



CAIRNS GROUP FARM LEADERS'
BALI COMMUNIQUE 7 JUNE 2009

Cairns Group Farm Leaders met today in Bali to discuss the long-running Doha Development Round of multilateral trade negotiations and how decisions Governments make on trade policy impact on agricultural businesses, families and communities.

Farm leaders are extremely concerned about the increasing levels of protectionism emerging in the midst of the global economic crisis. The void between continued rhetoric and genuine leadership has rarely been as stark as that seen in the past year as some world leaders advocate the virtues of trade reform while shielding their economies from international trade.

This has been highlighted by World Bank analysis that found that within three months of the G20 meeting in Washington in November 2008, where it was promised not to impose any new trade-restricting measures for 12 months, 17 of the G20 countries had implemented some form of protectionist measure. Of particular concern for farm leaders are the examples of European Union and United States' resumption of dairy export subsidies.

By depressing and destabilising international market prices, export subsidies hurt farmer returns, leading to social unrest in both developed and developing country communities. Farm leaders believe there is no justification for export subsidies to continue in agriculture.

We demand strong political leadership to bring the Doha Development Round to a timely and successful conclusion that benefits the world's agricultural producers and consumers, while providing robust and transparent rules to underpin the trade of agricultural goods.

Farm Leaders recognize that solutions to a range of issues are required to solve the global food security situation. However, ultimately multilateral trade liberalization is vital to ensure the world's farmers are able to effectively respond to meeting global demand.

Prices are therefore a fundamental signal for farmers about what to produce, where and in what quantities. Farmers need governments to allow market forces to work, and in doing so, create a global food production environment that is more flexible, reliable and sustainable. The current plethora of government distortions on world agricultural markets is instead acting to mask price signals for farmers, leading to inefficient allocation of the world's scarce resources and exacerbating the global food security issue. Multilateral trade liberalization is vital in this context.

It must be noted that the needs of developing countries are paramount, including consideration of timing of reform and the additional need for increased investment in areas such as capacity building and regional communities. Accommodating the special and differential treatment of developing countries should therefore be an integral part of the negotiations of all of the modalities.

Farm leaders therefore urge our Cairns Group Ministers not to weaken in their resolve to finalise modalities that deliver free and fair trade in agricultural goods through the multilateral approach. Farmers believe that negotiators should build ambition from the base of the December 2008 text.

Any further backsliding in ambition will not be acceptable or sufficient for this group's farmers. In this regard we are concerned that ambition within the Doha Development Round has already diminished, through numerous flexibilities and carve outs, to levels that are well below what the world's farmers, and indeed the broader population, will require in the long term. We believe Ministers must look now towards options for phasing out these flexibilities.

Farm leaders believe the Bali meeting of the Cairns Group offers an important opportunity for Ministers to demonstrate leadership in expediting the conclusion of the Doha Development Round and breaking the increasing trend towards protectionism. We continue to stand ready to support you fully and we wish you well for your work over the coming days.