



Committee on Agriculture

POINTS RAISED BY MEMBERS UNDER THE REVIEW PROCESS

COMPILATION OF QUESTIONS FOR THE MEETING ON 7-8 JUNE 2016¹

The present document compiles questions received by the Secretariat by the deadline of specified in WTO/AIR/AG/11.

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

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1 MATTERS RELEVANT TO THE IMPLEMENTATION OF COMMITMENTS: ARTICLE 18.6

1.1 Argentina's tax policies

1.1.1 Question by Ukraine (AG-IMS ID 80059)

Argentina has undertaken significant policy changes in the area of export duties applied to agricultural products. A large number of export taxes have been eliminated. Limited other product-specific export taxes were only marginally reduced and strong differential export tax rates within products continued.

- a. Can Argentina kindly provide for the benefit of the Committee policy background and rational as to why for certain product groups export duties were not eliminated, but only marginally reduced?
- b. Particularly for sector of soybeans and its by-products, could Argentina provide policy background why for this oilseeds complex strong differential export tax structures continue?
- c. Can Argentina share plans concerning reduction of export duties on agricultural products as well as forecast the impact of these measures on the production of agricultural commodities and their export?

According to media reports, and the Argentine Wheat Institution in particular, Argentina applies a preferential tax for fertilizers to improve the fertility of soil. On first appearance this measure seems to directly benefit in monetary terms the industrial (not agricultural) producers. Accordingly, as a strictly industrial subsidy, such a measure would not fall under the disciplines of the Agreement on Agriculture.

- d. Could Argentina please provide detailed information regarding the nature and scope of the preferential taxation for Argentine production of fertilizers?
- e. Could Argentina please indicate what policy and oversight is in place so that the measure does not serve as an input subsidy for agriculture?

1.2 Argentina's support for dairy producers

1.2.1 Question by European Union (AG-IMS ID 80032)

According to press reports Argentina has granted a subsidy of 0.03 USD/l during October to December 2015 for the first 3,000 litres of milk produced per day per farmer. For the period from January to March the subsidy was increased to 0.04 USD/l.

- a. Can Argentina explain in more detail the criteria for obtaining this support and the financing of the subsidy?
- b. How much has been spent so far in 2015 and 2016 on this measure?
- c. Could Argentina also explain the consequences of the abolition of the export authorisations in the dairy sector ("ROE blanco").

1.3 Argentina's commodity and grain export policy

1.3.1 Question by European Union (AG-IMS ID 80031)

The European Union would welcome an update on Argentina's commodity and grain export policy, in particular whether export taxes or other export measures have been eliminated, whether any new accompanying measures have been adopted and whether any impact on trade has been observed or is expected.

1.4 Brazil's soft loans to sugar cane growers for cane planting

1.4.1 Question by European Union (AG-IMS ID 80033)

Could Brazil indicate which sugar cane producers may obtain loans for planting, and the conditions for granting these loans as well as for their repayment. From press reports it appears that repayment of these loans has been postponed. How does Brazil intend to include this in its future Domestic Support notification?

1.5 Brazil's domestic support programmes

1.5.1 Question by United States of America (AG-IMS ID 80024)

In previous responses by Brazil to questions from the United States, Brazil stated that the Prêmio para Escoamento do Produto (PEP) programme was suspended for a reassessment to address concerns regarding its control mechanism in order to prevent irregularities. Concerning the Prêmio de Equalização pago ao Produtor (PEPRO) programme, the United States notes that the programme was used for corn, cotton and wheat as recently as 2014.

Brazil has not delivered PEP and PEPRO data that it agreed to provide in June 2014 (AG-IMS ID 74021). In the September 2015 meeting of this Committee, Brazil stated that while it lacked a suitable system for collecting the information it would provide the data in September 2015. In March 2016, Brazil indicated that the status of this request had not changed.

What is the status of reporting the subject data? What specific steps have been taken since March 2016 to develop a suitable system to collate the data?

1.6 Canada's new milk ingredient class

1.6.1 Question by Australia (AG-IMS ID 80003)

Australia notes the announcement by the Canadian Milk Supply Management Committee to allow subsidised skim milk under Class 4(m) to be used as an ingredient for "standardised cheese", which will make domestic milk proteins for cheese processing available at reduced prices compared to imported milk proteins. Australia is concerned that this would undercut existing imports, including those from Australia. Australia would welcome more detail from Canada on the reason for this decision, its intended length of operation and how Canada considers this decision to be consistent with its WTO obligations.

Further, Australia notes that on 29 March 2016, the Ontario Ministry of Agriculture, Food and Rural Affairs made changes to the Ontario Milk Act in order to establish the new class 6, effective 1 April 2016. Can Canada please outline the specific actions that the government of Canada is taking to avoid breaching Canada's export subsidy entitlements, and harming other WTO Members' ability to export like products to Canada consistent with Uruguay Round outcomes?

1.6.2 Question by New Zealand (AG-IMS ID 80006)

New Zealand thanks Canada for its response to its question about Ontario's new milk ingredient class aimed at import displacement (Special Milk Class 6). Canada responded that "The government of Canada is not directly involved in these discussions and is following these discussions with interest, with a view to ensuring they are in conformity with Canada's international obligations".

New Zealand notes that on 29 March 2016, the Ontario Ministry of Agriculture, Food and Rural Affairs made changes to the Ontario Milk Act in order to establish the new class 6, effective 1 April 2016. Could Canada outline the specific actions that the federal government of Canada is taking to avoid any of the following from occurring as a result of this action taken by the Ontario provincial government?

- a. Export subsidies circumventing existing WTO limits;

- b. Serious prejudice to countries exporting like products to Canada;
- c. The impairment of market access opportunities negotiated under the Uruguay Round.

1.6.3 Question by New Zealand (AG-IMS ID 80005)

The Canadian Milk Supply Management Committee (CMSMC) which is chaired by the Canadian Dairy Commission (CDC), a Crown corporation, has announced an interim change (effective 1 May to 31 July 2016) to allow subsidised skim milk under Class 4(m) to be used as an ingredient for "standardised cheese". As a result Canadian dairy processor (Agropur) has announced that this change allows it to "immediately" end its imports of cheese ingredients. Given the serious prejudice caused by this measure to exports from third countries, and the role a Crown corporation has played in the formation of this measure, what steps is the Canadian government taking to repeal it and prevent further WTO-inconsistent subsidisation of products aimed directly at import substitution?

1.6.4 Question by United States of America (AG-IMS ID 80025)

The Canadian Milk Supply Management Committee (CMSMC), which is chaired by the Canadian Dairy Commission (CDC), a Crown corporation, announced a change (effective May 1 to July 31, 2016) to provide at world prices liquid milk protein concentrate (MPC) (up to 85% protein) and skim milk under Class 4(m) to be used as ingredients for "standardized cheeses."

- a. Under Canada's cheese compositional standards, does milk claimed by processors to qualify for the Class 4(m) adjustment count as an ingredient or as fluid milk? Does MPC claimed by processors to qualify for the class 4(m) adjustment count as an ingredient or as fluid milk? If only part of the Class 4(m) milk or MPC will be counted as fluid milk for purposes of the compositional standards, please specify the percentage.
- b. How exactly are these world prices determined? For example, world prices of which products are considered? Are U.S. prices used?
- c. Since world prices are lower than Canada's domestic prices, are dairy farmers expected to incur a reduction in revenues? If so, are they expected to be compensated for this reduction in revenues? If they will be compensated, how and by whom?

In March, New Zealand posed a question about Ontario's new milk class (Special Milk Class 6) (AG-IMS ID 79035). Canada responded that "The government of Canada is not directly involved in these discussions and is following these discussions with interest, with a view to ensuring they are in conformity with Canada' international obligations". The United States notes that on 29 March 2016, the Ontario Ministry of Agriculture, Food and Rural Affairs made changes to regulations under the Ontario Milk Act in order to establish the new class, effective 1 April 2016.

- d. Please explain the role of the Ontario Ministry of Agriculture and the Ontario Milk Act in the establishment of Special Milk Class 6.
- e. Is there a listing of the prices under the various milk classes for Ontario processors before and after Special Milk Class 6 was instituted? If so, please provide it to the United States or let the United States know where the United States may locate it.
- f. Since prices under Special Milk Class 6 are supposedly lower than Canada's domestic prices, are dairy farmers expected to incur a reduction in revenues? If so, are they expected to be compensated for this reduction in revenues? If they will be compensated, how and by whom?
- g. May processors who receive milk under Class 6, and whose production process results in excess skim milk solids, export that excess?

1.7 Canada's wine sale policy

1.7.1 Question by New Zealand and the United States of America (AG-IMS ID 80008, AG-IMS ID 80095)

New Zealand remains concerned by the wine regulations implemented in British Columbia (B.C.) that allow for the sales of B.C. wines on regular grocery stores shelves, to the exclusion of imported product. In this regard:

- a. Can Canada explain how B.C.'s regulation of imported wine is consistent with Canada's national treatment obligations under Article III: 4 of the GATT 1994, given that sales are restricted to "stores within a store" which are subject to restrictions that do not apply to the grocery store sales of B.C. wine?
- b. Can Canada explain why no new "stores within a store" selling imported wine have been opened since these changes took effect on 1 April 2015?
- c. Can Canada explain on what basis public health considerations differ between locally produced and imported wine and spirits?

1.7.2 Question by New Zealand and the United States of America (AG-IMS ID 80009, AG-IMS ID 80094)

New Zealand was pleased that Ontario has not followed British Columbia in restricting grocery store sales to local wines. However New Zealand is disappointed to note that, according to the Ontario Premier's Advisory Council's recommendations, of the initial 70 licences it proposes to issue, only 50% will allow for the sale of imported wines from the outset, with those licenses only allowing for the sale of imported wines after a three year phase-in. New Zealand would welcome an update from Canada on this issue.

1.8 Canada's tariff-rate quota for cheese

1.8.1 Question by New Zealand, Norway and Switzerland (AG-IMS ID 80007, AG-IMS ID 80001 and AG-IMS ID 80002)

New Zealand refers to previous questions asked to Canada in regard to proposed changes to Canada's WTO tariff quota for cheese as part of the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union (EU). New Zealand acknowledges Canada's previous responses that it will continue to administer its WTO TRQ for cheese in conformity with its WTO obligations and that the size of the WTO cheese TRQ will remain at 20,411,866 kg. New Zealand remains concerned that the proposed change would unilaterally reduce the quantity of market access available to WTO Members. Can Canada please confirm the quantity of market access available to WTO Members other than the EU, if 800 tonnes of WTO cheese TRQ is reallocated to the EU?

1.9 Canada's compositional standard for cheese

1.9.1 Question by New Zealand (AG-IMS ID 80004)

Canada's compositional standard for cheese appears to be inconsistent with fundamental "national treatment" obligations in both the General Agreement on Tariffs and Trade (GATT 1994) and the Agreement on Technical Barriers to Trade (TBT Agreement). The three elements required to demonstrate a breach of Article III:4 of the GATT 1994:

- a. First, "less favourable" treatment of imported dairy ingredients. Canada's compositional standards de facto require that a set percentage of ingredients in cheese (e.g. 83% for cheddar) are sourced from Canadian milk. This domestic-content requirement appears to accord "less favourable" treatment to imported dairy ingredients.

- b. Second, domestic Canadian milk and imported dairy ingredients are "like products". When used as ingredients in the manufacture of dairy products, Canadian fluid milk is a "like product" to imported dairy ingredients. The situation is analogous to that in the Mexico – Soft drinks WTO dispute (WT/DS308). That dispute involved Mexican regulations that favoured the use of cane sugar, which was predominantly sourced domestically, over the use of high-fructose corn syrup, which was predominantly imported, as sweeteners in the manufacture of soft drinks. The panel and Appellate Body ruled that, as ingredients, the products were "like" and that Mexico's import-substitution measure was inconsistent with WTO national treatment obligations. A similar conclusion of national treatment violation appears to be likely in this instance.
- c. Third, the measures are "laws, regulations or requirements". Canada's compositional standard is set out in the Dairy Products Regulations SOR/79-840. Given this, what steps is Canada taking to repeal its WTO-inconsistent compositional standard for cheese? Has the Canadian government been asked by potential investors in Canada's dairy sector about the WTO-inconsistency of these and other measures that are part of Canada's evolving "Dairy Ingredients Strategy"?

1.10 China's decision to end corn floor price

1.10.1 Question by European Union (AG-IMS ID 80036)

According to press articles China has ended its corn floor price system.

- a. Could China explain more in detail about the consequences of this change in policy on the market, production and internal consumption?
- b. Does China intend to introduce any other type of support to its maize producers to replace the floor price system?

1.11 Costa Rica's compliance with AMS commitments

1.11.1 Question by United States of America (AG-IMS ID 80026)

The United States thanks Costa Rica for its transparency, though remains concerned by Costa Rica's continued lack of compliance with its WTO obligations. In response to AG-IMS ID 79004, Costa Rica notes that the upcoming notification "will reflect the Aggregate Measurement of Support for 2015. Only then will it be possible to determine whether the amount is within the annual monetary limits of Costa Rica's bound AMS of USD 15.9 million."

- a. When does Costa Rica expect to have the calculations for 2015?
- b. Does Costa Rica expect to be within the annual monetary limit for AMS for 2015?

1.12 European Union's export subsidies

1.12.1 Question by Japan (AG-IMS ID 80013)

With regard to the elimination of export subsidies, could the European Union confirm if there are any products to which the footnotes 3 or 4 of the Nairobi Ministerial Decision on Export Competition are applied and for which the elimination of export subsidy are postponed?

If there are such products, could the European Union describe the detailed tariff lines (CN number) and the latest budgetary outlay of export subsidy on each tariff line?

1.13 European Union's agriculture policies

1.13.1 Question by New Zealand (AG-IMS ID 80010)

New Zealand would like to thank the European Union for its answer to the question (AG-IMS ID 79032) New Zealand posed in the 9 March 2016 Committee on Agriculture regarding

European Union efforts to adopt more market-focused agriculture policies through reform of the CAP. New Zealand is interested in the European Union's statement that 23 member States are "granting targeted aid in the form of payments per production unit (farm, number of animals, production volumes, or a combination of these)", and would like to request more information.

Specifically, New Zealand would be interested to learn:

- a. the combined annual value of these payments across the 23 member States;
- b. the criteria used to determine the amount of aid that will be granted; and
- c. the proportion of funding targeted, respectively, at the dairy sector, the pig meat sector and the beef sector.

1.14 India's importation of apples

1.14.1 Question by New Zealand (AG-IMS ID 80014)

New Zealand understands that Visakhapatnam Port and Tuticorin Port remain closed to apple imports since they were originally closed in September 2015.

- a. Why are two ports closed to the import of apples?
- b. When they will reopen?
- c. How are these closures consistent with Article 4.2 of the Agreement on Agriculture which states that 'Members shall not maintain, resort to, or revert to any measures of the kind which have been required to be converted into ordinary customs duties'?

1.15 India's new crop insurance scheme

1.15.1 Question by Canada (AG-IMS ID 80068)

Canada is following up on a question it had on India's new crop insurance scheme from the 79th meeting of the Committee (AG-IMS ID 79051).

India provided a website link (<http://agricoop.nic.in/>) to the Department of Agriculture, Cooperation and Farmers Welfare which includes information on a number of insurance products available to India's farmers. The site includes information on the Pilot Modified National Agricultural Insurance Scheme (NAIS) for which the operational guidelines were authorized on 28 September 2010. The description of the Pilot Modified NAIS indicates that the scheme will be implemented on a pilot basis in 50 districts. It appears that the Pilot Modified NAIS has been in operation for over five years.

Could India clarify if the Pilot Modified NAIS has become the new crop insurance scheme that was announced earlier this year, or if this is a different insurance product available to India's farmers?

1.16 India's sugar export subsidies

1.16.1 Question by Australia (AG-IMS ID 80011)

Australia thanks India for the answers provided to Australian questions raised at the 79th Committee on Agriculture (AG-IMS ID 79047), and notes that India has confirmed the discontinuation of the export subsidy programme established under the Sugar Development Fund (Amendment) Rules in February 2014. Can India please:

- a. provide further updates in relation to the operation of the Maharashtra export subsidy programme, including total amount of subsidy paid, and the total amount of sugar exported under the programme (by year).

- b. confirm reports suggesting that the Minimum Indicative Export Quota scheme (MIEQ) will be, or has been terminated.
- c. provide the total amount of sugar exported to date against the 2015-16 MIEQ export target, and provide the total amount of payments made to cane farmers under the MIEQ scheme.
- d. provide a written answer to AG-IMS ID 78087.

1.16.2 Question by European Union (AG-IMS ID 80037)

India in its response to question AG-IMS ID 79023 clarified that the production incentive is allowed on all cane crushed by the sugar mills during 2015-2016 sugar season. However, the European Union understands that the incentive is provided only to those mills which have exported at least 80% of the targets notified under the Minimum Indicative Export Quota (MIEQ).

- a. Could India confirm that payments were only made to crushers having fulfilled the 80% export target under MIEQ?
- b. Does India consider this support to be contingent on export performance, as referred to in Article 1(e) of the Agreement on Agriculture?

1.17 India's export assistance programmes

1.17.1 Question by United States of America (AG-IMS ID 80027)

The United States asked several detailed questions in September 2015 (AG-IMS ID 78007) and March 2016 (AG-IMS ID 79002) regarding India's export assistance programmes and received a general response from India. While the United States understands that the Vishesh Krishi Gram Upaj Yojana (VKGUY – or "Special Agriculture Produce Scheme") scheme was discontinued on 31 March 2015, the United States is resubmitting some of its previous questions, noting its interest in historical data. In addition, the United States also seeks more details on the new programme, the Merchandise Export from India Scheme (MEIS).

- a. Would India confirm whether the VKGUY programme is suspended permanently or simply suspended currently?
- b. How much revenue was foregone by the government under the VKGUY programme?
- c. From 2010-2014, which agricultural products received export assistance under the VKGUY programme, and in what amounts?
- d. Will India notify benefits provided under the new MEIS in its export subsidy notifications?
- e. Since 2014, have any agricultural products received export assistance under the MEIS programme, and if so, in what amounts?

1.18 Israel's administered price for milk and compliance with AMS commitments

1.18.1 Question by New Zealand (AG-IMS ID 80015)

New Zealand welcomes Israel's recent DS:1 notification and commitment to transparency with respect to its AMS outlays for the calendar years 2011 to 2014.

- a. New Zealand notes that Israel's notified "administered price" for milk has been adjusted. Given Annex III, paragraph 9 of the Agreement on Agriculture (AoA) only provides that the "fixed reference price" may be adjusted for quality differences, could Israel explain the legal basis for the adjustment of its notified 'applied administered price' for milk?

- b. Given only an adjusted administered price for milk has been provided in Israel's notification, for transparency and comparison purposes, what was the unadjusted applied administered price for milk for years 2011-2014?
- c. New Zealand notes Israel's reference to ongoing reforms and would appreciate if Israel could provide details on the planned reforms, including expected timeframes for bringing domestic support payments in line with AMS commitments?

1.19 Japan's Act on price adjustment of sugar and starch

1.19.1 Question by European Union (AG-IMS ID 80042)

An amendment to the Act on price adjustment of sugar and starch has recently been proposed. Under this amendment, the price of imported sweetened preparations and sugar will be regulated through a special levy collected by ALIC. Could Japan give more detailed information on the type and origin of products that will be covered by this special levy, and at which stage the levy will be collected? Are any exemptions provided for?

1.20 Moldova's poultry tariffs

1.20.1 Question by United States of America (AG-IMS ID 80028)

The United States is concerned with Moldova's domestic legislation establishing tariff rates (initially established in Act No. 1380-XIII "Customs Tariff" from 20 November 1997). Specifically, for many tariff lines with mixed tariffs, the domestic legislation does not include language "...but not greater than x%" that is found in Moldova's WTO bound tariff schedule, effectively eliminating an applied tariff rate cap. As a result, a few of Moldova's applied poultry import duties can be and have been in excess of WTO bound rates.

The United States understands that Moldova was preparing a modification to its fiscal legislation that would have eliminated the issue. However, because the relevant parts of the law were not included in the bill submitted to parliament, the correction has not happened.

- a. Has Moldova completed these steps needed to ensure that its poultry tariff stays within its WTO binding?
- b. If not, what are Moldova's plans to come into compliance?

1.21 Russian Federation's measures affecting Ukrainian transit of agricultural products to Kazakhstan

1.21.1 Question by Ukraine (AG-IMS ID 80065)

The continuation of Russian Federation's restrictive measures applied to transit of goods transported from the territory of Ukraine to Kazakhstan through the territory of Russian Federation by truck and railway routes leads to practically a ban on Ukrainian goods, particularly agricultural goods. Recalling that the Russian Federation at the March 2016 meeting did not provide clear, specific responses to Ukraine's questions (AG-IMS ID 79084), Ukraine kindly requests that the Russian Federation provide substantive and meaningful answers to each of the updated questions below.

According to the RF Presidential Decree No. 1 and RF Government's Decision No. 1 as of 1 January 1, 2016, the Russian Federation has imposed a measure requiring that transit of goods coming from the territory of Ukraine to the territory of Kazakhstan through the territory of the Russian Federation by automotive and railway routes must enter the territory of the Russian Federation through the Republic of Belarus. In addition, only two checkpoints in the Russian Belarus border and three points in the Russian-Kazakhstan border may be used for the transit of such goods. The requirement to use specific transit checkpoints and transit via Belarus lengthens the shipping distance and adds burdens such as delays and additional costs. Moreover, from the beginning of 2016 Ukraine also has faced a number of restrictions on traffic in the transit of the

Ukrainian goods through the territory of the Russian Federation to the third countries (not Kazakhstan).

Thus Ukraine kindly requests that the Russian Federation:

- a. Explain why the Russian Federation decided to restrict the entry of traffic in transit from the territory of Ukraine through two entry points in the border of Belarus with the Russian Federation and through three exit points in the border of the Russian Federation with Kazakhstan.
- b. Explain in detail the requirements that traffic in transit from the territory of Ukraine through the territory of the Russian Federation must comply with after 1 January 2016. Provide WTO Members with all operational details, including subsidiary legislation or enforcement orders for customs authorities regarding the implementation of this measure.
- c. Explain if the country of origin of an agricultural good is the basis for applying the measure and whether any similar trade restrictions on transit are being applied to agricultural goods of any other WTO Member.
- d. Clarify whether the measure is applied, in law and/or in fact, only to goods in transit from the territory of Ukraine to the territory of Kazakhstan, or the measure is also applied, in law and/or in fact, to goods in transit from the territory of Ukraine to the territories of other countries. List these countries, if applicable.
- e. Explain how the Russian Federation's restrictive measures are consistent with Art. 4.2 (footnote 1) of the Agreement on Agriculture.
- f. Explain in detail the requirements for traffic in transit of the Ukrainian agricultural goods subject to TBT restrictions under the Russian Federation acts through the territory of the Russian Federation.
- g. Explain when the above mentioned Russian Federation's restrictive measures in relation to transit of Ukrainian goods will be eliminated.

1.22 Sri Lanka's increase in milk powder tariffs

1.22.1 Question by New Zealand (AG-IMS ID 80016)

New Zealand is pleased that Sri Lanka is currently working to bring its applied tariffs for dairy products that exceed its WTO bindings in line with its WTO commitment levels by the middle of 2016. Can Sri Lanka advise the Committee what remaining steps need to be taken in order for it to deliver on this mid-year commitment?

1.23 Thailand's export of rice from government stocks

1.23.1 Question by European Union (AG-IMS ID 80045)

According to the FAO, and as reported in the press, in 2016 Thailand is expected to export 9.9 million tonnes of rice, which is a slightly greater quantity than exported in 2015. However due to reduced production in 2015, a higher share of the export will come from government stocks.

- a. Could Thailand indicate the total quantity of rice exported from government stocks in 2015 and the average sales price of these quantities?
- b. Could Thailand indicate the expected quantities to be sold on export markets from government stocks during 2016?

1.24 Turkey's support scheme to certain agricultural sectors

1.24.1 Question by European Union (AG-IMS ID 80049)

Follow up to question AG-IMS ID 79026.

The European Union thanks for the detailed reply to its questions. However, in Turkey's 2016 Trade Policy Review exercise, in a reply to EU's question No. 34, Turkey stated that "no support was granted to citrus fruit after 1999", which is in direct contradiction to the answer given to question AG-IMS ID 79026. How does Turkey reconcile these statements?

1.25 Turkey's domestic support and export subsidies

1.25.1 Question by Japan (AG-IMS ID 80012)

In the last session (79th CoA), Turkey replied to the question from the European Union (AG-IMS ID 79027) that "Turkey's export subsidies and domestic support notifications are being prepared". Could Turkey update the situation?

With regard to the elimination of export subsidies, could Turkey confirm if there are any products to which footnotes 5 of the Nairobi Ministerial Decision on Export Competition are applied and of which the elimination of export subsidy are postponed?

If there are such products, could Turkey describe the detailed tariff lines (12-digit level) and the latest budgetary outlay of export subsidy on each tariff line?

1.25.2 Question by New Zealand (AG-IMS ID 80017)

New Zealand notes that Turkey has not notified its export subsidies to the Committee on Agriculture since 2000. Turkey's export subsidy outlays for a range of agricultural products in the period 2013-2015 were nonetheless notified in 2012 and 2014 to the Committee on Subsidies and Countervailing Measures (G/SCM/N/220/TUR and G/SCM/N/253/TUR). When will Turkey notify these export subsidies and any prior to 2013 to the Committee on Agriculture?

1.25.3 Question by European Union (AG-IMS ID 80048)

The European Union continues to request an answer to question (AG-IMS ID 78044) raised during the CoA meeting on 25 September 2015:

The European Union has still not received any substantive answer to questions AG-IMS ID 77047, AG-IMS ID 75069 and AG-IMS ID 73056 asked during the 73rd, 75th and 77th meeting of Committee, and invites Turkey to present its reply to these questions.

Further, the US Department of Agriculture in its Citrus Report for the year 2013 indicates (as in the 2011 report) that "the Turkish government makes support payments to exporters and the rates vary each year. The Ministry of Finance is providing a subsidy to citrus exporters of 200 YTL/MT in 2013. There is also a minimum price requirement for this specific subsidy. The government makes payments to a special account, which the exporter can only use to make tax and social security payments as well as utilities such as telecommunications, electricity, and natural gas. In order to protect domestic producers, the government kept the customs duty rates at 2007 levels for orange juice and citrus imports, which are 54%."

- a. Could Turkey confirm that since 2001 its budgetary outlays and eligible quantity as regards export subsidies, notably for citrus fruits, have remained below its commitments?
- b. Could Turkey indicate the level of AMS support in absolute amounts since 2002 per budget year or at least for the budget years 2010 to 2014?
- c. Does this level respect Turkey's de minimis commitment?

- d. When will Turkey make its DS:1 notifications for the years after 2002?

1.26 Turkey's fruit and vegetable export subsidies

1.26.1 Question by European Union (AG-IMS ID 80056)

The European Union continues to request an answer to question AG-IMS ID 79031.

Media reports refer to the Turkish government subsidizing fruit and vegetable exports to compensate for the loss of the Russian market. The aid seems to be regulated by a Turkish law applicable from 1 January 2016 which consists of per tonne subsidies for fruits (fresh, canned or frozen), dried fruit, fruit juice and vegetables.

- a. Could the Turkish delegation provide clarifications whether such an export subsidy is currently in place?
- b. Will Turkey notify the use of this export subsidy?

1.27 Turkey's destination of wheat flour sale

1.27.1 Question by United States of America (AG-IMS ID 80029)

The United States appreciates Turkey's response to its question AG-IMS ID 78008. However, the response was not clear. The United States resubmits the following questions:

- a. Are any Members of the Turkish Grain Board (TMO) Board of Directors appointed by or employed by the government of Turkey?
- b. Public records indicate annual sales of TMO wheat sales to inward processing certificate holders over the past several years. In the past, Turkey has cited U.S. Department of Commerce countervailing duty decisions on pasta and steel pipes and tubes. These decisions do not provide the information requested. Does Turkey confirm that TMO sells domestic wheat to Turkey flour millers that export flour and hold inward processing certificates? If so, please provide wheat purchase and wheat sales prices for these transactions for the last three years.
- c. The United States appreciates Turkey's response on exported flour and imported wheat as shown in the table (Annex 2 in G/AG/W/106; AG-IMS ID 73042). Are all of the quantities listed imported and exported through the inward processing system? If not, please elaborate on this table by stating how much of the imports and exports were through the inward processing system. Turkey has responded that "Vast majority of Turkish wheat imports and wheat flour exports were made under IPR". Please state precisely how much of the imports and exports were through the inward processing system.
- d. In AG-IMS ID 73042, the United States requested data concerning both the quantity and quality of wheat imports and flour exports under Turkey's inward processing system. In response, Turkey provided data concerning only the quantity of such imports and exports and did not have data to share on quality. Please share any information regarding the quality of the wheat imports over the last three years that Turkey can provide, even if not data.

1.28 Turkey's rice support

1.28.1 Question by European Union (AG-IMS ID 80052)

The European Union continues to request an answer to question AG-IMS ID 79029.

On 17 December 2015 the government of Turkey announced the paddy purchasing price for 2015-2016 at around TL 1,580 (around USD 534) per tonne.

- a. Could Turkey indicate how many tonnes benefitted from this price and the total cost for TMO for this measure?
- b. How does Turkey intend to notify this support in its DS:1 notification?

2 POINTS RAISED IN CONNECTION WITH INDIVIDUAL NOTIFICATIONS

2.1 ADMINISTRATION OF TARIFF AND OTHER QUOTA COMMITMENTS (TABLE MA:1)

2.1.1 Kazakhstan (G/AG/N/KAZ/1)

AG-IMS ID 80079: Question by Canada - Allocation of licences to importing entities

Canada welcomes the detailed notification from Kazakhstan regarding the administration of its tariff rate quotas. Canada notes that the administration for the beef TRQ, section (b) ii) and iii) mentions "45 % of the quota volume is allocated to meat processors in accordance with the requested volumes". Under the WTO Agreement on Import Licensing Procedures as per Article 3: "Consideration shall also be given to ensuring a reasonable distribution of licenses to new importers" (i.e. new entrants) in the administration of non-automatic import licenses.

Could Kazakhstan confirm that the 45% of the allocation quantity are also available to new entrants?

2.1.2 Switzerland (G/AG/N/CHE/13/ADD.17)

AG-IMS ID 80030: Question by United States of America - Allocation of licences to importing entities

The United States thanks Switzerland for their response to AG-IMS ID 77072 and has a follow-up question.

In 2015, Switzerland increased the share of beef and sheep meat import quotas that are distributed based on the contribution to Swiss production from 10% to 50%. In Switzerland's 2016 notification related to the administration of tariff quotas, Switzerland maintains the 50% provision. This provision is disadvantageous to companies that principally source product through imports. Will Switzerland explain in detail why it considers this system to be in compliance with its WTO commitments?

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

2.2.1 Japan (G/AG/N/JPN/210)

AG-IMS ID 80018: Question by Australia - Tariff quota fill

Australia notes that Japan continues to significantly under-fill some of its tariff quotas for several products, including skimmed milk powder for school lunches, skimmed milk powder for other purposes, and prepared whey for infant formula. Would Japan please provide reasons for why these tariff quotas were not filled?

AG-IMS ID 80058: Question by European Union - Tariff quota fill

Japan's dairy TRQs in the last three years have low fill rates, e.g. "Skimmed Milk Powder" fill rates are respectively 27.3%, 27% and 25.2% in the last three years 2012-2014, or on butter respectively 28.6%, 20.5% and 25% in the last three years 2012-2014.

- a. How does Japan explain such low fill rates?
- b. How does Japan intend to address this low level of imports of dairy products?

2.2.2 Norway (G/AG/N/NOR/86)

AG-IMS ID 80060: Question by European Union - Tariff quota fill

The European Union notes that the tariff quota fill rate for the Norwegian tariff quota covering "meat of fowls of the *species Gallus domesticus*" has fallen drastically from 85% in 2014 to 5% in 2015.

- a. What is the reason behind this substantial decrease?

The European Union also notes that for a number of TRQs there has consistently been a very low fill rate.

- b. Does Norway intend to change the administration of these TRQ to allow a better fill-in rate?

2.3 SPECIAL AGRICULTURAL SAFEGUARDS (TABLES MA:3 to MA:5)

2.3.1 Philippines (G/AG/N/PHL/44)

AG-IMS ID 80085: Question by Canada - Transparency issues

Canada understands, based on the notification from the Philippines that a price-based safeguard was in place from January 2010 to October 2014 on HS 0207.14.92. Recalling that Article 5, paragraph 7 of the Agreement on Agriculture stipulates that "any member taking action under subparagraph 1 (b) above [a price-based SSG] shall give notice in writing, including relevant data, to the Committee on Agriculture within 10 days of implementation of the first such action..."

- a. When will the Philippines provide MA:3 and MA:4 notifications that show the trigger calculation that has been used to enact the SSG in each case where it has been enacted?
- b. Can the Philippines provide information as to the volume of trade affected by the impositions of the SSG?
- c. Given the near constant SSG action on HS 0207.14.92, can the Philippines provide information on the trend in domestic production and consumption on this particular product?

AG-IMS ID 80063: Question by European Union - Transparency issues

In 2015, the Philippines notified the reinstatement of a price-based SSG for certain listed products. Could the Philippines give further details on what is meant exactly by reinstated? Does it mean reinstated on a permanent basis?

2.3.2 Chinese Taipei (G/AG/N/TPKM/133)

AG-IMS ID 80077: Question by Canada - Transparency issues

- a. Canada notes that the Paragraph 7 of Article 5 of the Agreement on Agriculture states that Members give notification "...as far as in advance as may be practicable and in any event within 10 days of the implementation of such action". Chinese Taipei's MA:3 notification was issued on 15 March 2016 and was for the period 21 August 2015 to 31 December 2015. Could Chinese Taipei please explain how, going forward, it will improve its transparency and notification requirements under the Agreement on Agriculture?
- b. Could Chinese Taipei please confirm if the domestic consumption volumes are for all of pork, or only for pork belly?

AG-IMS ID 80061: Question by European Union - Transparency issues

The European Union would welcome information on the economic situation which led Chinese Taipei to take this specific measure on pork belly. According to Chinese Taipei's notification, imports are decreasing.

- a. Why was such measure necessary?
- b. Did these imports pose a risk to the national production?
- c. Could Chinese Taipei indicate the origin of the imported pork belly?

2.3.3 Chinese Taipei (G/AG/N/TPKM/134)

AG-IMS ID 80062: Question by European Union - Other implementation issues

Chinese Taipei applies the SSG, both on volume and on price, to a large number of products. According to Chinese Taipei's notification, the SSG was applied both on price and on volume on the same products.

Could Chinese Taipei explain how the SSG was applied given that Article 5.1(a) of the Agreement on Agriculture provides that both price and volume SSG cannot be used concurrently in a given year?

2.4 DOMESTIC SUPPORT COMMITMENTS (TABLE DS:1)

2.4.1 China (G/AG/N/CHN/28)

AG-IMS ID 80034: Question by United States of America - Transparency issues (including Table DS:2)

As noted in China's response to AG-IMS ID 78062, despite its intended purpose to stabilize production and provide food security, the programmes are de facto market support prices. Therefore, under WTO rules, they should be notified as administered prices. The United States requests that China revise its notification to reflect this.

AG-IMS ID 80035: Question by United States of America - Direct payments: payments for relief from natural disasters

Regarding AG-IMS ID 78064, China's "payments for relief from natural disasters" have increased substantially since 2005, reaching CNY 583.84 hundred million in 2010. Per paragraph 8 (a) of Annex 2 of the Agreement on Agriculture "...payments shall arise only following a formal recognition by government authorities that a natural or like disaster has occurred".

- a. Please provide a list of all relevant formal recognitions by either the central government or local governments that provided eligibility for payments in 2010.

In response to AG-IMS ID 78064, China stated that it was not in a position to provide any specific resources related to other specific policy and implementing guidance regarding the notified programmes.

- b. Is China now in a position to do so? If not, what resources are available to help Members better understand programmes notified under this subheading?

In response to AG-IMS ID 66050, China indicated that total payments only compensated for a small part of farmers' losses.

- c. Please provide an indication of the level of compensation provided to farmers compared to losses of income.
- d. Please provide a list of the individual programmes included under this subheading.

AG-IMS ID 80039: Question by United States of America - Market price support

Given China's response to AG-IMS ID 78067, an updated notification continues to be warranted. Please provide an estimated submission date for the updated notification.

AG-IMS ID 80040: Question by United States of America - Market price support: Eligible production

With China's answer to AGIMS ID 78068, the United States understands that the entire production of wheat and rice in the targeted regions should be used to calculate China's AMS for wheat and rice. The United States requests that China revise its notification to reflect this.

2.4.2 Cuba (G/AG/N/CUB/53)**AG-IMS ID 80073: Question by Canada - Domestic food aid**

Canada notes that under domestic food aid that Cuba describes the measure as a "retail price subsidy for certain products that constitute the basic food basket". Could Cuba provide additional information, including the eligibility requirements for the recipients?

AG-IMS ID 80071: Question by Canada - Direct payments: structural adjustment assistance provided through investment aids

Cuba's notified payments made to improve rural structures and for the purchase of equipment, machinery, etc., under "Structural adjustment assistance provided through investment aids" increased from 216.3 million pesos in 2014 to over 1 billion pesos in 2015.

- a. What are the reasons for the large increase in expenditure for this programme?
- b. Could Cuba elaborate on the structural disadvantages that are being addressed?

2.4.3 Fiji (G/AG/N/FJI/13)**AG-IMS ID 80075: Question by Canada - General services: other**

Canada welcomes Fiji's DS:1 notification covering years 2010-2015. Could Fiji provide more information on the "income security" aspect of the "Export Promotion" programme that is listed for each of the years notified? In particular, how does the government of Fiji provide a farmer with income security and what is the basis for a payment?

2.4.4 Georgia (G/AG/N/GEO/15)**AG-IMS ID 80019: Question by Australia - Transparency issues (including Table DS:2)**

In relation to Georgia's latest DS:1 notification, can Georgia please provide more information regarding two programmes, which have been notified as Green Box programmes:

- a. With respect to the "Agro Insurance" programme, can Georgia detail the covered events under related insurance programmes? To what extent will production losses be covered by the related insurance programmes?
- b. With respect to the "Preferential Agro-credits" programme, can Georgia explain the context of the term "preferential" in the title of the programme? To what or whom is the preference, or concession, applied? What are the defined eligibility criteria in relation to the programme? What kind of structural disadvantage is the programme designed to address?

AG-IMS ID 80043: Question by United States of America - General services: infrastructural services

In Supporting Table DS:1, under General Services paragraph 2 g), Georgia lists two programmes totalling approximately GEL 70 million. Will Georgia provide more detail as to what specifically is covered by the Agricultural Support Programme?

AG-IMS ID 80083: Question by Canada - Direct payments: payments for relief from natural disasters

Georgia first notified a measure called "Agro Insurance" under "Relief from natural disasters (paragraph 8, Annex 2)" in its 2014 notification. This measure continues for its 2015 notification.

- a. Could Georgia please provide more information on this measure?
- b. Specifically, could Georgia please provide the criteria for applicants to receive payments under this measure? What crops are covered under the measure?
- c. Could Georgia please advise when a DS:2 notification will be provided for this programme?

2.4.5 India (G/AG/N/IND/10, G/AG/N/IND/10/CORR.1)**AG-IMS ID 80044: Question by United States of America - Transparency issues (including Table DS:2)**

The United States wishes to follow-up on the response to AG-IMS 78035, that "the original data source [for establishing India's FERP] is as indicated in India's AGST document. The calculations can be confirmed using widely available standard sources of trade statistics." However, as noted in the original question, using widely standard sources of trade statistics, the United States has not been able to confirm India's FERP calculation of USD 240 per metric tonne for wheat. The U.S. calculations show that wheat prices during the 1986-88 period ranged from USD 100-160 per metric tonne. Therefore the United States respectfully would like additional clarification. Please specifically cite sources for these trade statistics.

2.4.6 Israel (G/AG/N/ISR/55)**AG-IMS ID 80064: Question by European Union - Transparency issues (including Table DS:2)**

The European Union wishes to commend the clarity with which Israel has presented its latest DS:1 notification.

- a. What measures does Israel intend to implement to bring its support in line with its domestic support commitments?
- b. Could Israel explain more in the detail the method and figures used in the calculation made for the adjustment of the administered price for milk?
- c. Could Israel identify the specific provision for the definition of the raw milk in the legislation?

There is a relatively large increase (from 2012 to 2013) in the notification of "General Services", (iii) General Ministry of Agriculture Operations, in the programme named "Provision of overall management of the Ministry of Agriculture including specialized administrative service".

- d. What are the reasons behind this relatively large increase (+ 300%), and what measures are included under this heading?

AG-IMS ID 80020: Question by Australia - Scheduled commitment level

Australia notes with concern that Israel has breached its Total AMS commitment level in 2011, 2012, 2013 and 2014 (G/AG/N/ISR/55). The breaches are linked to market (administered) price support programmes in the dairy and egg sectors.

Australia welcomes Israel's openness and transparency on this issue.

Can Israel please describe what policy changes will be undertaken to ensure its trade-distorting domestic support is delivered within Israel's AMS commitments? Can Israel also provide the Committee on Agriculture with an indication as to when the necessary reforms will be undertaken, and when Israel's Current Total AMS is expected to fall below the Total AMS commitment again?

AG-IMS ID 80087: Question by Canada - Scheduled commitment level

Canada would like to express its appreciation for Israel's commitment to transparency and its explanatory note regarding its most recent notification. Canada is very concerned that Israel has exceeded its Total AMS commitment for 2011 to 2014. Canada is encouraged that Israel reports that steps are underway to bring its domestic support back into compliance with its WTO domestic support commitment.

- a. Could Israel please describe in greater detail its proposed alternate model to provide support to the agricultural sector?
- b. What is the status of the development of this alternate model in Israel's domestic process?
- c. Could Israel give a timeframe for when it expects to be in compliance with its total AMS commitments?

AG-IMS ID 80066: Question by Ukraine - Scheduled commitment level

As notified the current total AMS was higher than the total final bound AMS in the period 2011-2014. Quite positively, Israel provides a very helpful statement and data regarding the policy background for this excess use of domestic agricultural support. Moreover, Israel provides a clear positive statement of proposed new policy orientations to ensure such AMS breaches do not continue. Israel notes that AMS measures mainly concern two products: table eggs and raw milk and that two factors impacted the AMS level:

- rising feed cost caused by higher prices of imported feed ingredients;
- adjustments for quality differences of raw milk produced in period of review and in the base period.

Could Israel please elaborate the degree to which the appreciation of the local currency to the US dollar during the period 2011-2014 influenced the current total AMS either separately or as part of the two above-noted factors?

2.4.7 Panama (G/AG/N/PAN/39)

AG-IMS ID 80069: Question by European Union - Transparency issues (including Table DS:2)

Could Panama indicate the Value of Production for each of the products listed in Supporting Table DS:6 of the notification?

AG-IMS ID 80088: Question by Canada - General services: training services

Canada notes that the description of measures described as "subsistence farming and sustainable agriculture programmes, including crop promotion, use of accessible technology and environmental protection" and claimed as "training services, paragraph 2(c)" includes "income improvement programmes and rural employment creation programmes".

- a. Could Panama provide a description of the income improvement and rural employment creation programme?
- b. Could Panama explain how these two programmes meet the criteria of paragraph 2(c), Annex 2, Agreement on Agriculture related to training services?

AG-IMS ID 80089: Question by Canada - Direct payments: structural adjustment assistance provided through investment aids

The description of activities under the Agricultural competitiveness programme listed as conforming with Annex 2, paragraph 11 of the Agreement on Agriculture includes a number of different measures, including "risk management through insurance". Could Panama describe the risk management through insurance portion of this programme, and outline how it conforms to the criteria of paragraph 11, Annex 2 of the Agreement on Agriculture?

AG-IMS ID 80067: Question by European Union - Direct payments: structural adjustment assistance provided through investment aids

Could Panama explain in more detail what type of investments are included in the incentive programme for the domestic production of grain and other crops. Is it an annual payment to the crops concerned? (See also the EU question on the DS:2 notification G/AG/N/PAN/38 AG-IMS ID 80076).

AG-IMS ID 80090: Question by Canada - Other product-specific AMS/EMS

Canada notes that previous DS:1 notifications from Panama have reported product specific non-exempt direct payments for industrial tomatoes. Panama's notification for 2015 reports non-exempt direct payments for rice, maize, and milk.

- a. Could Panama explain the shift in focus for its direct payments in 2015?
- b. Could Panama please explain how it determines the volume of the production eligible for price support for rice, maize and milk?

AG-IMS ID 80021: Question by Australia - Classification of measures

Panama has notified a new programme termed the "Incentive programme for the domestic production of grain and other crops" as a Green Box measure in its latest domestic support notification (G/AG/PAN/39). Australia notes that programmes notified as Green Box measures must meet the fundamental requirement that they have "no, or at most minimal, trade-distorting effects or effects on production" (Annex 2 of the Agreement on Agriculture).

Could Panama please explain how the programme qualifies for the Green Box, given that the programme appears to be designed to encourage the production of a number of specific products, including rice, maize, sorghum, soya, and a number of horticultural crops?

2.4.8 Russian Federation (G/AG/N/RUS/13)

AG-IMS ID 80046: Question by United States of America - Direct payments: decoupled income support

Beginning on 1 January 2013, the Russian Federation implemented a new "decoupled support" programme to benefit grain producers. The programme was part of the State Program for the Development of Agriculture and Regulation of Agricultural Commodities Markets in 2013-2020 (Government Resolution No. 717 of 14 July 2012), as amended in 2014 (Government Resolution No. 315 of 15 April 2014). Beginning with the 2013 DS:1 notification (G/AG/N/RUS/9), the Russian Federation included USD 1.2 billion in decoupled income support (combined federal and sub-federal amount) under the category of decoupled income support (point d)) in supporting table DS:1. In its 2014's notification (G/AG/N/RUS/13), the Russian Federation notified a total of USD 907 million under this category.

- a. Would the Russian Federation please provide details on how payments are made under this programme? In particular, can the Russian Federation explain how this measure meets the criteria in paragraph 6 b) of Annex 2 that the amount of such payments in any given year shall not be related to, or based on, the type or volume of production undertaken by the producer in any year after the base period?
- b. Moreover, would the Russian Federation confirm that the programme meets the requirements of paragraph 6 e) that no production is required in order to receive such payments?

- c. When will the Russian Federation provide a DS:2 notification for this programme?

AG-IMS ID 80091: Question by Canada - Direct payments: payments under environmental programmes

Canada notes that in 2014, the Russian Federation notified payments at both the federal and sub-federal level under "environmental programmes".

- a. Could the Russian Federation please provide more information on the programmes and their respective expenditures?
- b. Could the Russian Federation please explain how these programmes meet the criteria of Annex 2, paragraph 12 of the Agreement on Agriculture?

2.4.9 Tunisia (G/AG/N/TUN/47)

AG-IMS ID 80022: Question by Australia - Transparency issues (including Table DS:2)

Australia requests written responses from its questions (AG-IMS ID 79065 and AG-IMS ID 79064) raised in relation to G/AG/N/TUN/45 at the 79th Committee of Agriculture. Australia notes that Tunisia did not attend the meeting and it has received no response of any kind to its questions.

Australia also notes that Tunisia has continued to modify external reference prices in its latest DS:1 notification G/AG/N/TUN/47. There is no legal basis in the Agreement of Agriculture for modifying the fixed external reference price in this way. Accordingly, Australia asks that Tunisia resubmit its domestic support notification to show the fixed external reference price without modification and alterations, and also amend the domestic support calculations accordingly so they show the amount of market price support.

AG-IMS ID 80072: Question by European Union - Transparency issues (including Table DS:2)

Could Tunisia indicate the annual inflation and exchange rates (since 1986-1988) used in the calculation and their source?

AG-IMS ID 80023: Question by Australia - Direct payments: structural adjustment assistance provided through investment aids

In its latest DS:1 notification Tunisia has notified expenditures of 19.5 million dinars under "Budgetary funds to support small farmers". Can Tunisia please provide more information about this structural adjustment programme, in particular, the eligibility criteria and the structural disadvantages in question?

AG-IMS ID 80092: Question by Canada - Excessive rates of inflation

Canada would like to express its appreciation for Tunisia's timely DS: 1 notification for 2014. Tunisia in this notification, and in previous notifications, continues to unilaterally make inflation-related adjustments to the external reference prices for wheat, barley and milk. Article 18.4 states that "in the review process Members shall give due consideration to the influence of excessive inflation on the ability of any Member to abide by its domestic support commitments." Canada's view is that the Committee on Agriculture should be able to review an unadjusted domestic support notification and consider the particular circumstances of a Member facing difficulty with its domestic support commitment. Canada would like to refer to a 2014 communication from Canada in 2014 (RD/AG/18, RD/AG/18/Add1/Rev.1) for a more detailed review on the application of Article 18.4.

- a. Could Tunisia please explain the criteria used when determining that "excessive inflation" has occurred?
- b. Could Tunisia elaborate as to how its unilateral adjustment to the external reference price is consistent with Article 18.4 of the Agreement on Agriculture?

- c. Could Tunisia elaborate on its plans on how it will bring its domestic support into conformity with its commitment?

AG-IMS ID 80047: Question by United States of America - Excessive rates of inflation

For the reporting period of 2014, Tunisia has adjusted the reference prices for durum wheat, soft wheat, barley and milk to take account of inflation and exchange rate movements.

Would Tunisia please explain why inflation adjustments are required for its fixed external reference prices?

In response to a question from the European Union in September 2015 (AG-IMS ID 78030), Tunisia stated that adjustments for inflation were made on the basis of Article 18.4 of the Agreement on Agriculture (AoA). However, Article 18.4 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". Therefore, the United States as Members should give due consideration to excessive rates of inflation, but in its view, this does not mean that a Member can unilaterally determine that it has excessive rates of inflation and then make adjustments as reflected in their notifications.

It is the U.S. view that when a Member is in breach of their domestic spending commitments, it should notify and explain what steps will be taken to correct the situation. The United States would further note that since the early 1980's, Tunisia's inflation rate has not exceeded 10%, and whether Members should consider this "excessive inflation" is not clear. The United States would recommend that Tunisia refer to RD/AG/18 in which Canada discusses the use of Article 18.4

2.5 NEW OR MODIFIED DOMESTIC SUPPORT MEASURES (DS:2)

2.5.1 Australia (G/AG/N/AUS/100)

AG-IMS ID 80086: Question by Canada - General services: extension and advisory services

Canada notes that Australia has reported "Caring for our Country - Innovation Grants" as exempt from reduction commitments consistent with Annex 2, paragraph 2 d) of the Agreement on Agriculture regarding extension and advisory services. In the detailed description of the measure, Australia states that funding is available to several groups, including landowners. The description also states that, "...this will include farmers, fishers, foresters and other businesses". Moreover, a fact sheet available at [landcareonline.com.au](http://www.landcareonline.com.au/wp-content/uploads/2013/06/fact-sheet-for-Innovation-Grants.pdf) (<http://www.landcareonline.com.au/wp-content/uploads/2013/06/fact-sheet-for-Innovation-Grants.pdf>), a national network of thousands of locally-based community groups, lists farmers and agribusiness as eligible programme applicants. Given that Annex 2, paragraph 2 of the Agreement on Agriculture states that general services shall not involve direct payments to producers or processors, can Australia confirm that these innovation grants were not provided directly to producers?

2.5.2 Panama (G/AG/N/PAN/38)

AG-IMS ID 80074: Question by Canada - Transparency issues (including Table DS:2)

Panama has notified the "Incentive programme for the domestic production of grain and other crops" as adhering to the criteria laid out in Annex 2, paragraph 11 of the Agreement on Agriculture and therefore exempt from counting towards the current total aggregated measurement of support.

- a. Could Panama outline the eligibility criteria for such payments, and outline the structural disadvantages that these producers are facing?
- b. Could Panama explain how an incentive programme intended to increase the production of certain specific crops conforms to the stipulation laid out in paragraph 11 b) of the Agreement on Agriculture stating: "The amount of such payments in any given year shall not be related to or based on, the type or volume of production undertaken by the producer in any year after the base period...?"

AG-IMS ID 80076: Question by European Union - Classification of measures

- a. Could Panama explain whether this subsidy is a one-off measure or an annual payment?
- b. Could Panama explain in more detail why this support should be categorised as Green Box rather than Amber Box support since it is paid per "harvested quintal" or "each additional hectare under crops" and therefore seems to be linked directly to the level of production?

2.6 EXPORT SUBSIDY (TABLES ES:1, ES:2 AND ES:3)**2.6.1 Canada (G/AG/N/CAN/108, G/AG/N/CAN/108/CORR.1)****AG-IMS ID 80078: Question by European Union - Transparency issues**

Canada notified the use of export subsidies for the product category "butter" in its notification covering the 2012/13 and 2013/14 marketing years. For the 2014/15 marketing year, Canada does not notify export subsidies for butter. The European Union welcomes such a policy shift and asks Canada to confirm that, in line with the Bali commitments, no export subsidies to butter would be reintroduced before the date of elimination of export subsidies for dairy products at the end of 2020.

AG-IMS ID 80055: Question by United States of America - Transparency issues

- a. Would Canada please explain its reasons for correcting export subsidy data on butter in its export subsidies notifications for 2012/2013 and 2013/2014?
- b. Would Canada explain how it calculates export data for dairy notified in export subsidy notifications? Is this data publically available, and will Canada share its sources?

2.6.2 Malaysia (G/AG/N/MYS/36)**AG-IMS ID 80080: Question by European Union - Quantity of total exports**

According to document G/AG/W/123, Malaysia is a significant exporter of the product category "eggs." Could Malaysia explain why its Table ES:2 notification does not contain data on the total exports of eggs?

3 DEFERRED REPLIES TO QUESTIONS ON NOTIFICATIONS**3.1 IMPORTS UNDER TARIFF AND OTHER QUOTA COMMITMENTS (TABLE MA:2)****3.1.1 China (G/AG/N/CHN/30)****AG-IMS ID 80070: Question by Canada - Tariff quota fill**

Canada is following up on its question to China from the 79th meeting of the Committee (AG-IMS ID 79068) in regards to fill rates for wheat between 2013 and 2014, as well as export quotas on wheat. China's answer to Canada's questions referenced AG-IMS ID 79006. However, the contents of this response from China referred to corn and rice but did not include information on wheat. Canada's questions from AG-IMS ID 79068 are again provided below.

Canada welcomes the improvements in the fill rate for wheat in 2013, reaching 54% which is the highest fill rate for wheat since 2004. However, in 2014 the fill rate for wheat dropped to 31.2%. Canada recalls comments from the United States during the 78th meeting of the Committee on Agriculture (AG-IMS ID 78004), that with high domestic prices and falling world prices, China continues to significantly under-fill its tariff-rate quotas (TROs). Canada would also like to note that China has notified an export quota and licensing administration for wheat under its notification of quantitative restrictions to the Committee on Market Access (G/MA/QR/N/CHN/3) citing food security reasons under Article XI, XX of GATT 1994.

- a. Could China please explain the drop in fill rate for wheat between 2013 and 2014?

- b. Given that world wheat import prices are low, China's exports to the world are minimal, and the fill rate for its import quota is low, could China please explain how an export quota and licensing administration for wheat addresses its food security concerns?

AG-IMS ID 80093: Question by United States of America - Tariff quota fill

The United States notes that there continues to be significant TRQ under-fill for grains, specifically wheat, corn, and rice. The United States is concerned that issues affecting TRQ administration may be the cause for chronic TRQ under-fill. The United States is re-submitting questions c) and d) from the March 2016 CoA session (AG-IMS 79006) since they were not addressed in China's response. Please also provide details on the market conditions for these commodities in these years (2013 and 2014), including:

- a. the percent of private sector TRQ re-allocations by MT; and, the percent of STE sector TRQ re-allocations by MT?
- b. the percent of private sector TRQ imports under initial TRQ allocations by MT; and, the percent of STE TRQ imports under initial TRQ allocations by MT?

3.2 DOMESTIC SUPPORT COMMITMENTS (TABLE DS:1)

3.2.1 China (G/AG/N/CHN/28)

AG-IMS ID 80038: Question by United States of America - Direct payments: payments under environmental programmes

Since China has not supplied formal written responses, the United States resubmits its question AG-IMS ID 78065.

The United States notes that China's notification of environment programme expenditures has increased over time. China, in response to AG-IMS ID 59032, stated that it was impossible to determine whether the payments under the various programmes notified under these programmes are dependent on the fulfilment of specific criteria, a requirement outlined in paragraph 12(a) of the Agreement on Agriculture. Further, China stated that all the support at the time was used solely for compensation to the farming households affected by the afforestation and reforestation programme.

- a. Is this notification still accurate in that all support is still for afforestation and reforestation programmes?
- b. Is China now able to provide the details of such criteria? In particular, what exactly are the payments compensating farmers for with regards to afforestation and reforestation?
- c. If China is still unable to provide the specific criteria, on what basis is China able to notify this programme under paragraph 12?

AG-IMS ID 80041: Question by United States of America - Other product-specific AMS/EMS

Since China has not supplied formal written responses, the United States resubmits its question AG-IMS ID 78069.

As has been previously noted by multiple Members, China's inclusion of negative market price support in the summation of product-specific AMS in Supporting Table DS:7 is a serious concern and should be reported as a zero for purposes of summation. The United States would note that the intent of negative support in the AMS is to account for "specific agricultural levies or fees paid by producers" per Annex 3 of the Agreement on Agriculture.

- a. Please state the intended objective of China's price support programmes. Please clarify how these objectives are in line with providing a negative level of support as purported by China in its notification.

- b. China has previously indicated that it refers to the "rules of the WTO Secretariat" as a basis for notifying in this way. Please provide the relevant Secretariat documentation and specific rules that China believes permits this.

The United States appreciates the transparency provided by China in noting the various programmes notified in Supporting Table DS:7. The United States suggests China notify these programmes on a disaggregated basis.

- c. Please provide a breakdown of the product-specific programmes notified in the footnotes with their respective outlays by commodity.

3.3 United Arab Emirates (G/AG/N/ARE/7, G/AG/N/ARE/8)

AG-IMS ID 80050: Question by United States of America - Transparency issues (including Table DS:2)

The United States resubmits its question AG-IMS 79019 from the September 2015 meeting.

Regarding G/AG/N/ARE/7:

- a. Under sub-headings "pest and disease control" and "extension advisory services" the United Arab Emirates notified two values of support for each year; however, it is unclear from the notification the difference between the two values. Please explain what each value represents.
- b. It is noted that compared to G/AG/N/ARE/5 for the years 2000 and 2001, the United Arab Emirates introduced in 2002 a number of new programmes that are considered exempt under Annex 2 of the Agreement on Agriculture. In addition, United Arab Emirates introduced one new programme in 2003 under subheading "Inspection". When does the United Arab Emirates plan on submitting its DS:2 notifications for these new programmes?

Regarding G/AG/N/ARE/8:

- c. Why is there a significant increase in monetary value for pest/disease control and extension/advisory service support measures from the previous calendar years?
- d. Why was the inspection support measure not reported for calendar year 2014?
- e. Is the United Arab Emirates no longer using this support measure or has it been replaced by another support measure? Why?

AG-IMS ID 80051: Question by United States of America - General services: infrastructural services

The United States resubmits its question AG-IMS 79018 from the September 2015 meeting.

Regarding G/AG/N/ARE/8:

- a. How does the new infrastructure support measure meet the policy-specific criteria in Annex 2 of the Agreement on Agriculture, such as the eligibility criteria to receive the payment, the conditions applying to the payments, or the rules governing the amount of the payment?
- b. When will the Table DS:2 notification for the new infrastructure support measure be submitted?

AG-IMS ID 80053: Question by United States of America - Input subsidies available to low-income or resource-poor producers

The United States resubmits its question AG-IMS 79020 from the September 2015 meeting.

Regarding G/AG/N/ARE/7:

- a. It is noted that all measures notified under the criteria of Article 6.2 were eliminated in 2006. What was the basis for the elimination of these measures and did the United Arab Emirates introduce any other measures as part of this reform? If so, what?
- b. How did the United Arab Emirates define low-income or resource-poor producers at the time these measures were operational?

4 OVERDUE NOTIFICATIONS

4.1.1 Argentina

AG-IMS ID 80081: Question by European Union

Argentina's latest domestic support notification concerns 2006. Could Argentina indicate when more up-to-date notifications will be forwarded to WTO?

4.1.2 China

AG-IMS ID 80054: Question by United States of America

When can the United States expect China to provide more recent notifications to bring its WTO notifications up to date?

4.1.3 Thailand

AG-IMS ID 80082: Question by European Union

Thailand's latest domestic support notification concerns 2008. Could Thailand indicate when more up-to-date notifications will be forwarded to WTO?

4.1.4 Turkey

AG-IMS ID 80084: Question by European Union

The European Union is deeply disappointed by the reply to its question asked in the March 2016 Committee meeting. Turkey has now given the same reply for several years, namely that notifications are being prepared in Ankara. Further, during Turkey's latest Trade Policy Review in reply to European question No. 31, Turkey stated: "Turkey will comply with its notification requirements by the next meeting of the Committee on Agriculture which will be held on 7-8 June". (See document WT/TPR/S 331). The continued lack of notifications is deeply troubling.

The European Union wishes to know when Turkey intends to present its missing notifications to the WTO.

AG-IMS ID 80057: Question by United States of America

Turkey remains seriously overdue in notifying its domestic support and export subsidies. When does Turkey plan to submit its domestic support and export subsidy notifications?