

# WORLD TRADE ORGANIZATION

**G/AG/N/IND/1**  
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**Committee on Agriculture**

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## NOTIFICATION

The attached notification concerning domestic support commitments for marketing year 1995-96 (Table DS:1 and the relevant Supporting Tables) was received from the delegation of **India** on 28 May 1998.

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India does not provide any product-specific support other than market price support. There is, therefore, no information to be given relating to equivalent commitments, direct payments. In 1995-96, as also during the reference period, India had market price support programmes for 22 products, out of which 19 are included in the list. Three relatively minor crops viz. ragi, safflower, and sunflower seed are not included in the list, as due to inadequacy of data it has not been possible to calculate the relevant product-specific support.

Supporting Tables DS:1 and DS:2 enumerate the policy measures which are exempt from reduction commitments.

In Supporting Table DS:1, with respect to measure types (b) and (c), it is stated that the operations of Food Corporation of India encompass three functions viz. purchase at support price, public stockholding for food security purposes and sale to the consumer through the distribution system at prices below the market price. In addition certain state governments have programmes for sale of food at concessional prices to lower income groups. The price support operation has already been taken into consideration while calculating the product-specific AMS price support in Supporting Table DS:5. The total cost of buffer stocking and consumer subsidy incurred by the Food Corporation of India averaged Rs. 50,500 million during the reference years.

Concessional sales through the Public Distribution System and other schemes for sale at subsidised prices with the objective of meeting basic food requirements as a social safety net are in conformity with the provisions of paragraph 4 of Annex 2 and the footnote to the Agreement.

There is no significant domestic food aid programme in the sense of food being supplied free of cost or grants being given to enable purchase of food. Such aid is given in the event of natural disasters during relief operations.

In Supporting Table DS:9, showing the estimation of generally available input subsidies, no account has been taken of the exemption of input subsidies to low income and resource poor farmers in developing countries in terms of Article 6.2 of the Agreement on Agriculture. In India, operational land holdings of 10 hectares or less accounted for 79.5 per cent of agricultural land. If farmers holding less than 10 hectares of land are considered to be resource poor or low income, almost 80 per cent of the input subsidies will qualify for exemption from inclusion in non-product-specific AMS.

The financial year in India begins on 1 April and ends on 31 March of the subsequent year and corresponds basically to the marketing year. The figures given in the lists of commitments correspond to the marketing year 1995-96.

**DOMESTIC SUPPORT: India****REPORTING PERIOD: Marketing year 1995-96***Measures exempt from reduction commitment - "Green Box"*

Measure type		Name and description of measure with reference to criteria in Annex 2	Monetary value of measures in year in question US\$ million	Data sources
1		2	3	4
(a) General services	(i)	Research	162.965	Report by Bureau of Industrial Costs and Prices on the operation of Food Corporation of India. Government of India publication.
	(ii)	Pest and disease control	8.243	
	(iii)	Training services	4.709	
	(iv)	Extension and advisory services	-	
	(v)	Command area development programme	12.079	
	(vi)	Marketing and promotion services	104.820	
	(vii)	Inspection services	n.a.	
	(viii)	Provision for livestock health facilities	104.79	
	(ix)	Infrastructural services	0.033	
(b)	(i)	Public stockholding for food security purposes Buffer stock operations	1,569.65	
(c)		Domestic food aid	n.a.	
(d)	(i)	Income insurance Crop insurance scheme	10.883	
(e)	(i)	Relief from natural disasters Scarcity relief and natural calamities	125.034	
(f)	(i)	Structural adjustment assistance provided through investment aids Dry land farming	56.208	
	(ii)	Scheme for reclamation of alkaline soils	2.99	
	(iii)	Drought-prone area programme	n.a.	

1		2	3	4
(g)	Payment under environmental programmes	(i) Soil conservation in catchment areas of river valley projects	19.46	
		(ii) Integrated watershed management in the catchment areas of flood prone rivers in the Indo-Gangetic basin	8.97	
		(iii) Fodder grassland and pasture development	n.a.	
		(iv) Desert development programmes	n.a.	
		(v) Control of shifting cultivation	4.78	

Data in US\$ million.

Exchange rate: US\$1 = Re 33.447 (1995-96).

**DOMESTIC SUPPORT: India****REPORTING PERIOD: Marketing year 1995-96***Measures exempt from the reduction commitment - Special and Differential Treatment - "Development Programmes"*

Measure type				Name and description of measure with reference to criteria in Article 6:2	Monetary value of measure in year in question US\$ million	Data sources
1				2	3	4
(a)	Investment subsidies generally available to agriculture		(i)	On farm development work (field channels, land levelling, shallow wells, etc.)	104.82	Budget 1995-96
			(ii)	Subsidies for asset formation (provision of milch animals, farm implements to resource poor farmers, etc. under certain schemes)		
(b)	Agricultural input subsidies to low income or resource poor producers		(i)	Small farmer development assistance	149.49	Budget 1995-96
			(ii)	Assistance to smallholders for easy access to inputs	-	

Exchange rate: US\$1 = Re 33.447 (1995-96).

**DOMESTIC SUPPORT: India****REPORTING PERIOD: Marketing year 1995-96***Measures exempt from the reduction commitment - Direct Payments under Production-Limiting Programmes - "Exempt Direct Payments"*

Measure type		Name and description of measure with reference to criteria in Article 6:5	Monetary value of measure in year in question	Data sources
1		2	3	4
(a)	Payments based on fixed area and fields	India does not give any direct payments under production-limiting programmes		
(b)	Payments based on 85% or less of the base level of production			
(c)	Livestock payments made on fixed number of head			

**DOMESTIC SUPPORT: India****REPORTING PERIOD: Marketing Year 1995-96***Product-Specific Aggregate Measurements of Support: Market Price Support*

Description of basic products	Marketing year April-March 1995-96	Measure type(s)	Applied administered price US\$/tonne	External reference price <sup>1</sup> US\$/tonne	Eligible production million tonnes (target)	Associated fees/levies	Total market price support <sup>2</sup> million US\$	Data sources
1	2	3	4	5	6	7	8 ((4-5*6)-7)	9
Rice			168.92 <sup>3</sup>	262.51	80.96		-7,577	Economic Survey 1995-96
Wheat			113.61	264	64		-9,625	
Coarse cereals (bajra, jawar, maize and barley)			89.69	238.57	30.43		-4,530	
Pulses (gram, urad, moong and tur)			231.71	345.66	14.97		-1,706	
Groundnut			269.08	514.58	7.37		-1,809	
Rapeseed and mustard toria			257.12	513.37	6.59		-1,689	
Cotton			343.83	1,292.64	2.22		-2,106	
Soya bean			191.35	229.77	4.99		-192	
Tobacco			605.43	912.82	0.59 (94-95)		-181	
Jute			146.50	417.55	1.43		-388	
Sugar cane			12.70	11.64	174		184	

<sup>1</sup>ERPs are at the average exchange rate prevalent in the base period.

<sup>2</sup>Support for each of the listed products is below the relevant "product-specific" *de minimis* level (Article 6.4(b) refers).

<sup>3</sup>Applied administered price is procurement price for common paddy. (For converting to the equivalent price of rice a coefficient of 1.5 has been used.)

Exchange rate US\$ to Re: 1995-96 = 33.447  
1986-89 Average = 13.409

**DOMESTIC SUPPORT: India****REPORTING PERIOD: Marketing Year 1995-96***Product-Specific Aggregate Measurements of Support: Non-Exempt Direct Payments*

Description of basic product	Calendar / marketing year beginning ...	Measure type(s)	Applied administered price	External reference price (generally from AGST/...)	Eligible production	Total price- related direct payments	Other non- exempt direct payments	Associated fees/levies	Total direct payments	Data sources
1	2	3	4	5	6	7 ((4-5)*6)	8	9	10 (7+8-9)	11
India does not give any direct payments to the farmers.										

**DOMESTIC SUPPORT: India****REPORTING PERIOD: Marketing year 1995-96***Non-Product-Specific AMS*

Measure type(s)	Marketing year beginning ...	Non-product-specific budgetary outlays	Other non-product-specific support (include calculation details)	Associated fees/levies	Total non-product-specific support	Data sources
1	2	3	4	5	6 (3+4-5)	7
Fertilizer subsidy	1995-96	1,864.14	-	-	1,864.14	Budget 1996-97
Credit subsidy	1994-95	101.95	-	-	101.95	
Subsidy on electricity	1995-96	2,436.64	-	-	2,436.64	Annual report on Working of State Electricity Department Planning Commission Government of India - 1995
Irrigation subsidy	1995-96	1,345.41 <sup>1</sup>	-	-	1,345.41	Central Statistical Office
Subsidy on average supply of seeds	1995-96	23.92	-	-	23.92	Budget 1995-96
				TOTAL	5,772.06 <sup>2</sup>	

Note: Data in US\$ million.

<sup>1</sup>Provisionally estimated.

<sup>2</sup>Total non-product-specific support in 1995-96 represents 7.52 per cent of the corresponding total value of Indian agricultural production (US\$ million 76,736) and is accordingly below the relevant "non-product-specific" *de minimis* level (Article 6.4(b) refers).

Source: Advance Estimates by Central Statistical Office.