



Committee on Agriculture

POINTS RAISED BY MEMBERS UNDER THE REVIEW PROCESS

COMPILATION OF QUESTIONS FOR THE MEETING ON 24 SEPTEMBER 2015¹

The present document compiles questions received by the Secretariat by the deadline specified in WTO/AIR/AG/6.

¹ This document has been prepared under the Secretariat's own responsibility and is without prejudice to the positions of Members or to their rights and obligations under the WTO.

Table of contents

1 MATTERS RELEVANT TO THE IMPLEMENTATION OF COMMITMENTS:	
ARTICLE 18.6	4
1.1 Brazil's domestic support programmes.....	4
1.1.1 Question by the United States of America (AG-IMS ID 78002)	4
1.2 China's outstanding responses at the 77 th Committee on Agriculture meeting	4
1.2.1 Question by Canada (AG-IMS ID 78014)	4
1.3 China – TRQ underfill	4
1.3.1 Question by the United States of America (AG-IMS ID 78004)	4
1.4 China's maize subsidies	5
1.4.1 Question by the European Union (AG-IMS ID 78015)	5
1.5 China's cotton policies	5
1.5.1 Question by the United States of America (AG-IMS ID 78070)	5
1.6 Costa Rica's compliance with AMS commitments	5
1.6.1 Question by the United States of America (AG-IMS ID 78005)	5
1.7 European Union's dairy policies.....	6
1.7.1 Question by Australia (AG-IMS ID 78078)	6
1.8 India's support price for wheat	6
1.8.1 Question by the European Union (AG-IMS ID 78018)	6
1.9 India's cotton policies.....	6
1.9.1 Question by the United States of America (AG-IMS ID 78006)	6
1.10 India's sugar export subsidies.....	7
1.10.1 Question by Australia (AG-IMS ID 78016).....	7
1.10.2 Question by the European Union (AG-IMS ID 78017).....	7
1.11 India's export assistance programmes	8
1.11.1 Question by the United States of America (AG-IMS ID 78007)	8
1.12 Indonesia's restrictions on importation of sugar.....	9
1.12.1 Question by Australia (AG-IMS ID 78019).....	9
1.13 Korea's rice imports	9
1.13.1 Question by Australia (AG-IMS ID 78020).....	9
1.13.2 Question by Thailand (AG-IMS ID 78024)	10
1.14 Russian Federation's wheat export tax	10
1.14.1 Question by the European Union (AG-IMS ID 78021).....	10
1.15 Sri Lanka's increase in milk powder tariffs	10
1.15.1 Question by Australia (AG-IMS ID 78022).....	10
1.15.2 Question by New Zealand (AG-IMS ID 78001)	11
1.16 Switzerland's export subsidy budget	11
1.16.1 Question by Australia (AG-IMS ID 78023).....	11
1.16.2 Question by New Zealand (AG-IMS ID 78025)	11
1.17 Turkey's domestic support and export subsidies	11

1.17.1	Question by Canada (AG-IMS ID 78026).....	11
1.17.2	Question by the European Union (AG-IMS ID 78044).....	11
1.18	Turkey's destination of wheat flour sale.....	12
1.18.1	Question by the United States of America (AG-IMS ID 78008)	12
2	POINTS RAISED IN CONNECTION WITH INDIVIDUAL NOTIFICATIONS	12
2.1	ADMINISTRATION OF TARIFF AND OTHER QUOTA COMMITMENTS (TABLE MA: 1).....	12
2.1.1	Switzerland (G/AG/N/CHE/13/ADD.17)	12
2.1.2	United States of America (G/AG/N/USA/101/ADD.1)	12
2.2	IMPORTS UNDER TARIFF AND OTHER QUOTA COMMITMENTS (TABLE MA: 2).....	12
2.2.1	European Union (G/AG/N/EU/24)	12
2.2.2	United States of America (G/AG/N/USA/102)	13
2.3	DOMESTIC SUPPORT COMMITMENTS (TABLE DS: 1).....	13
2.3.1	China (G/AG/N/CHN/28)	13
2.3.2	Costa Rica (G/AG/N/CRI/51)	18
2.3.3	Honduras (G/AG/N/HND/41)	19
2.3.4	India (G/AG/N/IND/10, G/AG/N/IND/10/CORR.1).....	19
2.3.5	Oman (G/AG/N/OMN/7, G/AG/N/OMN/13).....	22
2.3.6	Pakistan (G/AG/N/PAK/16).....	23
2.3.7	Russian Federation (G/AG/N/RUS/9).....	23
2.3.8	Sri Lanka (G/AG/N/LKA/4)	25
2.3.9	Switzerland (G/AG/N/CHE/72)	25
2.3.10	Tunisia (G/AG/N/TUN/40 and G/AG/N/TUN/45)	25
2.3.11	United Arab Emirates (G/AG/N/ARE/7 and G/AG/N/ARE/8).....	26
2.4	EXPORT SUBSIDY NOTIFICATIONS (TABLES ES: 1, ES: 2 AND ES: 3)	27
2.4.1	Canada (G/AG/N/CAN/108)	27
3	OVERDUE NOTIFICATIONS.....	27
3.1.1	Argentina	27
3.1.2	Turkey	27

1 MATTERS RELEVANT TO THE IMPLEMENTATION OF COMMITMENTS: ARTICLE 18.6

1.1 Brazil's domestic support programmes

1.1.1 Question by the United States of America (AG-IMS ID 78002)

In previous responses by Brazil to questions from the United States, Brazil stated that the Prêmio para Escoamento do Produto (PEP) programme was suspended for a reassessment to address concerns regarding its control mechanism, in order to prevent irregularities. Further, no deadline was set for the completion of this reassessment and as such, Brazil has been unable to provide a date upon which it can provide the data requested by the United States.

- a. Have reassessments been carried out in the past for other programmes that provide precedent for how this reassessment is being carried out? If so, please provide information.
- b. Is the data requested by the United States (see AG-IMS ID 76039, AG-IMS ID 75023, AG-IMS ID 74021, AG-IMS ID 66002, AG-IMS ID 77066) also being requested by the entity carrying out the reassessment?

The United States notes that in response to AG-IMS ID 76039, Brazil appears to have responded primarily in relation to the PEP programme and that the reassessment is a primary reason for not being able to provide a time-frame for providing the requested data. With regards to the Prêmio de Equalização pago ao Produtor (PEPRO) programme:

- c. Please provide an update on the progress made in the compilation of the requested data, and an estimated date of completion if available.

1.2 China's outstanding responses at the 77th Committee on Agriculture meeting

1.2.1 Question by Canada (AG-IMS ID 78014)

At the 77th Committee on Agriculture Meeting on 4 June 2015, Canada posed several questions to China on its 2009 and 2010 DS:1 notification G/AG/N/CHN/28, i.e. AG-IMS ID 77007, AG-IMS ID 77008, AG-IMS ID 77009, AG-IMS ID 77010, AG-IMS ID 77011, AG-IMS ID 77012 and AG-IMS ID 77013. Canada recalls that during the June meeting, China indicated that it was not in a position to provide responses but would do so shortly after the meeting. Canada notes that the rules require that Members not in a position to provide a reply at a meeting of the Committee have 30 days to provide a detailed response. Given that China has not yet provided responses to any of Canada's questions, Canada respectfully requests that China provide substantive answers to the questions.

1.3 China – TRQ underfill

1.3.1 Question by the United States of America (AG-IMS ID 78004)

The United States repeats its questions from the June CoA (AG-IMS ID 77068).

Despite high domestic prices and falling world prices, China continues to significantly under-fill the substantial tariff-rate quotas (TRQs) it established during its WTO accession for wheat, corn and rice. Starting in 2015, the United States understands that China has added a requirement that non-STE end users purchase domestic stocks in order to receive a TRQ allocation.

- a. Please confirm whether there is a new domestic purchase requirement. If yes, please provide the time-frame and conditions when it applies to purchases, and which products by tariff code line are subject to this requirement.
- b. Also, if there is such a requirement, please provide any further information on the implementation of this policy including where a copy of the policy is available to WTO Members and when it was notified to the WTO.

1.4 China's maize subsidies

1.4.1 Question by the European Union (AG-IMS ID 78015)

Since no reply has been received to question AG-IMS ID 77043 the European Union therefore repeats the question.

According to World Perspectives Inc. newsletter, on 20 April 2015, China sold 38,700 tonnes of maize from state stocks. Further, the Heilongjiang Government supported this sale with a subsidy to grains processors participating in the state grain auction of 200 RMB/t (=32.6 \$/t). This subsidy level would be the double of the subsidy of 100 RMB/t granted in 2013/14.

- a. Can China confirm that the Heilongjiang Government has granted this type of subsidy? Who were the beneficiaries? For what quantity has this subsidy so far been granted in the current marketing year and the previous marketing year?
- b. Can China explain whether other local governments grant similar subsidies and if so what are the quantities concerned in 2013/14 and 2014/15?

1.5 China's cotton policies

1.5.1 Question by the United States of America (AG-IMS ID 78070)

The United States repeats its questions from the June CoA (AG-IMS ID 77069).

The United States thanks China for its response to AG-IMS ID 76051. The United States notes in China's response that it appears China has made the assertion that the cotton policies in the largest producing, consuming, and importing country of cotton do not affect the international market. However, the International Cotton Advisory Committee (ICAC) indicates that China held stocks of 11.6 million metric tonnes at the end of 2013/14, a quantity equivalent to 149% of Chinese domestic mill use and 57% of global stocks. In 2013/14, China purchased cotton that contributed to those stocks at a price of 151 cents per pound and the 2013/14 market year was the third consecutive year of stock build-ups. The ICAC estimates that amounts to USD 5.8 billion and USD 5.1 billion in direct assistance in 2012/13 and 2013/14, respectively. As noted by the ICAC, China's position in cotton markets permitted this build-up of stocks to distort not only domestic prices, but also international prices. In particular, China's stockpiling has led to an increase in use of polyester to the detriment of all cotton producing countries. China has announced that it plans not to expand the TRQ for cotton in 2015 beyond its WTO obligation. Imports are likely to fall close to the TRQ in-quota quantity of 0.894 million tonnes (894,000 metric tonnes) in 2015, a decrease from 5.1 million tonnes of imports in 2012.

Please provide a detailed description of why these policies implemented by China are not having a distorting effect on world cotton markets.

1.6 Costa Rica's compliance with AMS commitments

1.6.1 Question by the United States of America (AG-IMS ID 78005)

The United States thanks Costa Rica for its continued transparency, though it remains concerned by Costa Rica's continued lack of compliance with its WTO obligations. In particular, the United States notes that support to the rice sector increased from USD 81.85 million to USD 86.14 million from 2012 to 2013. While the United States has expressed hope in the past with regards to steps Costa Rica has indicated it would be taking to come into compliance, the United States notes the repeated delay of necessary reforms.

- a. Does Costa Rica intend to meet its AMS commitment in the current year? If not, when?
- b. What specific steps is Costa Rica undertaking to bring its AMS into compliance with its commitments? Please describe evidence that the steps are having, or will have, an effect.

1.7 European Union's dairy policies

1.7.1 Question by Australia (AG-IMS ID 78078)

Australia supports efforts by the European Union to adopt more market-focussed agriculture policies, including reforms like the termination of the milk-quota system in March 2015, which will position dairy producers in the European Union to be better-placed to respond to market forces. Australia is pleased that the European Union continues to show restraint regarding the use of export subsidies, consistent with the Bali Ministerial Declaration on Export Competition. Australia notes that no export refunds have been paid on dairy products since 2009.

Given the background of weaker global dairy demand and prices across the world, can the European Union:

- a. outline if there are any plans to increase the current public intervention price for butter and skim milk powder;
- b. reaffirm the commitment made by Ministers at the 9th Ministerial Conference to exercise utmost restraint with regard to any recourse to all forms of export subsidies and all export measures with equivalent effect.

1.8 India's support price for wheat

1.8.1 Question by the European Union (AG-IMS ID 78018)

Press reports suggest that the region of Punjab has for the marketing year 2015/16 increased the minimum support price for wheat by 5,000 INR/t (72 EUR/t) more than the federal support level of 14,500 INR/t. (<http://economictimes.indiatimes.com/news/economy/agriculture/punjab-government-seeks-rs-1950-a-quintal-msp-for-wheat/articleshow/47490036.cms>).

- a. How does India intend to include this increase in its Domestic Support notification?
- b. Have any other Indian states introduced similar increases for the 2015/16 marketing year?
- c. During the years for which India has already made notifications for Domestic Support (up to and including the year 2010) was there any similar state support applicable in the state of Punjab, and, if yes, how was this included in the DS:1 notification?

1.9 India's cotton policies

1.9.1 Question by the United States of America (AG-IMS ID 78006)

The United States resubmits questions from the June CoA (AG-IMS ID 77109).

In response to AG-IMS ID 76053, India responded to part a) that there are a number of factors involved in the setting of the Minimum Support Price (MSP). However, the US question remains:

- a. Which of these factors were the bases for raising the MSP for cotton, in light of the fact that there was reduced import demand in China, falling world cotton prices, and record or near record Indian production?

In response to AG-IMS ID 76053, India responded to part b) of the question by stating that India takes its commitments seriously and believes in fair market practices. The United States agrees fully in this response, for itself and all Members. However, India did not address the question asked. The United States repeats the question:

- b. Is India taking specific steps to ensure that the release of its cotton stocks does not further distort international cotton markets, either due to direct export sales or market leakage? If yes, please specify and explain the steps India is undertaking in this regard. The United States notes that similar market conditions occurred in 2008/2009 when

India also procured significant quantities of cotton, estimated at approximately 40% of production. According to the International Cotton Advisory Committee, India then provided USD 26 million in export subsidies to reduce its stocks.

1.10 India's sugar export subsidies

1.10.1 Question by Australia (AG-IMS ID 78016)

Australia notes that India has not yet submitted a written response to the questions raised by Australia (AG-IMS ID 77035) at the 77th Committee on Agriculture in relation to Indian sugar export subsidies, and respectfully asks that it does so. Australia notes that a number of delegations have expressed support for its questions and therefore asks that India formally respond to the questions in writing and orally as it is the practice of this Committee.

Australia has stated its concerns regarding the WTO-inconsistency of these measures on a number of occasions and urges India to end the programme.

In February 2015, India officially increased the rate of its export subsidy for raw sugar from Indian Rupees (INR) 3,371 to INR 4,000 per tonne, for a quantity of 1.4 million tonnes over the 2014-15 sugar season. At INR 4,000, this level of subsidy currently represents over 25% of the current world benchmark price.

In addition to outstanding questions from the 77th Committee on Agriculture, can India:

- a. Advise how much has been paid under the export subsidy programme to eligible applicants for both the 2013-14 season and the 2014-15 season to date?
- b. Advise the total amount of individual applications received under the export subsidy programme, and the total amount of export subsidy claimed, for both the 2013-14 season and the 2014-15 season to date?
- c. Advise how many tonnes of raw sugar have been produced in India during the 2014-15 season to date?
- d. Advise how many tonnes of raw sugar have been exported in the 2014-15 season to date?
- e. Australia understands that the top export markets for Indian raw sugar with the Indian export subsidy are: Iran, Somalia, the Former Sudan, Tanzania and the UAE. Can India confirm the top five destinations for its raw sugar exports.
- f. Can India please identify how many LDCs are destinations for its raw sugar exports?

At the 73rd Committee on Agriculture, India stated (AG-IMS ID 73036) that the export subsidy programme was "one of the numerous steps contemplated/undertaken by the central government as well as various state governments in the country to tackle arrears payments by sugar mills to Indian sugarcane farmers ..." and further, that "... (t)he interventions by the government aim to infuse additional liquidity in the severely stretched sector and are linked to cane payments to farmers by the sugar mills".

- g. Can India provide an update of the effectiveness of the sugar export subsidy programme with respect of the policy goals identified above?
- h. Can India provide an update on the implementation of the separate sugar export subsidy programme, reportedly proposed by the Indian State of Maharashtra?

1.10.2 Question by the European Union (AG-IMS ID 78017)

Since no reply has been received to question AG-IMS ID 77044 the European Union therefore repeats the question.

After the introduction of the export subsidy of INR 4,000 per tonne of raw sugar by the Indian Central Government in February 2015, the website of "Business Standard" on 13 April reported "The Maharashtra Government on 14 April announced an export subsidy of INR 1,000 (\$1=INR 62.31) per tonne for raw sugar to boost the cash-strapped sugar industry in the state, in addition to the INR 4,000 already unveiled by the central government, according to the state's co-operative minister Chandrakant Patil".

- a. Could India confirm these figures of INR 4000 and INR 1000 and explain how these subsidies granted comply with its WTO commitments on export subsidies?
- b. Can India indicate the quantity of sugar that has/will be able to benefit from these subsidies?

1.11 India's export assistance programmes

1.11.1 Question by the United States of America (AG-IMS ID 78007)

The United States is concerned about a possible Indian export subsidy programme. Specifically it is the US understanding that from 2004-2014 the Indian Government operated an export assistance programme for a number of agricultural products called the Vishesh Krishi Gram Upaj Yojana (VKGUY – or "Special Agriculture Produce Scheme"). In 2014 another programme, the Merchandise Export from India Scheme (MEIS), was introduced and appears to have some similar components to the VKGUY programme.

- a. Did India include the VKGUY programme in India's latest export subsidy notification (G/AG/N/IND/9)?
- b. The United States understands that under the VKGUY programme, the Indian Government provides a "duty scrip" equivalent to 5% of FOB value of an exported dairy product. Could India provide an explanation of how the scrip is used?
- c. According to "Foreign Trade Policy, 27th August 2009 – 31st March 2014" published by India's Ministry of Commerce and Industry, under the VKGUY programme duty scrip benefits are granted with an aim to compensate high transport costs, and to offset "other disadvantages". Can India please explain what these "other disadvantages" are?
- d. According to that same document, the subsidies provided under VKGUY are provided based on the FOB value of the product exported. In the light of that, how does India effectively link the subsidies to specific transportation costs?
- e. What is the relationship, if any, between the exported product and the imported product on which the scrip is used to reduce the import duty?
- f. When skim milk product (SMP) was eligible, how was the scrip used for imports?
- g. Could the duty scrip be used as a credit against any other tax charges, or other government arrears, other than import duties?
- h. Was the VKGUY programme replaced by the Merchandise Export from India Scheme (MEIS)?
- i. Scrips provided under both VKGUY and MEIS are described as "fully transferrable". What does "fully transferrable" mean - to whom can they be transferred and for what?
- j. How much revenue was foregone by the Government under the programme?

The United States notes that MEIS, which started in 2014, excludes cereals, milk and milk products, meat and meat products, and sugar. However, the United States is concerned that all other agricultural products could participate in this programme.

- k. Will India notify benefits provided under the MEIS in its export subsidy notifications?

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- l. From 2010-2014, which agricultural products received export assistance under the VKGUY programme, and in what amounts?
 - m. Since 2014, have any agricultural products received export assistance under the MEIS programme, and in what amounts?
 - n. Please confirm that cereals, milk and milk products, meat and meat products, and sugar are excluded from the MEIS programme?
 - o. Is VKGUY permanently ended or could it be reintroduced? If it can be reintroduced, what would be the circumstances?
 - p. If VKGUY was re-introduced, would it be changed in any way? For example, would it have a different product eligibility list?

1.12 Indonesia's restrictions on importation of sugar

1.12.1 Question by Australia (AG-IMS ID 78019)

Australia understands that in December 2014, Indonesia imposed new restrictions on the importation of sugar through circular No. 1300/M-DAG/SD/12/2014.

- a. Can Indonesia please explain how its restrictions on sugar imports are consistent with its obligations under Article 4.2 of the Agreement on Agriculture, in particular:
 - i. whether Indonesia issues import permits for sugar on a quarterly basis and in accordance with quotas set by the Government; and
 - ii. whether Indonesia imposes a range of other restrictions on the importation of sugar, including:
 - limits on the types of businesses that can import sugar;
 - rules prohibiting the sale of refined sugar produced from imported raw sugar to the domestic retail market; and
 - rules prohibiting the importation of white sugar for consumption except with government approval at certain times of the year and to producers sourcing at least 75% of their cane domestically.
- b. Can Indonesia please provide further information about the operation of circular No 1300/M-DAG/SD/12/2014 and its intended purpose?

1.13 Korea's rice imports

1.13.1 Question by Australia (AG-IMS ID 78020)

- a. Could the Republic of Korea please advise the arrangements for importing rice?
- b. The Republic of Korea advised WTO Members of proposed changes to its rice import measures in G/MA/TAR/RS/396. Those arrangements have not been certified by WTO Members and Australia, China, the United States, and Viet Nam objected to them. Has the Republic of Korea been applying the arrangements that it circulated in (G/MA/TAR/RS/396) for imports of rice?
- c. How much table rice has been imported since 1 January 2015?
- d. How much non-table rice has been imported since 1 January 2015?

- e. How do these figures (for c and d) compare with the previous three-year averages for table and non-table rice?

1.13.2 Question by Thailand (AG-IMS ID 78024)

With regard to the document entitled "Rectification and Modification of Schedules - Schedule LX - Republic of Korea" submitted by the Republic of Korea and circulated to Members on 30 September 2014, (G/MA/TAR/RS/396), Thailand notes that in the light of objections by Thailand and four other Members namely, Australia, China, the United States, and Viet Nam, Korea's proposal was not formally certified. Thailand has since received information from capital that the Republic of Korea has enforced its proposed, but unapproved Schedule, since 1 January 2015.

Thailand understands that the Republic of Korea has been applying a global quota for rice products of 408,700 tonnes, with an in-quota tariff rate of 5% and an out-quota rate of 513%. Thailand continues to believe that the proposed out-of-quota rate at 513% is unreasonably high, and cannot accept the method of calculation used by the Republic of Korea. Thailand also understands that the country-specific quotas previously given to Australia, China, the United States, and Thailand have all been cancelled. This would unfairly and negatively have adverse impact on Thailand's current trade as a result.

In the light of this information, Thailand would like to pose the following questions to the Republic of Korea:

- a. Could the Republic of Korea please confirm that it has been enforcing its proposed Schedule since 1 January 2015. If so, does the Republic of Korea have a definite timeframe for the application of the Schedule?
- b. Since Korea's proposed schedule has not been approved, and no consultations have been held since the aforementioned Members objected to the Schedule in December 2014, Thailand believes that consultations between the Republic of Korea and the objecting Members should be arranged as soon as possible. These consultations are necessary in order to resolve issues relating to the rectifications and modifications of Korea's schedule for rice products and to have a formally certified Schedule come into force as soon as possible so as to minimize the negative trade impacts on Members resulting from Korea's enforcement of the unapproved Schedule.

In this respect, could the Republic of Korea please indicate when it plans to convene consultations with the relevant Members to resolve issues regarding the rectification and modification of Korea's Schedule for rice products?

1.14 Russian Federation's wheat export tax

1.14.1 Question by the European Union (AG-IMS ID 78021)

Press reports state that the Russian Federation has introduced, starting from 1 July 2015, a wheat export tax set at 50% of the customs price per tonne minus 5,500 roubles, but not less than 50 roubles per tonne. Could the Russian Federation confirm this measure and explain how it intends to comply with the related transparency requirements as laid down in Article 12.1(b) of the Agreement on Agriculture?

1.15 Sri Lanka's increase in milk powder tariffs

1.15.1 Question by Australia (AG-IMS ID 78022)

Australia understands that Sri Lanka has increased its tariffs for milk powder to the higher of either 25% *ad valorem*, or a specific duty of Sri Lankan Rupees (Rs) 225 per kilogram.

- a. Can Sri Lanka please identify the specific HS codes, to the eight digit level, that these tariff increases apply to, and can Sri Lanka also advise the relevant bindings for these tariff lines?

- b. Can Sri Lanka please confirm the current *ad valorem* equivalent of the Rs 225 per kilogram specific duty and also indicate the milk powder reference values that are used in this calculation?

1.15.2 Question by New Zealand (AG-IMS ID 78001)

New Zealand understands that Sri Lanka has increased its tariffs for milk powder to Rs 225 per kilogram (HS 0402.10.01 skimmed milk powder, HS 0402.21.01 and HS 0402.29.01 whole milk powder). Sri Lanka's tariff for milk powder is bound at 20% *ad valorem*. This rate is now equivalent to around a 70% *ad valorem* duty (based on GDT price at 1 September 2015). New Zealand is concerned that Sri Lanka is operating outside of its bound tariff rate. What action is Sri Lanka taking to ensure its applied tariff is brought in line with its WTO commitments at the earliest possible opportunity?

1.16 Switzerland's export subsidy budget

1.16.1 Question by Australia (AG-IMS ID 78023)

Australia thanks Switzerland for its response to its question raised at the 77th Committee on Agriculture in relation to the proposed increase to Swiss export subsidy budgetary outlays. In that response, Switzerland stated that the proposal would be subject to parliamentary review in June 2015. Can Switzerland please provide an update to the Committee in relation to the current status of the export subsidy proposal?

1.16.2 Question by New Zealand (AG-IMS ID 78025)

New Zealand thanks Switzerland for its transparency in the Committee on Agriculture on its proposal to increase export subsidies on processed agricultural products by up to CHF 20 million, however notes its concern about these plans given the trade distorting effects of export subsidies and the Bali Declaration on export subsidies in which Ministers committed to exercise utmost restraint with regard to any recourse to all forms of export subsidies. Could Switzerland please provide an update on the proposal to exceptionally increase the export subsidy budget for processed agricultural products for 2015 by a maximum of CHF 20 million?

1.17 Turkey's domestic support and export subsidies

1.17.1 Question by Canada (AG-IMS ID 78026)

Canada is concerned with Turkey's lack of timely notification of export subsidy and domestic support measures. The last measures notified were in 2000 for export subsidies and 2001 for domestic support. Would Turkey provide a specific timeline as to when it intends to complete and submit these missing notifications to the Committee? More specifically, Canada is interested in receiving information on Turkey's historical domestic support information for subsidies provided to the wheat sector.

1.17.2 Question by the European Union (AG-IMS ID 78044)

The European Union has still not received any substantive answer to questions AG-IMS ID 77047, AG-IMS ID 75069 and AG-IMS ID 73056 asked during the 73rd, 75th and 77th Meeting of Committee on Agriculture, and invites Turkey to present its reply to these questions.

Further, the US Department of Agriculture in its Citrus Report for the year 2013 indicates (as in the 2011 report) that "the Turkish Government makes support payments to exporters and the rates vary each year. The Ministry of Finance is providing a subsidy to citrus exporters of 200 YTL/MT in 2013. There is also a minimum price requirement for this specific subsidy. The Government makes payments to a special account, which the exporter can only use to make tax and social security payments as well as utilities such as telecommunications, electricity, and natural gas. In order to protect domestic producers, the Government kept the customs duty rates at 2007 levels for orange juice and citrus imports, which are 54%".

- a. Could Turkey confirm that since 2001 its budgetary outlays and eligible quantity as regards export subsidies, notably for citrus fruits, have remained below its commitments?
- b. Could Turkey indicate the level of AMS support in absolute amounts since 2002 per budget year or at least for the budget years 2010 to 2014?
- c. Does this level respect Turkey's *de minimis* commitment?
- d. When will Turkey make its DS:1 notifications for the years after 2002?

1.18 Turkey's destination of wheat flour sale

1.18.1 Question by the United States of America (AG-IMS ID 78008)

The United States has received Turkey's responses to the US questions and is reviewing them. As a follow-up, could Turkey confirm whether any Members of the TMO's Board of Directors are appointed by or employed by the Government of Turkey?

2 POINTS RAISED IN CONNECTION WITH INDIVIDUAL NOTIFICATIONS

2.1 ADMINISTRATION OF TARIFF AND OTHER QUOTA COMMITMENTS (TABLE MA:1)

2.1.1 Switzerland (G/AG/N/CHE/13/ADD.17)

AG-IMS ID 78027: Question by Australia - Allocation of licences to importing entities

Australia thanks Switzerland for its response to its question raised at the 77th Committee on Agriculture, regarding the allocation of import entitlements within the Tariff Rate Quota (TRQ) for "Animals for slaughter; meat mainly produced on the basis of coarse fodder". In that answer, Switzerland explained that quota shares for a number of products within the TRQ are distributed to importers on the basis of a contribution to Swiss production, that is, the number of animals slaughtered of Swiss origin. Can Switzerland clarify how these requirements accord with its obligations under the agreement on Trade-Related Investment Measures, namely Article I of the Annex to that Agreement and Article 4(2) of the Agreement on Agriculture?

2.1.2 United States of America (G/AG/N/USA/101/ADD.1)

AG-IMS ID 78074: Question by the Dominican Republic - Country-specific allocation

Under which criteria does the United States establish reallocations among beneficiary countries?

2.2 IMPORTS UNDER TARIFF AND OTHER QUOTA COMMITMENTS (TABLE MA:2)

2.2.1 European Union (G/AG/N/EU/24)

AG-IMS ID 78075: Question by the Dominican Republic - Transparency issues

The European Union indicated in a footnote that, where the numbers do not carry an asterisk, the amount indicated corresponds to import authorizations. What is the rationale to use import authorizations instead of actual imports?

AG-IMS ID 78043: Question by South Africa - Tariff quota fill

South Africa notes with concern the low fill rates of certain quotas as notified in G/AG/N/EU/24. South Africa would like to know the reasons why the following quotas were not filled and what the administration procedures are for allocating the quotas. Are these quotas allocated to specific countries?

- 080510 – Oranges;
- 2008 –Preserved fruit;

- 2009 – Grape juice.

2.2.2 United States of America (G/AG/N/USA/102)

AG-IMS ID 78032: Question by the European Union - Transparency issues

The US commitments comprise 54 bound tariff quotas. However, the notification only includes 44 of them. As a matter of transparency, could the United States explain the rationale for omitting ten TRQs?

2.3 DOMESTIC SUPPORT COMMITMENTS (TABLE DS:1)

2.3.1 China (G/AG/N/CHN/28)

AG-IMS ID 78073: Question by the European Union - Transparency issues (including Table DS:2)

The European Union would underline the importance to receive answers to the questions asked at the 77th meeting of the Committee; therefore the European Union repeats its question AG-IMS ID 77051.

- Can China indicate whether the aid given to State Trading Enterprises either as direct or indirect support in the form of aid from the Industrialisation Funds or similar support instruments (which also includes agricultural and agro-food sectors) has been included in the notification and with which amounts?

Supporting Table DS: 1

- The footnote to the Supporting Table DS:1 states that the data includes both the outlays of the national and subnational governments. Could China explain the national and subnational shares of the Green Box spending notified?
- Can China indicate in which heading of the current notification the Agricultural Insurance Programme has been included (CNY 116.9 billion in 2009, according to the annual budget for National People's Congress)?
- Can China elaborate on the reasons for the continued increase of the food security stocks (+ 33%) while at the same time production continue to increase?
- What types of farmers receive direct aides and which sectors are eligible, and which criteria must farmers fulfil to be eligible for this type of payments?

Supporting Table DS: 4

- Can China give further details to the calculation of the Value of Production, including the sources for this calculation in DS:4?
- Can China give more details on the differences in definition of products categories as indicated in the footnote to Table DS:4?

Supporting Table DS: 5

- Could China provide information on total wheat and rice production in the notified years 2009 and 2010?
- Can China give more details on the reasons for the very significant differences in the production numbers in this notification and the figures given by the national administration in "Report on grain development in China – 2013". According to the latter, the buying-in of wheat in China by State Enterprises in 2009 reached a total of 69.339 million tonnes, whereas this notification only indicates 39 million tonnes. Can China please explain this difference in detail? The difference for rice is even bigger. How have the quantities for this notification been calculated?

- j. What are the reasons not to include maize in this notification, when to EU knowledge, there exists a system of guaranteed prices for maize (minimum procurement price scheme).

AG-IMS ID 78062: Question by the United States of America - Transparency issues (including Table DS:2)

Since China has not supplied formal written responses, the United States resubmits its question AG-IMS ID 77080 from the June CoA.

The United States notes that the Chinese Government did not include market price support calculations for corn, soybeans, and rapeseed in 2009, despite the fact that an applied administered price was announced for these commodities under the temporary reserve price support programme. The temporary reserve programme operates as a price support programme and in a very similar manner to the Minimum Price Procurement programme that was notified by China. The Government offers to purchase commodities at a specified price if the market price falls below that price. The Government holds the commodities in reserve and re-sells them in future years when market prices are higher. During years of falling prices, like 2009, the Government buys large volumes to prevent prices from falling. In 2009, for example, China set a target price for corn at CNY 1,500 per metric tonne, soybeans at CNY 3,700 per metric tonne, and rapeseed at CNY 3,700 per metric tonne.

According to the 2010 China Grain Industry Development Report edited by Nie Zhenbang, Director of the National Grain Bureau (p. 14), "to stabilize grain market prices, protect returns to grain-planting farmers, in 2009 the Government implemented minimum procurement price programmes for rice and wheat, and temporary reserve purchases for corn, soybeans and Xinjiang wheat". The report said that the Government's grain reserves were at a record-high level as a result of these market stabilization programmes (p.29).

Further, Xinhua News Service in 2010 (see http://news.xinhuanet.com/fortune/2010-01/11/content_12791971.htm) cited the Government's increase in minimum procurement prices for rice and wheat and temporary reserve procurement of rice, wheat, corn, soybeans and central reserves of oils from soybeans and rapeseed as measures that prevented prices from falling during 2009.

The Xinhua article reported that purchases by the State to intervene in markets prompted an increase in market prices and effectively increased the income of farmers by CNY 40 billion (USD 5.9 billion) during 2009, "...effectively protecting the enthusiasm of farmers to plant grain". China clearly implements the "temporary reserve" programme in a manner that is intended to manipulate producer incentives and prevent market forces of supply and demand from determining prices. This was acknowledged by Chinese authorities during 2014 when "temporary reserve" programmes were ended for cotton and soybeans.

- a. Please revise the notification to include all relevant commodities for which an applied administered price was established under this or any other programme. If China does not consider these pre-determined prices to be administered prices for these commodities, please explain the rationale.
- b. If the rationale is that the pre-determined prices are based on market prices, please clarify whether, in cases where the market prices decline after the date the administered price is set, the administered price does not automatically adjust (in other words it remains constant throughout the period for which it is set).
- c. If so, please indicate the reason for fixing the price rather than allowing market prices to move freely throughout the year.

AG-IMS ID 78063: Question by the United States of America - General services: infrastructural services

Since China has not supplied formal written responses, the United States resubmits its question AG-IMS ID 77073 from the June CoA.

China notified that outlays for agricultural infrastructure services include a number of programmes.

- a. Please identify all major programmes accounted for in the notified value and the respective value of outlays in 2009 and 2010.
- b. Please provide additional details with regards to what the Agricultural Comprehensive Development Programs are and how they are implemented.
- c. Please provide additional details on how "small-scale watering facilities on farmland" are implemented and how they meet the requirements of paragraph 2(g) of Annex 2 of the Agreement on Agriculture, in particular that it excludes expenditures for on-farm facilities.

AG-IMS ID 78055: Question by the European Union - Public stockholding for food security purposes

The European Union would underline the importance to receive answers to the questions asked at the 77th meeting of the Committee, therefore the European Union repeats its question AG-IMS ID 77052.

- a. Can China indicate the products, quantity and the average buying-in price of each product for the years 2009 and 2010? Can China indicate how the buying-in price was fixed and the level for the different products in question?
- b. A continued upward trend in China's spending on public stockholding for food security purposes is seen in Supporting Table DS:1. Could China indicate what type of expenditure is included in the notified amount?
- c. Could China confirm that food purchases by the Government under the public stockholding for food security purposes are made at current market prices as required by paragraph 3 of Annex 2 of the Agreement of Agriculture?
- d. Could China indicate the food security related pre-determined targets which guide the volume and accumulation of stocks under the public stockholding for food security purposes as required by paragraph 3 of Annex 2?

AG-IMS ID 78056: Question by the European Union - Domestic food aid

The European Union would underline the importance to receive answers to the questions asked at the 77th meeting of the Committee, therefore the European Union repeats its question AG-IMS ID 77053.

Amounts notified under domestic food aid vary annually during the notified years 2005-2010. There is a substantial variation between 2009 and 2010 in particular in the current notification. Could China explain why the amount notified for 2010 decreased so substantially compared to the previous years? Is this related to a policy change?

AG-IMS ID 78057: Question by the European Union - Direct payments: decoupled income support

The European Union would underline the importance to receive answers to the questions asked at the 77th meeting of the Committee, therefore the European Union repeats its question AG-IMS ID 77054.

The European Union notes a decrease in the amount notified under decoupled income support compared to the previous notification G/AG/N/CHN/21. Could China explain why this spending is decreasing? Is this related to a policy change?

AG-IMS ID 78064: Question by the United States of America - Direct payments: payments for relief from natural disasters

Since China has not supplied formal written responses, the United States resubmits its question AG-IMS ID 77075 from the June CoA.

China's "payments for relief from natural disasters" have increased substantially since 2005, reaching CNY 583.84 hundred million in 2010. Per paragraph 8(a) of Annex 2 of the Agreement on Agriculture "... payments shall arise only following a formal recognition by government authorities that a natural or like disaster has occurred".

- a. Please provide a list of all relevant formal recognitions by either the central government or local governments that provided eligibility for payments in 2010.
- b. In response to AG-IMS ID 66050, China noted that notified payments under this subheading include "disaster prevention". Please clarify how this meets the criteria of paragraph 8. Please provide additional details as to the meaning of "disaster prevention".
- c. In response to AG-IMS ID 66050, China stated that it was not in a position to provide any specific resources related to other specific policy and implementing guidance regarding the notified programmes. Is China now in a position to do so? If not, what resources are available to help Members better understand programmes notified under this subheading?
- d. In response to AG-IMS ID 66050, China indicated that total payments only compensated for a small part of farmers' losses. Please provide an indication of the level of compensation provided to farmers compared to losses of income.
- e. Please provide a list of the individual programmes included under this subheading.

AG-IMS ID 78065: Question by United States of America - Direct payments: payments under environmental programmes

Since China has not supplied formal written responses, the United States resubmits its question AG-IMS ID 77074 from the June CoA.

The United States notes that China's notification of environment programme expenditures has increased over time. China, in response to AG-IMS ID 59032, stated that it was impossible to determine whether the payments under the various programmes notified under these programmes are dependent on the fulfilment of specific criteria, a requirement outlined in paragraph 12(a) of the Agreement on Agriculture. Further, China stated that all the support at the time was used solely for compensation to the farming households affected by the afforestation and reforestation programme.

- a. Is this notification still accurate in that all support is still for afforestation and reforestation programmes?
- b. Is China now able to provide the details of such criteria? In particular, what exactly are the payments compensating farmers for with regards to afforestation and reforestation?
- c. If China is still unable to provide the specific criteria, on what basis is China able to notify this programme under paragraph 12?

AG-IMS ID 78058: Question by the European Union - Direct payments: payments under regional assistance programmes

The European Union would underline the importance to receive answers to the questions asked at the 77th meeting of the Committee, therefore the European Union repeats its question AG-IMS ID 77055.

Could China provide more details on the aid provided to disadvantaged regions under regional assistance programmes? What are the criteria for disadvantaged regions?

AG-IMS ID 78066: Question by the United States of America - Direct payments: payments under regional assistance programmes

Since China has not supplied formal written responses, the United States resubmits its question AG-IMS ID 77076 from the June CoA.

China's regional assistance programme includes "outlays on aid and assistance to disadvantaged regions".

- a. How does China define "disadvantaged regions" and what are those regions in China?
- b. Please provide additional details with regards to how this programme operates.

AG-IMS ID 78067: Question by the United States of America - Market price support

Since China has not supplied formal written responses, the United States resubmits its question AG-IMS ID 77078 from the June CoA.

- a. The United States notes that China's calculation of market price support for rice is incorrect. The calculation uses a price for unmilled paddy rice as the administered price. However, the fixed external reference price for rice is for milled rice. These prices are not comparable. The administered price should be adjusted to make it comparable to the price for milled rice. Please revise your notification.
- b. In AG-IMS ID 65049, China states that the minimum purchasing price policy functions in the main grain producing provinces, not in the overall state. The United States notes that China often cites ensuring the livelihood of its poorest producers as a rationale for its domestic support policies.
 - i. Please explain the basis for providing minimum support prices only to the producers in the main grain producing regions where the greatest grain surpluses are located.
 - ii. Even if only small surpluses were available to sell in other regions, wouldn't providing a market price support to those smaller producers still provide the same important benefit as it does to producers with larger surpluses as China claims?

AG-IMS ID 78059: Question by the European Union - Market price support: Eligible production

The European Union would underline the importance to receive answers to the questions asked at the 77th meeting of the Committee, therefore the European Union repeats its question AG-IMS ID 77056.

Could China explain why the eligible production for rice in 2010 in Supporting Table DS:5 is indicated at 0?

AG-IMS ID 78068: Question by the United States of America - Market price support: Eligible production

Since China has not supplied formal written responses, the United States resubmits its question AG-IMS ID 77077 from the June CoA.

With regards to the notified market price support programme for wheat and rice in Supporting Table DS:5, the United States already understands that according to China "only the grains sold to the State at the minimum purchasing price are entitled to the applied administered price" as noted in AG-IMS ID 65049. However, the methodology for market price support in paragraph 8, Annex 3, is clear that the quantity of production eligible to receive the applied administered price must be used. Eligible production is not the same as what was actually purchased, unless a predetermined limit was announced in conjunction to the support price.

- a. Please cite documentation that establishes the level of production eligible to receive the applied administered price.
- b. If pre-determined targets are not set by the Government, please indicate whether there are any statutory limits on the quantities of product that are eligible to receive the applied administered price.

AG-IMS ID 78060: Question by the European Union - Other product-specific AMS/EMS

The European Union would underline the importance to receive answers to the questions asked at the 77th meeting of the Committee, therefore the European Union repeats its question AG-IMS ID 77057.

Can China explain in detail the reason for the sizeable variations for cotton between the years 2009 and 2010 in Supporting Table DS: 7?

AG-IMS ID 78069: Question by the United States of America - Other product-specific AMS/EMS

Since China has not supplied formal written responses, the United States resubmits its question AG-IMS ID 77079 from the June CoA.

As has been previously noted by multiple Members, China's inclusion of negative market price support in the summation of product-specific AMS in Supporting Table DS:7 is a serious concern and should be reported as a zero for purposes of summation. The United States would note that the intent of negative support in the AMS is to account for "specific agricultural levies or fees paid by producers" per Annex 3 of the Agreement on Agriculture.

- a. Please state the intended objective of China's price support programmes. Please clarify how these objectives are in line with providing a negative level of support as purported by China in its notification.
- b. China has previously indicated that it refers to the "rules of the WTO Secretariat" as a basis for notifying in this way. Please provide the relevant Secretariat documentation and specific rules that China believes permits this.

The United States appreciates the transparency provided by China in noting the various programmes notified in Supporting Table DS:7. The United States suggests China notify these programmes on a disaggregated basis.

- c. Please provide a breakdown of the product-specific programmes notified in the footnotes with their respective outlays by commodity.

AG-IMS ID 78061: Question by the European Union - Non-product-specific AMS

The European Union would underline the importance to receive answers to the questions asked at the 77th meeting of the Committee, therefore the European Union repeats its question AG-IMS ID 77058.

- a. Input subsidies: Can China elaborate on the functioning of the system aid for mechanisation which is given to the distributors of agricultural machinery for certain types of material which has to be produced for at least half in China? How can non-China based producer participate in this scheme?
- b. Is the aid given as tax rebates (for instance in the horticultural sector) included in this table?

2.3.2 Costa Rica (G/AG/N/CRI/51)**AG-IMS ID 78033: Question by Canada - Scheduled commitment level**

Canada would like to express its appreciation for Costa Rica's transparency and engagement over the past few years regarding its Current Total AMS excess of its WTO commitment. With its most recent DS:1 notification for 2014, Costa Rica is once again over its AMS commitment and does not provide any support details aside from the Market Price Support for rice. Would Costa Rica indicate when it expects to provide a revised notification to the Committee to include the missing information? Canada looks forward to Costa Rica's DS:1 notification for 2015 when the Executive Decree will be operational.

2.3.3 Honduras (G/AG/N/HND/41)

AG-IMS ID 78034: Question by the United States of America - Classification of measures

Honduras notified the programme "Sustainable rural development programme for the Southern Region (EmprendeSUR)" as a Green Box programme for 2014. In the following Supporting Table DS:2, Honduras notifies "Competitiveness and sustainable rural development project in the Northern Zone of Honduras (Northern Horizons)". The information provided per the notification does not substantially differentiate the two programmes.

Please elaborate on why the EmprendeSUR programme is considered to be Training Services consistent with the Green Box, while the Northern Horizons program is listed as an investment programme under Article 6.2. Are payments being provided in the form of investment subsidies to individual farmers?

2.3.4 India (G/AG/N/IND/10, G/AG/N/IND/10/CORR.1)

AG-IMS ID 78035: Question by the United States of America - Transparency issues (including Table DS:2)

The United States resubmits its question AG-IMS ID 77083 from the June CoA meeting.

The United States notes that India's external reference price for wheat in 1986/87, 1987/88, and 1988/89 in G/AG/AGST/IND is INR 3,540 per metric tonne for each year. India's AGST document states these prices are the c.i.f. average unit price for RITC No. 0413002 (1986-87) and HS No. 1001.9002 (1987-88 and 1988-89) derived from Monthly Statistics of Foreign Trade in India. In G/AG/N/IND/10, India converted this to USD 264 per metric tonne. This price appears to be quite high compared to other WTO Members who scheduled fixed external reference prices (FERP) for wheat in their AGST documents. For example, the EU FERP is approximately USD 97 per metric tonne, the Turkish FERP is approximately USD 98.50 per metric tonne, and the Japanese FERP is approximately USD 160 per metric tonne when each is converted to US dollars. Further, various measures of world prices also show the world price of wheat to be much lower than that notified by India. For example, the US No. 2 Gulf soft red winter is USD 126 per metric tonne and the US Gulf hard red winter was USD 135 per metric tonne. This would appear to indicate that for India's FERP, on a c.i.f. basis, to make sense shipping costs per tonne would have almost equalled the price of the wheat itself. For further comparison, even during the 2006-2008 period, the Russian Federation only scheduled a FERP of USD 211 per metric tonne.

- a. Please provide the source data for establishing India's FERP.
- b. Please provide an explanation for the variance between India's FERP and other relevant prices discussed above.
- c. Please confirm that the external reference price was indeed the same for each year at INR 3,540 per metric tonne.

AG-IMS ID 78037: Question by the United States of America - Transparency issues (including Table DS:2)

The United States resubmits its question AG-IMS ID 77110 from the June CoA meeting.

In response to AG-IMS ID 76018 and other responses to various Members questions, India has repeatedly stated the basis for notifying in US dollars is to provide a comparable estimate since 1995. However, this is not comparable to the commitments India undertook in its AGST document. Further, in response to AG-IMS ID 76066, the United States of America notes that upon the request for India's notification in Indian rupees that India states "support has already been notified and the conversion rates from INR to USD have already been provided".

At India's suggestion, the United States of America has used the information provided in India's notification to calculate the level of support India notifies in Indian rupees for comparison. The United States of America notes India's Market Price Support, using India's current methodology for calculating support at Rs. 362.5 million for wheat and Rs. 335.7 million for rice.

Please confirm whether the US calculations are correct.

AG-IMS ID 78038: Question by the United States of America - Transparency issues (including Table DS:2)

The United States resubmits its question AG-IMS ID 77111 from the June CoA meeting.

In response to AG-IMS ID 76067, India responded that State governments do not provide any funding for the support of agriculture and that all funds are provided by the Central Government. State governments expend Central Government funds "per the modalities defined by the Government of India".

Please explain what these modalities are and how they are implemented.

AG-IMS ID 78039: Question by the United States of America - Public stockholding for food security purposes

The United States resubmits its question AG-IMS ID 77112 from the June CoA meeting.

In response to AG-IMS ID 76068 part b) and c), India provided data on the quantities of wheat exported through competitive global tenders. This data varies from the data noted by the United States on the Food Corporation of India website.

- a. Please provide the source of the data provided by India and what accounts for the discrepancy between the two sources.
- b. Please provide the weighted averages on an annual basis.

In response to AG-IMS ID 76068 part e-g), the United States appreciates India's commitment to the WTO and notifying in a manner it considers consistent with the WTO. However, the United States repeats the questions in hopes of understanding how India notifies:

- c. Please confirm the US estimates of State bonuses and provide total State-level funding expenditures for the notified period, including, but not limited to, State-bonuses per part e) of question AG-IMS ID 75048.
- d. Please confirm whether the State bonus or other State-level funding is included in the notification by India under public stockholding for food security per part d) of question AG-IMS ID 75048.
- e. Please explain any other expenditure notified under this sub-heading and include relevant values for the notified period.

AG-IMS ID 78040: Question by the United States of America - Direct payments: structural adjustment assistance provided through investment aids

The United States resubmits its question AG-IMS ID 77113 from the June CoA meeting.

The United States thanks India for providing a copy of the legislation in response to AG-IMS ID 76070.

- a. The United States of America would appreciate a better understanding of the basis for implementing this debt program as described.
- b. Other than landholding size, what factors contributed to India's assessment that two hectares was an appropriate basis for determining which farmers received debt waivers versus debt relief.

In response to AG-IMS ID 76070, India states there is no pooling of landholdings by India farmers. However, per the link provided by India https://rbi.org.in/scripts/BS_CircularIndexDisplay.aspx?Id=4190 the law states the following: "In the case of borrowing by more than one farmer by pooling their

landholdings, the size of the largest landholding in the pool shall be the basis for the purpose of classification of all farmers in that pool as 'marginal farmer' or 'small farmer' or 'other farmer'".

- c. Please explain.
- d. The United States repeats the previous question noting the pooling described in the legislation provided by India: Can India provide relevant data on the pooling of landholdings by Indian farmers? For example, the percentage of landholdings that are pooled; the average size of the combined pooled landholdings; the number of farmers involved in a single landholding "pool" on average, etc.

In response to AG-IMS ID 75052, India stated it would be providing the appropriate Table DS:2 notification in due course. The notification has still not been provided despite being a program introduced a number of years ago.

- e. When will India submit this overdue notification?

AG-IMS ID 78041: Question by the United States of America - Market price support

The United States resubmits its question AG-IMS ID 77114 from the June CoA meeting.

- a. In response to AG-IMS ID 75062, India notes in part c) that government is purchasing at MSP only the surplus produce which the farmer wants to sell. Based on India's response, it is in fact the US understanding that it is the choice of farmers not to sell to the Government at the MSP and that there is no limitation on the quantity of products, including rice or wheat that the Government is willing to purchase from Indian farmers. Please confirm this is correct.
- b. In response to AG-IMS ID 75062, India did not directly answer the question. The United States of America would like to confirm that India's decision to abandon its notification methodology reflected in the AGST document and India's first notification for 1995/1996 is because of the reason provided and not due to any policy change between 1995/1996 and 1996/1997. Please confirm.
- c. The United States of America also notes that India, in response to various questions asked by Members, has based its choice of notifying in US dollars on the fact that it did so in its first notification for comparable levels of support. If no domestic change in policy occurred, as India was asked to confirm, this logic seems to be inconsistent within India's notification.

Please provide the level of total production for all years since 1995/96 for commodities notified under Supporting Table DS:5 so that Members may have a basis of comparing current level of support with that notified in India's commitments and its first notification, with respect to eligible production.

- d. In response to AG-IMS ID 75062 part d) and e), India states its notification is compliant with WTO rules. The United States of America notes that India has notified that all rice and wheat farmers in India received the same applied administered price. However, the United States of America notes that this appears to be inaccurate, and according to official state agencies and media reports state bonuses in addition to the applied administered price were provided in a number of states. For example, the state of Madhya Pradesh procured 3.538 million metric tonnes of wheat in 2010/11. Wheat procured in Madhya Pradesh was not purchased at the applied administered price notified by India, but rather at rate of Rs. 100 per metric quintal higher than the notified administered price. In total, trillions of rupees are expended each year paying state bonuses for the procurement of wheat and rice alone.
- e. Please update Supporting Table DS:5 to reflect the actual applied administered prices.

AG-IMS ID 78036: Question by the United States of America - Market price support: Eligible production

The United States resubmits its question AG-IMS ID 77084 from the June CoA meeting.

In response to AG-IMS ID 75062, the United States understands that India only notified the procured quantity of production as the "eligible production" for purposes of Supporting Table DS:5 because "India procures the marketable surplus which farmers want to sell keeping aside their own consumption requirements and seed requirements for the next crop year". The United States appreciates this response regarding what the amount actually procured is. However, the question remains: "what is the reasoning behind India's decision to adopt a new understanding of eligible production and abandon its previous position of notifying all price supports as reflected in its AGST document"?

- f. Please explain.
- g. Further, please explain whether there has been any policy change in how the administered price is operated during the period under review in India's most recent notification as compared to during the period covered by G/AG/AGST/IND. In particular, India notes in its AGST document that the "administered price shown in column 3 pertain to the following marketing years in which production shown under column 5 becomes eligible for the said administer price". In other words, India claimed, and as such made commitments under the WTO, that its administered prices were eligible to be received by all production.

2.3.5 Oman (G/AG/N/OMN/7, G/AG/N/OMN/13)

AG-IMS ID 78013: Question by the United States of America - Transparency issues (including Table DS:2)

The United States resubmits its question AG-IMS ID 77090 on G/AG/N/OMN/7 from the June CoA.

In November 2012 (AG-IMS ID 68029), September 2012 (AG-IMS ID 67038) and June 2015 (AG-IMS ID 77090) the United States asked a question regarding Oman's notification G/AG/N/OMN/7 and the notification of new programmes. Oman stated it would respond at a later stage. The United States resubmits its question:

The United States asked questions in 2009 regarding Oman's notification G/AG/N/OMN/7. The United States notes that a number of those programmes appear in the most recent notification (G/AG/N/OMN/11 refers). In 2009, Oman provided helpful responses to the US questions and indicated a Table DS:2 notification regarding those programmes would be submitted. Please confirm if Oman submitted a Table DS:2 notification. If not, when will Oman be making its notification?

AG-IMS ID 78071: Question by the United States of America - General services: infrastructural services

The United States resubmits its question AG-IMS ID 77087 on G/AG/N/OMN/13 from the June CoA.

Oman has notified "Development of natural pastures" under General service - infrastructure in Supporting Table DS:1.

- a. Can Oman provide further details on the programme to develop and maintain natural pastures on government land?
- b. Are the natural pastures used for animal grazing? If so, do individual producers benefit from the improvements made to the pasture land?

In G/AG/N/OMN/13, Oman has notified "Establishment of fodder production company in Najd" and "Establishment and development of agricultural and veterinarian quarantine" as exempt measures under Supporting Table DS:1. It is noted that these establishment costs have continued for several years.

- c. Please provide more details on the reason for these continuing payments and whether they extend beyond the initial establishment of the designated facilities (e.g. are payments made to defer costs, such as maintenance of facilities, etc. that would otherwise be passed on to customers in the form of higher prices).
- d. Previously in G/AG/N/OMN/12, Oman noted that the "Establishment of fodder production company in Najd" was support for a consultancy study. Is this still the purpose of these payments? What type of entities are the beneficiaries of these payments?

AG-IMS ID 78072: Question by the United States of America - Article 6.2 (Special and Differential Treatment/Development Programmes): Other

The United States resubmits its question AG-IMS ID 77088 on G/AG/N/OMN/13.

In G/AG/N/OMN/13, budgetary expenditures under "National project for date palm development" increased substantially in 2013. Please describe how this programme operates and the reason for the large change in expenditures in the most recent notification.

2.3.6 Pakistan (G/AG/N/PAK/16)

AG-IMS ID 78046: Question by Australia - Transparency issues (including Table DS:2)

Australia thanks Pakistan for the response to its question at the 77th Committee of Agriculture (AG-IMS ID 77038) with respect to Pakistan's domestic support notification (G/AG/N/PAK/16), and Pakistan's notification of support in US Dollars (USD), rather than Pakistan Rupees.

In its response, Pakistan stated that the use of USD was essentially an extension of previous practice. Could Pakistan please explain what the rationale is for not notifying in local currency, in the first instance?

2.3.7 Russian Federation (G/AG/N/RUS/9)

AG-IMS ID 78081: Question by Australia - Transparency issues (including Table DS:2)

In Table DS:1, could the Russian Federation please elaborate on the types of programmes and respective expenditure that receive payments under environmental programmes and regional assistance programmes?

AG-IMS ID 78048: Question by Canada - Transparency issues (including Table DS:2)

Canada notes that a number of items in the Green Box have received support in Russia's newest DS:1 for 2013, which reported no amounts in the previous notification. These include:

- a. Domestic Food Aid;
- b. Decoupled Income Support;
- c. Government financial participation in income insurance and income safety-net programmes;
- d. Structural adjustment assistance provided through resource retirement programmes;
- e. Payments under Environment Programs;
- f. Other.

Would the Russian Federation please indicate, for each of these items, if the provided support is a result of new initiatives? If so, would the Russian Federation please advise when it expects to provide an associated DS:2 notification providing the necessary details regarding these programmes?

AG-IMS ID 78077: Question by Dominican Republic - Transparency issues (including Table DS:2)

What programmes are included under: "(d) Decoupled income support" and "(e) Government financial participation in income insurance and income safety-net programmes"? And what do they consist of?

AG-IMS ID 78049: Question by Canada - General services: pest and disease control

Support for pest and disease control under the Green Box decreased significantly in 2013 going from a total of USD 755.36 million in 2012 to USD 80.92 million in 2013. Would Russia please elaborate on the reasons behind this substantial decrease in support?

AG-IMS ID 78052: Question by Canada - General services: training services

Federal support under training services increased from USD 19.50 million in 2012 to USD 518.35 million in 2013. Would the Russian Federation please provide details on this substantial increase in support?

AG-IMS ID 78079: Question by Australia - General services: infrastructural services

Under General Services in Table DS:1, could the Russian Federation disaggregate the sub-federal expenditure for infrastructural services (paragraph vii) to delineate the expenditure and the specific projects for each type of infrastructure item?

AG-IMS ID 78053: Question by Canada - Public stockholding for food security purposes

Canada notes a significant decrease in spending under public stockholding for food security purposes from 2012 to 2013 going from USD 228.80 million to USD 0.16 million, respectively. Would the Russian Federation please elaborate on this significant decrease in support?

AG-IMS ID 78080: Question by Australia - Direct payments: decoupled income support

In Table DS:1, could the Russian Federation explain what the decoupled income support is for, who is eligible, and how is the payment determined?

AG-IMS ID 78047: Question by the European Union - Direct payments: decoupled income support

The notification includes for the first time decoupled income support with significant amounts at both federal and sub-federal level. Can the Russian Federation explain in more detail the reasons for this shift in support and the eligibility criteria for farmers for this support? Does the Russian Federation intend to make a DS:2 notification for this policy change?

AG-IMS ID 78082: Question by Australia - Direct payments: other

In Table DS:1, could the Russian Federation please elaborate on what the subsidies for intervention funds are for and how they operate within the agricultural system?

AG-IMS ID 78051: Question by Canada - Market price support

Rye is no longer included in the list of products receiving Market Price Support in Supporting Table DS:5. Would the Russian Federation please elaborate on the reasons why this product is no longer included?

AG-IMS ID 78054: Question by Canada - Other product-specific AMS/EMS

Canada noticed that wheat, buckwheat, potatoes and soybeans have been added to the list of plant products receiving product-specific support in Russia's Supporting Table DS:4. Since these products were not covered in the previous notification, could the Russian Federation please elaborate on why these products were added to the list? Is this the result of a new initiative? If so, would the Russian Federation please provide details?

AG-IMS ID 78083: Question by Australia - Non-product-specific AMS

In Supporting Table DS:9, a number of farm inputs have been included as non-product specific AMS.

- a. In particular, could the Russian Federation explain the use of subsidies of interest rates on short term credits and investments and the method of calculation please?

- b. Could the Russian Federation also explain the eligibility requirements for interest rate subsidies on credits taken by personal subsidiary households, peasant farm enterprises and agricultural consumer cooperatives?
- c. How were the subsidies calculated for the purpose of the current notification?

AG-IMS ID 78050: Question by Canada - Non-product-specific AMS

Canada notes that agricultural crop insurance premium subsidy is no longer listed in Supporting Table DS:9. Would the Russian Federation confirm whether or not this programme has been terminated?

2.3.8 Sri Lanka (G/AG/N/LKA/4)

AG-IMS ID 78045: Question by the European Union - Transparency issues (including Table DS:2)

The European Union welcomes Sri Lanka's continued domestic support notifications.

- a. Can Sri Lanka elaborate further on the reason for the significant increase in investment aid from 2012 to 2013 and which crops or agricultural sectors have benefitted from this increase?
- b. According to the information available, in marketing year 2012/13, the Sri Lanka Paddy Marketing Board acquired 131,000 tonnes of paddy rice. Has there been any support given directly or indirectly for buying-in, storing and distribution for the rice bought-in by the Paddy Marketing Board? Has this support been included in the notification?

2.3.9 Switzerland (G/AG/N/CHE/72)

AG-IMS ID 78042: Question by Canada - Market price support

Canada notes that the applied administered price for meat of bovine has increased in 2013 going from CHF 3,387/tonne in 2012 to CHF 4,319/tonne in 2013. Could Switzerland please provide an explanation for this increase?

2.3.10 Tunisia (G/AG/N/TUN/40 and G/AG/N/TUN/45)

AG-IMS ID 78031: Question by Canada - Excessive rates of inflation

In G/AG/N/TUN/40, Tunisia has adjusted the reference prices for durum wheat, soft wheat, barley and milk to take account of inflation and exchange rate movements. As stated in previous Committee on Agriculture meetings, Canada is of the view that paragraph 8 of Annex 3 of the Agreement on Agriculture requires the external reference price to be fixed and thus, does not allow for any type of adjustment, including adjustments based on inflation. One of the main objectives for calculating a Member's Current Total AMS using a fixed external reference price is to ensure that a Member's capacity to provide trade distorting domestic support is effectively capped and cannot expand over time in absolute or relative terms.

Furthermore, Canada is of the view that Article 18.4 does not provide a methodology or a legal basis through which a Member's fixed external reference prices may be adjusted for inflation, and does not give any consideration for a methodology which would account for accumulated inflation after the reference period of the fixed external reference price(s). Rather, under Article 18.4 it is Members (i.e. the Committee) that shall give due consideration to the influence of excessive rates of inflation on the ability of a Member to abide by its domestic support commitments.

Would Tunisia provide a rationale for why it believes inflation adjustments are required for its fixed external reference price?

AG-IMS ID 78030: Question by the European Union - Excessive rates of inflation

The European Union welcomes Tunisia's domestic support notifications.

In Supporting Table DS:5, Tunisia indicates that the external reference has been adjusted to take account of inflation.

- a. Can Tunisia indicate the inflation rate used for each year covered by the notification?
- b. Can Tunisia explain how this unilateral inflation adjustment of the external reference price is in compliance with the Agreement on Agriculture?

2.3.11 United Arab Emirates (G/AG/N/ARE/7 and G/AG/N/ARE/8)

AG-IMS ID 78011: Question by the United States of America - Transparency issues (including Table DS:2)

The United States resubmits its question AG-IMS ID 77101 on G/AG/N/ARE/7 from the June CoA.

- a. Under sub-headings "pest and disease control" and "extension advisory services" the United Arab Emirates notified the values of support for each year; however, it is unclear from the notification what the difference between the two values is. Please explain what each value represents.
- b. It is noted that compared to G/AG/N/ARE/5 for the years 2000 and 2001, the United Arab Emirates introduced in 2002 a number of new programmes that are considered exempt under Annex 2 of the Agreement on Agriculture. In addition, the United Arab Emirates introduced one new programme in 2003 under subheading "Inspection". When does the United Arab Emirates plan on submitting its DS:2 notifications for these new programmes?

AG-IMS ID 78012: Question by the United States of America - Input subsidies available to low-income or resource-poor producers

The United States resubmits its question AG-IMS ID 77102 on G/AG/N/ARE/7 from the June CoA.

- a. It is noted that all measures notified under the criteria of Article 6.2 were eliminated in 2006. What was the basis for the elimination of these measures and did the United Arab Emirates introduce any other measures as part of this reform? If so, what?
- b. How did the United Arab Emirates define low-income or resource-poor producers at the time these measures were operational?

AG-IMS ID 78010: Question by the United States of America - Transparency issues (including Table DS:2)

Regarding G/AG/N/ARE/8,

- a. Why is there a significant increase in monetary value for pest/disease control and extension/advisory service support measures from the previous calendar years?
- b. Why was the inspection support measure not reported for calendar year 2014? Is the United Arab Emirates no longer using this support measure or has it been replaced by another support measure? Why?

AG-IMS ID 78009: Question by the United States of America - General services: infrastructural services

Regarding G/AG/N/ARE/8,

- a. How does the new infrastructure support measure meet the policy-specific criteria in Annex 2 of the Agreement on Agriculture, such as the eligibility criteria to receive the payment, the conditions applying to the payments, or the rules governing the amount of the payment?
- b. When will the Table DS:2 notification for the new infrastructure support measure be submitted?

2.4 EXPORT SUBSIDY NOTIFICATIONS (TABLES ES:1, ES:2 AND ES:3)

2.4.1 Canada (G/AG/N/CAN/108)

AG-IMS ID 78076: Question by the Dominican Republic - Transparency issues

Could Canada explain:

- a. What are the producer-financed subsidies granted to skim milk powder?
- b. Under which criteria are these grants awarded?

AG-IMS ID 78028: Question by the European Union - Transparency issues

The total amount of export subsidies granted by Canada has remained stable and there is no significant downward trend of subsidies granted over the years. Moreover, subsidies granted to dairy products are at, or very close to, the Canadian commitment levels. In the light of this and the Bali Ministerial Declaration on Export Competition which undertakes to ensure to the maximum extent possible that the level of export subsidies will remain significantly below the Members' export subsidy commitments, could Canada indicate whether it intends to undertake reforms in the field of export competition?

3 OVERDUE NOTIFICATIONS

3.1.1 Argentina

AG-IMS ID 78029: Question by the European Union

The European Union takes note of the reply to the question AG-IMS ID77042. However, despite the stated size of the amounts in question, can Argentina indicate when it intends to notify its domestic support for the years 2008/09 onwards?

3.1.2 Turkey

AG-IMS ID 78003: Question by the United States of America

Turkey remains seriously overdue in notifying its domestic support and export subsidies. Turkey has not made a domestic support notification since 2001, nor an export subsidy notification since 2000. Turkey has been asked repeatedly by Members in this Committee over a number of years about the delay in these notifications. This lack of transparency over such a long period is of particular concern because Turkey ranks as the 7th largest agricultural producer in the world and has undergone a number of changes in domestic agricultural policy over that time. When does Turkey plan to submit its domestic support and export subsidy notifications?
