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Committee on Agriculture

POINTS RAISED BY MEMBERS UNDER THE REVIEW PROCESS

COMPILATION OF QUESTIONS FOR THE MEETING ON 27-28 MARCH 20231

The present document compiles questions received by the Secretariat by the deadline of noon on 15 March 2023 as specified in WTO/AIR/AG/65.

 $^{^{1}}$ 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 7
NEW SPECIFIC IMPLEMENTATION MATTERS (SIM)
1.1 Argentina's measures against drought (SIM 797)
1.1.1 Question by Australia (AG-IMS ID 104049)
1.2 China's programme to increase grain production (SIM 798)
1.2.1 Question by European Union (AG-IMS ID 104009)
1.3 Egypt's subsidy policies (SIM 799)
1.3.1 Question by Paraguay (AG-IMS ID 104142)
1.4 Japan's support system for milk (SIM 800)
1.4.1 Question by India (AG-IMS ID 104099)
1.5 Japan's structural transition programme for rice (SIM 801)
1.5.1 Question by India (AG-IMS ID 104100)
1.6 Mexico's export restriction on white corn (SIM 802)
1.6.1 Question by Australia (AG-IMS ID 104055)
1.6.2 Question by European Union, United States of America, United Kingdom, Australia, Switzerland (AG-IMS ID 104038)
1.6.3 Question by United Kingdom, United States of America, Paraguay, Switzerland (AG-IMS ID 104004)
1.7 Morocco's export ban on certain vegetables (SIM 803)
1.7.1 Question by Switzerland, United Kingdom, European Union (AG-IMS ID 104056)9 $$
1.8 Norway's food security policy (SIM 804)10
1.8.1 Question by European Union (AG-IMS ID 104039)10
1.9 Pakistan's wheat policies (SIM 805)10
1.9.1 Question by United States of America (AG-IMS ID 104040)10
1.9.2 Question by United States of America (AG-IMS ID 104041)10
1.9.3 Question by United States of America (AG-IMS ID 104042)11
1.10 Philippines' calculation methodology for SSG trigger prices (SIM 806)11
1.10.1 Question by United States of America (AG-IMS ID 104060)11
1.11 South Africa's import measures on poultry meat (SIM 807)12
1.11.1 Question by United Kingdom, United States of America (AG-IMS ID 104005)12
1.12 Tajikistan's export ban on onions and other vegetables (SIM 808)12
1.12.1 Question by Switzerland, United Kingdom (AG-IMS ID 104070)12
1.13 Türkiye's export ban on onions and potatoes (SIM 809)
1.13.1 Question by Switzerland (AG-IMS ID 104071)
1.14 United Kingdom's banking and financial restrictions (SIM 810)
1.14.1 Question by Russian Federation (AG-IMS ID 104141)
1.15 U.S. Inflation Reduction Act (SIM 811)
1.15.1 Question by European Union (AG-IMS ID 104043)
1.15.2 Question by India (AG-IMS ID 104102)
SPECIFIC IMPLEMENTATION MATTERS (SIM) RAISED PREVIOUSLY

1.16 Argentina's export restrictions (SIM 710)14
1.16.1 Question by United Kingdom, United States of America, European Union, Switzerland (AG-IMS ID 104001)14
1.17 Australia, Canada, European Union, Iceland, Japan, New Zealand, United Kingdom, Unites States – Restrictions on agricultural and agriculture-related services (SIM 770)14
1.17.1 Question by Russian Federation (AG-IMS IDs 104057, 104118, 104119, 104121, 104122, 104120, 104124, 104123)
1.18 Australia, Canada, New Zealand, United Kingdom, United States - Import duties in excess of the bound rates applied on agricultural goods (SIM 771)15
1.18.1 Question by Russian Federation (AG-IMS IDs 104058, 104125, 104126, 104127, 104128)
1.19 Canada's dairy policies (SIM 18)
1.19.1 Question by India (AG-IMS ID 104098)
1.20 Canada, European Union, Iceland, Norway, New Zealand, Japan – Prohibitions and restrictions on agricultural machinery supplies (SIM 772)15
1.20.1 Question by Russian Federation (AG-IMS IDs 104129, 104130, 104131, 104132, 104133, 104134)
1.21 Canada's review of the TRQ system (SIM 536)15
1.21.1 Question by United Kingdom, United States of America, Australia, Paraguay (AG-IMS ID 104002)
1.22 China's cotton policies (SIM 647)
1.22.1 Question by United States of America, European Union (AG-IMS ID 104050)15
1.23 China's swine support (SIM 776)16
1.23.1 Question by United States of America, European Union, Canada (AG-IMS ID 104051)16
1.24 China's grain subsidies (SIM 773)16
1.24.1 Question by European Union (AG-IMS ID 104034)16
1.25 Italy's "local content" requirement (SIM 742)16
1.25.1 Question by Brazil (AG-IMS ID 104161)
1.26 EU's Deforestation and Forest Degradation Strategy (SIM 558)17
1.26.1 Question by Brazil, Paraguay (AG-IMS ID 104061)17
1.26.2 Question by India, Paraguay (AG-IMS ID 104096)
1.26.3 Question by India (AG-IMS ID 104097)
1.26.4 Question by Indonesia (AG-IMS ID 104053)17
1.27 European Union's rescheduling of its domestic support and export subsidy commitments (SIM 275)
1.27.1 Question by Canada, Paraguay, Australia (AG-IMS ID 104052)18
1.28 European Union, Iceland, Norway – Prohibitions on road freight transport (SIM 778)18
1.28.1 Question by Russian Federation (AG-IMS IDs 104135, 104136, 104137)18
1.29 European Union, Norway, Iceland – Prohibitions on access to ports (SIM 782)18
1.29.1 Question by Russian Federation (AG-IMS IDs 104138, 104139, 104140)18
1.30 India's other support for rice (SIM 743)18
1.30.1 Question by United States of America, Canada, Thailand, European Union, Australia (AG-IMS ID 104020)18
1.31 India's price support (SIM 753)

1.31.1 Question by United States of America, Canada, Paraguay, Thailand, Australia (AG-IMS ID 104032)
1.32 India's public stockpiling (SIM 525)
1.32.1 Question by United States of America, Canada, Paraguay, Thailand, European Union, Australia (AG-IMS ID 104031)19
1.32.2 Question by United States of America, Brazil, Canada, Paraguay, Thailand, European Union, Australia (AG-IMS ID 104026)20
1.32.3 Question by United States of America, Brazil, Canada, Paraguay, Thailand, European Union, Australia (AG-IMS ID 104027)20
1.32.4 Question by United States of America, Brazil, Canada, Ukraine, Thailand, European Union, Australia (AG-IMS ID 104021)21
1.32.5 Question by United States of America, Brazil, Canada, Ukraine, Thailand, European Union, Australia (AG-IMS ID 104022)21
1.32.6 Question by United States of America, Canada, Paraguay, Thailand, European Union, Australia (AG-IMS ID 104023)21
1.32.7 Question by United States of America, Canada, Paraguay, Thailand, European Union, Australia (AG-IMS ID 104024)21
1.32.8 Question by United States of America, Canada, Paraguay, Thailand, European Union, Australia (AG-IMS ID 104025)22
1.32.9 Question by United States of America, Canada, Paraguay, Thailand, European Union, Australia (AG-IMS ID 104028)23
1.32.10 Question by United States of America, Canada, Paraguay, Thailand, European Union, Australia (AG-IMS ID 104029)23
1.32.11 Question by United States of America, Canada, Paraguay, Thailand, European Union, Australia (AG-IMS ID 104030)24
1.33 India's export restriction measures on rice (SIM 767)24
1.33.1 Question by United States of America, Brazil, Canada, Thailand, European Union, Australia, Switzerland, United Kingdom (AG-IMS ID 104033)24
1.34 India's export restrictions (SIM 306)25
1.34.1 Question by United Kingdom, United States of America, Ukraine, European Union, Australia, Switzerland (AG-IMS ID 104003)25
1.35 Indonesia's palm oil export restrictions (SIM 724)25
1.35.1 Question by European Union; Japan; Korea, Republic of; Chinese Taipei (AG-IMS ID 104035)25
1.35.2 Question by Japan (AG-IMS ID 104080)25
1.35.3 Question by United States of America, European Union, Australia, Switzerland (AG-IMS ID 104037)26
1.36 Philippines' implementation of tariff quotas (SIM 17)26
1.36.1 Question by United States of America (AG-IMS ID 104063)26
1.36.2 Question by United States of America (AG-IMS ID 104064)27
1.36.3 Question by United States of America (AG-IMS ID 104062)28
1.36.4 Question by United States of America (AG-IMS ID 104065)28
1.36.5 Question by United States of America (AG-IMS ID 104066)28
1.37 Philippines - Sanitary and Phytosanitary Import Clearance (SPSIC) permits (SIM 655)29
1.37.1 Question by United States of America (AG-IMS ID 104067)29
1.37.2 Question by United States of America (AG-IMS ID 104068)29

1.37.3 Question by United States of America (AG-IMS ID 104069)	29
1.38 Thailand's Paddy Pledging Scheme (SIM 313)	29
1.38.1 Question by India (AG-IMS ID 104101)	29
2 POINTS RAISED IN CONNECTION WITH INDIVIDUAL NOTIFICATION	NS 30
2.1 ADMINISTRATION OF TARIFF AND OTHER QUOTA COMMITMENTS (TABLE	MA:1)30
2.1.1 European Union (G/AG/N/EU/81)	30
2.2 IMPORTS UNDER TARIFF AND OTHER QUOTA COMMITMENTS (TABLE MA:	2)31
2.2.1 Canada (G/AG/N/CAN/150)	31
2.2.2 Switzerland (G/AG/N/CHE/119)	31
2.2.3 Chinese Taipei (G/AG/N/TPKM/221)	31
2.3 SPECIAL AGRICULTURAL SAFEGUARDs (TABLES MA:3 to MA:5)	31
2.3.1 Chinese Taipei (G/AG/N/TPKM/217, G/AG/N/TPKM/218, G/AG/N/TPKM/	220)31
2.4 DOMESTIC SUPPORT COMMITMENTS (TABLE DS:1)	32
2.4.1 China (G/AG/N/CHN/47)	32
2.4.2 China (G/AG/N/CHN/62, G/AG/N/CHN/63, G/AG/N/CHN/64, G/AG/N/CH	IN/65)32
2.4.3 Costa Rica (G/AG/N/CRI/88)	38
2.4.4 Indonesia (G/AG/N/IDN/70)	39
2.4.5 Mauritius (G/AG/N/MUS/17)	40
2.4.6 Mauritius (G/AG/N/MUS/19)	40
2.4.7 Mexico (G/AG/N/MEX/56)	40
2.4.8 Mongolia (G/AG/N/MNG/11- G/AG/N/MNG/23)	41
2.4.9 Norway (G/AG/N/NOR/122)	41
2.4.10 Pakistan (G/AG/N/PAK/17/Corr.1, G/AG/N/PAK/20/Corr.1)	43
2.4.11 Paraguay (G/AG/N/PRY/36)	43
2.4.12 Saudi Arabia, Kingdom of (G/AG/N/SAU/24)	43
2.4.13 Switzerland (G/AG/N/CHE/122)	44
2.4.14 Switzerland (G/AG/N/CHE/122, G/AG/N/CHE/114)	45
2.4.15 United States of America (G/AG/N/USA/166)	45
2.5 NEW OR MODIFIED DOMESTIC SUPPORT MEASURES (DS:2)	46
2.5.1 China (G/AG/N/CHN/66, G/AG/N/CHN/67)	46
2.5.2 Paraguay (G/AG/N/PRY/39)	49
2.5.3 Singapore (G/AG/N/SGP/40)	49
2.5.4 United Kingdom (G/AG/N/GBR/18)	49
2.6 EXPORT SUBSIDY notifications (TABLES ES:1, ES:2 AND ES:3)	50
2.6.1 Israel (G/AG/N/ISR/87)	50
2.7 NOTIFICATIONS IN THE CONTEXT OF THE NFIDC DECISION (TABLE NF:1)50
2.7.1 United States of America (G/AG/N/USA/167)	50
3 OVERDUE NOTIFICATIONS	50
3.1 Egypt	50
4 DEFERRED REPLIES	50

G/AG/W/231

4.1	MATTERS RELEVANT TO	THE IMPLEMENTATION	OF COMMITMENTS:	ARTICLE 18.65	0
4.1.1	South Africa's poultry	TRQ administration (SIN	4 788)	1	0

1 MATTERS RELEVANT TO THE IMPLEMENTATION OF COMMITMENTS: ARTICLE 18.6

NEW SPECIFIC IMPLEMENTATION MATTERS (SIM)

1.1 Argentina's measures against drought (SIM 797)

1.1.1 Question by Australia (AG-IMS ID 104049)

Australia notes Argentina is currently suffering one of the worst droughts in its history. Drought has had devastating impacts on Australia and Australians throughout the years, including on our farmers, and we convey our sympathy and concern to the Argentine delegation during this difficult period.

With that in mind, Australia kindly asks that Argentina update the Committee on Agriculture on the measures it has put in place (or is considering) to combat/mitigate the impacts of this drought on its agricultural system, and to ensure Argentina can continue to service critical agricultural demand globally.

1.2 China's programme to increase grain production (SIM 798)

1.2.1 Question by European Union (AG-IMS ID 104009)

China unveiled its "No. 1 central document" for 2023 on 13 February, outlining nine tasks in comprehensively promoting rural vitalization this year.

Ensuring food security has remained the number one priority task in central document number one since 2021 (food self-sufficiency rate was 76.8% in 2020 and is actually expected to drop to 65% by 2035, according to Du Ying, former deputy head of the National Development and Reform Commission). According to the document, China will relaunch a program to boost grain production by 50 million tonnes. Beijing started a programme in 2009 to increase the grain harvest by the same amount, and achieved it in 2012 when total output was almost 590 million tonnes. Since 2015 grain harvest has plateaued at around 650 million tonnes, the objective now is to reach (without a set deadline) 700 million tonnes. The amended seed law, which came into effect almost a year ago and is directed to improve quality and diversity of seeds, also supports the food security objective for higher yields and solving the problem of having to feed 20% of the world's population with just 7% of its arable land.

- a. Could China provide more details concerning the programme aimed to **boost grain production by 50 million tonnes?**
- b. What type of incentives China intends to use to increase the production?
- c. Could China clarify whether they intend to use sustainable agricultural practices to increase the production?

1.3 Egypt's subsidy policies (SIM 799)

1.3.1 Question by Paraguay (AG-IMS ID 104142)

Egypt's most recent notification was received in November 2017. Since then, Members have been unable to review Egypt's compliance with its obligations under the Agreement on Agriculture. Egypt is therefore requested to provide the following information:

- a. Is Egypt currently providing price support subsidies? If so, please indicate:
 - i. Since when;
 - ii. For which products;
 - iii. The administered price; and
 - iv. The value of subsidized production for each product.

- b. Is Egypt currently implementing public stockholding programmes for food security purposes? If so, please indicate:
 - i. Since when;
 - ii. Under what category (paragraph 4 of Annex 2 or AMS);
 - iii. For which products;
 - iv. The administered price; and
 - v. The value of subsidized production for each product.
- c. Until 2016, Egypt was providing subsidies under Article 6.2. Is Egypt still providing this type of subsidy? If so, please indicate:
 - i. The total annual amount for 2017 onwards;
 - ii. The eligibility criteria; and
 - iii. How many producers benefit.
- d. What do the following programmes comprise?
 - i. Sustainable transformation for agricultural resilience in upper Egypt;
 - ii. Promoting resilience in desert environments;
 - iii. Sustainable agriculture investments and livelihoods project.

Please indicate the types of support granted, the number of beneficiaries, the eligibility criteria, the products benefiting from the support, and programme classification in accordance with Agreement on Agriculture criteria for each of the programmes. In addition, where appropriate, identify the DS:2 table submitted for each of the programmes, especially considering that they all began several years ago.

e. The sustainable agriculture investments and livelihoods programme launched in 2014 does not seem to be included in notification <u>G/AG/N/EGY/3</u>, which covers, inter alia, the years 2014, 2015 and 2016. Does Egypt plan to issue a corrigendum to the notification to reflect the existence of this programme?

1.4 Japan's support system for milk (SIM 800)

1.4.1 Question by India (AG-IMS ID 104099)

It is noticed that, under the support system for milk that was modified in 2018, the MAFF continues to set the upper limit of the amount of raw milk for compensation payments; every producer of raw milk for processed products is eligible for this payment. With a view to ensuring the stable continuation of raw milk collection in disadvantaged areas, designated milk collection operators are eligible for adjustment payments. The compensation payment uniform unit price was JPY 8.26/kg of milk in FY2022 (same in FY2021). The adjustment payment for raw milk collection in the same year was JPY 2.59/kg of milk (same in FY2021). Under this scheme, JPY 35.8 billion was paid to dairy farmers in FY2020.

Japan is requested to kindly explain under which supporting table the above mentioned support measure for milk has been notified in the latest DS:1 notification for the fiscal year 2020-21.

1.5 Japan's structural transition programme for rice (SIM 801)

1.5.1 Question by India (AG-IMS ID <u>104100</u>)

India observes that the Subsidy Programme for Structural Transition of Field Crops which was introduced in FY2017 and ended in FY2020, aimed to support farmers in large-scale non-rice-paddy areas facing challenges in addressing labour shortages and risk of damage caused by plant pests and diseases. The budget for the subsidy in FY2020 was JPY 3 billion. The subsidy was first allocated by the MAFF to prefectural governments, and then prefectural governments provided the allocated subsidies to each recipient farmer group. Japan is requested to provide the response to the following questions:

a. How does this structural transition programme assist in catering to labour shortages?

b. Under the above-mentioned Subsidy Programme, how much amount of the allotted budget was used by the farmers separately for addressing the labour shortages and for addressing pest diseases, respectively?

1.6 Mexico's export restriction on white corn (SIM 802)

1.6.1 Question by Australia (AG-IMS ID 104055)

Australia notes that the Mexican Government announced in January 2023 a temporary 50% tax on white corn exports, and that according to the published information, the levy will be in force until June 30.

Australia asks that Mexico indicate:

- a. what other policy options, if any, it has considered for responding to food price inflation have the cost/benefits of any other policy options been considered?
- b. Whether it anticipates this levy will be extended past 30 June 2023
- c. What frameworks are in place to assess the effectiveness of this policy in line with its stated objectives.

1.6.2 Question by European Union, United States of America, United Kingdom, Australia, Switzerland (AG-IMS ID 104038)

The Mexican Government announced in January 2023 a temporary 50% tax on white corn exports, arguing it is necessary for the grain to remain in the country to guarantee supply and price stability.

According to the published information, the levy will be in force until 30 June.

- a. Could Mexico explain what would be the impact of the measure on the imports of white corn in the country?
- b. Could Mexico provide more information concerning the quantities of the export and the destination countries?

1.6.3 Question by United Kingdom, United States of America, Paraguay, Switzerland (AG-IMS ID 104004)

The United Kingdom understands that Mexico has introduced an export tariff on white corn.

Could Mexico please explain what consideration it has given to the potential effects of this measure on importing Members' food security in accordance with Article 12.1(a) of the Agreement on Agriculture?

Additionally, could Mexico indicate whether it plans to notify this measure to the Committee on Agriculture through an ER:1 table?

1.7 Morocco's export ban on certain vegetables (SIM 803)

1.7.1 Question by Switzerland, United Kingdom, European Union (AG-IMS ID 104056)

Switzerland understands that Morocco has introduced an export ban on certain vegetables such as onions and potatoes.

a. Can Morocco confirm which products and importing Members are affected by this measure and for how long?

- b. Can Morocco please clarify how they comply with Article 12 of the Agreement on Agriculture and in particular, if due consideration has been given to the effects of such an export ban on importing Members' food security?
- c. When does Morocco intend to submit the corresponding notification to the Committee on Agriculture?

1.8 Norway's food security policy (SIM 804)

1.8.1 Question by European Union (AG-IMS ID 104039)

From 2021 to 2023, Norway doubled its financial support to food initiatives, following up on its new food security strategy launched on 29 November 2022: https://www.regjeringen.no/en/dokumenter/Food-security-strategy/id2948780/#Part2

Moreover, in 2022, Norway doubled its financial contributions to food security (from NOK 815 (EUR 74.5) million to NOK 1660 million (EUR 152 million). For 2023, Norway has maintained this level allocating NOK 1652 billion (EUR 151 million) to food security, fish and agriculture to follow up on the government's new food security strategy, "Combining forces against hunger – a policy to improve food self-sufficiency" (the Strategy) published on 29 November 2022. Large funds going through other development initiatives also support food security, either directly or indirectly.

- a. Since the Strategy aims to support local and regional small-scale producers of food, local job creation and access to nutritious food in these areas, could Norway provide more details how these support initiatives will be implemented: what are the criteria to receive support; types of support etc.?
- b. How does this initiative fit with the need to reform Agricultural policy towards more resilient and sustainable agriculture to meet the new global challenges?
- c. According to the Strategy, Norway pursues food security through humanitarian aid (for example short-term hunger relief) and through support to developing countries' efforts to building their own agricultural systems (medium-term to long-term).
- d. Could Norway provide information on the form of the humanitarian aid: in-kind or cash?

1.9 Pakistan's wheat policies (SIM 805)

1.9.1 Question by United States of America (AG-IMS ID 104040)

In January 2023 the Auditor General of Pakistan published a report on wheat in the province of Punjab during the years 2021 and 2022, Food Security in the Punjab Province. The report states Punjab cultivates approximately three-quarters of wheat in Pakistan and that the support prices notified by the government stabilize the price of wheat in the open market by acting as a baseline figure. Further, the report notes that "in Pakistan, public sector funded cash flows involve devolving of an inalienable role for the Federal and the Provincial Governments to steer as a monopoly, the entire cycle of wheat." Additionally, the wheat programme is described in the report as "unsustainable" to the point that that some of the costs are being transferred to consumers in the release price (page 88).

Has Pakistan done any research to determine how consumer prices would change without government management of the wheat market? If so, please share your findings.

(Report available here:

https://agp.gov.pk/SiteImage/Policy/Food%20Security%20in%20the%20Province%20of%20Punjab.pdf)

1.9.2 Question by United States of America (AG-IMS ID 104041)

On page 53 of the Auditor General of Pakistan's <u>report</u> on wheat in Punjab, a section titled "Subsidy on Crop Insurance" explains that the government paid crop insurance premiums between 2018 and

2022 and that crop insurance was provided for free up to 5 acres and the government paid 50% of premiums above five acres. Pakistan has not notified crop insurance in its Table DS:1 notifications to the WTO.

- a. Please explain why this measure has not been included in Pakistan's domestic support notification.
- b. How does Punjab determine the amount of insurance payments? Is it based on income, volume of production, prices, factors of production, or some other criteria?
- c. If payments are determined using income, what base period does Punjab use to determine losses?
- d. What percentage of base period average gross income or the equivalent in net income terms must a Punjab farmer's loss exceed to be eligible for a claim?
- e. What is the maximum percentage of the Punjab farmer's income loss that can be covered by this crop insurance?

Report available here:

https://agp.gov.pk/SiteImage/Policy/Food%20Security%20in%20the%20Province%20of%20Punjab.pdf.

1.9.3 Question by United States of America (AG-IMS ID 104042)

Page xii of the Auditor General of Pakistan's report (available here: https://agp.gov.pk/SiteImage/Policy/Food%20Security%20in%20the%20Province%20of%20Punjab.pdf) on wheat in Punjab states, "The Government of Punjab announces subsidy incentives on various wheat inputs to support the farmers in the wheat cultivation process. This includes subsidy on seed, fertilizers, weedicides and implements."

Pakistan has not notified any seed, weedicide, or implement subsidies or product-specific wheat subsidies for fertilizers in its Table DS:1 notifications to the WTO and has only notified non-product specific subsidies for fertilizer, electricity, and agriculture credit.

- a. Please explain why these measures do not appear to be notified.
- b. For the notified non-product specific measures, please detail the eligibility requirements of each, including what commodities are eligible.

1.10 Philippines' calculation methodology for SSG trigger prices (SIM 806)

1.10.1 Question by United States of America (AG-IMS ID 104060)

The United States thanks the Philippines for its response to AG-IMS ID 102040 in September 2022 regarding the calculation methodology used by the Philippines for its price-based special safeguard (SSG) trigger prices for various poultry products. As part of the question, the United States had requested all necessary data (e.g., the volume of imports (in kilograms)) used to derive the SSG trigger prices for tariff item numbers 0207.14.10, 0207.14.99, and 0207.11.00. According to UN COMTRADE statistics sourced from the National Statistics Office of the Philippines for the years 1986-88, it appears that the SSG trigger prices notified for poultry in G/AG/N/PHL/27 were miscalculated.

During the reference period, the Philippines reported to UN COMTRADE the following import figures for SITC 0114, Poultry, dead and edible offal, fresh, chilled or frozen:

1986: 74,979 kg/USD 182,721 1987: 90,251 kg/USD 174,593 1988: 95,689 kg/USD 220,574 During the reference period, the Philippines reported to UN COMTRADE the following import figures for SITC 01181, Poultry liver fresh, chilled, frozen, salted or in brine:

1986: 1,229 kg/USD 25,447 1987: 1,187 kg/USD 23,865 1988: 199 kg/USD 4,461

During the reference period, the Philippines reported to UN COMTRADE the following import figures for SITC 0149, Meat and edible offal, prepared, preserved, n.e.s.; fish extracts:

1986: 8,804 kg/USD 63,010 1987: 171,112 kg/USD 189,971 1988: 228,308 kg/USD 236,470

The Philippine central bank reports the following average exchange rates from Philippine pesos (PHP) to U.S. dollars (USD):

1986: 20.3857 1987: 21.5677 1988: 21.0948

https://www.bsp.gov.ph/SitePages/Statistics/ExchangeRate.aspx

SITC to HS concordance would indicate SITC 0114 should be used as the corresponding reference classification for 0207.11.20, 0207.12.20, 0207.13.20, and 0207.14.92; SITC 01181 should be used for 0207.14.12; and SITC 0149 should be used for 1602.32.10.

In attempting to verify the Philippines' data in <u>G/AG/N/PHL/27</u>, the United States encountered inconsistencies with official statistics accessed via UN COMTRADE.

- a. The United States requests the Philippines confirm that the data it submitted by the National Statistics Office of the Philippines to UN COMTRADE are the official statistics of the Philippines.
- b. If so, please explain the inconsistencies with the data notified in G/AG/N/PHL/27.
- c. If not, please provide the source information as requested that was used in <u>G/AG/N/PHL/27</u> and confirm such data are the official statistics of the Philippines.

1.11 South Africa's import measures on poultry meat (SIM 807)

1.11.1 Question by United Kingdom, United States of America (AG-IMS ID 104005)

The United Kingdom notes that South Africa have maintained several measures that constrain the imports of poultry meat, including safeguards and anti-dumping duties. We understand that in August 2022, South Africa suspended anti-dumping duties on poultry for several countries.

Could South Africa please provide further information on the criteria for these suspensions?

1.12 Tajikistan's export ban on onions and other vegetables (SIM 808)

1.12.1 Question by Switzerland, United Kingdom (AG-IMS ID 104070)

According to media reports the Government of Tajikistan introduced a temporary export ban on onions and other vegetables.

- a. Can Tajikistan confirm which products are affected by this measure and for how long?
- b. Can Tajikistan please clarify how they comply with Article 12 of the Agreement on Agriculture and in particular, if due consideration has been given to the effects of such an export ban on importing Members' food security?

c. When does Tajikistan intend to submit the corresponding notification to the Committee on Agriculture?

1.13 Türkiye's export ban on onions and potatoes (SIM 809)

1.13.1 Question by Switzerland (AG-IMS ID 104071)

According to media reports, Türkiye has introduced an export ban on onions and potatoes in November.

- a. Can Türkiye confirm which products are affected by this measure and for how long?
- b. Can Türkiye please clarify how they comply with Article 12 of the Agreement on Agriculture and in particular, if due consideration has been given to the effects of such an export ban on importing Members' food security?
- c. When does Türkiye intend to submit the corresponding notification to the Committee on Agriculture?

1.14 United Kingdom's banking and financial restrictions (SIM 810)

1.14.1 Question by Russian Federation (AG-IMS ID 104141)

FINANCIAL AND BANKING RESTRICTIONS (ASSET FREEZE) LEADING TO THE BARRIERS FOR RUSSIAN GRAIN EXPORTS

Throughout the last year and the beginning of this year the United Kingdom (UK) amended its Russia (Sanctions) (EU Exit) Regulations 2019 No. 855 expanding the so called "sanctions list" with a number of Russian companies including major Russian banks. The measures i.e. asset freeze are imposed in particular on "Rosselkhozbank" JSC. About 80% of Russian agro exporters benefit from the banking services provided by this bank to handle trans-border payments. The number of Russian companies targeted by the UK is increasing continuously.

As a consequence of these measures the UK trade association GAFTA which supports the traders providing arbitration refused to accept claims from Russian exporters of grain. The official website of GAFTA stated that its decision is "due to the ... financial and banking sanctions which have been imposed on the Russian Federation (and which are very likely to change at short notice), and therefore GAFTA is unable to accept payment from, or on behalf of, any entity based in the Russian Federation at this time".

Such decision precludes introducing the reference to GAFTA arbitrage to the contracts where Russian company is one of the parties. That bears additional risks for the importers of the Russian grain and leads to increased expenses or inability to make a deal.

As a result of discriminatory regulations and the decisions made we see increased volatility in the agricultural market and growing threat of global food insecurity.

We expect the Member concerned to explain how and when they are willing to ensure effective elimination of the above mentioned restrictions in respect of agricultural products.

1.15 U.S. Inflation Reduction Act (SIM 811)

1.15.1 Question by European Union (AG-IMS ID 104043)

According to the published information from October 2022 (Visit: farmers.gov/inflation-reduction-investments), Section 22006 of the IRA provided USD 3.1 billion for USDA to provide relief for distressed borrowers with certain Farm Service Agency (FSA) direct and/or guaranteed loans and to expedite assistance for those whose agricultural operations are at financial risk. USDA is implementing this provision with the goals of keeping borrowers farming, removing obstacles that

currently prevent many borrowers from returning to their land, and improving the way that USDA approaches borrowing and loan servicing in the long-term.

Moreover, the second section (22007) provides support for underserved farmers and ranchers. It provides USD 2.2 billion until 2031 in financial assistance for farmers who have experienced discrimination in USDA's farm lending programmes (smaller farmers, ethnic communities, e.g. indigenous and farmers of colour etc.). With this programme, USDA recognizes that it has not done enough historically to ensure all US farmers have equal access to its programs and services. A public consultation on the programmes was launched in October and closed Mid November. The results are not yet known.

a. Could US clarify how this support will be reflected in the DS:1 notification?

There has been a steep increase in trade distorting support since 2018/19 for key commodities (notably maize and soybeans) which has pushed the overall total US AMS very quickly close to its AMS limits.

b. Based on the available published information, the measures described in section 22006 but also in 22007 do not seem to fit in the Green Box. How does the US intend to meet its AMS limits with these new measures?

1.15.2 Question by India (AG-IMS ID 104102)

Under section 22006 of the Inflation Reduction Act, 3.1 billion USD is provided to USDA for providing relief to distressed borrowers with certain Farm Service Agency (FSA) direct and guaranteed loans and to expedite assistance for those whose agricultural operations are at financial risk. Further, section 22007 of the Inflation Reduction Act also provides 2.2 billion USD for financial assistance of farmers who have experienced discrimination in USDA's farm lending programmes. In this context, USA is requested to provide the following information:

- a. How are the farmer identified for availing the relief under section 22006 and for availing assistance under section 22007? If a farmer is eligible under both the sections, would he be provided relief/assistance separately?
- b. How and where would the above mentioned relief/assistance provisions be notified in the DS notifications?

SPECIFIC IMPLEMENTATION MATTERS (SIM) RAISED PREVIOUSLY

1.16 Argentina's export restrictions (SIM 710)

1.16.1 Question by United Kingdom, United States of America, European Union, Switzerland (AG-IMS ID <u>104001</u>)

The United Kingdom appreciates the information Argentina has previously provided regarding their export restrictive measures, but we remain concerned that an ER:1 notification is still outstanding. We would again remind Argentina of the importance of adhering to their obligation under Article 12(b) of the Agreement on Agriculture.

Please could Argentina explain the delay in providing this notification to the Committee and provide an update on when we can expect to receive it?

1.17 Australia, Canada, European Union, Iceland, Japan, New Zealand, United Kingdom, Unites States – Restrictions on agricultural and agriculture-related services (SIM 770)

1.17.1 Question by Russian Federation (AG-IMS IDs $\underline{104057}$, $\underline{104118}$, $\underline{104119}$, $\underline{104121}$, $\underline{104122}$, $\underline{104120}$, $\underline{104124}$, $\underline{104123}$)

The Russian Federation did not receive an answer on the substance of the matter, so our question still remains valid and we await a response in due course.

1.18 Australia, Canada, New Zealand, United Kingdom, United States - Import duties in excess of the bound rates applied on agricultural goods (SIM 771)

1.18.1 Question by Russian Federation (AG-IMS IDs $\underline{104058}$, $\underline{104125}$, $\underline{104126}$, $\underline{104127}$, $\underline{104128}$)

The Russian Federation did not receive an answer on the substance of the matter, so our question still remains valid and we await a response in due course.

1.19 Canada's dairy policies (SIM 18)

1.19.1 Question by India (AG-IMS ID 104098)

Canada supports the dairy farmers by implementing the supply management system having three pillars viz., production quota, price support, and tariffs.

Canada is requested to provide details on the following, in this regard:

- a. How is it ensured that the farmers do not overproduce or under produce given their production quota?
- b. How is overproduction/underproduction handled in the supply management system?
- c. How is the minimum price guaranteed to supply managed farmers fixed under the supply management system?

1.20 Canada, European Union, Iceland, Norway, New Zealand, Japan – Prohibitions and restrictions on agricultural machinery supplies (SIM 772)

1.20.1 Question by Russian Federation (AG-IMS IDs <u>104129</u>, <u>104130</u>, <u>104131</u>, <u>104132</u>, <u>104133</u>, <u>104134</u>)

The Russian Federation did not receive an answer on the substance of the matter, so our question still remains valid and we await a response in due course.

1.21 Canada's review of the TRQ system (SIM 536)

1.21.1 Question by United Kingdom, United States of America, Australia, Paraguay (AG-IMS ID 104002)

In follow-up to AG-IMS ID 103086, the United Kingdom would once again like to reiterate its interest in the outcome of Canada's Comprehensive Review of the Allocation and Administration of Tariff Rate Quotas (TRQs) for Dairy, Poultry and Egg Products. Given the potential implications for trading partners, and that this matter has been on the agenda of the CoA Review Process since 2019, the United Kingdom would reiterate its request for clarity on the timeframe for the review's release.

1.22 China's cotton policies (SIM 647)

1.22.1 Question by United States of America, European Union (AG-IMS ID 104050)

We noted that China has only given a general website in Mandarin Chinese in response to AG-IMS ID <u>103022</u> and in light of the support for cotton notified in <u>G/AG/N/CHN/62</u>- <u>G/AG/N/CHN/65</u>, the United States repeats the question:

In AG-IMS ID <u>102033</u>, China stated that the amount of cotton purchased by the government is determined by factors including optimizing the structure of the cotton reserve and replenishing the cotton reserve. China also stated that the highest auction price is determined according to the domestic spot price of cotton.

- a. Please provide the formula that the Government of China uses to determine the highest auction price from the domestic spot price of cotton.
- b. Please provide the sources that the Government of China uses to identify the domestic spot price of cotton.

1.23 China's swine support (SIM 776)

1.23.1 Question by United States of America, European Union, Canada (AG-IMS ID 104051)

China has not responded to part a, b, or c of AG-IMS ID <u>103014</u> and taking note that China has not notified any support for pork in its most recent Table DS:1 notifications for calendar years 2017 through 2020, the United States repeats the question:

It is understood that China implements various measures to support pork production in China beyond the "subsidy for breeding productive sows", the only pork-related measure notified by China in its last domestic support notification for 2016.

According to various Chinese media reports, it is estimated that China's central government reportedly paid national support measures to the swine industry of RMB 6.9 billion (USD 998.8 million) in 2019, of which RMB 814 million was paid as a culling subsidy, as part of a preferential loan policy, and as increased swine insurance coverage.

In addition, various Chinese media reports also indicate that several provinces, including Sichuan, Hubei, Guangdong, and Jiangsu, have also undertaken their own pork-related support measures.

Combined with national support, it is estimated based on various Chinese media reports that China provided at least RMB 10,860 million (USD 1,572 million) in support in 2019.

For **each support measure** provided to the swine industry between 2019 and 2021 by the central government or sub-national level government, please provide:

- a. the name of the measure;
- b. a copy of or link to the regulation or legislation implementing the measure; and
- c. the expenditures under the measure for each year 2019, 2020, and 2021.

1.24 China's grain subsidies (SIM 773)

1.24.1 Question by European Union (AG-IMS ID 104034)

According to information from Chinese media, the central government continued to raise the minimum purchase price of wheat and rice and maintained grain subsidy policies in 2022 (https://english.news.cn/20221213/9ba6f3cc7bd541f59f551ee9751b3b5e/c.html).

Taking that information into account, will China be able to honour its total AMS commitment during 2021 - 2022 and beyond?

1.25 Italy's "local content" requirement (SIM 742)

1.25.1 Question by Brazil (AG-IMS ID <u>104161</u>)

In the absence of an answer to question AG-IMS ID <u>101017</u> since the 101st CoA meeting, could the European Union and Italy confirm the local content policy in the "Norme per la valorizzazione e la promozione dei prodotti agricoli e alimentari a chilometro zero e di quelli provenienti da filiera corta" and explain how the legislation complies with GATT Article III?

1.26 EU's Deforestation and Forest Degradation Strategy (SIM 558)

1.26.1 Question by Brazil, Paraguay (AG-IMS ID 104061)

In its response to question AG-IMS-ID <u>103006</u>, regarding the proposed legislation on antideforestation, the European Union stated that it could not precise how the country benchmarking system would coexist with the CBDR principle and how the EU legislation would assess risk in countries which have all but eliminated their native vegetation and forests, since these criteria would be further developed.

Albeit not adopted, this piece of legislation has been approved by the European Parliament last December. In this regard, could the EU elaborate on how can the proposed extraterritorial ruling be compatible with UNFCCC and ensuing agreements once it neglects historic deforestation to cling to the present picture, as well as ignores all development disparities by imposing a burdensome certification scheme, with no connection to the logic of nationally determined contributions (NDCs).

1.26.2 Question by India, Paraguay (AG-IMS ID 104096)

With reference to EU's response in AG-IMS ID <u>100071</u> on its proposed regulation on deforestation free products, EU justifies its measure under subparagraphs of the GATT Article XX.

The European Union is requested to provide details of how the measure in question is justified under Article XX sub-paragraphs: XX (a) Protection of public morals, XX (b) Protection of human, animal or plant life or health and XX(g) conservation of exhaustible natural resources?

1.26.3 Question by India (AG-IMS ID 104097)

India raises its concerns about the "Benchmarking systems" adopted by the European Union under its Deforestation Regulation, which would categorize the exporter countries into high-risk and low risk based on certain conditions. One of the conditions is "the nationally determined contribution (NDC) to the United Nations Framework Convention on Climate Change covers emissions and removals from agriculture, forestry, and land use which ensures that emissions from deforestation and forest degradation are accounted towards the country's commitment to reduce or limit greenhouse gas emissions as specified in the NDC".

In light of the above, the EU is requested to explain the following:

- a. How would the NDC criteria be applied to the countries that do not have sector specific NDCs?
- b. What is the rationale for setting 2020 as year of benchmarking?

1.26.4 Question by Indonesia (AG-IMS ID 104053)

Indonesia has been closely following the unfolding development of the EU's Deforestation and Forest Degradation policy. In this regard, Indonesia took note that the EU has adopted Amendments No. 995/2010 on 13 September 2022 and followed by the principal agreement reached between European Parliament, European Council, and European Commission on 6 December 2022 to pass the EU regulation on deforestation-free/Due diligence. This recently passed regulation imposes a set of rules affecting sales of a wide range of commodities *presumably* associated with deforestation and forest degradation.

Through this regulation, products such as cattle, cocoa, palm oil and its derivatives, soya, wood, leather, chocolate, furniture, rubber, charcoal, and printed products, will be subject to a mandatory due diligence mechanism to discover the origin of these products. Furthermore, business operators will be required to present any relevant documentation to reveal the products origin, including the satellite images, GPS coordinates, and production time, before entering the EU's market. We have also been aware that this mechanism will require the production of this products to comply with human rights and the effort to protect indigenous people.

Failure to perform such obligation and unsuccessful attempt to provide this set of extensive documents and evidence will directly conduce the inability of these products to enter the EU market.

Following our interests to the EU's regulation at issue, Indonesia would appreciate any further information from the EU, particularly on the following matters:

- a. While the definition of deforestation could have broad scope and understanding, would the EU provide its interpretation on deforestation, particularly in the context of this policy? Furthermore, could the EU please provide the methodology to determine whether a product be deforestation-free?
- b. Could the EU further elaborate the scientific evidence of using the deforestation-free policy as the only approach to achieve its climate-related goal, rather than applying a less trade restrictive approach to achieve the same objective?
- c. Since this regulation set strict traceability requirements linking the commodities to the farmland where they were produced, how does the EU ensure that this rule would not generate an unnecessary barrier to trade?
- d. Regarding the country's benchmarking system, how does the EU set out the criteria for low, standard and high-risk country set out in the policy?
- e. As this policy will impact the agricultural small and medium enterprises (SMEs), have the capacity challenges faced by MSMEs in complying with this regulation been taken into account?

1.27 European Union's rescheduling of its domestic support and export subsidy commitments (SIM 275)

1.27.1 Question by Canada, Paraguay, Australia (AG-IMS ID 104052)

Canada would appreciate an update from the European Union regarding the amendment to its domestic support commitment to reflect the reduction in its Final Bound Total AMS commitment that is identical to that notified by the United Kingdom ($\underline{G/AG/N/GBR/11}$) as part of its withdrawal from the European Union.

1.28 European Union, Iceland, Norway – Prohibitions on road freight transport (SIM 778)

1.28.1 Question by Russian Federation (AG-IMS IDs 104135, 104136, 104137)

The Russian Federation did not receive an answer on the substance of the matter, so our question still remains valid and we await a response in due course.

1.29 European Union, Norway, Iceland - Prohibitions on access to ports (SIM 782)

1.29.1 Question by Russian Federation (AG-IMS IDs 104138, 104139, 104140)

The Russian Federation did not receive an answer on the substance of the matter, so our question still remains valid and we await a response in due course.

1.30 India's other support for rice (SIM 743)

1.30.1 Question by United States of America, Canada, Thailand, European Union, Australia (AG-IMS ID 104020)

In response to <u>AG IMS ID 103029</u>, India did not clarify, as requested, that it had consulted with state governments regarding sub-national rice programmes, but it did confirm no other rice support had been provided for rice.

According to the Punjab Directorate of Information and Public Relations, a subsidy of up to 50% for paddy transplanting machinery was announced in January 2019.

According to the Punjab Directorate of Information and Public Relations, a subsidy of up to 50% for machinery was announced in May 2020.

The announcement indicated that the subsidy required cultivation of maize or rice for equipment that is specific to only one of those commodities.

The eligible machinery includes "direct seeding of rice machines with or without spray attachments", "paddy nursery sowing machines", "paddy transplanting machines and equipment used for maize sowing, threshing and drying."

- a. How much subsidy was provided in 2020 in Punjab for rice machinery?
- b. How much subsidy was provided in 2020 in Punjab for maize machinery?
- c. In April 2022, the Punjab government announced a Rs. 1,500 per acre subsidy to farmers for direct seeding of rice.

Please provide further details regarding this subsidy.

1.31 India's price support (SIM 753)

1.31.1 Question by United States of America, Canada, Paraguay, Thailand, Australia (AG-IMS ID 104032)

In India's response to AG-IMS ID $\underline{103024}$, India does not indicate there was a policy change prior to 1995-1996.

Please confirm there was no change in policy prior to this date with regards to the minimum support price of the identified commodities.

1.32 India's public stockpiling (SIM 525)

1.32.1 Question by United States of America, Canada, Paraguay, Thailand, European Union, Australia (AG-IMS ID 104031)

In September 2022, several WTO Members provided India with several questions to facilitate the consultation process under the Public Stockholding for Food Security Purposes Ministerial Decision of 7 December 2013.

For transparency purposes, the following question, which represents part of the conversation held under that process, is submitted for the full Committee:

In notification <u>G/AG/N/IND/27</u>, it is noted that that the information on the Current Total AMS in Table DS:1, public stockholding for food security purposes in Supporting Table DS:1, product specific AMS for rice in Supporting Table DS:4, market price support for rice in Supporting Table DS:5, and all data for MY 2020/21 in the Statistical Appendix includes a footnote 'Based on the available provisional data'.

However, the value of production data provided in footnote 2 of Supporting Table DS:4 does not include any reference to provisional data.

In response to AG-IMS ID $\underline{101087}$, India noted that the data for Value of Production is provisional data and would be updated only if there is "any significant difference" in the final data.

Please indicate, of all notified data in Table DS:1, Supporting Table DS:1, Supporting Table DS:4, Supporting Table DS:5, and the Statistical Appendix, which is provisional data and which is final data.

a. Please indicate when any relevant final data will be notified.

1.32.2 Question by United States of America, Brazil, Canada, Paraguay, Thailand, European Union, Australia (AG-IMS ID 104026)

In September 2022, several WTO Members provided India with several questions to facilitate the consultation process under the Public Stockholding for Food Security Purposes Ministerial Decision of 7 December 2013.

For transparency purposes, the following question, which represents part of the conversation held under that process, is submitted for the full Committee:

Recognizing unique and unforeseen challenges in 2020 and 2021, it is noted that between MY 2018/19 and MY 2019/20, in the Annex and Statistical Appendix to India's most recent Table DS:1 notifications, the notified value of rice purchases by the government of India increased by over USD 3 billion, annual purchases in the quantity of rice increased by more than 7 million tonnes, the quantity released to beneficiaries in MY 2019/20 dropped by 1 million tonnes, and the quantity released for open-market sales doubled, increasing by almost 800,000 tonnes. It is noted that annual purchases, quantities released to beneficiaries, and open-market sales increased in MY 2020/21.

a. Given the large decline in beneficiaries in MY 2019/20 and the subsequent result of open market sales doubling between MY 2018/19 and MY 2019/20, what is the reasoning behind the 7 million tonnes increase in annual purchases of rice under India's public stockholding programme in MY 2019/20?

India remains the world's largest exporter of rice, and in 2020, India's number one export position grew substantially; India now exports more than twice as much rice, by value, than its second closest competitor. Noting the also sizeable increase in open-market sales, there are concerns about the impact government stock releases have on India's export position, directly or indirectly.

- b. In response to AG-IMS ID <u>97049</u>, India stated "open market sale is arrived at on the basis of a number of factors including MPS, handling cost, freight charged, etc.". We thank India for this overview, but repeat the request for a copy of or specific URL(s) for the requested information on price methodology for open-market sales of food grains from public stocks noting that the URL provided by India at the 98th COA directs to an inaccessible webpage.
- c. What steps is India taking to ensure that open-market sales from government stocks are not crowding out domestic sales by the private sector, which must then turn to export markets to sell their products?

1.32.3 Question by United States of America, Brazil, Canada, Paraguay, Thailand, European Union, Australia (AG-IMS ID <u>104027</u>)

In September 2022, several WTO Members provided India with several questions to facilitate the consultation process under the Public Stockholding for Food Security Purposes Ministerial Decision of 7 December 2013.

For transparency purposes, the following question, which represents part of the conversation held under that process, is submitted for the full Committee:

In AG-IMS ID $\underline{101038}$, WTO Members had requested India's annual quantitative figures for current, historical, and pre-determined levels of wheat and rice stocks since 2010, to which India replied that such information was already duly noted in its domestic support notifications.

In that same question, WTO Members also inquired if India publishes summaries of consultative meetings between the government and the Food Corporation of India (FCI), which are held to assess the availability of wheat and rice for procurement at Minimum Support Prices (MSP) in order to meet the food security requirements of citizens, to which India replied that such information could also be found in its domestic support notifications.

Please recreate the requested information here as it was not obvious where such information could be found in India's domestic support notifications.

1.32.4 Question by United States of America, Brazil, Canada, Ukraine, Thailand, European Union, Australia (AG-IMS ID 104021)

In India's response to <u>AG IMS ID 103025</u> (see hyperlink for question details), India stated 1) the requested data is being compiled and 2) a few states that announced bonuses for a crop may not have actually implemented those bonuses.

- a. Please provide an update on this data compilation process, including when the request was made to states and the timeframe for states to respond to the request.
- b. Please provide examples of state bonus announcements that were made, but not implemented, that informed India's response in AG-IMS ID <u>103025</u>.

1.32.5 Question by United States of America, Brazil, Canada, Ukraine, Thailand, European Union, Australia (AG-IMS ID 104022)

In India's response to <u>AG IMS ID 103026</u>, India stated that a response to the request for data on current, historical, and pre-determined levels of wheat and rice stocks since 2010 had already been provided in reply to AG-IMS 102019.

However, the response to <u>AG IMS ID 102019</u> does not provide any specific data on the quantitative levels of wheat and rice stocks by year.

Please confirm India does not set a pre-determined numerical quantity for rice and wheat stocks.

1.32.6 Question by United States of America, Canada, Paraguay, Thailand, European Union, Australia (AG-IMS ID <u>104023</u>)

In September 2022, a number of WTO Members provided India with several questions to facilitate the consultation process under the Public Stockholding for Food Security Purposes Ministerial Decision of 7 December 2013.

For transparency purposes, the following question, which represents part of the conversation held under that process, is submitted for the full Committee:

We note with concern that India has exceeded its *de minimis* levels for rice production and that it has submitted an annex to the notification pursuant to the Bali Ministerial Decision. We therefore request that India provide clarification on the following points:

- a. Please explain why these public stockholding programmes could not be implemented in a manner consistent with India's commitments?
- b. Why was this annex not submitted in previous years, as required under paragraph 3(c) of the Bali Decision, given that it concerns a programme in existence since 2013, according to information provided by India in the Annex to notification G/AG/N/IND/18?
- c. Is India considering reviewing its notifications to amend the total amount of eligible production, and not only the production actually purchased, in accordance with the Agreement on Agriculture and existing jurisprudence in this area?

1.32.7 Question by United States of America, Canada, Paraguay, Thailand, European Union, Australia (AG-IMS ID <u>104024</u>)

In September 2022, several WTO Members provided India with several questions to facilitate the consultation process under the Public Stockholding for Food Security Purposes Ministerial Decision of 7 December 2013.

For transparency purposes, the following question, which represents part of the conversation held under that process, is submitted for the full Committee:

As noted in various questions submitted by WTO Members, India's responses in its Annex pursuant to the Bali Ministerial Decision of 7 December 2013 on public stockholding for food security purposes were either brief and general, without the level of specificity needed to understand the programme(s) or did not provide the information required by a given data element at all.

In several Committee on Agriculture questions, including AG-IMS IDs <u>95101</u>, <u>97134</u>, <u>97044</u>, <u>97046</u>, <u>97047</u>, <u>97048</u>, <u>95086</u>, <u>95087</u>, and <u>95088</u>, Members followed up, including on various specific data elements, and India continued to fail to provide the required information.

Please provide ALL required information requested by Members:

- "2. Details of the programme sufficient to identify food security objective and scale of the programme, including:"
 - a. "c. Agency in charge of implementation,"
 - b. "d. Relevant laws and regulations,"
 - c. "e. Date of commencement of the programme," and
 - d. "f. Officially published objective criteria or guidelines."

1.32.8 Question by United States of America, Canada, Paraguay, Thailand, European Union, Australia (AG-IMS ID 104025)

In September 2022, several WTO Members provided India with several questions to facilitate the consultation process under the Public Stockholding for Food Security Purposes Ministerial Decision of 7 December 2013.

For transparency purposes, the following question, which represents part of the conversation held under that process, is submitted for the full Committee:

As noted in AG-IMS IDs 101012, 98056, 98068 and 93291, India's 2018/19, 2019/20, and 2020/21 domestic support notifications, India notified the relevant statistical information described in the Statistical Appendix of the Annex of the Bali Ministerial Decision. WTO Members noted some discrepancies between the rice stock variations and the quantities purchased and released (under the program and open market sale). Several Members calculated this discrepancy of 3.427 million tonnes for 2016/17, 3.211 million tonnes for 2017/18, 9.733 million tonnes for 2018/19, 14 million tonnes for 2019/20, and 6.92 million tonnes for 2020/21.

It is noted in response to AG-IMS ID $\underline{101012}$, that India states that all data was converted to milled rice despite support being for paddy.

India also noted that "The difference in figures is because of damage due to various factors, including moisture and transportation."

Please further elaborate on the reason for discrepancies and provide data indicating how much rice was damaged due to various factors.

a. Please include detailed information of what happened to these stocks, notably how they were disposed, through which channel, at what price, and if they were exported.

WTO Members have also identified what appear to be omissions in India's Statistical Appendices:

- Only rice is covered in the Statistical Appendix and it excludes any information on wheat, coarse grains, or pulses, which are identified in the Annex as other traditional staple food crops covered under the public stockholding program [AG-IMS IDs 93198, 97001];
- No trade data, as required in the Statistical Appendix data elements m, n, o, and p, are provided [AG-IMS IDs 95090, 97050]; and
- No data or information on state bonuses is included in the Statistical Appendices [AG-IMS ID 95030]

b. Please provide the omitted data.

WTO Members have also identified inconsistencies in the way India reports information in its Statistical Appendices. India announces a market support price for un-milled paddy rice, but the information in the Statistical Appendices is on milled rice [AG-IMS ID 93273].

c. Please provide information to correct these inconsistencies.

1.32.9 Question by United States of America, Canada, Paraguay, Thailand, European Union, Australia (AG-IMS ID 104028)

In September 2022, several WTO Members provided India with several questions to facilitate the consultation process under the Public Stockholding for Food Security Purposes Ministerial Decision of 7 December 2013.

For transparency purposes, the following question, which represents part of the conversation held under that process, is submitted for the full Committee:

In a number of questions posed in the Committee on Agriculture, including AG-IMS IDs 101028, 100006, 99005, 98099, 97010, 97012, 97060, 95032, 93271, 93251, 92009 WTO Members requested information regarding state bonuses provided, in addition to the minimum support price provided for both wheat and rice. The information has been requested repeatedly in this Committee and India repeatedly responded the information would be provided in "due course". WTO Members have provided India with both official state government announcements and reports in the media. In June 2022, we were pleased to hear from India in AG-IMS ID 101028 that "The government has sought the information from the State governments and will inform the COA as soon as it is available." However, India has not explained the reason for the delay in providing this information or if this is the relevant support that India has referenced but not notified in its recent domestic support notifications as 'other support for rice, that is, other than public stockholding for food security purposes, will be notified subsequently.

- a. Is India in a position to provide the requested information?
- b. If not, is the information published in the <u>Commission for Agricultural Cost and Prices Price</u> (Available here: https://cacp.dacnet.nic.in/) Policy Reports an accurate representation of India's procurement intentions for any given marketing season?
- c. If not, please confirm when the request was sent to the State governments and what deadline was set for the Indian Government to receive responses.
- d. If not, please provide an update on what issues India is experiencing that have prevented it from providing this longstanding requested information in a timely manner.

1.32.10 Question by United States of America, Canada, Paraguay, Thailand, European Union, Australia (AG-IMS ID 104029)

In September 2022, several WTO Members provided India with several questions to facilitate the consultation process under the Public Stockholding for Food Security Purposes Ministerial Decision of 7 December 2013.

For transparency purposes, the following question, which represents part of the conversation held under that process, is submitted for the full Committee:

In <u>G/AG/N/IND/18</u> India notified Market Price Support for rice (in millions USD): 5,004.97 with the footnote, "Other support for rice, that is, other than public stockholding for food security purposes, will be notified subsequently." This footnote is also contained in <u>G/AG/N/IND/25</u> and <u>G/AG/N/IND/27</u>.

In June 2022, India stated "After consulting the relevant Ministries/Departments no support other than that for the PSH purposes has been provided for rice" in AG-IMS IDs $\underline{101037}$, $\underline{101050}$, and $\underline{101080}$.

- a. Please confirm whether this is in relation to central schemes/measures only or State schemes measures as well.
- b. Has the Indian Government consulted state governments to determine whether any measures may exist at the subnational level?

1.32.11 Question by United States of America, Canada, Paraguay, Thailand, European Union, Australia (AG-IMS ID 104030)

In September 2022, several WTO Members provided India with several questions to facilitate the consultation process under the Public Stockholding for Food Security Purposes Ministerial Decision of 7 December 2013.

For transparency purposes, the following question, which represents part of the conversation held under that process, is submitted for the full Committee:

Please provide the following data for $\underline{G/AG/N/IND/18}$, $\underline{G/AG/N/IND/19}$, $\underline{G/AG/N/IND/25}$ and $\underline{G/AG/N/IND/27}$:

- a. Breakdown of the "expenditures in relation to the accumulation of stocks of products" under paragraph 3 of Annex 2 of the Agreement on Agriculture (AoA).
- b. Breakdown of the "expenditures in relation to the holding of stocks of products" under paragraph 3 of Annex 2 of the AoA.
- c. Breakdown of the "expenditures in relation to the provision of domestic food aid to sections of the population in need" under paragraph 4 of Annex 2 of the AoA.
- d. We take note that India has stated in response to AG-IMS ID <u>99010</u> that public data on public stockholding for food security purposes has been notified. However, the information being requested once again was not provided by India.

1.33 India's export restriction measures on rice (SIM 767)

1.33.1 Question by United States of America, Brazil, Canada, Thailand, European Union, Australia, Switzerland, United Kingdom (AG-IMS ID <u>104033</u>)

Based on responses by India in this Committee, it is understood that India is extending its export ban on broken rice and the export duty of 20% on white rice in order to control domestic Indian prices for rice.

These export restrictions will force buyers, especially in Asia, Africa, and the Middle East to pay higher prices for rice given India's significant role in global rice markets.

A senior Indian Government official was cited in the media stating, "Rice exports didn't slow down despite the 20% export duty, and that's why we believe that there is no reason to reduce or scrap the duty." It is noted that a substantial share of India's exports is destined for developing countries, including least developed and net food importing developing countries that rely on rice imports for food security.

Why does India continue to hold the position, despite its own recognition that the export restriction did not slow down exports, that this is an appropriate policy option to address domestic market concerns when it distorts global markets and places a tax on foreign consumers, particularly vulnerable consumers in Africa, Asia, and the Middle East?

1.34 India's export restrictions (SIM 306)

1.34.1 Question by United Kingdom, United States of America, Ukraine, European Union, Australia, Switzerland (AG-IMS ID 104003)

The United Kingdom would appreciate clarity on the status of India's export restrictions on wheat and rice. In particular:

- a. When does India plan to lift these restrictions?
- b. When will India be notifying these restrictions to the committee through the required ER:1 table?

1.35 Indonesia's palm oil export restrictions (SIM 724)

1.35.1 Question by European Union; Japan; Korea, Republic of; Chinese Taipei (AG-IMS ID 104035)

Indonesia introduced export restriction on palm oil on 24 January 2022, without providing the required notification. Indonesia lifted its ban on crude palm oil, refined palm oil, and other related products, which was issued on 27 April 2022 in Decree No. 22 of 2022 "Temporary Export Ban on Crude Palm Oil, Refined, Bleached and Deodorized Palm Oil, Refined, Bleached and Deodorized Palm Olein, and Used Cooking Oil".

According to recent information in the media, Indonesia plans to impose new measures to reduce the export of palm oil.

Since Indonesia is one of the major suppliers of palm oil, any disruption on the supply side with the demand remaining the same is definitely going to have an impact.

- a. How long will the restriction continue? When does Indonesia intend to notify the measure?
- b. Could Indonesia clarify the aim of the measure?

1.35.2 Question by Japan (AG-IMS ID <u>104080</u>)

Japan recognizes that Indonesia has introduced export restriction on palm oil in January this year according to the following articles, 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.

https://www.aljazeera.com/economy/2022/12/30/indonesia-to-tighten-palm-oil-exports-from-january-1

https://www.reuters.com/markets/commodities/india-seen-coping-with-indonesia-curbs-palm-oil-exports-2023-02-13/

 $\frac{https://gro-intelligence.com/insights/indonesia-again-clamps-down-on-palm-oil-exports-to-control-domestic-prices$

- a. Could Indonesia provide the contents and duration of the export restriction measure if it really introduced the measure?
- b. Could Indonesia 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?
- c. Could Indonesia answer when Indonesia would submit an ER:1 notification, as required in Article 12 of the Agreement on Agriculture?

1.35.3 Question by United States of America, European Union, Australia, Switzerland (AG-IMS ID 104037)

Indonesia enacted a Domestic Market Obligation (DMO) policy in January 2022 along with new export requirements (Ministry of Trade Regulation No. 2/2022), which requires exporters to submit, among other documents, an Export Plan and a Domestic Distribution Plan. The DMO policy requires exporters of palm oil products to sell 20% of their total export volume domestically. These requirements restrict the export of palm oil products. Several media reports indicate Indonesia has further restricted palm oil exports as of February 2023 when a majority of the DMO export permits were suspended.

- a. Please explain the Domestic Market Obligation policy and what is required of an exporter to export palm oil products.
- b. Please confirm whether Indonesia has suspended any previously granted export permits.
- c. Are any new export permits being granted, and if not, when will export permit issuance resume?
- d. Could Indonesia please explain what consideration it has given to the potential effects of this measure on importing Members' food security in accordance with Article 12.1(a)?
- e. Could Indonesia indicate whether it plans to notify this measure to the CoA through an ER:1 table?

1.36 Philippines' implementation of tariff quotas (SIM 17)

1.36.1 Question by United States of America (AG-IMS ID 104063)

The United States seeks further clarity with regards to how the Philippines administers its tariff rate quota (TRQ) for corn.

In AG-IMS ID $\underline{102039}$, the Philippines stated it was reviewing its Table MA:2 notifications and would provide responses to the United States' questions, but they have not yet been provided. Therefore, the United States repeats the question:

WTO Notification <u>G/AG/N/PHL/82</u> indicates in 2021, Philippine in-quota corn imports totalled 216,940 metric tonnes. According to the Philippines Statistics Authority, in 2021, the Philippines imported a total of 459,581 metric tonnes of corn under Harmonized System (HS) heading 1005; Association of Southeast Asian Nations (ASEAN) accounted for 439,278 metric tonnes or 96% of total imported corn. Similar trends are also seen for calendar year 2019 and 2020 when reviewing <u>G/AG/N/PHL/70/Corr.2</u> and <u>G/AG/N/PHL/79</u>.

It is noted that ASEAN members, including the Philippines, undertook not to introduce Tariff-Rate Quotas (TRQs) on the importation of any goods originating in other ASEAN member states under Article 20 of the ASEAN Trade in Goods Agreement, and the Philippines' ASEAN schedule has a tariff of 5%. This compares to the MFN in-quota rate of 35% and out-quota rate of 50%. This disadvantages the MFN trading partners of the Philippines who do not have access to the lower inquota tariff because the MFN in-quota volume is filled by trading partners with preferential tariff treatment. The United States also notes that other ASEAN members exclude preferential imports from other ASEAN members in the calculation of their WTO tariff-rate quota fill.

Total Imports under 1005.90.90.100 for calendar year 2019

	Philippines Bureau of Customs	G/AG/N/PHL/70/Corr.2
ASEAN	89,569,439	
MFN	130,792,236	
Total Imports	220,361,675	134,270,000
Scheduled TRQ Quantity	216,940,000	216,940,000

Total Imports under 1005.90.90.100 for calendar year 2020

	Philippines Bureau of Customs	<u>G/AG/N/PHL/79</u>
ASEAN	274,449,176	
MFN	122,142,865	
Total Imports	396,592,041	216,940,000
In-Quota Quantity	216,940,000	216,940,000

Total Imports under 1005.90.90.100 for calendar year 2021

	Philippines Bureau of Customs	G/AG/N/PHL/82
ASEAN	156,369,546	
MFN	843,775	
Total Imports	157,213,321	216,940,000
In-Quota Quantity	216,940,000	216,940,000

- a. Please confirm the total quantity of corn that was imported in 2019, 2020, and 2021 at a preferential rate, and the total quantity imported at the MFN rate during that same time period.
- b. Please confirm that the Philippines counts corn imports from regional trade agreements such as ASEAN, as part of its WTO tariff rate quota fill rates.
- c. Please confirm whether the Philippines includes imports of popcorn (1005.90.10) and seed corn (1005.10.00) as part of its in-quota volume fill.
- d. Please provide any other information that may help this Committee understand how the Philippines counts and notifies imports related to its TRQs.

1.36.2 Question by United States of America (AG-IMS ID 104064)

The United States seeks further clarity on how the Philippines administers its tariff rate quotas (TRQs).

Pursuant to domestic legislation, the Philippines Department of Agriculture is mandated to implement a Minimum Access Volume (MAV) mechanism for selected agricultural products taking into account its WTO commitments.

According to both domestic regulations and the Philippines' Table MA:1 notification to the WTO, import licenses are required in order to access the in-quota quantities of the Philippines' TRQs.

The Philippines Department of Agriculture's Administrative Order 52 (2000) amended the Rules and Regulations for the Implementation of the Agricultural MAV, which allows existing licensees to retain their quota allocations without importing, as long as they buy locally-produced commodities. This can result in quota allocations that are unused and not reallocated during the tariff quota year. Further, it is noted that Order 52 (2000) repeals the requirement of Administrative Order 1 of 1998 that any unused quota allocations (i.e., "MAV quantity") should be made available on a first-come, first-serve basis.

- a. Please explain how this is consistent with the Philippines' WTO commitments (including Article 4.2 of the Agreement on Agriculture, which prohibits the use of agriculture-specific non-tariff measures) and how this comports with the minimum market access rights of WTO Members?
- b. Please confirm that purchases of locally-produced commodities by quota holders are not counted against the WTO TRQ.
- c. Please clarify how the reallocation process operates for quota allocations not filled, including those allocations not used due to the quota holder making domestic purchases.

1.36.3 Question by United States of America (AG-IMS ID 104062)

In <u>G/AG/N/PHL/70/Corr.2</u>, the Philippines notified in-quota imports of 134.27 thousand metric tonnes (MT) for PHLQ012 for corn for calendar year 2019, which has an in-quota quantity of 216.94 thousand MT. According to Philippines Bureau of Customs reports, the Philippines permitted 220.36 thousand MT for calendar year 2019 under HS 1005.90.90.100, of which 89.57 thousand metric tonnes (MT) originated from ASEAN countries with the remainder quantity of 130.79 thousand MT entering under the MFN rate.

- a. Please explain the discrepancy in the notified import quantity (134.27 thousand MT) from those published by the Philippines Bureau of Customs (130.79 thousand MT).
- b. Please confirm whether the import statistics in the Philippines' Table MA:2 notifications are on a calendar year basis (Jan-Dec), as described, or a tariff quota year basis (Feb-Jan), as described in the Philippines' Table MA:1 notifications and domestic rules regarding tariff rate quotas.

1.36.4 Question by United States of America (AG-IMS ID 104065)

According to Philippines Bureau of Customs reports, the Philippines imported 220.36 thousand metric tonnes (MT) of corn in calendar year 2019 under HS 1005.90.91.100, of which 89.57 thousand MT originated from ASEAN countries. HS 1005.90.91.100 is the in-quota tariff line for the WTO MFN TRQ for corn (PHLQ012).

The United States is concerned that ASEAN imports are filling the WTO MFN TRQ.

- a. Please confirm whether ASEAN imports are counted against the Philippines' WTO TRQ.
- b. Please confirm that ASEAN imports do not require an import license, while non-ASEAN imports do require an import license to access the MFN TRQ for corn (PHLQ012).

1.36.5 Question by United States of America (AG-IMS ID 104066)

In <u>G/AG/N/PHL/70/Corr.2</u>, the Philippines notified in-quota imports for Horses (0101), Cattle (0102), Live swine (0103), Live goat (0104), Live poultry (0105), Beef (0201), Pork (0203), Goat meat (0204), Poultry meat (0207), Potatoes (0701), Coffee (0901), Corn (1005), Rice (1006), and Sugar (1701). Considering that import licenses were only issued for Pork (0203), Poultry (0207), Corn (1005), Potatoes (1701), Coffee beans (0901) and Coffee extracts (2101):

- a. Please explain how the Philippines recorded in-quota imports and fill rates above zero for commodities for which it did not issue import licenses; and
- b. Please confirm import statistics for calendar year 2019 and provide a link to the source data.

1.37 Philippines - Sanitary and Phytosanitary Import Clearance (SPSIC) permits (SIM 655)

1.37.1 Question by United States of America (AG-IMS ID 104067)

In AG-IMS ID $\underline{102037}$, the Philippines indicated that a new domestic administration had taken over leadership of the Department of Agriculture and the capital authorities could possibly review this SPSIC measure.

Please provide any updates regarding this measure.

1.37.2 Question by United States of America (AG-IMS ID 104068)

The United States notes Section 5 of Republic Act No. 11203 or the "Rice Tariffication Law" (RTL) which provides that "failure on the part of the BPI to release the SPSIC without informing the rice importer of any error, deficiency, omission, or additional documentary requirement shall mean automatic approval of the SPSIC applied for within seven (7) days after submission of the complete requirements." This provision aligns with Republic Act. No. 11032 or the "Ease of Doing Business and Efficient Delivery of Government Services Act."

- a. Please explain how the Philippines Bureau of Customs tracks the status of such automatic approvals so as not to delay the release of shipments that have met SPSIC requirements via this process.
- b. The United States also asks the Philippines the status of implementing a similar automatic approval process for all commodities that require SPSICs

1.37.3 Question by United States of America (AG-IMS ID 104069)

The United States would remind the Philippines it previously stated in the Committee on Import Licensing that "All applicants are informed of the reason in the event of disapproval of SPSIC application" (see G/LIC/Q/PHL/5).

However, this does not seem to be the case.

Please explain why applicants are not being informed of the reason in the event of disapproval of the SPSIC application.

Also, explain what steps the Philippines is taking to ensure that applicants are informed of the reason in the event of disapproval of the SPSIC application.

1.38 Thailand's Paddy Pledging Scheme (SIM 313)

1.38.1 Question by India (AG-IMS ID 104101)

With respect to AG-IMS ID $\underline{103137}$, a response from Thailand is awaited. Therefore, India would like to repeat the request for information in AG-IMS ID 103137.

It is known that Thailand's Rice Policy and Management Committee has approved a budget amounting to about 150 billion baht, to guarantee the income of more than 4.6 million rice farming households for their 2022/2023 rice crops. The Committee also agreed to extend the period for the rice pledging scheme for another year. In this context, Thailand is requested to provide the following information:

- a. Details of the working of the rice pledging scheme?
- b. What is the eligibility criteria prescribed to receive support under farmer's rice income guarantee scheme, as approved by Thailand's Rice Policy and Management Committee?
- c. Under the rice pledging scheme, how is the administered price determined?

- d. What quantity of rice is eligible to be sold to the government?
- e. How much quantity of rice is currently in stock under the rice pledging scheme?
- f. What is the mechanism to dispose of the rice stock accumulated under the rice pledging scheme?
 - i. How will this support be notified in the domestic support notification?
 - ii. When does Thailand plan to submit its outstanding DS:1 notification as the latest submitted so far pertains to the calendar years 2014 to 2016 (<u>G/AG/N/THA/85</u>) dated 6th October 2017.

2 POINTS RAISED IN CONNECTION WITH INDIVIDUAL NOTIFICATIONS

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

2.1.1 European Union (G/AG/N/EU/81)

AG-IMS ID 104036: Question by Paraguay, Brazil - Transparency issues

We thank the EU for submitting notification G/AG/N/EU/81 and we note that once again the EU has excluded the United Kingdom from its *erga omnes* tariff-rate quotas (TRQs). In this regard, we request the EU to provide information on the steps being taken to confirm the United Kingdom's exclusion from the EU's *erga omnes* quotas in its schedule of commitments. Could the EU please confirm that it is not submitting only one annual MA: 1 table for that purpose.

AG-IMS ID 104072: Question by Thailand - Transparency issues

Thailand thanks the European Union for submitting notification <u>G/AG/N/EU/81</u> informing the EU administration of tariff quotas for calendar year 2023.

Thailand noticed from the notification that the EU has not implemented the new quota quantities for (1) Paddy rice, (2) Semi-milled or wholly milled rice, (3) Broken rice, (4) Food Preparations and (5) Shrimp and Prawn, Prepared or preserved.

However, the United Kingdom has already implemented new quotas for these TRQ products.

This caused the WTO Members to receive lower quota quantities from the EU and the UK than prior to BREXIT.

Furthermore, Thailand is aware that, in accordance with Article XVXIII of the GATT 1994, the EU and the UK are currently consulting with other WTO Members regarding the allocation of their TRQ. Could the EU provide further clarification on how the EU intends to implement the new quota allocation for these TRQ products to ensure that the WTO Members receive an equivalent amount of quotas to those received before to BREXIT?

AG-IMS ID 104059: Question by Canada - Country-specific allocation

In its 2023 MA:1 notification, the European Union (EU) notes that the EU-Q041, Cheddar – country specific allocation: Canada "is no longer opened as Canada benefits from better access through its CETA FTA with the EU".

- a. Canada notes that in its notifications for 2018/19 and 2019/20, the EU only indicated that imports under EU-Q041 were not reported as Canada benefits from better access under the CETA. Could the EU please explain what changed that required the closure of this TRQ?
- b. The volume set out in the EU-Q041 is part of a broader agreement with specific certification requirements and subject to eligibility requirements that may be different from the CETA. Canada has concerns with the potential market access impact resulting from the closure of this TRQ.

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

2.2.1 Canada (G/AG/N/CAN/150)

AG-IMS ID 104103: Question by India - Transparency issues

With respect to Canada's MA:2 (<u>G/AG/N/CAN/150</u>) notification for the calendar year 2021, Marketing Year 2020/2021 and Quota Year 2020/2021, it has reported fill rates for a number of dairy products. However, for fluid milk, a footnote is provided. In this regard, Canada is requested to provide the following details:

- a. How many times was the General Import Permit for import of fluid milk invoked during 2020-21?
- b. What was the total import of fluid milk during the notification period?

2.2.2 Switzerland (G/AG/N/CHE/119)

AG-IMS ID 104074: Question by Canada - Tariff quota fill

Canada thanks Switzerland for its latest MA:2 notification.

Could Switzerland explain the reason for the low use of the tariff quota CHEQ003 (live swine) which has a fill rate of 2%?

2.2.3 Chinese Taipei (G/AG/N/TPKM/221)

AG-IMS ID 104044: Question by Paraguay - Tariff quota fill

We thank Chinese Taipei for submitting the aforementioned notification on tariff quota fill. We note that quota CHTQ017 for shaddocks has a fill rate of 0%. Could you please indicate the reasons for the quota's zero fill rate and whether you have considered modifying its administration method in accordance with the Bali Decision in order to allow a better fill rate.

AG-IMS ID 104073: Question by Thailand - Tariff quota fill

Thailand thanks Chinese Taipei for submitting its recent MA:2 notification <u>G/AG/N/TPKM/221</u>. Thailand observes that Chinese Taipei has reported a 0.4% fill rate for betel nuts (TQ ID CHTQ013).

- a. Could Chinese Taipei provide an explanation of the reason this quota has not been filled?
- b. Could Chinese Taipei provide an explanation of its plan to improve the utilization of unfilled tariff quotas in accordance with the Bali Decision on TRQ Administration?

2.3 SPECIAL AGRICULTURAL SAFEGUARDs (TABLES MA:3 to MA:5)

2.3.1 Chinese Taipei (G/AG/N/TPKM/217, G/AG/N/TPKM/218, G/AG/N/TPKM/220)

AG-IMS ID 104143: Question by Paraguay - Tariff quota fill

We note that Chinese Taipei has submitted three volume-based special safeguard notifications to be applied from 10 January to 31 December 2023 for tariff item 07129050. This item corresponds to quota CHTQ011 which, according to notification G/AG/N/TPKM/221, had a fill rate of 0% for the period from 1 January to 31 December 2022. Could you please indicate the reasons behind the sudden change in imports that led from a fill rate of 0% for the quota in one year to the application of volume-based safeguards just 10 days into the following year.

2.4 DOMESTIC SUPPORT COMMITMENTS (TABLE DS:1)

2.4.1 China (G/AG/N/CHN/47)

AG-IMS ID 104054: Question by Canada, Australia - Transparency issues (including Table DS:2)

Annex 2, Para.10 & Para 12

In response to questions raised at the 98th CoA meeting (AG-IMS ID <u>98013</u>), regarding its environmental programs (<u>G/AG/N/CHN/47</u>) China indicated that it would reclassify "retiring farmland to forest or grass" from the *environmental programs* of Annex 2 para.12 to *resource retirement* of Annex 2 para.10. As a result, Canada notes a significant increase from CNY 3.9 billion in 2016 to an average annual expenditure of CNY 30 billion over 2017- 2020.

a. Could China submit a Table DS:2 notification providing information as to how "returning cultivated land to forests and grazing land to grassland" meets the general criteria and each policy criteria of paragraph 10 (a) through (d) of Annex 2?

Canada notes the total expenditures reported under environmental programs of Annex 2 paragraph 12 have not decreased due to reclassifications of some components (AG-IMS ID 98013).

b. Could China submit a Table DS:2 notification if new environmental measures were included in each year 2017, 2018, 2019, and 2020?

AG-IMS ID 104015: Question by United States of America, Canada, Australia - Transparency issues (including Table DS:2)

In China's Table DS:1 notification ($\underline{G/AG/N/CHN/47}$), China notified that it exceeded its domestic support limits for calendar year 2016 and stated in footnote b of Table DS:1, "Measures that resulted in level of support in column 3 were all terminated" in reference to measures notified above the *de minimis* level for corn, soybeans, and cotton.

China has notified that subsequent domestic support measures for these commodities were introduced as production limiting "Blue Box" measures as noted in its Table DS:2 notifications for the measures "Deepening the Target Price Policy Reform of Cotton" (<u>G/AG/N/CHN/48</u>), "Implementation Notice of the Ministry of Finance on Establishing Corn Producer Subsidy System", and "Notice of Improving the Polices of Corn and Soybean Producers Subsidies" (<u>G/AG/N/CHN/67</u>).

China Agricultural Supply and Demand Estimates production data show that from 2015/2016 through 2019/2020 China's production of corn, cotton, and soybeans have increased by 16%, 18%, and 56%, respectively.

- a. Please confirm China's official production statistics for corn, cotton, and soybeans from 2016 through 2020.
- b. Please clarify how these measures are production-limiting if production has risen since the termination of the Amber Box support measures that had exceeded China's domestic support limits?

2.4.2 China (G/AG/N/CHN/62, G/AG/N/CHN/63, G/AG/N/CHN/64, G/AG/N/CHN/65)

AG-IMS ID 104010: Question by European Union - Transparency issues (including Table DS:2)

The European Union notes that China exceeded its total AMS commitment in calendar years 2017-2019. Due to China's practice of notifying domestic support for several (in this case four) years at the same time, it has not been possible for other WTO Members to properly review China's support policies as close in time to when they were applied as would have been desirable.

a. How come China did not find it possible to notify domestic support annually for the 2017-2020 period, rather than for all four years at the same time?

- b. Did the data for 2017, 2018 and 2019 become available simultaneously with that for 2020?
- c. Would China consider notifying domestic support annually for the post 2020 period?

AG-IMS ID 104011: Question by European Union - Transparency issues (including Table DS:2)

Support for local authorities

Regarding all of the notifications, the European Union (EU) would like to know if China includes support for local authorities. More specifically, under this heading, does China include, for example, support granted by local authorities to the pig industry following the outbreak of African Swine Fever in 2018?

If so, the EU would like to know under which category this support was included. The EU considers it useful to recall that inclusion of this type of support in the Green Box is conditional on payments "compensate[ing] for not more than the total cost of replacing such losses".

AG-IMS ID 104145: Question by Paraguay - Transparency issues (including Table DS:2)

With regard to notification G/AG/N/CHN/63, could the People's Republic of China please:

- a. Disaggregate, by product, the expenditure on public stockholding for food security purposes in the amount of CNY 1,286 hundred million, notified under paragraph 3 of Annex 2.
- b. Indicate the reasons for the increase from CNY 998 hundred million in 2017 to CNY 1,152 hundred million under environmental programmes notified under paragraph 12 of Annex 2.
- c. Indicate the reasons that led to an increase instead of a reduction in the support as a percentage of value of soybean production, rising from 15% in 2017 to 19% of value of production (VOP).

AG-IMS ID 104146: Question by Paraguay - Transparency issues (including Table DS:2)

With regard to notification G/AG/N/CHN/64, could the People's Republic of China please:

- a. Disaggregate, by product, the expenditure on public stockholding for food security purposes in the amount of CNY 1,034 hundred million, notified under paragraph 3 of Annex 2.
- b. Indicate the reasons for the increase from CNY 1,152 hundred million in 2018 to CNY 1,301 hundred million under environmental programmes notified under paragraph 12 of Annex 2.
- c. Indicate the reasons for the increase from CNY 880 hundred million in 2018 to CNY 1,061 hundred million under regional assistance programmes notified under paragraph 13 of Annex 2.
- d. Indicate the reasons for the increase from CNY 106 hundred million in 2018 to CNY 181 hundred million in Blue Box payments for the cotton price subsidy.
- e. Indicate the reasons that led to an increase instead of a reduction in the support as a percentage of VOP for soybean production, rising from 19% in 2018 to 21.5% of VOP.

AG-IMS ID 104147: Question by Paraguay - Transparency issues (including Table DS:2)

With regard to notification <u>G/AG/N/CHN/65</u>, could the People's Republic of China please:

a. Disaggregate, by product, the expenditure on public stockholding for food security purposes in the amount of CNY 994 hundred million, notified under paragraph 3 of

Annex 2, and indicate the reasons for the reduction in that expenditure, given that 2020 was the first year of the COVID-19 pandemic.

- b. Indicate the reasons for the increase from CNY 1,293 hundred million in 2019 to CNY 1,700 hundred million under decoupled income support notified under paragraph 8 of Annex 2.
- c. Indicate the reasons for the increase from CNY 1,061 hundred million in 2019 to CNY 1,269 hundred million under regional assistance programmes notified under paragraph 13 of Annex 2.

AG-IMS ID 104148: Question by Paraguay, Brazil - Transparency issues (including Table DS:2)

With regard to notification G/AG/N/CHN/65, could the People's Republic of China please: (co-sponsored by Brazil)

- a. Explain the compatibility of granting both Blue Box and Amber Box subsidies to rice in husk producers, given that the objectives of these measures are contradictory; the minimum purchase price seeks to incentivize production, while programmes that make payments on 85% or less of the base level of production should help to disincentivize it.
- b. Indicate the soybean VOP for 2020, bearing in mind that in 2019, with a subsidy of hundreds of millions of CNY, it was 21% of VOP and above the *de minimis* entitlements, and the value of the Blue Box programme is higher, reaching a total of CNY 207 hundred million. What are the reasons for the policy changes, moving from a policy of stimulating soybean production to programmes that seek to reduce that production?
- c. Indicate the reasons for the increase from CNY 181 hundred million in 2019 to CNY 312 hundred million in Blue Box payments for the cotton price subsidy.

AG-IMS ID 104045: Question by United States of America, European Union, Australia - Transparency issues (including Table DS:2)

In 2019, China's National Food and Strategic Reserves Administration issued Notice # 218 on grain sales policy (http://www.lswz.gov.cn/html/zfxxgk/2020-11/14/content 262371.shtml). The notice mentions that there is a historic problem of grain accumulation (page 2) and lays out policies for the proper disposal of those stocks, including instructing local grain administrative departments to keep invoices and GPS tracking information for vehicles to prove the grain has been shipped (page 5). China Customs Statistics data show the value and volume of milled rice exports at the highest levels in 2019, a significant increase over the previous two years.

China's Exports of Milled Rice (data accessed 23 January 2023)

Export	2017	2018	2019	2020	2021	2022
Destination						
World (USD value)	596,163,814	887,429,043	1,058,957,630	916,280,868	1,035,657,902	1,033,704,240
WTO Developing Members (USD value)	532,867,827	729,896,227	856,101,848	734,800,650	849,455,650	817,756,514
World (MT volume)	1,195,755	2,089,298	2,747,499	2,304,274	2,447,886	2,214,594
WTO Developing Members (MT volume)	1,095,803	1,782,380	2,280,696	1,842,923	1,999,783	1,771,287

The below table demonstrates that comparing World Bank Commodities Price Data for annual average prices of rice from Thailand and Vietnam to average prices of rice from China (constructed

from China Customs Statistics data) shows that China's exports of milled rice experienced a relative decline in 2018 and remained relatively low through 2022.

Annual Average Prices for Milled Rice, 2017-22

	2017	2018	2019	2020	2021	2022
Rice, Thailand 5%	398.9	420.7	418	496.8	458.3	436.8
Rice, Thailand 25%	384.7	408.1	410.4	481.8	448.3	429.7
Rice, Thailand A1	379.9	401.1	393.5	474.6	436.1	417.7
Rice, Vietnam 5%	363.2	406.1	251.9	428	446.3	404.5
China Unit Value	415.0	368.3	344.0	328.5	345.6	384.9

Source: Word Bank Commodities Price Data and China Customs Statistics.

Taking a few destination countries for rice as examples, we see that in 2017, India and Thailand were the #1 and #2 exporters of milled rice to Egypt, but in 2018 they were overtaken for the #1 spot by China, which stayed at #1 through 2022. In 2017 China was not exporting milled rice to Papua New Guinea, but it entered the market in 2018 with low unit values and secured the #1 exporter slot from 2019 onwards. In 2017, China's unit value for exports of milled rice to Sierra Leone was between the unit values for Pakistan and India's exports, but then in 2018 China's unit value fell, undercutting those competitors, and remained low though 2022.

Milled Rice Exports to Egypt, in U.S. dollars per tonne, 2017-22

Exporter	2017	2018	2019	2020	2021	2022
China	423	301.07	297.03	289.03	320.52	338.58
India	466.4	606.18	432.98	757.07	750.08	605.25
Thailand	473.91	501.62	509.94	595.19	565.59	549.15

Source: China Customs Statistics, Ministry of Commerce and Industry of India, Ministry of Finance Thailand, and UN Comtrade.

Milled Rice Exports to Papau New Guinea, in U.S. dollars per tonne, 2017-22

Exporter	2017	2018	2019	2020	2021	2022
China	0	393	360.2	360.88	369.71	394.13
Thailand	623.14	611.51	727.58	691.51	595.91	614.01
India	1340.4	2337.68	580.42	368.9	371.94	351.94

Source: China Customs Statistics, Ministry of Commerce and Industry of India, Ministry of Finance Thailand, and UN Comtrade.

Milled Rice Exports to Sierra Leone, in U.S. dollars per tonne, 2017-22

Exporter	2017	2018	2019	2020	2021	2022
China	346.7	300.66	314.3	282.58	288.71	307.21
Pakistan	330.1	338.1	381.77	356.44	465.69	No data
India	366.3	393.88	377.36	371.41	364.5	354.47

Source: China Customs Statistics, Ministry of Commerce and Industry of India, Ministry of Finance Thailand, and UN Comtrade.

- a. Were any exports made from China's rice stocks in the years 2018 through 2022?
- b. Please explain China's process for releasing stocks.
- c. What steps did the Chinese Government take to combat illegal sales of rice released from stocks?

AG-IMS ID 104019: Question by United States of America, Canada, Thailand, European Union, Australia - Transparency issues (including Table DS:2)

China's Table DS:1 notification for calendar year 2020 (<u>G/AG/N/CHN/65</u>) includes 1.25 trillion yuan in Green Box support, 89.8 billion yuan in Blue Box support, and 62.7 billion yuan in Amber Box support.

- a. Do these amounts include provincial and sub-provincial support and payments?
- b. If so, can China please provide a breakdown between provincial and national producer support for soy and rice in particular?
- c. If not, please confirm no sub-national support was provided.

AG-IMS ID 104012: Question by European Union - Annex 2 (Green Box)

Green Box support

Regarding **Green Box support,** amounts under three headings increased significantly in 2020 compared with 2017.

- Support under General services for infrastructural services (+33%),
- Payments [under Regional assistance programmes] for disadvantaged regions (almost +100%)
- Payments under environmental programmes

The EU would like to request further information from China about the new projects, zoning or support schemes that would justify these increases.

AG-IMS ID 104077: Question by New Zealand - General services: infrastructural services

New Zealand notes that China has increased their spending on infrastructural services in the Green Box by approximately CNY 866.21 hundred million between 2017 and 2020. We would welcome details from China on what factors led to the increase in expenditure, as well as what activities the new programmes introduced in this time period involved.

AG-IMS ID 104006: Question by United Kingdom, United States of America, European Union - Direct payments: payments under regional assistance programmes

The United Kingdom thanks China for the submission of <u>G/AG/N/CHN/65</u>. We note the increase in support notified under Measure Type 13: 'Regional Assistance Programmes' from 2017-2020. In relation to Paragraph 13(a), could China please provide detail of the 'neutral and objective criteria clearly spelt out in law or regulation' used to define 'disadvantaged regions'?

AG-IMS ID 104144: Question by Paraguay - Public stockholding for food security purposes

We thank the People's Republic of China for submitting this and the other notifications for which Members have been waiting for years in order to complete the monitoring and transparency exercise that is part of the work of this Committee, particularly as China is one of the Members that grants the largest amount of domestic support in this Organization and that, in 2016, was in violation of its subsidy entitlements. We note with concern that this entitlement was exceeded again in 2017 by CNY 2,405 hundred million, a breach that continued in 2018 in the amount of CNY 2,081 hundred million. We also note the high cost of the Green Box policies of the People's Republic of China, exceeding CNY 10,000 hundred million. In this regard, could the People's Republic of China please disaggregate, by product, the expenditure on public stockholding for food security purposes in the amount of CNY 1,286 hundred million, notified under paragraph 3 of the Annex.

AG-IMS ID 104017: Question by United States of America, Canada, Thailand, European Union, Australia - Public stockholding for food security purposes

In Supporting Table DS:1 of China's Table DS:1 notification for calendar year 2020 (<u>G/AG/N/CHN/65</u>), China notified budgetary outlays of 99.4 billion Chinese yuan (approximately USD 14.4 billion) on public stockholding for food security purposes, specifically expenditures (or revenue foregone) in relation to the accumulation and holding of stocks of products.

- a. Please provide data on the amount of expenditures for each of the benefited crops covered by the measure from 2017 through 2020.
- b. For 2017 through 2020, please provide the corresponding predetermined targets for the volume of stocks accumulated for each crop covered by the measure.
- c. For 2017 through 2020, please provide the volume of stocks accumulated for each crop procured under the measure.

AG-IMS ID 104014: Question by European Union - Payments based on 85 per cent or less of the base level of production

China has doubled its Blue Box support for cotton in Calendar year 2020 (<u>G/AG/N/CHN/65</u>), as reported in Supporting Table DS:3 – from 161.92 hundred million CNY in 2019 to 312.07 hundred million CNY in 2020.

- a. Could China share the base level of production, which corresponds to the notified amounts?
- b. Did China include this support in the reply to the cotton questionnaire?

AG-IMS ID 104075: Question by Japan - Market price support

Japan welcomes that China submitted its DS:1 notifications for the period of CY2017-2020 (G/AG/N/CHN/62, G/AG/N/CHN/63, G/AG/N/CHN/64, G/AG/N/CHN/65) and DS:2 notifications (G/AG/N/CHN/66, G/AG/N/CHN/67) respectively.

Regarding the market price support for rice (MPP: Minimum Purchase Price), Japan would like to ask the following questions:

- a. What is the reason behind the MPP for rice in 2017, 2018, 2019 were budgeted several times more (over CNY 100 billion each year) than before 2016?
- b. Producer subsidies (rice in husk) have been newly notified since 2018. Could China explain the direct payment scheme in detail, which seems to have been shifted from MPS?

AG-IMS ID 104076: Question by Japan - Market price support: Eligible production

Japan welcomes that China submitted its DS:1 notifications for the period of CY2017-2020 (G/AG/N/CHN/62, G/AG/N/CHN/63, G/AG/N/CHN/64, G/AG/N/CHN/65) and DS:2 notifications (G/AG/N/CHN/66, G/AG/N/CHN/67) respectively.

Regarding the Quantity of Eligible Production (QEP) to calculate the MMP for rice, it is footnoted "total production of major producing regions" in the CY 2017, 2018 and 2019 notifications, however it is changed to "maximum procurement amount" in the CY2020 notification.

This change has significantly lowered the amount of support for rice to 1/3 of the previous year's level, under *de minimis* limit of 8.5% of total production as a result.

- a. How is the level of "maximum procurement amount" defined? What indicators are considered?
- b. Please provide a legal framework (i.e. relevant regulatory framework, relevant measures) that defines the "maximum procurement amount".
- c. According to the circulated panel report on DS511 in 2019, it is agreed that the ratio of total production of Indica rice and Japonica rice production is 2:1. Could China indicate the basis of how "maximum procurement amount" is set at the ratio 2:3?

AG-IMS ID 104081: Question by Australia - Market price support: Eligible production

Australia notes that China's latest DS:1 notification covering calendar year 2020 (<u>G/AG/N/CHN/65</u>), Supporting Table DS:5 lists eligible production for wheat of 3,700 ten thousand tonnes (37 million tonnes) as the 'maximum procurement amount'.

Australia asks that China provide additional information about dates for when each year's maximum procurement amounts are set by Government, and how and when these maximum procurement amounts are communicated to farmers.

AG-IMS ID 104013: Question by European Union, Canada, United States of America, Australia - Market price support: Eligible production

G/AG/N/CHN/65, issued on 14 December 2022 - Supporting table DS:5

In Supporting table DS:5 for Calendar year 2020, for the first time China uses the maximum procurement amount as eligible production for the purposes of calculating the total market price support. In a foot note to the table, China provided the following clarification: "The eligible production is the maximum procurement amount, i.e. 20 million tonnes for Indica rice in husk, 30 million tonnes for Japonica rice in husk and 37 million tonnes for wheat." Until 2020 Calendar year, China has used the total production of major producing regions as eligible production.

- a. Could China provide the legal references (legal acts) where the limits for rice and wheat have been fixed in relation to calendar year 2020?
- b. Could China explain how their administration is participating in the procurement scheme, i.e. how they are buying the rice and the wheat?
- c. Could China provide the quantities bought in reality for the two products in question?

AG-IMS ID 104016: Question by United States of America, Thailand, European Union, Australia - Other product-specific AMS/EMS

In China's Table DS:1 notification for calendar year 2019 (<u>G/AG/N/CHN/64</u>), China notified CNY 186.85 hundred million in producer subsidies for rice in husk as product specific Amber Box support.

In China's Table DS:1 notification for calendar year 2020 (G/AG/N/CHN/65), China notified CNY 186.85 hundred million in subsidies for rice in husk as blue box support.

- a. Please explain in detail how rice in husk producer subsidies, notified in Supporting Table DS:6, were implemented, including how payments were determined.
- b. Please explain how the 2019 measure differs from the measure in 2020.

AG-IMS ID 104007: Question by United Kingdom, Brazil, Thailand, European Union - Classification of measures

The United Kingdom thanks China for their recent domestic support notifications. We note that Blue Box support for rice and soybean significantly increased between 2019 and 2020. We appreciate the information China has provided in <u>G/AG/N/CHN/66</u> and <u>G/AG/N/CHN/67</u>. We note that subsidies for soybean and rice husk products were previously reported in Supporting Table DS:4. Could China please explain the reasoning for the change of classification of these measures?

2.4.3 Costa Rica (G/AG/N/CRI/88)

AG-IMS ID 104149: Question by Paraguay - Direct payments: payments under environmental programmes

Under paragraph 12 of Annex 2, Costa Rica notifies an environmental programme entitled "Recognition of the environmental benefits of organic farming by micro, small and medium-sized organic producers: Financial incentive granted to micro, small and medium-sized organic producers for the environmental benefits resulting from their activities". Could Costa Rica please:

- a. Clarify which state programme producers are complying with.
- b. Explain how the additional cost or loss of income associated with complying with this programme is calculated so that the programme can be classified as an environmental programme in accordance with the requirements set out in subparagraphs (a) and (b) of paragraph 12 of Annex 2.
- c. Given that the description of the programme refers to incentives for this type of production and not compensation for complying with a programme, could Costa Rica please provide further information regarding the characteristics of this type of production that make the programme eligible for consideration as an environmental programme, in terms of the efficient use of natural resources and techniques such as harrowing and other solutions of a non-chemical nature that could nevertheless have an adverse impact on the environment.

AG-IMS ID 104151: Question by Paraguay - Direct payments: payments under environmental programmes

With regard to the "Programme providing payment for environmental services in agroforestry systems", also notified under paragraph 12 of Annex 2, could Costa Rica please explain why payments for environmental services are considered agricultural subsidies.

2.4.4 Indonesia (G/AG/N/IDN/70)

AG-IMS ID 104078: Question by Canada - Transparency issues (including Table DS:2)

Canada would like to thank Indonesia for its recent domestic support notification for the CY2021. Canada notes that in Supporting Table DS:1, measure defined under paragraph 4 – *Rice for Poor and Low Income Society* –, Indonesia has for the first time in 10 years notified no expenditure under this programme.

Could Indonesia advise if the programme has been terminated?

AG-IMS ID 104150: Question by Paraguay, Brazil - Transparency issues (including Table DS:2)

We thank Indonesia for submitting its domestic support commitments for 2021. Could Indonesia please explain:

With regard to paragraph 2 of Annex 2:

- a. Why subsidies for rice field expansion are included in the Green Box and not classified as product-specific support falling within the Amber Box? Please provide details of the programme and explain how it meets the criteria set forth in paragraph 2(g) of Annex 2.
- b. The difference between this infrastructure programme and the programmes for facilities and infrastructure to encourage agricultural and rural development notified under Art. 6.2, with a monetary value of IDR 2,019, 738 million.

AG-IMS ID 104152: Question by Paraguay, United Kingdom - Public stockholding for food security purposes

With regard to paragraph 3 of Annex 2, could Indonesia please:

- a. Explain the increase in public stockholding for food security purposes to IDR 3,771,187 million in 2021 from IDR 1,242,663 million in 2020.
- b. Indicate whether there was any change in the design and administration of the programmes between 2020 and 2021.
- c. Indicate the total beneficiaries, reserve stocks and the predetermined targets, including existing legislation where they may be found.

- d. Indicate the reasons for the reduction in government purchases by more than half in 2021 compared to 2020.
- e. Indicate the reasons behind the increase from IDR 118,886 million in 2020 to IDR 3,182,187 million in 2021.

AG-IMS ID 104018: Question by European Union - Domestic food aid

Indonesia has forwarded its DS:1 notification <u>G/AG/N/IDN/70</u> on 10 January 2023 covering Calendar year 2021.

In supporting table DS:1, Indonesia reported under Domestic food aid, only Cash-based food aid for Poor and Low-Income Society (BPNT).

What are the criteria used for this support?

AG-IMS ID 104153: Question by Paraguay - Domestic food aid

With regard to paragraph 4 of Annex 2, could Indonesia indicate the reasons why the aid notified in the form of rice for poor and low-income society is IDR 0.

2.4.5 Mauritius (G/AG/N/MUS/17)

AG-IMS ID 104079: Question by United States of America - Transparency issues (including Table DS:2)

The United States thanks Mauritius for its Table DS:1 notification. As raised during the 101st Committee on Agriculture meeting in June 2022 in AG-IMS ID 101067, the United States noted that Mauritius introduced several new sugar-related domestic support measures in its financial year 2020-2021, including a "money grant" notified in Supporting Table DS:6 and "Sugar Service Providing Institutions" notified in Supporting Table DS:1. The United States thanks Mauritius for its replies to all its respective questions.

Mauritius noted in its answer that during its financial year 2020-2021 it guaranteed the price of Mauritian Rupee (MUR) 25,000 per tonne of sugar produced by sugar cane planters and further stated the action "is not a recurrent measure and was explicitly put in place as a result of the significant downfall in world sugar price."

Please explain why price supports were provided again in financial year 2021-2022.

2.4.6 Mauritius (G/AG/N/MUS/19)

AG-IMS ID 104082: Question by Canada - Investment subsidies generally available to agriculture

Mauritius notified investment subsidies generally available to agriculture in Supporting Table DS:2 for the financial year 2021/2022 (<u>G/AG/N/MUS/19</u>). Canada notes that subsidized loans disbursed through the Development Bank of Mauritius have not been reported since 2013 (<u>G/AG/N/MUS/3</u>).

- a. Could Mauritius clarify if there are new investment programmes?
- b. Could Mauritius provide additional information on the types of projects covered by these investment subsidies?

2.4.7 Mexico (G/AG/N/MEX/56)

AG-IMS ID 104086: Question by New Zealand - Transparency issues (including Table DS:2)

New Zealand thanks Mexico for their answer to AG-IMS ID <u>103113</u>, and we are seeking more information on some of the measures outlined in Mexico's answer.

- a. Can Mexico provide more information regarding the goals of the "Agriculture, livestock, fisheries, and aquaculture promotion programme"?
- b. Could Mexico outline where additional information about its domestic support policies can be found?

2.4.8 Mongolia (<u>G/AG/N/MNG/11</u>- <u>G/AG/N/MNG/23</u>)

AG-IMS ID 104083: Question by United States of America - Classification of measures

Mongolia's recently submitted Table DS:1 notification ($\underline{G/AG/N/MNG/11}$) for calendar year 2007 lists the "Green Revolution" national programme under "public stockholding for food security purposes." However, a measure by the same name was notified in Mongolia's Table DS:2 notification ($\underline{G/AG/N/MNG/7}$), which describes the measure as pertaining to a) training and advisory services and b) marketing and promotion services.

- a. Please explain the discrepancies between the Table DS:1 and Table DS:2 notifications.
- b. If Mongolia confirms the Table DS:1 notification is accurate in classifying the measure as public stockholding, please explain.

AG-IMS ID 104085: Question by United States of America - Transparency issues (including Table DS:2)

The United States recognizes and appreciates Mongolia's efforts to come up to date with Table DS:1 notifications to the Committee on Agriculture. (Notifications G/AG/N/MNG/11 - G/AG/N/MNG/23).

Mongolia's recently-submitted notifications for calendar years 2008 through 2013 and 2016 through 2021 list six different measures (Third Crop rehabilitation campaign, Fourth crop sustainable development habilitation campaign, Mongolian livestock, Food safety security, Meat and dairy reserve, Crop supporting fund) as public stockholding for food security purposes measures under the Green Box in Supporting Table DS:1.

These measures were notified for the first time in these notifications.

- a. When will Mongolia submit Table DS:2 notifications describing these measures?
- b. Please confirm each of these measures are currently notified as public stockholding for food security measures under the green box.
- c. Noting only the name of the measure was notified, please provide a description of each measure so that this Committee may better understand these measures and their classification. As part of the descriptions, please confirm each of these measures involves government procurement of agricultural products, what agricultural products are covered, and whether purchases were done at market prices or a set announced price by the government.

2.4.9 Norway (G/AG/N/NOR/122)

AG-IMS ID 104154: Question by Paraguay - Direct payments: payments for relief from natural disasters

With regard to paragraph 8 of Annex 2, could Norway indicate which natural disasters occurred in Norway that justify the increase from NOK 74.5 million in 2020 to NOK 95.4 million in 2021?

AG-IMS ID 104155: Question by Paraguay - Direct payments: structural adjustment assistance provided through producer retirement programmes

With regard to paragraph 9 of Annex 2, how many producers benefited from the NOK 68.5 million in 2021 to be able to retire? What percentage of production do these retirements represent?

AG-IMS ID 104156: Question by Paraguay, Brazil - Direct payments: payments under environmental programmes

With regard to paragraph 12 of Annex 2, could Norway please reply to the following questions (co-sponsored by Brazil):

- a. Norway offers programmes for organic production under advisory services (paragraph 2(d)), marketing services (paragraph 2(f)) and environmental programmes (paragraph 12).
 - Could Norway please explain the different types of support it provides for organic production and how each of these types of support meets the requirements of the various paragraphs of Annex 2 under which they are being notified?
 - In follow-up to question AG-IMS ID <u>100083</u>, could Norway please provide a copy of the legislation establishing the organic production requirements?
 - What products are subsidized and what is the volume of subsidized production?
 - How many producers benefit?
 - What practices are subsidized?
 - Please indicate the DS:2 table corresponding to the organic production subsidies notified under paragraph 12 of Annex 2.
- b. We also note that Norway notifies the payment of taxes on pesticide usage for producers as negative support under non-product-specific AMS. Why did it decide to notify these taxes as Amber Box, but organic production subsidies as Green Box?
- c. The amount notified for the national environmental programme increased from NOK 4,516.1 million in 2020 to NOK 4610.8 million in 2021. What are the reasons for this increase?
- d. The amount notified for the national environmental programme increased from NOK 718.7 million in 2020 to NOK 748.7 million in 2021. What are the reasons for this increase and which regions benefited?
- e. What is the environmental objective of protecting the agricultural landscapes and cultural heritage covered by the national and regional environmental programmes?
- f. What is the difference between the protection of agricultural landscapes and cultural heritage under the national and regional environmental programmes and the "Particularly valuable agricultural landscapes, including in World Heritage Areas", which are notified as a fourth sub-section under paragraph 12 of Annex 2? Could Norway please indicate the DS:2 table corresponding to that sub-section?

AG-IMS ID 104157: Question by Paraguay - Direct payments: payments under environmental programmes

With regard to paragraph 12 of Annex 2, could Norway please reply to the following questions:

- a. In follow-up to question AG-IMS ID 100083, with regard to paragraph 14 and the support notified for the vacation and replacement scheme that is considered as Green Box by Norway, and considering that paragraph 14 does not expressly permit payment for inputs or the use of production factors, that paragraph 13 of Annex 3 clearly refers to input subsidies as other non-exempt measures and that labour is a key factor in production, how is Norway's vacation and replacement scheme consistent with Green Box criteria and what justification can Norway provide for not classifying this scheme as non-product-specific AMS?
- b. With regard to the AMS, MPS increased from NOK 5,299 million in 2020 to NOK 5,879 million in 2021. What are the reasons for this increase?
- c. What are the reasons for the increase in subsidy prices for wheat, barley, oats, rye, oilseeds and milk? The price for cereals in particular has reached a record high due to an increase in world prices.

AG-IMS ID 104046: Question by European Union - Market price support: Eligible production

The European Union notes a sharp decrease in Norway's current total AMS for pork from NOK 2 486.3 million in calendar year 2020 to NOK 1 334.17 million in calendar year 2021. This decrease seems to mainly be attributable to a decrease in eligible production of pork in the calculation of market price support from 123.3 million kilograms in calendar year 2020 to 63 million kilograms in calendar year 2021. According to footnote 7 to Supporting Table DS:5 the eligible production of pork in Norway's calculation of market price support is defined as follows both for calendar year 2020 and calendar year 2021:

"Eligible production of pork includes deliveries to slaughterhouse, direct sales and on farm consumption. Sows and boars used for breeding are not eligible for the applied administered price."

Could Norway please explain the dramatic fall in eligible production of pork between calendar year 2020 and 2021?

2.4.10 Pakistan (G/AG/N/PAK/17/Corr.1, G/AG/N/PAK/20/Corr.1)

AG-IMS ID 104088: Question by United States of America - Public stockholding for food security purposes

In G/AG/N/PAK/17/Corr.1, G/AG/N/PAK/18/Corr.1, G/AG/N/PAK/19/Corr.1, and G/AG/N/PAK/20/Corr.1 Pakistan has updated the notified values for "Public stockholding for food security purposes" for each of the marketing years 2012/2013 through 2015/2016. In each case the reported figure went from zero to over USD 100 million, with the highest year being 2015/2016 at USD 148.3 million.

- a. Do these amounts include government expenditures on accumulation and release of public stocks, or only expenditures on storage?
- b. If only storage, please provide the annual expenditures related to the accumulation and release of public stocks.

2.4.11 Paraguay (G/AG/N/PRY/36)

AG-IMS ID 104095: Question by United States of America - Input subsidies available to low-income or resource-poor producers

In <u>G/AG/N/PRY/36</u>, the monetary value of the measure titled "Project to restore family farming production systems" for calendar year 2021 increased significantly to USD 21.7 million from USD 7.8 million in the 2020 notification.

What accounts for the sharp increase in support for this measure?

AG-IMS ID 104091: Question by United States of America - Classification of measures

In <u>G/AG/N/PRY/36</u> covering calendar year 2021, in Supporting Table DS:1, Paraguay notified the measure "Agricultural census and surveys" under "2 (c). Training services." In the 2020 notification (G/AG/N/PRY/34) the measure named "Agricultural census and surveys" is notified under "2 (h) Other general services."

Please explain the change in the classification of this measure to training services.

2.4.12 Saudi Arabia, Kingdom of (G/AG/N/SAU/24)

AG-IMS ID 104089: Question by New Zealand - Public stockholding for food security purposes

New Zealand would welcome more details regarding Saudi Arabia's public stockholding (PSH) programmes' mechanisms. Can Saudi Arabia provide a description of how the programme(s) operates?

AG-IMS ID 104092: Question by New Zealand - Market price support

New Zealand notes that calendar year 2019 was the first time since 2015 that MPS for wheat has been notified. Can the Kindgom of Saudi Arabia give an idea of why MPS was used in 2019, and further give an explanation as to why support is exceeding *de minimis*?

2.4.13 Switzerland (G/AG/N/CHE/122)

AG-IMS ID 104093: Question by Australia - Transparency issues (including Table DS:2)

Australia notes that Switzerland's latest DS:1 notification, covering calendar year 2021, details Amber Box domestic support for a range of commodities. This includes support that is as high as 285% of the value of production (wool), in addition to support across a range of commodities that is several times above the *de minimis* entitlement (tobacco, oilseeds, soya beans, other grain legumes, sugar beet, milk and milk products).

Australia asks how Switzerland assesses alternative policies including other, less production and trade-distorting forms of domestic support. Is legislation assessed on the basis of impact to trade and competitiveness.

AG-IMS ID 104094: Question by New Zealand - Direct payments: decoupled income support

New Zealand would welcome additional information regarding what support activities are comprised under what Switzerland notifies as "payment for services provided in the general interest (protection and maintenance of the countryside, safeguarding of the viability of rural areas)", under Supporting Table DS:1, 6. Decoupled income support.

AG-IMS ID 104158: Question by Paraguay, Brazil - Direct payments: payments under environmental programmes

Regarding the programmes notified under paragraph 12 of Annex 2, could Switzerland please explain:

- a. The difference between "Organic farming payments", which amount to CHF 66.8 million, and "Payments for special ecological services", which include organic farming and amount to CHF 26.2 million.
- b. What are the environmental objectives of animal welfare programmes and landscape quality payments?
- c. How is the product-specific support granted under paragraph 12 of Annex 2 under the following programmes consistent with the criteria of Annex 2?: "Payments for the extensive farming of cereals, sunflowers, high-protein peas, field beans and colza"; "Payments for pasture-based milk and meat production"; "Payments for two-phase low-nitrogen swine feeding"; and "Payments for the reduction of plant protection products in sugar beet growing, viticulture and fruit-farming".
- d. Please indicate the amounts granted, disaggregated by product for programmes covering multiple crops.
- e. What volume of production, disaggregated by product, benefits from each of these subsidy programmes?
- f. How many farmers benefit from these programmes?
- g. Beyond the products covered by each programme, how do the programmes "Payments for the extensive farming of cereals, sunflowers, high-protein peas, field beans and colza" and "Payments for the reduction of plant protection products in sugar beet growing, viticulture and fruit-farming" differ in terms of design and objectives?
- h. As well as organic production subsidies, sugar beet receives subsidies under the crop premium scheme as Amber Box MPS, amounting to 38.34% of the value of production.

Could Switzerland please confirm the method used to produce the sugar beet that benefits from Amber Box subsidies?

AG-IMS ID 104008: Question by United Kingdom, Paraguay - Other product-specific AMS/EMS

The United Kingdom thanks Switzerland for their recent submission of <u>G/AG/N/CHE/122</u>. We note that whilst keeping within its total AMS commitment level, Switzerland's product specific domestic support for Milk and Milk Products is 17.65% of their value of production (VoP), increasing from 16.66% VoP notified in <u>G/AG/N/CHE/114</u>.

Could Switzerland please explain the reasons for this increase? Additionally, could Switzerland please share how they minimise the trade-distorting impacts of this support?

2.4.14 Switzerland (G/AG/N/CHE/122, G/AG/N/CHE/114)

AG-IMS ID 104087: Question by New Zealand - Other product-specific AMS/EMS

New Zealand thanks Switzerland for their previous answer to question AG-IMS ID $\underline{101082}$. We note that product specific AMS for milk and milk products in Switzerland's most recent notification ($\underline{G/AG/N/CHE/122}$) has increased by approximately 10 CHF million over Switzerland's previous DS:1 notification ($\underline{G/AG/N/CHE/114}$).

- a. Can Switzerland offer additional information as to why this increase took place through the calendar year?
- b. To repeat question AG-IMS ID <u>101082</u>, has Switzerland carried out any analysis regarding the potential trade distorting impacts of this support that they are able to share?

2.4.15 United States of America (G/AG/N/USA/166)

AG-IMS ID 104090: Question by Australia - Transparency issues (including Table DS:2)

Australia notes that the United States Supporting Table DS:4 listed product specific AMS for 'livestock' under the *Livestock forage disaster assistance program* and reported it as *de minimis*. Publicly available information (https://www.disasterassistance.gov/get-assistance/forms-of-assistance/5801#:~:text=The%20Livestock%20Forage%20Disaster%20Program,due%20to%20a%20qualifying%20drought) indicates that "the livestock that would normally graze your land may include: Beef and Dairy cattle; Beefalo, Buffalo, Bison; Deer, Elk, Reindeer; Alpacas, Llamas, Emus; and Equine, Goats, Sheep."

Australia asks whether the US:

- a. is able to apportion its 'livestock' AMS so that it is reported on a product-specific basis.
- b. Sees any risk of it, in effect, exceeding its product-specific *de minimis* cap such as for dairy.
- c. Sees any risk that it may be under-reporting its product-specific AMS, such as for beef cattle and calves, sheep and lambs.

AG-IMS ID 104104: Question by Australia - Transparency issues (including Table DS:2)

Australia notes that the United States Supporting Table DS:4 listed product specific AMS for 'hay and forage' and reported it as *de minimis*.

Australia asks whether:

a. the support provided for hay and forage could be considered an input subsidy, therefore and constitute product-specific support for livestock.

b. The US is able to apportion its 'hay and forage' AMS so that it is reported on a productspecific basis.

AG-IMS ID 104106: Question by Australia - Transparency issues (including Table DS:2)

Australia thanks the United States for its response to AG-IMS ID 103120 regarding support notified under 2(g) infrastructural services. Under paragraph 2(g), Annex II, the Agreement on Agriculture specifies that "in all cases the expenditure shall be directed to the provision or construction of capital works only, and shall exclude the subsidized provision of on-farm facilities other than for the reticulation of generally available public utilities. It shall not include subsidies to inputs or operating costs, or preferential user charges."

Australia notes that the US Government Accountability Office (GAO, https://www.gao.gov/products/gao-23-106228) explains that in order to implement the crop insurance programme "USDA partners with private insurance companies, which sell and service insurance policies to farmers. The federal government's crop insurance costs include (1) subsidies to pay for part of a farmer's crop insurance premium (over 60% in recent years) and (2) compensation to the insurance companies for selling and servicing crop insurance policies." Australia understands that the US reports domestic support under (1) as amber box support, but not support under (2) 'compensation to the insurance companies for selling and servicing crop insurance policies'.

- a. Australia asks that the US explain how underwriting gains provided to insurance companies under the Standard Reinsurance Agreement program is considered the 'provision or construction of capital works'.
- b. Noting GAO's characterisation of payments as 'compensation to the insurance companies for selling and servicing crop insurance policies', Australia asks whether the cost of this compensation is borne by the United States Government or through the policy premiums paid by farmers?

2.5 NEW OR MODIFIED DOMESTIC SUPPORT MEASURES (DS:2)

2.5.1 China (<u>G/AG/N/CHN/66</u>, <u>G/AG/N/CHN/67</u>)

AG-IMS ID 104159: Question by Paraguay - Payments based on 85 per cent or less of the base level of production

With regard to notification G/AG/N/CHN/66, could the People's Republic of China please indicate:

- a. Heavy metal contaminated areas that would receive the subsidies granted.
- b. The level of production affected, i.e., the effective reduction on the base level of production.
- c. The number of beneficiaries and the eligibility criteria.

AG-IMS ID 104108: Question by United States of America, Canada, Australia - Payments based on 85 per cent or less of the base level of production

In $\underline{\text{G/AG/N/CHN/66}}$, China indicates that the notified "subsidies of rice in husk" payment amount is subject to a limit calculated according to 85% of the average annual production during the base period (2016-2018).

Please share what the figure is in metric tonnes that corresponds to 85% of the average annual production of paddy rice.

AG-IMS ID 104109: Question by Japan - Transparency issues (including Table DS:2)

Japan welcomes that China submitted its DS:1 notifications for the period of CY2017-2020 (G/AG/N/CHN/62, G/AG/N/CHN/63, G/AG/N/CHN/64, G/AG/N/CHN/65) and DS:2 notifications (G/AG/N/CHN/66, G/AG/N/CHN/67) respectively.

Assuming that <u>G/AG/N/CHN/66</u> is submitted in accordance with the fact that subsidies for rice in husk (direct payments), which have been notified since CY2018 notification, is now classified under the Blue Box in the CY2020 notification. Japan would like to ask the following questions:

- a. Could China provide us with an URL if the legislation reference of (2) Caijian [2020] No.84 is publicly available?
 - CNY 18,685 hundred million of subsidies for rice in husk is classified under the Blue Box in 2020 and the same amount of CNY 18,685 hundred million Producer Subsidies (rice in husk) were notified under Amber Box in 2018 and 2019.
- b. Do the subsidies cover both indica and japonica rice? What is the eligible region and other requirements to receive the subsidies?
- c. Could China explain the reasonable assumption for adopting 2016 to 2018 as the base period for the calculation of the annual production according to Article 6.5 of the Agreement on Agriculture as stated in (3) of the notification?

AG-IMS ID 104110: Question by Japan - Transparency issues (including Table DS:2)

Japan welcomes that China submitted its DS:1 notifications for the period of CY2017-2020 (G/AG/N/CHN/62, G/AG/N/CHN/63, G/AG/N/CHN/64, G/AG/N/CHN/65) and DS:2 notifications (G/AG/N/CHN/66, G/AG/N/CHN/67) respectively.

Direct payments to soybean producers, which were changed from "Target Price" to "Producer Subsidies" in 2017 and were notified under Amber Box in the 2017-2019 DS:1 notifications, is now classified under Blue Box in the 2020 DS:1 notification.

Has there been a change in "Soybean producer subsidies" notified in DS:2 notification (G/AG/N/CHN/67) from the previous subsidies for soybeans? What are the significant changes?

AG-IMS ID 104105: Question by Canada, Australia - Article 6.5 (Blue Box)

China submitted two Table DS:2 notifications for "rice in husk ($\frac{G}{AG/N/CHN/66}$)" and "corn and soybeans ($\frac{G}{AG/N/CHN/67}$)" under the Article 6.5 "Blue Box" criteria. Canada would like to seek clarification.

According to the 2023 No.1 Central Document released by the State Council (http://www.gov.cn/zhengce/2023-02/13/content-5741370.htm), it outlines policy priorities to increase domestic grain production and guaranteed food production capacity (e.g., rapeseed, soybean, wheat, corn, rice) through various domestic support measures.

Could China explain how policy objectives for corn, soybeans, and rice outlined in the 2023 No.1 Central Document meet the *production-limiting* requirement under Article 6.5?

AG-IMS ID 104047: Question by European Union - Article 6.5 (Blue Box)

Direct support to rice and soyabean farmers

Since 2020, China has been notifying its **direct support for rice and soybean farmers** in the Blue Box. The French authorities would like China to supplement its presentation of these mechanisms by specifying the detailed calculation of the maximum surface area that can be the subject of a subsidy.²

Since 2020, the notification has stated that **price support for wheat and rice** was reviewed and a cap on purchased quantities was introduced.

a. Can China provide specific details about how the new system works?

² Notifications of support data 66 and 67 (G/AG/CHN/66 and G/AG/CHN/67).

b. Can it confirm that once the maximum quantities are reached, support mechanisms no longer apply?

AG-IMS ID 104111: Question by United States of America, Canada - Transparency issues (including Table DS:2)

In <u>G/AG/N/CHN/67</u> China notified the measure "Soybean producer subsidies" based on domestic legislation titled "Notice of Improving the Policies of Corn and Soybean Producers Subsidies (Caijian [2020] No.41)."

- c. Please explain why and how this "Soybean producer subsidy" measure improves policies for corn subsidies as noted in the title of the measure.
- d. Is there a relation between this measure and "Corn producer subsidies", which are both notified in Supporting Table DS:3 of G/AG/N/CHN/65? If so, please explain.

AG-IMS ID 104160: Question by Paraguay, Brazil - Payments based on fixed areas or yields

With regard to notification $\frac{G/AG/N/CHN/67}{CHN/67}$, could the People's Republic of China please indicate:

- a. The reasons for including soybean production, previously subject to price support programmes.
- b. The hyperlink to the web page where the whole measure can be found (Caijian [2020] No. 41).
- c. The level of production affected, i.e., the effective reduction on the base level of production.
- d. The number of beneficiaries and the eligibility criteria.
- e. The reasons why the legislation refers to two products, one of which was already covered by a previous programme.
- f. The differences between the programme covered by this notification and the previous Blue Box programme for corn.
- g. The DS:2 notification where the specific characteristics of the previous programme for corn can be found.

AG-IMS ID 104116: Question by United States of America, Canada - Payments based on fixed areas or yields

In <u>G/AG/N/CHN/67</u> China indicates that the notified "Soybean producer subsidies" payment amount is subject to a limit calculated according to soybean sown areas and fixed yield in the base period (2019) in Northeast China.

- a. Please share what is meant by "Northeast China" does this include certain provinces or parts of provinces?
- b. Please share data on sown area and fixed yield in the base period used to determine the limit and what the limit is.
- c. Please describe how payments are calculated, including how the payment rates are determined.

AG-IMS ID 104117: Question by United States of America, Canada - Article 6.5 (Blue Box)

On 14 December 2022 China submitted two Table DS:2 notifications, one reporting "Soybean producer subsidies" announced in domestic legislation titled, "Notice of Improving Policies of Corn

and Soybean Producers Subsidies (Caijian [2020] No.41)" and the other reporting paddy rice subsidies announced in domestic legislation titled, "Notice of Adjusting and Improving the Policy of Subsidies of Rice in Husk (Caijian [2020] No.84)."

Please provide copies of or website links to the identified measures.

2.5.2 Paraguay (<u>G/AG/N/PRY/39</u>)

AG-IMS ID 104115: Question by Canada, Australia - General services: marketing and promotion services

In <u>G/AG/N/PRY/39</u>, Paraguay notified that the Agricultural Market Integration Project (PIMA) aims to improve the integration of producers in the eastern region into agricultural markets. The activities would cover the entire value chain with the objective of bringing diverse and high-quality products onto the market.

- a. Could Paraguay indicate if this funding is directed at industry associations/organizations community groups or if it's directed at producers or processors?
- b. Could Paraguay elaborate on the types of activities that would be covered to support the export of agricultural products? And which products would be exported?
- c. Could Paraguay provide additional information as to how the World Bank's environmental or social policy objectives interplay with PIMA eligibility criteria of Annex 2, paragraph 2 (f) "marketing and promotional services"?

2.5.3 Singapore (G/AG/N/SGP/40)

AG-IMS ID 104114: Question by Australia - Direct payments: structural adjustment assistance provided through investment aids

Australia notes that Singapore's latest DS:2 notification lists a new programme, the Agri-Food Cluster Transformation.

Australia asks that Singapore provide information on how the Agri-Food Cluster Transformation is in conformity with subparagraphs (a) - (f) of paragraph 11 of Annex 2 of the Agreement on Agriculture.

AG-IMS ID 104113: Question by United States of America - Direct payments: structural adjustment assistance provided through investment aids

In <u>G/AG/N/SGP/40</u> Singapore reported information on the Agri-Food Cluster Transformation (ACT) Fund. This programme appears on Singapore's Table DS:1 notification for the first time for calendar year 2021 (<u>G/AG/N/SGP/39</u>).

What eligibility criteria must applicants meet to take advantage of this programme?

2.5.4 United Kingdom (G/AG/N/GBR/18)

AG-IMS ID 104048: Question by European Union - Classification of measures

On what basis are the beneficiaries of "Small Grants - Agricultural Diversification", "Small Grants - Efficiency" and "Horticulture Development" considered to be suffering from "objectively demonstrated structural disadvantages" in accordance with paragraph 11(a) of Annex 2 to the Agreement on Agriculture?

2.6 EXPORT SUBSIDY notifications (TABLES ES:1, ES:2 AND ES:3)

2.6.1 Israel (G/AG/N/ISR/87)

AG-IMS ID 104112: Question by Australia - Quantity of total exports

Australia thanks Israel for its latest ES:1 notification which states that no export subsidies have been provided since 2018. Australia also notes that Israel continues to report large volumes of exports for a range of commodities (non-citrus fruit, citrus, fresh vegetables, fresh cut flowers).

Australia asks Israel for additional information about how production in these industries has adjusted to the removal of export subsidies and how it has maintained strong export performance post-implementation of its commitments under the Nairobi Decision.

2.7 NOTIFICATIONS IN THE CONTEXT OF THE NFIDC DECISION (TABLE NF:1)

2.7.1 United States of America (G/AG/N/USA/167)

AG-IMS ID 104084: Question by Switzerland - Quantity and concessionality of food aid

Switzerland thanks the US for its latest NF:1 notification. According to information contained therein, the U.S. dollar value of the commodities donated under Title II, Food for Progress and Food for Education food aid programmes, amounted to USD 821,603,822 in Fiscal Year 2020/2021. A part of that amount was monetized.

- a. What is the rationale behind monetizing food aid? Can the US please share information on its local or regional market analysis that was completed before monetization occurred?
- b. In their answer to Switzerland at the TPR, the US informed that the U.S. Agency for International Development (USAID) is currently not implementing programmes that include the monetization of food aid. Is our understanding correct that, therefore, no amount of the US food assistance under Title II is currently being monetized?
- c. Does the US have plans to continuously reduce or eliminate monetization?

3 OVERDUE NOTIFICATIONS

3.1 Egypt

AG-IMS ID 104107: Question by Paraguay, United States of America

Egypt's most recent notification (G/AG/N/EGY/3), which covers various years, was submitted in November 2017. Since then, the Committee on Agriculture has been unable to review the subsidies provided by Egypt. Could Egypt please:

- a. Explain the reasons for this delay.
- b. Provide an update on the status of its notifications for the last five years and indicate when Members could expect to receive them for review.

4 DEFERRED REPLIES

4.1 MATTERS RELEVANT TO THE IMPLEMENTATION OF COMMITMENTS: ARTICLE 18.6

4.1.1 South Africa's poultry TRQ administration (SIM 788)

4.1.1.1 Question by Uruguay (AG-IMS ID 104162)

Uruguay would like to resubmit the questions in AG-IMS ID $\underline{103045}$ - SIM 788: South Africa's poultry TRQ administration, which were presented in the 103^{rd} meeting of the Committee on Agriculture to the delegation of South Africa, given that no replies have been provided so far.

Uruguay notes that, while of these some questions may refer to South Africa's MA:2 notifications, others refer more broadly to the implementation of South Africa's commitments under the reform programme in the area of market access. Therefore, Uruguay invites South Africa to provide replies to these questions during the 104th meeting of the Committee on Agriculture:

Uruguay would like to ask the following questions regarding South Africa's TRQ for meat and edible offal of poultry (ZAFQ005), which according to South Africa's most recent MA:2 notifications has not been opened in the years 2017-2020 given that "the MFN applied rates for the corresponding tariff lines were below the in-quota tariff rate".

- a. Is this a fully erga omnes TRQ, or are there any country-specific allocations?
- b. We understand that South Africa is in the process of elaborating its MA:2 for 2021; however, we would like to ask if this TRQ has been opened in the years 2021 and 2022. In other words, is this TRQ currently functional?
- c. According to South Africa's WTO Schedule, we understand that maximum in-quota tariff rates would equal 20% of the MFN bound rates, which vary from 82% (for HS 0207.11, 0207.12 and 0207.14) to 37% (for HS 0207.13). This would mean that maximum in-quota tariff rates would equal 16,4% and 7,4% ad valorem (i.e. 20% of the bound rates). Is this understanding correct? If not, could South Africa indicate its maximum in-quota tariff rates for the relevant products?
- d. Which have been the applied MFN rates for the relevant products, and in particular tariff lines 020714 91, 020714 93, 020714 95, 020714 96, 020714 97, 020714 98 and 020714 99, in the years 2020, 2021 and 2022?
- e. Paragraph 3.19 of Annex 4 (South Africa) of the last WTO Secretariat's TPR report for SACU (2015) says that TRQs for agricultural products "are administered through import licences issued by the Department of Agriculture on a quarterly or bi-annual basis and applicants need to register with SARS and the DTI. The licence allocation system takes into account: Black Economic Empowerment (BEE) status of the applicants, i.e. eligibility of companies under the Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003); the market share of applicants, derived from historical data for the past three years; the number of applicants; and the quota available. Out-of-quota imports are subject to the SACU CET, while lower (reduced) tariff rates apply to in-quota imports". Could South Africa confirm whether this information is still accurate, and whether it is applicable to ZAFQ005?
- f. Are there any other TRQs for the import of poultry meat to South Africa, in addition to the aforementioned ZAFQ005?