NHSMUN

Background Guide | WTO

NHSMUN
National High School Model United Nations

Dear Delegates,

Hello and welcome to NHSMUN 2026! My name is Ana Sofia Juarez, but you can call me Sofia. I am honored to serve as the Director of the World Trade Organization for Session I. I am from Monterrey, Mexico, and I am 21 years old. I am a law student at Universidad de Monterrey, in my senior year. I would be lying if I told you that MUN did not significantly impact me when I decided I wanted to be a lawyer. My favorite university subjects are, commercial law, and criminal law. This is my third year on staff and fourth year at NHSMUN overall. Last year I was the director for the Commission on Crime Prevention and Criminal Justice. Back in 2024, I was an Assistant Director for the Legal Committee, and in 2019, I was a delegate representing Morocco in UNESCO.

I started Model UN in the sixth grade, and I have loved it ever since. Apart from school and MUN, I enjoy spending time with my friends, getting to know new coffee places, grabbing lunch, and attending concerts. Some of the best concerts I have attended are Taylor Swift's "Eras Tour," 5 Seconds of Summer's "Take My Hand Tour," and Harry Styles'" Love on Tour." I also love watching TV series; my favorite one is Modern Family. On top of that, I am a huge Formula 1 and football-soccer fan!

In this Background Guide, we are proud to present you with information that will help you better understand what tariffs and protectionism is, why they are such a widely discussed issue today, and how they impact the world economy. My goal is that this guide will help you discover an interest in these two topics. We hope you use this background guide as a starting point for your own research as you write your position papers and develop solutions.

I am beyond excited to see you guys in New York and cannot wait to hear what everyone must add during the committee. Please feel free to reach out if you have any questions regarding the topic or research; we are here to help.

See you in March!
Ana Sofía Juárez Villarreal
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Dear Delegates,

I am so excited to welcome you to the World Trade Organization committee for NHSMUN 2025! My name is Emma Desai and I will be serving as your director for session two. This will be my second year staffing NHSMUN as I leave behind my amazing experience as the session one Assistant Director for the United Nations Economic and Social Commission of Asia and the Pacific. Despite this being just my second year staffing, it will actually be my fifth year attending as I enjoyed three enriching years as a delegate in high school participating in the following committees: International Bank for Reconstruction and Development (IBRD), the Social Humanitarian and Cultural Committee (SOCHUM), and the Legal Committee. If you have any questions about Model UN or NHSMUN, please do not hesitate to ask!

I was born and raised in Somerset, New Jersey, but currently reside in Washington, DC. I am in my second year at American University (AU), studying International Relations and International Business with concentrations in the Global Economy and Europe and Eurasia.

Aside from school, I am a huge fan of comedy TV shows like New Girl and The Office and dramas like Gossip Girl and Gilmore Girls. My favorite movies are 10 Things I Hate About You and Crazy Rich Asians. Besides TV and movies, I am a huge coffee lover (addict), live for Emily Henry Books, and love vintage shopping or thrifting in my free time!

Being involved in Model UN for the past six years now has given me a whirlwind of experiences, all leading me to my love of politics and international affairs. From being a delegate, I learned valuable skills like how to work with different people, communicate with others amidst language or cultural barriers, and gain confidence in my ability to publicly speak and form opinions. As you embark on your NHSMUN journey, whether you are a new delegate or a veteran, I encourage you to challenge yourself and think outside of the box; your biggest strength will be your knowledge and imagination. Model UN has given me the opportunity to learn about topics that I never thought I would be interested in or know information about which has been so valuable in my staying informed about important worldly issues.

I look forward to meeting all of you and discussing our very important and relevant topics. I cannot wait to see all of the innovative solutions that you all come up with and am honored to be a witness to the growth that I am sure you will all experience across the course of the conference. Going forward, please feel free to contact me with any questions about the topics, conference logistics, of Model UN in general, and I will be happy to help.

I cannot wait to meet you all soon!
Emma Desai
Director S2, World Trade Organization (WTO)
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A Note on Research and Preparation

Delegate research and preparation is a critical element of attending NHSMUN and enjoying the debate experience. We have provided this Background Guide to introduce the topics that will be discussed in your committee. We encourage and expect each of you to critically explore the selected topics and be able to identify and analyze their intricacies upon arrival to the conference.

The task of preparing for the conference can be challenging, but to assist delegates, we have updated our Beginner Delegate Guide, Advanced Delegate Guide, Research Guide, and Rules of Procedure Guide. In particular, these guides contain more detailed instructions on how to prepare a position paper and excellent sources that delegates can use for research. Use these resources to your advantage. They can help transform a sometimes overwhelming task into what it should be: an engaging, interesting, and rewarding experience.

To accurately represent a country, delegates must be able to articulate its policies. Accordingly, NHSMUN requires each delegation (the one or two delegates representing a country in a committee) to write a position paper for each topic on the committee's agenda. In delegations with two students, we strongly encourage each student to research each topic to ensure that they are both prepared to debate throughout the committee. More information about how to write and format position papers can be found in the Research Guide. To summarize, position papers should be structured into three sections.

I: Topic Background – This section should describe the history of the topic as it would be described by the delegate's country. Delegates do not need to give an exhaustive account of the topic. It is best to focus on the details that are most important to the delegation's policy and proposed solutions.

II: Country Policy – This section should discuss the delegation's policy regarding the topic. Each paper should state the policy in plain terms and include the relevant statements, statistics, and research that support the effectiveness of the policy. Comparisons with other global issues are also appropriate.

III. Proposed Solutions – This section should detail the delegation's proposed solutions to address the topic. Descriptions of each solution should be thorough. Each idea should clearly connect to the specific problem it aims to solve and identify potential obstacles to implementation and how they can be avoided. The solution should be a natural extension of the country's policy.

Each topic's position paper should be **no more than 10 pages** long double-spaced with standard margins and 12 point font size. This is a maximum; **3–5 pages per topic is often a suitable length**. The paper must be written from the perspective of your assigned country and should articulate the policies you will espouse at the conference.

Each delegation is responsible for submitting position papers on or before **February 20, 2026**. If a delegate wishes to receive detailed feedback from the committee's dais, a position must be submitted on or before **January 30, 2026**. The papers received by this earlier deadline will be reviewed by the dais of each committee and returned prior to your arrival at the conference. Instructions on how to submit position papers will be shared directly with faculty advisors.

Complete instructions for how to submit position papers will be sent to faculty advisers via email. If delegations are unable to submit their position papers on time, please contact us at nhsmun@imuna.org.

Delegations that do not submit position papers will be ineligible for awards.

Committee History

The World Trade Organization (WTO) is the primary international body responsible for regulating global trade. It was established in 1995, replacing the General Agreement on Tariffs and Trade (GATT), which had guided trade relations since 1947.[1] The shift from GATT to the WTO transformed a temporary framework into a permanent organization with clear legal structures and institutional rules. This change gave greater stability and legitimacy to global trade governance and highlighted the growing importance of diplomacy in economic relations.[2]

Today, the WTO has 166 member states, covering more than 98 percent of global trade. Its central mission is to ensure that international trade flows as freely and fairly as possible. To achieve this, the WTO provides a forum for negotiations, monitors national trade laws, and offers support to developing countries. The organization is built on key principles such as non-discrimination, transparency, and fairness, all of which are essential for promoting economic cooperation and reducing conflict.[3]

The WTO includes a number of meetings and frameworks designed to keep global trade running smoothly and to prevent major conflicts. One of the most important is the Dispute Settlement Body (DSB). This body allows member states to raise concerns and resolve trade disputes through dialogue rather than unilateral action. By encouraging international communication, the DSB has become one of the WTO's most effective tools in preventing trade wars and maintaining stability.[4]

Another key function of the WTO is its oversight role. It reviews member countries' trade policies and agreements, helping to enforce existing commitments. To promote transparency, the WTO also encourages states to publish their trade regulations and practices. Together, these mechanisms highlight the WTO's central mission: to ensure that trade is as open, fair, and predictable as possible. Through these diplomatic frameworks, the WTO works to build trust, reduce tensions, and support peaceful economic cooperation among countries.[5]

1 "The Oxford Handbook on the World Trade Organization," Google Books, n.d., https://books.google.co.ve/books?hl=es&lr=&id=-nAWEAAAQBAJ&oi=fnd&pg=PP1&dq=world+trade+organization&ots=RBMAt9umSp&sig=SPG-bxL6pqBp8SREOk6_gPSAhFQ&redir_esc=y#v=onepage&q=world%20trade%20organization&f=false; World Trade Organization, *"About the WTO,"* World Trade Organization, accessed July 28, 2025, https://www.wto.org/english/thewto_e/thewto_e.htm.

2 WTO, *"About the WTO."*

3 "The World Trade Organization," Google Books, n.d., https://books.google.co.ve/books?hl=es&lr=&id=bralCgAAQBAJ&oi=fnd&pg=PP1&dq=world+trade+organization&ots=xQIYNLNDvd&sig=c50JyH9Q2v7TOea8L9UaYlLT3xg&redir_esc=y#v=onepage&q=world%20trade%20organization&f=false.

4 "WTO Dispute Settlement and the TRIPS Agreement," Google Books, n.d., https://books.google.co.ve/books?hl=es&lr=&id=Uy_xCwAAQBAJ&oi=fnd&pg=PR9&dq=dispute+settlement+agreement&ots=Bk7qkq2RNU&sig=g2ebSjnhjM2H99o4nZRV5YYgu1I&redir_esc=y#v=onepage&q=dispute%20settlement%20agreement&f=false.

5 WTO, "*WTO Publications.*"

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Combating the Rise of Protectionism and Tariffs

Photo Credit: Petar Milošević

Most countries in the world are limited by their natural resources and what they can produce.[1] Countries trade with each other so they can meet the needs and demands of their people. However, international trade faces one of the most uncertain moments in recent decades. Factors such as each country's internal policies, geopolitics, and competition among others, can influence trade into becoming the challenge that it is now.[2]

A tariff is a tax that a government places on goods coming from other countries.[3] Tariffs are used for various reasons, depending on the need of the country imposing them. One goal is to raise funds for the country. Another goal is to protect domestic industries. By making imports more expensive, tariffs encourage people to buy local products. This protects growing industries, which is known as protectionism. Tariffs can also protect national security by helping industries necessary to a state's safety. Finally, they can be used as part of industrial policy to help grow certain sectors.[4]

While tariffs can bring advantages when they meet their goals, they also have important drawbacks. One issue is that tariffs can create tension between governments. Since they are often used as a way to punish or show disapproval of another country's actions, tariffs may strain international relations. Another problem is the risk of trade wars. A country may impose or threaten tariffs to respond to a previous action from another country. This back-and-forth can lead to a trade war, which ultimately harms both sides.[5]

Two important concepts in international trade are imports and exports. Both play a key role in making goods and services available that a country may not be able to produce on its own. They are also vital for the economy because they can boost sales and profits for manufacturers and producers that build strong markets overseas.[6] Importing means when a country buys goods or services that were made in another country. Exporting is when goods or services are produced in one country and then sold to consumers in another.[7]

Tariffs are not new. Throughout history, they have played a key role in shaping global economic relations. Understanding the origins and evolution of tariffs allows to better analyze their impact today, and will make it easier to come up with ideas and solutions to defuse the negative effects that come within their application.

Topic Background

History of Tariffs

Tariffs as a concept, have been around for at least 5,000 years. The history of tariffs begins within the Bronze Age, around the third to second millennium BCE, in records from Old Assyrian trading colonies. The Assyrians were the first to create markets out of cities, each of which was called "karum". At this time, gold and silver were the main standards of trade.[8] These colonies supported long-distance trade between Assur, the Assyrian capital, and settlements in Anatolia, a peninsula in West Asia. Records show that local rulers charged

1 Scott Nevil, "What Is a Tariff and Why Are They Important?," Investopedia, last modified May 27, 2025, https://www.investopedia.com/terms/t/tariff.asp.
2 Nevil, "What Is a Tariff and Why Are They Important?"
3 Anshu Siripurapu and Noah Berman, "What Are Tariffs?," Council on Foreign Relations, last modified April 1, 2025, https://www.cfr.org/backgrounder/what-are-tariffs.
4 Siripurapu and Berman, "What Are Tariffs?"
5 Nevil, "What Is a Tariff and Why Are They Important?"
6 "What are imports and exports?," Capital.com, accessed July 23, 2025, https://capital.com/en-int/learn/glossary/imports-exports-definition.
7 Capital.com, "What are imports and exports?"
8 "(IX) Assyrian trade colonies (1950-1750 BC)," Ebruli, accessed August 9, 2025, https://www.ebruliturizm.com/anatolian-civilizations/assyrian-trade-colonies-1950-1750-bc/.

taxes on caravans trading metals and textiles. Even with these extra costs, Assyrian merchants still made profits and treated the taxes as a normal part of doing business.[9]

Another important example of organized trade regulation is the Hanseatic League. It was created in the late 12th and early 13th centuries by German towns and merchant communities to protect their shared trading interests. The league began as groups of traders and trading towns that came together for mutual benefit. These groups were active in two main regions. In the east, German merchants gained a monopoly over Baltic trade. In the west, Rhineland merchants, especially those from Cologne, were active in the Low Countries and in England. Through this alliance, German merchants controlled key trade routes from the North Sea to the Baltic and set common rules for commerce, functioning much like an early customs union.[10]

Ancient Greece and ancient Rome also provide early examples of tariffs. At that time, tariffs were not only regulatory, but also a fixed fee that had to be paid before any foreign goods entered the markets. These payments set the stage for today's trade systems, which regulate commerce and help maintain the wealth of ruling families. Tariff revenues often provided a steady source of income to support the government or to strengthen the wealth and influence of the elite.[11]

As an example of this time, Athens in Greece had a 2 percent tax at the port of Piraeus on essential goods such as grain which helped to fund the city's needs. Likewise, the Roman Empire implemented tariffs among its internal tradings. Within Rome's provinces, they had tariffs around 1 to 5 percent for luxury goods that came from Asia. Any other goods that came from external regions, other than Asia, faced a much higher tariff rate, often between 12 and 25 percent. This made silk and spices exorbitantly expensive for the average Roman.[12]

During the late medieval and early modern period in Europe, around the 15th and 16th centuries, tariffs began to change. They were used to protect new industries. Monarchs required these payments to help local artisans compete with foreign sellers. This practice created a legacy of economic nationalism. For example, in medieval England, kings placed tariffs on imported fabrics. They focused on wool and fine cloth from Flanders, to protect local wool production.[13]

Between the 16th and 18th centuries, European powers adopted the idea of mercantilism. This philosophy aimed to build wealthy and powerful states.[14] Mercantilism is an economic system focused on a state increasing its wealth by exporting more goods than it imports, often through policies like high tariffs on imports and subsidies for exports. Following this idea, European leaders worked to increase exports, which brought more gold in, while limiting imports, which cost gold.[15]

England provides a clear example of how mercantilist ideas worked in early Europe. Under the Tudor monarchs, and later advisors like Robert Walpole, England imposed heavy tariffs on foreign goods. Around the year 1720, these tariffs on imported goods averaged between 45-55 percent.[16] This rate was very high at the time and would be considered extremely high by today's standards.

The industrial revolution changed the way people lived and how businesses operated.[17] It happened during the 18th and 19th centuries. During this time, machines, factories, and new inventions spread across the world.[18] This period was

9 Carter Hoffman, "History of tariffs: From ancient times to the modern day," Trade Treasury Payments, last modified June 2, 2025, https://tradetreasurypayments.com/posts/history-of-tariffs-from-ancient-times-to-the-modern-day.
10 "Hanseatic League," Britannica, accessed August 9, 2025, https://www.britannica.com/topic/Hanseatic-League.
11 Shapiro, "History of Tariffs".
12 Hoffman, "History of tariffs: From ancient times to the modern day."
13 Shapiro, "History of Tariffs".
14 Laura LaHaye, "Mercantilism," Econlib, accessed June 15, 2025, https://www.econlib.org/library/Enc/Mercantilism.html.
15 Hoffman, "History of tariffs: From ancient times to the modern day."
16 Hoffman, "History of tariffs: From ancient times to the modern day."
17 James Chen, "Industrial Revolution: Definition, History, Pros, and Cons," Investopedia, last modified May 31, 2025, https://www.investopedia.com/terms/i/industrial-revolution.asp.
18 Chen, "Industrial Revolution: Definition, History, Pros, and Cons."

one of the first signs of economic transformation.[19] Farmers produced more food, which led to a growing population.[20] The Industrial Revolution also affected the use of tariffs. Governments used them to protect new industries from cheaper imports. This caused a conflict between two ideas: protectionism and free trade.[21]

The late 18th and 19th centuries came with intense discussions and diverse ideas over the tariffs policies which were very diverse across countries. Within the early years of the United States, at first tariffs were considered a crucial income for this new and emerging federal government. To support this idea, in the year 1789, the US's first congress issued a Tariff Act with the sole purpose of establishing tariffs only as means of income.[22]

In the early 1800s, the US kept their tariffs relatively low. This helped Southern states, which relied on exporting cotton and importing manufactured goods. But soon after, the need to protect emerging industries took over. By 1828, northern manufacturers faced a steep tariff increase.[23] Throughout this time the US maintained tariff rates of about 33 percent on manufacturing imports. This period of high tariffs in the US is associated with quick economic growth.[24]

In the 20th century, tariffs became very important during the Great Depression. The Great Depression started in August 1929, after the economic growth ended. There was a stock market crash and many banks failed. Other countries also faced financial crises. During this time, many countries raised tariffs to protect their local economies.[25] However these efforts often backfired. Higher tariffs hurt international trade and made the global economic crisis worse. [26]

In 1947, the United Nations created the General Agreement on Tariffs and Trade (GATT).

This was after the Final Act at the end of the Second Session of the Preparatory Committee of the United Nations Conference on Trade and Employment.[27] The agreement started before the World Trade Organization began.[28] GATT was an important moment in the history of tariffs. It brought countries together to lower trade barriers, and aimed to encourage trade between states.[29]

The GATT started at the Bretton Woods Conference in 1944. At that meeting, they created the International Monetary Fund (IMF) and the World Bank. These systems were made to help build a more stable financial system after the war. During the conference, delegates also suggested a third group called the International Trade Organization (ITO). Its rules were signed in Havana in 1948. But it never started operating because the United States Senate did not approve it. So, the ITO never came into existence. While people talked about creating the ITO, they also held meetings to agree on reducing tariffs between countries. All these talks ended with the signing of the GATT on November 30, 1947. Even though the ITO failed, the GATT continued. It did not have a strong organization at first because people thought it would become part of the ITO. The GATT worked without an official institution and kept going with international negotiations.[30]

19 "Industrialization, Labor and Life," National Geographic, accessed August 10, 2025, https://education.nationalgeographic.org/resource/industrialization-labor-and-life/.
20 National Geographic, "Industrialization, Labor and Life."
21 Shapiro, "History of Tariffs".
22 Hoffman, "History of tariffs: From ancient times to the modern day."
23 Hoffman, "History of tariffs: From ancient times to the modern day."
24 Yeo Joon Yoon, "Tariffs and industrialization in late nineteenth century America: the role of scale economies," *European Review of Economic History* 25, no. 1 (February 2021): 137–159, https://doi.org/10.1093/erehj/heaa001.
25 Gary Richardson, "The Great Depression," Federal Reserve History, last modified November 22, 2013, https://www.federalreservehistory.org/essays/great-depression.
26 Shapiro, "History of Tariffs".
27 "General Agreement on Tariffs and Trade (GATT)," World Trade Organization, accessed June 17, 2025, https://www.wto.org/english/docs_e/legal_e/gatt47_e.htm.
28 World Trade Organization, "General Agreement on Tariffs and Trade (GATT)."
29 Shapiro, "History of Tariffs".
30 Georgetown Law Library, "International Trade Law Research Guide."

The last of these negotiations, the Uruguay Round, was the most important. It ended with the Marrakesh agreement which created the World Trade Organization (WTO). The WTO incorporated the rules of GATT and added a permanent system to manage and support global trade.[31]

Today, tariffs are often in the news about global trade. These tariffs aim to address trade disputes, including issues with intellectual property. At the same time, trade conflicts between the European Union and the US show how complex modern trade is.[32] These conflicts affect global supply chains and change trade patterns and diplomatic relations.

Causes of Rising Protectionism and Tariffs

Most of the countries in the world impose tariffs. Strong and stable economies usually keep their tariffs low. Countries with growing economies often set higher tariffs.[33] The United States, with its large economy, usually kept tariffs low in the past. Low rates make trade easier and help businesses that depend on goods from different places.[34] For example, in technology and manufacturing, rates stay moderate to help firms compete.[35]

Some tariffs are used as a response to other countries' actions. One example is the US' use of countervailing duties. These are extra tariffs placed when another country gives money to its own industries. The goal is to cancel out the price advantage from those funds.[36] Without these duties, US companies would struggle to compete with cheaper foreign goods.[37] Under WTO rules, these duties are allowed and are also called anti-subsidy duties.[38]

Looking back at the history of tariffs shows a clear pattern. Major changes in free trade and protectionist policies often happened during times of tension and uncertainty. After World War I European economies were devastated. Many governments raised tariffs to protect local industries and reduce imports.[39]

Tariffs were also very important outside of Europe. Up until the early 20th century tariffs were the main source of federal government revenue. After World War II, the United States joined the GATT with 22 other countries. These included Brazil, Chile, Canada, Belgium, Norway, and the UK. By joining, they began lowering their tariff rates to promote international trade.[40]

Low tariff rates continued until 2018. In Donald Trump's first administration, the United States raised tariffs on many products in 2018. Rates were especially large for goods imported from China. This marked the state of what is known as a trade war.[41] According to Richard Partington, the Guardian's senior economics correspondent, he wanted to reduce the trade gap between China and the United States. China bought far fewer products from the US than the US bought from China. In 2019, this gap was about USD 419.5 billion.[42]

Even though India's prime minister, Narendra Modi, supports globalization and free trade, India

31 Georgetown Law Library, "International Trade Law Research Guide."
32 Shapiro, "History of Tariffs".
33 Andrew Chatzky and Anshu Siripurapu, "The Truth About Tariffs," Washington International Trade Organization, last modified August 10, 2021, https://www.wita.org/blogs/the-truth-about-tariffs/.
34 Enrique Martínez García and Michael Sposi, "U.S. tariff outcomes dependent on trading partner responses," Federal Reserve Bank of Dallas, last modified May 13, 2025, https://www.dallasfed.org/research/economics/2025/0513.
35 Martínez García and Sposi, "U.S. tariff outcomes dependent on trading partner responses."
36 "What are countervailing duties?," Curtis, accessed August 9, 2025, https://www.curtis.com/glossary/international-trade/countervailing-duty.
37 Chatzky and Siripurapu, "The Truth About Tariffs."
38 European Commision, "Countervailing duties," accessed June 19, 2025, https://trade.ec.europa.eu/access-to-markets/en/glossary/countervailing-duties.
39 "World War I: The Shift in Global Trade Policies," USA History Timeline, accessed July 7, 2025, https://www.usahistorytimeline.com/pages/world-war-i-the-shift-in-global-trade-policies.php.
40 Elijah Asdourian and David Wessel, "What are tariffs, and why are they rising?," last modified February 11, 2025, https://www.brookings.edu/articles/what-are-tariffs-and-why-are-they-rising/.
41 Asdourian and Wessel, "What are tariffs, and why are they rising?"
42 Richard Partington, "Why is Trump imposing tariffs on China and how could it affect global economy?," *The Guardian*, last modified August 2, 2019, https://www.theguardian.com/business/2019/aug/02/why-is-trump-imposing-tariffs-on-china-and-how-could-it-affect-global-economy.

acted more protectionist. He criticized Trump for raising tariffs on other states.[43] In India's 2018-2019 budget, import tariffs were increased. The government said this was done to protect domestic industries and create more jobs. This was the moment when India made a clear shift from being an liberal inclined country to an active protectionist country. Tariffs from 15-20 percent were implemented to a wide variety of goods. Everything from auto parts and sunglasses to toiletries and toys faced increases as high as 50 percent. [44] It was clear that some of the targeted items such as textiles and footwear, are part of the sector where India is a global exporter.

Trump showing a chart with reciprocal tariffs (Credit: The White House)

Often regarding goods with military use, tariffs can help guarantee that a country is not dependent on trading for supply of critical products. In fact, in the 232 section of the Trade Expansion Act of 1962, presidents are allowed to increase tariffs on determined goods when it is for national security reasons. In an effort to stop China's massive steel production, Donald Trump increased the tariffs for steel and aluminum imports that came from China, as well as from its allies like Canada and the European Union. This led to accusations that national security was being used as an excuse for protectionism. Later, thanks to the US-Mexico-Canada Agreement, these tariffs were dropped for Canada and Mexico.[45]

Alexander Hamilton, the first US treasury secretary, once said that tariffs were "necessary at least temporarily to help 'infant industries' in the United States."[46] The infant industries theory explains that new industries need protection from foreign competition while they grow. They need time to become stable and compete on their own.[47] This argument has been used in the US and has gained credibility again. Other countries have also started using similar ideas.[48]

Consequences of Protectionism and Tariffs

The WTO defines protectionism as a policy "that raises the cost of imported goods or otherwise restricts their entry into a market and thus strengthens the competitive position of domestic goods."[49] Governments usually use these policies for safety reasons.[50] For example, Britain used the Corn Laws to protect farmers by

43 Swaminathan S. Anklesaria Aiyar, "India's New Protectionism Threatens Gains from Economic Reform," last modified October 18, 2018, https://www.cato.org/policy-analysis/indias-new-protectionism-threatens-gains-economic-reform.
44 Aiyar, "India's New Protectionism Threatens Gains from Economic Reform."
45 Chatzky and Siripurapu, "The Truth About Tariffs."
46 Chatzky and Siripurapu, "The Truth About Tariffs."
47 "Infant Industry Argument," Corporate Finance Institute, accessed July 7, 2025, https://www.corporatefinanceinstitute.com/resources/economics/infant-industry-argument/.
48 Chatzky and Siripurapu, "The Truth About Tariffs."
49 "PROTECTION", World Trade Organization Glossary, accessed June 5, 2025, https://tao.wto.org/site/glossary/en/PROTECTION.htm.
50 Investopedia, "Protectionism: Examples and Types of Trade Protections."

keeping the price of grain high.[51] Protectionist policies usually focus on imported goods. But they can also affect other parts of trade, like produce rules or government support.[52] One example of government support is a subsidy. This is a benefit given to a person, business, or organization to help reduce costs and serve the public interest.[53]

The value of protectionist policies is debated. Some argue that in the long run, these policies can hurt the people and businesses they are meant to help. They can slow economic growth and raise prices, making free trade a better choice.[54] For example, the US steel industry faced higher prices and less competitiveness in the 2000s due to tariffs. Manufacturers that used steel had higher costs. This led to higher prices for consumers and slower overall economic growth.[55]

Supporters of protectionism argue that these policies can create jobs, increase GDP, and make a country more competitive.[56] For example, South Korea protected its car industry with tariffs. This made domestic manufacturers like Hyundai globally competitive. In doing so this created millions of jobs, and boosted South Korea's GDP.[57]

The WTO has ten main goals. These include lowering living costs and raising living standards. The WTO also wants to reduce trade problems and help countries grow. Other goals include creating jobs, making international business cheaper, and encouraging fair rules. When we talk about tariffs and protectionism, the most important goal is lowering living costs and raising living standards.[58] The WTO notes that the "prices we pay for our food and clothing, our necessities and luxuries, and everything else in between, are affected by trade policies."[59]

In the long term, protectionism can cause more problems. It often reduces the drive for companies to work efficiently. It can also slow innovation, which means fewer new ideas. But when a company is "protected" it may not try to improve productivity. It also may not try to lower costs or invest in new technology. Over time, protectionism slows growth and makes industries less competitive. Protected industries can also become complacent. They may rely too much on government support instead of trying to compete. This problem is especially clear in companies that have had trade protections for decades.[60]

For example, in places with growing markets, such as Brazil, Indonesia, Vietnam, and Nigeria, farms are often protected by leaders. They receive financial help and face limits on imports. Because of this support, many farms have become less productive. Instead of improving, they often do not grow. Facing other companies pushes businesses to improve and try new ideas. They work to be more efficient and offer better products at lower prices. This kind of competition benefits everyone who buys these goods.[61]

A recent example of possible trade wars, is the case of the US-China trade war. This commercial conflict was first initiated by the US when Donald Trump, during his first time in office, decided to implement specific tariffs to goods that came from China. As a direct response, China also implemented countermeasures materialized in more tariffs. During this time Organisation for Economic Co-operation and Development (OECD) stated that the rise of this

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51 National Archives, "The Corn Laws."
52 Investopedia, "Protectionism: Examples and Types of Trade Protections."
53 "Subsidy,"Investopedia, s.v., accessed June 28, 2025, https://www.investopedia.com/terms/s/subsidy.asp.
54 Investopedia, "Protectionism: Examples and Types of Trade Protections."
55 Douglas Holtz-Eakin, "Tariff Dynamics," American Forum Action, last modified July 23, 2025, https://www.americanactionforum.org/daily-dish/tariff-dynamics/.
56 Investopedia, "Protectionism: Examples and Types of Trade Protections."
57 Hans Greimel, "Hyundai Motor praises South Korea tariff deal as 'historic achievement'," *Automotive News*, last modified July 31, 2025, https://www.autonews.com/hyundai/an-hyundai-kia-genesis-trump-tariffs-south-korea-0731/.
58 "10 Things the WTO Can Do," World Trade Organization, accessed June 28, 2025, https://www.wto.org/english/thewto_e/whatis_e/10thi_e/10thi00_e.htm.
59 "1 The WTO can ... cut living costs and raise living standards", World Trade Organization, accessed June 5, 2025, https://www.wto.org/english/thewto_e/whatis_e/10thi_e/10thi01_e.htm.
60 "Effects of Trade Protectionism on the Global Economy," Focus Economics, accessed June 28, 2025, https://www.focus-economics.com/blog/effects-of-trade-protectionism-on-.
61 Focus Economics, "Effects of Trade Protectionism."

trade war, between the US and China, would likely knock as much as 0.7 percent off the level of global GDP by 2021-22.[62]

All these responses and countermeasures culminated in negative effects on the global supply chains, and in the economic growth. Conflicts, or trade wars such as this one, that involves two of the most powerful countries in the world, China and the US, can disrupt markets, increase uncertainty for business and commerce and general, as well as slowing economic expansion.[63] Overall, while tariffs and protectionism can get to a point where they are beneficial in the short term, maintaining them for too long can cause negative effects in the countries economies, raise prices, and damage global relations.

Trade Barriers in International Trading

Barriers in international trade are limits set by governments on the flow of goods or services.[64] Sometimes these barriers are easy to see, but most of the time they are hidden. Hidden trade barriers can be financial tools that set specific price levels which must be reached before they take effect.[65] However, there are different types of barriers to international trade. The most direct barrier to trade is an embargo. This refers to a blockade that limits a foreign country's ability to export or import. While this is the most effective and they still exist, embargoes are actually very difficult to implement and are not as common, they are rarely used, except for war situations.[66] The limitations that these countries face include the need for a license to have a commercial relationship with American companies.[67]

Some countries that are currently facing an embargo from the US include: Cuba, Iran, North Korea, and Syria.

Some economic reasons for trade protection include keeping jobs and helping businesses grow. Countries with many factories often face pressure to protect export markets and limit imports. Trade protection can also be a political strategy. It responds to voters' demands. It keeps production in key areas like steel, computer chips, and energy. Barriers can also give governments more power in talks. For example, Trump used tariffs to gain deals in trade talks with Mexico and Canada. He also used them to control illegal smuggling.[68]

In response to the consequences of protectionism, the WTO was created to help countries work together and reduce conflicts from too many trade barriers. The WTO provides rules for international trade. It aims to reduce unfair trade practices and encourage members to lower tariffs. The WTO also gives countries a way to solve disputes through talks and legal processes. One of the WTO's biggest achievements is the creation of multilateral agreements. These agreements helped reduce trade barriers. They made it easier for goods and services to move across borders by lowering trade restrictions.[69]

An important agreement adopted by the WTO is the Agreement on Agriculture (AoA). The AoA began in 1995 and is still in effect today. The goal of the AoA is to improve global agricultural trade. It does this by reducing subsidies and barriers in the agricultural sector.[70] Today, the AoA sets rules for long-term changes in farming trade and local

62 Richard Partington, "Trump's China trade war risks damaging US economy, says OECD," *The Guardian*, last modified May 21, 2019, https://www.theguardian.com/business/2019/may/21/trump-china-trade-war-us-economy-oecd-tariff.
63 Focus Economics, "Effects of Trade Protectionism."
64 "Barriers to Trade," Econlib, accessed June 5, 2025, https://www.econlib.org/library/Topics/College/barrierstotrade.html.
65 "Discrete Barrier Options: Adapting to Market Movements," Faster Capital, last modified April 2, 2025, https://fastercapital.com/content/Discrete-Barrier-Options--Adapting-to-Market-Movements.html#Introduction-to-Discrete-Barrier-Options.
66 Econlib, "Barriers to Trade."
67 Oregon State University, "Embargoed and Sanctioned Countries."
68 John Zadeh, "Tariffs and Protectionism: Reshaping Global Trade Dynamics in 2025," Discovery Alert, last modified August 5, 2025, https://discoveryalert.com.au/news/tariffs-global-trade-function-2025.
69 Thompson, "Trade Barriers in International Trade: Tariffs and More."
70 "Agreement on Agriculture: Meaning, Objectives, Pillars, and Benefits," Testbook, accessed June 28, 2025, https://testbook.com/ugc-net-commerce/agreement-on-agriculture.

policies. The goal is to make trade fairer and the sector less distorted.[71] The agreement covers limits on trade, subsidies, and programs that support farming. It also covers export subsidies and other government help for goods sold to other countries.[72] The three main parts of this agreement are domestic support, market access, and export subsidies. It also covers non-trade issues, such as food security and protecting the environment. At the same time the AoA gives special treatment to countries with growing economies.[73] This recognition helps keep the agreement up to date.

The key for governments and businesses is to find the right balance. They need to support local traders but also promote free trade.[74] For businesses, it is important to know if tariff changes are permanent or just part of a negotiation. Understanding this helps investors and advisors make better decisions. It makes dealing with tariffs easier and smarter, even if they seem like a barrier to international trade.[75]

CURRENT STATUS

Case Study: United States, Canada, and Mexico

In recent months, the world has seen major political changes that shaped the North American diplomatic landscape. In January 2025, Donald Trump was sworn in as the 47th president of the United States. This marks his second time in office.[76] Mexico also experienced a historic change a few months earlier. In October 2024, the country elected Claudia Sheinbaum. Her victory made history, as she became the first female president of Mexico.[77]

These political changes have put more focus on national identity and local interests. In the US, this is already affecting trade relations. It is putting pressure on the United States-Mexico-Canada Agreement (USMCA), the free trade deal between the three countries.[78] In recent years, the US has pressured Mexico to control its northern border. Before returning to office, Donald Trump often said Mexico was "not doing enough" to stop undocumented migrants from crossing into the US.[79]

Migrant crossings at the southern border rose sharply during the Biden administration. Since January 2021, there have been more than ten million encounters, with about eight million at the southwest border By comparison, under Trump from 2017 to 2021 there were only 2.4 million encounters at this same border.[80] This sharp rise led Trump, in his current term, to place renewed and stronger pressure on Mexico to tighten border security.

On the first day Donald Trump took back office, he promised to impose tariffs on Mexican and Canadian exports. He did this aiming for the goal of forcing both countries to strengthen control over their borders against the flow of

71 "Agriculture," World Trade Organization, accessed August 9, 2025, https://www.wto.org/english/tratop_e/agric_e/agric_e.htm.
72 World Trade Organization, "Agriculture."
73 Testbook, "Agreement on Agriculture."
74 "Tariffs: Weighing the Pros and Cons of Trade Barriers," Southern Springs Capital Group, last modified March 20, 2025, https://www.raymondjames.com/southernspringscapitalgroup/resources/southern-springs-blogs/2025/03/20/tariffs-weighing-the-pros-and-cons-of-trade-barriers.
75 Southern Springs Capital Group, "Tariffs: Weighing the Pros and Cons of Trade Barriers,"
76 BBC Newsround, "EU and Mexico Criticise Donald Trump's Proposed 30% Tariff," *BBC*, January 20, 2025, https://www.bbc.co.uk/newsround/articles/ce3nq0rexqeo.
77 "Claudia Sheinbaum, primera presidenta de México," CLACSO, accessed July 20, 2025, https://www.clacso.org/en/claudia-sheinbaum-primera-presidenta-de-mexico/.
78 Jaelyn Campbell, "Trump Advocates for Renegotiation of USMCA Trade Agreement amid National Security Concerns," CBT News, May 19, 2025, https://www.cbtnews.com/trump-advocates-for-renegotiation-of-usmca-trade-agreement-amid-national-security-concerns/.
79 Lucy Gilder, "How many migrants have crossed the US border illegally?," *BBC News*, September 29, 2024, https://www.bbc.com/news/articles/c0jp4xqx2z3o.
80 Gilder, "How many migrants have crossed the US border illegally?"

undocumented migrants and drugs. Tension grew between the US, Mexico, and Canada in February 2025. President Trump ordered a 25 percent tariff on all Mexican exports to the US. He also put a similar tariff on Canadian products. Canadian energy was taxed at 10 percent instead of 25.[81]

This order alarmed Mexico due to their dependence on trade with the US as one of its largest good exporters.[82] In 2024, Mexico was the United States' top trading partner, sending a variety of products, from cars to avocados.[83] That year Mexican exports to the US totaled over 500 billion dollars, equal to about 28 percent of Mexico's GDP.[84] This made the new tariffs a serious threat to Mexico's economy.

A key part of this emerging trade war is understanding the effects of these tariffs under the USMCA, which is important for companies that operate across borders.[85] The United States, Mexico, and Canada signed this free trade agreement to update the North American Free Trade Agreement (NAFTA).[86] NAFTA created a free trade zone in North America and was signed in

Donald Trump and Justin Trudeau (Credit: Office of U.S. President Donald Trump)

1992 by the three countries.[87] The USMCA started on July 1, 2020 with the goal of creating a more balanced trading environment and supporting growth in the North American economy.[88]

All three North American countries in USMCA, Mexico, the United States, and Canada, have an important trading relationship. They trade around USD 1.3 trillion each year.[89] This free trade agreement benefits all three countries. These benefits are seen in the work of North American workers, farmers, ranchers, and businesses. It also helps small and medium businesses grow. It makes it easier for them to trade internationally and become global companies.[90]

The USMCA states that "all products that have zero tariffs under NAFTA will remain at zero under

81 Paulina Villegas, "¿Por qué Trump le va a imponer aranceles a México?," The New York Times, last modified February 1, 2025, https://www.nytimes.com/es/2025/02/01/espanol/estados-unidos/trump-aranceles-mexico.html.
82 "Threat and Uncertainty of US Tariffs Both Pose Risks to Mexico,", Fitch Ratings, last modified February 10, 2025, https://www.fitchratings.com/research/sovereigns/threat-uncertainty-of-us-tariffs-both-pose-risks-to-mexico-10-02-2025.
83 Paulina Villegas, "¿Por qué Trump le va a imponer aranceles a México?."
84 Fitch Ratings, "Threat and Uncertainty of US Tariffs Both Pose Risks to Mexico,"
85 Mark R. Ludwikowski and Kelsey Christensen, "What do Trump tariffs mean for the United States-Mexico-Canada agreement?," Reuters, last modified May 22, 2025, https://www.reuters.com/legal/legalindustry/what-do-trump-tariffs-mean-united-states-mexico-canada-agreement-2025-05-22/.
86 "United States-Mexico-Canada Agreement," International Trade Administration, accessed July 20, 2025, https://www.trade.gov/usmca
87 "North American Free Trade Agreement," U.S. Customs and Border Control, accessed July 20, 2025, https://www.cbp.gov/trade/north-american-free-trade-agreement.
88 International Trade Administration, "United States-Mexico-Canada Agreement."
89 "USMCA Small Business Export Resources," International Trade Administration, accessed July 20, 2025, https://www.trade.gov/usmca-small-business-export-resources.
90 International Trade Administration, "USMCA Small Business Export Resources."

USMCA."[91] This phrase refers to all goods that are in some form related to agricultural products. Some examples of the products include corn, fruits and meat; automobiles and auto parts; electronics and technology; textiles and apparel; and energy products, such as oil and gas.[92]

Before considering the years when the USMCA worked well, Trump's tariffs on goods from Mexico and Canada raise serious questions. These actions may not follow USMCA guidelines. The Peterson Institute for International Economics highlighted several possible negative outcomes. One risk is that the US could leave the USMCA and impose a full 25 percent tariff on Mexico and Canada if talks on immigration and drugs fail. If this happens, the US-Mexico trade deficit, which recently exceeded USD 150 billion a year, could grow even more. For Canada, a similar result could occur. The US-Canada trade deficit would be around USD 60 billion.[93]

This tariff dispute is a turning point for North American trade. It could hurt the stability and goals of the USMCA. The conflict threatens billions of dollars in trade and the overall cooperation between the United States, Mexico, and Canada.[94]

The Expected Rise of Protectionism for 2025

Rising tensions between the US and China are causing countries to use defensive trade measures. At the same time, the shift to a green economy is creating new industries, such as clean energy, semiconductors, and defense. These new industries lead countries to protect strategic sectors with tariffs or subsidies.[95]

In 2024, global trade reached a record USD 33 trillion, growing 3.7 percent from 2023.[96] Most of this growth came from developing economies and trade in services, which includes banking, tourism, software, and consulting. The trends of friendshoring and nearshoring, or moving production to allied or nearby countries, reversed in 2024. Companies are now spreading their trade across multiple regions to reduce risks, which creates both new opportunities and more complexity.[97]

In relation to this last risk, there has also been growing trade imbalances. Global trade imbalances returned to 2022 levels in 2024. While the US trade deficit grew, China's surplus expanded and the European Union moved into surplus. Taking into account the main usage of tariffs, which is to protect a country's local economy, all of these imbalances could lead to new tariffs, restrictions, or changes in investment.[98]

Protectionism is growing because big countries compete more. Some industries, like semiconductors, green energy, and key minerals, are seen as national security. Countries use rules to protect these industries. These include export limits, tech controls, and government help. These rules change trade and split global supply chains into smaller regions. This makes it harder for big companies to do business. The focus is often on President Trump's use of tariffs in US trade policy, but tensions extend beyond the United States. In recent years, there has also been growing friction between China and several other countries.[99] This is caused due to a series of economic and strategic factors that are reshaping global trade dynamics.

One of these factors is China's increase in production. For example, China produces more than one third of all plastic in the world. Materials like polymer and polypropylene (PP) have steadily increased. In 2014, China made

91 International Trade Administration, "United States-Mexico-Canada Agreement."
92 International Trade Administration, "United States-Mexico-Canada Agreement."
93 Julieta Contreras, Gary Clyde Hufbauer, Jeffrey J. Schott, and Ye Zhang, "The future of the USMCA," Peterson Institute for International Economics, last modified April 25, 2025, https://www.piie.com/microsites/2025/future-usmca.
94 Contreras, Hufbauer, Schott, and Zhang, "The future of the USMCA."
95 Perozo, "Protectionism likely to continue rising in 2025."
96 "Global trade in 2025: Resilience under pressure," United Nations Trade and Development, last modified March 14, 2025, https://unctad.org/news/global-trade-2025-resilience-under-pressure.
97 United Nations Trade and Development, "Global trade in 2025: Resilience under pressure."
98 United Nations Trade and Development, "Global trade in 2025: Resilience under pressure."
99 Richardson, "Two connected words of the year for 2025: "Protectionism" and "China"."

26 percent of global production, and by 2021 this had risen to 32 percent, with projections to reach 45 percent by 2025.[100] This rapid growth worries producers in other regions, who are looking for ways to protect their market share. Since 2021, China has moved from being an importer to a net exporter. This raises the risk that other big economies may retaliate. By 2025, this could lead to more tariffs, trade limits, and changes in global supply chains.[101]

To handle global trade today, companies need proactive strategies. A key one is improving supply chain visibility. This means using tools like artificial intelligence to get real-time data. With AI, companies can identify delays, predict shortages, and adjust production or shipments quickly. This helps them reduce risks that could affect how they operate or deliver products. In addition to visibility, it is crucial to have diverse supply sources. Relying on a single country or region creates risks if tariffs, trade limits, or political issues happen. Using multiple suppliers helps keep materials flowing, reduces dependence on a single source, and lowers the impact of global trade changes on operations and costs.[102]

The world of business is changing fast. Countries are putting up trade barriers, and trade links are shifting. Old ways of doing business no longer work. Trade is moving from focusing on efficiency to focusing on being strong and ready. Companies that are flexible, try different options, use digital tools, and plan ahead can avoid problems and find new chances.[103]

Sustainable Development Goals (SDGs)

In 2015, all countries in the United Nations agreed on the 2030 Agenda for Sustainable Development. This plan aims to improve life for people and protect the planet.[104] It includes 17 goals, called the Sustainable Development Goals, or SDGs. These goals focus on ending poverty, improving health, reducing inequality, and promoting peace. The SDGs are important because they give countries, businesses, and communities a clear way to work together, track progress, and hold each other accountable.[105]

Trade lowers poverty by raising incomes and creating jobs. It also helps countries produce more efficiently. WTO programs like Aid for Trade support less developed countries. They also give market access to the least-developed states. Rules against harmful barriers help weak economies join global markets. Trade also supports SDG 8 (Decent Work), SDG 10 (Reduced Inequalities), and SDG 12 (Responsible Consumption and Production).[106]

A recent WTO report says trade helps cut poverty and grow economies. It raises incomes and improves productivity. But rising political tensions and protectionism put these gains at risk.[107] Trade is becoming less efficient. Developing countries still struggle to access technology and markets.[108]

The rise of protectionism has put pressure on global progress toward the SDGs. Trade has always been a key tool to reduce poverty. It will stay important in the future. But growing political divides and tariffs can weaken progress. That is why global cooperation is key. The WTO needs reform. Countries must commit to working together. Only then can trade keep reducing poverty and supporting sustainable growth.

100 Textor, "Production of Plastic Products in China by Month," Statista, accessed July 21, 2025, https://www.statista.com/statistics/226239/production-of-plastic-products-in-china-by-month/.
101 Richardson, "Two connected words of the year for 2025: "Protectionism" and "China"."
102 Klint, "5 ways businesses can navigate global trade in today's fragmented geoeconomic landscape."
103 Klint, "5 ways businesses can navigate global trade in today's fragmented geoeconomic landscape."
104 "The 17 Goals," United Nations Department of Economic and Social Affairs Sustainable Development, accessed August 4, 2023, https://sdgs.un.org/goals.
105 United Nations Department of Economic and Social Affairs Sustainable Development, "The 17 Goals."
106 "How the WTO Supports the Sustainable Development Goals," World Trade Organization.
107 "How the WTO Supports the Sustainable Development Goals," World Trade Organization.
108 "Goal 1: End Poverty in All Its Forms Everywhere," United Nations.

BLOC ANALYSIS

Today, global trade is changing fast. Countries are joining groups based on shared economic and trade goals. The 2024 Trade Freedom Index ranks 176 countries from 0 to 100. It looks at average tariffs, government rules, and other trade barriers. High trade freedom helps countries compete, stay strong, innovate, and join global supply chains. As protectionism and regional trade grow, trade freedom shows why some countries do well and others fall behind.[109]

Countries with High Trade Freedom Scores (100-71)

Countries with high trade freedom, like Singapore, Australia, New Zealand, Spain, and the UK, keep open economies. They support free trade. They join regional and global trade deals. These deals lower trade barriers and open access to many markets. They help spread out supply chains and attract foreign investment. High trade freedom also makes countries more competitive, stronger, more innovative, and connected to global trade.[110]

A key way to support open trade is through Free Trade Agreements (FTAs).[111] For example, Australia has FTAs with China, Japan, and ASEAN countries. These deals lower or remove tariffs. They make customs rules simpler and provide legal rules for investment. This makes it easier for exporters, importers, and investors to work across borders. FTAs also help share technology and knowledge. They encourage cooperation between countries, strengthen local industries, and improve global competitiveness.[112]

Countries with Medium Trade Freedom Scores (51-70)

Countries with medium trade freedom, like Morocco, Malawi, Nigeria, the Dominican Republic, and Russia, use a balanced trade approach. They protect important local industries with tariffs, quotas, or rules. At the same time, they stay open to international and regional trade deals. This helps them adjust to global economic changes, support local jobs, and protect key sectors without cutting off from world markets.[113]

These countries face both chances and challenges. They can join global supply chains in farming, manufacturing, and light industry. This brings technology, foreign investment, and new markets. But they also face risks, like regional gaps, income inequality, and changes in global markets. They must balance protecting local industries with staying competitive in the world.

Countries with Low Trade Freedom Scores (50-0)

Countries with low trade freedom, like Zimbabwe, Bhutan, and Venezuela, rely on strict trade barriers. They use high tariffs, tight quotas, and strong rules to protect local industries. These countries focus more on protecting their own markets than joining global trade. While this can protect key sectors, it can also slow economic growth, reduce competitiveness, and limit access to international markets.[114]

For example Venezuela's economy has collapsed, causing shortages of basic goods and a severe humanitarian crisis.[115] The country depends mostly on oil for its economy and exports. Poor management of oil money, little diversity in the economy, and problems with trade left Venezuela

109 The Global Economy, "Trade Freedom Index," accessed July 20, 2025, https://www.theglobaleconomy.com/rankings/herit_trade_freedom/.
110 "Trade Freedom Index," The Global Economy.
111 "Trade Agreements," Australian Department of Foreign Affairs and Trade, accessed July 20, 2025, https://www.dfat.gov.au/trade/agreements/trade-agreements.
112 Australian Department of Foreign Affairs and Trade, "Trade Agreements."
113 The Global Economy, "Trade Freedom Index."
114 The Global Economy, "Trade Freedom Index."
115 Frank Muci, "Why Did Venezuela's Economy Collapse?", Economics Observatory, last modified September 23, 2024, https://www.economicsobservatory.com/why-did-venezuelas-economy-collapse.

very weak. When oil prices dropped in 2014, the country lost most of its income from abroad, keeping its trade freedom score very low.[116]

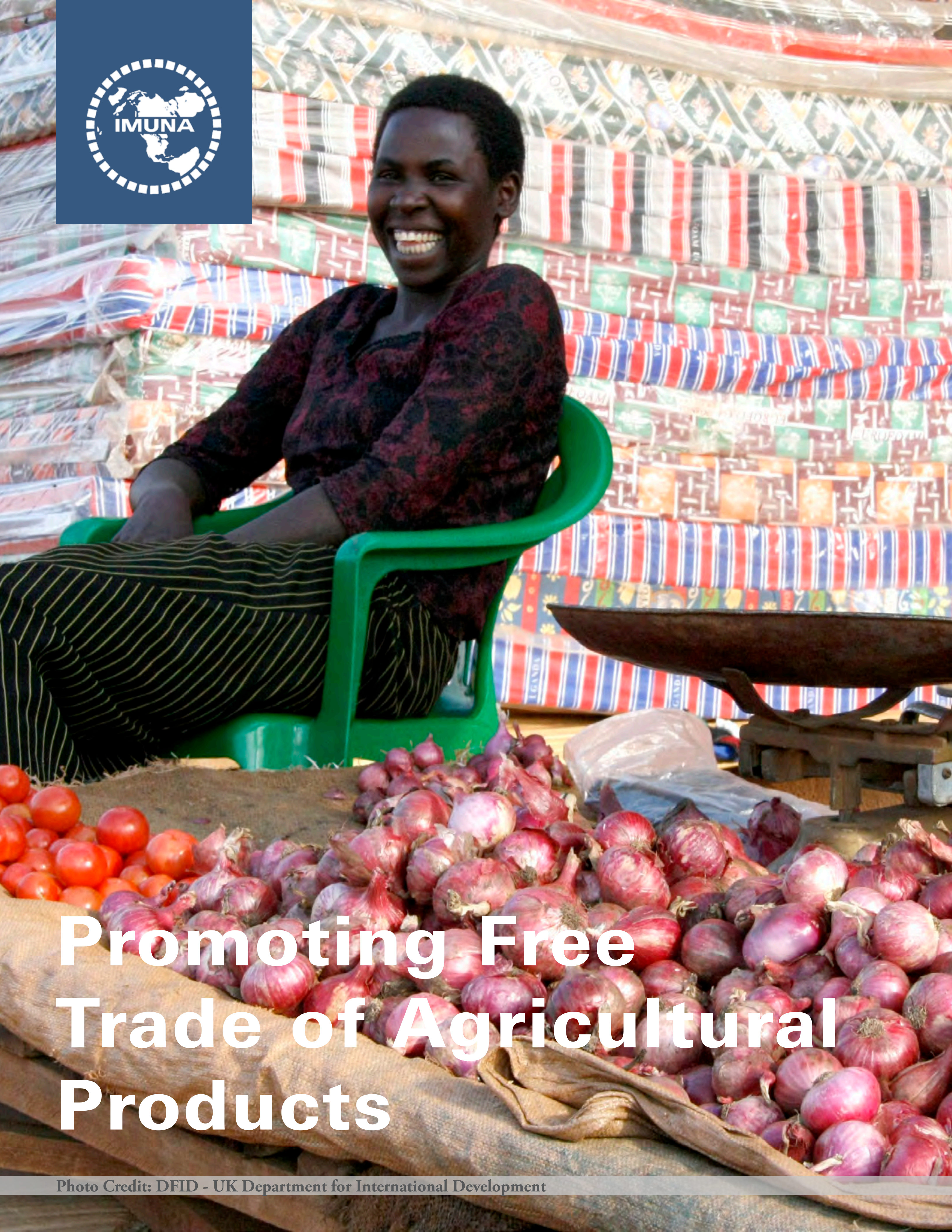
Committee Mission

The World Trade Organization (WTO) is a unique international organization. This organization officially came to life in January 1995, but its trading system dates back to 1948.[117] What precedes the WTO is the General Agreement on Tariffs and Trade (GATT). Before the official constitution of the WTO the GATT provided rules for the trading system all over the world.[118] WTO is the only organization in the world that focuses on dealing and developing global rules of trade.[119] The main objective of the WTO is to help ensure that trade flows as "smoothly, predictably and freely" as possible around the world.[120] The WTO is the place where member governments go to try and sort out the controversies they face with one another regarding trade. The organization was built off negotiations, and naturally everything else that the WTO does, is also a result of negotiations.[121]

The WTO main's function is to aid in trade deals and make sure countries follow international trade rules. It focuses on helping developing countries and those changing to market economies.[122] About three quarters of WTO members are developing countries. Alongside that, there are also member countries within the WTO that are in the process of transition to become market-based economies.[123] These two types of economies play a very important role in the WTO.

The WTO has a policy to help developing and transitioning economies join the global trading system while taking their specific needs and challenges into account. To support this, the WTO Secretariat's Training and Technical Cooperation Institute runs programs that explain how the trading system works. These programs also train government officials and negotiators. They give countries trade and tariff data to help manage their exports and take part in WTO activities. Due to this support, countries can better handle trade rules and participate fully in international commerce.[124]

116 Muci, "Why Did Venezuela's Economy Collapse?"
117 "Understanding the WTO: Basics," World Trade Organization, accessed July 24, 2025. https://www.wto.org/english/thewto_e/whatis_e/tif_e/fact1_e.htm.
118 World Trade Organization, "Understanding the WTO: Basics."
119 "WTO IN BRIEF," World Trade Organization, accessed July 24, 2025, https://www.wto.org/english/thewto_e/whatis_e/inbrief_e/inbr_e.htm.
120 World Trade Organization, "WTO IN BRIEF."
121 World Trade Organization, "Understanding the WTO: Basics.
122 "UNDERSTANDING THE WTO: THE ORGANIZATION," World Trade Organization, accessed July 24, 2025, https://www.wto.org/english/thewto_e/whatis_e/tif_e/org5_e.htm.
123 World Trade Organization, "UNDERSTANDING THE WTO: THE ORGANIZATION."
124 World Trade Organization, "UNDERSTANDING THE WTO: THE ORGANIZATION."



Promoting Free Trade of Agricultural Products

Photo Credit: DFID - UK Department for International Development

Agricultural trade is the exchange of agricultural and food products between countries. It is one of the most important parts of the global economy. It helps feed people, supports farmers, and connects countries through markets. When trade works well, it can help lessen poverty, make food security better, and grow economies. However, agricultural trade is not always fair. Many countries still protect their own farmers by using trade rules, tariffs, or subsidies. This makes it harder for food to move freely across borders. Because of this, promoting free agricultural trade is a key issue for the World Trade Organization (WTO). It affects not only global trade flows but also the livelihoods of millions of farmers and the prices that consumers around the world pay for basic food items.[1]

Free trade in agriculture means lessening or eliminating trade barriers that make it hard for countries to export or import food. These barriers include things like high taxes on imports or tariffs, limits on how much can be sold or quotas, or rules that favor local farmers over foreign ones. While the goal is to make trade open and fair for everyone, the reality is much more complicated. Some countries depend on trade for food, while others want to protect their own farming systems. This creates tensions and makes it harder to improve global trade. These tensions are especially strong when countries with different income levels or climates try to compete in the same international markets.[2]

This issue affects many people around the world. Farmers, business owners, governments, and consumers all play a role in agricultural trade. Developing countries typically face the biggest challenges. They may rely on exports to earn money, but they struggle to compete with large farms in wealthier countries. If these countries cannot sell their products fairly their farmers and economics can suffer. On other hand, wealthy countries provide large subsidies to their farmers, giving them an advantage.[3] This creates an uneven playing field.

The problems with agricultural trade have become worse in the past few decades. After the WTO was created in 1995, countries signed the Agreement on Agriculture (AoA) to make trade rules more equal. But many unfair practices continued.[4] The Doha Development Round, which began in 2001 to fix these problems, has made little progress.[5] Global events like the COVID-19 pandemic and the war in Ukraine have shown how fragile the food trade system can be. These events led to shortages, higher prices, and restrictions on exports, which makes the issue even worse. They also reminded countries of how dependent they are on international food systems and how easily those systems can break down under pressure.[6]

Promoting free agricultural trade is not only about business, but it is about fairness, development, and feeding the world. By working together, WTO members can find better ways to lessen trade barriers, support small farmers, and make sure everyone has access to food.

1 FAO, "Agricultural Trade, Trade Policies and the Global Food System," Food and Agriculture Organization of the United Nations, accessed July 28, 2025, www.fao.org/4/y4252e/y4252e11.htm.
2 FAO, "Agricultural Trade, Trade Policies and the Global Food System."
3 FAO, "Agricultural Trade, Trade Policies and the Global Food System."
4 "Agriculture: Fairer Markets for Farmers," World Trade Organization, accessed July 28, 2025, https://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm3_e.htm.
5 World Trade Organization, "The Doha Round," wto.org, 2015, www.wto.org/english/tratop_e/dda_e/dda_e.htm.
6 FAO, "Agricultural Trade, Trade Policies and the Global Food System."

TOPIC BACKGROUND

Tariffs and Market Access

In the past, tariffs were often used to limit trade and protect certain industries. During colonial times, powerful countries set trade rules that benefited themselves and held back development in colonized regions. Colonies were pushed to supply raw materials but were blocked from building their own industries, which created long-lasting economic dependence. The General Agreement on Tariffs and Trade (GATT) was later created to reduce these barriers and make trade fairer. Before GATT, many countries used high tariffs to make imported goods more expensive, which protected local farmers and industries but also limited consumer choice and slowed global trade.[7]

The Uruguay Round (1986–1994) was a major set of trade negotiations that created the Agreement on Agriculture. Its goal was to make agricultural trade more open by reducing tariffs and non-tariff barriers. For example, countries had to convert hidden trade barriers into clear tariffs, making rules more transparent. Another outcome was a system of binding tariffs, where countries set maximum tariff levels for specific products and could not raise them freely. The Uruguay Round became one of the biggest steps toward global trade liberalization. These measures laid the groundwork for many of today's WTO initiatives to reduce trade barriers.[8]

Tariffs are a tax on imported goods and they make products more expensive in the importing country.[9] This can limit the importing countries' power and their ability to enter foreign markets.[10] To add on, when a country puts tariffs on another country, it can trigger countries putting tariffs on each other back and forth. This can also be known as a trade war.[11] This can reduce the size of the market for agricultural exports, especially for major producers. Tariffs on imported goods like fertilizer, machines, and equipment used for the making of these products can also increase the cost of making goods for farmers.[12]

As a result of restricted market access, trade wars, and increased cost going into making products, farmers have lower demand and too much supply. This requires them to lower the prices on their products to maintain a profit, ultimately lowering their total income. This issue not only affects the farmers themselves, but also market share at a global level. Long trade conflicts can lead to long-term effects as buyers turn to more reliable farmers. This also leads to the food security sector being affected and a lower economic stability.[13]

While tariffs are a well-known barrier to free trade, agricultural trade is also limited by non-tariff barriers (NTBs). NTBs include rules, standards, and policies that affect how goods are traded. For example, Technical Barriers to Trade (TBT) involve product standards, labeling requirements, and testing rules. Other NTBs include quotas (limits on how much can be sold) or licenses that exporters must obtain. These measures make it harder for producers to access foreign markets, raising costs and reducing trade opportunities. NTBs can also slow down supply chains due to inspections, paperwork, and shipment delays. While tariffs mainly increase prices for consumers and can trigger trade wars, NTBs tend to hurt producers

7 Organisation for Economic Co-operation and Development, *The Uruguay Round Agreement on Agriculture: An Evaluation of Its Implementation and Impact*, OECD Publishing, 2001, 13, www.oecd.org/content/dam/oecd/en/publications/reports/2001/04/the-uruguay-round-agreement-on-agriculture_g1gh17c3/9789264192188-en.pdf.
8 OECD, *Uruguay Round Agreement*, 15.
9 Boston Consulting Group, "What Is a Tariff?," https://www.bcg.com/capabilities/international-business/navigating-international-trade/what-is-a-tariff
10 BCG, "What Is a Tariff?"
11 Iowa State University Center for Agricultural and Rural Development (CARD), "The Effects of Tariffs on Agricultural Producers," Policy Brief, accessed June 27, 2025, https://www.card.iastate.edu/products/policy-briefs/display/?n=1294.
12 CARD, "Effects of Tariffs."
13 CARD, "Effects of Tariffs."

more directly by raising export costs and limiting competitiveness.[14]

There have been many talks in the WTO to fix the issue around market access and tariffs. However, one of the most important ones have been the Doha Round modalities. The Doha Round modalities was the plan used to achieve the goals of the Doha Development Agenda for the WTO.[15] The Doha Development Agenda were trade talks that were controlled by the WTO in 2001 to change international trade rules and make positive change in the economy. This was mostly done to help developing countries.[16] The agenda focused on lessening trade barriers, exploring agricultural subsidies, and helping market access for developing countries.

Agricultural subsidies are forms of financial or policy support that governments give to farmers. They can include direct payments, price supports, or other benefits that make farming more affordable. In 2001, the Development Agenda was created to reform trade rules, and in 2008 new proposals introduced limits on how much governments could spend on farm subsidies. These limits were grouped under the Overall Trade-Distorting Support (OTDS), which included three types of subsidies. The first is Amber Box support which includes payments that increase as farmers produce more. These are the most harmful types because they encourage more production. The second type is de minimis support. This is a small amount of aid and does not affect trade much. The third type is Blue Box support which involves payments linked to production and limits overproduction.[17]

These changes affected how easily countries could sell products in global markets, also known as market access. Trade-distorting subsidies lowered world prices, which hurt farmers in developing countries because they could not compete. Reducing subsidies, however, made prices more transparent and fair, improving market access. Limits on subsidies for crops like cotton, dairy, and sugar also stopped wealthy countries from giving too much support to just a few industries. With fewer subsidies, countries had less reason to use high tariffs to protect their farmers.[18] The Doha Round modalities showed that reducing tariffs must go hand in hand with reducing subsidies, so trade barriers fall more evenly. However, the impact depended on how much countries actually followed these rules.

Another challenge is tariff escalation, which means tariffs get higher as a product becomes more processed. For example, raw crops might face low tariffs, but processed foods made from those crops face much higher tariffs. This hurts developing countries because it stops them from exporting value-added goods, which are products that have been improved or processed to be worth more. As a result, these countries are often pushed to export only raw goods instead of building industries that create jobs and diversify their economies. High tariffs on processed agricultural products make it harder for them to grow their markets, raise incomes, and move up in the global economy.[19]

Aside from global efforts, many regions have created South-South Regional Trade Agreements (RTAs) to improve agricultural trade. Three important examples are the ASEAN Free Trade Agreement (AFTA), the Common Market for Eastern and Southern Africa (COMESA), and the Southern Cone Common Market (MERCOSUR).[20] AFTA focused on removing tariffs and barriers among Southeast Asian countries. Member states reduced tariffs to between 0 and 5 percent, and as a result, agricultural trade within the region grew by almost 60 percent. COMESA, by contrast, aimed not only to expand trade and investment in Africa but also to support peace and development. However, it faced difficulties such as customs delays and unreliable

14 Josling, *Agricultural Trade Disputes in the WTO,* 4.
15 Asian Development Bank and CAREC Program, *Unfinished Business: The WTO's Doha Agenda*, CAREC Institute, 2020, 38, https://www.carecprogram.org/uploads/Background-Material-Unfinished-Business-The-WTOs-Doha-Agenda.pdf.
16 CAREC, *Doha Agenda*, 46.
17 CAREC, *Doha Agenda*, 97.
18 CAREC, *Doha Agenda*, 11.
19 Josling, *Agricultural Trade Disputes in the WTO,* 4.
20 OECD, *The Ocean Economy in 2030*, 3.

transport systems, which limited its overall success. In South America, MERCOSUR combined trade goals with political cooperation, seeking to strengthen both economic and political ties among its members.[21]

While these agreements have helped increase trade within their regions, challenges remain. Farmers still face non-tariff barriers, weak infrastructure, and protections on sensitive products like rice and sugar. This shows that cutting tariffs is important, but more must be done to create fairer trade systems and ensure that all producers can benefit.[22]

Improving market access in agricultural trade takes more than lowering tariffs. Non-tariff barriers like regulations and safety standards still limit global trade, especially for developing countries. Reforms such as the Doha Round and agreements like AFTA and MERCOSUR show progress but also highlight the need for stronger cooperation through the WTO. By tackling both tariff and non-tariff barriers, the global community can move toward fairer agricultural trade that benefits farmers, consumers, and economies worldwide.

Trade and Food Security

The link between trade and food security is important. The Food and Agriculture Organization (FAO) says food security exists when everyone, at all times, has physical, social, and economic access to enough safe and nutritious food. Food security depends on four things: availability, access, use, and stability. International trade in farm products affects how much food is available across borders. It also influences prices and shapes farming patterns.[23]

Trade allows countries to have a more diverse food supply. This includes lessening dependence on local production that may be affected by droughts, pests, or natural disasters. Importing food helps countries keep their supplies stable. Furthermore, in times where certain regions may be experiencing shortages, trade helps make food move from surplus regions to scarce regions.[24] This is important during global crises or climate disruptions.

However, agricultural trade can also threaten food security. This often happens when only a few powerful exporters control the market. It can also occur when farmers in developing countries cannot compete with cheap, subsidized imports from other states.[25] Small farms may be pushed out of the market, causing them to lose income.[26] Relying on imports can make countries more vulnerable to problems like price spikes, supply chain issues, or trade limits.[27] Export bans and hoarding policies can also block market access.[28]

Food-exporting countries often use restrictive policies during times of global price increases, but these measures can worsen food insecurity in states that rely heavily on imports. The WTO identifies around 66 countries as net food-importing developing states. Such restrictions can lower the amount of food available in global markets and drive prices up, which makes it harder for many communities and countries to access these goods and benefit from trade.[29]

To make sure trade supports food security, agricultural policies need to be inclusive. This means that trade rules, such as those enforced by the WTO, should not give unfair advantages to wealthier states. Instead, they should ensure that developing countries receive technical assistance and fair access to markets. When paired with investments in local food systems,

21 OECD, "Regional Trade Agreements", 5.
22 OECD, "Regional Trade Agreements", 6.
23 Food and Agriculture Organization of the United Nations, *Food Security Concept Note*, 2009, 1, https://www.fao.org/fileadmin/templates/faoitaly/documents/pdf/pdf_Food_Security_Cocept_Note.pdf.
24 Anderson, "Globalization's Effects on World Agricultural Trade," 3007.
25 Fernando Leibovici, "Trade and Food Security during Global Disruptions," presented at RMET 2024, Federal Reserve Bank of St. Louis and FREIT, 2024, 1, https://www.freit.org/RMET/2024/selected/leibovici.pdf.
26 Christoph Gornott et al., "Agricultural Trade and Food Security," *Environmental Research Letters* 14, no. 12 (2019), 2, https://iopscience.iop.org/article/10.1088/1748-9326/ab4864/pdf.
27 Leibovici, *"Trade and Food Security,"* 2.
28 Katrin Kuhlmann, "The Trade and Food Security Debate," *Critical Questions* (Center for Strategic and International Studies), February 22, 2024, https://www.csis.org/analysis/trade-and-food-security-debate.
29 Katherine Hayhoe and Bryan Walsh, "Climate Crisis Is Driving Food Nationalism and Changing Global Trade," *Time*, July 12, 2022, https://time.com/6195984/climate-change-food-security-trade.

rural development, and climate resilience, agricultural trade can be a tool to strengthen food security.[30]

The WTO plays an important role in balancing trade liberalization with the need to protect food security, particularly in developing regions. While its main goal is to promote fair international trade, the WTO also recognizes that food is a basic human need. For this reason, the WTO has worked to shape trade policies that support both national and global food security, most notably through the Agreement on Agriculture (AoA), established during the Uruguay Round in 1995.[31]

The AoA introduces rules on domestic subsidies, export competition, and market access. Its goal is to reduce unfair trade practices while giving countries flexibility to protect food security. For instance, the AoA allows "Green Box" subsidies that support food production in non-trade-distorting ways. These can include funding for research, food aid, or rural development. They do this by giving money to governments only for infrastructure, innovation, and food security. This allows governments to publicly fund agricultural research such as improving soil quality or innovating sustainable farming techniques.[32]

Agricultural specialist inspects fruit shipments (Credit: DFID)

Moreover, the sanitary and phytosanitary (SPS) agreement is a part of the WTO framework and it affects the free trade of agricultural products. This was brought into effect during the Uruguay round in 1995.[33] The SPS agreement lets countries set their own rules to protect human, animal, and plant life in trade.[34] However, this agreement also makes sure that these standards are not used as trade barriers.[35] This balance helps protect both public health and fair trade. Under the SPS Agreement, rules must be based on science. They have to use this evidence and rules consistently on domestic and important products.[36]

The SPS Agreement can be applied in two main ways. First, it helps ensure that agricultural products traded across borders are safe to consume and that diseases do not spread between countries. This makes it important for long-term food resilience. At the same time, if SPS rules are inconsistent or overly strict, they can limit market access. This is especially difficult for developing countries, which often lack the infrastructure to meet complex safety standards. For example, smaller exporters in Africa

30 World Trade Organization, "Building Trade Capacity," accessed June 27, 2025, in *Trade, Development and Capacity Building*, https://www.wto.org/english/tratop_e/devel_e/build_tr_capa_e.htm.
31 WTO, "Building Trade Capacity."
32 World Trade Organization, "Agreement on Agriculture," *WTO Legal Texts* (accessed June 27, 2025), https://www.wto.org/english/docs_e/legal_e/ag_e.htm.
33 WTO, "Building Trade Capacity."
34 World Trade Organization, *Agreement on the Application of Sanitary and Phytosanitary Measures*, Legal Texts, 1995, https://www.wto.org/english/tratop_e/sps_e/spsagr_e.htm.
35 WTO, *Agreement on the Application of Sanitary and Phytosanitary Measures.*
36 WTO, *Agreement on the Application of Sanitary and Phytosanitary Measures.*

or Asia face challenges meeting European Union SPS standards on pesticide use and packaging because they do not always have the tools to apply pesticides safely and within required limits.[37]

To address these challenges, the WTO encourages technical assistance to help developing countries strengthen laboratories, adopt international standards, and take part in agricultural trade. The SPS Agreement remains essential, since it creates common rules that both protect public health and prevent unjustified restrictions on trade. Still, for agricultural trade to be fair, SPS measures must also account for the needs of countries with fewer resources. Ensuring inclusivity will allow all states, not just the wealthiest, to benefit from safe and accessible agricultural markets.[38]

Moreover, technical barriers to trade (TBT) are rules and standards that countries apply to make sure the quality of their products is good and safe for consumers. This includes rules about labeling, packaging, testing procedures, and certification requirements. These measures are important goals, however they can also act as trade barriers. One example of this is the EU GMO labeling and approval laws. Under these laws, the EU requires any food product obtaining more than 0.9 percent GMO content to be clearly labeled. Before this product can be sold in the EU it needs to go through an extensive approval process. This process has limited approvals and negatively affected US corn and soybean exporters where GMO crops are common. This ultimately creates a lot of costs and delays in trade. Similar to the SPS agreement rules, when TBTs are very strict or not applied well they can restrict market access.[39]

Small-scale farmers and exporters do not have the correct resources of technology to meet the requirements. This prevents them from selling their agricultural goods in foreign markets. It also limits the income opportunity and reduces the food supply chain diversity. TBTs have both benefits and drawbacks in regards to food security. They can improve consumer trust and promote safer and healthier food systems. However, when they are too complex they can disrupt food supply chains. This can, in turn, raise food prices and exclude nutritious food from reaching global markets.[40]

Lastly, export restrictions, like bans or quotas, are often used during crises to protect domestic food supplies and keep prices stable. However, these measures can make global food insecurity worse, as seen during the 2007–2008 food price crisis and the COVID-19 pandemic, when bans on key goods like rice, wheat, and vegetable oil pushed prices higher and limited access for import-dependent countries. These actions created uncertainty in food markets, especially for states already facing drought or conflict.[41]

Currently, WTO rules do not fully restrict export bans, but there are ongoing talks about strengthening them. To ensure food security during emergencies, countries need more cooperation and transparency when using export policies. While agricultural trade can improve access to food and lower prices, poor management can increase inequality and disrupt local food systems. The WTO plays a key role by setting fair rules and encouraging cooperation, with agreements like the AoA, SPS, and TBT supporting more inclusive trade.[42]

Key Stakeholders in Promoting Free Trade of Agricultural Products

Many groups take part in the global trade of farm products. Each group has its own goals and degree of influence. When countries make trade deals through the WTO, it is important to see how these groups help shape the rules for farm trade. Governments, global organizations,

37 WTO, *Agreement on the Application of Sanitary and Phytosanitary Measures*.
38 Australian Government Department of Agriculture, Fisheries and Forestry, "Sanitary and Phytosanitary Measures," accessed June 27, 2025, in *Biosecurity and Trade: Trade and Market Access*, https://www.agriculture.gov.au/biosecurity-trade/market-access-trade/wto/sps
39 WTO, "Building Trade Capacity."
40 Mahesh and Ramesh, "Impact of Climate Change on Agriculture," 5.
41 Kuriyama, *Export Restrictions and Food Security*, 1.
42 Kuriyama, *Export Restrictions and Food Security*, 4.

big farm companies, small farmers, NGOs, and consumers all play roles in the world food system. Their choices affect prices, output, fairness, food access, and the environment.

National governments and trade ministries are some of the most important groups in agricultural trade policy. Governments control the country politically.[43] Trade ministries handle the trade issues. Different countries have different views depending on whether they mainly export or import agricultural products.[44] Some countries, like Brazil, both export and import agricultural goods–for example, exporting soybeans and beef but importing wheat and dairy.

Countries that export a lot, such as the United States, Brazil, and Australia, want better access to markets in other countries. They often have large farming sectors. They produce more food than they need at home. These countries want fewer tariffs, quotas, and trade barriers. They also want the WTO rules to be enforced strictly and support stronger systems to settle trade disputes. They support strong WTO rules and dispute settlement to protect their exports.[45] For example, Brazil has often challenged the European Union over sugar subsidies, and the US makes free trade agreements to promote its agriculture exports.[46]

On the other hand, importing countries like Japan, India, and Egypt usually want to keep trade barriers to protect their farmers and ensure they have enough food. They are cautious about opening up trade too fast and stress the importance of policies that support rural communities and avoid trade conflicts.[47] These countries also defend government programs that stockpile food and give subsidies to small farmers. They say these measures are essential for fighting poverty and making sure people have enough to eat. They argue that all of these measures are essential for poverty reduction and food security.[48]

Domestic politics also shape national trade policies.

In many countries, powerful agricultural lobbies have a lot of influence over trade policy. For example, The US Farm Bill gives subsidies for domestic producers to help keep American agricultural exports competitive internationally.[49] However, many developing countries and trade partners argue that these subsidies hurt the global market and go against free trade principles.[50] One example is the US Upland Cotton case, where Brazil challenged US cotton subsidies. Brazil argued these subsidies made US cotton too cheap and harmed its farmers. The WTO ruled for Brazil in 2004. The US then agreed to make changes and paid Brazil USD 300 million in 2010. Despite these rules, disputes remain over subsidies and whether less developed countries should get special treatment.

In addition to the WTO, other international organizations also shape agricultural trade. The Food and Agriculture Organization (FAO) works to fight hunger and promote sustainable farming, providing data and advice rather than setting trade rules. The World Bank and International Monetary Fund (IMF) influence trade through loans and economic advice, often encouraging market opening and reduced subsidies, though their programs are sometimes criticized for harming local growth and food security. The United Nations Conference on Trade and Development (UNCTAD) focuses on fairness, supporting reforms to

43 Organisation for Economic Co-operation and Development (OECD), *Trade, Agriculture and Development: Policies Working Together* (Paris: OECD Publishing, 2006), 14, https://www.oecd.org/content/dam/oecd/en/publications/reports/2006/04/trade-agriculture-and-development_g1gh69fe/9789264022010-en.pdf.
44 OECD, *Trade, Agriculture and Development*, 53.
45 OECD, *Trade, Agriculture and Development*, 79.
46 European Commission, "EU Trade Relations with Brazil," accessed June 27, 2025, https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/brazil_en.
47 OECD, *Trade, Agriculture and Development*, 136.
48 Peter Ungphakorn, "Simply Put: 'PSH', the Biggest Controversy in the WTO Agriculture Talks," *Trade* β *Blog*, February 25, 2024, https://tradebetablog.wordpress.com/2024/02/25/simply-psh-biggest-controversy-wto/.
49 OECD, *Trade, Agriculture and Development*, 5.
50 OECD, *Trade, Agriculture and Development*, 5.

Vía Campesina (Credit: Amigos da Terra Brasil)

help developing countries benefit more from exports. Together, these groups influence farm trade, but they must balance market opening with protecting vulnerable countries.[51]

Regional trade blocs, like the EU, USMCA, ASEAN, and MERCOSUR, also shape farm trade by lowering tariffs and setting shared rules. Members benefit from easier trade with each other, but these blocs can shut out non-members, especially developing countries. For example, the EU's farm policy supports its own farmers but often clashes with free trade rules. Blocs also create their own food safety standards, which can raise costs for outside exporters. An example is when the EU banned Indian chili peppers, which hurt Indian farmers and exporters. Regional deals can make trade smoother within blocs but may also increase protectionism. To keep trade fair, they should align with global rules.[52]

Multinational agribusiness companies are key players in global trade, managing farming, processing, financing, and marketing. Examples include Cargill, ADM, and Bunge. Their size and reach give them influence over trade policies, often pushing for fewer regulations, lower tariffs, and stable rules that expand markets. Many also use advanced digital tools and logistics systems, which can be difficult for some regions to access due to limited resources, training, or infrastructure.[53]

While these companies promote transparent rules to keep supply chains stable, they are also criticized for prioritizing profits over communities, harming the environment, and reducing opportunities for smaller farmers. For example, soy and beef production tied to multinational companies has been a major driver of deforestation in the Brazilian Amazon. Even with these challenges, agribusiness continues to play a central role in shaping agricultural trade worldwide.[54]

Smallholder farmers and cooperatives are key parts of agricultural trade but are also among the most affected.[55] Smallholder farmers are small-scale producers who manage between less than one and ten hectares of land.[56] Cooperatives are businesses where farmers pool resources and

51 Legg and Blandford, "The Role of International Organizations," 98.
52 Thomas L. Vollrath, "RTA's and Agricultural Trade: A Retrospective Assessment," *Agricultural Economic Report No. 771* (Washington, DC: U.S. Department of Agriculture, Economic Research Service, 1998), 1, https://www.ers.usda.gov/sites/default/files/_laserfiche/publications/40898/32565_aer771d_002.pdf?v=69406.()
53 Margherita Scoppola, "Globalisation in Agriculture and Food: The Role of Multinational Enterprises," *European Review of Agricultural Economics* 48, no. 4 (July 2021): 2, https://hdl.handle.net/10.1093/erae/jbab032
54 Scoppola, "Globalisation in Agriculture and Food."
55 Luis A. Guardiola, Behzad Hezarkhani, and Ana Meca, "Cooperative AgriFood Export under Minimum Quantity Commitments," *arXiv* (March 18, 2024), 1, arXiv:2403.11633 [cs.GT], https://arxiv.org/pdf/2403.11633
56 Food and Agriculture Organization of the United Nations (FAO), "Smallholders and Family Farmers," FAO, 2013, https://www.fao.org/family-farming/detail/en/c/273864/.

share control for mutual benefit.[57] Their main challenge is accessing markets and competing with large agribusinesses. High export costs and strict safety standards are difficult to meet without adequate tools or support. Still, many organize through grassroots networks to push for fair trade rules that protect rural communities and encourage sustainable farming. Challenges differ by region: African farmers face weak infrastructure and limited credit, and Southeast Asian producers are highly exposed to climate risks and land disputes.[58]

NGOs, civil society groups, and advocacy networks also shape agricultural trade. Groups like Oxfam, La Via Campesina, and the Trade Justice Movement promote fairness, sustainability, and environmental protection. They work with the UN through formal roles with bodies like ECOSOC to raise the voice of marginalized groups. They attend WTO public forums and civil society events. They often oppose trade liberalization when it hurts small farmers in developing countries. They want it to lead to land grabs, displacement, and loss of food sovereignty. They call for rules that support human rights, climate adaptation, and poverty reduction.[59]

These organizations also run campaigns, conduct research, and organize protests to influence policy. For example, Via Campesina, an international peasants movement, represented millions of small-scale farmers. Throughout the 1990s and 2000s, Via Campesina pushed for global recognition of smallholder farmers rights and sustainable farming methods. As a result, in 2004, the UN adopted the Voluntary Guidelines on the Right to Food which was a framework that recognized the role of small-scale farmers and their rights.[60]

Consumers are also important but often overlooked in agricultural trade. Many care about how food is made and support sustainability, ethics, and environmental protection. Their concerns shape demand for organic, GMO-free, fair trade, or local products. But these standards can also become trade barriers. Boycotts and activism can change trade patterns and push companies to behave more responsibly. Social media helps spread information and expose unethical farming or trade practices.[61]

These groups have different goals. Their interactions shape global trade rules and fairness. Some want open trade to increase profits, while others want protections to support small farmers and food access. Understanding each group's role is key to making fair trade rules. As debates continue, balanced policies will be needed to make sure trade helps everyone. Future trade policies should also support global goals like the SDGs and resilient food systems.

Export Subsidies and Domestic Support

Agricultural subsidies have played a big role in shaping global farm trade. Governments use these supports to boost rural economies, improve food security, and protect certain farming sectors. However, these can skew world markets and hurt farmers in less developed countries. Export subsidies are payments or incentives from the government that make farm goods cheaper to sell overseas.[62] They can pay for transport, marketing, or price gaps. This lets producers sell goods abroad at low prices. This gives local products an edge in world markets, often hurting competitors.[63] Major users of export subsidies are the European Union through its Common Agricultural Policy and the United States through its commodity support

57 "Agricultural Cooperative," *ScienceDirect Topics*, accessed June 27, 2025, https://www.sciencedirect.com/topics/social-sciences/agricultural-cooperative.
58 Guardiola, Hezarkhani, and Meca, "Cooperative AgriFood Export," 4.
59 "How Can NGOs Help SmallScale Farmers Gain Better Access to Local and International Markets?" *FundsforNGOs* (blog), accessed June 27, 2025, https://www.fundsforngos.org/all-questions-answered/how-can-ngos-help-small-scale-farmers-gain-better-access-to-local-and-international-markets/
60 FundsforNGOs, "How Can NGOs Help SmallScale Farmers."
61 Bureau Européen des Unions de Consommateurs (BEUC), *The Common Agricultural Policy (CAP): What Consumers Want*, 15 May 2025, 1, https://www.beuc.eu/sites/default/files/publications/BEUC-X-2025-044_The_Common_Agricultural_Policy_%28CAP%29_what_consumers_want.pdf.
62 World Trade Organization (WTO), "Agriculture Negotiations: Background — Export Competition," accessed June 27, 2025, https://www.wto.org/english/tratop_e/agric_e/negs_bkgrnd08_export_e.htm.
63 South Centre, "Agriculture Negotiations: Export Competition."

programs. These policies allow products like dairy wheat or sugar– also known as surplus products– to be exported at below-market prices.[64]

Under the Agreement on Agriculture, WTO members reduce the amount and value of export subsidies. However, the rules were complicated which caused it to be very difficult to put them in place. This led to limited progress in eliminating these practices.[65] There was a major breakthrough at the Nairobi WTO Ministerial Conference in 2015. At this conference, members reached an agreement to fully take away export subsidies for agricultural products.[66] This decision was one of the largest changes in agricultural trade since the AoA was created. It was also a big win for developing states. While the change was a key victory, there are still issues with enforcement and transparency. Furthermore, indirect forms of export subsidization such as export credits and state trading enterprises continue to be problems.[67]

Domestic support is money or help from governments for farmers in their own country.[68] This help can include price guarantees, direct payments, input subsidies, insurance, or funding for farm projects. These programs aim to keep farm income steady and ensure enough food, but some can cause overproduction or give local farmers an unfair edge over foreign ones.[69] The WTO's Agreement on Agriculture sorts domestic support into "boxes" based on how much they affect trade. These categories include the Amber Box, Blue Box and Green Box.

In recent WTO talks, developing countries have pushed to change domestic support rules. They worry about unfair subsidies, low prices, food insecurity, and limits on policy choices. Resistance from governments of major farm exporters has made progress slow. The debate continues on how to make domestic support fairer, more transparent, and better for development.[70]

Export subsidies and domestic support in wealthier countries have had negative effects on small farmers in less developed states. Countries such as Burkina Faso, Mali, Benin, and Bangladesh rely heavily on agriculture, and many farmers there operate on a small scale. When developed countries provide subsidies, their farmers often produce more crops than the domestic market needs. This surplus is then sold abroad at very low prices, a practice known as "dumping." Dumping lowers global prices, making it difficult for small farmers in developing countries to compete. As a result, many lose access to both local and international markets. This contributes to rural poverty, food insecurity, and long-term dependence on imports. On top of this, small farmers in the Global South often lack the necessary infrastructure—such as roads, storage facilities, and supportive policies—that could help them compete fairly.

The WTO provides Special and Differential Treatment (SDT) under the Agreement on Agriculture to help developing countries. SDT gives extra time for reforms and more flexibility in subsidies—for example, India had 10 years to reduce certain subsidies, and Indonesia had smaller reduction targets. Despite this, many developing countries argue that the system is still unfair, as wealthier states continue large subsidies under Green or Blue Box rules. This raises questions about whether WTO rules support development or increase inequality in global farm markets.[71]

Politicians are reluctant to cut subsidies that benefit powerful voter

64 National Agricultural Law Center, "Commodity Programs: Overview," accessed June 27, 2025, https://nationalaglawcenter.org/overview/commodity-programs/.
65 OECD, *Uruguay Round Agreement*, 13.
66 World Trade Organization (WTO), "The WTO's 10th Ministerial Conference," accessed June 27, 2025, https://www.wto.org/english/thewto_e/minist_e/mc10_e/mc10_e.htm.
67 WTO, "The WTO's 10th Ministerial Conference."
68 Food and Agriculture Organization of the United Nations (FAO), *The State of Agricultural Commodity Markets 2024: Trade and Nutrition – Policy Coherence for Healthy Diets*, "Domestic Support, Trade Policies and Nutrition," accessed June 27, 2025, https://www.fao.org/3/cd2144en/online/state-of-agricultural-commodity-markets/2024/domestic-support-trade-nutrition.html.
69 FAO, *State of Agricultural Commodity Markets 2024: Trade and Nutrition*.
70 CAREC, *Doha Agenda*, 115.
71 WTO, "Special and Differential Treatment (SDT)."

groups. This happens even when the policies harm global markets. Conflicts between domestic politics and international trade rules have blocked reform. This makes agricultural liberalization one of the key issues in global trade talks. Although the Nairobi Ministerial Conference made progress in 2015, talks are still stuck over limits on domestic support. Countries such as the US and the EU want more flexibility to support farmers using Green Box programs. India and the G33 groups of developing countries want more freedom to maintain food security programs and stockpiles.[72]

Despite some progress, WTO rules on export subsidies and domestic support still have gaps. Countries can use Green or Blue Box subsidies to avoid cuts, making trade liberalization difficult. Enforcement is weak, especially for smaller countries that lack resources to challenge violations. Least-developed countries (LDCs) and small farmers remain underrepresented, and the framework does not address climate sustainability, even though farming affects the environment. These issues show the need for updates that promote fairness and protect the planet. Future reforms could close loopholes, clarify rules, and give small farmers and developing countries better access to markets. Stronger support for food security and sustainable farming could make global trade more equitable and resilient.

Current Status

Case Study: Australia-India Economic Cooperation and Trade

Australia and India have a growing economic partnership focused on trade, investment, and strategy, with agriculture playing a key role. Australia is a leading exporter of wheat, beef, and pulses, while India produces large amounts of food to meet the demands of its growing middle class. In April 2022, the two countries signed AI-ECTA, a trade deal that lowers tariffs and increases cooperation. The agreement strengthens food supply chains, helps farmers access new markets, and improves both countries' positions in global agricultural trade. It also supports resilience against challenges like COVID-19 and other global disruptions.[73]

The agreement also helps both countries lessen their reliance on traditional trading partners. Australia has relied on China for farm exports. India has focused on growing its own food. By deepening ties, AI-ECTA helps both sides diversify food sources. It also lessens risks from political or market disruptions. Australian exports of agricultural products to India went from USD 329.6 million in 2019 to USD 1.14 billion in 2023. Indian agricultural exports to Australia went from USD 310.36 million to USD 468.5 million in the same time. The partnership is also part of an Indo-Pacific plan to improve food security and resilience. Climate risks and political tensions make this deal a better option for stable farm trade.[74]

Trade between Australia and India has grown steadily and accelerated in recent years. In the past, tariffs and strict rules made farm trade harder. In 2022, they signed the Australia-Indian Economic Cooperation and Trade Agreement.[75] This agreement lowers tariffs on many products and makes it easier to trade. It supports farmers by improving standards

72 WTO, "Special and Differential Treatment (SDT)."
73 Kym Anderson and Signe Nelgen, "Australia–India Proposed Free Trade Agreement and Trade in Agriculture: Opportunities and Challenges," *Journal of World Trade* 49, no. 1 (2015): 4, https://doi.org/10.1163/22119000-01401006.
74 Anderson and Nelgen, "Australia–India Proposed Free Trade Agreement," 7.
75 Office of Impact Analysis, *Australia–India Economic Cooperation and Trade Agreement — Regulation Impact Statement, FinalPass Assessment*, Australian Government, March 28, 2022, https://oia.pmc.gov.au/sites/default/files/posts/2022/04/Publish%20Version%20-%20Australia-India%20Economic%20Cooperation%20and%20Trade%20Agreement%20RIS.pdf.

and farming methods.[76] Since AI-ECTA, bilateral trade between Australia and India has increased from USD 27 billion in 2021 to over USD 31 billion in 2023. The deal marks a new phase in the economic relationship between the two countries. It also offers new opportunities for farmers and businesses on both sides.

AI-ECTA has a lot of key rules to promote agricultural trade. One key part is slowly cutting or removing tariffs on farm goods.[77] Australia will lessen tariffs on pulses like chickpeas and lentils, wool, wine, and beef India will cut tariffs on wheat, barley, dairy products, and some fruits.[78] These gradual tariff cuts give farmers time to adjust to new competition. AI-ECTA also reduces non-tariff barriers. These rules can stop or delay trade.

The agreement sets up committees where both countries will cooperate to align their sanitary and phytosanitary (SPS) rules. This work speeds up inspections and certifications. It also helps farmers and exporters understand and meet import rules.[79] The deal also includes a focus on sustainable farming. Australia and India agreed to share knowledge and technology to save water, improve soil health, and reduce farming's environmental impact. This cooperation helps farmers face climate change and promotes greener practices.[80]

Another important part is improving infrastructure. The deal supports building better storage and transport systems. This keeps food fresh longer and reduces waste after harvest. AI-ECTA also supports joint research on developing new crop varieties, managing pests, and improving farm tools and methods. The agreement protects sensitive sectors. For example, India kept tariff-rate quotas on rice and sugar to protect small farmers. Australia maintained safeguards for dairy and beef producers.[81]

These steps support free trade while protecting farmers and workers.

In addition to trade and sustainability, AI-ECTA also promotes inclusive development. The deal supports small farmers and women with training programs. It also gives rural farmers access to modern technologies, credit, and digital platforms for cross-border trade.[82] AI-ECTA also sets up working groups to explore investment opportunities in logistics for agriculture. These efforts strengthen food value chains and create rural jobs in both countries.

The two counties have also agreed to regular review mechanisms that let them adjust trade conditions based on how the market changes or natural disasters. This flexibility keeps the agreement adaptable. Overall, AI-ECTA aims to increase trade by lowering tariffs and easing rules while supporting sustainable farming and protecting sensitive industries. It promotes fairer, green, and stronger trade ties between the two countries. Since the AI-ECTA took effect, agricultural trade between the two countries has grown. In 2023, Australia's exports of pulses like chickpeas and lentils to India grew by about 15 percent. Reduced tariffs and smoother customs procedures helped this growth.[83] There was also growth in demand for Australian wool and wine products in India.[84] These changes opened new markets and increased trade. India's agricultural exports to Australia have also increased. India increased exports of

76 Office of Impact Analysis, *Australia–India Economic Cooperation and Trade Agreement RIS*.
77 Australian Government, Department of Foreign Affairs and Trade, "AustraliaIndia ECTA Benefits for Australia," *Department of Foreign Affairs and Trade*, accessed July 19, 2025, https://www.dfat.gov.au/trade/agreements/inforce/australiaindiaecta/outcomes/australiaindiaectabenefitsaustraliaoverview
78 DFAT, "AustraliaIndia ECTA Benefits for Australia."
79 Josling, *Agricultural Trade Disputes in the WTO,* 2.
80 Anderson and Nelgen, "Australia–India Proposed Free Trade Agreement," 10.
81 Anderson and Nelgen, "Australia–India Proposed Free Trade Agreement," 40.
82 Anderson and Nelgen, "Australia–India Proposed Free Trade Agreement," 40.
83 The Hindu, "India's Agro-Imports from South Australia Grew 200% under Zero-Tariff Regime," *The Hindu*, May 29, 2024 (or other publication date if given), https://www.thehindu.com/business/indias-agro-imports-from-south-australia-grew-200-under-zero-tariff-regime/article67570349.ece.
84 DFAT, "AustraliaIndia ECTA Benefits for Australia."

processed foods, spices, and fruits like mangoes.[85]

While tariff cuts made it easier for Indian farmers to sell abroad, some rules still slow exports. AI-ECTA's joint committees continue to solve these issues and improve trade flows. Experts think AI-ECTA could raise bilateral trade by USD 30 billion in five years, with agriculture playing a large role. The deal led to better storage and transport, cutting food waste and improving supply chains. However, not all sectors have benefited. Australian beef exports to India face strict rules and slow approvals. This limits growth in that area. India's rice exports to Australia stay small because of domestic priorities and import control.[86]

Both governments say AI-ECTA improved food security by diversifying supply and stabilizing trade. Pilot projects for climate-smart farming in India have started, supported by Australian programs.[87] AI-ECTA has created new opportunities for trade and cooperation. Its full impact will be clearer as tariff cuts grow and infrastructure improves.

Beyond immediate export growth, AI-ECTA has also influenced trade policy discussions within both countries. In India the agreement started debates on modernizing farming and reducing reliance on government.[88] In Australia, it increased focus on Asian markets, especially for mid-sized agribusinesses that want to grow. Banks now offer new crest lines to export-oriented farm businesses. Trade facilitation centers have also expanded in regions like Punjab and Victoria. More students and tourists now visit farms, and universities share research more often.[89] This led students and researchers to explore sustainable farming in both countries. These impacts deepen long-term cooperation.

The Australia-India Economic Cooperation and Trade Agreement is part of a broader effort to build stronger economic and strategic ties between the two countries.[90] Politically, AI-ECTA shows both countries support fair, rules-based trade in the Indo-Pacific. For India, AI-ECTA supports its plan to grow farm exports while still protecting its small farmers. For Australia, it opens access to one of the world's fastest-growing food markets and helps increase farm exports. The agreement also links trade with bigger goals like sustainability and development. It builds stronger ties beyond just trade. The agreement also improves their roles in regional trade groups like the Indo-Pacific Economic Framework and the Quad.[91]

By showing a good two-country trade model, AI-ECTA allows Australia and India to lead by example on how to balance trade growth with local protections. It also pushes back against global farming limits like export bans and trade barriers.[92] As both states want more say in global groups, AI-ECTA adds diplomatic value by showing their shared values of cooperation and sustainability.

Despite the benefits, AI-ECTA has some limits that lessen its full potential.[93] Some tariffs remain high on sensitive products like Indian rice and Australian dairy. These limits slow trade growth and make it harder for farmers to expand quickly.[94] Non-tariff barriers are also a problem. Australian beef exports face strict food safety rules in India. This causes delays and extra costs. India's strict rules on genetically

85 ET Bureau, "India's Exports to Australia Surge 14 % since ECTA, Trade Momentum Strong," *The Economic Times*, December 29, 2024, https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-exports-to-australia-surge-14-since-ecta-trade-momentum-strong/articleshow/116774907.cms.
86 ET Bureau, "India's Exports to Australia Surge 14 %."
87 ET Bureau, "India's Exports to Australia Surge 14 %."
88 Chandan Kumar and Nalin Bharti, "India–Australia Agricultural Trade: Recent Trade Restrictions," SSRN, February 8, 2024, https://doi.org/10.2139/ssrn.4721307.
89 Kumar and Bharti, "India–Australia Agricultural Trade."
90 Australian Government, Department of Foreign Affairs and Trade, "Australia–India Economic Cooperation and Trade Agreement," *Trading Our Way to Greater Prosperity and Security*, accessed July 19, 2025, https://www.dfat.gov.au/trade/trade-and-investment/trading-our-way-greater-prosperity-and-security/australia-india-economic-cooperation-and-trade-agreement?
91 DFAT, "Australia–India Economic Cooperation and Trade Agreement."
92 DFAT, "Australia–India Economic Cooperation and Trade Agreement."
93 Eliza Redfern, "India Still Shut to Dairy," *Dairy News Australia*, April 20, 2022, https://www.dairynewsaustralia.com.au/markets/india-still-shut-to-dairy/.
94 Redfern, "India Still Shut to Dairy."

modified crops also block some exports.[95]

Infrastructure for farming, storage, and transport still needs improvement. Without better cold storage and roads, food can spoil or face delays. The agreement encourages investment but there is still a lot of work to be done to make these systems more modern. The agreement's protections for sensitive sectors can complicate trade and slow liberalization. Enforcing agreed terms is still a challenge. Without clear penalties or fast dispute resolution, customs or standards delays go unresolved.[96]

Business associations from both countries have called for more transparency in how SPS and technical rules are applied.[97] Another concern is that smaller exporters in India still struggle to understand export documentation and foreign regulatory systems. Governments should invest more in outreach and training to support these groups.[98] Making trade more inclusive will spread benefits beyond large agribusinesses.

The Australia-India Economic Cooperation and Trade Agreement is a major step forward in farming trade and partnership between the two countries. It lowers tariffs, simplifies trade rules, and promotes sustainable farming methods. These changes create new chances for farmers and consumers on both sides. While some tariffs and rules still slow trade, the agreement balances opening markets with protecting farmers and jobs. It shows that countries can grow trade, help each other, and fight climate change. This deal boosted both economies. It also strengthened their partnership and shared goals. Lastly, it helped address environmental concerns from agriculture in both countries. With ongoing cooperation and improvements, AI-ECTA can help promote free and fair agricultural trade in a stable way.

Ongoing Disputes and Trade Barriers in Agricultural Trade

Agricultural trade has long been a sensitive issue in the World Trade Organization. While many countries support the idea of open trade, real-world problems make this goal hard to reach. Different countries have different needs, farming systems, and rules. This causes tensions, especially when big economies give more support to their farmers or have strict import rules. Trade barriers such as tariffs, subsidies, and health standards are at the center of major WTO disputes.[99] These barriers can stop the flow of goods, hurt farmers in less developed countries, or cause prices to fall.[100] The goal of the WTO is to lessen these barriers in a way that's fair.

However, ongoing conflicts show that this is not easy. Disputes are not just about trade rules, but also about food security, public health, and development rights. These conflicts often reflect broader global divides. Many developing countries rely on agriculture for most of their jobs and income, so even small trade restrictions can have large effects. On the other hand, developed countries want to ensure food quality and public safety through strict standards.[101] These competing goals make it hard to find shared rules that all members of the WTO can agree on. As agriculture trade becomes more complex, the WTO's role becomes more important.

Farmers in developing countries may struggle to afford patented seed or meet documentation requirements, which affects their ability to compete.[102] Market access is further limited by complex customs procedures, labeling laws, and border checks.[103] While

95 Australian Trade and Investment Commission (Austrade), "Australian Agricultural Exporters Set to Benefit from AIECTA," *Austrade*, accessed July 19, 2025, https://www.austrade.gov.au/en/news-and-analysis/analysis/australian-agricultural-exporters-set-to-benefit-from-ai-ecta
96 Austrade, "Australian Agricultural Exporters"
97 Austrade, "Australian Agricultural Exporters"
98 ET Bureau, "India's Exports to Australia Surge 14 % since ECTA."
99 Australian Government Department of Agriculture, "World Trade Organization (WTO)," accessed July 19, 2025, https://www.agriculture.gov.au/biosecurity-trade/market-access-trade/wto.
100 Australian Government Department of Agriculture, "World Trade Organization."
101 Australian Government Department of Agriculture, "World Trade Organization."
102 Oxford Economics, *"Tariffs 101."*
103 Josling, *Agricultural Trade Disputes in the WTO,* 2.

these rules are legal under WTO law, their real-world impact often discourages small producers from participating in trade.

Addressing these issues means not only getting rid of barriers, but also makes technical support better and making rules for fairer competition simpler. Some barriers are newer, like climate or sustainability requirements. These are growing fast but are not always clear or equal across countries. Digital traceability rules and environmental labeling also affects trade. While some of these rules aim to protect the environment or consumers, they may act as hidden barriers for less developed countries that cannot meet the same standards.[104]

Farmers in India (Credit: Satdeep Gill)

The US-EU Hormone-Treated Beef Dispute is one of the largest WTO cases. It began when the EU banned beef treated with growth hormones, citing public health concerns. The US argued the ban lacked scientific evidence and violated WTO rules under the Sanitary and Phytosanitary (SPS) Agreement. The WTO ruled in favor of the US, saying the EU had not proven the beef was unsafe. Despite this, the EU maintained the ban, and the US imposed retaliatory tariffs. The case highlights the difficulty of balancing science, health concerns, and trade rules. It also shows how enforcing SPS measures can be complicated when countries have different views on food safety, and why trade disputes can last for decades.[105]

The case also reveals how trade rules can clash with domestic political pressure. In the EU, public fear about hormones in food remained strong even after the WTO rulings. This led to a political decision to keep the ban despite the penalties. It showed that WTO rulings may not always lead to change in national policy. Public opinion and national laws can outweigh trade considerations. This raises important questions about how much influence the WTO should have over public health decisions made by elected governments. It also demonstrates the limits of the WTO's ability to enforce its rules in politically sensitive sectors like food.[106]

India's farm support has also drawn attention at the WTO. The main issue is India's Minimum Support Price (MSP) program and its public stockholding for food security. Countries like the US and Australia have raised concerns that these programs may go beyond WTO limits on domestic support.[107] India argues that its programs are key to ending hunger and helping farmers.[108] The WTO has not ruled against India, but the debate continues. The issue reflects deeper divides between development and developed countries. For India and others, food security comes first.

104 Hayhoe and Walsh, "Climate Crisis Is Driving Food Nationalism,"
105 Johnson, *The U.S.-EU Beef Hormone Dispute*.
106 Johnson, *The U.S.-EU Beef Hormone Dispute*.
107 NEXT IAS Current Affairs Team, "Debate on Legalising Minimum Support Price (MSP) in India," *Editorial Analysis*, Next IAS, January 21, 2025, accessed [today's date], https://www.nextias.com/ca/editorial-analysis/21-01-2025/debate-on-legalising-msp-in-india.
108 NEXT IAS Current Affairs Team, "Debate on Legalising MSP."

The debate over India's support programs reflects the larger issue of "special and differential treatment" for developing countries. India argues that it needs room to support farmers and ensure food for its large population. Critics say these policies can distort trade by guaranteeing high prices that lead to surpluses and unfair competition. The WTO has temporarily allowed these policies under a peace clause, but the future is uncertain.[109] A lasting solution must find a way to protect food security without violating trade rules. This case highlights how difficult it is to balance national needs with international commitments.

Several developing countries have struggled with strict food safety rules from the European Union. The EU's SPS measures–such as limits on pesticide residues or aflatoxins in nuts–can block exports from Africa and Asia. These standards are often hard for small producers to meet, even when their products are safe by local standards. While few cases have reached the WTO dispute level, these rules have caused real economic harm. Many countries see these as hidden trade barriers. The EU argues that why are needed for consumer safety.[110] Still, the result is fewer exports and more trade tension.

African countries face special challenges when exporting agricultural products. One of the biggest barriers is meeting strict food safety and quality standards, especially from the EU and US. These rules cover things like pesticide levels, packaging and disease checks. While they aim to protect consumers, they often hurt small African farmers. For example, in 2021, Kenya's avocado exports to the EU were blocked due to high pesticide levels. Ghana's chilli pepper exports also faced bans due to pests. These trade stops cost millions in lost income. Most African countries lack the labs, tools, and training to meet the high SPS standards.[111]

The WTO's SPS Agreement does allow for technical help, but many African countries say the support is not enough.

As a result, many exports are blocked before they even reach the market. Another issue is the lack of regional coordination. Many African countries export similar products but face different SPS checks depending on the importer. A regional approach where neighboring countries agree on joint standards and share testing labs could help lessen costs and delays. Efforts by organizations like the African Union and COMESA are starting to address this. However, they need more support and investment. Another challenge is the lack of representation during the WTO rule-making process. Many African countries do not have enough trade experts or negotiators to attend meetings and push for their interests.[112] If Africa is to benefit fully from agricultural trade, WTO rules must become more inclusive and flexible, while development partners must offer more technical help and capacity building.

New trade issues are rising fast. One concern is that environmental standards may become "green protectionism" rules that appear to protect the planet but are really designed to protect local farmers. If these rules are made without consulting developing states, they could block products unfairly. For example, if a country requires proof that soy or coffee is not linked to deforestation, small farmers without digital tracking systems could lose market access. This would hurt livelihoods without making farming greener. The WTO must work to make these rules fair and give less developed countries tools to comply.[113]

Digital rules are also increasing. Some countries now want full tracking of food from farm to shelf. This traceability can be expensive

109 NEXT IAS Current Affairs Team, "Debate on Legalising MSP."
110 Johnson, *The U.S.-EU Beef Hormone Dispute*.
111 Standards and Trade Development Facility (STDF), *Facilitating Safe Trade: The Role of the Public and Private Sectors* (Geneva: WTO, November 2015), accessed July 19, 2025, 16, https://standardsfacility.org/sites/default/files/STDF_Rathebe_Report_Final_Nov2015.pdf.
112 STDF, *Facilitating Safe Trade*, 5.
113 Mercatus Center, *Green Policies and International Trade*.

and hard for small farmers to follow.[114] Climate-linked rules on farming are also being added like limits on carbon used in growing food. These new rules often come without clear WTO guidelines. That leads to more disputes. While they deal with real issues like climate and food safety, they can be unfair if less developed countries are left behind.[115] The WTO must find ways to deal with these new types of barriers fairly and clearly.

Another emerging challenge is data access. Exporters may need to share detailed information about their farms, crops, and suppliers. In countries with unstable internet or weak privacy laws, this can be risky. Developing states fear that digital rules may create a new kind of trade divide between those with digital infrastructure and those without.[116] WTO members need to discuss global standards for traceability, privacy, and cost-sharing to avoid widening the gap in agricultural trade.

These ongoing disputes show both the power and limits of the WTO. On one hand, it gives countries a place to solve trade problems peacefully. On the other hand, many cases take years to settle and countries do not always follow rulings. Newer trade issues like green rules and digital standards are also not well-covered in WTO agreements.[117] Some experts suggest creating a separate negotiation track for agriculture, where issues like food security and sustainability can be handled more flexibly.[118] This would help build trust and move talks forward. Without real forms, countries may turn more to regional deals, weakening the WTO. If the system is to stay relevant, it must show that it can support both trade and development fairly.

Sustainable Development Goals (SGDs)

The Sustainable Development Goals (SDGs), adopted by all United Nations member states in 2015, provide a shared vision for global progress. These 17 goals aim to end poverty, protect the planet, and improve life for all by 2030. Agricultural trade plays a key role in many of these goals, especially in how counties grow, share, and access food. Free and fair agricultural trade helps countries sell their products globally and makes access to food for people who depend on imports better. Trade also supports jobs in farming and rural areas.[119]

This section will examine three important SDGs that support the idea of promoting free agricultural trade: SDG 2 (zero hunger), SDG 10 (reduced inequalities), and SDG 17 (partnerships for the goals). Each goal shows a different reason why open and fair agricultural trade is important. They explained how trade can be used to make food security better, lessen gaps between countries, and support global cooperation.

SDG 2 aims to end hunger, achieve food security, improve nutrition, and promote sustainable agriculture.[120] Free agricultural trade plays a direct role in reaching this goal. Trade allows food to move from places where it is grown to places where it is needed most. Countries that face drought or do not produce enough food often rely on imports to feed their populations.[121]

Trade is crucial for food security and economic growth. Without it, countries could face hunger or shortages. Economic studies show that reducing trade barriers in agriculture, services, and manufacturing by a third under the Doha Round could increase global welfare by USD 574 billion each year. Trade also helps farmers in developing countries reach

114 Georgetown University Digital Agriculture initiative, "Digital Agriculture Policies," Digital Agriculture (Georgetown University), accessed July 19, 2025, https://digitalagriculture.georgetown.domains/digital-agriculture-policies.
115 Mercatus Center, *Green Policies and International Trade*.
116 Georgetown University Digital Agriculture, "Digital Agriculture Policies."
117 World Trade Organization, "The History of the Multilateral Trading System," accessed July 19, 2025, https://www.wto.org/english/thewto_e/history_e/history_e.htm.
118 WTO, "History of the Multilateral Trading System."
119 Purpose on the Planet, "How to Impact 12 of the 2030 Sustainable Development Goals," *Purpose on the Planet* (blog), May 15, 2025, accessed July 18, 2025, https://purposeontheplanet.org/sustainable-goals/.
120 Food and Agriculture Organization of the United Nations, *FAO Statistical Yearbook 2023: World Food and Agriculture*, Rome: FAO, 2024, accessed July 18, 2025, https://openknowledge.fao.org/server/api/core/bitstreams/15bbfefbe5014c77ad9bc53777fa667f/content.
121 FAO, *FAO Statistical Yearbook 2023*.

larger markets, earn more income, and reduce rural poverty. Many countries rely on exports like coffee, rice, tea, and cocoa, and free trade allows them to invest in better tools and grow more food. For SDG 2 to succeed, trade must be free, fair, and inclusive. By improving access to global markets and lessening harmful practices, agricultural trade can help feed more people and support long-term food security.[122]

SDG 10 focuses on reducing inequality within and between countries. One key way to achieve this is by creating fair opportunities for trade. Many developing countries face barriers like high tariffs, complex import rules, and strict food safety standards that make it hard to compete globally. Agricultural trade can help reduce inequality if it allows farmers in these countries to compete on fair terms. Trade agreements should pay special attention to Least Developed Countries (LDCs), and WTO rules like Special and Differential Treatment (SDT) aim to support them. Fairer trade boosts incomes in farming communities, helping lift people out of poverty and improving overall income distribution.[123]

SDG 17 emphasizes building strong partnerships between governments, businesses, and global institutions to support free and fair agricultural trade. By 2014, over 60 percent of global agricultural trade was already duty-free, showing the benefits of cooperation. Trade relies on countries agreeing on rules, sharing data, and helping each other build capacity. SDG 17 also highlights using trade as a tool for sustainable development. This includes helping developing countries meet food safety standards, improve transportation, and participate in trade talks, with support from international aid and knowledge-sharing. Organizations like the WTO and FAO provide programs and training to strengthen global trade partnerships. Fair and open trade depends on collaboration, and global progress in agriculture requires partnerships that promote both economic growth and sustainable food systems.[124]

The SDGs provide a clear roadmap for building a better world. They give a comprehensive plan for long-term change in agricultural trade. Free agricultural trade supports this vision by improving food access, lessening inequality, and strengthening global ties. By aligning trade policies with SDGs 2, 10, and 17, countries can work together to make food systems more fair, resilient, and sustainable for all.

Bloc Analysis

Points of Division

Not all countries think the same way about free agricultural trade. Their views depend on what they produce, how much food they need to import, and how open they want the trade system to be. These differences lead countries to take different positions in WTO talks.

One key difference in agricultural trade is between countries that export a lot of food and those that import most of their food. Exporting countries often want lower trade taxes and fewer subsidies in other countries so they can sell more products. Importing countries, however, worry about opening their markets too much, fearing foreign products could lower prices and hurt local farmers. They are also concerned about becoming too dependent on other countries for food.[125]

122 FAO, *FAO Statistical Yearbook 2023*.
123 World Trade Organization, "Trade and the Sustainable Development Goals (SDGs)," *WTO – Coherence and SDGs*, last updated April 28, 2023, accessed July 18, 2025, https://www.wto.org/english/thewto_e/coher_e/sdgs_e/sdgs_e.htm.
124 World Trade Organization, *Mainstreaming Trade to Attain the Sustainable Development Goals*, Geneva: WTO, 2018, accessed July 18, 2025, https://www.wto.org/english/res_e/booksp_e/sdg_e.pdf.
125 U.S. Department of Agriculture, Economic Research Service, "Countries & Regions," *International Markets & U.S. Trade*, updated January 7, 2025, accessed July 18, 2025, https://www.ers.usda.gov/topics/international-markets-us-trade/countries-regions.

The second group involves food security. Some countries have large farming populations and face poverty and hunger. These countries want to support farmers through subsidies or store food for emergencies. They argue that trade rules should not prevent them from feeding their people, protecting jobs, and maintaining strong farming systems to fight hunger.[126]

The third group includes countries that want trade to be more open and fair. They believe the current system favors wealthier states and want new rules that support developing countries. While they may back trade reforms, they often ask for special rights or extra time to adapt. They see trade as a tool for growth, but only if all countries have a fair chance to succeed.[127]

Agri-Export Advocates

Agri-export advocate countries are major food exporters that want lower tariffs and fewer subsidies. They support open markets and fewer trade barriers, believing that removing tariffs, quotas, and subsidies makes trade fairer and more efficient. These countries aim to help their farmers sell more products abroad and compete globally. The WTO's export-import data can identify these countries, showing which members are net exporters or importers of agricultural goods.

Countries in this bloc include the United States, Brazil, Australia, Canada, New Zealand, and Argentina. These countries export large amounts of grains, soybeans, beef, dairy, and other goods. For example, the US will export more than USD 174 billion in agricultural products in 2023, with top exports like corn, soybeans, and dairy.[128] Brazil is the world's largest exporter of soybeans and beef.[129] In 2024, Brazil increased its soybean exports to China and the European Union, pushing for stronger trade partnerships. Brazil and the United States are two of the world's biggest agricultural exporters.[130] Australia and New Zealand also depend on exports of meat and dairy products. Australia's agriculture exports reached record levels in 2022-2023, especially for wheat and beef.[131] New Zealand, whose dairy giant Fonterra plays a large role in its economy, exports nearly 95 percent of its dairy products.[132]

Export-focused countries also want access to new markets. For example, Canada has signed many free trade agreements, like the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), to lessen tariffs for its farm goods.[133] Australia is doing the same through new deals with India and the UK.

While these countries benefit from open trade, they also face challenges. For instance, New Zealand and the US have complained about non-tariff barriers like Europe's pesticide limits and strict food labeling rules which make it hard for them to sell in those markets.[134] Argentina has also had their beef shipments

126 Brookings Institution, "A Look at Food Insecurity and Agricultural Trade Around the World," *Brookings* (blog), published August 2024, accessed July 18, 2025, https://www.brookings.edu/articles/a-look-at-food-insecurity-and-agricultural-trade-around-the-world/.
127 JeanChristophe Bureau, Houssein Guimbard, and Sébastien Jean, *Agricultural Trade Liberalization in the 21st Century: Has It Done the Business?*, CEPII Working Paper No. 201711 (Paris: CEPII, June 2017), accessed July 18, 2025, https://www.cepii.fr/PDF_PUB/wp/2017/wp2017-11.pdf.
128 U.S. Department of Agriculture, Economic Research Service, "U.S. Agricultural Trade at a Glance," updated April 17, 2025, accessed July 18, 2025, https://www.ers.usda.gov/topics/international-markets-us-trade/usagriculturaltrade/usagriculturaltradeataglance.
129 Roberto Samora and Gabriel Araujo, "Brazil Braces for More Chinese Demand, Higher Food Prices amid US Trade War," *Reuters*, March 6, 2025, accessed July 18, 2025, https://www.reuters.com/world/americas/brazil-braces-more-chinese-demand-higher-food-prices-amid-us-trade-war-2025-03-06/.
130 Samora and Araujo, "Brazil Braces for More Chinese Demand."
131 Australian Government Department of Agriculture, Fisheries and Forestry, *Snapshot of Australian Agriculture 2025*, ABARES Insights, published February 24, 2025, accessed July 18, 2025, https://www.agriculture.gov.au/abares/products/insights/snapshot-of-australian-agriculture.
132 International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF), *New Zealand Dairy Industry*, IUF Dairy Industry Research, published 2011, accessed July 18, 2025, https://cms.iuf.org/sites/cms.iuf.org/files/New%20Zealand%20Dairy%20Industry.pdf.
133 Global Affairs Canada, "About Tariff Elimination under the CPTPP," Government of Canada, last modified February 15, 2018, accessed July 18, 2025, https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cptpp-ptpgp/tariff_elimination-elimination_douane.aspx?lang=eng.
134 Abed Moghrabi, "EU Food Regulation Updates," *Trace One PLM & Compliance Blog*, July 8, 2025, https://www.traceone.com/resources/plm-compliance-blog/eu-food-regulation-updates.

Yam market in Lagos, Nigeria (Credit: Antoshananarivo)

rejected due to health rules.[135] These countries want the WTO to make sure that such rules are not used as excuses to block trade. Agri-export advocates believe that free trade helps both producers and consumers. They want less trade limits, less subsidies, and more access to global markets.

Food Security Coalition

These countries often have large populations that rely on farming for work and food, but they still depend on imports to meet basic needs. Many are developing states that focus on food security and protecting their farmers. These countries worry that opening markets too much could lead to cheap imports flooding in, which would harm local farmers and make them too dependent on foreign suppliers.[136] Countries in this blocoften call for "special and differential treatment," meaning extra time and flexibility in applying trade rules. While not opposed to trade, they want it to benefit all countries and insist that food should be treated as a basic need, not just a product. This makes them more cautious in trade talks, especially about reducing protections that support rural development and small farmers.[137]

This bloc can be best defined through the Global Hunger Index (GHI). The GHI is published annually and ranks countries based on undernourishment, child wasting, stunting, and mortality. It puts them in categories like low, moderate, serious, alarming, and extremely alarming hunger levels. For instance, India ranks 105th in the 2024 report with a GHI score of 27.3.

Countries under the food security coalition category will likely be in the serious hunger category or worse. Some examples of these countries include India, Kenya, Indonesia, Egypt, and Nigeria. These countries face problems like hunger, poverty, and rural unemployment.[138] Many of them rank high on the Global Hunger Index or have high levels of undernourishment.[139] Farming is not just about trade, but it is also about survival, jobs, and feeding the population for these countries.

Nigeria and Kenya have both raised tariffs on food imports like sugar and maize to protect local producers from foreign competition.[140] These actions are meant to lessen hunger and support their economies. Egypt, one of the world's largest wheat importers,

135 Moghrabi, "EU Food Regulation Updates."
136 FAO, *The State of Food Security and Nutrition in the World 2021*, Rome: Food and Agriculture Organization of the United Nations, 2021, https://www.fao.org/interactive/state-of-food-security-nutrition/2021/en/.
137 World Trade Organization (WTO), "Special and Differential Treatment (SDT)," accessed June 27, 2025, https://www.wto.org/english/tratop_e/dda_e/status_e/sdt_e.htm.
138 FAO, *The State of Food Security and Nutrition in the World 2021*.
139 Klaus von Grebmer et al., *2023 Global Hunger Index: The Power of Youth in Shaping Food Systems* (Bonn: Welthungerhilfe and Dublin: Concern Worldwide, 2023), https://www.globalhungerindex.org/pdf/en/2023.pdf.
140 MacDonald Dzirutwe, "Nigeria to Suspend Taxes on Certain Food Imports to Curb Rising Prices," *Reuters*, July 8, 2024, accessed July 18, 2025, https://www.reuters.com/world/africa/nigeriasuspendtaxescertainfoodimportscurbrisingprices20240708/.

subsidizes bread heavily. In 2022, during the global food crises caused by the war in Ukraine, Egypt said it needed to maintain these subsidies to keep food affordable.[141] Without this help, millions of families could not afford basic meals.

States Concerned with Liberalization

These countries support more open trade but want the rules to be fairer and more transparent for developing economies. They see the current system as favoring wealthier states. Many are emerging economies that face both benefits and risks from trade liberalization. They export some farm goods but also protect parts of their agriculture, balancing support for small farmers with opportunities for larger ones. According to WTO trade data and the Global Hunger Index (GHI), these countries typically have moderate export levels and moderate food security needs. Examples include South Africa, the Philippines, Peru, Morocco, and Vietnam.[142]

For instance, South Africa is part of the G20 group of developing countries which calls for fairer trade.[143] It has supported lowering subsidies, but it also protects its domestic food system through tariffs and marketing boards. In 2022, South Africa raised import duties on poultry to support local producers and prevent dumping of cheap chicken from other countries.[144] Similarly, Peru has signed free trade deals with countries like the US and China to boost exports, including fresh fruits like blueberries. However, it also gives support to smallholders through rural development programs.[145] Vietnam is a major exporter of rice and coffee, but it still gives pierce support and fertilizer subsidies to its farmers.[146]

Committee Mission

The World Trade Organization (WTO) is an international group that helps make sure that trade between countries is fair and open.[147] With 164 member states, the WTO works to lower trade barriers, settle disagreements between states, and create clear rules for international trade.[148] When it comes to agriculture, these goals are especially important. Food is something that every country needs and how it is traded can affect farmers, economies, and people's access to affordable food around the world.

Right now, global agricultural trade faces many problems. Even though some countries grow enough food to export, many others have trouble selling their goods in global markets. This is because of factors like high tariffs, strict rules, and government payments that give farmers in developed countries an unfair advantage. As a result, farmers in developing countries often cannot compete, and trade in food is not as free or fair as it could be. These trade barriers limit

141 Nina Jovanovic and Joseph Glauber, "Egypt Increases Price of Subsidized Bread for the First Time Since 1989: Implications for Nutrition and Food Security," *International Food Policy Research Institute (IFPRI)* blog, August 7, 2024, accessed July 18, 2025, https://www.ifpri.org/blog/egypt-increases-price-of-subsidized-bread-for-the-first-time-since-1989-implications-for-nutrition-and-food-security/.

142 Olivia Le Poidevin and Emma Farge, "WTO Overhaul Targets Fairer Trade, Easier DecisionMaking to End Paralysis," *Reuters*, July 16, 2025, accessed July 18, 2025, https://www.reuters.com/world/china/wto-overhaul-targets-fairer-trade-easier-decision-making-end-paralysis-2025-07-16/.

143 Common Dreams, "Rich Sideline Poor Countries in Concerns Over WTO Talks," *Common Dreams*, May 24, 2007, accessed July 18, 2025, https://www.commondreams.org/news/2007/05/24/rich-sideline-poor-countries-concerns-wto-talks.

144 Nova Economics, *Assessing the Impact of Higher Import Duties on the South African Broiler Industry*, commissioned by the Association of Meat Importers and Exporters (AMIE) (Stellenbosch: Nova Economics, 2021), accessed July 18, 2025, https://www.novaeconomics.co.za/our-work/assessing-the-impact-of-higher-import-duties-on-the-south-african-broiler-industry.

145 Valeria Piñeiro, Yostina Girgies, Fernando Martín, Juan Pablo Gianatiempo, and Joseph Glauber, "Peru's Rapid Rise as the World's Leading Blueberry Exporter," *International Food Policy Research Institute (IFPRI)* blog, April 7, 2025, accessed July 18, 2025, https://www.ifpri.org/blog/perus-rapid-rise-as-the-worlds-leading-blueberry-exporter.

146 Bao Ho Dinh, Hai Nguyen Phuc, Trinh Bui, and Hau Nguyen, "Declining Protection for Vietnamese Agriculture under Trade Liberalization: Evidence from an Input–Output Analysis," *Economies* 8, no. 2 (2020): 43, https://doi.org/10.3390/economies8020043.

147 World Trade Organization, *"About the WTO,"* World Trade Organization, accessed July 28, 2025, https://www.wto.org/english/thewto_e/thewto_e.htm.

148 WTO, *"About the WTO."*

food access, hurt small economies, and prevent the agricultural sector from growing in many parts of the world.[149]

This committee has an important role in shaping the future of agricultural trade. WTO members should review how current rules apply to agriculture and find ways to make them more open and equal, while still recognizing different countries' needs. A key challenge will be balancing support for small farmers and food security with the broader goal of fair global trade.[150]

Members can suggest updates to the Agreement on Agriculture (AoA) to reflect today's challenges, encourage more transparency in trade practices, and work to reduce barriers that disadvantage developing countries. With technical support and better access to markets, developing states can strengthen their farming sectors. Delegates in this committee should aim to create a fairer, more balanced system for agricultural trade that supports farmers worldwide, improves food security, and promotes sustainable growth.[151]

However, there are also limits to what the WTO can do. It cannot force countries to change their farm policies, and any action requires agreement from all members. This makes progress slow and dependent on negotiation and cooperation, even when countries have very different goals and resources.[152]

149 Healey, *"WTO Rules around Agriculture."*
150 Healey, *"WTO Rules around Agriculture."*
151 Healey, *"WTO Rules around Agriculture."*
152 Healey, *"WTO Rules around Agriculture."*

Research and Preparation Questions

The following research and preparation questions are meant to help you begin your research on your country's policy. These questions should be carefully considered, as they embody some of the main critical thought and learning objectives surrounding your topic.

Topic A

1. How has your country been affected by the tariffs and retaliatory measures announced in April 2025?
2. Does your country currently rely more on exports, imports, or domestic markets, and how does this shape its stance on tariffs?
3. How does your country balance national economic security with the benefits of global trade?
4. How has technological trade and restrictions on exports/imports impacted your country's industries?
5. Does your country support the WTO taking stronger measures against protectionist policies, or does it believe such measures should remain a national choice?
6. How do tariffs and protectionism affect small and medium-sized businesses in your country compared to large multinational corporations?
7. What role does your country see for regional trade agreements (e.g., EU, USMCA, ASEAN) in countering or reinforcing global protectionism?
8. How can the WTO encourage de-escalation of tariff wars while respecting national sovereignty?

Topic B

1. How reliant is your country's economy on agricultural exports or imports?
2. Does your country subsidize its agricultural industry, and if so, how does this affect global trade dynamics?
3. How do agricultural tariffs and subsidies impact developing countries differently than developed countries?
4. What has been your country's experience with food insecurity or overproduction caused by trade barriers?
5. How does your country's agricultural policy align with its commitments to the WTO?
6. Are there specific agricultural goods your country seeks greater access to in foreign markets?
7. What role could regional agreements or partnerships play in promoting agricultural free trade?
8. How can the WTO balance the needs of small farmers in developing countries with the interests of large agribusinesses in developed countries?

Important Documents

Topic A

Lee, Sarah. “Analyzing the Role of Tariffs in Global Trade.” Number Analytics. Last modified April 15, 2025. https://www.numberanalytics.com/blog/analyzing-tariffs-global-trade.

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Topic B

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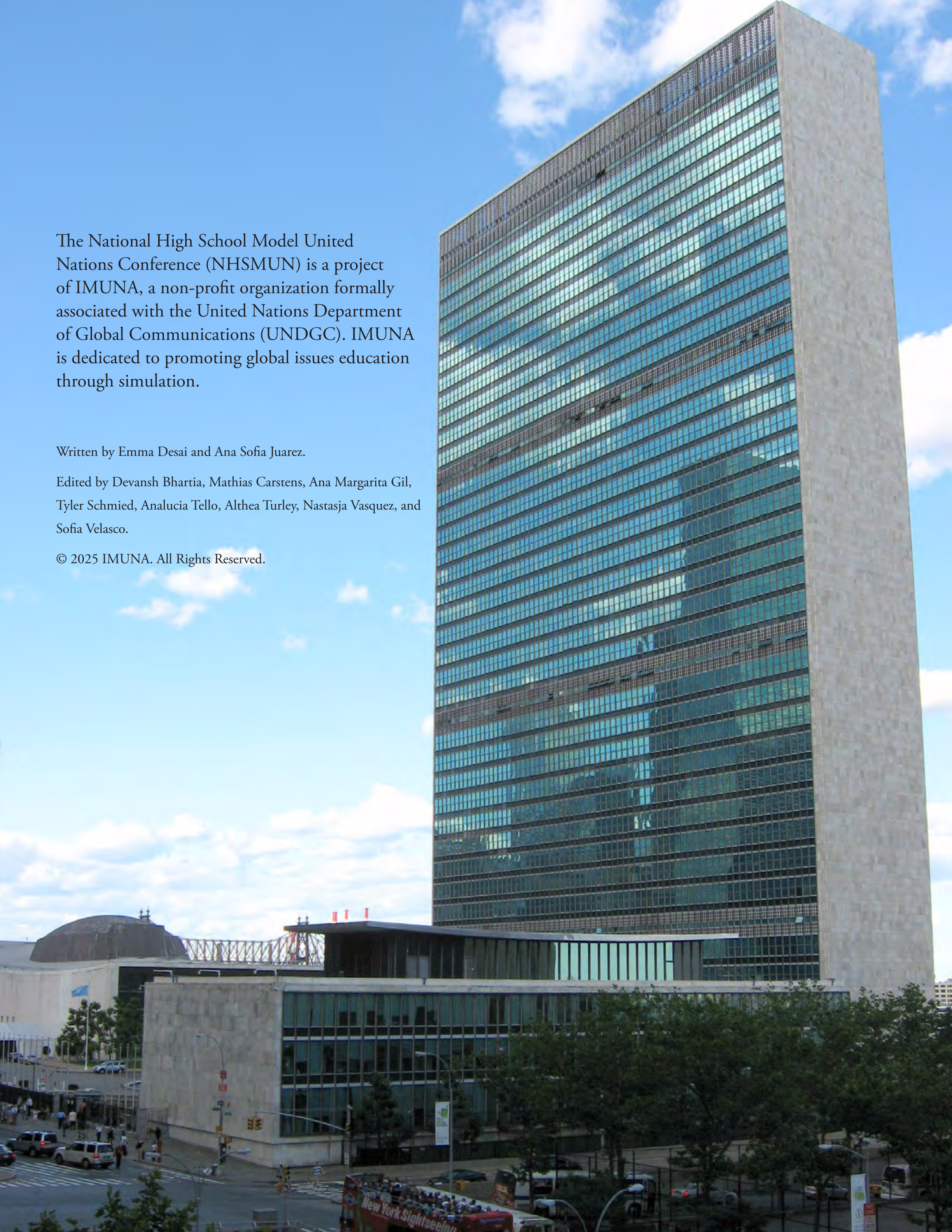

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