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TOWARDS A STRENGTHENED NEGOTIATION FRAMEWORK IN THE DOMESTIC SUPPORT PILLAR

BUILDING A COMPREHENSIVE APPROACH TO NEGOTIATIONS ON DOMESTIC SUPPORT

COMMUNICATION BY COSTA RICA

The following communication, dated 6 June 2023, is being circulated at the request of the delegation of Costa Rica.

BACKGROUND

1. Agriculture is the most distorted sector in global trade and the one that requires more substantial reforms in WTO rules. It is urgent that Members continue the reform process as set out in the objective established in the preamble of the Agreement on Agriculture (AoA), and its Article 20, which clearly defines within the scope of the negotiations, that Members must achieve substantial progressive reductions in support and protection in agriculture. Success has been elusive, and innovative approaches are necessary to advance the reform in domestic support as agreed in 1995.

2. Costa Rica's analytical work, embedded in RD/AG/75, RD/AG/76 and JOB/AG/199, shows that the current disciplines in the AoA do not provide the necessary level of granularity to address the wide disparity in access and use of the available amount and type of entitlements for domestic support. Any discipline that attempts to move the reform process by replicating the current architecture of the AoA would not solve these issues.

3. New approaches require the development of methodological principles, analytical tools, and testing exercises that use text and data-based scenarios and simulations. Costa Rica embarked in this daunting task, that has required several years of continuous work in the valuation of all the necessary elements, with continuous iterations and analysis of different combinations of ideas and variables. This process would not have been possible without the input and constructive suggestions of many WTO Members.

4. In this document, Costa Rica presents its main findings, while exploring the possible implementation of a comprehensive approach for the reform of the domestic support pillar and the different policy and methodological choices that would be required to ensure a coherent and balanced outcome. Section A describes the main design decisions and methodological choices taken and provides additional elements for further discussion. Section B suggests a set of text-based modalities for further consideration. Section C contains the preliminary analytical tables that would be required to run the initial simulations.

SECTION A: BUILDING MODALITIES

I. ABOUT THE METHODOLOGICAL PRINCIPLES, DIMENSIONS AND CONCEPTS

1. Costa Rica has previously explored the implementation of several methodological principles in JOB/AG/199 presented in May 2021. Since then, Costa Rica has condensed the core principles that should guide the development of modalities into two main ideas: proportionality in the contributions and universality in the regulatory framework.

2. **Proportionality** is the practical application of the principle of fairness in the reform process under which those that are entitled to provide more trade-distorting subsidies contribute accordingly to the reform process. Proper implementation of this principle in the design of modalities would also decrease the concentration on Members' future entitlements and limit their overall potential to distort global markets.

3. **Universality** is the regulatory approach where all Members follow the same rules and have equal access to policy instruments. Currently, access and use of entitlements under Article 6 are uneven, particularly in relation to product-specific support. Costa Rica deems necessary to develop modalities that appropriately "**level the regulatory playing field**", while recognizing Members' different development needs and objectives. A new regulatory framework would need to effectively address the diverse circumstances and evolving conditions under which a Member may need more flexibility to implement certain policies or be subject to more ambitious disciplines.

4. The two main principles presented above can be linked to two core issues that must be addressed simultaneously in the reform process. The first one relates to the size of entitlements and is more quantitative in nature (*How much can Members spend*?). The second one is more qualitative and relates to elements like concentration of support in specific products, types of programmes, and their associated flexibilities (*How can Members allocate their spending*?). Addressing these two questions requires the development of a specific toolkit for each one, in what constitutes the **two reform dimensions** in the design of modalities.

II. REDUCING THE SIZE OF ENTITLEMENTS

5. Addressing this dimension requires the development of a set of modalities based on quantitative limitations. The different methodological alternatives have been extensively discussed in the past and were effectively summarized in JOB/AG/160. Costa Rica also conducted an analysis on this issue and presented its conclusions in JOB/AG/199. In Costa Rica's view, the design process must establish a global cap first, and then design modalities for its reduction.

A. Capping modalities

1. First step: defining a baseline for analytical and negotiation purposes

6. The baseline is a general estimate, an imperfect reflection of the status quo that serves as an initial scenario so that Members can test and compare the effectiveness of different combinations of modalities. Under the current AoA architecture, Members can grant trade-distorting domestic agricultural subsidies for an amount equivalent to 5% of their value of agricultural production under *de minimis*, both to product-specific and non-product-specific subsidies, while for developing Members such threshold increases to 10% for each type.[1] Also, a group of Members has access to an additional fixed amount, known as the Aggregate Measure of Support beyond *de minimis* (hereinafter FBTAMS). Limits are determined by the Value of Production (*de minimis*) and the FBTAMS (Part IV of Schedule). Unbound support (Article 6.2 and Article 6.5) is limited in terms of programmes and characteristics, but unlimited in monetary terms and only subject to Member-specific constraints that are beyond the current scope of the AoA, such as national budgets. As each

[1] Some Members bound a *de minimis* of 8.5% for product specific support and a *de minimis* of 8.5% for non-product specific support.

category is treated differently, it becomes necessary to estimate a baseline using a common monetary value in current United States dollars.

7. The estimated common monetary value serves as a measure of the **potential expenditure on trade distorting domestic support** (known as **PE-TDDS**) that Members are entitled to spend under the current WTO rules. The PE-TDDS includes all trade-distorting domestic support that could be provided under Article 6.2, Article 6.3, Article 6.4 and Article 6.5 of the AoA. Costa Rica - aided by Canada's work in JOB/AG/219 and RD/AG/74 - had to develop its own database to calculate a PE-TDDS for all 164 WTO Members (see Annex 1 of JOB/AG/199 for more details on the methodology). Costa Rica estimated a total minimum amount of USD 910.3 billion that could be collectively spent on trade-distorting domestic support every year. This estimate, both in global and individual terms, shall serve as a baseline for comparison purposes.

8. The baseline was created in monetized values and could be used to build a fixed cap (see TN/AG/W/4/Rev.4, JOB/AG/112, JOB/AG/120, JOB/AG/124), but it could also be used to build modalities based on relative variables, such as mobile caps (as in JOB/AG/99 and JOB/AG/127). However, it is Costa Rica's strong view that a fixed monetized global limit would guarantee a real reduction of trade-distorting support in the long term, would address the existing inequities in the current Agreement and fulfill the reform mandate. The preference for a fixed cap approach is grounded on several reasons that are explored in detail in JOB/AG/100, JOB/AG/114, JOB/AG/160 and in JOB/AG/199, that can be summarized next.

9. First, Costa Rica's analysis revealed that - in aggregate - the current annual potential expenditure in trade-distorting domestic support allowed under the AoA[2] stands at a minimum of USD 910 billion, most of it under the so-called "Amber Box" entitlements. In comparison, total actual support effectively granted notified in 2016 was comparatively low with USD 121.7 billion, out of which 35% corresponds to Article 6.2 and Article 6.5 provisions. While only 10 Members concentrate almost 80% of the trade-distorting potential expenditure of the entire WTO, those 10 Members together accounted for more than 90% of total notified effective support in 2016.

10. Second, from a systemic point of view, current *de minimis* entitlements represent a trade-distorting potential close to USD 689.5 billion and this amount will continue to grow as the global Value of Production (VoP) grows.[3]

11. Third, from a negotiating perspective, trade-distorting programmes that result in an increase in production will also contribute to augment the *de minimis* entitlements, thus granting an exponential advantage to those Members that have more resources, while also deterring any remaining incentive to change the *status quo*.

12. Fourth, current disciplines in the AoA do not consider the impact of climate change and other exogenous events in future access to and use of necessary domestic support policies, especially for smaller economies with increased vulnerability. Moving towards a monetized global limit would create a more resilient regulatory framework for domestic support policies. New limits should be monetized and not be linked to any variable that could lead to uneven sharp decreases in available policy space or unduly target those Members with lower levels of trade-distorting potential.

13. Finally, on the possible limitations of a monetized fixed cap, Members already recognized the possible influence of excessive rates of inflation on the ability of any Member to abide by its current domestic support commitments in Article 18.4 of the AoA and provided for due consideration in the review of the implementation of commitments under such circumstances.

2. Second step: adjusting the baseline

14. Costa Rica used the PE-TDDS estimates to establish a base cap. However, discussions with other WTO Members on the implementation of the principle of proportionality and its calculation, revealed several concerns about the establishment of a base cap that would underestimate the final

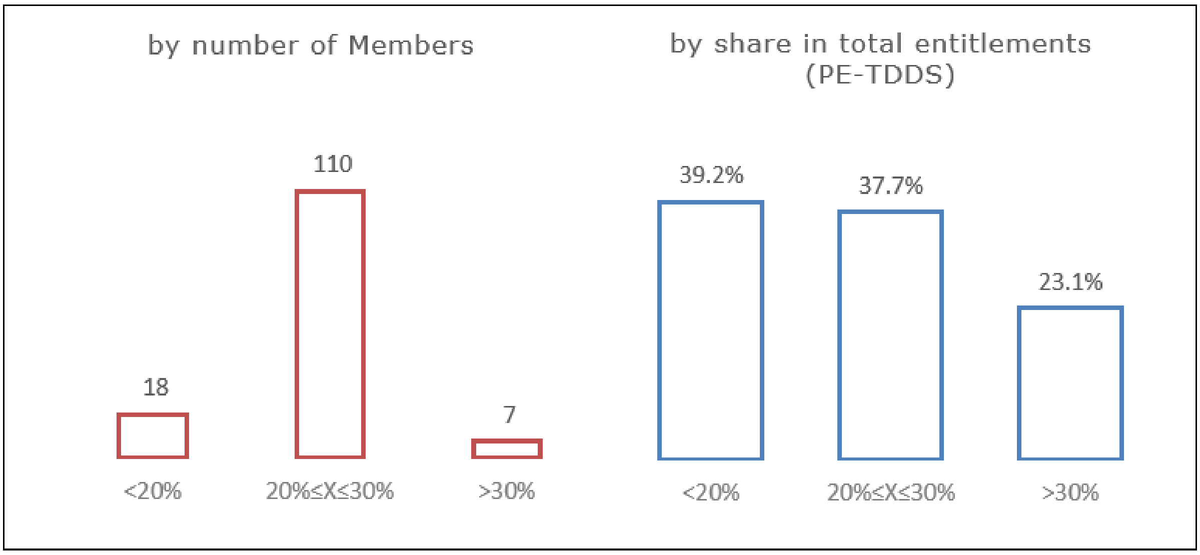
[2] As Article 6.2 and Article 6.5 potential expenditure was estimated using historical notified expenditure, the total TDPE must be considered as a minimum. It must also be noted that several Members have expressed concerns regarding the non-distorting nature of the so called "Green Box" subsidies, an issue that deserves further analysis.

[3] In JOB/AG/171 Australia and New Zealand estimate USD 2 trillion in Amber Box entitlements by 2030.

values. For instance, the baseline used by Costa Rica in JOB/AG/199 recognizes past expenditure but does not recognize non-provided expenditure in the context of Article 6.2 and Article 6.5. Adjusting for this situation can be quite difficult, as there is no perfect parameter, but thorough analysis and consultations with other WTO Members rendered a possible solution.

15. It is important to note that most WTO Members have a baseline that ranges between 20% and 30% of their VoP (see Figure 1). All of these Members are developing and least-developed country Members (LDCs). Seven Members - five of which are developed - can subsidize more than 30% of their VoP, but despite their number, they concentrate nearly a quarter (23%) of the total baseline amount. Meanwhile, 18 Members have access to entitlements equivalent to less than 20% of their VoP, but jointly account for 39% of the total baseline. Members with less than 20% are a mix of founding Members of the WTO with access to a 10% *de minimis* (5% on PSS and 5% on NPSS), and of Members that acceded under Article XII of the Marrakesh Agreement Establishing the WTO.

Figure 1: WTO Members' baseline (PE-TTDS) as a percentage of their VoP



Source: Costa Rica.

16. Based on this information, those Members whose baseline is located between 20% and 30% of the VoP could be subject to an adjustment, so that their base cap is adjusted to 30% of their VoP. Such an adjustment would provide not only for a recognition of potential expenditure (however imperfect it may be), but it would also narrow the gaps between Members while retaining coherence with the proportionality principle. This upward adjustment would increase the total accumulated base cap of this group of Members by USD 110 billion. It would also render the addition of any past expenditure under Article 6.2 unnecessary, as almost all developing Members that have notified expenditure under Article 6.2 in the past are within the 20%-30% VoP range. Having said that, situations where a Member benefits more than expected from the adjustment ("the design leakage") can be important in the case of developing Members with high entitlements in absolute terms (see Table 1).

17. A similar correction might be envisaged for those Members with a baseline equivalent to less than 20% of their VoP, so that their base cap reaches 20%. However, this adjustment would also dramatically increase their share in the total base cap. To address this possibility, a hybrid approach could be contemplated in the form of a monetary adjustment (i.e. USD 1 billion), or a correction to the baseline to an amount equivalent to 20% of the VoP, whichever is the lowest. This adjustment would allow all Members to ensure a recognition of their potential expenditure while distinguishing between those Members with higher potential expenditure in absolute terms, from those with small levels of potential expenditure, both in absolute and in relative terms (see Table 1). Members with a baseline lower than 20% would see a collective total adjustment of USD 10.4 billion.

Table 1: Changes in WTO Members' baseline and adjustments towards the base cap

BL/VOP	BL in USD BILLION	Count	Baseline (BL) Average in USD M	Base Cap (BC) Average in USD M	Average of BL/VoP	Average of BC/VoP
BL<20%	BL<USD 1B	8	158.3	307.5	9.1%	20.0%
	USD 1B≤BL<USD 5B	6	2,542.1	3,405.9	12.2%	16.7%
	USD 5B≤BL<USD 10B	1	7,984.7	8,984.7	16.7%	18.8%
	BL ≥USD 10B	3	110,860.5	111,860.5	15.9%	16.4%
20%≤BL<30%	BL<USD 1B	42	207.2	295.5	20.9%	30.0%
	USD 1B≤BL<USD 5B	19	2,382.0	3,364.7	21.4%	30.0%
	USD 5B≤BL<USD 10 B	7	7,007.4	9,371.7	22.4%	30.0%
	BL≥USD 10B	6	34,377.7	43,532.9	22.3%	30.0%
BL≥30%	BL<USD 1B	2	154.4	154.4	126.1%	126.1%
	USD 1B≤BL<USD 5B	1	2,353.8	2,353.8	57.0%	57.0%
	USD 5B≤BL<USD 10B	1	5,612.5	5,612.5	52.1%	52.1%
	BL≥USD 10B	3	67,305.6	67,305.6	43.1%	43.1%

Source: Costa Rica.

18. The hybrid approach is particularly useful, but it is not exempt from design leakages, especially in the case of middle-sized Members with low entitlement levels relative to their VoP, but with high enough absolute values. Having said that, Costa Rica found that the design leakage was the exception in the corrections carried out for the 10%-20% range and could be partially corrected later on through reduction modalities. An expansion of this hybrid approach could also be envisaged for the 20-30% range in the context of broader balancing discussions.

3. Third step: establishing a fixed base cap

19. Once the baseline has been adjusted, the result can be used as a fixed base cap. The adjustments would increase the initial collective estimate by USD 120.4 billion, for a total collective base cap of USD 1,030.7 billion. Fixing the individual base cap for all WTO Members through a monetized value would serve as a first reform commitment and would also be used as a cornerstone for the reduction commitments to follow.

B. Reduction Modalities

1. First step: applying the formula

20. Members would reduce their *base cap* proportionally to their share in the *total base cap* as a measure for reductions. The *total base cap* being the aggregate of base caps estimated in the previous step for all Members. Therefore, the following formula is used to calculate individual reductions:

$$NC_i = BC_i*(1-A_i)$$

where:

NC_i is the new cap after reductions for Member "i";
BC_i is the *base cap* for Member "i";
A_i is the share of Member "i", in the *total base cap*, so $A_i = \frac{BC_i}{\sum_{i=1}^{164} BC}$

21. From a theoretical perspective and for illustrative purposes only, the impact of a one-shot application of this formula could be visualized using a fictitious world comprising only five WTO Members (see Table 2 below). In this scenario, Member A would reduce 30% of its initial base cap as it concentrates 30% of the global amount. Proportionality is respected as Member E would reduce 10%, mirroring its share in the total. The one-time application of the formula also has an immediate

impact in the rebalancing of entitlements, as Member A goes from 30% to 27.1% and Member E goes from a relative share of 10% to 11.6% under the new cap.

Table 2: Application of the Formula with only one iteration (in Monetary Units)

Member	Base Cap (1)	Share (2)	Reduction	New Cap	New share
Member A	30	30%	-30%	21.0	27,1%
Member B	25	25%	-25%	18.8	24,2%
Member C	20	20%	-20%	16.0	20,6%
Member D	15	15%	-15%	12.8	16,5%
Member E	10	10%	-10%	9.0	11,6%
Total	**100**	**100%**	**-22.5%**	**77.5**	**100,0%**

Source: Costa Rica.

2. Second Step: Iterative approach

22. While the formula is consistent with the principles of proportionality and progressiveness, it is unlikely to fully achieve the desired global objectives of the reform process with just a one-time application. For instance, in JOB/AG/177, co-sponsors proposed a global reduction of at least 50% of the sum of current global agricultural trade- and production-distorting domestic support entitlements. However, according to Costa Rica's estimates, a one-time application of the formula would fall short of that goal. An iterative approach where the formula is applied several times and recalculated using the new shares and the new total as a basis for the next iteration, can effectively address this issue.

23. Costa Rica estimates that achieving at least a 50% global reduction in the global base cap would require at least nine iterations of the proposed formula (see Table 3 below). Under this scenario, global entitlements - excluding LDCs - would be reduced from USD 980.8 billion to USD 491.8 billion by 2034. That is, a reduction of 49.9%. As a negotiation tool, the iterative approach can be used to achieve the global reduction objective, but its intermediate results can also be considered for scheduling annual reduction commitments.

Table 3: Iterative Application of the Formula – A simulation

	Global base cap (Billion USD)	Global new Cap (Billion USD)	Accumulated Reduction (Billion USD)	Accum. reduction (%)
Starting point	980.8	-		-
Iteration 1	980.8	864.6	-116.2	-11.8%
Iteration 2	864.6	780.8	-200.0	-20.4%
Iteration 3	780.8	715.5	-265.3	-27.0%
Iteration 4	715.5	662.5	-318.3	-32.5%
Iteration 5	662.5	618.0	-362.7	-37.0%
Iteration 6	618.0	580.0	-400.8	-40.9%
Iteration 7	580.0	546.9	-433.8	-44.2%
Iteration 8	546.9	517.8	-463.0	-47.2%
Iteration 9	517.8	491.8	-489.0	-49.9%

Source: Costa Rica. Global base cap estimated using the methodology described in JOB/AG/199 and information from JOB/AG/219. LDCs are excluded from the calculations.

3. Adjusting the new cap: considering Members' special needs

24. For Costa Rica, a sustainable negotiation framework requires flexibilities that remain in line with the reform's objectives. Along these lines, any flexibility should be designed considering the distorting potential of each Member and the embedded flexibilities already present in the proposed formula. Also, over the years, Members have explored negotiation tools that could effectively accommodate the Members' special needs (such as LDC Members) in the establishment of new disciplines and that could be of use in the reform process.

25. **On LDCs,** Costa Rica is of the view that exemptions to the cap and reduction approach should be granted to LDC Members given their specific circumstances. For the issue of graduating Members, a phase-out mechanism that creates an additional transitional period for further adjustments would allow for a single, unified, and coherent regulatory framework for all WTO Members in the long term.

26. **On smaller Members,** the implementation of the reduction formula points towards a USD 1 billion threshold where Members would not be required to undertake any reduction commitments beyond the capping exercise. Costa Rica also envisages a three-tiered approach with upward adjustments towards USD 250 million, USD 500 million and USD 750 million. For example, the Maldives, with barely USD 1.4 million base cap (already adjusted to 30% of their VoP), would have a final entitlement of USD 250 million. Mauritius, with an adjusted base cap of USD 461 million, would receive a final adjustment of 8.3%, reaching USD 500 million. Jamaica with USD 524 million, would see a 43.1% increase, reaching USD 750 million, equivalent to 42.9% of their VoP.

27. **On domestic support to encourage agricultural and rural development,** several Members have presented options (see JOB/AG/160, JOB/AG/163 and JOB/AG/195). These options include placing limits on the amount of support that could be provided under Article 6.2, on the basis of either VoP or a fixed monetary value; the inclusion of support under Article 6.2 into an overall limit; or further clarifying the meaning and extent of terms such as "low-income or resource-poor producers". Enhanced transparency where Members provide more information on how they implement their Article 6.2 programmes could also be considered, including by outlining the eligibility criteria and a detailed breakdown of expenditure. Costa Rica considers that including Article 6.2 expenditure into the overall limit set through the final cap should allow for enough policy space, especially if there is a new balance on product-specific support. In that context, hybrid approaches could be envisaged, where the product-specific support and the non-product specific support under Article 6.2 are treated differently and would be subject to different limitations. The term "generally available", may also be further clarified.

III. RESHAPING PRODUCT-SPECIFIC SUPPORT DISCIPLINES

28. Product-Specific Support (PSS) has proven to be the most contentious aspect of the reform process to date, as it seems that no solution would be able to accommodate users and non-users of PSS. While Members have found approaches to modalities for PSS that could work on the side of export-oriented producers, the same solutions very quickly prove unsuitable on the side of domestically-oriented producers. First, because non-exporting agricultural producers by definition cater for domestic markets, tend to function on another scale and face different challenges than export-oriented agricultural producers. Second, because many WTO Members - both developing and developed ones - have expressed their interest in retaining or increasing PSS-related flexibilities so that they can respond to a diverse set of concerns, including food security, rural development, poverty alleviation and climate change. Third, because the current balance of concessions on PSS is part of the overall balance achieved in the Uruguay Round, and for some Members any change in PSS flexibilities would need to be accompanied by balancing elements in other negotiation areas. Fourth, because on the side of agricultural exporters one of the main objectives of the reform process relates to addressing their concerns about the import substitution effect created by PSS. Fifth, because many WTO Members have both export-oriented and domestically-oriented agricultural producers, a duality that creates a complex, and sometimes contradictory negotiation landscape.

29. In Costa Rica's view, the issue of PSS needs to be addressed by developing a regulatory toolkit that can effectively differentiate between export-oriented and domestically-oriented agricultural sectors. Therefore, designing more ambitious disciplines on the side of exporting sectors with additional and balanced flexibilities on the side of non-exporters may address most PSS-related issues. The consideration of this approach is only viable in the context of a global fixed monetized cap like the one envisaged in the first section of this document. Additionally, a comprehensive solution on PSS would advance the reform of the cotton market and would provide for a permanent solution for Public Stockholding for Food Security Purposes (PSH).

A. PSS and participation in international markets

30. The idea of linking subsidies and participation in international markets is not new. Notification requirements were established for significant exporters in the context of the monitoring of the Uruguay Round export subsidy commitments for 21 agricultural products or groups of products (as can be seen in page 24 of G/AG/2). While there is a direct linkage between export subsidies and market participation that may be more difficult to establish in other contexts, Members have drawn inspiration from this type of provision in the context of domestic support negotiations and most particularly towards the MC11 (see JOB/AG/118 and JOB/AG/127).

31. During the first semester of 2019, the Committee on Agriculture in Special Session (CoA-SS) conducted informal conversations where it was suggested that limits for domestic support could be linked to trade, and most particularly to exports. Back then, Members noted the complexity of designing modalities that could achieve this, as there is no tool in the AoA to distinguish between subsidized products that are consumed in the domestic market and those that are exported, and such a distortion takes place in both instances. It was also pointed out that the AoA disciplines both distortions to trade and distortions to production, which in turn has direct implications in addressing the import substitution and trade diversion effects of PSS-related programmes.

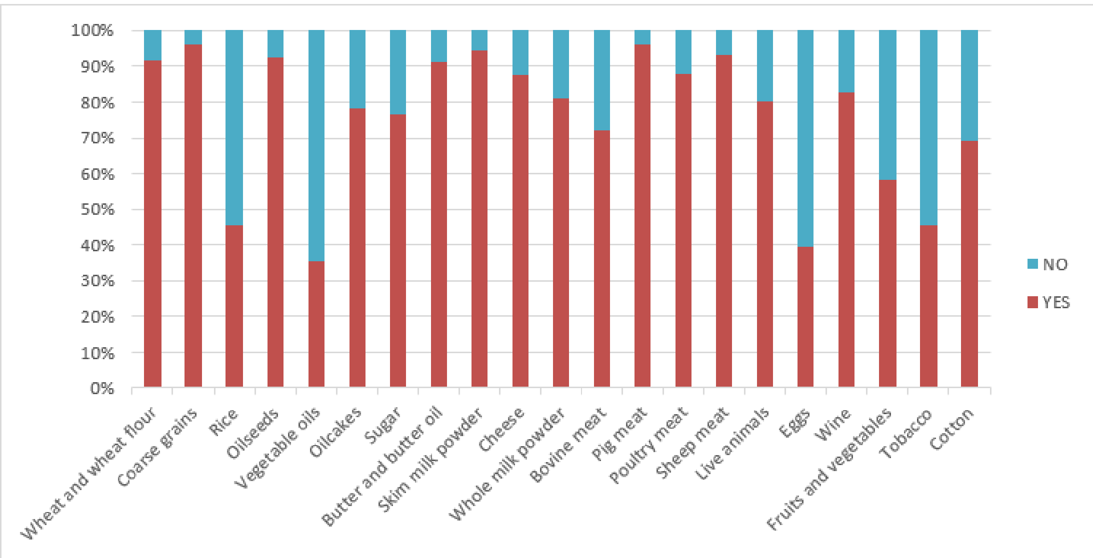
32. These discussions were later captured in the Report by the Chairman in JOB/AG/163 of 31 July 2019, where he indicated that "*a suggestion has also been made to inversely link domestic support entitlements to exports (e.g. exports would be limited to an average quantity during a reference period if the DS granted was above a certain threshold in terms of the Value of Production (VoP) for that relevant product(s)). It has also been suggested to commence by focusing on domestic support provided to most traded products among Members or to the products that are considered less sensitive. It has also been suggested that more flexibility could be provided to products in respect of which domestic production constitutes a minor share of domestic consumption*" (paragraphs 1.2 and 1.3).

33. Towards the MC12, the idea of linking domestic support modalities and trade was used by the African Group in JOB/AG/203 under a specific reduction modality. While this approach has not been fully explored since then, Costa Rica is of the view that its full development may offer solutions to the missing granularity in PSS modalities. This requires an analysis of the relationship between trade and access to PSS flexibilities on a product-by-product basis, which in turn requires a general overview of PSS flexibilities as they are currently understood.

B. PSS-Subsidy concentration and concurrent provision of domestic support

34. The issue of subsidy concentration tends to be centered around FBTAMS entitlements, as it is the most obvious - but not the only - difference in terms of access to PSS flexibilities. One key feature of FBTAMS entitlements is that almost all Members constrained by the 5% PSS *de minimis* provision under Article 6.4 have access to it. In fact, only four WTO Members are constrained by the 5% PSS *de minimis* provision. This difference in access and use of FBTAMS entitlements in very few Members, mostly developed ones, has been subject to extensive scrutiny in the past (see JOB/AG/102, JOB/AG/137 and JOB/AG/150), including more recently in proposals for its elimination in JOB/AG/203 and JOB/AG/216. Acknowledging its importance, Costa Rica used the information provided in G/AG/W/32/Rev.20 to analyze Members' participation in international markets, and then linked these results to access to FBTAMS (see Figure 2).

Figure 2: Access to FBTAMS and its potential coverage in exports (accumulated 2016-2020)



Source: Costa Rica, based on information from G/AG/W/32/Rev.20 and JOB/AG/219.

35. While access to FBTAMS does not offer an indication of actual use, it can provide preliminary regulatory guidance. For instance, in Figure 2 it can be seen that more than 90% of wheat and wheat flour is exported by Members with access to FBTAMS. In 17 out of 21 sectors, more than 50% of global exports are concentrated in Members with access to FBTAMS. This estimate does not take into account access and use of flexibilities under Article 6.2 and Article 6.5, which may be even more relevant in some specific sectors.

36. Another aspect of the question of concentration that has been less studied is related to the "stacking effect" created by the concurrent provision of PSS under more than one "box" in Article 6 of the AoA. This stacking effect was noted by Brazil in JOB/AG/196 in their analysis of concurrent use of PSS under Blue Box and Amber Box. Brazil also carried out a similar exercise in JOB/AG/195 for Article 6.2 support. Although heavily constrained by information gaps, Brazil identified 191 (18.9%) out of 963 investment subsidies measures that had some sort of product-related specificity component included in the description provided in the notification, and out of the 696 agricultural input subsidies measures, 326 (46.9%) had some sort of product-related specificity component.

37. Considering the above, it becomes clear that current *de minimis* provisions under the AoA are not fulfilling their role in limiting product-specific support, particularly - but not exclusively - in those cases where Members have access to FBTAMS. It is also evident that current domestic support disciplines do not prevent distortions in global markets produced by the provision of PSS. Finally, given the possibility of concurrent provision of PSS, new disciplines should include anti-elusion mechanisms, particularly for PSS provided under Article 6.2 and Article 6.5. These subsidies should - as a bare minimum - be subject to clearer monitoring and transparency provisions. More importantly, the scope of product-specific AMS under paragraph 1 of Annex 3 of the AoA should be reviewed to include all types of PSS provided under Article 6.

C. Differentiating active exporters from non-exporters

38. At the methodological level, there are some instances where it is easy to identify non-exporting sectors, but in most cases international statistics tend to capture at least some level of exports, especially where there is a high level of aggregation in the product definition. This also implies that any PSS modality that differentiates between exporters and non-exporters will need to establish *de minimis* thresholds to differentiate between a consistent exporter that actively sells in international markets, from those that are non-exporters.

39. The design of a *de minimis* threshold must consider that given the aggregation requirements, some products are currently monitored using the traded volume, while others use the value. Also, there are heavily traded products where insignificant share of the global market could still represent an important volume or value exported in absolute terms. These elements led to the consideration of a hybrid approach. For instance, the *de minimis* threshold could combine both a share in global exports of a product or a maximum value exported. Costa Rica tested the idea of a *de minimis* that would apply to exports that represent less than 0.01% of global exports of a product, or less than USD 1 million annually of that product when traded values are used. When implementing this approach to the statistics on global exports for year 2020, Costa Rica found that in the 21 products monitored under G/AG/W/32 the regulatory fit was excellent, as it excluded a small percentage of total exports and kept intact the proposed disciplines on more than 99% of traded values/volumes in all sectors. Not only that, it also effectively captured the export concentration already observed in most products. For example, in the pig meat market, out of 119 exporters, 92 with an individual share of less than 0.01%, collectively accounted for 0.06% of pig meat exports in 2020.

D. PSS modalities – the case of exporters

40. Using as a reference the data gathered in G/AG/W/32/Rev.20, Costa Rica carried-out a simulation on possible parameters linking VoP-based limitations and market participation in global exports. After careful consideration of trade and subsidy concentration patterns, the thresholds identified are presented next in Table 4.

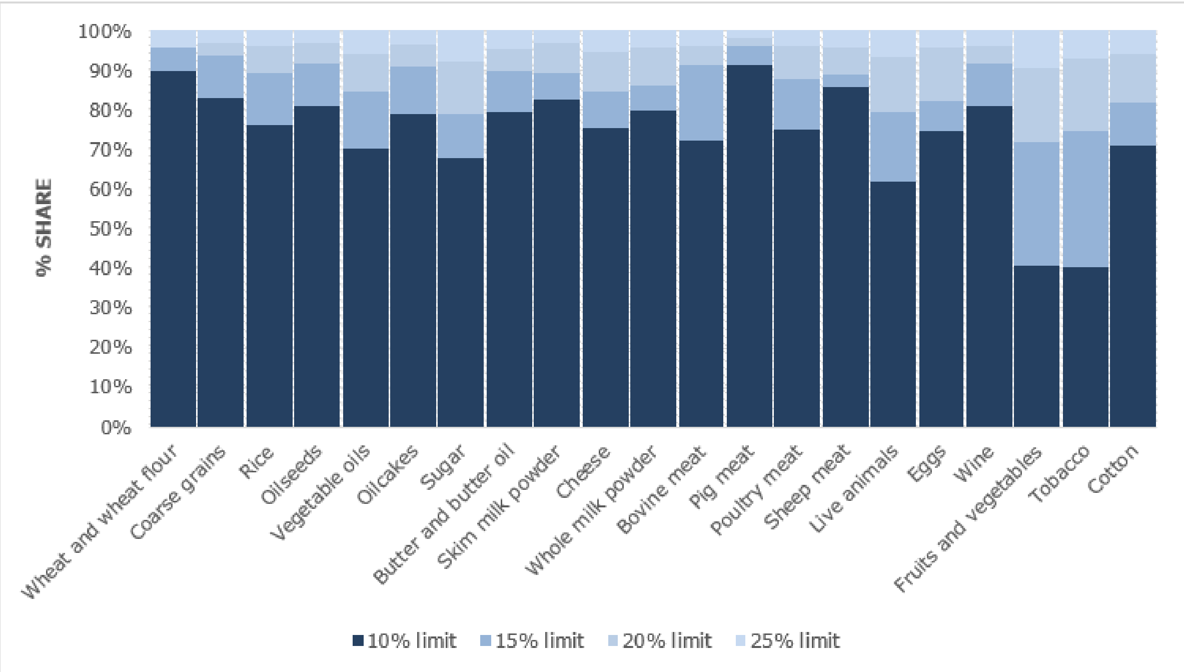
Table 4: Market participation thresholds and associated PSS limitations

Market Share in Global Exports (per product)	PSS LIMITATION
Less than 0.5%	25% of the VoP
More than 0.5% but less than 2%	20% of the VoP
More than 2% but less than 5%	15% of the VoP
5% or more	10% of the VoP

Source: Costa Rica.

41. As can be seen in Figure 3 below, the regulatory fit of this reform scenario would be remarkably high. If under current rules more than 90% of wheat and wheat flour exports could be subsidized beyond the *de minimis* limits, after the proposed reform scenario almost 90% of total global exports of that product would be subject to a limit of 10% of the VoP. The regulatory fit would be lower in the case of fruits and vegetables and tobacco, which are sectors where there is a bigger number of small exporters. These two sectors would benefit from further disaggregation, which may help to increase the regulatory fit.

Figure 3: regulatory fit of PSS limits (as a % of VoP) and market coverage (using accumulated exports between 2016-2020)



Source: Costa Rica, based on information from G/AG/W/32/Rev.20 and JOB/AG/219.

42. Costa Rica is of the view that this approach to exports would be consistent with the principles of proportionality and universality. It would "level the regulatory playing field" for all agricultural exporters and effectively advance the objective of establishing a fair and market-oriented agricultural trading system as established in the Preamble and Article 20 of the AoA.

E. Cotton

43. Cotton is an important subject for the reform process and deserves a more detailed analysis. If under current rules almost 70% of cotton exports could be covered by FBTAMS, after reform 71.2% of cotton exports would be subject to a PSS limit of 10% of the VoP. Furthermore, smaller exporters, mostly from developing and LDC Members, may find enhanced flexibility in the provision of PSS for their cotton producers, going from 15% to 25% of their VoP, pending on their market share (see Table 5).

Table 5: Top 10 exporters, market share and associated PSS limitations for cotton

Reporter	2016	2017	2018	2019	2020
United States	34.1%	39.7%	41.8%	38.9%	39.6%
Brazil	11.0%	10.1%	11.3%	17.4%	22.1%
India	12.8%	12.7%	14.1%	7.2%	10.9%
European Union	2.7%	2.5%	2.2%	4.7%	3.9%
Benin	1.7%	2.8%	3.2%	3.0%	3.0%
Australia	9.8%	8.6%	5.5%	5.9%	1.8%
Burkina Faso	4.5%	3.0%	2.3%	2.4%	1.7%
Türkiye	2.5%	1.7%	2.3%	2.2%	1.4%
Mexico	0.4%	0.3%	0.6%	0.8%	1.2%
Argentina	0.8%	0.4%	1.2%	1.0%	1.2%
Subtotal	**80.1%**	**81.8%**	**84.5%**	**83.4%**	**86.7%**

■ 10% limit ■ 15% limit ■ 20% limit ■ 25% limit

Source: Costa Rica, based on information from G/AG/W/32/Rev.20 and JOB/AG/219.

F. PSS modalities- the case of non-exporters

44. As discussed before, the conditions on the side of non-exporting agricultural producers are more challenging and require the consideration of different policy objectives. By adding more variables, the regulatory approach can be more flexible while providing some necessary limits and balancing elements to the import substitution effect. Along these lines, Costa Rica explored the relationship between production, imports and consumption. This relationship is not new in the AoA: the domestic consumption variable is used in the calculations for the Special Safeguard under Article 5 of the AoA and in Annex 5 on Special Treatment with respect to Paragraph 2 of Article 4. The use of the domestic consumption also adds some needed variability to the design, as Members facing demographic growth challenges would see an increase in their available policy space for PSS in absolute terms.

45. The main idea of using these three variables is to find a balance between the effect on production created by PSS expenditure, the consequent reduction on imports (and the associated import substitution effect), and the possible export of any excess into the international markets. Costa Rica identified three main scenarios that could be further developed or disaggregated.

46. **First scenario:** the importing Member produces 50% or less of its annual consumption (equivalently, it imports 50% or more of its annual consumption) of the product that it wants to subsidize using PSS. In that context, Members could accept a higher tolerance level to the import substitution effect created by the use of PSS. It may not be necessary to establish any limitation based on VoP or other criteria, as the impact that this scenario may have on international markets would be quite limited. Under this scenario, Members would have full flexibility in the policy mix they want to implement, and would have access to all types of programmes, including Market Price Support (MPS) and PSH for Food Security Purposes at administered prices (PSH) without any product-specific anti-concentration clause. As PSS expenditure would still be subject to a global cap, there would still be a level of certainty in the regulatory approach.

47. **Second scenario:** the importing Member produces more than 50% but less than 80% of its annual consumption of the subsidized product. This is a situation where the provision of PSS would lead to a higher degree of import substitution and the tolerance level would diminish significantly. Costa Rica consulted extensively on the introduction of limits and thresholds on this scenario and considered that a progressive approach to limits would be useful and serve as a more limited extension to the first scenario. This approach would also be technically feasible for those Members that are currently subsidizing beyond their *de minimis*, thanks to their access to FBTAMS. In that context, the introduction of VoP-based limits would be required, and a limit between 75% or 100% was considered. According to available notified data, some Members may reach these limits easily if their production levels are low enough. For that reason, Costa Rica also introduced a condition that a VoP-based limit would not apply if PSS is lower than USD 1 million.

48. **Third scenario:** the importing Member produces 80% or more of its annual consumption. In this scenario, the use of PSS may substantially crowd out imports. Under this scenario, PSS use would need to be subject to lower tolerance levels and additional balancing mechanisms would be

required. In that context, Costa Rica continued the progressive reductions in the VoP-based limit to 50%-75%. In addition, if the Member wants to have access to these limits, a minimum level of enhanced market access opportunities would need to be established. This same mechanism was also used in Annex 5 and Costa Rica is of the view that a duty-free tariff-quota (TRQ) equivalent to the difference with the annual consumption threshold (minimum of 80% annual consumption covered by PSS - 20% imports through duty-free TRQ) could be used as a reference point. The enhanced market-access opportunity could include existing MFN market-access commitments as long as they comply with the "duty-free" condition.

49. During its consultations, some Members expressed sensitivities on the issue of market access as a balancing mechanism. In that regard, Costa Rica considers that access to PSS-levels as high as the ones being considered should have a balance, but if a Member does not want to maintain or establish market access opportunities as the ones being envisaged, it could still retain a PSS flexibility at a lower level. In that sub-scenario, as the subsidized production could continue to grow to the point where exports may happen, PSS limits applicable to small exporters should apply in that case. Table 6 below compiles the general design decisions taken in the context of the three scenarios presented above.

Table 6: Import thresholds and associated PSS limitations

<table>
<tr><th>Import requirement</th><th>PSS-AMS limit as a % of VoP</th><th>Condition</th></tr>
<tr><td>imports [50%] or more of its annual consumption of that product</td><td>None</td><td>None (all PSS would still be subject to the base/final global cap)</td></tr>
<tr><td rowspan="2">imports more than [20]% but less than [50]% of its annual consumption of that product</td><td>None</td><td>If PSS lower than USD 1 million.</td></tr>
<tr><td>[75]%[100]%</td><td>If PSS equal or higher than USD[1] million.</td></tr>
<tr><td rowspan="2">imports less than [20]% of its annual consumption of that product,</td><td>[50]%[75]%</td><td>Must establish or maintain a duty-free tariff quota to a volume of imports equivalent to at least [20]% of its annual consumption of said product.</td></tr>
<tr><td colspan="2">If the Member does not wish to open a TRQ (tariff quota), the provisions for an exporter with a small market share (less than 0.5% market share for a PSS limit of 25% of the VoP) would apply.</td></tr>
</table>

Source: Costa Rica.

IV. BUILDING A NEW REGULATORY FRAMEWORK FOR IMPLEMENTATION OF PSS COMMITMENTS

A. A dynamic approach

50. The cotton example in Table 5 also serves to introduce another important aspect of the regulatory design: whether PSS disciplines would be fixed and use a base period or be dynamic and change as the participation in international markets change. A fixed period has the advantage of providing full certainty about the regulatory outcome and would also be less burdensome in terms of monitoring and transparency requirements. On the other hand, a dynamic approach would also be more responsive to changes in the relationship between agricultural producers and exporters, subsidies, and international markets, but in exchange it would require closer monitoring and stronger transparency requirements.

51. As an example of a dynamic approach in the case of cotton, if Members go for a two-year period to assess structural changes in market participation, the regulatory situation of the biggest exporters would not change. However, it is more likely that smaller exporters will move across thresholds. This is the case of Argentina in 2017, where its market share dropped below 0.5%. If the situation remained the same in 2018 - which was not the case - by 2019 Argentina would have been subject to a 25% limit instead of 20%. As the opposite situation could also be possible and some exporters may enjoy flexibilities longer than desired, this regulatory lag would also need to be addressed by including stronger anti-elusion provisions or short-term mechanisms for Members to deal with unwanted subsidized imports.

B. Product definition

52. As per Article 18.5 of the AoA, WTO Members already must consult annually in the Committee on Agriculture (CoA) with respect to their participation in the normal growth of world trade in agricultural products within the framework of the commitments on export subsidies. In that context, the G/AG/2 notification requirements and the reports provided by the Secretariat under the G/AG/W/32 series present 21 products with different degrees of disaggregation. In that line, the Committee of Agriculture carried out a chair-led consultation process to review the list of significant exporters and the products included in the monitoring exercise between 2009 and 2014. The conclusions of these consultations were reflected in a Report by the Chairperson under G/AG/W/123, which included in its Annex 3 a proposal for a more disaggregated configuration.

53. In Costa Rica's view, while the current product aggregation contained in G/AG/W/32 should serve as a starting point, Members should move quickly towards the configuration proposed in Annex 3 of G/AG/W/123. This list would also need to be updated to include all products that are not currently monitored in G/AG/W/32, which according to the most recent report by the Secretariat under G/AG/W/32/Rev.21, constitute 37% of total World exports.

C. Disaggregating products - identifying value chains

54. Past discussions at the CoA provide some useful lessons in terms of updates (in G/AG/W/123 a three-to-five-year review cycle was proposed), automaticity in the addition of new products and implementation and monitoring. The question of automaticity in the review of product disaggregation becomes a crucial element in the effective implementation of any PSS modality that would rely heavily on the use of statistics on market participation.

55. In order to provide some clarity on the envisaged process, Costa Rica carried out an analysis of the tobacco product group as an example of the type of assessment that would be required (see Tables 7 and 8). In this case, it is evident that cigarettes containing tobacco under HS (Harmonized System) 240220 represent more than half of all trade under the "tobacco" product group, and this is a consistent pattern over time. By creating a specific product for this tariff line, PSS limits for subsidies provided for the production of cigarettes containing tobacco would be enhanced and better monitored. At the same time, the other products that would now fall under the "other tobacco products" aggregation, would also see a change in their total shares, and market participation would therefore become more relevant in those products.

Table 7: Tobacco product group, HS code participation in its total global exports as per G/AG/W/32/Rev.20

HS code	HS description	2017	2018	2019	2020
240220	Cigarettes containing tobacco	53.4%	58.4%	56.1%	52.2%
240120	Tobacco, partly/wholly stemmed/stripped	20.8%	17.3%	16.5%	15.4%
240310	Smoking tobacco….	9.4%	8.9%	9.3%	11.0%
240399	Manufactured tobacco & manufactured tobacco substitutes, n.e.s. (excl…); tobacco extracts & essences	4.7%	4.9%	7.7%	10.5%
240210	Cigars, cheroots & cigarillos containing tobacco	5.6%	5.0%	5.1%	5.6%
240110	Tobacco, not stemmed/stripped	4.4%	3.9%	3.5%	3.8%
240391	Homogenized/reconstituted tobacco	0.8%	0.8%	0.9%	0.9%
240130	Tobacco refuse	0.6%	0.4%	0.4%	0.5%
240290	Cigars, cheroots, cigarillos & cigarettes of tobacco substitutes	0.2%	0.3%	0.4%	0.1%
Total		**100%**	**100%**	**100%**	**100%**

Source: Costa Rica, based on information from G/AG/W/32/Rev.20.

56. The disaggregation effect can be better understood by looking at the changes in market participation. For instance, in the tobacco product group, Brazil appeared as the first exporter in 2020, however, in the new disaggregated cigarettes product, Brazil would not even appear among the top 10 exporters. This may entail a regulatory change for Brazil in relation to PSS access for tobacco products, as it would still be a significant exporter of other tobacco products but now it would be subject to less stringent limits in the provision of PSS for cigarettes containing tobacco. On the other hand, the European Union would retain its position as a significant exporter and therefore the disaggregation would have no effect on its access to PSS (see Table 8 below).

Table 8: Top 10 tobacco exporters, disaggregation effects on market participation (as a percentage of total global exports)

Tobacco product Group			Cigarettes containing tobacco (HS 240220)	
Member	**2020**		**Member**	**2020**
Brazil	16.5%		European Union extra-trade	46.8%
European Union extra-trade	11.4%		United Arab Emirates	19.0%
United Arab Emirates	7.7%		Korea, Republic of	3.9%
China	7.0%		Indonesia	3.7%
India	6.6%		Singapore	2.9%
Indonesia	4.3%		China, Hong Kong, China SAR	2.4%
Türkiye	4.3%		Türkiye	2.1%
Zimbabwe	4.0%		Switzerland	1.9%
Malawi	3.6%		Ukraine	1.5%
United States	3.6%		Philippines	1.3%
Subtotal	**69.1%**		**Subtotal**	**85.6%**

Source: Costa Rica, based on information from G/AG/W/32/Rev.20.

57. Another aspect of the product disaggregation that requires careful consideration is the one related to value chains. Subsidies provided to basic products could leak downstream into the value chain as the basic product is further processed and transformed. Going back to the tobacco example, unless there is significant vertical integration, the two instances of production and manufacturing can be well defined. Therefore, it would make sense to separate the HS codes related to manufacturing, such as cigarettes under 240220 and 240399, from those that are closer to the basic production, such as tobacco under 240110 or 240120.

58. While splitting products within a value chain may improve the regulation of subsidies within exporting sectors, it may become more challenging when one of these two instances is mostly directed towards domestic consumption, while the other is directed towards exporting. Further discussions would be required on the provision of subsidies to products like live animals and the subsequent effects on other products live bovine meat, sheep meat, pig meat or poultry meat. The same goes for dairy-related products and for cotton.

V. SPECIAL COUNTERVAILING MEASURE

59. As indicated before, the creation of new PSS disciplines based on market participation would introduce additional uncertainties in the regulatory process, and there may be situations where the implementation and monitoring of commitments could lag with respect to short-term market conditions. This could be the case when subsidized production that is not initially intended for international markets ends up being exported. This could happen in the case of public food stocks, but also in the context of price gaps created by short-term volatility in international markets. Given that this type of "regulatory" leakage is difficult to prevent, an additional tool must be created so that Members can address situations where they may be receiving unwanted subsidized imported products. This situation has been extensively discussed in the context of the Dedicated Session on the Special Safeguard Mechanism (SSM), as one of the reasons for its necessity, but it is indeed a longstanding concern still being discussed. Therefore, Costa Rica considers that a new, creative and out-of-the-box mechanism such as a Special Countervailing Measure could be used as a basis to address the referred regulatory leakages.

60. A Special Countervailing Measure (SCM) would ensure that Members have a short-term tool to promptly tackle the most immediate unwanted effects from subsidized imports. Its "special" condition lies in that no investigation or demonstration of damage or causality would be required as it is the case for countervailing measures applied pursuant to Part V of the Agreement on Subsidies and Countervailing Measures (ASCM). Instead, the application of the SCM would be triggered by either of three conditions. The first one would be that the exporting Member notifies the provision of PSS beyond a certain threshold. Costa Rica is of the view that such a threshold should be 10% of the VoP, so that it covers every instance of possible regulatory leakages in the new proposed modalities. As the first condition is related to transparency, it could create disincentives for notification if the exporting Member is indeed providing PSS beyond 10% of the VoP. Therefore, a second condition would need to cover for that possibility, so that if the exporting Member has not notified over a certain period, that would also suffice for the importing Member to start the

application of the SCM. The third and last condition would be that, pursuant to the Understanding on Rules and Procedures Governing the Settlement of Disputes, it has been determined the existence of product-specific domestic support beyond 10% of the Value of Production (or a circumvention of the relevant disciplines).

61. The SCM shall only be applied by a Member on the subsidized imports for which the corresponding triggering condition has been verified no longer than the end of the calendar year in which its application started. That Member may be entitled to apply the SCM again on the same product in any year in which any of the triggering conditions is verified. Upon such verification and before starting the application of the SCM, the Member must notify the CoA its intent to apply the SCM.

VI. FINAL REMARKS AND THE WAY FORWARD

62. Costa Rica proposes a "global" cap on trade and production distorting domestic support entitlements and a global reduction objective of 50% with an implementation period of 10 years for individual reductions. This approach offers an ambitious and balanced way forward in the reform of the domestic support pillar in agriculture. The formula for reductions, along with its embedded proportionality and progressivity, limits the global growth of trade-distorting domestic support, while ensuring that Members retain a high degree of flexibility at the individual level. Costa Rica considers that additional upward adjustment from the calculated caps and reductions would ensure that developing Members retain sufficient policy space, and that smaller Members (i.e., those with entitlements under USD 1 billion) are not subject to disproportionate contributions. In that line, LDCs would be exempted from any capping and reduction commitments and would enjoy a long transition period after graduation.

63. In terms of product-specific support, Costa Rica considers that new modalities should set new thresholds or limits for product-specific support based on participation in trade i.e., whether the Member accounts for a significant share of global exports of that product, or if its domestic production substitutes a significant share of its national consumption. The proposed approach would also contribute to global food security, by providing balanced PSS flexibilities to non-exporters and more ambitious PSS disciplines for competitive exporters. This dynamic approach would both provide a permanent solution for PSH and for cotton.

64. In addition to these elements, Costa Rica envisages a SCM for unwanted subsidized imports, which would be applicable if a Member notifies product-specific support above 10% of its value of production for that product or does not notify its domestic support for two years. Enhanced transparency of domestic support notifications, including notification of value of production data would also be required to advance the reform process.

65. On the way forward, Costa Rica considers that the principles, objectives, and suggested modalities as presented in this proposal should be the basis for negotiations in the domestic support pillar. Achieving more robust rules in the domestic support pillar would be an important contribution to addressing global inequality, providing sustainable economic development opportunities, addressing overall global food security needs, and building an inclusive and effective global trading system. Therefore, Costa Rica cordially and respectfully invites all Members to work together towards these goals based on this proposal.

SECTION B

DRAFT OF MODALITIES

Since the Agreement on Agriculture is currently subject to negotiations, the proponent reserve the right to submit definitive modalities on this proposal at the appropriate moment according to the final modalities, which the current negotiations shall deliver and taking into account the result of the negotiations on other areas**.**

The reference to certain parts of the actual Agreement on Agriculture is an example of the definitive modalities necessary for the purpose of this proposal.

MINISTERIAL DECISION ON MODALITIES FOR REFORM OF THE DOMESTIC SUPPORT PILLAR, FEBRUARY 2024

The *Ministerial Conference*,

Having regard to paragraph 1 of Article IX of the Marrakesh Agreement Establishing the World Trade Organization;

Recalling the long-term objective to establish a fair and market-oriented agricultural trading system and to provide for substantial progressive reductions in agricultural support and protection sustained over an agreed period of time, resulting in correcting, and preventing restrictions and distortions in world agricultural markets as stated in the Preamble of the Agreement on Agriculture (AoA);

Having regard that special and differential treatment is an integral part of the agriculture negotiations as stated in the Preamble of the AoA;

Considering the importance of further levelling the playing field for global agricultural trade in order to realize the full potential of the agricultural reform process;

Recognizing the role that a fair and market-oriented agricultural trading system plays in supporting progress towards the targets set out under the United Nations Sustainable Development Goals, including to end poverty and hunger, achieve food security and improved nutrition, promote sustainable agriculture and food systems, implement resilient agricultural practices, enhance production, and strengthen the policy response to climate change and natural disasters through both mitigation and adaptation actions;

Taking note of the achievements in the negotiations to date, as well as the need to make further progress in order to fulfil existing mandates relevant to the agriculture negotiations, as set out in Article 20 of the AoA, and the Bali and Nairobi Ministerial Decisions.
Decides as follows:

I. Capping Commitments

1. Members shall not provide trade-distorting domestic support which taken in aggregate exceeds a monetary limit (hereafter "*base cap*") as provided in Column 2 of Annex I of this Decision. This limit shall apply to all of domestic support measures in favour of agricultural producers currently provided under Article 6 of the Agreement on Agriculture, with the exception of domestic measures which are not subject to limitations in terms of the criteria set out in this Decision and in Annex 2 to the Agreement on Agriculture. For the purposes of the Agreement on Agriculture, the final commitment reached under this Decision shall continue to be expressed in terms of Total Aggregate Measurement of Support (AMS).

2. The base cap in Paragraph 1 shall be calculated as follows:

    a. A baseline, as provided in Column 1 of Annex I of this Decision, which shall be estimated as the sum of:

i) The monetary value of *de minimis* entitlements for product-specific support and non-product-specific AMS under Article 6.4, as estimated using the average value of total agricultural production for the last three years available; plus

ii) Final Bound Total AMS as specified in Part IV of the Member's Schedule; plus

iii) The highest level of support provided under Article 6.2 during the most recent consecutive three years, as notified to the Committee on Agriculture; plus

iv) The highest level of support provided under Article 6.5 during the most recent consecutive three years, as notified to the Committee on Agriculture.

b. The baseline shall be adjusted as follows in order to obtain the base cap:

i) Developing Members with a baseline equal or superior to 20%, but lower than 30% of the average total value of agricultural production for the last three years available, shall receive an upward adjustment so that their base cap is equal to 30% of the average total value of agricultural production for the last three years available.

ii) Any Member with a baseline inferior to 20% of the average total value of agricultural production for the last three years available, shall receive an upward adjustment so that their base cap is equal to 20%, or shall receive an additional adjustment of [USD 1 billion], whichever adjustment is lower in monetary terms.

II. Reduction Commitments

3. Members shall reduce their *individual base cap* using their relative participation in the *total collective base cap*. The *total collective base cap* being the aggregate of all the *individual base caps* estimated in paragraph 2. For certainty, the following formula shall be used when estimating individual reductions:

$NC_i = BC_i*(1-A_i)$, where:

NC_i is the *new cap* after reductions for Member "i";
BC_i is the *base cap* for Member "i";
A_i is the share of Member "i", in the *total base cap*, so $A_i = \frac{BC_i}{\sum_{i=1}^{164} BC}$

4. The *total collective base cap* shall be subject to a reduction of at least [50]% by 31 December 2034.

5. Members shall reduce their *individual base cap* in line with the objective set out in paragraph 4, by applying nine times the formula of paragraph 3.

6. Where the *individual base cap* is less than or equal to [USD 1 billion], or the equivalent in the monetary terms in which the binding is expressed, Members shall not be required to undertake any reduction commitment.

7. The *new cap,* as provided in Column 3 of Annex I to this Decision, shall be adjusted before it becomes the final commitment (final cap), so that any Member with a new cap that is:

a. less than or equal to USD 250 million, can schedule its final commitment to be equal to USD 250 million, or the equivalent in the monetary terms in which the binding is expressed; or

b. more than USD 250 million but less than or equal to USD 500 million, can schedule its final commitment to be equal to USD 500 million, or the equivalent in the monetary terms in which the binding is expressed; or

c. more than USD 500 million but less than or equal to USD 750 million, can schedule its final commitment to be equal to USD 750 million, or the equivalent in the monetary terms in which the binding is expressed.

8. Least Developed Country Members shall be exempted from any capping or reduction commitments.

9. Those Least Developed Country Members that have met the criteria for graduation shall be subject to paragraph 1 of this Decision, 10 years after graduation. At that moment they will be required to schedule their *base cap* in monetary terms, in Part IV of their Schedules. For greater certainty, the provisions under paragraph 7 of this Decision shall apply in the scheduling of their final commitments.

10. All Members, other than least-developed country Members, shall schedule their final commitments (hereafter *final cap*) as provided in Column 4 of Annex I of this Decision, in monetary terms in Part IV of their Schedules. Final commitments shall enter into force no later than 31 December 2034.

11. Members shall continue to respect the existing limits set out in the Agreement on Agriculture on the provision of domestic support until the new limits set out in this Decision enter into force. Access in advance to the new provisions shall be granted in accordance with the schedule of reductions that each Member established in paragraph 10 of this Decision.

III. Product Specific AMS Limits

12. For the purposes of this Decision, a product shall be defined in accordance with the categories established in Annex II of this Decision. The aggregation level for each product shall be reviewed every four years by the Committee of Agriculture. At the request of a Member, if in the course of the review, a tariff subheading concentrates more than 50% of total global exports of a given product for more than three years, a new product category shall be created for that specific tariff subheading.[1]

13. Unless specified otherwise, all product-specific domestic support provided by a Member shall be accounted for in its final cap limit as set out in Paragraph 10 of this Decision and shall be aggregated into a Product-Specific Support AMS.[2]

14. As per Paragraph 13, disciplines on Product-Specific Support AMS shall be defined as follows:

    a. A Member that does not actively engages in exports[3] of a product and:

        i) imports [50%] or more of its annual consumption of that product, shall not be required to include its product-specific domestic support into that Product-Specific AMS; or

        ii) imports more than [20]% but less than [50]% of its annual consumption of that product, shall not be required to include its product-specific domestic support into that Product-Specific AMS if it is lower than USD [1] million. Otherwise, a Product-Specific AMS limit of [75%] [100%] of the VoP of said product shall apply; or

        iii) imports less than [20]% of its annual consumption of that product, shall have access to Product-Specific AMS up to [50]% [75]% of the VoP of said product, as long as it establishes or maintains a duty-free tariff quota to a volume of imports equivalent to at least [20]% of its annual consumption of said product.[4] The provisions under paragraph 14(b)(i) of this Decision shall apply otherwise.

[1] The WTO Secretariat shall keep track of the information necessary for this purpose. As per Article 18.5, Members agree to consult annually in the Committee on Agriculture with respect to their participation in the normal growth of world trade in agricultural products.

[2] The notifications formats under G/AG/2 shall be reviewed accordingly to improve monitoring of all product-specific support provided under Article 6 of the Agreement on Agriculture.

[3] A Member with less than 0.01% of global exports of a product (by volume or value when applicable), or that exports less than USD [one] million annually when value is used for that product, shall not be considered to be an active exporter of said product.

[4] Least Developed Country Members shall be exempted from the duty-free tariff quota requirement.

b. A Member that actively engages in exports of a product and over two consecutive years:

i) holds a share of less than [0.5]% of global exports of said product, shall have access to product-specific AMS up to [25]% of the value of that product's total value of production; or

ii) holds a share of at least [0.5]% but less than [2]% of global exports of said product, shall have access to product-specific AMS up to [20]% of the value of that product's total value of production; or

iii) holds a share of at least [2]% but less than [5]% of global exports of said product, shall have access to product-specific AMS up to [15]% of the value of that product's total value of production; or

iv) holds a share of 5% or more of global exports of said product, shall have access to product-specific AMS up to 10% of the value of that product's total value of production.

15. [Product-specific domestic support provided to producers in developing country Members to encourage diversification from growing illicit narcotic crops shall not be included in the limit set out in paragraphs 10 and 13 of this Decision.

16. Non-product specific domestic support in the form of generally available investment or input subsidies provided to low-income or resource-poor producers in developing country Members, shall not be included in the limit set out in paragraph 10 of this Decision as long as it does not exceed USD [5] billion during the relevant year.]

IV. On Annex 2

17. The provisions and transparency requirements in Annex 2 of the AoA and the Ministerial Decision of 7 December 2013 on General Services shall be reviewed and updated to ensure that covered subsidies have no, or at most minimal, trade-distorting effects or effects on production. Consideration shall be given to concerns about environment protection and food security[5], as well as to rural development and poverty alleviation objectives.

V. Special Countervailing Measures

18. Notwithstanding the provisions of paragraph 1(b) of Article II of GATT 1994, any Member may take recourse to a Special Countervailing Measure (SCM) in connection with the importation of an agricultural product if any of the following conditions is verified:

a. if in its notifications, as from 20[24], the exporting Member has provided any Product-Specific AMS above 10% of its Value of Production in the previous notified year for that product or group of products; or

b. if in its notification obligations under paragraph 2 of Article 18, the exporting Member has not submitted to the Committee on Agriculture its notification on domestic support 2 years following the notification deadline; or

c. if, pursuant to the Understanding on Rules and Procedures Governing the Settlement of Disputes, a determination has been made on the existence of product-specific domestic support beyond 10% of the Value of Production (or a circumvention of the relevant disciplines) by the exporting Member.

19. The SCM shall only be maintained until the end of the calendar year in which it has been imposed and may only be levied at a level which shall not exceed [50]% of the level of the ordinary customs duty in effect in the year in which the action is taken.

20. The SCM shall only be applied to the imported agricultural products of the same origin and for which the corresponding triggering condition has been verified for the calendar year in which

[5] As defined by FAO: when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life.

the action is taken. Any recourse to the SCM beyond the calendar year in which the action is initially taken shall require a new verification on the continued existence of the triggering condition and a new communication to the Committee on Agriculture.

21. The operation of the SCM shall be carried out in a transparent manner. Any Member taking action under the SCM shall give notice in writing to the Committee on Agriculture as far in advance as may be practicable and in any event within 10 days of the implementation of such action. A Member taking action under the SCM shall afford any interested Members the opportunity to consult with it in respect of the conditions of application of such action.

22. Where measures are taken in conformity with the provisions above, Members undertake not to have recourse, in respect of such measures, to the provisions of paragraphs 1(a) and 3 of Article XIX of GATT 1994, or paragraph 2 of Article 8 of the Agreement on Safeguards.

VI. Consultations

23. Any Member seeking coverage of its support programmes under the provisions contained in this Decision shall ensure that its programmes do not adversely affect the food security of other Members and shall upon request hold consultations with other interested Members on the operation of its support programmes.

VII. Monitoring

24. The Committee on Agriculture shall monitor and review the information submitted under this Decision.

25. Members agree to hold dedicated discussions on an annual basis in the Committee on Agriculture to examine relevant developments in the field of domestic support. This examination process shall provide an opportunity for Members to raise any matter relevant to the domestic support pillar.

26. The dedicated discussions shall be undertaken on the basis of factual information and data compiled by the WTO Secretariat from Members' notifications, complemented, as appropriate, by relevant information provided by Members to the WTO Secretariat.

27. The Committee on Agriculture shall review the implementation of the disciplines contained in this Decision and its operation every three years, taking into account the Dedicated Discussions and the experience gained up to that time, with the aim of making recommendations in a manner consistent with Article 20 of the AoA.

VIII. Transparency

28. Members shall:

   a. Fulfil and continue to fulfil its domestic support notification requirements under the Agreement on Agriculture in accordance with document G/AG/2 of 30 June 1995 and its updates.

   b. Notify the Committee on Agriculture of the total value of production and the value of production for each subsidized product. The value of production shall be updated annually on the basis of information provided by Members to the WTO Secretariat. The WTO Secretariat will work with other international organizations in providing technical assistance and support for capacity building to any WTO Member encountering difficulties in estimating their total value of agricultural production.

   c. Include in their notifications all programmes covered by the Bali Decision on General Services that are related to land reform and rural livelihood security provided in order to promote rural development and poverty alleviation, such as land rehabilitation, soil conservation and resource management, drought management and flood control, rural employment programmes, issuance of property titles, and farmer settlement programmes.

   d. Provide the measure type, name, and description for each measure notified in a complete and comprehensive manner, including, if possible, a URL for the related legislation that allows for the measure or programme and a URL for the data source where outlays are found. All product-specific support provided under Article 6 shall be disaggregated by product and type of programme.

29. Members instruct the WTO Secretariat to assist developing country Members, particularly least developed Members, upon their request, to comply with notification and transparency requirements, including through ad hoc advice, technical assistance, and capacity-building support. The Secretariat shall report on the activities in relation to the assistance provided.

IX. Final provisions

30. Pursuant to the preamble and Article 20 of the AoA, this Decision shall not be construed to impede the Uruguay Round agricultural reform programme aimed at correcting and preventing restrictions and distortions in world agricultural markets. Members are encouraged to continue their reform process consistent with that objective and, to the extent possible, develop and implement programmes that have the least distorting effects on international agricultural markets.

31. As of its adoption, for all intents and purposes this Decision constitutes a Permanent Solution on Public Stockholding for Food Security Purposes and replaces the interim solution (WT/MIN(13)/38 - WT/L/913) for Public Stockholding for Food Security Purposes adopted in Bali, Indonesia in December 2013, as clarified in the General Council Decision of 27 November 2014 (WT/L/939).

ANNEX I

MEMBER	BASELINE IN USD MILLION	BASE CAP	NEW CAP (IT.9[1])	FINAL CAP
COLUMN	1	2	3	4
China	263,850	264,850	50,497	50,497
European Union	131,929	131,929	43,956	43,956
India	105,641	120,816	42,822	42,822
United States	55,573	56,573	31,183	31,183
Japan	46,370	46,370	27,916	27,916
Brazil	32,069	45,637	27,657	27,657
Indonesia	26,477	34,988	23,435	23,435
Türkiye	19,308	27,493	19,863	19,863
Mexico	23,617	23,617	17,778	17,778
Pakistan	12,492	18,738	14,883	14,883
Russian Federation	13,158	14,158	11,852	11,852
Korea, Republic of	10,279	13,525	11,407	11,407
Viet Nam	8,393	11,952	10,270	10,270
Thailand	9,654	10,819	9,424	9,424
Philippines	6,913	9,759	8,611	8,611
Argentina	6,576	9,751	8,605	8,605
Canada	7,985	8,985	8,003	8,003
Venezuela, Bolivarian Republic of	6,628	8,246	7,413	7,413
Nigeria	5,481	8,199	7,375	7,375
Colombia	5,407	6,876	6,288	6,288
Egypt	4,485	6,652	6,100	6,100
Malaysia	4,447	6,449	5,929	5,929
Australia	4,860	5,860	5,428	5,428
Switzerland	5,613	5,613	5,215	5,215
Saudi Arabia, Kingdom of	4,316	5,187	4,846	4,846
Chile	3,054	4,557	4,292	4,292
Peru	3,122	4,514	4,253	4,253
Kenya	2,967	4,450	4,197	4,197
Ukraine	3,079	4,079	3,865	3,865
Morocco	2,770	3,705	3,528	3,528
Ghana	2,218	3,327	3,183	3,183
Dominican Republic	2,177	3,237	3,101	3,101
Côte d'Ivoire	2,080	3,120	2,994	2,994
South Africa	2,113	3,113	2,987	2,987
Cameroon	1,895	2,842	2,737	2,737
Chinese Taipei	1,852	2,746	2,647	2,647
New Zealand	1,710	2,710	2,615	2,615
Israel	2,258	2,534	2,450	2,450
Ecuador	1,687	2,531	2,447	2,447
Norway	2,354	2,354	2,281	2,281
Paraguay	1,560	2,335	2,264	2,264
Kazakhstan	1,638	1,927	1,878	1,878
Bolivia, Plurinational State of	1,260	1,890	1,843	1,843
Uruguay	1,242	1,861	1,815	1,815
Guatemala	1,207	1,762	1,721	1,721
Tunisia	1,123	1,533	1,502	1,502
Sri Lanka	1,389	1,443	1,416	1,416
Costa Rica	948	1,398	1,372	1,372
Cuba	667	1,000	987	1,000

[1] For greater certainty, the following formula was used when estimating individual reductions:

$NC_i = BC_i*(1-A_i)$, where:

NC_i is the *new cap* after reductions for Member "i";
BC_i is the *base cap* for Member "i";
A_i is the share of Member "i", in the *total base cap*, so $A_i = \frac{BC_i}{\sum_{i=1}^{164} BC}$

The above formula was applied for nine iterations in order to obtain the results in Column 3.

MEMBER	BASELINE IN USD MILLION	BASE CAP	NEW CAP (IT.9[1])	FINAL CAP
COLUMN	1	2	3	4
Congo	634	951	939	951
Honduras	629	938	926	938
Papua New Guinea	619	877	867	877
Zimbabwe	580	871	861	871
Jordan	547	812	803	812
Panama	582	777	769	777
Albania	350	700	693	750
Tajikistan	588	606	601	750
Kyrgyz Republic	298	596	591	750
Nicaragua	392	588	583	750
El Salvador	427	547	543	750
Jamaica	349	524	520	750
Mauritius	308	462	459	500
Mongolia	268	343	341	500
Moldova, Republic of	171	306	305	500
Armenia	151	301	300	500
North Macedonia	155	272	271	500
Iceland	216	216	215	250
United Arab Emirates	141	212	211	250
Georgia	85	169	169	250
Guyana	105	158	157	250
Fiji	93	140	140	250
Montenegro	58	116	116	250
Namibia	82	112	112	250
Belize	66	98	98	250
Gabon	65	97	97	250
Eswatini	64	96	96	250
Botswana	93	93	93	250
Kuwait, the State of	56	84	84	250
Oman	62	83	83	250
Trinidad and Tobago	49	73	73	250
Hong Kong, China	47	71	71	250
Suriname	44	66	65	250
Grenada	42	63	63	250
Cabo Verde	38	57	57	250
Qatar	40	57	57	250
Barbados	30	44	44	250
Brunei Darussalam	27	40	40	250
Samoa	24	36	36	250
Singapore	19	28	28	250
Saint Vincent and the Grenadines	18	27	27	250
Saint Lucia	15	22	22	250
Antigua and Barbuda	9	13	13	250
Tonga	7	11	10	250
Dominica	7	10	10	250
Bahrain, Kingdom of	6	9	9	250
Seychelles	5	5	5	250
Saint Kitts and Nevis	2	4	4	250
Maldives	1	1	1	250
Macao, China	-	-	-	250
GRAND TOTAL	**876,553.98**	**980,791.58**	**491,811.80**	**499,372.07**

ANNEX II (AS PER G/AG/W/32/REV.21)

Product or product groups	Product composition (HS2017)
Wheat and wheat flour	1001 1101
Coarse grains	1002 1003 1004 1005 1007 1008
Rice	1006
Oilseeds	1201 1202 1203 1204 1205 1206 1207
Vegetable oils	1507 1508 1509 1510 1511 1512 1513 1514 1515
Oilcakes	2304 2305 2306
Sugar	1701
Butter and butter oil	0405
Skim milk powder	040210
Cheese	0406
Other milk products (Whole milk powder)	040221 040229
Bovine meat	0201 0202 021020
Pig meat	0203 021011 021012 021019
Poultry meat	0207
Sheep meat	0204
Live animals	01
Eggs	0407
Wine	2204 2205
Fruits and Vegetables	07 08 20
Tobacco	24
Cotton	5201 5202 5203

SECTION C - ADDITIONAL ANALYTICAL TABLES

Table 1: Data on Monetized Entitlements following Annex I of JOB/AG/199

(In USD million)

MEMBER	AV. VOP[1]	SOURCE	*DE MINIMIS*[2]	FBTAMS[3]	ART.6.2[4]	BLUE BOX[4]	BASELINE
China	1,517,502.5	REPORTED	25,975.4	-	-	5,875.0	263,850.4
European Union	436,867.5	REPORTED	43,686.7	82,669.9	-	5,572.5	131,929.1
India	402,719.2	FAO	80,543.8	-	25,097.5	-	105,641.4
United States	364,696.1	REPORTED	36,469.6	19,103.3	-	-	55,572.9
Japan	85,113.0	REPORTED	8,511.3	37,208.3	-	650.8	46,370.4
Brazil	152,124.4	REPORTED	30,424.9	912.1	732.3	-	32,069.3
Indonesia	116,625.2	FAO	23,325.0	-	3,151.6	-	26,476.6
Mexico	52,986.6	REPORTED	10,597.3	12,385.0	634.8	-	23,617.2
Türkiye	91,644.6	REPORTED	18,328.9	-	978.7	-	19,307.6
Russian Federation	87,582.2	REPORTED	8,758.2	4,400.0	-	-	13,158.2
Pakistan	62,461.1	REPORTED	12,492.2	-	-	-	12,492.2
Korea, Republic of	45,083.7	REPORTED	9,016.7	1,262.4	-	-	10,279.2
Thailand	36,062.3	FAO	7,212.5	608.1	1,833.4	-	9,653.9
Viet Nam	39,840.0	REPORTED	7,968.0	170.7	254.1	-	8,392.8
Canada	47,777.7	REPORTED	4,777.8	3,206.9	-	-	7,984.7
Philippines	32,531.3	FAO	6,506.3	-	407.0	-	6,913.2
Venezuela, Bolivarian Republic of	27,487.0	FAO	5,497.4	1,130.7	N/A	N/A	6,628.1
Argentina	32,502.6	FAO	6,500.5	75.0	-	-	6,575.5
Switzerland	10,782.4	REPORTED	1,078.2	4,534.3	-	-	5,612.5
Nigeria	27,330.0	FAO	5,466.0	-	15.0	-	5,480.9
Colombia	22,919.6	FAO	4,583.9	344.7	478.6	-	5,407.3
Bangladesh	24,825.0	FAO	4,965.0	-	2.7	-	4,967.7
Australia	45,354.8	REPORTED	4,535.5	324.7	-	-	4,860.2
Egypt	22,173.4	FAO	4,434.7	-	50.2	-	4,484.8
Malaysia	21,495.5	FAO	4,299.1	-	147.6	-	4,446.7
Saudi Arabia, Kingdom of	17,289.7	REPORTED	3,457.9	858.2	-	-	4,316.2
Myanmar	21,165.0	RD/AG/74	4,233.0	-	-	-	4,233.0
Peru	15,045.5	FAO	3,009.1	-	112.7	-	3,121.8
Ukraine	29,659.8	FAO	2,966.0	112.9	-	-	3,078.9
Chile	15,191.4	REPORTED	3,038.3	-	15.9	-	3,054.2
Kenya	14,833.9	FAO	2,966.8	-	N/A	N/A	2,966.8
Morocco	12,351.4	FAO	2,470.3	72.1	228.0	-	2,770.4
Norway	4,129.8	REPORTED	413.0	1,215.9	-	724.9	2,353.8
Israel	8,447.2	REPORTED	1,689.4	569.0	-	-	2,258.4
Ghana	11,089.2	FAO	2,217.8	-	N/A	N/A	2,217.8
Dominican Republic	10,791.1	FAO	2,158.2	-	18.9	-	2,177.1
South Africa	19,907.7	FAO	1,990.8	122.5	-	-	2,113.2
Côte d'Ivoire	10,400.1	FAO	2,080.0	-	-	-	2,080.0
Cambodia	10,090.7	FAO	2,018.1	-	-	-	2,018.1
Malawi	8,899.1	FAO	1,779.8	-	127.2	-	1,907.1
Cameroon	9,473.2	FAO	1,894.6	-	-	-	1,894.6
Nepal	8,982.8	FAO	1,796.6	-	76.9	-	1,873.5
Chinese Taipei	13,728.5	FAO	1,372.9	478.8	-	-	1,851.7
Mali	8,439.6	FAO	1,687.9	-	65.1	-	1,753.0
Tanzania	8,596.4	FAO	1,719.3	-	N/A	N/A	1,719.3
New Zealand	15,235.1	FAO	1,523.5	186.9	-	-	1,710.4
Ecuador	8,435.2	FAO	1,687.0	-	-	-	1,687.0
Kazakhstan	9,634.9	FAO	1,637.9	-	N/A	N/A	1,637.9
Paraguay	7,783.5	FAO	1,556.7	-	3.0	-	1,559.7
Sri Lanka	4,810.7	FAO	962.1	-	427.3	-	1,389.4
Niger	6,486.7	FAO	1,297.3	-	N/A	N/A	1,297.3

MEMBER	AV. VOP[1]	SOURCE	*DE MINIMIS*[2]	FBTAMS[3]	ART.6.2[4]	BLUE BOX[4]	BASELINE
Bolivia, Plurinational State of	6,301.0	FAO	1,260.2	-	-	-	1,260.2
Uruguay	6,203.6	REPORTED	1,240.7	-	1.6	-	1,242.3
Yemen	6,037.8	FAO	1,207.6	-	N/A	N/A	1,207.6
Guatemala	5,874.0	RD/AG/74	1,174.8	-	32.5	-	1,207.3
Tunisia	5,110.6	REPORTED	1,022.1	21.1	79.9	-	1,123.1
Uganda	5,240.0	RD/AG/74	1,048.0	-	-	-	1,048.0
Costa Rica	4,659.3	FAO	931.9	15.9	-	-	947.8
Angola	4,442.9	FAO	888.6	-	N/A	N/A	888.6
Mozambique	4,242.9	FAO	848.6	-	N/A	N/A	848.6
Chad	4,206.7	FAO	841.3	-	0.1	-	841.5
Zambia	3,678.1	FAO	735.6	-	97.2	-	832.8
Madagascar	4,126.4	FAO	825.3	-	5.6	-	830.9
Democratic Republic of the Congo	4,085.0	RD/AG/74	817.0	-	N/A	N/A	817.0
Afghanistan	3,795.0	RD/AG/74	759.0	-	-	-	759.0
Benin	3,548.4	FAO	709.7	-	N/A	N/A	709.7
Lao PDR	3,408.0	REPORTED	681.6	-	1.8	-	683.4
Rwanda	3,365.9	FAO	673.2	-	N/A	N/A	673.2
Cuba	3,334.0	RD/AG/74	666.8	-	-	-	666.8
Congo	3,170.6	FAO	634.1	-	-	-	634.1
Burkina Faso	3,149.5	FAO	629.9	-	-	-	629.9
Honduras	3,125.8	FAO	625.2	-	4.1	-	629.3
Papua New Guinea	2,924.0	RD/AG/74	584.8	34.2	-	-	619.0
Tajikistan	2,020.0	FAO	404.0	183.7	-	-	587.7
Panama	2,590.2	FAO	518.0	-	63.5	-	581.5
Zimbabwe	2,902.4	FAO	580.5	-	N/A	N/A	580.5
Jordan	2,705.6	REPORTED	541.1	1.9	3.6	-	546.6
Senegal	2,246.8	FAO	449.4	-	56.7	-	506.1
Burundi	2,504.2	FAO	500.8	-	-	-	500.8
El Salvador	1,822.7	FAO	364.5	-	62.0	-	426.5
Togo	1,919.0	FAO	383.8	-	8.6	-	392.4
Nicaragua	1,959.7	FAO	391.9	-	-	-	391.9
Sierra Leone	1,752.0	FAO	350.4	-	N/A	N/A	350.4
Albania	3,497.8	REPORTED	349.8	-	-	-	349.8
Jamaica	1,747.2	FAO	349.4	-	-	-	349.4
Guinea	1,560.6	FAO	312.1	-	-	-	312.1
Haiti	1,544.0	RD/AG/74	308.8	-	N/A	N/A	308.8
Mauritius	1,539.5	FAO	307.9	-	0.3	-	308.2
Kyrgyz Republic	2,980.7	REPORTED	298.1	-	-	-	298.1
Guinea-Bissau	1,390.2	FAO	278.0	-	N/A	N/A	278.0
Mongolia	1,141.8	FAO	228.4	-	39.7	-	268.1
Iceland	288.6	FAO	28.9	181.2	-	5.5	215.6
Moldova, Republic of	1,529.4	FAO	152.9	17.8	-	-	170.7
North Macedonia	1,359.8	REPORTED	136.0	18.6	-	-	154.6
Armenia	1,505.2	FAO	150.5	-	-	-	150.5
Central African Republic	741.5	FAO	148.3	-	N/A	N/A	148.3
United Arab Emirates	707.0	RD/AG/74	141.4	-	-	-	141.4
Mauritania	642.0	RD/AG/74	128.4	-	N/A	N/A	128.4
Guyana	525.5	FAO	105.1	-	-	-	105.1
Fiji	466.4	FAO	93.3	-	-	-	93.3
Botswana	52.5	FAO	10.5	-	82.6	-	93.1
Liberia	436.0	RD/AG/74	87.2	-	N/A	N/A	87.2
Georgia	845.5	FAO	84.5	-	-	-	84.5
Namibia	372.9	FAO	74.6	-	7.7	-	82.3
Belize	328.1	FAO	65.6	-	N/A	N/A	65.6
Gabon	323.0	RD/AG/74	64.6	-	-	-	64.6
Eswatini	320.0	RD/AG/74	64.0	-	N/A	N/A	64.0
Oman	276.8	FAO	55.4	-	6.3	-	61.7
Montenegro	580.2	REPORTED	58.0	0.4	-	-	58.4

MEMBER	AV. VOP[1]	SOURCE	*DE MINIMIS*[2]	FBTAMS[3]	ART.6.2[4]	BLUE BOX[4]	BASELINE
Kuwait, the State of	279.6	FAO	55.9	-	N/A	N/A	55.9
Trinidad and Tobago	245.0	FAO	49.0	-	-	-	49.0
Hong Kong, China	235.3	FAO	47.1	-	-	-	47.1
Suriname	218.4	FAO	43.7	-	N/A	N/A	43.7
Grenada	209.3	FAO	41.9	-	N/A	N/A	41.9
The Gambia	207.1	REPORTED	41.4	-	-	-	41.4
Lesotho	159.0	RD/AG/74	31.8	-	8.9	-	40.7
Qatar	189.5	FAO	37.9	-	2.5	-	40.4
Cabo Verde	189.9	FAO	38.0	-	N/A	N/A	38.0
Barbados	146.9	FAO	29.4	-	1.0	-	30.4
Vanuatu	135.1	FAO	27.0	-	-	-	27.0
Brunei Darussalam	133.4	FAO	26.7	-	N/A	N/A	26.7
Samoa	118.6	FAO	23.7	-	-	-	23.7
Solomon Islands	116.0	RD/AG/74	23.2	-	N/A	N/A	23.2
Singapore	93.8	FAO	18.8	-	-	-	18.8
Saint Vincent and the Grenadines	90.5	FAO	18.1	-	-	-	18.1
Saint Lucia	74.5	FAO	14.9	-	N/A	N/A	14.9
Djibouti	73.0	RD/AG/74	14.6	-	N/A	N/A	14.6
Antigua and Barbuda	43.7	FAO	8.7	-	N/A	N/A	8.7
Tonga	35.0	RD/AG/74	7.0	-	-	-	7.0
Dominica	33.0	RD/AG/74	6.6	-	N/A	N/A	6.6
Bahrain, Kingdom of	30.8	FAO	6.2	-	0.1	-	6.2
Seychelles	17.9	FAO	3.6	-	1.6	-	5.2
Saint Kitts and Nevis	11.7	FAO	2.3	-	N/A	N/A	2.3
Maldives	4.6	FAO	0.9	-	N/A	N/A	0.9
Macao, China	2.0	RD/AG/74	-	-	-	-	-

Source: Costa Rica. Based on the following information:

1. Average VoP calculated using reported information as compiled by Canada in JOB/AG/219. When not available, the Value of Production compiled by FAO (October 2022 update) was used. If none of these databases had a reference value, calculations in RD/AG/74 were used. In those cases where RD/AG/74 was used, the estimated VoP will only reflect data for 2016.

2. *De Minimis* calculations are based on Members' entitlements in accordance with Article 6.4 of the AoA and any relevant Protocol of Accession. *De minimis* estimates reflected in this table are without prejudice to the position of Costa Rica on the calculation that any Member may establish for its own *de minimis* and should be used only as a reference.

3. FBTAMS entitlements in accordance with JOB/AG/219 as of September 2021.

4. Article 6.2 and Article 6.5 expenditure calculated in accordance with JOB/AG/199 and as reflected in JOB/AG/219. The highest value of the last three years notified was chosen when available.