

IMPLEMENTATION ISSUES REGARDING DOMESTIC SUPPORT

Provision of Information to Support *de minimis* Claims

Discussion Paper by New Zealand

Issue

1. Under paragraph 4 of Article 6 of the Agreement on Agriculture, Members are not required to include in the calculation of their Current Total Aggregate Measures of Support (AMS):

- (a) product-specific support which does not exceed 5 per cent (or 10 per cent for developing countries) of the total value of production for that product; or
- (b) non-product-specific support which does not exceed 5 per cent (or 10 per cent for developing countries) of the total value of production for all products.

2. During the Committee on Agriculture (COA) review process, Members tabling DS:4 notifications are often asked to provide value of production information for the product specific and non-product-specific support they have claimed as being *de minimis*. The importance of this issue and the reasons Members ask questions of each other in the COA, stems from the fact that the *de minimis* exemption is associated with trade distorting support measures, which would otherwise be subject to reduction commitments. In all cases, Members have willingly supplied this information, which allows other Members to verify the *de minimis* claims.

Current Practice

3. Although notification table DS:4 does not specifically include provision for the entry of data to support *de minimis* claims, many Members have already taken the initiative of including value of production figures in support of *de minimis* claims in their notifications. They have done so in a variety of ways. The following countries have provided value of production data as footnotes to their domestic support notifications: Cyprus, South Africa, Hungary, Japan and the Philippines.¹ The United States has inserted two new columns in their DS:4 notifications between the third and fourth columns.² The first additional inserted column lists the value of production for each product, and the second column contains the calculation of 5 per cent of the value of production. Canada has also included two additional columns in its DS:4 notification after the first four columns.³ The value of production for each product is listed in the first new column, with the total product-specific and non-product-specific AMS as a percentage of the value of production in the other.

¹CYP/3/Rev.1, ZAF/5, ZAF/13, HUN/10, JPN/21, PHL/10 and PHL/15.

²USA/10 and USA/17.

³CAN/17.

Suggestion

4. To increase transparency and ease of review, and given the frequency at which Members are asked to provide value of production information to support *de minimis* claims, it would be helpful if this information was included in the domestic support notifications. It should be noted that, in preparing their notifications, Members need to know what the value of production is so that they can claim *de minimis* support. Therefore the provision of value of production information would not create any additional work for the notifying Member.

5. It would appear that there are two ways in which this information could be provided in the notification:

- (a) Members could provide value of production data as footnotes in their notifications; or
- (b) Members could insert two additional columns in their DS:4 notification: one for the support (for a particular product and non-product-specific support) and the other for the value of production. (Members would only need to fill in these columns when they are claiming *de minimis* support.)

6. Attached are mock example DS:4 notifications showing how each of the above options could be presented.

7. **It is proposed that notifying Members be free to choose which of these two options it adopts when submitting its notification.**

DOMESTIC SUPPORT: Country X**REPORTING PERIOD: calendar year, marketing year, etc.***Calculation of the Current total Aggregate Measurement of Support*

Description of basic products (including non-product-specific AMS)	Product-specific AMS (from Supporting Tables DS:5 to DS:7 below) (\$ million)	Product-specific measurements of support (from Supporting Table DS:8 below)	Current total AMS (aggregate) (\$ million)
1	2	3	4 (2+3)
Wheat and Durum	43.7 <i>de minimis</i> ¹		0
Barley	21.3 <i>de minimis</i> ¹		0
Oats	10.5 <i>de minimis</i> ¹		0
Sheep	5.3		5.3
Non-product-specific AMS			0 ²
Current Total AMS			5.3

¹ Support does not exceed 5% of total value of production of each of these products, for the relevant year. Under the provision of Article 6.4 of the Agreement on Agriculture, support falling below *de minimis* level need not be included in the calculation of the Current Total AMS. Estimated values of production are the following (in \$ million): Wheat and Durum 4,169.5, Barley 818.4 and Oats 235.9.

² Non-product-specific AMS is *de minimis*. Current total non-product-specific support equals \$954.3 million and does not exceed 5% of the total value of agricultural production at current prices which equals \$25,816.4 million.

Supporting Table DS:4

DOMESTIC SUPPORT: Country X

REPORTING PERIOD: calendar year, marketing year, etc.

Calculation of the Current total Aggregate Measurement of Support

Description of basic products (including non-product-specific AMS)	Product-specific AMS (from Supporting Tables DS:5 to DS:7 below) (\$ million)	Product-specific measurements of support (from Supporting Table DS:8 below)	Total Support (\$ million)	Value of production (\$ million)	Current total AMS (aggregate)
1	2	3	4 (2+3)	5	6
Wheat and Durum	43.7		43.7	4,169.5	<i>de minimis</i>
Barley	21.3		21.3	818.4	<i>de minimis</i>
Oats	10.5		10.5	235.9	<i>de minimis</i>
Sheep	5.3		5.3		5.3
Non-product-specific AMS			954.3	25,816.4	<i>de minimis</i>
Current Total AMS					5.3