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THE WTO'S AGRICULTURE DOMESTIC SUPPORTS NEGOTIATIONS

The historical problems in agriculture continue today. Developed countries with the financial capacity continue to subsidise their farmers and export these agricultural products. This has also been enabled by the Uruguay Round through large AMS entitlements for mostly developed countries ($19 billion for US and now about $95 billion for EU27), as well as the Green Box (Annex 2 of the Agreement on Agriculture).

As a result of the US 2014 Farm Bill and the shift away from direct payments (Green Box) to farm subsidy programmes based more on prices or revenues (Aggregate Measures of Support payments or AMS), the US now refuses to continue with the Doha agriculture negotiations along the lines of the last Doha draft negotiating text, the 'Rev.4' (2008). US' discourse is that it will reduce its farm subsidies only if developing countries do the same. Whilst some developing countries are indeed increasing their farm payments, their payments per farmer remain miniscule - about $348 per farmer for China, $306 for India, as compared to $68,910 for the US.

Following the cue of the US, the move in the recent months at the WTO has been to target developing countries' 'trade-distorting' domestic supports, even when most have 0 AMS entitlements i.e. targeting reduction of their already very small de minimis entitlements and also their input subsidies (Art 6.2) to low-income or resource-poor farmers. At the same time, the developed countries continue to enjoy their AMS entitlements, their de minimis, as well as an unlimited Green Box which contains farm programmes that are more appropriate for them. In the current negotiations, developed countries may, at most, be asked to make some AMS cuts, and some de minimis cuts. But this would still leave them with large AMS entitlements. Importantly, there is no serious discussion about reforming the Green Box even though it makes up 88-90% of EU and US' total domestic supports. Elimination of the large AMS entitlements of developed countries, and thorough reform of the Green Box would at least contribute towards partially levelling the currently imbalanced playing field in the WTO's agriculture trade rules. The other aspect of imbalance are the rules regarding how Public Stockholding programmes of developing countries should be calculated, whereby the numbers to be notified to the WTO as trade-distorting supports (AMS /de minimis) are artificially inflated with little bearing to the actual subsidies provided.

If the recent domestic support proposals (2016) see the light of day, this will mean that developed countries' historically privileged position in the rules on domestic supports are being preserved, whilst the already little space developing countries have been given to provide domestic supports are being targeted for further reduction. The imbalance is starkly obvious at the per farmer level. In this scenario, the question of whether there should be an outcome in this area of negotiations is a valid one.

This paper provides a historical background and analysis of the issue and an overview of the most significant proposals that have been tabled from Rev.4 (2008) up until July 2016.

January 2017
Geneva, Switzerland

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I. WHAT IS THE PROBLEM?

Developing Countries Have Become Net Food Importers

Many developing countries have historically, and even up to today, been very negatively impacted by the domestic supports of developed countries. When this was combined with the IMF and World Bank conditionalities in the 1980s and 1990s forcing the lowering of tariffs in agriculture and the removal of domestic supports, many developing countries ended up importing a lot of subsidised agricultural products.

The combination of opening up domestic markets and the imports of subsidised food had a huge and negative impact on domestic producers – it reduced food security and rural employment, and reduced world prices creating difficulties for developing countries to sell both on domestic markets as well as on export markets. Cotton is a case in point but many farmers involved in food security crops were likewise impacted – poultry, dairy, cereals etc. As a result of this, many countries have become Net Food Importing Developing Countries (NFIDCs) in the last 20 years and money spent on the food bill has been on a steady rise.

No. of Net Food Importing Developing Countries as notified to the WTO

1996: LDCs + 15 countries (Barbados, Côte d'Ivoire, Dominican Republic, Egypt, Honduras, Jamaica, Kenya, Mauritius, Morocco, Peru, Saint Lucia, Sri Lanka, Trinidad and Tobago, Tunisia and Venezuela).
2002: LDCs + 23 countries (Botswana, Cuba, Dominica, Jordan, Pakistan, Saint Kitts and Nevis, St Vincent and the Grenadines)
2012: LDCs + 31 countries (Antigua and Barbuda, El Salvador, Gabon, Grenada, Maldives, Mongolia, Namibia, Swaziland)

Food Bill of LDCs and Africa

Developing countries' Food Trade Surplus before Structural Adjustment Policies and Subsidised Food Imports
Early 1960s: Developing countries, including LDCs, have US$7 billion in food-trade surplus

LDCs' Food Trade Deficit
2002: US$9 billion.
2006: US$22 billion
2007: US$ 26 billion
2014: US$ 37 billion (FAO 2014)

Africa's Food Trade Deficit
2013: US$45 billion (FAO 2014)

'Africa has turned from a net exporter of agricultural products to a net food importer. In 1980, agricultural trade was balanced with both exports and imports at about $14 billion. In 2007, imports reached a record high of $47 billion, yielding a deficit of around $22 billion. By 2023, Africa's trade deficit in volume terms will increase to 44 million tonnes for wheat and 18 million tonnes for rice.' (European Commission 2014).[1]

[1] Monitoring Agricultural Policy 2015 Issue 1, 'Agri-food trade in 2014: EU-US interaction strengthened', http://ec.europa.eu/agriculture/trade-analysis/map/2015-1_en.pdf

<u>Subsidised Food Imports Disrupt Domestic Production and Employment</u>

Subsidised food imported into developing countries led to widespread dislocation. The well-known FAO food impact surges study documented the following:

FAO's Figures on the Impact of Import Surges

Country / Commodity	Imports Increased by:	Local Production Decreased by
Senegal- Tomato Paste	15 times	50%
Burkina Faso – Tomato Paste	4 times	50%
Kenya – Diary Products	"dramatic"	Cut local milk sales
Benin – Chicken Meat	17 times	Declined
Jamaica – Vegetable Oils	2 times	68%
Chile – Vegetable Oils	3 times	50%

Source: FAO 2003 "Some Trade Policy Issues Relating to Trends in Agricultural Imports in the Context of Food Security", Committee on Commodity Problems, CCP 03/10, 2003.

Other examples of imports surges documented by FAO include:

<u>Ghana - Tomato Paste</u>: Tomato paste imports from the EU increased by a staggering 650 percent from 3,300 tons in 1998 to 24,740 tons in 2003. Farmers lost 40 percent of the share of the domestic market and prices were extremely depressed.

<u>Ghana – Poultry</u>: Commercial development of the industry started in the late 60s and by the 80s the poultry industry was a vibrant sector. From the 70s to the early 90s, the local industry supplied virtually all of the chicken and eggs consumed in Ghana. Under structural adjustment policy, tariffs were drastically reduced. According to the FAO (2007) poultry imports grew from 4,000 tons in 1998-124,000 tons in 2004. During this time (1998 – 2004) poultry enterprises operated at low capacities, sometimes less than 25% (FAO 2007).

<u>Cameroon - Poultry</u>: Poultry imports increased nearly 300 percent between 1999 and 2004. Some 92 percent of poultry farmers dropped out of the sector. A massive 110,000 rural jobs were lost each year from 1994 to 2003.

<u>Cote d'Ivoire – poultry</u>: Poultry imports increased 650 percent between 2001 and 2003, causing domestic production to fall by 23 percent. Consequently, prices dropped, forcing 1,500 producers to cease production resulting in the loss of 15,000 jobs.

<u>Mozambique – vegetable oils</u>: Vegetable oil imports (palm, soy and sunflower) saw a fivefold increase between 2000 and 2004. Domestic production shrank drastically, from 21,000 tonnes in 1981 to 3,500 in 2002. About 108,000 smallholder households growing oilseeds have been affected, not to mention another 1 million families involved in substitute products (soy and copra). Small oil processing operations closed down, resulting in the termination of thousands of jobs.

<u>Jamaica – Dairy</u>: Dairy imports saw 50 percent of dairy farmers selling their animals and going out of business during the liberalisation of the 1990s. Employment in the sector in 2004 had fallen by two-thirds that of 1990 levels.

Sri Lanka – Dairy: Dairy imports in Sri Lanka increased from 10,000 tonnes in 1981 to 70,000 tonnes in 2005, consuming 70 percent of the domestic market. Domestic producers were not able to develop and expand their market share. During this period, local production expanded by less than 15 percent.

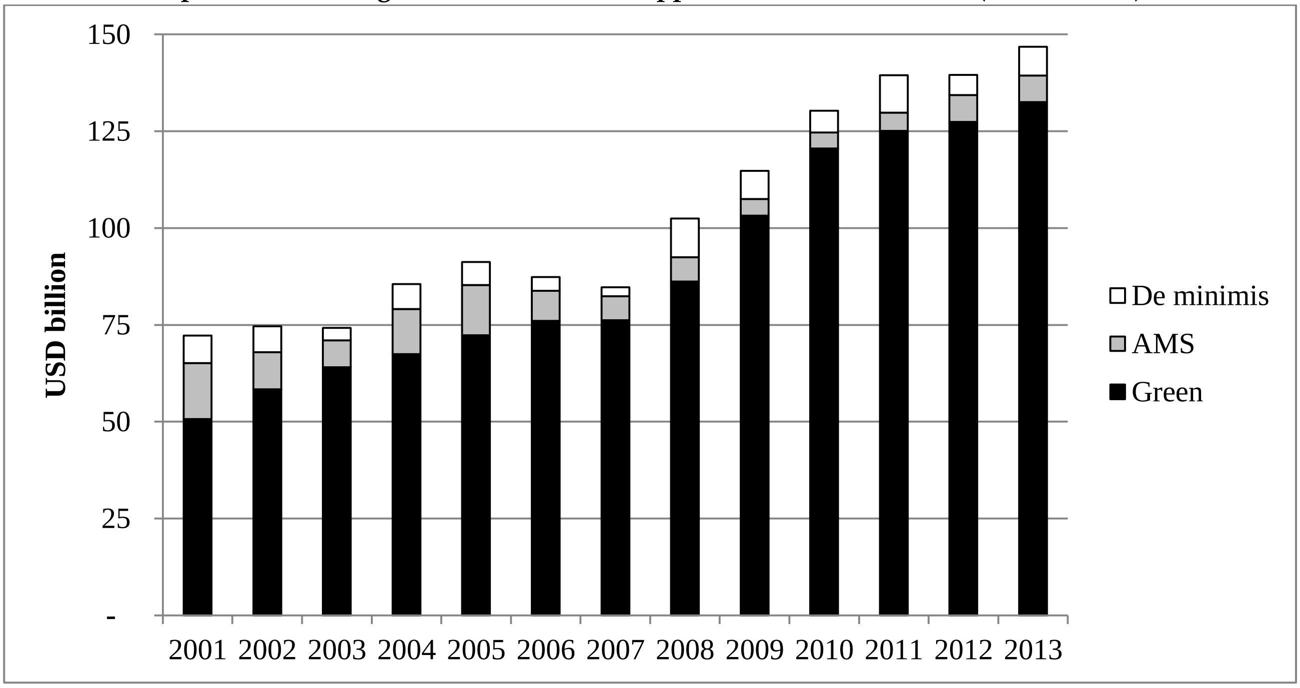
Other examples of import surges as a result of liberalisation of the importing country and subsidies of exporters are: soy in Indonesia; maize, and milk in Malawi; dairy and maize in Tanzania; tomato paste in Senegal; soy and cotton in Mexico; poultry in the Gambia; rice in Haiti etc.

Are Subsidies Still A Problem for Importers Today?

Subsidised agricultural exports continue to create problems for farmers impacted by them even today.

The Case of the US

Level and composition of US agricultural domestic support, as notified to WTO (USD billion)



Source: WTO notifications.

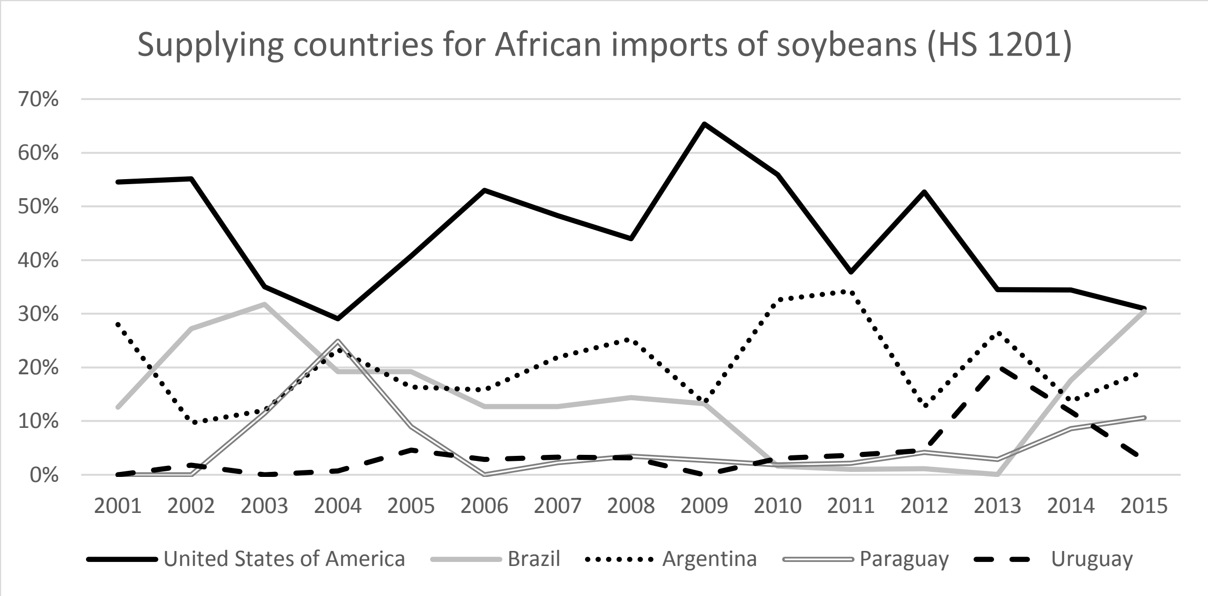
The US supports during 2001 and 2013, as notified to the WTO, are illustrated above. The Institute for Agricultural and Trade Policy (IATP) has recently investigated whether, with prices recently downward trending, the US is exporting below the cost of production. They found this to be the case. Their figures illustrate that in 2015, exports were indeed being sold below the cost of production in all the 5 commodities they studied – wheat, maize, rice, cotton and soybeans. The estimate of distortion in wheat came to a rate of 33% in 2015; soybeans - 11%; maize - 14% and rice - 2%. The case of cotton is even more problematic. They found that cotton had been exported at substantially less than the cost of production every year during 2010 to 2015 (except for the year 2012) with rates ranging from 8% to 49% (most recently, in 2015)[2]. See Annex 1 for IATP's calculations.

[2] Institute of Agricultural and Trade Policy (IATP), forthcoming paper on agricultural distortions due to subsidies by the US.

Taking the African market as an example, US subsidies in soybeans have a major impact since US, together with Brazil, are now the largest suppliers to the African market (each accounts for 30% of total African imports).

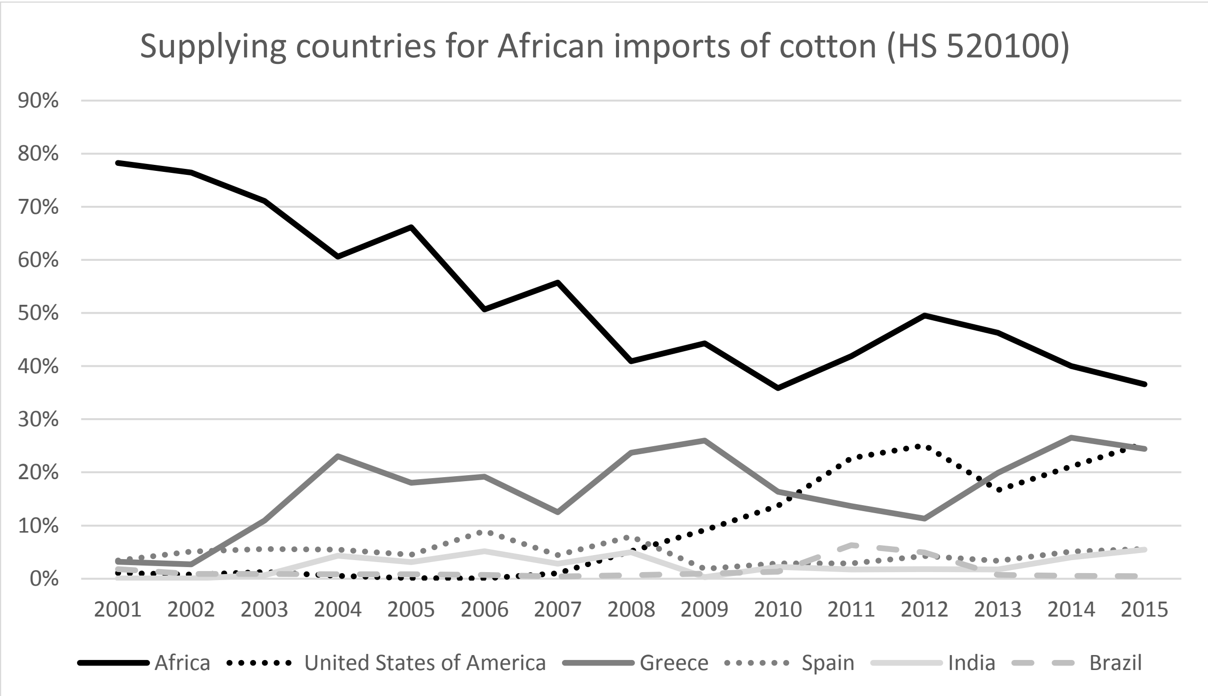
In cotton, the graph below illustrates that Africa's own supplies to the regional market has fallen drastically – from nearly 80% in 2001 to less than 40% in 2015. American and European cotton imports in combination now make up the majority share of cotton in the African market.

Soybean Imports into Africa



Source: ITC TradeMap Data

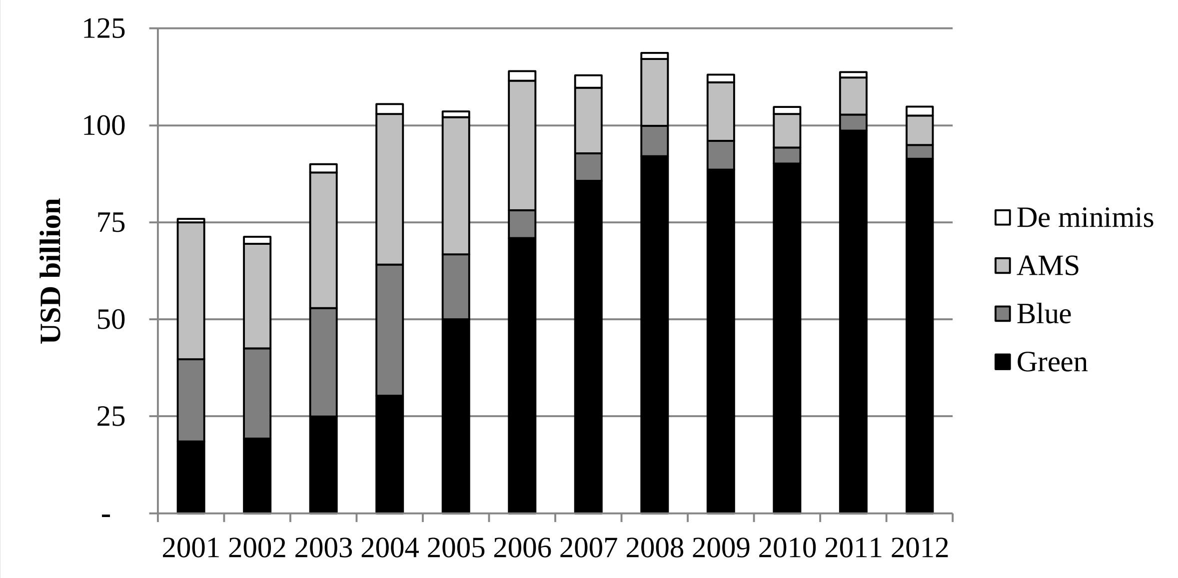
Cotton Imports into Africa



Source: ITC TradeMap Data

The Case of the EU

Level and composition of EU agricultural domestic support, as notified to WTO (USD billion)



Source: EU's WTO notifications

The figures of EU subsidies causing distortions are also sobering. Jacques Berthelot's 2013 figures show that for the African Caribbean and Pacific (ACP) countries, the estimate for distortions are 10% in cereals; average of 23% in poultry; 200% for bovine meat; and an average of 10% for dairy[3] (See Annex 2 for Berthelot's calculations).

EU's continued exports of subsidised poultry has contributed to the now almost 20-year crisis in the Ghanaian poultry industry.

Ghana poultry industry in crisis

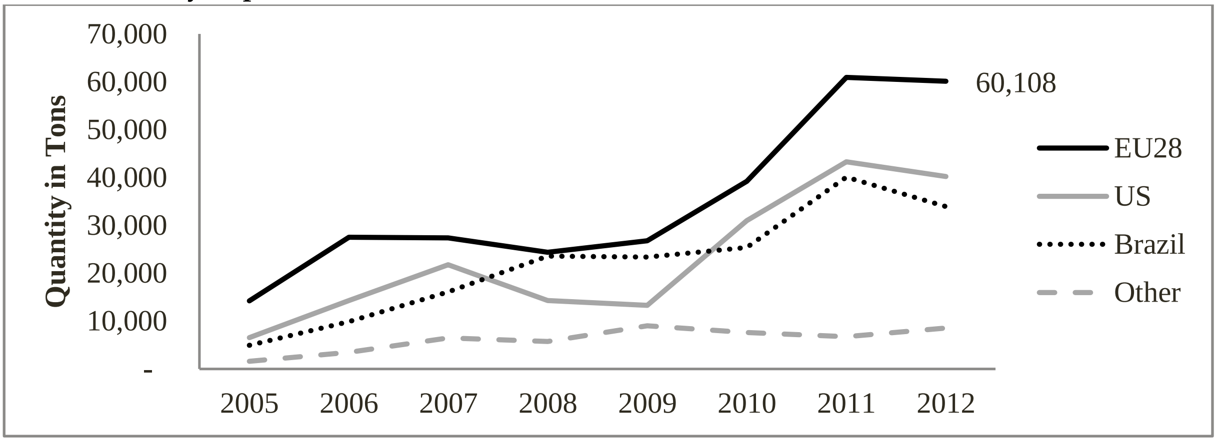
'Ghana's poultry sector has been experiencing a steep decline since the year 2000. Many, if not all, the commercial poultry farms that were established in the late 1960s and early 1970s have collapsed and/or are on the verge of collapsing. Parliament passed a law to increase taxes on the importation of frozen chicken but that law has never been implemented due to pressures from the International Monetary Fund (IMF). This paper examined the challenges and prospects of the commercial poultry industry in Ghana.... It was concluded that the Government of Ghana should pass the law to increase taxes on the importation of frozen chicken; adopt policies to encourage SME financing in Ghana; develop proper training institutions for poultry farmers; encourage the consumption of local poultry products whiles the industry offer relevant training and live demonstration programmes for its members. Entrepreneurs must also address all the financial and managerial issues affecting the poultry industry in Ghana.'

Source: Kusi L, Agbeblewu S, Anim I, Nyarku K 2015 *'The Challenges and Prospects of the Commercial Poultry Industry in Ghana: A Synthesis of Literature', International Journal of Management Studies, https://www.researchgate.net/publication/279059994_The_Challenges_and_Prospects_of_the_Commercial_Poultry_Industry_in_Ghana_A_Synthesis_of_Literature*

[3] Jacques Berthelot 2014 'The EU28 subsidies in 2013 to its exports of cereals, meats and dairy products to extra-EU28, ACPs and West Africa, https://www.sol-asso.fr/wp-content/uploads/2016/03/The-EU28-subsidies-in-2013-to-its-exports-of-cereals-meats-and-dairy.pdf

The graph below shows the sources of imports of poultry into Ghana. EU remains the main exporter of poultry to Ghana. EU exports of poultry are subsidised also as a result of subsidies provided to feed.

Ghana's Poultry Imports



Source: ITC TradeMap

Berthelot's figures on poultry and eggs shed some light on the plight of poultry farmers in West Africa.

Subsidies to exports of poultry and eggs extra-EU28, to ACPs and West Africa in 2013

	Tonnes	1000 €	FOB €/t	cwe	Feed sub.	Refunds	Total sub	Tot €/cwe	Distortion level
Extra-EU28	1492281	2503755,6	1894,6	1894622	360013	46195	406208	214,4	16,2%
ACPs	529249,4	636793,8	679,7	679659,3	129137	17442	146579	215,7	23%
WA	272517,8	325608	352	351969,3	66884	8583	75467	214,4	23,2%
Benin	137657,3	186146,8	1352,2	178871	31615,4	4353	35968,4	201,1	193,2%
Ivory Coast	739	3262,8	4415,2	960,3	169,7	23,4	193,1	201,1	59,2%
Ghana	73585,1	62981,8	855,9	95830	16938	2330,7	19268,7	201,1	305,9%
Nigeria	693,6	6305,6	9091,1	788,9	139,4	9,4	148,8	188,6	23,6%
Senegal	506,4	2187,5	4320	600,2	106,1	8,1	114,2	190,3	52,2%

Source: Eurostat; cwe: carcass weight equivalent
Berthelot 2014 'The EU28 subsidies in 2013 to its exports of cereals, meats and dairy products to extra-EU28, ACPs and West Africa', https://www.sol-asso.fr/wp-content/uploads/2016/03/The-EU28-subsidies-in-2013-to-its-exports-of-cereals-meats-and-dairy.pdf

In September 2016, Burkina Faso milk farmers appealed to the EU to bring milk over-production under control as subsidised EU milk powder was destroying local production and jobs.

Burkinabe milk producers' appeal to the EU, 29 September 2016

'Burkinabe milk producers came to Brussels for two days to discuss a responsible dairy policy in the EU with the European Commission and with MEPs from different political groups. Through this visit, René Millogo and Mariam Diallo from the organisations PASMEP (platform to support dairy cattle herders in Burkina Faso) and UMPL/B (National Micro-dairies and Local Milk Producers Union of Burkina) were looking to gain further insight into the objectives of EU policy. Furthermore, they also wanted to share with EU policymakers their experiences of the disastrous consequences of the current EU strategy on West African markets.

EU overproduction leads to distortions in African markets

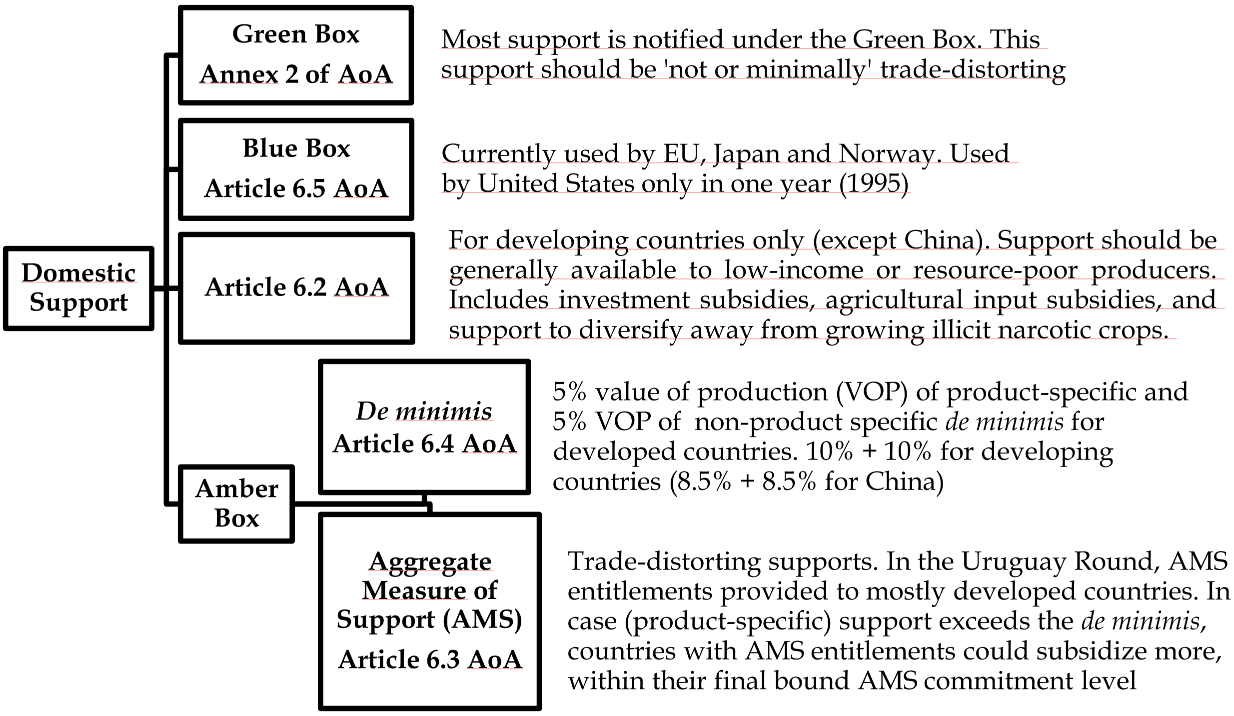
'If the EU is unable to lower production to an appropriate volume within its own borders, European producers will not be the only ones affected by the resulting rock-bottom prices. When the EU produces too much, the surplus often ends up in markets in developing countries at dumping prices. René Millogo explains the problem by referring to the current milk prices in Burkina Faso: "The average shop price for a litre of locally-produced milk is 600 CFA (about 91 eurocents). In comparison, milk produced from imported milk powder costs only 225 CFA (34 cents). This puts the local production at risk and destroys opportunities for local pastoral communities to earn a living."
..."We hope that our European counterparts will consider the information derived from our talks in future decisions about dairy policy. It is important for them to strongly advocate a sustained reduction in overproduction in the EU. African countries that can fulfil their own needs are better for Europe as well. If the local socio-economic situation is not favourable, immigrating to Europe or other continents will be the only option, especially for young people," says Mariam Diallo, explaining their point of view.'

Source : European Milk Board, Press Release http://www.europeanmilkboard.org/special-content/news/news-details/article/west-african-producers-in-dialogue-with-eu-policymakers.html?no_cache=1&cHash=dc74da16887ce2efb4902fe34239fe17

II. HOW COME THE HISTORICAL DISTORTIONS CONTINUED AFTER THE URUGUAY ROUND AND ARE ALSO TAKING PLACE TODAY?

Built-in Imbalances in AoA: Developed Countries' Subsidies were Legalised and Not Reduced Whilst Developing Countries Subsidies Were Bound at Zero

Domestic Support categories according to the Uruguay Round's Agreement on Agriculture



The Agreement on Agriculture, which promised to discipline domestic supports from 1995 was not able to truly deliver because developed countries managed to organise the Agreement in such a way that their domestic supports continued and in fact were provided with legal cover, whilst developing countries were locked in at only *de minimis* levels of domestic supports:

a) Developed countries could enjoy Aggregate Measure of Supports (AMS). AMS supports are, according to WTO's subsidy classification, the supports which are trade-distorting e.g. price related supports.

   In contrast, most developing countries which had provided zero AMS at the time of the Uruguay Round saw their AMS being bound at zero. I.e. they could later only provide *de minimis* AMS which developed countries also had[4]. Developing countries could avail of Art 6.2's input and investment subsidies for low-income or resource poor farmers. This was a Special and Differential Treatment provision.

b) Furthermore, the AMS entitlement of developed countries (and just a few developing countries) did not have any 'product-specific AMS' disciplines. Those with AMS entitlements and with the

[4] The de minimis AMS allowance for developing countries is 10% of the value of production (VOP) product-specific de minimis and 10% VOP non-product specific de minimis. For developed countries it is 5% product-specific and 5% non-product specific.

means could effectively give unlimited amounts of AMS supports to specific products. In contrast, developing countries' product-specific AMS supports were limited to 10% of their value of production (de minimis).

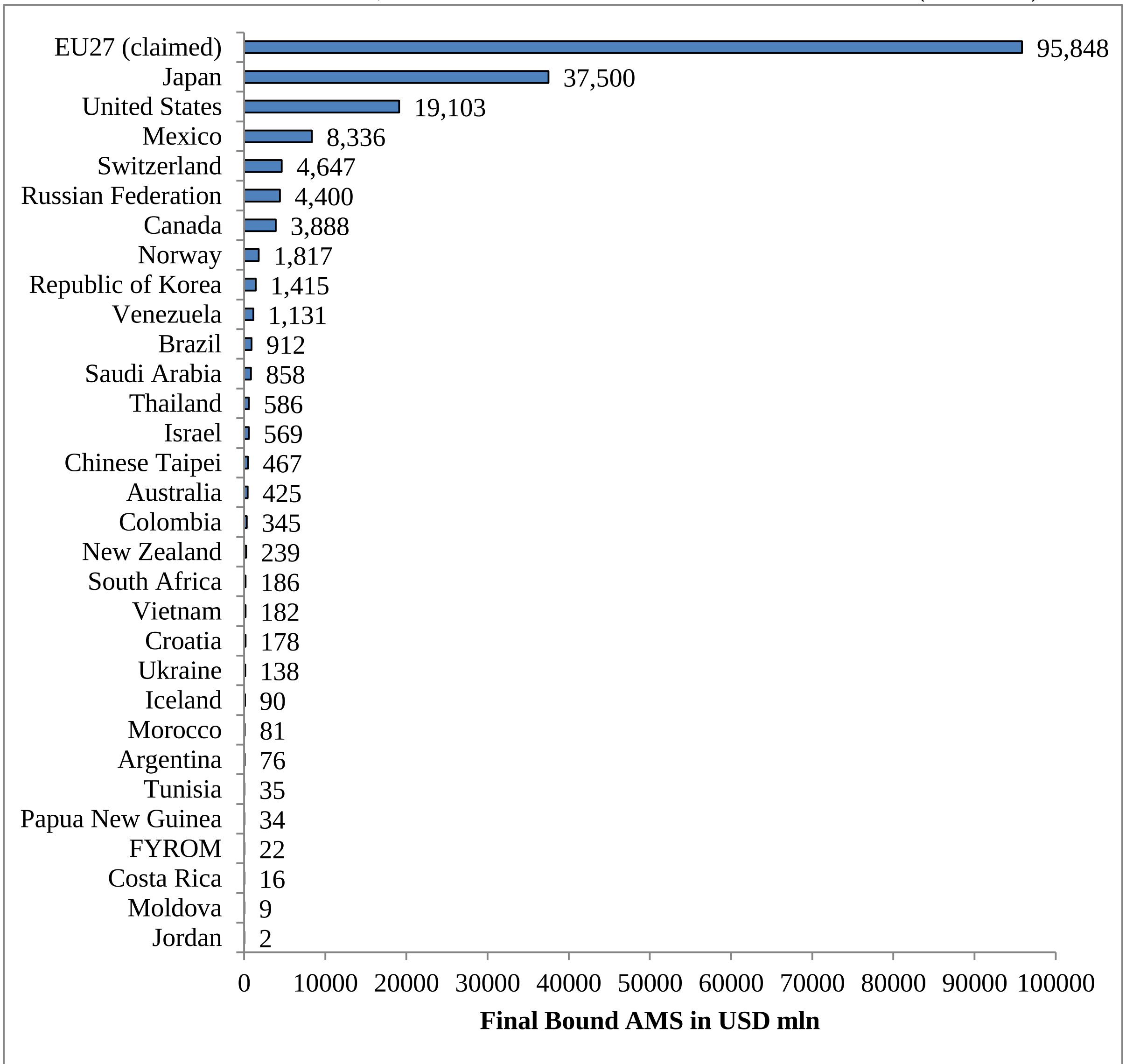
This box shows how the US and EU liberally provided product-specific AMS supports during the years which contributed to huge import surges into developing countries.

US's and EU's product specific AMS supports to products as a % of the Value of Production of a crop (VOP)

- EU 2008-2009 (average): sugar beet 55%, tobacco 62% of VOP
- US 1999-2001 (average) : soybeans 27%. of VOP
- US 1995-2001 (average) : peanuts 35% of VOP
- US 2001: sunflower seed 66% of VOP
- US 2005: maize : 20% of VOP
- EU 1995-2000 : cattle meat EUR 16.5 billion

Source: WTO notifications

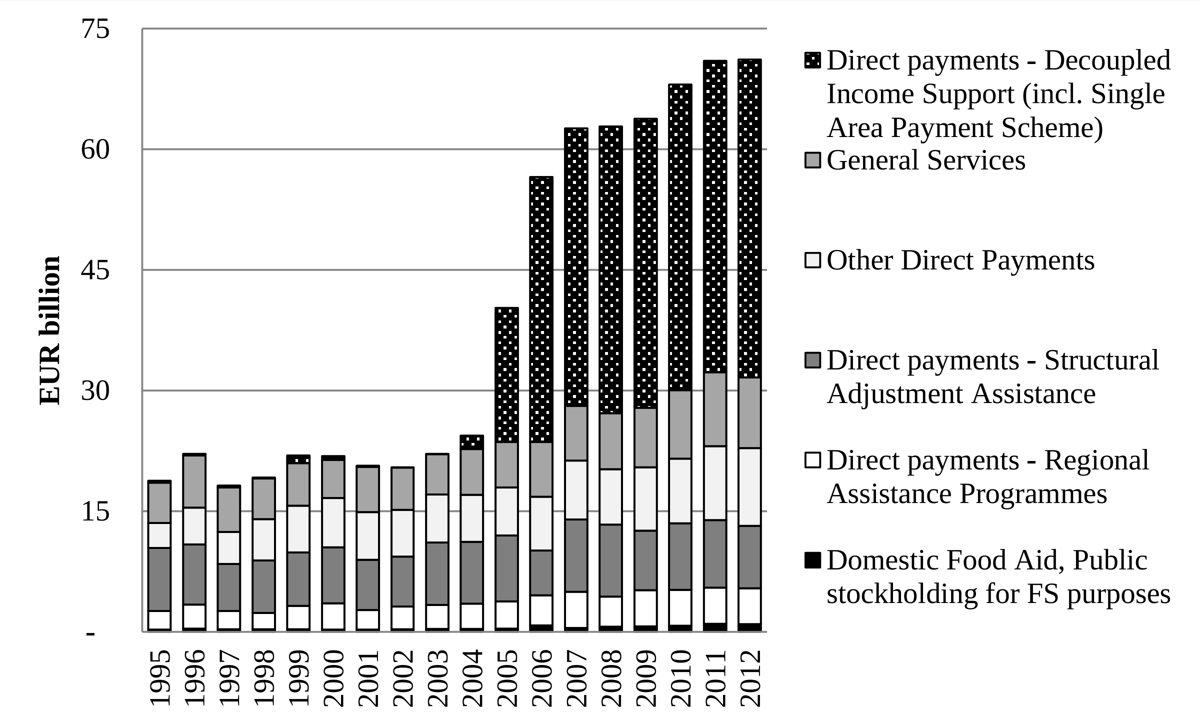
Final Bound AMS Commitments, All Other Members Have 0 Final Bound AMS (USD mln)



Source: WTO notifications, USDA exchange rates (year 2014). Final Bound figures rounded to integer values (no decimals).

c) Developed countries created a 'Green Box' under which subsidies could be provided without limits. After the launch of the Doha round, the EU started to shift its AMS supports into the protected Green Box. Today, EU supports (in Euros) are still at a similar level they were in in 1995, only mostly shifted into the Green Box. (Subsidies have increased if measured in USD). World Bank and others have contested that the Green Box subsidies are still trade-distorting. The different forms of direct payments and decoupled income supports in the Green Box are especially problematic.

EU's Green Box Increases and Composition of Its Green Box



Source: EU's WTO notifications

Built-in Imbalances in AoA: The Green Box Problem of Hidden Export Subsidies

There is acknowledgement in the WTO that export subsidies are highly problematic. However, this is not only in relation to what is classified formally as export subsidies. There are many products which have been domestically supported and exported – these are the new forms of export subsidies, they are simply not called 'export subsidies'. The Appellate Body commented in the Dairy Products case of Canada (2001):

'We consider that the distinction between the domestic support and export subsidies disciplines in the Agreement on Agriculture would also be eroded if a WTO Member were entitled to use domestic support, without limit, to provide support for exports of agricultural products. Broadly stated, domestic support provisions of that Agreement, coupled with high levels of tariff protection, allow extensive support to producers, as compared with the limitations imposed through the export subsidies disciplines. Consequently, if domestic support could be used, without limit, to provide support for exports, it would undermine the benefits intended to accrue through a WTO Member's export subsidy commitments' (para 91)...'The potential for WTO Members to export their agricultural production is preserved…' (para 92).

The box below provides an analysis of the Green Box, as taken from the World Bank, ABARE (Australian Bureau of Agricultural and Resource Economics) and UNCTAD.

Analysis of the Green Box

Studies by World Bank, ABARE (Australian Bureau of Agricultural and Resource Economics) and UNCTAD illustrate that **decoupled income supports in the Green Box are trade-distorting because the way they have been used by US and EU does not lead to real 'decoupling' from production**.

- **Size of subsidies and wealth effects**
  A paper published by the World Bank found that large direct payments influence production decisions: they have risk reduction effects that lead to increased output; they increase base income; help cover fixed costs; influence farmers' investment and exit decisions; and improve farmers' credit worthiness. *'Payments, especially if they are large, can reduce farmers' aversion to risk through the 'wealth effect''*. It also notes that *'because a one-time buyout is an unlikely outcome, specific attention should be given to time limits, harmonization with other support programs, government credibility, and constraints on input use. Unless these aspects are properly addressed, decoupled programs are likely to have the same detrimental effects as other subsidy programmes'* (Baffes and Gorter p.32, 33).
- **Size of payments to general services, environmental services etc.**
  Large components of the Green Box are composed of General Services and Environmental Services. UNCTAD 2006 found that their sheer quantity reduces costs of production significantly (by 11%-16% in the study).
- **Updating and expectations about future policies**
  Direct or decoupled payments are often provided on the basis of a historical period. This would not be trade distorting if these payments were limited in time and would be phased out. However, in the case of the US and the EU, the reference years used are being updated. As a result, farmers are not making decisions delinked from production. Many continue to produce in order to ensure that when the historical period is updated, their payments will be assured.

  ABARE notes that *'In US farm programs, issues concerning adjustment or nonadjustment of farm bases are debated, and usually changed in each farm bill... there are strong grounds for expectations by farmers that if they increase their plantings and/or yields now, they will receive large future payments...The ability to update bases means that the payments could not be considered to be properly decoupled, and also not minimally market distorting'* (Roberts 2003, ABARE, p. 26).
- **Planting restrictions**
  Payments that are tied to planting restrictions affect production. Farmers will continue to produce what they are used to producing before, with trade distorting effects. This was established by the panel in the WTO cotton dispute.
- **Co-existence of coupled and decoupled payments** enhances incentives to overproduce
  Some WTO members mix decoupled payments (Green Box) with coupled payments (e.g. AMS). There is then no real de-linking between payments and production. For example, farmers may receive only 50% of payments if they do not produce (direct payments), but receive 100% of payments if they produce (the other 50% from coupled payments). This makes it highly likely that farmers will continue to produce.

According to UNCTAD, the results are that *'Green Box subsidies increased agricultural productivity by around 60% in EU and 51% in USA between 1995-2007... 'a cut of 40% and 50% in Green Box subsidies of USA and EU can lead to a major restructuring of agricultural production and international trade...LDCs gain in terms of rise in export volume and revenues and a fall in their import costs'* (Banga 2014, p. 3).

Sources: Baffes, F and Gorter H 2005 'Experience with Decoupling Agricultural Support' in Global Agricultural Trade and Developing Countries, edited by Aksoy A and Beghin J, World Bank, Washington; UNCTAD India Team 2006 'Green Box Subsidies : A Theoretical and Empirical Assessment', India; Roberts 2003 'Three pillars of agricultural support', abareconomics, ABARE.

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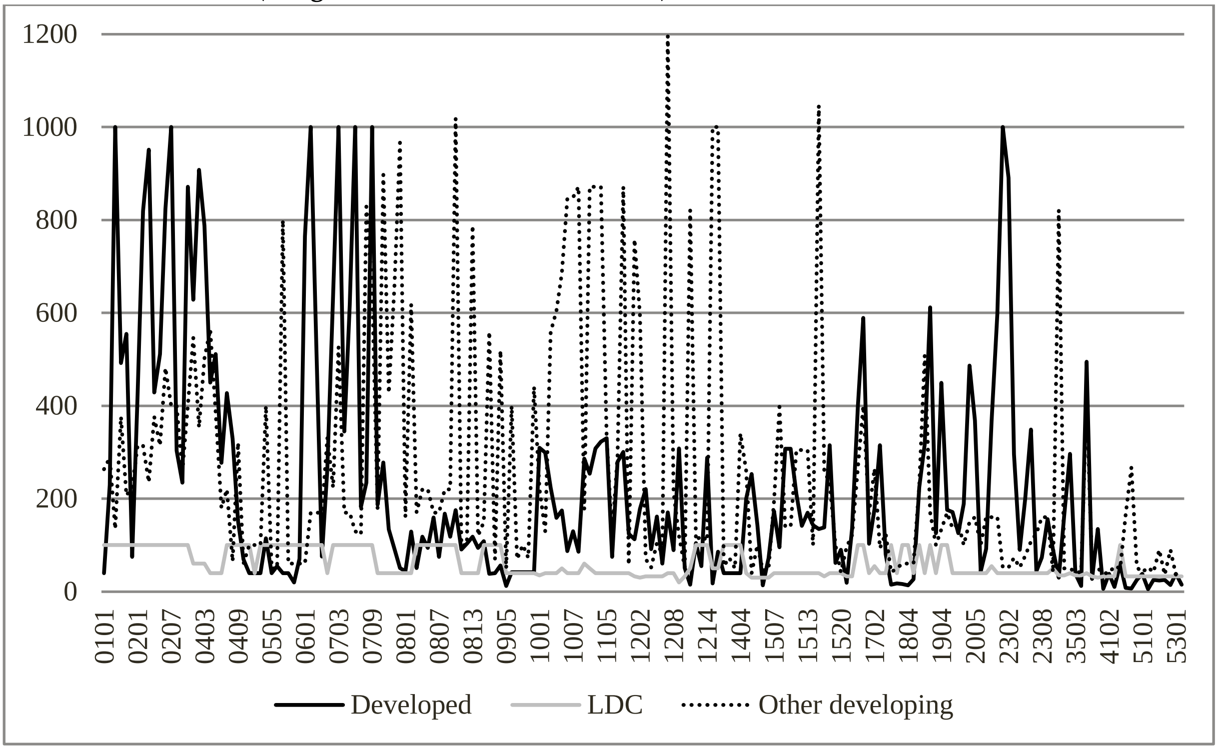
Built-in Imbalances in AoA: Developed Countries' Markets Remained Protected Also by Higher Tariffs

Even after the Uruguay Round, developed countries' markets were effectively closed or very difficult to penetrate due to subsidies, high tariffs and tariff rate quotas (TRQs), the Special Safeguard Provision (SSG) and standards. In contrast, most developing countries did not have TRQs, or the SSG. Fewer developing countries also used standards as protectionist measures.

The diagrams below illustrate this point in relation to tariffs. The applied tariffs by developed countries in agriculture are higher than the applied tariffs of developing countries. LDCs have the lowest levels of applied tariffs (the result of having undergone structural adjustment policies).

Applied Tariff Profiles in Agriculture – maximum applied tariff by country group since establishment WTO (4 digit level, excl HS21,22 and 24)



Source: WTO Integrated Data Base (IDB)

Examples of high MFN applied duties in Agriculture –EU (2013)

Product	**EU MFN Duty (Ad Valorem Equivalent) in 2013 (%)**
020629 - Bovine edible offal, frozen nes	210.96
040410 - Whey whether or not concentrated or sweetened	204.35
200969 - Grape juice, incl. grape must, unfermented, Brix value > 30 at 20°C, w	160.16
071151 - Mushrooms of the genus "Agaricus"	159.22
040291 - Milk and cream unsweetened, nes	151.56
040719 - Fertilised birds' eggs for incubation	148.05
200310 - Mushrooms prepared or preserved other than by vinegar or acetic acid	146.94
070320 - Garlic, fresh or chilled	142.70
220430 - Grape must nes, unfermented	130.57
020450 - Goat meat, fresh, chilled or frozen	125.43

Source: WTO Integrated Data Base (IDB), ITC MarketAccess Map

Disappointing Results for Developing Countries After Implementation of the Agreement on Agriculture

For all the above reasons (and others not elaborated upon), the Uruguay Round did not bring the expected benefits to developing countries. This was summed by the FAO and quoted in a submission by a group of countries in 2000 (G/AG/NG/W/37 28 September 2000 'Market Access' by Cuba, Dominican Republic, El Salvador, Honduras, Kenya, India, Nigeria, Pakistan, Sri Lanka, Uganda, Zimbabwe):

'The area that was supposed to benefit developing countries most as a result of the implementation of the Agreement on Agriculture was greater market access and larger amounts of exports to the developed countries, as a result of their being more competitive when subsidies in the OECD countries are reduced and trade barriers are lowered. Unfortunately, after five years of implementation, the expected market access opportunities have not materialised. The FAO has reported that, 'On the whole, few studies reported improvements in agricultural exports in the post-UR period – the typical finding was that there was little change in the volume exported or in diversification of products and destinations'. [5]

'In fact, the irony is that the opposite scenario seems to have taken place. There seems to have been more exports from the developed countries into the markets of developing countries. The FAO reports that for developing countries, 'Food imports were reported to be rising rapidly in most case studies. There was a remarkably similar experience with import surges in particular products in the post-UR period. These were dairy products (mainly imports of milk powder) and meat products (mainly poultry)… On the whole, a common observation was the asymmetry in the experience between the growth of food imports and the growth of agricultural exports. While trade liberalisation had led to an almost instantaneous surge in food imports, these countries were not able to raise their exports.'[6]

[5] FAO 1999 Symposium on Agriculture, Trade and Food Security: Issues and Options in the Forthcoming WTO Negotiations from the Perspective of Developing Countries, Paper No 3: Synthesis of Country Case Studies, Geneva 23-24 September 1999.
[6] Ibid.

III. WHICH PROPOSALS HAVE BEEN PUT FORWARD?

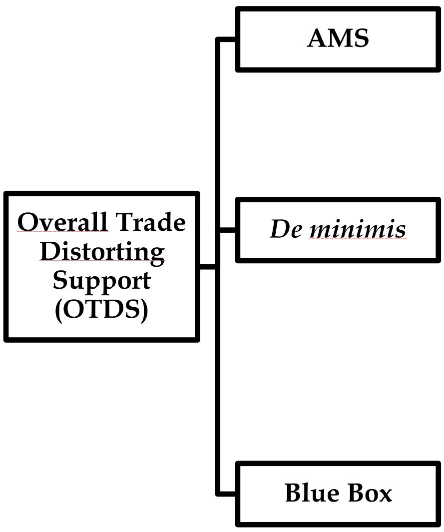
Rev.4 (2008 Modalities text): An attempt to Address the Problems

What was in Rev.4?
In brief, Rev.4 on domestic supports contains the following elements:

- Overall Trade-Distorting Domestic Supports (OTDS) cuts for those with AMS entitlements (OTDS includes Uruguay Round Bound AMS, de minimis, Blue Box)
- AMS cuts and Product-specific AMS caps for those with AMS entitlements (those without AMS entitlements were not required to undertake cuts since their AMS was already at 0)
- De minimis AMS cuts, including product-specific de minimis caps (for those with AMS entitlements)
- Blue Box caps (but Rev.4 expanded the Blue Box for US by making it into another AMS box).

The most critical element to note is that Rev.4 made the distinction between countries with AMS entitlements and those with 0 bound AMS entitlements (i.e. most developing countries). It required all Members with AMS entitlements to reduce their OTDS and AMS. Those with 0 AMS entitlements did not have to undertake domestic support cuts.

Base OTDS and how it is calculated in the latest agriculture negotiation text (Rev.4)



Final Bound Total AMS
(zero for most developing countries)

Developed countries:
10% of Value of Production during 1995-2000
Developing countries:
20% of Value of Production during 1995-2000 or 1995-2004 (whichever higher)

Developed countries: Blue Box payments as notified to the Committee on Agriculture, or 5% Value of Production during 1995-2000 , whichever higher
Developing countries (no developing country applies Blue Box): 5% of Value of Production during 1995-2000 or 1995-2004, whichever higher

The Biggest Loophole in Rev.4
Given that the Green Box houses the bulk of US and EU subsidies, the biggest loophole in Rev.4 is the Green Box – some conditions were even made more flexible in the Rev.4 text on the Green Box for developed countries (e.g. in the area of decoupled income supports which allowed the updating of historical periods).

<u>What Rev.4 Meant for Developing Countries in 2008</u>

For developing countries, as long as the Green Box was still undisciplined, the Rev.4 disciplines for developed countries were not going to improve things significantly. It only capped the developed countries' OTDS and AMS supports at above their applied rates. Even these applied rates were expected to be reduced even further as more AMS supports would continue to be shifted into the Green Box (i.e. there would be a generous water between applied and bound AMS).

In relation to the US, this story changed with the 2014 Farm Bill. In that Farm Bill, the US moved their farm programmes away from the Green Box (direct payments) back to the AMS. The value of Rev.4 thus increased since Rev.4 caps could in fact now serve a more meaningful function. For this same reason, the US by then also rejected the Rev.4. (More on the 2014 Farm Bill below).

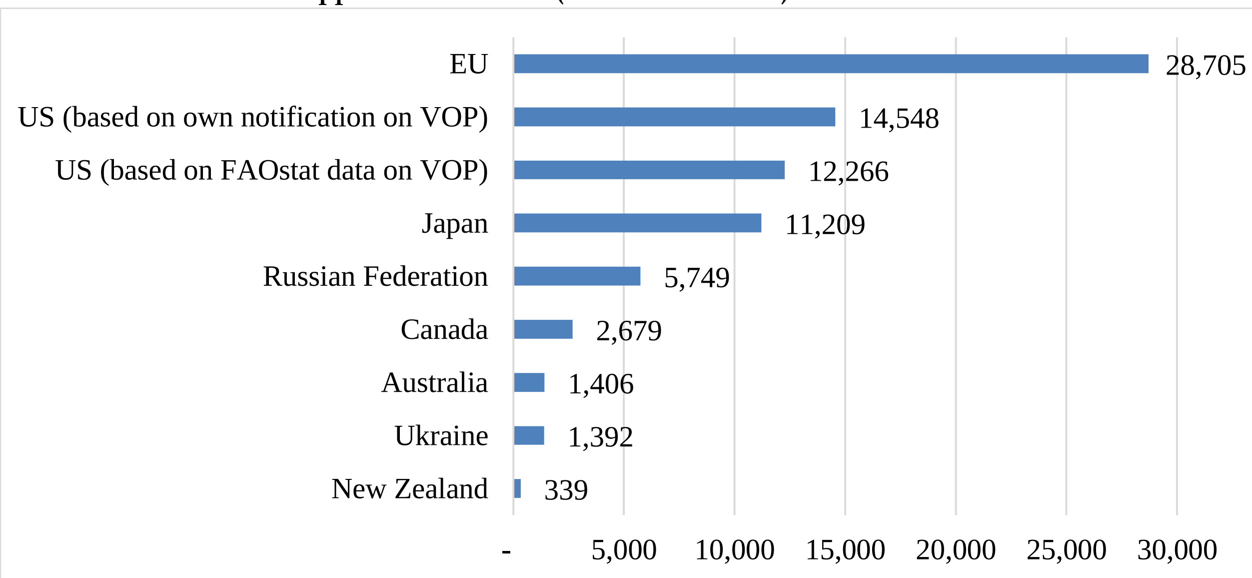
<u>The quid pro quo in Rev.4</u>
Embedded in the Rev.4 is a quid pro quo. In exchange for developed countries doing very little (the Green Box was left undisciplined or parts of it even improved for developed countries), developing countries' subsidies for their low-income and resource-poor farmers were recognised:

- The problematic and artificial calculations of Public Stockholding (PSH) domestic supports in the current Agreement on Agriculture's rules (to notify inflated PSH support numbers in the AMS) was resolved by leaving PSH subsidies in the Green Box which was left uncapped. However, such PSH subsidies in the Green Box were only for 'low-income or resource-poor farmers'.
- Art 6.2 of the AoA allowing developing countries to provide input and investment subsidies to low-income or resource-poor farmers was left intact.

<u>Results of Rev.4 if it had been Concluded</u>

The boxes below illustrates that those with AMS entitlements would still have had rather large entitlements of OTDS and AMS after Rev.4's implementation.

Final Bound OTDS after application of Rev.4 (2014 USD million)



Source: FAOStat for Value of Production figures; USDA exchange rates (for 2014); WTO Members' Schedules for Final Bound AMS; Rev.4 text (TN/AG/W/4/Rev.4)

In contrast, developing countries would remain with their Uruguay Round zero bound AMS (eg. India, China, Indonesia, Egypt, Nigeria etc). They would have access to the de minimis and Art 6.2 (except China which does not have access to Art 6.2).

AMS If Rev.4 Would be Implemented

Country	Final Bound AMS (current situation)	Currency	Rev.4 cut	Rev.4 Final bound AMS in notification currency	Applied AMS latest notification	Applied AMS as a % of Rev.4 final AMS
EU27 (claimed)	72,244	Million Euro	70.0%	21,673	5,899	27%
Japan	3,972.90	Billion Yen	65.0%	1,391	609	44%
United States	19,103.29	Million USD	60.0%	7,641	6,892	90%
Russian Federation	4,400	Million USD	0.0%	4,400	52.6	1%

Source: WTO Domestic Support notifications – EU27 for 2012-2013, Japan for 2012, US and Russian Federation for 2014

The US 2014 Farm Bill Made Rev.4 Unpalatable for US

After the Doha Round, the EU's farm policy was to shift agriculture subsidies from AMS to Green Box decoupled income supports. As analysed earlier (on Green Box), these supports are also trade distorting.

The US had been the first to shift towards Green Box direct/ decoupled payments. They did this from the 1996 Farm Bill. This also explains why they created the Green Box in the Uruguay Round. Between 2003 and 2011, US provided farmers direct payments of $46 billion.[7]

US could have tolerated Rev.4's discipline had they continued with direct payments. However, the 2014 Farm Bill brought some unforeseen developments. Due to internal controversy around direct payments, the trend towards direct payments was reversed.

The main types of programmes put in place in the 2014 Farm Bill included: Price Loss Coverage (PLC), Agriculture Risk Coverage (ARC) and the Marketing Loan Assistance (MLA), as well as the Stacked Income Protection Plan (STAX) specifically for cotton. All these are tied one way or another to minimum prices or reference prices. These would have to be notified under the AMS, not the Green Box. As such, by the time the Farm Bill was negotiated, the AMS cuts in Rev.4 were seen to be too constraining and the US decided to jettison the Rev.4.

The box below provides a 2012 summary by the US Government Accountability Office (GAO) on why direct payments should be reconsidered.

[7] US Government Accountability Office 2012, Farm Programmes: Direct Payments Should be Reconsidered, p.8, cited in Dhar B 'The Reality of US Farm Subsidies: An Analysis of Agricultural Act of 2014'.

'FARM PROGRAMS: Direct Payments Should Be Reconsidered' says US Government Accountability Office (GAO)

'<u>What GAO Found</u>

'From 2003 through 2011, the U.S. Department of Agriculture (USDA) made more than $46 billion in direct payments to farmers and other producers....

'Direct payments generally do not align with the principles significant to integrity, effectiveness, and efficiency in farm bill programs that GAO identified in an April 2012 report. These payments align with the principle of being "distinctive," in that they do not overlap or duplicate other farm programs. However, direct payments do not align with five other principles. Specifically, they do not align with the following principles:

- *Relevance*: When the precursors to direct payments were first authorized in 1996 legislation, they were expected to be transitional, but subsequent legislation passed in 2002 and 2008 has continued these payments as direct payments. However, in April 2012, draft legislation for reauthorizing agricultural programs through 2017 proposed eliminating direct payments.
- *Targeting*: Direct payments do not appropriately distribute benefits consistent with contemporary assessments of need. For example, they are concentrated among the largest recipients based on farm size and income; in 2011, the top 25 percent of payment recipients received 73 percent of direct payments.
- *Affordability*: Direct payments may no longer be affordable given the United States' current deficit and debt levels.
- *Effectiveness*: Direct payments may have unintended consequences. Direct payments may have less potential than other farm programs to distort prices and production, but economic distortions can result from these payments. For example, GAO identified cases where direct payments support recipients who USDA officials said own farmland that is not economically viable in the absence of these payments.
- *Oversight*: Oversight of direct payments is weak. With regard to oversight, USDA has not systematically reported on land that may no longer be eligible for direct payments because it has been converted to nonfarm uses, as required for annual reporting to Congress. In addition, GAO identified weaknesses in USDA's end-of-year compliance review process. For example, USDA conducts relatively few reviews and generally does not complete these reviews within expected time frames.

'Continuing to provide payments that generally do not align with principles significant to integrity, effectiveness, and efficiency in farm bill programs raises questions about the purpose and need for direct payments....

'<u>What GAO Recommends</u>
'Congress should consider eliminating or reducing direct payments. GAO also recommends that USDA take four actions to improve its oversight of direct payments including developing a systematic process to report on land that may no longer be usable for agriculture, and considering ways to increase the number of cases selected for end-of-year reviews and completing these reviews in a timely manner. USDA generally agreed with two of GAO's recommendations and disagreed with two others, stating that it believes its current processes or practices are adequate. GAO continues to believe that it is important for USDA to take the recommended actions.'

Source: US Government Accountability Office 2012 'Farm Programs: Direct Payments should be Reconsidered', Report to Congressional Requesters, July, http://www.gao.gov/products/GAO-12-640

Shifting the Focus to the Emerging Economies

After adopting the Farm Bill, rather than being blamed for not wanting to move on Rev.4's Domestic Support disciplines, US' negotiators changed the discourse in the Domestic Supports negotiations. It has now become: the emerging economies (i.e. such as China and India) are now major subsidisers. The US would reduce domestic supports only if these other countries do so.

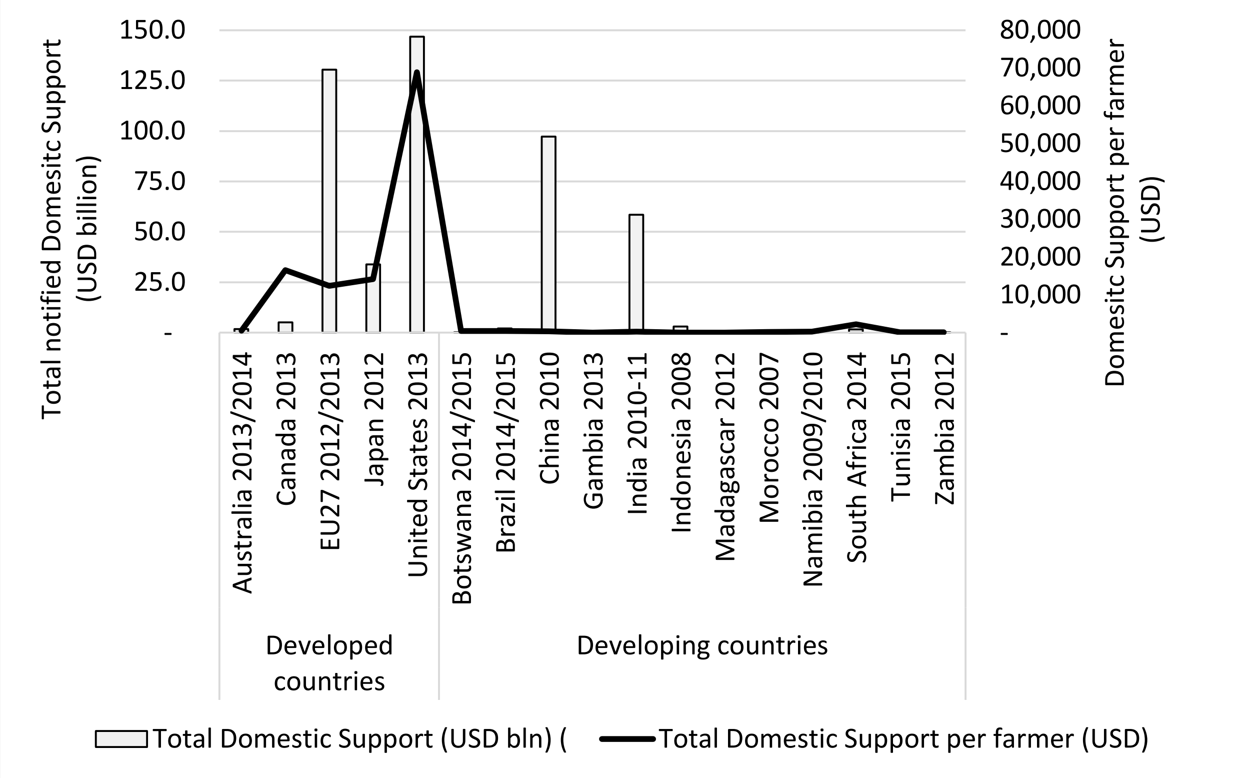
It has been inferred that these emerging economies are distorting other developing countries' markets through:

- their Public Stockholding Programmes i.e. de minimis supports and
- Art. 6.2 supports. (China as noted above does not provide Art. 6.2 supports in accordance with their accession agreement).

What is to be made from these inferences?

Whilst the supports between US, EU and China may look comparable in absolute terms (see next page), they are vastly different when looked at from a per farmer perspective. US' per farmer supports are US$68,910, whilst those for India and China are between US$300 – 400 per farmer.

Graph: Total (notified) Domestic Support and Domestic Support Per Farmer



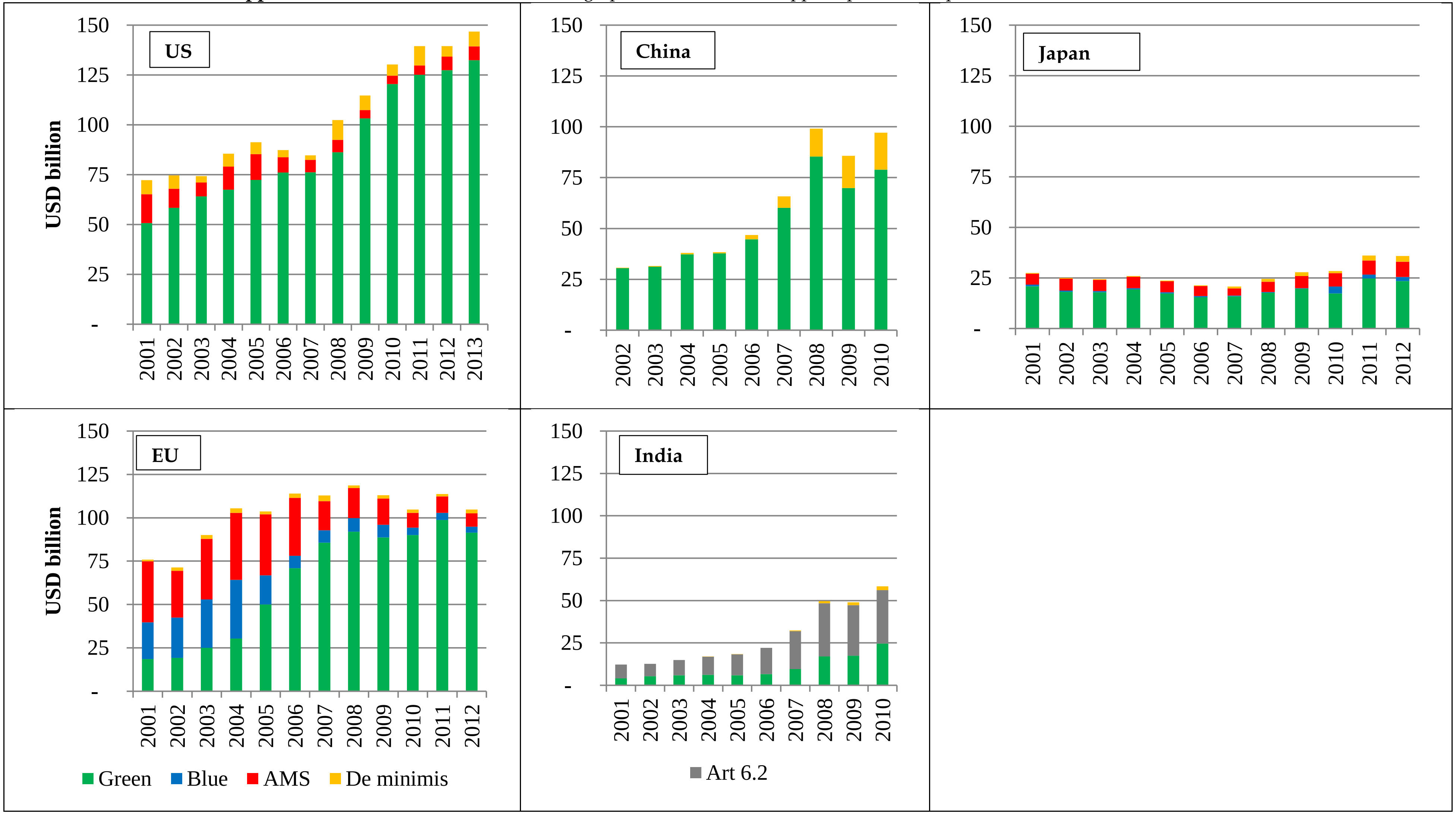
Source: *WTO notifications, FAOstat (employment in agriculture), World Bank (local currency units per USD).*
Note: In case data on employment in agriculture for the particular year corresponding with notification year was not available, data from the nearest year with data availability was selected.

Table: Total (notified) Domestic Support and Domestic Support Per Farmer

Country Group	WTO Member (year)	Total Domestic Support (USD bln)	Total Domestic Support per farmer (USD)
Developed countries	Australia 2013/2014	1.8	537
	Canada 2013	5.2	16,562
	EU27 2012/2013	130.4	12,384
	Japan 2012	33.9	14,136
	United States 2013	146.8	68,910
Developing countries	Botswana 2014/2015	0.1	486
	Brazil 2014/2015	2.1	468
	China 2010	97.2	348
	Gambia 2013	0.0	35
	India 2010-11	58.4	306
	Indonesia 2008	3.2	73
	Madagascar 2012	0.1	8
	Morocco 2007	1.0	229
	Namibia 2009/2010	0.0	272
	South Africa 2014	1.7	2,265
	Tunisia 2015	0.1	148
	Zambia 2012	0.2	77

Source: *WTO notifications, FAOStat (employment in agriculture), World Bank (local currency units per USD)*

Boxes: Total Domestic Supports – How Much Is Provided? The graphs below show the supports provided as per Members' notifications.



Source: Members' WTO Notifications

<u>Domestic Support Disciplines Also for Developing Countries – What to Make of These Proposals?</u>

Draft US Proposal of September 2015: Targeting Market Price Supports and Input Subsidies
A draft proposal was circulated by the US in September 2015. It stated US' interests very clearly: there should be disciplines in two areas i) Members' market price support programmes (for developing countries this would include their PSH programmes) and ii) Article 6.2 programmes – input subsidies. Since the US did not even attempt to make any domestic support cuts itself, it is not surprising that the proposal did not go anywhere.[8]

> 1. Without prejudice to Members' rights and obligations under the WTO Agreement on Agriculture, including Article 6.2, each Member should avoid using market price support and input subsidies for agricultural products[3].
>
> 2. Each Member[4] undertakes the commitments in Annex A.
>
> **Annex A**
>
> [Each Member shall, with respect to agricultural products, undertake each commitment set forth in its schedule to this Annex, which shall include either: a) not increasing either the applied administered price[5] for any agricultural product receiving market price support or the number of agricultural products to which the Member provides market price support; or b) not increasing its budgetary outlays for, or the scope of, product-specific input subsidies for agricultural products above the level in effect as of the date of this Ministerial decision.]

Source: Draft US proposal, September 2015.

Disciplining all Members' Base Overall Trade-Distorting Domestic Supports (OTDS)?
Following from the discourse that China and India must cut domestic supports, an idea in the recent negotiations has been to cut Members' domestic supports from their Base OTDS levels.[9] In Rev.4, Base OTDS comprises of Members' Uruguay Round bound AMS; *de minimis* (20% VOP for developing countries and 10% for developed countries); and the Blue Box (5% of VOP or similar).

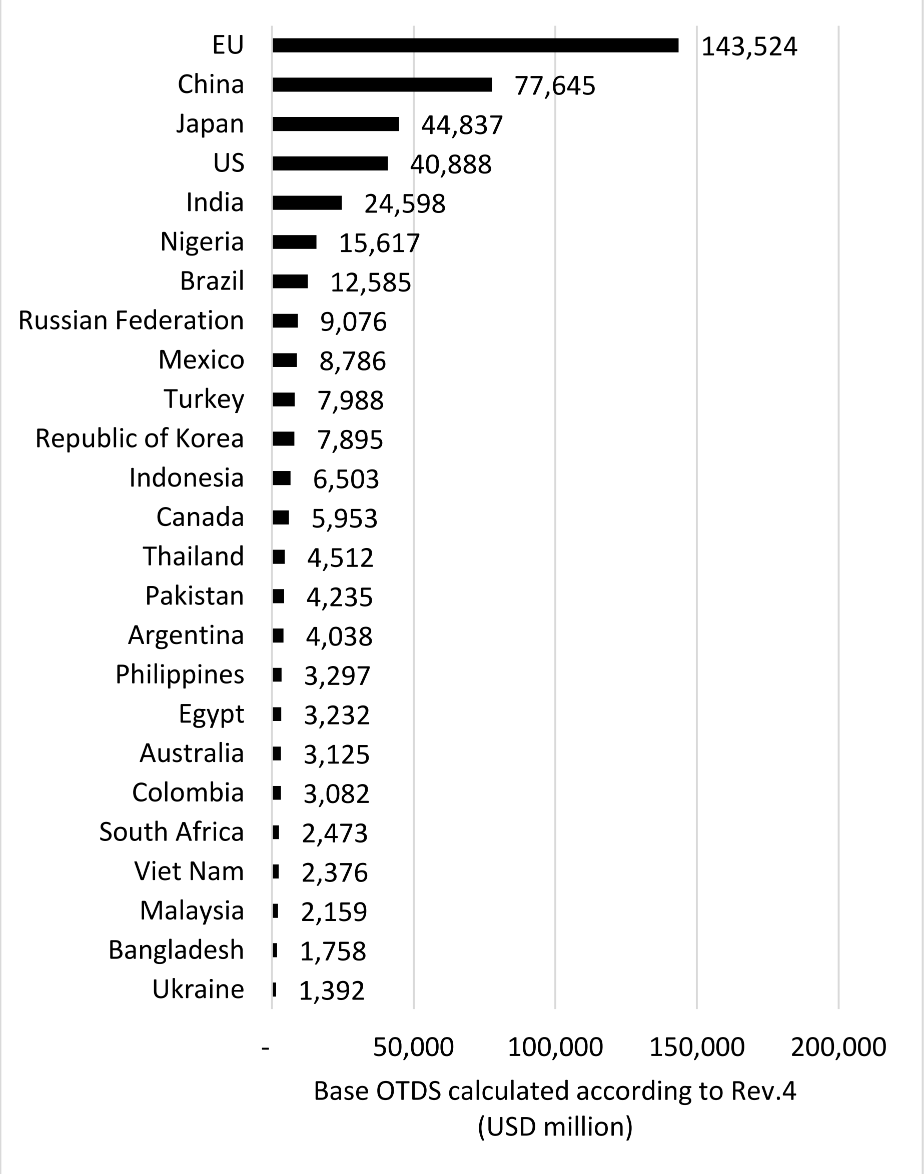
The proponents of this idea raise the point that 'The construction of Base OTDS reflected past levels of subsidization and could raise questions related to equity of treatment as well as catering to differences in the intensity of subsidization' (JOB/AG/72). This is because the Base OTDS concept includes AMS entitlements that developed countries have, but most developing countries do not.

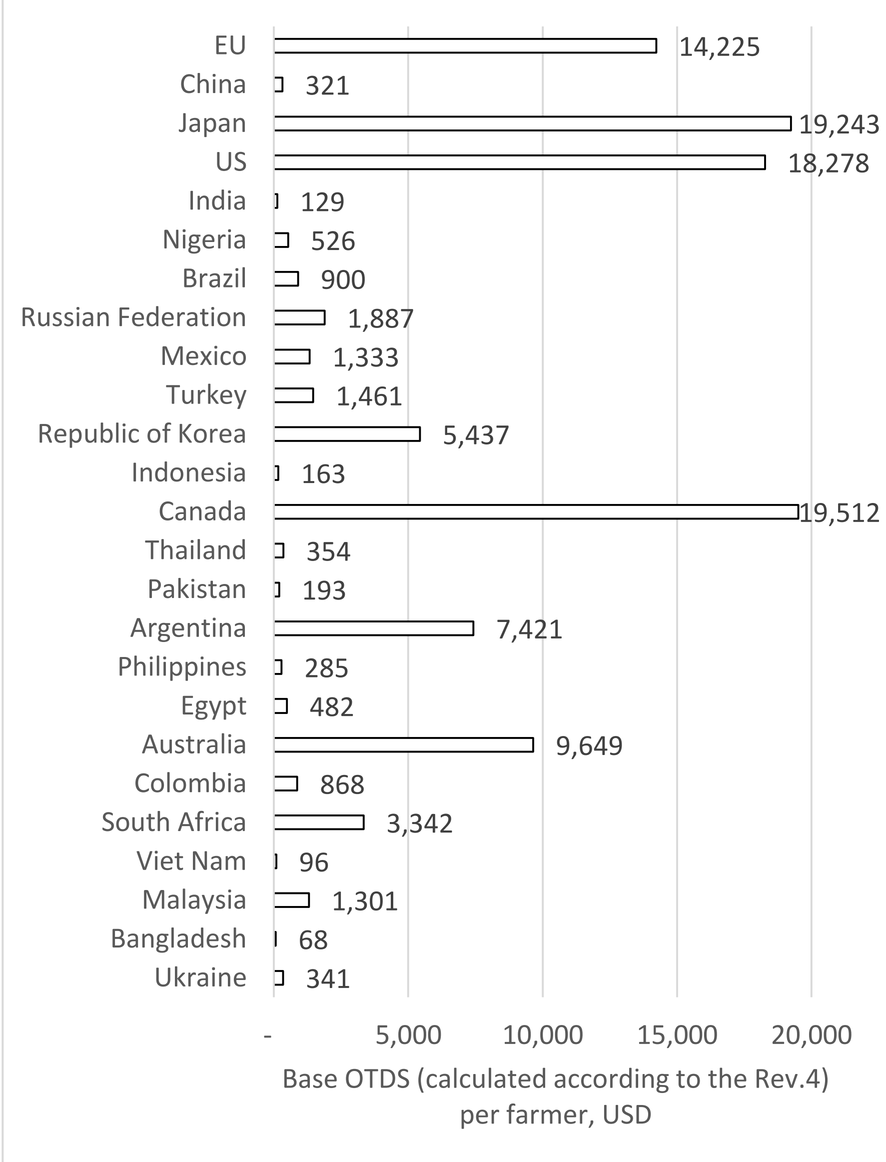
Brazil, Argentina, Paraguay and Colombia also ask in their submission how the OTDS, if used, can be capped? Would capping be through a fixed monetary value, or as a % of value of production (VOP) of that crop?

The Graph on the page below shows that amongst developing countries, China's Base OTDS (using Rev.4 methodology) seems quite large. These Base OTDS figures show what Members can legally provide within the existing rules, not necessarily what they do provide. EU's Base OTDS would be US$143.5 billion; China's Base OTDS would be US$77.6 billion; US's Base OTDS would be US$40.9 billion and India's US$24.6 billion. However, once again, on a per farmer level, a different story emerges. China and India would have a Base OTDS lower than $400 per farmer, versus around US$14,000 in the EU and $18-19,000 in the US and Japan.

[8] The US proposal has never been formalized and officially submitted to all WTO Members.
[9] These ideas have been explored by some Members eg. the Cairns Group but has more formally emerged in the June 2016 submission by Brazil, Argentina, Colombia and Paraguay (JOB/AG/72)

Base OTDS (calculated according to Rev.4) and Base OTDS per farmer





Source: author's calculations; Rev.4 text, FAOstat (for value of production and employment in agriculture), USDA exchange rates (for the year 2014). The agricultural value of production reported by FAOStat might differ from notification of value of production by WTO Members. China's base period for Value of Production is the average value for the years 1995-2004 (higher than the average for the years 1995-2000) and the de minimis share of the Base OTDS calculation was set at 20% like other developing countries (China's de minimis is 8.5% of VOP). Using 17% instead of 20% would reduce China's Base OTDS by more than USD 9billion. Rev.4 does not stipulate different Base OTDS calculations for Recently Acceced Members.

Capping OTDS as percentage of Value of Production?

The other question was whether OTDS should be capped at a certain percentage of Value of Production (VOP). Such suggestion does not represent equity of treatment: a uniform % of VOP means very different subsidy amounts at the per farmer level – the implication would be that developing countries would be able to subsidize in smaller amounts while developed countries could continue to provide high level of subsidies.

See below an example using figures for the year 2012 assuming that OTDS would be fixed at 5% of Value of Production. The figures also show that picking a higher percentage for developing countries along the lines as is currently done with the *de minimis* in the Agreement on Agriculture (5% for developed, 10% for developing) would still result in high divergences between developing and developed countries, and would still allow for high level of subsidies by developed countries.

Table: Fixing OTDS at a fixed % of VOP? – implication for maximum support per farmer (5% of VOP is taken here as an illustrative example)

Member	VOP 2012 (USD mln)	5 % VOP (USD mln)	FAO employment in agriculture (latest year where data is available), USD Thousands	5% of VOP per farmer
Canada	54,861	2,743	305.1	8,991
United States	396,606	19,830	2237	8,865
Australia	49,089	2,454	323.9	7,578
Norway	5,020	251	58.9	4,261
New Zealand	11,170	559	146.1	3,823
Japan	109,316	5,466	2330	2,346
EU27	385,688	19,284	10089.6	1,911
South Africa	22,800	1,140	740	1,541
South Korea	32,867	1,643	1452	1,132
Switzerland	7,327	366	333.2	1,099
Costa Rica	3,774	189	256.4	736
Brazil	198,000	9,900	13981.9	708
Mexico	48,354	2,418	6593.3	367
China	1,267,078	63,354	241710	262
Indonesia	144,298	7,215	39903	181
Thailand	45,704	2,285	12732.7	179
India	238,672	11,934	191095.6	62

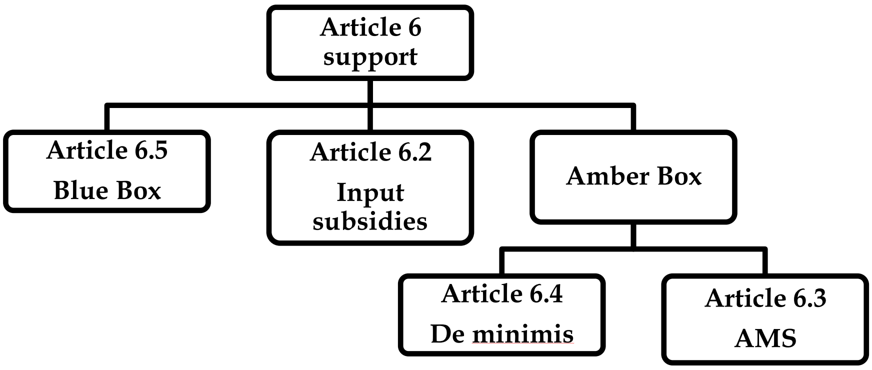
Source: FAOstat

Capping All Members' 'Trade-distorting Domestic Supports' (Art 6)?

Yet another suggestion has been to discipline Members' applied 'trade-distorting domestic supports' (Art 6 supports) e.g. capping these supports at a certain % of VOP. Art 6 supports include

- bound AMS;
- de minimis; and
- Art 6.2 (input and investment subsidies to low-income or resource poor farmers).

Article 6 supports (According to the Agreement on Agriculture)



This suggestion has also come from Brazil, Argentina, Colombia and Paraguay (JOB/AG/72). Their submission does not explicitly state that Art 6.2 supports and developing countries' *de minimis* (including for developing countries with 0 bound AMS) would be subjected to cuts, but the table they attached (as reproduced below) seems to suggest this. This table was first circulated in a submission ('Trends in Domestic Support' JOB/AG/69) by a subset of the Cairns Group.

Article 6 Support as a percentage of the VoP - Notified Support

	2006 (%)	2007 (%)	2008 (%)	2009 (%)	2010 (%)	Average 2006-2010 (%)
Australia	1	1	1	0	0	1
Brazil	3	3	2	2	3	3
Canada	11	13	10	10	19	13
China	0	1	2	2	2	1
European Union	35	15	7	7	6	14
India	8	8	11	16	14	11
Indonesia	1	1	2	3	2	2
Japan	9	8	9	10	13	10
Russia Federation	N/A	N/A	N/A	N/A	N/A	N/A
United States Of America	6	3	6	5	4	5

'Source For Graph And Table: WTO Document JOB/AG/69 of 9 May 2016, 'Trends in Domestic Support', circulated by subset of Cairns Group members (Australia, Argentina, Canada, Chile, Colombia, Costa Rica, Guatemala, Malaysia, New Zealand, Pakistan, Paraguay, Peru, Uruguay and Viet Nam.)

Here the number for India looks very high – notified Art 6 supports are 14% of VOP in 2010, much higher than the 4% of VOP for the US and the 6% VOP for the EU. China's numbers are low - only 2% of VOP in 2010.

However, once again, in per farmer terms, the Article 6 supports amount to more than US$6,500 for the US and less than US$200 for India, according to the most recent WTO notifications.

Graph and Table: Total (notified) Article 6 Support and Article 6 Support Per Farmer

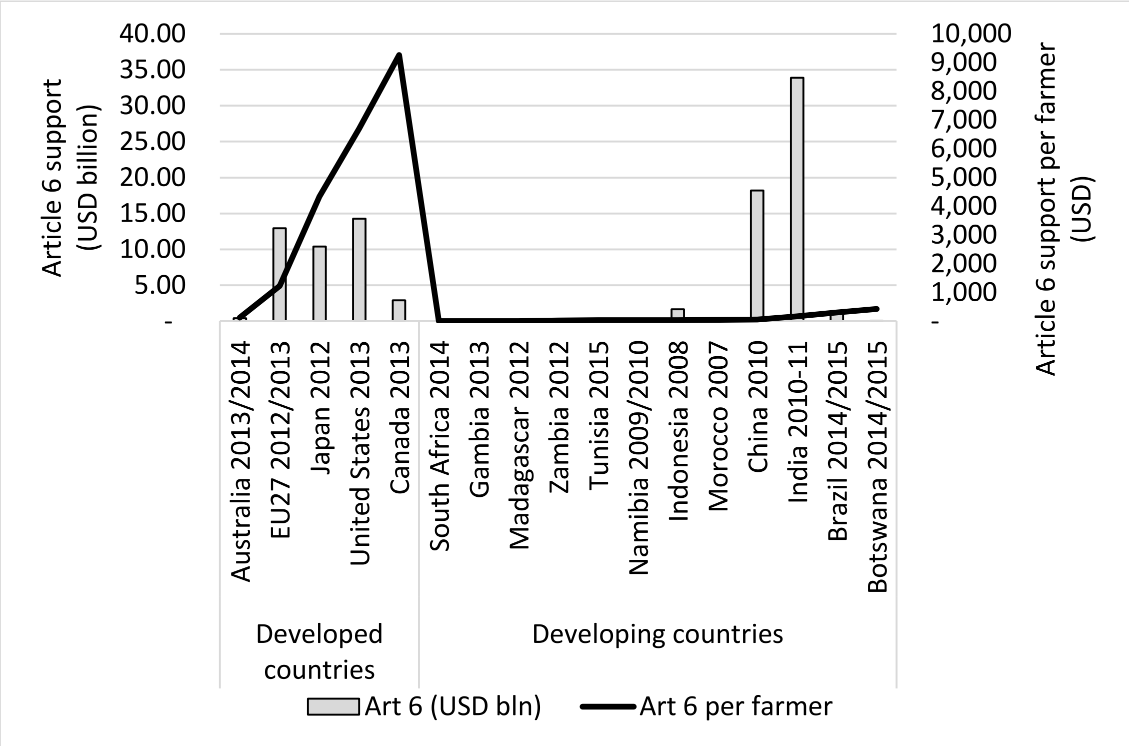


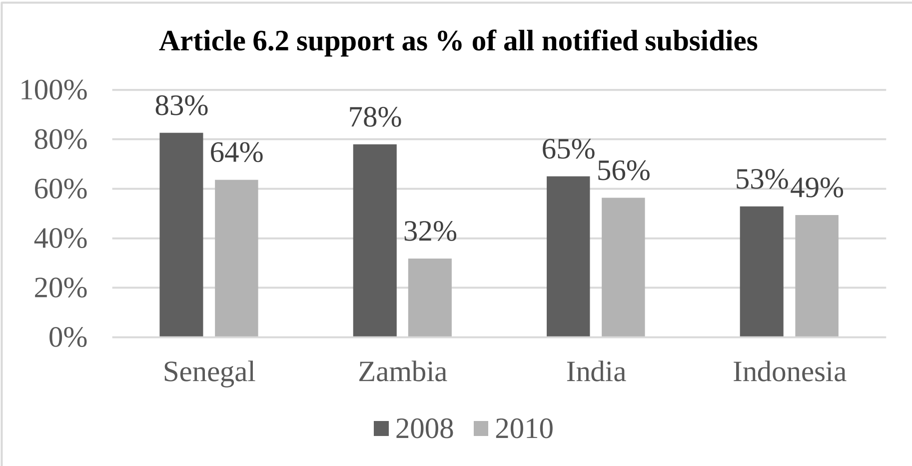
Table: Total (notified) Article 6 Support and Article 6 Support Per Farmer

Country group	WTO Member (year)	Art 6 (USD bln)	Art 6 per farmer
Developed countries	Australia 2013/2014	0.43	126
	EU27 2012/2013	12.97	1,231
	Japan 2012	10.40	4,335
	United States 2013	14.27	6,698
	Canada 2013	2.91	9,260
Developing countries	South Africa 2014	-	-
	Gambia 2013	-	-
	Madagascar 2012	0.01	1
	Zambia 2012	0.10	32
	Tunisia 2015	0.02	34
	Namibia 2009/2010	0.01	37
	Indonesia 2008	1.67	39
	Morocco 2007	0.23	55
	China 2010	18.20	65
	India 2010-11	33.89	177
	Brazil 2014/2015	1.37	311
	Botswana 2014/2015	0.07	426

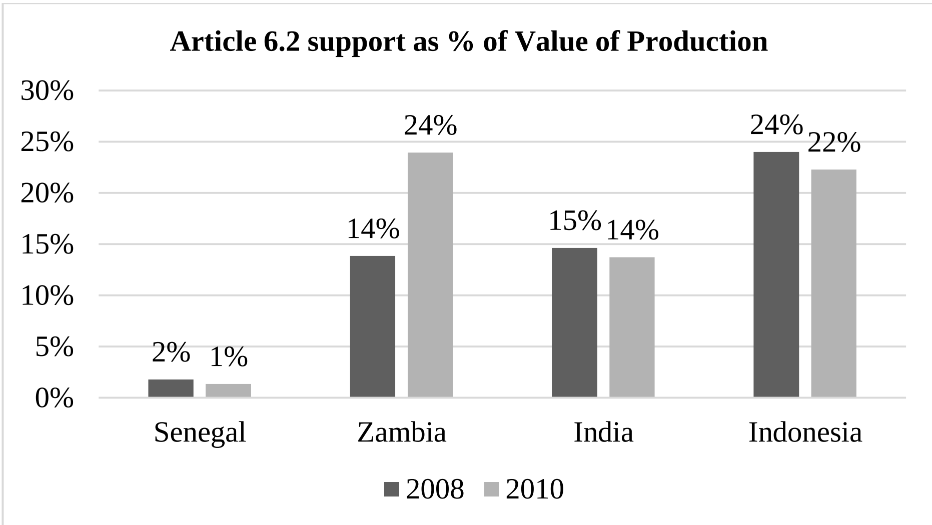
Targeting Developing Countries' Use of Art 6.2?

When Art 6 supports (in totality) are targeted for discipline, an important component of this is developing countries' Art. 6.2 input and investment subsidies. Art 6.2 in the AoA is an S&D provision. Rev.4 does not have disciplines on Art 6.2 supports. China does not have access to Art 6.2 but other developing countries do, and they use it, for example, India, Indonesia, Senegal and Zambia.

Article 6.2 support in selected developing countries (2008 and 2010)



Source: Author's calculations based on WTO notifications and FAOStat for Value of agricultural productions



Source: Author's calculations based on WTO notifications and FAOStat for Value of agricultural productions

Capping Product-Specific AMS, including Product-Specific De Minimis?

The Brazil, Argentina, Paraguay and Colombia (JOB/AG/72) proposal also asks if Members should concentrate efforts on the product-specific AMS limit? They note that product-specific AMS caps can help to limit concentration of supports in a product, hence limiting the potential for distortion.

For countries with 0 bound AMS, their 10% of VOP product-specific *de minimis* is already a cap. In contrast to this, the countries with AMS entitlements can channel huge amounts of money to specific crops. Logically therefore, product-specific caps in the Rev.4, like AMS or OTDS cuts, were only applicable to those countries with AMS entitlements. Developing countries with 0 bound AMS, utilising only their product-specific *de minimis*, were not subjected to further caps.

In effect, when Brazil et al ask: 'In such (product-specific) caps, should *de minimis* be considered?' they are asking whether developing countries, including those with 0 AMS entitlements, should also take *de minimis* cuts.

Reflection on These Recent Proposals Subjecting All Members to Domestic Support Disciplines

Three conclusions can be drawn:

i) There is an attempt to change the elements of the Domestic Support negotiations in very fundamental ways, implicating developing countries much more than in the Rev.4. In Rev.4, only those countries (developed and developing) with AMS entitlements were required to reduce domestic supports. Others were not since they had 0 AMS entitlements and were only left with *de minimis* AMS and Art 6.2. However, the recent proposals seem to suggest that everyone's supports are on the chopping board.

   In fact, many of these proposals are directed at disciplining developing countries' supports:

   - their *de minimis* AMS supports via disciplines on Base OTDS or disciplines on Article 6 in its totality; and/ or
   - their Art 6.2 supports via disciplines on all Art 6 supports.

   This is highly problematic. Whilst developing countries' supports would be disciplined through cuts or capping in these proposals, developed countries supports could still distort markets through their large AMS entitlements (from their bound Uruguay Round AMS entitlement) and through direct/ decoupled income support payments in the Green Box (for which there are no limits on amounts that can be spent). None of the recent proposals mention the Green Box, or the need for a level playing field such as bringing all Members' AMS to zero so that all Members are on the same footing.

ii) The suggestion to discipline domestic supports by using % of VOP does not take into account that VOP is determined by a country's inflation, level of agricultural productivity etc. Basing disciplines on % of VOP terms hides big disparities at the per farmer level. 4% of VOP for US' Art 6 supports mean subsidies of US$6,698 per farmer, yet 14% of VOP for India means only US$177 per farmer! The same is true for OTDS as a % of VOP.

iii) The focus on disciplining developing countries' domestic supports is not something only for emerging economies to worry about. Many African countries have PSH programmes – they need their 10% product-specific *de minimis* allowance (which is already too small given the artificial inflation of the AMS number that is arrived at with the current back-dated and unfair rules in the AoA). Others use Art 6.2 supports.

<u>'Alternative Ideas'– Disciplines Linked to Subsidised Exports and Market Share</u>

Some interesting questions were posed also by the Brazil, Argentina, Paraguay and Colombia paper (JOB/AG/72). They asked if there should be a conversation on exports of domestically subsidized products? For instance, could there be commitments linking limitations to trade-distorting domestic support with exports? Should 'market share and the potential to affect international prices (can) be defining features of such option'?

In theory, these are useful questions. It does not after all make sense to discipline countries that cannot impact or distort the world markets; and especially if imposing these disciplines could adversely impact the capacity of national governments to provide for food security needs and rural employment concerns.

Nevertheless, if only trade-distorting domestic supports are being targeted for discipline, as with the other options, the burden of these negotiations will fall on developing countries! The idea of having commitments kick in only when countries export beyond a certain amount on the world market can be explored but only if all domestic supports (including the Green Box) are considered, and they should be considered on a per farmer level.

To only focus on so-called 'trade-distorting domestic supports' could result for instance in allowing the EU to escape disciplines, despite its huge distortive impact on the world market (e.g. its milk powder in Burkina Faso), whilst disciplining developing countries that may be providing less subsidies.

Disciplines with No Real Commercial Value (Norway Proposal, JOB/AG/42, 14 July 2015)

Another scenario in these negotiations could be along the lines of Norway's proposal in July 2015, which provided some disciplines for those countries with AMS entitlements. They only proposed to cut the water in domestic supports and even this, only in a superficial way. The proposal did not gain much traction. It had 3 elements:

- Reduce final bound AMS (for those with AMS entitlements) by 30% for EU and Japan; 20% for other developed countries; 13.3% for the 8 developing countries.
- Non-product specific *de minimis* AMS to be reduced by 20% for developed countries and 13% for developing countries (with AMS entitlements). No disciplines on product-specific AMS.
- Capping of Blue Box subsidies as notified in 1995 – 2000 or 5% of VOP in 1995.

- Aside from the US, due to the large amount of water other Members have on AMS (the EU for instance has shifted supports into the Green Box), the AMS cuts would have no real impact.

Group	Sum of Final Bound AMS in USD million	Sum of Rev.4 Final Bound AMS in USD million	Sum of Norway final bound AMS in USD (application of JOB/AG/42)	Sum of Applied AMS latest notification (various years)
Developed	259,762	84,108	184,890	38,320
Developing (non-NFIDC)*	12,474	8,770	10,832	916
Developing, (NFIDC)	1,249	1,249	1,249	461

Source : WTO Member's schedules (Final Bound AMS), Rev.4, JOB/AG/42, USDA exchange rates.
*Most of the AMS within the developing grouping is from Mexico who made a commitment in 1991 pesos. In current USD dollar terms this commitment is equivalent to more than USD8 billion

- Few countries provided non-product specific *de minimis* to any significant extent. The cut would not have commercial impact.
- Similarly, the Blue Box caps would simply be a continuation of the status quo.

Reaffirming Rev.4 Disciplines - The Africa Group's Proposal (JOB/AG/45, 2015)

The Africa Group submitted quite a comprehensive Agricultural Proposal in 2015 (JOB/AG/45; JOB/TNC/54). On domestic supports, the Rev.4 measures disciplines were reiterated.

Principles in the African Group Proposal

'The outcome of the DDA negotiations in the area of agriculture must achieve the following for Africa:

i. Substantial reduction of trade-distorting domestic support in the agricultural sector. In particular, trade-distorting domestic support which historically have been and are still currently provided by developed countries must be substantially reduced, especially reduction of subsidies to products produced by African small farmers. There should also be strict disciplines regarding "box-shifting" towards Green Box supports, to ensure that these supports are truly minimally or non-trade distorting.
ii. Allow African countries to pursue "agricultural policies that are supportive of their development goals, poverty reduction strategies, food security and livelihood concerns" (para. 2, Annex A, July 2004 Framework).'

Rev. 4 as the basis of the negotiations

'The draft modalities of 2008, Rev.4, must remain the basis of negotiations because these modalities represent the overall balance that has been achieved between WTO Members after ten years of negotiations. This hard fought balance cannot simply be set-aside to suit a minority of Members at the expense of the interests of the majority. The "balance" that has been captured in Rev.4 must be maintained. Any minor adjustments should not lead to lowering ambition for some, whilst maintaining or increasing the ambition for others.'

Domestic Supports Disciplines

The paper largely followed the Rev.4 agenda, with an improvement by reiterating the need for stricter disciplines to the Green Box. It said:

'Fulfilling the mandates for the agriculture negotiations should comprise all the elements contained under the domestic support pillar in Rev.4, including':

i. On OTDS – reducing OTDS by developed countries according to the Rev.4. Such disciplines, as in Rev.4, would not apply to developing countries.
ii. On AMS, those with bound AMS should reduce their AMS in accordance with Rev.4; product-specific AMS must be limited and bound.
iii. There must also be reductions in *de minimis* and especially product-specific *de minimis* of developed countries, in accordance with Rev.4.
iv. There should be Blue Box limits and product-specific Blue Box limits.

v. The modifications of Annex 2 of the Agreement on Agriculture with regard to direct payments as contained in Annex B of Rev.4 should be improved upon as these do not address the trade distortions which "box-shifting" has concealed. There is therefore the need to introduce stricter disciplines to ensure that Green Box measures in particular decoupled income support have no, or at most minimal, trade-distorting effects or effects on production, in accordance with the Doha Mandate and paragraph 16 of Annex A of the July 2004 Framework.

Addressing the Public Stockholding Issue

The issue of Public Stockholding was addressed in Rev.4 in a way that provided some 'balance' in the Green Box, in the sense that the Green Box would then not only contain the programmes of mostly developed countries, but also those of developing countries. Hence, in Rev.4, PSH programmes could be notified in the Green Box. However, this was not an open check. There was a conditionality – PSH programmes notified under the Green Box would be for low-income or resource-poor farmers.

The Problematic WTO Rules on Public Stockholding

For a large number of developing countries, the public stockholding issue remains a problem. This is because the current rules at the WTO contain a formula for calculating the subsidy which is artificially inflated. In addition, developing countries had to 'squeeze' this inflated number within their 10% product-specific *de minimis* allowance. What is wrong with the calculation?

i)It requires countries running these programmes based on administered prices to notify as their AMS subsidy, the difference between the 1986 – 88 reference price and the today's administered price. Due to the difference in prices today from 1986-88 prices, this is an artificial number quite unrelated to the actual amount of the subsidy provided.

ii)A strict legal reading is that this difference in the 1986-88 reference price and the administered price would then have to be multiplied by the 'eligible production'. Unless the government has publicly announced a limit in the volume it could purchase, 'eligible production' would mean 100% of production, rather than the volume that is actually procured.

What Happened in Bali and Post-Bali?

The Bali Ministerial and post-Bali negotiations produced not what developing countries (G33) wanted, which was the Rev.4 Green Box solution but an interim solution by way of a Peace Clause for existing programmes. I.e., countries would not be brought to the WTO's DSU if they have notified that they have or are at risk of breaching their AMS limits. The Peace Clause could only give cover to 'existing programmes', not new programmes. Other conditions also applied, including that these programmes do not distort trade. This is problematic since all subsidies can be argued to have some form of trade distortive effect.

A Permanent Solution by the 11th Ministerial Conference?

The Bali Decision mandates that Members find a permanent solution on the Public Stockholding issue by the 11th Ministerial Conference, i.e. December 2017. [10]

'Members agree to establish a work programme to be undertaken in the Committee on Agriculture to pursue this issue with the aim of making recommendations for a permanent solution. This work programme shall take into account Members' existing and future submissions.

In the context of the broader post-Bali agenda, Members commit to the work programme mentioned in the previous paragraph with the aim of concluding it no later than the 11th Ministerial Conference'.

[10] WTO document WT/MIN(13)/38, WT/L/913 of 7 December 2013, Public Stockholding for Food Security Purposes (Ministerial Decision).

US Challenge to China

The US has recently (Sept 2016) decided to take China to the DSU based on their market price support programmes in wheat, rice and corn[11]. This is about scrutinising China's public stockholding programmes. China did not notify any of its PSH programmes in terms of breaching or being at risk of breaching their product-specific AMS *de minimis* commitments (8.5% of value of production). Will it therefore be allowed to avail of the protection of the Peace Clause? Questions are being asked about why the US has chosen this time to launch this case against China.

Developing Countries and Public Stockholding

Many developing countries do have Public Stockholding Programmes and if the rules producing inflated numbers were strictly applied, they are highly likely to be in aberration of their WTO rules. There are also others that do not have these programmes, but plan to introduce PSH in the future. They would not be covered by the Peace Clause if so.

The following is a non-exhaustive list of African countries with PSH programmes: Zambia; Ghana; Zimbabwe; Malawi; Senegal; Kenya; Egypt; Morocco; Tunisia; Botswana; Cameroon; Tanzania; Niger; Mali; Burkina Faso; Benin; Chad; Algeria; Ethiopia.

In Senegal, PSH has been successful in increasing domestic production. It has been reported that when Senegal reintroduced state marketing and procurement policy interventions in 2007, production of rice grew from 20% of domestic consumption in 2007 to 40% by 2011.

Questions have been asked about whether new WTO rules along the lines proposed by the G33 (for PSH to be in the Green Box) would eventually lead to subsidised exports into developing country markets. Various sources (including news articles) have made allusions that Indian rice exports to African markets came from their Public Stockholding programmes.[12]

Whilst it is true that India's export of rice to Africa has increased in recent years, rice exports have not come from its public stockholding programmes. The table below illustrates this. During the last decade or so, there have been no rice exports from the Indian PSH programme. In 2012-2013, the rice exported from the stocks managed/controlled by or on behalf of the government (the Central Pool) was for humanitarian reasons (i.e. food aid). There are some wheat exports, but the volumes are small in terms of what is traded on the international market.

The Public Stockholding programmes are effectively run for domestic food security purposes. India has signed into law its National Food Security Act in 2013. The Act commits the Government to provide subsidised food grains to two-thirds of India's 1.2 billion people. All beneficiaries of the Public Distribution system are entitled to 5kg per person per month of cereals at subsidised prices, including rice, and wheat.[13] It is therefore unlikely that the country can still have large surpluses to export.

Nevertheless, countries concerned can discuss possible disciplines to accompany a permanent solution on public stockholding. (E.g. disciplines targeted to exporters with x% of the world market for a tariff line; or exports should not be below world market prices for exporters that have a certain market share; or what has been procured under Stockholding Programmes should not be exported beyond x% or only under certain mutually agreed circumstances etc).

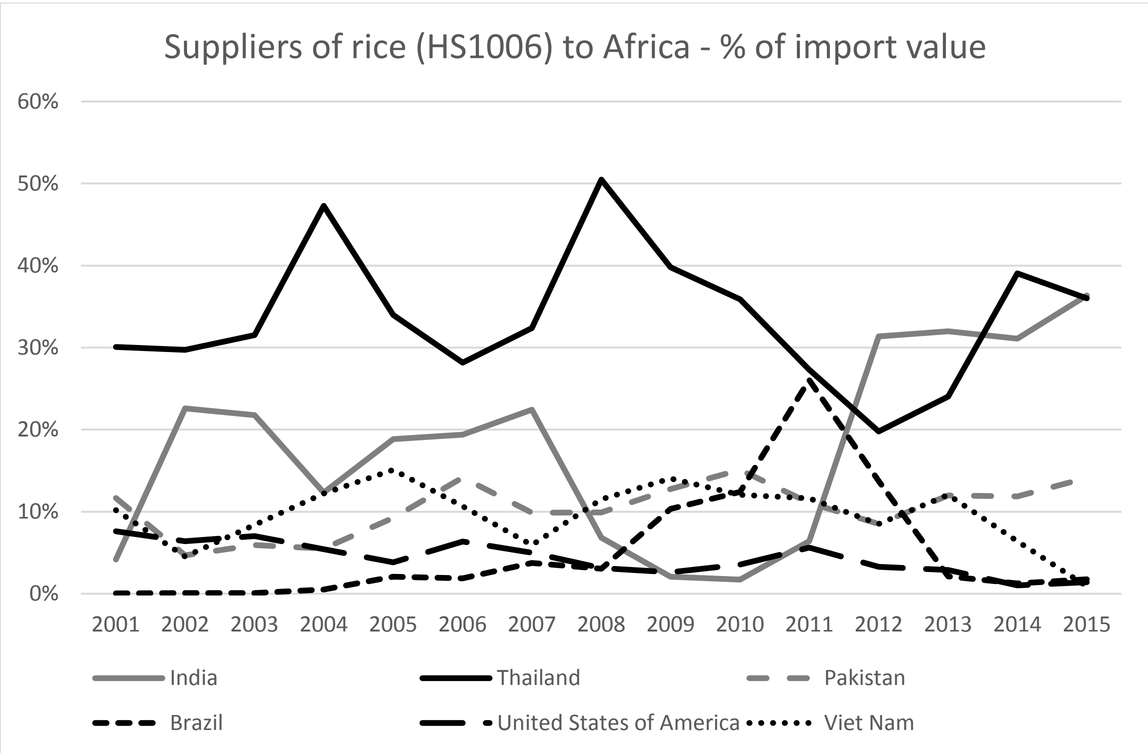
[11] WTO document WT/DS511/1 of 20 September 2016, 'China – Domestic Support for Agricultural Producers', Request for Consultations by the United States.
[12] See Financial Times 24 September 2014 'India's tough trade talks stance wins few friends in poor nations'.
[13] https://en.wikipedia.org/wiki/National_Food_Security_Act,_2013

However, if there are any disciplines on exports, they should not only be targeted at developing countries' agricultural programmes, but in fact first and foremost, they should be directed at developed countries' programmes, including their trade-distorting and Green Box programmes since, as illustrated earlier and as calculated by some, distortions are currently taking place as a result of US and EU's domestic supports.

Export and Imports from the Central Pool (million Tons) (i.e. Public Stockholding Programmes)

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Wheat	0.845	0	-5.454	-1.769	0	0	0	0.01	2.948	2.673	0.327	0
Rice	0.065	0	0	0	0	0	0	0	0.0024*	0	0	0

*Exported on humanitarian ground through Ministry of External Affairs (MEA)
Source: Food Cooperation of India (FCI), Food Grain Bulletins



Source: ITC TradeMap data

WTO Ministers have instructed that a permanent solution is reached by the next Ministerial Conference (MC11). It is not clear if this will take place. Given the number of developing countries having such programmes, it is in their interest to actively support a robust and good outcome such as the Green Box solution. This would bring balance to the AoA's rules. It would also help countries in increasing their own food production.

The Peace Clause

If however, a permanent solution is not arrived at by MC11, and the interim solution of the Peace Clause becomes the de facto permanent solution for the time-being, it is in developing countries' interest to resolve the problem that the Peace Clause only covers 'existing programmes'. This should be expanded to also cover new programmes, allowing developing countries to initiate or expand such programmes in order to support and improve the livelihoods of the rural poor, increase economic production in rural areas and reinvigorate rural economies.

The notification requirements in the Peace Clause should also be reconsidered. By having to declare that one's country is breaching or at risk of breaching its AMS commitments, it prohibits countries from notifying and hence drawing legal cover from the Peace Clause. Many would be concerned that once the Peace Clause is terminated, they might be brought to the Dispute Settlement Body. This is not the first time the WTO has had a 'Peace Clause'. There was a Due-Restraint article (Art 13) in the Agreement on Agreement – effectively a Peace Clause for developed countries' domestic supports 'during the implementation period' of the AoA. No similar notification requirements were asked for.

Developed Countries' Decades-Long Use of Public Stockholding Programmes

Public Stockholding Programmes were liberally utilized by many developed countries in their process of development. This is how US and the EU built up their agricultural sectors, and also attained broad-based development:

US: 1930s to 1990s
Farm legislation included price supports and supply control provisions. The primary means to stabilise crop prices and farm incomes were support prices. Since 1980s, US could not compete on the world market (high price supports). The 1985 Farm Bill drastically reduced price support levels and introduced direct payments. *(This explains the domestic support rules in UR – direct payments in Green Box)*

UK: 1940s -1970s
State marketing boards bought produce in many sectors – eggs, milk, potatoes. Domestic prices kept low at world prices. Government paid farmers the difference through deficiency payments.

European Economic Community: 1960s – 1990s
The Common Agricultural Policy (CAP) was based on minimum purchase prices. If farmers could not sell their output, there was a guarantee that their output would be purchased. Tariffs were also used to ensure that imports were strictly controlled.

IV. WAY FORWARD

There are various pieces of the puzzle in the Domestic Supports negotiations that are important when thinking about the strategy ahead:

1. The Importance of Rev.4 and the Past Doha Mandates

The Rev.4 text remains an important basis for the negotiations. As the Director General of the WTO, Roberto Azevedo had himself noted when he was still Ambassador of Brazil to the WTO:

'The December 2008 draft modalities are the basis for negotiations and represent the end-game in terms of the landing zones of ambition. Any marginal adjustments in the level of ambition of those texts may be assessed only in the context of the overall balance of trade-offs, bearing in mind that agriculture is the engine of the Round; and

The draft modalities embody a delicate balance achieved after ten years of negotiations. This equilibrium cannot be ignored or upset, or we will need readjustments of the entire package with horizontal repercussions. Such readjustments cannot entail additional unilateral concessions from developing countries'.[14]

An important agreed upon principle in the Rev.4 was that the disciplines on Domestic Supports (e.g. OTDS cuts; AMS cuts etc) were only for those with AMS entitlements from the Uruguay Round (i.e. mainly developed countries). This excludes most developing countries as they already have 0 AMS.

2. Bringing Equity into the Rules of the Agreement on Agriculture

The AoA did get quite a 'bad reputation' for having rather unequal treatment for developed and developing countries. It is important to note that in the preamble of the Agreement on Agriculture, it says that for the further negotiations, 'commitments under the reform programme should be made in an equitable way among all Members'.

In the area of Domestic Supports, these areas of imbalance in the existing AoA include:

- Some Members had AMS entitlements, others had to bind AMS at 0;
- Some Members could use the Green Box to cover their direct payments and decoupled income supports, others effectively could not use the Green Box since these programmes were not those suited to developing countries' needs and capacities, or they could only do so to a very limited degree (e.g. General Services);
- The food programmes of some could be covered with no problems under the Green Box (US food stamps programme) but others' food security programmes had to be notified under the AMS (PSH);
- Those with AMS entitlements effectively have an unlimited product-specific AMS allowance, whilst developing countries' product-specific AMS spending is limited by their 10% of VOP *de minimis* allowance;
- The PSH rules in the AoA provide a number that is completely out of proportion with the reality of subsidies provided.

Ideally, all these elements should be addressed, if not, at least some should be addressed. Certainly, the new rules should not reinforce areas of inequities or exacerbate them.

Some balances were arrived at in the Rev.4 and as far as possible, these should be retained:

[14] Azevedo R and Baracuhy B 2012 'Agriculture – At the Centre of DDA Negotiations', in Reflections from the Frontline : Developing Country Negotiators in the WTO, CUTS International.

- As noted earlier, trade-distorting support disciplines were for those with AMS entitlements. This means that the *de minimis* entitlements of developing countries with 0 bound AMS was able to remain at 10% value of production (VOP) for non-product specific AMS (which few Members use) and 10% of VOP for product-specific AMS.

- PSH subsidies were put under the Green Box, giving some balance to the Green Box. However, this was not a blank check for developing countries. Green Box PSH programmes had to be targeted only to low-income or resource-poor farmers.

  In exchange, the quid pro quo was that the Rev.4 allowed for developed countries' direct payment programmes and decoupled income programmes to be undisciplined. In fact, it even made them more flexible, giving legal coverage to possible updates of historical periods (see Rev.4's Annex B which contains revisions to the AoA's Annex 2).

  If Members will not deliver on a Green Box solution (as was agreed to in Rev.4) on PSH, it would not make sense to leave the Green Box undisciplined.

- Art 6.2 on input and investment supports is allowed as an Special and Differential (S&D) treatment provision in the AoA. This was left untouched in the Rev.4.

3. Food Security; Special and Differential Treatment as 'an Integral Element' of the Negotiations'; and the possible negative effects on LDCs and NFIDCs

Food security, rural livelihoods and rural employment were an important part of the Doha negotiations mandate. In the AoA itself, further reforms are to

- give regard to food security
- give regard to the 'agreement that special and differential treatment for developing countries is an integral element of the negotiations' and
- take account the possible negative effects of implementing the reform programme on LDCs and NFIDCs.

The Doha negotiations had acknowledged these objectives by

- preserving the Art 6.2 flexibilities for developing countries
- correcting the problematic rules on PSH and giving flexibility to countries providing these programmes for low-income or resource-poor farmers.

These should be retained going forwards.

Supports on a Per Farmer Basis?

A new development since Rev.4 is the focus now on developing countries' domestic supports. Whatever transpires from this debate, one element is very critical - that disciplines should also be equitable from the point of view of the level of supports provided by Members on a per farmer basis.

This is because the current debate looks at absolute subsidy numbers or at figures which are in terms of % of VOP. If not careful, this could lead to rules that could lock developing countries into providing something like $200 of subsidies per farmer, but others could provide subsidies by the thousands per farmer.

4. What if Exports Are Subsidised and Distort Markets?

As of today, distortions by US and EU seem to be taking place (according to the calculations of IATP and Berthelot) and the rules discussed do not seem to be addressing the heart of this problem.

How should the issue of domestically subsidised agricultural products that are exported be addressed, especially given that developed countries are still providing massive subsidies on a per farmer level, but do not seem ready to reduce their domestic supports in any real way?

In this context, a couple of ideas brought forth by Members are worth pondering upon:

d) A tariff could be put in place by an importing country if the imports have been subsidised. The tariff would be calculated and added on in proportion to the subsidy provided and the impact of that subsidy. This was a very old proposal by some developing country Members in the early days of the Doha negotiations.

e) A second idea, as noted earlier, is one raised by Brazil, Argentina, Paraguay and Colombia: pegging domestic support disciplines according to whether a Member's export of a specific product has an impact on the world market. For instance, certain domestic support disciplines could kick in only when a Member has x% of the world market. This idea is still in its inception. It may be worth giving it more thought in the future. Brazil et al had raised it in the context of 'trade-distorting domestic supports' – this is inadequate and would lead to unfair outcomes as it would let developed countries such as the EU off the hook (as their Green Box supports would not be covered).

ANNEX 1: CALCULATIONS BY THE INSTITUTE FOR AGRICULTURE AND TRADE POLICY (IATP) ON THE LEVEL OF DISTORTIONS IN US' AGRICULTURAL EXPORTS
Source: IATP (2016, forthcoming)

Table 1: Wheat

Year	Farmer Production Costs (US$/Bu)	Govt Support Costs (US$/Bu)	Transportation and Handling (US$/Bu)	Full Cost ($/Bu)	Export Price ($/Bu)	Percent Export Dumpin
2010	5.68	0.50	1.36	7.54	6.72	11%
2011	7.65	0.77	1.46	9.88	9.07	8%
2012	6.89	0.67	1.44	9.01	8.96	1%
2013	8.02	0.83	1.50	10.36	8.76	15%
2014	8.56	0.61	1.69	10.86	8.31	24%
2015	7.70	0.53	1.30	9.54	6.40	33%

Table 2: Soybeans

Year	Farmer Production Costs (US$/Bu)	Govt Support Costs (US$/Bu)	Transportation and Handling (US$/Bu)	Full Cost ($/Bu)	Export Price ($/Bu)	Percent of Export Dumping
2010	7.75	0.44	1.10	9.28	11.14	-20%
2011	8.71	0.70	1.14	10.54	13.79	-31%
2012	10.42	0.68	1.21	12.31	15.41	-25%
2013	10.87	0.62	0.95	12.44	14.94	-20%
2014	9.94	0.48	1.25	11.66	13.55	-16%
2015	9.89	0.45	1.20	11.54	10.24	11%

Table 3: Maize

Year	Farmer Production Costs (US$/Bu)	Govt Support Costs (US$/Bu)	Transportation and Handling (US$/Bu)	Full Cost ($/Bu)	Export Price ($/Bu)	Percent of Export Dumping
2010	3.46	0.22	0.67	4.35	4.76	-9%
2011	4.20	0.36	0.71	5.27	7.40	-40%
2012	5.54	0.41	0.61	6.56	7.57	-15%
2013	4.34	0.34	0.55	5.22	6.65	-27%
2014	4.06	0.24	0.93	5.23	4.92	6%
2015	4.05	0.26	0.71	5.01	4.33	14%

Table 4: Rice

Year	Farmer Production Costs (US$/Cwt)	Govt Support Costs (US$/Cwt)	Transportation and Handling (US$/Cwt)	Full Cost ($/Cwt)	Export Price ($/Cwt)	Percent of Export Dumping
2010	11.79	0.25	15.25	27.29	26.55	3%
2011	13.13	0.30	15.88	29.31	29.28	0%
2012	12.59	0.24	12.86	25.69	27.16	-6%
2013	12.25	0.24	14.47	26.96	29.67	-10%
2014	12.36	0.28	17.1	29.74	29.1	2%
2015	11.97	0.24	13.69	25.89	25.29	2%

Table 5: Cotton

Year	Farmer Production Costs (US$/Pound)	Govt Support Costs (US$/Pound)	Transportation and Handling	Full Cost ($/Pound)	Export Price ($/Pound)	Percent of Export Dumping
2010	0.94	0.04	N/A	0.98	1.06	-9%
2011	1.51	0.11	N/A	1.61	1.58	2%
2012	1.21	0.16	N/A	1.36	0.95	30%
2013	1.38	0.19	N/A	1.57	0.85	46%
2014	1.22	0.26	N/A	1.47	0.86	42%
2015	1.16	0.29	N/A	1.45	0.74	49%

Notes on calculations:
The government support cost and the cost of transportation and handling are added to the farmer production cost to calculate the full cost of production. The percent of export dumping is the difference between the full cost of production and the export price, divided by the full cost of production.

The term 'dumping' has been used by IATP. However, it should be noted that the exact way to calculate dumping differs slightly from the WTO methodology. What they call the 'dumping' rate can be interpreted to be the estimated level of distortion as a result of the subsidy provided.

ANNEX 2: CALCULATIONS BY JACQUES BERTHELOT ON THE LEVEL OF DISTORTIONS IN EU'S AGRICULTURAL EXPORTS

Source: Jacques Berthelot 2014 'The EU28 subsidies in 2013 to its exports of cereals, meats and dairy products to extra-EU28, ACPs and West Africa, https://www.sol-asso.fr/wp-content/uploads/2016/03/The-EU28-subsidies-in-2013-to-its-exports-of-cereals-meats-and-dairy.pdf

Subsidies to exports of cereal products extra-EU28, to ACPs and West Africa in 2013

	Exports of cereal products			Cereals equivalent	Subsidies	Dumping
	€1000	Tonnes	FOB	tonnes	€1000	rate, %
Extra-EU28	27464188	46865448	586	46818238	2898049	10,6%
ACPs	3218400	6273542,1	513	6450527,6	399287,7	12,4%
WA	1311992,7	2729439,3	480,7	2807660,4	173794,2	13,3%
Benin	40466,1	80481,5	502,8	92537	5728	13,2%
Ivory Coast	194834,6	571926	340,7	578196	35790	14,2%
Ghana	87301,4	128562	679,1	134838,8	8347	18,4%
Nigeria	361259,7	535164,8	675	581662,1	36005	9,6%
Senegal	225465,9	494888,6	455,6	502824,1	31125	10%

Source: Eurostat

Subsidies to exports of bovine meat extra-EU28, to ACPs and West Africa in 2013

	Tonnes	1000 €	FOB €/t	1000 Cwe	Subsidies in €1000					Dumping rate
					Feed	Refunds	DP	Total	Total €/t	
Extra-EU28	415058	972060	2342	407022	167538	6489	321044	495071	1216,3	50,9%
ACPs	65210	57908	888	86535	35611	1329	68256	105196	1215,6	209,9%
WA	55913	43114	771	67301	27696	986	53087	81769	1215	189,7%
Benin	218,2	457,4	2096,2	208,9	86	3,2	164,8	254	1215,8	55,5%
Ivory Coast	18116,4	11525,3	636,2	18451,5	7657,4	282,3	14553	22492,4	1219	195,2%
Ghana	29038	22628	779,3	29513,8	12248,2	451,6	23278	35977,3	1219	159%
Nigeria	331,4	1771,7	5346,1	345,2	143,3	12,1	272,3	427,7	1239	24,1%
Senegal	463,5	424,6	916,1	514,4	213,5	6,9	405,6	626	1217	147,4%

Source: Eurostat; cwe: carcass weight equivalent; DP: direct payments

Subsidies to exports of dairy products extra-EU28, to ACPs and West Africa in 2013

	Tonnes	€1000	FOB €/t	mwe	Subsidies in €1000*	Dumping rate
Extra-EU28	3447767	10006820	2918,6	18361072	945597	9,7%
ACPs	438624	1056569	2408,8	2069640	106584	10,1%
WA	245781	557241	2267,2	1192833	67951	12,2 %
Benin	6669,5	14431	2163,7	40653,3	3868	14,5%
Ivory Coast	20079	49741	2477,3	115544	5951	12%
Ghana	20742	41598	2005,5	104021	5357,1	12,9%
Nigeria	99028	289911	2927,6	614764	31660,3	10,9%
Senegal	13476	30907	2293,5	58041	2989	9,7%