

WORLD TRADE ORGANIZATION

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Committee on Agriculture

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NOTIFICATION

The attached notification concerning domestic support commitments for **1998** (**Table DS:1** and the relevant Supporting Tables) was received from the delegation of **South Africa** on 13 July 2000.

Table DS:1

DOMESTIC SUPPORT: South Africa

REPORTING PERIOD*: 1998

Current Total Aggregate Measurement of Support

Total AMS commitment level for period in question (from Section 1 of Part IV of the Schedule)	Currency (from Section 1 of Part IV of the Schedule)	Current Total AMS (from attached Supporting Tables)
1	2	3
2,183.374	Million Rand	820.130

*Marketing years as indicated in Supporting Table DS:5.

DOMESTIC SUPPORT: South Africa**REPORTING PERIOD: 1998***Measures exempt from the reduction commitment – "Green Box"*

Measure Type	Name and description of measure with reference to criteria in Annex 2	Monetary value of measure in year in question million Rand	Data Sources
1	2	3	4
1. General Services	(i) Erection of waterworks (Infrastructure): To construct approved waterworks to enable producers to utilise land more effectively.	0.556	Department of Agriculture
	(ii) Resource conservation and environmental management: To promote sustainable utilisation of the natural agricultural resources, viz, the soil, water resources and vegetation and protect the environment.	238.778	"
	(iii) Veterinary Services: To promote animal production, animal health and the quality of the products of animals through the determination of norms and standards as well as co-ordination and rendering of services.	203.861	"
	(iv) Phytosanitary Services and Quality Control: To promote crop production and quality of plant products through the determination of norms and standards as well as the co-ordination and rendering of services.	31.872	"
	(v) Agro-economic services: To promote the optimum utilisation of production factors, regulate and co-ordinate the marketing of and marketing policy in respect of agricultural products, provide information and advice on agricultural economic trends and regulate the co-operative movement.	118.836	"
	(vi) Auxiliary and associated services: To render auxiliary services associated with distribution of information, liaison between agricultural industries, library services and contract research by institutions, in-service training, international liaison, government transport and contribution to soil conservation activities.	96.212	"
	(vii) Agricultural research: Contribution towards agricultural research and the expenditure, training, depreciation, salaries and maintenance of the Agricultural Research Council with the overall purpose of agricultural research.	393.196	"
	(viii) Extension and Training: Extension and training services rendered by provincial departments of agriculture to farmers and personnel.	288.179	"

1	2	3	4
	(ix) Administration: To conduct the overall management of the Department of Agriculture and render specialised administrative services (includes policy formulation functions, management and advisory services, personnel and financial services and legal services).	551.966	Department of Agriculture
	(x) Agricultural Engineering Services: To promote the sustainable utilisation of natural agricultural resources, planning and development of agricultural engineering products, provision of diptanks in rural areas, mechanisation programme, maintenance of contours and other services.	92.690	"
2. Payment for relief from natural disasters	(i) Subsidies for Flood disaster: To enable producers to return to the position they held prior to flood damage.	6.800	"
	(ii) Disaster Drought Aid: Disaster aid to farmer co-operatives and farmers in disaster drought to prevent the collapse of the rural infrastructure as a result of low income and bankruptcies and to enable producers to continue with production.	14.072	"
	(iii) Stock feed purchases incentives: To enable producers to maintain a nuclear herd during an extended drought.	0	"
	(iv) Transport of livestock and fodder: To enable producers in drought stricken areas to continue to feed their livestock.	0	"
	(v) Transport of water: Aid to cattle and human in drought stricken areas.	0	"
	(vi) Water quota subsidies: To enable producers on irrigation schemes to survive during drought conditions to enable them to keep their farm labourers and to prevent collapse of the infrastructure of the region.	2.580	"
	(vii) Fire damage subsidy: Compensation for losses with disaster fire damages	0	"
	(viii) Subsidy for the prevention of sequestration: To prevent the sequestration, as far as possible, of farmers with the possible ability to recover, thereby retaining them for agriculture.	0	"
	(ix) Co-ordinated refunding of unmanageable debt (subsidy): If possible, to place on the road to financial recovery all farmers who followed sound and correct farming and financial practices, but who, as a result of a combination of factors beyond their control, such as drought and economic down turns, have incurred too much debt or who experienced a continuing deteriorating debt situation. This is to be done with the aid of the co-ordinated action of all financiers.	0	"
	(x) Boreholes: Sinking of boreholes in times of drought for stock.	0	"

1	2	3	4
	(xi) Interim Natural Grazing Recovery Scheme: This is an interim measure until a natural grazing recovery scheme comes into effect to assist livestock farmers who, in specific areas are compelled to allow their natural grazing that has been damaged by prolonged drought, the necessary time to recover.	0	Department of Agriculture
3. Structural adjustment: resource programmes	(i) Conversion of marginal lands: To enable producers to reduce marginal ploughed lands where crop production is risky and to convert it into more suitable pastures (although lower income potential) for the specific climate (normally drier areas).	5.000	"
4. Environmental programmes	(i) Soil conservation works: The financing of essential soil conservation works to improve and protect the soil.	50.950	"
5. Regional assistance programmes	(i) Development aid: To assist producers in undeveloped and disadvantaged areas with development aid to encourage agricultural and rural development as an integral part of the development programme.	399.344	"
6. Other	(i) Aid to Farmer Co-operatives: Aid to Farmer Co-operatives in financial difficulty caused by drought and economic downturns. The purpose for the aid is to retain the infrastructure in the rural economy in designated areas.	0	"
	(ii) Subsidies for a special assistance scheme for beekeepers: To compensate beekeepers who suffered losses as a result of the infiltration of Cape intruder bees, for expenses incurred in the re-establishment of bee colonies.	0	"
GRAND TOTAL		2,494.892	

DOMESTIC SUPPORT: South Africa**REPORTING PERIOD: 1998***Calculation of the Current Total Aggregate Measurement of Support*

Description of basic products (including non-product specific AMS)	Product specific AMS (from Supporting Tables DS:5 to DS:7 below)	Product-specific measurements of support (from Supporting Table DS:8 below)	Current Total AMS (aggregate)
	million Rand	million Rand	million Rand
1	2	3	4
Sugar	805.67		805.67
Tea	14.46		14.46
Cotton	-4.81		-4.81
Total non-product-specific AMS (from Supporting Table DS:9 below)			<i>de minimis</i>
TOTAL: Current Total AMS			820.13

DOMESTIC SUPPORT: South Africa**REPORTING PERIOD: 1998***Product-Specific Aggregate Measurements of Support: Market Price Support*

Description of basic products	Marketing year beginning ...	Measure type(s)	Applied administered price Rand/tonne	External reference price (from G/AG/W/30) Rand/tonne	Eligible production '000 tonnes	Associated fees/levies million Rand	Total market price support million Rand	Data sources
1	2	3	4	5*	6	7	8 ((4-5*6)-7)	9
Sugar**	1 April 1998	Price support	2,309.00	1,120.26	1,129.67	0	805.67	Department of Agriculture
Tea	1 July 1998	"	12,500.00	11,123.02	10.50	0	14.46	"
Cotton***	1 April 1998	"	8,100.00	8,110.83	38.25	4.40	-4.81	"
							820.13	

* Exchange Rates of Rand to the US Dollar were used to calculate the external reference price: 1986-88: 2.1973
1998: 5.5316

** Sugar support was multiplied with a factor of 0.6 to convert the industry support to a cane growers proportion (60%) of support. In calculating the AMS, quality differences have not been taken into account in comparing the "Administered Price" (Refined sugar) and the External Reference Price in the base period (mainly Raw sugar).

***The negative support measure for cotton is not included in the Total market price support.

DOMESTIC SUPPORT: South Africa**REPORTING PERIOD: 1998***Product-Specific Aggregate Measurements of Support: Non-Exempt Direct Payments*

Description of basic product	Marketing year beginning...	Measure type(s)	Applied administered price Rand/tonne	External reference price (from G/AG/W/30) Rand/tonne	Eligible production '000 tonnes	Total price-related direct payments 7 ((4-5)*6)	Other non-exempt direct payments million Rand	Associated fees/levies	Total direct payments million Rand	Data sources
1	2	3	4	5	6	7	8	9	10	11
									(7+8-9)	
No Non-Exempt Direct Payments were made to the industries.										Dept. of Agriculture

DOMESTIC SUPPORT: South Africa**REPORTING PERIOD: 1998***Product-Specific Aggregate Measurements of Support: Other Product-Specific Support and Total Product-Specific AMS*

Description of basic product	Marketing year beginning...	Measurement type(s)	Other product-specific budgetary outlays	Other product specific support (include calculation details)	Associated fees/levies	Total other product-specific support	Market price support (Supporting Table DS:5) million Rand	Non-exempt direct payments (Supporting Table DS:6) million Rand	Total AMS million Rand	Data sources
1	2	3	4	5	6	7 (4+5-6)	8	9	10 (7+8-9)	11
Sugar	1 April 1998	Price support					805.67	0	805.67	Department of Agriculture
Tea	1 July 1998	"					14.46	0	14.46	"
Cotton*	1 April 1998	"					-4.81	0	-4.81	"
									820.13	

*Negative support for cotton has not been included in the Total AMS calculation.

DOMESTIC SUPPORT: South Africa**REPORTING PERIOD: 1998***Non-Product-Specific AMS*

Measure type(s)	Financial year 1998/99	Non-product- specific budgetary outlays million Rand	Other non-product specific support (include calculation details)	Associated fees/levies	Total non-product- specific support million Rand	Data sources
1	2	3	4	5	6 (3+4-5)	7
1. Fuel and administrative cost to co-operatives		0			0	Department of Agriculture
2. State Guaranteed Scheme (Land and Agricultural Bank)		0			0	"
3. Interest Subsidy to Co- operatives		0			0	"
4. Interest Subsidies to producers		18.537			18.537	"
5. Fuel subsidy		0			0	"
6. Resource Allocation		22.00			22.00	"
7. Farm labourer housing		0			0	"
Total Non-Product-Specific AMS:					40.538 <i>(de minimis)</i>	
Total value of agricultural production (Economic Review of the SA Agriculture, Department of Agriculture, Directorate: Statistical Information):					42,702.00	
Non-product-specific domestic support as percentage of total value of production:					0.09%	