

## **African Nations Call for U.S. to Eliminate Cotton Subsidies At WTO talks, trade officials blame funding given to American farmers for holding down global prices and depressing economies**

**By Don Lee**  
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HONG KONG — One after another, Africa's trade ministers rose to the podium and made their pleas to the World Trade Organization.

"Our countries cannot be bled at this rate for a long time," said Fatiou Akplogan of the West African nation of Benin.

Ngarmbatina Odjimbeyee Soukate, wearing the traditional clothing of Chad, said hers was "an appeal to the human conscience."

"Simply remember that we too are human beings."

At issue is the long-fiber cotton of the type that made up her dress. For more than two years the commodity has been at the center of trade disputes between developing nations and their wealthy counterparts — and it has been a thorn in the side of U.S. trade officials here at the WTO negotiations.

Throughout the week, cotton-growing countries in Africa, which are among some of the poorest on Earth, have pressed the United States to swiftly do away with cotton subsidies for American farmers. Africans blame the U.S. support for holding down global prices for the commodity and depressing their economies.

Discord over cotton was a crucial factor in the breakup of the WTO's ministerial conference two years ago in Cancun, Mexico. And once again it has been a touchstone, symbolizing the concerns of developing nations over the agricultural trade policies of wealthy countries, particularly those in the European Union. As negotiations near an end this weekend in Hong Kong, there were few signs that the impasse would be broken.

"Without a deal in cotton, we won't get a broader agreement," WTO spokesman Keith Rockwell said.

The WTO's hope for Hong Kong was that delegates from 149 countries would agree on formulas for reducing tariffs and eliminating other trade barriers for agricultural and industrial goods, with the intent of helping developing countries.

But with myriad unresolved issues over cotton, as well as bananas, sugar and other commodities, the best hope for the weekend may be that delegates will

settle on key terms and language and a date for eliminating export subsidies. They are expected to meet again in March; the WTO is racing to complete a new trade accord under the so-called Doha development round by next year.

Eloi Laourou, Benin's economic consul in Geneva, was still holding out hope that a deal could be reached on cotton here, although he described the current U.S. offer as "not sufficient."

Washington's subsidies for the 25,000 U.S. cotton growers, including 1,500 in California, are projected to be about \$3.5 billion this year, according to industry and government estimates. That's more than four times the entire value of the cotton produced by more than 10 million farmers in Africa.

At the WTO negotiations, U.S. officials have stuck to a proposal they made in October to do away with all farm export subsidies by the end of 2010 and to make significant cuts in agricultural tariffs and domestic price supports.

The African cotton growers want all export subsidies to be eliminated by next year and ask that all other domestic supports for cotton, such as minimum price guarantees, be cut 80% next year and completely two years later.

American trade officials have been reluctant to negotiate a separate trade deal with African cotton farmers, insisting that the WTO framework calls for delegates to first reach agreement on broad formulas for tariffs on farm and industrial goods before taking up sector-specific issues.

U.S. delegates have told their African counterparts that Congress would probably take final action within days on a repeal of the so-called Step-2 program, a subsidy given to growers who sell cotton for export. Eliminating Step-2 could cut as much as \$500 million from the overall supports next year.

On Thursday, U.S. Trade Representative Rob Portman made another gesture to win over the West Africans that have the most at stake in the cotton debate by offering to open up the U.S. cotton market to the top West African producers — Benin, Mali, Burkina Faso, Chad and Senegal — without imposing duties and quotas.

The idea was immediately criticized by nongovernmental organizations, which said that African countries don't export cotton to the United States and that there was little demand for cotton imports in the U.S.

Portman also is bound by Congress, some of whose members are close to the farm lobby. Representatives of the \$6.3-billion U.S. cotton-growing industry said implementing the African proposal would put a severe strain on many

American farmers and their communities.

U.S. trade officials, citing analyst studies, say subsidies have had relatively little effect on depressing global prices, probably just a few percent. African farmers, they have said, could improve their fortunes by improving crop yields and marketing capabilities.

While the West Africans press their grievances, the United States and the European Union have been sparring since the talks opened, offering differing proposals for how much to cut tariffs and how many products to protect from such levies.

"We are going to stick to our position," EU Commissioner Peter Mandelson said Friday, offering a bleak outlook heading into the weekend. "It's hard to see where progress can be achieved in Hong Kong if the talks continue in this direction."

The African cotton growers say they are helplessly caught in between.

"We are taken as hostage by the big guys," said Samuel Amehou, Benin's ambassador in Geneva.

Benin, a country of 7.5 million people, relies on cotton for 70% of its export revenue. The crop provides a livelihood for about 1.2 million people, said Laourou, the economic consul. He said the typical Benin cotton farmer had 3 to 5 acres; that contrasts with an average of 1,000 acres for their American counterparts.

"In our country, cotton is our life," said Francois Traore, a former Chad farmer who serves as president of the African Cotton Producers Assn. "It is everything for us."