



## Seventy- Sixth Regular Meeting of the World Trade Organization Committee on Agriculture

The purpose of this technical note 1 is to report on the main topics discussed at the Seventy Sixth Regular Meeting of the World Trade Organization (WTO) 2, Committee on Agriculture in which the Inter-American Institute for Cooperation on Agriculture (IICA) participated as an Observer Member.

This document also provides an overview of the meetings and activities of this Committee that took place during 2014.

Matters discussed at meetings of the Committee on Agriculture are relevant to the commitments made by Member States, and which fall within the WTO Agreement on Agriculture. In this Agreement, countries must report on five specific areas, detailed below, and the reporting obligations applicable to each Member are different, as this is largely dependent on the specific commitments the Member country has made under the Agreement:

1. **Market Access:** means that WTO Member States must report annually on their application or use of quotas (these may be tariff or other types of quotas<sup>3</sup>) and special safeguard provisions<sup>4</sup>.
2. **Domestic Support<sup>5</sup>:** means that Member States must report annually to the WTO on the extent of their support from the Aggregate Measurement of Support (AMS) or on the maximum limit of agricultural production, and the establishment or modification of domestic support measures that are exempt from commitments.
3. **Export Subsidies:** means the economic benefits that a Government provides directly or indirectly to the producers of certain goods or services to improve their competitive position. Types of economic assistance that distort trade impacts and damage trade are prohibited, for example export subsidies, and other subsidies not subject to reduction commitments. These notifications must be submitted annually by countries to the WTO.
4. **Prohibitions or export restrictions:** means countries can invoke a prohibition or restriction on exports when they are threatened by an acute crop shortage, when they

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<sup>1</sup> Prepared by the IICA Flagship Project “Competitiveness and Sustainability of Agricultural Chains for Food Security and Economic Development.”

<sup>2</sup> The Meeting took place March 4 and 5, 2015 in Geneva Switzerland.

<sup>3</sup> A quota is a limitation to exporting or importing goods, of a certain amount or within a certain period of time. A tariff quota is imposed when during a certain period of time, and with a maximum volume of goods, exports and imports shall be exempt from payment of customs duties, or given a preferential tariff.

<sup>4</sup> Safeguards are exceptional measures used by a country to temporarily protect certain domestic industries that have been damaged or are experiencing a serious threat from a significant increase in the influx of goods into the local market under conditions of fair competition. A special safeguard is a temporary increase of an import duty to deal with the increase in imports or the fall in prices, under the special provisions of the Agreement on Agriculture.

<sup>5</sup> Within the framework of the WTO Agreement on Agriculture, all domestic support for agricultural producers is subject to regulations; and therefore, there are basically two categories of domestic support: support with no distorting trade impacts or minimal distortion (often called “green box” measures); or assistance with distorting trade impacts (often called “amber box” measures). In WTO terminology, subsidies are generally identified by “boxes” to which the colors of traffic lights have been assigned: green (permitted); amber (slow down-must be reduced); red (forbidden).

have low income levels in the population, or when there is disruption of the internal market, etc.

- 5. Follow-up to the Marrakesh Decision on Net Food-Importing Developing Countries:** Notifications are to be submitted by donor countries and Observer Members (such as IICA), in relation to the measures taken by the countries in food aid within the framework of the Decision on measures concerning the possible negative effects of the reform programme on least developed countries, and on net food-importing developing countries.

- 1. Matters addressed at the Seventy-Sixth Regular Meeting of the Committee on Agriculture in March 2015**

The mandate of the Committee on Agriculture is to oversee the implementation and administration of the Agreement on Agriculture, and offer Member States the opportunity to consult the WTO about any topic related to the satisfactory implementation of the commitments of the Agreement.

As is stated in this Agreement, the matters discussed at the meetings of the Committee are addressed in two sections: the first section refers to the review process of notifications related to agriculture and which have been submitted by Member Countries to the WTO. This is known in the terminology of the WTO as the review process; and the second section refers to other items on the agenda to be addressed during the Meeting.

Issues addressed during the first session of the Meeting in March of this year were:

- 1.1. Notifications on Agriculture addressed during the Seventy-Sixth Regular Meeting of the Committee on Agriculture**

During this Meeting, countries discussed issues concerning market access, domestic support and export subsidies. Of the countries in the Americas, four IICA Member States (Canada, the United States, Colombia and Brazil) raised questions to other countries on issues related to domestic support. In addition, Brazil, Canada, Costa Rica and the United States were asked to respond to specific questions raised by the United States, New Zealand and Australia. These are listed in Table 1:

**Table1. Questions on matters relevant to the implementation of commitments**

Countries raising questions	Countries with which questions were raised	Topics of questions
<b>Canada</b>	All countries	Trend of domestic support in WTO Member States
<b>United States</b>	<b>Brazil</b>	Domestic Support Program.
New Zealand	<b>Canada</b>	Tariff quota on cheese.
<b>United States</b>	<b>Canada</b>	Dairy policies.
<b>United States</b>	China	Cotton domestic support
<b>United States</b>	<b>Costa Rica</b>	Implementation of commitments regarding the Aggregate Measure of Support (AMS)
<b>United States</b>	India	Cotton policies.
Australia, <b>Colombia</b> , European Union	India	Sugar export subsidies.
European Union	India	Grain and rice exports.
Australia, European Union	Pakistan	Wheat export subsidies
<b>United States</b>	Russia	Aid to Agriculture for 2015.
European Union	Russia	Grain exports.
Australia, <b>Brazil</b> , European Union	Thailand	Sugar policies.
<b>United States</b>	Thailand	Paddy pledging scheme
<b>United States</b>	Turkey	Destination of wheat flour sale
Australia	<b>United States</b>	Export Credit Guarantee Program

**Source: Meeting of WTO Committee on Agriculture, March 2015.**

Moreover, during this meeting notifications by certain countries were raised as indicated in Table 2. Of the Americas, three IICA Member States (Canada, Brazil and the United States) were required to provide details of the notifications they presented this year on market access, domestic support and export subsidies.

**Table 2. Questions on matters relevant to notifications on agriculture**

Countries with which questions raised	Notification matters
Korea	Notifications relevant to the administration of tariff, and other quota commitments.
<b>Canada and</b> Korea	Notifications relating to imports in the framework of commitments on tariff and other quotas.
Australia, Botswana, <b>Brazil</b> , Korea, <b>United States</b> . Russia, India, Indonesia and European Union	Notifications of commitments to domestic support
<b>Brazil and Canada</b>	Notifications relating to the introduction or modification of measures of domestic support exempt from reduction.
<b>United States</b> , Mauritius, Switzerland and European Union	Notifications on commitments concerning export subsidies.

**Source: Meeting of WTO Committee on Agriculture, March 2015.**

Finally, notifications were submitted by countries to the WTO Secretariat on which no questions were raised during the Meeting by any other country (See Table 3). However, the submission of these notifications to the review process in subsequent meetings of the

Committee on Agriculture is a possibility. In this case, four IICA Member Countries (Brazil, Canada, Costa Rica and Paraguay) presented their notifications and did not receive any request for clarification from other countries.

**Table 3. Notifications about which no questions were raised**

<b>Countries that submitted notifications</b>	<b>Topics of the notification</b>
Brazil and Ukraine	Imports within the framework of tariff and other quotas commitments.
Australia, Botswana, Canada, Korea, Costa Rica, Japan, Switzerland, Chinese Taipei	Special safeguard.
Russia, Mauritius, Moldova, Norway, Samoa, Singapore	Domestic support commitments.
Korea	New or modified domestic support measures exempt from reduction.
Botswana, Brazil, Costa Rica, United Arab Emirates, China, Montenegro, Paraguay, Samoa, Singapore, Switzerland, Chinese Taipei, Ukraine	Export subsidy commitments.

**Source: Meeting of the Committee on Agriculture of the WTO, March 2015**

## **2. Other agenda items included in the Seventy-Sixth Regular Meeting of the Committee on Agriculture, March, 2015.**

During the meeting, the Committee on Agriculture examined the list of countries benefiting from the measures provided for in the framework of the Marrakesh Ministerial Decision on measures concerning the possible negative effects of the reform programme on LDCs and net food-importing developing countries. The goal of undertaking this review exercise was to verify the current status of these countries which has not changed since 2012.

In addition, discussions continued among countries about how to better understand the outcomes on agriculture at the Ninth Ministerial Conference of the WTO held in Bali, Indonesia, in December 2013<sup>6</sup>, as well as the importance of compliance with the commitments made by countries.

The WTO also reminded countries of compliance with the commitments of the Doha round, in relation to the granting of export credits, export credit guarantees or insurance programs; technical and financial assistance in food aid programmes; administration of tariff quotas; and special and differential treatment for certain countries.

## **3. Summary of 2014 activities of the Committee on Agriculture**

In 2014 the Committee held four regular meetings in January, March, June and November; and five informal meetings.

Based on notifications from WTO document JOG/AG/30, in the four meetings last year, members raised a total of 236 questions in relation to specific agricultural notifications. Of these, 76% referred to issues relating to domestic support, 17% to market access, 6.5% to export subsidies and 0.5% to the Decision on net food-importing developing countries.

In terms of the implementation of commitments made by Members in the context of the Reform Program set out in the Agreement, the most discussed issue during these meetings was domestic support.

<sup>6</sup> [http://www.iica.int/Esp/dg/Documents/Nota\\_tecnica\\_01\\_2014.pdf](http://www.iica.int/Esp/dg/Documents/Nota_tecnica_01_2014.pdf)

Also, during the meeting different views were shared on how to strengthen the functioning of the Committee, in terms of transparency; and how to improve the content of information reported by countries.

### **3. Other important matters at the Meeting**

The Meeting raised questions regarding the informal discussions which had followed decisions in Bali. These decisions relate to the administration of tariff quotas for agricultural products; and the establishment of public stocks for food security and export competition. The biggest concern of countries lies in the implemented decisions being affected by the difficulties that some countries experience in facilitating trade and by the way in which public stocks may be used.

### **4. Contact persons at the Institute**

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