



NOTIFICATION OF SELECT DOMESTIC SUPPORT VARIABLES IN THE WTO

SUBMISSION BY THE UNITED STATES

The following submission, dated 17 February 2020, is being circulated at the request of the delegation of the United States.

1 OVERVIEW

1.1. WTO agriculture notifications are an important part of the implementation process of the Agreement on Agriculture (AoA), providing valuable insights into the agricultural trade policies of Members and providing a basis for comparing applied levels against bound commitments.¹ WTO agriculture notifications can also be a useful tool to compare how measures are implemented across Members and provide a basis for informed technical discussions in the agricultural negotiations.

1.2. Of the regular annual notifications, Table DS:1 – detailing the monetary value, description, and classification of domestic support measures – is one of the most complex and also one of the most discussed in the Regular Session of the Committee on Agriculture (CoA).

1.3. The United States has identified several areas within the domestic support pillar where CoA discussions are driven by inquiries seeking to gain further transparency in relation to notifications. These areas include: (1) market price support (MPS) (specifically eligible production, adjustments to the fixed external reference price, and product basis); (2) negative support levels; (3) classification and non-notification; (4) currency and inflation, and (5) value of production (VoP) data. This list is not exhaustive.

1.4. For each area, this paper attempts to summarize what information has been provided through notifications and what has had to be discerned from questions posed in the CoA. This summary is based primarily on a review of notifications submitted by Members covering the 2005 to 2018 notification years, as well as responses to CoA questions dating back to 1995. Additional Members and years were drawn upon in a limited number of circumstances to provide a fuller illustrative discussion.

1.5. This paper is intended to support Members' ability to engage in a technical discussion regarding transparency in notifications.

¹ In total there are 12 notification requirements in agriculture falling into one of five areas: (1) market access, (2) domestic support, (3) export subsidies, (4) export prohibitions and restrictions, and (5) follow-up to the Marrakesh NFIDC Decision. Of the 12 notification requirements, five are regular or annual notifications, namely Table MA:2, Table MA:5, Table DS:1, Table ES:1, and Table ES:2. As of 13 June 2019, a total of 4,632 agricultural notifications have been submitted to the WTO. See G/AG/GEN/86/Rev.35.

2 MARKET PRICE SUPPORT

2.1 General background

2.1(a) Market price support in the AoA

2.1. Under the rules of the AoA, Members calculate the Current Total Aggregate Measurement of Support (AMS) for purposes of notifying their current trade-distorting domestic support levels against their permitted levels, reported as the Final Bound Total AMS. Where Members have no Final Bound Total AMS, the Members' limit is the *de minimis* level, expressed as a percentage of the VoP.

2.2. Annex 3, paragraph 1 of the AoA provides that AMS "shall be calculated on a product-specific basis for each basic agricultural product receiving market price support, non-exempt direct payments, or any other subsidy not exempted from the reduction commitments". Annex 3 further provides a specific calculation methodology for determining the value of MPS.

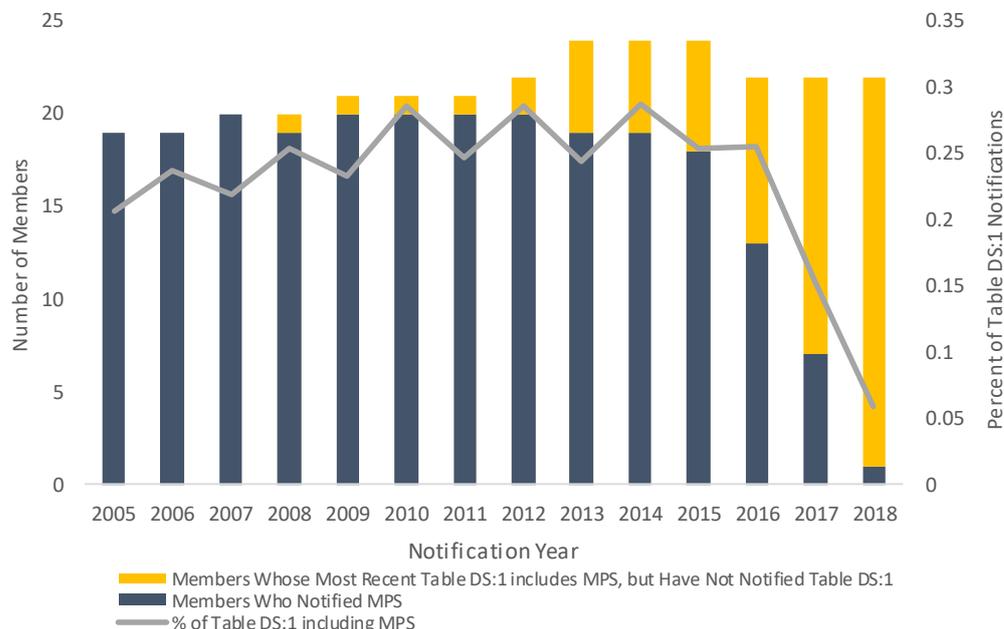
2.3. Pursuant to Annex 3, paragraph 8 of the AoA:

[M]arket price support shall be calculated using the gap between a fixed external reference price and the applied administered price multiplied by the quantity of production eligible to receive the applied administered price.

It is in the context of this language that Members notify their MPS measures in Table DS:1.

2.4. Since 2005, approximately one-quarter of Members' Table DS:1 notifications have included MPS for one or more commodities (Figure 1).^{2, 3} While there is a downward trend since 2012 in the number of Members notifying MPS (see blue bars), this appears to be largely due to users of MPS having not submitted their Table DS:1 notifications (see yellow bars) rather than a move away from the use of these measures. In total 24 Members have notified MPS during the 2005-2018 period.⁴

Figure 1: Members notifying market price support, 2005-2018



Source: WTO notifications and G/AG/GEN/86/Rev.5.

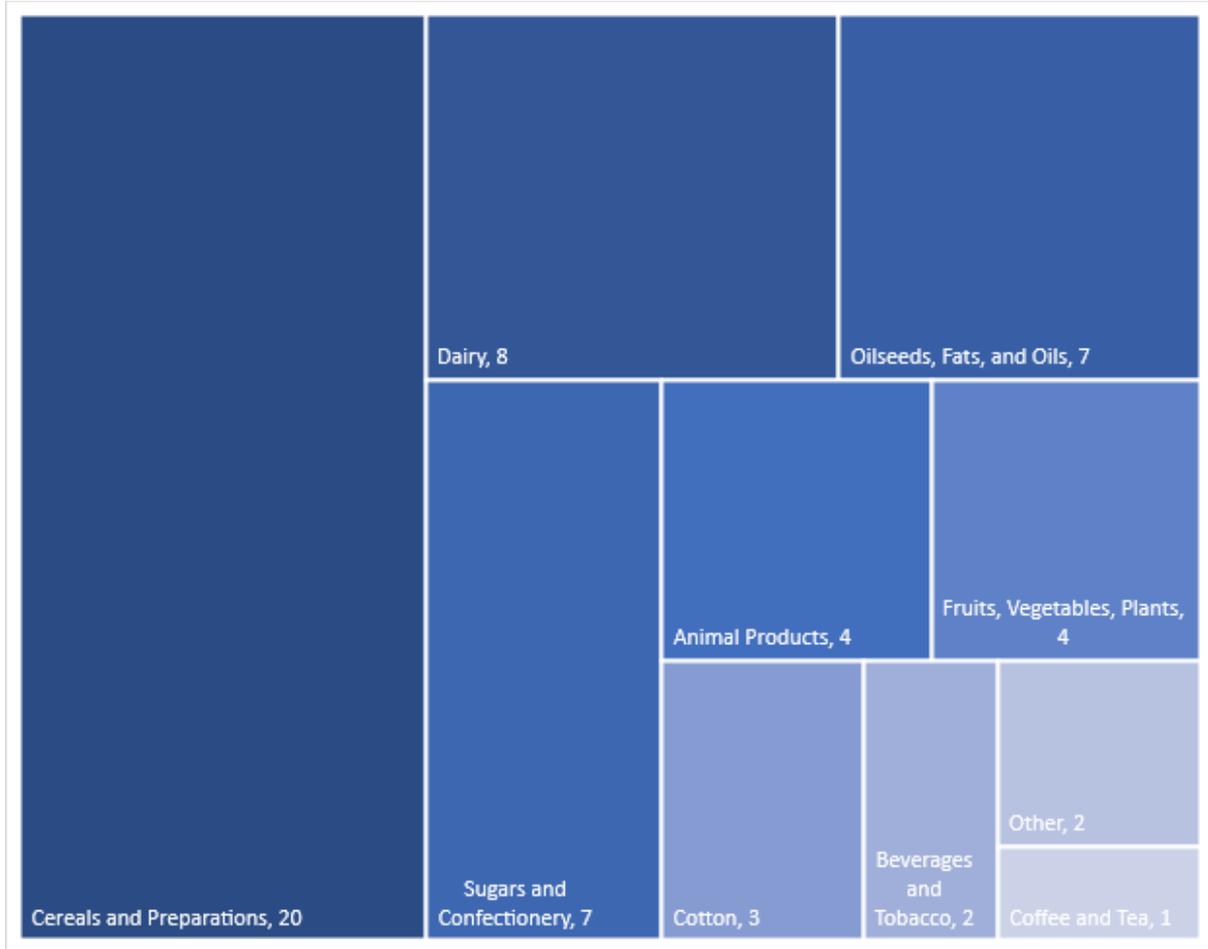
² Since 1995, 37 Members have notified MPS in their Table DS:1.

³ A more recent time period dating back to 2005 was used solely for the purpose of reducing the number of notifications reviewed and analysed.

⁴ As of June 2018, Bangladesh; Brazil; Canada; China; Costa Rica; European Union; Iceland; India; Indonesia; Israel; Japan; Jordan; Korea, Republic of; Lao PDR; Norway; Pakistan; Philippines; Russian Federation; Saudi Arabia, Kingdom of; Switzerland; Chinese Taipei; Tunisia; Ukraine and the United States. This paper does not include current European Union member States that made notifications prior to joining the European Union.

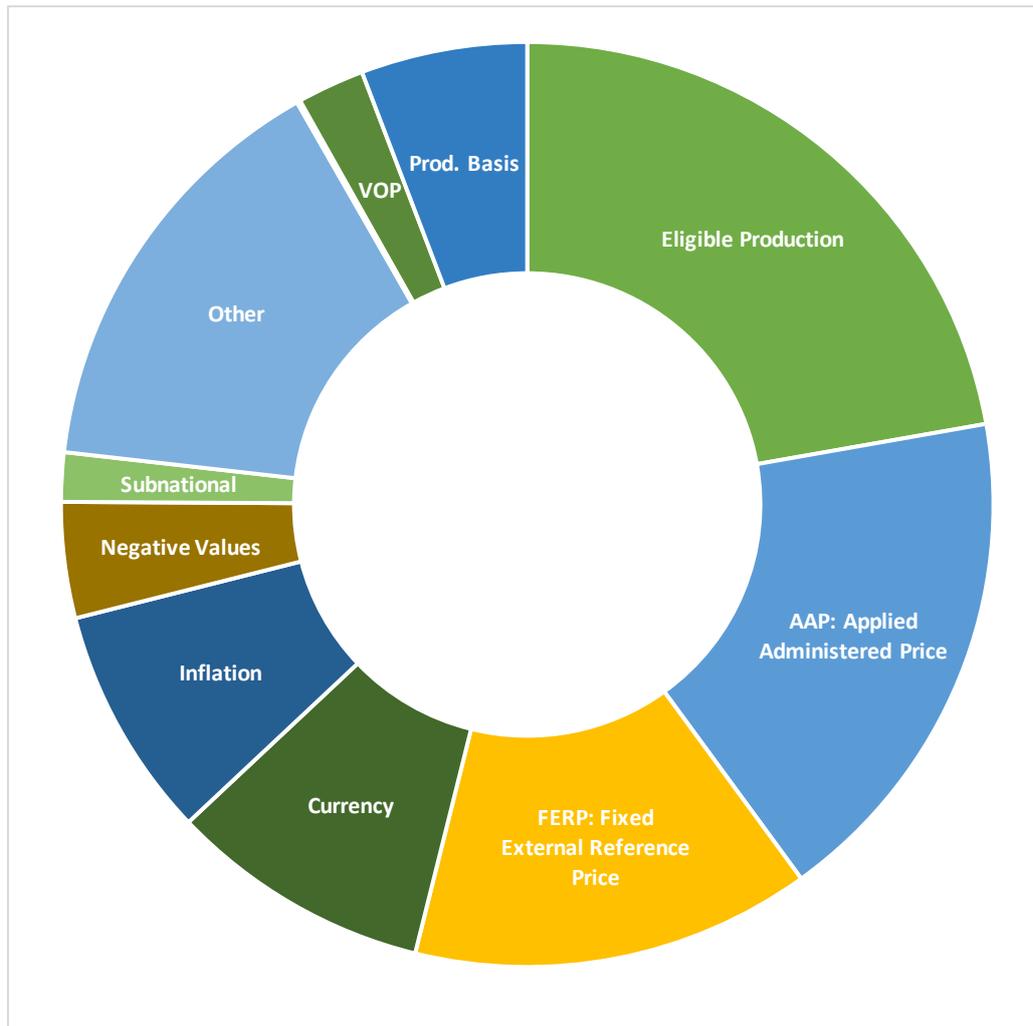
2.5. Of these 24 Members, 20 notified MPS for cereals and preparations, with wheat, rice, and maize being the commonly notified products within the commodity group (Figure 2). Cereals was followed by dairy products as the second largest commodity group with eight Members notifying either dairy, milk, or specific dairy products. Seven Members notified MPS for oilseeds, fats, and oils with the same number also notifying MPS for sugar.

Figure 2: Number of Members notifying MPS by commodity group, 2005-2018



2.6. For the analysis contained in this paper, the United States reviewed more than 2,500 CoA domestic support questions regarding Members' notifications, Article 18.6 and Article 18.7.⁵ Of the questions reviewed more than 15% concerned MPS measures, making MPS one of the most frequently discussed measure types in the CoA. More specifically, of the nearly 500 questions raised regarding MPS, more than one-half touched upon at least one of the three main components used in calculating MPS: eligible production, applied administered price, or fixed external reference price. Because many questions regarding MPS raised more than one issue, a total of more than 800 issues were raised in the CoA covering the three MPS-specific topics, as well as six broader topics that do not relate solely to MPS (e.g., currency, inflation, negative values, VoP, product basis, and other) (Figure 3).

⁵ Based on a review of the AG IMS system. Due to the volume of questions in the AG IMS system and certain issues regarding the ability to systematically identify questions by topic, the United States does not consider that this review is likely to include all relevant questions. However, all efforts were made to identify as many as possible. This review includes questions to the 24 Members that notified MPS during 2005-2018, as well as three Members that had been asked numerous questions about the non-notification of MPS measures.

Figure 3: Topics raised in CoA questions regarding MPS, 1995-2018

Note: A total of 470 questions were identified regarding MPS, some questions were multipart and covering multiple topics.

Source: WTO AG IMS.

2.2 Eligible production

2.7. In reviewing the notifications of the 24 Members that notified MPS during 2005-2018, only seven included information in their notification clarifying what the volume of eligible production represents for at least one product. These Members are Canada; Israel; Japan; Pakistan; Saudi Arabia, Kingdom of; Ukraine and the United States. In many cases, it is only through follow up questions in the CoA that it has been possible to identify how Members are calculating their eligible production – specifically, whether the figure reported represents the entirety of a crop for a specific product, or some subset of the crop, and if the latter, what the reported subset is.

2.8. Where a Member self-identifies an eligible production figure for a commodity that represents a subset of the crop, other Members may face difficulty in understanding the significance of the reported figure. This difficulty stems from the fact that current reporting procedures do not elicit information that could shed light on the significance of the figure.

2.9. A self-identified eligible production figure that is less than the entirety of the crop may be the result of features in the reporting Members' MPS program that leave only a portion of the crop eligible to receive market price support. Alternatively, a self-identified eligible production figure that is less than the entirety of the crop may reflect misapplication of AoA rules for identifying eligible production.

2.10. Approximately 22% of the topics raised about MPS in the CoA concerned eligible production. A review of Members' notifications in combination with Members' responses to questions raised in the CoA reveals that Members have put forward figures for eligible production based on five broad categories: (1) Total National/Regional Production, (2) Total National Production Less a Specified Amount, (3) Pre-Determined Targeted Quantities, (4) Procured Quantities, and (5) Unknown.

2.11. Members' discussions on eligible production in the CoA often appear to be aimed at understanding these differences and how they are notified, as it is not always apparent from a notification itself.

2.2(a) Eligible Production: Two Members have notified total production, three Members have clarified through CoA responses

2.12. Two Members, Japan and the United States, have included a footnote in their notification, and further clarified in response to questions in the CoA, that all production within the designated area – either the entire country or specified sub-region – is entitled or fit to receive the applied administered price for at least one product (Table 1). Three Members, Costa Rica, Norway and Japan have clarified a similar approach in response to CoA questions. As an example of how measures typically operate under this definition, the United States' former dairy products price support program, which provided price support for cheddar cheese, non-fat dry milk, and butter, typically purchased limited quantities of each of these products when the program was being implemented.⁶ However, despite limited procurement, the United States notified total national production of each product as the relevant eligible production.

⁶ Note, the United States' Dairy Products Price Support program was terminated with the 2014 Farm Bill.

Table 1: Notifications are not providing basis for eligible production figures used, 2005-2018

Member	Basis for eligible production figures used	Product(s)	Information derived from notification or responses to Members' questions in CoA		AG IMS
Bangladesh	Unknown	Rice (<i>Amon, Boro</i>)	Notification		0
			CoA		
Brazil	Procured Quantities	Maize Wheat Rice Coffee Cotton Edible beans Sisal	Notification		14 13068, 26043, 44019, 49023, 59024, 59027, 66002, 66027, 70062, 74042, 79037, 83076
			CoA	In response to ID 74042, Brazil states "In the case of 'Aquisições do Governo Federal – AGF' (a minimum support price programme), <u>the amount of production notified in Supporting Table DS:5 represents all production that was purchased under that programme</u> , according to the available budgetary outlays. As regards the 'Public Option Contracts', the other Brazilian minimum support price programme, the amount of production notified in Supporting Table DS:5 represents all production that could be sold to the government (i.e. the contracted quantity) by producers in public auctions."	
Canada	Total National Production Less a Specific Amount	Milk (<i>butter, skim milk powder</i>)	Notification	G/AG/N/CAN/113: The footnote to STDS:5 states eligible production is " <u>total production less product sales for further processing and animal feed under Classes (Special Classes for skim milk powder) 5a, b and c (and 4m for skim milk powder) less total exports</u> plus that portion of exports that had received the support price".	13 23076, 23077, 25023, 43017, 46011, 47020, 61023, 70066, 83079, 84107, 85011, 88053, 89075
			CoA	In response to the EU in ID 89075, Canada states " <u>Sales of butter and skim milk powder for further processing, total exports and skim milk powder for animal feed are not counted as eligible production</u> in the calculation of market price support since sales of these products for these uses are not eligible to receive the support price. <u>All production of butter and skim milk powder that is eligible to receive the support price (not that which is purchased) is counted as eligible production</u> in the calculation of market price support."	
China	Procured Quantities	Corn Wheat Rice (<i>Japonica, Indica</i>) Cotton Soybeans Rapeseed Sugar	Notification		18 59037, 59038, 64053, 64054, 64055, 65049, 77011, 77025, 77056, 77077, 78068, 79013, 85021, 88040, 90077, 90092, 90094, 90096
			CoA	In response to ID 65049, China states "...China uses the <u>actual purchased quantity of grain at the minimum purchasing price</u> to calculate market price support amounts", adding in ID 64054/64055 that "China used the <u>actual amount of crops procured under the minimum procurement price scheme as 'eligible production'...</u> " In response to ID 90077, China states "Farmers of the regions where the [minimum purchase price and temporary reserve] policies were applied could sell their products at the administered prices, if the products could meet the quality and other related requirements." In response to ID78068, China states "the Minimum procurement price policy is implemented in a defined region (the major production region) and a defined time (the harvest season), which in reality constitutes limitations for the quantity of procurement."	

Member	Basis for eligible production figures used	Product(s)	Information derived from notification or responses to Members' questions in CoA		AG IMS
			Notification	CoA	
Chinese Taipei	Pre-Determined Target Quantities	Rice (<i>Japonica, Indica</i>) Sugar Tobacco	Notification		3
			CoA	<p>In response to ID 91166, Chinese Taipei states, "The government would <u>announce all purchase prices and quantity limits to the public before each harvest...</u> [T]otal eligible quantity of <u>guaranteed price purchase is lower than the quantity actually harvested...</u>"</p> <p>In response to ID 71007, Chinese Taipei states "Regarding the quantity of production eligible to receive the applied administered price, the <u>planned purchases of rice are made only from farmers in certain areas, and the rice has to be of a certain specified quality.</u> Those farmers not qualified or whose quality of rice does not meet the set criteria are not eligible to join the programme."</p> <p>In response to ID 46017, Chinese Taipei states "under our guaranteed-price programmes for rice, tobacco and sugar, <u>only part of the production can receive the support, subject to certain conditions.</u> Therefore, <u>the amount of eligible production used in the calculation of market price support is not the total amount produced</u> of these commodities".</p> <p>In response to ID 91166, Chinese Taipei states "There is <u>no limit on the purchase quantity of sugar and tobacco leaves.</u> All crop produced under the contract will be purchased by TSC and TTL. Under the contract guaranteed-price program of sugar, the crops of specific species or cultivated in the prescribed plantation area will be given the priority to be included in the contract. As for the domestic tobacco leaves, there is no restriction in terms of the production area. However, the certain quality standards need to be met."</p>	46017, 71007, 91166
Costa Rica	Total/Regional Production	Rice	Notification		1
			CoA	In response to ID 82039, Costa Rica states "the <u>eligible production</u> of 11,887 tonnes <u>corresponds only to rice production</u> of January-February 2015".	82039
European Union	Pre-Determined Target Quantities	Beef Wheat (<i>durum, common</i>) Barley Maize Sorghum Oats Triticale Butter Skim Milk Powder Olive oil Sugar	Notification		8
			CoA	<p>In response to ID 87030, the EU states "There is no longer an automatic obligation for EU to buy beef meat into intervention. Regulation (EU) No 1308/2013, Article 13(1)(c) provides that <u>if the market prices falls below 85% of the reference threshold price then the EU may open a tender to buy beef meat for the types of meat that qualifies for intervention.</u> As a consequence of this change of op legal framework and based on the outcome of the panel in Korea/beef there is no 'eligible' beef meat production during 2014/15 marketing year for the purposes of the AMS calculation."</p> <p>In response to ID 69017, the EU states "The current European Union's notification under review includes changes resulting from the decisions of the Health Check of the CAP which was agreed in 2008 and implemented since the 2010 EU budget year. <u>The Health Check sets limits of buying into public intervention at 'zero' for durum wheat, barley, maize, sorghum and paddy rice</u> as provided for in Article 13.1(a) of Council Regulation (EC) 1234/2007. As a result, public intervention is not automatically available for these products. A reply to the second question is that there have been no purchases of these products into public intervention since these changes were introduced."</p> <p>In response to ID 66064, the EU states "The European Union has applied a consistent approach in the price gap calculation and has <u>used the entire European Union production of the products for which the intervention is open.</u>"</p> <p>In response to ID 83126, the EU states "...the <u>EU takes into account total common wheat as eligible production</u> in calculating its Market Price Support (MPS)".</p>	24042, 58022, 66064, 69017, 69053, 73047, 83126, 87030

Member	Basis for eligible production figures used	Product(s)	Information derived from notification or responses to Members' questions in CoA		AG IMS
Iceland	Unknown	Milk	Notification		1
			CoA		86013
India	Procured Quantities	Coarse cereals (bajra, jowar, maize, barley, ragi) Wheat Rice Cotton Pulses (gram, arhar, urad, moong, lentils) Mustard Mustard seed Rapeseed/ Mustard Sunflower Groundnut Soybeans, yellow	Notification		38
			CoA	In response to ID 86094, India states, "Only a portion of the marketable surplus offered by the farmers, and meeting prescribed specifications, is procured under MSP operations. <u>The eligible production is, therefore, the quantity, which is actually procured at administered price.</u> " In response to ID 63057, India states it uses " <u>the quantity of purchased production as 'eligible production'</u> " for calculating the market price support".	63056, 63057, 63058, 65061, 67028, 73053, 75018, 75062, 75076, 75114, 75121, 75123, 76072, 77084, 77114, 78036, 78041, 83009, 84071, 85021, 85029, 85090, 85091, 85104, 85105, 86016, 86094, 86110, 87017, 87024, 87068, 88130, 88042, 88068, 91101, 91177
Indonesia	Procured Quantities	Rice	Notification	G/AG/N/IDN/26: The footnote to STDS:5 states that eligible production in 2000 is based on the BULOG's procurement.	3
			CoA	In ID 89041, Indonesia states "With respect to the determination of eligible production, the quantities that Indonesia provides in its notifications were <u>the procured quantities used for market operations for price stabilization</u> . Regarding the quantity of rice that BULOG may procure, it is <u>limited to the amount stipulated in BULOG's annual budget</u> . This budget is also reflected in the State Budget."	29032, 89041, 89078
Israel	Pre-Determined Target Quantities	Milk Eggs Poultry Meat (production quotas and guaranteed min. price)	Notification	In G/AG/N/ISR/66, Israel notifies "absorption of surplus" for vegetable products and "production quotas and guaranteed min. price" for milk and eggs. The notification background section states "...despite the continuous decrease in the administered target price for milk, in 2017 the market price support has increased due to <u>the increased quota in line with population growth</u> ".	2
			CoA	In response to ID 67033 regarding why there is no eligible production of poultry, Israel states "there is no effective production quota for poultry".	26058, 67033
Israel	Unknown	Milk, Eggs, (production quotas and guaranteed min. price) ⁷	Notification		0
			CoA		

⁷ In G/AG/N/ISR/66, Israel notifies market price support for "production quotas and guaranteed minimum price". The "total production quotas" are categorized under pre-determined targeted quantities above. Israel reports eligible production and external reference prices for tomatoes, cucumbers, onions, and potatoes, but no applied administered price. Israel's notifications do not provide an explanation of how the "absorption of surplus" is operated. The United States has excluded it from this analysis.

Member	Basis for eligible production figures used	Product(s)	Information derived from notification or responses to Members' questions in CoA		AG IMS
Japan	Total/Regional Production	Beef and veal Meat of Swine Silkworm Cocoons Sugar (<i>beet, cane</i>)	Notification	G/AG/N/JPN/137: The footnote to STDS:5 states that <u>eligible production for beef and veal, meat of swine, silkworm cocoons and sugar is equal to total production.</u>	3 30052, 31042, 52021, 63063
			CoA		
Japan	Total National Production Less a Specific Amount	Starch (<i>potato, sweet potato</i>)	Notification	G/AG/N/JPN/137: The footnote to STDS:5 states that <u>eligible production for potato and sweet potato is equal to the production of potato and sweet potato for the manufacture of starch.</u>	5 12099, 30052, 40023, 42030, 52020
			CoA	In response to ID 30052, Japan states " <u>Of the total production of sweet potatoes (1.18 million tonnes) 295,000 tonnes is used for the production of starch, for which the market price support is applied.</u> "	
Japan	Procured Quantities	Barley Wheat	Notification	G/AG/N/JPN/137: The footnote to STDS:5 states that <u>eligible production for wheat and barley is the government purchase volume.</u>	5 12099, 30052, 40023, 42030, 52020
			CoA	In response to AG-IMS ID 42030, Japan states "Until 1999, the Japanese government purchased a large part of the domestic wheat and barley production to support the domestic price. As from 2000, most of domestic wheat and barley production has been marketed via the private sector. This has resulted in the quantity of domestic production receiving price support being substantially reduced to the amount purchased by the government. <u>Market price support is calculated on the basis of the quantity of production actually purchased by the government and eligible to receive the administered price, in accordance with paragraph 8 of Annex 3 of the Agreement.</u> In the past Japan has used for certain agricultural products the total quantity of production as the quantity for the AMS calculation. However, in the case of wheat and barley, the products are primarily marketed through the private sector since 2000, and government purchases are very limited. The price paid by the government has no support effect on the price of these products."	
Jordan	Procured Quantities	Barley Wheat	Notification		4 57012, 64070, 77085, 83089
			CoA	In response to ID 57012, Jordan states, "...Such <u>eligible production figures represent the quantities purchased by the Government, but do not equal the total quantity of production.</u> " In response to ID 64070, Jordan states "...The <u>procurement of wheat and barley by the government is subject to certain specifications to ensure better quality.</u> The government tends not to purchase crops that do not meet quality standards. Some local production that does not meet the standards is sold domestically or exported."	
Korea, Republic of	Procured Quantities	Barley (naked, unhulled) Maize Soybeans	Notification		4 17055, 20050, 20053, 64075
			CoA	In response to ID 64075, Korea states it "...has consistently used ' <u>production actually purchased</u> ' as ' <u>eligible production</u> ' since the time it calculated the initial Base Total AMS. This methodology is consistent with Article 1(a)(ii) of the AoA".	
Lao PDR	Procured Quantities	Rice	Notification		1 87032
			CoA	In response to ID 87032, Lao PDR states "In supporting Table DS:5, Lao PDR determined the notified quantity of eligible production of 36,157 tonnes based on the <u>actual subsidized amount of the rice production instead of the total amount of rice production to be eligible.</u> "	

Member	Basis for eligible production figures used	Product(s)	Information derived from notification or responses to Members' questions in CoA		AG IMS
			Notification	CoA	
Norway	Total/Regional Production	Wheat	Notification		3 86018, 86098 87152
			CoA	In response to ID 87152, Norway states that "at the CoA meeting in February 2018 Norway answered a question from Canada (ID 86018) related to market price support for wheat" and would like to underline that " <u>wheat not fulfilling the criteria for human consumption is indeed included in the calculation of market price support for wheat</u> but is subject to a lower price than wheat for human consumption. The variation in market price support for wheat from one year to the next is thus a result of variations in both the <u>total amount of eligible production</u> and the applied administrative price, <u>based on the portion of wheat for human consumption and animal feed respectively</u> ".	
Norway	Total National Production Less a Specific Amount	Milk Goat milk Pork Barley Oats	Notification		3 86018, 86098, 87152
			CoA	In response to ID 86018, Norway states that <u>notified EP amounts for all products in question are the same as the amounts in the total production figures from Statistics Norway less specified volumes</u> since the excluded volumes are not eligible to receive the applied administered price. <u>In the case of wheat, barley and oats, the notified amounts exclude seed production.</u> In the case of milk, the notified EP amounts are limited to milk delivered to dairies. The volumes consumed or processed on farms are not included in the notified EP amount. In the case of <u>pork, the notified EP amounts exclude on-farm consumption and sow or boar meat.</u>	
Norway	Unknown	Beef and veal, Poultry, Eggs, Rye, Oilseeds	Notification		0
			CoA		
Pakistan	Pre-Determined Target Quantities	Wheat	Notification	G/AG/PAK/16: The footnote to STDS:5 states that eligible production is " <u>actual procurement by public sector agencies on pre-determined targets</u> from resource poor farmers defined in Article 6.2".	9 15091, 20059, 77022, 77063, 77019, 77093, 88033, 88124, 88125
			CoA	In response to ID 77063, Pakistan states " <u>All wheat produced in Pakistan is not eligible for procurement because the procurement policy is based on pre-determined targets.</u> Bags are distributed for procurement to poor farmers after verification of land record and only those farmers who have received bags are eligible to sell." In response to ID 77093, Pakistan states "Farmers are free to sell in the market or to the government procurement agency. <u>Procurement is always made on the basis of predetermined target and these are indicated in each year's notification.</u> "	
Philippines	Procured Quantities	Corn Rice	Notification		7 17065, 22077, 54020, 70048, 87035, 87118, 87151
			CoA	In response to ID 70048, the Philippines states " <u>Procured quantities constituted eligible production in the calculation of market price support ... for the period of 2005-2010.</u> " In response to ID 87118, the Philippines also states, "There is indeed predetermined annual limitations through the annual legislation of the budget for the rice/paddy buffer stocking of the National Food Authority (NFA).... This programme seeks to ensure that NFA has, in its stock inventory, at least 14 days of the national consumption in any given day, except in the lean season where the inventory should be sufficient for 30 days." The Philippines adds "...for 2011-14, the NFA average annual domestic procurement of rice was measly 1.2% of the annual total production of rice".	
Russian Federation	Unknown	Barley, Rye, Wheat	Notification		0
			CoA		

Member	Basis for eligible production figures used	Product(s)	Information derived from notification or responses to Members' questions in CoA		AG IMS
Saudi Arabia, Kingdom of	Total National Production Less a Specific Amount	Wheat	Notification	G/AG/N/SAU/8: The methodological note states <u>eligible production for wheat excludes 5% impurities and 5% Zakat</u> (Zakat is determined according to Islamic Rules) <u>from total production.</u>	0
			CoA		
Switzerland	Total/Regional Production	Poultry Beef Soybeans / Sunflower seed Tobacco	Notification		2 16166, 20081
			CoA	In ID 16166, Brazil asks Switzerland to provide information on the total amount of production for select commodities. Switzerland responds with "the quantities involved are shown in column 6 'eligible production'", indicating <u>eligible production is equal to total production.</u>	
Switzerland	Unknown	Swine, Cider apples, Cider pears, Fibre plants, Potatoes (<i>seed, other</i>) Pulses, Barley, Maize, Oats, Wheat, Milk, Oils, Rapeseed, Sugar	Notification		0
			CoA		
Tunisia	Procured Quantities	Barley Wheat (soft, durum) Milk Olive Oil	Notification		8 22084, 26076, 45051, 45064, 62036, 81088, 82049, 87041
			CoA	In response to ID 62036, Tunisia states "The quantities shown in the Supporting Table DS:5 correspond to the quantities eligible for market price support. <u>This eligibility applies to all of the production collected, which does not always correspond exactly to total production.</u> The difference between the quantities shown and total production for the products under consideration stems from the fact that only the quantities that represent 'fair market value' are collected by the intervention agencies and benefit from price support according to a price scale, while the rest is not marketed. A part of the production is not marketed either because it is consumed by the farming families themselves or because the quality of the product is not up to standard and it is used for animal feed." In response to ID 45051, Tunisia states "... <u>the quantities that were effectively collected by the [Grain Board] OC</u> are those that appear in Tunisia's notification".	
Ukraine	Pre-Determined Target Quantities	Sugar	Notification	G/AG/N/UKR/26: The footnote to STDS:5 states "during 2012 Government of Ukraine approved 2 (two) amounts of the quota for sugar supply on the domestic market (quota 'A'): 1,860 thousand tonnes and 1,833 thousand tonnes. <u>Eligible production is calculated from these two approved amounts and prorated per the days each quantity was in effect</u> ".	0
			CoA		
United States	Total/Regional Production	Dairy (<i>butter, non-fat dry milk powder, cheddar cheese</i>) Sugar	Notification	G/AG/N/USA/123: The footnote to ST:5 states that for sugar " <u>Eligible production for market price support is the smaller of either actual production or the Overall Allotment Quantity (OAQ), as provided for in the 2002 Farm Act (PL 107-171) and continued under the 2014 Farm Act (PL 110-246). The OAQ sets the amount of sugar that may be marketed during any year, thereby determining the maximum amount of production eligible for price support. Eligible production for 2016 is actual sugar production.</u> "	3 16184, 61056, 73061
			CoA	In response to ID 73061 regarding dairy products, the United States states " <u>Eligible production is the reported annual production quantity for each product as provided by the US Department of Agriculture National Agricultural Statistics Service.</u> "	

2.2(b) Eligible Production: Three Members have notified total production less a specified amount, one Member has clarified through CoA responses

2.13. Three Members, Canada, Japan and the Kingdom of Saudi Arabia have included a footnote in their notification that eligible production is equal to total production less a specific portion of total production that is not entitled or fit to receive the applied administered price for at least one product. One Member, Norway, clarified this in its response to a CoA question (Table 1). In each instance, the Member has identified some quantity of the total production that is not eligible to receive the administered price for various reasons. For example, Canada does not include the sales of butter and skim milk powder for further processing, total exports, and skim milk powder for animal feed as eligible production, while the Kingdom of Saudi Arabia notifies eligible production for wheat as total production less 5% for impurities and 5% for Zakat.

2.2(c) Eligible Production: Three Members have notified pre-determined targeted quantities, two Members have clarified through CoA responses

2.14. Three Members, Israel, Pakistan and Ukraine have included a footnote in their notification that the government's procurement policy is based on pre-determined targets or production quotas and that the commodities are subject to certain criteria, such as quality requirements for at least one product (Table 1). Two Members, the European Union and Chinese Taipei clarified this in their responses to CoA questions. In the case of the EU, for certain commodities subject to the EU's public intervention, the quantity is set at zero and only increased if (1) market prices fall below a set reference threshold price, and (2) the EU decides to open a tender. Israel, as another example, places production quotas on milk and applied administered prices are only available for that set quota quantity.

2.2(d) Eligible Production: Two Members have notified procured quantities, eight Members have clarified through CoA responses

2.15. Two Members, Japan and Indonesia (in 2000 only), have included a footnote in their notification that procured quantities were used for eligible production (Table 1). Eight Members, Brazil; China; India; Jordan; Korea, Republic of; Lao PDR; Philippines and Tunisia clarified this in their responses to CoA questions. Each of these Members has noted that eligible production is the procured, purchased, subsidized, or collected quantity of the given commodity. In response to questions about how these programs are implemented, Members provided several different explanations. For example, Brazil stated that its MPS program, Aquisições do Governo Federal, makes purchases at the applied administered price (AAP) according to available budgetary outlays. In the case of China, it noted that for its MPS programs, farmers in specified regions may sell all product that meets quality and other requirements at the AAP. In contrast, India has explained that only the portion of the marketable surplus offered by farmers and meeting prescribed specifications is procured. In the case of pulses, India stated that Minimum Support Price operations are carried out subject to prescribed specifications, budgetary allocations and applicable targets. Procurement of wheat and barley by the government of Jordan is subject to certain specifications to ensure better quality. In the case of Indonesia stated that procurement of rice is limited to the amount stipulated in BULOG's annual budget.

2.2(e) Eligible Production: Six Members have not notified any basis for data used for eligible production, nor clarified through CoA responses

2.16. Six Members have not included any information on what quantities are used in notifying eligible production either in a footnote in their notifications or in responses to questions in the CoA. In some cases, questions regarding eligible production have been raised in the CoA, but the responses may not cover all products (e.g., Norway and Switzerland) or MPS measures where more than one exists (e.g., Israel).

2.3 Changing the data used as a basis for eligible production figures

2.17. Five Members who notified MPS during 2005-2018 appear to have changed how they notify eligible production at some point since their WTO Membership date. In each instance, the quantities notified appear to differ from the quantities either reported in the Member's AGST documents and/or in previous notifications. It should be noted that there are legitimate reasons for a Member to change

the quantities used as the amount of eligible production based on how MPS measures are implemented. Brazil notified eligible production as total production in its AGST document, but notified for 1995 onwards procured quantities as eligible production. Brazil has clarified in response to questions at the CoA that this change is due to changes in its MPS measures. India notified eligible production as total production in its AGST and in its first notification for 1995/96 then began notifying it as procured quantities in all subsequent notifications. In response to CoA questions, India has only clarified its current notifications of procured quantities is used to be consistent with its notifications since 1996/97. Other Members, including Japan, Lao PDR and Pakistan have also made changes in their notification of eligible production over time – one of which appears to have changed their notification of eligible production more than once.^{8,9}

Table 2: Members using different data as basis for eligible production figures over time

Member	EP data used for AGST / Initial notifications	EP data used for subsequent notification
Brazil	Total production a) 1986-88 (G/AG/AGST/BRA)	Procured quantities a) 1995 - present (G/AG/N/BRA/6/Rev.1)
	In response to ID 66027, Brazil states "The nature of the Agricultural and Livestock Plan during the base-period (1986-1988) was considerably different when compared to current programmes. During the 1980s, agriculture programmes did not have budget constraints. In addition, the only programme in place was the Minimum Price Support ('AGF'). Consequently, if the market price was below the minimum price, Government intervention was unrestricted, benefiting all production. From the 1990s onwards, Brazil has faced severe budget constraints. Consequently, when the Government puts in place a programme, it is announced according to the budget limit, benefiting only part of the Brazilian production."	
India	Total production a) 1986/77-88/89 (G/AG/AGST/IND) b) 1995/96 (G/AG/N/IND/1)	Procured quantities a) 1996/97 – present (G/AG/N/IND/2)
	In response to ID 63058, when asked why India switched the quantity for eligible production from total production to a lesser quantity, India states "Farmers approach government agencies for procurement only when the market price falls below the minimum support price. Therefore, actual quantities procured only actually receive support. <u>Except for the year 1995-1996, India has consistently filed its domestic support notifications taking actual quantities procured under PSS/MSP operations as eligible production.</u> No specific policy change has been undertaken for the notifications filed for the year 1999-2004."	
Japan	Total production a) (<i>sweet potato, potato, wheat, barley</i>) 1986/77-88/89 (AGST/JPN)	Total production less specified amount a) (<i>potato starch, sweet potato starch</i>) 1995 – present (G/AG/N/JPN/21)
	b) (<i>wheat, barley</i>) 1995-1999 (G/AG/N/21)	Procured quantities b) (<i>wheat, barley</i>) 2000 – present (G/AG/N/JPN/98)
	In G/AG/AGST/JPN, the footnote to Supporting Table 6 states "production of potato and sweet potato". In G/AG/N/JPN/21, the footnote to STDS:5 states "Production of potato and sweet potato for the manufacture of starch" and "Total volume of production" for wheat and barley. In G/AG/N/JPN/98, the footnote to STDS:5 states "government purchase volume" for wheat and barley.	
Lao PDR	Total production a) 2001-2003 (WT/ACC/SPEC/LAO/1/Rev.1)	Procured quantities a) 2016 (G/AG/N/LAO/2)
	b) In response to ID 87032, Lao PDR states with regards to G/G/N/LAO/2 that "In Supporting Table DS:5, Lao PDR determined the notified quantity of eligible production of 36,157 tonnes based on the actual subsidized amount of the rice production instead of the total amount of rice production to be eligible. This notified value differs in terms of definition from the values reported for 2001-2003 because the amount 1.5 million tonnes mentioned in Lao PDR's AGST tables (WT/ACC/SPEC/LAO/1/Rev.1) was the total amount of rice production to be eligible, which was different from the amount to be subsidized."	

⁸ In Indonesia's first domestic support notification that included MPS (G/AG/N/IDN/26), Indonesia's notification states that eligible production is based on procurement. However, Indonesia's response to AG IMS ID 29032 in reference to G/AG/N/IDN/26 states that "Eligible production is based on: Total production = area harvested x yield per hectare." For purposes of this paper, the United States has assumed Indonesia's notification as the basis for how Indonesia notified eligible production in 2000. The United States also notes the eligible production quantity notified in 2000 is only a fraction of the quantity of total production reported by FAOSTAT.

⁹ While not addressed in this analysis due to lack of clarity in Pakistan's AGST document and no discussion in the CoA, it is noted that for select commodities reported in G/AG/AGST/PAK the quantity of eligible production appears to be equivalent or near equivalent to production quantities reported by FAOSTAT (e.g., seed cotton and soybeans), while other commodities appear to be only a percentage of production reported by FAOSTAT.

Member	EP data used for AGST / Initial notifications	EP data used for subsequent notification
Pakistan (wheat)	Procured quantities a) 1997/98 – 1999/2000 (G/AG/N/PAK/8)	Pre-determined quantities a) 2007/08 - 2011/12 (G/AG/N/PAK/16)
	Total production a) 2000/01-2006/07 (G/AG/N/PAK/10)	
	In G/AG/N/PAK/8, the footnote to STDS:5 states that eligible production is based on <u>actual procurement</u> by public sector agencies.	
	In G/AG/N/PAK/10, Pakistan notifies eligible production quantities for wheat that <u>correspond with production statistics</u> reported by FAOSTAT.	
In G/AG/N/PAK/16, the footnotes to STDS:5 states eligible production is based on "actual procurement by public sector agencies on <u>pre-determined targets</u> from resource poor farmers defined in Article 6.2".		

2.4 Adjustments to Fixed External Reference Price (FERP)

2.18. Annex 3, paragraph 9 of the AoA states that:

The fixed external reference price shall be based on the years 1986 to 1988 and shall generally be the average f.o.b. unit value for the basic agricultural product concerned in a net exporting country and the average c.i.f. unit value for the basic agricultural product concerned in a net import country in the base period. The fixed reference price may be adjusted for quality differences as necessary.

Accordingly, Members notify their MPS measures with corresponding FERP values in Table DS:1.

2.19. Approximately 15% of the topics raised about MPS in the CoA concerned the FERP. While questions regarding the FERP covered various topics, one of the main topics of inquiry by Members was why a Member altered the FERP used in a notification from the FERP reported in an AGST document or in a prior notification. Eight Members, who notified MPS during 2005-2018, appear to have adjusted the FERP for one or more products. In each instance, the values notified appear to differ from the values either reported in the Member's AGST documents and/or previous notifications. Four additional Members received questions regarding whether adjustments were made to their FERPs, but no adjustments were identified.

2.20. India, for example, reported in Indian Rupees (INR) in its AGST, but notifies the FERP (at 1986-88 exchange rates) and the AAP (at current exchange rates) for all notified commodities in US dollars (USD). In addition, India notified aggregated and averaged FERPs for groups of commodities, such as "pulses" and "coarse grains". A second example is Japan, which adjusted the FERP for sugar cane from a refined basis to a raw basis, corresponding with a similar change in the applied administered price that it said resulted from legislative amendments. Tunisia has reported, for all notified commodities, FERPs that it adjusted for inflation and exchange rate movements.

2.21. Without further information, adjusted FERPs can leave it difficult for Members to understand the significance of the difference between the reported FERP and the reported AAP. Members face particular difficulty when basis for adjustments and conversion factors are not reported along with adjusted FERPs.

Table 3: Members adjusting FERP

Member	FERP differs from AGST	Information derived from notification or responses to Members' questions in CoA	AG IMS
China	Yes	For the reporting period 2002-2010 (G/AG/N/CHN/17), the footnote to STDS:5 states "The external reference price for rice is the weighted average of the prices of Japonica and Indica rice with the ration of 1:2." This compared to two individual FERPs reported in WT/ACC/CHN/Rev.3 and for subsequent notifications (G/AG/N/CHN/42) since 2011. For the reporting period since 2011 (G/AG/N/CHN/42), China has notified a cotton FERP of RMB 19,800/tonne, while in WT/ACC/CHN/Rev.3, the cotton FERP is reported as RMB 4,435/ton.	1 78067

Member	FERP differs from AGST	Information derived from notification or responses to Members' questions in CoA	AG IMS
Iceland	Yes	In response to ID 12091, Iceland states "The external reference price used in 1996 are based on document G/AG/AGST/ISL, <u>adjusted in order to take account of the exchange rate evolution since the base period.</u> " Iceland further explained in response to ID 86093 "...the measure of support is very dependent on currency fluctuation, as the external reference price used in the calculation of market price support, was expressed in Icelandic Krona in the AGST tables, rather than Special Drawing Rights, as had been the intention. The Krona has over the years been highly volatile and the external reference price found in the AGST tables is presented in a much more valuable Koran than it is today".	9 12091, 16122, 20043, 31038, 45026, 45028, 45058, 75079, 86093
India	Yes	In response to ID 16128, India states "The external reference price for various commodities for the base period 1986-88 had <u>been fixed in US dollar terms.</u> " In the case of aggregated commodities, such as pulses, India responded to ID 87114, India stating it "has been consistently notifying product specific support for pulses at aggregate level since 1995-96. Tur, urad, moong, gram, lentils are different varieties of pulses and therefore, it is reasonable to calculate product specific support for aggregated pulses. <u>The ERP is calculated based on simple average of external reference price of various pulses given in AGST and used to calculate product specific support for pulses (including lentils).</u> ".	21 16128, 32039, 63020, 63021, 63054, 65058 65059, 67027, 75017, 75093, 77083, 78035, 79015, 80044, 85092, 86015, 86095, 87130, 88112, 91175, 91177
Israel	No		7 17048, 17049, 26057, 60017, 60018, 60020, 80103
Japan	Yes	In response to ID 39034, Japan states "Before 1999, the applied administered price for sugar cane was presented on the basis of refined sugar, while the <u>external reference price was presented on the basis of refined sugar by converting the c.i.f. price of raw sugar.</u> In October 2000, Japan introduced legislative amendments and the applied administered price based on refined sugar is no longer used. Instead, Japan uses both the applied administered price and the <u>external reference price based on raw sugar.</u> "	2 39034, 63063
Jordan	Yes	In G/AG/N/JOR/16, the footnote to the inflation adjusted FERP in STDS:5 states "Note: Member shall give due consideration to <u>the influence of excessive rates of inflation</u> on the ability of any Member to abide by its domestic support commitments (Article 18.4). The inflation rate was 68% based on average consumer price from 1997-2009."	9 33019, 73022, 75064, 83059, 83088, 83128, 86022, 86077, 86097
Korea, Republic of	No		1 31045
Pakistan	Yes	In response to ID 14100 where a Member asked why Pakistan has not used the in its AGST tables (including for the FERP) , Pakistan states "Pakistan has experienced a high rate of inflation since early 1990s and at the same time the Pakistan rupee has undergone substantial depreciation. Therefore, an AMS calculation in Pakistan rupee would have presented a distorted picture of the domestic support. To exclude the possible effect of these factors, <u>Pakistan chose to calculate the AMS in US dollars</u> – a currency which remained stable in value terms during the period under reference."	6 14100, 20057, 77015, 77038, 77094, 78046
Switzerland	No		1 12124
Tunisia	Yes	In G/AG/N/TUN/12, the footnote to STDS:5 states "Tunisia used the external reference price for the reference period and adjusted them to take account of inflation and the evolution of the exchange rates." In response to ID 80092, Tunisia states "For the calculation of its AMS Tunisia uses the fixed external reference price, which is the average c.i.f. unit value in the base period (1986-1988)... The adjustment takes into account <u>excessive changes in the exchange rate and the rate of inflation.</u> Tunisia considers the rates of inflation recorded between 1988 and 2014 to be excessive, which <u>justifies an adjustment of the fixed external reference prices.</u> "	25 12128, 18077, 22082, 26075, 30064, 30065, 30066, 41019, 45050, 45064, 50009, 62036, 78030, 78031, 79064, 80022, 80047, 80092, 81086, 81087, 82022, 82048, 87040, 91105, 91190

Member	FERP differs from AGST	Information derived from notification or responses to Members' questions in CoA	AG IMS
Ukraine	Yes	In response to ID 63067, Ukraine "converted the fixed ERP for sugar in UAH using an exchange rate in the period 2004-2006. In this period the average official exchange rate was 5 UAH per USD 1. But in the year of first Ukrainian notification on domestic support, in 2009, devaluation of the national currency against US dollar took place. The exchange rate in 2008 was already 7.8 UAH per USD 1. Thus, UAH depreciated 1.5 times. In addition, there was high inflation in Ukraine after the base period. The consumer price index (CPI) was 116.6% in 2007, 122.3% in 2008, and 112.3% in 2009. Taking into account the above, <u>Ukraine adjusted the fixed ERP for sugar by the rate of inflation, using a consumer price index in each year after the base period.</u> "	10 62037, 62038, 63067, 68014, 68036, 68065, 69019, 69083, 70038, 73024, 84085
United States ¹⁰	No		1 60055, 76048

Note: The following Members do not appear to notify an adjustment to the FERP for any commodity nor were questions raised with regards to FERP adjustments: Bangladesh; Brazil; Canada; China; Chinese Taipei; Costa Rica; European Union; Indonesia; Lao PDR; Norway; Philippines; Russian Federation and Saudi Arabia, Kingdom of.

2.5 Product basis for notifying domestic support

2.22. Annex 3, paragraph 7 of the AoA states that:

The AMS shall be calculated as close as practicable to the point of first sale of the basic agricultural product concerned.

Accordingly, Members notify which commodities receive domestic support on a product specific basis.

2.23. Approximately 7% of topics raised regarding MPS in the CoA related to product basis. Members' questions focused primarily on ensuring notified support is being calculated at the same product level – whether that be the same level of processing or the aggregated level of product(s) – and that notified product is consistent with the product being supported.¹¹ While product basis is not an issue unique to MPS, the focus of this submission is on circumstances where Members have raised questions regarding the methodology Members used to calculate MPS – specifically the product basis used for AAP, FERP, and eligible production.

2.24. Based on notifications and responses to CoA questions, five Members appear to have notified data on a different product basis. One type of product basis issue can arise when the FERP and AAP are notified on a different product basis. Three Members - China, India and Israel - clarified in their responses to CoA questions that, in at least some notifications, the AAP for certain products had been notified on a different product basis than the FERP. For example, from 2002 through 2010, China notified rice support with the AAP for unmilled rice and the FERP for milled rice; however, since that time it has notified both on milled basis. In the case of Israel, since 2011 the AAP for milk has been adjusted annually to an equivalent quality level of milk produced in 1986-88.

2.25. Three Members - India, Japan and Norway - clarified in their responses to CoA questions that product specific support (MPS or otherwise) had been calculated based on support provided to an aggregated group of commodities while support was in fact being provided to specific commodities. In the case of India, India's AGST documents and minimum support prices provided in web link in response to a CoA question indicate different AAPs for different pulses and coarse grains. India has explained it has consistently notified support for these aggregate product groups.

¹⁰ Due to the establishment of a new Dairy Product Price Support Program in 2008, the United States discontinued supporting all dairy and hence stopped reporting a dairy FERP. The new program established applied administered prices for non-fat dry milk, butter, and cheddar cheese and 1986-88 FERPs were calculated for each of these products. See response to AG IMS ID 76048.

¹¹ While questions did focus on whether the notified product is consistent with the product being supported, this submission does not address this due to lack of sufficient information in available WTO documents. For illustrative purposes see AG IMS ID 87035, in which a Member asks a notifying Member to explain why support is notified for milled rice when the announced applied administered price is for paddy rice.

Table 4: Members notifying on different product basis

Member	Notified AAP	Notified FERP	Most relevant responses from CoA	AG IMS
China	Unmilled paddy (2002-2010) Milled rice (2010 – present)	Milled rice ¹	In G/AG/N/CHN/47, footnote (b) states "Administered price and Eligible production of indica and japonica rice (unmilled paddy) were converted to those of milled rice, using the conversion rate of 70%." In response to ID 78067, China states "the reason for China to use the price for unmilled paddy rice, instead of the milled rice, is that, the actual object of the procurement concerned was unmilled paddy rice, since milled rice is not suitable for long-term storage". In response to ID 65048, China states "...the <u>applied administered prices</u> in Supporting Table DS:5 are on a <u>paddy basis</u> , not on a rough rice basis. As to <u>whether the fixed external reference price is on a milled basis</u> , China thinks it is a very good question which allows China to study other Members' methods of collecting data".	3 64052, 65048, 78067
India	Seed Cotton Milled Rice	Lint Cotton Milled Rice	In response to ID 75017, India states "Though the <u>administered price is for paddy</u> , the <u>external reference price</u> is only available for rice which is traded internationally and <u>not for paddy</u> ." In response to ID 75115, India states "The calculations in Supporting Table DS:5 reflect the <u>minimum support price for paddy converted into rice</u> by application of a coefficient of 1.5." In response to ID 85088, India states "India announces Minimum Support Price (MSP) for paddy and raw cotton while <u>the external reference price is for rice and cotton lint</u> . This conversion is done using standard co-efficient and methodology adopted by Ministry of Agriculture, Government of India." In response to ID 63052, India states, " <u>Administered prices</u> have been worked out by taking average MSPs of two varieties (separate MSP is declared for two varieties- one is F-414/H-777/J-34 and another is H-4) of <u>seed cotton</u> (kapas) for one tonne."	7 34033, 63052, 65059, 67027, 75017, 75115, 85088
	<i>n/a</i> (Aggregation)		<i>Pulses vs Tur, Moong, Urad, Gram, and Lentil</i> <i>Coarse Cereals vs Bajra, Jawa, Maize, and Barley</i> In response to ID 87130, India states "India has been <u>consistently notifying product specific support for pulses at aggregate level</u> since 1995-1996. Pulses are a major source of protein and form an integral part of the Indian diet. Tur, urad, moong, gram, lentils are different varieties of pulses and therefore, it is reasonable to calculate product specific support for aggregated pulses." In response to ID 34033, India states "...coarse cereals taken into account are bajra, jowar, maize and barley. This has been duly clarified in Supporting Table DS:5". In G/AG/AGST/IND, India reported MPS measures for bajra, barley, maize, gram, urad, moong, and tur individually.	9 32039, 34033, 85021, 86014, 86015, 86095, 87114, 87130, 88111
Israel	Milk (<i>not adjusted</i>) (prior to 2011) Milk (<i>quality adjusted</i>) (2011 – present)	Milk	In response to ID 80064, Israel states "The <u>adjustment of the administered price for milk was calculated based on the changes in the quality of milk</u> produced in Israel, as manifested in the protein and fat contents. In consultation with the Milk Board, the quality improvement was calculated using the following coefficients, protein: 58.5%, fat: 31.5%, and water: 10.0%."	3 80064, 85023, 90066
Japan	<i>n/a</i> (Aggregation)		In G/AG/N/JPN/124, Japan notified product-specific support for vegetables and fruits, which were notified as de minimis in STDS:7 based on the VoP data for vegetables and fruits. In response to ID 48055, Japan states "These <u>payments are made to producers of specific fruit or vegetables</u> . Eligible products and their corresponding gross values of production in 2003 are as follows: <u>Oranges</u> (Unshu-mikan): 137.2 billion yen; <u>Apples</u> : 129.5; <u>Tomatoes</u> : 178.2; <u>Cucumbers</u> : 143.3; <u>Welsh onions and leeks</u> : 133.2; <u>Spinach</u> : 101.7; <u>Radish</u> : 100.9; <u>Eggplants</u> : 90.6; <u>Cabbage</u> : 84.5; <u>Onions</u> : 72.2; <u>Carrots</u> : 55.6; etc."	2 48055, 52018
Norway	<i>n/a</i> (Aggregation)		In G/AG/N/NOR/94 Norway notifies in STDS:5 a <u>single target price (MPS measure) for wheat</u> . In response to ID87152, Norway states "Norway would like to underline that <u>wheat not fulfilling the criteria for human consumption is indeed included in the calculation of market price support for wheat, but is subject to a lower price than wheat for human consumption</u> . The variation in market price support for wheat from one year to the next is thus a result of variations in both the total amount of eligible production and the applied administrative price, based on the portion of wheat for human consumption and animal feed, respectively."	2 86098, 87152

1 See paragraph 7.319 and Table 8 of WT/DS511/R.

Note: The following Members either (1) do not appear to provide sufficient information in their notification to assess the product basis, (2) did not get questioned on product basis, and/or (3) the questions that were raised, in parentheses, with regards to product basis clarified that support was provided on the same product basis: Bangladesh; Brazil (ID 66028); Canada; Costa Rica; European Union; Iceland; Indonesia; Jordan (ID 83089); Korea, Republic of; Lao PDR; Pakistan; Philippines (ID 87035); Russian Federation; Saudi Arabia, Kingdom of; Switzerland; Chinese Taipei; Tunisia; Ukraine and the United States (ID 83112).

3 OTHER DOMESTIC SUPPORT NOTIFICATION AREAS

3.1. As noted earlier in this paper, the United States has identified several areas within the domestic support pillar where CoA discussions are driven by inquiries about how measures are implemented and notified. The previous section focused on several notification issues that are primarily relevant only to MPS, the following sections will focus on several other variables that are relevant to domestic support notifications more broadly, but may be applicable to MPS as well.¹²

3.1 Classification and non-notification of domestic support measures

3.2. Discussions on domestic support in the CoA are not limited only to measures that have been notified. Members may be aware of measures that other Members implement that are not notified and question why they are not notified. Further Members have also raised questions about how measures are classified in a notification. While non-notification and classification issues are not unique to MPS, the focus of this submission is on circumstances where Members have raised questions on these topics with regards to MPS.

3.3. In the process of reviewing MPS-related questions and Members' notifications, seven Members were identified where questions were raised with regards to the classification or non-notification of measures that appeared to the questioning Members to be MPS-related measures. As an illustrative example, Members raised questions and submitted a counter-notification regarding MPS measures for sugar in Pakistan and India. Both Members responded to questions in the CoA stating that the central or state governments had not undertaken any procurement of sugar and that the prices identified as AAPs by some Members were only announced to protect small producers against distress sales. In another example, Costa Rica terminated its official MPS for rice, and introduced reference prices. While Members raised questions about reference prices keeping domestic prices in Costa Rica significantly above market prices, Costa Rica noted that these prices were non-compulsory and served only as a basis for bargaining between producers and processors.

Table 5: Classification and non-notification by Members questions

Member	Most relevant responses from CoA	Most relevant concerns raised from CoA
Costa Rica	In response to ID 82039, Costa Rica states "The reason why no eligible production and no market price support is reported from March 2015 onwards is because, since that date, the <u>administered producer price is no longer in effect, to the extent it has been replaced by a reference price that serves only as a basis for the bargaining process between rice producers and processors.</u> The reference price is calculated based on rice producers' average costs of production, and <u>differs from the administered producer price in its non-compulsory nature.</u> Indeed, effectively paid prices to rice producers are scattered around the reference price, but are not equal to it."	In ID 85016, a Member states "Costa Rica reported the abolishment of its market price support for rice... However, Costa Rica goes on to state that <u>effective prices paid to producers are scattered around the reference price.</u> " The Member goes on to say "...the <u>annual average producer price was slightly lower in 2015 and 2016 compared to previous years, but remained nearly constant in both years.</u> However, these <u>prices remain more than twice as high as the border price.</u> Further, it is reported that the reference price continues to function as a <u>de facto reference price according to the OECD and others.</u> "
India	In response to ID 88042, India states "Government of India announces changes in FRP taking into account various cost parameters. In India, cane producers are mostly marginal farmers having very small land holdings. In order to protect them from resorting to distress sales, Central Government fixes Fair and Remunerative Price (FRP) of cane which is an <u>indicative price to be paid by the sugar mills against purchase of their cane for production of sugar. Sugarcane is not included in the DS notifications since the government has not procured sugarcane from the farmers.</u> " In response to ID 78041, India states "For every marketing season, Government of India announces the MSP for various commodities covered under the price support scheme. Government of India has taken a decision not to procure from States paying bonuses to farmers." In response 8814, India states "Market price support for each product is calculated based on the administered price announced by the govt. including the bonus. In India, <u>procurement of agricultural products is mainly done at minimum support price.</u> "	In a counter notification made by a Member (G/AG/W/189) regarding MPS for sugar, the Member states " <u>The FRP is an administered price that effectively acts as a floor price for sugar mills to pay farmers for sugarcane.</u> In addition, farmers are <u>paid premiums for increased production efficiency</u> and are eligible for additional payments by sugar mills under specific State-level support." In a counter notification made by a Member (G/AG/W/174) regarding MPS for rice and wheat, the Member states "Various states give an additional bonus over and above the announced wheat and rice MSP."

¹² Due to the large quantities of data available for review, the United States has primarily focused the following discussion on the 24 Members that had notified MPS during the 2005-2018 period. However, where time and resources permitted, additional information on other Members has also been included. Nothing should be inferred from the inclusion or exclusion of information from any Member that did not notify MPS in the 2005-2018 period.

Member	Most relevant responses from CoA	Most relevant concerns raised from CoA
Indonesia	In G/AG/N/IDN30 and G/AG/N/IDN/34 for 2001-2011, Indonesia notified no MPS.	In G/AG/N/IDN/26 for 2000 and G/AG/N/IDN/52-57 for 2012-2017, Indonesia notified MPS for rice. In response to AG IMS ID 70026, Indonesia states "The stocks are procured at administered price taking into account the market price" regarding the period of 2008 to 2011. In response to AG IMS ID 73052 regarding 2001-2004, "For the last 3 years, the administered price has been set at IDR 6,600 and has not changed since then and it is always below the market price of rice. This administered price is only applied to very limited volumes, around 5%-10% of total domestic consumption for rice. Concerning the notification on Supporting table DS:4 and DS:5, the capital is still preparing the notification. Indonesia expects to notify Supporting table DS:4 and DS:4 as soon as possible."
Malaysia	In response to ID 75094 Malaysia states, "Malaysia's paddy rice farmers are among the poorest of the poor in the country. Therefore, this programme is an <u>instrument to provide income support for resource-poor farmers to ensure they receive reasonable income</u> . The eligibility of the payment is determined by a clearly defined criteria based on the status of the recipient as low-income and resource-poor paddy farmers. Malaysia would also like to highlight that it is a net-importer of rice." In response to ID 10046, Malaysia states "The programme is a 'poverty redressal scheme' for paddy farmers. With an average farm size of 1.2 hectare, the annual income of paddy farmer per hectare, including <u>price support and guaranteed minimum price</u> , ranges from RM 518 to RM 1,584, depending on its location and yield. The programme has no trade effect because Malaysia has to import 20-30% of its requirement for rice. Malaysia considered therefore that the programme is in conformity with the general 'green box' criteria set out in Annex 2 of the AoA."	In ID 91186, a Member states "Malaysia appears to have two price-related policies for rice. The first is a Guaranteed Minimum Price established under the Control of Padi and Rice Act of 1994. The United States understands the <u>minimum price in 2014 was RM 750 per tonne</u> . According to BERNAS, the entity enforces the Guaranteed Minimum Price and is a buyer of last resort, which <u>'buys all paddy delivered, even if it is operating at full capacity'</u> . In addition, <u>producers receive a direct payment subsidy for each tonne of rice produced, which was RM 248.1 per tonne in 2014.</u> "
Pakistan	In response to ID 88033, 88124, and 88125, Pakistan states, "The <u>minimum price is an indicative fair price announced for sugar cane by the provincial governments only to protect livelihood concerns of the poor and small farmers</u> in order to avoid the exploitation by the sugar cane millers. However, <u>Government neither make any procurement nor intervene financially to offset sales below the minimum price</u> . This measure does not constitute 'domestic support' for the reasons outlined above. Hence it is not required to be notified."	In ID 88033, 88124 and 88125, three Members state "Australia notes that Pakistan at the provincial level provides market price support for sugar cane through <u>minimum support prices (MPS) set by the provincial governments of Punjab (180 Rs. per 40 kg in 2017/18), Sindh (182 Rs. per 40 kg in 2017/18), and Khyber Pakhtunkhwa (KPK) (180 Rs. per 40 kg in 2017/18)</u> . The <u>MPS for sugarcane are long running measures, which we note have increased 200% during the period from 2007/08 to 2015-16.</u> "
Thailand	In response to ID 74050, Thailand states "the previous paddy pledging scheme was operated mainly with revolving funds in the procurement. The government expenditures accordingly will cover the payment of different rates of interests, administrative cost, and other fixed operation costs in".	In ID 74050, a Member notes "that the administered price under the Paddy Pledging Scheme was B 14,400 per tonne <u>for the main crop</u> , but since the programme was discontinued market prices in Thailand have fallen dramatically to approximately B 7,000 per tonne". In ID 70017, a Member notes "...a new marketing year 2012/2013 Off-Season Paddy Pledging Program. This new programme, though not yet finalized, is said to cost approximately USD 6 billion for a <u>pledging target of about 11 million metric tons of paddy rice</u> ". In ID 68010, a Member notes "Since Thailand's policy returned in October 2011 to a paddy pledging scheme and <u>set intervention prices well above market prices (by some estimates as much as 40% higher)</u> , Thailand's budgetary outlays for the rice support appear to have increased significantly." In ID 61054, a Member notes "For many years, <u>Thailand has set a minimum intervention price for rice under which the government supports domestic prices</u> ; acquires stocks if producers choose not to redeem their loans; and makes direct sales to companies for use in the domestic market or for export. Thai Government interventions (such as the Paddy Pledging Scheme, the Direct Purchase Programme (of the PWO), and others) were intended to increase farm income by increasing the value of rice; that is, by increasing the effective price farmers received."

Member	Most relevant responses from CoA	Most relevant concerns raised from CoA
Turkey	<p>In response to 8005290009, Turkey states "The Turkish Grain Board is conducting independent activities taking into account principles of profitability and productivity. In cases when the Turkish Grain Board announces a purchasing price, this is determined by its Board of Directors in line with its own policies and not by the Government. Therefore, the paddy purchasing prices of the Turkish Grain Board do not constitute administrative prices but market based prices and Turkey does not intend to include the purchasing prices of the Turkish Grain Board in the calculation of its domestic supports."</p> <p>For notified years since 2002 (starting with G/G/N/TUR/15), Turkey no longer notifies MPS and states in response to ID 85068 "a more market-oriented policy was implemented, in which the production decisions and price setting has been administered by market itself without public intervention".</p>	In ID 85031, a Member notes "state-owned Turkish Grain Board (TMO) continues to implement and publish applied administered prices for certain commodities. Further, it is the United States understanding that TMO receives government funds for various activities it carries out".

3.2 Notifying negative support in the calculation of AMS

3.4. Annex 3 of the AoA provides that a Member may deduct from AMS "specific agricultural levies or fees paid by producers". Notifying negative support values implies that there is a negative benefit to or tax on producers, and this tax on producers would offset any positive budgetary outlays. There have, however, been a number of instances where Members have notified negative market price support when there were no such levies or fees noted in DS ST:5. For example, China notified negative MPS for rice and wheat, and proposed that a technical discussion on the issue be held at the regular meeting so it can understand how to notify negative MPS in future notifications. India notifies negative MPS for several commodities. Tunisia stated it would provide a corrigendum to amend the value in column 7 of its DS ST:5 to zero but to date has not yet notified a corrigendum.

3.5. Questions regarding the notification of negative support have been raised numerous times in the CoA.

Table 6: Members notifying negative domestic support values, 2005-2018

Member	Notified information or most relevant responses from CoA	AG IMS
Brazil	In G/AG/N/BRA/23, Brazil notified negative MPS in STDS:5, which was notified as equivalent to zero in STDS:7 and did not offset other product specific support notified. (<i>The negative MPS notified is a result of the AAP being below the FERP and as a result of associated fees/levies.</i>)	3 49038, 44020, 70062
Canada	In G/AG/N/CAN/35, Canada notified negative non-product specific support for several measures that appear to offset a portion of the positive non-product specific support. In response to ID 23084, Canada states "Positive and negative amounts arising from different policy measures applying to a product (or as non-product-specific support) may partially offset one another in calculating the product-specific AMS (or the non-product-specific AMS)."	1 23084
China	In G/AG/N/CHN/28, China notified negative MPS in STDS:5, which was notified as negative support in STDS:7 and offset other product specific support notified. (<i>The negative MPS notified is a result of the AAP being below the FERP.</i>) In response to ID 80041, China states it "does not have the intention to circumvent the obligation by including negative support in the summation of product specific AMS. Since 2012, the minimum procurement prices for rice and wheat have been higher than the administered price, which means that the problem of negative support will not happen again. China notes that questions regarding negative support have been raised in the meeting for several times, although with different reasons. Up till now, it seems that no consensus has been reached on this issue".	7 64049, 65048, 66052, 77026, 77079, 79014, 80041
European Union	In G/AG/N/EU/34, the EU notified negative MPS in STDS:5, which was notified as negative support in STDS:7 and offset other product specific support. (<i>The negative MPS notified is a result of the APP being below the FERP.</i>) In response to ID 84098, the EU states "The EU has never taken the view in its Domestic Support notifications that negative Market Price Support is a negative benefit, tax or cost for farmers, as it has consistently been excluded from the overall AMS calculation. This would in the EU's view be an inappropriate conclusion to draw from the presentation of a negative amount related to Market Price Support in Table DS:4."	6 15064, 27038 40016, 66066 83083, 84098
India	In G/AG/N/IND/7, India notified negative MPS in STDS:5, which was notified as negative support STDS:7 and in STDS:4. India provided no other product specific support. (<i>The negative MPS notified is a result of the AAP being below the FERP.</i>) In response to ID 66070, India states "The negative figures reflect the result of the methodology for calculating product-specific or non-product-specific AMS since G/AG/AGST/IND. India is also aware that some Members offset positive AMS amounts with negative AMS in their calculations of product-specific as well as non-product-specific AMS."	3 63050, 65062 66070

Member	Notified information or most relevant responses from CoA	AG IMS
Norway	<p>In G/AG/N/NOR/47, Norway notified negative non-product specific support (NPS) in STDS:9. This negative value for total NPS was notified in STDS:4 and subtracted from the total Product Specific AMS, reducing Norway's notified Total AMS value.</p> <p>In response to ID 51011, Norway states "The negative non-product-specific AMS constitutes such an agricultural levy, namely taxes on pesticides, which we are unable to divide precisely between the relevant AMS supports. As there is very little other support currently qualifying as non-product-specific AMS, the net result is negative. Our understanding of Annex 3 is that it does not preclude us from having a negative non-product-specific AMS. As for the <i>de minimis</i> provisions [...] Our understanding of the Agreement is that the language 'shall not be required' does not imply a prohibition against counting a given AMS figure against the Current Total AMS, but merely states that a Member is not required to include it in the calculation. Furthermore, nothing in the above-mentioned language precludes Members from using the <i>de minimis</i> provisions for one AMS support and not for another."</p>	<p>4</p> <p>19121, 23101 27047, 51011</p>
Pakistan	<p>In G/AG/N/PAK/3 and G/AG/N/PAK/5, Pakistan notified negative MPS in STDS:5, which was notified as negative STDS:7 and in STDS:4. Pakistan provided no other product specific support. (<i>The negative MPS notified is a result of the AAP being below the FERP.</i>)</p> <p>In response to ID 11094 referencing G/AG/N/PAK/3, Pakistan agreed that negative values should be zeroed out the calculation of Total AMS. In reference to G/AG/N/PAK/5, Pakistan states in response to ID 14101, that it "believes that the negative value of AMS is an implicit tax on producers and hence would need to be subtracted from the current total AMS".</p>	<p>6</p> <p>11094, 14101 14104, 15092 20058, 28042</p>
Switzerland	<p>In G/AG/N/CHE/67, Switzerland notified negative MPS in STDS:5, which was notified as negative in STDS:7 and offset other product specific support. (<i>The negative MPS notified is a result of the AAP being below the FERP.</i>)</p>	<p>0</p>
Tunisia	<p>In G/AG/N/TUN/7 and G/AG/N/TUN/30, Tunisia notified negative MPS in STDS:5, which was notified as negative in STDS:4. Tunisia provided no other product specific support. (<i>The negative MPS notified is a result of the AAP being below the FERP.</i>)</p> <p>In response to ID 11103, Tunisia states "The negative AMS values for sugar and olive oil reflect duties paid by producers through producers' collection organizations and should be considered as zero. As regards olive oil, the duties are designed to fulfil phytosanitary obligations. Duties paid by sugar beet producers are allocated to processing factories for harvesting and transporting production. Tunisia will provide a corrigendum to the notification in order to put these amended figures in column 7 of Supporting Table DS:5." No corrigendum has been submitted.</p> <p>In response to ID 41018, Tunisia states "negative support is reported in column 2 of ST/DS:4 to carry over the product support in ST/DS:5. This support was equated to zero in column 4 of ST/DS:4. Accordingly, the calculations were made by equating the negative support to zero; the AMS calculation does not need to be amended".</p>	<p>2</p> <p>11103, 41018</p>

Note: The following Members did not notify negative support nor were questions raised with regards to negative support: Bangladesh; Costa Rica; Iceland; Indonesia; Israel; Japan; Jordan; Korea, Republic of; Lao PDR; Philippines; Russian Federation; Saudi Arabia, Kingdom of; Chinese Taipei; Ukraine and the United States.

3.3 Currency and inflation adjustments

3.6. The currency in which measures have been reported and adjustments made by Members seeking to account for excessive rates of inflation – two often interrelated topics – have been a regular part of CoA discussions. Issues of currency and inflation were each raised in approximately 10% of CoA questions on MPS during the 2005-2018 timeframe. This section's review of these topics covers 27 Members – the 24 Members providing MPS during 2005-2018, as well as Argentina, Hungary, and Turkey which were identified in RD/AG/18 and RD/AG/18/Add.1/Rev.1, with regards to the topic of excessive inflation.

3.3(a) Currency

3.7. Domestic support is notified in monetary values, often in a Members' own currency, but sometimes in a different currency.¹³ Notified currency is not a topic specific to MPS, but rather applicable more broadly to Members' commitments. In the case of domestic support, notified monetary values are used as a basis for comparison against Members' commitments, which are established in either their Uruguay Round Goods Schedule or Accession Goods Schedule and are based on the constituent data and methodology found in the AGST Supporting Tables. Of the 27 Members whose notifications were reviewed for this section, 17 notified the monetary value of domestic support in their domestic currency, while eight notified in a different currency. Two notified

¹³ Note: One Member's Bound Total AMS and notified Current Total AMS are scheduled and notified in Special Drawing Rights.

in both the domestic currency and a different currency¹⁴ and a third reported in its AGST in two currencies.¹⁵

3.8. Three Members – India, Pakistan and Turkey – notify domestic support in a currency different than what is found in their Goods Schedule and AGST Supporting Tables (see Table 7). In all three instances, the Members have switched from their domestic currency to a different currency.

3.9. In one instance, the Member stated the use of US dollars was to provide a consistent approach in notifying, another Member noted the use of US dollars was to address inflation, and the third Member noted high inflation rates resulted in misleading results and therefore notified in US dollars instead.¹⁶

Table 7: Members using different currencies

Member	Scheduled commitment/ AGST currency	Notifying currency	Basis in notification or responses to Members' questions in CoA		Questions to Member
			Notification	CoA	
India	INR	USD	Notification		22 16128, 34031, 63019, 63020, 63022, 63054, 65058, 65060, 75017, 75045, 75093, 76018, 77083, 76018, 77114, 78035, 78041, 85107, 87024, 87078, 87155, 88112
			CoA	India's AGST document provides India's domestic support commitments in Indian rupees. This issue has been raised in the CoA, including in IDs 76018, 75017, 75045, 75093, 75117, but India has not explained the basis for making this change in currency beyond stating it has <u>remained consistent in its notifications.</u>	
Pakistan	PKR	USD	Notification		8 14100, 20057, 28041, 77015, 77038, 77094, 78046, 15090
			CoA	In response to ID 14100, 20057, 77094, 77015 and 78046, Pakistan cites a high <u>rate of inflation and depreciation of their local currency</u> and states that it "believes that any calculation of the AMS using the national currency would have presented a distorted picture. The US dollar, a currency which remained stable in value terms, was chosen".	
Turkey	TL	USD	Notification		3 15093, 23103, 27052
			CoA	In response to ID 23103, Turkey states "Inflation rates fluctuated between 88 and 53% between 1995 and 1999. However, the rate of inflation has dropped during the course of the year 2000. <u>Turkey will therefore submit the calculations in Turkish Lira in next year's domestic support notification</u> " and in response to ID 15093 "Turkey confirmed that <u>inflation was still a problem, and that this was the reason for using the USD.</u> The calculations were made by the Statistics Institute. The exchange rate used was calculated by the Central Bank. In this specific case, the exchange rate was the one calculated for October 1997."	

Note: The following Members scheduled commitments, report in AGST documents, and notify in the same currency and no questions were raised (except as noted): Argentina; Bangladesh; Brazil (AG IMS ID 44014); Canada; China; Costa Rica; European Union; Indonesia; Israel; Japan; Jordan; Korea, Republic of; Lao PDR; Norway; Philippines; Russian Federation; Saudi Arabia, Kingdom of; Switzerland; Chinese Taipei; Tunisia; Ukraine and the United States.

¹⁴ Iceland notifies and calculates support in the Supporting Tables in Icelandic Krona, but notifies Total AMS in Special Drawing rights in Table DS:1 – similar to its AGST document in Krona and Scheduled Commitments in Special Drawing Rights. Lao PDR notifies Supporting Tables DS:1, DS:2, and DS:9 in both US dollars and Laotian Kip, while Supporting Table DS:4, DS:5, and DS:7 are notified only in US dollars. The Lao PDR's AGST document for domestic support is listed as "nil" with no currency.

¹⁵ Russian Federation reported in Russian rubles and US dollars in its AGST document, but its Scheduled Commitments and notifications are only in US dollars.

¹⁶ See AG IMS ID 20057, 27052, and 87155.

3.3(b) Inflation

3.10. Article 18.4 of the WTO AoA states, "In the review process Members shall give due consideration to the influence of excessive rates of inflation on the ability of any Member to abide by its domestic support commitments."

3.11. There have been instances of Members stating, in notifications or in responses to CoA questions, that adjustments have been made to their reported figures to reflect inflation or excessive rates of inflation. In some instances, Members have notified domestic support levels both with and without the adjustments made. In other instances, Members have notified only the adjusted domestic support levels. Any unilateral adjustments may lack sufficient transparency to understand how adjustments were made. In addition, if unadjusted figures are not provided, it can be difficult for Members to assess notified domestic support levels against Members' commitments.

3.12. As noted above in the "Adjustments to the Fixed External Reference Price" section, a number of Members notify a FERP differently as compared to the FERP in their AGST documents. The chart below identifies Members who have made inflation adjustments in their reported figures. Four of seven on the chart below provided both inflation-adjusted and non-inflation adjusted figures. Iceland, Jordan, Tunisia and Ukraine all make this adjustment to their FERP to address the issue of excessive inflation (see Table 8). Pakistan and Turkey both notify in US dollars rather than the currency under which commitments were made in order to address inflation, while Hungary adjusted its Bound Total AMS commitment level for the same reason. Only, Hungary, Iceland, Jordan and Ukraine notify domestic support levels with and without adjustments for inflation.

3.13. The use of adjustments for inflation resulted in lower levels of notified trade-distorting support by Members. In some instances, the adjustment resulted in the Member reporting trade-distorting domestic support within commitment levels when it otherwise would have reported support in excess of those levels. In other instances, the inflation adjustment created additional space between the level of notified support and the Member's commitment level.

Table 8: Members notifying adjustments for inflation and related Q&A

Member	Notifies inflation-adjusted data?	Most relevant responses from CoA	Questions to Member
Hungary	Bound Total AMS commitment level adjusted for effects of excessive rates of inflation. Notifies DS with and without inflation adjustments.	In response to ID 31034, Hungary states "Article 18.4 is silent on the way an inflationary adjustment should be made. <u>Hungary does not see any major difference in legal or methodological terms in whether AMS commitment levels or current AMS levels are adjusted.</u> Perhaps Hungary's approach is more practical and logical from the point of view of planning domestic support expenditures. But Hungary would have no problems in using the second approach in future notifications. As to the three notifications on the agenda, the Current Total AMS if adjusted for inflation is HUF 3.5 billion, 3.1 billion and 22.9 billion for 1996, 1997 and 1998, respectively."	2 31034, 40018
Iceland	FERP is adjusted from base year currency to current year currency. Notifies DS with and without inflation adjustments.	In response to ID 75079, Iceland states "... The mistake in the AGST tables is that the world market price was converted from SDR into ISK at the base period exchange rate. Without adjustment, the market price support is calculated using the external reference price found in the AGST tables, which is presented in a more valuable Krona than it is today. The adjustment consists in converting the base year Krona into a Krona today (or a Krona in a given year), in order to use comparable amounts. <u>The simple conversion of the current total AMS in Krona into SDR does not address this imbalance in the market price support calculations.</u> Therefore, <u>given the currency development since the base year period, leaving the reference price unadjusted distorts the market price calculations and renders them more or less meaningless.</u> It is this imbalance in the calculations that have been sought to redress by issuing a dual notification, presenting both the adjusted and unadjusted scenarios. Iceland understands that there may be different opinions with respect to how this particular problem should be dealt with. For this reason, <u>Iceland submits a dual DS notification.</u> "	11 12091, 16122 20044, 31038 45026, 45027 45028, 45058 46020, 75079 86093
Jordan	FERP is adjusted from base year currency to current year currency. Notifies DS with and without inflation adjustments.	In a footnote in its notifications, Jordan cites " <u>Article 18.4: Member shall give due consideration to the influence of excessive rates of inflation on the ability of any Member to abide by its domestic support commitments, the inflation rate in 2013, was 77% based on average consumer price from 1997-2013 (Jordan Central Bank, Statistics Department).</u> " In response to ID 86022, Jordan states " <u>the external fixed reference price depends on the interval period (94-96) therefore a huge gap existed between actual world market price and external fixed price. The use of inflation rate, average consumer price shall give a Member the ability to abide by its domestic support commitment</u> ".	11 72027, 72028 73022, 75064 83059, 83088 83128, 85026 86022, 86077 86097

Member	Notifies inflation-adjusted data?	Most relevant responses from CoA	Questions to Member
Pakistan	Notifies DS in US dollars rather than local currency to address inflation and depreciation of local currency. Notifies DS with inflation adjustments.	In response to ID 14100, 20057, 77094, 77015 and 78046, Pakistan cites a <u>high rate of inflation and depreciation of their local currency</u> and states that it "believes that any calculation of the AMS using the national currency would have presented a distorted picture. The US dollar, a currency which remained stable in value terms, was chosen".	8 14100, 20057 28041, 77015 77038, 77094 78046, 15090
Tunisia	FERP adjusted to take account of inflation and exchange rate movements. Notifies DS with inflation adjustments	In response to ID 80092, Tunisia states "... In Tunisia's view the Article [18.4] alludes to a level of inflation, among other things, which if not taken into account in the calculation of the AMS could cause a Member to exceed its domestic support commitment. Tunisia considers that its level of agricultural domestic support is consistent with the provisions of the AoA and its WTO commitments... The adjustment takes into account excessive changes in the exchange rate and the rate of inflation. <u>Tunisia considers the rates of inflation recorded between 1988 and 2014 to be excessive, which justifies an adjustment of the fixed external reference prices.</u> Indeed, <u>Article 18.4 of the AoA stipulates that 'in the review process Members shall give due consideration to the influence of excessive rates of inflation on the ability of any Member to abide by its domestic support commitments'.</u> Tunisia's understanding is that the term 'Members', as employed in Article 18.4, also includes Tunisia."	24 18077, 22082, 22083, 26075, 30064, 30065, 41019, 43022, 45050, 45064, 50009, 62036, 78030, 78031, 79064, 80022 80047, 80072, 80092, 81087, 82048, 87040, 91105, 91190
Turkey	Notifies DS in US dollars rather than local currency to address inflation and depreciation of local currency. Notifies DS with inflation adjustments.	In response to ID 23103, Turkey states "Inflation rates fluctuated between 88 and 53% between 1995 and 1999. However, the rate of inflation has dropped during the course of the year 2000. <u>Turkey will therefore submit the calculations in Turkish Lira in next year's domestic support notification</u> " and in response to ID 15093 "Turkey confirmed that <u>inflation was still a problem, and that this was the reason for using the USD.</u> The calculations were made by the Statistics Institute. The exchange rate used was calculated by the Central Bank. In this specific case, the exchange rate was the one calculated for October 1997."	15093, 23103, 27052
Ukraine	FERP adjusted to account for inflation. Notifies DS with and without inflation adjustments	In response to ID 84032, Ukraine states "Ukraine attentively reviewed WTO Members' points regarding the use of inflation adjustment. Our interest is fair and uniformly applied rules across WTO Members' domestic support. Therefore, in response to earlier questions Ukraine elected to notify both adjusted and unadjusted AMS values in G/AG/N/UKR/26. Ukraine's initial reaction to re-submitting previous years' domestic support with both adjusted and unadjusted values tends to be favourable. A further review will be considered in capital. <u>We consider that the application of the fixed external reference price without adjustment for inflation will not reflect the actual level of product support</u> , because the administrative sugar price (applied administered price) <u>increases annually due to an excessive inflation and a corresponding increase of the cost of inputs for sugar production.</u> So we expect that WTO Members can give due consideration to influence of such rate of inflation on Ukraine's ability to abide its domestic support commitments. Together with that, Ukraine has been actively reviewing its domestic support regarding the sugar production."	11 62037, 62038 68014, 68036, 68065, 68073, 69019, 69083, 70038, 73024, 84085

3.4 VoP data

3.14. Data on the VoP is crucial to ascertaining whether each Member is staying within its domestic support commitments. However, not all Members provide this information with their notifications.

3.15. Of the 24 Members that notified MPS during 2005-2018, 21 Members notified VoP data. Three of the 21 did so via a method other than a column in Supporting Table DS:4 (see Table 9).¹⁷ Two Members – Lao PDR and Pakistan – provided data in a footnote or Annex to STDS:4, and one – Kingdom of Saudi Arabia – provided it in STDS:5 footnotes. Two Members, Iceland and India notified support in STDS:4, but did not notify VoP data. India, however, has provided VoP data upon request in its response to CoA questions. Data was also requested of several other Members in response to CoA questions. In addition to requests for VoP values, Members on several occasions sought through CoA questions to clarify information related to VoP, such as how VoP values were calculated.

¹⁷ Several Members provided only PS or NPS VoP data due to not providing any PS or NPS support. Several other Members provided VoP data only in circumstances where de minimis was claimed while excluding VoP data where support exceeded the *de minimis* value.

3.16. VoP is relevant not just to MPS but to all domestic support that is non-exempt from a Members' Final Bound Total AMS or *de minimis* commitments. While 21 of 24 Members notifying MPS also notified VoP data, a submission by Canada to the 2019 CoA Special Session found that only 34 of the 99 Members studied (including the EU as a single Member) notified total agricultural VoP (i.e., non-product specific VoP) data.¹⁸

3.17. Notification of VoP values provides increased transparency, including the relative level of support for a given commodity or for the agricultural sector more broadly. VoP information is key to allowing Members to assess whether a Member is within its permitted levels of non-exempt support. VoP data is useful both on a product specific basis and non-product specific basis.

Table 9: Notification of VoP

Member	Notified product-specific VoP	Notified non-product specific VoP	Questions to Members: requesting VoP data	Questions to Members: requesting VoP information
Bangladesh	STDS:4	STDS:4		
Brazil	STDS:4	STDS:4	1 9027 (no data provided)	1 59027
Canada	STDS:4	STDS:4		1 47020
China	STDS:4	STDS:4		1 46014
Costa Rica	n/a	n/a		
European Union	STDS:4	STDS:4	1 15065	
Iceland	No	n/a		
India	No	No	5 87024 (asked for future), 88130 (no data provided), 88068, 88014, 88042 (no data provided)	1 75017
Indonesia	STDS:4	n/a	1 29032	
Israel	STDS:4	STDS:4		
Japan	STDS:4	STDS:4	2 48055, 52018 (no data provided)	1 52021
Jordan	STDS:4	STDS:4		1 83089
Korea, Republic of	STDS:4	STDS:4		
Lao PDR	STDS:4 footnote	STDS:4 footnote		
Norway	STDS:4	STDS:4		
Pakistan	STDS:5 footnote	STDS:9 footnote		
Philippines	STDS:4	n/a		
Russian Federation	STDS:4	STDS:4		
Saudi Arabia, Kingdom of	Annex to STDS:4	Annex to STDS:4		
Switzerland	STDS:4	STDS:4		
Chinese Taipei	STDS:4	STDS:4		
Tunisia	STDS:4	STDS:4		
Ukraine	STDS:4	STDS:4		
United States	STDS:4	STDS:4		1 60051

Note: Determination of notification of VoP data based on most recent DS:1 notification on 13 August 2019. "n/a" indicates no support was provided and hence VoP data is not applicable.

¹⁸ The Canada submission was made without a document number and does not distinguish between where VoP data was not notified but was necessary to determine de minimis levels and where no support was provided.

APPENDIX

Table A1: WTO Members with notified market price support by commodity group, 2005-2018

	Animal products	Beverages & tobacco	Cereals & preparations	Coffee & tea	Cotton	Dairy	Fruits, vegetables & plants	Oilseeds, fats & oils	Sugars & confectionary	Other agricultural products
Bangladesh			Wheat, rice							
Brazil			Maize, wheat, rice	Coffee	Cotton		Edible beans			Sisal
Canada						Butter, SMP				
China			Maize, wheat, rice		Cotton			Soybeans, rapeseed	Sugar	
Costa Rica			Rice							
European Union	Beef		Maize, Durum wheat, Common wheat, rice, barley, sorghum, oats, triticale			Butter, SMP		Olive oil	Sugar	
Iceland						Milk				
India			Maize, wheat, rice, coarse cereals (maize, barley, bajra, jowar)		Cotton		Pulses (gram, arhar, urad, moong and lentils)	Soybeans, mustard, sunflower, groundnut		
Indonesia			Rice							
Israel			Eggs			Milk				
Japan	Beef and veal, meat of swine		Wheat, barley, starch				Vegetables		Sugar	Silkworm cocoons
Jordan			Wheat, barley							
Korea, Republic of			Maize, Naked barley, unhulled barley					Soybeans		
Lao PDR			Rice							
Norway	Beef, poultry, pork, sheep		Eggs, wheat, barley, oats, rye			Milk, goat milk		Oilseeds		
Pakistan			Wheat							
Philippines			Maize, rice							
Russian Federation			Wheat, barley, rye							
Saudi Arabia, Kingdom of			Wheat							
Switzerland	Beef, poultry, swine	Tobacco	Maize, wheat, rice, barley, oats			Milk	Cider apples, cider pears, fibre plants, potatoes, pulses	Soybeans / sunflower seed, rapeseed	Sugar	
Chinese Taipei		Tobacco leaves	Rice						Sugar	
Tunisia			Wheat, barley			Milk		Olive oil		
Ukraine									Sugar	
United States						Diary			Sugar	

Note: Individual commodities listed may be aggregated based on product totals notified by the Member.

Source: Member Notifications and Product Groupings as provided in the 2017 WTO World Tariff Profiles (page 32).