

Committee on Agriculture

SUMMARY REPORT OF THE MEETING HELD ON 27 SEPTEMBER 2001

Note by the Secretariat

1. The Committee on Agriculture held its twenty-eighth regular meeting on 27 September 2001 under the chairmanship of Minister Yoichi Suzuki, of Japan. The agenda of the meeting as contained in WTO/AIR/1621 was adopted.

PART I: THE REVIEW PROCESS

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

(a) Argentina: European Communities – Payments under production-limiting programmes

2. Argentina recalled that it had asked the EC about the level of subsidies provided pursuant to Article 6.5 of the Agreement at the March 2001 meeting of the Committee, without being able to obtain a response. Nor did Argentina receive a response at the informal consultations organized by the EC on 13 June 2001. Finally, in the response provided by the EC at the June meeting of the Committee, the EC stated that it was not in a position to provide information concerning the level of support by product. It was clear to Argentina that it made little sense to continue the questioning in this Committee.

3. Argentina therefore wished to put on record that:

- (i) the question put by Argentina pursuant to Article 18.6 had remained without a satisfactory response;
- (ii) Argentina was keeping this matter pending since it did not consider this issue resolved due to lack of cooperation by one Member;
- (iii) Argentina's question to the EC was of great importance since Argentina sought to assess the legal situation of the EC's domestic support in light of Article 13 of the Agreement; and
- (iv) Argentina was concerned by the EC's lack of transparency in this matter.

4. The EC expressed disappointment about Argentina's statement since it had hoped that the EC's response at the June meeting would have been satisfactory (G/AG/R/27, page 2 refers).

(b) United States: Venezuela – Issuance of import licences for yellow corn

5. According to information available to the United States, on 18 September 2001, the Government of Venezuela had published in a Caracas newspaper an official announcement regarding domestic corn purchases. One element of the announcement stated that "the issuance of import

licences for yellow corn will be suspended until the domestic production of corn and sorghum is purchased, as agreed with the feed producers in June 2001". The United States requested clarification from Venezuela as to when, given Venezuela's WTO commitments, this provision of the official announcement would be repealed.

6. Venezuela explained that in view of seasonal difficulties in marketing maize and sorghum, the measure referred to above had been adopted which would remain in force until domestic production of these commodities was taken up. Venezuela undertook to convey the US concerns to the capital and ensured the Committee that the competent authorities would give the matter due consideration.

B. REVIEW OF NOTIFICATIONS

7. 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 Poland (POL/40), South Africa (ZAF/35) and Thailand (THA/38);
- (ii) relating to imports under tariff and other quota commitments (Table MA:2): from the Czech Republic (CZE/29), the EC (EEC/31), Japan (JPN/66), Poland (POL/30 and POL/41), Thailand (THA/39) and Venezuela (VEN/20);
- (iii) in the context of the special safeguard (Tables MA:3 to MA:5): from Japan (JPN/65 and Corr.1) and Poland (POL/42);
- (iv) relating to domestic support commitments (Table DS:1): from Australia (AUS/36 and Corr.1), Bulgaria (BGR/4), Canada (CAN/43), Cuba (CUB/15/Rev.1), EC (EEC/30 and Corr.1), Malta (MLT/8), Pakistan (PAK/8), Slovak Republic (SVK/30), United States (USA/36) and Venezuela (VEN/19);
- (v) relating to new or modified domestic support measures exempt from reduction (Table DS:2): from Canada (CAN/44), and Cuba (CUB/13);
- (vi) relating to export subsidy commitments (Tables ES:1 to ES:3): from the Czech Republic (CZE/31/Rev.1), EC (EEC/32), Poland (POL/43), Turkey (TUR/13), United States (USA/35 and Corr.1) and Venezuela (VEN/21).

8. 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

9. 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): from Canada (CAN/45, CAN/2/Add.2, CAN/6/Add.1, CAN/10/Add.1, CAN/19/Add.1), Japan (JPN/1/Add.1, JPN/8/Add.1, JPN/23/Add.2, JPN/57/Add.1), Latvia (LVA/1/Add.1), New Zealand (NZL/1/Add.1) and Norway (NOR/1/Add.1);

- (ii) relating to imports under tariff and other quota commitments (Table MA:2): from Morocco (MAR/21/Corr.1) and New Zealand (NZL/27 and Corr.1);
 - (iii) in the context of the special safeguard (Tables MA:3 to MA:5): from Canada (CAN/46), Czech Republic (CZE/30), Namibia (NAM/13), New Zealand (NZL/28) and Poland (POL/28/Corr.1);
 - (iv) in the context of domestic support commitments (Table DS:2): from Cuba (CUB/11/Rev.1), Guyana (GUY/3, GUY/4 and GUY/5), Namibia (NAM/14) and New Zealand (NZL/29);
 - (v) relating to export subsidy commitments (Tables ES:1 to ES:3): from Argentina (ARG/14), Bulgaria (BGR/5), Ghana (GHA/2), Guyana (GUY/6, GUY/7 and GUY/8), Latvia (LVA/5), Malta (MLT/9), Namibia (NAM/12), and Pakistan (PAK/9).
- (b) Notifications circulated or made available after the notice convening the meeting was issued (G/AG/1, paragraph 9 refers)

10. 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 administration of tariff and other quota commitments (Table MA:1): from Australia (AUS/1/Add.1);
- (ii) on domestic support commitments (Tables DS:1 and DS:2): from Australia (AUS/36/Corr.1), and Slovenia (SVN/18, SVN/4/Rev.3, SVN/5/Rev.2, SVN/8/Rev.2, SVN/12/Rev.2, SVN/19);
- (iii) on export subsidy commitments (Tables ES:1 to ES:3): from Japan (JPN/67).

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

There was no discussion under this agenda item.

E. COUNTER NOTIFICATIONS UNDER ARTICLE 18.7

11. 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

12. New Zealand and the United States informed the Committee that they were pleased to have received responses to a number of outstanding questions from Mexico. The deferred replies by Chile concerning notification G/AG/N/CHL/13 are reflected in Part II of the Annex to this report.

(b) Overdue notifications

13. 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 27 September 2001, showing the current status of compliance with the notification obligations.

PART II: OTHER MATTERS WITHIN THE PURVIEW OF THE COMMITTEE

A. IMPLEMENTATION-RELATED MATTERS REFERRED TO THE COMMITTEE BY THE GENERAL COUNCIL (WT/L/384 REFERS)

14. The Vice-Chairman recalled that the Committee had been requested by the General Council to report by the end of September regarding the outcome of the Committee's considerations concerning the following three implementation-related issues:

- (i) implementation of Article 10.2 of the Agreement on Agriculture, on the development of internationally agreed disciplines to govern the provision of export credits, export credit guarantees or insurance programmes, taking into account the provisions of paragraph 4 of the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries (the Decision);
- (ii) addenda to Table MA:1 notifications concerning tariff rate quota regimes; and
- (iii) examination of possible means of improving the effectiveness of the implementation of the Decision.

15. The Committee considered a draft report and recommendations on these implementation-related matters and agreed that this report, as amended, be submitted to the General Council on the responsibility of the Vice-Chairman (G/AG/11). A number of Members welcomed the Committee's decision. Sri Lanka stated that, while the recommendations of the report fell short of its expectations, it considered the report to be a first step towards full implementation of the Decision. Sri Lanka had therefore joined the consensus to adopt the report. Sri Lanka expressed the hope that the donors, too, would show flexibility when the Committee embarked on its future work on this issue.

B. MATTERS RAISED UNDER "OTHER BUSINESS"

(a) Chile - Functioning of the United States' Hass Avocado Board

16. Chile reiterated its concerns expressed in previous Committee meetings concerning the United States legislation regarding the Hass Avocado Promotion, Research and Information Act. The implementation of this Act would present an additional burden for Chile's avocado exporters, have serious implications for the competitiveness and profitability of its producers and adversely affect numerous families dependent on this crop. Chile was particularly concerned about the form of tax collection, the mechanism of disbursement and the limited reach of the programme with respect to other similar or competing products. Chile was of the view that the proposed programme should not be implemented, at least with respect to imports. Chile also recalled a recent US Supreme Court decision which had ruled that a similar programme, the Mushroom Checkoff Program, was unconstitutional. Chile also had serious doubts that the proposed regulation was WTO compatible.

17. New Zealand stated that it continued to monitor the developments regarding the planned Hass Avocado Act.

(b) Annual Report to the Council for Trade in Goods

18. As agreed by the Committee at its June 2001 meeting, the Vice-Chairman had prepared a short factual report for the Council for Trade in Goods on the work undertaken by the Committee in the course of 2001. A draft of the report had been circulated under Job No. 6688 (dated 19 September 2001) to facilitate Members' consideration of the matter. It was noted that the Annex to the report concerning compliance with notifications obligations would be updated or revised as appropriate before the report was finalized. The Committee took note of the report and agreed that the report would be submitted to the General Council on the responsibility of the Vice-Chairman. (This report has since been distributed as document G/L/483 dated 28 September 2001.)

(c) Schedule of Meetings for 2002

19. The Committee took note of the following schedule of provisional dates for meetings in 2002, on the basis that this schedule may need to be re-visited in light of other developments:

28 March 2002 (Thursday)
13-14 June 2002 (Thursday and Friday)
26-27 September 2002 (Thursday and Friday)
21-22 November 2002 (Thursday and Friday)

(d) Date of Next Meeting

20. The next regular meeting of the Committee on Agriculture will be held on 6 December 2001. The airgram convening the meeting and containing the draft agenda will be issued on Friday, 23 November 2001.

ANNEX

Review of Notifications by the Committee on Agriculture on 27 September 2001

		<u>Page</u>
<u>Part I</u>	<u>Summary of specific points raised on notifications and responses thereto - (27 September 2001)</u>	
(i)	<u>administration of tariff and other quota commitments (Table MA:1):</u> Poland (POL/40), South Africa (ZAF/35) and Thailand (THA/38);	7
(ii)	<u>imports under tariff and other quota commitments (Table MA:2):</u> Czech Republic (CZE/29), EC (EEC/31), Japan (JPN/66), Poland (POL/30 and POL/41), Thailand (THA/39) and Venezuela (VEN/20);	8
(iii)	<u>use of the special safeguard (Tables MA:3 to MA:5):</u> Japan (JPN/65 and Corr.1) and Poland (POL/42);	13
(iv)	<u>domestic support commitments (Table DS:1):</u> Australia (AUS/36 and Corr.1), Bulgaria (BGR/4), Canada (CAN/43), Cuba (CUB/15/Rev.1), EC (EEC/30 and Corr.1), Malta (MLT/8), Pakistan (PAK/8), Slovak Republic (SVK/30), United States (USA/36) and Venezuela (VEN/19);	14
(v)	<u>new or modified domestic support measures exempt from reduction (Table DS:2):</u> Canada (CAN/44) and Cuba (CUB/13);	34
(vi)	<u>export subsidy commitments (Tables ES:1 to ES:3):</u> Czech Republic (CZE/31/Rev.1), EC (EEC/32), Poland (POL/43), Turkey (TUR/13), United States (USA/35 and Corr.1) and Venezuela (VEN/21).	35
<u>Part II</u>	<u>Deferred replies to questions on notifications raised at previous meetings</u>	
(i)	<u>relating to domestic support commitments (Table DS:1):</u> Chile (CHL/13) G/AG/R/27, page 21 refers.	37

ANNEX**Part I - Summary of Specific Points Raised on Notifications and Responses Thereto****Table MA:1 Notifications**

Poland G/AG/N/POL/40 Tariff quota administration (Table MA:1)	
Points raised by other Members	Response by Notifying Member
<p>United States – <u>Butter and dairy spreads</u>:</p> <p>Clarification sought regarding the TRQ for products of HS 0405 (butter and dairy spreads). Is consideration given to increasing the tonnage allocation from 20 tonnes to 100 tonnes per licence as was the case in 2000 to improve TRQ fill?</p>	<p>The Polish authorities are monitoring the system of TRQ administration. The methods used are evaluated by the end of the calendar year and appropriate decisions taken, taking into account information from importers, evolution of the market situation and the outlook for the next year. As far as imports of HS 0405 are concerned, there was a significant increase: 1998 – 1,022 tonnes, 1999 – 7,646 tonnes, 2000 – 12,322 tonnes.</p>

South Africa G/AG/N/ZAF/35 Tariff quota administration (Table MA:1)	
Points raised by other Members	Response by Notifying Member
<p>Canada – Reasons for change in permit eligibility for "historical importers and new importers" for frozen vegetables, dried peas, other cereals and food preparations. Does this change limit or exclude any particular applicants? Reasons for issuing permits now on <i>pro rata</i>, rather than a first-come, first-served basis.</p>	<p>No written questions were received from Canada in advance of the meeting. As a preliminary response, the switch to the <i>pro rata</i> method based on historical imports was made to harmonize the administration of tariff quotas and ease the administrative burden. No significant change in fill rates has been observed thus far. Importers seem to have accepted the change.</p>

Thailand G/AG/N/THA/38 Tariff quota administration (Table MA:1)	
Points raised by other Members	Response by Notifying Member
<p>Canada/United States – <u>Validity periods</u>:</p> <p>Confirmation sought that there are no limitations on the period of validity of import certificates when not specified. Licence validity period for onions and garlic, tea, pepper, maize, rice, cane or beet sugar, and instant coffee? Are limited validity periods a reason for low quota fill?</p>	<p>Import licences for these products, as well as for other products under TRQ, are valid for 30 days. Normally, the licence permit can be extended as required, but no later than 31 December of each importing year. The validity period is not a factor causing low quota fill for the products in question. The quantity imported depends on import demand.</p>
<p>United States – <u>Non-fat dry milk</u>:</p> <p>Two quota allocations were provided for non-fat dry milk for the calendar year 2000. Actual announcement for these quotas was delayed for the January-June and the July-December periods. This delay may have caused milk product manufacturers, who may normally import non-fat dry milk under the TRQ, to purchase domestic raw milk supplies because the TRQ was not available. How does Thailand plan to ensure that TRQ allocations are made available in a more timely and transparent manner in the future? Clarification sought regarding tariff quota quantity made available.</p>	<p>The volume of the non-fat dry milk quota allocation in the year 2000 was 55,600 tonnes while actual imports were 53,233 tonnes. This was more than the scheduled TRQ volume of 50,555.56 tonnes.</p> <p>Thailand always allocates the non-fat dry milk TRQ in a timely and transparent manner. The delay in 2000 was due to unforeseen circumstances and a change of chairman in the Committee on National Livestock Policy which authorizes the allocation of this quota. Thailand has usually extended the importation period to compensate for any delay.</p>

Table MA:2 Notifications

Czech Republic G/AG/N/CZE/29 Tariff Quota Fill (Table MA:2)	
Points raised by other Members	Response by Notifying Member
New Zealand – Reasons for continued underfill of a number of TRQs, in particular offal meat, milk and cream, fresh grapes, rapeseed and ethyl alcohol. Intentions for changing TRQ administration.	Lack of import demand, a sufficient level of domestic supply, lower domestic prices, structural adjustments and corresponding changes in the consumer behaviour continue to be pertinent factors. At present, a change to the current TRQ regime is not envisaged.

European Communities G/AG/N/EEC/31 Tariff Quota Fill (Table MA:2)	
Points raised by other Members	Response by Notifying Member
Argentina/Australia/Canada – Reasons for under-utilized tariff quotas, including some where the fill rates have been low over the past three years or declining.	<p><u>Lemons, oranges, potatoes, fresh apricots, "bran, sharps and other residues", "preparations consisting of malt sprouts and barley", carrots and turnips, orange juice:</u> For these products there were sufficient supplies at competitive prices on the internal market.</p> <p><u>Mushrooms, wheat:</u> For mushrooms the supply in certain exporting countries was reduced. For wheat the standard import duty was zero during most of the year, so there was no need to use the tariff quota.</p> <p><u>"Other citrus fruit hybrids", meat of swine:</u> There was sufficient supply at competitive prices on the internal market.</p> <p><u>Maize and sorghum:</u> The quota quantities of these TRQs were reduced by the imports of maize gluten feed, brewers' grains and citrus pulp. This reduction being accounted for, the quota fill was 100%. This quota quantity reduction is stipulated in the EC's commitments, as indicated in footnote 2 of EEC/31.</p> <p><u>Oranges, citrus, bran, malt, orange juice and meat of swine:</u> As to the reasons for a low fill rate during the last three years, there has been sufficient supply at competitive prices on the internal market.</p> <p><u>Maize, grain sorghum, orange juice and meat of swine:</u> For orange juice and meat of swine the decline of the fill rate was related to the situation on the internal market with sufficient supply and competitive prices. For maize and grain sorghum the fill rate was 100 per cent, taking into account the reduction of the quota quantity for imports of maize gluten feed, brewers' grains and citrus pulp (footnote 2 of EEC/31).</p>
Brazil – <u>TRQ for frozen orange juice:</u> Clarification sought regarding frozen orange juice (total value of import licences issued; mechanism for issuance; reasons for low fill rate).	A reply will be provided at the Committee meeting in December 2001.

European Communities G/AG/N/EEC/31 Tariff Quota Fill (Table MA:2)	
Points raised by other Members	Response by Notifying Member
<p>Brazil – <u>TRQ for poultry cuts and pork</u>:</p> <p>Clarification sought why TRQ for poultry cuts was filled while pork TRQ was only 30 per cent filled.</p>	<p>A reply will be provided at the Committee meeting in December 2001.</p>

Japan G/AG/N/JPN/66 Tariff Quota Fill (Table MA:2)	
Points raised by other Members	Response by Notifying Member
<p>Argentina/Australia/Brazil/New Zealand:</p> <p>Reasons for underfill of most tariff quotas for dairy products.</p>	<p><u>Skimmed milk powder for school lunch</u>: Due to a decline in the number of school children, domestic demand for school lunch bread, which uses skimmed milk powder as an ingredient, is decreasing.</p> <p><u>Skimmed milk powder for other purposes</u>: Most of the skimmed milk powder in this category is used as livestock feed, and demand for feed is decreasing reflecting a decline in the number of livestock.</p> <p><u>Whey and modified whey for feeding purposes</u>: Demand for feed is decreasing reflecting a decline in the number of livestock.</p> <p><u>Prepared whey for infant formula</u>: Demand for prepared whey for infant formula is decreasing due to a decline of the birth rate and a growing preference for breast-feeding.</p> <p><u>Butter and butteroil</u>: Demand for imports is low because of the continued over-supply of domestic products.</p> <p><u>Mineral concentrated whey</u>: Demand for imports is low because of the lack of supply that can satisfy the domestic needs (i.e. the quality of the products is unstable; for example, imported products are prone to precipitate).</p>
<p><i>Comment by New Zealand:</i></p> <p>Japan frequently implements the provisions of Article 5 against products which are subject to tariff quotas, and yet about 80 per cent of its tariff quotas are consistently underfilled. Considering the SSG mechanism is available to protect industry from import surges, how can Japan justify the essentially perfunctory application of a SSG when many of these tariff quotas are not even filled?</p>	<p>The SSG mechanism was agreed in conjunction with tariffication as a package in the Uruguay Round. The trigger levels are set based on the average import volume of the past three years in conformity with Article 5.4 of the Agreement. The SSG is applied when the volume of imports reaches the trigger level, regardless of TRQ fill rate. The application of the SSG is not related to TRQ underfill. As prescribed in Article 5.2, the additional duty as a result of the SSG is imposed only to out-quota imports, but not to in-quota imports. Under the TRQ system, Members are committed to provide access opportunities for tariffied products, but are not committed to fill the TRQs.</p>

Poland G/AG/N/POL/30 Tariff Quota Fill (Table MA:2)	
Points raised by other Members	Response by Notifying Member
United States – Clarification sought regarding the TRQ for butter and other dairy spreads (products of HS 0405).	The TRQ for HS 0405 was introduced in 1999. Prior to 1999, the MFN duties were at the level of in-quota tariffs.

Poland G/AG/N/POL/41 Tariff Quota Fill (Table MA:2)	
Points raised by other Members	Response by Notifying Member
United States – Reasons for low fill rate for "Meat and edible offal of the poultry of heading No. 0105, fresh, chilled or frozen" (HS 0207). Clarification sought regarding provision limiting import permits to a maximum of 100 tonnes per application and its effect on fill rates (POL/40 refers). Is a change to this potential impediment to trade being considered to allow higher TRQ fill?	The current allocation method for import permits is designed to assure broad access to the TRQs for the large number of small importers operating on the market. It is not considered to be an obstacle to trade. Administration methods are reviewed by the authorities at the end of the calendar year, taking into account information from importers, the market situation and the prospects for the coming year.

Thailand G/AG/N/THA/39 Tariff Quota Fill (Table MA:2)	
Points raised by other Members	Response by Notifying Member
United States – Reasons for low or zero fill rates for the following TRQs: milk and cream; garlic, fresh or chilled; coconut, fresh or dried; tea; rice; copra; soybean oil; palm oil; coconut oil; cane or beet sugar, and instant coffee and other extracts.	<p><u>Milk and cream:</u> Domestic demand was very low because the product has been substituted by concentrated milk and cream in powder form (48,087.77 tonnes of imports or almost 100 per cent of the TRQ commitment).</p> <p><u>Garlic:</u> There were no requests for quota allocations from juridical persons due to sufficient local supplies at low prices.</p> <p><u>Coconut, copra and coconut oil:</u> Thailand is one of the major exporters of these products. There was an excess of supplies of coconuts at low prices, and as consequence, no demand for imported copra and coconut oil.</p> <p><u>Tea/palm oil:</u> Low quota fill was largely to due to high domestic production and low import demand.</p> <p><u>Soyabean oil:</u> Demand was low due to the unlimited import volume of soyabeans at zero duty, part of which was used to produce soyabean oil.</p> <p><u>Rice:</u> Thailand is one of the major producers and exporters of rice. Thailand imports some Japonica, Basmati and medium grain rice but most imported rice is to satisfy the demand by foreigners and certain restaurants.</p> <p><u>Sugar:</u> Thailand is one of the major producers and exporters of sugar. In 1999, the domestic price was lower than the landed price for sugar. Nonetheless, there were some imports of sugar used as food processing ingredient.</p> <p><u>Instant coffee:</u> The low fill was largely due to the economic downturn, resulting in coffee consumption being lower than the previous year. In addition, large amounts of instant coffee were produced in Thailand.</p>

Venezuela G/AG/N/VEN/20 Tariff Quota Fill (Table MA:2)	
Points raised by other Members	Response by Notifying Member
<p>United States – Clarification sought with regard to the footnote on page 4: "Venezuela implemented tariff quotas ... for yellow maize ... and sorghum. Imports of all other products were made without quantitative restrictions." Were any other import measures in place (i.e. specific licensing requirements) for yellow maize and sorghum? For all other products, were any requirements in place, other than quantitative restrictions?</p> <p>Were notified imports subject to the in-quota duty or less? For each item, indicate the volume imported at or below the in-quota rate and the volume imported above the in-quota rate.</p>	<p>The notification covers, for reason of transparency, all products subject to TRQ commitments. Products, other than yellow maize and sorghum, were subject to a tariff only regime. For these products, there were no additional import requirements in place, other than those indicated in the national tariff schedule in force at that time. In each case, the applied customs duty did not exceed the bound in-quota tariff.</p>
<p>United States - Reasons for low fill rates.</p>	<p>All tariff quota products, except yellow maize and sorghum, were subject to a tariff only regime. The level of imports depends on demand for imports for these products. It should be noted that actual imports exceeded TRQ quantities for milk powder, sunflowerseeds, other fats and oils, and margarine.</p>
<p>United States - Once a tariff rate quota is filled for a particular product, are additional permits issued to interested importers? If so, are licences only allocated to the traditional importers or new applicants as well? Requirements for obtaining "traditional importer" status.</p>	<p>Once the TRQs for maize and sorghum were filled, licences were still issued to all interested importers at the in-quota tariff. Traditional importer status is acquired by having realized imports during the last two years. All interested importers, whether traditional or new, had access to import licences once the TRQs were filled.</p>

Tables MA:3 to MA:5 Notifications

Japan G/AG/N/JPN/65 and Corr.1 Volume-based safeguard (Table MA:3)	
Points raised by other Members	Response by Notifying Member
New Zealand – Information requested regarding applied tariff prior to the application of the SSG; the additional rate of duty, and volume of trade affected thus far.	<p>Tariff rate applied prior to the SSG action: 119 Yen/kg.</p> <p>Rate of additional duty levied as a result of SSG: 39.67 Yen/kg.</p> <p>Volume of imports affected by the SSG: 0 tonnes.</p>

Poland G/AG/N/POL/42 Price-based safeguard (Table MA:4)									
Points raised by other Members	Response by Notifying Member								
Japan – Clarification sought regarding reference to "period of application". Confirmation sought that an additional duty is not imposed, even during the "application period", unless the price of a shipment falls below the trigger price.	The products in question are subject to seasonal duties in Poland's Schedule. Period of application means that additional duties are applied only for a specific period of the year, not necessarily to the end of the calendar year. Additional duties are not imposed unless the price of the cargo falls below the trigger price.								
New Zealand – Rationale for calculating one trigger price for three different periods using average price values. Is the level of affected imported products increasing or decreasing? Information requested concerning tariffs applied to these products prior to the safeguard application and the additional duty.	<p>During the base period all three products were under one tariff line, therefore this was the only practical way to calculate a trigger price.</p> <p>The duty before application of the SSG:</p> <table> <tr> <td>HS 070200005</td><td>0.35 Euro/kg.</td></tr> <tr> <td>HS 070200007 and 070200008</td><td>0.25 Euro/kg.</td></tr> </table> <p>Imports under SSG:</p> <table> <tr> <td>HS 070200007</td><td>221,300 kgs.</td></tr> <tr> <td>Total SSG duty:</td><td>5,628 PLN</td></tr> </table>	HS 070200005	0.35 Euro/kg.	HS 070200007 and 070200008	0.25 Euro/kg.	HS 070200007	221,300 kgs.	Total SSG duty:	5,628 PLN
HS 070200005	0.35 Euro/kg.								
HS 070200007 and 070200008	0.25 Euro/kg.								
HS 070200007	221,300 kgs.								
Total SSG duty:	5,628 PLN								

Table DS:1 Notifications

Australia G/AG/N/AUS/36 and Corr.1 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
<p>United States – <u>Infrastructure services</u>:</p> <p>Table DS:1 contains an entry for infrastructure development funds for transport, irrigation, and drainage in the sugar industry by the Commonwealth Government and the Queensland Government. Are these funds only used to assist sugar producers, and if so does this programme meet the criteria for Annex 2, paragraph 2?</p>	<p>The funds provide infrastructure assistance to the sugar industry and do not involve direct payments to individual producers or processors for on-farm work and are therefore consistent with Annex 2, paragraph 2 criteria.</p> <p>Commonwealth and NSW funds were provided as the Government's contribution to two infrastructure projects: construction of a public bridge in the vicinity of a sugar mill to provide sugar trucks with a more direct route to a sugar refinery; and construction of a co-generation facility powered by waste materials, including bagasse, to meet requirements of the sugar industry. Excess electricity will be transported to the grid. In both cases, the funding was delivered primarily to improve the economic performance of the sugar industry but flow-on benefits are provided to the regional community.</p>
<p>Canada – <u>New Green Box measures</u>:</p> <p>Clarification sought regarding plans to submit to Table DS:2 notifications for certain new Green Box measures: Deer industry R&D, CP2002 Sugar Program, National Weeds Program and Delicatessen Program. Are the Emergency Management of Animal Disease incursions, the Pork Producer Exit Program, the Queensland Tobacco Adjustment Program, the National Heritage Trust and Riverland Rural Partnership new Green Box measures? If so, when can we expect the relevant Table DS:2 notifications?</p>	<p>The relevant Table DS:2 notifications are in AUS/37. As to the Deer industry R&D, this item falls within another programme "Rural Industries Research and Development" and should not have been separately listed. This resulted in some double counting.</p> <p>Table DS:2 notifications for the Emergency Management of Animal Disease incursions, the Pork Producer Exit Program, the Queensland Tobacco Adjustment Program, the National Heritage Trust and Riverland Rural Partnership will be provided shortly.</p>

Australia G/AG/N/AUS/36 and Corr.1 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
<p>New Zealand – <u>Natural disaster relief</u>:</p> <p>Clarification sought regarding the eligibility and payment criteria for the "Exceptional Circumstances Relief Payments" programme and in particular its compliance with Annex 2, paragraph 8.</p>	<p>See also G/AG/R/23, page 23. Natural disaster relief payments (Exceptional Circumstances Relief Payments (ECRP) and Rural Adjustment Scheme (RAS) Exceptional Circumstances Provisions) are only available following a declaration of "exceptional circumstances" by the Commonwealth Government. The nature of the assessment process imposes rigorous tests to determine that the impact of the event on production is rare, severe and prolonged. Production losses significantly higher than the 30 per cent threshold contained would be required before the impact of an event would be considered severe. In addition, production losses of this magnitude are also required to occur less than once in 20 to 25 years for the area.</p> <p>A tight set of eligibility and payment criteria for ECRP are set to assist only those farmers in a declared exceptional circumstances area who need help meeting living expenses as a result of the rare and severe event impacting on their income. The ECRP payment is available to eligible producers during the 12 months in an EC declared area, and for a further 12-month recovery period after the declaration is revoked. Eligible farmers can therefore have access to the ECRP for up to 24 months.</p> <p>A revised Table DS:2 notification for ECRP and the Rural Adjustment Scheme Exceptional Circumstances Provisions will be provided shortly.</p>
<p>New Zealand – <u>Natural disaster relief</u>:</p> <p>Clarification sought regarding the distinction between the Rural Adjustment Scheme (Exceptional Circumstances provisions) and the Exceptional Circumstances Relief Payments programme. In particular, it appears that the two programmes are providing a similar type of assistance for a similar type of adverse event.</p>	<p>Eligible farmers within an exceptional circumstances declared area may access two different forms of support for a period of up to 24 months: Welfare assistance (income support), which is in the form of the Exceptional Circumstances Relief Payment (ECRP); and business assistance, which is in the form of interest rate subsidies (also known as the Rural Adjustment Scheme Exceptional Circumstances Provisions). EC business support is designed to assist farm businesses that are experiencing financial difficulties due to a rare and severe event, but are considered viable in the long term.</p>
<p>Canada – <u>Non-product specific AMS</u>:</p> <p>The amounts for non-product specific support in Supporting Tables DS:4 and DS:9 are different. Would Australia indicate which is the correct amount?</p>	<p>Non-product specific support totalled \$A 3.939 million in 1999-2000 as indicated in ST DS:9. A corrigendum to AUS/36 provides for a correction to ST DS:4.</p>

Bulgaria G/AG/N/BGR/4 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
<p>Canada - <u>AGST material</u>:</p> <p>Bulgaria's commitment in its Schedule (Part IV, Section I, column 3) refers to a document AGST/Bulgaria. Such a document does not seem to exist. Could Bulgaria confirm that the relevant supporting tables are those in Spec(95)4/Add.2 of 16 August 1995?</p>	<p>Affirmative.</p>
<p>Australia/Canada - <u>Green Box</u>:</p> <p>Bulgaria did not report any Green Box measures in the base period but notified several Green Box measures in 1997 to 1999. When were these measures introduced, and how do they comply with specific Annex 2 criteria? If these measures were introduced after 1995, when does Bulgaria intend to submit DS:2 notifications of new or modified support?</p>	<p>In document AGST/BGR, Green Box measures are listed, categorized as general services. These measures comply with Annex 2 criteria because they are part of a governmental programme and financed by the state budget.</p> <p>The "environmental programmes" notified in BGR/4 were started in 1993 as part of a government programme. Under "other", Bulgaria notifies measures that include government support for the restitution of land and forests.</p>
<p>Canada – <u>De minimis</u>:</p> <p>Bulgaria did not claim any <i>de minimis</i> exemption in calculating the 1986-1988 Base Total AMS. In calculating its Current Total AMS, Bulgaria now seeks to exclude some product-specific AMS on the basis of <i>de minimis</i>. Can Bulgaria confirm that each product-specific AMS included in the calculation of Base Total AMS exceeded the <i>de minimis</i> amount of 5 per cent of value of production?</p> <p><i>Follow-up comment by Canada:</i></p> <p>Canada considers that if Bulgaria decided in the calculation of its Base Total AMS not to claim <i>de minimis</i> exemptions which could have been claimed, it is required, by virtue of Article 1(a)(ii) of the Agreement, to apply the same methodology in the calculation of its Current Total AMS.</p>	<p>It is Bulgaria's understanding that in order to exclude some product-specific AMS on the grounds of <i>de minimis</i> it is not necessary to have claimed this specifically in the course of accession.</p>
<p>Canada - What exchange rates has Bulgaria used to convert Bulgarian leva to ECU in each of 1997, 1998 and 1999?</p>	<p>The exchange rates are as follows (leva/euro):</p> <p>1997 - 1,681.87 1998 - 1,740.05 1999 - 1,836</p>

Canada G/AG/N/CAN/43 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
<p>Japan/New Zealand - <u>corn</u>:</p> <p>Clarification sought regarding the reasons for introduction of the Market Revenue Program for corn and greatly increased expenditures on Provincial Direct Payments for corn.</p>	<p>The Ontario Market Revenue Program has been in existence since 1996. Corn is an eligible commodity under this programme. There were no payments for corn until 1998. These were triggered due to lower prices.</p> <p>Provincial Direct Payments for corn increased from the previous year due to increased payments under the Farm Income Stabilization Insurance Program in Quebec for corn. These were also triggered by lower prices.</p>
<p>Japan/New Zealand - <u>pork</u>:</p> <p>Reasons for the significant increase in the expenditure on Provincial Direct Payments for pork.</p>	<p>Expenditures increased from the previous year due to increased payments under the Farm Income Stabilization Insurance Program in Quebec for hogs. These were triggered by lower prices.</p>
<p>United States – Clarification sought whether expenditures under the Quebec Income Stabilization Insurance programme have been notified in Table DS:1. Requested a breakdown of expenditures for each commodity eligible for this programme.</p>	<p>Payments under the Farm Income Stabilization Insurance programme in Quebec have been notified in ST DS:6 (column 7) under "Provincial Direct Payments". Payments are reported on a calendar year (CalY) basis. Payments in CalY1998 were: wheat (\$4.1 million); barley (\$19.6 million); oats (\$13.0 million); corn (\$53.2 million); soybeans (\$1.6 million); potatoes (\$0.9 million); beef cattle (\$82.2 million); hogs (\$152.8 million); sheep/lamb (\$5.4 million), and apples (nil). Rye is not an eligible commodity.</p>

Cuba G/AG/N/CUB/15/Rev.1 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
<p>Canada - Cuba now reports 1999 support in the appropriate supporting tables (ST DS:1 for Annex 2 support and ST DS:2 for Article 6.2 support). Do the same differences in classification apply to 2000 support, i.e. "Retail price subsidy from certain products that constitute the basic food basket" in ST DS:1, and "Compensation from the State Budget for inputs of agricultural products" in ST DS:2?</p>	<p>Yes, Cuba applies the same classification criteria.</p>

European Communities G/AG/N/EEC/30 and Corr.1 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
<p>United States – <u>Support for wine</u>:</p> <p>The only domestic support relating to wine appears to be in ST DS:8 which lists the guide price. According to the 1998 EU budget, funding was provided for distillation of wine and by-products, depreciation of stocks, aid for the use of must, and abandonment premiums for area planted with vines. In what table are these measures notified? How will the domestic support measures provided for in Regulation 1493/99 be notified, including restructuring and conversion of vineyards, private storage aid, and distillation of wine and by-products? There have been reports of EC member States aids to the wine sector in recent months. Has any aid been authorized and in what form? How will national aids be notified?</p>	<p>The EC did not list the guide price in ST DS:8. Support for the wine sector was notified as Equivalent Measurement of Support. The EMS that was notified resulted from a price gap calculation, with the guide price being used as the applied administered price. If the use of a budget figure had been necessary for the notification of support in the wine sector, this would have been the 1999 budget and not the 1998 budget. However the 1998/99 price support for wine is covered by the earlier mentioned price gap calculation in conformity with Annex 4 of the Agreement. Regulation 1493/99 entered into force on 1 August 2000. The impact of this regulation, as well as of any recent national aids, in terms of the notification of support in the wine sector will not show before 2000/2001.</p>
<p>United States – <u>Grass seed subsidies</u>:</p> <p>Clarification sought regarding subsidies benefiting grass seed (fine fescue seed) in this notification; details of the total amount of support provided to grass seed in 1998/99; payment rate for grass seed in 1998/99, and value of production for seeds for sowing and grass seed.</p>	<p>A reply will be provided at the Committee meeting in December 2001.</p>
<p>Brazil – <u>Green Box</u>:</p> <p>Requested further details on the Green Box programmes of "aid for young farmers" and "support and protection of organic production ...".</p>	<p>A reply will be provided at the Committee meeting in December 2001.</p>
<p>Brazil – <u>Blue Box</u>:</p> <p>Clarification sought regarding "per hectare compensatory payments for producers of cereals ...", including a breakdown per type of cereals benefiting from such support.</p>	<p>A reply will be provided at the Committee meeting in December 2001.</p>

Malta G/AG/N/MLT/8 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
<p>New Zealand - <u>Decoupled income support - Guidance and guarantee programme for beef</u>:</p> <p>Considers that payments are not fully decoupled from production and as such, considers that Malta should adjust the programme appropriately or correctly notify it under product-specific domestic support.</p>	<p>Bilateral consultations on this issue are being held with New Zealand with a view to resolving this matter.</p>

Pakistan G/AG/N/PAK/8 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
<p>Australia - <u>Flood protection services</u>:</p> <p>Can Pakistan confirm that payments are not made to producers, in accordance with the criteria of Annex 2, paragraph 2(g)? Does the programme fit within the Annex 2, paragraph 8 criteria?</p>	Response will be provided in writing.
<p>Canada – <u>Water supply facilities</u>:</p> <p>Pakistan notifies "Water supply facilities, on farm-water management" as Green Box support under Annex 2, paragraph 2(c) for 1998/1999 and Annex 2, paragraph 2(g) in 1999/2000. Could Pakistan please explain how all parts of the measure comply with the criteria?</p>	Response will be provided in writing.
<p>Canada - <u>AMS calculation</u>:</p> <p>The "constituent data and methodology" provisions of Article 1(a)(ii) require Pakistan to calculate Current Total AMS in rupees. Pakistan may also provide the rate of inflation if it cannot meet its total AMS commitment (Article 18.4). Could Pakistan please clarify its intentions to submit DS:1 notifications appropriately revised?</p> <p>At the September 1999 Committee meeting Pakistan assured the Committee that "where negative values of AMS occur, a zero will be indicated in future notifications". Pakistan continues to use a negative product-specific AMS to offset a positive non-product-specific AMS. Will Pakistan submit a revised DS:1 notification, using the agreed method?</p>	Response will be provided in writing.
<p>Canada – <u>Non-product-specific AMS – electricity subsidy</u>:</p> <p>Under column 7, Data Sources, Pakistan reports "See annexed statement". Could Pakistan provide the annexed statement.</p>	Response will be provided in writing.

Slovak Republic G/AG/N/SVK/30 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
Green Box	
<p>New Zealand - <u>General services - marketing services</u>:</p> <p>Compliance with Annex 2 criteria. Will a Table DS:2 notification be submitted for this new measure?</p>	Payments are granted for exhibitions for promotion purposes. It is considered that this measure conforms to paragraph 2 of Annex 2. A Table DS:2 notification will be forthcoming.

Slovak Republic G/AG/N/SVK/30 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
<p>Canada/New Zealand - <u>Cows without market milk production</u>:</p> <p>Compliance with Annex 2 criteria. Will a Table DS:2 notification be submitted for this new measure?</p>	<p>This measure should be understood as a development programme. Pursuant to the decree of the Ministry of Agriculture on "Business Promotion in Agriculture", the applicant is required to submit a confirmation on breeding in a grazing system. Cows for meat production are to be kept in separate cowsheds. Milk production is not supported. The relevant Table DS:2 was submitted on 22 June 2001 and circulated in document G/AG/N/SVK/31.</p>
<p>Canada/New Zealand – <u>Payments for relief from natural disasters – Drought Consequence Refunds</u>:</p> <p>Clarification sought regarding "Drought Consequence Refunds", including compliance with Annex 2 criteria, and the reason for the large budgetary expenditure on this new measure. Will a Table DS:2 notification be submitted?</p>	<p>This is not a new measure but an extraordinary and emergency measure during the disastrous drought in 2000. The subsidy was granted directly by the Government, not from appropriations for the agricultural sector, and therefore not notified under Table DS:2. The total expenditures for this measure of 6 bn SKK (95 mill. US\$) are considered to be in conformity with paragraph 8 of Annex 2. The subsidy compensated for the total costs of drought losses and did not exceed the level required to mitigate other losses.</p>
Blue Box	
<p>Canada/Korea/New Zealand: Clarification sought regarding the "set-aside programme", including compliance with the criteria in Article 6.5. Reasons for reintroducing the set-aside programme although the Slovak Republic had stated at the March 2000 meeting that it did not intend to apply Blue Box measures at present or in the near future.</p> <p><i>Follow-up comment by New Zealand:</i></p> <p>Expressed disappointment that the Slovak Republic had reverted to Blue Box subsidies and wondered whether other support measures had been considered to achieve the objectives.</p>	<p>Last year the Blue Box subsidy, which had been terminated in 1997, was reintroduced. This became necessary in order to encourage a change in vegetative cover to improve soil conditions in the future. A subsidy of 6,000 SKK/ha (125 US\$) is granted for planting grass on arable land, vineyards, orchards and hop yards; or 4,000 SKK/ha (83 US\$) for restoring and maintaining permanent pastures for a minimum of 5 years.</p>
AMS	
<p>New Zealand/United States – <u>Non-product-specific AMS: capital construction</u>:</p> <p>Clarification sought regarding the programme "capital construction" and the reason for the large increase in expenditure under this support measure.</p>	<p>In 2000, payment for the following purposes was covered by this programme: purchase of equipment and machinery; restoration of vineyards, hop yards, orchards etc.; irrigation equipment; storage technologies; various modernization and reconstruction investments, and rationalization of power management. Expenditures vary from year to year.</p>

Slovak Republic G/AG/N/SVK/30 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
<p>Australia/Canada/United States – <u>Non-product-specific AMS: cow breeding for milk production:</u></p> <p>Could the Slovak Republic explain the classification of "cow breeding for milk production" as non-product-specific support.</p> <p><i>Follow-up comment by Canada:</i></p> <p>Raised doubts whether the response given was satisfactory in terms of an explanation why the support in question was non-product-specific.</p>	<p>This measure is a compensatory payment, not a milk subsidy, to support breeding. A subsidy is granted in annual amounts of 4,600 SKK per head (95 US\$) for herds of a minimum of 5 heads.</p>
<p>United States – <u>Non-product-specific AMS: worse natural conditions:</u></p> <p>Clarification sought regarding the programme "worse natural conditions".</p>	<p>Pursuant to the relevant decree by the Ministry of Agriculture, selected areas in mountainous and other less favoured regions are claimed to take into account the soil value and other criteria. The main objectives are: maintenance of land by grazing and mowing; compensation for earlier retirement in adverse production conditions or lower yields; sheep and goat breeding.</p>

United States G/AG/N/USA/36 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
Green Box	
<p>Australia: <u>General services: agricultural marketing service</u></p> <p>Clarification sought whether grants to state projects meet Annex 2, paragraph 2(f) criteria; whether the Shipper and Exporter Assistance programme and the Federal State Marketing Improvement programme within the Agricultural Marketing service meet Annex 2, paragraph 2(f) criteria rather than Article 9(d) criteria?</p>	<p>Descriptions of the US marketing programmes in question are provided to demonstrate compliance with Annex 2, paragraph 2(f). Under these programmes, there are no subsidies employed that reduce the direct cost of products to domestic or foreign consumers. Only widely available information, marketing and promotion, and advisory and technical services are provided.</p> <p>(a) <u>Federal State Marketing Improvement Program</u> - This programme is listed in the Green Box as Payments to States and Possessions, more commonly known as the Federal State Marketing Improvement Programme (FSMIP). USDA's Agricultural Marketing Service (AMS) website for the programme (www.ams.usda.gov/tmd/fsmip.htm) states that the programme funds can be used for a wide range of marketing research and marketing service activities, such as: (1) developing and testing new more efficient methods of processing, handling, packaging, storing, transporting and distributing products; (2) assessing customer responses to new or alternative products or marketing services; (3) evaluating potential marketing opportunities in domestic and international markets; and (4) identifying problems and impediments in existing channels of trade, and devising improved practices, facilities, or systems to address the problems. Additional information and descriptions can be found on the AMS website, the FY 2000 Appendix to the Budget of the United States Government and the FY 2000 and 2001 Explanatory Notes of the Budget.</p> <p>(b) <u>Shipper and Exporter Assistance Program</u> - This programme is included in ST Table DS:1 as part of Marketing Services, which is administered by AMS. The programme provides exporters with "the information they need to get their products overseas - on time, in good condition, and at the lowest cost."</p> <p><i>continued on next page</i></p>

United States G/AG/N/USA/36 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
	<p>The information includes handbooks, transportation reports, articles on identity preservation, and seminar announcements. The four aspects of the programmes are: (1) educational programmes that provide seminars and workshops to help shippers meet import requirements, learn how to ship live animals, and other aspects of the shipping business; (2) market information programmes that include market newsletters and a data base of ocean freight costs; (3) regulatory activities involving working with exporters to evaluate the impact on exports of transportation regulations; and (4) special reports on emerging markets covering information about packaging, refrigeration, container requirements, foreign port operations, etc.</p>
<p><u>EC – General services: State programmes for agriculture:</u></p> <p>Under the heading "State programmes for agriculture," the US notifies an amount of \$3,334 million. Does this amount include financing for programmes that promote exports of US products? If yes, is any support contingent upon export performance? Does any support reduce the cost of marketing exports? Does the amount cover all State expenditure in the Green Box or are State expenditures also included under other headings in ST DS:1?</p> <p><i>Follow-up comment by the EC:</i></p> <p>The EC remains to be convinced that the related expenditures are not contingent on export performance and calls on the United States to take the necessary steps to ensure that this is the case.</p>	<p>The Bureau of the Census (BOC) does not provide details on the policy composition of this aggregate amount. Based on the BOC Classification Manual of Government Finances, examples of programmes covered by this total include: development and conservation of natural resources for agricultural purposes; support and promotion of agricultural associations, fairs, exhibitions, and shows; extension services; research; promotion and improvement of livestock and dairy production; promotion of improved methods of licensing and standardization; and protection of crops and livestock from natural hazards.</p> <p>Based on the information available, it is considered that the kinds of activities included in these state expenditures meet Annex 2, paragraph 2 criteria insofar as they provide services or benefits to the agricultural and rural community at large, and do not involve direct payments to producers. We also do not believe that any of these expenditures are contingent on export performance, nor that they directly reduce the costs of export marketing other than through widely available export promotion and advisory services. Marketing and promotion programmes of state governments and associations, including some that focus on specific commodities, may well be included in the total expenditures, consistent with Annex 2, paragraph 2(f).</p> <p>All known state expenditures for agriculture that belong in Supporting Table DS:1 are included in the single entry reported in section (a) of the table - "State programmes for agriculture".</p>

United States G/AG/N/USA/36 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
<p>EC – <u>Domestic food aid</u>:</p> <p>Clarifications sought regarding the competitive tender or contract process for domestic food aid purchases. Whether in these tender and contract processes both domestic and foreign products are purchased? If yes, what is the approximate share of foreign products in the total of commodities purchased?</p> <p>Japan - <u>Domestic food aid</u>:</p> <p>Japan understands that some of the programmes under this category require that food (i) which is domestically produced, or (ii) which is procured by government through price support measures, should be used. What is the ratio of such food to all food provided as domestic food aid? How are these requirements consistent with the national treatment obligation? How does requirement (ii) above meet Annex 2, paragraph 4?</p>	<p>Consistent with Annex 2, paragraph 4, the United States purchases food at current market prices through a competitive tender or contract process in programmes where commodities are provided instead of monetary transfers. We do not see how the additional information requested in these questions is relevant to the criteria for exemption contained in paragraph 4 of Annex 2.</p>
<p>EC – <u>Structural adjustment through resource retirement programmes</u>.</p> <p>Is any State expenditure for structural adjustment through resource retirement included? If so, could the US provide details of both Federal and State expenditure separately?</p>	<p>All known state expenditures are currently reported in one single entry in section (a) as State programmes for agriculture. We are unaware of any state programmes under the category of structural adjustment through resource retirement.</p>
<p>Canada – <u>Environmental programmes: Wildlife Habitat Incentives Programme</u></p> <p>When will the US submit a Table DS:2 notification (new and modified domestic support) for the Wildlife Habitat Incentives Programme?</p>	<p>A Table DS:2 notification for the Wildlife Habitat Incentives Programme has been submitted to the Secretariat (circulated in USA/37 dated 5 October 2001).</p>
<p>EC - <u>Environmental payments</u>.</p> <p>Is there any State expenditure for environmental payments included in this amount? If so, could the USA please provide details of both Federal and State expenditure separately?</p>	<p>The reported amount of \$297 million is only Federal government expenditures. All known state expenditures are currently reported in one single entry in section (a) as State programmes for agriculture.</p>

United States G/AG/N/USA/36 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
Crop disaster payments (Green Box) and crop disaster payments and crop insurance (AMS)	
EC – Clarification sought regarding the individual insurance schemes notified in the Green Box and the insurance schemes notified in the Amber Box.	<p>The 1998 crop disaster payment entry under ST DS:1, section (f), "payments for relief from natural disasters" (\$1,341 million), is the amount of actual expenditures through 30 September 2000 for the "single-year" emergency crop disaster payments authorized by the Omnibus Consolidated and Emergency Supplemental Appropriations Act of 1999 (P.L. 105-277, Section 1102 (b)). This is a programme to provide financial assistance to uninsured producers who suffered crop losses in 1998 due to natural disasters. This programme is not part of the on-going, annual crop insurance programme.</p> <p>Multi-year crop disaster payments, reported in ST DS:9 (\$577.349 million), were also authorized by above-cited Act of 1999 (P.L. 105-277, Section 1102 (c)). Multi-year payments were paid to producers who had experienced crop losses in three or more crop years between 1994 and 1998. Payments could not be received under both single-year and multi-year provisions. All of the multi-year payments were allocated to the 1998 marketing year for the WTO notification since there was no information available on specific crop years covered by the various participants.</p> <p>The Federal crop insurance programmes notified in ST DS:9 include a variety of annual insurance plans that are subsidized and reinsured by the US Government. Multiple-Peril Crop Insurance (MCP) protects producers from effects of reduced yields on individual farms. Under the Group Risk Plan (GRP), payments are made to participants based on county-wide yield experiences. Revenue insurance plans have also become available starting in 1996. These revenue plans include: Group Revenue Insurance Policy (GRIP), Adjusted Gross Revenue (AGR), Crop Revenue Coverage (CRC), Income Protection (IP), and Revenue Assurance (RA). Participants in the various insurance programmes may choose from various generic coverage protection levels. Also, Catastrophic Coverage (CAT) endorsements, available only on some of the above policies, provide a minimum amount of protection for a small, fixed administrative fee.</p>
EC – Could the subsidy in the reimbursement for income losses of one single farmer lead to reporting partly in the Green Box and partly in the Amber Box? If yes, can the total subsidy be higher than 70 per cent of the producer's total income loss?	Each farmer must choose one policy coverage option for each crop, therefore the annual net benefit (which includes the effect of the subsidy) would all be notified in only one table, based on current notification methodology. Federal Crop Insurance Programs in the United States have all been notified in ST DS:9. Annual emergency crop disaster assistance payments have been notified in ST DS:1.

United States G/AG/N/USA/36 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
EC – In the case of the "crop disaster payments" is any formal disaster declaration required before incurred losses would be reimbursed?	Emergency crop disaster assistance payments were authorized by the US Congress in P.L. 105-277, 21 October 1998 (as indicated in the description of the programme), in formal recognition of adverse weather and natural disasters that severely reduced crop yields. Estimates of crop damage and income losses were based on analysis by USDA, as part of the budgetary authorization process.
EC – Clarification sought regarding the distinction between single-year" (Green Box) and "multi-year" crop disaster assistance (Amber Box).	Producers were eligible for single-year, 1998 crop disaster assistance payments if their losses exceeded 35 per cent of their historic average yields, consistent with the loss threshold criteria under Annex 2, paragraph 8. Producers were eligible for multi-year crop disaster assistance payments if they had any losses in 3 or more years from 1994 to 1998, therefore eligibility was not consistent with the criteria in Annex 2, paragraph 8. For this reason the multi-year disaster payments were included in ST DS:9 (AMS).
EC – The last sentence of the comments to the Amber Box "multi-year" crop disaster payments states that "Multi-year" payments are reported here, along with the crop insurance benefits, because eligibility was not based on the 30 per cent loss criteria required for green box." What is the meaning of the word "because" here? Is there any relation between the single - multi-year distinction and the 30 per cent loss criterion?	The multi-year disaster payments were included in ST DS:9 because the 30 per cent loss threshold criteria of Annex 2, paragraph 8, was not satisfied.
<p>EC – Does the Risk Management Agency establish crop prices per each crop for the calculation of reimbursements of crop losses incurred in yield related insurance, e.g. MPCl. Clarification sought whether, in such case, it was not more appropriate to notify the related expenditure under the product-specific category of support rather than non-product specific category.</p> <p><i>Follow-up comment by the EC:</i></p> <p>The EC considers that the US should revise its notification with the related expenditure being notified as product-specific AMS.</p>	<p>All commodities covered by the yield-based MPCl programmes are offered the same generic programme provisions. One such generic procedure is that the best estimate of the expected market prices of each of the various commodities is used as the basis for calculating the market value of the loss, should there be any, and the amount of the payments, given the producer's choice from among the various generic coverage options. For some revenue insurance programmes, like the Crop Revenue Coverage (CRC), other bases for estimating the actual market value of the loss is used, such as market determined futures prices.</p> <p><i>Follow-up comment by the United States:</i></p> <p>The United States does not agree that such insurance benefits should be notified as product-specific. The intended basis of the payment is the market value of the loss, not an exaggerated higher than market support level.</p>

United States G/AG/N/USA/36 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
EC - Is it correct that in case of revenue-related insurance, like CRC, IP and RA, futures prices or even actual prices at the time of harvest for individual products are used in the calculation of reimbursements for crop losses? Clarification sought whether, in such case, it was not more appropriate to notify the related expenditure under the product specific category of support.	The market value of income losses for all commodities covered by a particular programme is treated in the same generic way. The market value of the loss is based on the per-unit market value. There is no option to a country, even if the programme used payments-in-kind, for in that case the market value would still be implicit.
EC – Clarification sought whether in the calculation of reimbursements according crop insurance schemes individual farmer's or grouped farmer's Actual Production History (APH) is used as reference yield specific to each crop? Clarification sought whether, in such case, it was not more appropriate to notify the related expenditure under the product specific category of support.	All commodities are treated in the same generic same way in regard to the base yield. The actual production history is a 4-10 year average of past yields.
New Zealand – Clarification sought regarding an apparent inconsistency between this Table DS:1 notification and its DS:2 notification (USA/25) regarding the crop loss disaster payments programme? In this notification, payments under this scheme are made available where production losses are at least 30 per cent when the DS:2 notification stated that producers are eligible for compensation if losses exceed 35 per cent.	The Table DS:2 notification is correct. ST DS:1 could be revised to say that losses must exceed 35 per cent for producers to be eligible for the crop disaster payments.
Brazil - Reasons for significant increase in "crop disaster payments (crop year)" from 1997 to 1998.	Question was submitted during COA meeting. The United States took note of the question and will provide a response.
<i>Follow-up comment by Canada:</i> Took issue with "crop disaster payments (crop year)" being notified as an exempt measure, with losses being compensated compared to a five-year-period. Canada considered that this was not in conformity with Annex 2, paragraph 8, which prescribed a three-year reference period.	Took note of comment.
AMS	
Argentina/Japan: What are the reasons for the significant increase in the product-specific AMS for the following products: barley, corn, oats, sorghum, wheat, soyabeans, sunflower, rice, hogs and pigs and cotton? <i>Follow-up comment by Argentina:</i> Greatly concerned about increase in support, particularly sorghum. Recalls that the Members are committed to show due restraint. <i>Comment by Japan:</i> Observed that there was a conflict between increasing support levels and calls for ambitious reductions in the current negotiations under Article 20.	Increased loan deficiency payments and marketing loan gains resulted in the bulk of increased support for the categories listed. A temporary programme targeted to small-sized hog operations created support for producers of hogs and pigs.

United States G/AG/N/USA/36 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
<p>Australia/Japan - <u>Decoupled Income Support: Production Flexibility Contract payments:</u></p> <p>Given that market loss assistance payments (MLA) are provided in proportion to PFC payments, it would seem reasonable that the total payments made on that basis should be similarly classified. Why are the PFC payments claimed to be exempt under the Green Box on the grounds of decoupling while the MLA payments are considered to be in Amber Box and non-exempt, except on <i>de minimis</i> grounds? Compliance of PFC payments with the fundamental requirement that has no, or at most, minimal trade-distorting effects.</p>	<p>PFC payments meet the fundamental requirement of Annex 2 of having no, or at most minimal, trade distorting effects on production because eligibility for the payments is clearly defined and the payments are decoupled from production, prices and factors of production. In addition, no production is required to receive PFC payments.</p>
<p>Canada/Korea - <u>Non-product-specific AMS: MLA payments:</u></p> <p>Why are market loss assistance (MLA) payments classified as non-product-specific AMS rather than product-specific AMS, given the crop specificity of the annual payment rates in the production flexibility contract payments which underlie MLA? Can the US indicate the type of year (i.e. crop, accrual, or fiscal) used to notify 1998 MLA payments?</p>	<p>Since it is not possible to ascribe payments in the current marketing year to a particular commodity, payments were notified as non-product specific. MLA were made (and recorded by USDA) based on area and production criteria from a prior base period, regardless of what commodity was planted on the area in the current (1998) marketing year. The crop-specific payments rates are based on the historical period, not the current period. For example, a producer with a wheat base received a payment based on that historical base, but may have in fact planted corn and soybeans and no wheat at all in 1998. Or, the farmer may not have planted any crop at all, and still received a payment based on prior wheat area. (Production was not required to receive a MLA payment.)</p>
<p>Korea - Could US provide the data on the breakdown of the MLA payments for each crop in 1998?</p>	<p>Since the payments are non-product specific, we are unable to provide the requested breakdown.</p>

United States G/AG/N/USA/36 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
<p>Canada – <u>Tax exemptions</u>:</p> <p>Elaboration sought regarding the US comment at the September 1999 meeting that it does not consider tax exemptions, particularly fuel tax exemptions, to fall within the scope of domestic support programmes covered by the Agreement ?</p> <p>Japan – <u>Tax exemptions: bio-energy payments</u>:</p> <p>The US Federal Government has implemented bio-energy programmes, such as tax concessions, which are aimed at the promotion of ethanol usage for fuel. Could the US clarify its position on how these programmes should be treated in the Table DS:1 notification?</p> <p><i>Follow-up comment by Canada:</i></p> <p>Recalls provisions in Annex 3 with respect to "subsidies shall include ... revenue foregone".</p>	<p>We do not believe exemptions for such taxes belong in the AMS.</p> <p><i>Follow-up comment by the United States:</i></p> <p>US fuel tax exemptions are not necessarily specific to agricultural uses. For example, off-road use exemptions are tax differentials based on user fee concepts of equity. There is no subsidy involved for any off-road users, whether they are farmers or not.</p>
<p>Canada - What is the status of the process to update the 1994 survey used to estimate the state credit programmes?</p>	<p>Regarding estimates for State Credit Programs, these annual surveys are no longer made, and we do not know when or if we will receive any new estimates.</p>
<p>Japan - <u>Federal Milk Marketing Orders</u>:</p> <p>Is the support for milk under the Federal Milk Marketing Orders included in the calculation of market price support for dairy in ST Table DS:5?</p>	<p>No. Support for milk is provided through USDA's offer-to-purchase programme, under which USDA product purchases are used to maintain the support price for manufacturing milk. The single national average support level for all manufacturing grade milk (3.6 per cent milkfat) was used as the "administered price" for dairy. This support price provides the foundation of the national price support for all milk.</p>

United States G/AG/N/USA/36 Domestic Support (Table DS:1)																									
Points raised by other Members	Response by Notifying Member																								
<p>New Zealand – <u>Total value of production:</u></p> <p>Could the US describe how it arrived at its figure on the total value of production? We note that the value of production is based on National Agricultural Statistics Service data, however, arriving at the final value appears to be a complex process and is difficult to replicate from the source material referred to in the footnotes. Could the US also provide greater detail on how the value of production is calculated and whether the basis of this calculation has been the same during the implementation period?</p>	<p>The list of commodities and sources of information has remained unchanged during the implementation period, 1995-98. The total value of production was notified in supporting table DS:4 for 1998 as \$190,885.951 million. In addition to the specific "AMS" commodities listed in supporting table DS:4, which had a value of production of \$111,614.199 million, there were also the following non-"AMS" commodities included in the total, which had values totalling \$79,271.752 million.</p> <table> <tr> <td>Vegetables</td><td>15,144.792</td></tr> <tr> <td>Fruits and nuts</td><td>12,237.918</td></tr> <tr> <td>Hay</td><td>11,606.734</td></tr> <tr> <td>Sheep and lamb</td><td>354.437</td></tr> <tr> <td>Eggs</td><td>4,439.446</td></tr> <tr> <td>Broilers</td><td>15,144.551</td></tr> <tr> <td>Chickens</td><td>75.542</td></tr> <tr> <td>Turkeys</td><td>2,679.301</td></tr> <tr> <td>Horses and mules</td><td>1,914.350</td></tr> <tr> <td>Aquaculture</td><td>781.043</td></tr> <tr> <td>"Other crops"</td><td>14,893.638</td></tr> <tr> <td>Total:</td><td>79,271.752</td></tr> </table> <p>Some of these non-AMS commodities are represented in the notifications by the value of cash receipts from farm marketings as provided by the Economic Research Service (ERS) website. The cash receipts data are for calendar years, while the NASS value of production data are marketing years that varies for each commodity. (See the ERS cash receipts tables for the United States and by States http://www.ers.usda.gov/Data/FarmIncome/finfidmu.htm)</p> <p>Cash receipts are used in the case of vegetables, fruits and nuts, horses and mules, aquaculture, and "other crops". Actual value of production data from the National Agricultural Statistics Service (NASS) is used to measure the value of hay, sheep and lamb meat, eggs, turkeys, broilers, and chickens.</p> <p>"Other crops" is the total value of cash receipts from farm marketings for Other Crops, as defined by the ERS, minus the ERS cash receipts from cane sugar and from sugar beets, since they are represented by actual value of production data in the WTO total value of production. In addition to the sugar receipts, the ERS Other Crops category includes maple products, various seeds, hops, mint, Christmas trees, mushrooms, and greenhouse/nursery products.</p> <p><i>continued on next page</i></p>	Vegetables	15,144.792	Fruits and nuts	12,237.918	Hay	11,606.734	Sheep and lamb	354.437	Eggs	4,439.446	Broilers	15,144.551	Chickens	75.542	Turkeys	2,679.301	Horses and mules	1,914.350	Aquaculture	781.043	"Other crops"	14,893.638	Total:	79,271.752
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United States G/AG/N/USA/36 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
	<p>The value of production of the specific "AMS" commodities in the 1998 notification, Supporting Table DS:4, are represented by published NASS value of production data. The general procedure has always been to use the NASS value, if available, and otherwise, to use the ERS cash receipts data.</p> <p>NASS Sources of Data on Value of Production for 1998 (see the www address at http://www.usda.gov/nass/pubs/estindx.htm). Information is provided for meat animals, milk, wool and mohair, honey, poultry and a summary of crop values for 1999.</p>
<p>New Zealand – Could the United States provide a description and clarify the nature of the various payments made under its loan deficiency programme, such as marketing loan gains, loan deficiency payments, commodity loan forfeit and others? In particular, there appears to be no comparable value in the United States' domestic support notification for 1998 (USA/36).</p>	<p><u>Marketing assistance loans</u>—These commodity loans provide producers the opportunity to receive immediate cash at harvest, through either market loan gains, certificate exchange gains, loan deficiency payments, interest subsidies, and loan forfeit benefits. The foundation of these opportunities is the non-recourse marketing assistance loan for commodities, as provided for by Title I of the Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127, or "the 1996 Act").</p> <p><u>Immediate cash at harvest</u> - Non-recourse market assistance loans are available for the 1996-2002 crops of wheat, feed grains, cotton, rice, soybeans, and minor oilseeds. Producers may receive a 9-month loan equal to the previously announced per-unit loan rate multiplied by the quantity of the eligible commodity a producer agrees to store and maintain as security for the loan. By no later than the loan maturity date the producer may settle the loan obligation by either repaying the loan and accrued interest or by delivering to the government the commodity used as security.</p> <p><u>Marketing loan gains</u> - Under the 1996 Act, producers can repay with cash their non-recourse market assistance loans for particular commodities at a per-unit rate that is less than the original contract loan rate. This option is available when market prices tend to be lower than the loan rate in particular localities. Producers receive an implicit gain called the "marketing loan gain" equal to the difference between the original loan rate and the announced repayment rate.</p> <p><i>continued on next page</i></p>

United States G/AG/N/USA/36 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
	<p><u>Loan deficiency payments</u> - When producers are allowed to repay commodity loans at less than the original loan rate, they are also offered the option of accepting a direct payment called a loan deficiency payment in return for not taking out a loan in the first place. The per-unit payment rate in this case is equal to the announced difference between the original loan rate and the announced repayment rate being used in the locality for the marketing loan gain programme.</p> <p><u>Commodity loan forfeit benefit</u> - This benefit is received when producers actually exercise their option to deliver to the government the commodity being held as security for the loan as a way of settling the loan obligation, instead of paying off the loan with cash.</p> <p><u>Commodity loan interest subsidy</u> - An interest subsidy is received by the producers who take out a commodity loan. The subsidy occurs because the government charges producers less than the commercial market interest rate, or completely waives the interest in some cases. Interest is waived if the loan is repaid under the above marketing loan gain provisions, when the commodity is forfeited to the government to settle the loan, or when commodity certificates are used to pay off the loan. The value of the subsidy depends on the total value of the loan, the interest rate differential (commercial versus government rates), and how long the loan is outstanding.</p> <p><u>Certificate exchange gains</u> - These are considered received when loans are repaid at a repayment rate that is less than the original contract loan rate, and where commodity certificates are used to pay off the loan instead of cash. These payments were added into the notification separately from the other payments because the normal budget summary and report process did not cover them.</p>

United States G/AG/N/USA/36 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
New Zealand - The USDA ERS appears to record only cash payments made directly to farmers and shows the amount paid under the loan deficiency programme amounted to \$1.783 billion in 1998. What is included in the USDA ERS description of direct government payments, with regard to the loan deficiency programme, and how does this relate to the product-specific and other product-specific measures of support notified?	The loan deficiency payments (\$1.783 billion) are those reported by the Economic Research Service (ERS) in the ERS website found at http://www.ers.usda.gov/Data/FarmIncome/finfidmu.htm . These data are on a calendar-year basis, as are all the ERS farm income data. That is, the amounts represent only those amounts paid out by the Government during the specified 12-month calendar year. The direct payments notified to the WTO for 1998, however (\$2.780 billion), are on a crop-marketing-year basis. The notified totals for 1998 are the totals associated with the 1998 programme provisions regardless of when they actually are paid out and received in terms of calendar years. Direct payments, in general, are provided by the government on a crop-marketing-year-basis. These payments include the producer's share plus the landlord's share in all cases, and they also include the value of "payments-in-kind," when applicable.
Brazil – Reasons for increase in AMS support and whether this suggests a new orientation in US agricultural policy.	Question submitted during COA meeting.

Venezuela G/AG/N/VEN/19 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
United States: <u>Domestic food aid</u> : Clarification sought regarding the Strategic Food Programme. The description states that the state directly subsidizes seven key agricultural products. Does this mean that the state buys the products from farmers and then donates it to the poor, or does the state directly buy products from poor producers at a fixed price?	The Strategic Food Programme (PROAL) is a social programme with the aim of providing a low income target population with a group of selected products based on their caloric contribution (sardines, oil, maize, flour, rice, leguminous crops, "quinchoncho" and "caraotas" and milk). The programme functions through a network of distribution centres for food which covers 222 municipalities, consisting of supply centres in marginal zones. PROAL is financed with public resources coming from the central government as well as local governments. The funds are destined for the purchase of the selected products at market prices to offer them to the target population at a discount of no more than 40 per cent.

Table DS:2 Notifications

Canada G/AG/N/CAN/44 New or Modified Domestic Support (Table DS:2)	
Points raised by other Members	Response by Notifying Member
<p>Japan – <u>Alberta Environmental Sustainable Agriculture</u>:</p> <p>Clarification sought regarding kind of activities/ financial assistance in the "Farm based component" of the above programme? Is it correct that payments are not provided to the producers, but to the municipalities?</p>	<p>Payments are not provided to producers. Assistance is provided to agricultural service boards, agricultural and environmental organizations and native organizations to encourage better management of practices by farmers and ranchers to reduce environmental impacts of primary production. Examples of activities eligible for assistance include sustainable cropping and grazing systems; alternative livestock watering systems; shelterbelts, agroforestry and woodlot management; municipal resource management; environmental liability and risk management; and wildlife habitat and biodiversity conservation.</p>
<p>New Zealand – Clarification sought with regard to Canadian Government's announcement in March 2001 of an immediate injection of C\$500 million in new federal funding for farmers experiencing significant income pressures. In particular, are existing programmes being used to channel this additional support, or what new or modified measures are required to give effect to the announcement?</p>	<p>The new federal funding announced in a news release on 1 March 2001 helps address challenges facing the farm sector in Canada in 2000 and alleviate the pressures that many Canadian farmers were experiencing that year. Support is being provided through existing programmes and programme mechanisms reported in our annual notification as well as some new programmes. The support will be included in future notifications.</p>

Cuba G/AG/N/CUB/13 New or Modified Domestic Support (Table DS:2)	
Points raised by other Members	Response by Notifying Member
<p>United States – Clarification sought regarding the Price Stabilization programme, including criteria to qualify as low-income and resource-poor producers.</p>	<p>The embargo by the United States against Cuba has resulted in severe problems for the agricultural sector and for food security. These problems are aggravated by restrictions on the purchase of fuel and spare parts for agricultural machinery and transport, pesticides and fertilizers. These circumstances have not only resulted in additional expenditures but have also had a negative effects on agricultural productivity.</p> <p>Cuba has therefore established the Price Stabilization programme for agricultural inputs which has been in force since 17 February 1999. It was established to benefit those producers whose production is destined to ensure food security and is not commercialized on the market, but purchased by the state, with the aim of safeguarding the basic food basket of the population, i.e. fresh milk, meat, coffee and potatoes. It is only low-income and resource-poor producers who have access to this programme.</p>

Tables ES:1 to ES:3 Notifications

Czech Republic G/AG/N/CZE/31/Rev.1 Export Subsidies (Tables ES:1 and ES:2)	
Points raised by other Members	Response by Notifying Member
Canada – Clarification sought regarding circumstances leading to the granting of export subsidies for malt for the first time.	By supporting exports of malt, the Czech Republic exercised her rights based on scheduled commitments. The provision of export subsidies was necessitated by unfavourable quality and quantity of barley used for brewing in 2000. Exporters also had to be supported to compensate for unequal opportunities on world markets resulting from subsidy programmes implemented by other exporting countries.

European Communities G/AG/N/EEC/32 Export Subsidies (Tables ES:1 to ES:3)	
Points raised by other Members	Response by Notifying Member
Argentina/Brazil/New Zealand - For wheat and wheat flour, coarse grains, butter and butteroil, and other milk products, subsidized exports exceeded the level of notified total exports for these products. Can the EC provide an explanation for this?	Data on total exports are from EC export statistics (i.e. they represent actual exports) for the period July 1999-June 2000, and are expressed in product weight. The figures on subsidized exports are in equivalent weight and are based on export certificates issued during the marketing year in question, irrespective of the actual date of export. Moreover, not all certificates will be effectively used. Given certain economic circumstances, it may be advantageous for traders to apply for new certificates instead of using the certificates previously granted.
New Zealand – Expressed disappointment at the decision to roll-over unused export subsidies for eight products in 2000.	Members are entitled to do so. The use of roll-over was consistent with Article 9.2(b).
Brazil – Details requested (value and volume) regarding destination of subsidized exports to Mercosur countries for wheat, rice, secondary grains, powdered milk and wine.	A reply will be provided at the Committee meeting in December 2001.

Poland G/AG/N/POL/43 Export Subsidies (Tables ES:1 and ES:2)	
Points raised by other Members	Response by Notifying Member
New Zealand – Clarification sought whether notified subsidized skimmed milk powder constitute a reporting error.	The correct figure is 36,620.875 tonnes.
United States – Information requested regarding exports of potatoes in 2000.	Export data for potatoes in 2000 are on page 4. Poland did not provide export subsidies for potatoes during this period.

Turkey G/AG/N/TUR/13 Export Subsidies (Tables ES:1 and ES:2)	
Points raised by other Members	Response by Notifying Member
United States - Data requested concerning the volume of wheat reported in Table ES:2 that was exported by the TMO during calendar year 2000, the average price of that wheat when purchased by the TMO and sold on the commercial market.	Undertook to provide the requested data as soon as possible.

United States G/AG/N/USA/35 and Corr.1 Export Subsidies (Table ES:1)	
Points raised by other Members	Response by Notifying Member
Canada - At the June 1998 Committee meeting, the United States indicated that it notifies its dairy export subsidies on the basis of bids accepted by the Dairy Export Incentive Program (DEIP) rather than awards paid, as "shipping data would not be timely". It also noted the practice of re-issuing foregone export subsidies (i.e. resulting from awards which were issued but subsequently cancelled) for re-use in subsequent years. Given that no roll-over provision exists beyond the fifth year of implementation, what measures has the United States put in place to ensure that the payment of DEIP export subsidy awards will not be made in excess of bound commitment levels?	As outlined in USA/FAS Program Announcement DEIP-FY-01-1, the United States has changed the operating procedures for the Dairy Export Incentive Program (DEIP). Under the new procedures, bids awarded in a marketing year (July-June), which are not exported by a certain date within that marketing year, will be considered cancelled. Any tonnage cancelled will be re-announced for awards during the balance of that same marketing year. Cancelled tonnage from previous years will not be awarded in subsequent marketing years.
Brazil – Requested data concerning the share of subsidized exports of butter, powdered milk, cheese, other milk products, and poultry to countries taking part in the FTAA negotiations.	Took note of the question and undertook to provide a response.

Venezuela G/AG/N/VEN/21 Export Subsidies (Tables ES:1 and ES:2)	
Points raised by other Members	Response by Notifying Member
Canada - The subsidized export volumes for the following products are higher than the total export volumes - 0602.99, 0714.90, 0805.90. Could Venezuela clarify the figures?	Confirmed that there was an inconsistency in the notification and undertook to clarify the matter.

ANNEX

Part II – Deferred Replies to Questions on Notifications Raised at Previous Meetings

Table DS:1 Notification

Chile G/AG/N/CHL/13 Domestic Support (Table DS:1) (G/AG/R/27, page 21 refers)	
Points raised by other Members	Response by Notifying Member
<p>Argentina – <u>ST DS:2 credit programmes:</u> Programme requirements, including allocation details, subsidy amounts.</p>	<p>The objective of the credits is to promote the creation of income sources, improve the economic, social and technical level of the beneficiaries and integrate them in the national development process.</p> <p>The recipients of the credits are: smallholders with limited sources of income, mainly based on agricultural and livestock production and independent of land ownership; organizations formed by the former (juridical persons) which develop programmes and productive activities which directly benefit the rural sectors; organizations for the protection and development of indigenous people; members of peasant families, young persons and women who participate in INDAP's productive programmes.</p> <p>The subsidy amount depends on the specific situation. The objective is to provide an incentive to INDAP users allowing a better integration in the process of modernization of the sector.</p>