



## REPORT (2018) ON THE ACTIVITIES OF THE COMMITTEE ON AGRICULTURE

### REPORT BY THE CHAIRPERSON

1.1. The present draft report is being circulated by the Chairperson of the Committee on Agriculture on her own responsibility. This report provides a summary of the activities of the Committee on Agriculture ("the Committee") during 2018.

1.2. The Committee held four formal meetings in 2018 on 20-21 February, 11-12 June, 25-26 September and 26-27 November.<sup>1</sup> Informal meetings were held on 20 February, 11 June, 25 September and 26 November. Alf Vederhus of Norway was the Chairperson for the February meeting of the Committee. The Committee elected Ms Débora Cumes of Guatemala as the new Chairperson for 2018-2019 beginning with the June meeting.

1.3. 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 is 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. Between 1 January and 27 November 2018, 248 agriculture notifications of all types were circulated.

1.4. In 2018, Members posed 242 questions on 104 notifications during the Committee's review process. These questions were distributed as follows: 80% related to domestic support issues, 15% to market access, and 5% to export competition.<sup>2</sup> Specific concerns were also raised regarding the outstanding notifications that some Members had yet to submit to the Committee.

1.5. For the first time since the Committee's inception, there were three counter-notifications submitted as per Article 18.7 of the Agreement. The United States and Australia submitted counter-notifications pertaining market price support measures undertaken by India regarding rice, wheat, cotton and sugarcane.<sup>3</sup>

1.6. Members also raised a wide range of matters relevant to the implementation of commitments independently of notifications under the provisions of Article 18.6 of the Agreement. A total of 54 implementation-related issues were raised by 13 Members during 2018. Out of these, 36 issues were discussed for the first time in 2018. The remaining issues were discussed one or more times in previous years either under the review of notifications or under matters raised under Article 18.6.

1.7. In response to the observed steady increase over the last years in the number of outstanding responses to questions raised during the Review, the chairperson requested that the Secretariat circulate a list of outstanding responses under the CoA review process from 2012 till 2017.<sup>4</sup> The chair encouraged Members to submit their response at their earliest convenience. Members responded by submitting 11 responses, which represented a 15% improvement in outstanding responses for that period.

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<sup>1</sup> The summary reports of these meetings are contained in documents G/AG/R/87, G/AG/R/88, G/AG/R/89 and G/AG/R/90 (to be issued).

<sup>2</sup> See G/AG/W/172, G/AG/W/178, G/AG/W/178/Corr.1, G/AG/W/184, G/AG/W/190 and G/AG/W/190/Corr.1.

<sup>3</sup> G/AG/W/174, G/AG/W/188 and G/AG/W/189.

<sup>4</sup> G/AG/W/177 and G/AG/W/177/Rev.1.

1.8. At each meeting the Committee reviewed the status of Members' compliance with their notification obligations under the Agreement. A document summarizing the status of compliance with notification requirements was circulated at each Committee meeting.<sup>5</sup> While a significant proportion of notifications are still outstanding (about 26% of all notifications from 1995-2016), Members continue to make efforts to bring their notification record up to date by submitting notifications covering multiple reporting periods.

1.9. With respect to the work of the Committee related specifically to NFIDCs, the WTO list of NFIDCs<sup>6</sup> remained unchanged. The Committee discussed 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 (NFIDC) twice in 2018, in the February and November meetings, because the NFIDC follow-up discussion which was expected to take place in 2017 was postponed to February 2018. Under the follow-up to the NFIDC Decisions, Members continued to reflect on the international food aid review process mandated by the Nairobi Decision on Export Competition in its paragraph 32.<sup>7</sup>

1.10. 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 Concerns<sup>8</sup>, as well as in the framework of issues and proposals referred to it by the General Council. No Member commented under this agenda item in 2018 meetings.

1.11. The Committee also discussed follow-up to the Ministerial Outcomes, specifically related to (i) the Understanding on Tariff Rate Quota Administration Provisions of Agricultural Products, as defined in Article 2 of the Agreement on Agriculture; and (ii) the Nairobi Ministerial Decision on Export Competition. No information was provided by Members in the context of the monitoring foreseen under the Bali Decision on Public Stockholding for Food Security purposes.

1.12. Review of the Bali Decision on TRQ administration called for in that Decision.<sup>9</sup> According to that Decision, the objective of the review is to promote a continuing process of improvement in the utilization of tariff rate quotas and the General Council shall take decisions on the recommendations arising from the review no later than 31 December 2019. The review was conducted through open-ended informal meetings of the Committee as per the agreed process and timelines.<sup>10</sup> Written submissions from Australia<sup>11</sup>, the Cairns Group<sup>12</sup> and the EU<sup>13</sup> were circulated to assist discussions related to the review. The Secretariat circulated a background document on TRQ administration and fill rates to assist the review discussions.<sup>14</sup> Members had principally identified the following themes in the review discussions: the need for effective implementation and follow-up of the substantive obligations arising out of the Bali TRQ Decision, the need to have timely and complete TRQ notifications, including consistent reporting of fill-rates; and the need to have a better appreciation of the causes of TRQ underfill and to have recourse to the underfill mechanism to address cases of chronic underfill. Members expressed differing views on possible modification to the Decision that would provide for a uniform application of the underfill mechanism by all Members. To promote sharing of experiences on these issues, Members had thematic discussions on TRQ administration and underfill at the informal committee meeting in November where industry representatives shared their perspective and experience of TRQ administration.

1.13. The follow-up to the Nairobi Ministerial Decision on Export Competition covered three main items: the annual dedicated discussion, Members' update on their efforts to modify export subsidy schedules and the first triennial Review of the Nairobi Decision. The dedicated discussion on export competition occurred during the June 2018 meeting. The discussions were held on the basis of the Secretariat's background document. Following the meeting, a revised background document

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<sup>5</sup> G/AG/GEN/86/Rev.30, G/AG/GEN/86/Rev.31, G/AG/GEN/86/Rev.32 and G/AG/GEN/86/Rev.33.

<sup>6</sup> G/AG/5/Rev.10.

<sup>7</sup> WT/MIN(15)/45, para. 32.

<sup>8</sup> WT/MIN(01)/17, para. 2.

<sup>9</sup> WT/MIN(13)/39, para. 13.

<sup>10</sup> G/AG/W/171

<sup>11</sup> G/AG/W/186.

<sup>12</sup> G/AG/W/179.

<sup>13</sup> G/AG/W/175.

<sup>14</sup> G/AG/W/183 and attachments.

compiling all the information received by the Secretariat was circulated on 27 September 2018<sup>15</sup> concluding this examination process. During the Committee Members exchanged questions and responses on specific measures in relation to the implementation of the Nairobi Decision.<sup>16</sup> The Cairns group circulated a paper as an input to the dedicated discussion.<sup>17</sup> The paper considered the alignment of Members' reported policies with the Nairobi Decision.

1.14. At each Committee meeting in 2018 Members provided information regarding their efforts to advance on the modification of their scheduled export subsidy commitments pursuant to the Nairobi Decision. The situation on 28 November 2018 was as follows: out of the 16 WTO Members with export subsidies reduction commitments at the time of the Decision, eight Members had their schedule revised pursuant to the Nairobi Decision certified and two other Members had submitted their revised draft schedule.

1.15. The Nairobi Decision requires that the Committee conduct a review of the Decisions' disciplines every three years. The Committee held two informal meetings in 2018 to discuss this review and adopted the Report of the First Triennial Review of the Ministerial Decision of 19 December 2015 on Export Competition at the September 2018 meeting.<sup>18</sup>

1.16. The committee discussed enhancing transparency and the CoA Review process in three informal meetings in 2018. The Committee meeting discussed possible enhancements to the AG-IMS, the system that contains information on all agriculture notifications, as well as all questions and responses provided by Members during the CoA Review process. The Committee also discussed a proposal circulated by Norway which aimed at improving the notification compliance in the CoA, including through the revision of existing notification requirements and deadlines.<sup>19</sup>

1.17. Several database tools support the Committee's monitoring and transparency functions. Since 2012 the AG-IMS platform has facilitated Member submission of questions and responses in the context of the Committee's monitoring of implementation of commitments. A new on-line function for agriculture notifications has been developed and Members will be able to submit notifications through this system beginning in 2019.

1.18. The WTO's Agriculture and Commodities Division delivered the ninth Geneva-based workshop on agriculture notifications from 24-27 April. It was organized in collaboration with the Institute for Training and Technical Cooperation with the purpose of facilitating the preparation and review of agriculture notifications. A total of 25 participants from developing country capitals were funded by the WTO. The workshop included practical exercises related to the review process of the Committee on Agriculture and hands-on training on the Agriculture Information Management System (AG-IMS). Participants were able to practice the preparation of notifications using the new function for the online submission of notifications which is set to go live by the beginning of 2019. As in previous activities, the last day of the 2018 workshop was devoted to individual sessions with AGCD staff, offering participants the opportunity to consult on unfulfilled notification obligations.

1.19. Additionally, there were ten more technical assistance activities carried out in 2018 covering the Agreement on Agriculture, including four regional seminars for Arab and Middle East countries, the Caribbean, French-speaking Africa and Asia and Pacific; and six national workshops carried out in Bahamas, Bolivia (Plurinational State of), Dominican Republic, Ecuador, Peru and Saint Vincent and the Grenadines. Three of these workshops focused specifically on Agriculture notifications. The Chair reminded Members that they could approach the Secretariat for technical assistance, including to request national workshops in their capital to improve their notifications.

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<sup>15</sup> G/AG/W/125/Rev.9, G/AG/W/125/Rev.9/Add.1 - G/AG/W/125/Rev.9/Add.4 and G/AG/W/125/Rev.9/Add.2/Corr.1.

<sup>16</sup> G/AG/W/182.

<sup>17</sup> G/AG/W/180 and G/AG/W/180/Add.1.

<sup>18</sup> G/AG/28.

<sup>19</sup> G/AG/W/185.

1.20. The following international intergovernmental organizations have regular observer status in the Committee: Food and Agriculture Organization, International Monetary Fund, the International Grains Council, OECD, UNCTAD, World Food Programme, and the World Bank. The renewal of *ad hoc* observer status for the Inter-American Institute for Agricultural Cooperation (IICA) for 2019 was agreed by the Committee at its November meeting.

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