

WORLD TRADE ORGANIZATION

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REPORT (2012) ON THE ACTIVITIES OF THE COMMITTEE ON AGRICULTURE (REGULAR SESSION)

Report by the Chairperson

The present report on the regular meetings of the Committee on Agriculture held in 2012 is submitted on the responsibility of the Chairperson, Ms Emalene Marcus-Burnett of Barbados, as agreed by the Committee at its sixty-seventh session.

1. In 2012, the Committee on Agriculture held three regular meetings on 21 March, 20 June and 20 September.¹ A further regular meeting is scheduled for 14 November 2012.

2. The working procedures of the Committee are contained in G/AG/1. The Committee is charged, inter alia, to oversee the implementation of the Agreement on Agriculture and to afford Members the opportunity to consult on any matter relating to the implementation of the provisions of the Agreement. The work of the Committee is conducted in two parts: Part I – items relating to the review process and Part II – items relating to other matters within the purview of the Committee.

I. PART I – THE REVIEW PROCESS

3. In accordance with Article 18.1 of the Agreement on Agriculture ("the Agreement"), at each of its meetings, the Committee reviewed progress in the implementation of Members' commitments. This Review Process was undertaken on the basis of notifications submitted by Members in the areas of market access, domestic support, export competition, export prohibitions and restrictions as well as under the follow-up to the Marrakesh Ministerial Decision on NFIDCs. In total, 161 notifications were subject to review in 2012. A wide range of general and specific matters relevant to the implementation of commitments were also raised independently of notifications under the provisions of Article 18.6 of the Agreement. Overall, between March and September 2012, Members posed a total of 303 questions. Approximately 87 per cent of these were raised in connection with specific notifications while the remainder concerned implementation matters raised under Article 18.6. Subject-wise, 80 per cent dealt with domestic support issues, 11 per cent related to market access, 7 per cent to export subsidies and 2 per cent to export prohibitions and restrictions.

4. At each of its meetings, the Committee reviewed the overall position with respect to Members' compliance with their notification obligations under Article 18.2 and other relevant provisions of the Agreement. Specific concerns were raised regarding long overdue notifications, in

¹ The summary reports of these meetings are contained in documents G/AG/R/66, 67/Rev.1 (English only) and 68 (to be issued).

particular in the domestic support and export subsidy areas. Documents showing the current status of compliance with notification requirements were circulated in the G/AG/GEN/86 series.²

5. In substance, the concerns raised by Members under the Review Process included, but were not limited to, the following matters:

(a) Market access:

- (i) Introduction of import licensing regulations or quantitative import restrictions; consistency of such measures with Articles III and XI of GATT 1994 as well as Article 4.2 of the Agreement on Agriculture;
- (ii) Tariff quota management and utilization; notification practices with regard to imports under bound tariff quotas;
- (iii) Application of special safeguard actions, including timeliness of notification; calculation of trigger levels, especially at very low trade levels; possible linkages with the implementation of tariff quota commitments.

(b) Domestic support:

- (i) Operation of notified Green Box programmes and consistency with the relevant Annex 2 policy-specific criteria; calculation of payments; year-on-year variability in programme funding;
- (ii) Operation of notified Development Programmes (special and differential treatment) and consistency with Article 6.2 criteria (e.g. policy coverage and eligibility requirements); definition of "low-income or resource-poor farmers";
- (iii) Operation of notified Blue Box programmes and consistency with Article 6.5 criteria; introduction of new measures and linkages with on-going reform targeting specific agricultural sectors;
- (iv) Functioning of various government support schemes; year-on-year variability in product-specific support or in Current Total AMS/EMS; breaches of Final Bound Total AMS commitments and monitoring systems in place to ensure compliance; policy and regulatory frameworks underpinning a number of market price support programmes, including government intervention and subsidization of storage costs; support granted through import substitution and agricultural debt relief schemes;
- (v) Methodological and/or definitional issues, such as treatment of negative support, accounting for stages of processing, determination of "eligible production" and consistent use of the constituent data and methodology in the AMS calculations; switch between AMS and EMS methodologies; increases in administered prices; estimation of value of production data;
- (vi) Transparency of notification practices: inclusion of details on external financing; timely submission of Table DS:2 notifications; review of domestic support notifications.³

² An updated status will be circulated on 2 November 2012 (G/AG/GEN/86/Rev.12).

³ G/AG/W/97 dated 31 August 2012.

(c) Export competition:

- (i) Operation of selected export subsidy schemes and their compliance with the relevant provisions of the Agreement on Agriculture; developing countries continued recourse to Article 9.4 of the Agreement on Agriculture; product coverage of international food aid programmes;
 - (ii) Transparency considerations, including with respect to notification practices to account for subsidy outlays/volumes based on licences issued rather than actual exports.
- (d) Export prohibitions and restrictions: export restrictions introduced by a number of Members and underlying regulatory framework; absence of Table ER:1 notifications with respect to newly-introduced measures, and other transparency considerations.
- (e) Broader implementation matters: modification and certification of scheduled commitments; maintenance of regulations with no scientific or technical justification and their market access impacts, especially on developing country exports; government involvement in private sector policy initiatives.

II. PART II – OTHER MATTERS UNDER THE PURVIEW OF THE COMMITTEE

A. IMPLEMENTATION-RELATED ISSUES AND CONCERNs

6. The Committee maintained a standing item on its agenda relating to implementation issues, both in the framework of its follow-up to the Decision by the Doha Ministerial Conference on Implementation-Related Issues and Concerns⁴, as well as in the framework of issues and proposals referred to it by the General Council. In this regard, the three relevant implementation related issues are:

- (a) Article 10.2 of the Agreement: the development of internationally-agreed disciplines to govern the provision of export credits, export credit guarantees or insurance programmes;
- (b) Examination of the possible means of improving the effectiveness of the implementation of the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food Importing Developing Countries; and
- (c) The administration of tariff quotas and tariff quota regimes.

7. The Committee noted that the situation remained unchanged since the circulation of the 2003 and 2006 reports to the General Council.⁵

⁴ Paragraph 2 of WT/MIN(01)/17 refers.

⁵ G/AG/16/Add.1 and G/AG/22 refer.

B. REVIEW OF THE LIST OF SIGNIFICANT EXPORTERS

8. In 2012, the Committee continued work towards an agreement on an updated List of Significant Exporters for the purposes of Table ES:2 notifications. Most exchanges took place in an informal setting, with the Chairman orally reporting the substance of the discussion during the March and June regular sessions. Some elements were extensively pointed out, such as the rationale for the Table ES:2 notification requirement and its value addition especially for those Members with no export subsidy reduction commitments; the linkage between the Table ES:1 and Table ES:2 for Members with export subsidy reduction commitments; product coverage, including the definition of existing G/AG/2 product categories and the need for enhancing transparency by using the Harmonized System nomenclature to notify the volumes of total exports.

9. In order to facilitate further progress in this area, the formal and informal contributions made since 2010 by Members, the Chairpersons as well as the Secretariat were compiled and circulated. In the second half of 2012, there was further constructive engagement with a number of delegations tabling additional formal contributions⁶ and informal inputs that were circulated as room documents.

10. Cuba's written⁷ and Zimbabwe's oral requests for exemption from the Table ES:2 notification requirement remained before the Committee pending an agreement on a revised list.

C. OTHER IMPLEMENTATION-RELATED MATTERS

11. A number of informal consultations were also convened by the Chairman at Members' request. Such meetings afforded Members the opportunity to raise any matters that relate to the implementation of provisions of the Agreement. Useful exchanges ensued, aimed at enhancing overall understanding and contribute towards the implementation and review processes.

D. MONITORING THE FOLLOW-UP TO THE MINISTERIAL DECISION ON MEASURES CONCERNING THE POSSIBLE NEGATIVE EFFECTS OF THE REFORM PROGRAMME ON LEAST-DEVELOPED AND NET FOOD-IMPORTING DEVELOPING COUNTRIES (NFIDCs)

12. In accordance with the Committee's Decision⁸, Antigua and Barbuda and El Salvador were included in the WTO list of NFIDCs at the March 2012 meeting.⁹ The follow-up to the Ministerial Decision on NFIDCs will be monitored by the Committee at its November meeting. As is customary, that monitoring exercise will be undertaken on the basis of, *inter alia*, Table NF:1 notifications by donor Members, contributions by Members and observer international organizations, as well as a background note by the Secretariat.¹⁰ On that occasion, the Committee will consider the implementation of the various elements constituting the Decision, namely (i) food aid levels, particularly the level of food aid destined to LDCs and NFIDCs; (ii) the technical and financial assistance made available by donor Members and other multilateral institutions to improve LDCs' and NFIDCs' agricultural productivity and infrastructure; as well as (iii) any other relevant information with respect to actions taken within the framework of the Decision.

⁶ G/AG/W/99 (19 September 2012); G/AG/W/101 and G/AG/W/102 (9 October 2012).

⁷ G/AG/W/85 dated 29 June 2011.

⁸ G/AG/3 refers.

⁹ G/AG/5/Rev.10 refers.

¹⁰ G/AG/W/42/Rev.15 (to be issued).

E. ARTICLE 18.5 ANNUAL CONSULTATIONS

13. Pursuant to Article 18.5 of the Agreement, the Committee will hold its annual consultation on Members' participation in the normal growth of world trade in agricultural products within the framework of the export subsidy disciplines during the November 2012 meeting. A background note was issued by the Secretariat to facilitate the discussions.¹¹

F. OBSERVER STATUS

14. The following international intergovernmental organizations have regular observer status in the Committee: FAO, IMF, the International Grains Council, OECD, UNCTAD, WFP and the World Bank. The Inter-American Institute for Agricultural Cooperation (IICA) continues to benefit from *ad hoc* observer status on the basis of meeting-by-meeting invitations.

15. At present, no consensus has been reached as regards requests for observer status by eleven other international intergovernmental organizations.¹²

III. GENERAL COUNCIL DECISION ON COST SAVINGS IN DOCUMENT PRODUCTION AND MEETINGS

16. In response to the General Council Decision on cost savings, the length of the regular meetings of the Committee on Agriculture was kept to one day and all formal and informal meetings started on time. In order to further expedite the conduct of regular meetings, the Committee examined the possibility of considering the extension of *ad hoc* observer status to IICA on an annual basis unless the issue was specifically placed on the agenda by a Member in the intervening meetings. This would be therefore without prejudice to a former decision to invite the IICA on a meeting-by-meeting basis. In March 2012, the Committee agreed to invite IICA to participate in its regular June, September and November 2012 meetings.

17. As regards the streamlining of documentation, the distribution of official Committee documents previously circulated during regular meetings was discontinued as of 1 January 2012. Furthermore, the Secretariat strived to control the overall volume of official documents generated. A number of documents were restructured and their length reduced, notably the convening airgram, the annotated compilations of agenda items raised by Members under the Review Process¹³, the summary reports and their annexes, as well as the compliance documents.¹⁴ In view of the availability of updated notification-related toolkits on the public website¹⁵, the circulation of the room document listing the notifications circulated *after* the issuance of the convening airgram was also discontinued. Simultaneously, the *Documents for Meetings* facility improved Members' direct access to all relevant formal and informal documentation. The Committee also agreed to discontinue the preparation and circulation of the Compendium of documents on implementation-related issues.¹⁶

18. The Secretariat also briefed Members on the state-of-play of the Agriculture Information Management System (Ag-IMS) including its two main modules, namely, (i) the online notification submission system, and (ii) the archiving system for questions and answers that were raised during the Review Process.

¹¹ G/AG/W/32/Rev.13 dated 18 October 2012.

¹² G/AG/W/29/Rev.7 refers.

¹³ Hence, both the convening airgram and the compilation of questions are circulated on the same day.

¹⁴ Circulated in the G/AG/GEN/86 series.

¹⁵ See http://www.wto.org/english/tratop_e/sps_e/transparency_toolkit_e.htm.

¹⁶ G/AG/W/70 document series.

IV. TECHNICAL ASSISTANCE

19. As part of capacity building initiatives, a specialized Workshop on Agriculture Notifications was held in September 2012. Twenty-seven English-speaking government officials having direct responsibility in the preparation of notifications participated in that event. As provided for in the WTO's *Biennial Technical Assistance and Training Plan 2012-2013*, a second event was organized in Geneva on the side-lines of the 68th regular session of the Committee, offering specialized training to 18 capital-based French-speaking government officials, most of them from Least-Developed Countries. All participants were selected taking into consideration their experience and current or future involvement in the WTO agriculture notifications file. As in September, the participants will be able to attend the regular session of the Committee on Agriculture. A "*notifications clinic*" will also afford them an opportunity to address any unfulfilled notification obligations in direct consultation with the Secretariat.

V. SCHEDULE OF REGULAR MEETINGS IN 2013

20. The Committee adopted the following schedule for its regular meetings in 2013: 26 March, 26 September and 12 November.

21. In line with paragraph 5 of its Working Procedures (G/AG/1), additional regular meetings may be scheduled as appropriate.
