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Page: 1/11

Committee on Agriculture

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NOTIFICATION

The following submission, dated 22 November 2021, is being circulated at the request of the delegation of the **Kingdom of Saudi Arabia**. The notification concerns domestic support commitments (**Table DS:1** and the relevant supporting tables) for the **Calendar Year 2018**.

Table DS:1

DOMESTIC SUPPORT: KINGDOM OF SAUDI ARABIA

REPORTING PERIOD: CALENDAR YEAR 2018

Current Total Aggregate Measurement of Support

Total AMS commitment level	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
3,317.02	SAR/million	1,668.32

Supporting Table DS:1

DOMESTIC SUPPORT: KINGDOM OF SAUDI ARABIA

REPORTING PERIOD: CALENDAR YEAR 2018

Measures exempt from the reduction commitment - "Green Box"

Measure Type	Name and description of measure with reference to criteria in Annex 2	Monetary value SAR, million	Data Sources	Note
1	2	3	4	
2.General Services				
2 (a). Research	Agricultural Research Stations, Plant tissue cultures lab, Operation and maintenance, Regional lab, Agricultural Research Centres and Distance sensors centres.	143.6		
	Subtotal:	143.6		
2 (b). Pest and disease control	Securance of veterinary, Vaccine production, Veterinary labs, Air spray pest and disease control, and Veterinary services.	320.6		
	Subtotal:	320.6		
2 (c). Training services	Saudi Chinese Cooperation, FAO Agreement and Veterinary training centres.	72.4	See methodological note number2.	
	Subtotal:	72.4		
2 (d). Extension and advisory services	Agricultural Extension Expenses, Programmes of nurseries and Extension and development of Honeybees.	14.3		
	Subtotal:	14.3		
2 (e). Inspection services	Operation of stations of sorting and purification of seeds and Establishment and equipping of veterinary quarantine.	64.6		
	Subtotal:	64.6		
2 (g). Infrastructural services	Construction of dams, maintenance of dams, Irrigation and drainage systems, Prevention of moving sand and Planting and development of forests.	603.2		
	Subtotal:	603.2		
	Subtotal General Services	1,218.7		
3. Public stockholding for food security purposes	GSFMO, among other things, fulfils a public stockholding role for food security purposes by managing and controlling the storage and distribution of grains.	13.5	This meets the criteria of footnote to paragraph 3 of Annex 2 of the Agreement on Agriculture.	
	Subtotal:	13.5		
Grand Total Green Box		1,232.2		

General Note:

MEWA = Ministry of Environment, Water and Agriculture.

SAGO = Saudi Grains Organization.

Supporting Table DS:4

DOMESTIC SUPPORT: KINGDOM OF SAUDI ARABIA

REPORTING PERIOD: CALENDAR YEAR 2018

Calculation of the Current Total Aggregate Measurement of Support

Description of basic products (including non-product specific AMS)	Product specific AMS (from ST DS:5 to DS:7)	Product-specific EMS (from ST DS:8)	Total (2 + 3)	Value of production	Support as a % of value of production	Current Total AMS	Note
	SAR, million	SAR, million	SAR, million	SAR, million		SAR, million	
1	2	3				4	
Wheat	0		0			0 (<i>de minimis</i>)	
Barley	0		0			0 (<i>de minimis</i>)	
Dates	81.13		81.13	15,390	0.53%	0 (<i>de minimis</i>)	
Livestock	874.2		874.2	8,760	9.98%	0 (<i>de minimis</i>)	
Poultry	1,668.32		1,668.32	9,700	17.2%	1,668.32	
Dairy	0		0	8,375	0%	0 (<i>de minimis</i>)	
Non-product-specific AMS(from ST/DS:9)			353.08	65,609	0.54%	0 (<i>de minimis</i>)	
TOTAL						1,668.32	

Supporting Table DS:5

DOMESTIC SUPPORT: KINGDOM OF SAUDI ARABIA

REPORTING PERIOD: CALENDAR YEAR 2018

Product-Specific Aggregate Measurements of Support: Market Price Support

Description of basic products	Reporting Year			Measure Types	Applied administered price	External reference price (generally from AGST)	Eligible production	Associated fees / levies	Total market price support ((4-5)*6)-7	Data Sources	Note
	Type	From	To		SAR	SAR		SAR, million	SAR, million		
1	2			3	4	5	6	7	8	9	
Wheat	CY	01-01-18	31-12-18	market price support	0/Tonne	658.29/Tonne	0 billion Tonnes		0	SAGO	
Total Wheat									0		
Barley	CY	01-01-18	31-12-18	market price support	0/Tonne	685.22/Tonne	0 billion Tonnes		0	SAGO	
Total Barley									0		

General Notes:

External reference price: World prices CIF Jeddah.
SAGO = Saudi Grains Organization. The SAGO replaced the Grain Silos and Flour Mills Organization (GSFMO).

Supporting Table DS:6

DOMESTIC SUPPORT: KINGDOM OF SAUDI ARABIA

REPORTING PERIOD: CALENDAR YEAR 2018

Product-Specific Aggregate Measurements of Support: Non-Exempt Direct Payments

Description of basic products	Reporting Year			Measure Types	Applied administered price	External reference price (generally from AGST)	Eligible production	Total price related direct payments ((4-5)*6)	Other non exempt direct payments	Associated fees / levies	Total direct payment (7+8-9)	Data Sources	Note
	Type	From	To										
1	2			3	4	5	6	7	8	9	10	11	
Dates	CY	01-01-18	31-12-18	fixed ammount of subsidy					81.13		81.13		
Total Dates											81.13		

General Note:

MEWA = Ministry of Environment, Water and Agriculture. The MEWA replaced the Ministry of Agriculture (MOA).

Supporting Table DS:7
DOMESTIC SUPPORT: KINGDOM OF SAUDI ARABIA

REPORTING PERIOD: CALENDAR YEAR 2018

Product-Specific Aggregate Measurements of Support: Other Product-Specific Support and Total Product-Specific AMS

Description of basic products	Reporting Year			Measure Types	Other product-specific budgetary outlays	Other product specific support (with calculation details)	Associated fees / levies	Total other product-specific support (4+5-6)	Market price support (from ST DS:5)	Non-exempt direct payments (from ST DS:6)	Total AMS (7+8+9)	Data Sources	Note
	Type	From	To										
					SAR, million	SAR, million		SAR, million	SAR, million	SAR, million	SAR, million		
1	2			3	4	5	6	7	8	9	10	11	
Total Wheat									0		0		
Total Barley									0		0		
Dates	CY	01-01-18	31-12-18	Target subsidy for palm trees		0		0				MEWA	(1)
Total Dates								0		81.13	81.13		
Livestock	CY	01-01-18	31-12-18	Input subsidy		874.2		874.2				Annex 2	(2)
Total Livestock								874.2			874.2		
Poultry	CY	01-01-18	31-12-18	Fixed amount of input subsidy for feed (imported corn and soybean)		1,668.32		1,668.32				MOF	
Poultry	CY	01-01-18	31-12-18	Fixed amount of input subsidy for equipment		0		0				ADF	
Total Poultry								1,668.32			1,668.32		

Description of basic products	Reporting Year			Measure Types	Other product-specific budgetary outlays	Other product-specific support (with calculation details)	Associated fees / levies	Total other product-specific support (4+5-6)	Market price support (from ST DS:5)	Non-exempt direct payments (from ST DS:6)	Total AMS (7+8+9)	Data Sources	Note
	Type	From	To										
1	2			3	4	5	6	7	8	9	10	11	
Dairy	CY	01-01-18	31-12-18	Fixed amount of input subsidy for production equipment and transportation costs		0		0					
Total Dairy								0			0		

General Note:

MEWA = Ministry of Environment, Water and Agriculture.

MOF = Ministry of Finance.

ADF = Agricultural Development Fund.

Notes:

(1) To encourage producers to use drip irrigation for water conservation.

(2) For calculation, see methodological note (Annex 2).

Supporting Table DS:9

DOMESTIC SUPPORT: KINGDOM OF SAUDI ARABIA

REPORTING PERIOD: CALENDAR YEAR 2018

Non-Product-Specific AMS

Measure Types	Reporting Year			Non-product-specific budgetary outlays SAR, million	Other non-product specific support (include calculation details) SAR, million	Associated fees / levies SAR, million	Total non-product-specific support (3+4-5) SAR, million	Data Sources	Note
	Type	From	To						
1	2			3	4	5	6	7	
General agricultural subsidies	CY	01-01-18	31-12-18		70.54		70.54	ADF	(1)
Opportunity cost for interest-free agricultural loans	CY	01-01-18	31-12-18		15.04		15.04	ADF	(2)
Bad debts for agricultural loans	CY	01-01-18	31-12-18		267.5		267.5	ADF	(3)
TOTAL							353.08		

General Note:

ADF = Agricultural Development Fund. The ADF replaced the Saudi Arabian Agricultural Bank (SAAB).

Notes:

- (1) Agricultural subsidies are paid by ADF. See methodological note number 7.
- (2) For calculations, see methodological note number 8.
- (3) For calculations, see methodological note number 9.

ANNEX**METHODOLOGICAL NOTE****The Basis of Calculation of Agricultural Domestic Support**

This is an explanatory note to be read in conjunction with the current Saudi domestic support notification.

1. The figures are expressed in Saudi Riyals, where the exchange rate has been fixed at USD 1 = SAR 3.75 since 1986.
2. Saudi Chinese Cooperation: In the context of this programme, specialists from China are contracted with in order to work in the Ministry of Agriculture. Similarly, Saudis are sent to this country to gain experience. In addition, laboratory equipment is provided to support these programmes.
3. In determining eligible production for wheat, it excludes 5% impurities and 5% Zakat from total production. The ratio of 5% impurities represents a general average based on samples analysis drawn randomly from wheat and barley received by GSFMO. The ratio of 5% Zakat is determined according to Islamic Rules (this percentage of Zakat is limited only on farming and differs from the normal Zakat on all kinds of money which is 2.5%).
4. The applied administered price of wheat has been reduced to SAR 1,000/tonne (or USD 266.67) since 2004.
5. External reference prices of wheat are expressed as CIF Jeddah. These reference prices are determined as a sum of (Export price of US Hard Winter Ordinary Protein, FOB US Gulf Ports) + Ocean Freight to Egypt (Alexandria) + USD 3/tonne as estimated freight from Alexandria to Jeddah (2001-2003 Base Year). (Source: Food Outlook of the Food and Agriculture Organization of the UN, No. 5, December 2002 and No.1 April 2005).
6. The external reference price for barley is calculated as the annual average of effective import prices for barley imported by GSFMO during the period 2001-2003 (Base Year).
7. Agricultural subsidies which are included in Supporting Table DS:9 are provided to all agricultural projects: wheat, poultry, dairy, sheep, greenhouse, vegetables and fruits, etc. These subsidies can be disclosed as follows: 25% of the price fixed by the Ministry of Agriculture for farm machinery; and the cost of poultry and dairy farms equipments.
8. The opportunity cost for agricultural loans represents the amount of total loans granted by the Agricultural Development Fund (ADF) multiplied by the average commercial interest rates because ADF does not charge interest on the granted loans (Annex 1).
9. Bad Debts for Agricultural Loans represent due balances carried forward for several financial years divided by ten. These amounts are based on a ten-year average because medium-term loans are extended for a period of ten years.
10. Calculation of livestock feed subsidy (Annex 2): the amount of subsidy per tonne on imported barley is the difference between the reference price and the price paid by the domestic livestock producers. The calculation of this subsidy is as following:

For imported barley: IFBS = (E - P) * I, where:

- IFBS: Imported feed barley subsidy;
- P: Price paid by livestock producers for barley;
- E: External reference price (= world price C.I.F Jeddah); and
- I: Quantity of Imported barley.

Reporting period: Calendar year 2018

Year	Amount of Total loans Million Saudi Riyals	Average Interest Rate %	Opportunity cost Million Saudi Riyals
2018	613.50	2.451	15.04

Source: Agricultural Development Fund (ADF) and Saudi Arabian Monetary Agency (SAMA).

CALCULATION OF LIVESTOCK FEED SUBSIDY

Reporting period: Calendar year 2018

[illegible]