

integration of agriculture with generally applicable GATT rules and disciplines.

9. In the view of the Cairns Group Ministers, an acceptable package on agriculture needs to encompass:

- Fundamental re-instrumentation of border protection and removal of country-specific exceptions through clean tariffication, accompanied by commitments to substantial reductions in tariffs and tariff equivalents and access improvements. Tariffication should establish equivalent protection levels -- any increase in border protection, such as through re-balancing, would be totally unacceptable.
- Substantial annual reductions in trade- and production-distorting domestic subsidy programs.
- substantial annual reductions in export subsidisation, consistent with the long-term goal of its elimination, and the strengthening of interim disciplines -- to prevent circumvention of commitments, in particular with regard to food aid and concessional sales; to provide effective remedies from adverse effects of residual subsidisation; to effectively prohibit the extension of export subsidies to new products or markets; and to prohibit practices such as targeting.
- Disciplines on sanitary and phytosanitary measures which ensure that unjustified barriers are not maintained.

10. Additionally, the package must give due recognition to the position of developing countries, including, on the one hand, faster reduction in market access barriers on products of export interest to them and, on the other, lesser cuts on their access barriers and domestic subsidies over extended timeframes; and exclusion from reduction commitments of those rural and agricultural policies which are an integral part of their national development programs, including those to encourage eradication and diversification away from the growing of illicit narcotic crops.

11. The Ministers recognised that much was at stake, over and above the right of competitive agricultural countries to a fair deal on world markets. Agricultural protectionism increasingly hindered economic development, the debt-servicing capacity and employment opportunities in developing countries. A serious consequence also is the pressure on efficient farmers to adopt practices which are less sustainable environmentally, to compensate for low export returns -- resulting in potential ecological damage. Furthermore, recognition should be given to the economic reform and market orientation steps put in place by many developing countries and the economic transformation of