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**HEADLINE:** Global Talks On Farming Begin Friday

**BYLINE:** By KEN **BELSON**

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**BODY:**

Trade ministers from two dozen of the world's largest economies will meet in Tokyo this weekend to discuss guidelines for the reduction of agricultural tariffs and other measures, part of a round of talks the World Trade Organization began last year in Doha, Qatar.

As with many other multilateral debates over farming, though, the nonbinding discussions may only solidify established positions, not soften them.

At the center of the three days of meetings, which begin Friday, is a debate over how to calculate cuts in tariffs and subsidies on rice, beef and other produce. The United States, Australia and other large exporters want tariffs limited to no more than 25 percent of the value of the goods. Another bloc, which includes the European Union, Japan and South Korea, favors across-the-board reductions from current tariff rates.

The negotiators will probably be presented with a proposal for bridging the gap, written by the chairman of the special committee on agriculture. They must reach an agreement by March 31, a significant task given the disagreement and the need to incorporate a spectrum of opinions in the 145-member group.

Though the trade group has made progress in reducing tariffs on manufactured goods and services, agriculture has always led to more exemptions than concessions. For years, the United States side, allied with Australia, Thailand, Canada, Brazil and Argentina, which make up the Cairns Group, has pressed the world group's members to lower tariffs to allow for more imports of grain, fruit and meats. The Europeans, particularly the French, as well as the Japanese, have

tried to protect politically powerful farmers.

The Europeans and Japanese have broadened their defense, arguing that protecting farmers is not just about food, but also about preserving the environment, rural regions and national self-sufficiency. Japan, already the world's largest net importer of food, says it is unfairly accused of hindering imports, even though tariffs on imported rice, for example, are 490 percent.

"There are lines that we cannot concede to," one senior Japanese negotiator said. "It's not that our markets are closed. Our proposals are the middle of the road."

Though Japan imports \$135 worth of agricultural goods per capita each year, about 40 percent more than the European Union, food prices in Japan are among the highest in the world. Agricultural land costs 100 times what it does in the United States, and the average American farm is 200 times the size of a Japanese one. With land divided into so many small plots, growers must charge far more to recoup their costs.

As in many industrialized countries, workers are also leaving farms for higher-paying jobs in the city. That has led to more imports, pushing Japan's self-sufficiency rate in food below 40 percent, the second worst, after Iceland, among nations in the Organization for Economic Cooperation and Development.

This decline, however, has gone on for years and prompted a multitude of heated fights with agricultural exporters. In the 1980's, the United States successfully won reductions in Japanese tariffs on beef and oranges. In the 1990's, tariffs were lowered on certain types of apples and rice, producing mixed results.

Still, the Japanese, like many nations, won concessions in the Uruguay Round to protect local farmers from a surge in imports. One such clause, typical of the minutiae that prevent broad agreements, protects farmers by automatically raising tariffs from 38.5 percent to 50 percent if beef imports surge by more than 17 percent in a quarter.

The clause may go into effect soon and has already elicited protests from the Americans and Australians. Any surge, they say, is a result of a decline in beef consumption last year prompted by the discovery that a handful of Japanese cows had mad cow disease. The event falls outside the scope of the world trade agreement, they argue.

"We don't dispute that the Japanese are within their rights to raise tariffs," an Australian trade official said. "But the mad cow disease was an unusual situation because people stopped eating beef regardless of whether it was domestic or imported, so we suffered, too."

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