



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

This note<sup>1</sup> describes the main points discussed during the Eighty-Sixth Regular Meeting of the Committee on Agriculture of the World Trade Organization (WTO)<sup>2</sup>, which the Inter-American Institute for Cooperation on Agriculture (IICA) attended in its capacity as observer.

IICA has been a member of the WTO since 2010, not only because its Member States are part of the organization, but also because the issues relating to commercial and agricultural policy that are discussed are important for the management of international trade in the countries of the Americas. At these meetings, the countries' trade delegates monitor fulfillment by the members of the WTO<sup>3</sup> of their commitments under the Agreement on Agriculture, and discuss the trade measures that their governments apply or wish to apply in the area of agriculture. It should be recalled that these measures must be communicated to all the countries via notifications.

Table 1 of this document presents the most prevailing issues discussed during the event and have a direct bearing on matters of trade and agricultural policy. In cases where the questions raised involve the member countries of IICA, these are analyzed in detail.

### 1. Issues addressed during the meeting

The notifications on agriculture are based primarily on the three pillars of the Agreement on Agriculture, which are: market access, domestic<sup>4</sup> support, and export subsidies. Additionally, other matters related to the provisions of the Agreement were discussed such as food security, compliance of countries via notifications, special and differentiated treatment, capacity building with respect to the Agreement on Agriculture and requests for membership on the Committee, among other issues.

#### 1.1. Notifications on agriculture relating to the countries of the Americas

As shown in **Table 1**, on this occasion three Member States of IICA (Brazil, Canada and the United States) raised questions relating to market access, domestic support, and export subsidies. Additionally, Argentina, Brazil, Canada, United States, and Suriname responded to specific questions raised by the European Union (EU), Australia, and New Zealand.



<sup>1</sup> Prepared in April 2018 by the IICA Flagship Project "Competitiveness and sustainability of agricultural chains for food security and economic development".

<sup>2</sup> Held on 20-21 February 2018 in Geneva, Switzerland.

<sup>3</sup> The WTO currently has 164 member countries, 33 of which are member countries of IICA, with the exception of The Bahamas, which is an observer country.

<sup>4</sup> Under the Agreement on Agriculture of the WTO, all domestic support in favor of agricultural producers is subject to rules. There are basically two categories of domestic support: support with no, or minimal distortive effect on trade, referred to as the green-box measures, and trade-distorting measures, referred to as amber-box measures. In WTO terminology, subsidies in general are identified by "boxes", which are given the colors of traffic lights: Green (permitted), amber (slow-down-to be reduced) and red (forbidden).

Table 1 \*. Topics discussed with respect to the implementation of commitments related to agriculture.

| Countries consulting | Country consulted | Subject of consultation   |
|----------------------|-------------------|---|
| European Union       | Argentina         | <i>Subsidies by Argentina for export of pig meat.</i> The European Union asked Argentina about its increase in exports of pig meat, and how this complies with the commitments of the Nairobi Ministerial Conference on reduction in export subsidies.  |
|                      | United States     | <i>Assistance from the United States to the cotton sector.</i> With respect to the December 2017 Disaster Bill, which proposes to include cotton in the amendment to the 2014 Farm Bill, the European Union consults the United States on the effects of the cotton dispute with regard to subsidies, and how this would affect amber box support to U.S. cotton.   |
|                      | Thailand          | Permits required by Thailand for the importation of feed wheat.   |
| Canada               | Egypt             | <i>Domestic support by Egypt for wheat production.</i> Canada asked Egypt why it had not included in the reports on domestic support that it presented to the WTO, the information contained in a report by the 2015 United Nations Food and Agriculture Organization (FAO), which indicates that the principal instrument used by the Government of Egypt to encourage wheat production is the setting of high domestic procurement prices.  |
|                      | United States     | <i>United States policies on dairy products.</i> Canada asked the United States for up-to-date prices for dairy products in California, specifically, how is it that, in this state, processors and manufacturers can pay a lower price for milk for the preparation of yogurt, and why are there two bottom prices for this type of activity.  |
| United States        | Indonesia         | <i>Indonesia's soybean imports.</i> The United States knows that Indonesia is working on a draft regulation that would favor soybean production and would restrict the imported product, and that it is considering increasing the tariffs applied to this product and include a labeling requirement for bulk genetically modified soybeans. In this regard, the United States asked Indonesia what measures it is adopting in order to guarantee that any regulation that affects the imports of soybeans is compatible with its commitments within the framework of the WTO. |
|                      | Suriname          | <i>Suriname's poultry tariffs.</i> The United States consulted Suriname regarding why, in September 2017, it began to apply a 40% tariff to imports of poultry products, and what accounts for the increase from 20% to 40% in the tariff on poultry imports.   |
|                      | Brazil            | <i>Brazil's domestic support programs.</i> The United States requested from Brazil data on its specific domestic support programs, and that Brazil clarify what funds are being used to back domestic versus exported sales.  |
|                      | Canada            | <i>Canada's wine sale policy.</i> Specifically, the United States referred to wines from Ontario and/or Canada in general that are sold in grocery stores.  |
|                      | Indonesia         | <i>Indonesia's dairy import system.</i> The United States is interested in knowing which quality problems Indonesia has faced with regard to imported dairy products. Additionally, it requested more specific information related to Regulation MOA N° 26/2017 regarding the supply and distribution of milk, since it considers that this regulation contains measures that affect the imports of such products.  |
| Russia               | Mongolia          | Mongolia's quota regime for importation.  |

**Table 1 (cont.). Topics discussed with respect to the implementation of commitments related to agriculture.**

| <b>Countries consulting</b>  | <b>Country consulted</b> | <b>Subject of consultation</b>   |
|--|--------------------------|--|
| <b>Australia, United States, and New Zealand</b>                         | <b>Canada</b>            | <i>Canada's New Milk Ingredient Class.</i> Australia, the United States, and New Zealand requested that Canada indicate which of its provinces still lack the procedure for implementation of the regulatory processes relating to the new ingredients of milk, to provide more details on the "national ingredients strategy" with respect to the billing ratios of the product and approvals by the Dairy Products Commission and the Canadian Milk Supply Management Committee, provide information on the monthly volumes of milk components to clarify its price with these new ingredients, and explain whether rules have been determined for the utilization of whole milk powder with the new ingredients, among other aspects. |
| <b>Australia and New Zealand</b>   | EU                       | EU intervention stocks of skim milk powder.  |
| <b>Canada, Russia, and Ukraine</b>                                       | India                    | <i>India's policies with respect to pulses.</i> Canada, Russia and Ukraine asked India to explain the recent tariff increases in several vegetables imported for domestic consumption.   |
| <b>Australia, Canada, and the European Union</b>                         | India                    | India's minimum support prices.  |
| <b>Australia and United States</b>                                       | India                    | India's quantitative restrictions.   |
| <b>Thailand</b>  | South Korea              | South Korea's rice imports.  |
| <b>Australia and Brazil</b>  | Pakistan                 | Pakistan's sugar policies.   |
| <b>Australia</b>   | Philippines              | Philippines' rice waiver.  |
| <b>Australia, Canada, United States, Ukraine, and the European Union</b> | Russia                   | Russian Federation's railway subsidy for exports.  |
| <b>Russia</b>  | Turkey                   | Turkey's inward processing program   |

**Source:** Eighty-Sixth Regular Meeting of the Committee on Agriculture of the WTO, February 2018.

The meeting also discussed the notifications presented by four IICA Member States (Colombia, Costa Rica, El Salvador and the United States) with regard to tariff<sup>5</sup> quotas, domestic support and export subsidies (**Table 2**).

**Table 2. Subjects consulted with regard to agricultural notifications.**

| <b>Countries consulted</b>   | <b>Subject of the notification</b>  |
|--|---|
| <b>El Salvador</b>   | <i>Notifications related to the administration of tariff and other quota commitments.</i> The European Union asked El Salvador why the fill rates for the tariff quota on <i>cheddar</i> cheese have declined and are lower than 35%, given that this situation can affect market access. |
| <b>Costa Rica</b>  | <i>Notifications related to imports, within the framework of tariff and other quota commitments.</i> Thailand consulted Costa Rica as to why, in 2016, tariff quotas were not opened, which products in particular were affected and how these cases are administered.                    |
| <b>Japan</b>   | <i>Notifications with respect to the special<sup>6</sup> safeguard.</i> The European Union asked Japan how it calculated the trigger price and on what products in particular was the simple average not used.  |
| <b>Colombia, Egypt, European Union, Iceland, India, Jordan, Mali, Mauritius, Moldavia, Norway, Thailand, United States</b> | <i>Notifications related to domestic support commitment.</i> The United States asked Colombia if it has considered presenting to the WTO the new domestic support measures that the country is applying.  |
| <b>Norway, Switzerland, United States</b>  | <i>Notifications related to commitments with respect to export subsidies.</i>   |

**Source:** Eighty-Sixth Regular Meeting of the Committee on Agriculture of the WTO, February 2018.

Finally, **Table 3** shows a series of notifications that were sent to the Secretariat of the WTO for which questions were not raised; however, these may be reviewed at later meetings. On this occasion, five Member States of IICA (Bolivia, Colombia, El Salvador, Honduras and Mexico) presented notifications and did not receive any request for clarification from other countries.

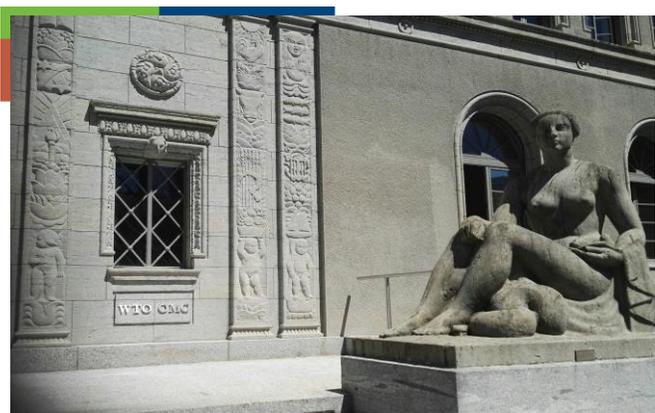
<sup>5</sup> A tariff quota is an eventual limitation in order to export or import goods, which is applied for a given quantity of the good or over a given period. It is applied during certain periods and up to a maximum amount of goods, in which case the exports or imports remain exempt from payment of the customs duties, or a preferential tariff is applied.

<sup>6</sup> Safeguards are exceptional protection measures that a country uses to temporarily protect certain local industries that are damaged or are likely to be severely harmed due to a significant increase in goods available in the domestic market under conditions of unfair competition.

**Table 3. Agricultural notifications presented that were not subject to consultations**

| Countries that notified   | Subject of the notification   |
|---|---|
| Macedonia   | Notifications related to the administration of domestic support commitments with respect to tariff and other types of quotas. |
| El Salvador, European Union, Mexico, Macedonia, Tunisia, Ukraine  | Notifications related to imports of tariff and other types of quotas.   |
| Japan, Chinese Taipei, Botswana, Colombia, Mexico, Norway, Switzerland, Tunisia   | Notifications within the framework of special safeguards.   |
| Botswana, Serbia and Montenegro, Singapore, Switzerland, Tunisia  | Notifications on domestic support commitments.  |
| Honduras  | Notifications within the context of introduction or modification of domestic support reduction measures.                      |
| Australia, Bolivia, Botswana, Colombia, Honduras, China, Israel, Malaysia, Mauritius, Qatar, Russia, Singapore, Chinese Taipei, Macedonia, United Arab Emirates, Zimbabwe | Notifications on commitments related to export subsidies.   |

Source: Eighty-Sixth Regular Meeting of the Committee on Agriculture of the WTO, February 2018.



## 1.2. Other topics addressed during the meeting

- During this meeting, the joint IICA-WTO work plan for 2018 was presented and approved by the member countries of the WTO; this is available at the following link under the code G/AG/GENE/145: <http://opackoha.iica.int/cgi-bin/koha/opac-detail.pl?biblionumber=35265>

- Also presented at the meeting was the note that the WTO requests annually from the intergovernmental international observer

organizations (such as IICA) on the contributions that the countries have made during the year with regard to food security. This is available at the following link: <http://repositorio.iica.int/bitstream/11324/6219/1/BVE17119423e.pdf>

- Finally, it was agreed that the next regular meeting of the Committee on Agriculture will be held from 11 to 12 June 2018. A parallel workshop will be held on trends in the agricultural landscape, in which intergovernmental international observer organizations, such as IICA, will participate.

## 2. Institutional contact points

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