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**Committee on Agriculture**

**POINTS RAISED BY MEMBERS UNDER THE REVIEW PROCESS**

COMPILATION OF QUESTIONS FOR THE SPECIAL MEETING OF 18 JUNE 2020<sup>1</sup>

The present document compiles questions received by the Secretariat by 2 June 2020 for consideration under agenda item 2 of WTO/AIR/AG/43 on the Review Process on COVID-19 and agricultural trade-related matters relevant to the implementation of commitments under the Agreement on Agriculture.

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<sup>1</sup> 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.

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## 1 MATTERS RELEVANT TO THE IMPLEMENTATION OF COMMITMENTS: ARTICLE 18.6

### 1.1 Australia's International Freight Assistance Mechanism

#### 1.1.1 Question by Canada (AG-IMS ID 94034)

Australia announced the International Freight Assistance Mechanism (IFAM), an AUD 110 million programme that provides government assistance "by meeting a portion of the airfreight costs" of the export of high-value agriculture and fisheries productions. According to the relevant Australian government factsheet v4.0 on the IFAM (<https://www.austrade.gov.au/ArticleDocuments/10562/covid-19-relief-and-recovery-fund.pdf.aspx>): "exporters will need to make a financial contribution towards the cost of their freight" and "this cost may be more than pre-COVID airfreight rates". Furthermore on an Australian government website (<https://www.agriculture.gov.au/coronavirus/export/air-freight#air-freight-service-providers>) it is stated that: "[The IFAM] will operate until ordinary commercial markets return, or for six months, whichever is earlier".

- a. Could Australia provide more precision on how it will determine the level of government assistance for each quantity of agricultural goods exported? Please provide a detailed formula, and any element specific to the type of agricultural product exported.
- b. How will the financial contribution of exporters will be calculated?
- c. Australian government factsheet v4.0 mentioned that the financial contribution towards the cost of the flight "may" be more than pre-COVID airfreight rates. Could Australia give more precision as to whether it is possible under this program that the financial contribution of exporters could be less than pre-COVID airfreight rates?
- d. Please indicate what "ordinary commercial markets return" means, and how the government of Australia plans to determine when the ordinary commercial markets have returned?

#### 1.1.2 Question by European Union (AG-IMS ID 94048)

Australia has implemented a programme called the International Freight Assistance Mechanism (IFAM). According to the relevant Australian government factsheet v3.0 on the IFAM (<https://www.austrade.gov.au/ArticleDocuments/10562/covid-19-relief-and-recovery-fund.pdf.aspx>) the IFAM is an AUD 110 million "scheme designed to assist Australian agricultural and fisheries producers to export their premium produce to priority markets". The factsheet states: "by meeting a portion of the airfreight costs, the government is helping ensure Australian exporters can recover and adapt quickly when the COVID-19 crisis begins to abate". According to the factsheet, eligible products include:

- seafood (including lobsters);
- premium red meat (including beef, lamb and pork);
- dairy (such as fresh milk and yoghurt);
- horticulture (such as premium fruits and packaged salad or vegetables)

This appears therefore to be an aid provided to reduce the costs of marketing exports of agricultural products, namely the costs of international transport and freight. As such, it appears to be an export subsidy as defined in Article 9.1(d) of the Agreement on Agriculture which covers "the provision of subsidies to reduce the costs of marketing exports of agricultural products (other than widely available export promotion and advisory services) including handling, upgrading and other processing costs, and the costs of international transport and freight". For developed WTO Members such as Australia, paragraph 6 of the Nairobi Ministerial Decision of 19 December 2015 (WTO document WT/MIN(13)/40) provides for the elimination of export subsidies as of the date of adoption of that Decision.

- a. Can Australia explain how the IFAM respects its WTO obligations on agricultural export subsidies as set out in the Nairobi Ministerial Decision and the Agreement on Agriculture?

- b. Will Australia immediately terminate any prohibited agricultural export subsidies?

### **1.1.3 Question by Thailand (AG-IMS ID 94033)**

In April 2020, Australian government announced the establishment of a AUD 1 billion COVID-19 Relief and Recover Fund to support the export sectors affected by the economic impacts of the COVID-19 Epidemic. Under the mentioned Fund, the Australian government will allocate AUD 110 million to help the agriculture and seafood export sectors by creating a new freight assistance mechanism in order to recommence the Australian local shipments to other countries.

In this regard, Thailand would like to request further details from Australia regarding the above-mentioned measure and how it complies with Australia's export subsidies commitment schedule.

### **1.1.4 Question by United States of America (AG-IMS ID 94049)**

In response to the impact the reduction in commercial flights is having on exports of Australian agriculture and seafood products, the government announced a AUD 110 million programme to help exporters get their products to markets.

Please elaborate on how these funds are distributed, noting specifically how freight rates are determined for agricultural exporters and whether any of the funds can be received by exporters directly.

## **1.2 Cambodia's prohibition of rice exports**

### **1.2.1 Question by Japan (AG-IMS ID 94002)**

- a. Japan recognizes that Cambodia introduced export prohibition on rice on 5 April 2020 but finds that the required notification to the Committee on Agriculture has not been made in accordance with Article 12 of the Agreement on Agriculture. Japan would appreciate it if Cambodia could provide the reason behind. Japan would also appreciate it if Cambodia could explain how it has given due consideration to the effects of the measure on importing Members' food security, as required in Article 12 of the Agreement on Agriculture.
- b. Japan would appreciate it if Cambodia could explain how the measure met the conditions required in Article XI of General Agreement on Tariffs and Trade (GATT): namely i) essentiality of rice, and ii) criticalness of the shortage. Japan would also appreciate it if Cambodia could provide the reason why it resorted to the export prohibition on rice, rather than arranging quota which reflects the situation of domestic supply and demand.

## **1.3 Canada's agriculture support package**

### **1.3.1 Question by Australia (AG-IMS ID 94001)**

Australia notes that Canada's federal government announced a CAD 252 million support package for farmers and agri-businesses on 5 May.

- a. Noting the Canadian Prime Minister described the measures as an "initial investment", does this mean Canada is considering further support measures? Noting the support package is reported to include CAD 50 million for a Surplus Food Purchase Program to redistribute surplus commodity inventories to foods banks.
- b. Can Canada confirm if the intention is to purchase surplus food in Canada for the purpose of domestic food aid?
- c. Can Canada please outline the commodities which will be eligible for the Surplus Food Purchase Program and provide any other relevant details of the programme?

## 1.4 Canada's dairy policies

### 1.4.1 Question by Australia (AG-IMS ID 94003)

Australia notes the Canadian Dairy Commission's borrowing limit has been increased to CAD 500 million (from CAD 300 million) to fund the purchase and storage of surplus butter and cheese from farmers and processors during the pandemic.

- a. Will the butter and cheese temporarily stored using this additional funding be exported?
- b. Can Canada confirm if there is a time limit on the 'temporary' storage of butter and cheese?
- c. Australia notes this measure requires legislative change, could Canada please provide an update on the required changes?

### 1.4.2 Question by New Zealand (AG-IMS ID 94004)

An amendment to the Canadian Dairy Commission Act has undergone its first reading. If the legislation is passed, the Canadian Dairy Commission (CDC) will have its budget almost doubled to CAD 500 million which will be used to finance increased volumes of butter to be placed in storage and expand the product range available for purchase to include cheese to be placed in storage. Media reporting suggests this is a permanent increase to the budget, and not just a temporary measure to recover from the effects of COVID-19. The funding allows the CDC to buy surplus butter and cheese, store it until demand increases, and then sell it back to processors who will distribute it to market. We appreciate that these measures have been put in place to support the agriculture sector during a time of crisis, and we respect the need of countries to support agribusiness during these difficult times. We would be interested in the following:

- a. Can Canada confirm that the amendment to the legislation and corresponding increase to the budget means that the policy allowing the CDC to buy surplus butter and cheese, store product, and sell it back to processors is a permanent measure?
- b. Alternatively, if the policy is intended to be temporary while Canada recovers from the effects of COVID-19, can Canada confirm the timeframe for how long the CDC will be entitled to buy surplus butter and cheese, store product, and sell it back to processors?
- c. Can Canada confirm the stored butter and cheese is sold back to processors at the same price as it was bought from them, regardless of how the market has changed in the intervening period?
- d. Can Canada confirm the maximum amount of time the CDC will store the butter and cheese it has purchased?
- e. How will Canada ensure that the release of any dairy stocks will not be placed on the global market and therefore constitute a de facto export subsidy?

## 1.5 Canada - Farm Credit Canada

### 1.5.1 Question by United States of America (AG-IMS ID 94053)

In late March 2020, Canada announced Farm Credit Canada (FCC) can extend up to CAD 5 billion of additional loans to agricultural and food businesses. According to FCC, these funds can be used to 1) defer principal and interest payments up to six months for existing loans or defer principal payments up to 12 months and 2) provide access to a 24-month credit line of up to 500,000 CAD (at "prime plus 1 percent").

What criteria must agricultural and food businesses satisfy to qualify?

## **1.6 China's measures to ensure agricultural inputs supplies**

### **1.6.1 Question by United States of America (AG-IMS ID 94054)**

The United States understands that China is taking steps to ensure supplies of agricultural inputs needed for production are available to producers, including through delivery of inputs by the Ministry of Industry and Information Technology and National Supply and Marketing Corporation in Hubei, connecting producers to fertilizer companies in Beijing through the Municipal Agricultural and Rural Bureau, and local government is bulk purchasing inputs for distribution.

- a. Please describe how these different efforts are implemented.
- b. Please identify any financial benefit, direct or indirect, that is provided to agricultural producers, including through the distribution of inputs at lower costs.

## **1.7 Egypt's export prohibitions on agricultural products**

### **1.7.1 Question by Japan (AG-IMS ID 94005)**

- a. Japan recognizes that Egypt introduced export prohibitions on leguminous vegetables and products thereof (with the exception of peanuts, fresh or chilled peas, etc.) on 28 March 2020, and appreciate the measure was notified to the Committee on Market Access on 14 April 2020, but also finds that the required notification to the Committee on Agriculture has not been made. Japan would appreciate it if Egypt could provide the reason behind. Japan would also appreciate it if Egypt could explain how it has given due consideration to the effects of the measure on importing Members' food security, as required in Article 12 of the Agreement on Agriculture.
- b. Japan would appreciate it if Egypt could explain how the measure meets the conditions required in Article XI of General Agreement on Tariffs and Trade (GATT): namely i) essentiality of leguminous vegetables and products thereof, ii) criticalness of the shortages, and iii) temporality of the measure. Japan would also appreciate it if Egypt could provide the reason why it resorted to the export prohibitions on the products, rather than arranging quotas which reflect the situation of domestic supply and demand.

### **1.7.2 Question by Switzerland (AG-IMS ID 94006)**

According to the WTO monitoring of COVID-19 trade and trade-related measures, Egypt has introduced export prohibitions on several agricultural products.

- a. Can Egypt please give an update on whether the export prohibitions will be terminated at the end of June 2020 as indicated in the WTO reporting?
- b. Will Egypt submit a notification to the Committee on Agriculture in accordance with Article 12 of the Agreement on Agriculture?

It is useful for such measures to be notified to the WTO, not only for transparency but also so that ER notifications remain a reliable and important source of information. These notifications are especially vital for net food importing countries such as Switzerland, as this information is very important for our importers.

## **1.8 El Salvador's export prohibitions on dried leguminous vegetables**

### **1.8.1 Question by Japan (AG-IMS ID 94007)**

Japan would appreciate it if El Salvador could explain how export prohibitions on dried leguminous vegetables introduced by the Member on 26 March 2020 meet the conditions required in Article XI of General Agreement on Tariffs and Trade (GATT): namely i) essentiality of the products, and ii) criticalness of the shortages. Japan would also appreciate it if El Salvador could provide the reason why it resorted to the export prohibitions on the products, rather than arranging quotas which reflect the situation of domestic supply and demand.



## 1.9 EU's private storage aid

### 1.9.1 Question by Australia (AG-IMS ID 94008)

Australia understands that the European Union (EU), in response to the COVID-19 crisis, has granted private storage aid for dairy (skimmed milk powder, butter, cheese) and meat (beef, sheep and goat meat) products. It appears the scheme allows the temporary withdrawal of products from the market for a minimum of 2 to 3 months (90 days), and a maximum period of 5 to 6 months (180 days).

- a. What volumes have been applied for, and have been successful in securing private storage aid?
- b. Is the EU considering expanding private storage aid to other commodities? If so, which commodities?
- c. Australia understands the scheme opened from 7 May 2020, when will applications for the scheme close?
- d. What is the total estimated budgetary cost for the private storage aid?
- e. The amount of aid is fixed as follows: (i) EUR 5.11 per tonne of storage for fixed storage costs; (ii) EUR 0.13 per tonne per day of contractual storage. How does this compare with commercial rates?
- f. Given the global pandemic is likely to cause deflated demand beyond 6 months, is the EU considering extending the scheme beyond the current maximum of 180 days?
- g. Once the private storage period has ended, are there any limitations on how the stock is sold?
- h. What practical steps is the EU taking to ensure that goods currently receiving private storage aid do not distort trade or adversely affect the food security of other WTO Members?
- i. How will the EU notify this measure to the WTO?

## 1.10 EU's aid to the potato sector

### 1.10.1 Question by Australia (AG-IMS ID 94009)

As per European Union (EU) Regulation 2020/593, the EU production of potatoes amounts to approximately 52 million tonnes, of which 19.5 million tonnes correspond to potatoes for processing. Exports of frozen potatoes and, in particular, frozen chips, are particularly significant under normal market conditions: 64 % of frozen potatoes exported worldwide come from the EU and the value of exports of frozen chips from the EU to third countries was estimated at EUR 1.85 billion in 2019.

Australia understands that due to the current pandemic of COVID-19 there has been a sharp drop in demand for potatoes for processing, which has had a severe impact on the market. Australia understands there are still large volumes of potatoes for processing in storage from the 2019 campaign. It is reported that the EU Commission, in response to the COVID-19 crisis, has allowed the potato sector temporary exemptions for certain EU competition rules. In addition, a number of member States are compensating companies in the potato sectors for the loss of revenue or additional costs related to collapse in demand, for example, the Netherlands will allocated EUR 50 million to compensate potato growers affected by the outbreak.

- a. Is the EU considering private storage aid for the potato sector?
- b. What practical steps is the EU taking to ensure future exports of processed potato products do not distort trade or adversely affect the food security of other WTO Members?

### **1.11 EU- Czech guarantee scheme**

#### **1.11.1 Question by Australia (AG-IMS ID 94010)**

Australia understands the European Commission has approved an approximately EUR 5.2 billion (CZK 142 billion) Czech guarantee scheme for large companies with export activities affected by COVID-19.

- a. Are companies required to continue to export to be eligible for the scheme?
- b. What percentage of companies that have applied for the scheme so far are involved in the primary agricultural sector?
- c. How will the scheme be classified under the WTO Agreement on Agriculture?

### **1.12 EU's support measures in response to Covid-19**

#### **1.12.1 Question by Australia (AG-IMS ID 94011)**

Australia notes the European Commission has introduced a number of measures in response to COVID-19, including proposed support of up to EUR 5,000 per farmer and EUR 50,000 per small agri-business from remaining unspent rural development funds under the Common Agricultural Policy Pillar II (estimated between EUR 6 – 17 billion) to assist in offsetting the effect of COVID-19 on farm businesses. Australia notes that payments under Pillar 2 of the CAP are generally notified as 'Green Box'.

- a. Could the EU please provide an update on the approval of this measure?
- b. Has the EU placed limitations around how the unspent rural development money can be provided to limit the impacts on trade and third country markets?
- c. Do EU member States have the discretion to decide how the support is provided? Does it have to be in the form of a single payment or could it be in the form of other types of market measures?
- d. Given the possible flexibility on how the payments will be delivered, how will the EU classify these payments under the WTO Agreement on Agriculture?

#### **1.12.2 Question by Brazil (AG-IMS ID 94042)**

In April, the European Commission relaxed rules for member States to use resources from the European Structural and Investment Funds (ESIF), including the European Agricultural Fund for Rural Development (EAFRD), which is traditionally notified as a Green Box programme. According to information publicly available in the press, it seems that this flexibility is what has allowed the announcement of large programmes by member States, such as the launch by the Austrian government of a EUR 38 billion economic aid package for its farmers. The European Commission has also announced aid programmes for the private storage of dairy products (skimmed milk powder, butter and cheese) and meat (beef, sheep and goat). At the same time, France and Italy have adopted unilateral measures to support the dairy markets in their own countries, despite CAP regulations that state that all support must be adopted at EU level. In view of this, the EU could explain:

- a.
  - i. What measures are underway to ensure that the increased flexibility afforded to member States does not change the pattern of recent EU DS:1 notifications?
  - ii. In the case of resources traditionally notified as Green or Blue box, such as those from the EAFRD, is there any obligation that national programmes maintain the characteristics established in Annex 2 of the AoA and/or Article 6.5?

- b.
  - i. How does the EU ensure the consistency between national and EC authorized programmes supporting private stockholding?
  - ii. Have rules for stock release, such as an export ban, been defined?
- c. Could the EU provide further details on the policies that are included in the Austrian programme to support the agricultural sector, whose announced value is EUR 38 billion?

### **1.12.3 Question by Canada (AG-IMS ID 94035)**

On 4 May 2020, the European Commission adopted a package of exceptional measures to further support the agricultural sector most affected by the COVID-19 virus. One of the measures is temporary framework for state aid where a farmer can benefit from a maximum of EUR 100,000 per farm and where food processing or marketing companies can benefit from a maximum of EUR 800,000 per company.

- a. Could the European Union clarify if this temporary aid is in the form of a grant or a loan that will be repaid at a future date?
- b. What are the eligibility criteria for these three entities to access this state aid? The package of exceptional measures also includes private storage aids for dairy (skim milk powder, butter and cheese) and meat (beef, sheep and goat meat). The storage aid will withdraw these products from the market for a minimum of two to three months and a maximum of five to six months.
- c. Could the European Union indicate what conditions will determine the release of these products back onto the market and will there be limits on the volume that is released at any one time?

### **1.12.4 Question by New Zealand (AG-IMS ID 94012)**

We note the EU has introduced Private Storage Aid (PSA) for both meat and dairy, state aid subsidies for the agriculture sector totalling more than EUR 1 billion, flexibility in national support programmes, and derogations from competition rules for some sectors. We appreciate the measures have been put in place to support the agriculture sector during a time of crisis, and we respect the need of countries to support agribusiness during these difficult times. Can the EU please advise how they will ensure that these measures do not negatively impact global markets?

### **1.12.5 Question by United States of America (AG-IMS ID 94055)**

On 22 April 2020, the European Commission launched a support package including 1) private aid storage for the dairy and meat, fruit and vegetable sectors to temporarily withdraw products from markets to help increase prices, 2) flexibility in the implementation for market support programs for wine, fruits and vegetables, olive oil, apiculture, and the EU's school scheme for milk, fruit and vegetables, and 3) exception derogation from EU competition rules for the milk, flowers, and potatoes sectors.

Please provide additional details for the actions taken under the support package, including specific actions taken with regards to the three areas previously discussed, and how any new measures or increased flexibilities are being implemented.

### **1.12.6 Question by United States of America (AG-IMS ID 94056)**

The European Commission under the State Aid Temporary Framework adopted on 19 March 2020, as amended on 3 April and 8 May 2020, is allowed to enable member States to use the full flexibility foreseen under State aid rules to support the economy in the context of the coronavirus outbreak. This could allow direct grants, equity injections, selective tax advantages and advance

payments of up to EUR 100,000 to a company active in the primary agricultural sector. Member States can also give, up to the nominal value of EUR 100,000 per company, zero-interest loans or guarantees on loans covering 100% of the risk in the primary agriculture sector.

- a. Please specify what EU member States have taken advantage of this increased flexibility to date.
- b. What are the requirements or criteria for companies to be eligible?
- c. Is there a maximum cap on the programme in terms of spending?

### **1.13 Romania's export prohibition on agricultural products**

#### **1.13.1 Question by Japan (AG-IMS ID 94041)**

- a. Japan recognizes that Romania introduced export prohibition on certain food products including wheat, wheat flour, barley, corn, rice and soybeans on 10 April 2020, but finds that the required notification to the Committee on Agriculture has not been made in accordance with Article 12 of the Agreement on Agriculture. Japan would appreciate it if Romania could provide the reason behind. Japan would also appreciate it if Romania could explain how it has given due consideration to the effects of the measure on importing Members' food security, as required in Article 12 of the Agreement on Agriculture.
- b. Japan would appreciate it if Romania could explain how the measure met the conditions required in Article XI of General Agreement on Tariffs and Trade (GATT): namely i) essentiality of the products, and ii) criticalness of the shortages. Japan would also appreciate it if Romania could provide the reason why it resorted to the export prohibitions on the products, rather than arranging quotas which reflect the situation of domestic supply and demand.

#### **1.13.2 Question by Switzerland (AG-IMS ID 94013)**

According to the WTO monitoring of COVID-19 trade and trade-related measures, Romania has introduced an export ban on several agricultural products.

- a. Can Romania please give an update on whether the export ban was terminated by 16 April 2020 as indicated in the WTO reporting?
- b. Will Romania submit a notification to the Committee on Agriculture in accordance with Article 12 of the Agreement on Agriculture?

It is useful for such measures to be notified to the WTO, not only for transparency but also so that ER notifications remain a reliable and important source of information. These notifications are especially vital for net food importing countries such as Switzerland, as this information is very important for our importers.

### **1.14 Honduras - Export prohibitions on dried leguminous vegetables**

#### **1.14.1 Question by Japan (AG-IMS ID 94014)**

Japan would appreciate it if Honduras could explain how export prohibitions on dried leguminous vegetables introduced by the Member on 26 March 2020 meets the conditions required in Article XI of General Agreement on Tariffs and Trade (GATT): namely i) essentiality of the products, ii) criticalness of the shortages, and iii) temporality of the measure. Japan would also appreciate it if Honduras could provide the reason why it resorted to the export prohibitions on the products, rather than arranging quotas which reflect the situation of domestic supply and demand.

### **1.15 India's COVID-19 stimulus package**

#### **1.15.1 Question by Canada (AG-IMS ID 94036)**

On 12 May 2020, Prime Minister Modi announced a COVID-19 stimulus package for India which includes measures to assist the agriculture and agri-food sector. Canada understands that the package will include funds to upgrade agricultural infrastructure such as cold chains, post-harvest storage, etc.

- a. Could India elaborate on which types of organizations or entities would be eligible for this support?
- b. Will the support be in the form of grants or repayable loans? As part of the stimulus package, it is reported there will be a new legal framework for risk mitigation for farmers which would include mechanisms to enable farmers to engage with processors, large retailers or wholesalers of agricultural products.
- c. Could India elaborate as to the expected timeline for the development of this framework? The stimulus package proposes to amend the Essential Commodities Act which regulates the production, supply and distribution of a number of commodities to ensure a domestic supply for consumers. The proposal is to deregulate a number of agricultural products such as edible oils, oilseeds, pulses, onions and potatoes and that stock limits will only be allowed in exceptional circumstances.
- d. Could India elaborate on the expected timeline for the amendment to the Essential Commodities Act?

### **1.16 Japan's beef support**

#### **1.16.1 Question by Australia (AG-IMS ID 94015)**

Australia notes that based on reporting, falling wagyu beef prices since 2019 have triggered increased support payments under the Beef Livestock Stabilization Program, also known as Beef Marukin.

- a. Are the payments under the programme related to reduced demand due to COVID-19?
- b. Can Japan outline the type and value of the support that producers participating in the Beef Marukin programme can receive?

#### **1.16.2 Question by United States of America (AG-IMS ID 94058)**

On 13 April 2020, Japan's state trading enterprise Agriculture and Livestock Industries Corporation announced 50 billion yen (USD 460 million) to stimulate consumption of domestic beef including through a 1,000 yen (USD 9.29) per kilogram incentive payment in fiscal year 2020 for wholesalers to distribute wagyu beef at a significant discount. This measure does not apply to imported beef.

- a. What is the policy rationale for stimulating demand for consumption of only domestically produced, high quality beef rather than all beef production, regardless of origin?
- b. What measures will be taken to ensure that this program does not negatively affect imports?

### **1.17 Japan's support package**

#### **1.17.1 Question by Brazil (AG-IMS ID 94044)**

In April, Japan announced a stimulus package for the agricultural sector worth JPY 108.2 trillion. Considering that Japan's AMS is JPY 3.9 trillion, could Japan:

- a. Provide details on the types of policies that are included in the support package, and explain whether it is a multi-annual package or specific support in response to the pandemic that will be given without prejudice to traditional agricultural policy;
- b. Indicate which sectors were most affected by the COVID-19 pandemic and then will be entitled to greater support from the government;
- c. Explain how the budget allocation of JPY 108.2 trillion is compatible with Japan's AMS.

#### **1.17.2 Question by Canada (AG-IMS ID 94037)**

As part of the Government of Japan's COVID-19 emergency economic package, the Ministry of Agriculture, Forestry and Fisheries (MAFF) is expected to receive a 545 billion yen (USD 5 billion) supplementary budget to support the food, agriculture, forestry and fisheries sector. Under the Sales Promotion of Domestic Product there is a 140 billion yen (USD 1.3 billion) to support promotional sales activities for domestically produced agriculture, forestry and fisheries products.

- a. Could Japan elaborate on what are the criteria eligibility to receive this support and which domestic product are eligible?

Under Export Promotion and Production Improvement there is a 3.50 billion yen (USD 32.4 million) program available to processed food manufacturers and food service providers to switch from using imported inputs to domestic products.

- b. Could Japan elaborate on the rationale to disadvantage imported inputs which historically have benefited the Japanese food industry?
- c. Could Japan elaborate on how the 2 billion yen (USD 18.5 million) program called Transportation for Perishables will support the export of perishable products?
  - i. Which products are eligible for this support?

#### **1.17.3 Question by United States of America (AG-IMS ID 94057)**

In the Japan Fiscal Year 2020 Supplementary Budget, Japan has introduced several different measures that incentivize the use of domestic product over imported products for entities that are engaged in export activities but may also sell their product domestically. These include:

- A 3.5 billion yen (USD 32 million) program to incentivize processed food manufacturers and food service providers who make products for export to replace imported ingredients with domestic ingredients.
- A 2.39 billion yen (USD 22 million) programme to support food manufactures who build production lines and purchase refrigerators and labeling machines to increase retail sales and exports of domestic products.
- A 5 billion yen (USD 46 million) programme to incentivize dairy processors to replace imported ingredients with domestic milk powder by paying processors the price difference between domestic and imported products.

For each measure:

- a. Please explain how these measures are implemented.
- b. What are the specific criteria an entity must meet to qualify for funding?
- c. Please confirm whether an entity must export, regardless of domestic sales, in order to benefit from any of these measures.

- d. May an eligible food manufacture benefit from more than one measure?

### **1.18 Japan's transportation support**

#### **1.18.1 Question by United States of America (AG-IMS ID 94059)**

In the Japan Fiscal Year 2020 Supplementary Budget, there is a 2 billion yen (USD 18.5 million) programme to secure transportation for exports of perishables in response to the decreased number of international flights. Please elaborate on how these funds are distributed, noting specifically how freight rates are determined for agricultural exporters and whether any of the funds can be received by exporters directly.

### **1.19 Kazakhstan's export prohibition measures on certain food products**

#### **1.19.1 Question by Japan (AG-IMS ID 94016)**

- a. Japan recognizes that Kazakhstan introduced export quotas on certain food products including wheat and meslin, and wheat flour, as well as export prohibitions on certain food products including buckwheat and white sugar on 2 April 2020, but finds that the required notification to the Committee on Agriculture has not been made in accordance with Article 12 of the Agreement on Agriculture. Japan would appreciate it if Kazakhstan could provide the reason behind. Japan would also appreciate it if Kazakhstan could explain how it has given due consideration to the effects of the measures on importing Members' food security, as required in Article 12 of the Agreement on Agriculture.
- b. Japan would appreciate it if Kazakhstan could explain how the measures met the conditions required in Article XI of General Agreement on Tariffs and Trade (GATT): namely i) essentiality of the products, and ii) criticalness of the shortages. Japan would also appreciate it if Kazakhstan could explain how it determined the concrete amount of the export quotas (i.e., 250 thousand tonnes for wheat and 150 thousand tonnes for wheat flour in May). Japan would further appreciate it if Kazakhstan could provide the reason why it resorted to the export prohibitions on the products (e.g., buckwheat and white sugar), rather than arranging quotas which reflect the situation of domestic supply and demand.

#### **1.19.2 Question by Switzerland (AG-IMS ID 94017)**

According to the WTO monitoring of COVID-19 trade and trade-related measures, Kazakhstan has introduced an export ban on several agricultural products.

- a. Can Kazakhstan please give an update on whether the export ban will be terminated on 1 September 2020 as indicated in the WTO reporting?
- b. Will Kazakhstan submit a notification to the Committee on Agriculture in accordance with Article 12 of the Agreement on Agriculture?

It is useful for such measures to be notified to the WTO, not only for transparency but also so that ER notifications remain a reliable and important source of information. These notifications are especially vital for net food importing countries such as Switzerland, as this information is very important for our importers.

### **1.20 Myanmar's export quota on rice**

#### **1.20.1 Question by Japan (AG-IMS ID 94018)**

- a. Japan recognizes that Myanmar introduced export quota on rice on 1 May 2020, but finds that the required notification to the Committee on Agriculture has not been made in accordance with Article 12 of the Agreement on Agriculture. Japan would appreciate it if Myanmar could provide the reason behind. Japan would also appreciate it if Myanmar could



explain how it has given due consideration to the effects of the measure on importing Members' food security, as required in Article 12 of the Agreement on Agriculture.

- b. Japan would appreciate it if Myanmar could explain how the measure meets the conditions required in Article XI of General Agreement on Tariffs and Trade (GATT): namely i) essentiality of rice, ii) criticalness of the shortage, and iii) temporality of the measure. Japan would also appreciate it if Myanmar could explain how it determined the concrete amount of the export quota (i.e., 150 thousand tonnes monthly)

## **1.21 New Zealand's International AirFreight Capacity Scheme**

### **1.21.1 Question by Canada (AG-IMS ID 94038)**

New Zealand announced the International Air Freight Scheme, a \$330 million programme that provides government assistance to carriers on key routes for high-value exports (particularly seafood, meat, horticulture). According to a New Zealand document named "Request for proposals for International Air Freight Capacity", this "financial support would be provided to enable the supplier to make available agreed levels of international air freight capacity on international air routes agreed with the Ministry, offered to the market at prices determined in accordance with an agreed pricing methodology and designed to keep airfreight affordable for those end users". New Zealand's International Air Freight Scheme Q&As document states: "[New Zealand's] intention is to exit the scheme once the international airfreight market stabilizes according to agreed criteria."

- a. Could New Zealand provide more details on how much of this subsidy for Air Freight Capacity is intended to reduce airfreight costs for the export for agricultural goods?
- b. Will the government of New Zealand make public a record of the level of assistance it provided by agricultural product under this scheme?
- c. How do exporter airfreight costs compare to pre-COVID-19 levels?
- d. Could New Zealand provide more information on the pricing methodology in its agreements with carriers? Are there specific subsidies by weight determined for agricultural goods, and if so, could the government of New Zealand provide information on the average specific subsidy by weight by agricultural products, or the general range of the level of subsidy by weight by agricultural products in its agreements?
- e. Could New Zealand provide details on the "agreed criteria" for it to exit the scheme once the international airfreight market stabilizes?

### **1.21.2 Question by European Union (AG-IMS ID 94050)**

New Zealand has introduced the International Airfreight Capacity scheme (IAFC), by which it supports the export of New Zealand's product by air to export destinations.

- a. Can New Zealand explain more in detail how much the New Zealand government is spending on this programme, and the basis on which the subsidy level has been calculated?
- b. Can New Zealand explain whether and how this support scheme complies with the Nairobi Ministerial Decision on export competition.

### **1.21.3 Question by United States of America (AG-IMS ID 94051)**

The Government of New Zealand announced as part of its COVID-19 support package, \$200.7 million to implement a financial support scheme to ensure that critical air freight capacity is maintained, despite the reduction in international passenger flights brought about by COVID-19. Reports indicate New Zealand wants to ensure service continuity on key routes for critical imports (particularly medicines, medical supplies and agricultural or other production machinery) and high value exports (particularly seafood, meat, horticulture).



Please elaborate on how these funds are distributed, noting specifically how freight rates are determined for agricultural exporters and whether any of the funds can be received by exporters directly.

## **1.22 Russian Federation's export quota**

### **1.22.1 Question by Brazil (AG-IMS ID 94043)**

On 1 April, the Russian Federation government introduced a quota of 7 million tonnes for exports of wheat, rye, barley and corn, the main cereals produced by the country, in order to guard against the possibility of a cereal shortage. This quota will be in force until 30 June, but experts predicted that the quota would be fully filled in May. In view of that, could the Russian Federation:

- a. Indicate when it will notify this measure to the CoA and whether consultations with Russian Federation's main wheat export destinations have been made before adopting the restriction?
- b. Share the criteria adopted to define the volume of seven million tonnes;
- c. Explain the reason for preferring quantitative restrictions instead of adopting temporary tariff duties on out-of-the-quota exports?
- d. Present updated information, at product level, about the fulfilment of this quota?
- e. Inform about the possibility of this quota being extended after 30<sup>th</sup> June and about the current national levels of wheat production and stock?

### **1.22.2 Question by Japan (AG-IMS ID 94019)**

- a. Japan recognizes that Russian Federation introduced export quotas on wheat and meslin, rye, barley and maize on 1 April 2020, but finds that the required notification to the Committee on Agriculture has not been made in accordance with Article 12 of the Agreement on Agriculture. Japan would appreciate it if Russian Federation could provide the reason behind. Japan would also appreciate it if Russian Federation could explain how it has given due consideration to the effects of the measure on importing Members' food security, as required in Article 12 of the Agreement on Agriculture.
- b. Japan would appreciate it if Russian Federation could explain how the measure meets the conditions required in Article XI of General Agreement on Tariffs and Trade (GATT): namely i) essentiality of the products, and ii) criticalness of the shortages. Japan would also appreciate it if Russian Federation could explain how it determined the concrete amount of the export quotas (i.e., seven million tonnes for wheat from April to June 2020).

### **1.22.3 Question by Switzerland (AG-IMS ID 94020)**

According to the WTO monitoring of COVID-19 trade and trade-related measures, the Russian Federation has introduced a temporary export quota on several agricultural products.

- a. Can the Russian Federation please give an update on whether the export quotas will be terminated at the end of June 2020 as indicated in the WTO reporting?
- b. Will the Russian federation submit a notification to the Committee on Agriculture in accordance with Article 12 of the Agreement on Agriculture?

It is useful for such measures to be notified to the WTO, not only for transparency but also so that ER notifications remain a reliable and important source of information. These notifications are especially vital for net food importing countries such as Switzerland, as this information is very important for our importers.

### **1.23 Tajikistan's export prohibitions on certain food products**

#### **1.23.1 Question by Japan (AG-IMS ID 94021)**

Japan would appreciate it if Tajikistan could explain how export prohibitions on certain food products including wheat, wheat flour and vegetable introduced by the Member on 25 April 2020 meet the conditions required in Article XI of General Agreement on Tariffs and Trade (GATT): namely i) essentiality of the products, ii) criticalness of the shortages, and iii) temporality of the measure. Japan would also appreciate it if Tajikistan could provide the reason why it resorted to the export prohibitions on the products, rather than arranging quotas which reflect the situation of domestic supply and demand.

### **1.24 Turkey's Treasury-backed loans**

#### **1.24.1 Question by Australia (AG-IMS ID 94022)**

Australia understands that on 28 April 2020, the Turkish Government announced farmers' payments of Treasury-backed loans due in May and June will be postponed for six months as part of a response of COVID-19.

- a. What was the original eligibility criteria to access the Treasury-backed loans?
- b. What commodities were covered by the eligibility criteria?
- c. What is the interest rate of the Treasury-backed loans compared to the current commercial rates?

### **1.25 Turkey - Prior export authorization/registration**

#### **1.25.1 Question by Japan (AG-IMS ID 94023)**

- a. Japan recognizes that Turkey introduced prior export authorization/registration on fresh lemons on 7 April 2020 but finds that the required notification to the Committee on Agriculture has not been made in accordance with Article 12 of the Agreement on Agriculture. Japan would appreciate it if Turkey could provide the reason behind. Japan would also appreciate it if Turkey could explain how it has given due consideration to the effects of the measure on importing Members' food security, as required in Article 12 of the Agreement on Agriculture.
- b. Japan would appreciate it if Turkey could explain how the measure meets the conditions required in Article XI of General Agreement on Tariffs and Trade (GATT): namely i) essentiality of fresh lemons, ii) criticalness of the shortages, and iii) temporality of the measure.

#### **1.25.2 Question by Switzerland (AG-IMS ID 94024)**

According to the WTO monitoring of COVID-19 trade and trade-related measures, Turkey has introduced a prior export authorization on certain agricultural products.

- a. Can Turkey please give an update on whether the prior export authorization was terminated by 2 May 2020 as indicated in the WTO reporting?
- b. Will Turkey hand in an additional notification to the Committee on Agriculture in accordance with Article 12 of the Agreement on Agriculture? It is useful for such measures to be notified to the WTO, not only for transparency but also so that ER notifications remain a reliable and important source of information. These notifications are especially vital for net food importing countries such as Switzerland, as this information is very important for our importers.

## **1.26 U.S. Coronavirus Food Assistance Program**

### **1.26.1 Question by Australia (AG-IMS ID 94025)**

On 17 April, the US Department of Agriculture (USDA) announced a USD 19 billion Coronavirus Food Assistance Program, including USD 16 billion in direct support to farmers and ranchers. Australia welcomes the United States' transparency in regard to the programme, noting that the full list of eligible commodities and how payments will be calculated is publically available. We also appreciate the public realisation of the cost-benefit analysis. Australia has the following questions regarding the programme:

- a. When will the United States notify this package to the WTO?
- b. How will the USD 16 billion in direct support to farmers and ranchers be classified under the WTO Agreement on Agriculture?
- c. How do the payments under the Coronavirus Food Assistance Program compare to the payments the United States provided under the 2018 and 2019 programmes, which were to compensate producers adversely affected by retaliatory tariffs imposed by WTO Members facing unilateral trade actions by the United States?

### **1.26.2 Question by Brazil (AG-IMS ID 94045)**

On 19 May, the United States Department of Agriculture (USDA) presented details of Coronavirus Food Assistance Program (CFAP), whose announced budget is USD 16 billion. Through the programme, one can receive direct payments of up to \$250,000 per eligible producer. The USDA has defined that the eligible crops will be those whose prices have fallen by at least 5% since January. Could the US provide additional information on:

- a.
  - i. What price index was used to calculate the price drop?
  - ii. Has the US considered to use the prices in the first half of 2019 as a benchmark for eligibility, considering that commodity prices in the international market fluctuate according to the harvest period?
  - iii. What was the price drop in cotton, sugar, soy, corn, beef and pork?
- b.
  - i. How does this support programme differ from recent "Trade Aid Programs", considering that 2019 "Trade Aid Programs" budget was also USD 16 billion?
  - ii. Specifically, are their eligibility and due maximum compensation requirements similar?
- c. Are there any estimates as to the sectors that will benefit most from the programme?

### **1.26.3 Question by Canada (AG-IMS ID 94039)**

On 12 May 2020, the United States announced the USD 19 billion Coronavirus Food Assistance Program (CFAP), which will provide USD 16 billion in direct support to farmers and ranchers.

- a. Will the USDA release the methodology used to calculate the loss incurred by U.S. producers and the associated payment calculations as was done under the Market Facilitation Program in 2018 and 2019?

- b. Can the United States provide details on the impact of announcing the CFAP programme before the growing season and sending those payments to producers in the middle of the planting season? What is the impact on producers' planting decisions?
- c. As of 5 February 2020, the USDA ERS forecasted that Federal Government Direct Farm Program Payments would reach close to USD 15 billion in 2020. With the funding under the CFAP, are direct farm payments expected to reach over USD 30 billion in 2020, or over 30% of net farm income? <https://www.ers.usda.gov/data-products/farm-income-and-wealth-statistics/data-files-us-and-state-level-farm-income-and-wealth-statistics/>
- d. After providing direct payments close to USD 9 billion in 2018, close to USD 14 billion in 2019 and in announcing USD 16 billion in 2020, are there concerns that U.S. producers will become dependent on government support?

#### **1.26.4 Question by European Union (AG-IMS ID 94052)**

The US has introduced a range of support measures in relation to the Covid-19, of which the most important are the Cares act and the CFAP.

Given the very large sums spent on these programmes, can the US inform Members as to how it intends to notify them? Which of these payments will be Amber Box, which will be product specific or non-product specific and in which year of the DS:1 notification will expenditure fall.

#### **1.26.5 Question by New Zealand (AG-IMS ID 94026)**

On 17 April 2020, the US Department of Agriculture launched the Coronavirus Food Assistance Program (CFAP), providing USD 16 billion in direct support to farmers and ranchers and USD 3 billion for government purchase and distribution of surplus production. Livestock (USD 9.6 billion), row crop (USD 3.9 billion) and speciality crop producers (USD 2.1 billion) have received the bulk of direct support payments. Funding for the programme draws on the USD 9.5 billion of funds made available under the CARES Act and a further USD 6 billion of borrowing headroom still available for 2019-2020 from the Commodity Credit Corporation. US industry continues to lobby for further assistance to support domestic producers, including increased direct support, expanded food purchase programmes and a request to reinstate international food aid by the dairy sector. We appreciate these measures have been put in place to support the agriculture sector during a time of crisis and we respect the need for countries to support agricultural sectors during these difficult times. We would be interested in the following:

- a. Can the US confirm under what category of AoA Article 6 this support will be notified?
- b. Does the US expect to increase its AMS relative to previous years to account for the additional funding?
- c. Does the US expect to increase its Blue Box outlays to account for the additional funding?
- d. Does the US foresee further direct support being made available to producers?
- e. Is the US considering reinstating international food aid for the dairy sector or other sectors?

### **1.27 US - Paycheck Protection Program**

#### **1.27.1 Question by European Union (AG-IMS ID 94047)**

Under the "Paycheck Protection Program", loans will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities. Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees. This loan has a maturity of two years and an interest rate of 1%.

- a. Can the US indicate how much had been lent under this programme by 31 May to farmers, and the expected total for farmers by the end of programme on 30 June.
- b. What share of total loans does the US expect to be forgiven?
- c. Could the US indicate the level of interest subsidy on these loans?
- d. How does the US intend to notify this programme in its DS:1 notification and in which year?

## **1.28 Viet Nam's export restriction measures on rice**

### **1.28.1 Question by Brazil (AG-IMS ID 94046)**

Viet Nam is the third largest world rice exporter. According to FAO's "Food Price Monitoring and Analysis" (FPMA), the signing of new contracts for rice exports was suspended on 25 March 2020. On 10 April, the ban on rice exports was replaced by monthly export quotas, which were set at 400,000 tonnes for the April-May period. On 22 April, the quota for April was subsequently increased by 100,000 tonnes. The following week, the full resumption of exports was announced. Also, according to information obtained from the FPMA, Viet Nam would have declared that it could export up to 6.7 million tonnes of rice this year; however, the competent authorities would continue to monitor the situation of rice supply and demand to enable immediate action if necessary. In light of the above, could Viet Nam:

- a. Present the reasons why it could not notify these export restrictive measures to the WTO?
- b. Share the quantitative criteria it used for establishing the export ban followed by the export quota?
- c. Explain why it prefer establishing quantitative restrictions instead of introducing temporary export taxes?
- d. Inform the current levels of rice production and stocks and whether there is any indication of future export restrictions to be adopted in the upcoming months?

### **1.28.2 Question by Canada (AG-IMS ID 94040)**

On 24 March 2020, the government of Viet Nam imposed an export ban on rice (Decision No. 1106/QĐ-BCT). On 10 April 2020, Viet Nam lifted the ban with a quota of 400,000 MT for the month of April 2020. On 22 April 2020, Viet Nam increased the threshold for this export quota to 500,000 tonnes from 400,000 tonnes. On 28 April 2020, Viet Nam's Prime Minister announced the lifting of the export quota as of 1 May 2020. To date, Viet Nam has not notified these measures as per the obligations under Article 12 of the Agreement on Agriculture.

- a. Can Viet Nam explain the purpose of these measures?
- b. Will these export restrictions be notified to the Committee on Agriculture?
- c. Does Viet Nam anticipate a need to reintroduce export restrictions on other agricultural goods in the future?

### **1.28.3 Question by Japan (AG-IMS ID 94027)**

- a. Japan recognizes that Viet Nam introduced export quota on rice on 11 April 2020, but finds that the required notification to the Committee on Agriculture has not been made in accordance with Article 12 of the Agreement on Agriculture. Japan would appreciate it if Viet Nam could provide the reason behind. Japan would also appreciate it if Viet Nam could explain how it has given due consideration to the effects of the measure on importing Members' food security, as required in Article 12 of the Agreement on Agriculture.

- b. Japan would appreciate it if Viet Nam could explain how the measure met the conditions required in Article XI of General Agreement on Tariffs and Trade (GATT): namely i) essentiality of rice, and ii) criticalness of the shortage. Japan would also appreciate it if Viet Nam could explain how it determined the concrete amount of the export quota (i.e., 0.5 million tonnes in April).

#### **1.28.4 Question by Switzerland (AG-IMS ID 94028)**

According to the WTO monitoring of COVID-19 trade and trade-related measures, Viet Nam has introduced an export quota on rice.

- a. Can Viet Nam please give an update on whether the export quota was terminated on 1 May 2020 as indicated in the WTO reporting?
- b. Will Viet Nam submit a notification to the Committee on Agriculture in accordance with Article 12 of the Agreement on Agriculture?

It is useful for such measures to be notified to the WTO, not only for transparency but also so that ER notifications remain a reliable and important source of information. These notifications are especially vital for net food importing countries such as Switzerland, as this information is very important for our importers.

## **2 POINTS RAISED IN CONNECTION WITH INDIVIDUAL NOTIFICATIONS**

### **2.1 Export prohibitions and restrictions (Table ER:1)**

#### **2.1.1 Kyrgyz Republic (G/AG/N/KGZ/8)**

##### **AG-IMS ID 94029: Question by Japan**

- a. Japan recognizes that Kyrgyz Republic introduced export prohibitions on certain food products including wheat and meslin, wheat flour, rice, and sugar on 22 March 2020, and appreciates the measure was notified to the Committee on Agriculture on 31 March 2020. Japan would appreciate it if Kyrgyz Republic could provide the reason why the notification was not made before the measure was taken while "prior notification" is required in Article 12 of the Agreement on Agriculture.
- b. Japan would appreciate it if Kyrgyz Republic could explain how the measure meets the conditions required in Article XI of General Agreement on Tariffs and Trade (GATT): namely i) essentiality of the products, and ii) criticalness of the shortages. Japan would also appreciate it if Kyrgyz Republic could provide the reason why it resorted to the export prohibitions on the products, rather than arranging quotas which reflect the situation of domestic supply and demand.

#### **2.1.2 North Macedonia (G/AG/N/MKD/26)**

##### **AG-IMS ID 94031: Question by Japan**

- a. Japan recognizes that Republic of North Macedonia introduced export prohibitions on wheat and meslin, and wheat flour on 20 March 2020, and appreciates the measure was notified to the Committee on Agriculture on 2 April 2020. Japan would appreciate it if Republic of North Macedonia could provide the reason why the notification was not made before the measure was taken while "prior notification" is required in Article 12 of the Agreement on Agriculture.
- b. Japan would appreciate it if Republic of North Macedonia could explain how the measure met the conditions required in Article XI of General Agreement on Tariffs and Trade (GATT): namely i) essentiality of the products, and ii) criticalness of the shortages. Japan would also appreciate it if Republic of North Macedonia could provide the reason

why it resorted to the export prohibitions on the products, rather than arranging quotas which reflect the situation of domestic supply and demand.

### **2.1.3 Thailand (G/AG/N/THA/107 and G/AG/N/THA/107/Add.1)**

#### **AG-IMS ID 94030: Question by Japan**

- a. Japan recognizes that Thailand introduced export prohibitions on bird eggs of fowls of the species *Gallus Domesticus* on 26 March 2020, and appreciates the measure was notified to the Committee on Agriculture on 30 March 2020. Japan would appreciate it if Thailand could provide the reason why the notification was not made before the measure was taken while "prior notification" is required in Article 12 of the Agreement on Agriculture. Japan would also appreciate it if Thailand could explain how it has given due consideration to the effects of the measure on importing Members' food security, as required in Article 12 of the Agreement on Agriculture.
- b. Japan would appreciate it if Thailand could explain how the measure met the conditions required in Article XI of General Agreement on Tariffs and Trade (GATT): namely i) essentiality of bird eggs, and ii) criticalness of the shortages. Japan would also appreciate it if Thailand could provide the reason why it resorted to the export prohibitions on bird eggs, rather than arranging quotas which reflect the situation of domestic supply and demand.

### **2.1.4 Ukraine (G/AG/N/UKR/37)**

#### **AG-IMS ID 94032: Question by Japan**

- a. Japan recognizes that Ukraine introduced export quota on wheat on 30 March 2020, but finds that the required notification to the Committee on Agriculture has not been made in accordance with Article 12 of the Agreement on Agriculture. Japan would appreciate it if Ukraine could provide the reason behind. Japan also recognizes that Ukraine introduced export prohibition on buckwheat grain on 9 April 2020, and appreciates the measure was notified to the Committee on Agriculture on 14 April 2020. Japan would appreciate it if Ukraine could provide the reason why the notification was not made before the measure was taken while "prior notification" is required in Article 12 of the Agreement on Agriculture. Japan would also appreciate it if Ukraine could explain how it has given due consideration to the effects of the measure on importing Members' food security, as required in Article 12 of the Agreement on Agriculture.
  - b. Japan would appreciate it if Ukraine could explain how the measures meet the conditions required in Article XI of General Agreement on Tariffs and Trade (GATT): namely i) essentiality of the products, and ii) criticalness of the shortages. Japan would also appreciate it if Ukraine could explain how it determined the concrete amount of the export quotas (i.e., 20.2 million tonnes for wheat for 2019/20 fiscal year). Japan would further appreciate it if Ukraine could provide the reason why it resorted to the export prohibition on buckwheat grain, rather than arranging quota which reflects the situation of domestic supply and demand.
-