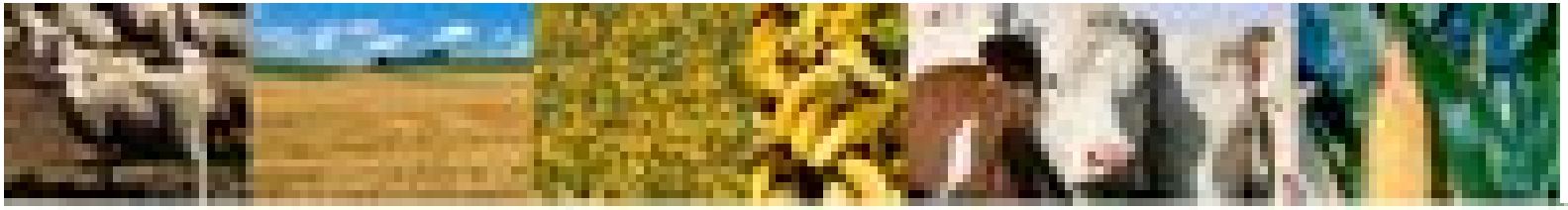


WTO OMC

Domestic Support:

Current Provisions

New Delhi

9-11 September 2009

Diwakar DIXIT

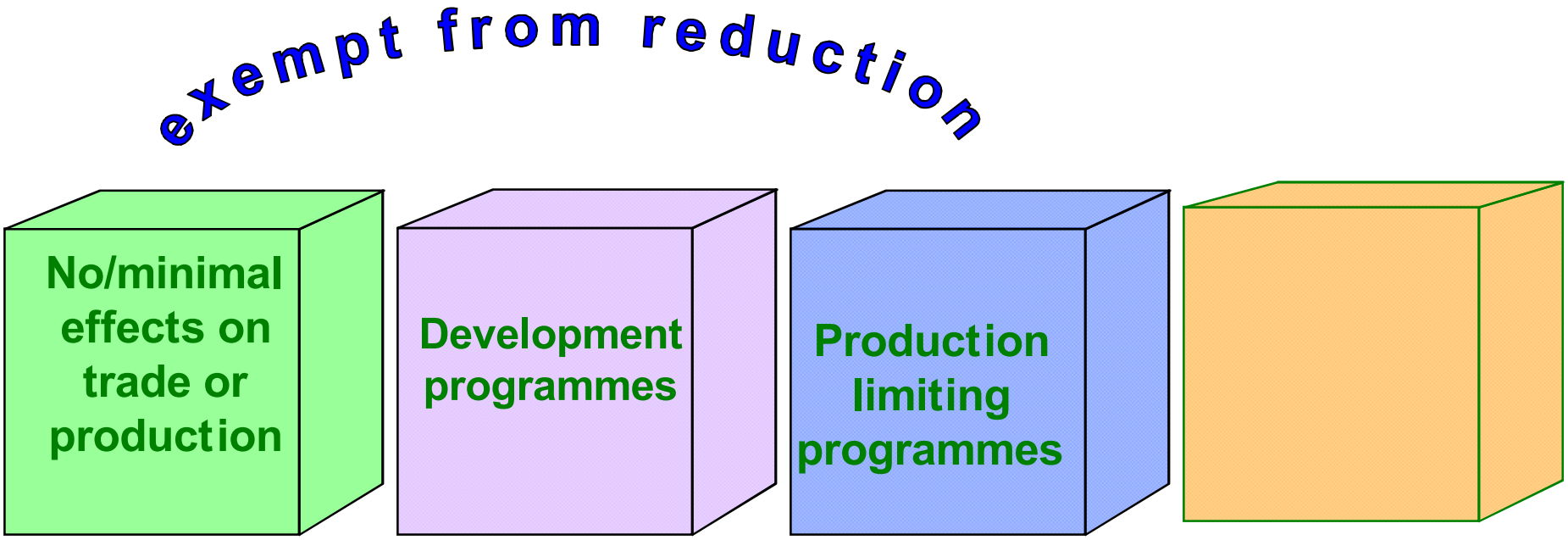
Agriculture and Commodities Division

Domestic Support:
in Uruguay Round.....

- Fundamental change in the treatment of domestic support
- Establishment of disciplines coupled with reduction commitments
  - distorting; and
  - non-distorting
- exempt vs. non-exempt support
- Change in design of agricultural policies

WTO OMC

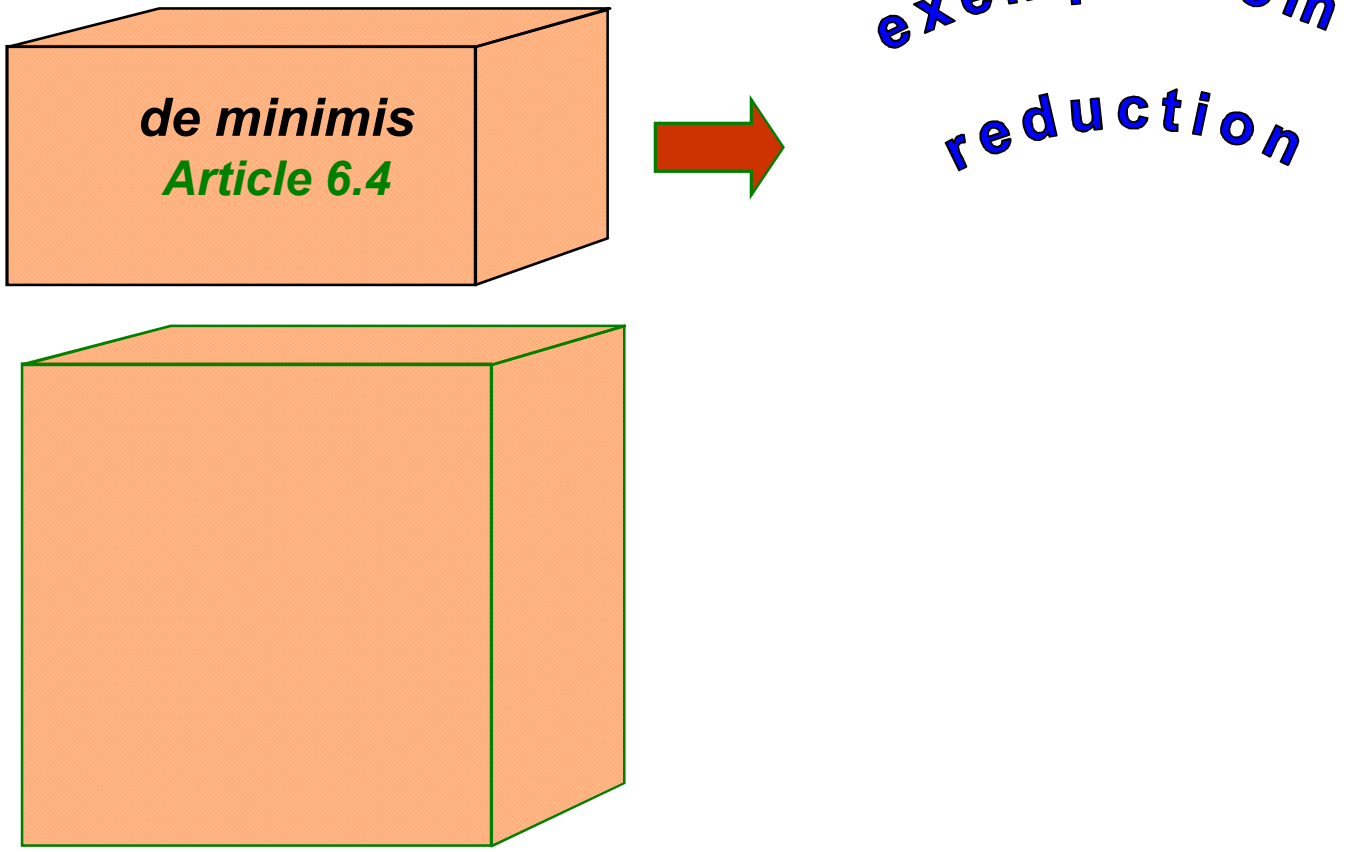
Total domestic support



Green Box Art. 6.2 Blue Box Amber Box

WTO OMC

Amber Box



WTO OMC

Green Box

Basic criteria

- No, or at most minimal, trade-distorting effects or effects on production

Assistance:

- Provided through publicly funded government programme
- Not involving transfers from consumers
- Not resulting in price support to producers

WTO OMC

Green Box – Scope

General services, including:

- research
- pest and disease control
- training
- extension/advisory services
- inspection
- marketing and promotion
- infrastructural services

- Public stockholding for food security and domestic food aid

Direct payments, including:

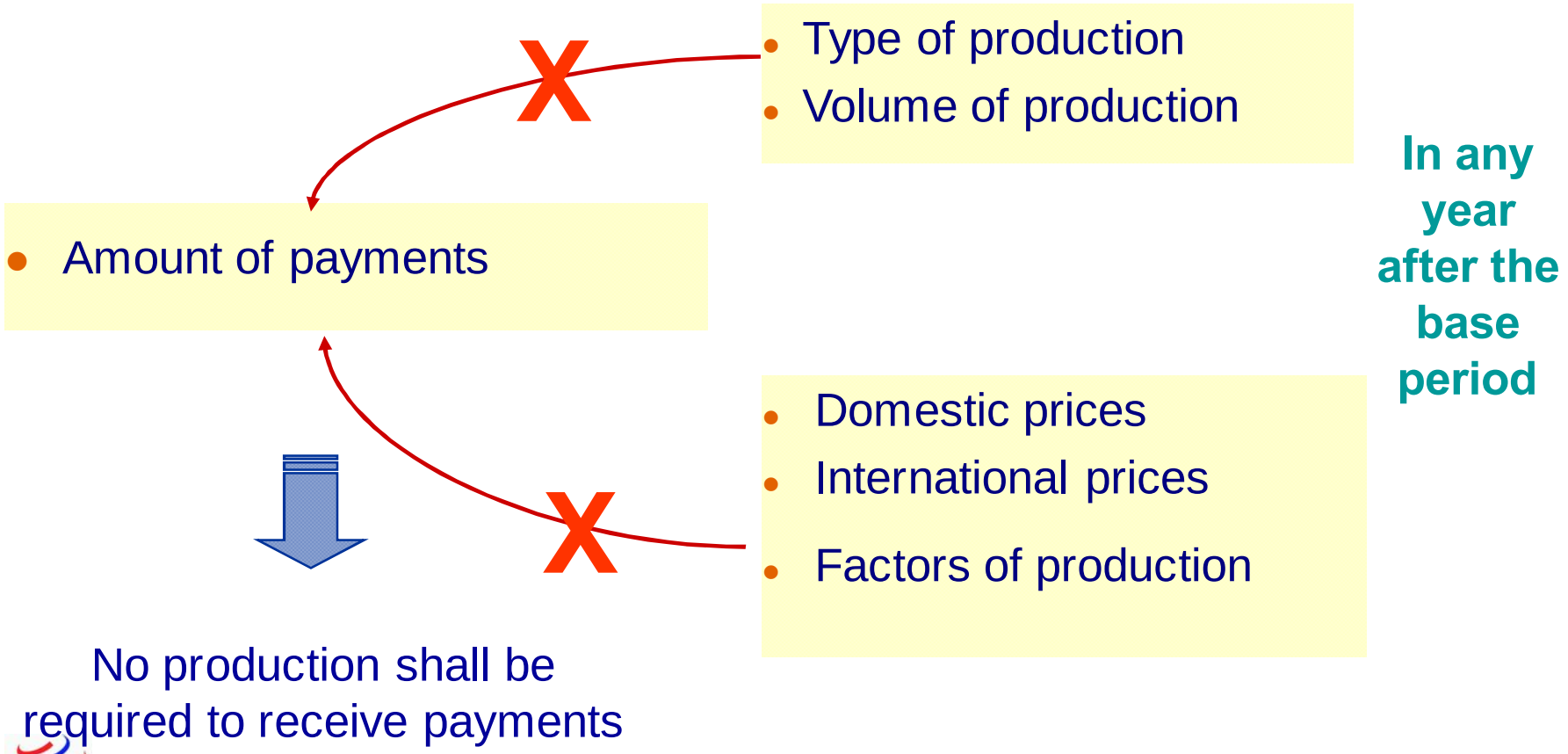
- decoupled income support
- income insurance and income safety-net
- relief from natural disasters
- structural adjustment assistance
  - producer retirement
  - resource retirement
  - investment aids
- environmental programmes
- regional assistance programmes

WTO OMC

Policy-specific “decoupling”

Example: *Decoupled income support* (para. 6)

Eligibility ï clearly-defined criteria é in a defined and fixed base period



WTO OMC

Green Box

- measures can be used freely, as long as they meet Annex 2 criteria
- new programmes can be introduced and old ones can be modified
- continuous obligation to ensure that programmes are and remain Green

WTO OMC

Blue Box

Direct payments under production-limiting programmes exempt from reduction if:

- based on fixed area and yields; or
- made on ≤ 85% of base level of production; or
- livestock payments are made on a fixed number of head

WTO OMC

Article 6.2

Development programmes exempt from reduction:

- investment subsidies generally available to agriculture
- input subsidies generally available to low-income or resource poor producers
- support to encourage diversification from growing illicit narcotic crops

WTO OMC

Amber Box – Current Total AMS

Any form of domestic support not included in either the Green or Blue Boxes or under Article 6.2

De minimis allowance

- Market price support
- Non-exempt direct payments (e.g. loan deficiency payments, grants, compensatory payments)
- Other non-exempt measures
- All product-specific EMS

→ **Product-specific support**

+

- Water subsidies
- Fertilizer subsidies
- Crop insurance
- Subsidized credits

→ **Non-product-specific support**

↓

Current Total AMS

WTO OMC

Amber Box

Uruguay Round Commitments

	DEVELOPED	DEVELOPING
Implementation period	6 years 1995-2000	10 years 1995-2004
Cut in Total AMS	20%	13.3%
De minimis allowance	5%	10%

No reduction commitments for LDCs

WTO OMC

AMS - Amber Box

Sample Scheduled Reduction Commitment

Schedule LXXIX - THAILAND

PART IV - AGRICULTURAL PRODUCTS: COMMITMENTS LIMITING SUBSIDIZATION

(Article 3 of the Agreement on Agriculture)

SECTION I - Domestic Support: Total AMS Commitments

BASE TOTAL AMS (million Baht)	Years of implementation 1995 - 2004	Annual and final bound commitment levels (million Baht)	Relevant Supporting Tables and document reference
1		2	3
22,126.18	1	21,816.41	AGST/THA
	2	21,506.64	Supporting Tables 4, 5, 8 and 9
	3	21,196.87	
	4	20,887.10	
	5	20,577.33	
	6	20,267.56	
	7	19,957.79	
	8	19,648.02	
	9	19,338.25	
	10	19,028.48	

What if there is no commitment? - Article 7

WTO OMC

Article 7.2(b)

ñWhere no Total AMS commitment exists in Part IV of a Memberôs Schedule, the Member shall not provide support to agricultural producers in excess of the relevant de minimis level set out in paragraph 4 of Article 6.ò

Examples:

India, Barbados, Chile, all LDCs, etc

WTO OMC

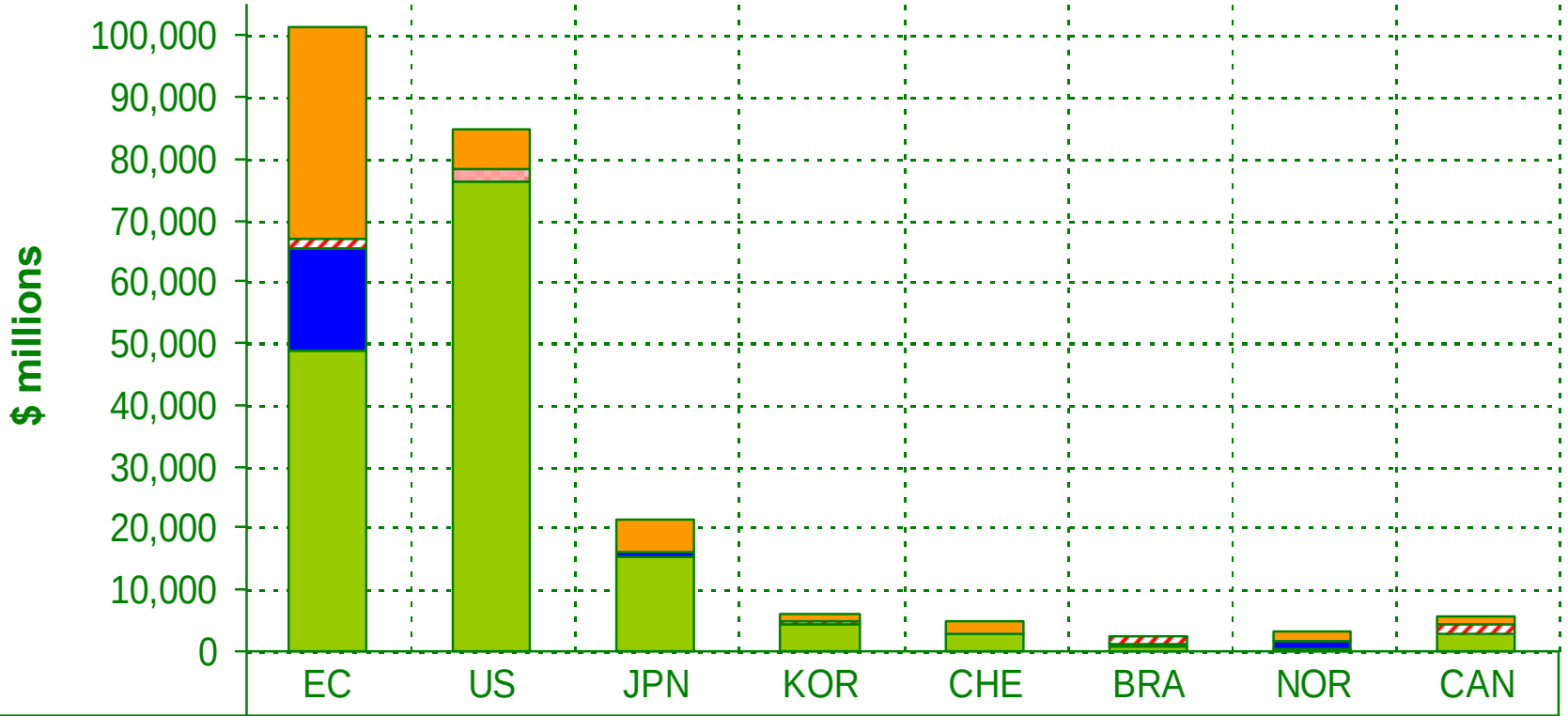
Total AMS Reduction Commitments

Argentina	European Communities	Mexico	South Africa
Australia	Former Yugoslav Republic of Macedonia	Moldova	Switzerland-Liecht.
Bolivarian Republic of Venezuela	Iceland	Morocco	Chinese Taipei
Brazil	Israel	New Zealand	Thailand
Canada	Japan	Norway	Tunisia
			Ukraine
Colombia	Jordan	Papua New Guinea	United States
Costa Rica	Republic of Korea	Saudi Arabia	Viet Nam
Croatia			

8 other Members with Total AMS commitments have become member States of the EC

WTO OMC

Categories of support



	EC	US	JPN	KOR	CHE	BRA	NOR	CAN
Current Total AMS	34,564	6,260	4,885	1,273	1,884	0	1,582	1,094
De minimis	1,521	2,260	322	512	-	1,129	-	1,473
Blue Box	16,348	-	600	-	-	-	1,103	-
Article 6.2	-	-	-	47	-	394	-	-
Green Box	48,976	76,162	15,413	4,249	2,848	896	591	3,003

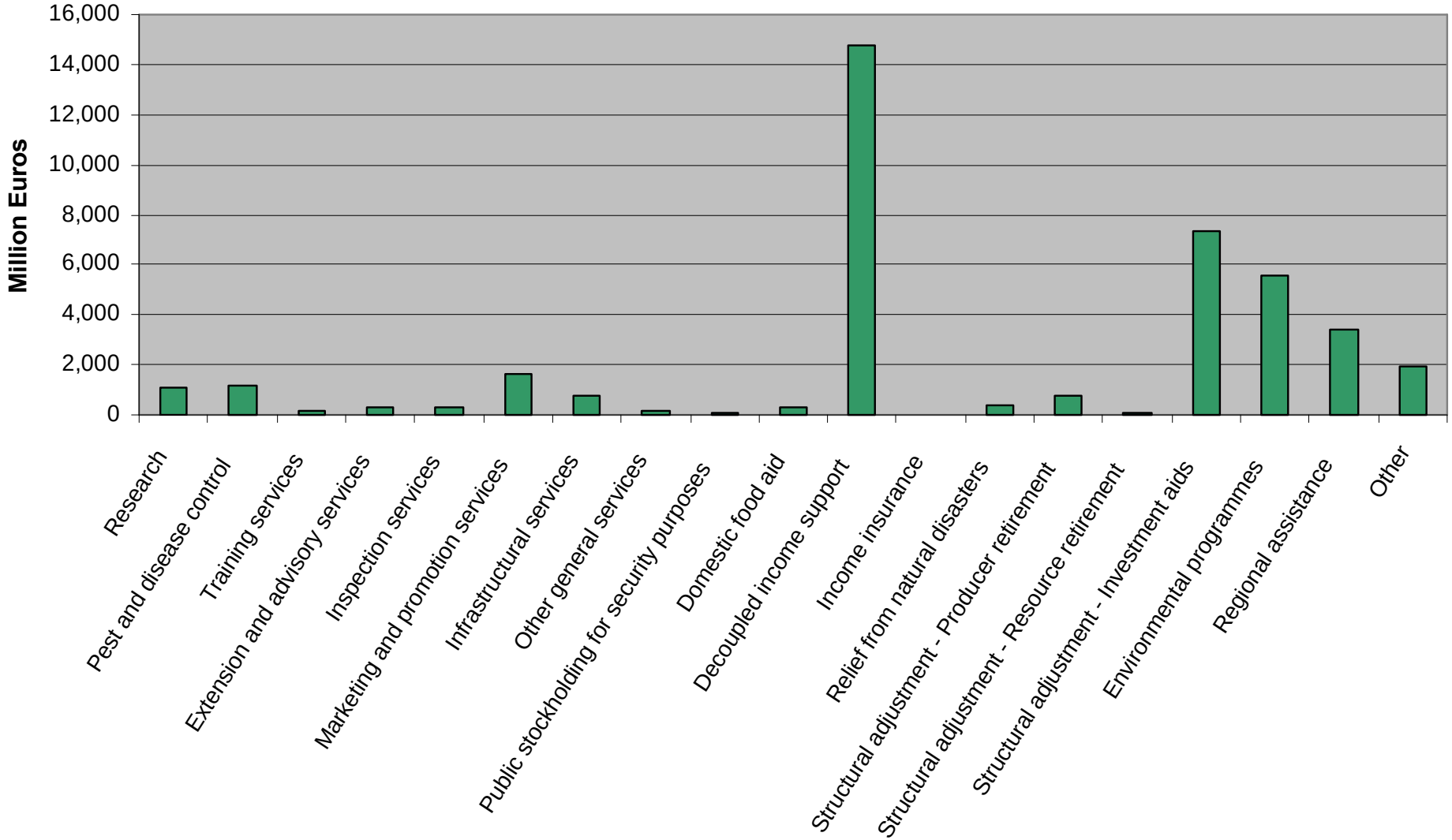
Data for the EC are for 2005.

Data for the US are for 2007.

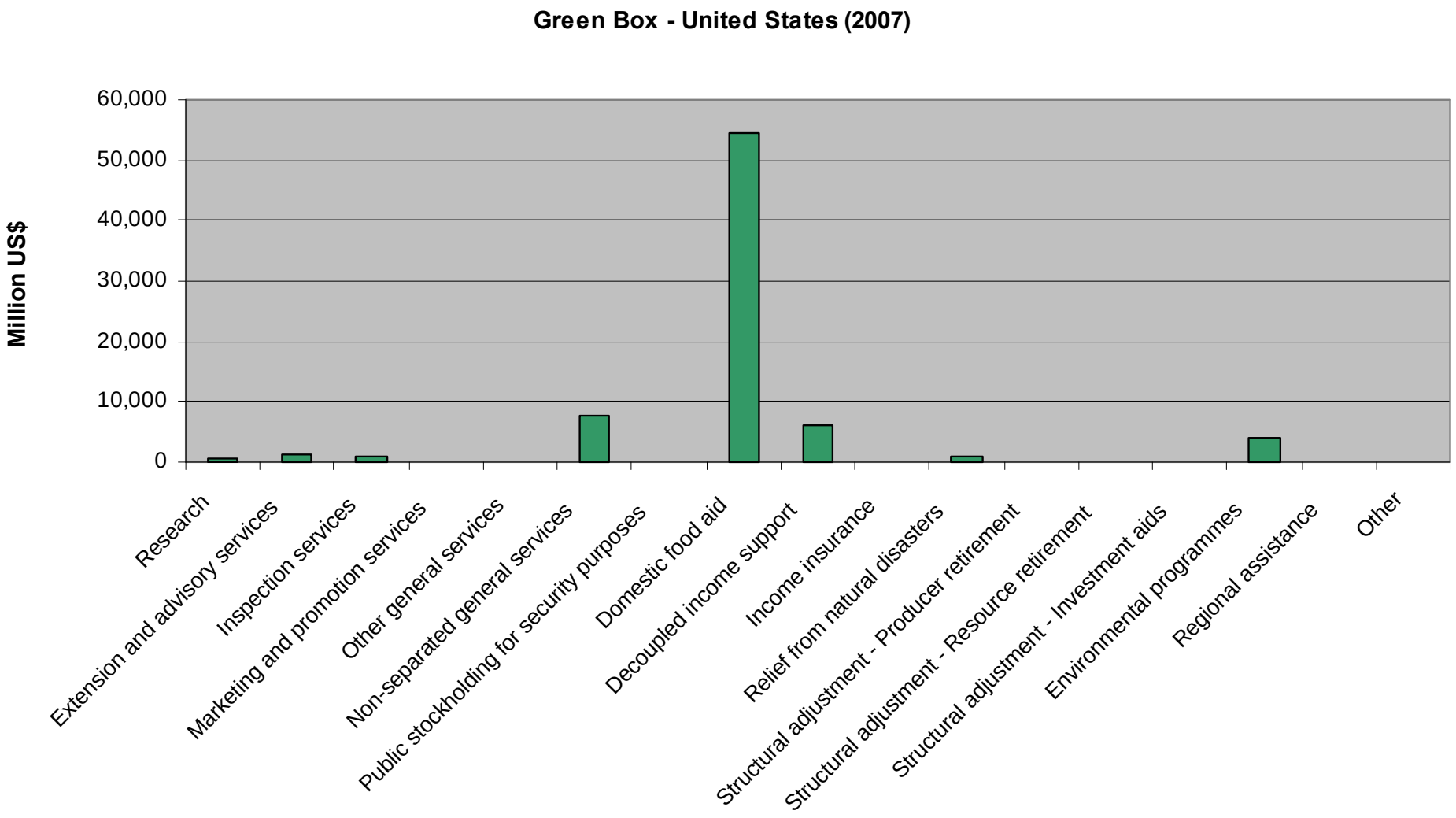
Data for Japan and Switzerland are for 2006.

Data for Korea, Brazil, Norway and Canada are for 2004.

Green Box - European Communities (2005)

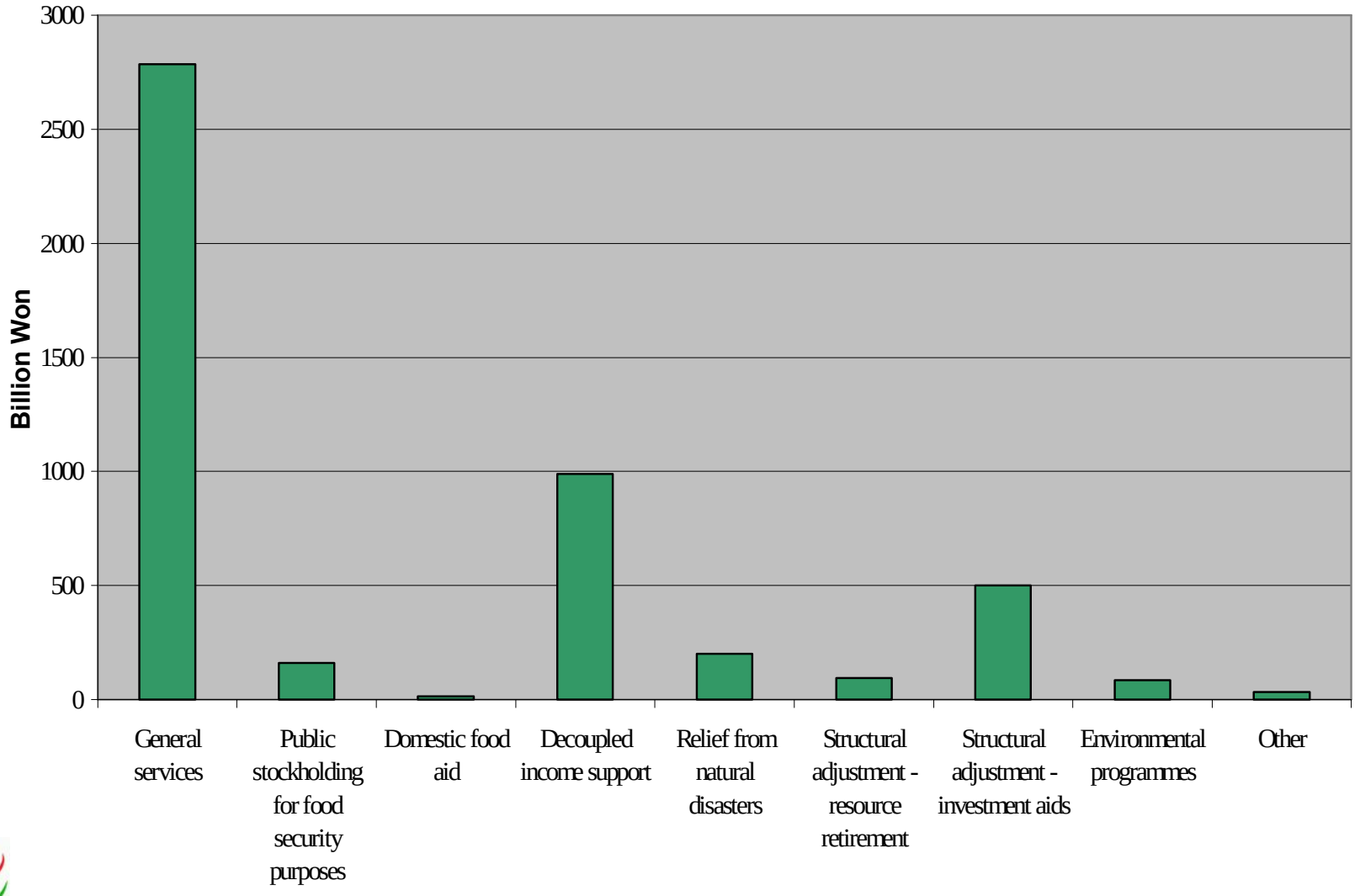


WTO OMC


Green Box - United States (2007)
Million US$
60,000
50,000
40,000
30,000
20,000
10,000
0
Research
Extension and advisory services
Inspection services
Marketing and promotion services
Other general services
Non-separated general services
Public stockholding for security purposes
Domestic food aid
Decoupled income support
Income insurance
Relief from natural disasters
Structural adjustment - Producer retirement
Structural adjustment - Resource retirement
Structural adjustment - Investment aids
Environmental programmes
Regional assistance
Other

WTO OMC

Green Box - Republic of Korea (2004)



WTO OMC

THANK YOU

WTO OMC