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TWENTY-SEVENTH FAO REGIONAL CONFERENCE FOR LATIN AMERICA AND THE CARIBBEAN

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EFFECTS OF SUBSIDIES AND MARKET RESTRICTIONS ON AGRICULTURE AND FISHERIES PRODUCTION AND MARKET ACCESS

I. Introduction

1. The World Food Summit Plan of Action urged FAO to continue providing assistance to developing countries on trade-related matters, focusing especially on preparation for multilateral trade negotiations, through studies, analyses and training. At the same time, anxious to strengthen their negotiating capacity, member country representatives at the Regional Conferences have reiterated their request that FAO continue to help train their agricultural trade negotiators, within the context of the World Trade Organization (WTO) and other ongoing trade negotiation scenarios. Finally, in June 2001, GRULAC asked that FAO prepare this document for the 27th Regional Conference for Latin America and the Caribbean.

2. This document sets out to summarize the forms of agricultural support that exist in the principal developed countries and to outline some of the effects that their subsidies and restrictive trade practices have on the production, trade and access of agricultural and fisheries products from the countries of Latin America and the Caribbean. The paper does not review the commitments made under the Uruguay Round (UR) as these are well known to the countries. However, the UR's Agreement on Agriculture (AoA) marked the beginning of a process of reform requiring the adoption of disciplines that would regulate the international trade of agricultural products, the long-term aim being to establish a fair and market-oriented trade regime. This process of reform is ongoing, with the renewal of negotiations in 2000. A comprehensive round that includes fisheries products was initiated at the IV Ministerial Conference of the WTO, held in Qatar in November 2001.

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II. Main instruments used by developed countries to support their agricultural and fisheries production

A. The classification of the Organisation for Economic Co-operation and Development (OECD) does not correspond to the AoA system.

3. The Agreement on Agriculture places all domestic support to agricultural producers under regulatory provisions. It features two types of commitment for domestic support: one qualitative, the other quantitative. The qualitative commitment defines domestic support measures that are exempt from reduction commitments, while the quantitative commitment establishes commitment schedules restricting subsidies for agricultural products.

4. Support measures exempt from reduction commitments are classified into four categories: Green Box, development measures or "Special and Differential Treatment to the Developing Countries" (SDT), Blue Box and "*de minimis*" exemptions. Measures subject to reduction commitments are expressed in terms of the "Total Aggregate Measurement of Support or Total AMS".

Green Box

5. The "Green Box" measures are set out in Annex 2 of the AoA. The basic requirement for exemption from the reduction commitments is that these should have no, or at most minimal, trade distorting effects or effects on production. The support in question should be provided through publicly funded government programmes (including government revenue foregone) not involving transfers from consumers, and should not have the effect of providing price support to producers. Under WTO provisions, expenditures on these exempted measures can be increased without limitation. The Green Box applies equally to developed and developing country Members.

6. The Green Box list includes the following:
- support in the form of research, pest and disease control, training, extension and advisory services, inspection, marketing and promotion services, and infrastructure services;
 - public stockholding for food security purposes;
 - domestic food aid; and
 - direct payments to producers such as decoupled income support, income insurance and income safety-net programmes, relief from natural disasters, producer and land and other resource retirement programmes, investment aids, environmental programmes, and regional assistance programmes.

Support measures

7. Article 6 of the AoA excludes from the reduction commitment certain direct or indirect support measures that are aimed at encouraging agricultural and rural development and that are an integral part of development programmes in developing countries. These include:
- investment subsidies generally available to agriculture in developing countries;
 - agricultural input subsidies generally available to low-income or resource-poor producers in developing countries; and
 - domestic support to producers in developing countries to encourage them to diversify and stop growing illicit narcotic crops.

Blue Box

8. Direct payments made under production limitation programmes (sometimes classified as "Blue Box" measures) are exempt from the commitment to reduce domestic support if:
- based on fixed areas and yields; or
 - made on 85% or less of the base level of production; or livestock payments made on a fixed number of animals.

De minimis exemptions

9. All domestic support measures for agricultural producers not falling within the above exemption categories are subject to the reduction commitments. However, the *de minimis* exemptions allow any support given to a specific product to be exempt from the reduction commitment if such support does not exceed 5% of the total value of production of the agricultural product in question. Non-product-specific domestic support is also exempt on condition that it does not exceed 5% of the total value of agricultural production. The 5% limit applies to developed countries while the *de minimis* ceiling for developing countries is 10%.

Measures subject to commitments: total AMS and reduction commitments

10. Support provided under non-exempt measures is subject to the reduction commitments. These are expressed in terms of the "Total Aggregate Measurement of Support or Total AMS", which is the sum of non-exempt domestic support expenditures for all products and measures. The AoA mentions four different support measures for estimating the level of support given to the agricultural sector:
- **AMS for specific products:** the total amount of support given to each basic agricultural product (e.g. price support, direct payments).
 - **AMS not referring to specific products:** the total volume of support provided by measures targeting the agricultural sector as a whole, excluding support to specific products.
 - **Equivalent measurement of support (EMS):** support for specific products where calculation according to AMS methodology is not practicable.
 - **Total AMS:** the sum of all non-exempt domestic support provided to agricultural producers, obtained by adding all AMSs for specific products, all AMSs not referring to specific products and all equivalent measurements of support.

B. Different forms of subsidies available to fisheries

11. Fisheries subsidies can be divided into two groups: subsidies that reduce costs and subsidies that support prices and incomes. The former include the transfer of government funds for market research, subsidies to reduce capital costs, reductions in income and sales tax, government transfers to cushion level of risk, subsidies for building fishing boats, payments for access to foreign fishing grounds and for joint ventures with foreign fleets, government provision of infrastructure and services, input subsidies, subsidized loans for the transport and processing of fishery products, subsidies for boat insurance, and the purchase of boats with the view to their retirement. Subsidies for prices and incomes include price support programmes, subsidies for the promotion of trade and special social assistance programmes for the fisheries sector.

III. Current level of agricultural support in the OECD countries and recent developments

12. The Uruguay Round Agreements, and particularly the Agreement on Agriculture, succeeded in disciplining the agricultural commodity trade by introducing rules that embraced all those policy measures that countries had deployed at their individual discretion. The AoA has thus played an important role in restructuring the policy framework. Payments under the "Green Box" and other exemption provisions are assuming increasing importance. Payments associated with trade-distorting measures (determined by the AMS) during the base period of 1986-88 accounted for 76% of all domestic support payments notified by countries, but this proportion has recently fallen to 54% as support is now increasingly directed towards those categories of measures that have been classified as non-trade distortive. Nevertheless, the reduction commitments have not been particularly restrictive during their period of application, this indicator rising from US\$221 000 million in the three-year period 1986-1988 to US\$259 000 million in 1996.

13. Most studies confirm that the fisheries sector is highly subsidized. FAO estimations suggest an annual fisheries deficit of some US\$22 000 million, given that total operating costs for the world's fisheries fleet amount to US\$92 000 million and gross income works out at US\$70 000 million. Adding capital expenditure of US\$32 000 million gives an overall annual deficit of some US\$54 000 million. These values are not direct calculations of subsidies, so they may be over- or underestimates, but their size must nevertheless be significant given that they can represent up to 77% of the total value of fisheries production.

14. OECD government transfers to the fisheries sector in 1997 totalled US\$6 200 million, allocated to research, management and the control of resources, payments for access to foreign territorial waters, payments for the retirement of fishing vessels and for licences, investment and modernization, income support and unemployment insurance. The European Union (EU), and more specifically Spain, together with Japan and Korea account for 80% of budgeted subsidies for ocean fishing in the OECD countries; and within the EU, 46% of subsidies to the European fishing fleet went to Spain in the period 1994-1999.

IV. Main trade restrictions and developed-country measures that restrict market access and affect agricultural and fisheries production in Latin America and the Caribbean

15. The Uruguay Round Agreement on Agriculture prohibited non-tariff barriers to trade and bound virtually all agricultural tariffs, thereby providing greater security and predictability of agricultural trade. These were important achievements for world agricultural trade. While in most countries the overall level of consolidated protection of agricultural products continues to be far higher than that of industrial products, the level of trade security, expressed in terms of bound tariffs, is higher for agricultural products (virtually 100% of agricultural tariffs are bound compared to 83% for industrial products).

16. Actual levels of agricultural protection continue to remain high despite tariffication, and have perhaps not fallen in recent years. For some countries and products, the bound tariffs agreed under the Uruguay Round Agreement on Agriculture were much higher than those applied in the base period of 1986-88, and actual application of these bound tariffs would result in absolutely no improvement in market access. An OECD study shows that the overall level of tariff protection of agricultural products, calculated on the basis of production-weighted averages of applied most favoured nation (MFN) tariffs, were higher in 1996 than in 1993 in eight of the ten OECD countries examined

(counting the EU as one country). Protection levels were particularly high in the food processing sectors. In addition, the tariff structure continues to be complex, which undermines its transparency.

17. Tariff peaks and the staging of tariff cuts are important restrictions on developing-country access to developed-country markets. The developed countries have significantly reduced restrictions on the trade of manufactures, with an average import tariff on industrial goods of less than 5%, but this has not been the case with agricultural products. Even though the developed countries reduced their bound tariffs by an average of 36% as a result of the UR negotiations, the developing countries still find it very difficult to place their traditional export products on developed-country markets. Nevertheless, the fact remains that the United States, Japan and the European Union are the world's three leading importers of agricultural products.

18. The main sectors where tariff peaks are most frequent and highest are those involving major food staples, such as meat, sugar, milk, butter, cheese and cereals, as well as tobacco. Tariffication of quantitative restrictions, variable import levies and non-tariff protection measures have resulted in very high tariffs of more than 30% in most cases, and sometimes more than 200% for above-quota MFN imports.

19. The tariff quotas applied to basic food commodities are supposed to maintain traditional trade flows and create minimum access opportunities for the products of all WTO members. While some tariff quotas have in fact provided trade opportunities, many others have had little impact or have been underutilized. Volumes have often remained the same during the period of application and quotas have been distributed among traditional suppliers or within the framework of already existing preferential trade agreements. Such practices limit trade opportunities for new suppliers; and in some cases products imported under tariff quota provisions are subject to high tariffs, sometimes exceeding 30%.

20. The high MFN tariffs applied to basic food products are specific measures adopted by individual countries. A total of 38 countries have the right to apply special safeguard measures to protect their agriculture, including 10¹ countries in Latin America and the Caribbean. These safeguard levies apply when the shipment price falls below the reference price and they increase in diametric proportion to the fall in import price. After the UR, the United States tariff regime introduced additional levies on above-quota imports of beef, sugar, milk and milk products, cotton and selected other products. The EU levies additional duties on poultry, eggs and sugar. Japan's regime is similar with, for example, the duties applicable to certain products being clearly defined as the difference between import price and reference price or a multiple of this price. At the same time, state trading and the establishment of entities that operate as import monopolies still play an important role, as in the case of cereals in Japan and of dairy products in Canada and the United States.

21. Japan applies high levels of duty on imported products, and total import tariffs for certain basic foods, especially rice (whether paddy or milled), can exceed 200%. Nor have variable surcharges been totally excluded, with Japan applying a variable levy on sugar, raising tariffs to 250%, and the EU continuing to apply a variable levy on processed products according to their sugar content. Fruits, vegetables, fish and other non-processed products have lower MFN tariffs than the above-mentioned basic products, but these are still frequently subject to tariff peaks. In most cases, the highest tariffs, which are applied mainly to fruits and vegetables and selected fish and crustaceans, are between 12% and 30%; as in the case of oranges and other citrus fruits, pineapple, apples, certain stone fruits, grapes, tomatoes, tuna and sardines. Some markets apply high rates to other vegetables or

¹ Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, Panama, Uruguay, Venezuela.

pulses, including asparagus, olives, mushrooms and garlic. However, other markets apply far lower import tariffs on a wide selection of fruits, vegetables and fish.

22. Some countries apply prohibitive import tariffs: for example above-quota bananas to the EU (220%), and peas and dried peas to Japan (132% and 470%, respectively). The EU has replaced its previous system of reference prices for fruits and vegetables with a system of graduated levy that rises as import price falls, the intention being to compensate for any price distortion below a certain level. This system applies to oranges and other citrus fruits, grapes, apples, tomatoes, olives and cucumbers. The EU continues to apply reference prices to fish-for-processing imported under tariff quotas. Most developed countries also apply seasonal tariffs (significantly higher during harvest periods) which affect export flows and thus reduce earnings.

23. The developed countries maintain high tariff protection for processed foods, even with the UR concessions. Tariff peaks and additional measures are applied to these products from the early stages of processing. In the EU, 30% of tariff peaks for the whole tariff regime apply to the food industry (beyond primary processing), with levels varying from 12% to 100%. In many cases, the additional duties are introduced to make up for the extra cost of agricultural inputs used by their food processing industries.

24. Products subject to very high customs duties include all cereal-based products and confectionery, fruit-based products and packed fruit juices. In the US, the proportion amounts to one-sixth and tariff peaks for processed foods vary between 12% and 100%. Protection is given to orange juice (31%), peanut butter (132%) and assorted tobacco products (350%). In Japan, the proportion of peaks for processed food amounts to 40%, the main products being margarine, meat and meat-based products, chewing-gum and other confectioneries, cocoa powder and chocolate, pastries and other cereal-based products, canned fruits and vegetables, fruit juices, coffee and tea-based products and cigarettes.

25. Besides tariff levels, the tariff structure can also distort international production and terms of trade, and constitute a further obstacle to market access. Tariff escalation is said to exist when tariffs increase in proportion to level of processing. This measure provides additional protection to local industries as it enables them to produce at a substantially higher cost than the international cost and thus to artificially increase value added as compared to efficient competitors. This makes it more difficult for the region's exporters to export processed food products and discourages or simply prevents them from diversifying vertically (production of items with greater added value). As a result, and given the scale of developed-country markets, any reduction in tariffs on processed foods in addition to the tariff reduction on unprocessed foods would clearly improve developing-country access to developed-country markets.

26. FAO's study *The Impact of the Uruguay Round on Tariff Escalation in Industrial Products* (1997) on the impact of the UR on tariff escalation for agricultural products reveals that differences between nominal tariff levels applied to agricultural raw materials and those applied to processed foods fell significantly as a result of the UR concessions, enabling developing countries to diversify their exports to include processed products with higher value. However, the study reveals continued high escalation for more than half the products examined. With the concessions now in full effect and the implementation period completed, current differences in nominal tariffs amount to an average of 17% (against 23% in the base period 1986-1988) for products of the following markets: 16% in the EU (against a previous 23%), 27% in Japan (against 25%) and 9% in the United States (against 12%).

27. The same study also provides estimates of the effective levels of protection for selected products: 44% for wheat flour and 25% for orange juice in the EU; 30% for refined sugar and 12% for

toasted coffee in Japan; 13% for soya oil and 42% for condensed milk in the USA. In some cases, calculations of effective level of protection turn out to be negative, which means that the tariff applied to the raw material is higher than that applied to the processed product. This generally only occurs when bound tariffs are considered. Industries can very often import the raw materials they need without paying customs duties or at very low levels, or through tariff quotas or the unilateral suspension of tariffs. In other cases, the extra cost of local raw materials is compensated by applying additional customs duties. In reality, effective protection can be anything but negative and can in fact be quite significant.

28. The trend towards the opening of trade in fishery products through tariff reduction has been accompanied by an increase in use of non-tariff barriers, which might be based on health safety grounds or might constitute so-called ecological barriers that invoke environmental reasons to hamper the entry of products from countries of Latin America and the Caribbean. Examples in the case of the USA are the embargo on Mexican tuna and the ban on shrimp imports from countries that do not equip their trawlnets with turtle excluder devices. The EU has also adopted more extensive protectionism measures based on health and even ecological grounds.

29. The ongoing WTO negotiations are those mandated in the UR Agreements, notably those concerning agriculture and services. However, there are other agreements whose implementation has posed problems of market access for agricultural products from countries of Latin America and the Caribbean, including the Agreement on Sanitary and Phytosanitary Measures and the Agreement on Technical Barriers to Trade.

Agreement on Sanitary and Phytosanitary Measures (SPS)

30. The incorporation into the Uruguay Round Agreements of a protocol governing the adoption of rules and instruments aimed at safeguarding human, animal and plant health in member countries is an important step forward, especially as it recognizes the right of each country to protect its sanitary heritage, but also because it defines the principles of harmonization and equivalence of standards as an expression of non-discrimination.

31. The Committee on Sanitary and Phytosanitary Measures has so far received 1 400 notifications from member countries, covering a variety of aspects, and its work suggests that there is an ever increasing link between sanitary measures and trade. Some member countries have voiced their concern that sanitary regulations could be used as disguised barriers to trade.

32. This WTO Agreement acknowledges the necessary contribution of specialized international bodies, such as Codex Alimentarius, the International Office of Epizootics and the International Plant Protection Convention, in providing scientific grounds and demonstrated criteria to ensure that measures adopted by countries are valid and do not stem from discriminatory concerns to protect domestic markets. FAO has provided technical support to member countries, particularly developing countries, to assist the work of the WTO Committee on Sanitary and Phytosanitary Measures.

33. While it is still too early to determine whether the SPS standards have constituted barriers to trade, there is no doubt that this new instrument represents a challenge for most developing countries. They now need to build national technical and institutional capacities to act upon notifications received, to ensure they have functioning laboratories, to carry out necessary risk analyses, to attend the international fora where standards are decided and to learn about and put into practice the regulations that their trading partners require regarding food safety and quality.

34. The United States health authorities, for example, have stated that most of their rejections of shipments from Latin America and the Caribbean have been for general reasons of hygiene, which could easily be overcome if the countries in question adopted the necessary corrective measures. The countries of the region have themselves indicated the need for progress in adopting the normative framework required to comply with sanitary standards.

Agreement on Technical Barriers to Trade (TBT)

35. This Agreement is one of those causing greatest concern to the developing countries. While it defines a general normative framework, it is not very precise and fails to define levels of adoption. It recognizes the right of countries to adopt rules and regulations that will ensure the quality of their exports, protect the health and life of persons and livestock, and help conserve plant resources and the environment. It also acknowledges that developing countries may encounter particular difficulties in formulating and applying technical regulations and standards and in carrying out evaluation procedures. However, there are clearly a number of measures that have been adopted by developed countries under this Agreement that have affected access of agricultural products to developed-country markets.

36. While the impact of these regulations on trade has not been quantified, it is clear that the countries of the region have encountered difficulties on three levels: the normative level (adoption of standards and awareness of standards adopted by trading partners); appropriate laboratory infrastructure to conduct analyses and certify compliance with trading partner requirements; and administration and monitoring of normative aspects.

37. There have been occasional instances where countries have been able to identify the technical or environmental standard that has prevented product entry to developed-country markets. Some of these have been successfully resolved, after costly procedures, but the producers have in the meantime lost their shipments and sometimes their markets. Instances where technical or environmental standards have prevented entry to developed-country markets include: pesticides and worker health on banana plantations; EU accusations that the cultivation of ornamental plants pollutes aquifers; type of colouring used for handicrafts; registers of patents for chemical products; and non-recyclable packaging.

38. Although this Agreement is not on the agenda of ongoing negotiations, some of the problems that have emerged, in particular those concerning environmental standards, are included in the non-trade concerns of the Agreement on Agriculture, especially in areas that have been taken up by the European countries such as the multi-functionality of agriculture.

V. Summary of the impact of subsidies, trade restrictions and other measures limiting market access on the countries of the region

39. The basic consequence for countries of Latin America and the Caribbean is that countries applying subsidies and other measures expand their domestic production. Policy measures aimed at boosting domestic production initially raise the degree of self-sufficiency beyond the level resulting from resource allocation based on market prices, the overall result being a reduction in imports. Once full self-sufficiency has been reached, the subsidies then generate surpluses that have to be directed towards external markets; in other words, the stimulus for domestic production resulting from the subsidy and the support price in question can be such that domestic supply exceeds domestic demand and, instead of requiring imports, countries now supply exports. If the country in question is already a

net exporter, the subsidies will translate directly as an increase in exportable supply that will drag down international prices.

40. As most production subsidies exist in the developed countries, resulting surplus production beyond that corresponding to normal market prices ends up dampening or preventing production in developing countries and other developed countries not using subsidies. Yet, some of these countries that have seen their production supplanted are more efficient producers and could supply the same volume of goods from fewer resources. Thus the displacement of efficient production is further exacerbated by the fact that subsidies not only impede international market access but they also stimulate the use of inputs that both cost more and cause environmental degradation in terms of polluted waters, land salinization, desertification and other problems. Countries whose production has been supplanted no longer receive the income from that production and countries that provide subsidies use more resources than would normally be required under normal technological processes.

41. Subsidy policies and especially those that distort trade therefore have a direct impact on resource use. They can also have an indirect impact on the capacity of developing countries to mobilize resources for sustainable development and to adopt policies that will help boost economic growth, promote greater social equity and achieve environmental sustainability. Three quarters of the world's poor live in rural areas, so increasing agricultural productivity and income remains vital to deal effectively with the problem of poverty. Yet for resource-poor countries where agricultural exports represent a significant proportion of total exports, subsidy policies in general and export subsidies in particular often act as key determinants of depressed agricultural prices and thus unrealized opportunities for sustainable rural development.

42. Net food-importing countries can initially benefit from such subsidies for the production and export of agricultural commodities, because they reduce world agricultural prices so less hard currency is required to purchase a given volume of foodstuffs. However, when the country in question has a chance to produce food commodities, the prices of these commodities will be kept low as they will have to compete with imported products that can partially or completely substitute local production. This discourages local agricultural production, reduces local farmer income, and increases pressure on the environment as small farmers have to increase their output to survive.

VI. Conclusions, work pending and technical assistance from FAO

Conclusions

43. This analysis of the main factors impacting on the international agricultural and fishery markets indicates that the comparative advantages of developed countries stem from conditions that are created by support and public expenditure policies. The developing countries, which include those of Latin America and the Caribbean, do not have the fiscal resources to adopt such support instruments, and will only be able to gain advantages if they can participate more broadly and successfully in the current multilateral negotiation processes where agricultural disciplines are determined and detailed.

44. At the same time, the implementation of multilateral agreements has indicated that, while progress has been made in agricultural production and trade over the past decades, the process of reform still needs to be pursued to achieve the long-term objective of establishing a fair and market-oriented agricultural trade regime.

Work pending for multilateral agricultural negotiations

45. The declaration of the WTO's Ministerial Conference in Doha commits its members to "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". They also agreed 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". Finally, they took note of "the non-trade concerns reflected in the negotiating proposals submitted by Members" and they confirmed "that non-trade concerns will be taken into account in the negotiations as provided for in the Agreement on Agriculture".

46. The modalities of subsequent compromises, which will include provisions for special and differential treatment, will be finalized no later than 31 March 2003. Participants will submit their draft global schedules based on these modalities no later than the fifth session of the Ministerial Conference, i.e. 31 December 2003.

47. At national level, it is very important that each country of Latin America and the Caribbean clearly identifies the role expected of its agricultural sector, so that negotiating positions will respond to a careful analysis of competitiveness, in accordance with production chains and agricultural plans of action to be followed. The countries of the region also need to identify products and markets for which access needs to be sought during ongoing negotiations.

48. Institutional capacity also needs to be strengthened to equip countries with trained negotiators and commitment administrators; to provide them with an appropriate institutional infrastructure able to monitor commitments of trading partners, to react immediately against unfair trading practices and to adopt effective measures when applied technical and sanitary regulations are in fact disguised impediments to access; and to maintain the necessary coherence between national provisions and multilateral commitments.

49. The Ministries of Agriculture and other bodies involved in multilateral negotiations should ensure that the domestic process of building national consensus among associated sectors and economic agents is totally transparent. Countries should accord strategic priority and adequate human and budgetary resources to the agricultural negotiating process, so that they can be properly represented by negotiating teams who will be best able to secure better and greater benefits. Finally, participation in one of the regional blocs representing common interests should be put to full use to reinforce national negotiating capacity.

Possible technical assistance from FAO

50. FAO could help the countries of Latin America and the Caribbean to deal with some of these activities by advising national technical teams in the following areas related to training: the possibility of horizontal in-service training through the dissemination of experiences in countries of the region that have made greater progress than others in specific areas; the identification of existing products, markets and barriers; the presentation of WTO notifications and examination of notifications submitted by other countries to resolve disputes and exploit all multilateral agreement tools; the above aspects but directed towards regional, subregional and bilateral integration structures; and examination of the impact of possible trade liberalization programmes on exports and imports.

51. FAO could also advise on the conduct of studies on competitiveness; studies to identify actions needed to comply with sanitary, processing technology, labelling and other requirements that are duly justified and condition access to markets; studies to identify areas that have become ecologically vulnerable as a result of subsidy policies of developed countries in order to devise rehabilitation programmes and identify sources of funding; and studies on opportunities and challenges to provide greater income security to farmers and to increase food security.

52. FAO is further mandated to collaborate with the member countries of the region in preparing for multilateral, hemispheric and subregional trade negotiations through the Technical Secretariat of the Informal Group of Agricultural Negotiators of the Americas (GINA), comprising the agricultural negotiators of the countries of the Americas and their support teams.