



**Committee on Agriculture**

**POINTS RAISED BY MEMBERS UNDER THE REVIEW PROCESS**

COMPILATION OF QUESTIONS FOR THE MEETING ON 17-18 OCTOBER 2017<sup>1</sup>

The present document compiles questions received by the Secretariat by the deadline of 4 October 2017 as specified in WTO/AIR/AG/22.

---

---

<sup>1</sup> This document has been prepared under the Secretariat's own responsibility and is without prejudice to the positions of Members or to their rights and obligations under the WTO.

---

**TABLE OF CONTENTS**

<b>1 MATTERS RELEVANT TO THE IMPLEMENTATION OF COMMITMENTS:</b>	
<b>ARTICLE 18.6</b> .....	<b>5</b>
1.1 Argentina's Reintegros programme .....	5
1.1.1 Question by European Union (AG-IMS ID 85034) .....	5
1.2 Canada's new programmes on dairy sector .....	5
1.2.1 Question by New Zealand (AG-IMS ID 85010) .....	5
1.3 EU intervention stocks of skim milk powder .....	6
1.3.1 Question by Canada (AG-IMS ID 85059) .....	6
1.4 India's quantitative restrictions .....	6
1.4.1 Question by Australia (AG-IMS ID 85060) .....	6
1.5 Indonesia's new regulation on milk .....	6
1.5.1 Question by United States of America (AG-IMS ID 85013) .....	6
1.6 Pakistan's sugar policies .....	7
1.6.1 Question by Brazil (AG-IMS ID 85069) .....	7
1.7 Russian Federation's railway subsidy for exports .....	8
1.7.1 Question by European Union (AG-IMS ID 85036) .....	8
1.8 Brazil's Reintegra programme .....	8
1.8.1 Question by European Union (AG-IMS ID 85035) .....	8
1.9 Brazil's domestic support programmes .....	8
1.9.1 Question by Ukraine (AG-IMS ID 85049) .....	8
1.10 Canada's New Milk Ingredient Class .....	8
1.10.1 Question by Australia (AG-IMS ID 85051) .....	8
1.10.2 Question by Australia (AG-IMS ID 85052) .....	9
1.10.3 Question by Australia (AG-IMS ID 85053) .....	9
1.10.4 Question by Australia (AG-IMS ID 85054) .....	9
1.10.5 Question by Australia (AG-IMS ID 85055) .....	9
1.10.6 Question by Australia (AG-IMS ID 85056) .....	9
1.10.7 Question by New Zealand (AG-IMS ID 85002) .....	10
1.10.8 Question by New Zealand (AG-IMS ID 85003) .....	10
1.10.9 Question by New Zealand (AG-IMS ID 85004) .....	10
1.10.10 Question by New Zealand (AG-IMS ID 85005) .....	10
1.10.11 Question by New Zealand (AG-IMS ID 85006) .....	11
1.10.12 Question by New Zealand (AG-IMS ID 85008) .....	11
1.10.13 Question by United States of America (AG-IMS ID 85011) .....	11
1.11 Canada's tariff-rate quota for cheese and domestic support .....	14
1.11.1 Question by New Zealand (AG-IMS ID 85009) .....	14
1.12 Canada's wine sale policy .....	15
1.12.1 Question by New Zealand (AG-IMS ID 85057) .....	15
1.12.2 Question by United States of America (AG-IMS ID 85012) .....	15
1.13 India's pulses policies .....	15

1.13.1	Question by Canada (AG-IMS ID 85064)	15
1.14	Philippines' rice waiver	16
1.14.1	Question by Australia (AG-IMS ID 85071)	16
1.15	Thailand's import permits for feed wheat	16
1.15.1	Question by European Union (AG-IMS ID 85039)	16
1.16	U.S. dairy policies	16
1.16.1	Question by Canada (AG-IMS ID 85079)	16
<b>2</b>	<b>POINTS RAISED IN CONNECTION WITH INDIVIDUAL NOTIFICATIONS</b>	<b>18</b>
2.1	IMPORTS UNDER TARIFF AND OTHER QUOTA COMMITMENTS (TABLE MA:2)	18
2.1.1	Kazakhstan (G/AG/N/KAZ/3)	18
2.1.2	Malaysia (G/AG/N/MYS/39)	18
2.1.3	Norway (G/AG/N/NOR/92)	18
2.1.4	Switzerland (G/AG/N/CHE/80)	19
2.2	SPECIAL AGRICULTURAL SAFEGUARDS (TABLES MA:3 to MA:5)	19
2.2.1	Chinese Taipei (G/AG/N/TPKM/152)	19
2.3	DOMESTIC SUPPORT COMMITMENTS (TABLE DS:1)	19
2.3.1	Australia (G/AG/N/AUS/109)	19
2.3.2	Barbados (G/AG/N/BRB/26)	19
2.3.3	Costa Rica (G/AG/N/CRI/55)	20
2.3.4	Costa Rica (G/AG/N/CRI/59)	20
2.3.5	Cuba (G/AG/N/CUB/54)	20
2.3.6	India (G/AG/N/IND/11)	20
2.3.7	Israel (G/AG/N/ISR/60, G/AG/N/ISR/61)	27
2.3.8	Jamaica (G/AG/N/JAM/16)	28
2.3.9	Japan (G/AG/N/JPN/191, G/AG/N/JPN/219)	28
2.3.10	Jordan (G/AG/N/JOR/19, G/AG/N/JOR/20)	29
2.3.11	Mali (G/AG/N/MLI/8, G/AG/N/MLI/8/REV.1)	29
2.3.12	Senegal (G/AG/N/SEN/6)	30
2.3.13	Turkey (G/AG/N/TUR/15, G/AG/N/TUR/16)	30
2.3.14	Ukraine (G/AG/N/UKR/26)	32
2.3.15	United States of America (G/AG/N/USA/109)	32
2.4	NEW OR MODIFIED DOMESTIC SUPPORT MEASURES (DS:2)	33
2.4.1	Japan (G/AG/N/JPN/220)	33
2.4.2	Turkey (G/AG/N/TUR/16)	33
2.5	NOTIFICATIONS IN THE CONTEXT OF THE NFIDC DECISION (TABLE NF:1)	35
2.5.1	South Africa (G/AG/N/ZAF/89)	35
<b>3</b>	<b>OVERDUE NOTIFICATIONS</b>	<b>35</b>
3.1.1	Kyrgyz Republic (AG-IMS ID 85047: Question by Canada)	35
3.1.2	Nigeria (AG-IMS ID 85037: Question by European Union)	35
3.1.3	Turkey (AG-IMS ID 85007: Question by New Zealand)	35

<b>4 OTHER.....</b>	<b>35</b>
4.1.1 New Zealand .....	35
4.1.2 United States of America .....	36

---

## **1 MATTERS RELEVANT TO THE IMPLEMENTATION OF COMMITMENTS: ARTICLE 18.6**

### **1.1 Argentina's Reintegros programme**

#### **1.1.1 Question by European Union (AG-IMS ID 85034)**

The EU seeks information on the Argentinean Reintegros programme and would like to submit the following questions to Argentina:

- a. The decree 1341/2016 mentions that the purpose of reintroduction of Reintegros is to promote exports of processed ag goods (the list attached to the decree also contains non-processed products (e.g. beef)). EU understands that the list includes all products that can benefit from Reintegros upon their exportation as final products, and not as inputs to any other product. Could Argentina confirm? What is the reason for including only these products and not the whole agricultural sector?
- b. The rates are uniform within a sector and in many cases the same across different sectors and hence they seem to not be individually calculated on a case by case basis (i.e. per transaction). Could Argentina explain how these rates are established?
- c. Argentina lists the following taxes that can be the basis for Reintegros: stamps, banks credits and debits, fuels, gross income, municipal taxes, whereas footnote 58 in item g) in Annex I of ASCM (illustrative list of export subsidies) lists "indirect taxes": sales, excise, turnover, value added, franchise, stamp, transfer, inventory and equipment taxes, border taxes and all taxes other than direct taxes and import charges. "Direct taxes" include interests. Could Argentina explain why bank credits and debits are included in the list of indirect taxes?
- d. Does Argentina apply the system of Reintegros for exports for all third countries?
- e. Could Argentina explain why are imported inputs totally excluded from the calculation of Reintegros (deducted from FOB value of exports)?
- f. Could Argentina explain what is the formula for the calculation of a particular tax rate and how Argentina ensures that the value of Reintegros is not in excess of those levied in respect of the production and distribution of like products when sold for domestic consumption?
- g. Could Argentina provide some details of the use of the programme: which sectors are profiting the most from this measure and to which destination and how Argentina expects the programme use to evolve in the future?
- h. The system of Reintegros was set at zero rate before the abovementioned decree. What is the reason for the reintroduction of the measures and what is the expected duration of it? When were the exporters benefitting from Reintegros the last time before the current reintroduction of Reintegros? How the application of Reintegros economically affected the Argentinean exports in the past?
- i. Is the information on the amount of reimbursed taxes publicly available for a given sector? Is there a maximum budget allocated to this measure? Will Argentina be able to provide information on the amount reimbursed to exporters of agricultural goods to a particular destination, i.e. to the EU? Is such information being collected?

### **1.2 Canada's new programmes on dairy sector**

#### **1.2.1 Question by New Zealand (AG-IMS ID 85010)**

The Canadian Federal Government Budget 2017 includes investment of CAD\$350 million in two new programmes to support the competitiveness of the dairy sector. The two programmes are:

- CAD\$250 million over five years (beginning 2017-18) for a Dairy Farm Investment Program that provides targeted contributions to help Canadian dairy farmers improve their productivity through upgrades to their technology and systems.
- CAD\$100 million over four years (beginning 2017-2018) for a Dairy Processing Investment Fund to help dairy processors modernise operations, improve efficiency and productivity, and diversify product to pursue new market opportunities.

Based on publically available information, these programmes appear to be domestic support measures designed to directly help dairy processors, and which are intended to be exempt from reduction commitments.

- a. Can Canada provide more detail about the nature of each programme, to enable WTO Members to understand whether the programmes have nil, or at most minimal, trade-distorting effects or effects on production?
- b. New Zealand understands that the timing of adoption of the measures is dependent on the effective date that CETA will come into force, however the Federal Government has already included the investment in its 2017 Budget. Noting that Members are required to notify such measures as far as practicable in advance of being adopted, can Canada please advise when the two new programmes will be notified via DS:2 to the WTO?

### **1.3 EU intervention stocks of skim milk power**

#### **1.3.1 Question by Canada (AG-IMS ID 85059)**

Canada notes that the European Union commission has 375,000 MT of skim milk power (SMP) in intervention stocks as of July 2017, which it has yet to sell. What are the plans for the European Union to release this product onto the market in a way that does not distort either domestic or world prices?

### **1.4 India's quantitative restrictions**

#### **1.4.1 Question by Australia (AG-IMS ID 85060)**

India's Ministry of Commerce and Industry announced a quantitative restriction on 21 August 2017 of 300,000 tonnes annually for beans of the species *Vigna mungo* Hepper or *Vigna radiata* Wilczek ([http://dgft.gov.in/Exim/2000/NOT/NOT17/Notification%20No.22\(e\).pdf](http://dgft.gov.in/Exim/2000/NOT/NOT17/Notification%20No.22(e).pdf)).

- a. What were the circumstances behind the imposition of the quantitative restriction and has India notified the quantitative restriction to the WTO? If so, to which committee?
- b. Has India applied quantitative restrictions to any other agricultural commodities?

### **1.5 Indonesia's new regulation on milk**

#### **1.5.1 Question by United States of America (AG-IMS ID 85013)**

Indonesia's Ministry of Agriculture recently issued a regulation (Minister of Agriculture Regulation No. 26, 2017, on "Milk Supply and Distribution") that requires local milk processors to procure local milk, and requires dairy product importers to fund activities to promote milk consumption. In addition, the regulation requires that both entities invest in the local dairy sector at the farm level. The penalty for failing to comply with this regulation includes withholding import recommendations for dairy products.

- a. Please explain how this regulation will be implemented, specifically how much local milk processors must procure or how much they must invest to comply with the regulation.
- b. Please explain how this regulation is consistent with Indonesia's WTO obligations, including those related to local content requirements.

## **1.6 Pakistan's sugar policies**

### **1.6.1 Question by Brazil (AG-IMS ID 85069)**

#### Direct Export Subsidies - Sugar

Please provide information on eventual direct payments, allocated through export quotas by the Pakistani government, for the export of sugar by Pakistan.

- a. How long have any direct payments for export been provided to farmers?
- b. What is the methodology for the allocation of export quotas to specific producers in each crop season?
- c. What is the value, per tonne, of the direct payments made by the Pakistani government related to sugar exports, for the current crop season and for the last four crop seasons?
- d. Does the Pakistani government intend to present updated notifications or include in the coming notifications subsidies relative to sugar exports?
- e. Could the legislation that provided the basis for these payments be made available?
- f. What is the legal basis, under the Agreement on Agriculture, for eventual direct payments for the export of sugar made by Pakistan

#### Inland Freight Subsidies for Exports - Sugar

Please provide information on eventual payments for inland freight costs provided by the Pakistani government for the export of sugar by Pakistan.

- g. How long have any payments related to the cost of inland freight for exports of sugar been provided to farmers?
- h. Are the payments related to the cost of inland freight for exports of sugar allocated for every exporting producer?
- i. What is the value, per tonne, of the payments related to the cost of inland freight for exports of sugar, for the current crop season and for the last four crop seasons?
- j. Does the Pakistani government intend to present updated notifications or include in the coming notifications subsidies relative to payments related to the cost of inland freight for sugar exports?
- k. Could the legislation that provided the basis for these payments be made available?
- l. What is the legal basis, under the Agreement on Agriculture, for eventual payments related to the cost of inland freight for sugar exports made by Pakistan?

#### Domestic Support Programs – Sugar

- m. How are eventual payments related to exports or to the cost of inland freight for sugar exports associated with eventual minimum price policies put in place by the Pakistani government?
- n. According to market sources, Pakistan has accumulated a large amount of sugar stocks. Could the Pakistani government please inform if these stocks could be directed to foreign markets, with the aid of any eventual incentives for exports?

## **1.7 Russian Federation's railway subsidy for exports**

### **1.7.1 Question by European Union (AG-IMS ID 85036)**

The EU has learned from various sources that the Russian Federation intends to apply a discount of 10.3% on railway tariffs for exported grains originating in Voronezh, Orel, Tambov, Orenburg, Saratov, Novosibirsk and Omsk regions. The total value of the discount would be around 3 billion RUB (43.4m EUR) according to the estimations of the Russian Ministry of Agriculture and it concerns wheat, rye, oats, barley, corn, rice, buckwheat, beans, peas, beans and other grains. The measure would be effective from 1 October 2017 until 30 June 2018.

How would the Russian Federation see this measure complying with Article 9(e) of the Agreement on Agriculture and with the Nairobi Ministerial Decision on Export Competition?

## **1.8 Brazil's Reintegra programme**

### **1.8.1 Question by European Union (AG-IMS ID 85035)**

In the context of the 75<sup>th</sup> CoA meeting, Brazil explained that its REINTEGRA programme is designed to offset the costs to exporting companies arising from residual indirect taxes accumulated throughout the production chain which could not be reimbursed by the traditional methods. Furthermore, Brazil stated that the 3% rate was defined respecting the maximum amount required to prevent the restitution of residual indirect taxes exceeding the amount levied in respect of like products sold for domestic consumption.

- a. Could Brazil specify which are the taxes, together with the tax rates, levied in respect of like products sold for domestic consumption?
- b. Could Brazil also provide some practical examples on the calculation of total amount of taxes reimbursed on exported products, compared to the amounts levied on products sold domestically, in order to verify that the former won't exceed the latter?

## **1.9 Brazil's domestic support programmes**

### **1.9.1 Question by Ukraine (AG-IMS ID 85049)**

Ukraine has closely followed a long series of Members' questions to Brazil regarding the PEP/PEPRO programmes. Ukraine also took special note of recent Brazilian policy changes, which expanded the coverage for this programme. Devaluation of the Real may account for part of the strong increase in Brazil's current exports of products covered by PEP/PEPRO. It does not appear, however, that the devalued Real fully account for and represent recent strong additional exports. Ukraine kindly requests Brazil to provide meaningful insight as to how PEP/PEPRO is connected with or supports the recent strong export performance of these products in general and for corn in particular.

## **1.10 Canada's New Milk Ingredient Class**

### **1.10.1 Question by Australia (AG-IMS ID 85051)**

Following Australia's questions on Canada's milk ingredient class at the 84<sup>th</sup> Committee on Agriculture, Australia understands that some elements of the National Ingredients Strategy continue to be under discussion.

- a. Can Canada confirm if all provinces have now completed the regulatory processes necessary to implement Class 7?
- b. Can Canada list any provinces which have not implemented Class 7?
- c. Can Canada confirm if any elements of the National Ingredient Strategy remain under discussion by the provincial milk marketing boards? If yes, what are those elements?

**1.10.2 Question by Australia (AG-IMS ID 85052)**

In responding to Australia's questions at the 83<sup>rd</sup> and the 84<sup>th</sup> Committee on Agriculture, Canada avoided providing any assurance that the new ingredient Class 7 is consistent with Canada's WTO obligations. Australia asks:

- a. Will the Record of Decisions be made publically available?
- b. If the Record of Decisions is not made publically available, what assurance can Canada provide Members that the new milk Class 7 is consistent with Canada's WTO obligations?

**1.10.3 Question by Australia (AG-IMS ID 85053)**

At the 83<sup>rd</sup> and 84<sup>th</sup> Committee on Agriculture the United States and New Zealand asked questions (AG-IMS ID 83039 and AG-IMS ID 84025) about the rules for Class 7 eligibility of whole milk powder. Canada responded that the rules were still being negotiated between dairy producers and processors, and that the public availability of the information was yet to be determined. Can Canada please provide an update on:

- a. When and how the rules will be established?
- b. Where this information will be made publically available?

**1.10.4 Question by Australia (AG-IMS ID 85054)**

The following questions relate to the use and disposal of Class 7 milk and excess skim milk:

- a. Milk priced under Class 7 accounted for a high (between 23% and 44%) share of liquid milk, proteins and other solids in the three months of February to April 2017. Has there been any policy or market changes that will alter the trajectory in the remaining months of 2017?
- b. How will skim milk priced under Class 7 be disposed of if there is insufficient domestic market demand to accommodate it?

**1.10.5 Question by Australia (AG-IMS ID 85055)**

Statistics Canada reports that exports of SMP were 11,227 MT for July 2017 (compared to 4,244 MT for July 2016) and 42,110 MT for the year to July 2017 (compared to 10,725 MT for the year to July 2016). Could Canada explain:

- a. Why have exports of SMP increased so significantly in 2017 compared to previous years?
- b. Milk allocated to Milk Class 5(D) Export Subsidy Commitment Class dropped by 73% in April 2017 compared to April 2016. Please explain the decrease and how it might relate to the increase in SMP exports.

**1.10.6 Question by Australia (AG-IMS ID 85056)**

Canada's response to Australia's question at the 84<sup>th</sup> Committee on Agriculture (AG-IMS ID 84012) advised that information on milk utilisation and sales for all milk classes is available on the Canadian Dairy Information Centre website: [http://www.dairyinfo.gc.ca/index\\_e.php?s1=dff-fcil&s2=msp-lpl&s3=mps-ylv&menupos=1.1.7](http://www.dairyinfo.gc.ca/index_e.php?s1=dff-fcil&s2=msp-lpl&s3=mps-ylv&menupos=1.1.7). Prior to 24 August 2017, Agricultural Industry Market Information System (AIMIS) data for "Milk Utilization and Sales in Canada" was displayed for February-April 2017, i.e. the period after Class 7 was implemented, however no data was made available on this website for the period May-July 2017. Australia understands that on 24 August 2017, AIMIS "Milk Utilization and Sales in Canada" data for February, March and April 2017 was removed. Australia understands that on 28 August 2017 the following message was on the website: "Dairy sales data from February 2017 onward are not comparable to past data. For this reason, sales data are not available post January 2017. An

updated reporting system is being developed to better meet client needs. We apologize for any inconvenience this may cause and thank you for your patience".

- a. Can Canada please explain why the implementation of Class 7 would result in dairy sales data no longer being comparable to past data?
- b. Is data on the production volumes of Class 7 milk available elsewhere?
- c. Can Canada please advise when the updated reporting system will be available?

#### **1.10.7 Question by New Zealand (AG-IMS ID 85002)**

Following New Zealand's questions at the 84<sup>th</sup> Committee on Agriculture New Zealand understands that some elements of the National Ingredients Strategy continue to be under discussion.

- a. Can Canada confirm if all provinces have now completed the regulatory processes necessary to implement Class 7?
- b. Can Canada list any provinces which have not implemented Class 7?
- c. Can Canada confirm if any elements of the National Ingredient Strategy remain under discussion by the provincial milk marketing boards? If yes, then what are these?

#### **1.10.8 Question by New Zealand (AG-IMS ID 85003)**

In responding to New Zealand's questions at the 83<sup>rd</sup> and the 84<sup>th</sup> Committee on Agriculture, Canada avoided providing any assurance that the new ingredient Class 7 is consistent with Canada's WTO obligations. New Zealand asks again:

- a. Will the Record of Decisions be made publically available?
- b. If the Record of Decisions is not made publically available, what assurance can Canada provide Members that the new milk Class 7 is consistent with Canada's WTO obligations?

#### **1.10.9 Question by New Zealand (AG-IMS ID 85004)**

At the 83<sup>rd</sup> and 84<sup>th</sup> Committee on Agriculture the United States and New Zealand asked questions (AG-IMS ID 83039 and 84025) about the rules for Class 7 eligibility of whole milk powder. Canada responded that the rules were still being negotiated between dairy producers and processors, and that the public availability of the information was yet to be determined. Can Canada please provide an update on:

- a. When and how the rules will be established?
- b. Where this information will be made publically available?

#### **1.10.10 Question by New Zealand (AG-IMS ID 85005)**

The following questions relate to the use and disposal of Class 7 milk and excess skim milk:

- a. Milk priced under Class 7 accounted for a high (between 23% and 44%) share of liquid milk, proteins and other solids in the three months of February to April 2017. Has there been any policy or market changes that will alter the trajectory in the remaining months of 2017?
- b. How will skim milk priced under Class 7 be disposed of if there is insufficient domestic market demand to accommodate it?

**1.10.11 Question by New Zealand (AG-IMS ID 85006)**

Statistics Canada reports that exports of SMP were 11,227 MT for July 2017 (compared to 4,244 MT for July 2016) and 42,110 MT for the year to July 2017 (compared to 10,725 MT for the year to July 2016). Could Canada explain:

- a. Why have exports of SMP increased so significantly in 2017 compared to previous years?
- b. Milk allocated to Milk Class 5(D) Export Subsidy Commitment Class dropped by 73% in April 2017 compared to April 2016. Please explain the decrease and how it might relate to the increase in SMP exports.

**1.10.12 Question by New Zealand (AG-IMS ID 85008)**

Canada's response to New Zealand's question at the 84<sup>th</sup> Committee on Agriculture (AG-IMS ID 84030) advised that information on milk utilisation and sales for all milk classes is available on the Canadian Dairy Information Centre website: [http://www.dairyinfo.gc.ca/index\\_e.php?s1=dff-fcil&s2=mssp-lpl&s3=mps-ylv&menupos=1.1.7](http://www.dairyinfo.gc.ca/index_e.php?s1=dff-fcil&s2=mssp-lpl&s3=mps-ylv&menupos=1.1.7). Prior to 24 August 2017, Agricultural Industry Market Information System (AIMIS) data for "Milk Utilization and Sales in Canada" was displayed for February-April 2017, i.e. the period after Class 7 was implemented, however no data was made available on this website for the period May-July 2017. New Zealand notes that on 24 August 2017, AIMIS "Milk Utilization and Sales in Canada" data for February, March and April 2017 was removed. New Zealand also notes that on 28 August 2017 the following message was on the website: "Dairy sales data from February 2017 onward are not comparable to past data. For this reason, sales data are not available post January 2017. An updated reporting system is being developed to better meet client needs. We apologize for any inconvenience this may cause and thank you for your patience."

- a. Can Canada please explain why the implementation of Class 7 would result in dairy sales data no longer being comparable to past data?
- b. Is data on the production volumes of Class 7 milk available elsewhere?
- c. Can Canada please advise when the updated reporting system will be available?

**1.10.13 Question by United States of America (AG-IMS ID 85011)**

- a. In Canada's answer to the U.S. question (AG-IMS ID 84107), Canada states that "some elements of the National Ingredient Strategy continue to be under discussion. Certain elements under discussion include milk class 7 complete auditing, tracking, and reporting rules/guidelines, and further details relating to billing ratios."
  - i. When are these elements final or when will they be?
  - ii. How will this information be made publically available?
  - iii. What specific details relating to billing ratios or other items are still under discussion and when will those details be finalized?
  - iv. Please explain in detail any elements that have been finalized so far relating to milk Class 7 auditing, tracking, reporting rules/guidelines, and billing ratios.
- b. In Canada's answer to the U.S. question (AG-IMS ID 84107), Canada notes that some, but not all, Canadian provinces have publically notified Orders from milk marketing boards on new milk pricing through their respective Royal Gazette process.
  - i. Have the remaining provinces publically notified Orders?
  - ii. Have all Canadian provinces amended provincial regulations to reflect changes implemented by the National Ingredient Strategy? For example, has Ontario

amended *DFO Milk Pricing Regulation of the Milk Act, R.S.O.1990* to reflect changes implemented by the National Ingredient Strategy?

- If not, which provinces have not amended regulations that implement the National Ingredient Strategy?
  - If not, when will these provinces amend regulations that implement the National Ingredient Strategy?
- c. Canada states in AGIMS ID 83039 that "The rules for whole milk powder are subject to discussions amongst industry stakeholders. When and where this information will be made public is to be determined". Similarly, Canada responded in AGIMS ID 83039 that "industry discussions on the future parameters for transactions between milk buyers involving class 7 ingredients in liquid form are not yet concluded."
- i. Have the rules for whole milk powder or Class 7 ingredients in liquid form, including eligibility requirements, been established?
    - If so, where is this information publically available?
    - If not, when does Canada expect these to be available?
    - Please explain the rules for whole milk powder.
    - Please explain the rules for transactions between milk buyers involving class 7 ingredients in liquid form.
  - d. The United States notes that Canadian processors have purchased butterfat at newly implemented Class 7 prices.
    - i. If the rules for whole milk powder are still under discussion amongst industry stakeholders, how were these quantities of butterfat determined to be eligible for Class 7 prices?
    - ii. Please provide the quantity of butterfat for which processors have received Class 7 prices each month since February 2017.
    - iii. Please explain for what end uses such butterfat was used.
  - e. In Canada's answer to the U.S. question regarding Class 7 pricing formulas (AG-IMS ID 84107), Canada states that "[a] processor margin is also deducted in the calculation of milk class 7".
    - i. Please provide and explain the exact formula or methodology that is used to set the manufacturing cost allowance (also known as "processor margin").
    - ii. How much is the processor margin for milk class 7? Has this processor margin changed over time, and if so, by how much?
    - iii. Where is this formula or methodology publically available?
    - iv. Please provide and explain the exact formula or methodology that is used to calculate the processor margin that is used to set component prices of subclasses 5(a), 5(b), and 5(c).
    - v. How much are the current processor margins that are used to set component prices of subclasses 5(a), 5(b) and 5(c)? Have these margins changed over time, and if so, by how much?
  - f. In Canada's answer to the U.S. question regarding Class 7 pricing formulas (AG-IMS ID 84107), Canada states that "[t]he prices under milk class 7 for butterfat, protein, and other solids are determined based on world prices."

- i. Please provide the source from which Canada is obtaining these world prices.
  - ii. Please provide the world prices (in USD or Canadian Dollars) that Canada has used each month to set the prices under milk class 7 for butterfat, protein, and other solids.
- g. Recognizing that the provincial milk marketing boards set milk prices, some of which are calculated by the Canadian Dairy Commission (CDC), please provide a complete list of milk subclasses (e.g., 5(a)) for which the CDC acts as an administrator to calculate the class price.
- h. Canada recognizes in AG-IMS ID 84107 that classes 5(a), (b), and (c) are based on world prices. Are there any other class or subclass prices based on world prices? If so, which classes or subclasses?
- i. Has the CDC completed and implemented the National Registration System and/or the Provincial Billing Mechanism Certification Program?
- i. If yes, please describe how this system and programme will operate.
  - ii. If no, when will this system and programme be finalized and implemented?
  - iii. What measures or guidance harmonizes billing and audits across provinces?
- j. In the example provided in AG-IMS ID 84107 question "j", where Class 2(a) has a within- class end-use price adjustment of "70% of Protein priced at Class 2(a) price and 30% of protein priced at Class 7 Price", would a processor be eligible for any proteins at Class 7 prices if:
- i. 10% of proteins used to meet Canada's cheese compositional requirements for a minimum percentage of casein content derived from fluid milk were from imported ultrafiltered (UF) milk and the remaining proteins used in the product were Canadian-sourced proteins that are eligible for Class 7 prices? If so, what percentage of Canadian-sourced proteins would be eligible for Class 7 prices?
  - ii. 30% of proteins used to meet Canada's cheese compositional requirements for a minimum percentage of casein content derived from fluid milk were from imported UF milk and the remaining proteins used in the product were Canadian-sourced proteins that are eligible for Class 7 prices? If so, what percentage of Canadian-sourced proteins would be eligible for Class 7 prices?
  - iii. 50% of proteins used to meet Canada's cheese compositional requirements for a minimum percentage of casein content derived from fluid milk were from imported UF milk and the remaining proteins used in the product were Canadian-sourced proteins that are eligible for Class 7 prices? If so, what percentage of Canadian-sourced proteins would be eligible for Class 7 prices?
- k. In AG-IMS ID 84107, Canada states that "[i]t is the business decision of a processor to use, and report the use, of milk class 7."
- i. Please confirm that processors are required to report the specific end use of Class 7 components (i.e., which of the eligible components/ingredients/products the components were made into) to the Canadian Dairy Commission, or any other federal or provincial government body, in order to calculate the amount of such proteins that will be charged at Class 7 prices.
  - ii. Please provide a breakdown by month of how much protein is being used (i.e. reported) to process Class 7 ingredients into other dairy products, and how much protein is being used to process Class 7 protein ingredients that are being sold on the marketplace.

- iii. Of the Class 7-priced protein that is being sold on the marketplace (i.e., NOT being further processed in dairy products), what percentage each month is exported and what percentage remains on the domestic market?
- l. Has Class 4(m) been revoked in each Canadian province?
  - i. If so, which ones?
  - ii. If not, where do provinces get Class 4(m) prices since they are no longer published on the CDC website?
  - iii. Has Class 6 been revoked in Ontario? Please provide a copy of the documentation or measures revoking Class (m).
- m. The United States notes that Canada's exports of skim milk powder (040210) was over 8 million kilograms in May 2017 and approximately 11 million kilograms in June 2017 (an 879% increase from the same month the previous year).
  - i. Please report the monthly volumes and value of skim milk powder that was exported to each country since February 2017.
  - ii. Please report the monthly volumes and value of skim milk powder that was sold domestically in Canada since February 2017.
  - iii. How does Canada explain this increase in exports?
- n. The United States appreciates Canada's response that the Canadian Dairy Commission does not announce the level of butter and skim milk powder that is eligible to receive the applied administered price.

While we disagree with Canada's position that the milk to produce butter sold through classes 5a, 5b, 5c, and for exports, and skim milk powder sold through classes 5a, 5b, 5c, and 4m and exports, does not benefit from the applied administered price and is therefore excluded from eligible production, we ask Canada:

- i. How market price support and eligible production will be calculated after the introduction of Class 7, which covers milk used to produce skim milk powder.
- ii. If all skim milk powder produced under Class 7 or that is exported will be excluded from eligible production? We note that very little milk is utilized in classes 5a, 5b, 5c, 5d, and 4m since Class 7's introduction, while at the same time Canada's exports of skim milk powder have sharply increased.

## **1.11 Canada's tariff-rate quota for cheese and domestic support**

### **1.11.1 Question by New Zealand (AG-IMS ID 85009)**

Can Canada provide an update on:

- a. the implementation of the Canada-EU Comprehensive Economic and Trade Agreement (CETA) regarding the reallocation of 800 MT of the WTO cheese TRQ to the EU?
- b. the allocation of the \$350 million in domestic support that was announced in anticipation of CETA?

## **1.12 Canada's wine sale policy**

### **1.12.1 Question by New Zealand (AG-IMS ID 85057)**

New Zealand reiterates its concerns with Canada's wine regulations, including the introduction of the "store within a store" model in British Columbia which excludes imported wines from being sold on regular grocery store shelves.

- a. Can Canada provide an update on how many grocery stores in British Columbia, since 1 April 2015, have been licenced to sell wine under the 'store within a store' model?
- b. Can Canada provide data on the total volume (in litres) and the total value of wine sales in British Columbia grocery stores for the 12-month period to 30 September 2017, including a breakdown of domestic versus imported wine sales?

### **1.12.2 Question by United States of America (AG-IMS ID 85012)**

- a. In AG-IMS ID 84105, Canada states that "The LCBO will consider making wines from Vintages Essentials, a sub-category of Vintages comprising products that are continuously available, available to grocers by moving them to the LCBO Wines category."
  - i. Are Ontario and/or Canadian wines that are on the Vintages Essential list allowed to be sold in grocery stores?
  - ii. Would Ontario and/or Canadian wines that are on the Vintages Essential list need to move to the LCBO Wine category (and off of the Vintages Essential list) in order to be sold in grocery stores?
  - iii. If Ontario and/or Canadian wines are allowed to be sold in grocery stores without moving off the Vintages Essential list to the LBCO Wines category, but imported products are not, what is the policy justification?
- b. In the implementation of Ontario Regulation 232/16, how many restricted beer and wine authorizations and other beer and wine authorizations have been distributed to operators of grocery stores in Ontario?
- c. In the implementation of Ontario Regulation 232/16, how many authorizations have been distributed for a "wine boutique sales agent" (a single authorization that permits the operator of a grocery store to sell, as agent of a winery that operates a wine boutique inside the store, wine offered for sale in the boutique)?

## **1.13 India's pulses policies**

### **1.13.1 Question by Canada (AG-IMS ID 85064)**

Follow up question to India:

In response to Canada's questions on India's pulse policies aimed at self-sufficiency during the 7 June 2017 meeting of the Committee on Agriculture (AG-IMS ID 84044), India noted that the government procures pulses at a minimum support price (MSP) for buffer stocks. Canada notes that recent media reports indicate that the government of India is aiming to dispose of approximately 1.9 million tonnes of buffer stocks of pulses before the arrival of the 2017-18 crop.

- a. Could India indicate what percentage of these stocks it expects to be taken up by various governmental agencies and how much will be disposed of on the Indian market?
- b. Could India indicate if pulses from buffer stocks will be exported? If so, what is the estimated volume?
- c. Reports indicate that there will be a bumper 2016-2017 pulse crop. Could India indicate what volume of this crop it expects to procure?

## **1.14 Philippines' rice waiver**

### **1.14.1 Question by Australia (AG-IMS ID 85071)**

Australia thanks the Philippines for its response to its question at the June CoA regarding the 30 June 2017 rice tariffication deadline provided by the WTO General Council's waiver decision of 24 July 2014 (WT/L/932). Australia seeks an update on the Philippines' tariffication efforts to date.

## **1.15 Thailand's import permits for feed wheat**

### **1.15.1 Question by European Union (AG-IMS ID 85039)**

Thailand at the WTO Committee on Agriculture of March 2017 informed Members that it is a temporary measure put in place to relieve the situation of market oversupply of corn. At the CoA of June 2017, Thailand further indicated that it was reviewing the increased importation at a reasonable level and having consultation with stockholders in finding a satisfactory measure.

- a. Could Thailand share with WTO Members the result of its internal review and any decision taken?
- b. As the end of calendar year 2017 is now approaching, could Thailand please clarify if this measure will be continued in 2018?

## **1.16 U.S. dairy policies**

### **1.16.1 Question by Canada (AG-IMS ID 85079)**

- a. 1. According to a document titled "Classification of Dairy Products" on the website of the California Department of Food and Agriculture available here: <https://www.cdfa.ca.gov/dairy/pdf/InfoPack/ClassificationDairyProducts.pdf>, certain products such as yogurt are classified under milk Class 2, unless the products is "sold outside the U.S.", in which case the products are then assigned to Class 4a.
  - i. Could the United States please clarify if this is related to milk class pricing in California? If not, please describe what this pertains to.
  - ii. Could the United States also please explain if milk handlers (or processors) would be paying a different minimum price for the milk they purchase contingent on the destination (domestic use, or for export) for the yogurt being produced? Canada also notes that prices, or component prices, paid for milk under Class 4a may be lower than Class 2 prices in certain months of the year.
  - iii. Does the United States have similar type of regulation for Federal Milk Marketing Orders?
- b. According to a news article in from Dairy Herd Management <http://www.dairyherd.com/news/industry/proposed-changes-fluid-milk-pricing-and-why-farmers-need-care>, the "Farmer cooperatives and processor trade organizations are currently considering a farm bill request to change the beverage milk price to the simple average of the advanced Class III and IV milk prices plus 74 cents per hundredweight". Canada would like to understand the authority and involvement that the Federal Government, specifically the USDA, has over milk pricing, production, and marketing in the United States.
  - i. Canada understands that processors pay for their milk based on their end-use through milk class pricing. How are all the milk class prices established?
  - ii. What would be the milk class used for liquid ultrafiltered milk?
  - iii. What would be the milk class used for liquid whey?

- 
- iv. What is the role of the USDA or any other Federal, or State level government or delegated authority, in setting the prices for milk classes (I through IV).
  - v. What are the functions of the Milk market Administrators Office of the USDA?
  - vi. What is the role of the USDA or any other Federal, or State level government or delegated authority in determining the payments to producers in a Federal Milk Marketing Order (FMMO)?
  - vii. How are milk producers paid for their milk in the Upper Midwest FO.30, Mideast FO. 33, and Northeast FO.1? What role does the USDA have in this?
  - viii. What is the uniform price or blend price?
    - How is it calculated?
    - Is the calculation different for different FMMOs? If so, what are the calculations for each FMMO?
    - Who calculates and determines the uniform/blend price on a monthly basis?
    - What is the producer settlement fund? How does it work?
    - Is the calculation of the uniform/blend price different among FMMOs? If so, how is it calculated in the largest milk producing FMMOs (Upper Midwest FO.30, Mideast FO. 33, and Northeast FO.1)?
  - c. The United States mentioned in the answer to Canada's question from the 84<sup>th</sup> Committee on Agriculture, that: "Manufacturers who opt to not pool their manufacturing milk are free to contract for milk purchases at prices they negotiate privately with suppliers."
    - i. Does this mean that for all milk producers who sell their raw milk for the production of Class I milk, the handler is required to purchase the milk at no lower than the Class I price?
    - ii. Is milk ever 'pooled' by milk producers, or is it just manufacturers or handlers that pool payments of the use of their milk (i.e. a pricing pool)?
    - iii. Are there any instances where a milk producer would get paid less than a blend price, or a price below the cost of producing their milk?
    - iv. What is the amount of milk by volume and value that is pooled vs. not pooled for use in all the milk classes (I-IV) in the Upper Midwest FO.30, the Mideast FO.33 and the Northeast FO.1 for the latest available year?
    - v. Are there any instances where pooling is not required for Class I (fluid) milk in any of the Federal Milk Marketing Orders? What about for the state of California?
    - vi. Are dairy cooperatives (i.e. producer-handlers) required to pool Class I fluid milk, and/or pay the Class I price, and under which authority?
    - vii. What are the reasons and ways that a milk handlers would not pay the minimum Class I price?
    - viii. How does the U.S. Dairy Forward Pricing Program under the 2014 Farm Bill work? What is the usage rate among dairy producers of the programme for the most recent year?
    - ix. What data was used to calculate the reference price for sunflower? Is this information publically available?

## 2 POINTS RAISED IN CONNECTION WITH INDIVIDUAL NOTIFICATIONS

### 2.1 IMPORTS UNDER TARIFF AND OTHER QUOTA COMMITMENTS (TABLE MA:2)

#### 2.1.1 Kazakhstan (G/AG/N/KAZ/3)

##### AG-IMS ID 85080: Question by Australia - Tariff quota fill

According to Table MA:2 in G/AG/N/KAZ/3, the fill-rate for Kazakhstan's tariff quota KAZQ001 for fresh, chilled or frozen beef in 2016 was 10%. Could Kazakhstan indicate the reason(s) for this low fill-rate?

##### AG-IMS ID 85040: Question by European Union - Tariff quota fill

KAZQ001 and KAZQ003 TRQs are largely underfilled. Could Kazakhstan explain the reason for the very low fill rates for its TRQs KAZQ001 and KAZQ003 respectively on beef and on poultry?

#### 2.1.2 Malaysia (G/AG/N/MYS/39)

##### AG-IMS ID 85083: Question by Thailand - Transparency issues

From table MA:2 Year 2014 and 2015, Malaysia notified numbers of TRQs products were not opened, for example, live swine, meat, milk, coffee beans, wheat, cane sugar, and unmanufactured tobacco.

- a. Please explain why the TRQ were not opened for those products?
- b. Despite notifying that TRQs were not opened for tobacco, there were total imports of 31.8 million Kgs for unmanufactured tobacco and tobacco refuse in 2015. Please provide explanation to the situation?

##### AG-IMS ID 85082: Question by Thailand - Tariff quota fill

- a. Thailand notices that there was 0% fill rate for live poultry (Tariff number 010594190) in the notification for 2014, would Malaysia provide reasons to this zero filled rate?
- b. Thailand notices that there was 0% fill rate for the following products under TRQ in the notification for 2015:
  - Meat of swine, fresh, chilled or frozen (Tariff number 020311000, 020321000);
  - Live poultry (Tariff Number 010511900);
  - Birds' eggs, in shell, fresh, preserved or cooked (Ducks eggs) (Tariff Number 040719100,040729100,040790200)
  - i. Please provide reasons to this zero filled rate?
  - ii. Are there any initiatives to allow a higher fill-rate in the future?

#### 2.1.3 Norway (G/AG/N/NOR/92)

##### AG-IMS ID 85041: Question by European Union - Transparency issues

The three TRQs NORQ091, NORQ092 and NORQ093 on apples were presented in previous years as one unique quota. In the notification covering year 2016, Norway is presenting the three TRQs separately. Could Norway explain this change in its notification?

##### AG-IMS ID 85014: Question by United States of America - Tariff quota fill

The United States thanks Norway for its 2016 MA2 notification. There are a number of product commodities with low TRQ fills including pork (02032101) 0%; turkey (02072500) 0%; poultry (02071200) 31%; eggs (04072100) 32%; and white and red cabbage (07049040) 10%. Please provide explain the reason for the low fill rates in the products listed above.

### 2.1.4 Switzerland (G/AG/N/CHE/80)

#### AG-IMS ID 85042: Question by European Union - Transparency issues

- a. Switzerland is notifying fill rates above 100%. Could Switzerland remind the Membership how it calculates the quota fill rates?
- b. On a similar question raised by Argentina at the COA meeting of 26/09/2002 on Switzerland's notification G/AG/N/CHE/28, Switzerland replied that it had extended the TRQs concerned. Could Switzerland confirm that all TRQs with a quota fill rate above 100% have seen their volumes extended and on the same conditions as recorded in its Schedule?
- c. In the event that the fill rate above 100% is not the result of the extension of the volume but is resulting from an autonomously import duty lower or equal to the in-quota rate concerned, could Switzerland indicate which quotas would be concerned by such measure and which are the currently autonomously applied rates?
- d. Having in mind a possible future harmonisation of Members' notifications on quota fill rates, could Switzerland share its view on a possible practice which would be to indicate 100% whenever the Schedule commitment is met?

## 2.2 SPECIAL AGRICULTURAL SAFEGUARDS (TABLES MA:3 to MA:5)

### 2.2.1 Chinese Taipei (G/AG/N/TPKM/152)

#### AG-IMS ID 85086: Question by Australia - Transparency issues

According to the Table MA:3 notification (G/AG/N/TPKM/152), Chinese Taipei applied the volume-based SSG for other chicken cuts between 9 June and 31 December 2017. The statistics provided by Chinese Taipei to calculate the trigger level indicates that imports decreased significantly between 2014 and 2015. Notably, imports as percentage of consumption only amount to 0.58% over the three year reference period. Could Chinese Taipei please explain why under these circumstances it is necessary to apply the SSG? Did these imports pose a risk to national production? Could Chinese Taipei indicate the primary origins of imported chicken cuts?

## 2.3 DOMESTIC SUPPORT COMMITMENTS (TABLE DS:1)

### 2.3.1 Australia (G/AG/N/AUS/109)

#### AG-IMS ID 85015: Question by United States of America - Other product-specific AMS/EMS

- a. Australia notified product specific Amber Box support for "live cattle exports," which was noted as assistance through concessional loans and financial advice grants to pastoralists and service business which were affected by the temporary suspension of live cattle exports to Indonesia. Please explain how eligibility for this programme was determined.
- b. Australia notified product specific amber box support for "live cattle exports" with a comparison against the value of production for only "live cattle for export." Please explain the basis for not comparing against all live cattle.

### 2.3.2 Barbados (G/AG/N/BRB/26)

#### AG-IMS ID 85095: Question by Canada - General services: other

Canada noticed that payment listed under "General Management and Coordination Services: Facilitates the initiation and review of agricultural policy affecting all programmes and projects of the Ministry" decreased by 90.6% going from BDS 54.0 million in 2014/15 to BDS 5.2 million 2015/16. Could Barbados please explain this significant change in expenditures?

### **2.3.3 Costa Rica (G/AG/N/CRI/55)**

#### **AG-IMS ID 85096: Question by Canada - General services: training services**

Canada notes a noticeable decrease in expenditure under Training Services for "Training services provided by the National Training Institute" which went from USD 14.2 million in 2015 to USD 9.2 million in 2016. Could Costa Rica please explain this significant change in support?

### **2.3.4 Costa Rica (G/AG/N/CRI/59)**

#### **AG-IMS ID 85016: Question by United States of America - Market price support**

Costa Rica reported the abolishment of its market price support for rice as of February 2015 with the introduction of new reference prices. In response to AG-IMS ID 82039, Costa Rica notes the reference price is based on rice producers' average costs of production and is non-compulsory. However, Costa Rica goes on to state that effective prices paid to producers are scattered around the reference price. The United States would note that the annual average producer price was slightly lower in 2015 and 2016 compared to previous years, but remained nearly constant in both years. However, these prices remain more than twice as high as the border price. Further, it is reported that the reference price continues to function as a de facto reference price according to the OECD and others.

- a. Please explain why domestic prices of rice for producers remain significantly higher than international prices.
- b. Noting that there is also no notified spending related to domestic food aid, please confirm the government of Costa Rica does not finance, directly or indirectly, the lower prices paid by consumers compared to the high prices paid to producers for rice. Please provide additional details that would help Members further understand this situation.

### **2.3.5 Cuba (G/AG/N/CUB/54)**

#### **AG-IMS ID 85017: Question by United States of America - Input subsidies available to low-income or resource-poor producers**

The United States appreciates Cuba's timely notification of its domestic support measures despite not having all the data available yet. For the measure "Compensation from the state Budget for inputs by agricultural producers," please explain:

- a. How the "Compensation from the state Budget for inputs by agricultural producers" programme is implemented;
- b. How payments to producers are determined; and
- c. The eligibility requirements for producers, including how Cuba defines "low-income or resource-poor producers."

### **2.3.6 India (G/AG/N/IND/11)**

#### **AG-IMS ID 85106: Question by Australia - Transparency issues (including Table DS:2)**

Australia notes that since India's last notification (which covered the years 2004-2011) a number of General Services measures spending has increased astronomically. Extension and advisory services, which was valued at US\$115.47 million in 2010-11, increased to US\$601.51 million in 2013-14. Marketing and promotion services which was valued at \$33.23 million in 2010-11, increased to US\$600.93 million. Infrastructure services which was at US\$324.75 million in 2010-11, increased by more than six times in one year to be US\$2,128.02 million in 2011-12. Can India:

- a. provide details of the programmes included in these measures
- b. provide details for the events or circumstances behind this rise in spending

**AG-IMS ID 85102: Question by Australia - Transparency issues (including Table DS:2)**

All supporting Tables DS:4 in G/AG/N/IND/11 notify support for basic products, falling under *De Minimis*, or 10% or less of the annual Value of Production for the product in question as mandated by the Agreement on Agriculture Part IV, Article 6, Paragraph 4 (a) (i) and Paragraph 4 (b).

- a. For each product notified in the Supporting Tables DS:4 for each year covered by the notification, could India provide the products Value of Production for the year in question?
- b. For the Non-product specific AMS notified in each year, could India provide its aggregate Value of Production for the year in question?

**AG-IMS ID 85089: Question by Canada - Transparency issues (including Table DS:2)**

Canada notes the addition of an "Insurance Premium Subsidy" under India's non-product-specific AMS. Canada asked questions on India's proposed crop insurance scheme at the Committee on Agriculture meeting in 9 June 2016 (AG-IMS ID 79051). In their response, India provided a web link which it claimed provided the details on the programme. However, Canada was unable to find the requested information.

- a. Could India please list the crops or other products covered under this new programme?
- b. Could India indicate if producers under this new crop insurance scheme will be able to choose the level of coverage?
- c. What are the eligibility criteria to receive a payment under this programme?

**AG-IMS ID 85093: Question by Canada - Transparency issues (including Table DS:2)**

Could India provide the value of production (VoP) data for each product used to calculate the *de minimis* threshold listed in Supporting Table DS: 4 for 2011-2012, 2012-2013 and 2013-2014? Would India consider routinely including VoP data information in its notifications in order both to facilitate the review process of the Committee on Agriculture and to increase transparency?

**AG-IMS ID 85100: Question by Canada - Transparency issues (including Table DS:2)**

Canada notes that for the 2011-2012 to 2013-2014 reporting period, the following measures are no longer included under General Services in India's ST/DS:1:

- Crop insurance scheme previously notified under Payments for relief from natural disasters;
- Dry land farming / rain-fed farming and Provision of loan at concessional rates and debt waiver previously notified under Structural adjustment assistance provided through investment aids;
- Soil conservation in catchment areas of river valley projects and Integrated watershed management previously reported under Environmental programmes.

Could India confirm whether or not these programmes have been terminated? Have they been replaced by other measures and if so, which ones?

**AG-IMS ID 85043: Question by European Union - Transparency issues (including Table DS:2)**Value of Production – Total and per product

The notification from India does not contain any figures on the Value of Production. Whilst not an obligation, nevertheless, the notification guidelines (the Handbook on agricultural notifications) suggest that: "Irrespective of the Supporting Table used for justifying *de minimis* claims, what is, however, always expected by Members is the inclusion of relevant VoP data (i.e. of relevant products for product specific *de minimis* or total agricultural production for non-product specific

*de minimis* claims) in the notification. The information can be included as a footnote or in an additional column in Supporting Table DS:4; there is no defined format."

- a. Could India therefore provide figures for the total Value of Production for the agricultural sector and the Value of Production per product in Supporting Table DS:4.

Total Production for products subject to market Price Support

- b. Could India indicate total annual production for the products indicated in Supporting Table DS:5?

Local government support

- c. Could India indicate which part of the notified subsidy is paid from central government funds and what part, if any, is paid by sub-national governments?

Input Subsidies

- d. Could India indicate separately the subsidy per year for:
  - Irrigation;
  - Fertilisers;
  - Electricity;
  - Diesel/fuel subsidies.

**AG-IMS ID 85020: Question by United States of America - Transparency issues (including Table DS:2)**

India notifies that all product-specific and non-product specific support notified for each year covered by notification G/AG/N/IND/11 is *de minimis*.

For each notified *de minimis* exemption in this notification, please provide the corresponding value of total production for each commodity, as well as the total value of agricultural production, used to make the determination, including the relevant calculations.

**AG-IMS ID 85018: Question by United States of America - Transparency issues (including Table DS:2)**

The United States would like to thank India for its efforts to complete its domestic support notifications through 2013/2014.

Supporting Table DS:1

The United States notes several changes, including the discontinuation of a number of measures, the addition of new measures, and substantial changes in notified values, to the measures notified by India between 2010/11 in G/AG/IND/10 and the subsequent years notified in G/AG/N/IND/11.

- a. Does India plan to submit a DS:2 notification to notify any new or modified measures reported as exempt?
- b. Please explain the reason for the notified budgetary outlays for "Extension and Advisory services" support increasing significantly, nearly fivefold, between MY 2010/11 and MY 2011/12.
- c. India has notified a new measure for "Inspection services" in MY 2011/12 without the required DS:2 notification. In light of this:
  - i. Please provide an explanation of the measure is implemented,
  - ii. How the measure meets the exemption requirements of Annex 2, and

- iii. Whether a DS:2 notification will be provided.
- d. Please explain the reason for the notified budgetary outlays for "Marketing and Promotion services" support increasing significantly, more than 1,300%, between MY 2010/11 and MY 2011/12.
- e. Please explain the reason for the increase in notified budgetary outlays for "Infrastructural services" support at levels in MY 2011/12 that were more than six times higher than levels notified in MY 2010/11.
- f. It is noted that a number of Green Box measures including, "dry land farming/rain-fed farming," "provision of loans at concession rates and debt waiver," "soil conservation in catchment areas of river valley projects," and "integrated watershed management" are no longer notified by India. It is the U.S. understanding that all of these measures may not have been terminated after MY 2010/11. For example, it appears that India has continued to implement the "integrated watershed management" programme according to documentation in India's Union Budget and a 2015 India Cabinet Committee on Economic Affairs approval of the consolidation of the program into a larger programme.
  - i. Please indicate if and whether any or all of these measures of have been replaced by other measures and if so, where these are notified in India's notification.
  - ii. If not, please verify that all of these measures have been terminated.
- g. India notes that for all measures notified under General Services the data is sourced from various boards and the Ministry of Agriculture, while India's previous notification only indicated the Spice Board and Ministry of Agriculture as the source. Please confirm whether this change indicates any change in how the measures are implemented and funded.

**AG-IMS ID 85103: Question by Canada - General services: inspection services**

Canada notices the new addition of Inspection services under "General Services". As India has not reported any amounts under Inspection services in its ST/DS:1 since the 2003-04 reporting period, could India please provide details on the programmes notified under this item? Could India advise when they intend to submit a DS:2 notification for these programmes to show how they meet the policy specific criteria of paragraph 2 e) of Annex 2?

**AG-IMS ID 85101: Question by Canada - General services: infrastructural services**

Canada notes a significant increase in support under Infrastructural services notified in India's STDS:1 which averaged USD 1,854 million in the 2011-2012 to 2013-2014 period compared to a total of USD 324.75 million in 2010-11. Could India please provide details on this significant increase in support for Infrastructural services? Is this the result of a new initiative?

**AG-IMS ID 85097: Question by Australia - Public stockholding for food security purposes**

Supporting Table DS:1 of G/AG/N/IND/11 notifies over US\$14 billion per annum in public stockholding for food security purposes support as "Green Box" measures exempt from reduction commitments.

- a. The Agreement on Agriculture Annex 2 Paragraph 3 states, "The volume and accumulation of such stocks shall correspond to pre-determined targets related solely to food security." For each of the years and commodities covered by the notification, could India provide:
  - i. The pre-determined targets and when these were established;
  - ii. An explanation of how these targets were established in compliance with the requirement of a sole focus on food security.
- b. The Agreement on Agriculture Annex 2 Paragraph 3 further states, "Food purchases by government shall be made at current prices and sales from food security stocks shall be

made at no less than the current domestic market price for the product and quality in question." For each of the years and commodities covered by the notification, could India provide:

- i. The price at which the commodity was purchased;
- ii. The market price for each commodity at the time of purchase;
- iii. The price at which sales from food security stocks were made;
- iv. The domestic market price for the commodities sold from food security stocks at the time of their sale?

**AG-IMS ID 85105: Question by Canada - Public stockholding for food security purposes**

The criteria in paragraph 3, Annex 2, Public stockholding for food security purposes states that the "...volume and accumulation of such stocks shall correspond to pre-determined targets and relate solely to food security." Could India please provide the specific pre-determined target volumes for the crop(s) acquired for public stockholding for each of the reporting years (i.e. 2011-2012, 2012-2013 and 2013-2014)?

**AG-IMS ID 85087: Question by Thailand - Public stockholding for food security purposes**

From Supporting Table DS:1 Year 2011-2014, please provide more details on Public Stockholding for food Security purposes, for instance, condition and products covered under the programme.

**AG-IMS ID 85098: Question by Canada - Article 6.2 (Special and Differential Treatment/Development Programmes)**

Several measures previously notified under Supporting Table DS:2, (Special and Differential Treatment) are no longer included in India's most recent DS:1 notification. They are as follows:

- Previously notified under Investment subsidies generally available to agriculture: Government programmes on livestock and poultry improvement/breeding Loans under tea development under Investment subsidies generally available to agriculture.
- Previously notified under Agricultural input subsidies to low income or resource poor producers: Small farmers development assistance Grant-in-aid given for production of planning material of cardamom (both small and large) - Programme for replanting of senile and uneconomic cardamom gardens/tea gardens Grant-in-aid given for post-harvest development of spices.

For each of these items, could India please indicate the status of these programmes? Have they been terminated or replaced by another measure?

**AG-IMS ID 85099: Question by Australia - Input subsidies available to low-income or resource-poor producers**

Supporting Table DS:2 of G/AG/N/IND/11 notifies between US\$25 and US\$22 billion per annum in Agricultural input subsidies to low income or resource poor producers as Special and Differential Treatment "Development Programmes." The Agreement on Agriculture Part IV Article 6 Paragraph 2 states, "... input subsidies generally available to low-income or resource-poor producer in developing country Members shall be exempt from domestic support reduction commitments..."

According to the 2005/06 Indian Agricultural Census, there are over one million large (10+ hectares) holdings in India, over 5.3 million medium holdings (4+ hectares to 10 hectares) and over 11.2 million semi-medium holdings. 58.68% of land sown in India is owned by holdings of Semi-Medium size and above.

- a. Can India indicate whether their input subsidy programme benefits these holdings?

- i. If so, can India indicate whether it considers the producers working these holdings to be low-income or resource-poor producers?
  - ii. If not, can India indicate how the programmes are structured to avoid their benefits flowing to these holdings?
- b. Can India indicate why they have used the quantum of farm holdings held by low-income and resource poor farmers, rather than the amount of land held by such farmers as their explanatory note in Supporting Table DS:2?

**AG-IMS ID 85094: Question by Canada - Input subsidies available to low-income or resource-poor producers**

The notified amounts of support for input subsidies under Supporting Table DS:2 which includes irrigation, fertilizers and electricity, appear to be progressively decreasing. However, if the amounts shown in U.S. dollars were converted to India rupees using the exchange rates noted at the bottom of Supporting Table DS:1, there is a steady increase in the amount of input subsidies.

Could India provide a breakdown of the amounts for irrigation, fertilizers and electricity that are captured under the heading "other input subsidies"?

**AG-IMS ID 85019: Question by United States of America - Input subsidies available to low-income or resource-poor producers**

- a. India's notification now notes that 99.15% of farmers are low-income or resource poor. In response to AG-IMS ID 75021, India stated there is a trend that the average size of farms, by landholding, decrease in each subsequent Census, and that 99% of farms have inadequate resources to generate enough income to maintain a minimum standard of living. Concurrently, India has increased agricultural production in India, exports, and marketed surplus of major commodities. India is now one of the world's largest agricultural producers and exporters of a number of major and minor commodities.
  - i. Please provide additional information beyond that provided in previous CoA responses, including relevant statistics, to help Members understand this dichotomy.
  - ii. Please include any available statistical information with regards to the size and ownership structure of the farms that contribute to the sizeable marketed surplus.
- b. Please explain what mechanisms exist in India's domestic support measures to ensure that the programmes benefit low-income or resource poor farmers only. Given the sizeable market surplus of commodities in India, does India have any statistical information or other relevant information it can share with Members to better understand the level of input subsidies provided to producers by size of operation and income level?

**AG-IMS ID 85107: Question by Australia - Constituent data and methodology (AGST)**

As Australia has previously noted (AG-IMS ID 75017), Article 1(h)(ii) of the Agreement on Agriculture provides that the level of support actually provided should be "calculated in accordance with the provisions of this Agreement, including Article 6, and with the constituent data and methodology used in the tables of supporting material incorporated by reference in Part IV of the Member's Schedule". India's constituent data and methodology used in the tables of supporting material incorporated by reference in Part IV of the Member's Schedule is India's AGST (G/AG/AGST/IND). India's AGST sets out all domestic support measures, including AMS, minimum support prices, external reference prices and total market price support, in Indian rupees (INR). India's notification (G/AG/N/IND/10) is in US dollars (USD) rather than Indian rupees (INR). The choice of currency can lead to marked differences in some indicators. Can India explain why it has used USD instead of INR in G/AG/N/IND/11?

**AG-IMS ID 85092: Question by Canada - Market price support**

Canada notes that market price support (MPS) is newly available for sunflower starting in 2012-2013. It is unclear how India's reference price for this product is derived since it is not calculated in India's base data under G/AG/AGST/IND.

- a. Could India indicate what reference period was used to calculate the reference price for sunflower?
- b. What data was used to calculate the reference price for sunflower? Is this information publically available?

**AG-IMS ID 85088: Question by Thailand - Market price support**

From Supporting table DS:5 Year 2011-2012, please explain how to arrive with co-efficient of 1.5 and 2.35.

**AG-IMS ID 85021: Question by United States of America - Market price support**Supporting Table DS:5

- a. In G/AG/N/IND/11, India notifies market price supports for several commodities; however, the list of commodities for each year differs. Further, certain commodities have been aggregated into larger categories compared to previous notifications and India's AGST.
  - i. Please explain the basis for aggregating these commodities despite separate applied administered prices being announced.
  - ii. For each year covered by this notification, please provide a list of all announced minimum support prices (e.g., applied administered prices) for each commodity announced, whether procurement occurred or not.
- b. The United States notes that India used the same methodology to calculate market price support as in its previous notifications, including the use of procurement as eligible production. As noted in previous questions (AG-IMS ID 75062) to India in this Committee, this differs from India's AGST where total production of a given commodity was used as eligible production. In response to AG-IMS ID 65061, India explains its reason for why it considers procurement to be the appropriate measure of eligible production, but did not confirm that India doesn't place any preset limit on the amount of production that may be procured from farmers. While India notes in response to AG-IMS ID 75062 that India procures marketable surplus and, it did not clarify any pre-established limit.
  - i. Please confirm that India doesn't place any preset limit on the amount of production that may be procured from farmers.
  - ii. Please clarify the basis for changing the notification methodology related to eligible production between India's AGST and subsequent notifications, including any specific changes to Indian policy that contributed to this change.

**AG-IMS ID 85029: Question by United States of America - Market price support**

The United States resubmits AG-IMS ID 84071. "In response to AG-IMS ID 83009, India states that 'the government does not procure in all states, and hence entire production is not covered.' Please provide the details of the specific legislation, regulations or other measures that limit the eligibility of procurement of eligible product from all states."

**AG-IMS ID 85104: Question by Australia - Market price support: Eligible production**

All supporting Tables DS:5 and DS:7 in G/AG/N/IND/11 notify Market Price Support programmes for a range of products.

- a. Could India indicate the methodology used to arrive at the Eligible Production value for each product covered?
- b. The Cotton Corporation of India indicates on its website that India is the largest producer of cotton in the world, producing 5.88 million MT in 2016-17. Can India therefore explain why the Eligible Production for cotton in 2011-12 was only 1,000 tonnes?

**AG-IMS ID 85090: Question by Canada - Market price support: Eligible production**

Canada notes that India reported market price support for pulses for years 2012-2013 and 2013-2014 where the eligible production was 100,000 metric tonnes and 50,000 metric tonnes, respectively. These volumes are a fraction of the average 18 million metric tonnes produced for these years. Could India elaborate on how it determines the volume of pulses eligible to receive the support price?

**AG-IMS ID 85091: Question by Canada - Market price support: Eligible production**

The eligible production for sunflower is very low in both 2012-2013 at 1,000 tonnes and 2013-2014 at 4,000 tonnes. Could India please explain how eligible production is calculated for sunflower?

**AG-IMS ID 85022: Question by United States of America - Non-product-specific AMS**

The United States notes that in G/AG/N/IND/11, India notifies a new non-product specific measure: "insurance premium subsidy."

- a. Please provide an overview of how this measure is implemented.
- b. Please explain how the budgetary outlays are calculated.

**2.3.7 Israel (G/AG/N/ISR/60, G/AG/N/ISR/61)**

**AG-IMS ID 85084: Question by Ukraine - Transparency issues (including Table DS:2)**

Ukraine understands Israel's food security concern to ensure certain domestic production for at least certain products. The level of Israel's support in terms of VoP for eggs, however, is very high, at 60%. Furthermore, Israel essentially exhausts its AMS through this policy of supporting domestic egg and milk production. Could Israel elaborate on prospective policy for the egg sector?

**AG-IMS ID 85085: Question by Canada - Scheduled commitment level**

Concerning G/AG/N/ISR/60, Canada recognizes Israel's efforts in bringing its domestic support back into compliance with its WTO domestic support commitment after exceeding its Total AMS commitment for 2011 to 2014 (G/AG/N/ISR/55). At the 7 June 2016 Committee on Agriculture meeting, Canada questioned Israel on the breach of their Total AMS commitment for 2011 to 2014 and requested details on their proposed alternate model to provide support to the agricultural sector (AG-IMS ID 80087). Israel responded that it was not in a position to provide additional details on its proposed alternate model but was hoping to have concrete results in the next fiscal year.

- a. Could Israel provide a status update on the development of this alternate model and provide an overview of its operation?
- b. What are the proposed time frames to implement these new support measures?

**AG-IMS ID 85023: Question by United States of America - Scheduled commitment level**

Concerning G/AG/N/ISR/60,

- a. In G/AG/N/ISR/55, Israel notified that it exceeded its Final Bound Total AMS for each year covered. For 2015 and 2016, Israel notified lower but still relatively high levels compared to Israel's commitment levels. Israel noted in G/AG/N/ISR/55, which was submitted in April 2016, that Israel has an ongoing reform of its domestic support and market access measures for dairy products and eggs, which would reduce Israel's Total AMS and promote more Green Box type measures.

- 
- i. What accounted for the decrease in notified support in 2015 and 2016?
  - ii. Please provide an update on the aforementioned reform process, including the 2016 pilot programme noted in AG-IMS ID 80103 and 80064, and how this is accounted for in G/AG/N/ISR/60 for 2016.
  - iii. If Israel has not yet begun implementing these reforms to reduce support levels, please explain what intermediary measures Israel will take to ensure it does not exceed its WTO commitments again.
- b. Noting Israel's response to AG-IMS ID 80103, it remains unclear as to the justification used by Israel to make an adjustment to the applied administered price actually received by producers. While Israel notes paragraph 9 of Annex 3 to the Agreement, this paragraph refers to how a Member would have made the necessary adjustments to the fixed reference price. Please provide further clarification to Israel's thinking with this regard.
  - c. It is noted that Israel has made adjustments to its applied administered price for milk, as explained in G/AG/N/ISR/55 which notes the quality differences between the two stated time periods. It is noted that Israel provided in response to AG-IMS ID 80103 the unadjusted rates for 2011-2014, with additional clarity provided in AG-IMS ID 80064 as to the change in quality improvement.
    - i. Please provide the adjustment factor used to report the modified applied administered price in 2015 and 2016.
    - ii. Please further elaborate on how the exact price adjustment factors were determined.
    - iii. What is the reason Israel did not provide this adjustment factor in its notification?
  - d. Israel has notified for a number of years the measure "Dairy farm reform."
    - i. Please provide additional details with regard to what is included in this measure and how it is implemented.
    - ii. Please explain whether there is any correlation in the support notified under this measure and the 2016 pilot programmes for dairy noted previously by Israel.

### **2.3.8 Jamaica (G/AG/N/JAM/16)**

#### **AG-IMS ID 85024: Question by United States of America - Transparency issues (including Table DS:2)**

The United States understands that Jamaica's Ministry of Agriculture and Fisheries has a primary policy document for the sugar industry entitled "Jamaica Country Strategy for the Adaptation of the Sugar Industry 2006-2020." Please explain if and how any measures stemming from this policy document are notified in this notification.

### **2.3.9 Japan (G/AG/N/JPN/191, G/AG/N/JPN/219)**

#### **AG-IMS ID 85081: Question by Canada - Transparency issues (including Table DS:2)**

In Japan's notification for 2012 (G/AG/N/JPN/191), the amount for total value of production (VoP) used to determine the *de minimis* threshold in Supporting Table DS:9 is listed as "provisional data". Could Japan indicate when they will provide the actual amount for total VOP?

#### **AG-IMS ID 85025: Question by United States of America - Transparency issues (including Table DS:2)**

Between Japan's last domestic support notification (G/AG/N/JPN/191) and G/AG/N/JPN/219, "extension and advisory services, research programmes, and infrastructural services for technological improvement of agriculture" budgetary outlays are reported as increasing threefold. Please explain the cause for this increase in outlays.

**AG-IMS ID 85078: Question by Canada - Payments based on 85% or less of the base level of production**

In 2014 (G/AG/N/JPN/219), amounts for Japan's Direct Payments for Rice reported in Supporting Table DS:3 decreased by 52% going from \$155.9 billion yen to \$74.7 billion yen. Could Japan please explain the reason for this significant reduction in its blue box support?

**AG-IMS ID 85077: Question by Canada - Other product-specific AMS/EMS**

Concerning G/AG/N/JPN/219, Canada notes that amounts reported for beef and veal and meat of swine under Deficiency payments in Supporting Table DS:6 are exactly the same in the 2013 and 2014 reporting years. This is also the case for Payments related to volume or production reported for beef and veal – they are exactly the same in 2013 and 2014. Could Japan confirm that the amounts for the items described above are correct?

**2.3.10 Jordan (G/AG/N/JOR/19, G/AG/N/JOR/20)****AG-IMS ID 85026: Question by New Zealand - Excessive rates of inflation**

Following its questions at the 83rd Committee on Agriculture where New Zealand asked Jordan to submit amended DS:1 notifications with data that has not been adjusted for inflation (AG-IMS ID 83059), Jordan responded with "in due course, Jordan will provide unadjusted number for the notification years 2013 and 2014". New Zealand also reiterates its request that Jordan submits future notifications with data that has not been adjusted for inflation; and submit supporting documentation, which can include domestic support data that has been adjusted for inflation, as well as other information pertaining to the nature and magnitude of inflation and demonstrating its impacts on the ability of the Member in question to abide by its domestic support commitments.

Can Jordan please provide an update on when it will submit its domestic support notifications without inflationary adjustments for years 2013 and 2014?

**2.3.11 Mali (G/AG/N/MLI/8, G/AG/N/MLI/8/REV.1)****AG-IMS ID 85001: Question by European Union - Transparency issues (including Table DS:2)**

Mali notifies that in 2016 it granted subsidies for agricultural inputs in compliance with the criteria set out in Article 6.2 of the Agreement on Agriculture. According to the latest version of the Director General's Evolving Table on Cotton Development Assistance (WT/CFMC/6/Rev.22) Mali has been indicated as a beneficiary country of several programmes/projects/activities targeting the cotton sector. For example several programmes have been implemented in Mali with the aim of improvement of productivity and sustainability of cotton areas, fostering agricultural productivity in Mali etc. Are these programmes covered by the notification by Mali for 2016?

**AG-IMS ID 85027: Question by United States of America - Transparency issues (including Table DS:2)**

The United States again appreciates efforts by Mali to update and revise its notifications. The United States resubmits AG-IMS ID 83091, which was repeated in AG-IMS ID 84096. This takes note of the revised notification G/AG/N/MLI/8/Rev.1, which does include one measure listed under input subsidies for low-income or resource-poor producers.

The United States would like to note the positive steps taken by Mali over the past few years to bring its domestic support notifications up to date, and Mali's continued efforts to notify this Committee of its measures on a regular basis. This step toward increased transparency is to be commended. The United States notes that Mali had a number of domestic support measures from 2004 to 2012 (see notification G/AG/N/MLI/2), some of which included seeds, fertilizer, rural equipment; however, in subsequent years, 2014 and 2015 in G/AG/N/MLI/7 and 2016 in G/AG/N/MLI/8, Mali did not notify any domestic support measures. The United States understands that, in 2015, a number of measures were approved by Mali's Council of Ministers. One example is the Ministry of Rural Development's Irrigation Development programme in the Bani Basin and Selingue, with an objective of building hydro-agricultural infrastructure to allow for the development of land for agricultural production of crops including rice.

- a. Have any of these measures related to agriculture been implemented since being approved by the Council of Ministers?
- b. If so, in what year(s) did implementation of these measures begin?
- c. To gain a better understanding of Mali's agricultural situation, please explain the reason for not notifying any domestic support measures since 2012.

**AG-IMS ID 85028: Question by United States of America - Input subsidies available to low-income or resource-poor producers**

In G/AG/N/MLI/8/Rev.1, Mali notified a single measure, input subsidies for low-income or resource-poor producers under Article 6.2 for the year 2016. This appears to be a new measure that was not notified in previous years.

- a. Will Mali be submitting a DS:2 notification for this new exempt measure?
- b. Please describe how the measure is implemented and what inputs are covered.
- c. Please explain how Mali targets low-income or resource-poor producers under the measure and how the term is defined for purposes of the measure.

**2.3.12 Senegal (G/AG/N/SEN/6)**

**AG-IMS ID 85076: Question by Canada - Other**

Senegal states that between 2013 and 2015 it engaged in "Green Box" public spending under the type of measure "Other". This measure is described as "Special programmes". Could Senegal expand on the description and content of the programmes included under the measure type "Other"?

**2.3.13 Turkey (G/AG/N/TUR/15, G/AG/N/TUR/16)**

**AG-IMS ID 85062: Question by Australia - Transparency issues (including Table DS:2)**

Turkey's notifications G/AG/N/TUR/15 and G/AG/N/TUR/16 cover domestic support commitments for the calendar years 2002 to 2004.

- a. Australia welcomes Turkey's submission of these notifications but note that many still remain outstanding. Could Turkey provide an update on when it expects to submit its outstanding mandatory notifications?
- b. Australia thanks Turkey for its transparency in highlighting where support for soybeans in 2003 and 2004, and rapeseed in 2004, breached Turkey's domestic support commitments. Could Turkey share what steps it took to prevent such breaches occurring in subsequent years?

**AG-IMS ID 85074: Question by Canada - Transparency issues (including Table DS:2)**

Turkey has notified, for the first time, a number of programmes in the Green Box. However, only three programmes have been notified in a Table DS:2 notification. Could Turkey indicate when they expect to submit a Table DS:2 notification for the remaining Green Box programmes?

**AG-IMS ID 85044: Question by European Union - Transparency issues (including Table DS:2)**

The EU appreciates that it has finally received Turkey's DS:1 notifications for the years 2002 to 2004. As expressed in previous meetings in EU views this is far too late.

- a. When will Turkey forward the remaining missing notifications ?

The notifications shows that Turkey has supported sunflower and rapeseed sectors above the permitted *de-minimis* level in 2003 and 2004 for sunflower and 2004 for rapeseed.

- b. Which measures has Turkey taken to ensure that it respects its WTO Domestic Support for the following years, and when were these measures introduced.

**AG-IMS ID 85030: Question by United States of America - Transparency issues (including Table DS:2)**

The United States thanks Turkey for its efforts to complete its DS notifications and would like to respectfully submit the following questions.

Table DS:1

- a. It is noted that for 2003 and 2004, Turkey notified that it exceeded its WTO commitment levels for two products. What steps is Turkey taking to remain within its commitment levels going forward?

Supporting Table DS:1

- b. From 2002 through 2004, direct payments to producers, which account for the vast majority of notified green box support, increased by 44%.
- i. Please explain the basis for this increased level of support.
  - ii. For subsequent years to this notification, please indicate whether support continued to increase and at what rate.

**AG-IMS ID 85063: Question by Australia - Direct payments: decoupled income support**

Can Turkey please provide information on the 'Direct income payments' programme reported in supporting table DS:1 of its notification G/AG/N/TUR/15 and how it meets the criteria of paragraph 5 in Annex 2 of the Agreement on Agriculture.

**AG-IMS ID 85065: Question by Thailand - Direct payments: decoupled income support**

From Supporting table DS:1 Year 2002-2004, Turkey notified "direct payments to producers" as Green Box. Please clarify the qualification and condition for farmers under the programme.

**AG-IMS ID 85073: Question by Canada - Direct payments: payments for relief from natural disasters**

Payments for relief from natural disasters increased significantly in 2004 going from USD 334,880 in 2003 to USD 35,521,746 in 2004. Could Turkey provide additional information to explain this significant increase?

**AG-IMS ID 85070: Question by Canada - Direct payments: structural adjustment assistance provided through investment aids**

In 2002 and 2003 there is a programme entitled "Tea compensatory payments" listed under Structural adjustment assistance provided through investment aids. This programme is no longer listed in 2004. Could Turkey please confirm if this programme has been terminated?

**AG-IMS ID 85072: Question by Canada - Direct payments: payments under environmental programmes**

Canada notices that payments for Environmental programmes increased from USD 1,439,986 in 2003 to USD 6,816,232 USD in 2004. Could Turkey please provide details on the projects or activities that benefited from this support?

**AG-IMS ID 85075: Question by Canada - Scheduled commitment level**

Canada appreciates Turkey's transparency and the additional information provided in the title page of its latest Table DS:1 notification. However, Canada is concerned that Turkey reports a Current Total AMS in excess of its scheduled domestic support commitment in 2003 and 2004.

- a. What mechanisms are in place to ensure that Turkey stays within its domestic support limits in subsequent years?
- b. Does Turkey expect to be over its AMS commitment levels after the 2004 year?

**AG-IMS ID 85068: Question by Canada - Market price support**

Canada notices that starting in 2002 Turkey no longer reports market price support (MPS) for any products. Wheat, barley, maize, rye, oats, tobacco and sugar beet have previously been reported under Supporting Table DS: 5. Could Turkey elaborate on the specific policy changes that account for this seven change in spending?

**AG-IMS ID 85031: Question by United States of America - Market price support**

Supporting Table DS:5

- a. Since Turkey's last domestic support notification (G/AG/N/TUR/14) published in May 2002, Turkey has notified some significant changes to its domestic support measures. One major change was the notified elimination of market price supports. Please provide additional details regarding the termination of Turkey's market price support measures and the measures that have since replaced these.
- b. It is the United States understanding that the state-owned Turkish Grain Board (TMO) continues to implement and publish administered prices for certain commodities. Further, it is the United States understanding that TMO receives government funds for various activities it carries out. Please explain the role TMO plays in Turkish grain markets, including any role TMO takes on behalf of the Turkish Government or is instructed to take by the government.

**AG-IMS ID 85067: Question by Canada - Other product-specific AMS/EMS**

In column 9 of Supporting Table DS: 6 for the three notified years (i.e. 2002, 2003 and 2004), there are large amounts reported under associated fees/levies.

- a. Could Turkey please provide examples of the types of fees and levies that are reported?
- b. How are these fees and levies calculated?

**AG-IMS ID 85066: Question by Thailand - Other product-specific AMS/EMS**

From Supporting table DS:6 Year 2002-2004, Turkey notified "Premium Payments" measures. Please provide more explanation on "Premium Payment" programme.

**2.3.14 Ukraine (G/AG/N/UKR/26)****AG-IMS ID 85061: Question by Canada - Other product-specific AMS/EMS**

Canada would like to follow-up with Ukraine regarding question AG-IMS ID 84024 from the Committee on Agriculture Meeting in June 2017. In this question, Canada asked Ukraine to provide information on the changes resulting in different types of support being provided to fruits, berries and grapes, and hops. Ukraine responded that it required more time to answer this question. Is Ukraine now in a position to provide a response? If so, could Ukraine please share it with the Committee?

**2.3.15 United States of America (G/AG/N/USA/109)****AG-IMS ID 85058: Question by Canada - Transparency issues (including Table DS:2)**

Canada notes a discrepancy in the total VoP figures in the United States 2014 Table DS:1 notification. The total value of production is reported as USD 405,646.295 million but the sum of all product-specific VoP totals USD 550,264.95 million. Could the United States of America please explain this discrepancy?

## **2.4 NEW OR MODIFIED DOMESTIC SUPPORT MEASURES (DS:2)**

### **2.4.1 Japan (G/AG/N/JPN/220)**

#### **AG-IMS ID 85056: Question by Canada - Transparency issues (including Table DS:2)**

In their recent Table DS:2, Japan includes the programme entitled Agriculture, forestry and fisheries Fund corporation for Innovation, Value-chain and Expansion Japan (A-FIVE). Canada notes that this programme provides investment and subordinated loan to develop new business areas in order to stabilize and improve business in agriculture.

- a. Could Japan provide examples of the types of investments that are covered under this programme?
- b. What are the specific eligibility criteria to receive a payment under this programme?
- c. The description states that subordinated loans can be provided through this measure. Could Japan provide details on what these subordinated loans are? Who provided these loans? On what basis or criteria are these loans provided? Does a producer have to repay these loans?

### **2.4.2 Turkey (G/AG/N/TUR/16)**

#### **AG-IMS ID 85048: Question by Canada - Transparency issues (including Table DS:2)**

Turkey's recent Tables DS:2 notification lists a programme aimed at providing "Support to the farmers planting maize, sunflower, soybean and fodder plants in the areas of sugar beet production." This programme is classified under paragraph 11 of Annex 2, Structural adjustment assistance provided through investment aids. As with the other two notified programmes, the lack of detail makes it difficult to determine if this programme meets the policy specific criteria of this paragraph.

- a. As per paragraph 11 a), programmes should be designed to "assist the financial or physical restructuring of a producer's operations in response to objectively demonstrated structural disadvantages." Could Turkey provide information on the structural disadvantages this programme is trying to address?
- b. This programme seems to specifically target sugar beet producers. Could Turkey confirm if a producer needs to produce sugar beets to be eligible to receive a payment under this programme? More specifically, how does this programme meet the requirements of paragraph 11 (b) which states that payments "shall not be related to, or based on, the type or volume of production"? How does this programme not constitute a product-specific payment to sugar beet producers?

#### **AG-IMS ID 85045: Question by European Union - Transparency issues (including Table DS:2)**

The European Union would like additional information about how the measure "Direct income payments to the farmers and establishment of farmer's registry system" is operated.

- a. Could Turkey please explain which paragraphs of Annex 2 to the Agreement on Agriculture that applies to the measure in question?
- b. Are payments made per area unit of agricultural land regardless of production?
- c. Is production required to receive such payments?
- d. Is this measure still operational today?

**AG-IMS ID 85032: Question by United States of America - Transparency issues (including Table DS:2)**

- a. For "direct income payments to farmers" during the period covered by G/AG/N/TUR/15 (2002 through 2004):
  - i. Please explain the eligibility requirements for farmers to receive payments, including any requirements associated with eligibility to enroll in the farmers' registry system.
  - ii. Please explain how actual payment levels were determined.
- b. For "Support to Animal Husbandry," please explain eligibility requirements for breeders and provide additional details as to how the programme is implemented and how payment levels are determined.
- c. For "support to the farmer planting maize, sunflower, soybean and fodder plants in areas of sugar beet production," the description states payments are based on area and aims to compensate for loss of farmers' incomes due to decrease in sugar beet production quotas. The description in Supporting Table DS:1 of G/AG/N/TUR/15 states payments are aimed to encourage alternative production.
  - i. Please explain how actual payment levels were determined, including whether there was any requirement to plant maize, sunflower, soybean, or fodder plants to receive payments.
  - ii. Please confirm if the payments were one time only.

**AG-IMS ID 85051: Question by Canada - Direct payments: decoupled income support**

Turkey's recent Table DS:2 notification lists a programme entitled "Direct income payments to the farmers and establishment of farmers' registry system". This programme is classified under paragraph 5 of Annex 2 starting in 2002 in Turkey's latest Table DS:1 notification G/AG/N/TUR/15. Due to the lack of details on this programme, it is difficult to determine if it meets the policy specific criteria of paragraph 5 and in particular, the criteria set forth in paragraph 6 b) to e).

- a. Could Turkey please outline the eligibility criteria for farmers to receive a payment under this programme?
- b. Could Turkey please confirm that under this programme, "no production shall be required in order to receive such payments" (i.e., farmers would receive a payment whether or not anything is produced) as required under paragraph 6 e)?
- c. Canada notes that the description does not provide the anticipated full amount of the programme. Could Turkey provide the anticipated amount for the length of the programme? If this information is not available, is there a specific amount available under this programme each year?
- d. The description does not provide information on the duration of the programme. Is this programme still in place? If so, what is the expected end date for this programme?

**AG-IMS ID 85050: Question by Canada - Input subsidies available to low-income or resource-poor producers**

Turkey's recent Table DS:2 notification lists an item entitled "Support to Animal Husbandry". This programme is classified under Article 6.2 (Special and Differential-Development Programme support) of the Agreement on Agriculture in Turkey's latest Table DS:1 notification G/AG/N/TUR/15.

- a. Could Turkey please provide more details on the eligibility criteria under this programme? Specifically, what types of investments are eligible to receive payment?

- b. The exemption of agricultural input subsidies under Article 6.2 from certain domestic support reduction commitments is limited to subsidies that are "generally available to low-income or resource poor producers in developing country Members". Could Turkey elaborate how it defines "low-income or resource poor" producers?
- c. The description states that the period of application for this programme is from 2000-2004. However, no amounts are reported for this item in Turkey's Table DS:1 notification for 2000 (G/AG/N/TUR/12) or 2001 (G/AG/N/TUR/14). Could Turkey confirm that no payments were provided for this programme during the 2000 and 2001 period? If no payments were provided for this period, could Turkey elaborate why no payments were made?

## **2.5 NOTIFICATIONS IN THE CONTEXT OF THE NFIDC DECISION (TABLE NF:1)**

### **2.5.1 South Africa (G/AG/N/ZAF/89)**

#### **AG-IMS ID 85033: Question by United States of America - Other forms of assistance**

The United States thanks South Africa for its 2014 NF1 notification. Can South Africa explain the conditions under which financial contributions were dispersed, particularly to Zambia and Malawi? Did any of these contributions have any impact on trade to these two countries?

## **3 OVERDUE NOTIFICATIONS**

### **3.1.1 Kyrgyz Republic (AG-IMS ID 85047: Question by Canada)**

Canada thanks Kyrgyz Republic for its new domestic support notification for 2012. However, it is difficult to assess any changes or to see any trends in domestic support provided by the Kyrgyz Republic to its agricultural producers in the absence of notifications for previous years. Canada notes that the earlier domestic support notification was for 1998. Could Kyrgyz Republic please advise when it expects to submit the missing notifications (i.e. 1999 to 2011)?

### **3.1.2 Nigeria (AG-IMS ID 85037: Question by European Union)**

The latest DS:1 notification from Nigeria dates from 2012 covering 2011. Since then Nigeria has implemented the Agricultural Transformation Agenda (ATA) and the Agricultural Promotion Policy (2016-2020).

Will Nigeria submit a DS:1 notification for years after 2011 including Green Box support as well as Article 6:2 support?

### **3.1.3 Turkey (AG-IMS ID 85007: Question by New Zealand)**

Acknowledging the previous questions asked of Turkey by other Members with regard to Turkey's overdue notifications, and its responses to the EU and the US at the 83rd Committee on Agriculture (AG-IMS ID 83034 and 83102), New Zealand thanks Turkey for submitting domestic support notifications for calendar years 2002 to 2004. New Zealand commends Turkey on the level of detail its DS:1 contains, in particular for product-specific domestic support, and for including reference to Turkey's ongoing assessment of domestic support for subsequent years. Can Turkey please provide an update on progress with its domestic support assessments, and advise a timeframe for when further domestic support notifications will be submitted to the Committee on Agriculture?

## **4 OTHER**

### **4.1.1 New Zealand**

#### **AG-IMS ID 85046: Question by European Union**

New Zealand in its reply to the EU question for the 84<sup>th</sup> meeting of the Committee on Agriculture argues that since Zespri is a private organization, provisions of the Agreement on Subsidies and Countervailing Measures are not relevant for Zespri operations. However, paragraph 20 of the

Nairobi Ministerial Decision on Export Competition rules that "Members shall ensure that agricultural exporting state trading enterprises do not operate in a manner that circumvents any other disciplines contained in this annex." Paragraph 6 of the same Ministerial Decision rules that export subsidy entitlements shall be immediately eliminated. Following to that, agricultural exporting STEs shall not operate in a manner that circumvents the commitment to eliminate export subsidies. According to Annex 1(g) of the ASCM exemption of indirect taxes on exported products, in excess of those levied on domestic like products, fall under the illustrative list of export subsidies. Therefore, following the adoption of the Nairobi Decision, Zespri shall not grant export subsidies in the form of providing its nursery stock free-of-charge to growers outside New Zealand whereas planting fees and royalties are charged on the domestic like products. Could New Zealand confirm if Zespri provides its nursery stock free-of-charge to growers outside New Zealand?

#### **4.1.2 United States of America**

##### **AG-IMS ID 85038: Question by European Union**

Ag-IMS ID 84068 – point e)

The US, in reply to the EU question for the 84th meeting of the Committee on Agriculture, stated that "U.S. food assistance programmes are not used to promote U.S. market development objectives. The [requirements that all agricultural commodities provided be sourced from the United States, that at least 50% of US food aid must be shipped on US flagged vessels and that at least 50% of any bagging must consist of whole-grain commodities bagged in the United States] are U.S. legislative procurement mandates." In the Hearing on the Future of International Food Aids and Agricultural Development of the US House Committee on Agriculture, held on 7 June 2017, the Chairman of the Committee stated that "(the US) international food aid programmes not only contribute to jobs in the US agricultural sector but they also create American jobs in the manufacturing and maritime sectors as well. Eliminating such programmes seems a bit contrary to the role of any robust "America first" policy."

- a. Could the US explain how the objective of creating jobs in the US agricultural, manufacturing and maritime sectors and promoting an "America first" differs from an objective of promoting developments in the US agricultural, manufacturing and maritime markets?

##### Requested Food Assistance

The Nairobi Decision in paragraph 25 states that Members are encouraged to provide non-emergency development food assistance where recipient countries or recognized international humanitarian/food entities, such as the United Nations, have requested food assistance.

- b. Could the US specify when and in which form have the recipient countries or recognized international humanitarian/food entities, such as the United Nations, have requested US non-emergency in-kind food assistance?

##### USDA-run McGovern-Dole International Food for Education programme

The US administration announced budget proposals on 23 May 2017. These proposals include the elimination of the USDA-run McGovern-Dole International Food for Education programme and USAID-run Food For Peace, Title II programme. The budget proposal confirms that the McGovern-Dole programme "lacks evidence that it is being effectively implemented to reduce food insecurity and that providing emergency food aid through International Disaster Assistance account (IDA) has been shown to allow more appropriate and on average more cost effective assistance than Title II food aid".

- c. The EU shares this assessment and asks when these ineffective and trade distorting food aid policies will be eliminated.
-