the negotiations as provided for in the Agreement on Agriculture."

(Paragraph 13 of the Doha Ministerial Declaration)

Agriculture

The agriculture negotiations - key to the Doha Round as a whole - have, in the run up to the December 2005 WTO Hong Kong Ministerial Conference, been marked by an urgent need for leadership on the part of key players and the simultaneous necessity of an inclusive process that takes on board the concerns of all countries and operationalises the development dimension of the round.

Members had hoped to come up with a 'first approximation' of agriculture modalities by the end of July 2005, with the actual modalities - percentages of tariff and subsidy cuts, reduction formulae, criteria for domestic support, deadlines, or transition periods - to be completed at the ministerial. However, negotiations were severely delayed during the first five months of the year due to a technical hitch related to the process for converting 'specific' agricultural tariffs based on imported quantities into 'ad valorem' equivalents (AVEs), i.e., tariffs based on the price of the product. AVE conversion is a transparency exercise allowing Members' tariffs to be classified into different brackets slotted for different reduction requirements under the tiered formula for tariff cuts. Key Members finally agreed on the AVE conversion process in May at a 'mini-ministerial' on the sidelines of the OECD annual meeting in Paris, after which negotiations on the tariff reduction formula could begin in earnest. During a mini-ministerial in July in Dalian, China, the G-20 group of major developing countries (including Brazil and India) tabled a market access proposal that Members agreed to use as a basis for further negotiations.

However, the AVE hold-up together with continuing political differences and the lack of engagement of key parties contributed to the failure of delegates to forge agreement on 'first approximations' at the end of July despite intensive small group meetings among key countries and the last-minute presence of trade ministers in Geneva. Tim Groser, the former New Zealand ambassador who chaired the agriculture talks, instead delivered an assessment of the status of agriculture negotiations at the General Council. According to Mr Groser, the pre-Hong Kong negotiations would be firmly anchored in the Doha Declaration itself, as well as in the 2004 'July Package', given that no new text had been agreed. Market access negotiations continued to be the most challenging 'pillar' of the talks, with progress lagging behind that achieved with regard to domestic support and export competition.

When negotiations restarted after the WTO's August recess, Mr Groser was replaced by his compatriot Ambassador Crawford Falconer as chair of the agriculture talks. Ambassador Falconer set in motion a process focusing directly on negotiating modalities, based on a 'comprehensive' approach looking at trade-offs across the three agricultural pillars, as well as linkages to other negotiating areas. These Geneva-based negotiations, in which delegates were continuously on call between the official 'agriculture weeks', were flanked by ministerial-level meetings between key Members.

On 10 October, at a meeting between ministers from the Five Interested Parties (FIPs, which include Australia, Brazil, the EU, India and the US), the US tabled new proposals both on domestic support - for the first time showing a willingness to cut its own trade-distorting subsidies - and on market access. The EU and the G-20 made counterproposals on market access, with the G-20 calling for deeper

cuts than the EU, but remaining less ambitious than the US. The EU inched towards the US on domestic support, even though the US had proposed an approach under which the EU would make the greatest reductions - 70 percent cuts to trade-distorting subsidies. The US cut would be 60 percent. The effect of such cuts is difficult to estimate, however, given that countries already apply tariffs that are lower than their maximum allowed 'bound' tariffs.

A new set of ministerial-level talks in Geneva among the FIPs fell apart on 19 October because the EU was unable to table a revised market access offer due to internal tensions.

While the US, Australia and the G-20 were putting immense pressure on the EU to agree to deeper tariff cuts, the African, Caribbean and Pacific (ACP) group expressed grave concern that the emerging concept of a 'middle ground' was migrating towards the US and Cairns group positions, rather than taking G-10 (mainly developed country net food importers, such as Switzerland and Japan) and ACP positions into account. The group noted that a large number of developing countries - including its 79 WTO Members - favoured a more cautious approach to farm tariff reduction. The group also called for a more transparent and inclusive negotiating process.

Groups that had mobilised around specific issues also participated actively in the negotiations. The G-33 countries - an alliance in support of the designation of 'Special Products' (SPs) slated for lower tariff cuts in developing countries and a 'Special Safeguard Mechanism' (SSM) to protect these countries against import surges - made proposals both on SPs and the SSM. The G-11 group of Latin American countries that are seeking to secure the widest possible liberalisation of tropical products also made their views known in the negotiations, focusing in particular on market access in developed countries.

On 28 October, the EU tabled a 'new and improved' proposal, stressing that this was a final offer, contingent on movement on other issues such as: stronger disciplines on export competition tools other than direct export subsidies; tighter rules on partially decoupled Blue Box domestic support; geographical indications (a type of trademark to globally protect typically European products, such as Parma ham); as well as industrial market access and services. Developing countries rejected the level of concessions sought by the EU in the latter two areas as wholly disproportionate.

After another round of intense ministerial-level negotiations held in the second week of November failed to bridge differences, Members acknowledged that time had run out for agreement on full modalities for the agriculture negotiations in Hong Kong. Attention was shifting towards how the scaled-down expectations should be reflected in the draft ministerial declaration while ensuring that progress could be made in the months ahead. WTO Members stressed that they remained committed to an ambitious Doha Round outcome, but that more time was needed for convergence to emerge on agricultural market access, as well as the levels of ambition in the different negotiating areas, including in particular industrial tariff reductions and services.

Mr Falconer and Members agreed that he would draft a non-negotiated Chair's text by the third week of November, with Members having the opportunity to comment on it before it was submitted to the Trade Negotiations Committee (TNC), which oversees the Doha Round and is chaired by the WTO's Director-General. According to Mr Falconer, the text was not going to be of just 'historical interest', but should help focus ministers' work in Hong Kong. The TNC would decide how to fit the agriculture text in the draft ministerial declaration. Ministers of at least some key countries might still meet in Geneva in an effort to move the talks forward.

The negotiations took place against the backdrop of two major dispute settlement

cases successfully launched against US cotton and EU sugar subsidies. A long-standing dispute between the EU and Latin American banana producers has also come back to haunt the system. At the beginning of 2006, the EU has to replace its current import regime, which includes tariff rate quotas and preferences for ACP countries, with a tariff-only regime. The EU and the Latin Americans cannot agree on an appropriate tariff and the latter are threatening that an agreement has to be reached by Hong Kong in order for the ministerial to succeed. The countries behind the 'cotton initiative', on the other hand, see a deliverable in this area as the make-or-break issue at Hong Kong.

Mandated deadlines

- Conclusion of negotiations as part of the 'single undertaking' agreed at the 2001 Doha Ministerial Conference.

Background

Agriculture and services are the only areas where negotiations on further trade liberalisation were mandated in the WTO agreements themselves. Talks within those parameters started on schedule in 2000, but no noticeable progress was made until broader negotiations were launched in November 2001 at the Doha Ministerial Conference. At Doha, ministers struggled to find a compromise acceptable to all WTO Members, who were utterly divided over the general direction to be taken in the agricultural reform process. At the 2003 Cancun Ministerial Conference, negotiations failed in part due to the perception that key developed countries had wielded too strong an influence on the agriculture text under negotiation (see Doha Round Briefing Series Vol.2).

Following Cancun, it took ten months of fitful negotiations for the WTO General Council to muster consensus on the 2004 'July Package' (W/L/579) that finally allowed the process to move forward. Annex A of that document contains a 'frame-

work for establishing modalities in agriculture', which presents broad parameters for further negotiations, but is vague enough to have left all key battles to be worked out further down the road. After having agreed on the July Package, delegates completed a 'first reading' of the full text in March 2005, with more detailed discussions of certain elements taking place in small groups.

Cancun permanently changed the negotiating dynamics: gone are the days when the 'Quad' comprising the EU, the US, Canada and Japan called the shots. Instead, the 'new Quad' comprises Brazil, the EU, India and the US. Together with Australia, these countries make up the 'Five Interested Parties' and are now at the centre of decision-making. The G-20 group of developing countries - formed just before Cancun and comprising powerhouses such as Brazil, China, India and South Africa - has become a major player in the negotiations and has produced specific proposals seeking to stake out the 'middle ground.'

Market Access

The market access pillars of the talks continue to be most challenging and overall negotiations were severely delayed during the first half of 2005 due to a technical hitch on AVEs.

AVE Conversion

In straightforward cases, Members base the AVE conversion on import volumes and notified import values submitted to the WTO Integrated Database (IDB). Complications arise, however, with some refined products such as sugar and cheese, or where preferences or tariff quotas are involved. In such cases, import prices often differ significantly from the world prices compiled in the UN commodity trade statistics (ComTrade) database. Cases for which the two data sets produce particularly divergent prices (and consequently, ad valorem rates) are 'filtered' out based on comparisons between the WTO and UN sets of

data and the AVE conversions are subsequently carried out based on both IDB and ComTrade data.

AVE conversion pitted the EU and G-10 countries against the US, the Cairns group and the G-20. The former groups make use of a large number of specific tariffs and wanted the conversion to be based on IDB data while the agricultural exporters wanted to see the conversion based more closely on the lower world prices, which would lead to higher AVEs and, eventually, steeper tariff cuts. Following tense negotiations at a mini-ministerial in May, participants agreed on specific figures for weighting averages of the IDB and ComTrade price estimates. The prices of basic products will be weighted further towards the lower ComTrade prices, while the prices of processed goods will be relatively closer to the higher IDB levels.

Tariff Reduction Formula

Following the compromise on AVE conversion, Members were finally able to produce AVEs for their various tariff lines and proceed to discussions on the tariff reduction formula. In initial discussions, Members remained in their old camps, with the US, Cairns group and G-20 preferring a formula with a strong harmonising effect - higher tariffs are cut proportionally more than lower ones - over the Uruguay Round formula, which gives Members more flexibility with regard to higher tariffs. The EU and G-10 countries prefer the latter. Some ideas for compromises were tabled, but the real step forward was provided when the G-20 tabled a proposal at the Dalian mini-ministerial in July, which thereafter served as the basis for negotiations.

Under the G-20 formula, developed and developing countries' tariff lines would be divided into different sets of tariff bands according to the level of duties currently levied, with each band subject to different percentage cuts. For developed countries, five different bands would be available with the first comprising tariffs of up to 20 percent and the fifth all tariffs over 80 percent. The tariffs within each band would be subject to linear cuts of progressively higher percentages for each band. Developing country tariffs, on the other hand, would fall into four different bands: zero to 30 percent, 30 to 80 percent, 80 to 130 percent, and over 130 percent.

In addition to the basic outline of the formula, the G-20 also suggested that individual tariffs be capped at 100 percent for developed countries and 150 percent for developing countries. This approach would address the issue of tariff peaks. The G-10 and ACP strongly opposed. The G-10 said high tariffs do not necessarily mean that market access is blocked and argued that the burden of market opening should not fall disproportionately on a small number of countries with high tariffs that actually import a significant portion of their food.

Following Dalian, the EU suggested an alternative approach based on three tariff bands for developing and developed countries alike, with developing countries making two-thirds the cut of developed countries for comparable tiers. As discussions moved into the next phase, the EU dropped this proposal and presented four different 'scenarios' for tariff reductions based on the G-20 proposal. Each scenario would divide countries' tariffs into four bands and allow developing countries to make cuts two-thirds the size of those made by developed countries. The four varied in ambition: the average reductions ranged from 24.5 to 36.4 percent, with tariffs in the highest bands to be cut most steeply. In addition, the EU proposed building flexibility directly into the formula in the form of 'pivots'. According to this approach, a 10 percent pivot in a band with a 50 percent reduction requirement would leave Members the option of cutting tariffs on some products by 40 percent, so long as other tariffs were cut more deeply to keep the average cut for the band at the target level. The EU said that building greater flexibility into the formula through the pivots would lower their need to resort to 'sensitive products', which fall outside the formula and are slated for milder tariff reduction. The US and Brazil expressed scepticism about the pivot concept.

On 10 October, the US tabled a formula that established four identical tiers for developing and developed countries comprising tariffs of below 20, 20-40, 40-60 and above 60 percent. It would have tariff cuts rise progressively through each tier, with developed countries making reductions of 55-65, 65-75, 75-85 and 85-90 percent respectively within the four tiers. The US did not specify the depth of tariff cuts it would seek from developing countries, but said they would only be slightly lower than those undertaken by developed countries. It also suggested capping developed country tariffs at 75 percent and developing country tariffs at 100 percent.

A G-10 proposal, also dated 10 October, outlined two options for market access and required countries to choose between a more flexible formula and designating more products as sensitive. The proposal did not put forward specific percentages for tariff cuts. Countries opting for the flexible formula would be allowed to make constrained deviations from the average cut for products within each tier, but would be allowed fewer sensitive products than countries that chose the less flexible formula. The group rejected the notion of tariff caps.

The G-20 made a revised market access proposal on 12 October, now inserting numbers for the tariffs cuts for the bands it had outlined in the paper at Dalian. The group called for an average minimum tariff reduction of 54 percent in developed countries and an average maximum tariff cut of 36 percent in developing countries. It would have developing countries make cuts of 25, 30, 35 and 40 percent in the respective bands of under 30 percent, 30-80 percent, 80-130 percent and over 130 percent. In their (revised) tiers of under 20 percent, 20-50 percent, 50-75 percent and over 75 percent, developed countries would be required to make higher cuts of 45, 55, 65 and 75 percent respectively.

The G-20 proposal said the different thresholds and tariff reductions were necessary to ensure that developing countries did not end up with a disproportionate burden of commitments. The group proposed capping developed country tariffs at 150 percent, while developing country tariffs would be capped at 100 percent.

The ACP countries made a market access proposal on 21 October that highlighted the vulnerability of many developing countries to the unrestrained opening of markets. Their formula would classify tariffs into four tiers for reduction: for developing countries, products with tariffs of 0-50, 50-100, 100-150 and over 150 percent; the corresponding tiers for developed countries would be 0-20, 20-50, 50-80 and over 80 percent. Developing countries would make tariff cuts ranging from 15 to 30 percent; those required of developed countries were not specified.

The ACP proposal also provided for special consideration for developing countries that bound their tariffs at a very high uniform rate during the Uruguay Round - otherwise, these countries' tariffs would fall into high tiers in all of the current market access proposals, where they would be slated for steep percentage reductions.

On the erosion of long-standing preferences - one of the key concerns of the ACP - the group promised to table a more detailed proposal. It already stated that developed countries should include preference-related products in their lists of sensitive products slated for lesser tariff reduction, as this would shield against preference erosion.

The EU tabled its 'new and improved' market access offer on 28 October. Under this approach, developed country tariffs would be divided into four tiers comprising tariffs of 0-30, 30-60, 60-90 and over 90 percent, slated for cuts of 35, 45, 50 and 60 percent respectively. For developing countries, the tiers would be for products with tariffs of 0-30, 30-80, 80-130 and over 130 percent and the related tariff cuts 25, 30, 35 and 40 percent. Although the EU had dropped the pivot concept, it suggested additional flexibility would be allowed for tariff cuts in the

lowest bands of both developed and developing countries. Eight percent of products could be designated as sensitive. The EU accepted the G-20 approach to tariff capping.

Special Products (SPs), the Special Safeguard Mechanism (SSM) and Sensitive Products

The G-33 countries, the *demandeurs* of SPs and the SSM, highlighted their position at a ministerial meeting in June. They demand that countries have 'maximum flexibility' when designating SPs, given that a common set of indicators cannot reflect the widely varying circumstances across the developing world and even within developing countries. SPs should not be subject to tariff reduction and should qualify for the SSM. The SSM should be applicable to all agricultural products - rather than being tied to low tariff levels or steep tariff reduction commitments - and should be triggered both based on volume surges and price decreases. They said SPs and SSM must be settled by the Hong Kong Ministerial.

In discussions at the WTO, the possible effects of designating SPs on South-South trade stirred controversy. Some Latin American countries said export products should not be eligible as SPs as they do not meet the food security criteria and suggested that the indicators should ensure that SP recognition be limited to non-commercial products. The G-33, however, opposed such limitations, arguing that the criteria of food security, rural livelihood and development did not prevent these products from being commercial. Malaysia and Thailand said exporting to other developing countries was a very important instrument for achieving development goals and should not be unduly hindered. Peru said tropical products should not be designated as SPs; Chile pointed out that there are many forms of special and differential treatment to which countries have recourse in addition to SP exemptions, including the SSM. China, Nicaragua and Cuba said that SPs should be limited to a certain percentage of tariff lines.

On the SSM, the US said this mechanism would duplicate the SP designation, arguing that both instruments were used for the same purpose. The G-33 countered that the latter was a longer-term exemption, whereas the SSM was a short-term mechanism to help developing countries cope with fluctuations in the prices of products and resulting import surges.

Given that the three criteria for SPs are spelled out in the July Framework (food security, livelihood security and rural development), the G-33 came under pressure to produce indicators for operationalising the criteria. The group tabled a paper on 12 October on how SPs could be identified. Regarding food security, national level concerns included access to food across regions and in individual households, as well as the share of a product in average caloric intake. International concerns included countries' vulnerability to interruptions in supply. With regard to assessing the importance of products to livelihood security, the paper focused heavily on the role of small and resource-poor farmers in the production of particular crops that may be displaced by imports. It also said that the needs of special groups, such as tribal communities or women, or products from disadvantaged geographical regions could be taken into account. On rural development, the paper noted the need for options to improve the living conditions of rural populations, based both on existing products and the potential for value addition in rural areas. The G-33 noted that countries should have the flexibility to designate new SPs in place of existing ones as circumstances change. The G-33 paper also contended that products whose world market prices are distorted by rich country subsidies should be automatically eligible for SP status.

The G-33 also tabled a detailed proposal for how to operationalise the SSM. According to the paper, developing countries would be able to impose duties higher than the bound ceiling level on farm imports in the event that import volumes rose above their three-year average, or if

import prices fell below their average level for the three years preceding the year in which the duty was being imposed. These duties would last a maximum of 12 months. The G-33 outlined provisions for four tiers of increased import levels and maximum additional tariffs that could be levied. Their sizes would be negotiated. Safeguard measures imposed in response to a drop in the import price of a product would be levied in one of two ways: on a shipment-by-shipment basis; or on a percentage 'ad valorem' basis. For the sake of transparency, developing countries would have to notify the Committee of Agriculture of any measures taken under the SSM

On sensitive products, which are available to all countries and set for lower tariff reduction, the US and G-20 proposed a limit of one percent of tariff lines. The EU favoured the right to designate up to eight percent of tariff lines as sensitive; the G-10 between ten and fifteen percent, depending on the tariff reduction formula a country chose. All parties provided different solutions to how to balance the flexibility to deviate from a standard tariff reduction with increased tariff rate quotas (TRQs). Australia proposed a simple approach, with flexibility for sensitive products built directly into the tiered market access formula. For each tier, a standard combination of a tariff reduction and TRQ expansion would apply; the higher the tier, the larger the combined tariff cut and TRQ expansion required for a sensitive product in the tier.

An ACP request that 'products relating to long-standing preferences shall be designated as sensitive products' - which would allow developed countries to mitigate the extent of preference erosion - was at odds with the G-20's suggestion that developed countries be prohibited from listing tropical products as sensitive. The newly-formed G-11 (Costa Rica, Ecuador and other Latin American exporters) that favours expanded market access for tropical products and alternatives to illicit crops had originally proposed this prohibition.

Domestic Support

Amber Box

In the area of domestic support, the main subsidisers have long disagreed on the structure of the tiered formula for making cuts to trade-distorting support (AMS - Aggregate Measure of Support; the level of the binding cap on aggregate trade-distorting domestic support). The EU supported a three-tier formula that would have it make the largest cuts percentage-wise, with the US and Japan falling into the second category. The US preferred a formula in which Japan would fall into a higher tier than the US.

In a proposal dated 10 October, the US expressed its willingness to reduce the bulk of its Amber Box by 60 percent over a five-year period, so long as the EU and Japan would reduce their Amber Box by 83 percent. In response, the EU offered to make cuts in its Amber Box support by 70 percent, up from an earlier offer of 65 percent, contingent on proportionate reductions by the US and Japan.

A G-20 proposal tabled on 12 October would classify ceilings for overall trade-distorting domestic support by developed countries into three bands of under US\$10 billion, US\$10-60 billion and over US\$60 billion, slating them for cuts of 70, 75 and 80 percent respectively. This would have the EU lower its ceiling for the sum of Amber Box, Blue Box and de minimis support by 80 percent, while the US would do so by 75 percent. It is not clear into which of the top two bands Japan would fall.

In addition, the G-20 proposal on market access suggested that developing countries should have recourse to remedial action (which could potentially take the shape of anti-dumping or countervailing measures) against subsidised imports from developed countries. It did not, however, provide specifics for how such a mechanism might work.

With regard to a timeframe, the G-20 suggested 'front-loading' the cuts, so as to achieve real reductions in subsidies, given that many countries have the right to provide higher subsidies than they actually do - their bound AMS levels are higher than their applied levels. The G-20 also stressed the need for accurate base levels and avoidance of 'box shifting', which entails making minor changes to trade-distorting subsidies in order to move them to the Blue Box or Green Box.

Blue Box

The G-20 presented a proposal on the Blue Box (partially decoupled farm payments under production-limiting programmes), seeking to prevent 'box shifting'. The group said that any Amber Box commodity support had to be completely reformed before it could be moved to the Blue Box, as the Blue Box was created to help countries transition out of trade-distorting subsidies. In addition, the group called for checks on price-linked support if these were to be considered Blue Box support measures.

The US is planning to shelter its counter-cyclical payments - subsidies to farmers that increase with a fall in the value of season-average market prices for commodities - in the Blue Box and is linking tightening criteria to concessions by others in the market access pillar. The EU, in its proposal of 28 October, stressed the need for effective disciplines on the Blue Box.

Green Box

While the EU and G-10 see the review of the Green Box (de-coupled, minimally distorting subsidies) as just a 'health check', others wish to ensure that the criteria for subsidies meet the objective of that Box. Canada suggested measures to simplify calculations of baselines and reference periods for payments, increase clarity and make sure that reference periods are representative, fixed and notified. With regard to structural adjustment payments for the retirement of producers and resources, Canada wanted to ensure that these were time-bound, rather than indefinitely ongoing. For environmental payments, Canada sought to ensure that these were independent of the volume of production and only related to the additional costs of compliance with government-imposed conditions.

The G-20 introduced a paper stressing the need to ensure that direct payments to producers are not linked to production levels. The paper also contained a number of amendments to provide special and differential treatment for developing countries, including: income support to low-income producers only; subsidies for land reform in developing countries; flexibility for developing countries in deciding what income insurance or support after natural disasters should be exempted; and exceptions for developing countries from stringent criteria for payments under regional assistance programmes.

Wrapping up at the end of July, Chair Groser noted that those countries making most use of the Green Box would need to seriously consider proposals by others on tightening the criteria. Meanwhile, some new provisions focusing on the needs of developing countries would need to be included. In their submissions in October, the US and EU confirmed the continued need for the Green Box.

Export Competition

Under export competition, WTO Members largely agree on the changes needed to phase out regular export subsidies (although they have yet to set the final end date) and export credits. However, they must still agree on new disciplines on state trading enterprises and on food aid, which the EU - the largest user of direct export subsidies - insists must be reformed in parallel. The EU and other exporters of agricultural products argue that food aid should be largely restricted to cash grants, except during emergencies. They aim to halt what they see as US exports of surplus subsidised products in the guise of bilateral aid programmes.

The US denies these charges. The cash grant proposal is supported by some recipient countries such as Uganda, which have seen poor farmers displaced from local markets by subsidised agricultural surpluses that entered the country as food aid. Other recipients disagree and the head of the UN World Food Programme (WFP) has warned against limiting food aid to cash.

The G-20 called for an "immediate standstill commitment on all forms of export subsidies" and suggested that export subsidies should be eliminated within five years, with significant reductions to come sooner rather than later.

Cotton

The sub-committee on cotton held its first meeting in February and has been meeting regularly since. Members agreed that the sub-committee's work should focus on assessing progress in the agriculture negotiations and providing regular updates on the cotton-related developmental implications. They could not agree on whether to also address 'other' subjects, as proposed by the US, including broader textile-related issues relevant to industrial market access and trade facilitation.

Early on in the process, the group of African WTO Members submitted a proposal calling for radical reforms in the trade of cotton and cotton by-products including textiles. However, others argued that any reforms should be addressed within the broader ongoing agriculture negotiations and not in the sub-committee. The US said reductions in specific areas of the overall talks, such as domestic support, would affect US cotton programmes. African countries expressed disappointment at the lack of written responses to their proposal. They warned that African cotton-producing countries would ensure that the issue does not get overlooked at the Hong Kong Ministerial Conference.