



*Workshop on Agriculture Notifications
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Domestic support Practical exercises

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WTO OMC

Domestic support - Exercise #1



The following domestic support measures have been notified by WTO Members. Please identify the relevant boxes to which these measures belong (Green Box, Blue Box, Article 6.2 or Amber Box).

Description of the measure	"Box"
1. Input subsidies generally available to low-income or resource-poor producers: Subsidies for the encouragement of forage cultivation and hay making.	
2. Dairy Adjustment Grants: Assistance to dairy producers to adjust to deregulation of the dairy industry.	
3. Aid to encourage establishment of producer groups and ease administrative overheads; schemes to improve marketing network, quality and presentation of produce; certification.	
4. Government storage: Provision of wheat storage facilities to ensure food security programmes.	
5. Market price support for butter.	
6. Interest rate subsidy to co-operatives.	
7. Promotion of economic and social development of poor regions.	
8. School lunch programmes: supply of rice, milk, and fruit juice for school children at subsidized prices.	
9. Veterinary services to promote animal production, animal health and the quality of the products of animals through the determination of norms and standards as well as co-ordination and rendering of services.	
10. Rice Farming Income Stabilisation Programme: direct payments for rice producers under production-limiting programme.	

Group discussion

Domestic support - Exercise #2



In 2007, a developing country Member "X" with Total AMS reduction commitments had a value of total agricultural production of \$1 billion and provided domestic support as follows:

- For wheat, there was a guaranteed price of \$150 per tonne plus a payment of \$20 per hectare for wheat planted. The total eligible wheat production was 2 million tonnes from 800,000 hectares. The total value of wheat production was \$400 million.
- For cattle, there was an intervention scheme aimed at keeping farm prices at \$2 per kg (\$2,000 per tonne) and the total volume produced was 15,000 tonnes.
- There was a fertiliser subsidy and a fuel subsidy for all farmers amounting to \$5 million and \$3 million, respectively.
- Two new measures were introduced by the Ministry of Agriculture, Livestock and Rural Development:
 - a) A training programme focussed on environmentally-sound farming practices was offered by rural colleges.
 - b) A disaster relief programme (\$100 million) was implemented to repair the damage caused by the hurricanes in the south part of the country.
- There continued to be an investment credit programme available to agricultural producers. The commercial interest rate for investments was 7 per cent. Agricultural producers were able to obtain loans from a state-owned credit corporation at interest rates of 5 per cent for the purchase of farm equipment. The total outstanding debt amounted to \$25 million.

Please allocate the above-mentioned support to the respective tables of the Table DS:1 notification with a view to submitting it to the Committee on Agriculture. What categories of support have been used? Has the Current Total AMS remained within the bound commitment level for 2007? Is there anything else required?

Excerpts from the Uruguay Round Schedule and "Agricultural Supporting Tables" (AGST) are:

Base Total AMS = \$230 million

Supporting Table 6

AGRICULTURAL NEGOTIATIONS: SUPPORTING DATA DOMESTIC SUPPORT: X Aggregate Measurements of Support: Market Price Support

Description of basic products		Measure type(s)	Applied administered price (\$/tonne)	External reference price (\$/tonne)	Eligible production (tonne)	Associated fees / levies	Total market price support (\$ million)	Data sources	Comments
1		2	3	4	5	6	7	8	9
WHEAT	1986		120.0	95.0	3,000,000		75.0	1)	
	1987		120.0	85.0	3,000,000		105.0	1)	
	1988		120.0	105.0	3,000,000		45.0	1)	
	AVG		120.0	95.0			75.0		
CATTLE	1986		1,400.0	1,000.0	25,000		10.0	1)	
	1987		1,500.0	1,200.0	22,000		6.6	1)	
	1988		1,600.0	1,400.0	20,000		4.0	1)	
	AVG		1,500.0	1,200.0			6.9		

1) National statistics



Exercise #2

From G/AG/2

Table DS:1

DOMESTIC SUPPORT: name of Member

REPORTING PERIOD: calendar year, marketing year, etc.

Current Total Aggregate Measurement of Support

Total AMS commitment level for period in question	Currency	Current Total AMS
(from Section I of Part IV of the Schedule)	(from Section I of Part IV of the Schedule)	(from attached Supporting Tables)
1	2	3

Exercise #2 (cont'd)



Schedule - Member X			
<i>PART IV - AGRICULTURAL PRODUCTS: COMMITMENTS LIMITING SUBSIDIZATION</i>			
<i>(Article 3 of the Agreement on Agriculture)</i>			
<i>SECTION I - Domestic Support: Total AMS Commitments</i>			
BASE TOTAL AMS (\$ million)	Years of implementation 1995 - 2004	Annual and final bound commitment levels (\$ million)	Relevant Supporting Tables and document reference
1		2	3
230	1	227	AGST/X
	2	224	
	3	221	
	4	218	
	5	215	
	6	212	
	7	209	
	8	205	
	9	202	
	10	199	

Data from the Uruguay Round Schedule



In this exercise, it is assumed that all programmes operate on a calendar year basis.

Table DS:1

DOMESTIC SUPPORT: X

REPORTING PERIOD: Calendar year 2007

Current Total Aggregate Measurement of Support

Total AMS commitment level for period in question (from Section I of Part IV of the Schedule)	Currency (from Section I of Part IV of the Schedule)	Current Total AMS (from attached Supporting Tables)
1	2	3
199	\$ million	

How to calculate the Current Total AMS?



Table DS:1

DOMESTIC SUPPORT: X

REPORTING PERIOD: Calendar year 2007

Current Total Aggregate Measurement of Support

Total AMS commitment level for period in question (from Section I of Part IV of the Schedule)	Currency (from Section I of Part IV of the Schedule)	Current Total AMS (from attached Supporting Tables)
1	2	3
199	\$ million	138

Exercise #2 (cont'd)



From G/AG/2

Supporting Table DS:1

DOMESTIC SUPPORT: name of Member

REPORTING PERIOD: calendar year, marketing year, etc.

Measures exempt from the reduction commitment -- "Green Box"

Measure type	Name and description of measure with reference to criteria in Annex 2	Monetary value of measure in year in question	Data sources
1	2	3	4

Exercise #2 (cont'd)



Supporting Table DS:1

DOMESTIC SUPPORT: X

REPORTING PERIOD: Calendar year 2007

Measures exempt from the reduction commitment – "Green Box"

Measure type	Name and description of measure with reference to criteria in Annex 2	Monetary value of measure in 2007 (\$ million)	Data sources
1	2	3	4
(a) General Services			
Training services	A training programme focussed on environmentally-sound farming practices (para. 2(c)).		Ministry of Agriculture, Livestock and Rural Development
(f) Payments for Relief from Natural Disasters	A disaster relief programme to repair the damage caused by hurricanes (para. 8)	100	Ministry of Agriculture, Livestock and Rural Development

Missing data

Exercise #2 (cont'd)



From G/AG/2

Supporting Table DS:2

DOMESTIC SUPPORT: name of Member

REPORTING PERIOD: calendar year, marketing year, etc.

Measures exempt from the reduction commitment - Special and Differential Treatment - "Development Programmes"

Measure type	Name and description of measure with reference to criteria in Article 6:2	Monetary value of measure in year in question	Data sources
1	2	3	4



Supporting Table DS:2

DOMESTIC SUPPORT: X

REPORTING PERIOD: Calendar year 2007

Measures exempt from the reduction commitment – "Special and Differential Treatment"

Measure type	Name and description of measure with reference to criteria in Article 6:2	Monetary value of measure in 2007 (\$ million)	Data sources
1	2	3	4
Investment subsidies generally available to agriculture	Investment credit programme Agricultural producers are able to obtain loans from a state-owned credit corporation at subsidized rates for the purchase of farm equipment.	0.5	

Missing data source

Exercise #2 (cont'd)

From G/AG/2

Supporting Table DS:4



DOMESTIC SUPPORT: name of Member

REPORTING PERIOD: calendar year, marketing year, etc.

Calculation of the Current Total Aggregate Measurement of Support

Description of basic products (including non-product specific AMS)	Product-specific AMS (from Supporting Tables DS:5 to DS:7 below)	Product-specific measurements of support (from Supporting Table DS:8 below)	Current Total AMS (aggregate)
1	2	3	4

Product A

Total Product A

...

...

Non-product-specific AMS

Total Non-product-specific AMS
(from Supporting Table DS:9 below)

TOTAL: Current Total AMS

Exercise #2 (cont'd)



Supporting Table DS:4

DOMESTIC SUPPORT: X

REPORTING PERIOD: Calendar year 2007

Calculation of the Current Total Aggregate Measurement of Support

Description of basic products (including non-product-specific AMS)	Product-specific AMS (from Supporting Tables DS:5 to DS:7 below)	Product-specific measurements of support (from Supporting Table DS:8 below)	Value of production* 2007	Current Total AMS
	(\$ million)	(\$ million)	(\$ million)	(\$ million)
1	2	3	4	5
Wheat	126		400	126
Cattle	12		30	12
Non-product-specific AMS (from Supporting Table DS:9)	8		1,000	0 (<i>de minimis</i>)
Total				138

* Data source: Central Bureau of Statistics

This column is not required by the format in G/AG/2 but it is used by some Members to justify the *de minimis* claim. Other Members provide value of production data in a footnote or in an attachment.

Exercise #2 (cont'd)



From G/AG/2

Supporting Table DS:5

DOMESTIC SUPPORT: name of Member

REPORTING PERIOD: calendar year, marketing year, etc.

Product-Specific Aggregate Measurements of Support: Market Price Support

Description of basic products	Calendar / marketing year beginning ...	Measure type(s)	Applied administered price	External reference price (generally from AGST/...)	Eligible production	Associated fees/levies	Total market price support	Data sources
1	2	3	4	5	6	7	8 ((4-5)*6)-7	9

Exercise #2 (cont'd)



Supporting Table DS:5

DOMESTIC SUPPORT: X

REPORTING PERIOD: Calendar year 2007

Product-Specific Aggregate Measurements of Support: Market Price Support

Description of basic products	Calendar / marketing year beginning ...	Measure type(s)	Applied administered price (\$/tonne)	External reference price (generally from AGST/...) (\$/tonne)	Eligible production ('000 tonnes)	Associated fees/levies	Total market price support (\$ million)	Data sources
1	2	3	4	5	6	7	8 ((4-5)*6)-7)	9
Wheat	1 January 2007	Guaranteed price	150	95	2,000	-	110	
Cattle	1 January 2007	Intervention scheme	2,000	1,200	15	-	12	

Exercise #2 (cont'd)



From G/AG/2

Supporting Table DS:6

DOMESTIC SUPPORT: name of Member

REPORTING PERIOD: calendar year, marketing year, etc.

Product-Specific Aggregate Measurements of Support: Non-Exempt Direct Payments

Description of basic product	Calendar / marketing year beginning ...	Measure type(s)	Applied administered price	External reference price (generally from AGST/...)	Eligible production	Total price- related direct payments	Other non- exempt direct payments	Associated fees/levies	Total direct payments	Data sources
1	2	3	4	5	6	7 ((4-5)*6)	8	9	10 (7+8-9)	11

Exercise #2 (cont'd)



Supporting Table DS:6

DOMESTIC SUPPORT: X

REPORTING PERIOD: Calendar year 2007

Product-Specific Aggregate Measurements of Support: Non-Exempt Direct Payments

Description of basic product	Calendar/ marketing year beginning...	Measure type(s)	Applied administered price	External reference price (generally from AGST/...)	Eligible production	Total price- related direct payments	Other non- exempt direct payments	Associated fees/levies	Total direct payments	Data sources
							(\$ million)		(\$ million)	
1	2	3	4	5	6	7 ((4-5)*6))	8	9	10 (7+8-9)	11
Wheat	1 January 2007	Payment per hectare					16		16	

Missing data source

Exercise #2 (cont'd)



From G/AG/2

Supporting Table DS:7

DOMESTIC SUPPORT: name of Member

REPORTING PERIOD: calendar year, marketing year, etc.

Product-Specific Aggregate Measurements of Support: Other Product-Specific Support and Total Product-Specific AMS

Description of basic product	Calendar / marketing year beginning ...	Measure type(s)	Other product- specific budgetary outlays	Other product specific support (include calculation details)	Associated fees/levies	Total other product- specific support	Market price support (Supporting Table DS:5)	Non-exempt direct payments (Supporting Table DS:6)	Total AMS	Data sources
1	2	3	4	5	6	7 (4+5-6)	8	9	10 (7+8+9)	11

Exercise #2 (cont'd)



Supporting Table DS:7

DOMESTIC SUPPORT: X

REPORTING PERIOD: Calendar year 2007

Product-Specific Aggregate Measurements of Support: Other Product-Specific Support and Total Product-Specific AMS

Description of basic product	Calendar / marketing year beginning...	Measure type(s)	Other product- specific budgetary outlays	Other product specific support (include calculation details)	Associated fees/levies	Total other product- specific support	Market price support (Supporting Table DS:5) (\$ million)	Non-exempt direct payments (Supporting Table DS:6) (\$ million)	Total AMS (\$ million)	Data sources
1	2	3	4	5	6	7 (4+5-6)	8	9	10 (7+8+9)	11
Wheat	1 January 2007						110	16	126	
Cattle	1 January 2007						12	-	12	
Total							122	16	138	

Missing data sources

Exercise #2 (cont'd)



From G/AG/2

Supporting Table DS:9

DOMESTIC SUPPORT: name of Member

REPORTING PERIOD: calendar year, marketing year, etc.

Non-Product-Specific AMS

Measure type(s)	Calendar / marketing year beginning ...	Non-product-specific budgetary outlays	Other non-product- specific support (include calculation details)	Associated fees/levies	Total non-product- specific support	Data sources
1	2	3	4	5	6 (3+4-5)	7

Exercise #2 (cont'd)



Supporting Table DS:9

DOMESTIC SUPPORT: X

REPORTING PERIOD: Calendar year 2007

Non-Product-Specific AMS

Measure type(s)	Calendar / marketing year beginning...	Non-product- specific budgetary outlays (\$ million)	Other non-product specific support (include calculation details)	Associated fees/levies	Total non- product-specific support (\$ million)	Data sources
1	2	3	4	5	6 (3+4-5)	7
Fertiliser subsidy	1 January 2007	5			5	
Fuel subsidy	1 January 2007	3			3	
Total					8	

Missing data sources