



Ninety-First Regular Meeting of the World Trade Organization's Committee on Agriculture



2019



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1. Introduction

This brief¹ outlines the major issues discussed during the Ninety-First Regular Meeting of the Committee on Agriculture of the World Trade Organization (WTO)², in which the Inter-American Institute for Cooperation on Agriculture (IICA) participated as an observer member.

In these meetings, the Committee on Agriculture monitors the extent to which WTO Member States are complying with commitments made under the Agreement on Agriculture. The delegates review and discuss the trade measures about which the WTO has been notified under the agreement, as well any issues within the purview of the Committee, such as compliance with agricultural notifications.

2. Matters addressed during the meeting

The purpose of this document is to outline some of the more relevant points for IICA and WTO member countries in terms of notifications about trade measures related to market access³, export competition⁴ and domestic support⁵, among other aspects specified in the WTO Agreement on Agriculture, such as compliance by countries with notification requirements and follow-up on agriculture-related ministerial decisions made at the Ministerial Conferences in Bali (2013) and in Nairobi (2015).

2.1. Agricultural notifications

Two IICA Member States (Canada and the United States) posed questions on notified measures regarding export subsidies, domestic support⁶ and market access. On the other hand, Brazil, Canada, the United States and Mexico responded to specific questions posed to them by other WTO members (Table 1).

The products discussed during the meeting that were of interest to the countries of the Americas were **wheat, canola, rice, fruit juice, dairy products, wine, powdered skim milk and tobacco**.

¹ Prepared by IICA's International Trade and Regional Integration Program, July 2019.

² Held on 24 and 25 June 2019 in Geneva, Switzerland.

³ In the Agreement on Agriculture, **market access** refers to the "tariffication" of all barriers to agricultural trade. In other words, on entering the market, tariffs, tariff quotas and special safeguards will be applied to these products.

⁴ **Export subsidies (or export competition)** provide more favorable conditions for export actions, for example, direct payments, credit, logistics facilities, as well as taxes and lower costs for export services, among other measures. With the Agreement on Agriculture, countries commit to reducing the volume of subsidized exports and the amount of money spent to subsidize exports. The Agreement also examines matters related to circumvention measures.

⁵ Under the WTO Agreement on Agriculture, all **domestic support** for agricultural producers is subject to rules. There are basically two categories of domestic support: support that does not distort trade or does so minimally (so-called Green Box measures) and trade-distorting support (so-called Amber Box measures). In WTO terminology, subsidies in general are identified by "boxes", which are given the color of traffic lights: green (allowed), amber (slow down, in other words, they need to be reduced), red (forbidden).

Table 1. Issues raised regarding the implementation of agricultural commitments

Countries posing the question	Country to which the question was posed	Issue concerned
Ukraine	Brazil	Wheat quota
Australia, European Union	Canada	Compensation for farmers after trade concessions
European Union, India, Ukraine	Canada	Support to canola producers
United States	China	Rice policies
United States	Egypt	Export Subsidy and Arrears Program
United States	European Union	Malting barley HS code
United States	European Union	Tariff rate quotas for fruit juices
Australia	United States	India's Transport and Marketing Assistance (TMA)
United States	India	Support to rice exporters
		Export subsidies in the state of Maharashtra
		Public stockpiling of wheat * Paraguay expressed an interest in this matter, specifically with respect to how India would prevent reserves from entering international markets at lower prices and to ensure that international markets were not affected.
		Food security mission
		Short-term crop loans
		Dairy loans
		Transparency with green box measures
		National Dairy Plan - Phase 1
		Rashtriya Krishi Vikas Yojana (RKVY)
	Russia	Resolution No.1104
Russia	United States	Setting of interest rates
European Union	United States	Disaster bill
United States	Canada	Wine sale policy
Canada	European Union	Modification of the agricultural schedule of commitments * Uruguay and Paraguay were interested in finding out about the impact of Brexit.
Australia, Canada , Russia, United States	India	Pulses policies
United States	India	Skim milk powder export subsidies
	Japan	Export subsidies
Canada, United States	Mexico	Mexico's Strategic Program of Guaranteed Prices
United States	Pakistan	Wheat export subsidies and domestic support
	Russia	Railway subsidy for exporters
Australia, Canada , China, European Union, India, New Zealand, Ukraine	United States	Proposed domestic support measures
India	United States	United States 2018 Farm Bill
United States	Zimbabwe	Zimbabwe's tobacco export incentive
Australia	European Union	Support package to Irish beef farmers * Paraguay and Uruguay expressed an interest in Australia's queries with respect to ensuring that the measure does not affect third markets.
European Union	India	Increased budget for rural and agricultural development * The United States, Canada and Paraguay expressed an interest in the European Union's query. Paraguay was interested in finding out how the budget is distributed and how it would improve rural conditions.

Source: Ninety-First Regular Meeting of the WTO Committee on Agriculture, June 2019

Six IICA Member States (Brazil, Canada, Costa Rica, the United States, Mexico and Panama) were asked **specific questions** about agricultural notifications, specifically about *tariff quotas, domestic support and export subsidy measures*. (Table 2).

Table 2. Specific issues regarding agricultural notifications

Countries to which the question was posed	Subject of the notification
Brazil	Imports under tariff and other quota commitments
	Domestic support commitments
	Export subsidy commitments
Canada	Imports under tariff and other quota commitments
	Export subsidy commitments
Costa Rica	Imports under tariff and other quota commitments
United States	Imports under tariff and other quota commitments
Mexico	Export subsidy commitments
Panama	Imports under tariff and other quota commitments
European Union	Domestic support commitments
	* Paraguay and Brazil expressed an interest in support for organic producers, particularly dairy production, and its impact on the environment. Canada and Colombia were also concerned about this issue.

Source: Ninety-First Regular Meeting of the WTO Committee on Agriculture, June 2019

Finally, there were a series of notifications that were sent to the WTO Secretariat, in respect of which no questions were raised (Table 3). However, this does not exclude the possibility of these notifications being subject to review in subsequent meetings. In this instance, ten IICA Member States (Canada, Chile, Colombia, Costa Rica, Cuba, Mexico, Nicaragua, Panama, Peru and St. Vincent and the Grenadines) submitted notifications and received no request for clarification from the other countries.

Table 3. Agricultural notifications that were submitted, and in respect of which no questions were raised

Countries submitting notifications	Subject of the notification
Canada	Domestic support commitments
Chile	Imports under tariff and other quota commitments
	Domestic support commitments
	Export subsidy commitments
Colombia	Special safeguard
Costa Rica	Special safeguard
Cuba	Export subsidy commitments
	Export subsidy commitments
Mexico	Export subsidy commitments
Nicaragua	Imports under tariff and other quota commitments
	Special safeguard
	Export subsidy commitments
Panama	Special safeguard
	Domestic support commitments
Peru	Domestic support commitments
St. Vincent and the Grenadines	Domestic support commitments

Source: Ninety-First Regular Meeting of the WTO Committee on Agriculture, June 2019

2.1. Other matters

2.1.1. Parallel activities

- The Secretariat held a brief informational session on June 25 to update members on ongoing efforts with respect to the Ag-IMS web-based notification system.

- Symposium on the Role of Trade in the Global Agrifood System: WTO Members and agricultural and trade policy experts emphasized the importance of agriculture in reducing poverty. They also discussed ways of further exploring the potential of technological innovation to assist in the establishment of resistant agrifood systems, particularly in structurally disadvantaged rural areas. *Private sector entities* from **St Lucia** (*Export St. Lucia*) and **Guatemala** (*Cuatro Pinos*) participated in the discussions on technological innovation.
- Information session on international food aid: On June 24, a midday information session was held on the issue of international food aid, involving high-level authorities from the Food and Agriculture Organization of the United Nations (FAO), the World Food Program (WFP) and the Organization for Economic Cooperation and Development (OECD).

2.1.2. Implementation of the results of the Ministerial Conference.

- **Review of the Bali Ministerial Decision on the Administration of Tariff Quotas**⁷: Further discussions were held with respect to the issues raised at the previous formal meeting (February 2019) and members continued discussions on matters dealt with in the informal meeting. The main area of focus was the revised preliminary Review Report that the Chair of the Committee had circulated to all members prior to the meeting. This report is based on matters addressed during the informal meetings of the Committee and consultations with members since February. The members proposed to extend the review period until October 2019.
- **Follow-up on the Nairobi Decision on Export Competition**: The members undertook the monitoring exercise on the implementation of the Nairobi Decision of 19 December 2015, in relation to export subsidies, support for the funding of exports, state-owned commercial entities that export agricultural products and international food aid. The Chair urged members to complete the questionnaires for the review exercise, since only 29 countries had responded. On this occasion, **Mexico** and Iceland were added to the list of countries⁸ that have obtained fully certified revised draft schedules with respect to export subsidy commitments. **Canada** and the European Union had presented their revised draft schedules and were awaiting certification; and Turkey distributed its revised draft schedule a few days before.

Brazil and Indonesia confirmed that they were working internally to finalize the presentation of their revised draft schedules. Venezuela will follow with more information from its capital city on its schedule to implement the Decision on Export Competition.

3. Contact persons at the Institute

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⁷ The purpose of the tariff rate quota review is to promote improvements in the use of tariff rate quotas, which allow quantities imported inside the quota to be charged lower import duty rates than those outside.

⁸ Australia, Norway, Israel, Switzerland, Colombia, Uruguay, the United States and South Africa.