Regional FAO/NGOs-CSOs Consultation for Europe

Yerevan, Armenia, 10-11 May 2010

How to reduce the large dependence of Eastern Europe in its dairy imports coming from the EU

Jacques Berthelot (jacques.berthelot4@wanadoo.fr),
Solidarité (http://soldarite.asso.fr)
I – The challenge of food trade deficits in the EECA as in the EU-27

II – 63% of the EECA’s dairy imports come from the EU-27

III – The 2 reasons of the EECA’s dairy trade deficit with the EU-27

IV – Why and how to refound the EECA agricultural policies on food sovereignty
We have retained 16 countries: 3 of Caucasus, 5 of Central Asia, Russia, Belarus, Ukraine, Albania, Bosnia, Croatia, Serbia, Turkey.
The challenge of the EECA’s food trade deficit

This analysis is on food trade, to be distinguished from agricultural trade as it does not include non food raw materials but includes fish.

In the EECA countries, the average food trade deficit from 2006 to 2008 has been of $15.7 billion (bn), in which 10 countries had a deficit of $22.3 bn and 3 a surplus of $6.7 bn.

Russia has a huge deficit ($17.9 bn) but Turkey and Ukraine have comparable surpluses ($3.1 bn and $3 bn). Without fish the food deficit reaches $17.5 bn given a fish deficit of $1.8 Md$, of which $1.2 for Russia. Turkey is the only country with a fish trade surplus of $223 million.
<table>
<thead>
<tr>
<th>Country</th>
<th>Balance</th>
<th>Imports</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>45518</td>
<td>29868</td>
<td>25648</td>
</tr>
<tr>
<td>Turkey</td>
<td>8536</td>
<td>5402</td>
<td>3134</td>
</tr>
<tr>
<td>Ukraine</td>
<td>7011</td>
<td>4014</td>
<td>2997</td>
</tr>
<tr>
<td>Russia</td>
<td>6785</td>
<td>3423</td>
<td>2087</td>
</tr>
<tr>
<td>Others</td>
<td>5034</td>
<td>3423</td>
<td>1610</td>
</tr>
<tr>
<td>Caucasus</td>
<td>860</td>
<td>1029</td>
<td>1889</td>
</tr>
<tr>
<td>Croatia</td>
<td>1166</td>
<td>908</td>
<td>2074</td>
</tr>
<tr>
<td>C. Asia.</td>
<td>2087</td>
<td>342</td>
<td>2429</td>
</tr>
</tbody>
</table>
The EU-27’s average food trade deficit has reached $30.7 bn, or €21.3 bn, from 2006 to 2008, of which €18.3 bn in fish trade.

This huge overall deficit hides surpluses of $16 bn with Western countries and of $5.9 bn with EECA, implying a food trade deficit of $52.6 bn with developing countries.

The $5.9 billion surplus with EECA hides a huge surplus of $7.1 bn with Russia, deficits with 3 countries (Turkey, Ukraine, Serbia), and surpluses with the rest of EECA.
Geopolitical distribution of the EU-27 average food trade between groups of countries from 2006 to 2008

- Total
  - Fish balance: -30708
  - Balance: -18329
  - Imports: 116328
  - Exports: 85620

- Western Countries
  - Fish balance: -4738
  - Balance: -18329
  - Imports: 16080
  - Exports: 8207

- Russia
  - Fish balance: -133
  - Balance: -4738
  - Imports: 1419
  - Exports: 8207

- WCs+Russia
  - Fish balance: -4871
  - Balance: 24287
  - Imports: 25353
  - Exports: 49641

- DCs
  - Fish balance: -13368
  - Balance: -13368
  - Imports: 35989
  - Exports: 90974

- Total
  - Fish balance: -133
  - Balance: -4871
  - Imports: 8207
  - Exports: 40015
Russia’s food trade is also in deficit with the rest of EECA. Russia has also food deficits with Ukraine ($861 mn), Belarus (816 mn) and Turkey (726 mn) but has surpluses with Caucasus, Central Asia and the rest of not EU Western Europe.
Distribution of Russia’s average food trade with the EU-27 and EECA countries, 2006-2008, in $ million

- Balance
- Imports
- Exports

EU-27: 8359
Total: 14681

Belarus:
- Balance: 672
- Imports: 1488
- Exports: 1028

Caucasus:
- Balance: 611
- Imports: 321
- Exports: 290

Central Asia:
- Balance: 216
- Imports: 1028
- Exports: 1244

Belarus:
- Balance: 672
- Imports: 1488
- Exports: 672

Turkey:
- Balance: -726
- Imports: 1991
- Exports: 1265

Ukraine:
- Balance: -861
- Imports: 1434
- Exports: 573

Other countries:
- Balance: -816
- Imports: 216
- Exports: 290
EECA trade in dairy products is balanced in value and presents a surplus in volume because the large deficit in butter and cheese is overcompensated by surpluses in milk (mainly powder) and casein. However buttermilk and lactos serum are not included.
EECA’s average trade in dairy produce from 2006 to 2008, in 1000 tonnes

<table>
<thead>
<tr>
<th>Product</th>
<th>Balance</th>
<th>Import</th>
<th>Export</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>141</td>
<td>1016</td>
<td>874</td>
</tr>
<tr>
<td>Casein</td>
<td>11</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Milk &amp; cream</td>
<td>281</td>
<td>445</td>
<td>726</td>
</tr>
<tr>
<td>Cheese</td>
<td>-92</td>
<td>296</td>
<td>204</td>
</tr>
<tr>
<td>Butter</td>
<td>-59</td>
<td>128</td>
<td>69</td>
</tr>
</tbody>
</table>
EECA’s average trade in dairy produce from 2006 to 2008, in $ million

<table>
<thead>
<tr>
<th>Product</th>
<th>Total</th>
<th>Casein</th>
<th>Milk &amp; cream</th>
<th>Butter</th>
<th>Cheese</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td></td>
<td>89</td>
<td>353</td>
<td>-109</td>
<td>-326</td>
</tr>
<tr>
<td>Import</td>
<td></td>
<td>206</td>
<td>651</td>
<td>297</td>
<td>1068</td>
</tr>
<tr>
<td>Export</td>
<td></td>
<td>110</td>
<td>1003</td>
<td>188</td>
<td>1068</td>
</tr>
</tbody>
</table>

-500 0 500 1000 2000 2500

Balance: Green, Import: Red, Export: Blue
II – The EU-27 dairy trade has a huge surplus, particularly with the EECA

The EU-27 has a huge overall dairy surplus of $5.2 bn, and of 4.6 bn without buttermilk and lactoserum, of which $1.1 billion with EECA, an outlet which, without buttermilk and lactoserum, represents 28% of EU exports but 47% for butter and 41.3% for cheese.

In fact the EU-27 does not import any dairy produce at normal MFN tariffs which are prohibitive, its only imports come from countries with preferential tariff quotas (New Zealand, Switzerland) or in the context of inward processing tariffs (casein from Belarus and Russia).
EU-27 average trade in dairy produce from 2006 to 2008, in 1000 tonnes

<table>
<thead>
<tr>
<th>Product</th>
<th>Balance</th>
<th>Import</th>
<th>Export</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>2024</td>
<td>339</td>
<td>2366</td>
</tr>
<tr>
<td>Lactoserum</td>
<td>315</td>
<td>63</td>
<td>378</td>
</tr>
<tr>
<td>Buttermilk</td>
<td>104</td>
<td>10</td>
<td>94</td>
</tr>
<tr>
<td>Sub-total</td>
<td>1615</td>
<td>266</td>
<td>1883</td>
</tr>
<tr>
<td>Casein</td>
<td>41</td>
<td>27</td>
<td>68</td>
</tr>
<tr>
<td>Milk &amp; cream</td>
<td>681</td>
<td>32</td>
<td>991</td>
</tr>
<tr>
<td>Butter</td>
<td>1023</td>
<td>84</td>
<td>230</td>
</tr>
<tr>
<td>Cheese</td>
<td>2500</td>
<td>110</td>
<td>562</td>
</tr>
</tbody>
</table>

Legend: Green = Balance, Red = Import, Blue = Export
EU-27 average trade in dairy produce from 2006 to 2008, in million dollars

<table>
<thead>
<tr>
<th>Product</th>
<th>Balance</th>
<th>Import</th>
<th>Export</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5237</td>
<td>854</td>
<td>6091</td>
</tr>
<tr>
<td>Lactoser...</td>
<td>457</td>
<td>457</td>
<td>479</td>
</tr>
<tr>
<td>Buttermilk</td>
<td>121</td>
<td>149</td>
<td>165</td>
</tr>
<tr>
<td>Sub-total</td>
<td>4631</td>
<td>816</td>
<td>5447</td>
</tr>
<tr>
<td>Casein</td>
<td>218</td>
<td>203</td>
<td>421</td>
</tr>
<tr>
<td>Milk &amp;...</td>
<td>2075</td>
<td>45</td>
<td>2121</td>
</tr>
<tr>
<td>Butter</td>
<td>1987</td>
<td>350</td>
<td>499</td>
</tr>
<tr>
<td>Cheese</td>
<td>149</td>
<td>419</td>
<td>2406</td>
</tr>
</tbody>
</table>
EU-27 average trade in dairy produce with EECA from 2006 to 2008, in 1000 tonnes

- **Total**: 377 (32) for balance, 409 (32) for export
- **Casein**: 20 (3) for balance, 20 (3) for import
- **Milk & cream**: 158 (11) for balance
- **Butter**: 169 (52) for balance, 52 (0.1) for import, 52 (0.1) for export
- **Cheese**: 185,6 (0.4) for balance, 186 (0.4) for export
EU-27 average trade in dairy produce with EECA from 2006 to 2008, in million dollars

- **Total**
  - Balance: 1129
  - Import: 153
  - Export: 1283

- **Casein**
  - Balance: -121
  - Import: 16
  - Export: 136

- **Milk & cream**
  - Balance: 264
  - Import: 15
  - Export: 279

- **Butter**
  - Balance: 165
  - Import: 0.5
  - Export: 165

- **Cheese**
  - Balance: 821
  - Import: 12
  - Export: 822
The EECA-UE27 dairy is highly unbalanced

If 63% of EECA dairy imports in value come from the EU-27 (of which 77% for butter and 56% for cheese), only 7.5% of EECA dairy exports are going to the EU-27 (and mainly casein).

To the contrary, only 5.1% of the EU-27 dairy trade balance in value come from EECA which absorbs 24.4% of EU-27 dairy trade balance (without buttermilk and lactoserum).
Share of EEAC’s total dairy trade with the EU-27 in volume from 2006 to 2008

- **Imports:**
  - Cheese: 62.70%
  - Butter: 40.30%
  - Milk & cream: 37.90%
  - Total: 3.10%

- **Exports:**
  - Cheese: 46.70%
  - Butter: 0.04%
  - Milk & cream: 1.50%
  - Total: 3.00%
Share of EEAC’s total dairy trade with the EU-27 in dollars from 2006 to 2008

- Imports
- Exports

- Cheese: 77%
- Butter: 56.00%
- Milk & cream: 1.50%
- Total: 63%, 7.50%
Share of EU-27’s total dairy trade in volume realized with EECA from 2006 to 2008

- Export:
  - Cheese: 41.10%
  - Butter: 35.10%
  - Milk & cream: 35%
  - Casein: 22.40%
  - Total: 22.40%

- Import:
  - Cheese: 33%
  - Butter: 22.40%
  - Milk & cream: 15.90%
  - Casein: 3.70%
  - Total: 5.10%

- Balance:
  - Cheese: 0.30%
  - Butter: 0.20%
  - Milk & cream: 16.50%
  - Casein: 50.20%
  - Total: 24.80%
Share of EU-27’s average dairy trade in dollars realized with the EECA from 2006 to 2008

<table>
<thead>
<tr>
<th>Product</th>
<th>Export</th>
<th>Import</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheese</td>
<td>41,30%</td>
<td>0,03%</td>
<td>12,70%</td>
</tr>
<tr>
<td>Butter</td>
<td>34,20%</td>
<td>0,03%</td>
<td>34%</td>
</tr>
<tr>
<td>Milk &amp; cream</td>
<td>33,10%</td>
<td>66,80%</td>
<td>13,20%</td>
</tr>
<tr>
<td>Casein</td>
<td>34%</td>
<td>24,40%</td>
<td>3,70%</td>
</tr>
<tr>
<td>Total</td>
<td>25,20%</td>
<td>2,80%</td>
<td>66,80%</td>
</tr>
</tbody>
</table>
Share of EU-27 total dairy trade in dollars realized with the EECA from 2006 to 2008

- Cheese: Export 41.30%, Import 34.20%, Balance 47.10%
- Butter: Export 33.10%, Import 0.03%, Balance 13.20%
- Milk & cream: Import 0.03%, Balance 12.70%
- Casein: Export 3.70%, Import 66.80%
III – The two major reasons of the EECA-EU27 dairy trade imbalance

1) The imbalance in the level of import protection

2) The huge dumping of the EU-27 dairy exports
1) The imbalance in the level of import protection

The EU-27 average applied tariff on dairy imports is 87% and 41 tariff lines exceed 100%. Besides, they are mainly specific tariffs (x €/tonne), which are much more protective than *ad valorem* tariffs as they do not suffer from the fluctuation of world prices in $ and of the exchange rate with the $.

In milk equivalent average dairy imports in 2006 and 2007 have represented 2% of the EU dairy consumption and 2.4% of US dairy consumption, against 10.3% for DCs.

To the contrary EECA tariffs on dairy products are very low – most at 10%-15% – and only ad valorem, with the exception of Croatia.
<table>
<thead>
<tr>
<th>Country</th>
<th>Bound*</th>
<th>Applied</th>
<th>Bound*</th>
<th>Applied</th>
<th>All dairy</th>
<th>Butter</th>
<th>Dry cheese</th>
<th>Milk-cream</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>20%</td>
<td>15%</td>
<td>9,4%</td>
<td>7,8%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Armenia</td>
<td>15%</td>
<td>15%</td>
<td>14,7%</td>
<td>6,9%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>15%</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>152%</td>
<td>15%</td>
<td>13,8%</td>
<td>15%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Belarus</td>
<td>456%</td>
<td>15%</td>
<td>14,7%</td>
<td>6,9%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>15%</td>
</tr>
<tr>
<td>Bosnia</td>
<td>239%</td>
<td>12,4%</td>
<td>21,5%</td>
<td>7%+513€/t</td>
<td>1119€/t</td>
<td>4,8-6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Croatia</td>
<td>85%</td>
<td>83%</td>
<td>10,8%</td>
<td>10,3%</td>
<td>24,5%</td>
<td>7%+456€/t</td>
<td>1119€/t</td>
<td>4,8-6%</td>
</tr>
<tr>
<td>Georgia</td>
<td>684%</td>
<td>684%</td>
<td>13,6%</td>
<td>8,3%</td>
<td>5%</td>
<td>1%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>456%</td>
<td>13,2%</td>
<td>16,3%</td>
<td>10%</td>
<td>10%</td>
<td>15%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Kyrgyzstan*</td>
<td>213%</td>
<td>195%</td>
<td>13%</td>
<td>7,8%</td>
<td>10%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Russia</td>
<td>456%</td>
<td>14,2%</td>
<td>5,5%</td>
<td>15%</td>
<td>15%</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Serbia</td>
<td>30%</td>
<td>14,2%</td>
<td>24%</td>
<td>30%</td>
<td>30%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tajikyistan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ukraine</td>
<td>94%</td>
<td>94%</td>
<td>11,1%</td>
<td>13%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>522%</td>
<td>19,5%</td>
<td>7,6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE-27</td>
<td>239%</td>
<td>236%</td>
<td>15,9%</td>
<td>16%</td>
<td>87%</td>
<td>2313 €/t</td>
<td>7716€/t</td>
<td>1400€/t</td>
</tr>
<tr>
<td>USA</td>
<td>350%</td>
<td>350%</td>
<td>4,8%</td>
<td>5,3%</td>
<td>1541 $/t</td>
<td>1541 $/t</td>
<td>1509$/t</td>
<td>33-865$/t</td>
</tr>
</tbody>
</table>

Sources: WTO. * Only WTO Members have bound tariffs.
In Kenya milk production has jumped by 84% from 2000 to 2007, with a per capita consumption of 112 litres, 3.2 times more than the 35 litres of sub-Saharan Africa and West Africa.

Kenya’s dairy trade has passed from a growing deficit up to 2002 to a growing surplus since 2003, in volume and value.

West Africa’s milk production has risen by only 30% from 2000 to 2007 and net imports were of 65% of production in 2006.

The main reason: Kenya’s tariff on concentrated milk has increased from 25% in 1999 to 35% in 2002 and 60% since 2004. But the same tariff has stagnated at 5% in the 8 French-speaking West African countries and at not much more in others.
West Africa’s production and trade of dairy products from 2000 to 2006, in 1000 tonnes of milk equivalent

Source: FAOSTAT
Kenya’s trade in dairy products from 2000 to 2008, in 1000 dollars

Exports
Imports
Balance

Source: COMTRADE
2) The huge dumping of the EU-27 dairy exports

The $1.283 bn of average EU-27 dairy exports to EECA from 2006 to 2008 have been largely possible owing to a huge dumping of €367 mn or of 28.6%.

Indeed the EU has subsidized by €1.741 bn on average its €6.091 bn of dairy exports, that is at 28.6%. The export refunds have only represented 28% of total and domestic subsidies 72%.

If the export refunds have dropped from €833 mn in 2006 to €65 mn in 2008 – they had reached €2 bn in 1997 – they have resumed in 2009 and reached again €279 mn from end January 2009 to end January 2010.
The EU-27's domestic subsidies to exported dairy products: 2006 to 2008

<table>
<thead>
<tr>
<th></th>
<th>Million euros</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alleged decoupled dairy payments</td>
<td></td>
<td>4760</td>
<td>5182</td>
<td>5320</td>
<td>5087</td>
</tr>
<tr>
<td>Market interventions on dairy products</td>
<td></td>
<td>285</td>
<td>125</td>
<td>119</td>
<td>176</td>
</tr>
<tr>
<td>Feed subsidies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3177</td>
</tr>
<tr>
<td>Slaughter premium for dairy cows</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>480</td>
</tr>
<tr>
<td>Share of milk in the agricultural production value</td>
<td></td>
<td>13,7%</td>
<td>14,1%</td>
<td>14,2%</td>
<td>14%</td>
</tr>
<tr>
<td>Share of the non product-specific AMS to dairy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1680</td>
</tr>
<tr>
<td>Share of the green box subsidies to dairy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3517</td>
</tr>
<tr>
<td>Total domestic subsidies to dairy products</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14606</td>
</tr>
</tbody>
</table>
### The EU-27's total subsidies to its exported dairy products: 2006 to 2008

<table>
<thead>
<tr>
<th></th>
<th>Million euros</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export refunds</td>
<td></td>
<td>833</td>
<td>569</td>
<td>65</td>
<td>489</td>
</tr>
<tr>
<td>Value of the exported dairy products</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6091</td>
</tr>
<tr>
<td>Milk production in million tonnes</td>
<td></td>
<td>141700</td>
<td>148100</td>
<td>148700</td>
<td>146,167</td>
</tr>
<tr>
<td>Exports in million tonnes of mil-equivalent</td>
<td></td>
<td>12400</td>
<td>13200</td>
<td>12000</td>
<td>12,533</td>
</tr>
<tr>
<td>Percentage of domestic subsidies to dairy exports</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8.57%</td>
</tr>
<tr>
<td>Domestic subsidies attributable to dairy exports</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1252</td>
</tr>
<tr>
<td>Total subsidies to the exported dairy products</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1741</td>
</tr>
<tr>
<td>Dumping rate of the exported dairy products</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>28.6%</td>
</tr>
</tbody>
</table>

Sources: Eurostat, Comtrade, DG Agri, Institut de l'élevage, Ministères de l'agriculture et Instituts nationaux des statistiques de l'UE-12 et de France, etc.
If the FAO’s diagnosis and recommendations for the current production problems of the EECA’s livestock are excellent, they are totally irrelevant on the trade issues, where they underline the necessity to EECA countries to export more on the world markets and to finalize the Doha Round negotiations at the WTO on the basis of the Draft modalities text of 6 December 2010.

This stance is absurd given the EECA huge food trade deficit and the necessity to improve the diet of a large percentage of its population.
IV – Why and how to refound the EECA’s agricultural policies on food sovereignty

Not a single country, no Southern country either, has industrialised without an efficient protection of its agriculture and the EU is still protecting at a very high level its basic foods: cereals, dairy, meat, sugar. And it is absurd that EEAC’s countries go on with increased food deficits, particularly in the context of climate change and of the need to feed 9 billion people in 2050 where at least EECA should remain self-sufficient in food.

Russia has begun to realize this necessity in its Food security objective decided the 30 January 2010 to cover at least 95% of its national consumption in grains, 90% in dairy and 85% in meat. To achieve these objective it should resist to the pressures to lower its agricultural tariffs in its negotiation to join the WTO. Unfortunately this has not been the case for Ukraine which has agreed to bind them at a too low level when it has joined the WTO in 2008.
GDP/capita and rate of integration in world trade

- **GDP/capita**
- **Rate of integration in world trade**
Rate of integration in the word market according to the development level of countries in 2006

Source : Banque mondiale et Commission européenne
PMA : pays les moins avancés; PED à BM revenu : PED à bas et moyen revenu; ASS : Afrique subsaharienne
It is necessary to use variable levies to stabilise domestic prices, even if the WTO has forbidden them because they were alleged to increase the fluctuations of the world prices and to be less transparent than fixed tariffs for importers and exporters.

It is inconsistent to forbid variable levies because the WTO allows them in many forms that do not carry that name although they make up the difference between the domestic and world prices: 1) they allow frequent adjustments of applied tariffs as long as they are lower than the bound tariffs; 2) they allow variable export duties, used recently by many DCs to protect domestic prices; 3) the export refunds and domestic subsidies to exported products are negative variable levies; 4) the domestic subsidies are disguised variable levies because, by compensating farmers, the agro-industries do not need to import as much; 5) the WTO does not forbid import subsidies, which are negative variable levies.
Demolishing the arguments against a higher import protection in EECA

It is feared that an increased import protection in EECA would be unbearable for poor consumers and could provoke popular uprisings threatening governments.

No! As long as the increase of agricultural prices would be progressive and extend on a period of at least 5 years, in parallel with the rise in import protection. As many consumers are farmers, they will benefit from higher agricultural prices as they will have an incentive to produce more. And this will generate many new employ-ments upstream and downstream the production chains.
Going on importing agri-food products at dumped prices can only aggravate the under-development by an increased impoverishment of a significant part of the population, unable to buy the goods and services of the rest of the economy.

It is urgent to trigger the reverse virtuous circle based on remunerative prices for farmers, which will allow them to invest to increase their yields and acreage. This will reduce their unit production costs and allow them eventually to make do with lower agricultural prices for the benefit of consumers.

There will be a difficult transition period of 5-10 years during which some type of food stamps should be implemented as they are in the US, China, India, Brazil, allowing poor people to go on buying the basic national staples at the pre-increased prices.