

WORLD TRADE ORGANIZATION

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REPORT OF THE COMMITTEE ON AGRICULTURE

Report adopted by the Committee on Agriculture on 6 November 1996

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1. In accordance with its terms of reference as adopted by the WTO General Council on 31 January 1995 (WT/L/43) the Committee is required to oversee the implementation of the Agreement on Agriculture ("the Agreement") and to afford Members the opportunity of consulting on any matter relating to the implementation of the provisions of the Agreement.
2. A key function of the Committee is to review progress in the implementation of commitments negotiated under the Uruguay Round reform programme in accordance with the relevant provisions of Article 18 of the Agreement. The Committee on Agriculture is also charged under Article 16:2 of the Agreement with monitoring, as appropriate, the follow-up to the Marrakesh Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries. The work of the Committee in this regard is summarised in the relevant section of the separate report submitted by the Committee for the purposes of the review by the Ministerial Conference of the provisions of this Decision.
3. The Committee on Agriculture has held seven regular meetings (four meetings in 1995 and three so far in the current year) plus one special meeting which was convened at intervals between 24 October and 6 November 1996 (summary reports on each of these meetings are contained in documents G/AG/R/1 to 8). These meetings have been supplemented as appropriate by informal consultations and meetings. A further regular meeting of the Committee is to be held on 28-29 November 1996. The work of the Committee is conducted in accordance with working procedures specifically tailored to the functions of the Committee (G/AG/1), and with general rules of procedure in line with those adopted by the WTO General Council (G/AG/W/22). Observers from the following international intergovernmental organizations attend regular meetings of the Committee on Agriculture on an *ad hoc* basis: the FAO, the IMF, the International Grains Council, the OECD, the UNCTAD, the UN World Food Programme and the World Bank.
4. In accordance with the relevant provisions of Article 18 of the Agreement, the Committee, at each of its meetings, has reviewed progress in the implementation of commitments negotiated under the Uruguay Round reform programme. This review process is undertaken on the basis of notifications submitted by Members in the areas of market access, domestic support, export subsidies and under the provisions of the Agreement relating to export prohibitions and restrictions. The Committee also addressed a range of general and specific matters relevant to the implementation of commitments under the provisions of the Agreement (Article 18:6) which enable Members, as an integral part of the review process, to raise any matter relevant to the implementation of commitments under the reform programme.

5. In general, the notification requirements established by the Committee for the purpose of reviewing implementation of commitments and obligations under the Uruguay Round reform programme are being satisfactorily complied with by most Members. However, there have been a number of instances where notifications have been incomplete or have not been submitted within the specified timeframes. In a limited number of cases notifications due remain outstanding. The overall position with respect to notification obligations under Article 18:2 and other relevant provisions of the Agreement is summarized in the attachment to this report. Members of the Committee agree that it is essential to the work of the Committee in reviewing progress in the implementation of commitments under the reform programme, that there should be full and timely compliance with these notification requirements.

6. The principal focus of the Committee's review process has thus far been on the implementation of market access commitments, particularly with regard to the administration of tariff and other quota commitments and the operation of the special safeguard provisions. In the course of the current year the scope of the review process has broadened to include a wider range of notifications, as well as matters raised under Article 18:6 of the Agreement, with respect to export subsidy and domestic support commitments. Members of the Committee consider that good progress has been made in implementing the commitments negotiated under the Uruguay Round reform programme, even though some implementation issues remain to be resolved.

7. Many of the matters raised in the course of the Committee's systematic review of the implementation of commitments have been satisfactorily clarified in the Committee or have been subsequently resolved following discussion in the Committee. However, in a number of cases matters raised in the course of the review process involving apparent non-compliance with commitments or obligations under the Agreement nevertheless remain outstanding. Such matters include, for example, late or inadequate implementation, the introduction or maintenance of non-tariff border measures, and non-compliance with export subsidy commitments. Some of these matters have been pursued through recourse to the formal consultation and dispute settlement procedures. In this general context Members of the Committee stress the desirability of all such matters being settled in a positive manner and underline the importance which they attach to full and timely compliance with commitments and obligations under the Agreement by all Members.

8. The Committee's review process has also generated issues of a more general nature relating to the manner in which commitments are implemented. These issues include allocation of access under MFN tariff quotas to preferential suppliers or to non-Members, the allocation of import access to state-trading enterprises or to producer organizations, the auctioning of tariff quota licences, limitations on imports of particular products under broadly defined tariff quota commitments, making imports under tariff quotas conditional on absorption of domestic production of the product concerned, the relationship between the Agreement on Agriculture and the Agreements on Import Licensing Procedures and on Trade-Related Investment Measures, and export restrictions. Some of these issues have been subject to informal consultations undertaken by the Chairman at the request of the Committee with a view to clarifying the relevant disciplines in the areas concerned. The Committee considers that work in these and other relevant areas should be pursued with a view to exploring the scope for further improving the quality of implementation generally and to developing guidelines or other solutions as appropriate.

9. Special and differential treatment in favour of developing country Members, as incorporated in scheduled commitments and in the provisions of the Agreement, are integral elements of the Uruguay Round reform programme. Implementation of these commitments and the use made of these provisions have been fully within the scope of the Committee's review process, including Article 18:6. In establishing the notification requirements (G/AG/2) account was taken of the concerns of developing and least-developed country Members by alleviating the burden of certain notification obligations and by establishing notification requirements to facilitate the implementation and monitoring of the Decision on Least-Developed and Net Food-Importing Developing Countries. In addition, extensive technical

assistance and advice has been provided by the Secretariat on request to developing country Members on implementation issues.

10. Overall, Members of the Committee agree that the review process has been conducted in an efficient and effective manner and that the highest priority should continue to be accorded to this key area of the Committee's work.

11. Under Article 10:2 of the Agreement, which relates to the prevention of circumvention of export subsidy commitments, Members undertake to "work towards the development of internationally agreed disciplines to govern the provision of export credits, export credit guarantees or insurance programmes and, after agreement on such disciplines, to provide export credits, export credit guarantees or insurance programmes only in conformity therewith". Further work on the elements of an outline understanding is required. At the appropriate stage the Committee on Agriculture will need to consider how an understanding in this area could be multilateralized within the framework of the Agreement on Agriculture and how the provisions of paragraph 4 of the Decision on Least-Developed and Net Food-Importing Developing Countries have been taken into account.

12. The negotiations to continue the reform process referred to in Article 20 of the Agreement on Agriculture, will be conducted in conformity with the timetable and all other provisions contained in that Article. Useful experience will be gained by the Committee on Agriculture in reviewing the implementation of existing commitments which will enable the Committee on Agriculture to further pursue in 1997 and thereafter:

- (a) the assessment of the compliance with these commitments, taking into account the need for full and timely compliance; and
- (b) a process of analysis and information exchange, in accordance with all relevant provisions of the Agreement on Agriculture.

This will allow WTO Members to better understand the issues involved and to identify their interests in respect of them before undertaking the mandated negotiations laid down in Article 20¹.

¹Article 20 - Continuation of the Reform Process:

"Recognizing that the long-term objective of substantial progressive reductions in support and protection resulting in fundamental reform is an ongoing process, Members agree that negotiations for continuing the process will be initiated one year before the end of the implementation period, taking into account:

- (a) the experience to that date from implementing the reduction commitments;
- (b) the effects of the reduction commitments on world trade in agriculture;
- (c) non-trade concerns, special and differential treatment to developing country Members, and the objective to establish a fair and market-oriented agricultural trading system, and the other objectives and concerns mentioned in the preamble to this Agreement; and
- (d) what further commitments are necessary to achieve the above mentioned long-term objectives."

Attachment**Regular notifications pertaining to the 1995 year made under the Agreement on Agriculture**

	Table MA:1 Tariff quota administration	Table MA:2 Imports under tariff quotas	Table MA:5 Special safeguard - annual	Table DS:1+ Domestic support	Table ES:1+ Export subsidies	Table ES:2 Total exports	Table ES:3 Food aid
Antigua and Barbuda	NA	NA	NA			NA	?
Argentina	NA	NA	NA	X	X	X	?
Australia	X	X	X	X	X	X	?
Bahrain	NA	NA	NA			NA	?
Bangladesh	NA	NA	NA	(NA)		NA	?
Barbados	X		X		X	NA	?
Belize	NA	NA	NA			NA	?
Benin	NA	NA	NA	NA	NA	NA	NA
Bolivia	NA	NA	NA			NA	?
Botswana	NA	NA	X		X	NA	?
Brazil	X	X	NA	X	X	X	X
Brunei Darussalam	NA	NA	NA			NA	?
Burkina Faso	NA	NA	NA	(NA)		NA	?
Burundi	NA	NA	NA	(NA)		NA	?
Cameroon	NA	NA	NA			NA	?
Canada	X	X	X				?
Central African Rep.	NA	NA	NA	(NA)		NA	?
Chad	NA	NA	NA	NA	NA	NA	NA
Chile	NA	NA	NA	X	X	X	?
Colombia	X	X					?
Costa Rica	X						?
Côte d'Ivoire	NA	NA	NA			NA	?
Cuba	NA	NA	NA			X	?
Cyprus	NA	NA	NA	X			?
Czech Republic	X	X	X	X	X	X	X
Djibouti	NA	NA	NA	(NA)		NA	?
Dominica	NA	NA	NA			NA	?
Dominican Republic	NA	NA	NA		X	NA	?
Ecuador		NA	NA	NA	NA	NA	NA
Egypt	NA	NA	NA			NA	?
El Salvador						NA	?
European Communities	X						?
Fiji	NA	NA	NA	NA	NA	NA	NA
Gabon	NA	NA	NA			NA	?
Gambia	NA	NA	NA	NA	NA	NA	NA
Ghana	NA	NA	NA			NA	?
Grenada	NA	NA	NA	NA	NA	NA	NA
Guatemala	X	X	X	X	X	NA	?
Guinea Bissau	NA	NA	NA	(NA)		NA	?
Guinea, Republic of	NA	NA	NA	(NA)		NA	?
Guyana	NA	NA	NA			NA	?
Haiti	NA	NA	NA	NA	NA	NA	NA
Honduras	NA	NA	NA		X	X	?
Hong Kong	NA	NA	NA	X	X	NA	?
Hungary	X	X	X				?
Iceland	X		X	X			?

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India	NA	NA	NA			NA	?
Indonesia	X				X		?
Israel	X		X	X	X	X	?
Jamaica	NA	NA	NA			NA	?
Japan	X	X	X		X	NA	X
Kenya	NA	NA	NA			NA	?
Korea	X	X	X			NA	?
Kuwait	NA	NA	NA			NA	?
Lesotho	NA	NA	NA	(NA)		NA	?
Macau	NA	NA	NA	X	X	NA	?
Madagascar	NA	NA	NA	(NA)		NA	?
Malawi	NA	NA	NA	(NA)		NA	?
Malaysia	X	X	X	X	X	X	?
Maldives	NA	NA	NA	(NA)		NA	?
Mali	NA	NA	NA	(NA)		NA	?
Malta	NA	NA	NA			NA	?
Mauritania	NA	NA	NA	(NA)		NA	?
Mauritius	NA	NA	NA			NA	?
Mexico							?
Morocco	X	X	X	X	X	NA	?
Mozambique	NA	NA	NA	(NA)		NA	?
Myanmar	NA	NA	NA	(NA)		NA	?
Namibia	NA	NA				NA	?
New Zealand	X	X	X	X	X	X	X
Nicaragua	X		X	X	X	NA	?
Nigeria	NA	NA	NA			NA	?
Norway	X	X	X	X	X		?
Pakistan	NA	NA	NA		X	X	?
Papua New Guinea	NA	NA	NA	NA	NA	NA	NA
Paraguay	NA	NA	NA			NA	?
Peru	NA	NA	NA		X	NA	?
Philippines	X	X	X		X		?
Poland	X	X	X		X		?
Qatar	NA	NA	NA	NA	NA	NA	NA
Romania	X	X	X		X		?
Rwanda	NA	NA	NA	NA	NA	NA	NA
Saint Kitts and Nevis	NA	NA	NA	NA	NA	NA	NA
Saint Lucia	NA	NA	NA			NA	?
Saint Vincent & Grenadines	NA	NA	NA			NA	?
Senegal	NA	NA	NA			NA	?
Sierra Leone	NA	NA	NA	(NA)		NA	?
Singapore	NA	NA	NA	X	X	NA	?
Slovak Republic	X	X	X	X	X	X	X
Slovenia	X	X	NA	X	X	NA	?
Solomon Islands	NA	NA	NA	NA	NA	NA	NA
South Africa	X	X	X	X			?
Sri Lanka	NA	NA	NA			NA	?
Suriname	NA	NA	NA			NA	?
Swaziland	NA	NA				NA	?
Switzerland - Liechtenstein	X	X	X	X	X		?

	Table MA:1 Tariff quota administration	Table MA:2 Imports under tariff quotas	Table MA:5 Special safeguard - annual	Table DS:1+ Domestic support	Table ES:1+ Export subsidies	Table ES:2 Total exports	Table ES:3 Food aid
Tanzania	NA	NA	NA	(NA)		NA	?
Thailand	X	X	X	X	X	X	?
Togo	NA	NA	NA	(NA)		NA	?
Trinidad and Tobago	NA	NA	NA		X	NA	?
Tunisia	X		X	X	X	NA	?
Turkey	NA	NA	NA	X	X	X	?
Uganda	NA	NA	NA	(NA)		NA	?
United Arab Emirates	NA	NA	NA	NA	NA	NA	NA
United States	X	X	X		X		?
Uruguay	NA	NA	X	X	X	X	X
Venezuela	X						?
Zambia	NA	NA	NA	(NA)		NA	?
Zimbabwe	NA	NA	NA				?
Total required to notify	34	33	35	75	96	33	NA
Notifications received	31	22	26	25	35	15	6
Percentage compliance	91	-	-	-	-	-	-

1. Agricultural notification requirements are set out in document G/AG/2 and G/AG/2/Add.1. Reference should be made to this document in order to establish applicability of the requirements and the relevant time limits for the submission of notifications.

2. There are currently 125 WTO Members. The list of WTO Members above, however, comprises only 109 names as the European Communities and its 15 member states provide one notification for each of the respective requirements and Switzerland's notifications are taken to cover Liechtenstein as these two Members have a joint Schedule.

3. The symbols used in the table are as follows:

(a) A blank indicates that this is a requirement applicable to the Member concerned, but that no notification was received up to the cut-off date (6 November 1996). Notifications may be submitted according to various bases (calendar, crop, fiscal years, etc.). The absence of a notification, therefore, does not necessarily indicate an outstanding obligation as the notification may be due only later in 1996. No percentage compliance is calculated in these cases. The time limit for the submission of MA:1 notifications has now passed for all Members (including those which became Members only in 1996) and the percentage compliance is calculated for this requirement.

(b) "X" denotes that a notification has been received in the WTO. No assessment of the completeness or the quality of the notification with respect to requirements is made or implied.

(c) "NA" indicates that the requirement was not applicable for this WTO Member during the period covered either because no relevant measures are in place (e.g. tariff quotas) or because WTO membership did not take place until 1996 hence there were no notification requirements pertaining to 1995. For Table DS:1, the least-developed country Members may notify at the end of every second year (indicated by the symbol "(NA)") and such Members are excluded from the total number required to notify.

(d) "?" indicates that no notification was received from the Member, but this requirement (Table ES:3 - total volume of food aid) is applicable only to those Members which are food aid donors - it is not possible to determine whether particular Members are such donors and no "nil return" is required from Members which are not donors. For this reason compliance with the requirement cannot be determined (and, as with other requirements, notifications may be submitted according to various annual bases).