

NATIONAL CONSULTATIVE CONFERENCE

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WTO NEGOTIATIONS: AGRICULTURE

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agriculture

Department:
Agriculture
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WTO Negotiations: Agriculture

Outstanding

- Sensitive products, allocation of domestic consumption
- Market access issues for developing countries: Special products, Tropical products, Preference erosion, Special Safeguard Mechanism
- Product specific caps in domestic support
- Green box

Domestic Support

OTDS (Overall Trade Distorting Support)

- Total of amber box, de minimis and blue box
- Tiered formula
- Reduction over 5 & 8 years

- EU: less [75%] [85%]
- USA, Japan: less [66%] [73%]
- Other developed: less [50%] [60%]
- Developing: less [33%] [40%]

OTDS

European Union

Total: Euro 110 305 million

Option 1 – less 85%: Euro 16 546 million

Option 2 – less 75%: Euro 27 576 million

Actual average: 1995 – 2004: Euro 65 193 million

United States

Total: US\$ 48 224 million

Option 1: less – 73%: US\$ 13 020 million

Option 2: less – 66%: US\$ 16 396 million

Actual average: 1995 – 2005: US\$ 16 094 million

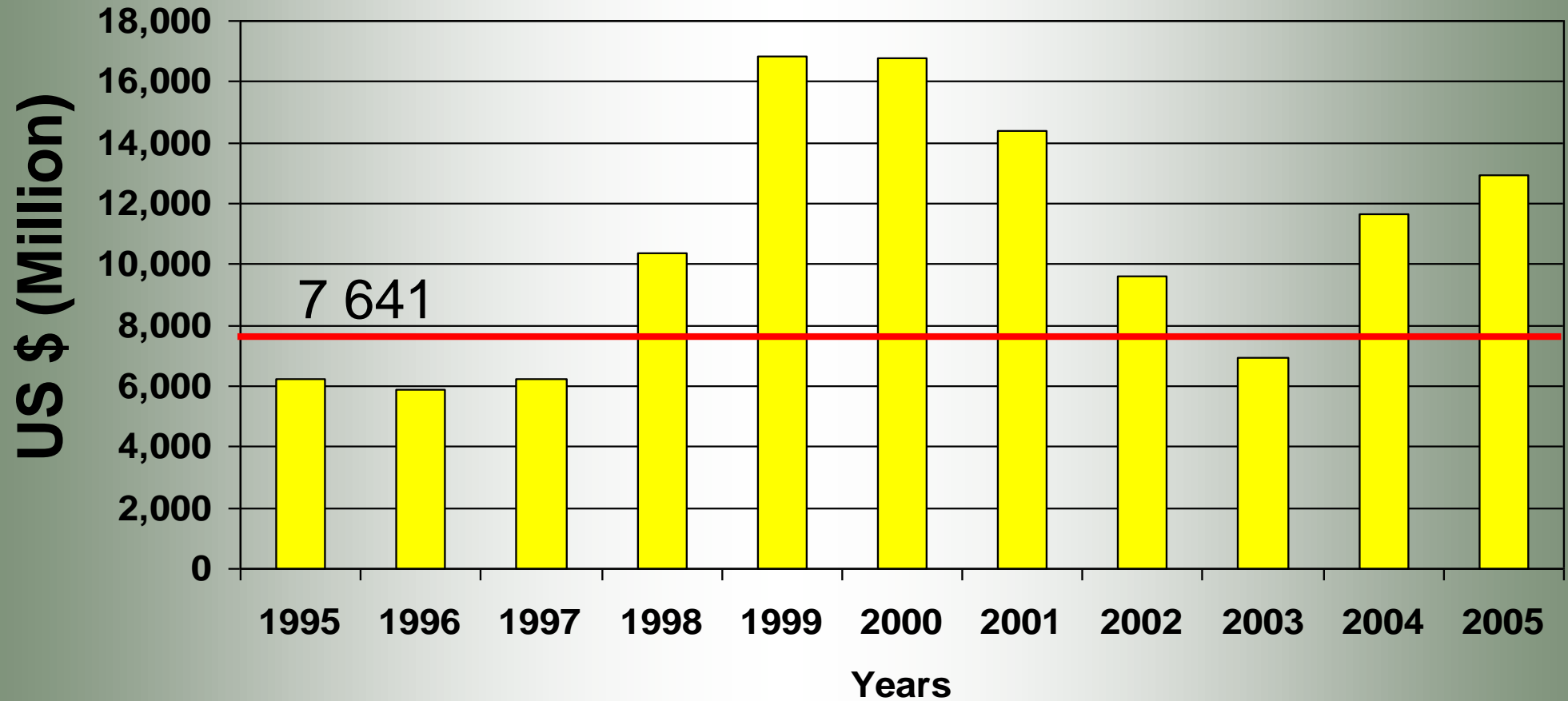
AMS

AMS (Amber box)

- EU: less 70%
- USA, Japan: less 60%
- Other developed: less 45%
- Developing: less 30%
- Caps & Disciplines: Product Specific Support

US AMS

US\$ 19 103 million less 60%



Domestic Support

De Minimis

Less [50%] [60%]

Blue Box

- “New” blue box no production required
- Cap 2.5% of total Value of Production

Product Specific Support (AMS & Blue Box)

- Caps & Disciplines to prevent box shifting and concentration of support

Cotton

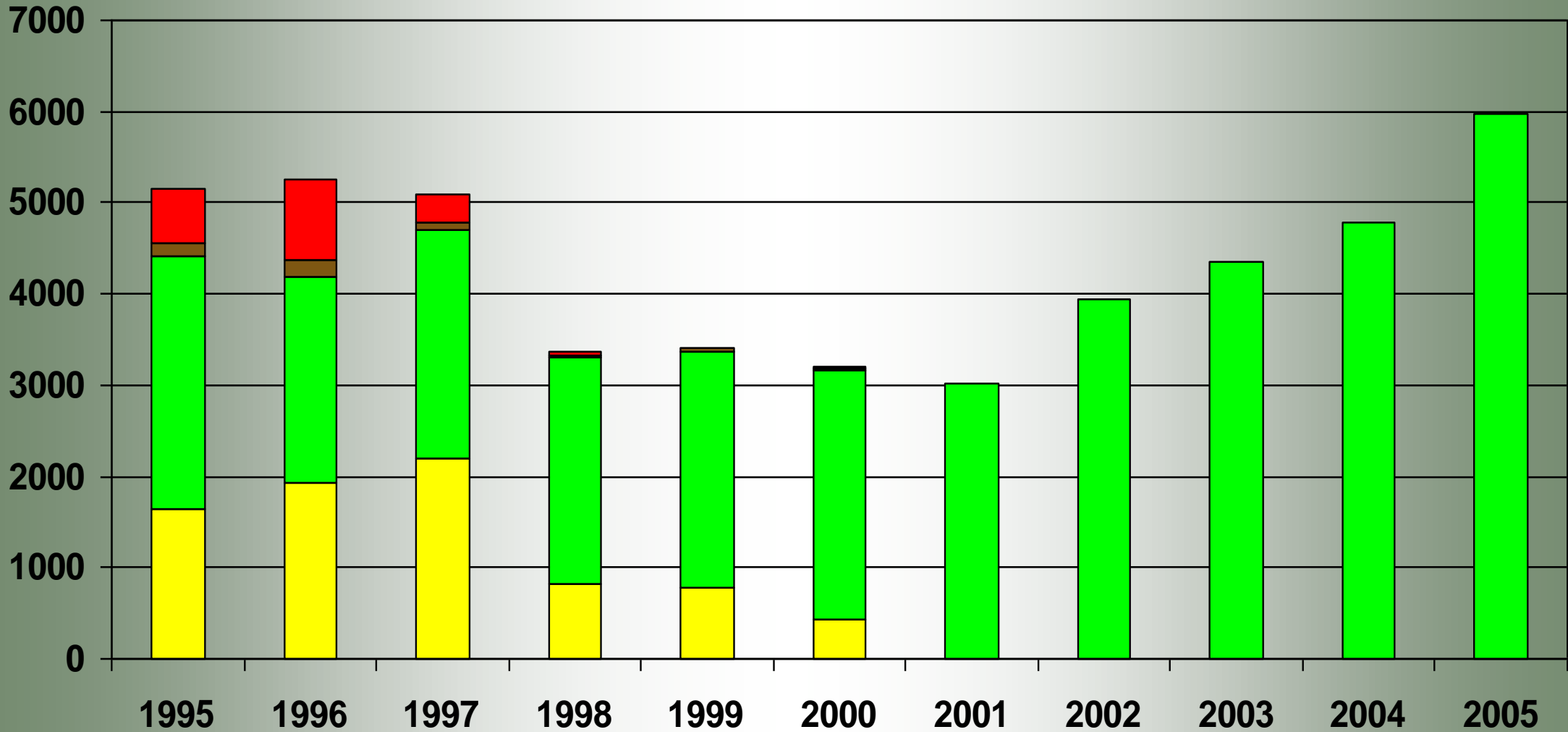
- Special formula for reduction of AMS & Blue Box Support

Green Box

- No major changes
- Fixed and unchanging base periods

RSA SUPPORT: ACTUAL

R - Million



Actual AMS Green box Export Subsidies De Minimis

Domestic Support: South Africa

AMS

- R 2 015 million less 30% R 1 411 million

Other

- Access to Article 6.2: Input and investment subsidies for resource poor and subsistence farmers
- De minimis for developing members: No reduction requirement if almost all is allocated to resource poor and subsistence farmers

Green Box

- Provision for land reform & farmer settlement

Market Access

Tariffs

- Tariff reduction by a tiered formula
- Developed Members: Minimum average reduction [54%]
- Developing Members: Maximum average reduction [36%]
- SVEs: Minimum Average Reduction: [24%]
- LDCs: No reduction

Other

- Tropical Products: Faster liberalization
- Tariff Simplification: [All] bounds in ad valorem terms
- Tariff Escalation (only developed): Additional cut
- SSG: [reduction] [elimination]
- SSM: only developing members

TIERED FORMULA FOR TARIFF REDUCTION

Tariff Band	Tariff Reduction Developed Countries	Tariff Band	Tariff Reduction Developing Countries	Tariff Reduction SVEs
%	%	%	%	%
0 ≤ 20	48 – 52	0 ≤ 30	32 – 34.7	22 -24.7
>20 ≤ 50	55 - 60	>30 ≤ 80	36.7 – 40	26.7 – 30.0
>50 ≤ 75	62 -65	>80 ≤ 130	41.3 – 43.3	31.3 – 43.3
>75	66 - 73	>130	44 – 48.7	34 – 38.7

Sensitive Products

Developed Countries

- No of Lines: [4%] [6%]
- Tariff quota expansion: between 3% - 6% of domestic consumption depending on the deviation from the formula cut

Developing Countries: one-third more

- No of lines: [5.3%] [8%]
- Tariff quota expansion: between 2% - 3.6% of domestic consumption depending on the deviation from the formula cut

South Africa: 872 lines

5.3% = 46 lines

8.0% = 70 lines

Note:

- If [dutiab] lines are used the number of lines will be substantially less

SACU

Special Products (No tariff quota expansion)

- Only developing countries
- Maximum: [12] [20] % of tariff lines
- No of lines [105] [174]
- Without indicators: 8% of tariff lines (70 lines)
- 12 listed indicators – Annex F
- Transfer of “sensitive” entitlement to SP within above limits

SACU

Special Products – Tariff reduction

- [8% of lines with no cut] – 70 lines
- [6%] of lines with cut of [8%] [15%] – 52 lines
- [6%] of lines with cut of [12%] [25%] – 52 lines

Total: 174 lines

TIERED FORMULA FOR TARIFF REDUCTION

South Africa	<u>Bound</u>	<u>Applied</u>
Current average: %	39.4	9.3
Option: Low		
“New” Average: %	24.4	8.6
Overall Average Cut: Low, %	29.0	3.3
No of lines with reduced applied: 128 lines (14.7%)		
Option: High		
“New” Average: %	23.2	8.4
Overall Average Cut: High, %	31.4	3.8
No of lines with reduced applied: 136 lines (15.6%)		

Tariff Reduction

- Removal of “water” in tariff schedule
- Maintaining “Policy Space”
- Shielding most “sensitive” products from tariff reductions
- Offensive interests: Substantial percentage of exports receive preferences under TDCA, AGOA, EFTA, SADC & various GSP schemes
- Comparing impact against reductions in domestic support and elimination of export subsidies
- How to assess impact of shifts into green box

Export Competition

- Export Subsidies: Elimination by 2013
- Export Credits: Elimination of subsidy element
- Food Aid: No commercial displacement
Rules & Disciplines
[trigger of emergency]
[monetization]