

# WORLD TRADE ORGANIZATION

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Committee on Agriculture

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## NOTIFICATION

The following submission, dated 12 July 2010, is being circulated at the request of the delegation of **Panama**. The notification concerns domestic support commitments (**Table DS:1** and the relevant Supporting Tables) for the years **2008** and **2009**.

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**DOMESTIC SUPPORT: Panama**  
**REPORTING PERIOD: 2008**  
*Current Total Aggregate Measurement of Support*

Total AMS commitment level for period in question	Currency	Current total AMS
(from Section I of Part IV of the Schedule)	(from Section I of Part IV of the Schedule)	(from attached Supporting Tables)
1	2	3
-	-	"de minimis"

**DOMESTIC SUPPORT: Panama****REPORTING PERIOD: 2008***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 (balboas)	Data source
1	2	3	4
<b>(a) General services</b>	<u>Ministry of Agricultural Development</u> <sup>(1)</sup> Establishes general policy for the agriculture sector; provides technical assistance for the country's producers; is responsible for pest control and sanitary surveillance at the domestic level and for agricultural imports/exports; and establishes the basis for running the sector in general.	51,683,314	MIDA-DPS
Pest and disease control	<u>Screwworm eradication and control</u> Eradication of the screwworm fly; establishment and maintenance of a control barrier and the release of sterile screwworm flies in Panama through the plant in operation.	10,565,000	MIDA-DPS
	<u>Preventive health campaigns (toxicology and diseases)</u> General plant and animal health campaigns, including payments for sanitary slaughter with a view to the complete eradication of bovine tuberculosis from the Bocas del Toro area.	1,995,011	MIDA-DPS

Measure type	Name and description of measure with reference to criteria in Annex 2	Monetary value of measure in year in question (balboas)	Data source
1	2	3	4
Information services and training services	<p><u>Subsistence farming and sustainable agriculture programmes, including crop promotion, use of accessible technology and environmental protection</u></p> <p>Aid and training programmes for subsistence farmers in remote areas, including programmes for the promotion of equal opportunities (gender programmes), improvement of nutritional status and sustainability of productive resources. Includes formalizing community organizations, developing management skills of participating social actors, and establishing local production support infrastructures with the active participation of producers' families and organizations, in the context of sustainable natural resource management.</p>	1,649,374	MIDA-DPS
Extension and advisory services - transfer	<p><u>Farming promotion and technological development programme</u></p> <p>Development of controlled-environment farming, improvement of established plantations, dissemination of livestock technology with drought preparation programmes, and provision of training and transfer of technology through visits, demonstrations of production activities and business self-management coaching for groups of producers.</p> <p><u>Agricultural Research Programme (IDIAP)</u></p> <p>Conducts key agricultural research projects; helps farmers obtain improved plant and animal varieties and find more effective ways of cultivating land or feeding cattle; monitors the effects of pesticides and other farming methods with a view to ensuring the protection of human health.</p>	<p>522,681</p> <p>2,098,424</p>	<p>MIDA-DPS</p> <p>MIDA-IDIAP</p>

Measure type	Name and description of measure with reference to criteria in Annex 2	Monetary value of measure in year in question (balboas)	Data source
1	2	3	4
	<u>Programme to modernize and strengthen regions and outreach agencies</u> Provision of supplementary audiovisual and other equipment as a support for producer training geared towards strengthening their technical skills, knowledge and use of technology, with a view to modernizing their agricultural activities. Includes crop-zoning programmes for better use of natural resources.	833,082	MIDA-DPS
Inspection, health, safety, standardization, etc.	<u>Inspection, health, standardization and integrated pest management programmes</u> Measures geared towards maintaining and improving the phytosanitary conditions of specific areas with coordinated diagnosis, trapping, surveying, sampling, discussion and assessment activities. Provision of toxic waste laboratory services and assistance with traceability systems for agriculture and livestock production.	824,060	MIDA-DPS
Marketing, promotion and market information services	<u>Trade information service programme: Agricultural Marketing Institute</u> Conducts surveys to collect national production data by product and by sector, and provides information on international prices and general marketing conditions to other agricultural marketing boards and the general public.	1,530,774	MIDA-IMA
	<u>Promotion programmes: Agricultural Marketing Institute</u> Modernization of the Open Fairs Programme to improve producers' direct marketing of agricultural production, providing access to points of sale, collection centres (stall awnings, shelving, freezers, scale weights, vehicles, lorries, lifting devices, etc.) and agro-industrial services (storage, drying, milling, packing, etc.).	871,151	MIDA-IMA
Infrastructure services (irrigation, dams/reservoirs, environmental programmes, roads, etc.)	<u>Production road programmes</u> Rehabilitation of rural roads in national agricultural areas, with the construction of ditches and roads and spraying of selected materials.	2,398,534	MIDA-DPS

Measure type	Name and description of measure with reference to criteria in Annex 2	Monetary value of measure in year in question (balboas)	Data source
1	2	3	4
	<u>Irrigation programmes</u> Modernization of irrigation infrastructure, including the construction, rehabilitation, maintenance and repair of hydraulic structures and conduits, and acquisition of pumping equipment for irrigation systems for public use. Includes funding of the Barú, Tonosí and Remigio Rojas irrigation works.	14,178,921	MIDA-DPS
	<u>Rehabilitation of other infrastructure</u> Rehabilitation and equipping of public infrastructure with a view to providing producer support, e.g. processing plants for training in agro-industrial techniques, silos, cold-storage plants and reproduction of genetic material for distribution to producers. Equipping and adaptation of seed laboratories and quality controls.	794,758	MIDA-DPS
<b>(f) Payments for relief from natural disasters</b>	<u>Special Contingency Credit Fund (FECC) - Law No. 24</u> Financial assistance programme providing credit at preferential interest rates to agricultural producers affected by adverse weather conditions and other contingencies.	1,139,850	MIDA-FECC
<b>(i) Structural adjustment assistance provided through investment aids</b>	<u>Cattle improvement programme</u> Large-scale bovine breeding stock replacement scheme to accelerate improvement of herd productive capacity and boost competitiveness in domestic and international markets.	96,160	MIDA-DPS
	<u>Agricultural processing programme - Law No. 25</u> Direct support for investment in technology and soft loans for agricultural processing with a view to overcoming structural weaknesses in the relevant production chain.	3,894,657	MIDA-OTA

Measure type	Name and description of measure with reference to criteria in Annex 2	Monetary value of measure in year in question (balboas)	Data source
1	2	3	4
	<u>Agricultural competitiveness programme</u> Direct support at a percentage of the investment made by the producer with bank or cooperative financing, with a view to increasing the productivity and competitiveness of agricultural activities in order to consolidate existing production. Investment assistance and support geared towards the use of private specialized technical services that generate technological changes, improvements to the marketing of produce and business management for agricultural producers, including risk management through insurance for productive hectares and other vulnerabilities.	6,373,442	MIDA-OPC

Prepared by the Trade Policy Office (OPC) on the basis of information supplied by the following bodies: the Sectoral Planning Directorate (DPS) of the Ministry of Agricultural Development (MIDA), the Agricultural Processing Office (OTA, Law No. 25), the Office for the Special Contingency Credit Fund (FECC, Law No. 24), the Trade Policy Office (OPC) of the Ministry of Agricultural Development (MIDA), the Agricultural Research Institute (IDIAP), the Agricultural Insurance Institute (ISA) and the Agricultural Marketing Institute (IMA).

<sup>(1)</sup> General services: Refers to the actual annual operating budget in balboas registered by Panama's Financial Administration System in the fiscal year 2008.

Note: Figures for other components refer to the investment budget in balboas, as implemented in the fiscal year 2008 by programme and subproject.

Exchange rate: US\$1 = 1 Panamanian balboa (B).

**DOMESTIC SUPPORT: Panama****REPORTING PERIOD: 2008***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 (balboas)	Data source
1	2	3	4
Investment subsidies generally available to agriculture	Agricultural credit and loan programme: Generally available loans to small-scale producers with an annual income not exceeding US\$100,000. The programme funds the banking system's loan portfolio in order to extend softer loans to the agricultural sector.	14,928,518.52	Banking Supervisory Authority: Special Interest Compensation Fund (FECI)

Prepared by the National Directorate for the Administration of International Trade Treaties and Trade Protection (DINATRADEC) of the Ministry of Trade and Industry (MICI) on the basis of information supplied by the Banking Supervisory Authority.

Note: Exchange rate: US\$1 = 1 Panamanian balboa (B).



**DOMESTIC SUPPORT: Panama**

**REPORTING PERIOD: 2008**

*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) (balboas)	Product-specific measurements of support (from Supporting Table DS:8 below)	Current total AMS (aggregate) (balboas)
1	2	3	4
Industrial tomatoes	358,545.71	-	"de minimis" <sup>(1)</sup>

Prepared by the Trade Policy Office (OPC) of the Ministry of Agricultural Development (MIDA).

<sup>(1)</sup> The total gross value of industrial tomato production in 2008 amounted to B 9,655,595 at market prices.

Note: Exchange rate: US\$1 = 1 Panamanian balboa (B).

**DOMESTIC SUPPORT: Panama****REPORTING PERIOD: 2008***Product-Specific Aggregate Measurements of Support: Non-Exempt Direct Payments*

Description of basic product	Calendar year 2008	Measure type(s)	Applied administered price	External reference price	Eligible production (kilos)	Total price-related direct payments (balboas)	Other non-exempt direct payments (balboas)	Associated fees/levies	Total direct payments (balboas)	Data source
1	2	3	4	5	6	7 ((4-5)*6)	8	9	10 (7+8-9)	11
Industrial tomatoes <sup>(1)</sup>		Direct payment for price differential			12,237,055	358,545.71			358,545.71	MIDA-OPC

Prepared by the Trade Policy Office (OPC) of the Ministry of Agricultural Development (MIDA).

<sup>(1)</sup> A budgetary outlay of B 358,545.71 is the result of price support per kilo corresponding to the difference between the reference (B 0.1157 per kilo) agreed upon by producers as a price for their crops, and the price paid by processing industries for production purchased (B 0.0864 per kilo), i.e. budgetary outlays for support are given on the basis of B 0.0293 per kilo of tomatoes delivered to the industries.

Note: Exchange rate: US\$1 = 1 Panamanian balboa (B).

**DOMESTIC SUPPORT: Panama**

**REPORTING PERIOD: 2009**

*Current Total Aggregate Measurement of Support*

Total AMS commitment level for period in question	Currency	Current total AMS
(from Section I of Part IV of the Schedule)	(from Section I of Part IV of the Schedule)	(from attached Supporting Tables)
1	2	3
-	-	"de minimis"

**DOMESTIC SUPPORT: Panama****REPORTING PERIOD: 2009***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 (balboas)	Data source
1	2	3	4
<b>(a) General services</b>	<u>Ministry of Agricultural Development</u> <sup>(1)</sup> Establishes general policy for the agriculture sector; provides technical assistance for the country's producers; is responsible for pest control and sanitary surveillance at the domestic level and for agricultural exports; establishes the basis for running the sector in general.	47,722,282	MIDA-DPS
Research	<u>Agricultural Research Programme (IDIAP)</u> The IDIAP develops, implements and promotes mechanisms and instruments that guarantee and facilitate timely access to new technologies, goods and scientific and other services, derived from research and adaptation work, with a view to developing the country's agricultural production.	2,819,600	MIDA-IDIAP
Pest and disease control	<u>Screwworm eradication and control</u> Eradication of the screwworm fly; establishment and maintenance of a control barrier and release of sterile screwworm flies in Panama through the plant in operation.	7,891,783	MIDA-DPS
	<u>Preventive health campaigns (toxicology and diseases)</u> General plant and animal health campaigns, including payments for sanitary slaughter with a view to the complete eradication of bovine tuberculosis from the Bocas del Toro area.	565,207	MIDA-DPS

Measure type	Name and description of measure with reference to criteria in Annex 2	Monetary value of measure in year in question (balboas)	Data source
1	2	3	4
Information services and training services	<p><u>Subsistence farming and sustainable agriculture programmes, including crop promotion, use of accessible technology and environmental protection</u></p> <p>Aid and training programmes for subsistence farmers in remote areas, including programmes for the promotion of equal opportunities (gender programmes), improvement of nutritional status and sustainability of productive resources. Includes formalizing community organizations, developing management skills of participating social actors, and establishing local production support infrastructures with the active participation of producers' families and organizations, in the context of sustainable natural resource management.</p>	3,929,798	MIDA-DPS
Extension and advisory services - transfer	<p><u>Farming promotion and technological development programme</u></p> <p>Development of controlled-environment farming, improvement of established plantations, dissemination of livestock technology with drought preparation programmes, and provision of training and transfer of technology through visits, demonstrations of production activities and business self-management coaching for groups of producers.</p> <p><u>Programme to modernize and strengthen regions and outreach agencies</u></p> <p>Provision of supplementary audiovisual and other equipment as a support for producer training geared towards strengthening their technical skills, knowledge and use of technology, with a view to modernizing their agricultural activities. Includes crop-zoning programmes for better use of natural resources.</p>	<p>1,105,611</p> <p>1,178,809</p>	<p>MIDA-DPS</p> <p>MIDA-DPS</p>

Measure type	Name and description of measure with reference to criteria in Annex 2	Monetary value of measure in year in question (balboas)	Data source
1	2	3	4
Inspection, health, safety, standardization, etc.	<u>Inspection, health, standardization and integrated pest management programmes</u> Measures geared towards maintaining and improving the phytosanitary conditions of specific areas with coordinated diagnosis, trapping, surveying, sampling, monitoring, epidemiological surveillance, discussion and assessment activities. Provision of toxic waste laboratory services and assistance with traceability and certification systems for agriculture and livestock production.	539,560	MIDA-DPS
Marketing, promotion and market information services	<u>Trade information service programme: Agricultural Marketing Institute</u> Conducts surveys to collect national production data by product and by sector, and provides information on international prices and general marketing conditions to other agricultural marketing boards and the general public.	1,158,773	MIDA-IMA
	<u>Promotion programmes: Agricultural Marketing Institute</u> Modernization of the Open Fairs Programme to improve producers' direct marketing of agricultural production, providing access to points of sale, collection centres (stall awnings, shelves, freezers, scale weights, vehicles, lorries, lifting devices, etc.) and agro-industrial services (storage, drying, milling, packing, etc.).	1,045,050	MIDA-IMA
Infrastructure services (irrigation, dams/reservoirs, environmental programmes, roads, etc.)	<u>Production road programme</u> Rehabilitation of rural roads in national agricultural areas, with the construction of ditches and roads and spraying of selected materials.	783,788	MIDA-DPS
	<u>Irrigation programmes</u> Modernization of irrigation infrastructure, including the construction, rehabilitation, maintenance and repair of hydraulic structures and conduits, and acquisition of pumping equipment for irrigation systems for public use. Includes funding of the Barú, Tonosí and Remigio Rojas irrigation works.	3,507,515	MIDA-DPS

Measure type	Name and description of measure with reference to criteria in Annex 2	Monetary value of measure in year in question (balboas)	Data source
1	2	3	4
	<u>Rehabilitation of other infrastructure</u> Rehabilitation and equipping of public infrastructure with a view to providing producer support, e.g. processing plants for training in agro-industrial techniques, cleaning and adaptation of silos and cold storage facilities to help producers with produce storage. Equipping and adaptation of seed laboratories and quality controls and laboratories for the reproduction of genetic material for distribution to producers.	992,911	MIDA-DPS MIDA-IMA
<b>(f) Payments for relief from natural disasters</b>	<u>Special Contingency Credit Fund (FECC) - Law No. 24</u> Financial assistance programme providing credit at preferential interest rates to agricultural producers affected by adverse weather conditions and other contingencies.	1,567,079	MIDA-FECC
<b>(i) Structural adjustment assistance provided through investment aids</b>	<u>Cattle improvement programme</u> Large-scale bovine breeding stock replacement scheme and establishment of a bovine reproduction laboratory to accelerate improvement of herd productive capacity and improve the quality of bovine meat and meat products on domestic and international markets.	1,459,737	MIDA-DPS
	<u>Agricultural processing programme - Law No. 25</u> Direct non-refundable support covering part of the technological investment in agricultural processing with a view to overcoming structural weaknesses in the relevant production chain.	1,300,943	MIDA-OTA

Measure type	Name and description of measure with reference to criteria in Annex 2	Monetary value of measure in year in question (balboas)	Data source
1	2	3	4
	<u>Agricultural competitiveness programme</u> Direct support at a percentage of the investment made by the producer with bank or cooperative financing, with a view to increasing the productivity of agricultural activities in order to consolidate existing production. Investment assistance and support geared towards the use of private specialized technical services that generate technological changes, improvements to the marketing of produce and business management for agricultural producers, including risk management through insurance for productive hectares and other vulnerabilities.	4,864,516	MIDA-OPC

Prepared by the Trade Policy Office (OPC) on the basis of information supplied by the following bodies: the Sectoral Planning Directorate (DPS) of the Ministry of Agricultural Development (MIDA), the Agricultural Processing Office (OTA, Law No. 25), the Office for the Special Contingency Credit Fund (FECC, Law No. 24), the Trade Policy Office (OPC) of the Ministry of Agricultural Development (MIDA), the Agricultural Research Institute (IDIAP) and the Agricultural Marketing Institute (IMA).

<sup>(1)</sup> General services: Refers to the actual annual operating budget in balboas of the Ministry of Agricultural Development (MIDA), as registered by Panama's Financial Administration System in the fiscal year 2009.

Note: Figures for other components refer to the investment budget in balboas, as implemented in the fiscal year 2009 by programme and subproject.

Exchange rate: 1 US dollar = 1 Panamanian balboa (B).



**DOMESTIC SUPPORT: Panama****REPORTING PERIOD: 2009***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 (balboas)	Data source
1	2	3	4
Investment subsidies generally available to agriculture	Agricultural credit and loan programme: Generally available loans to small-scale producers with an annual income not exceeding US\$100,000. The programme funds the banking system's loan portfolio in order to extend softer loans to the agricultural sector.	17,461,198.25	Banking Supervisory Authority: Special Interest Compensation Fund (FECI)

Prepared by the National Directorate for the Administration of International Trade Treaties and Trade Protection (DINATRADEC) of the Ministry of Trade and Industry (MICI) on the basis of information supplied by the Banking Supervisory Authority.

Note: Exchange rate: US\$1 = 1 Panamanian balboa (B).

**DOMESTIC SUPPORT: Panama**

**REPORTING PERIOD: 2009**

*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) (balboas)	Product-specific measurements of support (from Supporting Table DS:8 below)	Current total AMS (aggregate) (balboas)
1	2	3	4
Industrial tomatoes	733,998	-	"de minimis" <sup>(1)</sup>

Prepared by the Trade Policy Office (OPC) of the Ministry of Agricultural Development (MIDA).

<sup>(1)</sup> The total gross value of industrial tomato production in 2009 amounted to B 14,036,458 at market prices.

Note: Exchange rate: US\$1 = 1 Panamanian balboa (B).

**DOMESTIC SUPPORT: Panama****REPORTING PERIOD: 2009***Product-Specific Aggregate Measurements of Support: Non-Exempt Direct Payments*

Description of basic product	Calendar year 2009	Measure type(s)	Applied administered price	External reference price	Eligible production (kilos)	Total price-related direct payments (balboas)	Other non-exempt direct payments (balboas)	Associated fees/levies	Total direct payments (balboas)	Data source
1	2	3	4	5	6	7 ((4-5)*6)	8	9	10 (7+8-9)	11
Industrial tomatoes <sup>(1)</sup>		Direct payment for price differential			16,131,826	733,998			733,998	MIDA-OPC

Prepared by the Trade Policy Office (OPC) of the Ministry of Agricultural Development (MIDA).

<sup>(1)</sup> A budgetary outlay of B 733,998 is the result of price support per kilo corresponding to the difference between the reference (B 0.1819 per kilo) agreed upon by producers as a price for their crops, and the price paid by processing industries for production purchased (B 0.1364 per kilo), i.e. budgetary outlays for support are given on the basis of B 0.0455 per kilo of tomatoes delivered to the industries.

Note: Exchange rate: US\$1 = 1 Panamanian balboa (B).