

Towards the New Era In which Various Types of Agriculture Coexist

It has now been six years since the Uruguay Round Agreement on Agriculture (URAA) was enacted. Let us pose some questions about this period. Let us consider what we have been eating, what we have been thinking, and how we have come to feel over this time.

Notwithstanding the fact that a new negotiation has begun, even in this period of transition into the new millennium, nothing has changed about the basic principle that food, i.e. agricultural products, is the most fundamental requirement for life. Rather, the importance of food seems to be increasing in accordance with the changes of the times.

In preparing this proposal, we have visited many countries and regions including Asia, Africa, Latin America, and Europe, and have been actively engaged in discussions with national representatives in the fields of agriculture, trade and foreign affairs.

Following such discussions, we again recognized that every country has its own society and history built on their agriculture, regardless of its methods and sizes, and there are specific crops of great importance to each country. Not surprisingly, some countries share the same recognition as Japan about the importance of maintaining the multifunctionality of agriculture. Even though such a term as multifunctionality may not be mentioned, some food-importing countries have explicitly recognized the importance of agricultural ability to conserve the natural environment and maintain the rural communities. Many developing countries strongly expressed their anxiety to improve their productivity so that they themselves can secure subsistence for their own people.

We have also been actively engaged in many dialogues with a wide range of people in Japan, including producers and consumers.

Through these dialogues, a considerable number of Japanese people have stressed their concern about the low level of food self-sufficiency in Japan and strongly demanded measures securing the safety of imported food. We believe what they wish could be common to all over the world.

At this juncture, we proudly present the proposal as an antithesis to excessive trade-supremacy, for the important coming round of negotiations to decide the direction of the agricultural trade in the 21st century.

What we propose here is as follows ; **Consideration of the multifunctionality of agriculture,** **Ensuring food security, which is the basis of the society in each country**
 Redressing the imbalance between rules and disciplines applied to agricultural
 exporting countries and those applied to importing countries, **Consideration for**
 developing countries, and **Consideration for the concerns of consumers and the civil**
 society.

Our aim in this proposal does not lie in the preservation of our country and agriculture, but also consist in the further appeal for "**the coexistence of various types of agriculture**", which is the underlying concept of our proposal, associated with the human right to live.

We ask you to think about what, where and how you want to eat, in other words, how you want to live in the 21st centuries.

We are firmly of the belief that the time has come to establish truly fair and equitable trade rules while thinking together with all the people in WTO 140 Member countries and regions.

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1. Basic Elements to be considered in the Negotiations

Essence of the suggestion

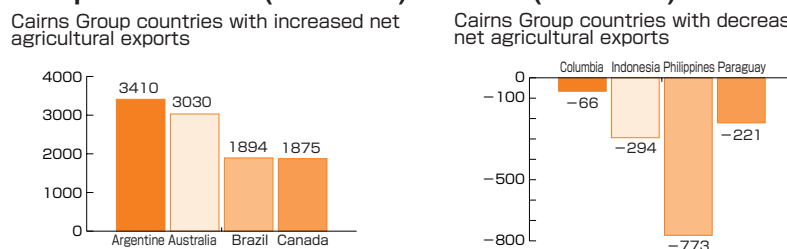
It is necessary to examine thoroughly the difficulties encountered in each Member, surrounding the implementation of the Uruguay Round Agreement on Agriculture (URAA), and the international environment surrounding agriculture and agricultural policies subsequent to the URAA in the current WTO negotiation on agriculture. In this regard, the negotiations should contribute to solving the difficulties encountered in each Member's food and agricultural policies.

In order to realize the coexistence of various types of agriculture among countries and regions in the 21st century and to secure a stable food supply which is indispensable for human life, the negotiations should be conducted while recognizing the pursuit of the multifunctionality of agriculture and food security as the major issues of agricultural policies worldwide.

★ International environment surrounding agriculture and agricultural policies subsequent to the UR agreements

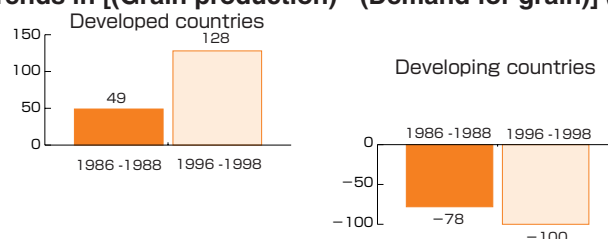
a. Inequitable benefit sharing under the existing system of agricultural trade

Figure1. Comparison before (1991-1994) and after (1995-1998) the URAA (\$1 million)



b. Growing gap between food surplus in developed countries and food shortage in developing countries

Figure2. Trends in [(Grain production) - (Demand for grain)] (1 million tons)



c. Additional support measures to deal with the deteriorated farm

- * The United States (US) had no other choice but to provide three consecutive Additional Farm Relief Programs to mitigate financial losses of producers resulting from the continued low grain prices and natural disasters.
- * Canada has introduced Agricultural Income Disaster Assistance (AIDA) to help the producers suffering from low grain prices.

d. New issues emerging along with the technological progress, such as in the area of genetically modified organisms (GMOs)

- * With the full-scale development and dissemination of GM crops, in the US, for example, about 50% of soybeans and 30% of maize planted in 1999 were GM crops.
- * Meanwhile, labeling systems of GMO foods have been introduced in several Members, in responses to the growing concerns by consumers.

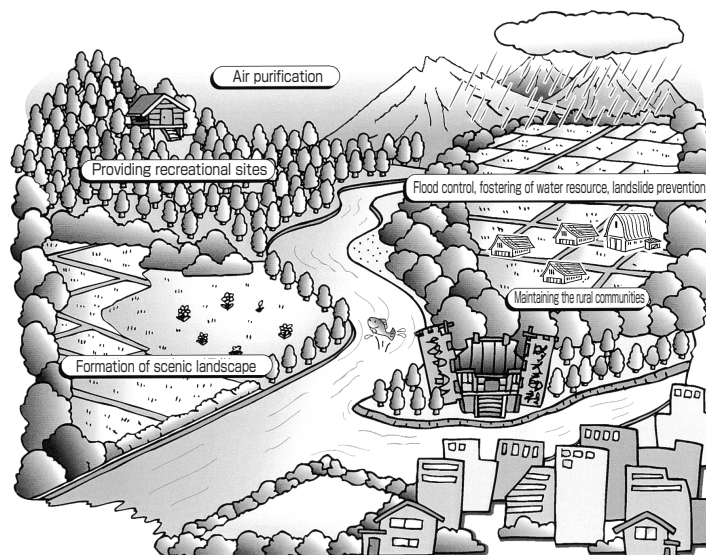
★ Multifunctionality of Agriculture

The multifunctionality of agriculture is a concept which explains that agriculture is an economic activity that not only produces food and fiber but also creates both tangible and intangible values. These values, however, are not tradable and cannot be reflected in the market prices.

A common recognition of the concept and the contents of the multifunctionality has also been formed in the OECD. The general characteristics of multifunctionality are as follows:

- ① The benefits of multifunctionality cannot be obtained separately from agricultural production (joint production);
- ② It is difficult to preclude people from enjoying the benefits of multifunctionality at no cost (public good aspects);
- ③ It is difficult to properly evaluate the benefits of multifunctionality in monetary terms in the agricultural market (externalities).

<Image Showing the Multifunctionality of Agriculture>



★ Food Security

There is a growing trend that only a small number of countries are gaining a greater export share of the major agricultural products. In the meantime, the problem of starvation and malnutrition in developing countries has become more chronic and worsened. The FAO predicted that the target, set at the World Food Summit in view of halving the current population of more than 800 million suffering from malnutrition by 2015, might be delayed by 15 years, i.e. until 2030.

Table1. Predicted Population Suffering from Malnutrition in Developing Countries (By region)

Upper: million persons Lower: Share (%)	96-98	2015	2030
Sub-Saharan Africa	186 (34)	184 (22)	165 (15)
Near East and North Africa	36 (10)	38 (8)	35 (6)
Latin America and the Caribbean	55 (11)	45 (7)	32 (5)
China and India	348 (16)	195 (7)	98 (3)
Other Asian countries	166 (19)	114 (10)	70 (5)
Developing Countries (Total)	791 (18)	576 (10)	400 (6)

Source: FAO "The state of food insecurity in the world 2000"