

NOTIFICATION

The following notification concerning domestic support commitments (Table DS:1 and the relevant supporting Tables) for agricultural year 1995/96 was received from the Permanent Mission of Argentina on 6 November 1997.

The Government of Argentina wishes to make the following clarifications in connection with this notification on domestic support for agricultural year 1995/96:

1. When the (original) supporting tables relating to domestic support reduction commitments were prepared for submission to the WTO, a comparison was made, in the original schedule, between the part corresponding to price supports under the Special Fund for Tobacco, the only product that receives such support, and the country's total agricultural production. The results of this calculation showed that the amounts were below the *de minimis* percentage and therefore did not have to be covered by a reduction commitment.

In view of the differences of opinion concerning this interpretation of the Agreement on Agriculture and the interpretation involving a comparison with tobacco sector production, an internal process of review and analysis was carried out, in the course of which the Sub-Federal authorities of the tobacco-producing regions were consulted. This explains the slight delay that has occurred in making the notification for the year 1995/96.

2. As a result of this analysis, the Argentine authorities have decided to request WTO Members to rectify the commitments set out in its original Schedule, taking the value given therein for the base period 1986-88, including the adjustment for "excessive inflation" as provided for in Article 18:4 of the Agreement.¹

Accordingly, the Aggregate Measurement of Support amount will be reduced by 13.3 per cent during the period of implementation of the Agreement, between marketing years 1995/96 and 2004/5, following the methodology used for this purpose in the Uruguay Round (see document MTN.GNG/MA/W/24 of 20 December 1993).

It is therefore proposed that the values of the domestic support commitments should be reduced as set out in the following table during the Uruguay Round implementation period.

¹"Excessive inflation" was calculated as the difference between the inflation rates in the United States and Argentina during this period, based on the movement of the wholesale price index and the exchange rate in force in our country (1 peso equals 1 US dollar).

Base AMS (in December 1995 \$)	91.817.085
1995/96	90,595,918
1996/97	89,374,751
1997/98	88,153,583
1998/99	86,932,416
1999/00	85,711,249
2000/01	84,490,082
2001/02	83,268,914
2002/03	82,047,747
2003/04	80,826,580
2004/05	79,605,413

Owing to the differences of interpretation mentioned earlier, in the year 1995/96 the current total AMS was greater than it should have been (\$122,779,312 instead of \$90,595,918). In the year 1996/97, the budgetary funds allocated for this internal support have been subjected to the above-mentioned reduction process: the limit set is consistent with the adjustment to be made.

Table DS:1

DOMESTIC SUPPORT: Argentina

REPORTING PERIOD: 1995/96

Current Total Aggregate Measurement of Support

Total AMS commitment level for period in question	Currency	Current Total AMS
(from Section I of Part IV of the Schedule)	(from Section I of Part IV of the Schedule)	(from attached Supporting Tables)
1	2	3
\$90,595,918	Pesos	\$122,779,312

Supporting Table DS:1

DOMESTIC SUPPORT: Argentina

REPORTING PERIOD: 1996

Measures exempt from the reduction commitment - "Green Box"

Measure type	Name and description of measure with reference to criteria in Annex 2	Monetary value of measure in year in question (current pesos)	Data sources (Ministry of Agriculture) Description of criteria and conditions for specific policies ANNEX 2
1	2	3	4
General services	Pest and disease control		Paragraph 2(b)
	*SENASA	1,310,000	
	*IASCAV	1,590,000	
	*PROMSAP (12)	1,000,000	
	*INTA	6,941	
	Inspection and research		Paragraph 2(a) and (e)
	*SENASA	826,000	
	*IASCAV	3,611,400	
	*INTA	6,136,382	
	Marketing		Paragraph 2(f)
	*IASCAV	97,312	
	*INASE	149,009	
	*PROMEX (3)	1,450,000	
	*PROCAR (4)	2,524,841	
	*INTA	43,724	
Payments for relief from natural disasters	Development loans for farmers in Mendoza, Rio Negro, Neuquen and La Pampa provinces affected by adverse weather conditions. Law 22.913.(6)	16,636	Paragraph 8(a) to (e)
	Personal development loans for farmers in agricultural emergency or disaster situations. Law 22.913.(7)	30	
	Refinancing for farmers in agricultural emergency or disaster situations. Law 22.913.(8)	3,886,361	

1	2	3	4
Regional assistance programme	Special conditions for wool producers in the Patagonia region. PEN Decrees 2.586/92, 991/93, Ministry of the Economy Resolution 511/93 and Department of Industry and Trade Resolutions 33/93 and 174/93 (9).	63,337	Paragraph 13(a) to (f)
	Targeted and supervised credits for agro-industrial production and agro-industry in the Patagonian region.	286,899	
	Interest rate subsidy for original loans. Order 185/94 (10).	1,327,248	
	NEA credit and technical support programme for small producers.		
Structural adjustment assistance provided through investment aids	Special Fund for Tobacco (1995/96)	51,988,157	Paragraph 11(a) to (f)
	FINAGRO (1)		
	1. Line for purchase of capital goods	10,700,000	
	2.1 Line for working capital (in pesos)	3,000,000	
	2.2 Line for working capital (in dollars)	7,200,000	
	3. Investment and/or reconversion projects	800,000	
	CAMBIO RURAL	17,500,000	
	MINIFUNDIO	2,000,000	
	PROHUERTA (11)	9,000,000	
Decoupled income support	Social programme for agriculture (2)	10,284,352	Paragraph 6(a) to (e)
Environmental programmes	Prevention and control of desertification for the sustainable development of Patagonia (PRODESER).	196,679	Paragraph 12(a) and (b)
	*IASCAV 15,000	15,000	

Notes:

- (1) These values were estimated on the basis of the loan portfolio balance in hand as at May 1996, applying the 4 per cent interest rate subsidy accorded. The lines are available for small- and medium-sized enterprises, i.e. those that meet the condition that their capital does not exceed \$3 million or their invoicing does not exceed \$1 million annually (Ministry of the Economy Resolutions 401/89 and 208/93). In the current year, 8,317, 7,644 and 153 enterprises received aid from lines 1, 2 and 3 respectively.
- (2) The social programme benefits smallholders in 21 provinces of the country through financial, technical and training assistance. Some of the requirements for entitlement are: having a monthly income that does not exceed twice the rural agricultural worker's wage, not employing any labour, living on the farm, and having working capital not exceeding \$20,000. Smallholders who have formed a grouping may present production projects for up to a maximum per family of \$1,200 and \$200 in the case of self-consumption projects. Together with the project, the social programme finances technical assistance provided by independent institutions or experts for a period of not more than three years. When the funds are paid out, beneficiary families undertake to repay them to a provincial revolving fund, which is used to finance new projects.
- (3) and (4) The programmes mentioned are aimed at providing assistance to agricultural producers in international fairs and events.
- (5) Information taken from the budget of each agency.
- (6) and (9) No data is available in the number of beneficiaries under these programmes.
- (7), (8) and (10) The number of producers who have benefited under these programmes is 500, 7,700 and 374, respectively.
- (11) The total number of producers assisted under the first two programmes is 45,150. The Prohuerta programme covers 344,400 family vegetable gardens and 8,800 school vegetable gardens.
- (12) Provincial agricultural services programme.

DOMESTIC SUPPORT: Argentina
REPORTING PERIOD: 1995/96

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)	Product-specific measurements of support (from Supporting Table DS:8 below) (\$)	Current Total AMS (aggregate) (\$)
1	2	3	4
Tobacco		\$122,779,312	\$122,779,312

Supporting Table DS:8

DOMESTIC SUPPORT: Argentina

REPORTING PERIOD: 1995/96

Product-Specific Equivalent Measurements of Support

Description of basic products	Calendar/ marketing year beginning ...	Measure type(s)	Applied administered price (\$/kg.)	Production eligible to receive the applied administered price (kg.)	Market price support budgetary outlays (\$)	Equivalent measurement of support (include calculation details) (\$)	Non-exempt direct payments	Other product- specific support	Associated fees/levies	Total monetary value of equivalent commitment (\$)	Data sources
1	2	3	4	5	6	7	8	9	10	11 (7+ 8+ 9-10)	12
Tobacco	1 December 1995- 30 November 1996	Payment per unit	1.2503	98,201,157	122,779,312	122,779,312	-	-	-	122,779,312	Ministry of Agriculture, Fishery and Food/FET Annual Reports