

Committee on Agriculture

SUMMARY REPORT OF THE MEETING HELD ON 17-18 NOVEMBER 1998

Note by the Secretariat

1. The Committee on Agriculture held its seventeenth meeting on 17-18 November 1998 under the Chairmanship of Ambassador Nestor Osorio Londoño of Colombia. The agenda of the meeting as contained in WTO/AIR/968, modified to include Australia's paper concerning export subsidy notifications (G/AG/W/37) under agenda item Part I, F, was adopted.

Part I: The Review Process

Matters Relevant to the Implementation of Commitments under the Reform Programme: Article 18.6

(a) New Zealand: Venezuela – Milk powder tariffs applied in excess of bound levels

2. New Zealand sought clarification from Venezuela as to when it would be taking the necessary steps to bring its applied tariffs on whole milk powder back into conformity with its WTO obligations and ensure that in the future there would be no breaches of the bound in-quota tariff for whole milk powder (40 per cent) resulting from the application of the Andean Community price band system.

3. The representative of Venezuela responded that a Government resolution, due to be published shortly, was designed to ensure strict compliance by the customs authorities of Venezuela with its WTO commitments and to ensure that the Andean Community price band system would be applied only up to the ceiling set by the WTO tariff bindings.

(b) European Communities: Venezuela – Import duties and tariff quota for malt in 1998

4. The European Communities sought clarification from Venezuela with regard to import duties applied on malt (tariff heading 1107) since the beginning of 1998 and as to whether the tariff quota for malt had been opened in 1998.

5. In response the representative of Venezuela referred to the clarification given to New Zealand (paragraph 3).

(c) New Zealand: Mexico – Response to questions on import arrangements for milk powder

6. New Zealand sought a response from Mexico to the three questions raised at the Committee meeting in June 1998 on changes to the administration of Mexico's tariff quota for milk powder.

7. The representative of Mexico responded that the replies to New Zealand's questions were not yet ready.

8. The representative of New Zealand drew the Committee's attention to its trade concerns as well as the lack of transparency associated with Mexico's new import regime for skim milk powder as New Zealand had been unable to obtain a clear picture either in Mexico City or in the Committee on

Agriculture. By law, imports of milk powder into Mexico had traditionally been undertaken by Conasupo. It was New Zealand's understanding that an arrangement had been reached between the Mexican Government and another company that would allow that company to import up to 25,000 tonnes of skim milk powder directly, i.e. without using Conasupo to import the product. New Zealand also understood that imports had already taken place under these new conditions. The approval for this company to by-pass Conasupo appeared to be subject to specific conditions, including a requirement to purchase all surplus fresh milk in certain areas of Mexico and a multi-million dollar investment in a plant in an under-developed region of Mexico. If this information was accurate, New Zealand would be concerned about the discrimination in the import arrangements for skim milk powder and the linking of import rights with domestic purchases. The representative of New Zealand urged the delegate of Mexico to advise his Government of New Zealand's concerns and to press for a prompt response to the questions raised.

9. The representative of Mexico undertook to convey New Zealand's concerns to his capital.

(d) United States: Turkey – Sugar export subsidies

10. As a follow-up to the United States' enquiry about the export activities of the Turkish Sugar Corporation at the last Committee meeting, the United States sought clarification from Turkey regarding the affiliation of the Corporation to the Turkish Government. The United States noted that Turkey claimed that the Corporation was not funded by the Government of Turkey but they had information which indicated that the Corporation was fully owned and funded by the Government of Turkey and its export losses were underwritten by the Government of Turkey. The United States also sought further clarification as to how Turkey justified using export subsidies for sugar when its WTO export subsidy reduction commitments did not refer to this product.

11. The representative of Turkey reiterated that the Turkish Sugar Company was not granted subsidies on sugar exports in 1997. The Turkish Sugar Company was a state economic enterprise which carried out its production and marketing activities in accordance with market conditions. It was entitled to take risks and its management was accountable for its decisions to the Board of directors. Losses or cash shortages were not necessarily covered by the treasury and the company could resort to other options for financing its operations, including loans from commercial banks.

12. The representative of the United States responded that the United States had a number of follow-up questions and would consider approaching the issue in a broader context.

(e) United States: Egypt – Trade agreement between Egypt and Lebanon

13. The United States referred to a recent report according to which the Governments of Egypt and Lebanon had entered into a preferential trade agreement whereby Egypt would allow apple exports from Lebanon to enter Egypt duty-free, and Lebanon would allow potato exports from Egypt into Lebanon duty-free. The United States sought clarification from Egypt regarding the terms of this agreement and as to how it was justifiable under GATT Article XXIV, especially the “substantially all the trade” provision under paragraph 8 thereof, and the MFN provisions of GATT Article I. The United States also enquired when Egypt would submit a notification as required under GATT Article XXIV.

14. The representative of Egypt responded that Egypt intended to make a notification when the Egypt-Lebanon free trade agreement was finalized. The notification will be made to the WTO Committee on Trade and Development and not to the Committee on Regional Trade Agreements since the agreement was negotiated under the Enabling Clause and not Article XXIV of GATT.

15. The representative of the United States responded that the United States would pursue the issue bilaterally.

Review of Notifications

16. The Committee reviewed the following notifications as listed on the agenda:

- (i) on the administration of tariff and other quota commitments (Table MA:1): from Panama (G/AG/N/PAN/2), Poland (G/AG/N/POL/21), South Africa (G/AG/N/ZAF/19), Switzerland (G/AG/N/CHE/13) and the United States (G/AG/N/USA/19);
- (ii) relating to imports under tariff and other quota commitments (Table MA:2): from Canada (G/AG/N/CAN/23), Colombia (G/AG/N/COL/10/Rev.1), European Communities (G/AG/N/EEC/13), Guatemala (G/AG/N/GTM/5), Iceland (G/AG/N/ISL/12), Japan (G/AG/N/JPN/31), Norway (G/AG/N/NOR/17/Corr.1), Panama (G/AG/N/PAN/3), Philippines (G/AG/N/PHL/16), South Africa (G/AG/N/ZAF/20) and Tunisia (G/AG/N/TUN/11);
- (iii) in the context of the special safeguard (Tables MA:3 to MA:5): from Canada (G/AG/N/CAN/24), Guatemala (G/AG/N/GTM/10), Panama (G/AG/N/PAN/1), Tunisia (G/AG/N/TUN/10) and the United States (G/AG/N/USA/18);
- (iv) relating to domestic support commitments (Table DS:1): from Australia (G/AG/N/AUS/20), Benin (G/AG/N/BEN/1), Chile (G/AG/N/CHL/8/Add.1), Colombia (G/AG/N/COL/6/Add.1, COL/6/Corr.1, COL/7/Add.1 and COL/8/Add.1), Guyana (G/AG/N/GUY/1), Israel (G/AG/N/ISR/8), Korea (G/AG/N/KOR/18), Philippines (G/AG/N/PHL/14, PHL/14/Add.1, PHL/15 and PHL/15/Add.1), South Africa (G/AG/N/ZAF/21), Switzerland (G/AG/N/CHE/15/Corr.1), Thailand (G/AG/N/THA/29) and Uruguay (G/AG/N/URY/13/Rev.1);
- (v) relating to new or modified domestic support measures exempt from reduction (Table DS:2): from Korea (G/AG/N/KOR/19) and South Africa (G/AG/N/ZAF/22); and
- (vi) relating to export subsidy commitments (Tables ES:1 to ES:3): from Australia (G/AG/N/AUS/19 and Corr.1), Canada (G/AG/N/CAN/22), European Communities (G/AG/N/EEC/11), Guyana (G/AG/N/GUY/2), Korea (G/AG/N/KOR/20), New Zealand (G/AG/N/NZL/16), Peru (G/AG/N/PER/2), Poland (G/AG/N/POL/22), South Africa (G/AG/N/ZAF/15/Rev.1) and Turkey (G/AG/N/TUR/7).

17. 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. The notifications G/AG/N/CAN/23 and G/AG/N/NOR/17/Corr.1 are to be reverted to at the next meeting of the Committee.

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

- (i) on the administration of tariff and other quota commitments (Table MA:1): from European Communities (G/AG/N/EEC/14) and Guatemala (G/AG/N/GTM/5/Corr.1);
- (ii) in the context of the special safeguard (Tables MA:3 to MA:5): from Japan (G/AG/N/JPN/32), Panama (G/AG/N/PAN/1/Corr.1) and Poland (G/AG/N/POL/23);
- (iii) relating to domestic support commitments (Table DS:1): from Cyprus (G/AG/N/CYP/7); and

- (iv) relating to export subsidy commitments (Tables ES:1 to ES:3): from Colombia (G/AG/N/COL/11, COL/12 and COL/13) and Dominica (G/AG/N/DMA/1).

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

Other Matters Relating to the Review Process

(a) Deferred replies to questions raised under the review process

20. The deferred replies to questions raised at previous meetings are summarized in Part II of the Annex to this report.

(b) Overdue notifications

21. With regard to the question of overdue notifications, the Committee took note that, as requested at the March 1997 meeting, the Secretariat had made available a Room Document dated 17 November 1998 showing the current status of compliance with the Committee's notification requirements.

22. The representative of the Philippines raised concerns regarding overdue notifications or non-compliance with notification obligations, particularly by Members with domestic support and export subsidy reduction commitments. Less than half of the Members concerned had submitted relevant notifications for the 1997 implementation year and for several of those Members notifications for the 1996 implementation year remained outstanding. The representative recalled the commitment made at the Singapore Ministerial Conference (WT/MIN(96)/DEC, paragraph 11) concerning renewed efforts by Members to submit notifications in a timely manner and that appropriate steps should be taken by the relevant bodies to address the situation. The Philippines requested the Committee to look into this matter seriously, taking into account the proposals made by the United States in this regard (G/AG/W/33).

23. The representative of Australia urged Members, in particular developed countries with reduction commitments, to submit their notifications in a timely manner.

(c) Domestic support implementation issues

24. As envisaged at the previous meeting (G/AG/R/16, paragraph 35), the Committee had an informal exchange of views on domestic support implementation issues. As a basis for this New Zealand (G/AG/W/38) and the United States (G/AG/W/39) had submitted papers for consideration by the Committee. With regard to the discussion of the additional papers by New Zealand "Implementation issues regarding domestic support" (G/AG/W/34) and the United States "Annex 4 of the Agreement on Agriculture: Equivalent Measurement of Support" (G/AG/W/35), it was agreed that the Committee would revert to the issues raised in these papers on an informal basis, as appropriate.

(d) Export subsidy notification issues

25. In introducing Australia's discussion paper on "Issues regarding export subsidy notifications" (G/AG/W/37), the representative of Australia noted that Australia had put forward some suggestions for practical improvements to the export subsidy notification process for the purpose of making the preparation of notifications and their review less burdensome for Members. The suggestions were not meant to involve any matter of interpretation of the Agreement or of Members' Schedules of commitments. The Committee agreed to defer the substantive discussion of Australia's paper to its next meeting.

Part II: Other Matters within the Purview of the Committee

Annual monitoring exercise by the Committee of the follow-up to the Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries

26. The Chairman noted that under Article 16.2 of the Agreement, the Committee was required to monitor, as appropriate, the follow-up to the Marrakesh Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries. Under the Committee's Working Procedures (G/AG/1, paragraph 18), the monitoring exercise was undertaken at the regular November meetings of the Committee. It was conducted on the basis of contributions by Members, including notifications in the NF series concerning actions taken within the framework of the Decision.

27. Since the November 1997 monitoring exercise, the following Members had submitted notifications in the NF series: Australia (G/AG/N/AUS/21), Fiji (G/AG/N/FJI/5), Japan (G/AG/N/JPN/27), Morocco (G/AG/N/MAR/9), New Zealand (G/AG/N/NZL/17), Norway (G/AG/N/NOR/19 and Corr.1 and G/AG/N/NOR/20 and Corr.1), South Africa (G/AG/N/ZAF/17) and the United States (G/AG/N/USA/20 and 21). In addition, a revised Secretariat background note on food aid levels had been circulated (G/AG/W/36).

28. The Chairman also noted that the follow-up to paragraph 18 of the Committee's report for the Ministerial Conference on the Decision (G/L/125) was also an important feature of the general follow-up to the Decision and that, as agreed at the June 1997 meeting of the Committee, the follow-up to the Singapore Ministerial recommendations with regard to food aid matters (paragraph 18(i) of G/L/125) would continue to be reviewed at the regular meetings of the Committee.

29. The Chairman recalled that, as agreed at the Committee's last meeting (G/AG/R/16, paragraph 42), the observer international organizations had been invited, as part of their respective contributions to the 1998 monitoring exercise, to provide, as appropriate, updated assessments of the impact of the implementation of the Agreement on Agriculture on developing countries generally, including on least-developed and net food-importing developing countries. In response, the representatives of the FAO, the IMF, the International Grains Council, the OECD, UNCTAD, the World Food Programme and the World Bank, respectively, contributed statements which have been reproduced in document G/AG/GEN/31. A number of delegations thanked the observer organizations for their contributions.

30. With regard to the current status of the Food Aid Convention negotiations, the representative of the United States stated that, at the recent session of the Food Aid Committee in London, insufficient progress had been made to ensure that a new Food Aid Convention would be in place by the time the current Convention expired on 30 June 1999. The United States believed that negotiating a new Food Aid Convention was important since it would maintain and improve the commitment by Food Aid Committee members to provide minimum tonnages of foodstuffs to needy developing countries. It was also important in order to honour commitments made at Marrakesh and Singapore to address the food security concerns of developing countries. Failure to reach agreement would not reflect well on Food Aid Committee members, particularly at a time when developing countries were endeavouring to honour their Uruguay Round commitments. The United States wished to repeat its call for all Food Aid Committee members to take stock of the current status of the negotiations and to reflect on the implications of failing to reach an agreement. The United States hoped that all members would be prepared to conclude the negotiations on a new Convention at the additional negotiating session scheduled for 8-10 December 1998 in Washington, D.C.

31. The representative of the Canada endorsed the statement by the United States. The situation was serious but a new Convention could still be established if the parties involved showed sufficient flexibility at the forthcoming negotiating session in Washington. The representative of Australia urged all Food Aid Committee members to make serious efforts to conclude negotiations of a new Convention by the end of the year. The representative of the European Communities noted that the European Communities was heartened by recent developments in the Food Aid Committee and that a positive outcome of the negotiations was possible. The representative of Japan stated that Japan would be making every effort for a successful conclusion of the food aid negotiations at the forthcoming meeting in Washington to ensure that a new Convention would take effect on 1 July 1999. Japan expected that all Food Aid Committee members would show the flexibility needed to reach an agreement on the outstanding issues. The representative of Switzerland noted that Switzerland shared the hopes expressed regarding a timely conclusion of the food aid negotiations.

32. The representative of Norway stated that according to the Secretariat's note on food aid levels (G/AG/W/36) annual food aid deliveries had declined substantially from 1987 to 1997, with deliveries of both cereals and non-cereals having been reduced by more than 50 per cent. In light of the decline in minimum annual contributions to the Food Aid Convention of 1995 compared to the Convention of 1986, this trend was not surprising. It was nevertheless alarming, bearing in mind that Ministers at Marrakesh had agreed to establish appropriate mechanisms to ensure that the implementation of the results of the Uruguay Round on trade in agriculture did not adversely affect the availability of food aid. Norway attached great importance to the implementation of the Ministerial Decision and the completion of the ongoing negotiations on the Food Aid Convention. Assisting developing countries, in particular the least-developed countries, in their development efforts was a central objective of Norway's development policy. Norway recognized that further efforts were needed to meet the special needs of least-developed and net food-importing developing countries which in Norway's view was an issue to which the Committee should revert in its preparations for the upcoming negotiations. Norway invited the least-developed and net food-importing developing countries to present their experience and provide guidance with regard to improvements needed for the further development of the multilateral trading system.

33. The representative of Egypt welcomed the statements made by Norway and the United States concerning food aid matters. However, the Decision contained further elements and Egypt was concerned about the implementation of all aspects of the Decision. While Egypt was disappointed to see that food aid levels had declined at alarming rates, they were also concerned that the expectations of net food-importing developing countries at the conclusion of the Uruguay Round had also not been met in other areas like concessional finance, technical assistance to raise productivity and address infrastructure needs of these countries and concessional export credit. Egypt was concerned that there was a problem of political will to implement the commitments under the Decision and shared the view of Norway that these issues should be an important element in the preparations for the negotiations according to Article 20 of the Agreement on Agriculture. Egypt requested that the Secretariat prepare a paper on the implementation of the various elements of the Decision, drawing on information by, and in consultation with, the relevant international organizations, as appropriate, for the Committee's informal consideration in preparation for the negotiations in accordance with Article 20 of the Agreement.

34. The delegations of Cuba, the Dominican Republic, Mauritius, Peru and the Philippines associated themselves with the statements made by Norway and Egypt and supported Egypt's proposal that the Secretariat prepare a background note on implementation of the Marrakesh Ministerial Decision.

35. The representative of Peru noted that only a few Members concerned had complied with their NF:1 notification obligation. Peru appealed to Members concerned to submit their notifications to make the monitoring process more meaningful in the future.

Chairman's Report on the Process of Analysis and Information Exchange (AIE process)

36. The Committee took note of the following report by the Chairman on the meeting of the AIE process held on 16-17 November 1998:

"(i) In line with paragraph 36 of G/AG/R/10 the following is my summary report as Chairman of the meeting of the AIE process held on 16-17 November 1998.

"(ii) The first theme discussed at this meeting was non-trade concerns. Informal papers by Norway (AIE/22), Japan (AIE/25), New Zealand (AIE/28), Argentina (AIE/32), the United States (AIE/34) and Australia (AIE/36) had been the subject of substantive discussion at earlier meetings. Two additional papers, AIE/39 by Korea "Non-Trade Concerns in Net Food-Importing Countries" and AIE/40 by the European Communities "The Multifunctional Character of Agriculture", had been the subject of preliminary discussion at the last meeting in September and were discussed substantively during this meeting.

"(iii) As I noted in the report on the last AIE meeting there is a broad range of issues considered relevant in the context of non-trade concerns. The Korean paper concentrates on the areas of food security for net food importing-countries and other positive externalities associated with agricultural production, particularly flood control arising from rice production. The paper by the European Communities emphasises the multifunctional nature of agriculture beyond the production of food and fibres.

"(iv) In the discussions, the need to distinguish between policy objectives related to non-trade concerns and the measures used to try to achieve these objectives was emphasized. It was observed that targeted measures aimed at specific goals were less likely to distort trade and were needed to achieve specific objectives. In contrast, a general measure, like market price support, was economically inefficient and distorted trade, thus also implying a negative spill over effect on other countries.

"(v) Another distinction was noted, namely that the ranking of non-trade concerns was not necessarily the same between developed and developing countries. For many developing countries food security was the most urgent issue, including the need to ensure income levels sufficient for the purchase of basic food stuffs and to develop properly functioning food distribution systems.

"(vi) A number of observations were made that further liberalization of trade in agriculture should improve global food security through increased trade volumes and growing possibilities to diversify sources of supply for food-importers. It was also recalled that, *inter alia*, Annex 2 to the Agreement on Agriculture addressed food security concerns through the provisions relating to public stockholding and domestic food aid.

"(vii) It was indicated that future discussion in this area should focus on the issue of appropriate measures to achieve the various objectives that had been identified in the context of non-trade concerns. It was also suggested that in order to advance work in this area there was a need for specific examples of concerns which could not be addressed under Annex 2 provisions.

"(viii) Moving to special safeguards, the Secretariat introduced its paper AIE/S12 "Special Agricultural Safeguard". This paper, based on notifications and the Uruguay Round Trade Negotiation files in the WTO IDB (IDB CD-ROM, Release 2), covers both the potential use of special safeguards as notified by Members in their Schedules and the actual use as notified by Members in their MA:5 notifications. New Zealand's paper, AIE/20 "Article 5; Special

Safeguard Provisions" had already been the subject of substantive discussion at earlier meetings. This paper highlights concerns about the use of the SSG.

"(ix) It was noted that the SSG was an important element of the Agreement on Agriculture as it had been introduced to address concerns arising from the requirement to tariffy non-tariff measures. It was also noted that although many Members had reserved the right to use special safeguards little use has been made of the provisions. A number of concerns were raised relating to the actual use of the SSG. They referred mainly to the triggering of volume-based safeguard action before the tariff quota had been filled; the possibility to invoke the volume-based safeguard in cases where there was no tariff quota; the triggering of price-based safeguard action at import prices higher than the external reference price used in the tariffication exercise; and issues relating to transparency.

"(x) In the continuing discussion on domestic support two informal papers were examined. The first by the United States (AIE/38) "Domestic Support; Response to AIE/23 and AIE/27" had been the subject of preliminary discussion at the September meeting of the AIE process. This paper further addresses Annex 2 (Green Box), Article 6.5 (Blue Box) and AMS disciplines (Amber Box).

"(xi) The observation was made that Article 6.5 and Annex 2 permitted Members to shift their policies away from more trade-distorting types of domestic support to less distorting measures. Tightening of these provisions could reduce the flexibility currently available to Members. It was also noted that there is nothing in the Agreement on Agriculture to suggest an expiry of Article 6.5. On the other hand, it was pointed out that Article 6.5 payments were of a trade-distorting nature.

"(xii) Another point raised in the discussion was the potential for domestic support measures to distort trade even though they complied with the letter of Annex 2. The view was expressed that it would be more useful to examine the adequacy of the existing criteria for Green Box payments rather than to consider limits to these payments.

"(xiii) As for the Amber Box, the observation was made that the commitments related to the reduction of the overall AMS level and therefore they could allow Members to concentrate supports on a smaller, but more subsidised, group of products, or even to introduce new subsidies.

"(xiv) The paper by Iceland, AIE/42 "External Reference Price Adjustment", addresses the issue of excessive rates of inflation and their effects on reduction commitments. This follows the paper by South Africa, AIE/33 "The Effect of Inflation on Reduction Commitments" which was discussed at the September meeting. The paper by Iceland explains the methodology by which Iceland has recalculated its domestic support using SDRs to replace the Icelandic Króna.

"(xv) Some questions were asked about the methodology used in calculating the adjustment, in particular matters related to the external reference price and to exchange rate conversions. It was noted that adjustments for inflation are not meant to maintain real levels of support but to achieve their reduction on a more equitable basis. On the other hand, the point was made that the external reference price was fixed, reflecting the fact that the reduction commitments agreed in the Uruguay Round were in nominal terms. It was also noted that exchange rate adjustments on top of external reference price adjustments would over compensate for inflation.

"(xvi) It was observed that there is flexibility to address problems of inflation through Green Box measures. Also, with respect to trade-distorting measures, the *de minimis* provisions had an implicit inflation adjustment mechanism as support is calculated as a proportion of the current value of production. The view was also expressed that there was nothing in the Agreement on Agriculture which prevented adjustments for excessive inflation.

"(xvii) It was observed that Article 18.4 provisions were the appropriate route to address problems associated with excessive inflation. Concerns were expressed about the absence of any implementing guidelines for Article 18.4. It was suggested that any changes made to account for excessive inflation should be transparent and should be notified to the Committee as an adjustment under Article 18.4. The Committee could then decide if the adjustment was appropriate.

"(xviii) The paper by South Africa, AIE/41 "The Negative Effects of Export Subsidies on Developing Countries" outlines concerns on the effects that such subsidies can have on developing countries. It notes that export subsidies can adversely affect both net food-exporting countries and net food-importing countries, including through their impact on agricultural investment. The high proportion of the population of developing countries living in rural areas and who depend on farming meant there should be a favourable multiplier effect for the economy as a whole if returns from farming increase.

"(xix) It was suggested that export subsidies distorted trade in favour of those countries which could afford them. Net food-exporting developing countries had to compete on world markets against subsidized supply from other sources which meant lower prices for them. As regards net food-importing countries it was noted that there may be short term benefits from importing subsidised agricultural products but that these may reduce their potential to develop agricultural production.

"(xx) It was stated that the positive effects of eliminating export subsidies for net food-importing developing countries depended on a number of factors. These factors could range from climatic conditions to domestic agricultural policies. Elimination of export subsidies would have to be accompanied by transitional food aid measures for some countries. There was also the view that there was a need to take into consideration the concerns of small states, particularly least-developed and net food-importing small states, when dealing with the issue of export subsidies, especially as, in this view, no positive conclusion has been forthcoming with respect to the relevant Marrakesh Decision.

"(xxi) The point was made that the use of export subsidies could also result in recourse to trade measures to protect domestic producers from subsidised competition. On the other hand, reducing export subsidies would provide incentives to improve conditions of market access which, in turn, would benefit trade in agricultural products.

"(xxii) India's paper AIE/30 "Issues of Interest to Developing Countries" had already been discussed at earlier meetings while India's most recent paper, AIE/44 "Food Security - An Important Non Trade Concern", was the subject of preliminary discussion. This new paper examines the issue of food security and, *inter alia*, suggests that a purely market-oriented approach may not be the optimal one for some countries, especially developing countries with their large rural population. It suggests government intervention may be necessary in pursuit of the objective of self sufficiency, considered to be an essential element of food security, and certain other non-trade concerns.

"(xxiii) In terms of future work for the Secretariat it was suggested that developing countries should submit a list of the agricultural products of greatest interest to them so that the Secretariat can provide information on the relevant tariff levels. In this context reference was also made to the information contained in the AIE/43 paper by Uruguay.

"(xxiv) As the paper AIE/44 was only for preliminary discussion it was agreed to revert to it at the next meeting which will take place on 17 March, 1999. Due to time constraints it was also agreed that discussion of the US paper AIE/37 "Due Restraint Provisions - Article 13" and the paper by Uruguay AIE/43 "Tariff Peaks and Tariff Escalation for Agricultural and Agri Food Products and their Effect on Developing and Least Developed Countries" would be the subject of substantive discussion at the next meeting. Several Members indicated their intention to table further papers for this meeting."

Annual consultation under Article 18.5 with respect to Members' participation in the normal growth of world trade in agricultural products within the framework of the commitments on export subsidies

37. The Chairman noted that Article 18.5 of the Agreement provided for Members to consult annually in the Committee with respect to their participation in the normal growth of world trade in agricultural products within the framework of the commitments on export subsidies under the Agreement. The Committee's Working Procedures stipulated that this annual consultation was to be undertaken at the regular November meetings of the Committee (G/AG/1, paragraph 17). As requested at the last Committee meeting, the Secretariat had prepared a revision of background note G/AG/W/32 for the purpose of this consultation (G/AG/W/32/Rev.1).

38. The representative of the European Communities observed that while the trade volumes of the commodities covered had remained largely unchanged, a redistribution of export market shares had occurred, the main beneficiary being Australia. In the view of the European Communities it would be helpful for the Committee's annual consultation in 1999 if a revised Secretariat background note included imports and covered a wider range of products. The representatives of the United States and Chile supported the European Communities' proposal with respect to a broader product coverage. The representative of the United States observed that the present Secretariat note showed the positive effects of the reform process on some developing countries. The representative of Australia found it difficult to draw any conclusions about the impact of the export subsidy reduction commitments on market shares since a number of other factors played a role, including climatic and other supply side factors as well as changes in demand.

Chairman's report to the Council for Trade in Goods

39. The Committee took note that the brief factual report, which was before the Committee as a room document, would be submitted, as amended, by Ambassador Osorio Londoño to the Council for Trade in Goods on his responsibility as Chairman. The report has been circulated as document G/L/276.

Other Business

(a) Chile – Support to canned peaches in the European Communities

40. The statement by the representative of Chile on the issue of support provided to canned peaches in the European Communities has been reproduced in document G/AG/W/41. During its intervention, Chile circulated a study concerning canned peaches (document G/AG/W/40 refers). The representative of the European Communities regretted that Chile had not given the European Communities an opportunity to examine the study in advance and to discuss the issues involved on a bilateral basis.

41. The representative of Argentina urged the European Communities to decide on a date for a further information meeting with the parties concerned in order to try to make progress on the outstanding questions. The representatives of Australia, Brazil, the Philippines and the United States noted their governments' interest in continuing the dialogue with the European Communities on this issue.

(b) Canada – Status of matters regarding measures taken by the State of South Dakota and others

42. With regard to the issue of measures taken by the State of South Dakota and others affecting Canadian exports destined for, or in transit through, that State (G/AG/R/16, page 14) the representative of Canada noted that the States in question had suspended their trade actions and therefore Canada had suspended the GATT Article XXIII process (G/AG/GEN/27). Canada hoped that the ongoing consultations with the United States would lead to a speedy resolution of this and other border trade issues.

Date of Next Meeting

43. The next regular meeting of the Committee on Agriculture has been rescheduled for Thursday and Friday, 25-26 March 1999 (WTO/AIR/995). The airgram convening the meeting and containing the draft agenda will be issued on Friday, 12 March 1999.

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ANNEX – Part I

Review of Notifications by the Committee on Agriculture on 17-18 November 1998

Summary of Specific Points Raised and Responses Thereto

Table MA:1 Notifications

Panama G/AG/N/PAN/2 Tariff Quota Administration (Table MA:1)	
Points raised by other Members	Response by Notifying Member
European Communities: Description of the allocation and management of the tariff quotas.	Regulations governing the granting of import licences for products subject to tariff quotas will be provided to the Secretariat and an addendum will be issued accordingly. Basically, an auction system is applied whereby prices are determined by supply and demand factors.
Australia: Rice, other - Circumstances which led to the opening of an "extraordinary tariff quota" under heading 1006.10.90; whether it has been filled; plans for further similar initiatives.	Circumstances are explained below in relation to PAN/3. The tariff quota was filled. No plans are foreseen for further initiatives.

Poland G/AG/N/POL/21 Tariff Quota Administration (Table MA:1)	
Points raised by other Members	Response by Notifying Member
Australia: Reason for changing the method of allocation to importers, for certain tariff quotas, from a "first-come, first-served" to a historical allocation on a <i>pro rata</i> basis. <i>Follow-up:</i> Any evidence that the change has resulted in greater fill rates and enhanced market access opportunities under the concerned tariff quotas: No data supporting this trend is available at the moment.	The method based on historical performance was thought to be more suitable since it addresses in a more effective manner the interests of those importers who are firmly established on the market. However it was subject to strong criticism by the importers almost immediately following its introduction. Subsequently the "first-come, first-served" method was introduced in May 1998.
New Zealand: Time constraints imposed on the validity of licences issued for many fruit and vegetable tariff quotas; whether importers are able to apply for licences throughout the year.	Many of the fruit and vegetables tariff rate quotas were underfilled due to the lack of importers' interest and not to the validity period of licences. The licences granted refer to specific periods when specified varieties can be imported. Importers can apply for licences throughout the year and their completed applications are reviewed on a first-come, first served basis.
New Zealand: Apparent contradiction between the phrase "quota allocations are valid for a calendar year" and "licences are valid for 90 days effective from the date of issue".	Some tariff lines for products, such as cut flowers and some fruits and vegetables, specify import periods. The remaining product categories can be imported throughout the whole year. The Law on Administration of International Trade provides that licences are to be issued for a specific period of time. Based on that Law, the Regulation of the Minister of Economy limits the validity of licences issued to 90 days. Importers applying for an import licence within the tariff quota after the old licence was used up, expired or returned without being used, must repeat the entire application process. The issuing of licences can be repeated during the whole year until the tariff quota is filled.

Poland G/AG/N/POL/21 Tariff Quota Administration (Table MA:1)	
Points raised by other Members	Response by Notifying Member
<p>New Zealand: Apples - Method used to determine import quantities in the different periods when specified varieties can be imported.</p> <p><i>Follow-up:</i> This practice seems to limit the market access opportunities available for each variety as consigned in the Polish Schedule, and as such, is questionable: this newly introduced system of allocation is at an early stage of implementation. Poland is currently monitoring results in order to evaluate its appropriateness and relevance to the tariff quota products concerned.</p>	<p>Tariff rate quotas were originally included into the Polish Schedule as 4-digit CN codes. In 1997 and 1998, they were further divided into more specific 9-digit PCN codes. In order to guarantee a balanced yearly supply of fruit and vegetables, tariff quota quantities are divided into different periods when specified varieties can be imported.</p>
<p>New Zealand: Reason why the 9-digit HS tariff lines for apples and cucumbers differ from those notified in 1997; whether the latter are still operational tariff quotas; if so, method of administration used in 1998.</p>	<p>These PCN codes were changed in 1998. The new codes cover the same products and importing periods previously covered in 1997. The same tariff quota is therefore involved and the modifications did not have any incidence on Polish commitments. In 1998, administration of this tariff quota was carried out on a first-come, first-served basis, as in 1997.</p>

Switzerland G/AG/N/CHE/13 Tariff Quota Administration (Table MA:1)	
Points raised by other Members	Response by Notifying Member
<p>United States: Legal basis for classifying meat treated with hormones and antibiotics and egg and egg products from birds raised in battery cages for the purposes of applying the in-quota rates; basis for restricting in-quota, but not over-quota, imports if public health issues are indeed a concern.</p> <p><i>Follow-up:</i> Australia and Canada stressed the market access issue at stake. A unilateral change in the coverage of tariff quota, in this case by creating new codes, could impair the value of market access commitments. Once the measures in question are adopted, detailed explanations on their market access aspect would be welcome.</p>	<p>These questions relate to three proposed sanitary regulations which are still at a very early stage of development and were notified to the SPS Committee for transparency purposes. Comments received will be taken into consideration before the final decision is taken, by the end of 1998.</p>

United States G/AG/N/USA/19 Tariff Quota Administration (Table MA:1)	
Points raised by other Members	Response by Notifying Member
Raw cane sugar	
<p>Japan: Method by which the overall tariff quota volume is determined.</p>	<p>The US fiscal year 1999 tariff quota was established on the basis of forecast fiscal year 1999 sugar supply and demand as reported in the USDA's <i>World Agricultural Supply and Demand Estimates Report</i>. Using these estimates, the tariff quota was established at a level which ensures adequate supplies of raw sugar in the US market. It is allocated by the US Trade Representative on the basis of historical trade shares from the 1975-81 base period. The amount offered by the United States under the current tariff quota is higher than the access commitment specified by the United States in its Uruguay Round Schedule.</p>

United States G/AG/N/USA/19 Tariff Quota Administration (Table MA:1)	
Points raised by other Members	Response by Notifying Member
Thailand: Reason for the large drop in the grand total of country allocations in 1997 compared to 1998.	The US tariff quota was established at 2,100,000 tonnes in fiscal year 1997 and 1,600,000 in fiscal year 1998. The fiscal year 1999 tariff quota was initially established at 1,614,937 tonnes. However, 450,000 metric tonnes were held in reserve for possible allocation during January, March and May (according to the administrative process described in Table MA:1). To the extent that it exceeds the WTO minimum, the tariff quota is established on the basis of US sugar supply and demand forecast. Because sugar supply and demand fluctuate annually, the volume of imported raw sugar needed to ensure adequate sugar supplies changes from year to year. The amount offered under the current tariff quota is higher than the access commitment of 1,117,195 tonnes specified by the United States in its Uruguay Round Schedule.
Japan/Thailand: Method by which country shares are allocated; allocation to WTO <i>versus</i> non-WTO Members; whether the list of country allocations will be revised in the near future, and under what criteria. <i>Follow-up – Colombia: Reiterated concerns regarding the decrease of its allocation, both in percentage and in absolute terms, compared to that made to Mexico, which was increased, especially in view of: (a) the United States previous response (G/AG/R/16 refers) that the allocation made to Mexico was not credited to the tariff quota open to MFN countries; and (b) The United States' claim that the allocation is consistent with the relevant provisions of Article XIII of GATT 1994. In this regard Mauritius also requested confirmation that the allocation of 25,000 tonnes made to Mexico is not included into MFN quantities but is above them. The United States undertook to provide a response in writing and Mexico expressed an interest in seeing the information as well.</i>	Allocation is consistent with Article XIII of GATT, 1994, on the basis of the proportions supplied (due account being taken of any special factors which may have affected trade) during the representative period 1975-1981, prior to the establishment of the US sugar quota. Regarding the allocation to non-WTO Members, since this allocation is consistent with Article XIII of GATT 1994, there are currently no plans to change the present allocation methodology.
European Communities: Other cane or beet sugars or syrups and sugar-containing products - Reason why there is no importer allocation for these tariff quotas, compared to last year's USA/13, where these were allocated on a first-come, first-served basis.	As reported in Table MA:1 covering US fiscal year 1999, importer allocations for these tariff quotas continue to be allocated on a first-come, first-served bases. For this reason, there is no "allocation list". Any importer can import at the in-quota tariff rate until the tariff quota is fully subscribed.
European Communities: Conditions for obtaining a "specialty sugar certificate".	Any application must include the following information: name and address of the applicant; if known: a statement of the anticipated quantity, date of entry, anticipated consumer of specialty sugars to be imported; the appropriate 6-digit sub-heading number; a description of the specialty sugar the importer expects to import during the period of the certificate (certificates are renewed annually on a US fiscal year basis); sufficient evidence to permit the Certifying Authority to make a reasonable determination that the sugars are specialty sugars.

Table MA:2 Notifications

Canada G/AG/N/CAN/23 Tariff Quota Fill (Table MA:2) – Preliminary review	
Points raised by other Members	Response by Notifying Member
Australia: Wheat and Barley - Confirmation that all in-quota imports of wheat entered at the in-quota tariff rate; that underfill for wheat and barley was driven by market forces.	All in-quota imports entered at the in-quota tariff rate. Given the administration method chosen for both tariff quotas (i.e. first-come, first-served) and the possibility to invoke the general import permit without advance application, it can be assumed that the fill rates truly reflect market conditions.

Colombia G/AG/N/COL/10/Rev.1 Tariff Quota Fill (Table MA:2)	
Points raised by other Members	Response by Notifying Member
Australia: Reasons for the continuing low tariff quota fill on a number of products.	As can be observed for several WTO Members, the levels of tariff quota imports are sometimes above the committed volumes while in other instances they are below. The applied duties are below the bound in-quota tariff rates and consequently, no monitoring system is implemented in order to control import volumes. Import volumes may be influenced by changes in internal demand (e.g. soyabean or sunflower oils) or consumer preferences for domestic agricultural products (Colombia is an important producer of African palm oil, raw sugar and malt).
Argentina: Bovine meat, fresh and frozen - Reasons for low tariff quota utilization.	In 1997, imports of <u>frozen</u> bovine meat were above the levels indicated in Colombia's Schedule. The low fill rates registered for <u>fresh</u> bovine meat appear to result from the lack of import demand as reflected by the equally low level of demand for import licences (all applications were approved). The lack of demand could be explained by the increase in production (3% annual).

European Communities G/AG/N/EEC/13 Tariff Quota Fill (Table MA:2)	
Points raised by other Members	Response by Notifying Member
United States: Whether in-quota imports include imports under preferential arrangements, such as those from the European Agreements; if so, breakdown of in-quota imports for preferential and non-preferential imports.	For certain tariff quotas, the possibility to include imports under the Europe Agreements is indicated in Schedule CXL. It is the EC's view that this can be done only when the preferential duty rate is the same as the in-quota rate applied. In no other case have preferential imports been counted against the WTO commitments.
United States: Meaning of "effective imports"; whether these are actual imports as reported by the EC customs service; calculation method used to compile "effective imports".	"Effective imports" represent actual imports as reported by the customs services on the basis of accepted import declarations.
United States: Whether listed in-quota imports include products re-exported under the inward-processing régime. <i>It is the United States' understanding that such imports should not count towards the fulfilment of Uruguay Round market-access commitments, since they are eventually re-exported.</i>	The import quantities notified represent products that are put in free circulation. They do not cover imports under the inward-processing regime.
Japan/New Zealand: Apricots, oranges, sweet potatoes : Reasons for underfill; incidence of chosen allocation method on fill rates. <i>Follow-up: Philippines : Whether country allocations are made for the tariff quota for sweet potatoes; whether unused allocations are re-distributed among other supplying countries. The European Communities undertook to revert to provide answers at a later stage.</i>	Tariff quota underfill is not caused by the chosen method of administration. Tariff quotas for <u>apricots and oranges</u> are administered on a first-come, first-served basis. The quantities imported are thus defined by private commercial and economic interests of importers and exporters. Low imports of <u>sweet potatoes</u> in recent years are due to declining EC demand for this product because of: (a) competition with other products for feeding purposes; and (b) declining export capacity of the main supplier, China, as a result of the increase of its own internal consumption needs.
Japan: Arrowroot, salep - Reasons for tariff quota underfill.	Other animal feeds are abundantly available on the EC market at competitive prices.
Australia/United States: Butter - Data on the level of imports; whether import figures are based on "effective imports" or authorizations (licences).	Import figures are still subject to verification and will be notified as soon as the process is completed. The source of data will be duly indicated.
Japan/Thailand: Manioc (cassava) and Manioc (cassava), other than pellets of flour and meal - Reasons for very low in-quota imports.	Major manioc producing countries are increasingly becoming major users themselves. In other countries, demand for manioc is also increasing. Furthermore, other animal feeds are abundantly available on the EC market at competitive prices.
Canada: Preparations of mixtures of malt sprouts; barley screenings; mushrooms - Reasons for underfill.	<u>Preparations of mixtures of malt sprouts and barley screenings</u> : these are in direct competition with other animal feeds that are abundantly available on the EC market (coarse grain, feed wheat) or can be imported at zero duty (cereal substitutes such as corn gluten feed); <u>Mushrooms</u> : This tariff quota is mostly used for imports from China and European countries. The underfill is mainly due to a reduction of the production capacity in the latter countries.
Thailand: Rice, husked, brown; and semi-milled or wholly-milled - Method used in allocating shares to the United States considering their low fill rates in 1997; effective imports of both types of rice in 1997.	The 1997 quota shares for the United States will be added to the US quota allocation for the following years. This arrangement is due to the fact that in 1996 the necessary provisions were not in place to make the US quota share operational. In 1997, total EC imports amounted to: (a) <u>husked rice</u> : 530,000 tonnes ; (b) <u>milled rice</u> : 180,000 tonnes.

European Communities G/AG/N/EEC/13 Tariff Quota Fill (Table MA:2)	
Points raised by other Members	Response by Notifying Member
Australia: Sheepmeat : Reasons for tariff quota underfill.	Imports of sheepmeat from certain countries remained low as a result of de-stocking that has taken place during previous years in certain supplier countries.
Australia: Swine, meat of : Reasons why tariff quota was not filled.	There was sufficient internal supply on the EC market. In addition, internal prices declined towards the end of 1997.
Argentina/Australia/Japan: Wheat - Reasons for tariff quota underfill.	The underfill of the quota for quality wheat is due to the fact that for most of 1997, the normal import duty was zero.

Japan G/AG/N/JPN/31 Tariff Quota Fill (Table MA:2)	
Points raised by other Members	Response by Notifying Member
Australia/European Communities: Reasons for the continuing low quota fill for a number of products.	Reasons for declining import demand are due to: <u>skimmed milk powder for school lunches</u> : declining number of school children; <u>skimmed milk powder for other purposes</u> : declining number of livestock animals and demand for feed, which is the end use of most of this tariff quota; <u>evaporated milk</u> : methods of utilization of this product are still under development; <u>whey and modified whey for feed</u> : Decreasing number of livestock animals. However, this product is increasingly being used as a substitute for skimmed milk powder; <u>prepared whey for infant formula</u> : declining number of newborn children and increasing interest in breast-feeding; <u>mineral concentrated whey</u> : lagging development of processed products using whey. However, demand for calcium-added beverages and food is expected to increase; <u>ground nuts</u> : recent diversification of food intake in Japan and price competitiveness of other types of nuts; <u>silk worm cocoons and raw silk</u> : stagnant demand reflects the depressed economic situation in Japan.
European Communities: Butter/butter oil and skimmed milk powder - Whether the in-quota imports include products destined for outward processing.	The quantity shown in Japan's Schedule (Section 1-B, Part I) includes products for outward processing and products consumed in international maritime vessels and international airlines. However, actual imports of these products for these purposes are not included in the figure of in-quota imports in Column 4 of the notification because of a lack of relevant statistical data (these products do not undergo custom clearance procedures), which in turn explains the apparent low rate of tariff quota fill.

Japan G/AG/N/JPN/31 Tariff Quota Fill (Table MA:2)	
Points raised by other Members	Response by Notifying Member
<p>European Communities/New Zealand/United States: "other dairy products for general use" and "starch, inulin and preparations of starches". Reasons for underfill, in particular in view of the substantial over-subscription for <u>general use</u> dairy products in Fiscal Year 1997 (FY 1997). Details on out-of-tariff quota trade for products subject to the volume-base special safeguard (V-SSG) during FY 1997 (inulin, milk and cream and condensed milk, which are included in these two basket tariff quotas); administrative procedures and import quantities involved.</p> <p><i>Follow-up:</i> New Zealand noted that there appears to be some demand for out-of-quota trade for those dairy products subject to the V-SSG, and yet there was tariff quota underfill. This situation would seem to warrant some adjustments of in-tariff quota administration arrangements so that the quota would be eventually filled, without having recourse to out-of-quota trade nor the imposition of the V-SSG in certain cases.</p>	<p><u>Starch and preparations of starch:</u> Underfill is due to the fact that starch for manufacturing glucose and fructose is relatively expensive when compared to corn starch which is domestically produced from imported corn.</p> <p><u>Dairy Products for General Use:</u> The Agriculture and Livestock Industries Corporation (ALIC), which is a state trading enterprise, imports dairy products for general use in the tariff quota, taking into consideration supply and demand factors for dairy products. Regarding out-of-quota imports during fiscal year 1997, the figures are: <u>inulin</u>: no imports; <u>milk and cream</u>: 2.213 tonnes; <u>condensed milk</u>: 9.438 tonnes. <u>Milk and cream</u> and <u>condensed milk</u> are subject to a basket tariff quota, which was almost filled.</p>
<p>Thailand: Rice - Imports from non-WTO Members; level of imports of Japonica and Indica types in 1997; end-use of rice imports.</p>	<p>Rice was imported from the United States, Australia, China, Thailand, Vietnam, Pakistan, Egypt, Uruguay, Italy and Spain. In fiscal year 1997, 75 per cent of total rice imports were of the Japonica-type and 25 per cent of the Indica type (assuming that medium and short grains are classified in the Japonica type and long grains in the Indica type). Almost all rice imports were destined for human consumption.</p>
<p>Argentina: Wheat, meslin triticale and their processed products; barley and its processed products - Level of imports for each product falling under each of these global tariff quotas.</p> <p><i>Follow-up</i> - Argentina reiterated the above request. Japan undertook to provide an answer in writing.</p>	<p>Volume of imports for each tariff quota is as indicated in the notification.</p>

Panama G/AG/N/PAN/3 Tariff Quota Fill (Table MA:2)	
Points raised by other Members	Response by Notifying Member
<p>Australia/Canada: Reason why notified imports match tariff quota quantities, i.e. whether data reflect licences issued rather than actual imports or whether Panama has only notified imports up to the tariff quota quantity calculated for the four-month period.</p>	<p>Column 4 only includes in-quota, and not total, effective imports.</p>
<p>Australia/Canada/European Communities: Poultry meat and tomatoes - Reason for the lack of imports.</p>	<p>Despite opening the tariff quota, there was a lack of interest by importers and no applications were received.</p>
<p>European Communities: Rice - Noted that in-quota imports of rice exceed the quota quantity. Whether all notified imports have taken place under the conditions applicable to in-quota imports.</p>	<p>In order to ensure adequate rice supplies during the end of 1997 and beginning of 1998, the Government opened an "extraordinary" tariff quota (explanations provided under PAN/2 above refer) amounting to 99,336 tonnes. Additional out-of-quota imports took place at a preferential rate of duty (not to exceed 15 per cent) starting in November 1997. Thus import quantities shown include the allocations made for November and December (i.e. 16,556 tonnes per month) under the "extra-ordinary" tariff quota.</p>

Philippines G/AG/N/PHL/16 Tariff Quota Fill (Table MA:2)	
Points raised by other Members	Response by Notifying Member
Australia/New Zealand: Reason why some tariff quotas were not, or under-, utilized (including swine, poultry, goats, pork, goat meat, poultry meat, potatoes, sugar, coffee, corn)	The tariff quotas were made available to the private sector but there were only a few takers or interested parties. Decisions to import remain entirely business decisions. <u>Live swine and live poultry, goat and goat-meat</u> : no licences were issued because there were no applicants. For other commodities, including <u>poultry meat, pork, potatoes and coffee</u> : licences have been issued but no parties were interested in importing the products concerned. Under-utilization of tariff quotas is also due to a number of market related factors, including the economic crisis in several Asian countries and an average 40 per cent devaluation of the Philippine peso during 1997. It should be recalled that in response to concerns raised by Members, the Philippines has implemented changes to its method of administration in 1998.

Tunisia G/AG/N/TUN/11 Tariff Quota Fill (Table MA:2)	
Points raised by other Members	Response by Notifying Member
New Zealand: Reporting period.	Calendar year 1997.
Australia/New Zealand: Reason for the low quota fill for a number of products (including calves, bullocks, bovine meat, milk powder, butter); reason for the non-utilization of certain tariff quotas.	In 1997, all tariff quotas were opened and administered in conformity with the procedures notified to the Committee. Low fill rates may have resulted from: the lack of import demand; the development of local production; consumer behaviour; and high priced products.
New Zealand: Almonds, shelled, tomato concentrate - Reason why tariff quota quantities were reduced, compared to the last notification.	This is due to a transposition error. A corrigendum will be shortly submitted.
Argentina: Durum wheat, soft wheat, barley - Whether any imports were recorded outside the tariff quota.	The year 1997 was characterized by an increase of cereal imports. The quantities recorded were slightly above the relevant tariff quotas.
Argentina/Canada: Method of counting in-quota imports given that five tariff quotas are reported as being exactly filled; whether notified imports reflect import licences or actual imports.	Notified imports reflect effective imports under the related tariff quotas. These are monitored on a daily basis by the competent authorities.

Tables MA:3 to MA:5 Notifications

United States G/AG/N/USA/18 (Table MA:3)	
Points raised by other Members	Response by Notifying Member
New Zealand: Reason why consumption was not taken into account in calculating the trigger level.	Preliminary data indicates that imports were about 65 per cent of consumption over the last three years. If this had been taken into account, the special safeguard would have been triggered three months earlier.

Table DS:1 Notifications

Guyana G/AG/N/GUY/1 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
Australia: Whether industrial producers receive payments under the Agriculture Loan Programme.	Questions were forwarded to the Delegation.
New Zealand: In cases where Green Box measures have been co-financed by other Funds, whether figures reflect total expenditure on the project or simply the expenditure by the government of Guyana.	

Israel G/AG/N/ISR/8 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
New Zealand: Reason for the significant increase in AMS support in 1996 compared to 1995; whether this trend is expected to continue.	Commitments were calculated in the AGST tables in New Israel Shekels and converted into US dollars. The same conversion method was used for the calculation of the current AMS in 1995 and 1996. Following the Central Bank's policy to curb inflation, the domestic rate of inflation rose by 212 per cent between 1988 and 1997, while the devaluation of the shekel <i>vis-à-vis</i> the US dollar was only 115 per cent. This had the effect of increasing the value of the total AMS in nominal terms. Israel decided not to recalculate external reference prices because: (a) the gap between the internal rate of inflation and the shekel/US\$ exchange rate narrowed during the last couple of months and (b) despite the increase noted by New Zealand, the current AMS remains below commitment levels, both in 1995 and 1996. Therefore, this trend is not expected to continue.
New Zealand/United States: Supporting Table DS:5 - Confirmation that external prices are the same as used in calculating the equivalent commitments in AGST tables; if not, reference years used.	The same fixed external reference prices which were used in the 1986-88 base period to calculate the EMS are used again in the present notification.

Korea G/AG/N/KOR/18 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
Supporting Table DS:1	
New Zealand: <u>"Infrastructural Services"</u> - Reason for the significant increase in expenditure on this category between 1996 and 1997; whether this is due to the increased number of projects or to higher cost projects being initiated.	Significant efforts have been made since 1992 towards structural adjustment, notably through the Comprehensive Rural Development Plan. These efforts include: the improvement of infrastructural services including irrigation systems, and rural road and water supply facilities. This investment plan was initially scheduled to be completed by 2001, but is now rescheduled to be phased out by 1998 to expedite structural adjustment. As a result, in 1997, the number of projects increased considerably compared to 1996, leading to a significant increase in total expenditure on infrastructural services.

Korea G/AG/N/KOR/18 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
United States: " <u>Support for structural adjustment</u> " - Type of machinery provided; conformity with criteria in para 11, Annex 2.	Small-scale farms, poor infrastructure and insufficient levels of mechanization prevail in Korean agriculture. Mechanization is essential to improve the competitiveness and viability of agriculture given the internal decline of the agricultural labour force and the rising proportion of aged farmers. Loans and subsidies were introduced for the purchase and storage of small, multi-purpose types of machinery which suit Korea's unique geographical features. Support is targeted to the disadvantaged farmers not to increase production but to expedite structural adjustment. Support has been concentrated during the period 1993-97, and has declined since 1998.
United States: " <u>Other</u> " - In view of responses provided in G/AG/R/13, the <u>buffer stock management</u> fund seems to provide price support and should be removed from the Green Box. Conformity with criteria in para 1, Annex 2.	This programme is designed to stabilize domestic consumer prices of fresh fruit and vegetables through (a) purchasing and storing activities during harvests when prices are low at market prices (i.e. not pre-determined administered prices) and (b) releasing them in the wholesale market during off-seasons when prices soar. Since markets for these products are small and demand is price-inelastic, a small change in the volume of production could easily disrupt domestic markets, e.g. when unpredictable factors such as extreme climatic conditions during the planting period arise. This programme does not have the effect of providing price support to the farmers. The purchased quantities are minimal compared to total production.
Supporting Table DS:2	
New Zealand: Decision process involved in the allocation of <u>investment subsidies</u> , in view of the substantial change of the types of ventures benefitting from subsidies in 1997 compared to 1996; whether such subsidies are targeted only to the products listed.	This support is targeted to farmers living in mountainous areas. Such farmers live under unfavourable conditions and grow crops such as mushrooms, mountain herbs and nuts. With the recent decrease in demand for silk, demand for mulberry field rehabilitation has dwindled. This type of support is aimed at improving generally unfavourable agricultural conditions not to increase production of any specific products. It is provided in the form of subsidies or loans at concessional rates. It is invested in facilities and equipment suitable for farming in mountainous areas.
Supporting Table DS:4	
New Zealand/United States: Justification of the <i>de minimis</i> claim for (a) product-specific and (b) non-product specific categories of support.	The related data is provided in Attachment no. 1 .
<i>Follow-up: United States and Canada: The provision of data concerning the value of production should become a regular feature of all ST/DS:4 notifications.</i>	

Korea G/AG/N/KOR/18 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
Supporting Table DS:5	
New Zealand: Beef - Reason for the large increase of the amount of production eligible for support.	Demand and supply for beef have increased rapidly in the 1990's. Increased demand has been met mostly by imported beef. However, this trend slowed down since the end of 1996 which led to oversupply and build up of stocks. Cattle prices dropped drastically affecting the domestic industry. From the end of 1996, the National Livestock Cooperative Federation began to purchase cattle in order to stabilize cattle prices. The volume of production eligible for support increased in 1997 because the purchase programme began at the end of 1996 and continued throughout 1997. However, this support measure was temporary and was discontinued in August 1998 as cattle prices recovered to a certain extent.
Supporting Table DS:7	
United States: Noted the usefulness of information regarding the specific types of subsidies. Where two measures are listed, details requested on allocation of expenditures among them; calculation details in column 5 (or column 4 in case of budgetary outlays). <i>Suggestion is made that measures are listed separately to avoid confusion.</i>	Expenditures (billion won) are as follows: <u>ginseng</u> : 3.27 for quality improvement and 5.16 for loan interest rate subsidy; <u>pigmeat</u> : 9.52 for quality improvement and 2.52 for loan interest rate subsidy. The amount shown in column 5 indicates the loan interest subsidy and is calculated by multiplying the difference between the market interest rate and the concessional rate granted to producers by the amount of loans provided.
Supporting Table DS:9	
New Zealand: " <u>Loan Interest Subsidy for Farming</u> " - Reason for the significant increase in 1997 expenditures compared to 1996.	This programme, introduced in 1961, provides short-term loans to farmers at a concessional rate. The total amount of subsidy is calculated by multiplying the amount of the loan by the interest differentials. The subsidy rose significantly in 1997 because the amount of the loan was expanded due to increased production costs and the interest differentials broadened.
United States: Request for calculation details in column 5.	There were no associated fees or levies on farmers in 1997.

Philippines G/AG/N/PHL/14 and Add.1; PHL/15 and Add.1 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
Supporting Table DS:1	
Japan: Reason for the general increase in Green Box expenditures compared to 1996.	This is largely attributed to the sub-item "general research". There has been renewed priority in improving farm productivity, such that the relevant research programmes in 1997 have increased compared to 1996.
Japan/New Zealand/United States: <u>General research relating to particular products</u> – Reason for increased expenditures in 1996 and 1997.	These programmes include research studies to generate and develop technologies on specific commodities such as rice and corn, crops, livestock and fisheries. For example, these research programmes are conducted to improve resistance to diseases and reduce post-harvest losses. The notified figures do not reflect actual expenditures but budgets provided for such activities and actual expenditures may therefore be lower than the provision.

Philippines G/AG/N/PHL/14 and Add.1; PHL/15 and Add.1 Domestic Support (Table DS:1)	
Australia/Japan/New Zealand/United States: <u>Production and market infrastructure</u> : Operation details; reason for the sharp increase in spending in 1997; conformity with criteria of Annex 2, para 2(g), which excludes the subsidized provision of on-farm facilities such as slaughterhouses, etc.	All infrastructure services listed are consistent with the provisions of para 2(g) of Annex 2 since each service involves the construction of capital works only. The solar dryers, for example, are multi-purpose drying pavements where farmers can spread their products for drying in the sun. Such facilities are provided by the government and are available for use by the public. The construction of facilities such as slaughterhouses and similar buildings involves the building of structures only and does not include facilities required to operate them.
Japan: <u>Crop insurance and calamity fund</u> - Operation details; reason for the sharp increase in 1997 spending.	Undertook to provide a response at a later stage.
Australia/New Zealand: <u>Stabilization programme for rice and corn</u> - Reason for large cuts in the expenditures; operation details.	<p>The apparent cut in expenditures is due to a typographical error. The figure for 1997 should read 1.5 billion pesos (instead of 1.5 million pesos).</p> <p>Under this programme, the government appropriates a budget for the procurement of a portion of the domestic rice and corn production of farmers. The rice and corn procured form part of the government buffer stocks which are used to ensure the availability of rice and corn at reasonable prices. The government also imports rice and corn, if necessary, to supplement domestic production. These commodities are distributed in strategic areas.</p>
Supporting Table DS:2	
New Zealand: Reason for changing programmes descriptions and titles; whether such programmes are new or whether new elements have been included; reason for decrease in expenditures.	The activities under the programmes are essentially the same. The decrease in expenditures may be attributed to the shift in strategy in the government's production enhancement programmes from the provision of input subsidies to the provision of production loans to farmers.
Supporting Table DS:5	
New Zealand/United States: Rice and corn - Reason for fluctuating expenditures, including in the volume of corn production for which support was provided in both 1996 and 1997 compared to previous years; compared to base period; basis for determining eligible production.	The eligible production notified reflects the actual procurement level of paddy (and rice) and corn by the National Food Authority (NFA). NFA procurement of cereals depends on several factors such as: volume of production; farm prices; budgetary position of the government; and the credit that NFA can generate from domestic sources. However, government intervention in the rice and corn market takes place only when the prevailing prices are lower than the support price. In view of the above, NFA's level of expenditure may vary from time to time.

Thailand G/AG/N/THA/29 Domestic Support (Table DS:1)	
Points raised by other Members	Response by Notifying Member
Supporting Table DS:2	
Australia/New Zealand: <u>Soft-loans for Agricultural Investment</u> - Operations; conformity with Article 6.2; reason for the decrease in expenditures between 1996 and 1997.	This programme is generally available to agricultural producers in accordance with Article 6.2. It is operated through farmers' groups and offers them concessional interest rates to support their needs (quality improvement, storage facilities, product processing projects, etc.). Decreased expenditures under this programme were due to the financial crisis in Thailand.
Australia/New Zealand: <u>Farming Input Assistance Programme</u> – Reasons for (a) increase in expenditures between 1990/91 and 1997; and (b) decrease in expenditures between 1996 and 1997.	(a) This is due to the continuous adjustment by government of its agricultural production policies by supporting agricultural inputs. A large number of farmers participate in this programme. In response to local demand, the government has also initiated a crop replacement project under this programme. (b) This is due to the financial crisis in Thailand.
Supporting Table DS:5	
New Zealand: Whether product-specific programmes for non-listed, but previously notified, products still exist; whether the non-reporting of such information is due to a <i>de minimis</i> claim; if so, justification is requested.	In 1997, support levels for chicken eggs and lemons were below the product-specific <i>de minimis</i> levels. Fresh milk, soya beans, duck eggs and palm oil received no support during that year.
Japan: Coffee seed, shallot, tapioca - Considering THA/23, confirmation sought that related subsidization was started in 1997 only; operation details.	In 1996, only shallot received support which remained below the <i>de minimis</i> level as specified in G/AG/R/13. In 1997, the support programme for coffee seed, shallot and tapioca had operated through market price intervention when domestic prices were low.
Japan: Garlic - Operation details. <i>Noted that subsidies were granted in 1995 and 1997, but not in 1996.</i>	Support for garlic in 1996 was below the <i>de minimis</i> level as specified in G/AG/R/13. Market price intervention was activated only when domestic prices were low which explains why such a support programme is not operated every year.
United States: Milk - Whether the producer price for milk was guaranteed in 1997.	No support was granted to milk during 1997.
New Zealand: Onions - Reasons for the large increase of product-specific support in 1997 compared to 1996.	This was due to the very low domestic prices for onions during 1997.
United States: Soybeans - Whether price support is still provided to producers by requiring crushers to buy beans at an established price level.	No support was granted to soybeans during 1997.
Supporting Table DS:7	
United States: Method used to calculate market price intervention for the listed commodities; reason why price gap methodology described in Annex 3 was not used.	The market price intervention programme was operated on the basis of budgetary outlays in accordance with para 10 of Annex 3. Product-specific support is granted through a market price intervention programme in Thailand. It is operated only when the local prices are very low. This intervention system is entirely different from a guaranteed-price system.
<i>Follow-up: New Zealand - It would greatly reduce the burden of questioning if the <u>de minimis</u> claims were regularly substantiated with the relevant data and notified to the Committee along with the notifications.</i>	

Table DS:2 Notifications

Korea G/AG/N/KOR/19 New or Modified Domestic Support (Table DS:2)	
Points raised by other Members	Response by Notifying Member
New Zealand: How will Korea ensure that "support installations" are limited to the extra costs or losses of income involved in complying with the programme, as stipulated in Annex 2, para 12?	Environmental preservation issues have recently emerged as water pollution and soil degradation are worsening. The Pro-Environment Promotion Act was established in December 1997 and support measures for building a sustainable agricultural zone were introduced. In order to encourage environment-friendly agriculture, support is targeted to farmers in those areas that are designated as sustainable agricultural zones, mainly in the form of subsidies for livestock waste disposal facilities and organic farming facilities and equipment. Beneficiaries of this type of support are required to record the use of pesticides, chemical fertilizers, and livestock waste disposal facilities. Support covers only up to 80 per cent of the costs incurred.
United States: Details sought on implementation means (financial payments, loans, equipment); eligibility criteria.	

Tables ES:1 to ES:3 Notifications

Canada G/AG/N/CAN/22 Export Subsidies (Tables ES:1 to ES:3)	
Points raised by other Members	Response by Notifying Member
Japan/Thailand: Operation of the food aid programme; whether international organizations are involved; procurement and exporting to recipient countries; amount of government spending for procurement activities.	Food aid is provided through the Canadian International Development Agency (CIDA) through three channels: (a) to international partners such as the WFP and UNICEF; (b) directly to the government of the recipient country; (c) to Canadian partners/NGOs, such as the Canadian Foodgrains Bank. Products are procured either by CIDA or its partner. Food is purchased in Canada on the commercial market based on recipient countries' needs. However, food is occasionally purchased in developing countries to meet the dietary requirements of the people in need. Canadian food may also be shipped to one country in exchange for more appropriate food from that country to go to another. The food aid reported in Table ES:1 relates to products purchased in Canada. During the 1996/97 fiscal year, CIDA's Food Aid Programme disbursed C\$249.6 million.
Thailand: Criteria applied in selecting commodities destined to food aid programme; whether these are surplus commodities or whether the selection is made in response to recipient countries.	Commodities provided as food aid are determined both by Canada's commitments under the FAC as well as by the needs of recipient countries. Food aid provided in the form of wheat, wheat flour, corn, and dried peas and beans count as contributions towards Canada's current annual pledge of 400,000 tonnes of wheat equivalent under the FAC. Other products are provided as food aid based on the needs of recipients and available supplies. Canada's food aid is not a surplus removal programme.
Thailand: Reason why only butter and skimmed milk powder received export subsidies.	During the Uruguay Round base period, Canada provided export subsidies under the Western Grain Transportation Act, in the form of more favourable freight rates for export than for domestic movements, for wheat and wheat flour, coarse grains, oilseeds, vegetable oils, oilcakes, and dried leguminous vegetables. This programme was eliminated on 31 July 1995 and since then, Canada has not provided any export subsidies for these products. In addition, producer financed export subsidies were provided for butter, skimmed milk powder, cheese and other milk products during the Uruguay Round base period. On 1 August 1995, the system of producer funded rebates on dairy product exports was eliminated. In the case of butter and skimmed milk powder, some exports of these products continued to receive export subsidies in 1995/96 and in 1996/97, in the transition from the previous régime. The subsidized exports notified occurred when stocks previously purchased at the domestic support price were exported at lower world prices, with the difference made up by payments financed by producer levy funds.

Canada G/AG/N/CAN/22 Export Subsidies (Tables ES:1 to ES:3)	
Points raised by other Members	Response by Notifying Member
European Communities/Thailand: Butter, skimmed milk powder - Comment sought on the decrease of the share of subsidized exports in total exports from 1996/97 compared to 1995/96; whether exports of butter and skimmed milk powder benefit from the special milk classes scheme.	<p>The system of producer funded rebates on dairy products was terminated on 1 August 1995. For these products, export subsidies on some exports continued in 1995/96 and 1996/97 in the transition from the previous regime. These occurred when stocks previously purchased at the domestic support price were exported at lower world prices, with the difference made up by payments financed by producer levy funds.</p> <p>Some exports of butter and skimmed milk powder benefit from the special milk classes. However, Canadian dairy products made from milk sold to processors under the special classes do not receive export subsidies and therefore exports of these products have not been notified as exports receiving export subsidies.</p>
New Zealand/United States: Agency involved in exporting the products concerned; when, and under which programme; explanation of how these activities are "producer-financed".	<p>In 1996/97, exports of skimmed milk powder were made both by the CDC and private traders while butter exports were undertaken by private traders. The 666 tonnes of butter and 1,479 tonnes of skimmed milk powder notified in Table ES:1 are export sales made during the 1996/97 dairy year of products which had been previously purchased at the domestic support price, under the Offer-to-Purchase-Programme. These quantities were sold from CDC inventories, of butter and skimmed milk powder which had been purchased in previous dairy years at the support price. The CDC paid funds from levies previously collected from producers to finance the exports during the 1996/97 dairy year.</p> <p>Producer levy funds were used to finance exports of dairy products sold in world markets at prices below Canadian prices. Rebates to cover the loss on sales were made to processors using funds collected through a producer levy.</p>

European Communities G/AG/N/EEC/11 Export Subsidies (Tables ES:1 and ES:3)	
Points raised by other Members	Response by Notifying Member
United States: <i>Follow-up to questions posed by Australia and Switzerland at June 98 meeting</i> - Values and quantities of subsidized exports of sugar of ACP and Indian origin.	The European Communities confirm that an amount of white sugar equal to an equivalent quantity of raw sugar imported from ACP countries and India is in turn exported.
United States: Since EC export statistics do not distinguish between (a) refined sugar from ACP countries and India; and (b) other sugar, confirmation that an amount equal to ACP and Indian sugar imports are in turn exported each year.	
<p>United States: Understands that internal EC prices less transportation costs apply to imported sugar; that imported sugar is refined in Europe and most of it is exported at lower world market prices. Whether this financial assistance is reported to the WTO; its magnitude.</p> <p><i>Follow-up: United States - Assumed that "no reduction commitment" did not mean that the EC had no commitment at all as regards export subsidization of agricultural products. To the extent that WTO rules exist on the subject, the United States hoped to see more information on sugar exports under the EC financial support programme in future.</i></p>	As indicated in footnote (1) of the table on export subsidies contained in Part IV, section II of Schedule CXL, the EC is not undertaking any reduction commitment on exports of ACP or Indian sugar. Consequently, any financial assistance is not reported to the WTO. For information, these exports amount to approximately 1.6 million tonnes per year.

Poland G/AG/N/POL/22 Export Subsidies (Table ES:1)	
Points raised by other Members	Response by Notifying Member
Argentina/Australia/Philippines/Thailand: Rationale for resorting to the roll-over of export subsidy quantities for sugar in 1997; export markets in 1996 and 1997.	Due to economic reasons and low prices on the global sugar market, Poland decided to carry over unused export subsidy quantities for sugar in 1996 and 1997. Article 9.2(b) provides for the possibility of carrying over unused export subsidy quantities in 1998 and 1999. No data is available for the time being as regards the markets of subsidized sugar nor the subsidized portion of sugar exports to Thailand. Poland stated that it used export subsidies in a limited and responsible manner and informed the Committee that only sugar is subsidized out of 11 groups of products allowed.
Australia/New Zealand/Thailand: Whether Poland intends to continue this practice in the future and for which products.	The economic environment will determine whether Poland will apply its right to invoke Article 9.2(b) and to what extent.
<i>Follow-up: Notwithstanding the limited and responsible use made by Poland of Article 9.2(b), the <u>Philippines</u> and <u>Thailand</u> stressed the power of export subsidies to distort world agricultural markets and erode competitive advantages. In this case, Poland was successful in exporting sugar to Thailand, a major sugar exporting country which does not use export subsidies. <u>Australia</u> and <u>New Zealand</u> reiterated that the cumulation of export subsidies can potentially undermine the effectiveness of the Uruguay Round export subsidy disciplines and urged WTO Members to exercise restraint in resorting to export subsidization.</i>	Total exports of sugar to Thailand in 1995-1997 reached 93, 52 and 63 kgs. respectively.

Turkey G/AG/N/TUR/7 Export Subsidies (Tables ES:1 to ES:3)	
Points raised by other Members	Response by Notifying Member
Canada: Reason why 18 products or product categories received export subsidies in 1997, while only 5 received such subsidies in 1996.	Forty-four product groups are eligible to receive export subsidies according Turkey's scheduled commitments.
Canada: For "basket" product categories such as creams (HS 0401 and HS 0402); potatoes frozen and fried (HS 0710 and 2004.10); preserves and pastes (HS 2001-3, 2004.90, 2005-6, 2008): detailed list of HS tariff lines which received subsidies in 1997.	During calendar years 1996 and 1997, only five and eighteen product groups respectively received export subsidies. Attachment no. 2 lists the specific HS lines involved.
New Zealand: Confirmation that no export subsidies were provided on exports greater than the quantities listed in column 4, Table ES:1 (bovine meat, sheepmeat, butter, dried onions and citrus fruit); operation of the relevant export subsidy programmes.	<p>No export subsidies were granted to: <u>meat of bovine animals</u>, <u>meat of sheep</u>, <u>butter</u>, during 1997. Export subsidies granted to <u>dried onions</u> were below the corresponding commitment level. Total exports of dried onions exceed the level of subsidized exports. This figure includes exports to one non-WTO Member country, which were not subsidized.</p> <p>A "quantity threshold system" is used to monitor the level of effective export subsidization of each product against WTO commitments. The system was used in 1997 for <u>citrus fruit</u> and only 67 per cent of the exported quantity was eligible to receive export subsidies. Operational details are available in documents G/SCM/N/16/TUR and G/SCM/N/25/TUR.</p>

ANNEX – Part II

Deferred replies to questions on notifications raised at previous meetings

Table MA:2 Notifications

El Salvador G/AG/N/SLV/6 Tariff Quota Fill (Table MA:2)	
Points raised by other Members at the September 1998 meeting	Response by Notifying Member
European Communities: Applied duty rates for tariff quota products and whether these are applied to all imports of the products concerned.	Up to the present date, El Salvador has not decided to open tariff quotas for the products concerned. Applied rates are MFN rates.

Attachment No.1

Korea – Question from New Zealand/United States
G/AG/N/KOR/18: Justification of the *de minimis* claim

Percentage AMS to Production Value

(Million won)

Products	1997 AMS (A)	1996 Production value (B)*	(A/B, %)
Soybean	7,856	281,727	2.79
Malting barley	785	138,065	0.57
Red pepper	1,603	1,356,649	0.12
Garlic	1,244	746,702	0.17
Apple	3,101	628,007	0.49
Pear	856	373,637	0.23
Citrus fruit	145	544,759	0.03
Chestnut	3,227	233,652	1.38
Ginseng roots	8,425	245,232	3.44
Beef	195,273	2,105,039	9.28
Pigmeat	12,038	1,901,262	0.63
Other cereal	827	n.a.	n.a.
Potatoes	286	540,687	0.05
Other vegetables	21,314	4,252,992	0.50
Other fruits	865	1,008,435	0.09
Medicinal crops	541	220,149	0.25
Flowering plants	2,284	607,203	0.38
Mushrooms	1,315	490,741	0.27
Other Agr. Products	5	1,253	0.40
Non-Product-Specific	393,329	28,965,173	1.36

* Agricultural Information and Statistics Bureau, Ministry of Agriculture and Forestry, Korea.

Attachment 2

Turkey – Question from Canada

G/AG/N/TUR/7 – Export subsidies, Calendar year 1997

- For the product category covering "creams", only the tariff line 04.02 received export subsidies.
- For the product category "potatoes, frozen and fried", only the tariff line 2004.10 was granted export subsidies.
- For "preserves and pastes", please find the detailed information in the table below.

	Quantity (tonnes)	Value (\$)
2001	90,967	5,003,185
2002	102,425	5,633,375
2003	133	7,315
2004.90	2,874	158,070
2005	28,100	1,545,500
2006	466	25,630
2008	55,675	3,062,125
Total	280,640	15,435,200
