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IMPORT SURGES OF DAIRY AND POULTRY PRODUCTS: LESSONS LEARNED

Table of Contents

		Paragraphs
I.	INTRODUCTION	1 - 4
II.	THE FAO IMPORT SURGE PROJECT	5 - 6
III.	FREQUENCY OF SURGES FOR POULTRY AND DAIRY	7 - 10
IV.	POTENTIAL CAUSES OF SURGES	11 - 12
V.	IMPACTS OF IMPORT SURGES	13 - 19
VI.	RESPONDING TO AN IMPORT SURGE	20 - 27
	A. POLICY OPTIONS	20 - 26
	B. THE ISSUE OF TRADE SURVEILLANCE	27

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VII.	LESSONS LEARNED	28
VIII.	FOLLOW-UP ACTION UNDER THE AUSPICES OF THE GROUP	29 - 31

I. INTRODUCTION

1. In accordance with the recommendations of the 64th Session of the Committee on Commodity Problems, the Intergovernmental Group on Meat and Dairy Products, at its Twentieth Session, examined the impact of import surges at the level of individual countries to: i) obtain a better understanding of the causes of surges and their impacts on domestic agricultural sectors; and, ii) assess the capability of developing countries to respond in an appropriate manner to import surges.

2. The study presented to the Group in 2004 focused on two countries, Tanzania and Senegal, where concerns had emerged about the domestic market impacts of changes in imports of poultry and dairy products. The Group welcomed the analysis undertaken and noted the need for more in-depth analysis to identify the effects of import surges in developing countries in the context of linkages among different types of markets, including those for different products. The Group recommended that further research be undertaken on the implications of rural-urban market integration, as well as on the linkages between export subsidies and import surges.

3. The Secretariat is implementing a Project on "The Extent and Impact of Food Import Surges: The Case of Developing Countries". Funded in 2005 by the Department for International Development (DFID) of the United Kingdom, this project intends to provide policy makers with insights, analytical frameworks and tools to: 1) identify the occurrence of import surges; 2) analyze the effects of surges on local markets/industry competitiveness, agricultural growth potential and food security; and 3) take appropriate response measures.

4. The results of research undertaken under Phases I and II of the Project are drawn upon in this document. The results of Phase III, when available, will address the concerns of the Group regarding the food security implications of import surges and the linkages between urban and rural markets. It will also focus on issues concerning product differentiation and competition, the impacts of declining tariffs under regional trading arrangements, and the development of methodologies to identify appropriate tariff levels for efficient industries.

II. THE FAO IMPORT SURGE PROJECT

5. Activities of the Project have focused on developing analytical approaches both for addressing conceptual issues regarding surges as well as for undertaking field work and consultations with stakeholders in individual countries. As regards conceptual issues, considerable attention has been devoted to defining and quantifying the extent of import surges, based on analysis of data sets from 1980 to 2003 for 102 developing countries.

6. For the empirical field work, an agreed approach was developed regarding the essential elements to be incorporated in the country case studies. The Rapid Market Appraisal and Qualitative Research Methodology developed was field tested in Ghana with the participation of Action Aid International, with which the Secretariat is cooperating, and with the country experts engaged in the field research. Countries for which case studies have been completed are Cameroon, Cote d'Ivoire, Ghana, Jamaica, Kenya, Malawi, Mozambique, Philippines, Sri Lanka, and Tanzania.[1]

Please note that selected tables can be found in IGG document CCP: ME 06/CRS 4

[1] The Tanzania case study was presented to a seminar organized by the Economic and Social Research Foundation and to the 6th National Dairy Development Conference held in Tanzania on 2 June 2006.

III. FREQUENCY OF SURGES FOR POULTRY AND DAIRY

7. A review of the 1980 – 2003 data sets for 102 developing countries generated under the Project revealed that livestock products, and in particular poultry meat and selected dairy products, were among the food commodities that experienced the greatest incidence of import surges. While there is no unique definition of "import surge", two widely used methodologies were utilised. Based on a 30 percent deviation from a three-year moving average of import data, the frequency of surges in imports of poultry meat was greater than 20 percent (i.e. one every five years), while for selected dairy products the frequency ranged from 14 to 17 percent (see Table 1). Based on the definitions in the Special Safeguard provisions (SSG) of the WTO Agreement on Agriculture, the percentage occurrence of surges was significantly increased.[2] Under the SSG provisions, an import surge occurs when there is a sharp rise in import volumes or a sharp fall in import prices relative to defined volume and price triggers.[3]

Table 1: Meat and dairy import surges identified with the moving average and the SSG methods, 1982-2003

	Moving average method (30 percent deviation)		SSG method	
	Total number of cases*	Percent occurrence*	Total number of cases*	Percent occurrence*
Poultry meat	509	22.7	669	29.8
Pig meat	488	21.7	665	29.6
Bovine meat	431	19.2	719	32.0
Ovine meat	352	15.7	633	28.2
Skim milk dry	379	16.9	689	30.7
Butter	377	16.8	735	32.8
Cheese	374	16.7	780	34.8
Whole milk dry	306	13.6	595	26.5

*For each product, the potential number of total cases is 22 annual observations times the number of countries (102), or 2 244. The percentage occurrence is calculated on the basis of the potential number of total cases for each product. The same methodology is used for the breakdown of cases as between the pre-1995 and post-1994 periods in Table 2.

[2] Using the SSG approach outlined in the Agreement, the countries/commodities that could have evoked the application of volume-based measures have been identified.

[3] For a description of the main features of the various WTO safeguards provisions, see FAO Import Surge Project Brief No. 1 "Import Surges: What are they and how can they be identified?".

8. In the case of poultry meat and dairy products, import surges have been particularly prevalent in Africa. Over the 1999-2003 period, about 50 percent of the milk powder and poultry meat surges in developing countries were experienced in Africa. For dairy products, the prevalence of surges between 1995 and 2003 has shifted from southern Africa to West Africa (Appendix Table 1). Most milk powder exports are destined to developing countries that account for 95 percent of global trade in these products. Meanwhile imports account for 95 percent of African milk powder consumption.

9. As a result, there have been increasing reports by media and civil society organizations expressing concern about the disruptive effects of import surges, particularly of poultry and dairy products, on prices, production and food security in rural areas. Moreover, there are some indications that surges in imports of agricultural products in developing countries have become more frequent since the mid-1990s. This appears to be the case for several broad categories of meat and dairy products.

Table 2 – Number of import surges for meat and dairy products, 1982 – 2003

(30 percent deviation from 3-year moving average)

	Number of cases			Percent occurrence*		
	Total	Pre-1995	Post-1994	Total	Pre-1995	Post-1994
Poultry meat	509	275	234	22.7	20.7	25.5
Pig meat	488	257	231	21.7	19.4	25.2
Bovine meat	431	249	182	19.2	18.8	19.8
Ovine meat	352	187	165	15.7	14.1	18.0
Skim milk dry	379	185	194	16.9	14.0	21.1
Butter	377	216	161	16.8	16.3	17.5
Cheese	374	194	180	16.7	14.6	19.6
Whole milk dry	306	129	177	13.6	9.7	19.3

*See footnote to Table 1 above for details regarding the methodology for calculating the percentage occurrence of surges.

10. Because of the high frequency of import surges experienced and the widespread expression of press and stakeholder concerns, the document focuses on poultry meat and dairy products. In fact, among the countries for which case studies were undertaken under this Project, trade in poultry meat was considered to be characterized by surges in four countries (Cameroon, Cote d'Ivoire, Ghana and Jamaica), while five countries (Jamaica, Kenya, Malawi, Sri Lanka and Tanzania) viewed with concern the wide variations in imports of dairy products.

IV. POTENTIAL CAUSES OF SURGES

11. Some observers attribute the rising incidence of import surges to the opening up of markets as a result of the implementation of the WTO Agreement on Agriculture in an environment where export and domestic subsidization, particularly for poultry and dairy products, are often held responsible for disruptive surges of low priced supplies. The detailed analysis undertaken here indicates that this is an oversimplification and that, instead, a complex range of explanatory factors, both external and domestic, are usually at play in determining the occurrence of import surges.

External market factors

- For livestock products, one of the main factors underpinning import surges is the increasingly competitive position of major exporting countries resulting from **differential developments in production, processing and transport technology**.
- Market shocks resulting from **sudden devaluations** in third countries that are large poultry exporting or importing countries can cause import surges into other markets. For example, the August 1998 currency devaluation in the Russian Federation, the world's largest poultry importer, resulted in dramatic declines in international poultry prices, particularly those of chicken leg quarters, thus resulting in sharp increases of imports by many smaller markets, particularly in Africa and the Caribbean.
- Outbreaks of **animal disease**, in particular avian influenza, have the ability to influence trading patterns and result in stock accumulation by exporting countries. In early 2006, these led to sharp price declines. Such a drop in international prices is likely to induce short term import surges by developing countries.
- Third country policies, including changes in domestic support, export subsidies, and export credits or the use of poultry as food aid, are often held responsible for disruptive surges in imports of poultry meat. **Domestic income and price supports** can contribute to higher production levels and the build-up of surpluses that spill over into world markets. Sudden changes in such policies are infrequent, and therefore they are unlikely to result in short term import surges. However, by lowering the level of world market prices, they can affect longer run conditions of competition for industries in other countries. **Export credits** and **food aid** provisions are infrequently available for poultry products but occasionally used for selected dairy products.
- **Export subsidies** are one of the third country policy instruments most often blamed for disruptive impacts on poultry and dairy product trade, particularly in Africa, with the burden of adjustment being transferred from exporting to importing countries[4]. This is of particular concern in the dairy sector where subsidies support approximately one-third of global shipments, lowering international prices. In periods of excess dairy product supplies, or weak demand, export subsidies exacerbate price depression and may channel trade flows to markets which have relatively open market access. In this manner, export subsidies may increase the incidence of surges, even if the subsidies are not provided directly to those markets. Export subsidies/tonne increase substantially when markets turn down; consequently, it is at such times that the potential for import surges is the highest. The largest provider of dairy export subsidies has been the EU, which supplies about 25, 35, 20, and 30 percent of trade in butter, cheese, skim milk powder and whole milk powder, respectively. Subsidies for these products averaged 1670€, 1080€, 370€ and 790€ per tonne over the 2000 to 2004 period (ranging between 132%-for butter to 28%-for SMP, of world prices). Historically, the United States also provided export subsidies under its Dairy Export Incentive Program (DEIP), which, however, has not been operational since 2004.

[4] Further information of the potential of export subsidies to cause import surges may be found in FAO Import Surge Project Brief No. 3 "Import Surges: What are their external causes?".

- The potential impact of export subsidies for poultry products, which support less than one percent of global trade, is less obvious. The widely publicized reports in the African press of damage to local poultry industries caused by EU subsidization is likely to be misleading in that Africa is not one of the targeted areas for EU subsidized poultry. However, there are indications that some countries that are recipients of EU subsidized products may have become important transit points for repackaging and transshipment of poultry, particularly to destinations in Africa. The EU accounts for approximately 90 percent of export refunds for poultry that are only granted to defined destinations[5] and only for whole poultry and chicks, with refunds for poultry cuts available only under exceptional circumstances (for example the recent outbreak of avian influenza in Europe). Meanwhile, the U.S. Export Enhancement program for subsidizing whole bird exports to the Near East has not been operational since 1999.

Domestic factors

- **Lowering of national tariffs**. Multilateral tariff reductions are usually gradual and therefore do not result in abrupt and large surges of imports. Country case studies undertaken under the Project reveal that in many instances WTO-imposed tariff reductions, usually very gradual declines negotiated on the basis of bound tariff levels, were unlikely to contribute to import surges. Applied tariff levels have often been decreased unilaterally or in response to regional trading arrangements which, in many cases, result in a one-time change in tariffs. In the case of poultry, this has been accompanied by some significant imports surges (example in Senegal). It should be noted also that in many cases, tariff reductions are not necessarily associated with injury.
- **Changing consumer preferences** in importing countries, especially the strong acceptance of diverse poultry product cuts, has prompted trade increases which have exceeded those of most other agricultural commodities. The product characteristics of imported chicken, usually frozen low priced dark meat (drumsticks, thighs, wings etc), make it difficult to compete for local broiler operations producing fresh and highly perishable whole chickens which have a higher cost of production.
- Facilitating the continuance of import surges of livestock products are the **relatively high cost structures of local production** beset by various structural, organizational and resource constraints. These unfavorable conditions can potentially translate the incidence of a one-time shock in imports, such as the case of poultry surges into Ghana and Haiti, into longer term injury inducing stagnation or reduction of production of livestock products while supporting the expansion of imports of competing products.
- **Variation in national exchange rates** is one of the general economic factors having a direct impact on the prices of imported goods. Mirroring the effects of devaluations in third countries, appreciating national exchange rates make imports more attractive and affordable to domestic consumers. For example, the appreciation of the CFA franc vis-à-vis the US dollar influenced trading patterns in some case study countries.
- Growth of **foreign direct investment**. Supermarkets, tourist hotels or airlines have led to changing patterns of food procurement and increased imports of selected dairy products or frozen poultry meat.

12. In assessing the causes of import surges, the possible influence of **other domestic factors** requires close attention as these may in fact be responsible for rising imports.[6] Such factors may be of a policy nature, such as ad hoc changes in fiscal charges or changes in regulations for

[5] Russia, some Central Asian countries, Saudi Arabia, Bahrain, Qatar, Oman, UAE, Kuwait, Jordan, Yemen, Lebanon, Iraq, Iran and Angola.

[6] Under the WTO Agreement on Safeguards, the application of safeguard measures requires *inter alia* verification that factors other than increased imports are not responsible for the injury to the domestic industry (the "non-attribution" requirement).

compliance with health and safety requirements. Others may be of a general nature, such as changing costs of input prices or energy that have an adverse impact on the cost structures of domestic industries.

V. IMPACTS OF IMPORT SURGES

13. While the numbers of surges are becoming more frequent, they do not in themselves give an indication of the potential impacts on domestic industries. These impacts may range from limited (as for example might be the case of a surge in cheese imports in a tropical importing country) to much broader and far-reaching effects (as might result from a surge of cereals imports in direct competition with domestic crops).

14. The domestic market indicators most often cited as evidence of disruptive surges include: sudden and sharp increases in imports putting downward pressure on local prices, increased share of the domestic market taken by rising imports; reductions in level of domestic sales, production, productivity, capacity utilization, and profits; and increases in losses and in unemployment.

15. The effects of import surges on domestic economies vary greatly depending on the underlying market conditions, the product characteristics, the structure of the industry and the specific stakeholders involved. Thus, for example a short term surge in imports following a domestic production shortfall generally allows consumer access to supplies at acceptable prices; or a longer term displacement of domestic production by truly competitive imports can have a positive influence on overall economic growth. However, while a surge in lower priced imports may be deemed beneficial by consumers, it may at the same time be occasionally perceived, correctly or not, by producing sectors as a profound threat to domestic industries, employment and income.

16. The case studies undertaken under the Project indicate that rising poultry imports in several African countries have coincided with structural difficulties for local broiler industries that have reduced capacity utilization and forced operations to close. In one country there was an estimated 90 percent reduction in the number of poultry farmers, with many rural jobs being lost each year from the mid-1990s onwards (see Import Injury Table in document CCP: ME 06/CRS 4). Meanwhile, limited evidence from the case studies reveals that import surges in dairy products may have constrained growth in local milk production and/or limited the establishment of local processing industries or ability to effectively utilize existing capacities. Thus local industries are unable to meet demand for higher value dairy products in response to increasing demand from consumers with growing incomes.

17. In assessing the causes of domestic industry damage, the possible contribution of other factors to the damage is often neglected. Thus, for example, imports may be held responsible for loss of farm employment, when actually the inability of suppliers to adjust to changing market requirements may be more significant in determining sales losses.

18. Analysis for the quantification of injury is complicated by the fact that: 1) the reports on impact of imports on sales, production, capacity, and profits are often anecdotal and potentially ignore the effects of other factors, 2) market share analysis can be misleading because production and consumption statistics for livestock products are often less monitored than those for “food security” crops; and 3) price data are often lacking or inaccurate.

19. In the absence of substantiated injury analysis, public authorities often face the difficult task of having to balance immediate consumption requirements of vocal and politically active urban communities with longer term national development objectives and the economic and social needs of rural populations.

VI. RESPONDING TO AN IMPORT SURGE

A. POLICY OPTIONS

20. The importance of identifying the onset of an import surge and of properly assessing its causes and impacts are fundamental for the adoption of appropriate policy responses. In many cases, growth in imports reflects structural constraints affecting the competitiveness of local industries. While of potential concern to policy makers, such aspects would need to be addressed through measures such as investment and/or development programmes in association with legitimate levels of border protection. Often instead, trade restraint measures are adopted without required interventions to enhance supply side capacity, including those influenced by domestic policies and institutional arrangements.

21. Such findings from the case studies bring into focus the importance of designing different trade policy regimes for different sectors depending upon their current level of development and competitiveness and their importance to rural development and economic growth.

22. For industries that produce products that are not currently competitive with imports, but which have the potential to contribute significantly to a country's longer term growth prospects, some increased level of border protection is likely to be appropriate until efforts to increase supply side capacity bear fruit. By contrast, other sectors producing more competitive products may benefit from increased competitive pressures released by lowering levels of border protection, but may remain susceptible to volatile international prices. In cases of sudden declines in international prices deriving from unexpected market shocks, such as in the poultry market following the recent outbreak of avian influenza, recourse to trade remedy measures are likely to be appropriate.

23. Under WTO, the policy instruments currently available for dealing with these types of disruptive external shocks are the *Agreement on Safeguards (ASG)*, and the *Special Safeguard (SSG) provision of the Agreement on Agriculture (AoA).*[7] Under the ASG, safeguards can be applied only after detailed investigation has been conducted to substantiate the presence of significant injury or threat of serious injury; and a causal link needs to be established between the claimed damage and the import surge.

24. The SSG provisions of the AoA, while having a simpler methodology for authorizing safeguard action, may be used only by the 38 WTO members (of which 22 developing countries) which undertook tariffication (the process of converting non-tariff barriers into tariffs during the Uruguay Round) and solely for a limited number of products.

25. Although there is some uncertainty regarding ongoing discussions on the modalities for the Doha Round of Multilateral Trade Negotiations, two components aimed at resolving some of the problems of developing countries relating to import competition have been put forward:

- The *Special Products (SP)* provision would allow developing countries to designate certain products to receive more flexible treatment, in terms of tariff reduction, than other agricultural products. Outstanding issues in the negotiation of this provision include the need to balance food security and rural development criteria with overall improvements in market access for all products, including those exported from other developing countries.

[7] For a detailed review of the various provisions in WTO texts relating to import surges see Mosoti, Victor and Sharma, Ramesh, "The Interpretation of Various Import Surge-Related Concepts and Definitions in the WTO Legal Texts", FAO Import Surge Project Working Paper No. 3, May 2005. Summary information is provided in the FAO Import Surge Project Brief No. 1, 2006.

- Also under consideration is a *Special Safeguard Mechanism (SSM)* designed to allow all developing countries to impose duties above bound ceilings to protect domestic farm sectors from short term disruptions. Outstanding issues include product eligibility, possible volume and price triggers and whether the mechanism should be temporary or indefinite.

26. Although there has been much discussion of trade policy flexibility and trade policy measures in the context of multilateral negotiations, such aspects are equally important in the negotiation of regional or bilateral trade agreements. The Tanzanian case study, for example, notes the differential tariff levels across countries in the East Africa Community as reflecting the different levels of development of different agricultural sectors. Indeed, whilst the current WTO negotiations are seeking to agree reductions in bound rates, regional and bilateral agreements focus on the rates that are actually applied, making the design of appropriate flexibility provisions perhaps more critical.

B. THE ISSUE OF TRADE SURVEILLANCE

27. The institutions responsible for international trade issues in the 11 countries for which case studies were undertaken indicated substantial capacity problems in terms of financial and human resources for policy making and trade surveillance. With the exception of the Philippines, governments lacked the analytical resources to analyze trade policies and their impact on various sectors of the economy and livelihood groups. Interviews with key government officials revealed several problems with respect to effective policy making. Insufficient human and financial resources limit governmental capacity to engage in trade surveillance or investigate trade complaints effectively. In addition, there are critical data limitations, including that of timely and accurate estimates of import volumes and prices. Without the necessary capacity, governments rely on complaints from domestic producers and lack the ability to investigate cases. Consequently governments often implement trade policies without fully analyzing the implications, for example, of ensuring domestic supplies of essential commodities. For governments to use trade policy remedies in response to import surges effectively, considerable investment in human capital would be required.

VII. LESSONS LEARNED

28. An overview of the potential causes of import surges and analysis of the specific situations presented in the Project country case studies lead to the following conclusions for poultry meat and dairy products:

Incidence of import surges

- Import surges of poultry meat have been experienced in recent years, particularly in Africa, which have been linked to disruptive market impacts. Case study results indicate that this has been a result of many factors, both domestic and external, with changes in market access under regional trading agreements being an important contributing factor. The frequency of dairy surges has increased; however, the tendency has been for a gradual increase in imports, putting domestic processors under pressure.

Factors explaining surges

- Gradual tariff reductions, such as those required by adherence to WTO rules, are not generally responsible for import surges. In some cases, tariff reductions under regional trading arrangements have been more abrupt and have led to surges in imports of poultry meat, suggesting the need to carefully analyze the effects of such import tariff regimes as well as the effective tariff levels required to maintain efficient domestic industries.

- Only about 1 percent of the value of international trade in poultry meat is subject to export subsidies, and, in the case of Africa, only one country is designated as a recipient for EU export restitutions. However, some other duty-free destinations of subsidized poultry meat have become important transshipment centers, and may have contributed to the flow of lower priced poultry parts to various markets, particularly to some in Africa. On the other hand, subsidies of dairy products support one-third of global shipments. In periods of excess supplies, or weak demand, export subsidies exacerbate price depression and may channel trade flows into markets which have relatively open market access, thus increasing the incidence of import surges.
- Surge impacts are often prolonged by the relative inefficiencies of domestic industries beset by various constraints. The inability of domestically produced broilers, marketed mostly as fresh whole birds carcasses, to compete on a price basis with imported frozen chicken parts represents an underlying cause of the increasing volumes of imported poultry in the face of stagnating or declining domestic production.
- Similarly, rapidly rising incomes of urban consumers and growing demand for low-priced animal products have underpinned the growth of poultry and some dairy product imports. This combined with large exporters ability to produce and store product and sell at different prices to different markets, makes it difficult for local broiler and dairy operations to compete.
- Relatively high and changing costs in industries producing inputs for poultry and dairy markets (in particular feed) and high transaction costs (cost of transporting birds/fresh meat) can cause a surge or further exacerbate the competitive difficulties of domestic poultry industries.

Responses

- Generally, countries have been unprepared to deal with such events, lacking appropriate trade surveillance mechanisms, in particular, lack of institutional arrangements, and insufficient data and analytical structures.
- Trade restraint measures intended to alleviate the difficulties of local producers, unless accompanied by strategies to develop production and encourage investment and innovation, may meet with only limited success. For example, the quota limitation imposed on poultry imports in one of the case study countries was difficult to enforce and, even faced with lower imports, the domestic industry was unable to compensate for reductions in market supplies, with a resultant rise in prices. Rising domestic prices of animal protein can become a matter of concern to consumers, particularly in urban areas.
- Consumers have benefited from expanding supplies of lower priced chicken parts, but producers, particularly smaller operations, have suffered and many have withdrawn from the market.

VIII. FOLLOW-UP ACTION UNDER THE AUSPICES OF THE GROUP

29. In the light of the prevalence of import surges in developing countries, particularly in the areas of poultry meat and dairy products, the Group may wish to:

Express concern about:

- the effects that disruptive import surges may have on domestic production, employment and livelihoods of producers of poultry meat and dairy products that are of considerable economic significance to many rural communities;

- the adverse effects that third country subsidies and opaque marketing and pricing practices could have on the producing sectors of developing countries but recognize that domestic issues can often be important factors contributing to import surges;
- deficiencies in trade surveillance capacities of developing countries which limit their ability to accurately identify and respond to disruptive external market shocks or other responsible factors. This enhanced trade surveillance capacity entails *inter alia* the maintenance of accurate data and the development of analytical capacity to monitor surges.

Recommend that the Secretariat:

- continue to provide assistance to developing countries regarding the analysis and dissemination of information on the implications of alternative proposals under discussion in international fora, in particular WTO and regional trade organizations, to deal with disruptive import surges or those having adverse food security implications;
- seek to establish, within the resources made available for such work, a Network for Early Warning Information in the Poultry Meat and Dairy Markets to inform member countries of potential shocks to the international market that could lead to sharp and abrupt price reductions and thus possibly result in disruptive import surges;
- provide support to developing countries regarding the identification of import surges and the analysis of their causes and assist, within the resources made available for such work, developing countries in identifying appropriate agricultural trade policy, including tariff levels and recourse to safeguards, for the establishment and maintenance of economically viable domestic industries bearing in mind the need to ensure consumer access to competitively priced products;
- assist in capacity building for trade surveillance. Within the resources made available for such work, technical assistance should be provided by FAO teams at the regional level to develop capacities for monitoring and analyzing import surges. The FAO teams should also provide policy advice to countries about appropriate responses to import surges in selected commodity markets.
- finally, express appreciation to the DFID (United Kingdom) for the support provided for continued work in this area, particularly with regard to the Phase III activities of the project which proposes to analyse import surges and their impact, particularly taking into consideration the implications of regional tariff regimes, product differentiation and competition and rural food security issues.

30. In addition, the Group may wish to provide suggestions of potential partners to support the process of trade capacity building in developing countries.

31. The Secretariat should report on actions taken at the next session of the Group.

Appendix: Table 1

Regional Frequencies of Import Surges for Milk Powders and Poultry Meat
(WTO SSG Method-see footnote 3)

	Milk Powder				Poultry	
Number of surges	**SMP**		**WMP**			
	1995-98	**1999-03**	**1995-98**	**1999-03**	**1995-98**	**1999-03**
West Africa	17	44	23	52	19	40
Southern Africa	24	17	21	17	9	17
East Africa	9	13	9	15	9	7
Central Africa	10	13	17	18	10	18
North Africa	4	6	2	3	3	3
South Asia	15	20	11	17	4	10
South East Asia	10	11	12	11	10	5
Pacific Islands	9	10	11	12	14	20
Middle East	7	11	2	6	6	7
Car & Central America	17	21	14	21	21	21
South America	8	6	8	3	1	1
Eastern Europe	1	3	6	6	10	5
CIS	9	16	7	9	18	10
Total	140	191	143	190	134	164

Share of surges

West Africa	12%	23%	16%	27%	14%	24%
Southern Africa	17%	9%	15%	9%	7%	10%
East Africa	6%	7%	6%	8%	7%	4%
Central Africa	7%	7%	12%	9%	7%	11%
North Africa	3%	3%	1%	2%	2%	2%
South Asia	11%	10%	8%	9%	3%	6%
South East Asia	7%	6%	8%	6%	7%	3%
Pacific Islands	6%	5%	8%	6%	10%	12%
Middle East	5%	6%	1%	3%	4%	4%
Car & Central America	12%	11%	10%	11%	16%	13%
South America	6%	3%	6%	2%	1%	1%
Eastern Europe	1%	2%	4%	3%	7%	3%
CIS	6%	8%	5%	5%	13%	6%
Africa	43%	46%	49%	54%	35%	50%