

Rashtriya Kisan Mahasangh(India)

A forum of 136 Indian Farmers' Organizations

To
The Member countries of WTO,

Sub: MC-14, Concerns of Indian Farmers
Permanent solution to PSH

India's agrarian population relies on government procurement and public stockholding—anchored in Minimum Support Price (MSP) and Public Distribution System (PDS)—to ensure food security and stabilize farmer incomes. MSP-based procurement remains vital, which is why it was a key demand during the 13-month farmers' agitation.

Under the WTO Agreement on Agriculture (AoA), agricultural subsidies are classified into different categories based on their level of trade distortion. Public stockholding subsidies fall under the Amber Box, which includes subsidies linked to production. Developing countries are allowed support up to a de minimis limit of 10% of the value of agricultural production. However, because public stockholding programs involve government procurement at administered prices, they are often counted as trade-distorting support under WTO rules.

Public stockholding for food security has therefore become a contentious issue in global trade negotiations, particularly for developing countries like India. A permanent solution to this issue was mandated by the Bali Ministerial Decision (2013) and reaffirmed by the WTO General Council Decision (2014), with an initial deadline of 2017. However, despite several ministerial conferences since then, a permanent solution remains unresolved, largely due to resistance from the United States and other developed countries.

Currently, developing countries rely on the Peace Clause, which temporarily protects public stockholding programs from legal challenges at the WTO. However, the Peace Clause is burdensome and limited in scope. It imposes extensive procedural, transparency, and notification requirements on developing countries, requiring detailed data on procurement, subsidy calculations, and measures to prevent trade distortion. For countries like India, with vast procurement operations and millions of farmers, meeting these requirements involves significant administrative effort. Moreover, the Peace Clause does not apply to programs introduced after December 2013, and several of its provisions remain vaguely defined.

Without a permanent solution, Indian farmers could face greater income uncertainty, increased market volatility, and reduced government procurement. For these reasons, India and many developing countries argue that a permanent amendment to the AoA is essential to ensure food security and protect the livelihoods of millions of small and marginal farmers.

Updating reference prices

Another major concern is that WTO subsidy calculations rely on outdated reference prices from 1986–88, which significantly exaggerate the measured level of support due to inflation and structural changes in agriculture. Strict enforcement of these rules could threaten India's procurement system and undermine the National Food Security Act (NFSA), which provides subsidized food to nearly two-thirds of the population.

Special Safeguard Mechanism (SSM).

Negotiations on the Special Safeguard Mechanism (SSM) have continued for nearly two decades, with a renewed mandate at the Nairobi Ministerial, yet no agreement was reached even at MC13. Meanwhile, India has signed an FTA with the EU and an interim agreement with the USA, both expanding to include agricultural products. These countries provide high levels of farm subsidies while pressuring developing nations to reduce import duties through free trade agreements. Sudden import surges have already caused price crashes, market volatility, and severe distress for farmers. It is unacceptable that the USA demands further market liberalisation as a condition for SSM. Developed countries already enjoy the Special Safeguard (SSG); developing countries must be granted SSM immediately.

Developed Countries Subsidies.

The OECD Agricultural Policy Monitoring and Evaluation Report 2024 exposes a stark asymmetry in global farm support. While farmers in the United States receive positive support with a Producer Support Estimate (PSE) of +7.1%, farmers in India face a negative PSE of -14.5%. Reports says that “ India, Vietnam and Argentina have net negative support due to implicit taxation of producers via policies that keep commodity prices low relative to world prices”. These findings sharply contradict the claim often made in WTO negotiations that developing countries excessively subsidize their agriculture, revealing instead that many of their farmers receive far less—and sometimes negative—support compared to those in advanced economies.

Mark Malloch Brown, Former head of the United Nations Development Program, estimated that farm subsidies cost poor countries about the US \$50 billion a year in lost agricultural export.

Subsidy allocations under the U.S. Farm Bill rose from \$956 billion in 2014 to around \$1.5 trillion in the 2024 Farm Bill. Under the new US Farm Bill, rice subsidies have been increased by 175%, allowing US rice to be exported at artificially low prices. This could help the US regain lost markets in Sub-Saharan Africa and the Middle East—markets where India and Thailand have traditionally been strong—while also putting downward pressure on India’s domestic prices. Massive U.S. cotton subsidies—covering 74% of production costs—have hurt farmers in Africa and Asia. Under pressure, India allowed zero-duty cotton imports in September 2025, causing price crashes. The issue remains stalled by countries that used heavy subsidies to capture markets and now demand liberalisation. U.S. subsidies both restrict imports and support exports. This is unacceptable; developed-country subsidies must be resolved at MC14.

The emerging “new issues” in the WTO —notably e-commerce, Investment Facilitation for Development (IFD), and domestic regulation in services—mark a clear shift away from unresolved concerns such as agriculture, food security, and farmer livelihoods. These agendas are largely driven by developed countries and multinational corporations seeking deeper market access, regulatory harmonisation, and freer movement of data and capital. In effect, they are reshaping global trade rules in ways that strengthen already dominant corporate actors in the global food system.

This shift is particularly troubling given the high concentration of power across the food chain. The top six companies account for 58% of the global seed market. In agrochemicals, the top four firms control 62% of the pesticide market. In fertilisers, Nutrien produces about 25% of global potash and is among the largest nitrogen producers, the top ten companies account for roughly 40% of the fertiliser market.

Commodity trading Cargill leads globally, followed by COFCO and Archer Daniels Midland (ADM), with ten firms controlling about 40% of the trade. In retail, the top ten grocery companies account for 11% of global consumer spending, with Walmart alone contributing nearly one-third of that share.

Recent crises have further strengthened corporate dominance. During the COVID-19 pandemic, major food and agribusiness corporations increased prices citing supply disruptions, even as global hunger rose. In 2020, leading firms recorded sharp increases in sales and profits. A study of 100 U.S. corporations found a median profit increase of 49%, highlighting the extent of crisis-driven profiteering. Such trends show how concentrated market power enables firms to influence prices and restrict supply to sustain high profits.

India opened segments of food retail to global corporations such as Amazon and attempted reforms in land and agriculture markets through three farm laws—later withdrawn after a 13-month mass farmers' protest. These developments illustrate the growing alignment of policy frameworks with corporate interests in the food system.

Within this context, WTO's new issues risk reinforcing corporate control. Proposed e-commerce rules promote free cross-border data flows and limit the ability of governments to impose digital tariffs, favouring large digital and retail corporations while excluding small farmers lacking digital infrastructure. The continuation of the e-commerce moratorium also reduces tariff revenues for developing countries, constraining their capacity to support rural economies and public food systems.

The IFD framework prioritises investors through simplified rules and predictability, enabling agribusiness expansion, land consolidation, and resource diversion. This often marginalises small farmers and restricts governments' ability to regulate in the public interest.

The cumulative effect of these developments is a structural shift toward corporate-led agricultural value chains. Small farmers are increasingly excluded or integrated on unequal terms, while consumers face rising prices driven by concentrated market power. At a time of growing global hunger and food insecurity, prioritising corporate expansion over public welfare risks worsening inequality. Greater corporate facilitation in trade and investment is therefore not a neutral policy choice—it has direct human consequences, including deepening agrarian distress, rising indebtedness, and increased vulnerability among farming communities.

We Indian farmers Demand

1. A permanent solution for public stockholding
2. Updating reference prices to reflect current market realities.
3. Special Safeguard Mechanism immediately.
4. Issue of developed countries subsidies be resolved
5. No discussion on new issues and finalize the mandated issues in MC 14

K V Biju
National Coordinator, Rashtriya Kisan Mahasangh
