

**Committee on Agriculture
Special Session
Sub-Committee on Cotton****COTTON****BACKGROUND PAPER BY THE SECRETARIAT¹***Addendum*

This addendum refers to and must be read in conjunction with document TN/AG/GEN/34/Rev.17 - TN/AG/SCC/GEN/13/Rev.17. It showcases in particular: Members' replies to the questionnaire on new or updated cotton-related policy developments (Annex 4); and information on cotton markets and policies from the trade policy review mechanism (Annex 5).

The main updates captured in this revised version compared to the previous one² are as follows:

In Annex 4, inclusion of the following replies to the Secretariat questionnaire circulated on 31 August 2022: **Australia; Brazil; Cambodia; Costa Rica; European Union; Hong Kong, China; Macao, China; New Zealand; Pakistan; Thailand; and United States.**

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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. It has been prepared for information only and is not intended to provide any authoritative or official legal interpretation of the provisions of the WTO Agreements in general or in relation to any measure listed in this document.

² TN/AG/GEN/34/Rev.14/Add.1 - TN/AG/SCC/GEN/13/Rev.14/Add.1.

ANNEX 1**NOTES ON TARIFF RATE QUOTA COMMITMENTS FROM CHINA'S SCHEDULE**

1. Tariff quotas indicated in the third column are volumes for calendar year 2001. Tariff quota concessions will be implemented according to the date specified in the "implementation" column. The implementation column indicates the date (referring to 1 January of the year indicated) when the final quota quantity will be achieved. The tariff quota concessions are subject to equal annual adjustments (occurring on 1 January of each year), unless otherwise specified in the last column ("Other terms and conditions").

2. The People's Republic of China (hereinafter referred to as "China") shall maintain its in-quota applied and bound rates (and, upon removal of the tariff-quota, its applied and bound rates) for HS 1514 (rape or colza (canola) oil and its fractions, whether or not refined, but not chemically modified) at a level equal to that for HS 1507 (soya-bean oil and its fractions, whether or not refined, but not chemically modified) and for HS 1205 (rape or colza (canola) seeds, whether or not broken).

3. The growth rate for the TRQ volume for canola (rapeseed) oil shall be no less than the growth rate for the TRQ volume for soybean oil.

4. An entity granted a tariff quota allocation (quota-holder) may engage in importation through state-trading enterprises and/or through entities possessing the right to trade other than state-trading enterprises, including direct importation by the quota holder, as indicated on documentation issued with the allocation or reallocation of the tariff quota quantities.

5. Application: All applications for an allocation of the tariff-quota will be submitted to the State Development and Planning Commission (SDPC). Specific conditions for applying for a tariff-quota allocation will be published in the official journal one month in advance of the application period, which will be from 15 October to 30 October.

6. Allocation:

- a. The entire tariff-quota quantity established in Section I-B shall be allocated to end users by 1 January each year. Inquiries regarding tariff-quota allocations can be made to the SDPC, with responses provided within 10 working days. Any additional requirement for importation will be automatic under the terms of the Agreement on Import Licensing Procedures. China shall equitably distribute allocations within each portion of the tariff-quota to ensure complete tariff-quota utilization and to establish a tariff-quota system that is open, transparent, fair, responsive to market conditions, timely, minimally burdensome to trade and reflects end user preferences.
- b. In the first year, allocations to end users by the SDPC of the tariff-quota reserved for importation through state-trading enterprises shall be based on a first-come, first-served system or the requests of the applicants and their historical import performance, production capacity, or other relevant commercial criteria, subject to specific conditions to be published one month in advance of the opening of the application period so as to ensure an equitable distribution and complete tariff-quota utilization. In the first year, no less than 10% of the tariff-quota reserved for importation through state-trading enterprises will be allocated to new quota-holders.
- c. In the first year, allocations to end users by the SDPC of the tariff-quota reserved for importation through entities other than state-trading enterprises shall be based on a first-come, first-served system or the requests of the applicants and their historical import performance, production capacity, or other relevant commercial criteria. No less than 10% of the tariff-quota reserved for importation through entities other than state-trading enterprises will be allocated to new quota-holders. This tariff-quota will be limited to entities that do not receive any special or exclusive rights or privileges, and will include allocations to joint ventures, wholly foreign-funded enterprises, and private enterprises.

- d. Except in cases where tariff-quota is allocated on a first-come, first-served basis, and in accordance with China's Schedule of Concessions and Commitments on Goods, a quota-holder that has imported under a tariff-quota shall, upon application, receive an allocation of the tariff-quota in the following year for a quantity no less than the quantity imported the previous year. For all methods of allocation, a quota-holder that does not import its full allocation under a tariff-quota will receive a proportional reduction in the tariff-quota allocation in the subsequent year unless the quantity is returned to the SDPC prior to 15 September. A quota holder that has failed to import its full allocation in two consecutive years and has returned that unused portion by 15 September shall have its quota allocated in the following year on the basis of its fill rate in the most recent year, and will not benefit from any additional reallocations until and unless there are no other applications. The means of calculating the penalty will be included in the TRQ regulation in force and publicly available, and will be applied in a consistent and equitable manner.
 - e. Allocations will be established for commercially viable shipping quantities and provisions will be made for partial shipments against a single tariff-quota allocation. All commercial terms of trade, including product specification, pricing, packaging, etc., will be at the sole determination of the importer and the exporter taking into full account the demands of the end user. Tariff-quota allocations will be valid for any item or mixture of items subject to the same tariff-quota.
 - f. Inquiries on the entities which received the allocation can be made to the SDPC which shall provide the information within 10 days.
7. Term: The tariff-quota for each product will be opened on 1 January each year, unless otherwise specified in the Schedule. Tariff-quota allocations will be valid for the calendar year.
8. Reallocation:
- a. In any year, if a quota-holder has not contracted for the total quantity by 15 September, it shall return the unused portion of the tariff-quota quantity to the SDPC for reallocation.
 - b. Applications for reallocation of the tariff-quota will be accepted by the SDPC from 1 September to 15 September and new allocations shall be assigned by 1 October. Specific conditions for applying for reallocation of tariff quotas will be published in the official journal one month in advance of the application period. Such allocations, which shall be to new applicants and to entities other than those returning quotas under sub-paragraph 8.a. above, will be assigned on a first-come, first-served basis. Quota-holders allocated a share of the tariff-quota reserved for importation through entities other than state-trading enterprises may import through any entity that has a right to trade in any product as specified in Section 5 of China's Protocol of Accession.
 - c. Inquiries on the entities which received the reallocations can be made to the SDPC which will provide the information within 10 days.
 - d. In situations where goods have been shipped from their port of origin before 31 December of any year, but are entered after 31 December of that year, China shall extend the validity of the tariff quota documents and shall count such shipments against the tariff quota allocation for the year in which the tariff quota was initially allocated.
9. Consultations: With a view to maintaining a transparent and open tariff quota system, upon request from any WTO Member, China shall consult with the Member on the administration of the tariff quota to ensure that the tariff quota will be allocated in a transparent, equitable and non-discriminatory manner and that the tariff quota will be fully utilized.

Notes:

1. The share of the tariff-quota reserved for importation through state-trading enterprises is specified in column 7 of Section I-B. The remainder of the tariff-quota quantity is reserved for importation through any non-state trading enterprise possessing the right to trade in any product as set forth in Section 5 of China's Protocol of Accession.

In any year, if the quantity of the tariff-quota reserved for importation through state-trading enterprises has not been contracted for by 15 August, quota-holders will have the right to trade or to import through any entity with the right to trade any product under Section 5 of China's Protocol of Accession.

2. China shall ensure that the applied duty for soybean oil, rapeseed oil, palm oil, peanut oil, cottonseed oil, sunflower seed oil, and corn oil is no greater than the applied duty for any one of these oils or for any other vegetable oil. Of the vegetable oils subject to tariff quota (i.e., soybean oil, rapeseed oil, and palm oil), if the tariff-quota for any one oil is autonomously increased, the tariff-quotas for the other two will be increased commensurately. Beginning 1 January 2006, China will remove soybean oil, rapeseed oil and palm oil from Annex 2A of the Protocol of Accession and will grant the right to trade such oils to all individuals and enterprises.
 3. All quota holders, that have already fully used or contracted their tariff-quota allocations in any year by 15 September shall also be eligible for reallocation of tariff-quota from other quota holders that have returned their allocations.
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ANNEX 2**CHAPTER NOTES CONCERNING TRQ COMMITMENTS FOR COTTON FROM THE US SCHEDULE****"CHAPTER 52****COTTON**

Additional US Notes 1/

1. Under regulations prescribed by the Secretary of the Treasury, the staple length of cotton shall be determined for all customs purposes by application of the Official Cotton Standards of the United States for length of staple, as established by the Secretary of Agriculture and in effect when the determination is to be made.

5. There shall be permitted entry an aggregate quantity of cotton, entered under the provisions of additional US notes 6 through 11, inclusive, to this chapter, of not less than the total quantity specified below.

	Quantity (metric tonnes)
1995	41,926.8
1996	48,850.4
1997	55,773.9
1998	62,697.5
1999	69,621.0
2000 and thereafter	76,544.6

An additional aggregate quantity of 10,000 metric tonnes is reserved for Mexico under this note.

The quantitative limitations established by this note may be administered through regulations (including licences) issued by the Secretary of Agriculture.

1/ Note 1 and additional US notes 2, 3 and 4 to this chapter are omitted from this section and are in section II of this schedule. Additional US notes 5 through 11, inclusive, to this chapter are not in the Harmonized Tariff Schedule of the United States.

6. There shall be permitted entry an aggregate quantity of cotton, not carded or combed, having a staple length under 28.575 mm (1-1/8 inches) (except harsh or rough cotton, having a staple length under 19.05 mm (3/4 inch)), entered under subheading 5201.00.14 during the 12-month period beginning September 20 in any year, of not less than the total quantity specified below.

	Quantity (metric tonnes)
1995	8,495.05*
1996	10,837.45*
1997	13,179.85*
1998	15,522.25*
1999	17,864.65*
2000 and thereafter	20,207.05*

* Of the quantitative limitation provided for in this note, access levels are reserved as follows for entry under the provisions of this note:

	Quantity (kg)		Quantity (kg)
Egypt & Sudan (aggregate)	355,532	Honduras	341
Peru	112,469	Paraguay	395
India & Pakistan (aggregate)	908,764	Colombia	56
China	621,780	Iraq	88
Brazil	280,648	British East Africa	1,016
Union of Soviet Socialist Republics	215,512	Indonesia & Netherlands New Guinea (aggregate)	32,381
Argentina	2,360	British West Indies (except Barbados, Bermuda, Jamaica, or Trinidad and Tobago)	9,671
Haiti	107	Nigeria	2,438
Ecuador	4,233	British West Africa (except Nigeria and Ghana)	7,259

The quantitative limitations established by this note may be administered through regulations (including licences and reallocation of unfilled quotas) issued by the Secretary of Agriculture.

7. There shall be permitted entry an aggregate quantity of harsh or rough cotton, not carded or combed, having a staple length of 29.36875 mm (1-5/32 inches) or more but under 34.925 mm (1-3/8 inches) and white in colour (except cotton of perished staple, grabbots and cotton pickings), entered under subheading 5201.00.24 during the 12-month period beginning 1 August in any year, of not less than the total quantity specified below.

	Quantity (metric tonnes)
1995	900.0
1996	1,000.0
1997	1,100.0
1998	1,200.0
1999	1,300.0
2000 and thereafter	1,400.0

The quantitative limitations established by this note may be administered through regulations (including licences) issued by the Secretary of Agriculture.

8. There shall be permitted entry an aggregate quantity of cotton, not carded or combed, having a staple length of 28.575 mm (1-1/8 inches) or more but under 34.925 mm (1-3/8 inches) (except harsh or rough cotton, not carded or combed, having a staple length of 29.36875 mm (1-5/32 inches) or more and white in colour) but including cotton of perished staple, grabbots and cotton pickings, entered under subheading 5201.00.34 during the 12-month period beginning 1 August in any year, of not less than the total quantity specified below.

	Quantity (metric tonnes)
1995	5,200.0
1996	6,460.0
1997	7,720.0
1998	8,980.0
1999	10,240.0
2000 and thereafter	11,500.0

The quantitative limitations established by this note may be administered through regulations (including licences) issued by the Secretary of Agriculture.

9. There shall be permitted entry an aggregate quantity of cotton, not carded or combed, having a staple length of 34.925 mm (1-3/8 inches) or more, entered under subheading 5201.00.60 during the 12-month period beginning August 1 in any year, of not less than the total quantity specified below.

	Quantity (metric tonnes)
1995	25,500.0
1996	28,420.0
1997	31,340.0
1998	34,260.0
1999	37,180.0
2000 and thereafter	40,100.0

The quantitative limitations established by this note may be administered through regulations (including licences) issued by the Secretary of Agriculture.

10. There shall be permitted entry an aggregate quantity of card strips made from cotton having a staple length under 30.1625 mm (1-3/16 inches), and lap waste, sliver waste and roving waste of cotton, all the foregoing the product of any country or are including the United States, entered under subheading 5202.99.10 during the 12-month period beginning 20 September in any year, of not less than the total quantity specified below.

	Quantity (kg)
1995	1,835,427*
1996	2,135,427*
1997	2,435,427*
1998	2,735,427*
1999	3,035,427*
2000 and thereafter	3,335,427*

* Of the quantitative limitation provided for in this note, access levels are reserved as follows for entry under the provisions of this note:

	Quantity (kg)		Quantity (kg)
United Kingdom	653,695	Japan	154,917
Canada	108,721	China	7,857
France	34,385	Egypt	3,689
India & Pakistan (aggregate)	31,582	Cuba	2,968
Netherlands	10,317	Germany	11,540
Switzerland	6,711	Italy	3,215
Belgium	5,830		

The quantitative limitations established by this note may be administered through regulations (including licences and reallocation of unfilled quotas) issued by the Secretary of Agriculture.

11. There shall be permitted entry an aggregate quantity of fibres of cotton processed but not spun, entered under subheading 5203.00.10 during the 12-month period beginning 11 September in any year, of not less than the total quantity specified below.

	Quantity (kg)
1995	1,000
1996	1,300
1997	1,600
1998	1,900
1999	2,200
2000 and thereafter	2,500

The quantitative limitations established by this note may be administered through regulations (including licences) issued by the Secretary of Agriculture."

ANNEX 3**EXCERPT FROM ANNEX 1 TO G/AG/N/USA/2/ADD.3 AND G/AG/N/USA/34/ADD.1
NOTES FROM THE HARMONIZED TARIFF SYSTEM OF THE UNITED STATES****"36/ Short staple cotton**

from Additional US Note 5 to Chapter 52 of the HTSUS:

5. The aggregate quantity of cotton, not carded or combed, the product of any country or area including the United States, having a staple length under 28.575 mm (1-1/8 inches) (except harsh or rough cotton, having a staple length under 19.05 mm (3/4 inch)), entered under subheading 5201.00.14 during the 12-month periods from 20 September 1999, through 19 September 2000, inclusive, shall not exceed 17,864.65 metric tonnes or from 20 September 2000, through 19 September 2001, inclusive, shall not exceed 20,207.05 metric tonnes (articles the product of Mexico shall not be permitted or included in the aforementioned quantitative limitation and no such articles shall be classifiable therein).

Of the quantitative limitations provided for in this note, the countries listed below shall have access to not less than the quantities specified below:

	Quantity (kg)
Argentina	2,360
Brazil	280,648
British East Africa	1,016
British West Africa (except Nigeria and Ghana)	7,259
British West Indies (except Barbados, Bermuda, Jamaica, Trinidad, Tobago)	9,671
China	621,780
Colombia	56
Ecuador	4,233
Egypt & Sudan (aggregate)	355,532
Haiti	107
Honduras	341
India & Pakistan (aggregate)	908,764
Indonesia & Netherlands New Guinea (aggregate)	32,381
Iraq	88
Nigeria	2,438
Paraguay	395
Peru	112,469
Armenia; Azerbaijan; Belarus; Estonia; Georgia; Kazakhstan; Kyrgyzstan; Latvia; Lithuania; Moldova, Republic of; Russian Federation; Tajikistan; Turkmenistan; Ukraine and Uzbekistan (aggregate)	215,512

Other than as provided for in the country allocations above, articles the product of countries or areas who are not members of the World Trade Organization shall not be permitted or included in the quantitative limitations set forth in this note.

37/ Harsh or rough cotton

from Additional US Note 6 to Chapter 52 of the HTSUS:

6. The aggregate quantity of harsh or rough cotton, not carded or combed, the product of any country or area including the United States, having a staple length of 29.36875 mm (1-5/32 inches) or more but under 34.925 mm (1-3/8 inches) and white in colour (except cotton of perished staple, grabbotts and cotton pickings), entered under subheading 5201.00.24 during the 12-month periods from 1 August 1999, through 31 July 2000, inclusive, shall not exceed 1,300.0 metric tonnes or from 1 August 2000, through 31 July 2001, inclusive, shall not exceed 1,400.0 metric tonnes (articles the product of Mexico shall not be permitted or included in the aforementioned quantitative limitation and no such articles shall be classifiable therein).

Articles the product of countries or areas who are not members of the World Trade Organization shall not be permitted or included in the quantitative limitations set forth in this note.

38/ Medium staple cotton

from Additional US Note 7 to Chapter 52 of the HTSUS:

7. The aggregate quantity of cotton, not carded or combed, the product of any country or area including the United States, having a staple length of 28.575 mm (1-1/8 inches) or more but under 34.925 mm (1-3/8 inches) (except harsh or rough cotton, not carded or combed, having a staple length of 29.36875 mm (1-5/32 inches) or more and white in colour) but including cotton of perished staple, grabbotts and cotton pickings, entered under subheading 5201.00.34 during the 12-month periods from 1 August 1999, through 31 July 2000, inclusive, shall not exceed 10,240.0 metric tonnes or from 1 August 2000, through 31 July 2001, inclusive, shall not exceed 11,500.0 metric tonnes (articles the product of Mexico shall not be permitted or included in the aforementioned quantitative limitation and no such articles shall be classifiable therein).

Articles the product of countries or areas who are not members of the World Trade Organization shall not be permitted or included in the quantitative limitations set forth in this note.

39/ Long staple cotton

from Additional US Note 8 to Chapter 52:

8. The aggregate quantity of cotton, not carded or combed, the product of any country or area including the United States, having a staple length of 34.925 mm (1-3/8 inches) or more, entered under subheading 5201.00.60 during the 12-month periods from 1 August 1999, through 31 July 2000, inclusive, shall not exceed 37,180.0 metric tonnes or from 1 August 2000, through 31 July 2001, inclusive, shall not exceed 40,100.0 metric tonnes (articles the product of Mexico shall not be permitted or included in the aforementioned quantitative limitation and no such articles shall be classifiable therein).

Articles the product of countries or areas who are not members of the World Trade Organization shall not be permitted or included in the quantitative limitations set forth in this note.

40/ Cotton waste

from Additional US Note 9 to Chapter 52 of the HTSUS:

9. The aggregate quantity of card strips made from cotton having a staple length under 30.1625 mm (1-3/16 inches), and lap waste, sliver waste and roving waste of cotton, all the foregoing the product of any country or area including the United States, entered under subheading 5202.99.10 during the 12-month periods from 20 September 1999, through 19 September 2000, inclusive, shall not exceed 3,035,427 kilograms or from 20 September 2000, through 19 September 2001, inclusive, shall not exceed 3,335,427 kilograms (articles the product of Mexico shall not be permitted or included in the aforementioned quantitative limitation and no such articles shall be classifiable therein).

Of the quantitative limitations provided for in this note, the countries listed below shall have access to not less than the quantities specified below:

	Quantity (kg)
Belgium	5,830
Canada	108,721
China	7,857
Cuba	2,968
Egypt	3,689
France	34,385
Germany	11,540
Italy	3,215
India & Pakistan (aggregate)	31,582
Japan	154,917
Netherlands	10,317
Switzerland	6,711
United Kingdom	653,695

Other than as provided for in the country allocations above, articles the product of countries or areas who are not members of the World Trade Organization shall not be permitted or included in the quantitative limitations set forth in this note.

41/ Cotton processed but not spun

from Additional US Note 10 to Chapter 52 of the HTSUS:

10. The aggregate quantity of fibres of cotton processed but not spun, entered under subheading 5203.00.10 during the 12-month periods from 11 September 1999, through 10 September 2000, inclusive, shall not exceed 2,200 kilograms or from 11 September 2000, through 10 September 2001, inclusive, shall not exceed 2,500 kilograms (articles the product of Mexico shall not be permitted or included in the aforementioned quantitative limitation and no such articles shall be classifiable therein).

Articles the product of countries or areas who are not members of the World Trade Organization shall not be permitted or included in the quantitative limitations set forth in this note."

ANNEX 4

MEMBERS' REPLIES TO THE QUESTIONNAIRE ON NEW OR UPDATED
COTTON-RELATED POLICY DEVELOPMENTS

1. Since the second dedicated discussion of the relevant trade-related developments for cotton of 28 November 2014, Members agreed that, in order to complement the revised background paper to be prepared by the WTO Secretariat and in advance of each dedicated discussion, a questionnaire would be sent to Members to seek updates, on a voluntary basis, on their recent cotton-related policy developments across the three pillars of Market Access, Domestic Support and Export Competition.¹ Members were also invited to provide an assessment of the impact (or anticipated impact), if available, of those new or updated policy developments.

2. Sixteen questionnaires were circulated on 4 February and 17 September 2015, 22 February² and 13 September 2016, 28 March and 10 October 2017, 24 January and 14 September 2018, 11 February and 10 September 2019, 22 January and 21 September 2020, 1 February and 3 September 2021, 2 March 2022 and 31 August 2022 respectively. The following table lists Members who have replied to those questionnaires. The replying Members who are among the 33 Members identified in paragraphs 12 and 13 of this paper as markets of interest to LDCs are identified in bold:

Members who replied to the previous questionnaires circulated on 4 February 2015, 17 September 2015, 22 February 2016, 13 September 2016, 28 March 2017, 10 October 2017, 24 January 2018, 11 February 2019, 10 September 2019, 22 January 2020, 21 September 2020, 1 February 2021, 3 September 2021 and 2 March 2022	Members who replied to the questionnaire circulated on 31 August 2022
Argentina; Australia ; Benin; Brazil ; Burkina Faso; Burundi; Chad; China ; Colombia ; Costa Rica; Egypt ; Ecuador; El Salvador; European Union ; Hong Kong, China ; Japan ; Israel; Macao, China; Mali; Mauritius ; Montenegro; Morocco ; Mozambique; New Zealand ; Pakistan ; Peru ; Russian Federation ; South Africa ; Switzerland ; Chinese Taipei ; Togo; Türkiye ; Ukraine; United States and Uruguay	Australia ; Brazil ; Cambodia; Costa Rica; European Union ; Hongkong, China ; Macao, China; New Zealand ; Pakistan ; Thailand ; and United States

3. Some Members provided a "nil" reply, i.e. they did not report any new or updated policy development across the three pillars of Market Access, Domestic Support and Export Competition. These Members are listed in the table below.

Members with a nil reply to the previous questionnaires circulated on 4 February 2015, 17 September 2015, 22 February 2016, 13 September 2016, 28 March 2017, 10 October 2017, 24 January 2018, 14 September 2018, 11 February 2019, 10 September 2019, 22 January 2020, 21 September 2020, 1 February 2021, 3 September 2021 and 2 March 2022	Members with a nil reply to the questionnaire circulated on 31 August 2022
Australia; Brazil; Ecuador; European Union; Costa Rica; El Salvador; Hong Kong, China; Japan; Macao, China; Mauritius; Montenegro; New Zealand; Pakistan; Peru; Chinese Taipei; Russian Federation; South Africa; Switzerland; Uganda; Uruguay and the United States	Australia; Brazil; Cambodia; Costa Rica; European Union; Hongkong, China; Macao, China; New Zealand; Pakistan; Thailand; and United States

4. Non-nil replies are reproduced below. In cases where a Member has replied to more than one questionnaire, only the response to the latest questionnaire is listed. Responses to earlier questionnaires can be found in previous versions of the Secretariat's background paper.

¹ Paragraph 12 of the Chairperson report on the second dedicated discussion of the relevant trade-related developments for cotton (TN/AG/29 - TN/AG/SCC/3).

² The French and Spanish versions of the questionnaire were circulated on 8 March 2016.

Reply from Argentina to the questionnaire circulated on 2 March 2022 (original reply in Spanish)

Input prepared by the Under-Secretariat for the Development of Regional Economies of the Ministry of Agriculture, Livestock and Fisheries of Argentina on new or updated cotton-related policy developments:

- Regarding domestic support, the Cotton Production Income Compensation Fund (Law No. 26.060 and amendments) continues to be implemented at the national level. This fund has been in operation for many years and is distributed among the cotton-growing provinces, which first submit Annual Operational Programmes defining the specific uses.
- This aid can be used for research (agreements with the National Agricultural Technology Institute (INTA) or other entities), or for monitoring and prevention of pests, such as the boll weevil, in conjunction with the National Agriculture and Food Quality and Health Service (SENASA). Any direct assistance provided to producers (seed, fuel, and other inputs), is always aimed at small and medium-sized producers.
- Regarding export competition, cotton exporters did not receive any State subsidies and there are no State-owned companies engaged in exporting the product concerned.

Reply from the European Union to the questionnaire circulated on 2 March 2022

In reply to the questionnaire of the WTO Secretariat dated 3 March 2022 on new or updated cotton-related policy developments in advance of the 17th Dedicated Discussion on cotton, below is the update of the data on direct payments expenditures for cotton, granted in accordance with Article 6.5 of the Agreement on Agriculture. No other cotton-related policy developments occurred in the EU during the reporting period.

(Million EUR in a marketing year)

Description of Measure	2012 /13	2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21
Payments based on fixed area and yields: Cotton (Title IV, Chapter 1, Section 6 of Regulation (EC) No 73/2009; from 2015, Title IV, Chapter 2 of Regulation (EU) No 1307/2013)	242.3	231.8	244.0	243.9	233.8	243.7	244,9	245.0	240.8

Reply from Mozambique to the questionnaire circulated on 2 March 2022

In Mozambique, cotton production is oriented by a regulation. The current cotton cultivation Regulation is being used from 2015 (Decree 37/2015 of 31 December). This Regulation drives the performance of the cotton actors' sector, in the component of production, market, processing and export.

In this year (2022), we are proceeding with identification of gaps in the current cotton cultivation Regulation and are about to begin the process of assessing the impact of the Regulation on the value chain actors, to identify gaps and probable requirements for adjustments to the current context. Depending on the results, it will be decided whether or not the review will take place. If decided to do the Regulation revision, it is expected to be in 2023.

Reply from Togo to the questionnaire circulated on 2 March 2022 (original reply in French)

Area of information	Elements of proposed responses
Market Access	Togo's cotton is sold by tender to traders on futures markets. This practice creates an intermediary between producers and spinners. Moreover, traders can speculate on the fluctuation of world prices.
Domestic Support	The cotton sector does not receive subsidies.
Export Competition	<p>Export competition is mainly linked to subsidies that some countries give their cotton producers, allowing them to endure the market price even if it is very low. This practice creates market distortion.</p> <p>With regard to the products' geolocation, Togolese cotton is primarily in competition with products from India, insofar as Asia is the main market for domestic production. India has a significant advantage in terms of distance for transactions.</p> <p>The Togolese cotton sector does not receive export support.</p>

Reply from Ukraine to the questionnaire circulated on 2 March 2022

With regard to the Nairobi Ministerial Decision on Cotton (document WT/MIN(15)/46, WT/L/981 as of 21 December 2015) Ukraine would like to provide the following.

**Information on Cotton
(April – September 2021)**

1. Market access

In October 2021, there were no changes in cotton policy in terms of market access.

UKTZED (Ukrainian Foreign Economic Activity Commodity Classification, based on Harmonized System 2017)	Description	April – September 2021	
		Bound import duty rate within the MFN	Applied import duty rate within the MFN
5201 00	Cotton, not carded or combed		
5201 00 10 00	- Rendered absorbent or bleached	0	0
5201 00 90 00	- Other	0	0
5202	Cotton waste (including yarn waste and garnetted stocks)		
5202 10 00 00	- Yarn waste (including thread waste)	1	1
	- Other		
5202 91 00 00	-- Garnetted stock	0	0
5202 99 00 00	-- Other	1	1
5203 00 00 00	Cotton, carded or combed	5	5

2. Domestic support

In October 2021 – March 2022, no state support for cotton was provided.

3. Export competition

According to Ukraine's WTO obligations, no export subsidies for agricultural products, including cotton, were provided.

In respect to cotton no Export Credit, Export Credit Guarantees or Insurance Programs (Export financing) and Food aid were granted, as well as no Agriculture Exporting State Trading Enterprises were functioning or established.

Reply from the United States to the questionnaire circulated on 3 September 2021

Market Access:

There are no new or updated cotton-related policy developments.

Domestic Support:

There are no new or updated cotton-specific programs to report. We do not anticipate any market impact from the changes covered below.

Pandemic Assistance for Cotton Users (PACU) Program

In April, the United States Department of Agriculture (USDA) announced a one-time payment to domestic users of upland and extra-long staple cotton under the PACU program. Under this program, domestic users received USD 0.06 per pound to domestic users based on a 3-year monthly average consumption during 2017 through 2019, covering 10 months in 2020 (1 March 2020 to 31 December 2020). The program and payment formula were established by the Consolidated Appropriations Act, 2021.

Export Competition:

There are no new or updated cotton-related policy developments.

Reply from Colombia to the questionnaire circulated on 1 February 2021

The WTO questionnaire requests information on any new or updated cotton-related policy developments.

MARKET ACCESS

Colombia did not apply any such measures during the years 2019 and 2020.

DOMESTIC SUPPORT 2019

Cotton marketing support. Pursuant to Resolution No. 300 of 16 September 2019, the Colombian Government established support for cotton fibre marketing to producers of the 2019 interior harvest in the departments of Tolima, Huila, Cundinamarca and Valle del Cauca.

The support was based on the international price (ICE-NY contract) in US cents per pound, multiplied by the exchange rate and the conversion factor of 22.046 from US cents per pound to US dollars per tonne. In August 2019, the price closed at USD 4,422,709, compared with USD 5,609,221 for the same month of the previous year, resulting in a decrease of 21%. Consequently, the projected net income for cotton farmers in the interior of the country does not cover the production costs.

For 2020, the Ministry of Agriculture and Rural Development did not allocate any budget for the provision of such support.

DOMESTIC SUPPORT 2020

Support for cotton planting with resources from the Emergency Mitigation Fund (FOME). Pursuant to Resolution No. 223 of 15 September 2020, the cotton growers' union (Conalgodón) helped to develop the Cotton Support Programme 2020, addressing cotton planting by small and medium-sized producers in the Costa Llanos area of the departments of Córdoba, Cesar, Sucre, Bolívar, Magdalena, Antioquia, Vichada and Guajira, in order to mitigate the adverse effects of COVID-19, allocating USD 2,152,500,000.

Support for marketing using FOME resources. Pursuant to Resolution No. 224 of 15 September 2020, the cotton growers' union (Conalgodón) helped to develop support for the marketing of cotton fibre by small and medium-sized producers in the departments of Tolima, Huila, Cundinamarca and Valle del Cauca, in order to mitigate the adverse effects of COVID-19, allocating USD 799,500,000.

EXPORT COMPETITION

Colombia did not apply any export competition measures during the years 2019 and 2020.

Reply from Israel to the questionnaire circulated on 1 February 2021

Market Access

No changes in tariffs related to cotton were made during 2020.

Domestic Support

Israel's budgetary outlay for cotton in both thousand USD and thousand tonnes for 2020 was zero. Market price support, non-exempt direct payments, other product-specific support, product-specific EMS and product-specific AMS for cotton during 2020 were also zero.

Export Competition

Export subsidies for cotton were zero in 2020.

Reply from the Russian Federation to the questionnaire circulated on 1 February 2021**Market Access**

The Russian Federation's exports and imports of cotton, not carded or combed (thousand US dollars).

	2020
Export	
Armenia	10.6
Belarus	843.3
European Union	531.0
Türkiye	2.3
Ukraine	89.4
Total	1,476.6
Import	
Kazakhstan	7,525.9
Kyrgyz Republic	8,549.7
Tajikistan	18,607.9
Türkiye	122.6
Uzbekistan	1,111.8
Total	35,917.9

Domestic Support

Information to be provided upon the relevant DS:1 notification.

Export Competition

No specific measures for cotton are applied in the context of export competition.

Reply from South Africa to the questionnaire circulated on 1 February 2021

General

The area under cotton in South Africa declined from a record of 182 000 ha* in the late 1980s to a low of just 5 000 ha in the 2009/10 season. Since then, the area under cotton has increased to approximately 37 000 ha in the 2017/18 season. Various reasons are mentioned for this decline in the area dedicated for cotton production, amongst them, is the dramatic rise in trade distorting support for cotton producers, mainly in developed countries. Cotton is of special importance to smallholder producers in South Africa, many of which are women.

South Africa is a net exporter of cotton and developments on the world market have a direct impact on South African producers of cotton.

COVID-19

Cotton did not escape the COVID-19 pandemic with exports being severely affected by the closure of borders and harbours. Local consumption also declined as a result of the country wide lockdown. No government support was made available to cotton producers as a result of the pandemic.

Market Access

The major change in the market access environment for South Africa during 2021 will be the implementation of the African Continental Free Trade Agreement (AfCFTA). This agreement will be implemented in phases starting from 2021. For cotton, this will result in the tariff being phased down to zero over a period of five years for some member states/Customs Unions and 10 years for others. See the table below for the applicable tariffs on cotton.

Currently, the import duty for cotton is already at zero for cotton originating in the member states that are party to the SADC FTA and the EU. It is at this stage difficult to estimate whether the AfCFTA will result in a substantial increase in cotton imports from African origin. Currently, a large portion of South African cotton imports originates from LDCs and developing countries in the Southern African region.

The table below reflects the current applied import duty for cotton in South Africa.

HS Code	Description	Statistical Unit	General	EU	EFTA	SADC	MERCOSUR	AfCFTA
5201.00	Cotton, not carded or combed							
52010010	Not ginned	kg	0%	0%	0%	0%	0%	0%
52010020	Ginned but not further processed	kg	160c/kg	0%	160c/kg	0%	160c/kg	128c/kg
52010090	Other	kg	15%	0%	15%	0%	15%	12%
5202	Cotton waste (including yarn waste and garnetted stock)							
52021000	Yarn waste (including thread waste)	kg	0%	0%	0%	0%	0%	0%
52029100	Garnetted stock	kg	0%	0%	0%	0%	0%	0%
52029900	Other	kg	0%	0%	0%	0%	0%	0%
52030000	Cotton, carded or combed	kg	15%	0%	15%	0%	15%	12%

* Source: Abstract of Agricultural Statistics, 2019.

A table depicting South African trade in cotton is below.

Exports

South Africa Export Statistics

Product	South Africa Rand				
	2015	2016	2017	2018	2019
52010010 - Not ginned	75,037	904,031	1,124,261	67,757	131,555,181
52010020 - Ginned but not further processed	44,112,444	105,051,166	83,219,511	363,185,846	125,135,738
52010090 - Other	13,655,616	13,006,808	37,116,511	2,240,187	91,222,910
5202 - Cotton waste (including yarn waste and garnetted stock)	3,043,160	2,320,195	3,003,970	754,859	1,185,837
5203 - Cotton, carded or combed	8,023,156	4,402,206	17,000,899	43,518,984	40,534,261
Total	68,909,413	125,684,406	141,465,152	409,767,633	389,633,927

Product	Quantity: Ton				
	2015	2016	2017	2018	2019
52010010 - Not ginned	1	77	58		6,594
52010020 - Ginned but not further processed	2,514	5,216	3,838	6,371	6,072
52010090 - Other	673	569	1,541	65	3,558
5202 - Cotton waste (including yarn waste and garnetted stock)	212	218	245	86	76
5203 - Cotton, carded or combed	226	118	540	1,152	977

Source: South African Revenue Service, © 2021 IHS Markit, created on Tuesday 2 February 2021, 7:00 AM EST (12:00 GMT).

Imports

South Africa Import Statistics

Product	South Africa Rand				
	2015	2016	2017	2018	2019
52010010 - Not ginned	542,984	1,400,392	5,862,290	11,723,995	184,295
52010020 - Ginned but not further processed	319,199,545	308,967,656	355,769,880	329,588,004	312,614,895
52010090 - Other	39,097,682	31,140,028	116,353,557	15,628,813	18,680,060
5202 - Cotton waste (including yarn waste and garnetted stock)	20,130,245	39,178,752	22,841,932	14,576,783	10,466,619
5203 - Cotton, carded or combed	30,867,959	27,032,957	30,962,830	5,658,473	42,203,362
Total	409,838,415	407,719,785	531,790,489	377,176,068	384,149,231

Product	Quantity: Ton				
	2015	2016	2017	2018	2019
52010010 - Not ginned; not ginned	32	50	163	517	22
52010020 - Ginned but not further processed	17,431	14,065	14,755	12,955	13,195
52010090 - Other; Other	2,343	1,562	5,336	610	683
5202 - Cotton waste (including yarn waste and garnetted stock)	1,230	2,238	1,448	842	761
5203 - Cotton, carded or combed	752	634	797	259	961

Source: South African Revenue Service, © 2021 IHS Markit, created on Tuesday 2 February 2021, 7:00 AM EST (12:00 GMT).

Domestic Support

There has been no change in the policy environment in relation to domestic support. South African cotton producers do not benefit from any trade distorting domestic support, including AMS, *de minimis* and Blue Box support.

Export Competition

There has been no change in the policy environment in relation to export subsidies. South African cotton producers do not benefit from export subsidies of any kind.

Reply from Burundi to the questionnaire circulated on 21 September 2020

The Permanent Mission of the Republic of Burundi to the United Nations Office and other international organizations in Geneva presents its compliments to the World Trade Organization (WTO) and, with reference to the 14th dedicated discussion on cotton and the WTO Secretariat's request that Members submit information on any new or updated cotton-related policy developments, has the honour to inform the Secretariat of the following:

The cotton sector has experienced difficulties in recent years, with seed cotton production falling from 8,900 tonnes to less than 1,000 tonnes today.

Burundi's revival and development policy for the cotton, textile and clothing sector provides the country with a national strategy for the period 2019-2027. The strategy seeks to revitalize the sector by increasing cotton production with a view to ensuring supply for domestic agro-textile industries. Increased production will also enable Burundi to export surplus lint to regional and international markets.

The State of Burundi is also mobilizing all cotton, textile and clothing industry actors and partners operating in Burundi, so as to ensure that they adhere to the strategy and work together.

In order to leverage funding and develop the sector, Burundi has introduced a proactive investment facilitation policy for national and foreign investors, which is implemented through the Investment Promotion Agency (API). The country has also established other regulatory frameworks, most notably legislation on public-private partnerships (PPP).

Within this framework, a memorandum of understanding on cotton production revitalization was signed by the State of Burundi and the domestic textile firm AFRITEXTILE.

Regarding market access, the amount of cotton produced falls well below the level required to meet the demand of the domestic textile industry, which means there are no exports.

The Permanent Mission of the Republic of Burundi to the United Nations Office and other international organizations in Geneva avails itself of this opportunity to renew to the World Trade Organization the assurances of its highest consideration.

Reply from Türkiye to the questionnaire circulated on 21 September 2020

The major input of Türkiye's textile and clothing sector is cotton. Textile and clothing sector consumes about 1.5 million tonnes of cotton and there was 882 thousand tonnes at 2017/2018 season, 997 thousand tonnes at 2018/2019 season cotton has been produced in Türkiye. The domestic production and import ratio was 59.5% at 2017/2018 and 69.7% at 2018/2019 season.

According to ICAC, Türkiye was ranked at 6th in terms of production, 5th in terms of consumption and 4th in terms of imports among the world. According to the estimates of Ministry of Agriculture and Forestry, 2019/20 season cotton production will be around 814 thousand tonnes.

Türkiye has imported at 2018-2019 season about 1.35 billion dollars and 761 thousand tonnes of cotton.

The import tax for cotton is 0% and VAT is 8%. There is 3% anti dumping duty for US origin cotton of CIF value.

COTTON DATA

Import Tax:	0%
VAT:	8%
WTO Rate:	6%
Support:	0,064 USD/Kg at 2018/2019 season (For whom use certified crops)
Fuel-Fertiliser Support:	7.75 USD/Da Fuel Support + 0.5 USD/Da (Fertiliser Support) = 8.25 USD Total for 2018-2019 Season

Production

1,000 Tonnes

Season (1 August - 31 July)	Türkiye		World (ICAC)
	TÜİK ¹	ICAC ²	
2012/2013	858	858	27,079
2013/2014	877	878	26,225
2014/2015	846	720	26,234
2015/2016	738	640	21,476
2016/2017	756	703	23,075
2017/2018	882	792	26,678
2018/2019	977	977	25,750
2019/2020*	814	800	26,025

* Turkish Institute of Statistics, Forecast.

Consumption

1,000 Tonnes

Season (1 August - 31 July)	Türkiye		World (ICAC)
	MAF ³	ICAC ²	
2012/2013	1,785	1,350	23,448
2013/2014	1,637	1,400	24,101
2014/2015	1,501	1,486	24,587
2015/2016	1,500	1,500	24,139
2016/2017	1,450	1,455	24,516
2017/2018	1,481	1,481	26,351
2018/2019	1,400	1,555	26,344
2019/2020*	-	1,477	22,870

* Forecast.

1 Turkish Institute of Statistics.

2 International Cotton Advisory Committee (ICAC).

3 Ministry of Agriculture and Forestry.

Foreign Trade

(GTİP No: 5201) (Sezon)

Cotton Foreign Trade				
Season	Export		Import	
	Value (tonne)	Value USD (USD 1,000)	Value (tonne)	Value USD (USD 1,000)
2005/06	47,030	66,447	762,315	960,891
2006/07	66,002	92,034	877,261	1,137,935
2007/08	80,647	141,864	711,414	1,099,841
2008/09	29,678	53,888	635,632	872,934
2009/10	32,557	60,568	956,682	1,565,191
2010/11	31,825	102,656	729,428	2,044,108
2011/12	65,237	143,793	518,610	1,274,291
2012/13	47,384	97,703	803,760	1,513,800
2013/14	44,332	92,185	924,373	1,843,536
2014/15	52,279	84,481	800,068	1,306,133
2015/16	50,327	81,283	918,307	1,369,259
2016/17	72,816	130,732	801,007	1,408,137
2017/18	70,723	139,127	876,211	1,620,713
2018/19	104,871	183,991	761,891	1,351,087

Cotton Season: 20XX 1 August - 20XX + 31 July.

Source: Turkish Institute of Statistics.

MARKET ACCESS

In Türkiye's Harmonized System, there are two products with 12 digits code under in heading 52.01 (cotton, not carded or combed) as followings:

- 5201.00.10.00.00 - Rendered absorbent or bleached;
- 5201.00.90.00.00 - Others.

Türkiye applies 0% customs duty to all countries for these goods.

Notwithstanding, as of 17 April 2016, Türkiye has started to implement a rate of 3% (CIF) anti-dumping duty, if the goods are, which listed above, with the US origin.

Reply from Brazil to the questionnaire circulated on 22 January 2020

There has not been any change in Brazilian policies for cotton.

Market Access:

Of the three tariff lines (5201.00.10, 5201.00.20, and 5201.00.90) in heading 5201 (cotton, not carded or combed), all maintained an applied duty rate of 6%.

Domestic Support:

There has been no domestic support provided to Brazilian cotton producers.

Export Competition:

No export subsidies have been granted to cotton.

Reply from Peru to the questionnaire circulated on 10 September 2019 (original reply in Spanish)

I. Market Access

Peru made no changes to its cotton-related policies concerning market access.

II. Domestic Support

Cotton Financing Programme

1. Description of the Programme:

The funding programme helps enhance the competitiveness of Peruvian cotton and boosts the cotton production chain through the provision of reimbursable loans to eligible small cotton producers forming part of producer organizations in the Pisco, Ica, Chincha, Cañete and Santa valleys.

2. Objective:

Provision of loans to finance cotton farming for the purchase of inputs (seed, fertilizers and agrochemicals), machinery, labour, administrative costs and technical assistance.

3. Beneficiaries:

Small cotton producers in the Pisco, Ica, Chincha Cañete and Santa valleys, through producer organizations (formally established cooperatives and/or associations), which, in addition, provide services relating to business management and technical assistance.

4. Duration:

The programme runs from November 2018 to October 2019, in accordance with the planting and harvesting season in each valley.

5. Form of benefit:

The Temporary Funding Programme for Agricultural Inputs, financed with resources from the AGROPERU Fund through AGROBANCO, is intended for small producer organizations in the Pisco, Ica, Chincha, Cañete and Santa valleys, for the purchase of inputs (seed, fertilizers and agrochemicals), labour, technical assistance and technical management support.

The preferential rate for cotton producers is an annual effective rate of 12% for up to nine months for the Tanguis variety and up to seven months for the Hazera and IPA 59 varieties. The interest rate on loan arrears applied to this funding programme is 16% for all varieties.

The programme has a budget of 5,000,000 (five million soles), broken down as follows:

Table 1 - Budget breakdown

Category		Amount (in soles)	Percentage (%)
1.	Campaign funding	4,750,605.00	95.01%
2.	Programme operational costs and technical assistance incentives	249,395.00	4.99%
Total		5,000,000.00	100%

Source: Agricultural Financing and Insurance Directorate, based on the Financing Programme for the 2019-2020 Cotton Season - Agroperú Fund, Agrobanco.

The amount of funding per hectare is 4,300 soles, with a maximum of four hectares per producer, broken down as follows:

Table 2 - Financing breakdown per hectare

Category	Amount (in soles)
Inputs: seed, fertilizers and agrochemicals	4,110.00
Services: labour, machinery and water	
Technical assistance	140.00
Technical management support	50.00
Total	4,300.00

Source: Agricultural Financing and Insurance Directorate, based on the Financing Programme for the 2019-2020 Cotton Season - Agroperú Fund, Agrobanco.

III. Export Competition

Peru does not provide export subsidies for agricultural products, including cotton.

Reply from Türkiye to the questionnaire circulated on 11 February 2019

With regard to the Director of the Agriculture and Commodities Division's invitation to Members, on the 11 February 2019, to provide updates on cotton-related policy developments in advance of the forthcoming eleventh dedicated discussion on cotton, Türkiye submits the following information:

- Market Access: In Türkiye's Harmonized System, there are two products with 12 digits code under in heading 52.01 (cotton, not carded or combed) as followings:
 - 5201.00.10.00.00 – Rendered absorbent or bleached
 - 5201.00.90.00.00 – Others.

Türkiye applies 0% customs duty to all countries for these goods.

Notwithstanding, as of 17.04.2016, Türkiye has started to implement a rate of 3% (CIF) anti-dumping duty, if the goods are, which listed above, with the US origin.

- Domestic Support: No new or updated cotton-related policy developments.
- Export Competition: No new or updated cotton-related policy developments.

Reply from Egypt to the questionnaire circulated on 14 September 2018**- Market Access conditions:**

- Applied tariffs on cotton 2018 versus Egypt's Bound tariffs:

HS	Description	Applied tariff 2015 %	Bound Tariff %
5201.00	Cotton, not carded or combed	Free	5
5202.00	Cotton waste (including yarn waste and garnetted stock)		
5202.10	- Yarn waste (including thread waste)	5	5
	- Other:		
5202.91	- - Garnetted stock	5	5
5202.99	- - Other	5	5
5203.00	Cotton, carded or combed	5	5

- Egyptian cotton trade

	2015		2016		2017		Until June 2018	
	Quantity (tonnes)	VALUE (USD million)	Quantity (tonnes)	VALUE (USD million)	Quantity (tonnes)	VALUE (USD million)	Quantity (tonnes)	VALUE (USD million)
Exports	36404.54	90.411261	30565.039	87.5227	32129.719	93.7157	23429.95	72.8173
Imports	73530.91	146.067	842818.8	147.4436	115912.449	235.629	62904.62	133.43

- Egyptian cotton production (.000 quintals)

Year	2015/2016	2016/2017	2017/2018
Production	1096	7270	1407

Reply from Colombia to the questionnaire circulated on 24 January 2018 (original reply in Spanish)

The WTO questionnaire requests information on any new or updated cotton-related policy developments.

Market access: In addition to the duty-free treatment granted by Colombia to its main cotton-supplying trading partners, the Colombian Government considered it viable to grant a 15,000 tonne import quota for 2018, at a zero tariff rate, for uncarded and uncombed cotton under tariff subheading 5201.00.30.00 for third countries with which trade agreements have not been concluded.

The quota was opened to help supply domestic industry in the quantities required for industrial consumption in 2018, even though the fibre included in this subheading is not produced in the country's cotton regions. This measure is pending approval and regulation.

Domestic support: Owing to the good performance of the cotton market and the high prices recorded in 2016-2017, the Colombian Government does not envisage implementing any support programme for producers, nor does it have any new or recent cotton-related instruments.

Export competition: Colombia did not apply any export competition measures.

Reply from Angola to the questionnaire circulated on 28 March 2017

In response to the Secretariat questionnaire, Angola is giving the following information:

(1) Market access

Cotton production in Angola is insignificant. In 2016, the production of cotton fibre (**lint**) was 640 tonnes. For 2017, cotton fibre production is estimated at 68 tonnes. Projected cotton fibre production for 2018 is 480 tonnes.

Prior to the rehabilitation of the national textile industry, the cotton produced was exported to Bangladesh. After the rehabilitation of the textile industry, the cotton produced in the country started to sell in the domestic market.

The national textile industry, composed of three spinning and weaving factories, has imported cotton from Greece and India to meet its needs. This picture will be change with the full re-launch of cotton production in the country. The estimated yearly need of the national textile industry is estimated at 24.000 tonnes of cotton fibre.

(2) Domestic support

In 2017 the Ministry of Agriculture took the first step towards the sustainable re-launch of cotton production in the country. This year 212 hectares of land were cultivated. The Ministry of Agriculture provided seeds and inputs and assisted with the preparation of land.

Banks in Angola are available to finance the cotton value chain, provided entrepreneurs submit feasible investment projects.

The Angolan Executive is committed to mobilizing financial resources for the relaunch of the cotton value chain.

(3) Export competition

Angola does not apply any export competition measures.

Reply from Burkina Faso to the questionnaire circulated on 28 March 2017 (original reply in French)

There have been no particular changes across the three pillars of market access, domestic support and export competition since the 26th round of the WTO Director-General's Consultative Framework Mechanism on Cotton. Burkina Faso's cotton-related policy developments are summarized in the following table:

Pillars	Cotton-related policy developments	Comments
Market Access	Nothing to report	Nothing to report
Domestic Support	Nothing to report	Nothing to report
Export Competition	Nothing to report	Nothing to report

By way of general comment on Burkina Faso's cotton sector, it is important to point out that for this 2017/2018 cotton season, the cotton will be grown from 100% conventional cotton seed.

Reply from Benin to the questionnaire circulated on 13 September 2016 (original reply in French)

Eager to bring about a significant expansion of the cotton sector in the framework of a public-private partnership, the Council of Ministers decided to revive the Framework Agreement between the State and the Cotton Trade Association (AIC). Accordingly, the agreement, which had been suspended on 23 September 2013, was renewed on 28 April 2016. A number of reforms undertaken by the Beninese Government have had a direct or indirect impact on the cotton sector through the three pillars of agriculture, i.e. market access, domestic support and export competition.

(1) Market access

One of the aims of the amending finance law adopted in July 2016 and the preliminary draft finance law of 2017 is to promote measures to stimulate private investment. Accordingly, since July 2016, **the registration formalities for the following documents are taxed at 0%:**

- deeds for transfer of movable and immovable property, in connection with the improvement of the business climate;
- credit agreements, in order to reduce the cost of credit transactions.

Measures were also taken to reduce harassment along the trunk roads.

Similarly, in connection with the transport of seed cotton from the self-managed markets to the processing plants, the Government decided to remove the rehabilitation of rural roads from the responsibilities relating to critical functions. The rehabilitation of dirt roads used for cotton is now the responsibility of the State.

(2) Domestic support

In connection with domestic support, the following new measures have been taken:

- Revival of the Framework Agreement between the State and the AIC. The introduction of **domestic price support mechanisms for producers** is now the responsibility of the sectoral trade associations in cooperation with the Ministry.
- Production and agricultural research capacity-building through the introduction, in July 2016, of an agricultural research contribution charged on exports of cotton seed and fibre and raw cashew nuts, at a rate of CFAF 10 per kilogram exported.
- Suspension by the Government of cotton subsidies (particularly in relation to inputs) as from the 2016-2017 season.

(3) Export competition

The introduction of a framework conducive to agro-industry is at the centre of the interim budget for 2016. A public/private partnership law will help to promote the processing industry and in particular the cotton spinning mills.

Reply from Mali to the questionnaire circulated on 13 September 2016 (original reply in French)

The following noteworthy developments have occurred since July 2016:

(1) Market access

Awareness-raising missions along major roads to reduce the number of checkpoints;

Fact-finding mission to assess the opportunities offered by Mauritania's Autonomous Port.

(2) Domestic support

Signing of a performance contract with the Compagnie Malienne des Textiles (COMATEX SA) for the sourcing of raw materials on preferential terms;

Payment of VAT abolished (exemption) on the purchase price of cotton seed for the crushing plants;

"1,000 tractors" programme: facilitated access to tractors in order to boost domestic production;

Signing of a protocol between the National Oil Mill and Cattle Feed Federation of Mali (FENAPHAB) and stakeholders in the livestock meat subsector in order to provide better access to oil cake and other cattle feed.

(3) Export competition

Mali does not grant any cotton export subsidies.

Reply from Australia to the questionnaire circulated on 22 February 2016

Cotton Research and Development	Research into improvements in cotton production	AUD 7.729 million for 2014-15	Australian Government Department of Agriculture, Water Resources (DAWR)
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Reply from Chad to the questionnaire circulated on 4 February 2015 (original reply in French)

The Permanent Mission of the Republic of Chad to the World Trade Organization (WTO) presents its compliments to the WTO Secretariat and, further to the Secretariat's correspondence of 4 February 2015 on relevant trade-related developments for cotton, has the honour to transmit herewith details of new cotton-related policy developments that have occurred in Chad since January 2014 in relation to the following three pillars:

(1) Market access

Chad has adopted an action plan with a view to substantially increasing production in its cotton sector. This will enable the country to boost exports to the main consumer countries, most notably Bangladesh, India, Indonesia, Portugal and Germany.

(2) Domestic support

Despite a difficult budgetary situation, due to the fall in oil prices which has spread to other raw materials and which has played a significant role in slowing down the country's economic growth, the Chadian State has fought to maintain its cotton sector, which is of considerable economic and social importance for millions of Chadians. This support, which has a significant impact on priority sectors such as education and health, clearly demonstrates the Government's determination to do everything possible to ensure that this important sector does not disappear - something that would have disastrous consequences for Chad and its population. This support is consistent with Article 6.2 of the Agreement on Agriculture.

(3) Export competition

Chad continues to suffer the severe financial consequences of falling cotton prices due to the unfair competition that we are continuously denouncing at the WTO. If all cotton-producing countries were on an equal footing in the international market, Chadian cotton would be more competitive and the cotton sector would be making a profit instead of the successive losses recorded in recent years.

This is a moral issue within the WTO, and as WTO Members we are all responsible for finding a solution to this situation, which is unacceptable to countries like ours.

The Permanent Mission of the Republic of Chad to the World Trade Organization takes this opportunity to renew the assurances of its highest consideration to the WTO Secretariat.

Access to international markets

The *Société Cotonnière du Tchad* (COTONTCHAD) exported 31,700 tonnes of fibre in 2014 and envisages export production of 52,000 tonnes of fibre in 2015, i.e. an increase of almost 50%. This significant increase is linked to the creation of a business plan that envisages a gradual increase in production to 120,000 tonnes of fibre by 2018.

This business plan was adopted by the Board of Directors, which includes representatives of the various Ministers responsible for agricultural policy in general and the development of the cotton sector in particular.

The increase in production has been possible thanks to the support the State has provided by selling inputs (fertilizer, insecticides and various other materials) to farmers to increase crop yields, and the increase in the purchase price paid to cotton farmers, which is set at 240 CFAF/kg for high-grade cotton.

Cotton is of considerable economic and social importance to Chad. The Chadian government has spared no effort to provide financial support to increase cotton production, since this sector provides a livelihood, both directly and indirectly, for almost 3 million people. The cotton sector is the only sector that brings large quantities of fresh capital into producing regions. It helps to settle the

population, and COTONTCHAD SN, which is in charge of purchasing, ginning and marketing, funds village associations with a view to the construction of classrooms and family health clinics.

3756CFAF 20 billion in cash was distributed to farmers in 2014 for the purchase of seed cotton, and the company plans to provide CFAF 31 billion in 2015. In anticipation of the increase in production in the next two to three years, the Chadian State has committed itself, via the Development Bank of Central African States (BDEAC), to a long-term loan of approximately CFAF 30 billion for COTONTCHAD SN, so as to ensure the renewal and strengthening of logistics and industrial infrastructure.

Due to the lack of cotton processing infrastructure at national and regional level, COTONTCHAD SN exports 98% of its production abroad. The main consumer markets are Asian and European countries. Although there are no particular restrictions affecting Chad directly, certain domestic policies implemented by wealthier countries distort competitiveness. This means that certain mills, while appreciating the intrinsic qualities of Chadian cotton, refrain from buying our cotton when they compare its price with the local prices of their own production, which are driven down artificially. However, given the much appreciated quality of Chadian cotton, our sales remain steady, despite the fall in prices.

Listed below are the main consumers of Chadian cotton in 2014 and 2015:

Exports of Chadian Cotton by Country

Country	Quantity (tonnes)	
	2014	Projection for 2015
Germany	1,500	3,500
Portugal	2,550	5,200
Spain	700	1,300
Italy	200	900
India	8,300	9,500
Indonesia	3,380	5,800
Bangladesh	11,415	18,220
China	1,850	3,800
Malaysia	180	680
Thailand	500	600
Viet Nam	1,125	2,500
Total	31,700	52,000

State Domestic Support

In 2014, the Chadian State budgeted 6.9 billion to support farmers by subsidizing fertilizer. For 2015, it budgeted 6.69 billion. Of the amount for 2014, COTONTCHAD SN received 3.5 billion, although nothing has yet been paid out under the 2015 budget due to the country's current economic and financial situation, which is particularly difficult.

This support is consistent with the provisions of Article 6.2 on special and differential treatment for the promotion of agriculture and rural areas in low-income countries and the fight against poverty.

Despite a difficult budgetary situation, due to the drop in oil prices which has spread to other raw materials and which has played a significant role in slowing down the country's economic growth, the Chadian State has fought to maintain its cotton sector, which is of considerable economic and social importance for millions of Chadians. The State's actions, which have had an important impact on priority sectors such as education and health, clearly demonstrate the Government's determination to do everything possible to ensure that this important sector does not disappear - something that would have disastrous consequences for Chad and its population.

Cotton plays a pivotal role in our country's development. It is competitive. And yet it suffers from the effects of the massive cotton subsidies provided by certain countries, which have the effect of driving down prices on the international market.

For Chad, the time has come to move on from general statements and engage constructively in substantive discussions on the cotton issue. This belief forms the basis of its commitment and determination to continue negotiating with other C4 members at the WTO. Chad remains open to any initiatives that might help to find an acceptable solution to the cotton issue.

Export Competition

The massive support provided to farmers in the form of both production and operating subsidies by countries such as the United States and China and by the European Union constitute unfair competition and have been denounced for several years now by the C4 countries within the WTO framework. The least developed countries (LDCs) continue to suffer the severe financial consequences of falling cotton prices. If all cotton-producing countries were on an equal footing in the international market, African cotton would be more competitive and the cotton sector would be making a profit instead of the successive losses recorded in recent years.

Countries such as the United States and China have introduced mechanisms to help the C4 countries with a view to repairing the harm they have suffered, but these interventions amount to very little when compared with the hundreds of millions of dollars paid to their respective producers.

What is being demanded by the C4 countries in general, and by Chad in particular, is compliance with the WTO rules that condemn unfair competition and the artificial driving down of prices, rather than the rules on subsidies, which are already well defined and should be limited in terms of volume.

Reply from China to the questionnaire circulated on 4 February 2015⁵

First, China supports C4's position and their request to solve their problem according to the Ministerial Decision on Cotton of December 2013 adopted at MC9. We also support the approach to solve the problem of cotton on the basis of the Agriculture Modalities of 2008 (TN/AG/W/4/Rev.4). We would continue to work together with all Members to find the solution to this issue.

Second, China's cotton sector is subsistence farming.

China is among the largest cotton producers in the world. However, China's production is based on small-scale and subsistence farming, and the average acreage of cotton is 0.3 hectare per household. Moreover, China's cotton production is located remotely in the resource-poor and underdeveloped ethnic minority areas, serving as the only instrument for local livelihood security and poverty reduction.

After joining the WTO, China's cotton production has shown a declining trend; the cotton acreage has diminished from 4.8 million hectares in 2001 to 4.3 million hectares in 2013. The main reason for such a decline is the high production cost compared to the lower price of cotton caused by subsidies of the developed Members.

Third, China's cotton subsidies are at minimal low level.

China's agriculture support toolbox is short supplied compared to other WTO Members. It has no AMS including on cotton, no development box. China is only entitled to *de minimis*, for which the level is also lower than for other developing Members (8.5% versus 10%).

China's cotton support remains lower both in absolute terms and per capita terms. In absolute terms, China's cotton support is USD 480 million. In per capita terms per cotton farmer, China's cotton support is only just USD 16.

Fourth, China's cotton subsidy policy is a passive response.

China has been the victim to the cotton subsidies by the developed Members. Since its accession into the WTO, China's cotton imports surged from 113,000 tonnes to 4.2 million tonnes, while the cotton acreage actually diminished.

China's poor subsistence cotton farmers are over 30 million in household, and they will be forced out of jobs if the Government does not take the necessary actions. Therefore, the Chinese Government has no choice but to subsidize its poor cotton farmers to offset the subsidies and safeguard the livelihood of those poor farmers.

Fifth, China's cotton subsidy policy does not distort international trade.

China's temporary cotton reserve policy is designed to offset the turbulence of the volatile international market caused by the subsidies of developed Members. This policy does not create production distortion or trade distortion. On the production side, China's cotton production does not increase in a significant manner. On the import side, China's cotton import continues to increase from 2.8 million tonnes in 2010 to 4.2 million tonnes in 2013. If the import on cotton yarn is included, the cotton import will be increased from 4.1 million tonnes to 6.5 million tonnes, which provides strong incentives for all cotton producers and the developing ones in particular in the context of depressed global cotton prices. In addition, the cotton in stock is intended for domestic textile industry rather than for export, thus producing no distortion on international cotton market.

In the meantime, exports of Chinese textiles are still subject to tariff peaks, tariff escalations and other protectionist measures of developed Members, which the developed Members intend to ignore through the so-called recalibration exercise.

⁵ This reply was provided after the circulation of the second revision of this background paper and is included in document TN/AG/GEN/34/Rev.2/Add.1 – TN/AG/SCC/GEN/13/Rev.2/Add.1.

Sixth, China has made significant contribution to resolving the cotton issue.

China has been the largest cotton importer, and its share in the global cotton import has been consistently more than 50%, which creates a lot of market access for the export developing Members.

China has been extensively importing a large amount of cotton from African cotton-producing Members, including the C4. During the period 2001 to 2013, China's cotton imports from Africa increased from 3,700 tonnes to 442,000 tonnes.

On the development assistance side, China has been committed to providing technical and financial assistance to the C4 to enhance their production and export capacity. China signed cooperation Communiqués with the C4 members in 2011 and 2013, respectively, which cover the supplies of agriculture inputs, training courses, technology transfer, etc. In addition, China has also been providing various cotton-related assistance to the C4 through bilateral channels.

On the allocation of the cotton TRQ

Regarding the allocation of TRQ of cotton, it is consistent with China's WTO commitment. Another related question is about the import exceeding the import quota. In addition to the 894,000 tonnes, we import more than the TRQ subject to the sliding duties.

On China's domestic support notification

Regarding the notification, China has just updated its domestic support notification up to 2010, and preparation for new notifications is underway.

On China's cotton stock

Regarding China's cotton stock, the stock is real, as we have imported more cotton than our obligation. We import cotton for textile processing, but we are facing a lot of difficulties in the textile sector as just mentioned. The other reason for the huge stock is that the price for cotton is distorted by the subsidies from developed Members.

ANNEX 5

INFORMATION ON COTTON MARKETS AND POLICIES FROM THE TRADE POLICY REVIEW MECHANISM¹

1.1. At the second dedicated discussion of the relevant trade-related developments for cotton, Members agreed that, in order to complement the revised background paper to be prepared by the WTO Secretariat, the Secretariat would compile information related to cotton markets and policies contained in the most recent Trade Policy Review (TPR) reports.²

1.2. The Secretariat searched the most recent TPR reports available by Governments and by the WTO Secretariat for the 33 Members³ identified in paragraphs 12 and 13 of this paper. Information that met the following two criteria has been included in this Annex: (1) information relevant to cotton markets and policies; and (2) information not presented elsewhere in this background paper.

1.3. No relevant information was found for the following 14 Members:⁴ Bahrain, Kingdom of (April 2014); Canada (June 2019); Hong Kong, China (November 2018); Iceland (October 2017); Indonesia (December 2020); Japan (July 2020); Kenya (March 2019)⁵; Korea, Republic of (October 2021); Malaysia (February 2018); Mexico (October 2022); New Zealand (June 2022); Norway (June 2018); Switzerland (May 2022) and Chinese Taipei (September 2018).

1.4. For the remaining 18 Members, the relevant information found is presented below by Member. The date of the most recent TPR report available, as well as the type of report and the document symbol for the report, are indicated next to each Member. No relevant information was found in the most recent Government reports available for these 18 Members.

1.5. Information is listed along with the headings of the chapters from which it is extracted, and "..." represents information left out from a table, a paragraph or a chapter.

1.6. Information not directly linked to cotton markets and policies but which provides context for understanding the above-mentioned information may have also been included based on the Secretariat's own judgement and is without prejudice to information excluded from this Annex.

¹ The purpose of the Trade Policy Review Mechanism ("TPRM") is to contribute to improved adherence by all Members to rules, disciplines and commitments made under the Multilateral Trade Agreements and, where applicable, the Plurilateral Trade Agreements, and hence to the smoother functioning of the multilateral trading system, by achieving greater transparency in, and understanding of, the trade policies and practices of Members. Accordingly, the review mechanism enables the regular collective appreciation and evaluation of the full range of individual Members' trade policies and practices and their impact on the functioning of the multilateral trading system. It is not, however, intended to serve as a basis for the enforcement of specific obligations under the Agreements or for dispute settlement procedures, or to impose new policy commitments on Members (Annex 3 (A)(i) of the Marrakesh Agreement).

² Paragraph 13 of the Chairperson's report of the second dedicated discussion of the relevant trade-related developments for cotton (TN/AG/29 and TN/AG/SCC/3).

³ The United Kingdom withdrew from the European Union as of 1 February 2020. The European Union and the United Kingdom have communicated that, during the transition period, which ended on 31 December 2020, Union law, with a few limited exceptions, continued to be applicable to and in the United Kingdom. For the period until 31 December 2020, the European Union's data also covers the United Kingdom. For the period starting on 1 January 2021, information concerning the European Union covers its current 27 member States and the United Kingdom is treated separately.

⁴ The date in brackets is that of the most recent TPR report available.

⁵ Joint Trade Policy Review of the East African Community (EAC).

AUSTRALIA (MARCH 2020) - SECRETARIAT REPORT (WT/TPR/S/396)**4 TRADE POLICIES BY SECTOR****4.1 Agriculture and Fisheries****4.1.1 Agriculture****4.1.1.1 Main features**

...

Australia's agricultural sector produces a wide variety of commodities. Ranked by gross value, the most important are cattle and calves, wheat, milk, and wool (Table 4.1). Furthermore, the annual production value normally exceeds AUD 1 billion also for crops such as fruit and nuts, vegetables, barley, canola, cut flowers and the like, cotton and sugar, and livestock items such as lamb, poultry, pork, and sheep and sheep meat.

Table 4.1 - Gross value of production for selected agricultural commodities, 2013-18

(AUD million)

	2013/14	2014/15	2015/16	2016/17	2017/18
...					
Industrial crops					
Cotton	2,004	1,184	1,530	1,934	2,796
...

Source: Government, Department of Agriculture, Agricultural Commodities September 2019.
<https://www.agriculture.gov.au/abares/research-topics/agricultural-commodities/sep-2019>.

5 APPENDIX TABLES**Table A1.1 - Merchandise exports by HS sections and main chapters, 2012-18**

(USD million and %)

Description	2012	2013	2014	2015	2016	2017	2018
Total exports	256,653	253,714	240,086	187,963	192,280	231,029	257,748
	(% of total exports)						
...
52. Cotton	1.1	1.0	0.8	0.4	0.6	0.7	0.7
...

Note: US dollar totals are obtained using the Australian Bureau of Statistics exchange rate (5368.0).

Source: WTO Secretariat calculations, based on data from the Department of Foreign Affairs and Trade, Trade statistical pivot tables.

BANGLADESH (APRIL 2019) - SECRETARIAT REPORT (WT/TPR/S/385)**Table A1.2 - Merchandise imports, by HS sections and major HS chapters/subheadings, 2011-17**

a. HS section/chapter/subheading	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Total (BDT billion)	2,942.8	3,144.3	2,822.3	3,670.7	3,869.3	4,712.5
Total (USD million)	37,205.4	39,336.8	36,313.0	47,257.4	49,439.9	59,562.0
	(% of total imports)					
...
5201 Cotton, not carded or combed	5.3	5.8	6.4	5.0	4.6	4.7
...

Note: Totals differ from imports by selected origins, shown in Table A1.4, because the totals in this table were taken from Bangladesh Bank online information.

Source: WTO calculations, based on online data from the Bangladesh Bureau of Statistics.

BRAZIL (JULY 2017) - SECRETARIAT REPORT (WT/TPR/S/358)**4 TRADE POLICIES BY SECTOR****4.1 Agriculture, Forestry, and Fisheries****4.1.4 Domestic support****4.1.4.1 Agricultural/rural credit****4.1.4.1.1 Minimum price guarantees**

During the review period, Brazil maintained unchanged its 1966 policy of guaranteed minimum prices (PGPM), an important pillar of its agricultural policy. The basic element of this policy remains the regionally-set minimum guaranteed prices which cover a broad range of crops from rice, wheat, maize, cotton, and soybeans, to regional crops like cassava, beans, açai, guaraná, and sisal, as well as a few livestock products like cow and goat milk and honey (Table 4.6).⁶ On the basis of these minimum guaranteed prices, the government implements several price support mechanisms (Table 4.6), including direct government purchases (AGF); premiums to commercial buyers who pay minimum prices to supply producers (PEP, VEP); and public and private options contracts backed by private risk premium options (COV, PROP, PEPRO). In addition to these programmes, producers receive various reduced-interest marketing loans which enable them to withhold the sale of a product in anticipation of a higher market price (FPPG, FEPM and FEE below). The state-owned CONAB (Section 4.2.2) operates both the AGF set by the MAPA Secretary of Agricultural Policy (SPA) for commercial and small-scale farms, and the equivalent programme set by the SEAD for small-scale agriculture (PAA, Section 4.2.4.3) as well as the minimum prices programme for family farms (PGPAF programme). ...

Table 4.6 - Price support programmes, 2014/2015 and 2015/2016

Price support programme/description	Use/cost
Policy of Guaranteed Minimum Prices (PGPM) Regulated by Decree No. 57,391 of 12 December 1965 and Decree-Law No. 79 of 19 December 1966. The PGPM fixes minimum guaranteed prices annually for some of Brazil's main crops. Prices are promulgated by the National Monetary Council (CMN) through Portarias. Portaria No. 854 of 20 August 2014 fixes minimum prices for a number of products for the 2014/15 summer harvest. When determining minimum prices, the CMN takes into account production costs in the different regions, as well as several factors affecting domestic and international market prices. The PGPM is implemented through credit lines (EGF and LEC); and commercialization instruments (AGF, PEP, VEP, PEPRO, COV and PROP; see below). ...	Products benefited by PGPM in the 2014/15 were cotton, corn, orange and edible beans. The only product benefited by PGPM in 2016 was wheat.
Premium for Product Outflow (PEP) The CONAB grants an equalization premium to wholesalers who agree to pay farmers a reference price. The premium is determined in public auctions and generally reflects the difference between the reference price and the market price. In addition to guaranteeing minimum prices for producers, the PEP is used to shift the supply of agricultural products across regions, so as to avoid shortages and prevent the accumulation of stocks. In theory, all products included in the PGPM can participate in the PEP; however, the programme has been used for only a few products so far, mainly cotton, corn, wheat, sisal, beans, rice, and wine.	The programme did not support any products in 2014/15 crop year. The programme supported only wheat in 2016 (47,791 tonnes, BRL 8.8 million).
Agricultural Products' Sale Option Private Premium (PEPRO) This scheme offers producers and cooperatives the possibility to sell their product at a premium, equal to the difference between reference and market prices, fixed through an auction. In contrast to the PEP, premiums are paid directly to producers.	In the 2014/15 crop year, the programme supported only cotton (BRL 2.4 million and 905,278 tonnes), corn (BRL 256 million and 5,803 million tonnes) and oranges (BRL 47.1 million and 850,383 tonnes). In 2016, the programme supported only wheat (404,886 tonnes, BRL 108 million)

⁶ OECD (2016), *Agricultural Policy Monitoring and Evaluation 2016*, 16 June. Viewed at: http://www.oecd-ilibrary.org/agriculture-and-food/agricultural-policy-monitoring-and-evaluation-2016_agr_pol-2016-en; USTR (2016), *2016 National Trade Estimate Report on Foreign Trade Barriers*. Viewed at: <https://ustr.gov/about-us/policy-offices/press-office/reports-and-publications/2016/2016-national-trade-estimate>.

With 9% and 8.7% inflation in 2015 and 2016 respectively (Table 1.2), regional minimum guaranteed prices were kept constant between 2014/15 and 2015/16 for basic and domestic wheat, cotton, Arabica coffee, maize, sorghum, jute, rubber and cocoa.⁷ They were increased by about 7% for cassava, ... In 2016/17 minimum guaranteed prices were raised as follows: 9% for rice; 18% for cotton...

Table 4.7 - PGPM operations, 2013-16

(BRL million)

Disbursement (purchase)		2013	2014	2015	2016
AGF	Total	79	84	0	0

COV	Total	1,395	0	0	0

PEP	Total	0	0	0	9

PEPRO	Total	484	631	15	69
	Cotton	0	244	0	0

Total		1,958	715	15	78

Table 4.8 - Budget allocated to family farming programmes and measures, harvest year 2012/13

Programme	Description	Budget
...
Price Guarantee Programme for Family Farming (PGPAF)	An indexation of the credit taken out by family farmers under the PRONAF, through which the price is fixed when the credit is granted. Upon repayment of the PRONAF's credit, if the price of the product financed has decreased, the farmer benefits from a discount from the amount due, equivalent to the difference between the product's market price and the price set in the programme's index. The limit for the PGPAF bonus per farmer is BRL 7,000 each year. The programme covers 49 products, including corn, cotton, rice, milk, and oranges.	BRL 90 million
...
Total budget		BRL 35.3 billion

...

⁷ OECD (2016), *Agricultural Policy Monitoring and Evaluation 2016*, 16 June. Viewed at: http://www.oecd-ilibrary.org/agriculture-and-food/agricultural-policy-monitoring-and-evaluation-2016_agr_pol-2016-en.

CHINA (OCTOBER 2021) - SECRETARIAT REPORT (WT/TPR/S/415)**SUMMARY**

...

China's state trading enterprises have the exclusive right to import or export the following products: wheat, maize, sugar, tobacco, rice, cotton, crude and processed oil, refined coal, chemical fertilizers, tungsten and tungstate products, antimony, and silver.

...

3 TRADE POLICIES AND PRACTICES BY MEASURE**3.2 Measures Directly Affecting Exports****3.2.3 Export prohibitions, restrictions, and licensing****Table 3.12 - Products subject to export quotas and licensing, 2020**

Products	Type of management	Comment
Products subject to quotas and licensing Wheat, maize, rice, cotton, and coal	Export quota (licence)	The export quota is allocated by the NDRC and the licence issued by MOFCOM.
...

Source: MOFCOM Announcement No. 47, 2019; and MOFCOM and GACC Announcement No. 66, 2019.

3.3 Measures Affecting Production and Trade**3.3.3 Sanitary and phytosanitary requirement****3.3.3.3 Inspection and quarantine**

The Law on Entry and Exit Animal and Plant Quarantine and its Implementing Regulations regulate the inspection of animals, plants, and related products that enter, exit, or transit through China; containers, packing materials, and bedding materials that contain or carry animals, plants, and related products; and means of transport from animal/plant epidemic or infected areas. The Catalogue of Entry-Exit Commodities Subject to Inspection and Quarantine list all the imports and exports subject to statutory inspection by the entry and exit inspection and quarantine authorities prior to their commercialization (or exit) into (from) China. The current catalogue is contained in GACC Announcement No. 220, 2019.⁸ During the review period, the GACC issued revised measures for the supervision and/or inspection and/or quarantine of imports (and exports) of various products, including cultivation media; fruit; aquatic products, feed, and feed additives; cereals; genetically modified products; meat products, food, dairy products, and aquatic animals; propagation materials for entry plants; animals and plants; genetic materials of animals; cotton; and non-edible animal products.⁹

3.3.3.4 Genetically modified organisms (GMOs)

China has so far approved the certificates of import safety only for the following genetically engineered crops for processing as raw materials: soybeans, corn, rapeseed, cotton, beets, and papayas, and their products. ...

⁸ GACC Announcement No. 220, 2019. Viewed at: <http://www.customs.gov.cn/customs/302249/302266/302267/2811876/index.html>.

⁹ GACC Decrees No. 240 and No. 243, 2018.

4 TRADE POLICIES BY SECTOR

4.1 Agriculture, Forestry, and Fisheries

4.1.2 Agriculture

4.1.2.1 Features and market development

Table 4.2 - Agricultural production, 2015-19

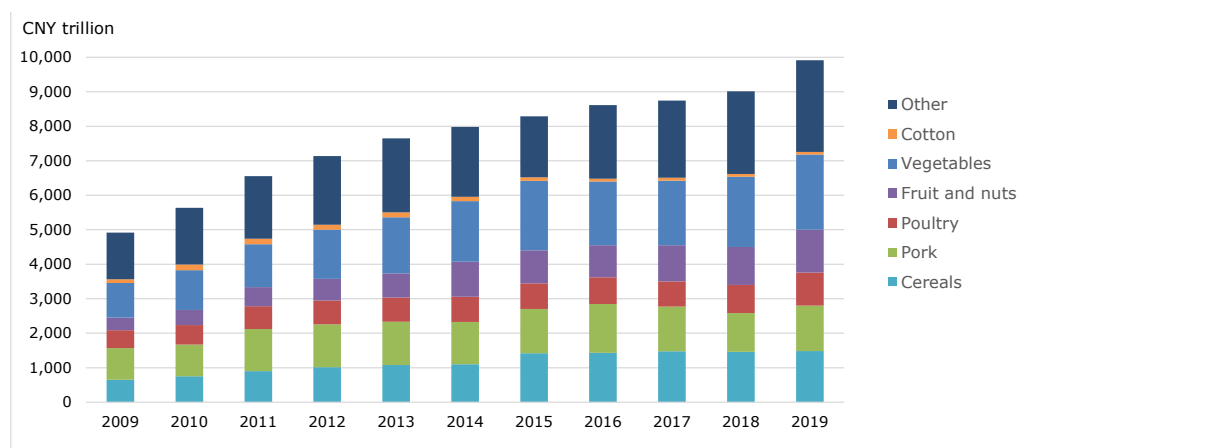
	Value of production of agriculture and animal husbandry	Cereals ^a	Pork	Poultry	Fruits	Vegetables	Cotton
CNY million							
2015	8,285,466	1,418,998	1,285,965	739,547	961,309	2,009,154	104,142
2016	8,612,106	1,429,738	1,413,344	777,516	929,945	1,851,000	79,010
2017	8,742,095	1,473,846	1,296,611	732,987	1,049,366	1,871,516	81,162
2018	9,015,000	1,460,160	1,120,265	816,272	1,102,956	2,037,395	81,216
2019	9,913,080	1,479,773	1,320,716	959,815	1,243,312	2,175,413	77,934
'000 tonnes							
2015	..	618,184	56,454	19,195	245,246	664,251	5,907
2016	..	616,665	54,255	20,017	244,052	674,342	5,343
2017	..	615,205	54,518	19,817	252,419	691,927	5,653
2018	..	610,036	54,037	19,937	256,884	703,467	6,103
2019	..	613,697	42,553	22,386	274,008	703,467	5,889

.. Not available.

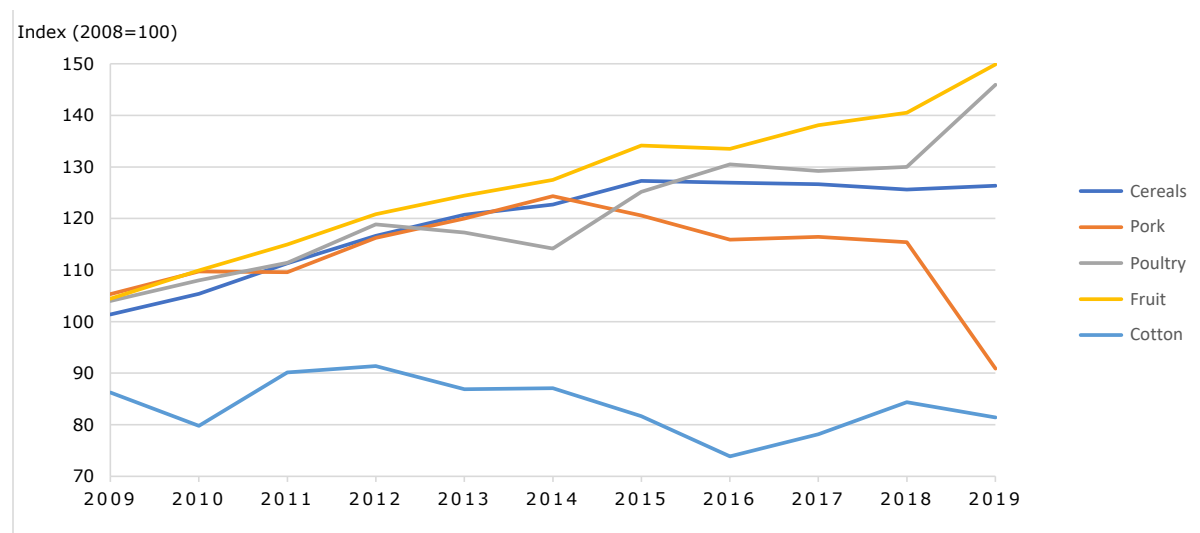
a Main cereals produced are rice, wheat, and corn.

Source: National Bureau of Statistics, *China Statistical Yearbook 2019*. Viewed at: <http://www.stats.gov.cn/tjsj/ndsj/2019/indexeh.htm>; WTO document WT/TPR/S/375/Rev.1, 14 September 2018; and data provided by the authorities.

Chart 4.1 - Value of production of agriculture and animal husbandry, 2009-19



Source: National Bureau of Statistics, *China Statistical Yearbook 2019*. Viewed at: <http://www.stats.gov.cn/tjsj/ndsj/2019/indexeh.htm>; and data provided by the authorities.

Chart 4.2 - Volume of production, 2009-19

Source: National Bureau of Statistics, *China Statistical Yearbook 2019*. Viewed at: <http://www.stats.gov.cn/tjsj/ndsj/2019/indexeh.htm>; and data provided by the authorities.

Table 4.3 - Agricultural exports and imports, 2015-20

	2015	2016	2017	2018	2019	2020
Exports^a (USD million)	50,425.8	52,491.7	54,576.6	57,619.8	58,490.6	57,486.6
...
Imports^a (USD million)	108,526.1	102,992.2	115,441.9	123,793.3	132,583.1	157,424.1
% of total imports	5.8	6.5	6.5	6.3	5.8	6.4
Growth rate (%)	-5.1	-5.1	12.1	7.2	7.1	18.7
Top 10 imports at HS 4-digit level (% of total)						
1201 Soya beans	32.1	33.0	34.3	30.8	26.7	25.1
0203 Meat of swine, fresh, chilled or frozen	1.3	3.1	1.9	1.7	3.4	7.5
0202 Meat of bovine animals, frozen	2.1	2.4	2.6	3.8	6.0	6.2
1901 Food preparations of cereals, flour or milk	2.7	3.4	3.9	4.4	4.4	3.7
1511 Palm oil and its fractions	3.4	2.8	3.0	2.7	3.1	2.6
0810 Fresh fruit, n.e.s. in chapter 8	1.8	1.8	1.7	2.0	2.4	2.6
2106 Food preparations, n.e.s.	1.2	1.4	1.7	2.2	2.4	2.5
5201 Cotton, not carded or combed	2.4	1.5	1.9	2.6	2.7	2.3
0207 Meat of poultry, fresh, chilled or frozen	0.9	1.2	0.9	0.9	1.5	2.2
0402 Milk and cream, concentrated or containing added sugar	1.4	1.5	1.9	2.0	2.4	2.1

a WTO definition.

Note: Top 10 agricultural exports and imports by HS 4-digit level are sorted by the year 2020.

Source: WTO Secretariat calculations, based on trade figures from UN Comtrade database.

4.1.2.2 Legal and institutional framework

The Government is responsible for establishing the general agricultural policy framework and the rules for its implementation. As part of the Government's restructuring in 2018, various institutional changes were made. The Ministry of Agriculture (MOA) was renamed the Ministry of Agriculture and Rural Affairs (MARA) and falls under the responsibility of the State Council. Its priorities are resolution of the "three-rights" issues (Section 4.1.2.1), agricultural and rural development, implementation of the rural revitalization strategy (Section 4.1.2.3), promotion of agricultural upgrading, farmer development, and acceleration of agricultural and rural modernization. MARA took over the responsibilities of the MOA, as well as the management responsibilities for the agricultural investment projects of the National Development and Reform Commission (NDRC), the comprehensive agricultural development projects of the Ministry of Finance, the farmland investment projects of the Ministry of Land and Resources, and the farmland water conservancy construction projects of the Ministry of Water Resources. The National Food and Strategic Reserves Administration (NAFRA) was also established under the purview of the NDRC, with a view to strengthening the overall planning and building of a unified national material reserves system, enhancing the

supervision and management of the central grain and cotton reserves, and improving the national reserve's capacity to respond to emergencies. The NAFRA is responsible for: (i) implementing the purchase, storage, rotation, and management of emergency reserves in accordance with the overall development plan and the catalogue of the national reserves system; (ii) constructing and managing related infrastructure; and (iii) supervising and inspecting government and enterprise reserves and the implementation of the reserve policies. It is also responsible for industry guidance of grain distribution and administrative management of the central reserves of grain and cotton. ...

4.1.2.4 Policy instruments

4.1.2.4.1 Border measures

...

China continues to make use of tariff rate quotas (TRQs), which are administered through import licences (Section 3.1.5).¹⁰ Except for uncombed cotton, in-quota and out-of-quota tariff rates are *ad valorem*. China applies an interim rate in the form of a sliding duty to a certain amount of uncombed cotton (HS 5201.0000) imported out of quota, with the sliding duty rate capped at 40% (i.e. the bound rate for cotton). Taking 2021 as an example, the sliding duty rate in the year depends on the base price (CNY 14/kg). If the dutiable value of the cotton imported is equal to or higher than the base price, a specific duty of CNY 0.28/kg is levied, and if the import price is lower than the base price, an *ad valorem* rate based on the sliding-scale duty formula applies. ...

...

The NDRC is responsible for allocating TRQs for grains and cotton, and MOFCOM allocates the rest. Some products subject to TRQs (i.e. grains, cotton, and sugar) are also subject to state trading. In these cases, one part of the quota is allocated to state trading enterprises and the other part to other enterprises. The administration methods of the TRQs as described by China in its notification to the WTO remained unchanged.¹¹

The importation of grain (wheat, maize, and rice), sugar, tobacco, and cotton is subject to state trading.¹²

...

4.1.2.4.2 Measures affecting exports

...

Exports of cotton, rice, maize, and tobacco are subject to state trading.¹³ These products, except for tobacco, are also subject to export quotas, which are managed by the NDRC and MOFCOM, and are allocated only to state trading enterprises. Wheat is also subject to export quotas (Table 4.6).

Table 4.6 - Agricultural products subject to export quotas and licensing in 2020

Products	Type of licence	Comment
Goods subject to quota and licensing		
Rice, maize, wheat, and cotton	Export quota licence	The quota is allocated by the NDRC and MOFCOM, and the licence is issued by MOFCOM.
Live cattle and swine (for export to Hong Kong, China and Macao, China); live chicken for export to Hong Kong, China; and flour of maize rice and wheat	Export quota licence	The quota is allocated by MOFCOM.
Goods subject to licensing		
Live cattle and swine (for markets other than Hong Kong, China or Macao, China) and chicken (for markets other than Hong Kong, China) and frozen and chilled beef, pork, and chicken meat	Export licence	A licence is granted if the exporter has the relevant export contract.

Source: Information provided by the authorities.

¹⁰ WTO document G/LIC/N/3/CHN/18, 30 January 2020.

¹¹ WTO document G/AG/N/CHN/2, 25 September 2003, Table MA:1.

¹² WTO documents G/STR/N/16/CHN and G/STR/N/17/CHN, 24 July 2018. The period covered by the notification is 2015-17. The authorities confirm that this remains the case as at early 2021.

¹³ WTO documents G/STR/N/16/CHN and G/STR/N/17/CHN, 24 July 2018.

COLOMBIA (JUNE 2018) - SECRETARIAT REPORT (WT/TPR/S/372)

SUMMARY

...

... Colombia promotes the use of Price Stabilization Funds (FEPs) in order to deal with fluctuations in world prices for certain agricultural products. The resources for these funds come from parafiscal charges, mainly charges levied on producers which remain outside the national budget and are reinvested by the private sector in programmes of benefit to the activity from which they are sourced. In 2017, there were FEPs for cotton, sugar, cocoa, meat, milk and products thereof; and palm oil.

...

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1 Measures directly affecting imports

3.1.3 Tariffs

3.1.3.5 Tariff concessions

...

Given the insufficient level of domestic cotton production and in order to boost the textiles and clothing sector, through Decrees No. 2.530 of 12 December 2014 and No. 1.347 of 22 August 2016 the Government temporarily authorized the use of zero tariff quotas on cotton imports for a specified number of tonnes according to industry needs. ...

...

4 TRADE POLICIES BY SECTOR

4.1 Agriculture, forestry and fisheries

4.1.3 Domestic support, subsidies and other support schemes

...

Colombia makes use of price stabilization mechanisms in order to deal with fluctuations in world prices for certain agricultural products. The Price Stabilization Funds (FEPs), created by Law No. 101 of 1993, are intended to guarantee producers' incomes, regulate domestic production, and prevent price speculation, in addition to promoting agricultural exports. The resources for these funds come from parafiscal charges: these are charges levied on producers which remain outside the national budget and are reinvested by the private sector in programmes of benefit to the activity from which they are sourced. In 2017, there were FEPs for cotton, sugar, cocoa, meat, milk and products thereof; and palm oil.¹⁴ Each FEP has a Steering Committee, composed of producers and officials from the National Government, which establishes the methodology for calculating a reference price based on the most representative international market quotation for each product. Producers and/or exporters make "transfers" to the respective FEP when the market price falls below the reference price, or receive compensation from the FEP when the price is above the reference price.

...

Pursuant to Article 7 of Law No. 101 of 1993, the Government may provide selective and temporary incentives or support to producers, for agricultural production, protecting rural income and maintaining peace. In this context, the *Guaranteed Minimum Price* (PMG) scheme for cotton protects Colombian farmers' incomes from fluctuations in international prices by offering compensation for the price differential between market prices (New York Exchange) and a minimum guaranteed price

¹⁴ The FEP for cotton, which is managed by the Colombian Cotton Confederation (CONALGODON); the FEP for centrifugal sugars, molasses obtained by extracting or refining sugar, and sugar syrups, managed by the Colombian Sugar Cane Growers' Association (ASOCAÑA); the FEP for cocoa, managed by the National Federation of Cocoa Growers (FEDECACAO); the FEP for promoting the export of meat, milk and products thereof, managed by the Colombian Cattle Breeders' Federation (FEDEGAN); and the FEP for palm kernel oil, palm oil and fractions thereof, managed by the National Federation of Palm Oil Producers (FEDEPALMA).

per tonne of lint. In 2016, the MADR allocated COL\$8,920 million of resources to protect growers' incomes by granting indemnities to cotton farmers in respect of the two harvests in 2016, for a total of 12,968 tonnes of lint marketed. The PMG policy agreed with the Government expired in 2017 and the scheme ceased to operate. ...

4.1.4 Financing and insurance

4.1.4.5 Other financing schemes

In addition to the loan programmes implemented by FINAGRO and the support given by the FAG, the sector is supported by other schemes, too, such as the Agricultural Development Fund and the Agricultural Solidarity Fund (FONSA).

FONSA, created by Law No. 302 of 1996, partially amended by Law No. 1.731 of 2014, is an MADR fund, administered by FINAGRO, whose purpose is to provide economic support to small-scale agricultural producers and fishermen to tackle and partially or fully alleviate their debts when in the course of their activities they encounter crisis situations which severely affect crops or the quality, volume and marketing of agricultural products. Law No. 1.694 of 2013 and its regulations in Decree No. 355 of 2014 expanded the scope of the Fund to encompass instances of significant and sustained variations in prices of agricultural products or inputs that cause severe and sustained falls in income for producers. Up to 2017, producers of cotton, cocoa, coffee, sugar cane, bulb onion, beans, milk, maize, oil palm and potatoes benefited from FONSA on account of falling prices.¹⁵

...

¹⁵ Under Law No. 1.731 of 2014, for the purposes of FONSA small producers are considered to be natural persons: (a) whose total assets do not exceed 250 SMLMV; (b) no less than two thirds of whose income stems from agricultural and/or fishing activity or who have at least 75% of their assets invested in the agricultural sector. Medium-sized producers for FONSA purposes are natural persons with total assets not exceeding 700 SMLMV. MADR (2017), *Memorias al Congreso de la República, 2016-2017*. Viewed at: https://www.minagricultura.gov.co/planeacion-control-gestion/Gestin/MEMORIAS%20AL%20CONGRESO%20DE%20LA%20REPUBLICA/Memorias_al_Congreso_de_la_Republica_%202016_2017.pdf.

EGYPT (FEBRUARY 2018) - SECRETARIAT REPORT (WT/TPR/S/367)**SUMMARY**

...

... It has also discouraged the production of crops that use water intensively, such as cotton and sugar. ...

...

3 TRADE POLICIES AND PRACTICES BY MEASURE**3.1 Measures Directly Affecting Imports****3.1.5 Anti-dumping, countervailing, and safeguard measures****3.1.5.3 Safeguards**

...

Since its last TPR in 2005, Egypt has initiated 14 safeguard investigations, imposed provisional measures in all of them and final safeguard measures on three products: blankets, steel rebar, cotton and mixed yarns (Table 3.19). Although few final measures were adopted, the application of provisional measures could have acted as a deterrent to trade.

Table 3.19 - Safeguard measures imposed, 2005-June 2017

Product	Countries concerned	Domestic legal instrument	Imposed duties (c.i.f. basis)	Notification	Situation as at 30/06/17
...
Cotton and mixed yarns (other than sewing threads)	All	Ministerial Decree No. 19/2009	25% of c.i.f. value for a period of one year or not less than USD 1/kg		Duties eliminated by Decree 336/2009
Woven cotton or mixed yarns	All	Ministerial Decree No. 20/2009	25% of c.i.f. value for one year period or not less than USD 1/kg		Duties eliminated by Decree 336/2009
...
Cotton and mixed yarns (other than sewing threads)	All	Ministerial Decree No. 736/2011 (provisional) Ministerial Decree No. 589/2012 (definitive)	3.33 LE/kg for 200 days (provisional) LE 3.48 kg from 18/7/2012 until 30/12/2012, and LE 3.13/kg from 31/12/2012 until 30/12/2013, and LE 2/kg from 31/12/2013 until 30/12/2014	G/SG/N/6/EGY/5, 5 December 2011; G/SG/N/7/EGY/5/Suppl.1, 24 September 2012; G/SG/N/7/EGY/4, G/SG/N/11/EGY/4, 9 January 2012; G/SG/N/6/EGY/6, G/SG/N/7/EGY/5, G/SG/N/11/EGY/3, 5 March 2012; G/SG/N/8/EGY/6, G/SG/N/10/EGY/6, G/SG/N/11/EGY/5, 20 July 2012 G/SG/N/8/EGY/6/Corr.1, G/SG/N/10/EGY/6/Corr.1, G/SG/N/11/EGY/5/Corr.1, 8 August 2012;	Duties expired on 30/12/2014

Product	Countries concerned	Domestic legal instrument	Imposed duties (c.i.f. basis)	Notification	Situation as at 30/06/17
Woven cotton or mixed yarns	All	Ministerial Decree No. 116/2012 (provisional)	10% of c.i.f. value and not less than LE 3.33/kg	G/SG/N/6/EGY/5, 5 December 2011 G/SG/N/7/EGY/5/Suppl.1, 24 September 2012 G/SG/N/7/EGY/4, G/SG/N/11/EGY/2, 9 January 2012 G/SG/N/6/EGY/6, G/SG/N/7/EGY/5, G/SG/N/11/EGY/3, 5 March 2012 G/SG/N/8/EGY/6, G/SG/N/10/EGY/6, G/SG/N/11/EGY/5, 20 July 2012 G/SG/N/8/EGY/6/Corr.1, G/SG/N/10/EGY/6/Corr.1, G/SG/N/11/EGY/5/Corr.1, 8 August 2012	Duties eliminated by Decree 693/2012
...

Source: Ministry of Trade and Industry and WTO notifications.

4 TRADE POLICIES BY SECTOR

4.1 Agriculture and Fisheries

4.1.1 Agriculture

4.1.1.1 Main features

...

Table 4.2 describes land use by crops between 2005 and 2016. The use of land for the production of wheat has increased, by some 12%, and so has the use of land for the production of maize, by 14.4%, while for sugar beet it has risen by more than 235%. On the other hand, land dedicated to the production of sugar cane has remained stable, while there has been a decline in areas used to grow rice mainly in order to rationalize the use of irrigation water. The land use for cotton has also declined.

Table 4.2 - Land use by crop, 2005-16

(Thousand feddans^a)

Crop	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
...
Cotton	657	536	575	313	284	369	520	333	287	369	241	131

a 1 feddan is equivalent to 0.42 hectares.

Source: Information provided by the authorities.

Table 4.3 describes the evolution of the production of the most important agricultural crops in Egypt between 2005 and 2016. As can be seen, the production of sugar beet has almost quadrupled during the period; the production of wheat has increased by 15%, and the production of meat, fruit and vegetables has also followed an upward path. However, during the period, Egypt has experienced a decline in the production of some traditional crops such as cotton and rice.

Table 4.3 - Agricultural outputs, 2005-16

('000 tonnes)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
...
Cotton lint	202	602	222	364	95	137	181	109	94	113	160	114
...

Source: Information provided by the authorities.

Table A3.4 - Egypt's notifications to the SPS Committee, 2005-November 2017

Agency responsible	Legal basis	Description	Date	Notification
...
CAPQ		Import requirements of cotton lint	5 January 2011	G/SPS/N/EGY/42
...

Note: GOVS stands for General Organization for Veterinary Services; CAPQ stands for Central Administration of Plant Quarantine; EOS stands for Egyptian Organization for Standardization; MALR stands for Ministry of Agriculture and Land Reclamation and NFSA stands for National Food Safety Authority.

Source: Ministry of Trade and Industry and WTO notifications.

EUROPEAN UNION (FEBRUARY 2020) - SECRETARIAT REPORT (WT/TPR/S/395)**4 TRADE POLICIES BY SECTOR****4.1 Agriculture and Fisheries****4.1.1 Agriculture****4.1.1.2.1 Domestic support****4.1.1.2.1.1 Direct payments*****Voluntary coupled support***

...

In addition to voluntary coupled support, the EU provides for payment for cotton in Bulgaria, Greece and Spain (Table 4.6).¹⁶

Table 4.6 - Crop-specific payment for cotton

	Area (ha)	Fixed yield (tonne/ha)	Payment (EUR/ha)
Bulgaria	3,342	1.2	2015: 584.88
			2016 and onward: 649.45
Greece	250,000	3.2	234.18
Spain	48,000	3.5	362.15

Source: Regulation (EU) No. 1307/2013, Article 58.

¹⁶ Arts. 56-58, Regulation (EU) No. 1307/2013 also provide for payments in Portugal for a national base area of 360 ha but there is no production in Portugal, and no payments are made.

INDIA (JANUARY 2021) - SECRETARIAT REPORT (WT/TPR/S/403/REV.1)**3 TRADE POLICIES AND PRACTICES BY MEASURE****3.2 Measures Directly Affecting Exports****3.2.2 Taxes, charges, and levies**

The Second Schedule of India's Customs Tariff Act lists all goods that are subject to export taxes. The Schedule lists some 50 products at the HS four-, six-, or eight-digit level, including basmati rice, coffee, tea, sugar, specified ores, raw wool and cotton, and iron-related products. However, at present, most of these products bear a duty of 0%; export taxes apply solely to some minerals and hides, skins and leather (Table 3.16) ...

3.3 Measures Affecting Production and Trade**3.3.4 Competition policy and price controls****3.3.4.2 Price control**

India continues to control the price of some crops to ensure that farmers can sell at a minimum support price (MSP) and to procure food for the public distribution system (PDS). In 2019, 24 crops were subject to MSPs (Table 3.34). MSPs are established before the two planting/sowing seasons (i.e. kharif and rabi) by the Department of Agriculture Cooperation and Farmers' Welfare (DAC&FW), following recommendations made by the Commission for Agricultural Costs and Prices (CACP). MSPs are set for the country as a whole; however, since the variables used to determine MSPs, specifically the production costs, may vary from state to state, the CACP uses an all-India weighted average cost of production when making its recommendations to establish the MSPs.¹⁷ An extra payment (bonus) above the MSPs, may also be given to encourage farming of certain crops in certain years (e.g. oilseeds and pulses 2016/17)¹⁸; in 2019/20, no bonuses were paid.¹⁹

Table 3.34 - Crops subject to minimum support prices, 2019/20

Kharif crops	Arhar; bajra; cotton; groundnuts (in shell); jowar; maize; moong; niger seed; paddy; ragi; sesame; soyabeans (yellow); sunflower seeds; and urad
Rabi crops	Barley; gram; masur (lentils); rapeseed/mustard seeds; safflower seeds; toria; and wheat
Other crops	Copra; de-husked coconut; and jute

Source: DAC&FW, *Minimum Support Prices (MSP) for Kharif Crops of 2019-20 Season*. Viewed at: http://agricoop.nic.in/sites/default/files/MSP_2019-20%20%28English%29.pdf.

Farmers may sell to central and state procurement agencies at MSPs²⁰, or on the open market when market prices are higher. If market prices fall below the MSPs, the states/UTs may implement three schemes: (i) the Price Support Scheme (PSS); (ii) the Price Deficiency Payment System (PDPS); and (iii) the Pilot of Private Procurement and Stockist Scheme (PPPS).

The PSS applies to some crops subject to MSPs, if they comply with "fair average quality" norms. This Scheme is in place to ensure that farmers may sell their produce at the MSPs. Under the PSS, procurement agencies purchase at the MSP.²¹ The Scheme is fully financed by the Central

¹⁷ CACP, *Determinants of MSP*. Viewed at: <http://cacp.dacnet.nic.in/content.aspx?pid=62>.

¹⁸ Lok Sabha Unstarred Question No. 1589, 25 July 2017. Viewed at: <http://www.indiaenvironmentportal.org.in/files/file/growth%20of%20farm%20income.pdf>.

¹⁹ MSPs are published online CACP, *Determinants of MSP*. Viewed at: <http://cacp.dacnet.nic.in/content.aspx?pid=62>; Farmers' Portal, *Minimum Support Prices*. Viewed at: <https://farmer.gov.in/mspstatements.aspx>; DAC&FW, *Minimum Support Prices (MSPs) for Kharif Crops of 2019-20 season*. Viewed at: <http://agricoop.nic.in/recentinitiatives/minimum-support-pricesmsps-kharif-crops-2019-20-season>; and DAC&FW, *Minimum Support Prices of Rabi Crops of 2019-20 season to be marketed in 2019-20*. Viewed at: <http://www.agricoop.nic.in/recentinitiatives/minimum-support-price-rabi-crops-2018-19-season-be-marketed-2019-20>.

²⁰ Central procurement agencies are the Central Warehousing Corporation, the Cotton Corporation of India, the Food Corporation of India, the Jute Corporation of India, the National Agricultural Cooperative Marketing Federation of India, the National Consumer Cooperative Federation of India, and the Small Farmers Agro Consortium.

²¹ OECD/ICRIER (2018), *Trends and Evaluation of Agricultural Policies in India*, *Agricultural Policies in India*, OECD Publishing. Viewed at: https://www.oecd-ilibrary.org/agriculture-and-food/agricultural-policies-in-india_9789264302334-en.

Government.²² During the period under review, the list of crops covered by the PSS was revised, and the maximum statutory quantity that may be procured was increased (Table 3.35).

Table 3.35 - Changes to the Price Support Scheme (PSS) over the review period

	2014 Guidelines	2018 Guidelines
MSP crops covered by the PSS	Cotton, oilseeds, and pulses	Copra, oilseeds, and pulses
MSP crops not covered by the PSS	Copra, coarse grains, de-husked coconut, jute, paddy, and wheat	Cotton, coarse grains, de-husked coconut, jute, paddy, and wheat
Duration of the PSS	Maximum 90 days (term may be extended)	Maximum 90 days; 6 months for copra (terms may be extended)
Daily procurement threshold	50 kg per day and per farmer	50 kg per day and per farmer
Maximum procurement quantity	25% of the production	40% of the production
Support granted to encourage procurement	Exemption of the states' mandi tax ^a and logistic arrangements	Exemption of all states' taxes and logistic arrangements

a A fee on the sale and purchase of agricultural produce.

Source: WTO Secretariat, based on *Guidelines for Price Support Scheme (PSS) (Oilseeds, Pulses and Cotton)*, 2014. Viewed at: <http://agricoop.nic.in/sites/default/files/PSS%20GUIDELINES%20final.pdf>; and *Amended Guidelines for Price Support Scheme (PSS) (Pulses, Oilseeds and Copra) under PM-AASHA*, 2018. Viewed at: <http://fci.gov.in/app/webroot/upload/Procurement/PSS%20Guidelines.pdf>.

The PDPS and the PPPS are two new schemes introduced in 2018/19. The PDPS is an alternative to the PSS. Under this System, the Government does not purchase; a cash transfer equal to the difference between the market price and the MSP is made to the farmers.²³ Under the PPPS, an alternative to the PSS and the PDPS, private procurement agencies purchase, at the MSP price, directly from farmers.²⁴ The private procurement agencies are compensated by a maximum of 15% of the MSP of its services; thus, the private agency bears some of the losses associated with the Scheme.

The Market Intervention Scheme (MIS) is implemented on request by the states/UTs, when there is a decrease in prices caused by a bumper crop. The MIS applies to perishable crops for which there is no MSP. It is implemented if there is a 10% decrease in market price or a 10% increase in production over the previous year. Under the MIS, perishable crops are purchased by procurement agencies at a pre-determined market intervention price that covers production costs. The MIS is implemented for a specific period or until the market prices stabilize (whichever is earlier).²⁵

...

4 TRADE POLICIES BY SECTOR

4.1 Agriculture

Table 4.1 - Agriculture, selected indicators, 2013-19

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
GDP at constant (2011/12 prices, growth rate %) ^a	5.6	-0.2	0.6	6.3	5.0	2.7
Agriculture as share of current GDP (%)	18.6	18.2	17.7	17.9	17.2	16.0
Major agricultural production (million tonnes)^b						
...
Cotton (million bales of 170 kg each)	35.90	34.81	30.01	32.58	32.81	28.71

²² Amended Guidelines for Price Support Scheme (PSS) (Pulses, Oilseeds and Copra) under PM-AASHA, 2018. Viewed at: <http://fci.gov.in/app/webroot/upload/Procurement/PSS%20Guidelines.pdf>.

²³ Department of Agriculture and Farmer Welfare, *Guideline for PDPS*. Viewed at: <http://agricoop.nic.in/sites/default/files/Guidelines%20PDPS.pdf>; and CACP (2018), *Price Policy for Kharif Crops: The Marketing Season 2018-19*. Viewed at: <http://cacp.dacnet.nic.in/ViewReports.aspx?Input=2&PageId=39&KeyId=615>.

²⁴ CACP (2019), *Price Policy for Kharif Crops: The Marketing Season 2019-20*. Viewed at: <http://cacp.dacnet.nic.in/ViewReports.aspx?Input=2&PageId=39&KeyId=669>.

²⁵ MIS. Viewed at: http://agricoop.nic.in/sites/default/files/MIS_0.pdf; and Arthapedia, *Market Intervention Scheme (MIS)*. Viewed at: [http://www.arthapedia.in/index.php?title=Market_Intervention_Scheme_\(MIS\)\)](http://www.arthapedia.in/index.php?title=Market_Intervention_Scheme_(MIS))).

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Agricultural exports (value in USD million)	43,433.09	39,199.69	32,900.77	33,792.31	39,027.03	..
% of total exports	13.79	12.64	12.55	12.26	12.86	11.90
...
Cotton, raw (incl. waste)	3,692.09	1,904.15	1,958.37	1,626.21	1,892.69	..
...
Agricultural imports (value in USD million)	14,169.35	19,841.65	21,428.51	24,559.69	23,595.69	..
...
Cotton, raw (incl. waste)	392.68	507.32	391.98	945.09	978.42	..
...

.. Not available.

a Includes agriculture, forestry and fisheries.

b 2017/18 figures are 4th advance estimates.

Source: Department of Agriculture, Cooperation and Farmers' Welfare, Directorate of Economics and Statistics, *Agricultural Statistics at a Glance 2018*.

4.1.3 Measures affecting production

4.1.3.2 Support prices

Table 4.3 - Minimum support prices, 2014–20

(INR per quintal)

Commodity/variety	2014/15	2018/19	2019/20
...
Cotton			
- medium staple	3,750	5,150	5,255
- long staple	4,050	5,450	5,550
...

Source: Ministry of Agriculture and Farmers' Welfare, Directorate of Economics and Statistics.

MAURITIUS (OCTOBER 2021) – GOVERNMENT REPORT (WT/TPR/G/417)

6 MULTILATERAL TRADE AND REGIONAL TRADE AGREEMENTS

6.3 Regional Trade (SADC, COMESA, TRIPARTITE, AfCFTA)

6.3.1 SADC Free Trade Area

...

Mauritius has also started to export "Uncombed single cotton yarn" to Eswatini since 2017. ...

Mauritius continued to import mainly from South Africa, Madagascar and Seychelles. However, since 2015, imports of cotton from Zambia and Zimbabwe (around 14.2%) have increased.

...

6.3.2 COMESA Free Trade Area

...

Diversification of Exports and Imports

Mauritius' top exports in 2014 were looped piled and plain-woven cotton fabrics, batteries and cells, uncooked pasta and animal feed. Between 2014 and 2019, Mauritius has diversified its exports which now include raw cane sugar, dyed cotton fabrics, TV apparatuses, and telephones among others.

On the other hand, the top imports for 2014 were cigarettes, frozen tunas, cotton, bars and rods and food preparations. Between 2014 and 2019, the imports of Mauritius from COMESA have expanded to include vanilla, soyabean and sunflower oil, pine and sanitary towels.

SECRETARIAT REPORT (WT/TPR/S/417)

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1 Measures Directly Affecting Imports

3.1.3 Tariffs and other import taxes

3.1.3.6 Value added tax (VAT)

Table 3.8 - VAT-exempt supplies, 2021

(Bold: items added to the list since 2014)

Item
Wheat; cereal flours (excluding wheat flour)
Animal or vegetable fats and oils other than ghee produced in Mauritius and edible oils
Food preparations for infant use put up for retail sale
Breakfast cereals
Common salt other than common salt produced in Mauritius
Invalid carriages; orthopaedic or other appliances
Educational and training services provided by Mauritius Qualification Authority-registered institutions
Journals and periodicals
Goods reimported in respect of which no refund was made on exportation
Goods imported under the transshipment procedure
Articles reimported after repairs
Bona fide passenger baggage, household and personal effects
Goods (excluding merchandise for sale, tobacco in any form, wines, spirits, arms and ammunition) imported by post of a value for duty purposes not exceeding MUR 1,000
Green house, shade screens, and irrigation systems imported for use in agriculture
Charges under a hire purchase agreement or under a finance lease agreement; postal services
Vegetable seeds, fruit and flower seeds, bulbs and plants, used for sowing or planting
Renting of fixed telephone lines; Internet services charges up to MUR 100 per billing period
Aircraft leasing, aircrafts of heading 88.02
Ships for the transport of persons or goods or both persons and goods falling under heading 89.01
Fishing vessels, factory ships and other vessels for processing or preserving fishery products
Works of art, collectors' pieces and antiques
Cargo handling services
Entrance fees to any sports event
The renting of accommodation for a continuous term exceeds 90 days
Grant, assignment or surrender of any interest in or right over land or of any licence to occupy land

Item
Sale or transfer of immovable property by a VAT registered property developer to a VAT registered person
Burial and cremation services and coffins
The following financial services: (i) banking services; (ii) services provided by foreign exchange dealers and money changers; (iii) the issue, transfer or receipt of, or dealing with any stocks, bonds, shares, debentures and other securities; (iv) the issue or transfer of ownership of a unit under any unit trust; (v) the management of investment funds and pension funds; (vi) the arrangement, provision or transfer of ownership of any contract of insurance or reinsurance under the Insurance Act; (vii) the making of loans between entities within the same group; and (viii) such other financial services as may be prescribed
...
Cotton of headings 52.01, 52.02 and 52.03
...

Source: Mauritius Revenue Authority, *Value Added Tax Act* (Consolidated Version up to Finance Act 2020), Fifth Schedule. Viewed at: <https://www.mra.mu/download/VATAAct.pdf>.

3.3 Measures Affecting Production and Trade

3.3.4 Incentives

The Government continued during the review period to provide a large variety of incentive schemes to its companies and potential investors. This intensified with the COVID-19 crisis. Selected schemes are presented in Table 3.17. ...

...

Table 3.17 - Incentives offered under selected support programmes, 2021

Incentives offered	Description of Scheme
...	
National Equity Fund (NEF) – Provider: State Investment Corporation (SIC) and DBM – Total equity: MUR 150 million (USD 3.75 million) - Inactive since 2016	
Equity investments	The objective of this 10-year closed-end fund was to invest in, and enhance the performance of, companies with meaningful growth potential. The Fund purchased equity capital of existing and new ventures in sectors considered strategic, including biotechnology, cotton spinning, information and communications technology, textiles, and tourism. SIC Fund Management managed the NEF's investments. It has been replaced by the SME Equity Fund.
...	

Source: Government of Mauritius.

MOROCCO (FEBRUARY 2016) - SECRETARIAT REPORT (WT/TPR/S/329)**4 TRADE POLICIES BY SECTOR****4.1 Agriculture and agro-industry****4.1.1 Overview****Table 4.2 - Main imports of agricultural products, 2008-2014**

(USD million)

Products	2008	2009	2010	2011	2012	2013	2014
Total imports	42,322	32,882	35,379	44,263	44,790	45,186	46,035
Agriculture	5,191	3,809	4,197	5,797	5,773	5,042	5,811
% of total	12.3	11.6	11.9	13.1	12.9	11.2	12.6
Main products							
...
HS 5201 Cotton, not carded or combed	76	49	71	123	79	71	73
...

Note: Agriculture by WTO definition.

Source: WTO Secretariat calculations based on data from the UNSD Comtrade database; statistics from the Moroccan Foreign Exchange Board for 2014.

PAKISTAN (APRIL 2022) - SECRETARIAT REPORT (WT/TPR/S/424)**2 TRADE AND INVESTMENT REGIMES****2.2 Trade Policy Formulation and Objectives****2.2.3 Trade Laws and Regulations**

The regulatory framework continues to consist of laws, regulations, and ordinances. Trade-related measures are contained in laws (acts), ordinances, and regulations, including Import and Export Policy orders, and SROs (Table 2.2 and Sections 3.1, 4.1, and 4.3). SROs are statutory instruments/directives of delegated legislation in the form of notifications issued by ministries and departments to alter on an *ad hoc* basis the existing regulatory and fiscal framework.²⁶ ...

Table 2.2 - Main trade-related legislation, 2021

Area	Legislation
...	...
Standards (imports and exports)	Import Policy Order, 2020; Export Policy Order, 2020; Cotton Standardization Ordinance, 2002
...	...

Source: WTO Secretariat; and information provided by the authorities.

3 TRADE POLICIES AND PRACTICES BY MEASURE**3.2 Measures Directly Affecting Exports****3.2.3 Export prohibitions, restrictions, and licensing****3.2.3.2 Export restrictions and licensing**

According to the authorities, Pakistan does not maintain an export licensing regime. However, the export of certain products is restricted, and those products can only be exported if certain conditions are met. These are detailed in Schedule II of the Export Policy Order 2020 (Table 3.7).

Table 3.7 - Restricted exports

	HS Code	Item/goods	Condition/procedure/formalities
...
8	1516.1000 1516.2010 1516.2020 1518.0000	Vegetable ghee and cooking oil	(i) Export shall be allowed (excluding that manufactured in manufacturing bonds and export-oriented units in case of exports to Afghanistan only) provided there is value addition of 15% for edible uses in packs up to 25 litres for cooking oil and 25 kilograms for vegetable ghee. However, 50% value addition in ghee and cooking oil in non-edible uses in packs up to half litre or half kilogram; (ii) Containers or packages exported to Afghanistan must contain ingredient information printed in Dari and Pushto languages; (iii) Bulk export of indigenous oils (sunflower, canola, and cotton seed)
...

Source: Export Policy Order 2020, Ministry of Commerce.

3.2.4 Export support and promotion**Export Facilitation Scheme**

...

In January 2017, the Government announced a PKR 180 billion incentive package for exporters. The package included the removal of customs duty and sales tax on the import of cotton, man-made fibres other than polyester, and textile machinery. ...

²⁶ At the time of the previous Review, it was indicated that SROs were to be incorporated into regular laws and gradually phased out. WTO document WT/TPR/S/311/Rev.1, 2 June 2015.

3.3 Measures Affecting Production and Trade

3.3.3 Sanitary and phytosanitary requirements

...

Under the legislation, import of any seed, including cotton seed, requires a permit (Controlled Import Permit) from the DPP. For first-time imports of cotton seed, the DPP allows a maximum quantity of 1 kg. After importation, the DPP tests for invasive and alien biosecurity risks in a DPP-approved post-entry quarantine facility for one crop season. If the seed variety is cleared, the seed can be put through Federal Seed Certification and Registration Department (FSCRD) trials prior to registration and entry in the Federal Seed Register. Once registered, seeds can be imported on a commercial basis. If the importable cotton seed is characterized as either a living modified organism (LMO) or a genetically modified organism (GMO), a licence from the Pakistan Environmental Protection Agency is also required. The National Biosafety Committee under the Ministry of Climate Change (MoCC) evaluates application for import of LMO or GMO.

3.3.5 Competition policy and price controls

Price controls

With a view to curbing inflation and ensuring the supply of essential commodities at affordable prices, the Government issued the Price Control and Prevention of Profiteering and Hoarding Order 2021 in August 2021, which is based on the Price Control and Prevention of Profiteering and Hoarding Act, 1977.²⁷ Under the Order, the Government has the authority to fix and structure maximum prices for 50 goods deemed essential in the case of an "uncontrolled price hike", these include, *inter alia*, tea, milk, sugar, edible oils, meat and wheat, and industrial and agricultural inputs ranging from caustic soda, soda ash, cement, automobiles, tractors, chemicals like pesticides and fertilizers, steel, and cotton lint. ...

4 TRADE POLICIES BY SECTOR

4.1 Agriculture and Livestock

4.1.1 Main features and recent developments

According to UN Comtrade data, in 2020, Pakistan imported USD 8.4 billion agricultural products (18.3% of total merchandise imports) and exported USD 4.4 billion (19.6% of total merchandise exports) (Table 4.1). It maintains a trade surplus in meat and bovine animals; dates, figs, and mangoes; and citrus fruit, but a trade deficit in tea, soya beans, and cotton not carded or combed. Rice is by far the most important export product in terms of its share of total exports, while palm oil, cotton not carded or combed, and soya beans are the most important import products.

Table 4.1 - Agriculture exports and imports, 2015-20

(USD million and %)

	2015	2016	2017	2018	2019	2020
Exports^a	4,600.3	3,869.6	4,173.8	5,054.5	4,821.9	4,353.8
% of total exports	20.8	18.8	19.1	21.4	20.3	19.6
Top 10 exports at HS 4-digit level (% of total) ^b :						
...
5202 Cotton waste (including yarn waste and garneted stock)	1.0	1.2	1.4	1.1	0.9	1.3

²⁷ Government of Pakistan, Industries and Production Division, Notification SRO 1062(I)/2021, 24 August 2021. Viewed at: [http://www.moip.gov.pk/userfiles1/file/Rules%20under%20the%20Price%20Control%20Act%202021%20\(KA-A-HA\)%20FINAL-FINAL.pdf](http://www.moip.gov.pk/userfiles1/file/Rules%20under%20the%20Price%20Control%20Act%202021%20(KA-A-HA)%20FINAL-FINAL.pdf); and Notification SRO 1065(I)/2021, Schedule, 24 August 2021. [http://www.moip.gov.pk/userfiles1/file/Rules%20under%20the%20Price%20Control%20Act%202021%20\(KA-A-HA\)%20FINAL-FINAL1.pdf](http://www.moip.gov.pk/userfiles1/file/Rules%20under%20the%20Price%20Control%20Act%202021%20(KA-A-HA)%20FINAL-FINAL1.pdf).

	2015	2016	2017	2018	2019	2020
Imports^a	6,076.1	6,677.4	7,758.8	7,302.8	6,282.0	8,378.4
% of total imports	13.8	14.2	13.5	12.1	12.5	18.3
Top 10 imports at HS 4-digit level (% of total):						
...
5201 Cotton, not carded or combed	8.9	8.7	9.8	14.4	11.3	15.7
...

a WTO definition.

b Top 10 agricultural exports and imports by HS 4-digit in 2020.

c Ethyl alcohol undenatured; of an alcoholic strength by volume of 80% vol. or higher; ethyl alcohol and other spirits, denatured, of any strength.

Source: WTO Secretariat calculations, based on trade figures from UN Comtrade database.

...

Pakistan is among the world's top 10 producers of wheat, cotton, sugar cane, mango, dates, and kinnow oranges, and is ranked 9th in rice production. ...

In FY2020/21, the agriculture sector grew by 2.77% against a target of 2.8%. The growth rate of "important" crops (wheat, rice, sugar cane, maize, and cotton) was 4.65%, reflecting sufficient availability of agricultural inputs (water, subsidized fertilizers, certified seeds, pesticides, and agriculture credit).²⁸ Other crops grew by 1.41% because of an increase in the production of fodder, vegetables, and fruits. Cotton ginning declined by 15.58%, due to fall in the production of the cotton crop. ...

Table 4.2 - Agriculture sector growth rates, 2014/15-2020/21

(Agriculture growth (base = FY2005/06))

	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20	FY2020/21
Agriculture	2.13	0.15	2.18	4.00	0.56	3.31	2.77
...
Cotton ginning	7.24	-22.12	5.58	8.80	-12.74	-4.82	-15.58
...

Source: Finance Division (2021), *Pakistan Economic Survey 2020-21*. Viewed at: https://www.pc.gov.pk/uploads/cpec/PES_2020_21.pdf.

4.1.2 Policy, institutional, and regulatory developments

4.1.2.2 Domestic measures

4.1.2.2.2 Other support

... For cotton and sugar, indicative benchmark prices are announced by the Government. For example, the Federal Government recently announced the indicative price for seed cotton for 2021/22. The TCP is required to purchase seed cotton from farmers if the price falls below this indicative price. A cotton review committee was set up in August 2021 to monitor market dynamics and intervene if required. The authorities state that this committee is temporary in nature. ...

...

In the wake of COVID-19 pandemic, the Government announced a fiscal package of over PKR 1,200 billion, of which PKR 50 billion was earmarked for the agriculture sector, covering²⁹:

- ...

²⁸ Finance Division (2021), *Pakistan Economic Survey 2020-21*. Viewed at: https://www.pc.gov.pk/uploads/cpec/PES_2020_21.pdf.

²⁹ MNFSR (2020), *Year Book 2019-20*. Viewed at: <http://www.mnfsr.gov.pk/frmDetails.aspx>.

- subsidy on whitefly pesticides and cotton seeds: PKR 6 billion on the purchase of whitefly-related pesticides, and PKR 2 billion on cotton seeds during its sowing season in 2021; and
- ...

4.1.3 Key subsectors

4.1.3.1 Crops

Table 4.6 - Area and production of important crops, FY2015/16–FY2020/21

(Area: '000 hectares; production: '000 tonnes)

Crops	FY2015/16		FY2016/17		FY2017/18		FY2018/19		FY2019/20		FY2020/21	
	Area	Production	Area	Production	Area	Production	Area	Production	Area	Production	Area	Production
...
Cotton ^a	2,902	9,917	2,489	10,671	2,700	11,946	2,373	9,861	2,517	9,148	2,079	7,064
...

.. Not available.

a Cotton production is in '000 bales (375 lbs per bale).

b The oil seeds category includes sesamum, groundnut, soya bean, safflower, sunflower, R&M seeds (including canola), and cottonseeds.

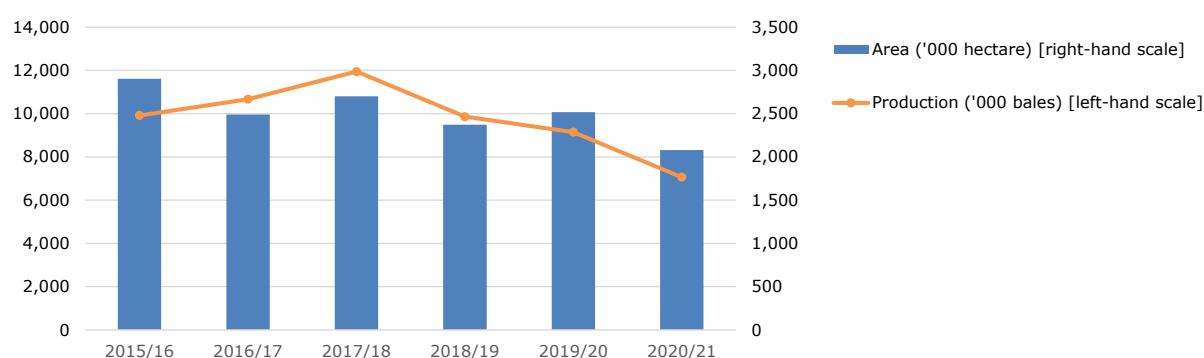
Source: Pakistan Bureau of Statistics.

4.1.3.1.4 Cotton

In 2019/20, Pakistan was ranked the fifth-largest cotton producer in the world by the International Cotton Advisory Committee (ICAC).³⁰ Cotton is not only an important crop in agriculture, but also an essential input for the domestic textiles industry.

Since FY2017/18, the cultivated area for cotton has been declining in general, which led to reduced production (Chart 4.4). According to the Pakistan Economic Survey 2020-21, the shrinking acreage of cotton reflects the non-profitability of the crop as compared to maize, paddy, and sugar cane. Other factors include pests such as white flies and pink bollworms; climate change, heat stresses, and extreme rainfalls; poor agricultural practices and unnecessary use of pesticides; and high costs of inputs including fertilizers, pesticides, and seeds.³¹

Chart 4.4 - Cotton, 2015/16-2020/21



Source: Finance Division (2021), *Pakistan Economic Survey 2020-21*. Viewed at: https://www.pc.gov.pk/uploads/cpec/PES_2020_21.pdf.

³⁰ ICAC data portal. Viewed at: <https://www.icac.org/DataPortal/DataPortal/?menuId=23>.

³¹ Finance Division (2021), *Pakistan Economic Survey 2020-21*. Viewed at: https://www.pc.gov.pk/uploads/cpec/PES_2020_21.pdf.

Exports of raw cotton fell dramatically from USD 217 million in 2013 to USD 2.2 million in 2020 (Table 4.10), whereas exports of cotton yarn (which does not fall under WTO agriculture) dropped from USD 2.2 billion to USD 0.8 billion during the same period. The authorities state that the reason is the continuous decline in the domestic production of cotton. Pakistan imports high-quality cotton to blend with domestic cotton to produce quality fabrics; imports amounted to USD 1.3 billion of raw cotton and USD 64.9 million of cotton yarn in 2020 (USD 757 million of raw cotton and USD 151 million of cotton yarn in 2013). The import tariff on cotton is zero. With an intention of encouraging domestic processing, the tariff on cotton yarn is 11%. According to the authorities, tariff on cotton yarn was revised to 5%.

Table 4.10 - Cotton trade, 2013-20

(USD million)

HS 5201 Cotton; not carded or combed	Exports	Imports
2013	217.2	757
2014	180.9	521.6
2015	105.6	543.7
2016	40.9	580.5
2017	60.9	761.5
2018	19.4	1,049.0
2019	22.2	708.5
2020	2.2	1,315.5

Source: UN Comtrade data.

Export contracts on cotton must be registered with the Trade Development Authority of Pakistan (TDAP) under the MoC, with exports being subject to mandatory quality inspection and certification.³²

The Government is trying to boost the production of cotton. The ATP aims to amend relevant laws to fast-track release of new cotton varieties with novel technologies. Track and traceability of quality certified seed to farmers has also been initiated, and organic farming started in some parts of Pakistan. The Pakistan Central Cotton Committee (PCCC), a semi-autonomous body in the MNFSR, has as an objective to improve the sector's productivity.

Table A1.2 - Merchandise imports by HS section and major HS chapter/subheading, 2014-20

HS Section/chapter/subheading	2014	2015	2016	2017	2018	2019	2020
Total imports (USD billion)	47.5	44.0	47.0	57.4	60.2	50.1	45.8
	(% of total imports)						
...
11 Textiles and textile articles	6.1	6.9	6.6	6.2	6.3	5.8	7.1
52 Cotton	1.6	1.5	1.5	1.7	2.1	1.7	3.0
5201 Cotton, not carded or combed	1.1	1.2	1.2	1.3	1.7	1.4	2.9
...

Source: WTO Secretariat calculations, based on UN Comtrade database.

³² WTO document WT/TPR/S/311/Rev.1, 2 June 2015.

Table A3.2 - Prohibited imports, 2020

Description
...
Factory rejects and goods of job lot/stock lot or substandard quality except those mentioned below:
1. Waste, seconds and cutting of:
iron and steel sheets and plates in cut length or coils;
tin sheets and plates of one side not less than 45.7 cm (18 inch);
stainless steel sheets, coils, plates and circles of AISI-200, AISI-300 and or AISI-400 series only;
Cotton waste (HS No. 5202.0000); and
Granules made by the recycling of plastics waste.
2. Re-rollable scrap (7204.1010, 7204.4910)
The scrap having width not exceeding 1000 mm with thickness 6 mm and above and a length not exceeding 2.5 metres, consisting of mill rejects and crop ends of ingots, billets, slabs, blooms and including cuttings of sheets and plates, pipes and bars whether in pieces or in rolled strips, cuttings of ships plates, used and pitted rails and girders, whereas in case of girders and pipes length shall be 1.5 metres
...

Source: Ministry of Commerce, Import Policy Order 2020, Appendix A.

Table A3.3 - Restricted imports, 2020

Commodity description	Conditions
Part 1 Health and Safety Requirements	
...	...
Cotton seed	Importable with prior approval of the Ministry of National Food Security & Research, Government of Pakistan
...	(i) ...

Source: Ministry of Commerce, Import Policy Order 2020.

PERU (OCTOBER 2019) - SECRETARIAT REPORT (WT/TPR/S/393)**APPENDIX TABLES****Table A1.2 - Total merchandise imports by HS section, 2012-18**

(USD million and %)

Description	2012	2013	2014	2015	2016	2017	2018
Total imports	42,169	43,327	42,184	38,036	36,153	39,788	43,136
	(% of imports)						
...
52. Cotton	0.9	0.8	0.9	0.8	0.7	0.8	0.8
...

Source: WTO Secretariat calculations, based on data provided by the authorities.

RUSSIAN FEDERATION (OCTOBER 2021) - SECRETARIAT REPORT (WT/TPR/S/416)**3 TRADE POLICIES AND PRACTICES BY MEASURE****3.2 Measures Directly Affecting Exports****3.2.3 Export prohibitions, restrictions, and licensing**

...

On 24 March 2020, the EAEU imposed temporary export prohibitions on a range of medical products, devices, and personal protective equipment (PPE) to prevent critical shortages in response to the COVID-19 pandemic. They applied mainly to cotton wool, gauze, bandages, masks, half masks, respirator masks, respirators, filters for PPE for respiratory devices, goggles, disinfectants, shoe covers, certain types of clothing and accessories, and gloves.³³ These temporary export prohibitions were eliminated on 1 October 2020.

³³ Amendments to EEC Board Decision No. 30 of 21 April 2015 on Measures of Non-tariff Regulation. EEC Board Decision No. 41 of 24 March 2020. Viewed at: https://docs.eaeunion.org/docs/ru-ru/01425254/err_26032020_41.

SOUTH AFRICA (NOVEMBER 2015) - SECRETARIAT REPORT (WT/TPR/S/324/REV.1)³⁴**3 TRADE POLICIES AND PRACTICES BY MEASURE****3.3 Measures affecting production and trade****3.3.2 Competition policy and price controls****3.3.2.2 Price control**

In general, prices in South Africa are market-determined. Guideline prices, for agricultural products subject to levies, continue to be determined under the Marketing of Agricultural Products Act (Act No. 47 of 1996), to ensure that the levy does not exceed 5% of the actual price. Guideline prices are determined for the wine industries, milk and dairy products, as well as cotton lint.

...

4 TRADE POLICIES BY SECTOR**4.1 Agriculture****4.1.2 Policy**

...

Levies continue to apply to the export and/or production of the following products: ..., cotton, ...

³⁴ Trade Policy Review of the Southern African Customs Union (SACU).

THAILAND (NOVEMBER 2020) - SECRETARIAT REPORT (WT/TPR/S/400)**3 TRADE POLICIES AND PRACTICES BY MEASURE****3.3 Measures Affecting Production and Trade****3.3.6 Competition policy and price regulation****3.3.6.4 Price regulation and control**

The legal and institutional framework for price regulation has not changed since the previous Review. The Price of Goods and Services Act B.E. 2542 (1999) is the main piece of legislation in this regard.³⁵ The purpose of the Act is to ensure the fair price of goods and services, and their adequate supply. The Central Commission on Prices of Goods and Services (CCP), established in accordance with the Act and located in the Department of Internal Trade at the Ministry of Commerce, is the competent authority for implementing relevant policies under the Act. The main responsibilities of the CCP include: (i) to designate controlled goods or services; (ii) to prescribe price controls and/or other control measures for such goods or services; (iii) to enforce the measures and monitor implementation; and (iv) to review complaints and make appropriate decisions thereon. In addition to the CPP, provincial commissions were established under the Act to monitor prices locally.

Once the CPP, with the approval of the Cabinet, issues a notification designating controlled goods or services, it has the power to fix or maintain the price of such goods or services or to fix the distributor's maximum per unit profit rate. It also has the power to prescribe rules, procedures and conditions with regard to the production, import, export, purchase, distribution or storage of the controlled goods or services, and to prescribe measures to prevent hoarding of such goods or services.³⁶ In addition, the CPP may require business operators to display the prices of their goods or services.³⁷

The CCP maintains two types of lists: one list contains goods and services under price monitoring (Table 3.26), and the other contains goods and services subject to price control (Table 3.27). Both lists are updated regularly.

Table 3.26 - Goods and services subject to price monitoring, March 2020

List	Products
Goods	
Sensitive list	1. sugar, 2. vegetable oil, 3. diesel, 4. medical masks
Priority watch list	1. pesticides and fungicides, 2. products that contain ethyl alcohol as a component for hand hygiene, 3. scrap paper and recycled paper
Watch list	... 85. cotton buds ...
Services	
...	...

Source: Information provided by the authorities.

4 TRADE POLICIES BY SECTOR**4.1 Agriculture****4.1.2 Trade****Table 4.3 - Imports of selected agricultural products, 2015-19**

HS code		2015	2016	2017	2018	2019
...
5201 Cotton, not carded or combed	USD million	534.1	430.7	484.2	521.0	387.7
	'000 tonnes	503.9	256.8	254.7	258.9	205.1
...

.. Not available.

Source: Ministry of Commerce; and the Customs Department.

³⁵ Price of Goods and Services Act, B.E. 2542 (1999) (English translation). Viewed at: <https://www.dit.go.th/en/backoffice/uploadfile/255609171740127152262.pdf>.

³⁶ Section 25, Price of Goods and Services Act, B.E. 2542 (1999).

³⁷ Section 28, Price of Goods and Services Act, B.E. 2542 (1999).

TÜRKIYE (MARCH 2016) - SECRETARIAT REPORT (WT/TPR/S/331)**3 TRADE POLICIES AND PRACTICES BY MEASURE****3.1 Measures Directly Affecting Imports****3.1.8 Contingency measures****3.1.8.1 Anti-dumping and countervailing measures**

...

... One anti-dumping investigation has been initiated ex officio with respect to the United States on cotton. ...

...

Over the review period, there has been considerable anti-dumping activity. Since the beginning of 2012, 25 new investigations have been initiated and 14 new measures have been imposed; many of these have affected more than one WTO Member (Table A3.2). Additionally, various existing anti-dumping measures have been extended (Table A3.3). Since 2012, a concern has been raised by the United States in a meeting of the Committee on Anti-Dumping Practices about Türkiye's investigation on cotton.³⁸

Table A3.2 - New anti-dumping investigations initiated and measures imposed or terminated, 2012-15

Products concerned	Exporter(s) affected	Status
...
Cotton (HS 5201)	United States	Initiation of investigation on 18 October 2014
...

Source: WTO document WT/TPR/OV/W/9, 3 July 2015 and information provided by the authorities.

3.1.8.2 Safeguard measures

...

Since the beginning of 2012, Türkiye has launched five safeguard investigations. At mid-October 2015, two of these were still ongoing, definitive safeguard measures had been imposed on another two, and one investigation was completed with no definitive measure imposed. Existing safeguard measures were extended in eight cases; and of these, one expired in 2014 (footwear) and two expired in 2015 (matches and motorcycles) (Table A3.4). On 31 December 2012, ahead of schedule, Türkiye terminated the safeguard measure on cotton yarn. ...

Over the review period, Türkiye has responded to questions posed by India in the WTO Committee on Safeguards regarding certain aspects of determination of serious injury in the context of Türkiye's notifications on polyethylene terephthalate and certain types of cotton yarn.³⁹ ...

...

Table A3.4 - Safeguard investigations initiated and measures imposed or extended, 2012-15

Date original investigation published in the <i>Official Gazette</i>	Product(s) subject to investigation	Imposition of safeguard measure	Extension of safeguard measure
...
21.10.2008	Cotton yarn Türkiye terminated this measure as of 31/12/12	15/7/2008-14/7/2011 Application of variable duty with liberalization annually: 1 st period: 20% max. USD 1/kg-min. USD 0.35/kg; 2 nd period: 19% max. USD 0.95/kg-min. USD 0.33/kg; 3 rd period: 18% max. USD 0.90/kg-min USD 0.31/kg. Various developing countries excluded.	15/7/2011-14/7/2014 Application of variable duty with liberalization annually: 1 st period: 10% max. USD 0.85/kg-min USD 0.29/kg; 2 nd period: 9% max. USD 0.80/kg-min USD 0.26/kg; 3 rd period: 8% max. USD 0.75/kg-min USD 0.23/kg. Various developing countries excluded.
...

Source: Türkiye's notifications to the WTO Committee on Safeguards.

³⁸ WTO document G/ADP/M/48, 6 August 2015.

³⁹ WTO documents G/SG/Q2/TUR/6/Rev.1, 11 May 2012 and G/SG/Q2/TUR/6, 4 May 2012.

3.1.9 Standards and other technical requirements

3.1.9.4 Controls at the border

...

In 2011, Türkiye started pilot implementation of a risk-based trade control system, TAREKS, to carry out safety checks on imported and exported goods on the basis of risk. Consequently, since January 2012, conformity assessment of certain imported goods (toys, medical devices, telecommunication products, personal protective equipment, batteries and accumulators, construction products, and shoes) and as of August 2012, transactions related to cotton controls have been taken under the scope of TAREKS. ...

TAREKS introduces a new risk assessment understanding and emphasizes the control of "risky" products while leaving behind the era of checking each product at each arrival at customs. TAREKS reduces bureaucratic procedures as well as the number of documents to be submitted during the control process and replaces the paper documentation. It also contributes to effective traceability and market surveillance schemes.

Quality checks for agricultural products are also part of the control process pursuant to Communiqué No. 2015/21 on Commercial Quality Controls on Certain Agricultural Produce at Export and Import Stage. In accordance with the Communiqué No. 2012/25, cotton is also subject to commercial quality controls at export and import stages and in the domestic market as well. See Section 3.2.4.2 for details on the export quality control of agricultural products.

4 TRADE POLICIES BY SECTOR

4.1 Agriculture

4.1.2 Production

Hazelnuts are the largest earner for the fruit and nut category (Table 4.1).

Table 4.1 - Major crop production, 2010-14

	Production value (TL million)					(% of total)	
	2010	2011	2012	2013	2014 ^a	2010	2014 ^a
Crop production (total)	80,038	88,979	87,947	92,453	97,988	100.0	100.0
...
Raw materials used in textiles, of which:	2,642	4,883	2,758	2,941	3,467	3.3	3.5
Cotton (raw)	2,642	4,883	2,758	2,941	3,467	3.3	3.5
...

a 2014 data is provisional.

Sources: Turkstat, Agricultural Structure (production, price, value) Publication; Turkstat, The Summary of Agricultural Statistics Publication.

4.1.3 Trade

4.1.3.1 Overview

...

Over the past five years, imports of raw materials and exports of processed goods have increased in parallel: as imports of cotton, wheat, and tobacco increased, exports of textiles, flour and confectionary, and tobacco products also increased. ...

...

Table 4.3 - Exports of agricultural products, 2010-14

(USD million)

	2010	2011	2012	2013	2014
Total exports	113,979	134,915	152,537	151,803	157,715
Total agriculture exports	11,899	14,350	15,105	16,707	17,635
of which					
...
1512 Sunflower-seed, safflower or cotton-seed oil	103	341	418	496	790
...

Source: UNSD Comtrade.

...

Table 4.4 - Imports of agricultural products, 2010-14

(USD million)

		2010	2011	2012	2013	2014
	Total imports	185,541	240,839	236,544	251,661	242,224
	Total agricultural imports	9,865	13,477	12,599	13,398	14,554
	of which					
5201	Cotton, not carded or combed	1,720	1,850	1,275	1,681	1,750
...
1512	Sunflower, safflower or cotton-seed oil	274	629	988	919	1,201
...

Source: UNSD Comtrade.

The main source of imports also depends on the product: in 2014, the United States was the main supplier of cotton (HS 5201); ...

4.1.4 Support programmes**Table 4.8 - Main measures of agricultural support, 2011-14**

(TRY million)

	2011	2012	2013	2014
Producer support estimate (PSE)	27,022.51	26,041.07	31,385.15	33,888.92
...
Deficiency payments:	2,434.49	2,736.55	2,639.91	2,689.09
Cotton premium	792.27	1,123.69	1,037.21	1,075.23
...

Source: OECD, PSE.

5 APPENDIX TABLES**Table A2.1 - Türkiye's Involvement in Dispute Settlement Cases, 1 January 2012 – 1 December 2015**

Subject	Respondent/ complainant/ appellant	Request for consultation received	Status (as at 30 October 2014)	WTO document series
Panels				
Türkiye as a respondent:				
Türkiye – Safeguard Measures on Imports of Cotton Yarn (other than Sewing Thread)	Türkiye/India	13-Feb-12	Consultations requested	WT/DS428
...

Source: WTO Secretariat.

UNITED STATES (DECEMBER 2018) - SECRETARIAT REPORT (WT/TPR/S/382/REV.1)**SUMMARY**

...

...The 2014 Farm Bill was amended in early 2018, through the passage of the Bipartisan Budget Act of 2018, to provide support for seed cotton, to make the Margin Protection Programme more attractive for small and medium-sized dairy farms, and to make additional disaster relief available. A programme to support the cost of cotton ginning was re-introduced as a temporary measure in March 2018. The legislative process for the 2018 Farm Bill is ongoing.

...

3 TRADE POLICIES AND PRACTICES BY MEASURE**3.1 Measures Directly Affecting Imports****3.1.4 Other charges affecting imports****Table 3.3 - Agricultural fees, applicable since 28 December 2015**

Fee	Legal reference	Reason	Amount of fee
...
Cotton Import Assessment	Cotton Research and Promotion Act of 1989 7 CFR 1205	Cotton research, promotion, consumer information	Varies according to the product and HTS number
...

Source: CBP online information. Viewed at: http://www.cbp.gov/sites/default/files/documents/userfee0407_3.pdf and https://www.aphis.usda.gov/aphis/ourfocus/business-services/user_fees/aqi_user_fees; and information provided by the authorities.

4 TRADE POLICIES BY SECTOR**4.1 Agriculture****4.1.1 Main features**

...

...The United States is the world's largest producer of soybeans, maize, beef, chicken, and turkey, and ranks third in the world in the production of pig meat and cotton. Market developments in the United States therefore have a considerable influence on the world market prices for many commodities.

Table 4.1 - Value of production, 2010-17

(USD billion and %)

	2010	2011	2012	2013	2014	2015	2016	2017	% of Total ^a
Total	334.9	379.5	396.6	394.3	406.4	376.2	355.5	372.7	100.0
...
Cotton	7.3	7.0	6.3	5.2	5.1	4.0	5.8	7.2	1.9
...

a Percentage of total for the year 2016.

Source: USDA National Agricultural Statistics Service online. Viewed at: <https://quickstats.nass.usda.gov/>; USDA National Agricultural Statistics Service online information, "Poultry Production and Value", different bulletins, viewed at: <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1130>; and OECD Stats, Agriculture Policy Indicators, 2017 Monitoring and Evaluation: Reference Tables.

Despite a sizable domestic market, much of agriculture is highly export oriented, particularly in the production of soybeans, maize, wheat, cotton, and chicken. The United States is the world's leading exporter of most of these commodities. ...

Table 4.2 - US and world production and trade of selected commodities, 2010-19

('000 tonnes, unless otherwise indicated)

	Marketing year	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19

Cotton (thousand 480 lb. bales)										
Production	United States	18,102	15,573	17,314	12,909	16,319	12,888	17,170	20,923	19,235
	% of world	15.4	12.2	14.0	10.7	13.7	13.4	16.1	16.9	16.0
Exports	United States	14,376	11,714	13,026	10,530	11,246	9,153	14,917	15,847	15,500
	% of world	41.2	25.5	28.0	25.8	31.7	26.2	39.6	38.8	37.0

Source: USDA Foreign Agricultural Service, Production, Supply and Distribution database. Viewed at: <https://apps.fas.usda.gov/psdonline/app/index.html#/app/advQuery>.

Except in 2005 and 2006, when imports almost matched exports, the United States has been a significant net exporter of agricultural products since 2000, although the trade surplus has declined since the peak period 2012-14 (Chart 4.1).

Table 4.3 - Exports and imports of selected products, 2012-July 18^a

			2012	2013	2014	2015	2016	2017	July 2018
Total exports		USD million	145,933	148,499	154,554	137,229	138,909	142,905	85,925
5201	Cotton
		USD million	6,225	5,592	4,396	3,889	3,959	5,828	4,995
		'000 tonnes	2,752	2,790	2,167	2,396	2,469	3,253	2,756
...

a HS headings 0201 (meat of bovine animals, fresh and chilled) and 0202 (meat of bovine animals, frozen) have been added together so that trade in meat of bovine animals is comparable to HS headings 0203 (meat of swine) and 0207 (meat and edible offal of poultry), which both include fresh, chilled, and frozen meat under the same HS heading.

Source: UNSD Comtrade database.

4.1.2 Major support programme

4.1.2.1 General legal framework

...

... While the first versions of farm legislation (in the 1930s) focused on support to producers of staple commodities (maize, soybeans, wheat, cotton, sugar, rice, and dairy), modern farm bills are much wider in scope, and address a range of issues such as revenue and price support, crop insurance, credit, disaster relief, conservation, research, bioenergy, horticulture and organic farming, rural development, nutrition, food aid, and trade. The farm bills are renewed approximately every five years.

... A new programme, the Supplemental Coverage Option (SCO), which requires producers to have an underlying insurance policy, allowed them to add an area-based plan on top of individual farm coverage. Producers with historical upland cotton base were not eligible to elect PLC or ARC for cotton, but cotton producers were offered a supplemental crop insurance programme: the Stacked Income Protection Plan (STAX). The Farm Bill also sought to rationalize various conservation programmes.

...

The 2014 Farm Bill was amended in early 2018, through the passage of the Bipartisan Budget Act of 2018 (PL 115-123). As part of the revision, "seed cotton" has now become a covered commodity under the PLC and ARC programmes from the 2018 crop year. ...

...

4.1.2.6 Cotton

According to the 2012 Census, there were 18,155 cotton farms, down from more than 1 million farms in the 1940s. Nevertheless, the United States is the world's third largest producer, and the number one exporter, of cotton. Cotton has always been an important export crop, and exports have continued to rise with the decline in textile production in the United States.

The 2014 Farm Bill did not include upland cotton as a covered commodity under the PLC or ARC programmes, but introduced a subsidized Stacked Income Protection Plan (STAX), a cotton-specific supplemental crop insurance programme. STAX, which provides coverage for losses of up to 20% of the expected county revenue, could be bought on its own or in conjunction with an underlying (companion) policy.⁴⁰ STAX, which triggers indemnities when area revenue declines below 90% of the expected level, could cover a maximum 30% of the expected revenue or the difference between 90% and the loss level under the companion policy. The grower also chooses the effective coverage under STAX by electing a multiplier (protection factor), ranging from 80% to 120%. However, even with most of the premium (80%) paid by the Federal Government, cotton farmers were reluctant to sign up to STAX, particularly in the southern plains. Nationwide, only 30% of the eligible acreage was enrolled in STAX the first year the plan was offered and, though there were differing regional trends, overall participation rates declined further to 26% in 2016 and 23.9% in 2017.⁴¹

While upland cotton was not included as a covered commodity under the PLC and ARC programmes, former upland cotton base became "generic acres", and farmers with generic acres could qualify for PLC and ARC payments by planting those lands with crops eligible for ARC or the PLC. Payments would accordingly be based on current planting decisions, and not on historical production, for the crops planted on generic acres. Of the 17.6 million generic acres in total, some 8.66 million acres were planted with ARC- and PLC-eligible crops in the 2016 crop year, resulting in payments amounting to USD 505 million. The most commonly planted crops were peanuts enrolled in PLC, planted on 1 million acres, with USD 186 million paid, and maize enrolled in ARC-CO, planted on 2 million acres, with USD 114 million paid.⁴²

The Bipartisan Budget Act of 2018 revised the ARC and PLC support programmes, with the introduction of seed cotton, defined as unginning upland cotton including both lint and seed, as a covered commodity under ARC and PLC for the 2018 crop year. Producers with generic base acres have the option to allocate those base acres to seed cotton or other covered commodities, based on 2009-12 plantings. Generic acres without the required 2009-12 plantings of either cotton or other covered commodities become unassigned base acres.⁴³ Either ARC or PLC may be selected for the seed cotton acres, with a one-time opportunity to update the PLC yield for seed cotton. The reference price (PLC) is set at USD 0.367 per pound, and the marketing loan rate for seed cotton at USD 0.25 per pound (for use only in the PLC programme; marketing assistance loans are not authorized for seed cotton). Farmers who choose to enrol historical seed cotton base acres in ARC or PLC will not be eligible to enrol in STAX for current cotton production as from the 2019 crop year.

As a temporary measure to support cotton producers, the US Department of Agriculture (USDA) announced a second Cotton Ginning Cost Share (CGCS) programme in March 2018. Producers were invited to sign up by 31 May 2018 to receive a one-time payment equal to 20% of the average

⁴⁰ Examples of such policies are Yield Protection, Revenue Protection, Revenue Protection with the Harvest Price Exclusion, and any Area Risk Protection.

⁴¹ Glauber, Joseph, W. *Unraveling Reform? Cotton in the 2018 Farm Bill*, American Enterprise Institute, January 2018. The author bases his calculations on data from the USDA Risk Management Agency.

⁴² USDA FSA online information. Viewed at: <https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdafiles/arc-plc/pdf/2016%20ARC%20PLC%20payments%20April%202018.pdf>.

⁴³ Unassigned base acres are not eligible for payments. A farm owner that did not plant any covered commodities (including seed cotton) on the generic base acres during the 2009-16 crop years would now have an unassigned crop base.

ginning costs, based on their cotton planted acres reported to the FSA for 2016.⁴⁴ The cost-sharing payment is limited to USD 40,000 per person or legal entity.⁴⁵

4.1.4 Levels of support

With few exceptions, producer prices are largely aligned with border prices. Among the main commodities tracked by the OECD, the highest single commodity transfers (as a percentage of gross farm receipts) occur to sugar, milk, and cotton. ...

Table 4.5 - Total PSE and single commodity transfer values for selected commodities, 2008-17

(USD million or % of gross farm receipts for respective products)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 ^a
Producer support estimate										
USD million	29,954	31,535	30,774	32,684	36,040	29,056	40,517	38,225	36,485	39,606
PSE as % gross farm receipts	8.6	10.1	8.6	8.0	8.5	6.9	9.3	9.5	9.6	9.9
Single commodity transfers										
...
Cotton										
USD million	1,313	252	339	813	591	529	889	852	518	712
SCT as % gross farm receipts	30.1	6.2	4.4	10.4	8.6	9.4	14.9	17.9	8.2	9.6
...

a Preliminary data.

Source: OECD Stats.

...

Table 4.6 - Federal subsidy programmes for agriculture, FY2015-16

(USD million)

Programmes	Expenditure	
	FY2015	FY2016
Agriculture Income Support and Marketing Assistance for Covered Commodities		
...
Extra-long staple (ELS) cotton	0	0
Upland cotton	49.0	47.0
...

Source: WTO document G/SCM/N/315/USA, 14 March 2018.

⁴⁴ The ginning costs are averaged for four production regions, and range from USD 19.65 in the Southwest (Kansas, Oklahoma and Texas) to USD 48.02 in the West (Arizona, California and New Mexico). USDA FSA online information. Viewed at: https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdafiles/cotton-ginning-cost-share/cgcs_program_fact_sheet_march_2018.pdf.

⁴⁵ Conditions also apply, i.e. compliance with conservation measures, active engagement in farming, and that the producer's average adjusted gross income (in the preceding three tax years) must not exceed USD 900,000.

Table A4.1 - Commodity Loan Rates and Price Loss Coverage Reference Prices, Agricultural Act of 2014 (as amended)

Covered commodities	Marketing loan programme Commodity loan rates		Price loss coverage Reference prices	
		Converted into USD/tonne		Converted into USD/tonne
...
Extra-long staple cotton (lb.)	0.7977	1758.6	n.a.	n.a.
Seed cotton (lb.)	0.25 ^a	551.2 ^a	0.367	809.1
Upland cotton	Simple average of the adjusted prevailing world price for the two immediately preceding MYs, but not less than USD 0.45/lb. or more than USD 0.52/lb. The loan rate for the 2017 crop year was USD 0.4949/lb.		n.a.	n.a.

n.a. Not applicable (i.e. not a covered commodity).

a The loan rate is set only for the purposes of determining the effective prices for seed cotton under the Price Loss Coverage programme. Seed cotton is not a covered commodity under the marketing assistance loan programme.

Note: For the conversion factors, see US TPR (2010), Table AIV.1.

Source: The Agricultural Act of 2014, as amended, and information provided by the authorities.

VIET NAM (APRIL 2021) - SECRETARIAT REPORT (WT/TPR/S/410)

2 TRADE AND INVESTMENT REGIMES

2.3 Trade Agreements and Arrangements

2.3.2 Regional and preferential agreements

2.3.2.2 Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

Viet Nam signed the CPTPP on 8 March 2018.⁴⁶ It was ratified by the National Assembly on 12 November 2018, and entered into force on 14 January 2019.⁴⁷

Viet Nam adopted a phased approach to reducing tariffs for goods originating from CPTPP contracting parties over a period of 10 years. Upon entry into force, about 66% of total Vietnamese tariff lines were zero-rated, which covered products such as, *inter alia*, animal feed, dairy products, grains, rice, cotton, leather and leather products, textiles and materials for textiles, footwear, rubber and rubber products, furniture, wood and wood products, plastics, pharmaceuticals, pesticides, chemicals, fertilizers, perfume, cosmetics, machinery and equipment, and electronic accessories. Approximately 86.5% of total lines are to be zero-rated within three years of the agreement's entry into force. For the remainder, tariff reductions will be implemented over a period of between 5 and 10 years.

4 TRADE POLICIES BY SECTOR

4.1 Agriculture, Forestry, and Fisheries

4.1.2 Features

Table 4.2 - Exports and imports of agricultural products, 2013-19

HS 2002			2013	2014	2015	2016	2017	2018	2019
Exports									
	TOTAL (not including rubber)		13,157.3	15,213.2	15,390.6	16,458.8	18,631.7	18,196.9	17,632.8
...
Imports									
	TOTAL (not including rubber)		11,876.3	13,671.7	15,162.8	16,427.7	18,639.1	20,812.5	20,788.6
5201	Cotton, not carded or combed	'000 tonnes	571.7	742.2	999.3	1,018.2	1,269.3	1,398.5	1,340.7
		USD million	1,154.6	1,422.7	1,607.2	1,643.3	2,331.8	2,727.5	2,400.2
...

Source: UN Comtrade database.

5 APPENDIX TABLES

Table A1.2 - Merchandise imports by HS sections and major HS chapters, 2012-19

(USD billion)

HS section/chapter/subheading	2012	2013	2014	2015	2016	2017	2018	2019
Total imports	113.8	132.0	147.8	165.8	175.0	213.2	236.9	253.4
% of total imports								
11 Textiles and textile articles	9.6	9.7	9.8	9.3	9.2	8.4	8.6	8.2
52 Cotton	2.1	2.2	2.2	2.1	1.9	1.9	2.0	1.7
...

Source: WTO Secretariat calculations, based on UN Comtrade database.

⁴⁶ Contracting parties of the CPTPP include Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Viet Nam.

⁴⁷ Six other countries also ratified the CPTPP: Australia, Canada, Japan, Mexico, New Zealand, and Singapore.