

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

The Committee on Agriculture of the World Trade Organization (WTO) held its seventy-fourth regular meeting<sup>1</sup> in Geneva, Switzerland. The Agribusiness and Commercialization Program of the Inter-American Institute for Cooperation on Agriculture (IICA) has prepared this technical note<sup>2</sup> to inform stakeholders of the matters discussed at the meeting.

The Committee's first task was to elect a new chairperson, with Ms. Miriam Chávez of Argentina replacing Brazil's Mr. Guilherme Marquard. The meeting then turned to the review of the notifications related to agriculture that various members submitted to the WTO Secretariat, in accordance with the principle of transparency that underpins the organization. During the last part of the meeting, other matters within the purview of the Committee were addressed that will be presented later in this report.

### Importance of notifications

In many WTO agreements, including the Agreement on Agriculture, governments are required to disseminate the policies and practices they institute publicly by means of different notifications to the WTO, to foster transparency at both the national and multilateral levels. Transparency also promotes the predictability and stability of trade relations. Consequently, one of the functions of the Committee on Agriculture is to monitor commitments based on the notifications that its members are required to issue. At every meeting, the Committee on Agriculture reviews the situation with regard to members' compliance with their notification obligations, which makes the issue one of great importance for IICA's member countries.

Notifications can also help pinpoint market or trade policy opportunities and challenges.

### Matters addressed at the meeting

The main issues discussed during the meeting can be divided in two large groups: the process of reviewing notifications related to agriculture, and other matters within the purview of the Committee. Details of the specific subjects addressed in the meeting are provided below.

#### A. The review process

The following issues were addressed in this part of the meeting:

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<sup>1</sup> The meeting took place from June 5-6, 2014.

<sup>2</sup> Prepared by Adriana Campos Azofeifa, Specialist in Policies and Trade Negotiations and Coordinator of the WTO Reference Centre at IICA; and Nadia Monge Hernández, Technical Assistant of the WTO Reference Centre at IICA. September 2014. San Jose, Costa Rica.

## 1. Matters relevant to the implementation of commitments assumed under the Uruguay Round reform program

Table 1 shows the main issues raised by various WTO member countries related to the implementation of commitments established under the Uruguay Round reform program.

Around seven other members raised issues involving Latin American and Caribbean countries, related to domestic support commitments and national trade policies for market access, among others.

**Table 1: Matters relevant to the implementation of commitments**

Countries raising questions	Country with which question was raised	Matter involved in notification
European Union	Brazil	2014-2015 harvest plan
United States	Brazil	Domestic support program <sup>3</sup>
United States	Canada	Changes to tariff schedule
New Zealand	Canada	Dairy policies
United States	Costa Rica	Compliance with AMS commitments <sup>4</sup>
United States	Ecuador	Domestic purchase requirements
United States	Honduras	Tax exemptions
Pakistan	India	Subsidization policy
United States	India	National agricultural insurance scheme
United States	India	Landholding laws
Australia and Brazil	India	Sugar export subsidies <sup>5</sup>
Canada and United	India	Wheat stocks and exports

<sup>3</sup> In agriculture, any domestic *subsidy* or other type of measure that maintains producer prices above those of the international *market*. For example, the direct payments that a government makes to stimulate production or measures that tend to reduce the cost of inputs and marketing exclusively in favor of agricultural producers. The *Agreement on Agriculture* establishes two categories of domestic support: i) a subsidy that has no, or minimal, *distorting* effects, and ii) a subsidy that distorts trade.

<sup>4</sup> Under the Uruguay Round Agreement on Agriculture, the aggregate measurement of support (AMS) is the indicator used to gauge the level of domestic support. Domestic support is a mechanism that governments use to benefit certain productive sectors. The AMS is determined by calculating the estimated market price support for every type of production that receives such support, as well as non-exempt direct payments or any other subsidy not exempt from the reduction commitment.

<sup>5</sup> An economic advantage that a government provides, directly or indirectly, to producers of certain *goods* or services, in order to improve their competitive position. Some economic aid measures are prohibited because they distort trade (export subsidies and national content subsidies), while others are subject to reduction commitments. A subsidy may cause *damage* even though it is permitted.

States		
United States	Saint Lucia	Domestic purchase requirements for poultry and pork
United States, India and Pakistan	Thailand	Paddy pledging scheme
European Union	Turkey	Domestic support and export subsidies
Argentina, India, and Indonesia	United States	U.S. Farm Bill

**Source: WTO**

If you would like further information about the matters mentioned in Table 1, WTO document G/AG/W/127 contains the entire text of the matters raised under paragraph 6 of Article 18 of the WTO Agreement on Agriculture.

***Article 18 of the Agreement on Agriculture***

***Review of the Implementation of Commitments***

1. Progress in the implementation of commitments negotiated under the Uruguay Round reform programme shall be reviewed by the Committee on Agriculture.
2. The review process shall be undertaken on the basis of notifications submitted by Members in relation to such matters and at such intervals as shall be determined, as well as on the basis of such documentation as the Secretariat may be requested to prepare in order to facilitate the review process.
3. In addition to the notifications to be submitted under paragraph 2, any new domestic support measure, or modification of an existing measure, for which exemption from reduction is claimed shall be notified promptly. 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.
4. In the review process Members shall give due consideration to the influence of excessive rates of inflation on the ability of any Member to abide by its domestic support commitments.
5. Members agree to consult annually in the Committee on Agriculture 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 this Agreement.
6. The review process shall provide an opportunity for Members to raise any matter relevant to the implementation of commitments under the reform programme as set out in this Agreement.
7. Any Member may bring to the attention of the Committee on Agriculture any measure which it considers ought to have been notified by another Member.

## 2. Points concerning notifications raised at previous meetings

In this section in particular, the matters mentioned in the following table have been under discussion and addressed in several meetings, and the vast majority are in the process of being resolved. The concerns in question are shown below:

**Table 2: Questions regarding notifications raised at previous meetings**

<b>Countries with which questions were raised</b>	<b>Matters involved in notifications</b>
<b>Canada, China, Costa Rica, Dominican Republic, Ecuador, Russia and Chinese Taipei</b>	Notifications related to imports under tariff and other quota commitments <sup>6</sup>
<b>Bahrain, Brazil, Canada, Costa Rica, Dominican Republic, Guatemala, Indonesia, Japan and Thailand</b>	Notifications in the context of domestic support commitments
<b>Canada and Japan</b>	Notifications in the context of the introduction or amendment of domestic support measures exempt from reduction commitments
<b>Morocco, Thailand</b>	Notifications in the context of export subsidy commitments

**Source: WTO**

## 3. Notifications in respect of which no questions were raised

Whenever a member sends the WTO Secretariat a notification related to agriculture, the other members study it in this part of the meeting and decide whether they wish to raise questions about the document concerned. The following table lists the new notifications presented during the meeting about which questions were not raised; however, members may still submit them to the review process at subsequent meetings.

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

<b>Countries submitting notification</b>	<b>Matter involved in notification</b>
<b>Russia and Thailand</b>	Notifications related to the administration of tariff and other quota commitments
<b>Croatia, Morocco, New Zealand, Nicaragua, Panama, Philippines and Thailand</b>	Notifications related to imports within the framework of tariff and other quota commitments

<sup>6</sup> Refers to the implementation of a lower tariff for a specific quantity of an imported good. When a country wishes to import more than the established amount, it may do so but must pay a higher tariff. The WTO permits this type of *quota*.

Japan, Chinese Taipei, European Union, Japan, Morocco, New Zealand, <b>Nicaragua</b> , Norway and Thailand	Notifications in the context of the special safeguard <sup>7</sup>
<b>Brazil</b> , Congo, Ivory Coast, Croatia, Cuba, Gambia, <b>Guatemala</b> , China, Jamaica, New Zealand, <b>Panama</b> , Qatar, Russia and Switzerland	Notifications in the context of domestic support commitments
Bahrain, Congo, Ivory Coast, Croatia, Japan, China, Mali, <b>Nicaragua</b> , Qatar, Russia, Togo, New Zealand and <b>Honduras</b>	Notifications in the context of export subsidy commitments

Source: WTO

## B. Other matters within the purview of Committee on Agriculture

One matter that was discussed in this part of the meeting concerned the implementation-related commitments of the Doha Round, specifically follow-up to the question of export credits; and the need to improve the effectiveness of the commitments established in the Declaration of Marrakech and to enhance the administration of tariff quotas within the multilateral trade framework.

The second issue addressed was the implementation of the results of the Ninth Ministerial Conference in Bali, Indonesia. Several informal meetings involving various members took place on this matter, to enable members to gain a better grasp of the compliance mandates with regard to agriculture.

Finally, information was provided about the results of a workshop held in Geneva for English-speaking countries on notifications related to agriculture.

The next meeting of the Committee on Agriculture is provisionally scheduled for November 13-14, in Geneva, Switzerland, at the WTO's headquarters.

If you would like more information, please contact Adriana Campos Azofeifa, IICA Specialist in Policies and Trade Negotiations and Coordinator of the WTO Reference Centre at IICA, by email [adriana.campos@iica.int](mailto:adriana.campos@iica.int) or phone (506) 2216-0170; or Nadia Monge Hernández, Technical Assistant of the WTO Reference Centre at IICA, by email [centroreferencia.omc@iica.int](mailto:centroreferencia.omc@iica.int) or phone (506) 2216-0358.

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<sup>7</sup> Emergency corrective mechanism used temporarily to impede *imports* of a product that may cause *injury or threaten to cause severe injury* to national production. It gives producers time to adjust the competitive level of their product or channel their efforts toward another sector of production. See *Corrective measure*. // Special safeguard: *WTO Def*. It is used for the agricultural sector. It is a temporary increase in import duty to deal with *import surges* or price falls, under provisions that are special to the Agreement on Agriculture.