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## AGRICULTURE

# Brazil says cotton win will help gain concessions in WTO talks

**Brazil aims to extract deeper and faster commitments from the United States and Europe to cut farm subsidies in global trade negotiations.**

BY MARK DRAJEM

Bloomberg News

Brazil will leverage last week's victorious challenge of U.S. cotton subsidies to extract deeper and faster commitments from the United States and Europe to cut farm aid in global trade negotiations, Brazil's attorney in the case said.

Scott Andersen, Brazil's attorney in the cotton case, and Aluisio de Lima-Campos, an economic counselor at the Brazilian Embassy in Washington, said the World Trade Organization ruling against \$2.7 billion in aid to U.S. cotton producers strengthens the hand of a group of developing nations led by Brazil that is demanding cuts in U.S. and European Union agriculture subsidies.

"There is now a significant incentive for the U.S. and EU to make deeper cuts in their subsidies in order to get peace," said Andersen, a lawyer at Sidley Austin Brown & Wood in Geneva.

Analysts initially said the cotton ruling could lead to a spate of legal cases against U.S. aid for soy, wheat, cattle, rice and milk. While those cases are possible, Andersen said, Wednesday's statements from him and Lima-Campos indicate Brazil will instead attempt to gain an advantage in the Doha round of WTO negotiations, which is set to be completed in late 2006.

The goal needs to be to quicken and deepen the cuts in farm payments, Andersen said.

Still, Lima-Campos, who helped conceive Brazil's case after a World Bank meeting on cotton aid in 2002, said the United States has until July 1 to end the subsidy element of export credit guarantees and a separate cotton aid program or it could face sanctions from Brazil.

"We hope the U.S. complies with this decision," Lima-Campos said. "It's the multilateral trading system that's at stake here."

In a decision announced March 3, a three-member appeals panel of the WTO found the United States "granted support to a specific commodity in excess" of commitments made at the WTO under global subsidy rules. The 311-page decision went against the United States in each of the 19 areas of the initial decision it appealed, Andersen said.

Richard Mills, a spokesman for the U.S. trade office, referred to his comments from March 3 when he said, "Getting the results that our farmers want is best achieved through ambitious global agriculture reform."