

Doha Development Agenda for Developed Nation: Carve Outs in Recent Agriculture Negotiations

By

R.S.Ratna¹

Mr. Abhijit Das² (UNCTAD-India)

Dr. Sachin Kumar Sharma³ (Centre for WTO Studies)

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¹ Former Additional DGFT, Ministry of Commerce, India. Presently, Economic officer, UN-ESCAP

² Head & Professor, Centre for WTO Studies, Indian Institute of Foreign Trade, Delhi.

³ Assistant Professor, Centre for WTO Studies, Indian Institute of Foreign Trade, Delhi.

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Abstract

The WTO members agreed to launch a new round of multilateral trade negotiations in 2001, known as Doha Development Round. The crucial difference between the Doha Round and the previous eight Rounds is the importance given to development issues. In the previous rounds of trade negotiations, the concerns of developing world have not been given sufficient consideration. Development issues cannot be ignored because trade policy is an important tool to economic policy that can help or obstruct economic development, depending on how it is used. Doha ministerial conference in 2001 recognizes the need for special and differential treatment for the developing and the least developing countries. Under Doha round, the revised draft modalities for agriculture was circulated by the chairman of Committee on Agriculture on 6th December, 2008 (Document No. TN/ AG/ W/4/Rev.4). In this draft, the developmental agenda is in the form of providing less onerous tariff reduction commitments to developing countries. At the same time proposals for special product, SSM and lesser cut on AMS etc. have been provided. However, the modality also builds several derogations for the developed countries in the form of 'Carve outs' whereby a developed country can have less onerous liberalisation commitments on various facet of agriculture modality. Such carve-outs for the developed countries have been proposed which either lower the aspirations of liberalisation or continue to protect the domestic producers through continuation of domestic support or subsidies. The main objective of this paper is to examine what kind of flexibilities the developed countries are seeking in the present modality paper and quantify the implications in view of these carve-outs. This study quantifies the different carve outs for USA, EU, Canada, Switzerland, Norway and Japan. It clearly shows that the developed countries will be able to delay opening their markets and would be able to control the prices of agricultural goods through these measures. At the same time, if one looks at these carve-outs and their quantitative effects; it comes out very clearly that the proposals are in favour of developed countries. These carve-outs provide flexibility to many developed countries to the extent that they end up having greater flexibilities than the one which are going to be available to the developed countries. The findings suggest that the present modality is heavily in favour of individual developed countries and thus the developmental agenda appears to be in favour of developed rather than developing countries.

SECTION 1: INTRODUCTION

The General Agreement on Tariffs and Trade (GATT) had gone through various rounds since its inception in 1947, but did not touch the agriculture sector until Uruguay Round. This round included Agreement on Agriculture (AoA), which has ushered in for various reforms in agriculture sector. The AoA commits all the WTO members to long term reforms that would make agricultural trade fairer and more market oriented. The developing nations expected that the opening up of the agriculture sector under AoA would go a long way in removing discrimination against tradable agriculture and would bestow immense benefits to this sector through increased exports. However, the outcome of AoA has not been beneficial to the developing countries as was expected or predicted in early 1990s. This is not only due to increase in agriculture subsidy but also rise in use of non-tariff measures in developed nations. Numerous distortions and market access barriers, present in the developed countries have adversely affected the agricultural exports of the developing countries.

However, in 2001, the WTO members agreed to launch a new round of multilateral trade negotiations, known as Doha Development Round. It is the ninth round of multilateral trade negotiations after the establishment of GATT and the first round being negotiated under the aegis of WTO. The crucial difference between the Doha Round and the previous eight Rounds is the importance given to development issues. In the previous rounds of trade negotiations, the concerns of developing world have not been given sufficient consideration. Development issues cannot be ignored because trade policy is an important tool to economic policy that can help or obstruct economic development, depending on how it is used. Doha ministerial conference in 2001 recognizes the need for special and differential treatment for the developing and the least developing countries. (See the following Para of Doha declaration, document no. WT/MIN (01)/DEC/1)

Para 3: We recognize the particular vulnerability of the least-developed countries and the special structural difficulties they face in the global economy. We are committed to addressing the marginalization of least-developed countries in international trade and to improving their effective participation in the multilateral trading system. We recall the commitments made by ministers at our meetings in Marrakesh, Singapore and Geneva, and by the international community at the Third UN Conference on Least-Developed Countries in Brussels, to help least-developed countries secure beneficial and meaningful integration into the multilateral trading system and the global economy. We are determined that the WTO will play its part in building effectively on these commitments under the Work Programme we are establishing.

Para13: We recognize the work already undertaken in the negotiations initiated in early 2000 under Article 20 of the Agreement on Agriculture, including the large number of negotiating proposals submitted on behalf of a total of 121 members. We recall the long-term objective referred to in the Agreement to establish a fair and market-oriented trading system through a programme of fundamental reform encompassing strengthened rules and specific commitments on support and protection in order to correct and prevent restrictions and distortions in world agricultural markets. We reconfirm our commitment to this programme. Building on the work carried out to date and without prejudging the outcome of the negotiations we commit ourselves to comprehensive negotiations aimed at: substantial improvements in market access; reductions of, with a view to phasing out, all forms of export subsidies; and substantial reductions in trade-distorting domestic support. We agree that special and differential treatment for developing countries shall be an integral part of all elements of the negotiations and shall be embodied in the schedules of concessions and commitments and as appropriate in the rules and disciplines to be negotiated, so as to be operationally effective and to enable developing countries to effectively take account of their development needs, including food security and rural development. We take note of the non-trade concerns reflected in the negotiating proposals submitted by Members and confirm that non-trade concerns will be taken into account in the negotiations as provided for in the Agreement on Agriculture.

Para 44: We reaffirm that provisions for special and differential treatment are an integral part of the WTO Agreements. We note the concerns expressed regarding their operation in addressing specific constraints faced by developing countries, particularly least-developed countries. In that connection, we also note that some members have proposed a Framework Agreement on Special and Differential Treatment (WT/GC/W/442). We therefore agree that all special and differential treatment provisions shall be reviewed with a view to strengthening them and making them more precise, effective and operational. In this connection, we endorse the work programme on special and differential treatment set out in the Decision on Implementation-Related Issues and Concerns.

However, the negotiations in the Doha round have reached a stalemate due to different positions taken by member countries. Interests are varied in several areas, especially in agriculture where wide gap exist between the developed and developing countries.

SECTION 2: OBJECTIVE

Under Doha round, the revised draft for agriculture was circulated on 6th December, 2008. In this draft, several carve-outs for the developed countries have been proposed which either lower the aspirations of liberalisation or continue to protect the domestic producers through continuation of domestic support or subsidies. Therefore, the main objective of this paper is to examine what kind of flexibilities the developed countries are seeking in the present modality paper and quantify these carve-outs.

SECTION 3: METHODOLOGY

This paper has analyzed the revised draft for agriculture in Document No. TN/ AG/ W/4/Rev.4, dated 6th December 2008. This study has identified that the developed nations like USA, EU, Canada, Switzerland, Norway and Japan are seeking carve outs in the recent negotiation under Doha round with respect to commitments in domestic support and market access. For example, the special provisions for USA has been identified under Para 23, 24, 25, 26, 35, 40, 41, Annexure A. To quantify the carve outs to developed nation under various Para of the revised draft for agriculture; data has been taken from members notification to WTO on agriculture sector. Tariff equivalent for some of the carve outs is also estimated in this study. The study is organised on the basis of country-specific carve outs in the revised draft for agriculture.

SECTION 4: USA

The special provisions have been provided to USA in recent document which is the basis for the recent negotiation on agriculture. The quantification of carve-outs for USA is as follows:

(4.1) Para 23:For the United States only, the product-specific AMS limits specified in their Schedule shall be the resultant of applying proportionately the average product-specific AMS in the 1995-2004 period to the average product-specific total AMS support for the Uruguay Round implementation period (1995-2000) as notified to the Committee on Agriculture. These shall be tabulated by individual product in the Annex to these modalities referred to in the paragraph above.

Applying the methodology under paragraph 23, the product-specific AMS limits for the USA would be higher for cotton, rice, dairy, sugar and safflower than would be the case if AMS limits were to be determined using the methodology prescribed in paragraph 22. As per para 22, the The product-specific AMS limits specified in the Schedules of all developed country Members other than the United States shall be the average of the product-specific AMS during the Uruguay Round implementation period (1995-2000) as notified to the Committee on Agriculture.

Table 4.1
USA: Product specific AMS
(Higher Product-specific limit)

Items	1995-2000 average (Para 22) for Developed Nation Million US \$	PS AMS under Para 23 for USA Million US \$	Increase in AMS limit for USA Million US \$	% difference in PS AMS	Tariff equivalent Para 22	Tariff ⁴ equivalent Para 23
Rice	176.57	313.68	137.11	77.66	11.87	21.09
Cotton	800.53	1136.15	335.62	41.92	13.52	19.19
Sugar	1075.12	1126.03	50.91	4.74	51.38	53.81
Dairy	4682.05	4780.87	98.82	2.11	21.14	21.59
Safflower	0.53	0.54	0.01	1.02	0.09	0.09

Source: Estimated from Various WTO notifications

The proposal gives greater flexibility to the USA to determine the product-specific AMS and leads to higher limits for the above products than would be the case if paragraph 22, as applicable to other developed countries, is used. Table 1 also shows the tariff equivalent for the higher product specific limit. However, it is to be noted that on several other commodities the AMS limit will decrease (for details see Annexure 1)

(4.2) Para 24: Where a Member has, after the base period specified in paragraphs 22 and 23 above, introduced product-specific AMS support above the de minimis level provided for under Article 6.4 of the Uruguay Round Agreement on Agriculture, and it did not have product-specific AMS support above the de minimis level during the base period, the product-specific AMS limit specified in the Schedule may be the average amount of such product-specific AMS support for the two most recent years prior to the date of adoption of these modalities, for which notifications to the Committee on Agriculture have been made.

Although product specific AMS for certain products was below the de minimis during the period 1995-2000, the USA provided support above de minimis in respect of the following products beyond the base period. This entitles them to a higher limit on product-specific AMS. As per para 24, for US Product-Specific AMS limit would be higher for Dry peas and Lentils than would be the case if AMS limits were to be determined using the methodology prescribed in paragraph 22 and 23. Thus, USA has the flexibility to increase their AMS limits by providing high domestic support to certain crops in the two most recent years prior to the date of adoption of these modalities and notifying these higher levels to the Committee on Agriculture.

⁴ Tariff equivalent = (Product Specific AMS under Para 23)/(Average Value of production 1995-2000)*100

Table 4.2
USA: Product specific AMS

Million US \$						
US	1995-2000 average (Para 22) Developed Nation	PS AMS under Para 23 ⁵ USA	Average of recent year (2006 and 2007) (Para 24 AMS limit)	Increase in Ams limit (para 24 & 22)	Increase in Ams limit (para 24 & 23)	Tariff equivalent (para 24) ⁶
Dry peas	0.00	4.57	15.18	15.18	10.61	12.00
Lentils	0.00	0.24	7.18	7.18	6.94	12.57

Source: Estimated from Various WTO notifications

This can act as an incentive to WTO Members to delay finalization of Modalities and use the intervening period to provide domestic support to products which received de minimis support during the base period. This would result in higher limit of product-specific AMS.

(4.3) Para 25: In cases where the product-specific AMS support for each year during the base period specified in paragraphs 22 and 23 above was below the de minimis level provided for under Article 6.4 of the Uruguay Round Agreement on Agriculture and the Member concerned is not in the situation covered by paragraph 24 above, the product-specific AMS limit specified in the Schedule for the product concerned may be that de minimis level, expressed in monetary terms. The application of the provisions in this paragraph and paragraphs 21 to 24 shall not require a Member's product specific AMS limit to be lower than the base period de minimis level, expressed in monetary terms as set out in this paragraph.

For the USA two items i.e. chickpeas, and sheep and lamb are covered under Para 25. The average product specific AMS was zero during 1995-2000 as well as in recent two years for which the WTO notification was available. It is to be noted that value of production for sheep and lamb available for 1999 and 2000. For chickpeas, there is no information in WTO notification for the years 1995-2000. The de-minimis level would be much higher than reported in the above table due to change in total value of production figure.

⁵ It is to be noted that the AMS for Dry Peas and Lentils during the base period (1995-2000) was zero. However, if the methodology given in Para 23 is applied, then the PS AMS limit for these product is 4.57 and 0.24 US\$ million respectively. A careful reading of Para 24 shows that these commodities also covered under this paragraph.

Therefore, a comparison has been made for these commodities under Para 22, 23 and 24.

⁶ Tariff equivalent = (Product Specific AMS under Para 24)/(Average Value of production 2006 & 2007)*100

Table 4.3
USA: Product specific AMS
AMS limit would be De-minimis Level

Items	1995-2000 average (Para 22) Developed Country Members	PS AMS under Para 23	average of Recent year (2006 and 2007)	De-minimis level Average 5% (1995-00)
Chickpeas	0.00	0.03	0.00	
Sheep and lamb	0.00	4.43	0.00	5.91

Source: Estimated from Various WTO notifications

(4.4) Para 26: The scheduled product-specific AMS limits shall be implemented in full on the first day of the implementation period. Where the average notified product-specific AMS in the two most recent years for which notifications are available was higher, the limits shall be implemented in three equal annual instalments, with the starting point for implementation being the lower of the average of those two years or 130 per cent of the scheduled limits.

This paragraph provides an incentive to countries to increase the amount of product specific support in years just prior to finalization of modalities and delay the application of product-specific AMS limits by 2 years. Following table gives example of products wherein the application of product specific AMS limits would be delayed by 2 years. It is to be noted that the AMS for chickpeas and sheep & lamb during the base period (1995-2000) was zero. However, if the methodology given in Para 23 is applied, then the PS AMS limit for these product is 0.03 and 4.43 US\$ million respectively. A careful reading of Para 25 shows that these commodities are also covered under this paragraph. Therefore, a comparison has been made for these commodities under Para 22, 23 and 25.

Table 4.4
USA: Product specific AMS

US	2006	2007	Average (2006-2007)	PS AMS under Para 23 USA	130 percent of PS AMS under Para 23	AMS limit Lower of 130 % of scheduled limit and recent two years
Dairy	5,044.12	5,016.54	5030.33	4,780.87	6215.13	5030.33
Sugar	1,279.63	1,235.84	1257.74	1,126.03	1463.84	1257.74

Source: Estimated from Various WTO notifications

(4.5) Para 35: The value of the following domestic support, provided that it is consistent also with the limits as provided for in the paragraphs below, shall be excluded from a Member's calculation of its Current Total AMS but shall count for purposes of that Member's Blue Box commitments and OTDS:

- B Direct payments that do not require production if:
 - (i) such payments are based on fixed and unchanging bases and yields; or
 - (ii) livestock payments are made on a fixed and unchanging number of head; and
 - (iii) such payments are made on 85 per cent or less of a fixed and unchanging base level of production.

This is a new addition to blue box for the USA. This is a clear case of box shifting (from AMS to Blue box) as would be evident from USA notifications to WTO on domestic support. The USA has notified its Counter Cycle Payment under Amber Box (see document no. G/AG/N/USA/60 dated 9th October 2007). The USA has not given any blue box support (except in 1995) and now with the new text, the definition of blue box will be widened only to allow USA to shift its support from Amber box to Blue box.

(4.6) Para 40: For all Members other than the United States, the limit to the value of support that may be provided to specific products as Blue Box entitlements shall be the average value of support provided to those products at an individual product level, consistent with Article 6.5(a) of the Uruguay Round Agreement on Agriculture, during the 1995-2000 period and with notifications to the Committee on Agriculture. These product-specific limits shall be expressed in monetary terms at an individual product level, annexed in that format to these modalities, bound in Part IV of the Schedule of the Member concerned, and shall apply from the first day of the implementation period.

It is to be noted that the USA had provided blue box support in year 1995. As per Para 40, this support is divided by six to get the average blue box support during 1995-2000. This blue box support is compared with the Annex A blue support. (Please see Table 4.5)

Table 4.5
USA Blue Box Support (Million \$)

USA	Blue box support (1995)	Average Para 40 (1995-2000)	Para 42 & Annex a USA (110)	Para 42 & Annex a USA (120)	increase			
					USA (110)	%	USA (120)	%
Corn	3009.00	501.50	2359.80	2574.30	1858.30	370.5	2072.80	413.3
Wheat	2127.00	354.50	1041.10	1135.70	686.60	193.7	781.20	220.4
Cotton	901.02	150.17	1009.00	1100.80	858.83	571.9	950.63	633.0
soybeans	0.00	0.00	400.40	436.80	400.40	***	436.80	***
Rice	511.08	85.18	234.90	256.30	149.72	175.8	171.12	200.9
Peanuts	0.00	0.00	149.50	163.10	149.50	***	163.10	***
Sorghum	320.04	53.34	106.80	116.50	53.46	100.2	63.16	118.4
Barley	150.66	25.11	32.00	34.90	6.89	27.4	9.79	39.0
Oats	11.58	1.93	5.30	5.80	3.37	174.6	3.87	200.5
Total	7030.38	1171.73	5338.80	5824.20	4167.06	355.6	4652.46	397.1

Source: Estimated from Various WTO notifications

Table 4.6
Tariff Equivalent⁷

	Corn	Wheat	Cotton	soybeans	Rice	Peanuts	Sorghum	Barley	Oats
USA (110)	11.30	13.58	17.04	2.74	15.79	14.84	8.53	3.91	2.26
USA (120)	12.32	14.81	18.60	2.99	17.23	16.19	9.31	4.26	2.47

Source: Estimated from Various WTO notifications

It is evident that the Blue Box support in the USA would be much higher under para 42 in comparison with support under para 40.

(4.7) Para 41: In any case where Article 6.5(a) consistent Blue Box support was not provided for the entirety of the 1995-2000 period, the Member concerned shall use the average value of support for the years notified within that period, provided that there are at least three consecutive notified years within that period.

As per Para 41, this support is divided by three to get the average blue box support during 1995-1997. This blue box support is compared with the Annex A blue support. (Please see Table 4.7)

⁷ Tariff equivalent = (blue box subsidy under annexure A)/Average Value of production(1995-2000)*100

Table 4.7
USA Blue Box Limit (Million \$)

USA	Blue box support	Average ⁸ Para 41	Para 42 & Annex a	Para 42 & Annex a	Increase			
					1995	(1995-1997)	USA (110)	USA (120)
Corn	3009.00	1003.00	2359.80	2574.30	1356.80	135.27	1571.30	156.66
Wheat	2127.00	708.99	1041.10	1135.70	332.11	46.84	426.71	60.19
Cotton	901.02	300.34	1009.00	1100.80	708.66	235.95	800.46	266.52
soybeans	0.00	0.00	400.40	436.80	400.40	***	436.80	***
Rice	511.08	170.37	234.90	256.30	64.53	37.88	85.93	50.44
Peanuts	0.00	0.00	149.50	163.10	149.50	***	163.10	***
Sorghum	320.04	106.68	106.80	116.50	0.12	0.11	9.82	9.21
Barley	150.66	50.22	32.00	34.90	-18.22	-36.28	-15.32	-30.51
Oats	11.58	3.86	5.30	5.80	1.44	37.31	1.94	50.26
Total	7030.38	2343.47	5338.80	5824.20	2995.33	127.82	3480.73	148.53

Source: Estimated from Various WTO notifications

It is obvious that the Blue Box support in the USA would be much higher under para 42 in comparison with support under para 41.

(4.8) Para 47: Notwithstanding the above, where, for a particular product, there is no product-specific entitlement to a Blue Box limit under the provisions above, and no Current AMS support in the base period for that particular product, a product-specific Blue Box limit may still be scheduled but only where the total support for any such products concerned does not exceed 5 per cent of the overall Blue Box limit; there is a maximum for any single product of 2.5 per cent of the overall Blue Box limit; and the overall Blue Box limit is still respected. This is available to developed country Members with direct payments of the kind that meet the terms of paragraph 35(a) above, and is a once-only provision for commitment in this Round of negotiations. The monetary value and the products concerned shall be inscribed in a Member's Schedule.

1. As per Para 47, the following modalities for the Blue Box support have been prescribed:
 - (i) Overall Limit:
 - (a) Developed countries: 2.5 percent of the average total value of agricultural production in the base year 1995-2000 (para 38⁹)

⁸ The USA had given blue box support in 1995. For other years, the USA did not give any blue box support i.e. blue box support was nil. For the purpose of study, the WTO notification for the three consecutive year (1995-1997) has been considered for the USA.

⁹ Para 38 The maximum value of support that can, under the above criteria of "Blue Box", be provided under Article 6.5 shall not exceed 2.5 per cent of the average total value of agricultural production in the 1995-2000 base period on the basis of notifications to the Committee on Agriculture where they exist. This limit shall be expressed in monetary terms in Part IV of Members' Schedules and shall apply from the first day of the implementation period.

(b) Developing countries: 5 percent of the average total value of agricultural production in the base year 1995-2000 or 1995-2004 (para 48¹⁰)

(ii) Product Specific Limits:

(a) All members (other than USA): Upto an average value of support provided at individual product level during 1995-2000. (para 40¹¹)

(b) For USA: 110 or 120 percent of the average product-specific limit that would result from applying proportionately the maximum permissible expenditure under 2002 Farm Bill (as provided in Annex A of Rev. 4). (para 42¹²)

(iii) If no Product Specific Entitlement (PSE) was given in base period:

(a) Developed countries:

- Total support on all such products: not more than 5 percent of overall BB support
- Single product: 2.5 percent of overall BB support (para 47)

(b) Developing countries:

- Total support on all such products: not more than 30 percent of overall BB support
- Single product: 10 percent of overall BB support (para 50¹³)

¹⁰ Para 48 *For developing country Members, the maximum permitted value of support referred to in paragraph 38 above shall be 5 per cent of the average total value of agricultural production in the 1995-2000 or the 1995-2004 base period as may be selected by the Member concerned. That limit shall be expressed in monetary terms and bound in Part IV in developing country Members' Schedules. However, in cases where there is a movement from AMS to Blue subsequent to the conclusion of this negotiation, the developing country Member concerned shall have the option of selecting as its base period the most recent five-year period for which data are at that time available. An NFIDC which chooses not to avail itself of its Blue Box entitlement and thereby is not obliged to Schedule its OTDS under paragraph 10 above, shall so indicate by marking "nil" in the appropriate section of Part IV of its Schedule.*

¹¹ Para 40 *For all Members other than the United States, the limit to the value of support that may be provided to specific products as Blue Box entitlements shall be the average value of support provided to those products at an individual product level, consistent with Article 6.5(a) of the Uruguay Round Agreement on Agriculture, during the 1995-2000 period and with notifications to the Committee on Agriculture. These product-specific limits shall be expressed in monetary terms at an individual product level, annexed in that format to these modalities, bound in Part IV of the Schedule of the Member concerned, and shall apply from the first day of the implementation period.*

¹² Para 42 *For the United States, the limits to the value of support that may be provided to specific products under paragraph 35(b) above shall be [(110) (120)] per cent of the average product-specific amounts that would result from applying proportionately the legislated maximum permissible expenditure under the 2002 Farm Bill for specific products at an individual product level to the overall Blue Box limit of 2.5 per cent of the average total value of agricultural production during the 1995-2000 period. These product-specific limits shall be expressed in monetary terms at an individual product level, annexed in that format to these modalities and shall be bound in Part IV of that Member's Schedule.*

¹³ Para 50 *Where, for a particular product, a developing country Member has no product-specific entitlement to a Blue Box limit for that product under the above provisions, and no Current AMS support in the base period for it, a product-specific Blue Box limit may still be scheduled but only where the total support for the totality of any such products concerned does not exceed 30 per cent of the overall Blue Box limit; there is a maximum for any single product of 10 per cent of the overall Blue Box limit; and the overall Blue Box limit is still respected. For least-developed country Members and for NFIDCs these limits shall be 75 per cent and 25 per cent respectively.*

2. The above proposals at (ii) and (iii) has been examined to see the Blue Box Limits as per the current modality for the developed and developing countries, and USA. In this regard, to maintain an overall parity, the agricultural production of USA (as per Annex A) was taken as a base for all the three categories. Secondly, to examine the PSE, again the same data of USA was taken for making a comparison to estimate the PSE for developing and developed countries, and USA.

3. The following scenario emerged:

Category	Value USD Million
Total average agriculture production during 1995-2000	194,139.30
Total BBS for developed countries (2.5%)	4853.50
Total PSE on products on which no BB support was given <i>(5% of total BB Support)</i>	242.67
Single product entitlement <i>(2.5% of total BB Support)</i>	121.33
Total BBS for developing countries (5%)	9706.96
Total PSE on products on which no BB support was given <i>(30% of total BB Support)</i>	2912.08
Single product entitlement <i>(10% of total BB Support)</i>	970.69
What USA is getting	
Total PSE on products on which no BB support was given <i>(with 110 percent formula)</i>	5338.80

Source: Estimated from Various WTO notifications

4. Since USA has not given any BB PSE to any product in the base year (except 1995), the general PSE formulation would have been applied if no US specific proposal was there. A comparison of general PSE formulation with the formulation for developing countries as well as the one proposed by US has been made to understand how much US is going to get due to their formulation.

The result shows that the USA enjoys high blue box limit under the above paragraphs and Annexure A.

Table 4.8
USA Blue Box Limit

	Annex A USA (110)	PSE Developed nation limit	percentage	PSE (developing nation)	difference	Annex A proportion	propotion allowed in devloped country formulation	higher by	propotion allowed in devloping country formulation	higher by
Crop	Million\$	Million\$	%	Million\$	%	%	Million\$	%	Million\$	%
	1	2	3 = (1-2)*100/2	4	5 = (1-4)*100/4	6	7 = 6*(242.67)	8 = (1-7)/7*100	9 =6*(2912.08)	10 = (1-9)/9*100
Corn	2359.80	121.33	1844.94	970.69	143.11	44.20	107.26	2100.07	1287.17	83.33
Wheat	1041.10	121.33	758.07	970.69	7.25	19.50	47.32	2100.13	567.87	83.33
Cotton	1009.00	121.33	731.62	970.69	3.95	18.90	45.86	2100.17	550.37	83.33
soybeans	400.40	121.33	230.01	970.69	-58.75	7.50	18.20	2100.00	218.40	83.33
Rice	234.90	121.33	93.60	970.69	-75.80	4.40	10.68	2099.44	128.13	83.33
Peanuts	149.50	121.33	23.22	970.69	-84.60	2.80	6.80	2098.53	81.55	83.32
Sorghum	106.80	121.33	-11.98	970.69	-89.00	2.00	4.85	2102.06	58.25	83.35
Barley	32.00	121.33	-73.63	970.69	-96.70	0.60	1.45	2106.90	17.45	83.38
Oats	5.30	121.33	-95.63	970.69	-99.45	0.10	0.24	2108.33	2.89	83.39
Total	5338.8						242.67	2100.02	2912.08	83.33

Source: Estimated from Various WTO notifications

Table 4.9
USA Blue Box Limit

	Annex A USA (120)	PSE Developed nation limit	percentage	PSE (developing nation)	difference	Annex A proportion	propotion allowed in devloped country formulation	higher by	propotion allowed in developing country formulation	higher by
	Million\$	Million\$	%	Million\$	%	%	Million\$	Million\$	Million\$	Million\$
	1	2	3 = (1-2)*100/2	4	5 = (1-4)*100/4	6	7 = 6*(242.67)	8 = (1-7)/7*100	9 =6*(2912.08)	10 = (1-9)/9*100
Corn	2574.30	121.33	2021.73	970.69	165.20	44.20	107.26	2300.06	1287.17	100.00
Wheat	1135.70	121.33	836.04	970.69	17.00	19.50	47.32	2300.04	567.87	99.99
Cotton	1100.80	121.33	807.28	970.69	13.40	18.90	45.86	2300.35	550.37	100.01
soybeans	436.80	121.33	260.01	970.69	-55.00	7.50	18.20	2300.00	218.40	100.00
Rice	256.30	121.33	111.24	970.69	-73.60	4.40	10.68	2299.81	128.13	100.03
Peanuts	163.10	121.33	34.43	970.69	-83.20	2.80	6.80	2298.53	81.55	100.00
Sorghum	116.50	121.33	-3.98	970.69	-88.00	2.00	4.85	2302.06	58.25	100.00
Barley	34.90	121.33	-71.24	970.69	-96.40	0.60	1.45	2306.90	17.45	100.00
Oats	5.80	121.33	-95.22	970.69	-99.40	0.10	0.24	2316.67	2.89	100.69
Total	5824.20						242.67	2300.00	2912.08	100.00

Source: Estimated from Various WTO notifications

Overall, it is clear that the USA intends to protect their agriculture sector through various carve-outs. Para 35(b) is a new addition to blue box for the USA. This is a clear case of box shifting (from AMS to Blue box) as would be evident from USA notification to WTO. The USA has notified its Counter Cycle Payment under Amber Box (see document no. G/AG/N/USA/60 dated 9th October 2007). The USA has not given any blue box support (except in 1995) and now with the new text, the definition of blue box will be widened only to allow USA to shift its support from Amber box to Blue box. Tariff equivalent for special provision to USA under various Paragraphs is given in table (10).

Table 4.10
Tariff equivalent for some Carve-outs: USA

USA	Annexure A		Para 23	Para 24	Total Tariff equivalent	Total Tariff equivalent
	Case1:110	Case2: 120				
1	2	3	4	5	6=2+4+5	7=3+4+5
Corn	11.3	12.32			11.3	12.32
Wheat	13.58	14.81			13.58	14.81
Cotton	17.04	18.6	19.19		36.23	37.79
soybeans	2.74	2.99			2.74	2.99
Rice	15.79	17.23	21.09		36.88	38.32
Peanuts	14.84	16.19			14.84	16.19
Sorghum	8.53	9.31			8.53	9.31
Barley	3.91	4.26			3.91	4.26
Oats	2.26	2.47			2.26	2.47
Sugar			53.81		53.81	53.81
Dairy			21.59		21.59	21.59
Minor oil seed: Safflower			0.09		0.09	0.09
Dry peas				12.00	12	12
Lentils				12.57	12.57	12.57

Source: Various WTO notifications

SECTION 5: EU

(5.1) Para 24: Where a Member has, after the base period specified in paragraphs 22 and 23 above, introduced product-specific AMS support above the de minimis level provided for under Article 6.4 of the Uruguay Round Agreement on Agriculture, and it did not have product-specific AMS support above the de minimis level during the base period, the product-specific AMS limit specified in the Schedule may be the average amount of such product-specific AMS support for the two most recent years prior to the date of adoption of these modalities, for which notifications to the Committee on Agriculture have been made.

Although product specific AMS for certain products was below the de minimis during the period 1995-2000, EU provided support above de minimis in respect of the following products beyond the base period. This entitles them to a higher limit on product-specific AMS. For the European Union, the product specific limit would be higher for bee keeping and nuts (Para 24) in comparison to the product specific limit determined by Para 22. It is clear that the EU have the flexibility to increase their AMS limits by providing high domestic support to certain crops in the two most recent years prior to the date of adoption of these modalities and notifying these higher levels to the Committee on Agriculture.

Table 5.1
Product Specific limit: EU
(Covered by Para 24)

	Million Euros		
Crop	1995-2000 average (Para 22) Developed Nation	2005-06 & 2006-07 Average	Difference
Bee keeping	0	20.45	20.45
Nuts	0	106.1	106.1

Source: Estimated from Various WTO notifications

(5.2) Para 25: In cases where the product-specific AMS support for each year during the base period specified in paragraphs 22 and 23 above was below the de minimis level provided for under Article 6.4 of the Uruguay Round Agreement on Agriculture and the Member concerned is not in the situation covered by paragraph 24 above, the product-specific AMS limit specified in the Schedule for the product concerned may be that de minimis level, expressed in monetary terms. The application of the provisions in this paragraph and paragraphs 21 to 24 shall not require a Member's product specific AMS limit to be lower than the base period de minimis level, expressed in monetary terms as set out in this paragraph.

For the EU, Durum wheat and milk will come under the ambit of this para. For these products, the product-specific AMS support for each year during the base period specified in paragraphs 22 and 23 above was below the de minimis level provided for under Article 6.4 of the Uruguay Round Agreement on Agriculture and these products are not covered by para 24. It is to be noted that the De-minimis level would be much higher than reported in the above table due to change in total value of production figure. For this table, the eligible production has been considered (also see annexure 2).

Table 5.2
EU: Product Specific limit

Items	1995-2000 Av	2005-2006 Av	De-minimis level Average 5% (1995-00) Million Euro
Durum wheat	0	0	45.38
Milk	0	0	116.46

Source: Estimated from Various WTO notifications.

(5.3) Para 26: *The scheduled product-specific AMS limits shall be implemented in full on the first day of the implementation period. Where the average notified product-specific AMS in the two most recent years for which notifications are available was higher, the limits shall be implemented in three equal annual installments, with the starting point for implementation being the lower of the average of those two years or 130 per cent of the scheduled limits.*

This paragraph provides an incentive to EU to increase the amount of product specific support in years just prior to finalization of modalities and delay the application of product-specific AMS limits by 2 years (see table 13).

Table 5.3
EU: Product Specific limit

	1995-2000 Av	2005-2006 Av	130 percent of Av (1995- 2000) limit	AMS limit Lower of 130 % of scheduled limit and recent two years
EU (ECU Million)				
Apples	2155.00	2633.05	2801.50	2633.05
Apricots	123.80	160.70	160.94	160.70
Cherries	136.12	199.30	176.96	176.96
Citrus fruit for processing	150.10	255.30	195.13	195.13
Clementines	188.13	205.60	244.57	205.60
Cucumbers	567.67	758.85	737.97	737.97
Fruit and vegetables not mentioned in R.2200/96	0.25	1.60	0.33	0.33

Mandarins	48.20	84.50	62.66	62.66
Peaches/nectarines	439.47	523.65	571.31	523.65
Pears	622.15	637.55	808.80	637.55
Plums	76.58	96.75	99.55	96.75
Plums for processing	32.60	39.65	42.38	39.65
Silkworms	0.37	0.55	0.48	0.48
Triticale	211.38	355.80	274.79	274.79
White sugar	5852.03	6720.05	7607.64	6720.05

Source: Estimated from Various WTO notifications

(5.4) Para 41: In any case where Article 6.5(a) consistent Blue Box support was not provided for the entirety of the 1995-2000 period, the Member concerned shall use the average value of support for the years notified within that period, provided that there are at least three consecutive notified years within that period.

Under paragraph 40, product specific limits on Blue Box support shall be the average of support provided to specific products during 1995-2000. This suggests that the denominator should be “6” while calculating the average. However, paragraph 41 provides a carve out for products in which Blue Box support was not provided for each of the six years of the base period but at least for three consecutive years. In respect of these products, the Blue Box limit will be calculated by dividing the product specific support by the number of years for which the support was provided and not by “6”. This would result in a higher product specific Blue Box limit than what would otherwise be the case if paragraph 40 were applied.

Table 5.4
Blue Box Subsidy

Member	Commodity	Blue Box Limit based on 6 year average	Blue Box limit based on average for the number of years in which support provided	Remark
EC	Rice	Euro 41 mn	Euro 89 mn	No Blue Box support provided during 1995-96 to 1996-97

Source: Estimated from Various WTO notifications

It may be noted that there could be some difficulty in determining the product-specific Blue Box limits for EU. While the Draft Modality requires the limit be determined “at an individual

product level”, EU’s notifications for Blue Box support are at aggregate level – cereals; soyabeans, colza seed and sunflower seed; peas, beans, etc. A clarity is required on how would the limits be established “at an individual product level”. Clearly, cereals cannot constitute an individual product. However, if cereals are treated as an individual product, EU will have the flexibility to use Euro 1.1 billion as the limit and to distribute it among different cereals. This could result in concentration of Blue Box support in a few cereals, undermining the basic concept of product-specific limits.

SECTION 6: CANADA

(6.1) Para 24: Where a Member has, after the base period specified in paragraphs 22 and 23 above, introduced product-specific AMS support above the de minimis level provided for under Article 6.4 of the Uruguay Round Agreement on Agriculture, and it did not have product-specific AMS support above the de minimis level during the base period, the product-specific AMS limit specified in the Schedule may be the average amount of such product-specific AMS support for the two most recent years prior to the date of adoption of these modalities, for which notifications to the Committee on Agriculture have been made.

The product specific AMS for certain products was below the de minimis during the period 1995-2000. However, Canada provided support above de minimis in respect of the following products beyond the base period. This entitles them to a higher limit on product-specific AMS

Table 6.1
Product Specific limit

Canada				
	C\$ Million			
Crop	1995-2000 average	2003 and 2004 Average	Difference	Tariff equivalent
Beef	0	698.7	698.7	12.55

Source: Estimated from Various WTO notifications

Thus, Canada has the flexibility to increase their AMS limits by providing high domestic support to certain crops in the two most recent years prior to the date of adoption of these modalities and notifying these higher levels to the Committee on Agriculture.

SECTION 7: SWITZERLAND

(7.1) Para 24: Where a Member has, after the base period specified in paragraphs 22 and 23 above, introduced product-specific AMS support above the de minimis level provided for under Article 6.4 of the Uruguay Round Agreement on Agriculture, and it did not have product-specific AMS support above the de minimis level during the base period, the product-specific AMS limit specified in the Schedule may be the average amount of such product-specific AMS support for the **two most recent years** prior to the date of adoption of these modalities, for which notifications to the Committee on Agriculture have been made.

It is noteworthy that the product specific AMS for certain products was below the de minimis during the period 1995-2000, however Switzerland provided support above de minimis in respect of the following products beyond the base period. This entitles them to a higher limit on product-specific AMS. Para 24 provides the flexibilities to increase its AMS limits by providing high domestic support to certain crops in the two most recent years prior to the date of adoption of these modalities and notifying these higher levels to the Committee on Agriculture.

Table 7.1
Product Specific limit

Switzerland			
			SF Million
Crop	1995-2000 average	2005 and 2006 Average	Difference
Fibre Plants	0	0.25	0.25
Pulses	0	12.4	12.4

Source: Estimated from Various WTO notifications

(7.2) Para 26: The scheduled product-specific AMS limits shall be implemented in full on the first day of the implementation period. Where the average notified product-specific AMS in the two most recent years for which notifications are available was higher, the limits shall be implemented in three equal annual instalments, with the starting point for implementation being the lower of the average of those two years or 130 per cent of the scheduled limits.

This paragraph provides an incentive to countries to increase the amount of product specific support in years just prior to finalization of modalities and delay the application of product-

specific AMS limits by 2 years. Following table gives examples of products wherein the application of product specific AMS limits would be delayed by 2 years.

Table 7.2
Switzerland: Product Specific limit:

	1995-2000 Av	2005-2006 Av	130 percent of Av (1995- 2000) limit	AMS limit Lower of 130 % of scheduled limit and recent two years
Beef	666.61	763.6	866.59	763.6

(SF(Million))

Source: Estimated from Various WTO notifications

(7.3) Para 71: Each developed country Member shall have the right to designate up to 4 per cent of tariff lines as "Sensitive Products". Where such Members have more than 30 per cent of their tariff lines in the top band, they may increase the number of Sensitive Products by two per cent, subject also to the conditions outlined in paragraph 75 below. Where application of this methodology would impose a disproportionate constraint in absolute number of tariff lines because tariff concessions are scheduled at the 6-digit level, the Member concerned may increase its entitlement by that amount also.

This paragraph provides an extra 2% point entitlement to countries with more than 30% of tariff lines in the top tier for designating tariff lines as Sensitive Products. This would benefit Switzerland (tariff profile shown below)

Table 7.3
Tariff profile

Tariff tiers	Switzerland
0-20%	35%
20- 50%	21%
50- 75%	7%
> 75%	37%

SECTION 8: NORWAY

(8.1) Para 26: The scheduled product-specific AMS limits shall be implemented in full on the first day of the implementation period. Where the average notified product-specific AMS in the two most recent years for which notifications are available was higher, the limits shall be implemented in three equal annual instalments, with the starting point for implementation being the lower of the average of those two years or 130 per cent of the scheduled limits.

This paragraph provides an incentive to countries to increase the amount of product specific support in years just prior to finalization of modalities and delay the application of product-specific AMS limits by 2 years. Following table gives examples of products and Member countries wherein the application of product specific AMS limits would be delayed by 2 years.

Table 8.1
Norway: Product Specific limit

(NOK Million)

	1995-2000 Av	2005-2006 Av	130 percent of Av (1995- 2000) limit	AMS limit Lower of 130 % of scheduled limit and recent two years
Pork	1481	1721	1925.30	1721

Source: Estimated from Various WTO notifications

(8.2) Para 39: In cases where a Member has, consistent with the terms of Article 6.5(a) of the Uruguay Round Agreement on Agriculture, placed in the Blue Box an exceptionally large percentage of its trade-distorting support – defined as 40 per cent – during the 1995-2000 base period, the limit for that Member shall, instead, be established by application of a percentage reduction in that average base period amount. That percentage reduction shall equal the percentage reduction that the Member concerned is to make in its Final Bound Total AMS. This Blue Box limit shall be expressed in monetary terms and bound in Part IV of that Member's Schedule. An implementation period of no more than 2 years may be provided for any such Member in the event that immediate implementation is unduly burdensome.

This is a special provision for Norway which allows higher blue box in comparison to blue box limit under ¹⁴Para 38. In case of Norway, the blue box subsidy as percentage of its trade-distorting support was 41.72 percent during the base period (1995-2000). The blue box limit under Para 38 would be NOK 566.09 million. However, blue box limit for Norway comes under the ambit of Para 39. As per this Para, the blue box limit shall be established by application of percentage reduction in average base period (1995-2000) amount. That percentage reduction shall equal the percentage reduction that the Member concerned is to make in its Final Bound

¹⁴ Para 38 The maximum value of support that can, under the above criteria of "Blue Box", be provided under Article 6.5 shall not exceed 2.5 per cent of the average total value of agricultural production in the 1995-2000 base period on the basis of notifications to the Committee on Agriculture where they exist. This limit shall be expressed in monetary terms in Part IV of Members' Schedules and shall apply from the first day of the implementation period.

Total AMS. Under Para 1315, the final bound Total AMS shall be reduced by following tiered formula. The calculation has been done under para 13(a), 13 (b) and 13 (c).

Table 8.2
Norway Blue box Subsidy

Million NOK				
Row no.	Year	Total AMS	Blue box	Total Value of Production
1	1995	9786.00	7117.30	22575.00
2	1996	10529.00	7246.30	22944.00
3	1997	10526.00	7375.10	22629.00
4	1998	10885.00	7880.30	23072.00
5	1999	10786.00	7673.90	22489.00
6	2000	10293.20	7669.40	22153.00
7	Average (1995-2000)	10467.53	7493.72	22643.67
8	blue box as a % of trade distorting	41.72		
9	2.5 % of total value of production (Para 38)	566.09		
10	Reduction band (Para 13)	Case 13a : 70%	Case 13b: 60%	Case 13 c: 45%
11	Blue box limit (Para 39)	2248.12	2997.49	4121.54
12	Excess than Normal limit	1682.03	2431.40	3555.45
13	Tariff equivalent (col.12/average value of production)* 100	9.93	13.24	18.20

Source: Estimated from WTO notification

The result shows that Norway will enjoy higher blue box limit under Para 39 than the limit allowed under Para 38.

(8.3) Para 71: Each developed country Member shall have the right to designate up to 4 per cent of tariff lines as "Sensitive Products".* Where such Members have more than 30 per cent of their tariff lines in the top band, they may increase the number of Sensitive Products by two per cent, subject also to the conditions outlined in paragraph 75 below. Where application of this

15 Para 13 The Final Bound Total AMS shall be reduced in accordance with the following tiered formula:

- (a) where the Final Bound Total AMS is greater than US\$40 billion, or the equivalent in the monetary terms in which the binding is expressed, the reduction shall be 70 per cent;
- (b) where the Final Bound Total AMS is greater than US\$15 billion and less than or equal to US\$40 billion, or the equivalents in the monetary terms in which the binding is expressed, the reduction shall be 60 per cent;
- (c) where the Final Bound Total AMS is less than or equal to US\$15 billion, or the equivalent in the monetary terms in which the binding is expressed, the rate of reduction shall be 45 per cent.

methodology would impose a disproportionate constraint in absolute number of tariff lines because tariff concessions are scheduled at the 6-digit level, the Member concerned may increase its entitlement by that amount also.

This paragraph provides an extra 2% point entitlement to countries with more than 30% of tariff lines in the top tier for designating tariff lines as Sensitive Products. This would benefit Norway (tariff profile shown below)

Table 8.3

Tariff tiers	Norway	Switzerland
0-20%	56%	35%
20- 50%	9%	21%
50- 75%	54%	7%
> 75%	33%	37%

SECTION 9: JAPAN

(9.1) Para 26: The scheduled product-specific AMS limits shall be implemented in full on the first day of the implementation period. Where the average notified product-specific AMS in the two most recent years for which notifications are available was higher, the limits shall be implemented in three equal annual instalments, with the starting point for implementation being the lower of the average of those two years or 130 per cent of the scheduled limits.

Para 26 provides an incentive to countries to increase the amount of product specific support in years just prior to finalization of modalities and delay the application of product-specific AMS limits by 2 years. Table gives examples of products and Member countries wherein the application of product specific AMS limits would be delayed by 2 years.

Table 9.1
Japan: Product Specific limit

	1995-2000 Av	2005-2006 Av	130 percent of Av (1995- 2000) limit	AMS limit Lower of 130 % of scheduled limit and recent two years
Soyabean oilseeds	6.9	25.9	8.97	8.97
Wheat	66.5	93.6	86.45	86.45

Source: Estimated from Various WTO notifications

(9.2) Para 41: In any case where Article 6.5(a) consistent Blue Box support was not provided for the entirety of the 1995-2000 period, the Member concerned shall use the average value of support for the years notified within that period, provided that there are at least three consecutive notified years within that period.

Under paragraph 40, product specific limits on Blue Box support shall be the average of support provided to specific products during 1995-2000. This suggests that the denominator should be “6” while calculating the average. However, paragraph 41 provides a carve out for products in which Blue Box support was not provided for each of the six years of the base period but at least for three consecutive years. In respect of these products, the Blue Box limit will be calculated by dividing the product specific support by the number of years for which the support was provided and not by “6”. This would result in a higher product specific Blue Box limit than what would otherwise be the case if paragraph 40 were applied.

Table 9.2
Japan

Member	Commodity	Blue Box Limit based on 6 year average	Blue Box limit based on average for the number of years in which support provided	Remark
Japan	Rice	Yen 39 bn	Yen 78 bn	No Blue Box support provided during 1995-1997

Source: Estimated from Various WTO notifications

SECTION 10: CONCLUSION

It is obvious that the developed nations are attempting to protect their agriculture sector through various carve-outs. For instance, Para 23, 24, 25, 26, 35, 40, 41, 47 and annexure A are carve outs for USA in “Revised Draft Modalities for Agriculture: WTO Doha round negotiations”. Para 35(b) is a new addition to blue box for the USA. This is a clear case of box shifting (from AMS to Blue box) as would be evident from USA notification to WTO. The USA has notified its Counter Cyclical Payment under Amber Box (see document no. G/AG/N/USA/60 dated 9th October 2007). The USA has not given any blue box support (except in 1995) and now with the new text, the definition of blue box will be widened only to allow USA to shift its support from

Amber box to Blue box. Similarly, there are special provisions for EU, Canada, Switzerland, Norway and Japan. A country-wise compilation indicates the following carve-out for the Developed nations.

Table 10.1: Special provision

USA	EU	Canada	Switzerland	Norway	Japan
Para 23	Para 24	Para 24	Para24	Para26	Para 26
Para 24	Para 25		Para26	Para 39	Para 41
Para 25	Para 26		Para71	Para 71	
Para 26	Para 41				
Para 35					
Para 40					
Para 41					
Annexure A					

This study clearly shows that the developed countries will be able to delay opening their markets and would be able to control the prices of agricultural goods through these measures. At the same time, if one looks at these carve-outs and their quantitative effects; it comes out very clearly that the proposals are in favour of developed countries. These carve-outs provide flexibility to many developed countries to the extent that they are even greater than the one which are going to be available to the developed countries. It is evident from this study that the Doha development agenda is for developed nations, not for the developing countries.

SECTION 11: REFERENCES

WTO (2008), “Revised draft modalities for agriculture”, ‘Committee on Agriculture Special Session’, Document no. TN/AG/W/4/Rev.4.

WTO: Various Notifications by Member Countries on Domestic Support.

SECTION 12: ANNEXURE

Annex 1

USA: Product specific AMS (Lower Product-specific limit)

US	1995-2000 average (Para 22) Developed Nation	PS AMS under Para 23 USA	% diff in PS AMS
	Million US\$	Million US\$	%
Mohair	3.20	3.14	-1.90
Corn	1,140.73	1,106.45	-3.01
Soybeans	1,289.63	1,123.71	-12.87
Sorghum	50.07	42.59	-14.93
Barley	32.30	27.41	-15.14
Minor oil seed: Flaxseed	6.32	4.92	-22.09
Wool	13.28	10.09	-24.04
Minor oil seed: Crambe	0.47	0.33	-29.59
Minor oil seed: Sunflower	50.73	35.54	-29.95
Minor oil seed: Canola	21.62	15.12	-30.05
Peanuts	357.65	249.19	-30.32
Apricots	0.33	0.20	-40.59
Honey	4.87	2.89	-40.59
Minor oil seed: Mustard seed	0.17	0.10	-40.59
Cranberries	3.28	1.95	-40.59
Minor oil seed: Rapeseed	0.03	0.02	-40.59
Minor oil seed: Sesame	0.02	0.01	-40.59
Wheat	389.45	231.39	-40.59
Apples	45.75	27.18	-40.59
Tobacco	240.57	142.93	-40.59
Oats	15.83	9.41	-40.59

Source: Estimated from WTO notification

Annexure 2:
De-minimis limit or 5 % value of Production

	Durum Wheat				Skimmed milk powder			
	Applied administered price	Eligible Production million ton	Total value	5% of value	Applied administered price	Eligible Production million ton	Total value of Production	5% of value
1995-96	119.2	6.9	822.48	41.124	2,055.20	1.3	2671.76	133.588
1996-97	119.2	8.1	965.52	48.276	2,055.20	1.2	2466.24	123.312
1997-98	119.2	7.2	858.24	42.912	2,055.20	1.1	2260.72	113.036
1998-99	119.2	7.9	941.68	47.084	2,055.20	1.1	2260.72	113.036
1999-2000	119.2	7.4	882.08	44.104	2,055.20	1	2055.2	102.76
2000-01	110.25	8.854	976.15	48.80	2,055.20	1.1	2260.72	113.036
Average (1995-2000)				45.3846 1				116.4613

Annexure 3
USA: Composition of agricultural Trade

Item	Import value	Percentage	Export value	Percentage
	(000)US \$	%	(000)US \$	%
Barley	47956.67	0.07	102160.33	0.13
Chick peas	11595.00	0.02	14904.33	0.02
Cotton lint	11728.67	0.02	4334923.67	5.67
Cottonseed	2007.67	0.00	100061.00	0.13
Lentils	12258.00	0.02	58887.33	0.08
Maize	186928.67	0.28	7478602.00	9.78
Meat Sheep Fresh +	484430.33	0.72	19245.00	0.03
Milk Equivalent +	1865086.67	2.76	1539905.00	2.01
Oats	276014.67	0.41	7224.33	0.01
Peas, dry	23393.33	0.03	117230.33	0.15
Rice +	306700.33	0.45	1323367.00	1.73
Safflower oil	27052.33	0.04	19336.67	0.03
Sheep meat	447258.67	0.66	18237.33	0.02
Sorghum	220.00	0.00	720109.00	0.94
Soybeans	71994.00	0.11	7754387.33	10.14
Sugar, Total (Raw Equiv.) +	1016621.67	1.50	146487.00	0.19
Wheat+Flour,Wheat Equiv. +	413496.33	0.61	5734377.33	7.50
Agricult.Products,Total +	67628472.33	100.00	76468772.00	100.00

Source: FAOSTAT

Annexure 4
EU: Composition of agricultural Trade

Item	import value	Percentage	Export value	Percentage
	(000)US \$	%	(000)US \$	%
Apples	2669396.33	0.77	2268545.67	0.66
Apricots	218412.33	0.06	222714.00	0.06
Bagasse	36184.67	0.01	34534.67	0.01
Cherries	394462.67	0.11	256259.67	0.07
Citrus fruit, nes	21342.67	0.01	14641.67	0.00
Milk Equivalent +	27569003.67	7.91	33744166.33	9.79
Nuts, nes	378270.00	0.11	161512.00	0.05
Peaches and nectarines	1141469.67	0.33	1201580.67	0.35
Pears	1024384.00	0.29	929035.33	0.27
Plums Dried (Prunes)	217848.33	0.06	124621.00	0.04
Silk-worm cocoons, reelable	664.33	0.00	286.00	0.00
Sugar, Total (Raw Equiv.) +	5049573.33	1.45	4830558.00	1.40
Triticale	45649.33	0.01	50927.33	0.01
Wheat+Flour,Wheat Equiv. +	6245902.67	1.79	7234258.33	2.10
Agricult.Products,Total +	348573707.33	100.00	344663355.67	100.00

Source: FAOSTAT