POLICY BRIEF





The Agreement on Agriculture Re-Imagined

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Trade and Investment



Abstract

The World Trade Organization's Agreement on Agriculture (AoA) is the only international framework governing trade in food and gariculture. However, as many stakeholders and commentators have observed, it is increasingly unfit for purpose. In addition to its inherent shortcomings, the AoA has failed over the years to adapt to new developments or to emerging global challenges. The current geopolitical juncture shows how vulnerable global food security, multilateral cooperation, environmental stewardship, and economic justice are, and how urgent it is to take steps to uphold these. The crisis in the multilateral trading system offers an opportunity to develop a vision of a reshaped international trading system with food security, environmental stewardship, and economic and social justice at its centre. The G20 is uniquely placed to play a leading role in doing so. Drawing on the work of an international interdisciplinary research consortium, this policy brief describes why it is necessary to redesign the multilateral legal framework governing international food and agricultural trade, starting from first principles. It also notes the importance of forums in which open, fresh discussions can take place. The policy brief recommends that the G20 provide such a forum. It could lead an initiative to start an in-depth discussion of what the global food and agricultural trade system should look like if it is to centre on food security, a healthy planet, and redressing historical inequities.

Keywords: G20, International Trade, Agreement on Agriculture (AoA), Food Security, Sustainable Agriculture, Global Trade Governance

Diagnosis

The AoA: Inherently flawed and unresponsive to contemporary challenges

International food and agricultural trade is governed by the World Trade Organization (WTO) Agreement on Agriculture (AoA). A multilateral framework is necessary to govern the inherently global aspects of food production and trade and their effects, but many concur that the AoA is not fulfilling this role. This is due to innate flaws and a failure to adapt.

For example, the AoA does not adequately reflect the specificities of agriculture in developing countries, and its content was largely shaped by more affluent countries' interests. The AoA also fails to take current realities of market volatility and trade inequality into account. Patterns of agriculture production and trade have changed drastically since the AoA came into effect, with production shifting to the Global South, heightened market globalisation, and complex interdependencies in the trade networks of major commodities.² Market concentration among agricultural trade actors has soared: a handful of countries now produce and trade in most key commodities,³ and a dwindling number of

the World Trade Organization," International Affairs 93, no 5, (August 2017).

¹ Caroline Dommen et al. Agreement on Agriculture Re-Imagined – Responding to old flaws and current challenges of international agricultural trade, Policy Brief (University of Bern, 2025 (forthcoming)). See also S. Hawkes and J.K. Plahe, "Worlds apart: The WTO's Agreement on Agriculture and the right to food in developing countries," International Political Science Review, 34, no 1 (2012): 21-38; Joseph McMahon, "Negotiations on food security at the WTO: a never-ending story?", Journal of International Trade Law and Policy (2024); James Scott, "The future of agricultural trade governance in

² K. O. Fuglie et al. World agricultural production, resource use, and productivity, 1961-2020. Washington, D.C.: Economic Research Service, United States Department of Agriculture (2024); E. Gladek et al. <u>Global Food System: An Analysis</u>, Metabolic (2017).

³ FAO, World Food and Agriculture – Statistical Yearbook 2024, Rome (2024).

powerful private actors exercise excessive market influence,⁴ even as farmers around the world struggle to earn a living income.⁵

Meanwhile, urgent global challenges need to be resolved. The world is not on track to achieve the Sustainable Development Goal (SDG) 2 commitment to end hunger and malnutrition by 2030.6 Climate change is accelerating, and productive resources – including freshwater, arable soils, and forests – on which food systems depend are highly stressed.7 Intensive production for trade and international transport of produce further contribute to these stresses.8

Little faith in the WTO

WTO members have been unable to update or adapt the AoA. Although efforts to do so have been ongoing since the late 1990s, these remain mired in disagreement. Many view the agriculture-related issues currently on the WTO negotiating agenda as constituting only partial fixes to a fundamentally flawed framework. Moreover, trust among key players has broken down, and there is little public debate about the objectives of food and agricultural trade and its regulation.

⁴Richard Sexton and Tian Xia, "Increasing Concentration in the Agricultural Supply Chain: Implications for Market Power and Sector Performance" Annual Review of Resource Economics 10 (2018); John Crespi and James MacDonald, "Concentration in food and agricultural markets," in Christopher Barrett and David Just (eds) Handbook of Agricultural Economics, Elsevier, Volume 6 (2022): 4781-4843; Jennifer Clapp, "The problem with growing corporate concentration and power in the global food system," Nat Food 2 No 6 (2021):404–8; Audrey Gaughran et al, "How Agriculture's "Big Five" Thrive in Crisis," Green European Journal (August 2024).

⁵ Martina Asquini, <u>The living income agenda in agri-food value chains: no time to waste</u>, World Business Council for Sustainable Development (2024).

⁶ United Nations, <u>SDG2 End hunger</u>, achieve food security and improved nutrition and promote sustainable agriculture (2025); FAO, IFAD, UNICEF, WFP and WHO. <u>The State of Food Security and Nutrition in the World 2024 – Financing to end hunger</u>, food insecurity and malnutrition in all its forms, Rome (2024).

⁷H. Ritchie et al. "Environmental Impacts of Food Production." Our World in Data (2022); FABLE Consortium, <u>Why</u> governments must take action to transform our food and land use systems (2023).

⁸ J. K. Bourne, "Eating the Earth," Science 386 (2024): 956–67.

⁹ WTO, Food and Agriculture Briefing Note (2024).

¹⁰ See e.g. Focus on the Global South, <u>WTO is unfit for purpose in an era of multiple crises, Statement to the 13th WTO Ministerial Conference, 28 February 2024.</u>

As leading trading nations explicitly turn away from the multilateral trading system, a fresh approach and new leadership is urgently needed.

A re-imagined Agreement on Agriculture

An international research consortium is working to redefine multilateral trade rules for agriculture in the Agreement on Agriculture Re-Imagined (AoA ReI) initiative.¹¹ This is based on the premise that a completely new approach is needed – in terms of content and objectives as well as the venue and format of food and agricultural trade regulation.

The initiative will result in a model treaty on agricultural trade, offered as a heuristic to inspire bold thinking and inject new energy into reforming the regulation of international food and agricultural trade. The purpose is to shift the boundaries of our political and economic imagination and open the way to a different intellectual paradigm.

Content and objectives

The initiative steps away from the WTO and starts by identifying what global factors a global legal framework should address¹² and what principles the legal framework should be founded on¹³ to achieve the SDGs.

¹¹ The Agreement on Agriculture Re-Imagined initiative is housed at the Centre for Development and Environment of the University of Bern, held jointly with the Institute for Agriculture and Trade Policy and the International Institute for Sustainable Development, both non-profits with decades of experience in trade policy. Initiative experts come from different disciplines and countries including Argentina, Brazil, Canada, China, Germany, India, Italy, Switzerland, Uganda, the US and Zimbabwe.

¹²Some of these are briefly summarised in section 1 above. A fuller set of factors that a new framework must address is contained in Caroline Dommen et al. Agreement on Agriculture Re-Imagined – Responding to old flaws and current challenges of international agricultural trade, Policy Brief (University of Berne, 2025 (forthcoming)).

¹³ Caroline Dommen, Agreement on Agriculture Re-Imagined: Underlying Principles, AoA-ReI-WP01-2025, Centre for Development and Environment, University of Bern (2025). See also Jasper Kenter, et al. "<u>Ten principles for transforming economics in a time of global crises</u>," Nature Sustainability (2025).

The model treaty envisages trade policies as working in tandem with a country's food system strategy. This would incorporate existing food and agriculture obligations, including the right to food and decent work for agriculture workers. It would centre states' duty to actively govern their food systems in a way that is sustainable, that does not harm the food systems of other countries, and that recognises the imperative of reducing inequality – within and among countries. From there, countries can negotiate how to limit harm to others; countries will have a right to address common concerns and negative externalities in production processes.

The model treaty will offset the internalisation of social and environmental costs through global redistributive provisions, ensuring that less affluent countries reap the benefits from their produce. More affluent countries will have an obligation to redress structural inequalities and to ensure that necessary environmental measures do not become a pretext for restricting trade from less affluent countries. Anti-competition disciplines will address the distortions created by oligopolies and oligopsonies in commodity trade while opening space for price regulation when needed.

As Box 1 sets out, the principles and objectives underpinning the AoA Rel draft Model Treaty resonate strongly with several G20 initiatives.

Box 1. The G20 and international food and agricultural trade

Accounting for some 80% of food production and consumption, G20 economies play a key role in global food production and trade; their policies significantly impact food security worldwide ¹⁴ and international trade impacts their food security.

Recent G20 meetings have all pointed to the crises facing food and agricultural systems and the need for food systems' transformation. Last year in Brazil, G20 governments recognised "the interdependence of countries in achieving food security and nutrition, food safety, and sustainability through open trade policies". In that context, G20 ministers recognised that "[f]amily farmers, including smallholders, Indigenous Peoples and local communities, and women and youth, are not only pivotal in ensuring food security but also play a central role in the sustainable

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¹⁴ Markus Wagner et al., From Food Security v. Food Safety to Sustainable Food Systems in International Trade Law and Governance, T20 Policy Brief (2024).

management and use of natural resources and biodiversity conservation". ¹⁵ The 2024 Leaders' Declaration recognised that "inequality within and among countries is at the root of most global challenges that we face". ¹⁶

G20 members have also put forward initiatives to reform agricultural trade within the WTO, as illustrated by Brazil's proposed dialogue on sustainable agriculture.¹⁷

Format and venue

For the rules on food and agricultural trade to respond to today's needs, it will be necessary to develop a vision of a reshaped international trading system, bringing together new voices away from the tensions of current agricultural trade negotiations. In addition to its inability to move negotiations forward, the WTO's mandate is too narrow to play this role usefully, as it lacks the flexibility and political space to accommodate bold, equity-focused reforms.

In contrast, the G20 can offer a forum to gather diverse perspectives and shape a new vision for food and agricultural trade. Its influence and convening power make it well suited to catalyse the leadership and strategic vision needed to shape new trade rules that support food security, a healthy planet, and global economic and social equity.

Recommendations

Political will and leadership to reconceptualise and reconfigure agricultural trade governance is sorely needed. The G20 is more able to offer this than other forums. To this end, we put forward the following three recommendations.

¹⁵ G20, Agriculture Ministers Declaration, Brasilia (September 2024).

¹⁶G20, Rio de Janeiro Leaders' Declaration, (September 2024).

¹⁷ WTO, WTO members seek fresh momentum for agriculture talks (2024).

1. Provide a forum to shape a new vision for food and agricultural trade regulation

A forum in which diverse actors can come together to rethink and redesign food and agricultural trade rules is urgently needed to help the international community move forward. The G20's influence in international food and agricultural trade, its political reach and ability to convene high-level decision-makers, combined with its broad agenda – spanning food security, economic policy, climate, and development – make it uniquely placed to offer such a forum.

Shifting discussions away from the tensions of the WTO and bringing in a diversity of expertise (see Recommendation 2) can open a new space in which G20 members and others can engage constructively. Unlike the WTO, which has a narrower mandate and whose discussions are often legalistic, the G20 can take a more holistic approach. The G20 is less bound by rigid rules or consensus requirements than other international forums such as the UN Food and Agriculture Organization (FAO) or the WTO, which makes it easier for it to explore sensitive or innovative approaches to agriculture that might stall elsewhere. As high-level leaders and officials are active participants in G20 processes, they can set out a vision and give political impetus to new ideas and processes.

2. Facilitate a broad perspective to ensure positive outcomes

Agricultural trade affects and is affected by a broad range of social, environmental, economic, and geopolitical issues, therefore its regulation must take into account all these different dimensions. To shape today's vision for food and agricultural trade regulation, the forum we recommend that the G20 establish must necessarily include a range of perspectives.

These must include economic and market expertise as well as trade and food systems knowledge, thus bridging the current gap between FAO's Rome-based perspective and the WTO's Geneva one. A new forum must ensure that the needs of agriculture-dependent developing countries and net food importing countries are reflected in shaping a new vision for food and agricultural trade. Furthermore, it will be valuable to bring in the perspectives of others engaged in rethinking and redefining trade rules for agriculture. In addition to the AoA Rel project, the Remaking Trade¹⁸ project has developed detailed work on the future shape of the global trading system, and La Via Campesina is building an alternative framework for global trade in agriculture.¹⁹

3. Ensure that deliberations centre food security, environmental stewardship, and economic and social justice

Given the complexity of the questions at stake, and the decades of putting economic growth objectives at the centre of trade regulation, we recommend that the G20 develop a compass to ensure that food security, environmental stewardship, and economic justice are front and centre of efforts to rethink and redesign food and agricultural trade rules.

Agreeing on a set of principles and objectives for new rules to meet would be one way of doing this. These could be based on the 10 principles for transforming economics in a time of global crises that an international group of experts has identified²⁰ – or those developed for the AoA Rel project.²¹

¹⁸ Remaking Trade for a Sustainable Future, <u>The Villars Framework for a Sustainable Global Trade System, Version 2.0,</u> January 2024.

¹⁹ La Via Campesina, Press Release: Alternative Framework for Global Trade in Agriculture (2023).

²⁰ Jasper O. Kenter, et al. "<u>Ten principles for transforming economics in a time of global crises</u>," *Nature Sustainability* (2025).

²¹ Caroline Dommen, Agreement on Agriculture Re-Imagined: Underlying Principles, AoA-ReI-WP01-2025, Centre for Development and Environment, University of Bern (2025).

Deliberations must address in an integrated way the challenges relating to ensuring global sustainable food security, consistently with the UN Charter, human rights law, and the 2030 Sustainable Development Agenda. New rules for food and agricultural trade must ensure that environmental and social externalities of agricultural and food production and trade are internalised, that the market power of private corporations is rebalanced, and that historical and structural power inequalities are redressed. They must recognise that diverse agriculture and food systems exist and that safeguarding this diversity is essential for upholding present and future global food security.

Conclusion

The world urgently needs rules on food and agricultural trade that ensure global sustainable food security, environmental stewardship, and economic and social justice. This requires leadership that has so far been lacking. We believe that the G20 is uniquely suited to play this role. We encourage the G20 to establish a forum to shape a new vision for food and agricultural trade, with broad participation of a diverse range of experts and stakeholders. In leading this urgently needed reform process, the G20 would set a powerful example for the world.





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