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Page: 1/12

Committee on Agriculture

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NOTIFICATION

The following submission, dated 3 January 2019, is being circulated at the request of the delegation of **The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu**. The notification concerns domestic support commitments (**Table DS:1** and the relevant supporting tables) for the calendar year **2015**.

Table DS:1

DOMESTIC SUPPORT: THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU

REPORTING PERIOD: CALENDAR YEAR 2015

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
14,165.15	TWD/million	7,696.91

Supporting Table DS:1

DOMESTIC SUPPORT: THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU

REPORTING PERIOD: CALENDAR YEAR 2015

Measures exempt from the reduction commitment - "Green Box"

Measure Type	Name and description of measure with reference to criteria in Annex 2	Monetary value TWD, million	Data Sources	Note
1	2	3	4	
2.General Services				
2 (a). Research	General research, research in relation to environmental programmes and product-specific research programmes. (Annex 2, paragraph 2(a))	3,094.18	Documents of budget	
	Subtotal:	3,094.18		
2 (b). Pest and disease control	Pest and disease prevention: General and product-specific pest and disease control measures and schemes. (Annex 2, paragraph 2(b))	385.27	Documents of budget	
	Subtotal:	385.27		
2 (c). Training services	Education and training. (Annex 2, paragraph 2(c))	708.74	Documents of budget	
	Subtotal:	708.74		
2 (d). Extension and advisory services	Programmes for practical application of new technologies, technology improvement of agricultural production, compilation and provision of statistical data and information, strengthening of management of agricultural organizations. (Annex 2, paragraph 2(d))	2,495.07	Documents of budget	
	Subtotal:	2,495.07		
2 (e). Inspection services	The inspection and control of veterinary medicine, feed, food, pesticide residue, water quality, and grading and the implementation of Chinese Taipei's Agricultural Standard system. (Annex 2, paragraph 2(e))	321.47	Documents of budget	
	Subtotal:	321.47		
2 (f). Marketing and promotion services	Programmes for the improvement of the marketing, processing and consumption of food; Establishment of wholesale market. (Annex 2, paragraph 2(f))	1,068.69	Documents of budget	
	Subtotal:	1,068.69		
2 (g). Infrastructural services	Planning and construction of irrigation/drainage facilities and rural roads, land consolidation for agricultural sector and establishment of rural community. (Annex 2, paragraph 2(g))	14,467.21	Documents of budget	
	Subtotal:	14,467.21		

Measure Type	Name and description of measure with reference to criteria in Annex 2	Monetary value TWD, million	Data Sources	Note
1	2	3	4	
8. Payments for relief from natural disasters	Aid for natural disaster: government payments for relief of damaged incomes by natural disasters. (Annex 2, paragraph 8)	4,504.26	Agricultural Statistics Yearbook	
	Interest subsidy: Special loans granted to farmers for the relief of damaged farms due to natural disasters (Annex 2, paragraph 8) a. Loan types, borrowers, purposes, credit lines, loan interest, loan maturity, repayments, and lending institutions. b. Fund is sourced from the Agricultural Development Fund.	49.38	Bureau of Agricultural Finance, COA	
	Subtotal:	4,553.64		
10. Resource retirement programmes	Land retirement programmes: The conversion of farm land to forestry use and island-wide reforestation. (Annex 2, paragraph 10).	571.03	Documents of budget	
	Subtotal:	571.03		
12. Environmental programmes	Interest subsidy for pollution reduction: provision of low interest loans to hog farmers for the purchase of pollution prevention facilities. (Annex 2, paragraph 12)	2.64	Bureau of Agricultural Finance, COA	
	Programmes for preventing pollution, managing agricultural waste and monitoring on the pollution of the water and soil, for promoting the sustainable use of farm land. (Annex 2, paragraph 12).	50.05	Documents of budget	
	Interest subsidy: Loan granted to farmers for the use of water and soil conservation. (Annex 2, paragraph 12).	5.66	Bureau of Agricultural Finance, COA	
	Land conservation subsidy: payments for the maintenance of farmland in environmentally good condition by growing green manure crops or environment-friendly crops, or setting-aside. (Annex 2, paragraph 12).	5,928.36	Agriculture and Food Agency, COA	(1)
	Subtotal:	5,986.71		
13. Regional assistance programmes	Programmes for disadvantaged farms: Integrated agricultural construction and environmental improvement programmes for disadvantaged farms. (Annex 2, paragraph 13)	14.7	Documents of budget	
	Subtotal:	14.7		
Grand Total Green Box		33,666.69		

- (1) Land conservation subsidy: Responding to the need to ease restrictions on rice imports and cut agricultural supports in the wake of WTO accession, the COA implemented the "Adjusting the Cultivation System and Revitalizing Fallow Land Program". This programme is steadily adjusting the growing of rice, coarse grains, and contract sugarcane for sale to the government at guaranteed prices, while also offering payments for the maintenance of farmland in environmentally good condition by growing green manure crops or environment-friendly crops, or setting aside. In order to comply with the WTO regulations, the amount of payment is lower than the extra costs or loss of income. The COA provided assistance for fallowing on a total area of 90,136 hectares in 2015. This achieved lower domestic agricultural support goals, while taking into consideration farmland ecology and soil fertility needs.

Supporting Table DS:4

DOMESTIC SUPPORT: THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU

REPORTING PERIOD: CALENDAR YEAR 2015

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 ⁽²⁾	Support as a % of value of production	Current Total AMS	Note
	TWD, million	TWD, million	TWD, million	TWD, million		TWD, million	
1	2	3				4	
Feed Corn	641.88		641.88	618.25	103.82%	641.88	
Forage crops	519.52		519.52	1,026.61	50.61%	519.52	
Other crops	76.56		76.56	7,938.90	0.96%	0 (<i>de minimis</i>)	(1), (4)
Rice	5,978.81		5,978.81	37,419.79	15.98%	5,978.81	
Soybean	87.45		87.45	149.86	58.35%	87.45	
Sugar	258.56		258.56	635.58	40.68%	258.56	
Tobacco leaves	210.69		210.69	330.46	63.76%	210.69	
Vegetables	95.01		95.01	4,092.47	2.32%	0 (<i>de minimis</i>)	(1), (3)
Non-product-specific AMS(from ST/DS:9)			3,394.62	408,363.69	0.83%	0 (<i>de minimis</i>)	(1), (5)
TOTAL						7,696.91	

- (1) The calculated AMS is not subject to reduction or inclusion in the current AMS because the calculated AMS is less than 5% of value of production (*de minimis* exclusion).
- (2) Value of production (excluding forage crops, which is estimated as described in note (4)) is reported in "Agricultural Statistics Yearbook" published by the Council of Agriculture.
- (3) "Vegetables" include vegetable soybeans, carrots, lettuce.
- (4) "Other crops" include wheat, buck wheat, sesame, job's tears, chinese mesona, sorghum, oiltea camellia and tea.
- (5) Total value of production is calculated as the sum of the value of production of the crops listed in Supporting Table DS:4 (i.e., rice, feed corn, soybean, sugar, vegetables, tobacco leaves, forage crops and other crops) and the value of production of all other crops (not in AMS calculation) which stands at TWD 356,151.79 million.

Supporting Table DS:5

DOMESTIC SUPPORT: THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU

REPORTING PERIOD: CALENDAR YEAR 2015

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								
1		2		3	4	5	6	7	8	9	
Japonica Rice	CY	01-01-15	31-12-15	Government planned purchase	26/Kilogram	8.92/Kilogram	205,144 thousand Kilograms		3,503.86		(1)
Japonica Rice	CY	01-01-15	31-12-15	Government supplementary purchase	23/Kilogram	8.92/Kilogram	84,906 thousand Kilograms		1,195.48		(1)
Japonica Rice	CY	01-01-15	31-12-15	Government additional purchase	21.60/Kilogram	8.92/Kilogram	67,414 thousand Kilograms		854.81		(1)
Indica Rice	CY	01-01-15	31-12-15	Government planned purchase	25/Kilogram	7.10/Kilogram	978 thousand Kilograms		17.51		(1)
Indica Rice	CY	01-01-15	31-12-15	Government supplementary purchase	22/Kilogram	7.10/Kilogram	439 thousand Kilograms		6.54		(1)
Indica Rice	CY	01-01-15	31-12-15	Government additional purchase	20.6/Kilogram	7.10/Kilogram	234 thousand Kilograms		3.16		(1)
Indica Rice (long)	CY	01-01-15	31-12-15	Government planned purchase	25/Kilogram	7.10/Kilogram	2,378 thousand Kilograms		42.57		(1)
Indica Rice (long)	CY	01-01-15	31-12-15	Government supplementary purchase	22/Kilogram	7.10/Kilogram	815 thousand Kilograms		12.14		(1)
Indica Rice (long)	CY	01-01-15	31-12-15	Government additional purchase	20.60/Kilogram	7.10/Kilogram	648 thousand Kilograms		8.75		(1)
Glutinous Rice	CY	01-01-15	31-12-15	Government planned purchase	25/Kilogram	5.75/Kilogram	22 thousand Kilograms		0.42		(1)

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								
1	2			3	4	5	6	7	8	9	
Glutinous Rice	CY	01-01-15	31-12-15	Government supplementary purchase	22/Kilogram	5.75/Kilogram	4 thousand Kilograms		0.07		(1)
Glutinous Rice	CY	01-01-15	31-12-15	Government additional purchase	20.6/Kilogram	5.75/Kilogram	2 thousand Kilograms		0.03		(1)
Total Rice									5,645.34		
Sugar	CY	01-01-15	31-12-15	Contract guaranteed purchase	24.88/Kilogram	8.23/Kilogram	7,725 thousand Kilograms		128.62		(2)
Total Sugar									128.62		
Tobacco leaves	CY	01-01-15	31-12-15	Contract guaranteed purchase	206/Kilogram	74.66/Kilogram	1,604 thousand Kilograms		210.69		(3)
Total Tobacco leaves									210.69		

- (1) "Applied administered price of rice" is sourced from "Taiwan Food Statistics Book" published by Agriculture and Food Agency (AFA). "External reference price" is based on the CIF price of rice imported by Hong Kong, China in 1990-1992, which serves as the arithmetic average of the price in 1990-1992. Chinese Taipei did not import rice, and thus did not have data on rice imports. Hong Kong, China is the closest territory to Chinese Taipei and shares similar rice consumption pattern with the latter; therefore, data on rice imports in Hong Kong, China are used as external reference for rice.
 "Imported value and volume of rice in Hong Kong, China" is sourced from "Hong Kong Trade Statistics".
 "Exchange rate of NT dollars to HK dollars" is sourced from "Hong Kong Monthly Digest of Statistics".
 "Conversion rates of paddy to milled rice" is sourced from Agriculture and Food Agency (AFA).
 "Eligible production of rice" is sourced from Agriculture and Food Agency AFA.
- (2) "Applied administered price of sugar" and "eligible production of sugar" are sourced from Taiwan Sugar Corporation (TSC). "External reference price of sugar" is based on the CIF imported price of sugar in 1991. Data are sourced from Taiwan Sugar Corporation (TSC).
- (3) "Applied administered price of tobacco leaves" is based on the weighted average of the prices for the purchase of different grades of locally produced tobacco leaves. Data are sourced from "Taiwan Tobacco & Liquor Corporation" (which was transformed from Taiwan Tobacco & Wine Monopoly Bureau (TTWMB)). "External reference price of tobacco leaves" is based on the CIF price of tobacco leaves imported from Thailand in 1990-1992, which shares the same quality of those grown in Chinese Taipei. Data are sourced from TTWMB. "Eligible production of tobacco leaves" is sourced from "Taiwan Tobacco & Wine Statistical Yearbook" published by Taiwan Tobacco & Liquor Corporation (TTLC).

Supporting Table DS:6

DOMESTIC SUPPORT: THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU

REPORTING PERIOD: CALENDAR YEAR 2015

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	
Feed Corn	CY	01-01-15	31-12-15	Diversion Payments					526.97		526.97	AFA	
Total Feed Corn											526.97		
Forage crops	CY	01-01-15	31-12-15	Diversion Payments					519.52		519.52	AFA	
Total Forage crops											519.52		
Other crops	CY	01-01-15	31-12-15	Diversion Payments					76.56		76.56	AFA	
Total Other crops											76.56		
Rice	CY	01-01-15	31-12-15	Diversion Payments					333.47		333.47	AFA	
Total Rice											333.47		
Soybean	CY	01-01-15	31-12-15	Diversion Payments					87.45		87.45	AFA	
Total Soybean											87.45		
Sugar	CY	01-01-15	31-12-15	Diversion Payments					84.36		84.36	AFA	
Total Sugar											84.36		

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		TWD	TWD		TWD, million	TWD, million	TWD, million	TWD, million		
1	2			3	4	5	6	7	8	9	10	11	
Vegetables	CY	01-01-15	31-12-15	Diversion Payments					95.01		95.01	AFA	
Total Vegetables											95.01		

Under the Adjusting the Cultivation System and Revitalizing Fallow Land Program, for farmers converting rice production to supported crops (feed corn, soybean, vegetables, forage crops, sugar and other crops (refer to footnote 5 in Supporting table DS:4)), there is a diversion payment of TWD 24,000-TWD 55,000 per hectare paid.

Supporting Table DS:7

DOMESTIC SUPPORT: THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU

REPORTING PERIOD: CALENDAR YEAR 2015

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 TWD, million	Other product-specific support (with calculation details) TWD, million	Associated fees / levies	Total other product-specific support (4+5-6) TWD, million	Market price support (from ST DS:5) TWD, million	Non-exempt direct payments (from ST DS:6) TWD, million	Total AMS (7+8+9) TWD, million	Data Sources	Note
	Type	From	To										
1	2			3	4	5	6	7	8	9	10	11	
Feed Corn	CY	01-01-15	31-12-15	Drying subsidy	114.91			114.91					
Total Feed Corn								114.91		526.97	641.88		
Total Forage crops										519.52	519.52		
Total Other crops										76.56	76.56		
Total Rice									5,645.34	333.47	5,978.81		
Total Soybean										87.45	87.45		
Sugar	CY	01-01-15	31-12-15	Freight subsidy	45.10			45.10					
Sugar	CY	01-01-15	31-12-15	Other subsidies	0.48			0.48					(1)
Total Sugar								45.58	128.62	84.36	258.56	TSC	
Total Tobacco leaves									210.69		210.69	TTLIC	
Total Vegetables										95.01	95.01		

- (1) Other subsidies for sugar include interest subsidy for loans for the purchase of inputs, insurance premium for sugarcane farm, fees for pest and disease control, inspection fees for sugar brix and others.

Supporting Table DS:9

DOMESTIC SUPPORT: THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU

REPORTING PERIOD: CALENDAR YEAR 2015

Non-Product-Specific AMS

Measure Types	Reporting Year			Non-product-specific budgetary outlays TWD, million	Other non-product specific support (include calculation details) TWD, million	Associated fees / levies TWD, million	Total non-product-specific support (3+4-5) TWD, million	Data Sources	Note
	Type	From	To						
1	2			3	4	5	6	7	
Input subsidy: Agricultural Fertilizer price difference subsidy	CY	01-01-15	31-12-15	1,531.34			1,531.34	AFA	(1)
Input subsidy: Agricultural machinery price subsidy	CY	01-01-15	31-12-15	57.23			57.23	Documents of budget	(2)
Input subsidy: Fertilizer freight subsidy	CY	01-01-15	31-12-15				-	AFA	(3)
Input subsidy: Fuel subsidy for agricultural machinery	CY	01-01-15	31-12-15				-	AFA	(4)
Input subsidy: Waiver or reduction of fees for electricity used for agricultural production	CY	01-01-15	31-12-15	269.38			269.38	Taiwan Power Company, MOEA	(5)
Insurance subsidy: Livestock insurance programme	CY	01-01-15	31-12-15	178.18			178.18	Dept. of Animal Industry, COA	(6)
Interest subsidy	CY	01-01-15	31-12-15	1,358.49			1,358.49	Bureau of Agricultural Finance, COA	(7)
TOTAL							3,394.62		

- (1) Fertilizer for agricultural use is provided at preferential prices.
- (2) 1. Objective: to facilitate adjustment in agricultural production and distribution so as to expedite modernization of the agricultural sector.
2. For:
a. Farmers actually engaged in production;
b. Machinery should pass the functional test by Taiwan Agricultural Research Institute;
c. Assistance to each farm family is limited to one machine for each type of machine.
3. Subsidy for each machine does not exceed 50% of the machine price.

- (3) To subsidize the cost of transporting the fertilizers for farmers.
- (4) Fuel used for agricultural machinery is provided an exemption from 5% Business Tax and subsidized the difference of 50% oil price increase.
- (5) 1. Under Agricultural Development Act, minimum charges for electricity used directly in agricultural production may be waived when the electricity is not used; and the cumulative formulae will not be applied in the calculation of electricity used.
2. The scope of exemption covers:
a. Electricity used for agricultural irrigation facilities;
b. Electricity used for agricultural planting and processing of products after harvest;
c. Electricity used for the refrigeration and storage of products;
d. Electricity used in livestock farming.
- (6) 1. The farmers' associations are entrusted by the government to conduct the livestock insurance programmes.
2. Insurance coverage: dairy cattle and hogs.
3. Insurance items: death of dairy cattle on farm and death of hog during transportation.
4. Indemnities: the insured amount paid to farmers is varied in accordance with respective insurance programmes and limited to 80% of market value in general.
5. The premiums are subsidized by the government as follows: 30% for hog transportation insurance and 60% for dairy cattle insurance.
- (7) 1. Special loans granted to farmers for:
a. Loan for expanding the family farm to support farmers buying lands;
b. Loan for farm machinery;
c. Loan for agricultural food industry in guidance and assistance of management;
d. Loan for livestock and poultry industry in improving the management efficiency;
e. Loan for farmers in guidance and assistance of management improvement;
f. Preferential loan extended to those business who move into the Agricultural Technology Park;
g. Loan for agriculture production and marketing groups.
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