



WTO DOHA Development Negotiations

Expectations, Understandings and
Fears

Expectations

- Moderate Level of Ambition in Agriculture
- Alignment with Africa Group
- Equations to Illustrate Balance between Agriculture and NAMA Packages
- Fit between Agriculture and NAMA and Services Negotiation Packages
- Broadened understanding and debate on the Agricultural Package
- Worked examples using notifications to a common (2005) base year

MONITORING AND SURVEILLANCE

Market Access
Formula Cuts
Sensitive Products
Tariff Escalation
Tariff Simplification
Tariff Quotas
Special Agricultural Safeguard
Special Safeguard Mechanism

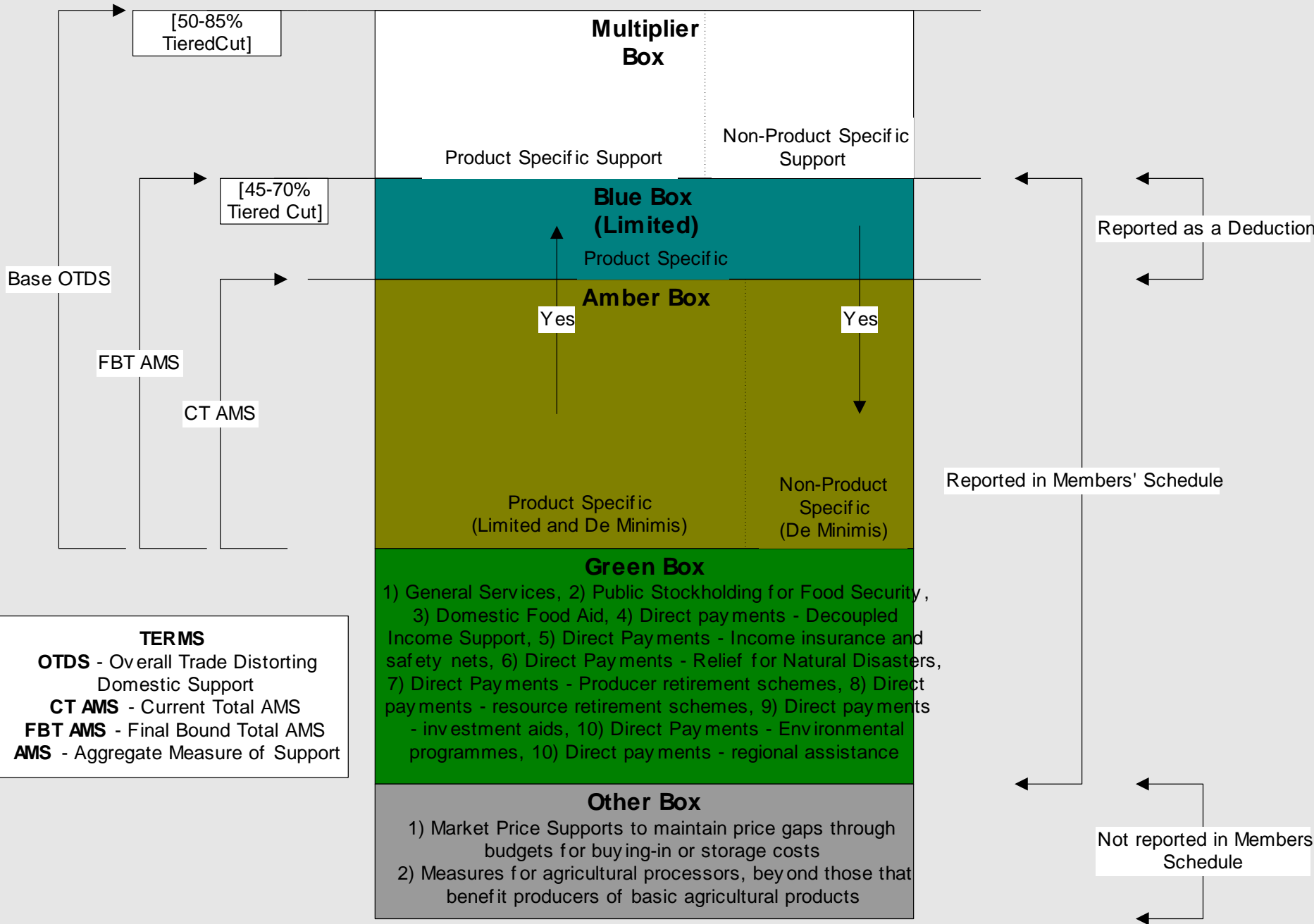
Export Competition
Reduction Commitments
Export Credits
State Trading Enterprises
International Food Aid

Domestic Support
Overall
Blue Box
Amber Box
Green Box

NAMA
Formula Cuts

Services

TRADE DISTORTING DOMESTIC SUPPORT REDUCTIONS



[50-85% Tiered Cut]

Multiplier Box

Product Specific Support

Non-Product Specific Support

[45-70% Tiered Cut]

Blue Box (Limited)

Product Specific

Reported as a Deduction

Base OTDS

FBT AMS

Yes

Amber Box

Yes

CT AMS

Product Specific (Limited and De Minimis)

Non-Product Specific (De Minimis)

Reported in Members' Schedule

TERMS

OTDS - Overall Trade Distorting Domestic Support

CT AMS - Current Total AMS

FBT AMS - Final Bound Total AMS

AMS - Aggregate Measure of Support

- 1) General Services, 2) Public Stockholding for Food Security, 3) Domestic Food Aid, 4) Direct payments - Decoupled Income Support, 5) Direct Payments - Income insurance and safety nets, 6) Direct Payments - Relief for Natural Disasters, 7) Direct Payments - Producer retirement schemes, 8) Direct payments - resource retirement schemes, 9) Direct payments - investment aids, 10) Direct Payments - Environmental programmes, 10) Direct payments - regional assistance

Other Box

- 1) Market Price Supports to maintain price gaps through budgets for buying-in or storage costs
- 2) Measures for agricultural processors, beyond those that benefit producers of basic agricultural products

Not reported in Members' Schedule

US Notification Example

| | Support Subject to Reduction | Support Not Subject to Reduction |
|--|---------------------------------|-------------------------------------|
| | 2000 | 2000 |
| | Millions of US Dollars | Millions of US Dollars |
| Total AMS commitment level for period in question | 19,103 | |
| Current Total Aggregate Measurement of Support | 16,803 | |
| New Limit | 15,400 | |
| "Blue Box" Direct payments under production-limiting programs | - | |
| "Amber Box" | 16,803 | |
| New Limit | 10,400 | |
| 15 Product Groups with Product Specific AMS | 16,803 | |
| 12 Product Groups with Product Specific AMS (Below de minimis) | | 63 |
| Non product specific AMS (Below de minimis) | | 7,278 |
| "Green Box" | | 50,057 |
| General Services | | 8,554 |
| Public Stockholding for Food Security | | - |
| Domestic Food Aid | | 32,377 |
| Decoupled income support | | 5,068 |
| Income insurance and safety net programs | | - |
| Payments for relief from natural disasters | | 2,141 |
| Structural adjustment through producer retirement programs | | - |
| Structural adjustment through resource retirement programs | | 1,476 |
| Structural adjustment through investment aids | | 132 |
| Environmental Payments | | 309 |
| Payments under regional assistance | | - |
| Other | | - |
| Overall Support | | 74,200 |

EU Notification Example

| | Support Subject to Reduction | Support Not Subject to Reduction |
|---|------------------------------|----------------------------------|
| | 2002/2003 | 2002/2003 |
| | Millions of Euro | Millions of Euro |
| Total AMS commitment level for period in question | 67,159 | |
| Current Total Aggregate Measurement of Support | 28,490 | |
| New Limit | 69,700 | |
| "Total Blue" | | 24,727 |
| "Total Amber" | 28,490 | |
| New Limit | 48,200 | |
| 52 Product Groups with Product Specific AMS | 28,490 | |
| 5 Product Groups with Product Specific AMS (Below de minimis) | | 1,004 |
| "Total Green" | | 20,404 |
| Overall Support | | 74,625 |

Fears

- Blue Box caps and flexibilities appear to encourage box shifting
- The Other Box seems out of sync with other disciplines
- Green Box expansion cannot go unlimited forever
- Technical Loopholes and Informational Uncertainty
 - The way that Paragraph 35(b) is currently written does not give confidence that “Direct Payments that do not require production” must involve “production limitation” i.e. the a) ... or b) ... and c) problem.
 - Notifications to the Committee on Agriculture
 - There appears to be no “complete” set of notifications for the period 1995-2000. Paragraph 38 of the Chair’s text states: “The maximum permitted value of support that can, under the criteria of the “Blue Box”, be provided under Article 6.5 shall not exceed 2.5% of the average total value of production in the 1995-2000 base period on the basis of notifications to the Committee on Agriculture **where they exist.**”
 - Paragraph 1(c) states that calculating OTDS involves: “the higher of average blue box payments notified to the Committee on Agriculture, **or 5% of the average total of the total average of agricultural production, in the 1995-2000 base period.**”
 - For Blue Box direct payments that do not require production of a specific product, for the US only, the proportions of the Legislated Maximum Permissible Expenditure under the **2002 US Farm Bill** shall be applied to the overall Blue Box limit of 2.5% of the average total value of production during the 1995-2000 period and shall be incorporated into Annex A of the Draft Agreement.
 - Whilst, for all members other than the United States, the limit of support that may be provided to specific products as Blue Box entitlements shall be the average value of support provided to the products, **consistent with Article 6.5(a) of the Uruguay Round Agreement on Agriculture**, during the 1995-2000 period.

Tiered Formula Cuts in AVE Bound Tariffs in Chapters 1-24, Plus Bits and Pieces

| | | |
|---|-----------------------|--|
| AVE Tariff | Developed Cut | |
| 0-20% | 48-52% | |
| >20 <= 50% | 55-60% | |
| >50 <= 75% | 62-65% | |
| >75% | 66-73% | |
| Overall | 54% | |
| 4-6% of Lines Designated as Sensitive | | |
| When >30% in top band then 6-8% % of Lines (TRQ 0.5-1%) | | |
| 6 Digit Concession (6-8% of Tariff Lines) | | |
| Less than formula cut options: | | |
| 1/3 less (TRQ 3-5% of Cons), 1/2 less (3.5-5.5% TRQ) or 2/3 (TRQ 4-6%) | | |
| | Developing Cut | |
| 0-30% | 2/3 of 48-52% | |
| >30 <= 80% | 2/3 of 55-60% | |
| >80 <= 130% | 2/3 of 62-65% | |
| >130% | 2/3 of 66-73% | |
| Overall | 36% | |
| 1/3 more than 4-6% of Lines Designated as Sensitive | | |
| When >30% in top band then 1/3 more of 6-8% of Lines | | |
| Less than formula cut options: | | |
| 1/3 less (TRQ 2/3 of 3-5% of Cons), 1/2 less (2/3 of 3.5-5.5% TRQ) or 2/3 (2/3 of TRQ 4-6%) | | |