

**Committee on Agriculture**

**NOTIFICATION REQUIREMENTS IN RESPECT OF SUBSIDIES UNDER  
THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES  
AND UNDER THE AGREEMENT ON AGRICULTURE**

**Note by the Secretariat**

1. As requested at the September meeting of the Committee on Agriculture, this Secretariat note aims at comparing the notification requirements of the Committee on Agriculture (formats as set out in G/AG/2) and those of the Committee on Subsidies and Countervailing Measures (format as set out in G/SCM/6).
2. The attached table sets out to match each element of the annual agricultural notification requirements for each type of subsidy measure with the requirements in the SCM area (numbered as in the Information to be Provided section of G/SCM/6). Elements with no corresponding requirements are also indicated. The table also shows some more general aspects such as the timing of notifications and covers the ad hoc Article 18:3 requirement for new or modified "exempt" domestic support measures.

**Commentary**

3. While it is difficult to judge the similarity of notifications before being able to examine a range of actual notifications from Members (a number of notifications have been made to the SCM Committee but only two Members have notified subsidies - or "nil returns" - to the Committee on Agriculture) a few general comments can be made:

(i) **Coverage of notifications:** While "domestic support" is not defined in the Agreement on Agriculture, in this area (especially with respect to those measures excluded from the Aggregate Measurement of Support), the coverage of measures is likely to be wider in agricultural notifications than in SCM notifications. This is because some measures covered by Supporting Tables DS:1 to DS:3 in G/AG/2 may not be "specific" nor be considered to operate directly or indirectly to affect trade hence may not be covered by the format in G/SCM/6. On the other hand, agricultural export subsidies that are not covered by the definition in Article 9:1 of the Agreement on Agriculture are not systematically required to be notified to the Committee on Agriculture (although the Agreement covers these measures and G/AG/2 requires a notification in some instances). While generally prohibited under the SCM Agreement, such measures are specific subsidies that must be notified pursuant to Article 25:2. Finally, it should be noted that the Agreement on Agriculture commitments apply to "domestic support measures in favour of agricultural producers" - any domestic support measures for the benefit of agricultural processors will presumably be notified to the SCM Committee.

(ii) **Timing of notifications:** As agricultural notifications are dependent on the calendar (or marketing, fiscal, etc.) year in question, they will very rarely coincide with the requirement in G/SCM/6 to notify by 30 June of each year. In the domestic support area, there is also

provision for some annual requirements to be waived for developing country Members, and least-developed country Members are only required to notify every second year. The agricultural notification requirements are the same for any year, but in the case of the SCM notification requirements, a "full" notification is only required once every three years. With respect to new or modified "exempt" domestic support measures, there is a particular ad hoc notification requirement (Article 18:3 of the Agreement on Agriculture and Table DS:2 in G/AG/2) - no similar requirement exists in the SCM area.

(iii) **Content of notification requirements - quantitative aspects:** The quantitative information in the agricultural notifications may be quite different and have a different focus than that in SCM notifications, particularly as concerns Aggregate Measurement of Support (AMS) domestic support measures. For these measures, the information is presented to show compliance with Current Total AMS or de minimis commitments and as such is an amalgam of different calculation methods and different types of subsidies. For example, Annex 3 of the Agreement on Agriculture allows the use of the "price gap" approach of calculating the incidence of subsidies which could differ significantly from the subsidy per unit or budgeted amount required by G/SCM/6. On the other hand, the focus of the SCM notifications are on how the subsidy mechanism actually operates. The statistical data permitting an assessment of the trade effects of the subsidy as in paragraph 9. of the format in G/SCM/6 is unlikely to be forthcoming in the agricultural notifications.

(iv) **Content of notification requirements - qualitative aspects:** Only in the case of the description (with respect to criteria) for exempt domestic support measures is qualitative information sought by G/AG/2. On the other hand, particularly points 3., 4., 6. and 8. of the format in G/SCM/6 imply quite some qualitative information in order that users of the notification are clear as to the objectives and mechanisms inherent in any subsidy measure. There is no such requirement under the agriculture notifications. In addition the general rules in G/SCM/6 state that the content of notifications should be sufficiently specific to enable other Members to evaluate the trade effects and to understand the operation of notified subsidies - again no such catch-all phrase appears in the agricultural notification requirements.

Issue	Agreement on Agriculture and G/AG/2	SCM Agreement and G/SCM/6	Comment
Members required to notify	all Members	all Members	
Timing of notifications	30/60/90/120 days following the end of the calendar (or, marketing, fiscal, etc.) year in question (depending on the type of measure) (in the case of domestic support notifications, least-developed Members are required to submit notifications every two years and the Committee may, at the request of a developing country Member, set aside the annual requirement for some of the domestic support notification requirements for that Member)	In accordance with Article 25.1 of the SCM Agreement, subsidy notifications shall be submitted no later than 30 June of each year.	The dates by which notifications are to be made in the agricultural area depend on the specific type of measure (e.g. export versus domestic subsidies) and may be different for different products depending on marketing years, etc. In the case of SCM notifications, a new and full notification is required each third year with updating notifications in the intervening years.
<b>Measures required to be notified annually</b>			
(i) "exempt" domestic support measures	measures exempt from domestic support reduction commitments: (i) green box (ii) special and differential treatment: development programmes (iii) direct payments under production-limiting programmes	(i) all specific subsidies, as defined in Articles 1 and 2 of the Agreement ...; and (ii) all other subsidies..., which operate directly or indirectly to increase exports of any product from, or to reduce imports of any product into, the territory of the Member granting or maintaining the subsidies...	While the term "domestic support" is not defined, the coverage under the Agreement on Agriculture notification requirements in the domestic support area could be wider than those under the SCM Agreement as some exempt measures may not be specific or may have no impact on trade.
(ii) other domestic support measures	other domestic support measures (Current Total Aggregate Measurement of Support): (i) aggregate measurements of support (ii) equivalent measurements of support	(i) all specific subsidies, as defined in Articles 1 and 2 of the Agreement ...; and (ii) all other subsidies..., which operate directly or indirectly to increase exports of any product from, or to reduce imports of any product into, the territory of the Member granting or maintaining the subsidies...	
(iii) Article 9:1 export subsidies	Article 9:1 export subsidies	(i) all specific subsidies, as defined in Articles 1 and 2 of the Agreement ...;	While such measures (and other export subsidies) are prohibited in most cases for non-agricultural products, those subject to transition periods are notifiable under the SCM requirements.
(iv) other (non-Article 9:1) export subsidies	–	(i) all specific subsidies, as defined in Articles 1 and 2 of the Agreement ...;	In this area, there is no systematic requirement to notify the use of such subsidies to the Committee on Agriculture although the Agreement and notification requirements require a notification in certain cases.

Issue	Agreement on Agriculture and G/AG/2	SCM Agreement and G/SCM/6	Comment
Measures required to be notified on an ad hoc basis	...any new domestic support measure, or modification of an existing measure, for which exemption from reduction is claimed shall be notified promptly...	–	In the case of SCM notification requirements, new measures would only be notified in one of the regular notifications, i.e. by 30 June following the introduction of the measure.
Members with no measures to notify	Where no support exists, a statement to this effect should be made (domestic support) ...an annual notification ... should be made ... in the form of a statement confirming that no export subsidies exist (export subsidies)	Any Member considering that there are no measures in its territory requiring notification under the SCM Agreement and Article XVI of GATT 1994 shall so inform the Secretariat in writing.	

Issue	Agreement on Agriculture and G/AG/2	SCM Agreement and G/SCM/6	Comment
Content of notification	requirements		
(i) "exempt" domestic support measures	<p>(i) calendar year, marketing year, etc.</p> <p>(ii) measure type</p> <p>(iii) name and description of measure with reference to criteria in Annex 2 (or Article 6:2, Article 6:5)</p> <p>(iv) monetary value of measure in year in question</p> <p>(v) data sources</p> <p>–</p>	<p>2. Period covered by the notification.</p> <p>1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy.</p> <p>5. Form of the subsidy (i.e., grant, loan, tax concession, etc.).</p> <p>6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined).</p> <p>7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation.</p> <p>–</p> <p>3. Policy objective and/or purpose of the subsidy.</p> <p>4. Background and authority for the subsidy (including identification of the legislation under which it is granted).</p> <p>8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement.</p> <p>9. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information include statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s): (a) for the three most recent years for which statistics are available; (b) for a previous representative year, which, where possible and meaningful, should be the latest year preceding the introduction of the subsidy or preceding the last major change in the subsidy.</p>	<p>While the information provided under the format for the Agreement on Agriculture could be similar to that under the SCM notification, the SCM notification is likely to have a broader qualitative content, especially with respect to the scope and operation of the subsidy.</p> <p>For most exempt domestic support measures, it is likely that only an annual amount budgeted would be available for the SCM notification because of the non-specific nature of most measures.</p> <p>While some of this information could be provided in the column of the agricultural notification concerning the description of the measure, it is unlikely to be provided comprehensively or in detail. Only point 9. is required to be notified annually under the SCM requirements (as opposed to the "full" notification once every 3 years) unless changes are made to the measures concerned.</p>

Issue	Agreement on Agriculture and G/AG/2	SCM Agreement and G/SCM/6	Comment
Content of notification	requirements		
(ii) other domestic support measures (measure subject to reduction or de minimis)	<p>(i) calendar year, marketing year, etc.</p> <p>(ii) Current Total Aggregate Measurement of Support including: description of basic products; measure type(s); applied administered price; external reference price; eligible production; associated fees/levies; total price-related direct payments; other non-exempt direct payments; other product-specific budgetary outlays; other product specific support (and similar parameters for the equivalent measurement of support calculations and non-product-specific support calculations)</p> <p>(iii) data sources</p> <p>–</p>	<p>2. Period covered by the notification.</p> <p>1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy.</p> <p>5. Form of the subsidy (i.e., grant, loan, tax concession, etc.).</p> <p>7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation.</p> <p>–</p> <p>3. Policy objective and/or purpose of the subsidy.</p> <p>4. Background and authority for the subsidy (including identification of the legislation under which it is granted).</p> <p>6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined).</p> <p>8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement.</p> <p>9. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information include statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s): (a) for the three most recent years for which statistics are available; (b) for a previous representative year, which, where possible and meaningful, should be the latest year preceding the introduction of the subsidy or preceding the last major change in the subsidy.</p>	<p>Even a brief description of the measure is unlikely to be provided in the agricultural notification. While much quantitative information will be provided to the Committee on Agriculture, per unit subsidies are not explicitly required and the methods of measurement of subsidies that make up the Total AMS could give different results in value terms.</p> <p>Most of this information is unlikely to be provided in detail the agricultural notification (except, perhaps, some of the quantitative data referred to in points 6. and 9.). Only point 9. is required to be notified annually under the SCM requirements (as opposed to the "full" notification once every 3 years) unless changes are made to the measures concerned.</p>

Issue	Agreement on Agriculture and G/AG/2	SCM Agreement and G/SCM/6	Comment
Content of notification	requirements		
(iii) Article 9:1 export subsidies	<p>(i) calendar year, marketing year, etc.</p> <p>(ii) subsidised exports (outlays and quantity) including: description of products; direct export subsidies; sales of stocks; producer financed subsidies; cost reduction measures; internal transport subsidies; total product specific export subsidies; quantity of subsidized exports; and food aid and the quantity of total exports</p> <p>(iii) data source</p> <p>–</p>	<p>2. Period covered by the notification.</p> <p>1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy.</p> <p>5. Form of the subsidy (i.e., grant, loan, tax concession, etc.).</p> <p>7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation.</p> <p>–</p> <p>3. Policy objective and/or purpose of the subsidy.</p> <p>4. Background and authority for the subsidy (including identification of the legislation under which it is granted).</p> <p>6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined).</p> <p>8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement.</p> <p>9. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information include statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s): (a) for the three most recent years for which statistics are available; (b) for a previous representative year, which, where possible and meaningful, should be the latest year preceding the introduction of the subsidy or preceding the last major change in the subsidy.</p>	<p>The identification of the programme will only be in the form of its categorisation in Supporting Table ES:1. Not even a brief description will be provided to the Committee on Agriculture. While per unit subsidies are not required to be notified, some quantitative subsidy information and quantities of subsidised product will be notified to the Committee on Agriculture (albeit only for the current period).</p> <p>Most of this information is unlikely to be provided in the agricultural notification (except, perhaps, some of the quantitative data, e.g. total exports, referred to in point 9.). Only point 9. is required to be notified annually under the SCM requirements (as opposed to the "full" notification once every 3 years) unless changes are made to the measures concerned.</p>

Issue	Agreement on Agriculture and G/AG/2	SCM Agreement and G/SCM/6	Comment
Content of notification requirements			
(iv) other (non-Article 9:1) export subsidies	-	<p>1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy.</p> <p>2. Period covered by the notification.</p> <p>3. Policy objective and/or purpose of the subsidy.</p> <p>4. Background and authority for the subsidy (including identification of the legislation under which it is granted).</p> <p>5. Form of the subsidy (i.e., grant, loan, tax concession, etc.).</p> <p>6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined).</p> <p>7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation.</p> <p>8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement.</p> <p>9. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information include statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s): (a) for the three most recent years for which statistics are available; (b) for a previous representative year, which, where possible and meaningful, should be the latest year preceding the introduction of the subsidy or preceding the last major change in the subsidy.</p>	<p>There is no systematic notification requirement for this category of subsidies under the requirements for the Committee on Agriculture although in some cases information may have to be provided. As noted earlier, items 3., 4., 5., 6., and 8. are only required to be notified under SCM requirements annually if changes are made to the measures concerned (with a "full" notification once every 3 years).</p>



Issue	Agreement on Agriculture and G/AG/2	SCM Agreement and G/SCM/6	Comment
Content of notification requirements			
New or modified domestic support measures for which exemption from reduction is claimed	<p>(This notification shall contain details of the new or modified measure and its conformity with the agreed criteria as set out either in Article 6 or in Annex 2).</p> <p>(1) Full title of measure</p> <p>(2) Domestic legislation reference</p> <p>(3) Detailed description of measure with reference to criteria, i.e. those in: Annex 2 (Green box: ...); Article 6:3 (Development programmes: ...); and/or Article 6:5 (Exempt direct payments: ...)</p> <p>(4) Cost of measure</p> <p>(5) Date of entry into effect</p> <p>(6) Period of application</p> <p>(7) Products to principally benefit (if any individual product(s))</p>	-	There is no ad hoc notification arrangement under the SCM requirements. Such information would only be provided as part of the regular notification following the introduction of the measure (albeit a "full" notification).