

WORLD TRADE ORGANIZATION

G/AG/N/USA/28
16 November 1999

(99-4978)

Committee on Agriculture

Original: English

NOTIFICATION

The attached notification concerning new or modified domestic support measures exempt from reduction (**Table DS:2**) was received from the delegation of the **United States** on 12 November 1999.

Table DS:2

DOMESTIC SUPPORT: United States

*Notification under Article 18:3 of the Agreement:
New or modified domestic support measures exempt from reduction*

(1) Full title of measure: Environmental Quality Incentives Program (EQIP)

(2) Domestic legislation reference:

Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127, 4 April 1996)

(3) Detailed description of measure with reference to criteria, i.e. those in:

Provisions are consistent with criteria in Annex 2, paragraph 12.

The objective of the Environmental Quality Incentives Program (EQIP) is to encourage farmers and ranchers to adopt practices that reduce agriculture-related environmental and resource problems in areas of special environmental sensitivity or having significant water, soil, or related natural resource concerns. EQIP offers financial, educational, and technical help to install or implement structural, vegetative, and management practices called for in 5- to 10-year contracts for most agricultural land uses. All EQIP activities must be carried out according to a conservation plan.

When cost sharing is involved, USDA may pay up to 75 percent of the costs of certain conservation practices, such as grassed waterways, filter strips, manure management facilities, and other practices to improve and maintain the health of natural resources in the area. Payments may also be made to encourage a producer to perform land management practices such as nutrient management, manure management, integrated pest management, and wildlife habitat management. These payments may be provided for up to three years to encourage producers to carry out management practices they may not otherwise use without the programme. In all instances, the programme must maximize environmental benefits per dollar expended, and payment limitations are in effect for cost sharing and land management payments.

(4) Cost of measure: Programme funding up to \$200 million may be requested annually through 2002. In fiscal year 1996, funding was \$130 million, fiscal year 1997 - \$196 million, fiscal years 1998 and 1999 - \$174 million. The total Federal investment authorized from 1996-2002 is \$1.3 billion.

(5) Date of entry into effect: P.L. 104-127 was signed into law on April 4, 1996. The programme was phased-in over a 180-day period through an interim programme, and the final programme rules were announced on May 22, 1997.

(6) Period of application: 1996-2002.

(7) Products to principally benefit (if any individual product(s)): All agricultural producers are eligible for this programme.

Table DS:2

DOMESTIC SUPPORT: United States

*Notification under Article 18:3 of the Agreement:
New or modified domestic support measures exempt from reduction*

(1) **Full title of measure:** Livestock Indemnity Program

(2) **Domestic legislation reference:** FY 1997 Emergency Supplemental Appropriations Act (P.L. 105-18); the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Acts for FY 1998 and FY 2000 (P.L. 105-86; P.L. 106-78); FY 1998 Commerce, Justice, State, and Related Agencies Appropriations Act (P.L. 105-119); FY1999 Emergency Supplemental Appropriations Act (P.L. 106-31).

(3) **Detailed description of measure with reference to criteria, i.e. those in:**

Provisions are consistent with criteria in Annex 2, paragraph 8.

The Livestock Indemnity Program is an emergency effort to help livestock producers who suffered losses from recent natural disasters. It provides a partial reimbursement to eligible producers for livestock losses.

Livestock Indemnity Program assistance is available to eligible producers only in areas:

1 Where a disaster occurred in a specific time period; and

2 For which a Presidential Disaster Declaration or Secretarial Disaster Designation was requested as a result of the disaster and was subsequently approved. Assistance is available only in counties named as primary disaster counties.

Animal categories and applicable market values for the disaster period and normal mortality rates are used in the calculation of national payment rates. Payments did not compensate for more than the total cost of replacing livestock losses (only 30 percent of eligible losses were covered).

(4) **Cost of measure:** For FY 1997, \$50 million was used to operate the Livestock Indemnity Program, for FY 1998 a total of \$8 million was authorized, and for FY 1999, \$3 million was authorized. For FY 2000, programme funding was set at \$200 million.

(5) **Date of entry into effect:** The programme was first authorized by the FY 1997 Emergency Supplemental Appropriations Act (P.L. 105-18), which was enacted on June 12, 1997.

(6) **Period of application:** FY 1997-2000.

(7) **Products to principally benefit (if any individual product(s)):** Livestock.

Table DS:2

DOMESTIC SUPPORT: United States

*Notification under Article 18:3 of the Agreement:
New or modified domestic support measures exempt from reduction*

(1) Full title of measure: Wetlands Reserve Program (WRP)

(2) Domestic legislation reference:

Reauthorized by the Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127, April 4, 1996); originally authorized by the Food, Agriculture, Conservation, and Trade Act of 1990 (P.L. 101-624), which was enacted into law on November 28, 1990.

(3) Detailed description of measure with reference to criteria, i.e. those in:

Provisions are consistent with criteria in Annex 2, paragraph 12.

The objective of the Wetland Reserve Program (WRP) is to restore and protect wetlands through retirement of land or implementation and compliance with a wetland restoration plan. The WRP offers landowners three options to preserve and protect wetlands: permanent easements, 30-year easements, and restoration cost-share agreements of a minimum 10-year duration (a new provision).

With permanent easements (ie., conservation easement in perpetuity), the payment will be the lesser of the agricultural value of the land, an established payment cap, or an amount offered by the landowner. For a 30-year easement, payments are 75% of what would be paid for a permanent easement. For a restoration cost-share agreement (10-year contract), USDA pays 75% of the cost of the restoration activity.

(4) Cost of measure: Dependent on the annual number of acres authorized. Maximum enrolment is set at 975,000 acres.

(5) Date of entry into effect: P.L. 104-127 was signed into law on April 4, 1996.

(6) Period of application: 1996-2002.

(7) Products to principally benefit (if any individual product(s)): All agricultural prior converted and farmed wetland, and associated lands that are restorable and suitable for wildlife benefits are eligible for enrolment in this programme.
