

WORLD TRADE ORGANIZATION

RESTRICTED

G/AG/R/31
27 August 2002

(02-4577)

Committee on Agriculture

SUMMARY REPORT OF THE MEETING HELD ON 28 JUNE 2002

Note by the Secretariat¹

1. The Committee on Agriculture held its thirty-first regular meeting on 28 June 2002 under the chairmanship of Dr. Magdi Farahat of Egypt. The agenda of the meeting as contained in WTO/AIR/1836 was adopted.

PART I: THE REVIEW PROCESS

A. MATTERS RELEVANT TO THE IMPLEMENTATION OF COMMITMENTS UNDER THE REFORM PROGRAMME: ARTICLE 18.6

(a) Australia: United States – Operations of the Commodity Credit Corporation (CCC) with respect to certain commodities; swap of CCC sugar stocks for Certificates of Quotas Eligibility

2. With respect to wheat, rice, soybeans, cotton and corn, Australia inquired about the proportion of total production that the CCC took title to between 1998 and 2000, as well as the proportion of production for each of these commodities that was exported. In addition, Australia requested details of the swap of CCC sugar stocks for Certificates of Quotas Eligibility (CQEs), including the volume of sugar stocks and CQEs involved; the total budgetary cost of acceptance of the sugar stocks by the CCC and subsequent swap of the sugar stocks for CQEs, and the market value of the exchanged CQEs. Australia also sought clarification whether this would be a temporary or ongoing programme and whether it would be notified as a new domestic support programme.

3. The United States provided data (Attachment 1 to this report) on the operation of the CCC with respect to wheat, rice, soybeans, cotton and corn, and on the proportion of production of these commodities that had been exported. Regarding the swap of CCC sugar stocks for CQEs, the United States informed that the USDA had exchanged 104,431 tonnes of raw cane sugar for CQEs that represented 160,714 tonnes of raw cane sugar. The cost to the CCC of obtaining the raw cane sugar that had been exchanged for CQEs was approximately US\$39 million, or about 17 cents per pound (the loan rate of 18 cents minus a 1 cent forfeiture penalty). The cost to the CCC of exchanging raw cane sugar for CQEs was estimated at US\$42.6 million; namely, the acceptance cost of US\$39 million plus storage.

4. The United States further stated that the market value of the CQEs was not known. The United States explained that the certificates had no monetary face value and were denominated by the quantity of sugar that might enter the United States under the tariff quota with the certificate. Therefore, the market value was negotiable and varied from country to country depending on freight and quality considerations and from day to day depending on futures prices. The CQEs for sugar

¹ This document has been prepared under the Secretariat's own responsibility and is without prejudice to the positions of Members or to their rights or obligations under the WTO.

tender required participants to offer to exchange CQEs, representing at least 5,000 tonnes of sugar, for sugar stored by the CCC in Florida. The USDA's decision to accept or reject an offer of CQEs was based solely on the quantity of CCC sugar that had been requested in return. The United States noted that a decision had not yet been made to conduct another tender and that the sugar programme had been accounted for in its domestic support notification.

(b) Brazil: United States – Payments to cotton producers

5. Brazil reverted to the US responses at the previous Committee meeting and sought additional information concerning the amount of support granted annually to cotton producers in the years 1992, 1993 and 1994. Brazil requested clarification on the nature of programmes/measures under programmes to limit production, direct payments not exempt from reduction commitments, the methodology of calculation, as well as the supporting data.

6. In addition, Brazil inquired whether total payments to cotton producers in the amount of US\$2.311 billion in the marketing year 1992 referred to the payment decided in 1992 or the payments received by cotton producers in 1992. Brazil was interested in what year was used for the purposes of Article 13(b)(ii) of the Agreement on Agriculture.

7. Brazil also wondered why the amount of payments granted by the United States to the cotton producers during 1992 to 1994 did not match the figures contained in the table on Government Payments by Crop Year on page 6 of the document entitled "Upland Cotton - Summary of 2000 Commodity Loan and Payment Program" published by the USDA in June 2001.

8. To clarify which programmes/measures had been included under direct payments under production-limiting programmes in the years 1993 and 1994, the United States stated that deficiency payments had been made under the cotton programme. Direct payments for cotton made under programmes to limit production (deficiency payments) for 1993 (fiscal year 1994 – 1 October 1993 to 30 September 1994) were US\$827 million and for 1994 (fiscal year 1995) were US\$21 million. On the methodology of calculation, the data provided were net budgetary outlays to cotton producers made by the CCC.

9. The United States stated that the cotton user marketing payments and loan deficiency payments concerned measures, under the direct payments, that were not exempt from reduction commitments in the years 1993 and 1994. User marketing payments were US\$149 million and US\$88 million, and loan deficiency payments were US\$290 million and US\$55 million for 1993 (fiscal year 1994) and 1994 (fiscal year 1995), respectively. The data provided concerned net budgetary outlays to cotton producers made by the CCC.

10. The United States also stated that payments were made in 1992 under the same programmes, namely, deficiency payments, user marketing payments, and loan deficiency payments. The CCC also ran the commodity loan programme, which involved loans and repayments, with additional receipts and expenses associated with running the programme. Specifically, during the fiscal year 1993, net budgetary outlays for deficiency payments amounted to US\$1,235 million, for user marketing payments US\$114 million, and for loan deficiency payments US\$288 million. Net budgetary outlays associated with the loan programme were US\$674 million. The data provided concerned net budgetary outlays to cotton producers made by the CCC.

11. Regarding total payments to cotton producers in the amount of US\$2.311 billion, the United States explained that the data provided were net budgetary outlays to cotton producers made by the CCC during fiscal year 1993.

12. In response to the question on what year the United States was using for the purposes of Article 13(b)(ii) of the Agreement, the United States replied that it had made no decision with respect to Article 13(b)(ii) and pointed out that it had provided data requested by Brazil for the period covering fiscal year 1993.

13. Regarding the discrepancy in data, the United States explained that its data concerned fiscal year net CCC outlays while the source cited by Brazil used a crop year basis. The United States further pointed out that the information requested by Brazil was available at the USDA Internet address at www.fsa.usda.gov/dam/bud/bud1.htm.

(c) Canada: China – Inquiries regarding entities to which tariff quota allocations have been made

14. Canada referred to the headnote to China's tariff quota schedule, which stated that "Inquiries on the entities which received the allocation can be made to the State Development Planning Commission which shall provide the information within 10 days." Canada noted that it had requested this information in writing on 22 April 2002 and despite having raised this matter bilaterally with the Ministry of Foreign Trade and Economic Cooperation, Canada had not received a response. Canada asked when China would provide the names and addresses of those companies that had received quota allocations for wheat and canola oil.

15. China replied by providing data on tariff quota allocation for wheat and rape-seed oil (Attachment 2 to this report) clarifying that for statistical classification reasons, China did not have information on canola oil. China indicated that the State Development Planning Commission (SDPC) was in charge of quota allocation and allocations were made on first-come, first-served basis. The information containing names of end-users which received the quotas and the quota volume each of them obtained was considered to be company commercial secrets, and without prior approval of the end-users concerned, the SDPC was not in a position to provide this information to the public.

16. Canada clarified that the Canadian exporters wanted to contact importers who had the ability to import these products and reiterated its hope that China would make this information available as specified in the headnote of China's Schedule.

17. China undertook to convey the Canadian concerns to the SDPC in the hope of obtaining approvals from enterprises to make their contact information available at the next Committee meeting.

18. Argentina echoed the Canadian concerns and registered interest in obtaining the contact information of enterprises which had the right to import under quota. Argentina pointed out that when quotas were distributed, there should be an administrative text publicising the sale and announcing the results, and inquired whether China had done this in the case of quotas. The United States noted that its trade data had not shown any substantive exports of US products to China but was encouraged by the Chinese replies that it had allocated the quotas. The United States hoped that exports would begin soon.

(d) Canada: United States – Farm Security and Rural Investment (FSRI) Act 2002 and its implementation in relation to US domestic support commitments

19. Canada expressed concern about a number of provisions of the FSRI Act 2002 in relation to the US domestic support commitments. Canada noted that the Under-Secretary for Farm and Foreign Agricultural Services, JB Penn, had been widely quoted as saying that the direct payments under the new legislation, totalling \$5.2 billion, would be classified in the Green Box. Canada's understanding of how these payments were determined and their relationship to other forms of support suggested that these payments should not be classified as exempt measures. Given Canada's view that this

support would more properly be assigned to the Amber Box, this significantly increased the risk that the United States would breach its WTO domestic support ceiling.

20. Canada inquired about the process the US administration envisaged for implementing Section 1601(e) of the FSRI Act, including whether this provision would be further implemented through regulations and if so, when these regulations would be developed, and whether there would be an opportunity for Members to provide comments. Canada also noted that Section 1601(e) called for the US Secretary of Agriculture "to the maximum extent practicable, make adjustments in the amount of such expenditures". In addition, before making any adjustment, the Secretary was required to report to Congress on any determination that expenditure adjustments were required, and on the extent of the adjustment to be made. Canada inquired about what it meant that adjustments should be made to the maximum extent practicable and whether there were any legal impediments to the Secretary exercising her authority to adjust expenditures in a timely manner to ensure compliance. In light of the fact that the annual domestic support commitment must be met each year, Canada inquired about how the United States intended to monitor expenditures during each reporting period so that action, if necessary, could be taken within the reporting period to ensure the United States complied with its annual commitment level.

21. Canada also pointed out the notification requirements which stipulated that Members introducing a new support measure, or making modifications to an existing measure for which exemption was claimed, should notify them as far as practicable before such measures were adopted and in any event within 30 days of adoption. Canada noted that the President had signed the FSRI Act of 2002 into law on 13 May 2002, and that some of the provisions had taken effect immediately, while others were to be implemented at the start of the next crop year or fiscal year. Considering that some of these crop years started as early as 1 June 2002, Canada asked whether the United States intended to submit Table DS:2 notifications for any new or modified exempt measures and if so, when and for what programmes.

22. The United States replied that the USDA was reviewing the entire farm bill legislation to determine where regulations were needed and indicated that proposed measures to implement Section 1601(e) of the FSRI Act were under consideration. With respect to the recently enacted statutory authority, proposed measures to implement it were under consideration within the executive branch of the US government. The United States fully expected to continue to act in conformity with its WTO domestic support commitments. The United States indicated that as provided in Section 1601(b) of the FSRI Act of 2002, a determination made by the Secretary of Agriculture under Section 1601(e) was final and conclusive and that Section 1601(e) conferred upon the Secretary of Agriculture full authority to make necessary adjustments to expenditures. The USDA expected to put in place a process to permit ongoing monitoring of domestic support spending that would allow the Secretary of Agriculture sufficient time to take appropriate action to ensure that the United States did not exceed allowable levels for trade-distorting domestic support.

23. With respect to its notification obligations, the US Government intended to submit appropriate Table DS:2 notifications in a timely manner. The United States pointed out that all new programmes would require implementing regulations and that the United States would notify the WTO as appropriate.

24. In response to questions on how the direct payments and counter-cyclical payments would be notified, the United States stated that it would notify the WTO as appropriate, and added that in the past, the US Government had notified domestic support programmes on a crop year basis.

25. Canada reiterated its question about when the regulations to implement the Section 1601(e) might be forthcoming and whether Members would be able to provide comments as the regulations were being developed. In light of the full authority given in Section 1601(e) to the Secretary of

Agriculture to adjust payments to remain within US commitment levels, Canada continued to wonder about the intention of the phrase "to the maximum extent practicable". Canada also emphasised its deep concern about the levels and types of support being provided and about the public statements from senior US officials to the effect that direct payments might be included in the Green Box. Canada expressed its intention to continue to monitor the implementation of the Act and could be expected to raise further questions in the Committee.

26. Brazil welcomed the Canadian initiative to request further clarifications from the United States regarding the FSRI Act. Brazil highlighted that the questions posed by Canada addressed specific points regarding the compatibility of the FSRI Act with the WTO not only in terms of the limits of expenditures, but also on the more fundamental questions regarding the classification of policies and the adequacy of disciplines. By stretching the provisions of the Agreement on Agriculture to the limit, the FSRI Act had shed light on the need to address a number of loopholes in the Agreement during the negotiating process.

27. With respect to the so-called "circuit-breaker" provisions, Brazil expected that the measures under consideration would be made effective. However, in Brazil's view, it was almost impossible to keep the actual level of budgetary expenditures below the final bound total AMS, since the Current Total AMS depended on the performance of a number of economic indicators including levels of production and prices. Highlighting the requirement to notify within 30 days, Brazil noted that if the United States were capable of tracking its own performance so accurately, it would only be fair to expect more timely notifications to the Committee in the future.

28. Brazil noted that it did not support the view that direct payments fell under the provisions of paragraphs 5 and 6 of Annex 2 of the Agreement. Brazil argued that as a result of the decision to update the base acres for the payments, these payments were no longer related to past production decisions, and hence there were doubts as to whether such payments continued to be decoupled. Updated base areas in themselves provided incentives to farmers to increase their level of land usage. As a consequence, by re-coupling payments and production decisions, they fell outside the scope of the relevant provisions of Annex 2. Furthermore, the sheer volume of these payments corresponded to a fairly substantial share of the value of production at farm gate. Estimates indicated that current AMTA payments corresponded to 10 to 18 per cent of the value of production. In some crops, such as rice, this share could be as high as 50 per cent.

29. The representative of Brazil stressed that it was difficult to believe that such high levels of support would not generate income and wealth effects, thus making farmers less averse to risk. Brazil noted that it did not suffice to claim that a direct payment generated non- or minimal trade distorting effects to make them automatically exempt from reduction commitments. Moreover, policies originally conceived as non-distorting, in the presence of a farm policy inclined towards distortion, would also become distorting. Brazil indicated that during the negotiations on domestic support, it would vigorously pursue this matter with a view to improving the criteria for the classification of payments in the Green Box.

30. Brazil stressed that if the counter-cyclical payments, aimed at making the market loss assistance payments of the last four years permanent, were contingent upon commodity price performance, they should be notified in the Amber Box. Brazil would not accept their classification as a "non-product-specific payment". Although the Agreement on Agriculture did not set out explicit criteria for the distinction between product-specific and non-product-specific payment, in Article 1(a) of the Agreement reference was made to "non-product-specific support" as being "provided in favour of agricultural producers in general". The fact that target prices were defined for only nine commodities spoke for itself, as only those farmers planting these products would be eligible for receiving the counter-cyclical payments. Brazil emphasised that it would pursue this question when

actual notifications were made and spare no effort during the negotiations to design better disciplines to avoid creative use of the existing loopholes in the Agreement.

31. Several delegations shared the concerns expressed by Canada and Brazil. While being encouraged that the Secretary of Agriculture and the executive branch would put in place the necessary measures to ensure that the US commitments were respected, the EC highlighted that this authority was passed to the executive branch, which indicated that even the United States had doubts whether the United States would be in a position to respect its commitments in the absence of a corrective action of the executive branch. The EC shared concerns regarding monitoring of the Act on a timely basis as well as the effect of updating the base areas of direct payments. As a result, there was an element of re-linkage in the sense that farmers might be induced to cultivate specific crops to be in a position to receive payments in the future when the base areas were further revised. The EC suggested that the United States give due consideration to classifying these payments appropriately under the Amber Box. The EC also shared Brazil's analysis on how the counter-cyclical payments should be classified and pointed to US insurance programmes as not being properly classified at present. The EC urged the United States to consider classification of these measures so as to give no doubt that they were acting in complete accordance with the Agreement on Agriculture.

32. Argentina shared the concerns of Canada and Brazil and stressed that even if the FSRI Act kept domestic support at the level of Uruguay Round commitments, it would still be in contradiction with the mandate of the Doha Declaration to substantially reduce domestic support. The representative of Australia was concerned about the policy direction, the level of US support for agriculture and the ability of the United States to deliver the assistance under the FSRI Act within their WTO obligations.

33. In the view of Australia, the United States had not provided adequate answers to give the Committee a clear indication on how the United States would ensure consistency with the WTO. Australia stressed the importance of knowing how the United States would be implementing the Act to remove uncertainties in world agricultural markets created by the passing of the Act.

34. New Zealand associated itself with the concerns expressed earlier about the depth and breadth of payments under the FSRI Act and stressed the importance of the examination of the Act in the Committee on Agriculture, and of adhering to the requirement to notify not only as appropriate but on a timely basis and fully consistent with WTO rules. Uruguay echoed the concerns about the way in which the provisions of the Act would be put into effect and the consistency with the Uruguay Round commitments and urged the United States to provide, promptly, the notification of these measures. Chile and Paraguay both expressed concerns about the repercussions of the FSRI Act on other Members.

35. Japan registered its concerns over the direction of the US agricultural policy, which might not be in line with the reform process of other Members. Japan also shared the concerns of other Members, especially regarding the compatibility of the FSRI Act and its implementation with US domestic support commitments. Japan urged the United States to provide the necessary information and notification within the appropriate timeframe and to clarify the relevant points.

36. The Philippines, speaking on behalf of Indonesia and Thailand, was concerned that the US decision was taken at a time when Members had reaffirmed commitments to further the reform in agriculture, including substantial reductions in domestic support. The Philippines recalled that at Doha many developing countries had joined forces with the US to achieve a very focussed result and a mandate to advance and improve world trade in agriculture. However, the uncertainties behind the FSRI Act did not make for a very healthy environment in agricultural trade.

37. China believed that the FSRI Act would run against agricultural trade liberalization and would have serious consequences for the ongoing negotiations. China had an interest in discussing this issue again at the next meeting of the Committee. Sharing Members' concerns about the substantial increases in the US domestic support, India stressed that the Act was contrary to the spirit of the Agreement on Agriculture and the Doha mandate. India urged the United States to ensure that they remained within their WTO commitments. Mexico supported the view that the FSRI Act ran counter to the Doha mandate to pursue agricultural reform and requested that this item be discussed at future meetings of the Committee.

38. The United States took note of Members' concerns. The United States clarified that the issue of how these programmes would be notified was currently under consideration. If the US had considered all of these programmes to belong in the Green Box, the "circuit-breaker" provision would not be part of the Act. The USDA would monitor expenditures to ensure that the US remained within its WTO commitments. The United States also indicated its readiness to answer any questions from Members regarding the FSRI Act in future meetings of the Committee.

(e) New Zealand: United States – CCC sales of skim milk powder for conversion to casein: dairy import levy

39. New Zealand noted that following a field trial for the conversion of skim milk powder to casein launched by the CCC in October 2001, the USDA had recently announced the sale of 136,000 tonnes of skim milk powder (non-fat dry milk) stocks from the CCC for conversion into casein/caseinates. The price of the skim milk powder would be set by tender. New Zealand inquired whether the programme launched last year had moved beyond a field trial and, if so, what the criteria were to determine whether the field trial provided sufficient benefits for the USDA to maintain a permanent programme. New Zealand was also interested in the results of the field trial, in particular, the release price at which skim milk powder could be converted to casein and compete with casein imports and whether the release price was below both past and present CCC purchase prices. New Zealand also wondered under what WTO Agreement and provisions the United States intended to notify this programme and the subsidy it provided to producers of casein or caseinates.

40. New Zealand noted that the FSRI Act amended the Dairy Promotion and Research Program and required imported dairy products to pay an assessment equivalent to domestic dairy products. New Zealand was of the view that extending the assessment to imported dairy products appeared inequitable and would result in little or no benefit for dairy importers. US restrictions on dairy imports meant that promotional programmes would not increase the volume or value of imported dairy products. Most of the promotional funds were spent on fluid milk that was not imported, and cheese and butter imports were limited by tariff quotas. There were also practical difficulties in applying an assessment to the widely assorted range of dairy imports. In these respects, New Zealand was interested in how the United States would ensure that the assessment on imported dairy products was implemented in a manner that was consistent with WTO commitments. Specifically, how would the United States ensure that imported dairy products were treated and promoted in the same manner as domestic dairy products and how would importers be assured of adequate representation of their interests in administering the programme.

41. The United States replied that the Food Security Act of 1985 (1985 Farm Bill) had authorised a programme to convert CCC stocks of non-fat dry milk into casein. While the programme was long dormant, on 22 October 2001 the CCC issued a Notice announcing the opportunity to participate in the field trial. The field trial was determined to be a success in that powder greater than 24 months old was converted to casein that was judged to be suitable for commercial market applications. Conversion rates were roughly three pounds of non-fat dry milk to one pound of casein.

42. The United States indicated that the programme had moved beyond a field trial. On 23 May 2002, the CCC announced on its website an invitation for competitive offers for the purchase of CCC stocks of non-fat dry milk to manufacture casein and a bid process would establish the price for sale of CCC non-fat dry milk for restricted use in making casein. During the first offering, all bids were rejected due to insufficient prices. The CCC expected to make a second offering in July 2002. The United States indicated that there had been no sales and no programme expenditures to date and no decisions had been made on what notifications, if any, would be appropriate for this programme.

43. With respect to questions regarding the dairy import levy under the FSRI Act 2002, the United States pointed out that implementing legislation for the dairy import assessment was in its early stages and that the Act itself required implementation in a manner consistent with US trade obligations. The United States indicated that the USDA would post the proposed regulation, comments on that regulation, and final regulation on the following website: www.ams.usda.gov/dairy/dairyrp.htm. The United States clarified that the legislation provided for importer representation on the National Dairy Board, and stated that initially, the Secretary of Agriculture would appoint two members representing imported products. Every three years thereafter, the number would be adjusted if necessary to reflect changes in the volume of imports relative to domestic production of dairy products.

44. New Zealand emphasised that its questions to the United States reflected the growing concerns that US dairy commitments continued to be implemented in a transparent manner and consistent with the WTO. Australia considered the US reassurances on transparency and importer representation to be useful but it would continue to monitor this scheme. The EC shared New Zealand's concerns with respect to the implementation of the dairy import levy.

(f) New Zealand: Venezuela – Import licensing

45. New Zealand underlined that its traders were still experiencing difficulties in gaining access for dairy products to the Venezuelan market, in particular, problems with transparency and timeliness of the tariff quota administration regime. New Zealand had raised these concerns bilaterally at the recent World Food Summit in Rome and obtained a confirmation that Venezuela had established a central commission to investigate the concerns expressed by many Members with respect to Venezuela's import licensing regime. Hoping that this longstanding issue would now be resolved, New Zealand sought details on the terms of reference for the commission, how it would carry out its work and when the commission's results would be available.

46. Regarding the import licensing system notified by Venezuela under G/AG/N/VEN/22, New Zealand also requested confirmation whether the system would remain in force during the second half of the 2002 quota year. New Zealand also noted that at the Committee meeting in March 2002, Venezuela commented that it had opened 50 per cent of the total quota volume for licence allocation. New Zealand sought confirmation that licences for the entire quota had been allocated (and when the allocation occurred) and what percentage of the quota had been allocated to historical and new importers.

47. Venezuela replied that the Inter-ministerial Commission was established by Decree 988, dated 29 June 1999. This Commission was provided for in the resolutions establishing the quota administration regime and was responsible for expressing a favourable opinion in order for the Ministry of Agriculture and Land to issue import licences. The Commission approved the granting of import licences if the requests fulfilled conditions set out in the official notices. The system notified in G/AG/N/VEN/22 was in effect and would remain in force until further notice.

48. Venezuela indicated that to date, the Ministry of Agriculture and Land had allocated the following dairy product quotas: (a) 40 per cent of the total quota volume for whole milk, 94.4 per

cent of which was allocated to traditional importers and 5.16 per cent to new importers; (b) the total quota volume for skimmed milk was exceeded; and (c) 86.39 per cent of the total quota volume for cheese. Venezuela provided detailed information concerning licence allocations (Attachment 3 to this report). This information was also available on the web page of the Ministry of Production and Trade.

49. New Zealand commented that it appeared that the review commission was not a new but an already existing commission, which might suggest that Members would not see a significant change in the current procedures. This was of great concern to New Zealand as it had a detrimental effect on trade.

50. The United States supported New Zealand as it also continued to have licensing difficulties in the Venezuelan market. The United States requested confirmation of whether the Inter-ministerial Commission referred to by Venezuela was new or the same commission in charge of issuing licences in the past. If it were new, the United States was hopeful that it would be better able to provide transparency in licensing operations. The EC, Chile and Peru were also interested in the details of the Venezuelan system while Uruguay expressed its concerns regarding the lack of improvement in access and issuing of licences, especially with respect to cheese.

51. Venezuela undertook to follow up with the commission with a view to ensuring transparency and expediting the issuing of licences.

(g) United States: China – Tariff quotas; export subsidies

52. The United States expressed concerns with respect to China's agricultural tariff quota administration, which appeared to have resulted in lost market opportunities for US and other Member exporters. China had included restrictive conditions to its TQ allocations, including processing requirements, re-export requirements, discretionary licensing, and trading rights limitations. Consequently, China had yet to import significant quantities of wheat, corn, rice, soybean oil and cotton since becoming a WTO Member.

53. The United States noted that China's allocation of TQs was significantly delayed this year. Despite bilateral requests for information, the United States was awaiting basic facts related to TQ allocations. The United States expressed willingness to work with China to ensure that these issues would be addressed to accommodate market access this year, and to improve the allocation process for imports during coming years.

54. The United States requested that China provide information on TQ allocation, including the quantities of TQs allocated for wheat, corn, rice, soybean oil and cotton; the distribution of allocations for trade through state trading enterprises and entities other than state trading enterprises; and the identities of end users that have received TQ allocations. The United States asked for clarification on what steps China was taking to ensure that its TQ administration did not continue to impede access to the Chinese market.

55. The United States was also concerned that China might still be subsidizing its corn exports in spite of its commitment to eliminate export subsidies upon accession to the WTO. It appeared that China was exporting government corn stocks through state trading enterprises at world market prices that were below domestic prices in China and below procurement prices. The United States sought clarification concerning these corn exports, including whether the Government measures associated with these corn exports were consistent with China's WTO obligations.

56. In its reply, China provided data on TQ allocation, including the information on allocations for state trading enterprises (STEs) and non-STEs (Attachment 2 to this report). On TQ

administration, China replied that it had not and would not use TQ administration as a means to impede access of TQ products to the Chinese market.

57. With respect to questions about export subsidies, China replied that it fully abided by its accession commitments and had not provided any export subsidy to agricultural exports. China indicated that it exported corn at world market prices and noted two factors that might have contributed to a gradual reduction of corn export prices. First, several Government Notices relating to agricultural products had been published such as "The Notice on Exemption of Large Agricultural Products, such as Cereals and Cotton from Railway Construction Fund" that reduced the operating costs for enterprises. These measures were not targeted at export products, hence they were consistent with China's WTO obligations. Second, in face of the fierce competition on domestic and overseas markets, Chinese exporting enterprises were streamlining their operations, modernising their management, and reducing costs. China reassured Members that there were no government subsidies involved.

58. The United States reiterated its request for contact information of end-users that received quota allocations. It appeared to the United States that the end-users would be interested in having their names and addresses made available to exporters. The United States also reiterated its interest in the explanation of the price differential between the world market prices and domestic prices for corn in China.

59. Argentina asked whether the enterprises that received permits had in fact used them, i.e. whether imports had been made under the licences. Australia supported Argentina's request, and together with New Zealand emphasised a systemic interest in the responses provided by China. Canada echoed the US request for identities of the end users. Thailand and Japan expressed specific interest in information on rice TQ allocation.

60. China stated that the information containing names of end-users which received the quotas and the quota volume each of them obtained was considered to be company commercial secrets, and without prior approval of the end-users, the State Development Planning Commission was not in the position to provide this information to the public. China undertook to take the US request to the capital with a view to trying to persuade the end users to make their contact information publicly available.

B. REVIEW OF NOTIFICATIONS

61. The Committee reviewed the following notifications as listed in the agenda:

- (i) on the administration of tariff and other quota commitments (Table MA:1): from El Salvador (SLV/10), European Communities (EEC/1/Add.2, 3/Add.1, 14/Add.1, 15/Add.1), Korea (KOR/33) and Switzerland (CHE/13/Add.2);
- (ii) relating to imports under tariff and other quota commitments (Table MA:2): from Czech Republic (CZE/36), Hungary (HUN/26), Iceland (ISL/20), Israel (ISR/23), Korea (KOR/34), Slovak Republic (SVK/32) and Switzerland (CHE/26);
- (iii) in the context of the special safeguard (Tables MA:3 to MA:5): from Korea (KOR/35), Chinese Taipei (TPKM/1 and TPKM/2);
- (iv) relating to domestic support commitments (Table DS:1): from Australia (AUS/41), Honduras (HND/10), Hungary (HUN/28), Iceland (ISL/19), India (IND/2), Japan (JPN/72), Korea (KOR/31), Poland (POL/46) and Turkey (TUR/14);

- (v) relating to new or modified domestic support measures exempt from reduction (Table DS:2): from Australia (AUS/42);
- (vi) relating to export subsidy commitments (Tables ES:1 to ES:3): from Hungary (HUN/29), India (IND/3) and United States (USA/39).

62. Specific points raised with respect to the notifications listed above and the responses thereto are summarized in Part I of the Annex to this report.

C. OTHER NOTIFICATIONS BEFORE THE COMMITTEE

(a) Notifications in respect of which no questions have been raised in advance

63. The Committee took note of the following notifications, which had been circulated in advance of the date on which the notice convening the present meeting was issued but in respect of which no questions had been raised by that date under the Committee's Working Procedures:

- (i) on the administration of tariff and other quota commitments (Table MA:1): Chinese Taipei (TPKM/3);
- (ii) relating to imports under tariff and other quota commitments (Table MA:2): Morocco (MAR/22) and Panama (PAN/6);
- (iii) in the context of the special safeguard (Tables MA:3 to MA:5): Czech Republic (CZE/37), European Communities (EEC/37), Hungary (HUN/27), Japan (JPN/73 and JPN/75), Morocco (MAR/23), Panama (PAN/5), Poland (POL/47, POL/48 and POL/49), Slovak Republic (SVK/33), Switzerland (CHE/27), United States (USA/38) and Uruguay (URY/23);
- (iv) in the context of domestic support commitments (Table DS:1): Morocco (MAR/24), United Arab Emirates (ARE/5) and Uruguay (URY/18);
- (v) on export subsidy commitments (Tables ES:1 to ES:3): European Communities (EEC/36), Georgia (GEO/1), Honduras (HND/9, HND/11, HND/12), Israel (ISR/25), Japan (JPN/74), Korea (KOR/32), Morocco (MAR/25), Peru (PER/5), Slovak Republic (SVK/34), Switzerland (CHE/25), United Arab Emirates (ARE/4), and Uruguay (URY/22).

(b) Notifications circulated or made available after the notice convening the meeting was issued (G/AG/1, paragraph 9 refers)

64. The following notifications were subject to preliminary review and are to be reverted to at the next meeting for substantive review in accordance with paragraph 9 of the Committee's Working Procedures:

- (i) on the administration of tariff and other quota commitments (Table MA:1): from Switzerland (CHE/13/Add.3) and United States (USA/40)
- (ii) on imports under tariff and other quota commitments (Table MA:2): from Poland (POL/51) and Switzerland (CHE/28);
- (iii) on special safeguard (Tables MA:3 to MA:5): from Switzerland (CHE/27/Rev.1 and CHE/29);

- (iv) on domestic support commitments (Tables DS:1 and DS:2): from Cuba (CUB/19), Estonia (EST/6 and EST/7) and European Communities (EEC/38 and EEC/39);
- (v) on export subsidy commitments (Tables ES:1 to ES:3): from Poland (POL/50).

D. POINTS CONCERNING NOTIFICATIONS RAISED AT PREVIOUS MEETINGS (G/AG/R/2, PARAGRAPH 14 REFERS)

65. There was no discussion under this agenda item.

E. COUNTER NOTIFICATIONS UNDER ARTICLE 18.7

66. The Committee took note that no counter-notifications had been received under Article 18.7 of the Agreement.

F. OTHER MATTERS RELATING TO THE REVIEW PROCESS

(a) Deferred replies to questions raised under the Review Process

67. One deferred reply to a question raised at the March 2002 meeting of the Committee was received from Australia with respect to its domestic support notification G/AG/N/AUS/38 (G/AG/R/30, page 35, refers). The reply is summarised in Part II of the Annex to this report.

(b) Overdue notifications

68. As had been agreed at the March 1997 meeting of the Committee (G/AG/R/10, paragraph 10 refers) the Secretariat made available a room document, dated 28 June 2002, showing the current status of compliance with the notification obligations.

69. Argentina emphasised the need for Members to submit notifications in a timely manner, and especially the notifications on domestic support commitments in view of the fact that information contained in these notifications would have a great impact on the negotiations in the Special Session.

(c) Addenda to Table MA:1 notifications

70. The Chairman recalled that the WTO Ministerial Conference had endorsed the recommendation that the Committee keep under review the implementation of the December 2000 decision of the General Council on the administration of tariff quotas (WT/L/384, paragraph 1.1, refers). The understanding was that this decision should not place undue new burdens on developing countries (WT/GC/M/62, paragraph 14, refers).

71. The Committee noted that the following Members administering tariff quotas had submitted the requisite Table MA:1 Addenda: Australia (G/AG/N/AUS/1/Add.1); Canada (G/AG/N/CAN/2/Add.2, 6/Add.1, 10/Add.1, 19/Add.1); Czech Republic (G/AG/N/CZE/Rev.1/Add.1); European Communities (G/AG/N/EEC/1/Add.2, 3/Add.1, 14/Add.1, 15/Add.1); Hungary (G/AG/N/HUN/1/Add.1, 5/Add.1, 8/Add.1, 13/Add.1 & 18/Add.1); Japan (G/AG/N/JPN/1/Add.1, 8/Add.1, 23/Add.2, 57/Add.1); Latvia (G/AG/N/LVA/1/Add.1); New Zealand (G/AG/N/NZL/1/Add.1); Norway (G/AG/N/NOR/1/Add.1); Thailand (G/AG/N/THA/38/Add.1); and the United States (G/AG/N/USA/2/Add.3 and 34/Add.1).

72. The Chairman urged those Members administering tariff quotas which had not yet done so to provide Addenda to their MA:1 notifications in accordance with the General Council Decision in WT/L/384.

G. IMPLEMENTATION OF ARTICLE 10.2 OF THE AGREEMENT ON AGRICULTURE

73. The Chairman recalled the Committee's recommendations with respect to the implementation of Article 10.2 in G/AG/11, Section A, paragraph 4, which was approved by the Doha Ministerial Conference.

74. The United States pointed out that it was clear that countries would not be able to conclude negotiations on agricultural export credits at the OECD. The United States recalled its position as stated at the Special Session meetings and emphasised its commitment to the negotiation of specific disciplines in this area as expeditiously as possible. To complement the ongoing negotiations, the United States suggested that a questionnaire (hard copy distributed in the Committee and subsequently by fax) be used to gather information regarding export credit guarantee programmes. This information could subsequently be used in negotiations of modalities. The United States undertook to provide to the Secretariat a sample of the questionnaire with information on its GSM-102 programme with a view to making it available to Members (subsequently distributed by fax). The United States pointed out that specific items in the questionnaire concerned the terms that should be negotiated. The United States encouraged all Members who operated export credit guarantee programmes to fill out the questionnaire and make the information available to Members, via the Secretariat, preferably before the next regular Committee meeting, so that as negotiations proceeded, Members would have as much information as possible about the various programmes that were currently operating.

75. Argentina welcomed the US initiative as it would bring greater transparency and advance progress in negotiations but expressed concern about a possible shifting of discussions from the Special Session, where they rightfully belonged, to the regular Committee meeting. While agreeing with the US assessment of the prospects of the OECD negotiations in this area, the EC expressed concern about reverting to this issue in the regular Committee meeting, arguing that these were technical discussions that should take place in the Special Session. With regard to the questionnaire, the EC pointed out that once the information was provided by the United States, 95 per cent of existing programmes would have been notified.

76. While reserving comments about the format of the questionnaire, the representatives of Canada, Brazil, New Zealand, and Australia welcomed the initiative as a complement to the negotiations and as an exercise in exchange of information. They highlighted, however, that it would be unacceptable if it were to slow down or detract from the development of disciplines on export credits in the negotiations. In light of a clear need for more information in this area, New Zealand stressed that this exercise would only be useful if major players filled out the questionnaire and urged Members to do so.

77. The United States reassured Members that it had never had an intention to delay the negotiations in this area.

78. The Committee took note of the US initiative. The Chairman encouraged all Members to complete the questionnaire and provide the Secretariat with a copy.

H. OTHER IMPLEMENTATION-RELATED ISSUES

79. The Chairman pointed out that there were several implementation-related issues, in addition to those already under action, in respect of which the Committee would have to submit a follow-up report to the General Council following the regular meeting of the Committee in September. The Chairman recalled that matters already under action included: (i) the NFIDC Inter-Agency Panel which had just finalised its report for submission to the General Council (since issued as WT/GC/62 – G/AG/13); (ii) the question of further addenda to the Table MA:1 notifications on tariff quota

administration which had been under regular review by the Committee; and (iii) the implementation of Article 10.2 on which further discussions were continuing. The other implementation-related issues which needed to be followed-up as appropriate concerned food aid and technical assistance under the NFIDC Decision, namely Sections B-I and B-II of the Committee's G/AG/11 recommendations as approved by the Doha Ministerial Conference. The Chairman suggested that a report on these two items, prepared on his own responsibility, be submitted to the General Council following the Committee meeting in September.

80. Sri Lanka requested clarification on the possible substance of the Chairman's report. While recalling the proposals put forward by the group of developing countries, Sri Lanka noted that the Committee had not engaged in substantial discussion on these items. As it was not clear whether these proposals had been accepted by the Members, Sri Lanka requested that the Chairman hold informal consultations on these items prior to the September meeting of the Committee.

81. The Chairman indicated that food aid and technical assistance would be on the agenda of the Committee meeting in September and encouraged Members to prepare for a substantial discussion. The Chairman undertook to hold, prior to the Committee meeting, open-ended informal consultations on these items.

PART II: OTHER MATTERS WITHIN THE PURVIEW OF THE COMMITTEE

A. PREPARATIONS IN CONNECTION WITH PARAGRAPH 18 OF THE PROTOCOL ON THE ACCESSION OF THE PEOPLE'S REPUBLIC OF CHINA

82. The United States recalled that China's WTO Protocol of Accession gave the Committee on Agriculture and other bodies a specific role in developing the basis for the General Council's transitional review mechanism later this year. The United States stressed that the Committee was specifically tasked with reviewing China's implementation of a number of commitments. Therefore, the Committee should establish a practical and pragmatic timeline for developing the information and receiving the notifications necessary to conduct China's transitional review so that it could accomplish its task at the September meeting. The Committee should focus on the timing of specific information to be provided, including information on current and planned measures on domestic support, export subsidies, tariffs and tariff quotas. The development of these guidelines should also take into account the time necessary for translation and circulation. The United States proposed that a date of 26 July be established for Member questions to China and that China provide a response and relevant documentation by 2 September, so that Members could prepare for the September meeting and the Committee could provide a report to the Council for Trade in Goods (CTG).

83. China reiterated its position expressed in other WTO committees that as a new Member, China took its membership seriously, was willing to fulfill its obligations and attached great importance to paragraph 18 of its Protocol of Accession. China underlined having made efforts in preparation for the transitional review and, with understanding and support of WTO Members, China was determined to do its utmost in trying to overcome the practical difficulties in this regard. China stressed that it had no more obligations than what had been stipulated in paragraph 18 and any attempt to increase China's obligations would be rejected. Since paragraph 18 already established guidelines on the frequency, procedure, scope and substance of the transitional review, China felt that it was inappropriate for any subsidiary body of the WTO to renegotiate the terms of such review. China considered that such review could take place at the last regular meeting of each subsidiary body in a given year and that once the date was fixed and the review was put on the agenda, the WTO Secretariat could advise China of these preparations. China welcomed Members to raise relevant questions well in advance of the review. China highlighted that it was also entitled to raise its concerns to other Members who maintained restrictions against imports from China which were

inconsistent with WTO rules. China hoped that this dialogue would result in a better implementation of commitments by all Members and greater trade between China and the rest of the world.

84. The United States pointed out that the objective was not to renegotiate China's obligations but to ensure transparency and predictability in the procedures so that the CTG could carry out its obligation to review China's implementation. The United States recalled that the last meeting of the Committee on Agriculture in 2002 was on 21 November and that of the CTG on 22 November, and that this would not allow sufficient time for the Committee on Agriculture to prepare the required report to the CTG.

85. China reiterated its position that it could not agree on the 2 September deadline proposed by the United States but was prepared to consult. However, the consultation should not prejudice the outcome nor aim at establishing a clear timelines for the preparations of the review. China stated that it welcomed Members to raise relevant questions well in advance of the review. If other Members wished to send questions by 26 July, China had no objection to that.

86. The representative of Cuba was doubtful that the date could be fixed at this stage, recalled that discussions on this item were also held in other subsidiary bodies, and suggested that the Chair should hold consultations and that a supervisory body or the General Council could help in taking a decision on this issue.

87. Noting that there appeared to be no disagreement on the 26 July deadline for submission of Members' questions to China, the Chairman undertook to consult informally on the issue of preparations for the review. The consultations would be held without prejudice to the outcome and taking into consideration the schedule of meetings as well as the need to respect the obligations undertaken by China in its Protocol of Accession. The Chairman undertook to report as appropriate to the Committee on the outcome of these consultations.

B. MATTERS RAISED UNDER "OTHER BUSINESS"

Date of Next Meeting

88. The next regular meeting of the Committee on Agriculture will be held on 26 September 2002. The airgram convening the meeting and containing the draft agenda will be issued on Monday, 16 September 2002.

ANNEX

| | | <u>Page</u> |
|-----------------------|--|-------------|
| <u>Part I</u> | <u>Review of notifications by the Committee on Agriculture on 28 June 2002</u> | |
| (i) | <u>administration of tariff and other quota commitments (Table MA:1):</u> El Salvador (SLV/10), European Communities (EEC/1/Add.2, 3/Add.1, 14/Add.1, 15/Add.1), Korea (KOR/33) and Switzerland (CHE/13/Add.2); | 17 |
| (ii) | <u>imports under tariff and other quota commitments (Table MA:2):</u> Czech Republic (CZE/36), Hungary (HUN/26), Iceland (ISL/20), Israel (ISR/23), Korea (KOR/34), Slovak Republic (SVK/32) and Switzerland (CHE/26); | 19 |
| (iii) | <u>use of the special safeguard (Tables MA:3 to MA:5):</u> Korea (KOR/35), Chinese Taipei (TPKM/1 and TPKM/2); | 25 |
| (iv) | <u>domestic support commitments (Table DS:1):</u> Australia (AUS/41), Honduras (HND/10), Hungary (HUN/28), Iceland (ISL/19), India (IND/2), Japan (JPN/72), Korea (KOR/31), Poland (POL/46) and Turkey (TUR/14); | 27 |
| (v) | <u>new or modified domestic support measures exempt from reduction (Table DS:2):</u> Australia (AUS/42); | 44 |
| (vi) | <u>export subsidy commitments (Tables ES:1 to ES:3):</u> Hungary (HUN/29), India (IND/3) and United States (USA/39). | 46 |
| <u>Part II</u> | <u>Deferred replies to questions raised at previous meetings</u> | |
| (i) | relating to domestic support commitments: AUS/38 (G/AG/R/30, page 35, refers) | 47 |
| | <u>Attachments</u> | |
| 1 | United States' Response to Australia's Request for Statistical Data | 48 |
| 2 | China's TQ Allocation for the Year 2002 | 49 |
| 3 | Venezuela – List of Import Licences for Dairy Products Granted in 2002 | 50 |
| 4 | G/AG/N/USA/39 - US Food Aid July/June 2000/2001 | 56 |

ANNEX – PART I

Review of notifications by the Committee on Agriculture on 28 June 2002

Summary of specific points raised and responses thereto

Table MA:1 Notifications

| El Salvador G/AG/N/SLV/10 Tariff Quota Administration (Table MA:1) | |
|--|--|
| Points raised by other Members | Response by Notifying Member |
| <p>New Zealand - Justification for collecting revenue in excess of the in-quota tariff for cheese that may arise from public auctioning system.</p> <p>Efforts undertaken to remove the domestic purchasing requirement in the allocation of cheese quota.</p> | <p>El Salvador undertook to provide replies as soon as possible.</p> |

| European Communities G/AG/N/EEC/1/Add.2, 3/Add.1, 14/Add.1, 15/Add.1 Tariff Quota Administration (Table MA:1) | |
|---|--|
| Points raised by other Members | Response by Notifying Member |
| <p>Canada - Information on TQs on which deposits on import licences were required, fees charged for each (as expressed per kilogram or per tonne) and conditions to be met by importers to have their deposit reimbursed.</p> | <p>The EC requires for several of its TQs that a guarantee is lodged ensuring respect of specific dispositions related to the management of these quotas. The lodging of guarantees is intended to optimise quota allocation or its use. The guarantee is released if the participants have carried through the procedures for quota allocation and used the allocated quota quantities under the required conditions.</p> <p>The main reasons for requiring a guarantee are:</p> <ul style="list-style-type: none"> • Ensure actual importation during the period of validity of the import licenses • Guarantee the quality of the imported product • Ensure the good faith of the traders and avoid speculation • Ensure that traders transmit all information needed for the quota management <p>The detailed information can be found in the Annexes to the notification G/AG/N/EEC/1/Add.2-EEC/3/Add.1-EEC/14/Add.1-EEC/15/Add.1 of 14 June 2001, submitted following the General Council Decision WT/L/384.</p> |

| Korea G/AG/N/KOR/33 Tariff Quota Administration (Table MA:1) | |
|---|---|
| Points raised by other Members | Response by Notifying Member |
| Australia noted that its capital had forwarded a statement, not a question. | No response necessary to the statement. |

| Switzerland G/AG/N/CHE/13/Add.2 Tariff Quota Administration (Table MA:1) | |
|---|--|
| Points raised by other Members | Response by Notifying Member |
| <p>Canada - Details of Swiss tender system, and whether the system operates differently for TQs for live horses, live bovine animals, and potato products.</p> <p>For TQ for "animals for slaughter; meat mainly produced on the basis of coarse fodder", rationale behind changing the TQ share allocation period from one month to two weeks and results expected from this change.</p> | <p>In the case of live horses and bovine animals, as well as potato products, tariff quota shares are allocated by auction. The Federal Office of Agriculture issues an invitation to tender before the end of the quota period. Any bidder may, within the limits of the quantity put out to tender, submit a maximum of five bids at different prices and for different quantities. The tender price corresponds to the price offered.</p> <p>The system operates in a similar manner for the three products. However, the tariff quota share allocated before and during the quota period is as follows (per cent): 50/50 for horses, and 70/30 for bovine animals. As far as potato products are concerned, the entire quota is allocated before the beginning of the quota period.</p> <p>The fact of not allocating the entire tariff quota before the beginning of the quota period allows account to be taken of import requests during the same period, thus making a fairer distribution among potential importers possible. The differences between percentage shares allocated before and during the quota period are explained by the specific features of each of the markets concerned.</p> <p>In the case of horses for breeding, importer breeders obtain tariff quota shares for stallions and mares listed in the herd book of a recognised breeding organisation. Shares are allocated as needed.</p> <p>The transition from the tariff quota share allocation period of one month to one of two weeks between 2000 and 2001 is designed mainly to achieve greater flexibility in matching supply with demand, and is also linked to a process of administrative simplification. From 2001 onwards, the administration of the tariff quota "animals for slaughter; meat mainly produced on the basis of concentrated fodder" is similar in terms of the length of the share allocation period to the tariff quota "animals for slaughter; meat mainly produced on the basis of coarse fodder".</p> |

Table MA:2 Notifications

| Czech Republic G/AG/N/CZE/36 Tariff Quota Fill (Table MA:2) | |
|--|--|
| Points raised by other Members | Response by Notifying Member |
| <p>New Zealand - Explanation for the continued quota underfill for a number of TQs, in particular, those relating to meat of bovine, meat offal, milk and cream, butter, and potatoes.</p> <p>In light of previous explanations for quota underfill, many TQs appear unnecessary. Encourages a move to a tariff only regime at the in-quota tariff rate.</p> | <p>Reasons for underfill mentioned previously continue to prevail and include little demand for imports, general decline in demand, lower domestic prices and changes in consumer habits.</p> <p>No plans to move to a tariff only regime at the in-quota tariff rate.</p> |

| Hungary G/AG/N/HUN/26 Tariff Quota Fill (Table MA:2) | |
|--|---|
| Points raised by other Members | Response by Notifying Member |
| <p>United States - Explanation for low fill rate for many products, including for bovine animals and meat, honey, jams, beer, barley, maize, leguminous vegetables, preserved vegetables, fruits, meat, and mushrooms.</p> | <p>Hungary is a competitive agricultural producer and exporter of a broad range of agricultural products. As a result, consumers and the processing industry rely heavily on domestically produced products. Significant imports take place only out-of season or in case of severe production losses. The success of privatisation in the processing industry, utilisation of concessions granted to traditional trading partners within the framework of free-trade agreements and small differences between in- and out-of-quota rates very often play a role as well.</p> |
| <p>Argentina - In light of claims of being an efficient exporter, whether Hungary uses export subsidies.</p> | <p>Question does not relate to the utilisation of TQs. Hungary uses export subsidies on very narrowly defined products - much less than permitted in terms of product coverage or budgetary outlays. The products listed in the US question did not benefit from export subsidies in 2001, nor do they in 2002.</p> |

| Iceland G/AG/N/ISL/20 Tariff Quota Fill (Table MA:2) | |
|--|--|
| Points raised by other Members | Response by Notifying Member |
| <p>New Zealand - Explanation for a zero import level under the minimum access tariff quota for butter.</p> <p>Follow-up question by New Zealand – whether Iceland would consider moving to a tariff only regime at the in-quota tariff rate for butter.</p> <p>Follow-up comment by Argentina - Domestic prices may be lower as a result of overproduction due to high domestic support. Moreover, high levels of domestic support may be undermining the minimum access commitment.</p> | <p>The minimum access quota for butter has been duly advertised but failed to attract interest from importers. The reasons for this may relate to consumer preferences as Icelandic butter differs from its foreign equivalents and its quality and taste is much appreciated by Icelandic consumers. Importers may also find the prospect of importing butter at in-quota rates relatively unattractive in relation to domestic prices, which have come down since the base period.</p> <p>Iceland's implementation of its minimum access tariff quotas is consistent with its scheduled commitments under the WTO. While different administration methods have been debated, no change in the present administration regime is foreseen in the immediate future.</p> |
| <p>United States – Explanation for the low fill rate for about 40 per cent of products, including for meat and edible offal of bovine, swine, sheep, and poultry; cereal flours, groats, and grains; cucumbers, animal fats and oils.</p> | <p>As highlighted on the cover page of the notification, a number of products relevant to Iceland's current access commitments are not subject to any quota or other administrative system upon import, only applied rates of duty that are equal to or lower than the corresponding in-quota tariff. In these instances, market demand is the sole determinant of import levels. Iceland's agricultural sector has, for example, contracted since the base period, with a corresponding impact on imports of cereals and grains for feed purposes.</p> <p>With respect to vegetables, these quotas are administered seasonally without quantitative restrictions, meaning that demand dictates the import quantities. Applied rates of duty are within the quota commitments, and during some months they may actually be zero. Import opportunities today far exceed those of the base period, but actual imports can fluctuate substantially between years, depending on domestic supply. Domestic producers have in recent years been increasing their share of the market alongside advances in greenhouse production techniques.</p> |

| Iceland G/AG/N/ISL/20 Tariff Quota Fill (Table MA:2) | |
|--|---|
| Points raised by other Members | Response by Notifying Member |
| United States (cont'd) | The minimum access quotas in question have been duly opened and advertised but the import levels are as indicated in the notification. The reasons for this include favourable domestic prices in relation to imports at in-quota tariff levels, stringent sanitary regulations to protect the excellent situation in Iceland with respect to animal health and a marked downturn in the interest to import meat products owing to increasing consumer awareness with respect to food safety, compounded by unfortunate epidemics abroad such as BSE and FMD. |

| Israel G/AG/N/ISR/23 Tariff Quota Fill (Table MA:2) | |
|--|---|
| Points raised by other Members | Response by Notifying Member |
| United States – Explanation for the low fill rate for edible fats and oils products. | United States stated that it had received a reply from Israel referring to its similar response previously that these products were subject to tariff-only treatment. |

| Korea G/AG/N/KOR/34 Tariff Quota Fill (Table MA:2) | |
|---|---|
| Points raised by other Members | Response by Notifying Member |
| Australia – Quantity of beef imported under the new tariff-only arrangements. | In 2001, Korea imported 180,631 tonnes of beef on a customs clearance basis. (Data Source: <i>Statistical Yearbook of Foreign Trade</i> , Korea Customs Service, 2001.) |
| New Zealand – Explanation for the large number of underfilled TQs in 1999 and 2000 for: | |
| Meat of bovine, whey powder | Since late 1997, the financial crisis has caused an adverse effect on exchange rates, national incomes and prices of imported agricultural products. Although this situation has improved since 1999, decreased demand and increased import prices continued to adversely affect the fill rates of the products. In 2000, however, most of the TQ was utilised. |
| Other milk and cream | Underfill was due to the lack of demand. |
| Garlic | In 1999, increased imports of substitute products including frozen garlic adversely affected the fill rate of garlic. In 2000, however, most of the TQ was utilised. |

| Korea G/AG/N/KOR/34 Tariff Quota Fill (Table MA:2) | |
|---|---|
| Points raised by other Members | Response by Notifying Member |
| New Zealand (cont'd) Onions, ginger Sweet potatoes | Underfill was tied to low domestic prices that led to a decrease in demand for imports. Even though sweet potatoes were imported on a first-come, first-served basis, there was no import demand for the product. |
| New Zealand - Where there have been minimal or zero imports under the TQ, inquires if Korea would consider moving to a tariff only regime at the in-quota tariff rate or below. | As explained above, underfill resulted from market conditions and the Government did not take any import restricting measures. Korea is not considering, at this stage, moving to a tariff only regime. Korea believes that it is more appropriate to deal with this issue in the ongoing negotiations. |

| Slovak Republic G/AG/N/SVK/32 Tariff Quota Fill (Table MA:2) | |
|---|--|
| Points raised by other Members | Response by Notifying Member |
| Australia - Inquires about major suppliers in 2001 of: Poultry (ex 0207) Wine of grapes (2204) Ethyl alcohol | Major suppliers were: China, Czech Republic and the EU The EU, Bulgaria and Hungary The EU, the Czech Republic and Croatia |
| Australia, New Zealand: Explanation for quota underfill for: Live sheep and meat of sheep Meat offal Milk and cream, yoghurt, butter | Generally, low interest from foreign exporters was a reason for the underfill. The Slovak Republic does not take any actions to limit TQ fill. Recalls that imports were also taking place within bilateral preferential quotas. Both of these commodities are export-oriented items. Domestic production as well as sales increased in 2001 and prices were declining at the same time. The domestic market in bovine animals was stabilized and oriented to domestic suppliers. These products, except butter, were imported from partners from the Customs Union, the Czech Republic and other neighbouring countries, and thus respective imports are not included in TQ fill volume. In addition, domestic producers and exporters are competitive since production and exports of these commodities increased during the last year and consumption has stagnated. Therefore, there was low demand to import milk products from other territories than the Czech Republic. |

| Slovak Republic G/AG/N/SVK/32 Tariff Quota Fill (Table MA:2) | |
|---|-------------------------------------|
| Points raised by other Members | Response by Notifying Member |
| Australia, New Zealand (cont'd) Potatoes | Sufficient domestic crop. |

| Switzerland G/AG/N/CHE/26 Tariff Quota Fill (Table MA:2) | |
|---|--|
| Points raised by other Members | Response by Notifying Member |
| United States - Reason for the underfill for fresh apples, pears and quinces in 1999. | <p>The tariff quota commitment for 1999 was 15,800 tonnes of fresh apples, pears and quinces. During that year, Switzerland imported effectively 11,866 tonnes of these fresh fruits, the quota fill rate hence was at about 75%. For 1998 and 1997, the fill rates were 115% and 106%, respectively.</p> <p>The main explanation for the relatively low fill rate for 1999 lies in the 1998 yield. Indeed, 1998 was a year of extraordinarily high yields in apples and pears in Switzerland: Harvests were at 156% for apples and 163% for pears compared to the average production level in the years 1990-1999. The high yields led to unusually low prices and as a result production became more competitive even allowing for some exports. Stocks of fresh apples harvested in 1998 lasted up to fall 1999, and some of them had to be destroyed thereafter. Consequently, importing fresh fruits, particularly apples, was less attractive than in previous years and the result was the relatively low fill rate for 1999.</p> <p>The fill rate for apples, pears and quinces in 1999 is still 8 percentage points higher than the simple average fill rate of 67% calculated for all TQs administrated by WTO Members (see Secretariat background paper TN/AG/S/6).</p> |

| Switzerland G/AG/N/CHE/26 Tariff Quota Fill (Table MA:2) | |
|--|--|
| Points raised by other Members | Response by Notifying Member |
| <p>United States (cont'd)</p> <p>Reason for the underfill of the TQ for coarse grains for human consumption in 1999.</p> | <p>The tariff quota commitment for 1999 was 70,000 tonnes. The imports for the same year were at 35,795 tonnes. The three coarse grain types for human consumption are: barley, oats and maize. These products are used as a basis for processed food for human consumption, for the famous Swiss Muesli. In this context it is also worth mentioning that there is hardly any domestic production of such grains for human consumption for quality reasons.</p> <p>As notified in the Table MA:1 notification G/AG/N/CHE/13/Add.1, authorized importers are mills that process grains for human consumption (residual parts being processed into feedstuff). There is no quantitative limitation for such imports which can be imported at the TQ rate.</p> <p>Although the import price for mills, including the tariff, is lower than 1) the domestic prices for similar feedstuff coarse grains and 2) the import price of substitute products which are not subject to a TQ (for example processed Muesli), mills process less and less coarse grains for human consumption.</p> <p>The first explanation for this phenomenon is that, since 1995, import quantities of processed Muesli, as well as other products of the same type and preparations containing rolled grains and mixed rolled grains, are increasing strongly and steadily. We observe a substitution of imported coarse grains for human consumption by processed grains and similar products. The second explanation is that the consumption of Muesli and similar products is decreasing at the expense of exclusively imported breakfast cereals. Consequently, the underfill is entirely due to lack of demand for imported unprocessed coarse grains for human consumption.</p> |

Tables MA:3 to MA:5 Notifications

| Korea G/AG/N/KOR/35 Summary of Special Safeguard Actions (Table MA:5) | |
|--|--|
| Points raised by other Members | Response by Notifying Member |
| <p>New Zealand - Concerned that volume-based notifications have not been presented to the Committee despite safeguard action being taken for the years 1999 and 2000 as set out in Korea's Table MA:5 notification.</p> <p>Notes that safeguard action, both volume- and price-based has been taken on products for which tariff quotas were administered. Based on Korea's Table MA:2 notification regarding TQ fill rates, many of the quotas subject to safeguard action have not been filled – yet imports have been affected by special safeguard action. Explanation requested of how this could have occurred when Article 5 of the Agreement states that additional duties can only be levied on out-of-quota imports.</p> | <p>Korea thanked New Zealand for its comment.</p> <p>The in-quota imports have not been affected by SSG, and additional duties were levied only on out-of quota imports.</p> |

| Chinese Taipei G/AG/N/TPKM/1 Volume-Based Special Safeguard (Table MA:3) | |
|---|--|
| Points raised by other Members | Response by Notifying Member |
| <p>Australia – Notes that the trigger for the implementation of the volume-based special safeguard for oriental pears is set at 415 tonnes; and for shaddock, persimmon, betel nuts and dried day lilies the trigger is set at zero tonnes. Explanation of why consumption for all five products in the year 2000 was lower than in 1999.</p> | <p>The decline in consumption of oriental pears, shaddock, persimmon, betel nuts and dried lilies was due to the recession of the economy.</p> |
| <p>New Zealand – Notes disappointment that out of five products with volume-based special safeguard action, four have a trigger level of zero tonnes. Inquires about additional duty imposed and volume of trade for each product.</p> <p>Notes that the safeguard has been enacted on items where the tariff quota is not yet filled. Comment requested on why importers would choose to import out of tariff quota given the high over-quota tariff rate and the additional safeguard duties.</p> | <p>Until 14 June 2002, there were no out-of-quota imports of betel nuts and dried lilies. The SSG additional duty was imposed only on three out of five items notified, including oriental pears, shaddock, and persimmon. The additional duty was one-third of the out-of-quota rate. The volume affected was as follows: oriental pears - 1,222 tonnes; shaddock – 60 tonnes; and persimmon - 15 tonnes. Although the quota is not yet filled, due to the large gap in price between international and domestic products, importers are still able to import at the out-of-quota rate and the additional SSG rate if they do not hold in-quota certificates.</p> |
| <p>United States - On four products with a trigger level of zero tonnes, inquires whether the minimum access tariff quotas for these products were implemented and whether the safeguard on imports under the tariff quota will be applied.</p> | <p>Chinese Taipei has already administered TQs on shaddock, persimmon, betel nuts and dried lilies. The SSG will be applied only to out-of-quota imports.</p> |

| Chinese Taipei G/AG/N/TPKM/2 Price-Based Special Safeguard (Table MA:4) | |
|--|--|
| Points raised by other Members | Response by Notifying Member |
| <p>United States (cont'd)</p> <p>Notes trigger prices for special safeguards on pork belly and offals and chicken meat and offals and inquires whether the special agricultural price-based safeguard on imports under the tariff quota will be applied.</p> | <p>Chinese Taipei does not apply the price-based SSG on the items of pork offal and chicken offal. The SSG will be applied only to out-of-quota imports.</p> |

Table DS:1 Notifications

| Australia G/AG/N/AUS/41 Domestic Support (Table DS:1) | |
|--|---|
| Points raised by other Members | Response by Notifying Member |
| AMS | |
| De minimis exemption for support for sugar | |
| Canada, United States – Inquires about the value of production for sugar. | The gross value of sugar production in 2000/01 was \$A683 million (ABARE Australian Commodities, Dec. 2001). This information was included in ST/DS:2 but was inadvertently recorded as the value of production for lamb. A corrigendum will be submitted to replace the word "Lamb" with "Sugar" in ST/DS:6, p.19. The level of support provided to sugar in 2000-01 accounted for 2.4 per cent of the value of production and therefore was below the de minimis level. |
| Food and Fibre Chains Program and New Industries Development Program | |
| Japan - Explanation of the kind of changes made to the two programmes to justify classification as non-product-specific. | <p>Payments under both the New Industries Development Program (NIDP) and the Food and Fibre Chains (Chains) Program are made directly to grant recipients. The NIDP assists in strengthening the capability of Australian agribusiness in the development and commercialisation of new agribusiness products, services and technology. The NIDP provides funding assistance matched dollar for dollar with the applicant for "pilot commercialisation" of new agribusiness products, technologies and services.</p> <p>The Chains programme assists in improving business competitiveness and better meeting customer requirements by facilitating the uptake of innovative supply chain practices. Principal funding activities include implementation of business and marketing plans, closer definition of each part of the chain, identification of superior competitive chain performance.</p> <p>We recognise that these programmes do not fit the Annex 2 para. 2 criteria which relate to marketing and promotion services programmes in the sense that such programmes "shall not involve direct payments to producers or processors". Following further examination of the programmes a corrigendum will be submitted notifying the programmes as Annex 2 para. 5 "direct payments to producers". This is on the basis that the programmes have no or minimal production and trade distorting effects and that payments to producers are not related to production, prices or factors of production, including in any year after the base period. In other words, the programmes meet the criteria of para. 6 (b) to (e). In fact, in the case of NIDP payments are generally made to recipients at the pre-commercial stage.</p> |

| Australia G/AG/N/AUS/41 Domestic Support (Table DS:1) | |
|---|--|
| Points raised by other Members | Response by Notifying Member |
| Japan (cont'd) | <p>Another consideration in the notification is to whom the payments are made. Payments are not necessarily strictly made in favour of agricultural producers. They may be to business entities consisting of farmers or of other individuals. For transparency reasons and due to the small value of total payments (A\$1.32m for both programmes) we have notified the whole programme.</p> <p>A corrigendum to the Table DS:1 will be issued shortly.</p> |
| Domestic Market Support Scheme | |
| <p>Japan – Notes that the "Domestic Market Support Scheme" for manufacturing milk administered by the Commonwealth Government, as well as the pricing and production control through drinking milk quotas administered by state governments, were abolished in 2000, and the production and marketing of milk in Australia has been liberalized. Notes that the "Dairy Structural Adjustment Program (DSAP)", which was newly notified in Table DS:1, was introduced as a compensation measure, and was three times higher than the AMS in 2000. Explanation requested for how long the DSAP was planned to be maintained and what the budget amount was.</p> | <p>A major, and unique, deregulation has been undertaken by the Australian dairy industry. From 1 July 2000, all State and territory governments repealed legislation governing the pricing and sourcing of drinking milk at the farm-gate. At the same time federal regulations covering manufacturing milk were removed. Milk pricing had already been de-regulated at the retail level.</p> <p>To assist farmers and dairy communities to adjust to this totally deregulated market environment a federal Dairy Industry Adjustment Package (DIAP) consisting of three sub-programmes (Dairy Structural Adjustment Programme (DSAP), Dairy Exit Programme (DEP), Dairy Regional Assistance Programme (DRAP)) commenced on 1 July 2000. Under DSAP farmers receive payments based on their milk production in 1998/1999 and these payments will be made on a quarterly basis over eight years. The DSAP payments will continue at the level set out in Supporting Table DS:7 over this time period. In addition, a supplementary dairy structural adjustment payment was made in 2001-02 and will be notified in the next Table DS:1 notification.</p> |

| Australia G/AG/N/AUS/41 Domestic Support (Table DS:1) | |
|---|---|
| Points raised by other Members | Response by Notifying Member |
| Japan (cont'd) | <p>The level of support in the 2000-01 notification appears higher than that notified previously in 1999-00 because of two reasons. First, the level of support in 1999-00 was much lower than in normal years as the previous Domestic Market Support Scheme was being phased-out and in addition, in terminating this scheme it was necessary to deduct from the support level any stocks on hand on which a levy had been paid on the milk input at 30 June 2000. The levels of such stocks were also significantly higher in 1999-00 than in previous years. The second reason is that the method of providing support is now different and as a result the amount of support is fully reflected in the AMS calculation. However, importantly the real economic level of support for the Australian dairy industry has declined in line with de-regulation. The OECD percentage producer support estimate for milk virtually halved between 1999 and 2001 for Australia, dropping from 15% to 8%. To put this level of support into perspective, the equivalent OECD milk producer support estimate for Japan in 2001 was 75%, that is, 9 times higher than in Australia.</p> |

| Honduras G/AG/N/HND/10 Domestic Support (Table DS:1) | |
|---|--|
| Points raised by other Members | Response by Notifying Member |
| <p>Canada – Notes that some measures for which Honduras claims exemption under Art. 6.2 do not seem to be input subsidies or investment subsidies of the kind stipulated in Art. 6.2. Inquires whether Honduras considers the possibility that some of these measures may meet the criteria for exemption under Annex 2 Green Box.</p> <p>Any programmes reported as exempt for the first time in HND/10, whether under Annex 2 or Art.6.2, would need to be notified also in an <i>ad hoc</i> notification as per Art. 18.3 of the Agreement on Agriculture.</p> | <p>Honduras is studying the suggestion to see if it would be appropriate to shift certain internal measures from Table DS:2 to Table DS:1.</p> |

| Hungary G/AG/N/HUN/28 Domestic Support (Table DS:1) | |
|---|---|
| Points raised by other Members | Response by Notifying Member |
| Green Box | |
| Canada – Notes that several "assistance programmes" in Supporting Table DS:1 were not reported in the 1995 Table DS:1 notification nor included in the AGST tables. Requests Hungary to submit a Table DS:2 notification for those new or modified programmes in 1996, 1997, and 1998, showing their compliance with Annex 2 criteria. | Hungary intends to submit a Table DS:2 notification for all assistance programmes for which exemption from reduction commitment is claimed and which were not reported in the 1995 Table DS:1 notification or the relevant AGST table. |
| AMS | |
| Canada, New Zealand – Notes that market price support for apple, wine, rye and triticale was reported for the first time in Supporting Table DS:5 for 1997 and 1998. Inquires about the source of external reference prices for these products. If the years 1986-88 were not used for the external reference prices, requests an explanation. | For apple, wine, rye and triticale reference prices were established in conformity with para. 9 of Annex 3, that is on the basis of the average f.o.b. unit value for these products during the years 1986 to 1988. |
| Adjustment for inflation | |
| Australia, Canada, New Zealand – Notes that the scheduled commitment levels can not be altered and the adjustment for the influence on excessive rates of inflation should be on the level of domestic support provided. While Article 18.4 provides scope for Members to give due consideration to the influence of excessive inflation on the ability of any Member to abide by its domestic support commitments, there is no provision to adjust for exchange rate movements. | Article 18.4 is silent on the way an inflationary adjustment should be made. Hungary does not see any major difference in legal or methodological terms in whether AMS commitment levels or current AMS levels are adjusted. Perhaps Hungary's approach is more practical and logical from the point of view of planning domestic support expenditures. But Hungary would have no problems in using the second approach in future notifications. As to the three notifications on the agenda, the Current Total AMS if adjusted for inflation is HUF 3.5 billion, 3.1 billion and 22.9 billion for 1996, 1997 and 1998, respectively. |
| <p>Australia – Reason for use of the exchange rate to adjust for inflation when domestic support is provided in local currency.</p> <p>United States - Criteria used for determining the point at which inflation rates are considered "excessive".</p> <p>New Zealand - Notes that Hungary uses the depreciation of the HUF against the USD as a surrogate for inflation and requests a comparison between the depreciation of the HUF against the USD and a national measure of inflation such as a consumer or producer price index.</p> | As to the use of exchange rates for the purposes of inflationary adjustment Hungary's choice has to do with the need to capture only the excessive element of inflation. Hungary defined it as the difference between the rate of national inflation and the OECD average. In order to further limit the scope of adjustment, Hungary chose the rate of depreciation of the national currency which kept lagging behind national inflation even if adjusted by the OECD average. For example, if for 1996 Hungary used data inflation, the figure for commitment levels would be HUF 227 billion, and if adjusted with the OECD-average, the figure would be HUF 155 billion. Instead, Hungary took HUF 119 billion, which means only partial compensation for inflation, amounting to about 50 per cent. The respective figures for 1997 would be HUF 260 billion, 170 billion, and 140 billion; and for 1996, the figures would be HUF 285 billion, 188 billion, and 155 billion. |

| Hungary G/AG/N/HUN/28 Domestic Support (Table DS:1) | | | | |
|---|--|--|--|-------------------------------------|
| Points raised by other Members | | Response by Notifying Member | | |
| Australia - Requests details of domestic inflation rates. | | National inflation rates were: | | |
| | | Year | Consumer price index in Hungary adjusted with the OECD-average (%) | Consumer price index in Hungary (%) |
| | | 1989 | 10.5 | 17.0 |
| | | 1990 | 21.7 | 28.9 |
| | | 1991 | 28.5 | 35.0 |
| | | 1992 | 17.8 | 23.0 |
| | | 1993 | 18 | 22.5 |
| | | 1994 | 13.8 | 18.9 |
| | | 1995 | 22.4 | 28.3 |
| | | 1996 | 18.1 | 23.5 |
| | | 1997 | 13.6 | 18.3 |
| | | 1998 | 10.5 | 14.2 |
| Australia, Canada – Suggests that Hungary should adjust its Current Total AMS rather than its AMS commitment levels. Requests Hungary to provide its Current Total AMS for 1996, 1997 and 1998 calculated correctly from unadjusted external reference prices, and also the rate of inflation (not the rate of exchange rate change). Requests details of steps taken to reduce distorting support from the level shown for 1998, when the Total AMS commitment was exceeded. | | With regard to the adjustment of external reference prices, Hungary considers that it acted in full consistency with the relevant provisions of the Agreement, namely para. 9 of Annex 3 and therefore it does not see any need for revising the notifications. | | |
| Follow-up comments by Canada, Australia - Concerned that the commitment levels and reporting of commitments were adjusted on an ad hoc basis by Members. While there is a provision for the Committee to take account of the excessive levels of inflation, there is no provision for Members to unilaterally rewrite their commitments. The distinction between the two should be maintained. | | Hungary's commitments have not been unilaterally revised. It is clear from the notification, where the commitment levels are unaltered. Hungary simply provided (in a footnote) data to help Members give due consideration the effects of excessive rates of inflation as required by Article 18.4. | | |

| Iceland G/AG/N/ISL/19 Domestic Support (Table DS:1) | |
|--|--|
| Points raised by other Members | Response by Notifying Member |
| Green Box | |
| Public stockholding for food security purposes: sheepmeat programme | |
| <p>Australia – Notes Iceland's previous statement that payments will be reduced to ISK 225 million in 2000. Given that expenditure in 1999 was ISK 369.5 million, requests clarification on how this target would be met.</p> <p>Explanation of how this projected reduction of around 40% in public stockholding for food security purposes for sheepmeat could be reconciled with a programme which is being notified as being in place for food security purposes.</p> <p>Whether the programme should more appropriately be notified as AMS.</p> | <p>Iceland informed the October 1996 meeting of the Committee that payments to the storage scheme would be reduced in increments up to the year 2000, when ISK 225 million was to be allocated to the programme. By and large, this plan has held, with ISK 227,5 million being allocated to the scheme in the year 2000. The fact that our policy has been to reduce payments to this programme does not in any way detract from its conformity with the criteria set out in para. 3 of Annex 2. With respect to this programme, the slaughter season in Iceland is unusually short and the stockholding programme is in place to secure annual supply between slaughter periods. Our policy in recent years has been to extend the slaughter period over a greater period of time to reduce the need for stockholding payments, so this is entirely a logical development.</p> <p>Australia correctly points out the amount allocated to the scheme in 1999, i.e. ISK 369.5 million, and this amount is higher than in previous or subsequent years. Actual payments to stockholding in 1999 amounted to ISK 225 million, but an additional ISK 144.5 million were placed on the National Accounts in 1999 to balance the books with respect to implementation of the Agreement for the years 1995-1998.</p> |

| Iceland G/AG/N/ISL/19 Domestic Support (Table DS:1) | |
|---|---|
| Points raised by other Members | Response by Notifying Member |
| New Zealand - Confirmation if the sheepmeat programme is a new programme and explanation of how it meets the criteria set out under Annex 2, para. 3. | <p>This is not a new programme and it has been included in previous notifications. The policy of the Icelandic Government has been to provide as much food security through domestic production as practicable and as stipulated in prevailing agreements between farmers and the Government on agricultural production. Due to Iceland's relatively unkind climate in agricultural terms, the sheepmeat production season is short and centered on the summer months. Icelandic sheep are kept indoors during winter. Most slaughtering takes place in autumn, during a period lasting only a few weeks, making the supply of fresh lamb seasonal. These support measures for public stockholding for food security purposes are maintained to guarantee supply of sheepmeat during any given year between slaughter periods. As part of a food security programme identified in national legislation, these measures meet the criteria set out in Annex 2, para. 3. They are based on Law no. 99/1993 on the production, pricing and sale of agricultural products and sheepmeat production agreements concluded on the basis of this law, which <i>inter alia</i> stipulates food security as a basic objective. Each such agreement contains a food security plan or projection, set out as predetermined targets with respect to the amounts to be allocated annually to public stockholding for food security purposes for the duration of the agreement.</p> |
| Decoupled income support – direct payments to farmers | |
| New Zealand – Notes Iceland's statement during review of ISL/14 that farmers are required to keep sheep on the farm to become eligible for the direct payments and that in order to qualify for the right to receive full direct payments, the number of sheep kept on the farm must be at least 60 per cent of the number allowed on the farm. Comments that payments under this programme appear to be production-linked. Requests an explanation of how this programme meets the fundamental requirements of Annex 2 - that measures have no or at most minimal trade distorting effects or effects on production. | <p>Direct payments to sheep farmers under the notified programme are in conformity with the criteria laid down in Annex 2. The payments are decoupled from production, involving fixed, non-transferrable direct payments to each eligible farm. Sheep farmers are entitled to full direct payments whether they produce sheepmeat or not, but they at least need to be sheep farmers and thus the requirement of sheep ownership is not illogical.</p> <p>Unless an eligible farmer participates in a government-sponsored afforestation, soil conservation or other specific environmental programme, payments are reduced should he own less than 0.6 winter-fed sheep in relation to each sheep production unit attached to his farm. The number of sheep production units is fixed and based on historical quota volumes, not production, prices or factors of production in any year after the base period. In the present regime, these units simply serve as a necessary reference point to target the support measures at sheep farmers, and the conditions concerned are placed as an instrument of Iceland's regional policy.</p> |

| Iceland G/AG/N/ISL/19 Domestic Support (Table DS:1) | |
|---|--|
| Points raised by other Members | Response by Notifying Member |
| New Zealand (cont'd) | Participation in an afforestation, soil conservation or environmental programme qualifies a sheep farmer to receive full direct payments irrespective of the number of sheep he may possess, even if that number is zero. |
| Livestock compensation payments | |
| Canada - Explanation of how this programme meets the criteria of para. 8 of Annex 2. If this is a new programme, inquires whether Iceland will submit a Table DS:2 notification explaining how it meets the criteria in para. 8, in particular, what the reference margin is and how much of a loss occurs before a producer becomes eligible for a payment. | The question relates to payments from the Agricultural Emergency Fund, most of which have been allocated to compensate for damage caused by frost to cultivated grassland and pastures, as well as loss of livestock due to natural catastrophes or disease, such as in pigs, poultry or fur animals. The programme has been in force for years and conforms fully to para. 8 of Annex 2. The Fund only compensates for major losses or damage that is not covered by general insurance policies purchased by the agricultural sector and cannot be compensated by other means, in accordance with the provisions of Law no. 55/1992 on disaster insurance. With respect to specific criteria, an evaluation is made on a case-by-case basis prior to any payments being made, <i>inter alia</i> with respect to conformity with Annex 2. |
| AMS | |
| Adjustment for inflation | |
| Canada – Notes that the drop in the value of the Iceland krona (ISK) against the Special Drawing Rights since 1988 largely corresponds to the accumulated inflation since 1988, effectively removing any justification for Iceland's further "inflation adjustment" of the external reference price. With a Current Total AMS of 133.7 million SDR in 2000, against a commitment of 130.1 million SDR, Iceland exceeds its commitment. Information requested on the steps taken by Iceland to comply with its AMS commitment. | <p>Iceland does not agree with the assertion made by Canada that the adjustment that was made lacks justification.</p> <p>The calculation of market price support stipulated by notification requirements is in effect simple. The world market price per kilo of a product is deducted from the domestic price and the outcome is multiplied by the domestic production. Iceland's mistake in the AGST tables was to transfer the world market price from SDR into Icelandic krona at the base period exchange rate.</p> <p>When we calculate the market price support today using the external reference prices found in our AGST, we are calculating the price in different krona with far less value. We therefore need to transfer the old krona, which was more valuable than the krona is today, into present krona if there is to be any sense in calculating the market price support. The simple transfer of the Current Total AMS in Icelandic krona into SDR does not address this imbalance in the market price support calculations.</p> |

| Iceland G/AG/N/ISL/19 Domestic Support (Table DS:1) | |
|--|--|
| Points raised by other Members | Response by Notifying Member |
| Canada (cont'd) | Iceland understands that there may be differences of opinion with respect to how this particular problem should be dealt with. For this reason, Iceland submitted a dual Table DS:1 notification, one inflation adjusted and the other not. Iceland is of the view that it is within the boundaries of the AMS commitment level when market price support is calculated in the only way it can have any meaning. |
| United States – Requests Iceland's inflation rates and the criteria that were used to determine that they were "excessive" in the year being notified. | Drew attention to a document Iceland submitted in the context of the Analysis and Information Exchange process of the Committee in October-November of 1998 in document AIE/42. This paper clarifies the issue, which in reality revolves less around inflation than currency devaluation. In essence and by mistake, Iceland's external reference prices were expressed in Icelandic kronur in our AGST tables and not SDR as had been the intention. Given the currency development since the base period, leaving the external reference prices unadjusted distorts the market price support calculations and renders them more or less meaningless. It is this imbalance in the calculations that we have sought to redress by issuing a dual notification, presenting both the inflation adjusted and non-adjusted scenarios. |
| Follow-up question by Canada – Expresses similar concerns as with Hungary's notification HUN/28. In this case, however, the issue appears to be the doubling of production that was being supported in Iceland (particularly pigmeat and poultry). It appears that a larger volume of production continues to be supported and as a result, Iceland's domestic support calculations show that it is exceeding its commitments. The explanation provided by Iceland to rewrite the commitments to change that outcome does not persuade Canada. | |

| India G/AG/N/IND/2 Domestic Support (Table DS:1) | |
|--|--|
| Points raised by other Members | Response by Notifying Member |
| AMS | |
| EC – Explanation of how the price for wheat at US\$264/tonne is established. | The external reference price for wheat was established on the basis of the CIF average unit price for the years 1986/87-1988/89 (monthly statistics of foreign trade collated by the Director General of Commercial Intelligence and Statistics (DGCI&S), India). The external reference price as per DGCI&S data was Rupees 3,540 per tonne. The external reference price was calculated at US\$264 per tonne by using the average exchange rate for the period 1986/87-1988/89 at Rupees 13.409 to a US\$. |
| New Zealand - Whether India provided any form of market price support for pulses, groundnuts, rapeseed and mustard taria, cotton, soybean, tobacco, jute and sugar cane. | Market prices for these commodities were higher than the intervention prices. Therefore, no market intervention in these products was resorted to during the period under notification. |

| Japan G/AG/N/JPN/72 Domestic Support (Table DS:1) | |
|--|--|
| Points raised by other Members | Response by Notifying Member |
| Green Box | |
| Environmental programmes | |
| United States - Explanation of the specific mechanism by which payments are made to encourage the "growing of any plants". | <p>The conversion programme from rice production to other crops, which is aimed at keeping the balance between supply and demand of rice, is at the same time aimed at preventing the adverse effects on environment caused by suspending rice planting. This is an area payment to farmers who convert their rice production methods in such a manner as to maintain paddy fields in environmentally sound conditions.</p> <p>The farming activities to achieve this purpose include growing plants other than rice and proper management of paddy fields without growing any plants. The payments are made to farmers who carry out such farming activities in accordance with "the Implementation Plan for Production Adjustment" that is established by each farmer.</p> |

| Japan G/AG/N/JPN/72 Domestic Support (Table DS:1) | |
|--|--|
| Points raised by other Members | Response by Notifying Member |
| <p>United States (cont'd)</p> <p>Whether payments are specific to the crop produced or based on the area planted.</p> <p>Explanation of how these payments relate to the criteria that payments be limited to the extra costs or loss of income involved in complying with the programme.</p> <p>Explanation of the specific mechanism by which payments are made to dairy farmers to "tackle environmental problems".</p> <p>Explanation of how these payments relate to the criteria that payments be limited to the extra costs or loss of income involved in complying with the programme.</p> | <p>The amount of payments is not specific to the crop produced. It is based on the area planted.</p> <p>This programme is designed to compensate part of the extra costs or loss of income resulting from growing plants other than rice or maintaining paddy fields without growing any plants, in line with the government policy objectives of keeping supply and demand of rice balanced as well as maintaining environmentally sound conditions. The amount of payments is therefore within the limits of extra costs or loss of income.</p> <p>This programme is aimed at providing grants to dairy farmers who conduct appropriate livestock manure management, which will contribute to the maintenance of sound environmental conditions.</p> <p>The grants are paid to compensate for any extra costs incurred to dairy farmers who manage and utilize livestock manure in accordance with the Administrative Order stipulated under certain legislation titled "the Law Concerning the Appropriate Treatment and Promotion of Utilization of Livestock Manure".</p> <p>To carry out environmental management in accordance with the said Law, dairy farmers are required to appropriately treat livestock manure and utilise it as compost. This payment is designed to compensate part of the extra costs resulting from such activities as producing compost and spreading it over farmland or grassland. The amount of payment is therefore within the limit of extra costs.</p> |
| AMS | |
| <p>United States - Details of the compulsory, simultaneous selling and buying of imported raw sugar and the use of the funds that accrue to the state-trading agency.</p> | <p>Where raw sugar is imported at a price lower than certain threshold price determined by the government, the so-called "adjustment levy" is charged, which is collected by the Agriculture and Livestock Industries Corporation (ALIC), a quasi-governmental body. This "adjustment levy", together with certain governmental grants directly paid to the ALIC, constitute financial resources of the fund, which is used for the purpose of the ALIC operating scheme of simultaneous selling and buying of sugar.</p> |

| Japan G/AG/N/JPN/72 Domestic Support (Table DS:1) | |
|---|--|
| Points raised by other Members | Response by Notifying Member |
| United States (cont'd) | <p>This scheme works as follows:</p> <p>The fund enables the ALIC to purchase domestically refined sugar made from domestic sugar beet or sugarcane at a certain price, and then, simultaneously sell it at a price lower than the purchase price. The fund compensates the margin of this buying and selling operation, which in effect enables domestic sugar refining companies, which use domestic sugar beet or sugarcane as raw materials, to purchase such domestic raw materials at higher prices than would be the case otherwise. As such, the simultaneous buying and selling works as a scheme to indirectly support farm prices of domestic sugar beet and sugarcane.</p> <p>Thanks to this scheme, domestic sugar refining companies are able to purchase domestic raw materials from farmers at a higher price, while being able to place their refined sugar products on the domestic market at a price competitive with refined sugar products made from imported raw sugar. In this context, the functions of the ALIC are two-fold. First, through simultaneous buying and selling, the ALIC compensates this negative margin incurred to domestic sugar refining companies. Second, in order to finance this compensation, the ALIC collects adjustment levies as part of bound tariffs imposed on imported raw sugar. Since the functions of the ALIC are limited as such, we do not consider the ALIC's operation in this context to constitute a state-trading enterprise. In any event, since fiscal year 2000, the ALIC scheme of the simultaneous selling and buying of domestically produced sugar has been abolished. The negative margin incurred to domestic sugar refining companies is now compensated by the grant directly paid to those companies by the ALIC. Adjustment levies now constitute part of financial resources of this direct grant.</p> |
| Whether these funds equal the subsidy given to the farmers. | <p>The adjustment levies are not directly paid to farmers, but constitute part of the fund for the purpose of compensating the negative margin incurred to domestic sugar refining companies. It is true that the size of the fund is arranged to finance such compensation operation, whose ultimate purpose is to support farm prices of domestic sugar beet and sugarcane. However, since this scheme is complicated, it cannot be said that the size of the fund equals the subsidy given to the farmers.</p> |

| Japan G/AG/N/JPN/72 Domestic Support (Table DS:1) | |
|--|--|
| Points raised by other Members | Response by Notifying Member |
| <p>United States (cont'd)</p> <p>Details of the potato and sweet potato purchase prices on a starch-equivalent basis</p> | <p>The purchase price of starch made from potatoes is 104.0 thousand Japanese yen per kg, and the purchase price of starch made from sweet potatoes is 133.6 thousand Japanese yen per kg.</p> <p>In Japan's Table DS:1 notification (JPN/72), these prices of starch constitute the basis of calculating the levels of farm price supports for potatoes and sweet potatoes, by way of using co-efficient, as mentioned in the footnotes of the said notification.</p> |

| Korea G/AG/N/KOR/31 Domestic Support (Table DS:1) | |
|--|--|
| Points raised by other Members | Response by Notifying Member |
| AMS | |
| Loan interest subsidy for livestock farming | |
| <p>Australia - Notes Korea's response at the 20th meeting of the Committee that the interest subsidy was a form of non-product-specific support and that in the latest notification, loan interest subsidies continue to be separately notified as product-specific support for pigmeat and chicken industries. Requests clarification on which livestock industries had received interest subsidies and the share of the total interest subsidies received by each of the livestock industries, and reasons why the loan interest subsidy for livestock farming should not be notified as product-specific support for beef.</p> | <p>This is a non-product-specific programme. Under this programme, all livestock farmers are eligible for a loan provided at a low interest rate, irrespective of livestock species. Therefore, subsidy data on each of the different livestock is not available. As mentioned above, it is not a product-specific programme for beef. The loan interest subsidy for pigmeat and chicken are product-specific programmes different from the Loan Interest Subsidy for Livestock Farming.</p> |

| Korea G/AG/N/KOR/31 Domestic Support (Table DS:1) | |
|--|---|
| Points raised by other Members | Response by Notifying Member |
| Beef subsidy for quality improvement and proliferation | |
| <p>Australia - Explanation of each element of the subsidy, including support provided for improving Hanwoo beef quality, new calves, calves up to 250kg (feeder calves), older cattle or cattle greater than 250kg.</p> <p>Whether Korea provides support for opening of specialised Hanwoo meat shops and if so, how is this notified in the domestic support notification.</p> | <p>There are two programmes in the subsidy for quality improvement and proliferation: the Castration Encouragement Program and the Hanwoo Proliferation Encouragement Program.</p> <p>The Castration Encouragement Program is implemented to improve beef quality, but it does not favour Hanwoo beef only. Under this programme, in 2002 payments were made on castrated steers at the rate of 200,000 Won per head. No specific subsidy was provided for new calves, calves up to 250Kg (feeder calves) or older cattle or cattle greater than 250Kg. But under the Hanwoo Proliferation Encouragement Program, payments were made on cows giving birth to more than 3 calves. From the 3rd calf to 4th calf, 200,000 Won per head was provided and from 5th calves, 300,000 Won per head.</p> <p>Korea provided support for specialized Hanwoo meat shops until 2001. After the UR negotiations, Korea implemented various programmes to improve underdeveloped agricultural marketing. As part of the programmes, support was given for livestock retail facilities including specialized Hanwoo meat shops and specialized imported beef shops. The support was aimed to equip facilities and to improve sanitary conditions of the shops. Therefore, it was notified under the category of "structural adjustment assistance provided through investment aids" as stipulated in Annex 2 para. 11. It is no longer provided as of 2002.</p> |
| <p>New Zealand - Explanation of the large increase in beef subsidy for quality improvement and proliferation and details of conditions required in order to receive this subsidy.</p> | <p>In 2000, in addition to the existing Subsidy for High Grade Beef, the Hanwoo Proliferation Encouragement Program and the Castration Encouragement Program were newly introduced resulting in an increase in beef subsidy.</p> <p>Under the Hanwoo Proliferation Encouragement Program, payments were made on cows giving birth to more than 3 calves. For the 3rd and 4th calves, 100,000 Won per head was provided, and from the 5th calf 200,000 Won per head was paid.</p> |

| Korea G/AG/N/KOR/31 Domestic Support (Table DS:1) | |
|--|--|
| Points raised by other Members | Response by Notifying Member |
| New Zealand (cont'd) | <p>Under the Castration Encouragement Program whose purpose is beef quality improvement, payments were made on castrated steers at the rate of 100,000 Won per head.</p> <p>As for the Subsidy for High Grade Beef which was abolished in 2002, payments were made on beef which was graded above a certain level. If it was graded A1+ or A1, producers received 150,000 Won per head. If it was graded B1+ or B1, producers received 100,000 Won per head.</p> |
| Canada – Notes Korea's zero deficiency payments to beef in 2000. Refers to the 2001 OECD Monitoring and Evaluation report (p. 105) which indicates that the "calf breeding stabilization scheme" could provide deficiency payments of up to 250,000 won per calf (US\$221) in 2000, covering more than 200,000 cows. Explanation of how this was accounted for in ST/DS:6. | Under the Calf Production Stabilisation Program, the difference between the stabilisation price and the market price of the calf is paid to a breeder. In 2000, the stabilisation price and the deficiency payment ceiling were respectively 900,000 Won and 200,000 Won per head, but no payment was made because the market price for calf was above the stabilisation price. |
| Calculation of external reference prices | |
| Canada, New Zealand - Explanation of how the fixed external reference prices for pigmeat and garlic were determined, with reference to Annex 3, para. 9 since no external reference prices were provided for these products in Korea's AGST tables. | <p>Since no relevant data for Korea were available, data from other countries were used to determine the fixed external reference prices.</p> <p>In the case of pigmeat, China's average export price during the base period was used. The f.o.b. prices were converted to c.i.f. prices by being multiplied by 1.12. In the case of garlic, Japan's average c.i.f. import price during the base period was used. In both cases, the base period is 1986-1988 as stipulated in Annex 3 para. 9. (Data source: FAO Statistical Databases, www.fao.org)</p> |

| Poland G/AG/N/POL/46 Domestic Support (Table DS:1) | |
|--|---|
| Points raised by other Members | Response by Notifying Member |
| AMS | |
| Australia - Whether the Current Total AMS notified as US\$329.3 million is correct, given an exchange rate of US\$100=PLN434.64 and total AMS of PLN1461.25 million. | The current total AMS should be 336.2 million US\$. |
| "Eligible production" | |
| <p>New Zealand – Notes the Korea beef panel report (WT/DS161/R) which states that eligible production for the purposes of calculating market price support should comprise the total marketable production that is eligible to benefit from market price support, even though the proportion of production which is actually purchased by a governmental agency may be relatively small or even nil.</p> <p>Requests clarification of Poland's response to the US about "eligible production". Notes that "eligible production" for common wheat was zero in calendar year 1999 and 3,221,000 tonnes in calendar year 2000. The eligible production of other products has similarly changed from year to year.</p> <p>Notes Poland's earlier reply that "eligible production" was that which was purchased by the state agency. Clarification on how Poland's definition of "eligible production" reflects the outcomes of the Korea beef panel.</p> | <p>In the response to US question posed during the review of POL/37, Poland explained that the system of intervention had two distinct features. First, there was a quantity limit for intervention purchases which was set usually, for example for wheat, in April of every year. The period of intervention buying is set from July to October. Second, intervention does not guarantee minimum price for all producers. The agency responsible for intervention does not have monopolistic rights on the market. Other operators on the market conclude their transactions at prices lower than intervention price. In 2000, the limit for intervention on the wheat market was set at 3.3 million tonnes and in the notification indicated a level of 3.221 million tonnes. Since the difference is marginal, the notification reflects properly the intervention system. In the future, Poland would not exclude the possibility of calculating "eligible production" equal to the limit of intervention purchases.</p> <p>Poland drew attention that both elements were discussed in the panel report. The panel stated that the particular design and operation of the price support mechanism had to be taken into account in determining "eligible production".</p> |

| Turkey G/AG/N/TUR/14 Domestic Support (Table DS:1) | |
|---|---|
| Points raised by other Members | Response by Notifying Member |
| AMS | |
| Australia, Canada, New Zealand – Notes that Turkey violated, for the 4 th year in a row, its domestic support commitments on sugar beets with an AMS of 40.93% (far in excess of <i>de minimis</i> provisions). Notes Turkey's statement in June 2001 that sugar beet prices will be determined under free market conditions in 2002. Confirmation of a new law being implemented and an explanation of why Turkey has not brought its sugar arrangements into compliance, when it intends to do so, and what steps will be taken. | Turkey confirmed that the law introduced in April 2001 to determine sugar beet prices under free market conditions as of 2002 had been adopted. Year 2001 was the last year for the support in sugar beets and for the new harvest, in September 2002 the Turkish Sugar Company will not set any support price and the price will be determined by market conditions. |
| Australia, Canada – Notes that regardless whether the sugar industry is state-owned or privately owned, the level of market price support must be included in the calculation of the Current Total AMS and is subject to limitation. Wonders why the notation "no private buyer" was relevant to the notification of the level of market price support. | In our notification we use the term "no private buyer" because the only buyer of sugar beet in Turkey is (or was) the state-owned Turkish Sugar Company (the 1986-1988 average reference price for sugar beet is low which affects the calculation results). On the other hand, we wanted to be in conformity with our consolidated list in which data are provided as "no private buyer" and also with our previous notifications. |
| Australia – Requests Turkey to make available a copy of the domestic support table in Turkish Lira for all years to date. Explanation of the basis on which the quantities eligible for support were calculated and who made the decisions. | Domestic support in Turkish Lira for the year 2001 is available and Turkey undertook to provide the information. These quantities are set by: Turkish Grain Board for cereals, Turkish Sugar Company for sugar beets and TEKEL for tobacco by taking into account the procedures and commitments of Turkey under the Agreement. |
| Canada – Notes that the Agricultural Reform Implementation Project 2001-2004 appears to provide payments to farmers and other support, possibly meeting Annex 2 criteria. Inquires why no support related to this project is reported. According to OECD monitoring for 2001, Turkey provided input subsidies on fertilizers, pesticides, and seeds, milk premiums per litre, as well as compensatory and deficiency payments for tea, cotton, sunflower, soybeans, olive oil, and tobacco in 2001. Explanation of why support under these measures is not reported. | Turkey developed the Agricultural Reform Implementation Project (ARIP) to phase out current production oriented support and to replace it by income support payments during the 2001-2004 period. During the last year, there were some projects to test the applicability of direct income support system under ARIP and some programmes were initiated in December 2001. Thus, this will be reflected in the 2002 notification. On the other hand, there were no programmes in progress under ARIP for the year 2001. These input subsidies were provided under Article 6.2 of the Agreement to the low income or resource poor producers. According to the ARIP, this input subsidisation system was abolished in 2001. |

Table DS:2 Notifications

| Australia G/AG/N/AUS/42 New or Modified Domestic Support (Table DS:2) | |
|---|---|
| Points raised by other Members | Response by Notifying Member |
| <p>Canada – Notes notification of 11 new programmes. Requests additional information on how these programmes meet the threshold criteria in the subcomponents of the relevant paragraph (e.g., base periods, reference periods) and how the amounts of direct payments to producers are calculated.</p> <p>Japan - Regarding the Central North East South Australia Farm Assistance Program (CNEFAP) and the WEST 2000 Plus Program:</p> <ul style="list-style-type: none"> - details on what the "neutral and objective criteria clearly spelt out in law or regulation" are, with which both the Central North East region of South Australia and the western Division of NSW have been designated as disadvantaged regions. - clarification on steps taken to limit the payments to "the extra costs or loss of income involved in undertaking agricultural production in the prescribed area". <p>Regarding the Assistance to producers in Exceptional Circumstances Areas in the Central Highlands and Southern Midlands Municipalities of Tasmania to maintain breeding stock:</p> <ul style="list-style-type: none"> - explanation on how the programme meet the specific criteria of Annex 2, para. 8, including steps taken to ensure that the specific requirements are met. | <p>Australia's agricultural policies are targeted at building business and risk management skills, encouraging innovation, developing leaders who can assist industry to self determine their future, placing farmers, processors and other players in the supply chain in strategic alignment, and working in partnership with regional and local communities to address natural resource management and wider rural issues. In essence our approach is to try to ensure that government intervention in the market place is strategic and works with, and not against, market signals.</p> <p>Payments under the 11 new and modified programmes are targeted to the activity, needs based, time-limited and unrelated to production levels or prices and therefore meet the Green Box fundamental criteria of being non or minimally production and trade distorting. For example, payments may be made to recipients such as community or other groups (Annex 2 para. 2) or directly to producers (Annex 2 paras. 5-13) for activities such as addressing particular environmental problems (ACT Rural Conservation Fund, Great Artesian Basin Sustainability Initiative) and adjustment issues (Farm Help, Dairy Exit).</p> |
| The Development Incentive Scheme (Queensland) | |
| <p>Japan - Clarification of the "defined and fixed base period".</p> <p>Considering that the Programme is aimed at promoting construction of irrigation facilities, wonders if it would not be more appropriate to notify it under para. 2, Annex 2 (infrastructural services).</p> | <p>These payments do not meet the general criteria for para. 2. Although the payments are for infrastructural services, these payments are made directly to producers. In terms of para. 6 criteria, the support is time-limited, and targeted in this case to the activity of providing a set contribution to the cost of on-farm water storage. In other words, payments to producers are not related to production, prices or factors of production, including in any year after the base period. Applications may be made during the life of the programme, with payments made in three equal instalments.</p> |

| Australia G/AG/N/AUS/42 New or Modified Domestic Support (Table DS:2) | |
|---|---|
| Points raised by other Members | Response by Notifying Member |
| Follow-up question by Canada - Reiterated request for information regarding: fixed and defined based period with respect to the Development Incentive Scheme, as it appears more as a programme to contribute to on-farm infrastructure, which would not automatically fall under the Green Box. Encourages Australia to provide information on how these programmes meet the specific criteria of the specific sub-paragraphs of Annex 2 under which they are being claimed. | Undertook to provide more data at a later date. |

Tables ES:1 to ES:3 Notifications

| Hungary G/AG/N/HUN/29 Export Subsidies (Tables ES:1 and ES:2) | |
|--|--|
| Points raised by other Members | Response by Notifying Member |
| <p>Canada - Confirmation that the 2000 export subsidy outlays for "White cream cheese" were HUF 45 million.</p> <p>Explanation of why these outlays were permitted to surpass Hungary's outlay commitment level.</p> | <p>Hungary confirmed that the 2000 export subsidy outlays for "White cream cheese" were HUF 45 million thus exceeding the outlay commitment level as contained in the Schedule. Between 22 October 1997 and 31 December 2001 a waiver (WT/L/238) had been in force by virtue of which, under strict terms, Hungary was allowed to provide export subsidies in excess of its scheduled commitments. These terms had been fully abided by.</p> |

| India G/AG/N/IND/3 Export Subsidies (Tables ES:1 to ES:3) | |
|---|--|
| Points raised by other Members | Response by Notifying Member |
| <p>United States - Justification for introducing export subsidies that are not identified by commodity in India's original schedule of commitments.</p> <p>Irrespective of India's answer to the question above, requests India's confirmation that these subsidies have been eliminated in conformity with Article 9.4 and Article 1(f).</p> | <p>India has not introduced any new export subsidy scheme within the meaning of Article 9.1 (a) to (c) and (f). The subsidies notified in IND/3 for the period 1996-2001 are covered under Article 9.1 (d) and (e) and in accordance with provision of Article 9.4. In its schedule of commitments, India has reserved the right to take recourse to the subsidies indicated in the notification, in view of the dispensation given under Article 9.4.</p> |

| United States G/AG/N/USA/39 Export Subsidies (Tables ES:1 and ES:2) | |
|---|---|
| Points raised by other Members | Response by Notifying Member |
| <p>EC – Notes notification of quantities of food aid granted in 2000. Requests clarification (per commodity): under which programmes (PL 480, 416(b) etc) the food aid was provided, what were the quantities of food aid for the 3 main destinations, and how much of the food aid was provided in fully grant form.</p> | <p>The United States replied that they were in the process of disaggregating the data to answer the first two questions. Regarding data on US food aid in grant form, 90.5 per cent of food aid was provided in fully grant form.</p> <p>Further details are provided in Attachment 4 to this report.</p> |

ANNEX – Part II

Deferred Replies to Questions Raised at Previous Meetings

(i) relating to domestic support commitments: G/AG/N/AUS/38 (G/AG/R/30, page 35, refers)

| Emergency Management of Animal Disease Incursions | |
|--|--|
| Canada - Compliance with the specific criteria of Annex 2, para. 8(a): determination of production loss: clarification of the nature of the production loss. | The Emergency Management of Animal Disease Incursions programme notified in AUS/38 refers to the outbreak of Newcastle disease in chicken in 1998. Newcastle disease is listed by the OIE as a List A disease which means it has the potential for very serious and rapid spread, irrespective on national borders and its of serious socio-economic consequence. In this instance the response involved "stamping out" or eradication of the bird population in affected areas. For affected farmers the production loss is 100 per cent. The compensation payments to producers are calculated on the market value of the number of stock destroyed during stamping out and any property destroyed. Other payments made under the programme, but not to producers, include the cost of disease surveillance and destruction and disposal of the stock destroyed. |

Attachment No. 1

United States' Response to Australia's Request for Statistical Data

Commodity Credit Corporation (CCC) acquired by loan forfeiture the following percentages of wheat, rice, soybeans, cotton (extra long staple and upland), and corn in 1998, 1999, and 2000.

| | 1998 (per cent) | 1999 (per cent) | 2000 (per cent) |
|----------|----------------------------|----------------------------|----------------------------|
| Wheat | 0.4 | 1.3 | 0.6 |
| Rice | 0.0 | 0.1 | 7.3 |
| Soybeans | 0.1 | 0.4 | 0.2 |
| Cotton | 0.0 | 0.0 | 0.4 |
| Corn | 0.1 | 0.3 | 0.3 |

The United States exported the following percentages of total production of wheat, rice, soybeans, cotton (extra long staple and upland), and corn in 1998, 1999, and 2000.

| | 1998 (per cent) | 1999 (per cent) | 2000 (per cent) |
|----------|----------------------------|----------------------------|----------------------------|
| Wheat | 41.1 | 47.4 | 47.5 |
| Rice | 46.6 | 48.2 | 41.9 |
| Soybeans | 29.4 | 36.7 | 36.3 |
| Cotton | 30.9 | 40.0 | 39.3 |
| Corn | 20.3 | 20.5 | 19.5 |

Attachment No. 2

China's Tariff Quota Allocation for the Year 2002

Unit: million tonnes

| PRODUCT | Total Quota Volume | Quota Allocated for Ordinary Trade(FCFS) | Quota reserved for Processing Trade | Quota Receiving Entities |
|----------------------|-------------------------------------|--|--|---------------------------------|
| Wheat | 8.468 ST: 7.621 Non ST: 0.847 | 8.218 | 0.25 | 212 |
| Corn | 5.85 ST: .978 Non ST: 1.872 | 5.65 | 0.2 | 258 |
| Rice | 3.99 ST: 1.995 Non ST: 1.995 | 3.7325 | 0.15 | 165 |
| Soybean Oil | 2.518 ST: 0.856 Non ST: 1.662 | 2.318 | 0.2 | 273 |
| Cotton | 0.819 ST: 0.27 Non ST: 0.549 | 0.319 | 0.5 | 128 |
| Rape-seed Oil | 0.879 ST: 0.299 Non ST: 0.58 | 0.779 | 0.1 | 160 |

Source: State Development Planning Commission of China

Attachment No. 3

Venezuela – List of Import Licences for Dairy Products Granted in 2002

List of Import Licences for Skimmed Milk

| Code | Product | Volume MT | Country of origin | Date of issue |
|------------|---------------------|-----------|-------------------|---------------|
| 0402.10.90 | Skimmed milk powder | 101.00 | New Zealand | 22/03/2002 |
| 0402.10.90 | Skimmed milk powder | 101.00 | New Zealand | 22/03/2002 |
| 0402.10.90 | Skimmed milk powder | 101.00 | New Zealand | 22/03/2002 |
| 0402.10.90 | Skimmed milk powder | 101.00 | New Zealand | 22/03/2002 |
| 0402.10.90 | Skimmed milk powder | 101.00 | New Zealand | 22/03/2002 |
| 0402.10.90 | Skimmed milk powder | 101.00 | New Zealand | 22/03/2002 |
| 0402.10.90 | Skimmed milk powder | 60.00 | United States | 26/03/2002 |
| 0402.10.90 | Skimmed milk powder | 18.00 | Australia | 05/04/2002 |
| 0402.10.90 | Skimmed milk powder | 36.00 | Australia | 05/04/2002 |
| 0402.10.90 | Skimmed milk powder | 18.00 | Australia | 05/04/2002 |
| 0402.10.09 | Skimmed milk powder | 18.00 | Australia | 05/04/2002 |
| 0402.10.90 | Skimmed milk powder | 18.00 | Australia | 05/04/2002 |
| 0402.10.90 | Skimmed milk powder | 18.00 | Australia | 05/04/2002 |
| 0402.10.90 | Skimmed milk powder | 18.00 | Australia | 05/04/2002 |
| 0402.10.90 | Skimmed milk powder | 18.00 | Australia | 05/04/2002 |
| 0402.10.90 | Skimmed milk powder | 25.00 | Uruguay | 23/04/2002 |
| 0402.10.90 | Skimmed milk powder | 25.00 | Spain | 28/05/2002 |
| 0402.10.90 | Skimmed milk powder | 200.00 | Poland | 10/04/2002 |
| 0402.10.90 | Skimmed milk powder | 500.00 | United Kingdom | 22/03/2002 |
| 0402.10.90 | Skimmed milk powder | 100.00 | Ireland | 02/04/2002 |
| 0402.10.90 | Skimmed milk powder | 100.00 | Ireland | 02/04/2002 |
| 0402.10.90 | Skimmed milk powder | 76.00 | New Zealand | 22/03/2002 |
| 0402.10.90 | Skimmed milk powder | 76.00 | New Zealand | 22/03/2002 |
| 0402.10.90 | Skimmed milk powder | 76.00 | New Zealand | 22/03/2002 |
| 0402.10.90 | Skimmed milk powder | 125.00 | New Zealand | 22/03/2002 |
| 0402.10.90 | Skimmed milk powder | 88.00 | New Zealand | 22/03/2002 |
| 0402.10.90 | Skimmed milk powder | 76.00 | New Zealand | 22/03/2002 |
| 0402.10.90 | Skimmed milk powder | 202.00 | New Zealand | 22/03/2002 |
| 0402.10.90 | Skimmed milk powder | 101.00 | New Zealand | 22/03/2002 |
| 0402.10.90 | Skimmed milk powder | 151.20 | New Zealand | 22/03/2002 |
| 0402.10.90 | Skimmed milk powder | 252.00 | New Zealand | 22/03/2002 |
| 0402.10.90 | Skimmed milk powder | 252.00 | New Zealand | 22/03/2002 |
| 0402.10.90 | Skimmed milk powder | 25.00 | Spain | 24/04/2002 |
| 0402.10.90 | Skimmed milk powder | 100.00 | | 22/03/2002 |
| 0402.10.90 | Skimmed milk powder | 100.00 | Poland | 18/04/2002 |
| 0402.10.90 | Skimmed milk powder | 101.00 | New Zealand | 18/04/2002 |
| 0402.10.90 | Skimmed milk powder | 60.00 | Poland | 09/05/2002 |
| 0402.10.90 | Skimmed milk powder | 50.00 | New Zealand | 12/06/2002 |
| 0402.10.90 | Skimmed milk powder | 73.00 | Ireland | 19/06/2002 |
| 0402.10.90 | Skimmed milk powder | 36.00 | Australia | 25/06/2002 |
| 0402.10.90 | Skimmed milk powder | 32.00 | France | 25/06/2002 |
| 0402.10.90 | Skimmed milk powder | 32.00 | France | 25/06/2002 |

| Code | Product | Volume MT | Country of origin | Date of issue |
|--------------|---------------------|--------------|-------------------|---------------|
| 0402.10.90 | Skimmed milk powder | 32.00 | France | 25/06/2002 |
| 0402.10.90 | Skimmed milk powder | 32.00 | France | 25/06/2002 |
| 0402.10.90 | Skimmed milk powder | 16.00 | Australia | 25/06/2002 |
| TOTAL | | 3,942 | | |

Source: Ministry of Agriculture and Land, Directorate-General of Agricultural Marketing

List of Import Licences for Milk

| Code | Product | Volume MT | Country of origin | Date of issue |
|------------|---------------------------|-----------|-------------------|---------------|
| 0402.21.19 | Milk in powder 26% | 224.49 | New Zealand | 17/01/2002 |
| 0402.21.19 | Milk in powder 26% | 1008.00 | New Zealand | 19/02/2002 |
| 0402.21.19 | Milk in powder 26% | 783.53 | New Zealand | 19/02/2002 |
| 0402.21.19 | Milk in powder 26% | 350.00 | Argentina | 05/03/2002 |
| 0402.21.19 | Milk in powder 26% | 250.00 | Belgium | 25/03/2002 |
| 0402.21.19 | Milk in powder 26% | 300.00 | Argentina | 22/03/2002 |
| 0402.21.19 | Milk in powder 26% | 150.00 | Argentina | 22/03/2002 |
| 0402.21.19 | Milk in powder 26% | 250.00 | Argentina | 22/03/2002 |
| 0402.21.19 | Milk in powder 26% | 300.00 | Argentina | 22/03/2002 |
| 0402.21.19 | Milk in powder 26% | 150.00 | Argentina | 22/03/2002 |
| 0402.21.19 | Milk in powder 26% | 150.00 | Argentina | 22/03/2002 |
| 0402.21.19 | Milk in powder 26% | 200.00 | Argentina | 22/03/2002 |
| 0402.21.19 | Milk in powder 26% | 100.00 | Argentina | 22/03/2002 |
| 0402.21.19 | Milk in powder 26% | 510.00 | Denmark | 22/03/2002 |
| 0402.21.19 | Milk in powder 26% | 510.00 | Denmark | 22/03/2002 |
| 0402.21.19 | Milk in powder 26% | 510.00 | Denmark | 22/03/2002 |
| 0402.21.19 | Milk in powder 26% | 200.00 | Uruguay | 22/03/2002 |
| 0402.21.19 | Milk in powder 26% | 300.00 | Uruguay | 22/03/2002 |
| 0402.21.19 | Milk in powder 26% | 250.00 | Uruguay | 22/03/2002 |
| 0402.21.19 | Milk in powder 26% | 250.00 | Uruguay | 22/03/2002 |
| 0402.21.19 | Milk in powder 26% | 75.00 | Ireland | 04/03/2002 |
| 0402.21.19 | Milk in powder 26% | 50.00 | Ireland | 04/03/2002 |
| 0402.21.19 | Milk in powder 26% | 12.00 | New Zealand | 09/05/2002 |
| 0402.21.19 | Milk in powder 26% | 150.00 | New Zealand | 04/03/2002 |
| 0402.21.19 | Milk in powder 26% | 150.00 | New Zealand | 04/03/2002 |
| 0402.21.19 | Milk in powder 26% | 150.00 | New Zealand | 04/03/2002 |
| 0402.21.19 | Milk in powder 26% | 150.00 | New Zealand | 04/03/2002 |
| 0402.21.19 | Milk in powder 26% | 100.00 | Argentina | 22/03/2002 |
| 0402.21.19 | Milk in powder 26% | 50.00 | Argentina | 22/03/2002 |
| 0402.21.19 | Milk in powder 26% | 50.00 | Argentina | 22/03/2002 |
| 0402.21.19 | Milk in powder 26% | 150.00 | Argentina | 09/05/2002 |
| 0402.21.19 | Milk in powder 26% | 150.00 | Denmark | 09/05/2002 |
| 0402.21.19 | Milk in powder 26% | 150.00 | Denmark | 09/05/2002 |
| 0402.21.19 | Milk in powder 26% | 150.00 | Denmark | 09/05/2002 |
| 0402.21.19 | Milk in powder 26% | 150.00 | New Zealand | 04/03/2002 |
| 0402.21.19 | Milk in powder 26% | 150.00 | New Zealand | 04/03/2002 |
| 0402.21.19 | Milk in powder 26% | 150.00 | New Zealand | 04/03/2002 |
| 0402.21.19 | Milk in powder 26% | 64.16 | New Zealand | 22/03/2002 |
| 0402.21.19 | Milk in powder 26% | 50.40 | New Zealand | 22/03/2002 |
| 0402.21.19 | Milk in powder 26% | 50.00 | Ireland | 04/03/2002 |
| 0402.21.19 | Milk in powder 26% | 92.00 | Ireland | 22/03/2002 |
| 0402.21.19 | Milk in powder 26% | 125.00 | Belgium | 22/03/2002 |
| 0402.21.19 | Milk in powder 26% | 45.85 | New Zealand | 18/04/2002 |
| 0402.21.19 | Milk in powder 26% | 27.60 | New Zealand | 18/04/2002 |
| 0402.21.19 | Milk in powder 26% | 15.90 | New Zealand | 18/04/2002 |
| 0402.21.19 | Milk in powder 26% | 5.55 | New Zealand | 18/04/2002 |
| 0402.21.19 | Milk in powder 26% | 50.00 | Belgium | 22/04/2002 |
| 0402.21.19 | Milk in powder 26% | 50.00 | Belgium | 22/04/2002 |
| 0402.21.19 | Milk in powder 26% | 50.00 | Belgium | 22/04/2002 |
| 0402.21.19 | Milk in powder 26% | 629.07 | New Zealand | 18/04/2002 |
| 0402.21.19 | Milk in powder 26% | 50.40 | New Zealand | 18/04/2002 |
| 0402.21.19 | Milk in powder 26% | 1462.00 | New Zealand | 18/04/2002 |
| 0402.21.19 | Milk in powder 26% | 151.20 | New Zealand | 18/04/2002 |
| 0402.21.19 | Milk in powder 26% | 1915.20 | New Zealand | 18/04/2002 |
| 0402.21.19 | Milk in powder 26% | 303.00 | New Zealand | 18/04/2002 |
| 0402.21.99 | Milk in powder 24% | 252.00 | New Zealand | 18/04/2002 |
| 0402.21.99 | Milk in powder 24% | 152.00 | New Zealand | 18/04/2002 |
| 0402.21.99 | Milk in powder 24% | 152.00 | New Zealand | 18/04/2002 |

| Code | Product | Volume MT | Country of origin | Date of issue |
|------------|---------------------------|-----------|-------------------|---------------|
| 0402.21.19 | Milk in powder 26% | 258.00 | Ireland | 04/03/2002 |
| 0402.21.19 | Milk in powder 26% | 32.28 | Spain | 08/03/2002 |
| 0402.21.19 | Milk in powder 26% | 200.00 | Ireland | 23/04/2002 |
| 0402.21.19 | Milk in powder 26% | 110.00 | Argentina | 23/04/2002 |
| 0402.21.19 | Milk in powder 26% | 200.00 | Argentina | 23/04/2002 |
| 0402.21.19 | Milk in powder 26% | 250.00 | Uruguay | 10/05/2002 |
| 0402.21.19 | Milk in powder 26% | 250.00 | Uruguay | 10/05/2002 |
| 0402.21.19 | Milk in powder 26% | 250.00 | Uruguay | 10/05/2002 |
| 0402.21.19 | Milk in powder 26% | 250.00 | Uruguay | 10/05/2002 |
| 0402.21.19 | Milk in powder 26% | 80.00 | New Zealand | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 200.00 | Belgium | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 100.00 | Belgium | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 50.00 | New Zealand | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 100.00 | Ireland | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 80.00 | Belgium | 14/06/2002 |
| 0402.21.19 | Milk in powder 26% | 200.00 | Argentina | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 100.00 | Germany | 18/06/2002 |
| 0402.21.19 | Milk in powder 26% | 100.00 | Germany | 18/06/2002 |
| 0402.21.19 | Milk in powder 26% | 100.00 | Germany | 18/06/2002 |
| 0402.21.19 | Milk in powder 26% | 64.00 | Belgium | 13/06/2002 |
| 0402.21.19 | Milk in powder 26% | 50.00 | Ireland | 19/06/2002 |
| 0402.21.19 | Milk in powder 26% | 73.63 | Ireland | 19/06/2002 |
| 0402.21.19 | Milk in powder 26% | 200.00 | Belgium | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 510.00 | Denmark | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 150.00 | Argentina | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 150.00 | Argentina | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 150.00 | Argentina | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 510.00 | Denmark | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 200.00 | Argentina | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 510.00 | Denmark | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 510.00 | Denmark | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 510.00 | Denmark | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 510.00 | Denmark | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 127.00 | New Zealand | 13/06/2002 |
| 0402.21.19 | Milk in powder 26% | 1008.00 | New Zealand | 13/06/2002 |
| 0402.21.19 | Milk in powder 26% | 353.00 | New Zealand | 13/06/2002 |
| 0402.21.19 | Milk in powder 26% | 756.00 | New Zealand | 13/06/2002 |
| 0402.21.19 | Milk in powder 26% | 178.00 | New Zealand | 13/06/2002 |
| 0402.21.19 | Milk in powder 26% | 605.00 | New Zealand | 13/06/2002 |
| 0402.21.19 | Milk in powder 26% | 76.00 | New Zealand | 13/06/2002 |
| 0402.21.19 | Milk in powder 26% | 76.00 | New Zealand | 13/06/2002 |
| 0402.21.19 | Milk in powder 26% | 51.00 | New Zealand | 13/06/2002 |
| 0402.21.19 | Milk in powder 26% | 101.00 | New Zealand | 13/06/2002 |
| 0402.21.19 | Milk in powder 26% | 76.00 | New Zealand | 13/06/2002 |
| 0402.21.19 | Milk in powder 26% | 47.00 | France | 13/06/2002 |
| 0402.21.19 | Milk in powder 26% | 53.00 | New Zealand | 13/06/2002 |
| 0402.21.19 | Milk in powder 24% | 529.01 | New Zealand | 13/06/2002 |
| 0402.21.19 | Milk in powder 26% | 50.00 | Ireland | 13/06/2002 |
| 0402.21.19 | Milk in powder 26% | 150.00 | Argentina | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 150.00 | Argentina | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 200.00 | Argentina | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 100.00 | Argentina | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 255.00 | Denmark | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 255.00 | Denmark | 12/06/2002 |
| 0402.21.19 | Milk in powder 26% | 278.00 | New Zealand | 13/06/2002 |
| 0402.21.19 | Milk in powder 26% | 202.00 | New Zealand | 13/06/2002 |
| 0402.21.19 | Milk in powder 26% | 705.00 | New Zealand | 13/06/2002 |
| 0402.21.19 | Milk in powder 26% | 150.00 | Ireland | 13/06/2002 |

| Code | Product | Volume MT | Country of origin | Date of issue |
|--------------|--------------------|-----------------|-------------------|---------------|
| 0402.21.11 | Milk in powder 26% | 200.00 | Germany | 13/06/2002 |
| 0402.21.11 | Milk in powder 26% | 110.00 | Germany | 13/06/2002 |
| TOTAL | | 28275.27 | | |

Source: Ministry of Agriculture and Land, Directorate-General of Agricultural Marketing

List of Import Licences for Cheese

| Code | Product | Volume MT | Country of origin | Date of issue |
|--------------|---------------------------|-----------------|-------------------|---------------|
| 0406.90.10 | Dairy raw material | 115.2 | New Zealand | 20/02/2002 |
| 0402.90.10 | Dairy raw material | 153.60 | New Zealand | 03/04/2002 |
| 0406.90.10 | Dairy raw material | 57.60 | New Zealand | 03/04/2002 |
| 0406.90.10 | Dairy raw material | 153.60 | New Zealand | 03/04/2002 |
| 0406.90.10 | Dairy raw material | 57.60 | New Zealand | 03/04/2002 |
| 0406.90.10 | Dairy raw material | 134.40 | New Zealand | 03/04/2002 |
| 0406.90.10 | Dairy raw material | 38.40 | New Zealand | 03/04/2002 |
| 0406.90.90 | Dairy raw material | 19.20 | New Zealand | 09/05/2002 |
| 0406.90.90 | Dairy raw material | 19.20 | New Zealand | 08/05/2002 |
| 0406.90.90 | Dairy raw material | 19.20 | New Zealand | 09/05/2002 |
| 0406.90.90 | Dairy raw material | 19.20 | New Zealand | 09/05/2002 |
| 0406.90.90 | Dairy raw material | 19.20 | New Zealand | 09/05/2002 |
| 0406.90.90 | Dairy raw material | 19.20 | New Zealand | 09/05/2002 |
| 0406.90.90 | Dairy raw material | 19.20 | New Zealand | 09/05/2002 |
| 0406.90.90 | Dairy raw material | 38.00 | New Zealand | 07/05/2002 |
| 0406.90.90 | Dairy raw material | 19.20 | New Zealand | 18/04/2002 |
| 0406.90.90 | Dairy raw material | 38.40 | New Zealand | 18/04/2002 |
| 0406.90.90 | Dairy raw material | 19.20 | New Zealand | 18/04/2002 |
| 0406.90.90 | Dairy raw material | 19.20 | | 18/04/2002 |
| 0406.90.90 | Dairy raw material | 19.20 | | 18/04/2002 |
| 0406.90.10 | Dairy raw material | 57.6 | | 19/06/2002 |
| 0406.90.10 | Dairy raw material | 134.4 | | 19/06/2002 |
| 0406.90.10 | Dairy raw material | 57.6 | New Zealand | 19/06/2002 |
| 0406.90.10 | Dairy raw material | 153.6 | New Zealand | 19/06/2002 |
| 0406.90.10 | Dairy raw material | 43.20 | New Zealand | 19/06/2002 |
| 0406.90.10 | Dairy raw material | 151.20 | New Zealand | 19/06/2002 |
| 0406.90.20 | Cheddar cheese | 1.00 | United States | 08/05/2002 |
| 0406.90.30 | Cream cheese | 2.16 | United States | 18/01/2002 |
| 0406.10.00 | Philadelphia cream cheese | 13.24 | United States | 03/04/2002 |
| 0406.10.00 | Philadelphia cream cheese | 13.24 | United States | 03/04/2002 |
| 0406.10.00 | Philadelphia cream cheese | 13.24 | United States | 03/04/2002 |
| 0406.10.00 | Philadelphia cream cheese | 13.24 | United States | 03/04/2002 |
| 0406.10.00 | Philadelphia cream cheese | 17.08 | United States | 03/04/2002 |
| 0406.10.00 | Philadelphia cream cheese | 17.08 | United States | 03/04/2002 |
| 0406.10.00 | Philadelphia cream cheese | 17.08 | United States | 03/04/2002 |
| 0406.10.00 | Philadelphia cream cheese | 17.08 | United States | 03/04/2002 |
| 0406.10.00 | Philadelphia cream cheese | 17.08 | United States | 03/04/2002 |
| 0406.10.00 | Philadelphia cream cheese | 13.24 | United States | 23/04/2002 |
| 0406.10.00 | Philadelphia cream cheese | 13.24 | United States | 23/04/2002 |
| 0406.90.90 | Processed cheese | 1.2 | France | 18/02/2002 |
| 0406.30.00 | Processed cheese | 50.00 | United States | 16/05/2002 |
| 0406.30.00 | Processed cheese | 50.00 | United States | 16/05/2002 |
| 0406.30.00 | Processed cheese | 76.00 | New Zealand | 18/04/2002 |
| 0406.30.00 | Processed cheese | 128.00 | New Zealand | 18/04/2002 |
| 0406.30.00 | Processed cheese | 76.00 | New Zealand | 18/04/2002 |
| 0406.30.00 | Processed cheese | 121.00 | New Zealand | 18/04/2002 |
| 0406.30.00 | Processed cheese | 29.00 | New Zealand | 08/05/2002 |
| 0406.40.00 | Dutch Gouda cheese | 3.02 | Holland | 16/01/2002 |
| 0406.90.20 | Monterrey Jack cheese | 1.00 | United States | 06/05/2002 |
| 0406.20.00 | Mozzarella cheese | 36.00 | United States | 09/05/2002 |
| 0406.20.00 | Mozzarella cheese | 27.00 | New Zealand | 18/04/2002 |
| 0406.20.00 | Mozzarella cheese | 41.00 | New Zealand | 18/04/2002 |
| 0406.20.00 | Mozzarella cheese | 41.00 | New Zealand | 18/04/2002 |
| 0406.20.00 | Mozzarella cheese | 41.00 | New Zealand | 18/04/2002 |
| 0406.20.00 | Mozzarella cheese | 36.00 | United States | 09/05/2002 |
| 0406.20.00 | Mozzarella cheese | 36.00 | United States | 05/02/2002 |
| TOTAL | | 2,537.62 | | |

Source: Ministry of Agriculture and Land, Directorate-General of Agricultural Marketing

Attachment No. 4

G/AG/N/USA/39 - US Food Aid July / June 2000 / 2001

| | Title I Sales (MT) | Grants (MT) | Total (MT) |
|---------------------|-------------------------------|------------------------|-----------------------|
| Wheat | 150,933 | 2,213,760 | 2,364,693 |
| Sorghum | 0 | 45,281 | 45,281 |
| Rice | 135,026 | 168,250 | 303,276 |
| Vegetable oils | 7,530 | 357,728 | 365,258 |
| Non-fat dry milk | 0 | 24,204 | 24,204 |
| Other milk products | 0 | 450 | 450 |
| Total | 293,489 | 2,809,673 | 3,103,162 |
