

14 November 2016

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Committee on Agriculture Special Session Sub-Committee on Cotton

(16-6252)

COTTON

BACKGROUND PAPER BY THE SECRETARIAT¹

Revision

1. The Ministerial Decision on Cotton of 7 December 2013 (document WT/MIN(13)/41 and WT/L/916) adopted by Ministers at the 9th WTO Ministerial Conference in Bali states, *inter alia* that:

"5. In this context, we therefore undertake to enhance transparency and monitoring in relation to the trade-related aspects of cotton. To this end, we agree to hold a dedicated discussion on a bi-annual basis in the context of the Committee on Agriculture in Special Session to examine relevant trade-related developments across the three pillars of Market Access, Domestic Support and Export Competition in relation to cotton.

6. The dedicated discussions shall be undertaken on the basis of factual information and data compiled by the WTO Secretariat from Members' notifications, complemented, as appropriate, by relevant information provided by Members to the WTO Secretariat.

7. The dedicated discussions shall in particular consider all forms of export subsidies for cotton and all export measures with equivalent effect, domestic support for cotton and tariff measures and non-tariff measures applied to cotton exports from LDCs in markets of interest to them."

- 2. As a result, four dedicated discussions on cotton were held in 2014 and 2015^2 .
- 3. The Ministerial Decision on Cotton of 19 December 2015 (document WT/MIN(15)/46 and WT/L/981) adopted by Ministers at the 10th WTO Ministerial Conference in Nairobi states, *inter alia* that:

"14. We undertake to continue holding Dedicated Discussions on cotton on a bi-annual basis, as indicated in paragraphs 5, 6 and 7 of the Bali Ministerial Decision on Cotton (WT/MIN(13)/41 and WT/L/916), including in particular to examine relevant trade-related developments across the three pillars of Market Access, Domestic Support, and Export Competition in relation to cotton.

15. We undertake to regularly monitor the implementation by Members of paragraphs 2 to 4 during these Dedicated Discussions on cotton, based on relevant Members' notifications to the WTO, complemented as necessary by Members' replies to specific requests for information from the WTO Secretariat."

4. The Nairobi Ministerial Decision on Cotton also states that:

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. It has been prepared for information only and is not intended to provide any authoritative or official legal interpretation of the provisions of the WTO Agreements in general on in relation to any measure listed in this document.

² June 2014, November 2014, July 2015 and November 2015.

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The Dedicated Discussions on cotton referred to in paragraph 14 of this Decision shall "6. continue to address the following specific elements, based on factual information and data compiled by the WTO Secretariat from Members' notifications, complemented, as appropriate, by relevant information provided by Members to the WTO Secretariat:

- (a) identification and examination of market access barriers, including tariff and non-tariff barriers for the entry of cotton produced and exported by cotton-producing LDCs;
- reviews of market access improvements and of any market access measures (b) undertaken by Members, including the identification of access barriers to cotton produced and exported by cotton-producing LDCs in markets of interest to them; and
- examination of possible additional measures for progressive and predictable (c) improvements in market access, in particular the elimination of tariff and non-tariff barriers to cotton produced and exported by cotton-producing LDCs."
- 5. The fifth dedicated discussion on cotton was held on 1st July 2016.
- 6. As requested by the Nairobi Ministerial Decision, and based on the approach resulting from the Bali Ministerial Decision, the WTO Secretariat has prepared, in advance of the sixth dedicated discussion on cotton, a revised compilation of factual information and data available from Members' notifications and other submissions, on Market Access, Domestic Support and Export Competition in relation to cotton, received up to 18 October 2016.
- 7. Further to Members' requests at the second dedicated discussion, this revised background paper also includes (i) Members' responses to the questionnaire on cotton policy developments circulated on 13 September 2016; and (ii) relevant information on cotton markets and policies from Trade Policy Review reports circulated up to 18 October 2016, for the 32 Members identified in paragraphs 12 and 13 of this paper.³
- 8. The paper is organized in three parts, namely:
 - Export Subsidies⁴;
 - Domestic Support; and
 - Market Access.
- 9. The factual information and data contained in this paper have been compiled from:
 - Members' schedules and notifications in the Market Access (MA), Domestic Support (DS) and Export Subsidies (ES) series under the Committee on Agriculture;
 - Tariff data available in the WTO Integrated Database (IDB) and Consolidated Tariff Schedules Database (CTS); as well as
 - Non-tariff measures available in the WTO Integrated Trade Intelligence Portal (I-TIP) Goods Database.
- 10. The specific sources of information for each of the areas covered are described under the relevant parts of the paper.
- 11. With regards to Export Subsidies and Domestic Support (Part one and two of the paper), factual information and data were collected for all WTO Members with relevant commitments or who have reported measures benefitting cotton in their relevant notifications.
- 12. With regards to Market Access (Part three of the paper), and based on previous practice, the list of markets of interest to LDCs was established by collecting market access data for WTO Members that are either: (i) classified as developed economies for the purpose of the

³ This information is presented in Annexes 4 and 5.

⁴ With regards to the disciplines and commitments contained in the Ministerial Decision on Export Competition (WT/MIN(15)/45-WT/L/980 adopted on 19 December 2015), referred to in paragraph 9 of the Nairobi Ministerial Decision on Cotton, Members can also refer to the Secretariat background paper on export subsidies, export credits and export credit guarantees or insurance programmes, international food aid, and agricultural exporting STEs (document G/AG/W/125/Rev.5, G/AG/W/125/Rev.5/Add.1,

G/AG/W/125/Rev.5/Add.2, G/AG/W/125/Rev.5/Add.3 and G/AG/W/125/Rev.5/Add.4 dated 26 July 2016).

WTO Secretariat note on the "Participation of Developing Economies in the Global Trading System"⁵; (ii) amongst the top 20 cotton importing countries in quantity for the period 2010-2012; or (iii) amongst the top 20 cotton importing countries in quantity from LDCs for the period 2010-2012.⁶

- 13. As a result, market access data are provided, in accordance with the Bali and Nairobi Ministerial Decisions on Cotton, for the following 32 Members:⁷ Australia; Bahrain, Kingdom of; Bangladesh; Brazil; Canada; China; Colombia; Egypt; the European Union; Hong Kong, China; Iceland; India; Indonesia; Japan; Kenya; Korea, Republic of; Malaysia; Mauritius; Mexico; Morocco; New Zealand; Norway; Pakistan; Peru; Russian Federation; South Africa; Switzerland; Chinese Taipei; Thailand; Turkey; the United States of America and Viet Nam.
- 14. Unless otherwise indicated, the term "cotton" in this paper refers to the products covered by the Harmonized System nomenclature (HS) headings 52.01, 52.02 and 52.03.

 $^{^{\}rm 5}$ Document WT/COMTD/W/212, Appendix 7 with the European Union counted as one and Switzerland and Liechtenstein also counted as one.

⁶ The top 20 cotton importing countries were identified using COMTRADE data processed by the WTO Secretariat, and supplemented by data from the International Cotton Advisory Committee (ICAC).

⁷ In the absence of significant change in the list of Members when using the period 2013-2014, the list used in document TN/AG/GEN/34 has been kept unchanged for the sake of comparability.

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1 EXPORT SUBSIDIES

1.1. Part One provides information on the use of export subsidies for cotton by Members. It is divided into two sections:

- Section 1.1 provides information on export subsidy reduction commitments, both in terms of budgetary outlay and quantity; and
- Section 1.2 provides information on notified export subsidy budgetary outlays and quantities.

1.2. As noted earlier, with regards to the disciplines and commitments contained in the Nairobi Ministerial Decision on Export Competition (WT/MIN(15)/45-WT/L/980 adopted on 19 December 2015) referred to in paragraph 9 of the Nairobi Ministerial Decision on Cotton, Members can also refer to the Secretariat background paper on export subsidies, export credits and export credit guarantees or insurance programmes, international food aid, and agricultural exporting STEs (documents G/AG/W/125/Rev.5, G/AG/W/125/Rev.5/Add.1, G/AG/W/125/Rev.5/Add.4 G/AG/W/125/Rev.5/Add.3, G/AG/W/125/Rev.5/Add.2, dated 26 July 2016). It can be noted in that regard that: (i) China listed in its reply to the questionnaire on export competition circulated to WTO Members on 26 November 2014, four agricultural exporting State Trading Enterprises for cotton; and (ii) Australia, the United States, and Japan respectively identified in their replies cotton and HS5202-5203 in the list of products covered by their export financing programmes.

1.1 EXPORT SUBSIDY COMMITMENTS

1.3. This section lists export subsidy reduction commitments for cotton by Member and by implementation year⁸, as specified in Members' schedules. The tables show, for each Member concerned, the annual and final bound export subsidy budgetary outlay and quantity commitments. The following column headings are used:

- **XSID** The number identifying export subsidy commitments for each Member in the CTS, in the same sequential order as scheduled. The seven-character code is comprised of the three-letter WTO Member code, followed by "X" for "export subsidy", followed by the three-digit sequential identifier;
- **Product** The product or group of products as specified in the Member's schedule⁹;
- **Tariff Line(s)** The tariff item number(s) as specified in the Member's schedule reproduced in the CTS using the HS 2002 nomenclature; and
- **1995...** Budgetary outlay and quantity commitments for each implementation year.

1.4. For each Member, the currency/quantity unit and the type of year (i.e. calendar, financial, fiscal or marketing year) are indicated as specified in that Member's schedule.

⁸ Throughout this paper, the term "implementation year" refers to the relevant calendar, financial, fiscal or marketing year as specified by individual Members.

⁹ In original language only.

1.1.1 Bound export subsidy commitments for cotton

Brazil

Budgetary outlays commitments in USD

XSID	Product	Tariff Line(s)	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
BRAX013	Cotton	520100	208,534.1	203,406.2	198,278.3	193,150.4	188,022.6	182,894.7	177,766.8	172,638.9	167,511.0	162,383.1

Quantity commitments in tonnes

XSID	Product	Tariff Line(s)	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
BRAX013	Cotton	520100	3,670.9	3,618.8	3,566.6	3,514.5	3,462.4	3,410.3	3,358.1	3,306.0	3,253.9	3,201.8

Colombia

Budgetary outlays commitments in USD

XSID	Product	Tariff Line(s)	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
COLX018	ALGODON	5201, 5202, 5203	71,394,099	71,394,099	69,438,096	67,482,094	65,526,091	63,570,088	61,614,085	59,658,083	57,702,080	55,746,077

Quantity commitments in tonnes

XSID	Product	Tariff Line(s)	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
COLX018	ALGODON	5201, 5202, 5203	38,588	38,588	37,978	37,368	36,759	36,149	35,539	34,929	34,320	33,710

Israel

Budgetary outlays commitments in thousand USD

XSID	Product	Tariff Line(s)	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
ISRX006	Cotton		9,410	9,179	8,948	8,716	8,485	8,253	8,022	7,791	7,559	7,328

Quantity commitments in thousand tonnes

XSID	Product	Tariff Line(s)	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
ISRX006	Cotton		47.1	46.4	45.8	45.1	44.4	43.8	43.1	42.4	41.8	41.1

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South Africa

Budgetary outlays commitments in rand (calendar year)

XSID	Product	Tariff Line(s)	1995	1996	1997	1998	1999	2000
ZAFX062	Cotton	5201, 5202, 5203	4,157,081	3,891,736	3,626,390	3,361,045	3,095,699	2,830,353

Quantity commitments in tonne equivalent (calendar year)

XSID	Product	Tariff Line(s)	Tariff Line(s) 1995		1997	1998	1999	2000
ZAFX062	Cotton	5201, 5202, 5203	4,600	4,433	4,266	4,100	3,933	3,766

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1.2 NOTIFIED EXPORT SUBSIDIES

1.5. This section lists export subsidies for cotton notified by Members in Table ES:1 as well as export subsidies for cotton notified in Supporting Tables ES:2 by developing country Members who have taken recourse to Article 9.4 of the Agreement on Agriculture. This section includes notifications circulated by the Secretariat up to 18 October 2016.

- 1.6. The following column headings are used:
- **XSID** The number identifying export subsidy commitments for each Member in the CTS, in the same sequential order as scheduled. The seven-character code is comprised of the three-letter WTO Member code, followed by "X" for "export subsidy", and by the three-digit sequential identifier. A blank indicates that no export subsidy reduction commitments are scheduled for the product in question;
- **Product** The product or group of products as specified in the Member's schedule¹⁰ or in the Member's notification; and
- **1995...** The notified budgetary outlay or quantity for each implementation year from 1995 up to the latest implementation year as indicated in the Member's most recent Table ES:1 notification. A blank indicates that no notification has been received for the year in question or that, for Members without scheduled export subsidy commitments for cotton, the notification does not mention cotton.

1.7. For each Member, the currency/quantity unit and the type of year (i.e. calendar, financial, fiscal or marketing year) are indicated as specified in that Member's schedule or in the Member's notification.

¹⁰ In original language only.

1.2.1 Notified budgetary outlays and quantities for cotton (Table ES:1)

Brazil

Notified budgetary outlays in USD (calendar year)

XSID	Product	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
BRAX013	Cotton	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Notified quantities in tonnes (calendar year)

XSID	Product	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
BRAX013	Cotton	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Colombia

Notified budgetary outlays in thousand USD (calendar year)

XSID	Product	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
COLX018	ALGODON	0.21 ¹	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Notified quantities in tonnes (calendar year)

XSID	Product	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
COLX018	ALGODON	0.72	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Israel

Notified budgetary outlays in thousand USD (marketing year, 1 October-30 September)

XSID	Product	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
ISRX006	Cotton	0	0	0	0	0	0	0	886 ²	0	0	0	0	0	0	0	0	0	0	0	0

Notified quantities in thousand tonnes (marketing year, 1 October-30 September)

XSID	Product	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
ISRX006	Cotton	0	0	0	0	0	0	0	0.6	0	0	0	0	0	0	0	0	0	0	0	0

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South Africa

Notified budgetary outlays in rand (calendar year)

XSID	Product	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
ZAFX062	Cotton	5,654 ¹	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Notified quantities in tonnes (calendar year)

XSID	Product	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
ZAFX062	Cotton	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

United States of America

Notified budgetary outlays in thousand USD (fiscal year beginning 1 October-30 September)

XSID	Product	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	Upland Cotton ³									203,595.4 ¹	276,500.0 ¹	266,943.5 ¹	9,353.0 ¹	0	0	0	0	0	0	0

Notified quantities in thousand tonnes (1 July-30 June)

XSID	Product	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	Upland Cotton ³									2,357.4	2,412.6	3,641.5	1,291.8	0	0	0	0	0	0	0

¹ Direct export subsidies (as indicated in Supporting Table ES:1).

² Producer financed subsidies (as indicated in Supporting Table ES:1).

³ For U.S. notifications covering the implementation years 2003-2005, the following footnote was included: "The panel and Appellate Body reports in the dispute United States – Subsidies on Upland Cotton (DS267) found that certain payments to exporters under the Upland Cotton Domestic Marketing Certificate Program constituted export subsidies within the meaning of the Agreement on Agriculture. On 8 February 2006, the United States enacted legislation to repeal the programme at the end of the 2005 marketing year (i.e., 31 July 2006). Quantity and budgetary data are based on when payments were made." For U.S. notifications covering the implementation years 2006-2013, the following footnote was included: "The panel and Appellate Body reports in the dispute United States – Subsidies on Upland Cotton (DS267) found that certain payments to exporters under the Upland Cotton Domestic Marketing Certificate Program constituted export subsidies within the meaning of the Agreement on Agriculture. On 8 February 2006, the United States enacted legislation to repeal the Upland Cotton Domestic Marketing Certificate Program constituted export subsidies within the meaning of the Agreement on Agriculture. On 8 February 2006, the United States enacted legislation to repeal the program at the end of the 2005 marketing year (i.e., 31 July 2006). All cotton under the program was shipped by 31 July 2006; quantity and budgetary data are based on when payments were made."

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1.2.2 Notified budgetary outlays and quantities for cotton (Supporting Table ES:2)

India

Notified budgetary outlays in million USD (marketing year)

XSID	Product	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	Raw cotton (Full pressed bales)										0.089 ¹	1.21 ¹				

Notified quantities in tonnes (marketing year)

XSID	Product	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	Raw cotton (Full pressed bales)										2,542	40,392				

¹ International Air Freight Assistance in terms of Article 9.1 (d) (as indicated in the footnote in India's Supporting Table ES:2 for implementation years 2004 and 2005).

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Charts on scheduled and notified export subsidy budgetary outlays and quantities¹¹

1.8. Based on the information presented in sections 1.1 and 1.2 above, the charts in this section show, by Member and by year, the export subsidy budgetary outlays and quantities notified in Table ES:1 and Supporting Tables ES:2, and the corresponding commitment levels where they exist.

1.9. In all charts, export subsidy budgetary outlays notified and budgetary outlay commitments are plotted on the left axis and export subsidy quantities notified and quantity commitments are plotted on the right axis.

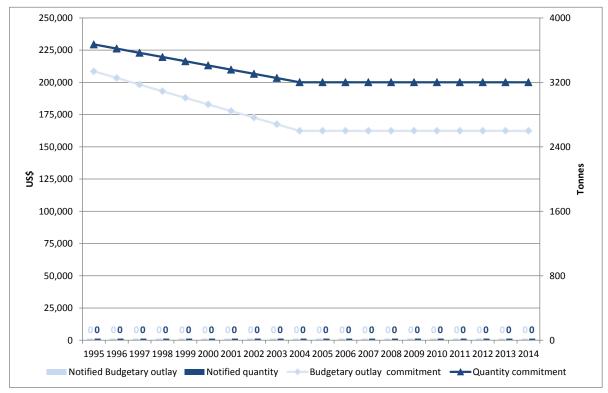


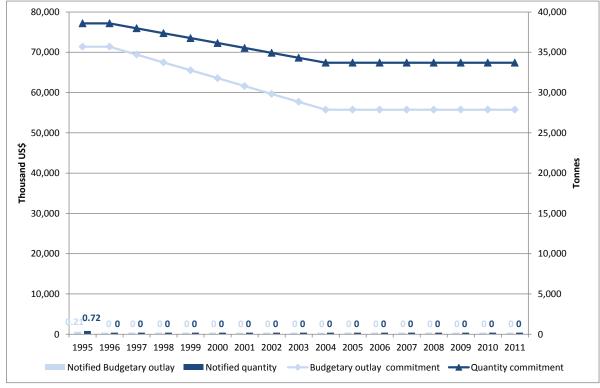
Chart 1.1: Brazil

¹¹ Chart 34 of the Secretariat background document G/AG/W/125/Rev.5 shows the sum of the export subsidy budgetary outlays notified (Table ES:1) and scheduled by all Members for cotton, for the period 1995-2014.

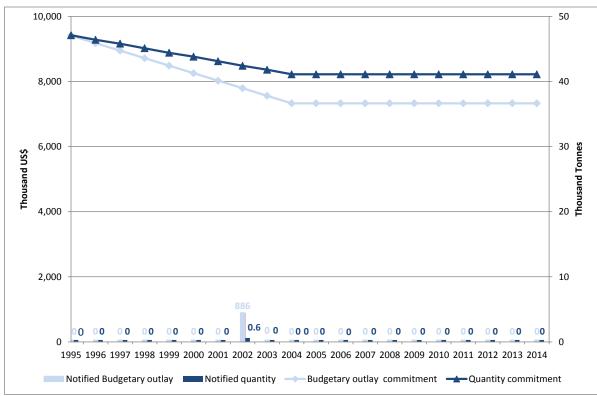
- 14 -

Chart 1.2: Colombia

Insert the chart for Colombia in sheet "ES charts" in Excel file "Charts_notif"







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Chart 1.4: South Africa

Insert the chart for South Africa in sheet "ES charts" in Excel file "Charts_notif"

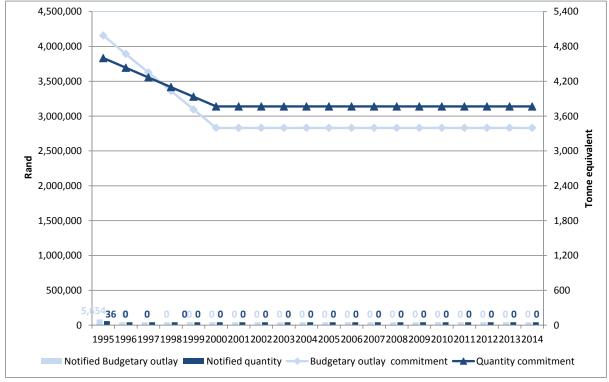
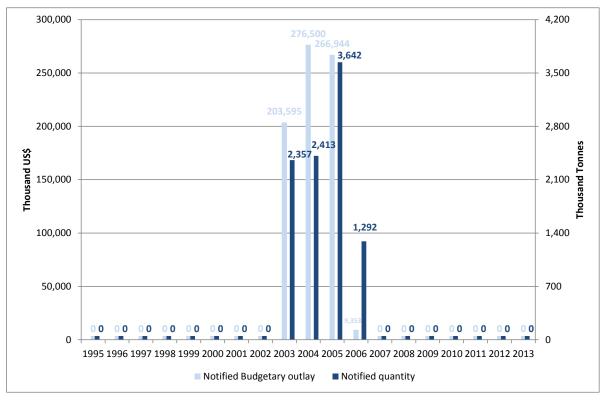


Chart 1.5: United States of America



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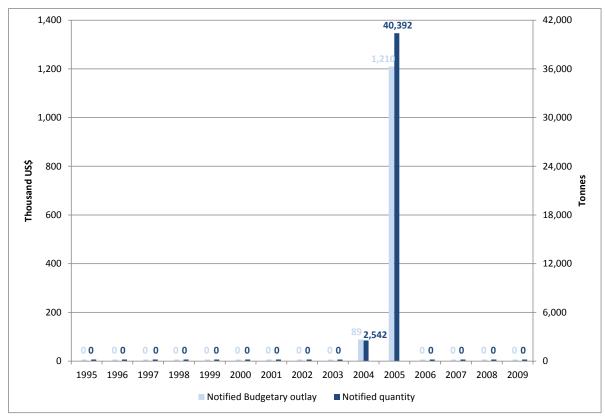


Chart 1.6: India

2 DOMESTIC SUPPORT

2.1. Part Two provides information on the use of domestic support measures in favour of cotton based on Table DS:1 notifications circulated by the Secretariat up to 18 October 2016. It is divided into two sections:

- Section 2.1 provides information on product-specific Aggregate Measurement of Support¹² as notified in Supporting Tables DS:4 to DS:8. The section also includes, further to Members' requests at the third dedicated discussion, a table which provides, for each Member listed in Section 2.1, the level of product-specific AMS for cotton, together with the current Total AMS and the value of production for cotton (if available) for the most recent available year of notification; and
- Section 2.2 provides information on direct payments in accordance with Article 6.5 as notified in Supporting Table DS:3.

2.1 PRODUCT SPECIFIC AGGREGATE MEASUREMENT OF SUPPORT

2.2. This section details the level of product-specific AMS for cotton by Member and by implementation year.

2.3. The levels of the various domestic support categories that compose the product-specific support for cotton used in the AMS calculation are also listed. The different categories are the following:

- market price support (Supporting Table DS:5);
- non-exempt direct payments (Supporting Table DS:6);
- other product-specific support (Supporting Table DS:7); and
- product-specific support calculated using the Equivalent Measurement of Support (EMS) methodology (Supporting Table DS:8).

2.4. For each Member, the implementation years are those indicated in the Member's Table DS:1 notifications, and the notified currency unit is indicated in brackets.

Symbols used

Product-specific AMS figures in italic and underlined represent support notified as de minimis.

A blank indicates the absence of a notification for the year in question.

"0" indicates that the Member notified zero support or that the Member has not notified any support for the support category concerned.

Figures in brackets represent negative support.

¹² Also referred to as product-specific AMS. Throughout this paper, this term also includes the product-specific Equivalent Measurement of Support calculated according to Annex 4 of the Agreement on Agriculture.

2.1.1 Product-specific AMS notified for cotton¹³

2,854

0

3,503

0

1,790

0

1,205.6

0

Brazil

(Thousand USD)

Product-specific EMS

Product-specific AMS

	1995	1990	5	1997	1998		1999	2000	2001	2002		2003
Market price support	33,860.69		40.9	6.1	9,89	3.1	(4,873.8)	(4,884.1)	(20,445.5)	(350).5)	0
Non-exempt direct payments	0		0	0		0	0	0	0		0	0
Other product-specific support	12,585.78	12,	710.4	10,278.2	45,53	1.0	35,080.3	55,307.7	52,105.9	27,73	31.4	18,073.9
Product-specific EMS	0		0	0		0	0	0	0		0	(
Product-specific AMS	46,446.47	<u>12,</u>	751. <u>3</u>	10,284.3	55,42	4.1	35,080.3	55,307.7	<u>52,105.9</u>	27,73	1.4	<u>18,073.9</u>
(Thousand USD)	2004	200	5	2006	2007		2008	2009	2010	2011-201	3	2014 ¹⁴
Market price support	0		0	315.8	1	86.0	259.8	0	0		0	(
Non-exempt direct payments	0		0	39,108.4	341,6	21.9	324,868.2	0	269,018.9		0	(
Other product-specific support	27,427.5	44,	324.6	43,287.5		0	0	0	0		0	
Product-specific EMS	0		0	0		0	0	0	0		0	(
Product-specific AMS	<u>27,427.5</u>	44,.	<u>324.6</u>	<u>82,711.7</u>	341,80)7.9	325,128.0	0	269,018.9		0	C
China (Million RMB)	1000	2000	2001	2002	2002	2004	2005	2006	2007	2008	2009	2010
	1999	2000	2001		2003	2004	2005	2006	2007	2008		
Market price support	0	0	0	0	0	0		0 0	0	0	0	
Non-exempt direct payments	0	0	0	0	0	0		0 0	0	0	0	
Other product-specific support	2,8541	3,5031	1,7901	1,205.6 ²	1,034 ²	973.91 ²	1,100.3	39 ³ 880.35 ³	4,099.45 ³	2,766.73 ³	5,007 ³	2,977

1,034

0

973.91

0

<u>1,100.39</u>

0

880.35

0

4,099.45

0

2,766.73

0

18 -

2,977

0

0

5,007

¹³ For implementation years 1995-1999, Pakistan maintained a positive applied administered price for "seed cotton", but Market Price Support was calculated as zero because there was no eligible production.

¹⁴ In Brazil's notification for 2014, the following note was included in Supporting Table 7- Other Product-Specific Support and Total Product-Specific AMS: "The following products may be supported by non-exempt support programmes, according to the available funds and the market price: barley, Brazilian wax, canola, cashew nut, cassava, cassava flour, cassava starch, castor beans, coffee, cotton, cottonseed, edible beans, ethanol, garlic, grapes, guarana, jute, maize, malva, milk, oat, orange, peanuts, rice, silk cocoon, sisal, sorghum, soybeans, sugar cane, sunflower, triticale and wheat. If the product is not listed in this table, it means the product received no support during the cropyear. Some products have the right to be supported only on specific States or Regions."

Colombia

(Thousand USD)

(
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Market price support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-exempt direct payments	2,980	289.2	1,002.6	757	2,306.5	1,115	2,899	8,983.5	20.5	10,445.4	30,595	18,091	24,775	17,755	25,261	25,592	5,354	31,731	20,210
Other product-specific support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Product-specific EMS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Product-specific AMS	<u>2,980</u>	<u>289.2</u>	1,002.6	<u>757</u>	<u>2,306.5</u>	<u>1,115</u>	<u>2,899</u>	8,983.5	<u>20.5</u>	10,445.4	30,595	18,091	24,775	17,755	25,261	25,592	<u>5,354</u>	31,731	20,210

European Union (Million EUR)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Market price support	0	0	0	0	0	0	0	0	0	0	<u>0</u>	0	0	0	0	0	0	0
Non-exempt direct payments	22.7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other product-specific support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Product-specific EMS	777.7	772.7	809.4	715.2	623.7	795	575.1	731.3	769.4	725.4	739.5	0	0	0	0	0	0	0
Product-specific AMS	800.4	772.7	809.4	715.2	623.7	795	575.1	731.3	769.4	725.4	739.5	0	0	0	0	0	0	0

India

(Million USD)

(Million USD)																	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	19
Market price support	(2,106)	0	0	(64.79)	(72.45)	(91.46)	(147.3)	(94.01)	(140.62)	$(150.28)^4$	(68.99) ⁴	(49.39) ⁴	(6.64) ⁴	243.14 ⁴	6.95 ⁴	0	1
Non-exempt direct payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other product-specific support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Product-specific EMS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Product-specific AMS	<u>(2,106)</u>	0	0	<u>(64.79)</u>	<u>(72.45)</u>	<u>(91.46)</u>	<u>(147.3)</u>	<u>(94.01)</u>	<u>(140.62)</u>	<u>(150.28)</u>	<u>(68.99)</u>	<u>(49.39)</u>	<u>(6.64)</u>	<u>243.14</u>	<u>6.95</u>	0	

Israel (Thousand USD)

(Thousand USD)																				
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Market price support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-exempt direct payments	0	0	0	0	0	4,713	0	0	0	0	0	0	0	0	0	0	0	0	0	47
Other product-specific support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Product-specific EMS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Product-specific AMS	0	0	0	0	0	4,713	0	0	0	0	0	0	0	0	0	0	0	0	0	<u>47</u>

т

Mexico

(Million 1991 MXN)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Market price support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-exempt direct payments	71.01	0	0	0	0	0	0	42.1	0.6	71.1	127.8	59.4	104.8	42.114	102.597	0.01	0	0	0	0	15.83
Other product-specific support	0	2.2	3.4	9	5.8	2.1	1.4	23	23.5	7.9	7.4	0	31	0	24.608	34.95	50.13	25.31	19.6	20.87	14.33
Product-specific EMS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Product-specific AMS	71.01	2.2	<u>3.4</u>	<u>9</u>	<u>5.8</u>	<u>2.1</u>	<u>1.4</u>	65.2	24.1	79	135.2	59.4	135.8	42.114	127.205	<u>34.96</u>	<u>50.13</u>	<u>25.31</u>	<u>19.6</u>	<u>20.87</u>	<u>30.16</u>

Peru

(Million USD)																
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Market price support	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0
Non-exempt direct payments	0	0	0		0	0	0	6.2	5.4	7	7.9	6.9	6.2	5.8	0	0
Other product-specific support	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0
Product-specific EMS	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0
Product-specific AMS	0	0	0		0	0	0	<u>6.2</u>	<u>5.4</u>	<u>Z</u>	<u>7.9</u>	<u>6.9</u>	<u>6.2</u>	<u>5.8</u>	0	0

South Africa (Million ZAR)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Market price support	0	46.66	33.74	(4.81)	(42.95)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-exempt direct payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other product-specific support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Product-specific EMS	4.2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Product-specific AMS	4.2	46.66	33.74	<u>(4.81)</u>	<u>(42.95)</u>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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United States of America

(Million USD)

Product-specific AMS

1,620.699

1,365.177

	1995	1996	1997	1998	1999	2000	2001		2002	2003	2004
Market price support	0	0	0	0	0	0)	0	0	0
Non-exempt direct payments	34.962	6.401	444.942	824.027	2,136.897	987.003	2,723.03)	921.055	185.501	1,790.501
Other product-specific support	(3)	(3)	20.678	110.653	216.238	62.75	87.07	3	265.738	249.413	447.914
Product-specific EMS	0	0	0	0	0	0)	0	0	0
Product-specific AMS	31.962	<u>3.401</u>	465.62	934.68	2,353.135	1,049.753	2,810.11	2	1,186.793	434.914	2,238.415
(Million USD)	20	05	2006	2007	2008	200	2010		2011	2012	2013
(Million USD) Market price support	20	05	2006	2007	2008	200	201	0	2011 0	2012 0	2013
		05 0 ,283.707	2006 1,080.05	0	0	0	0 2010 0 3.119		2011 0 0.001	2012 0 0	2013 0 65.937
Market price support		0		0 0.8	0 31 95	0 3.161 3	0 3.119	0	0	2012 0 636.148	0

1,129.963

<u>148.273</u>

<u>81.249</u>

<u>75.084</u>

636.148

<u>207.91</u>

- 21 -

573.534

- 22 -

Viet Nam

	2007	2008	2009	2010	2011	2012	2013
Market price support	0	0	0	0	0	0	0
Non-exempt direct payments	0	0	0	0	0	0	0
Other product-specific support	0.074	0	0	0	0	0	0
Product-specific EMS	0	0	0	0	0	0	0
Product-specific AMS	<u>0.074</u>	0	0	0	0	0	0

¹ The following footnote was included in China's notification covering implementation years 1999-2001: "From the year 1999, cotton purchase in China became market oriented and the State Procurement Pricing for Cotton did not work any longer. Therefore, there was no price support in this reporting period. The product-specific *de minimis* supports to cotton were primarily provided through interest subsidies for national cotton stockholdings."

² The following footnote was included in China's notification covering implementation years 2002-2004: "Support to cotton include interest subsidy for national stock cotton".

³ The following footnote was included in China's notification covering implementation years 2005-2010: "Support to cotton includes subsidy for improved crop strains and seeds, subsidy for reserve cost, cost subsidy for transporting cotton out of Xinjiang Uygur Autonomous Region".

⁴ The following footnote was included in India's notification covering implementation years 2004-2009: "Applied administered price is procurement price for lint cotton. A co-efficient of 2.35 has been used for conversion from seed cotton".

Charts on product-specific AMS notified for cotton by category of support

Based on the information presented in section 2.1.1 above, the charts in this section show, by Member and by year, (i) the various levels for the domestic support categories that were included in the calculation of the product-specific AMS notified for cotton and (ii) the overall cotton AMS figure (italic and underlined figures represent support notified as <u>de minimis</u>; figures in brackets represent support notified as negative).

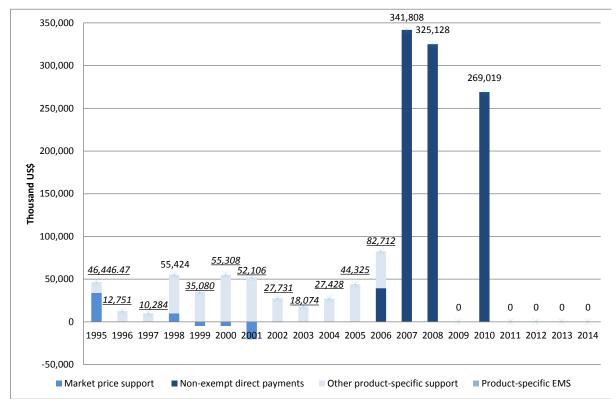
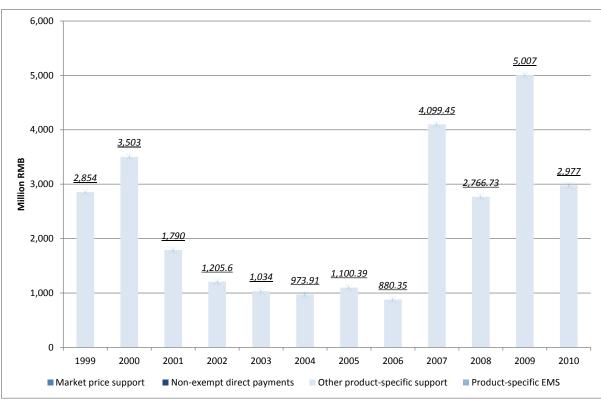


Chart 2.1: Brazil

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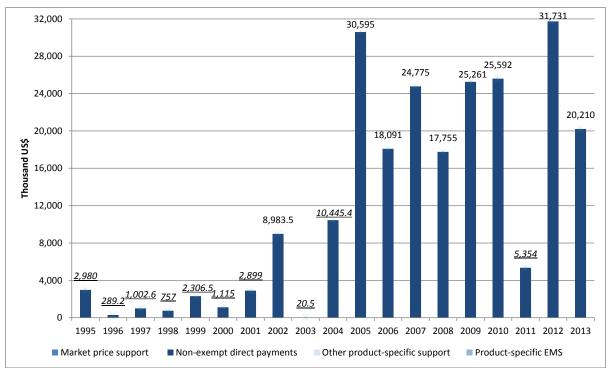
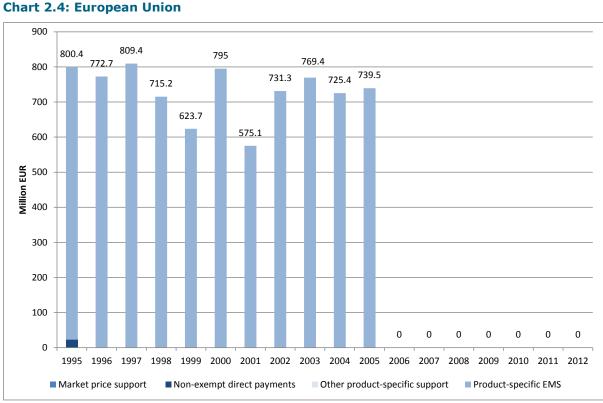
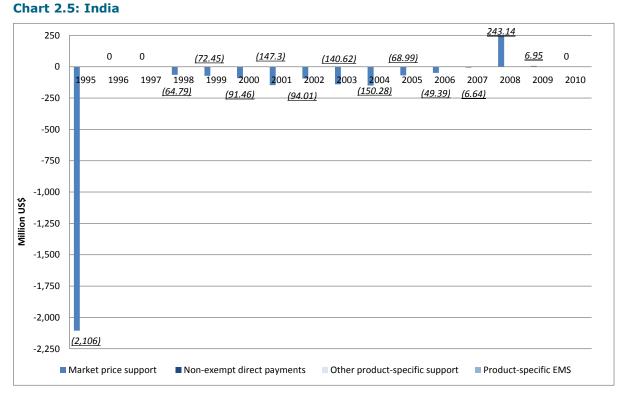


Chart 2.3: Colombia

Chart 2.2: China

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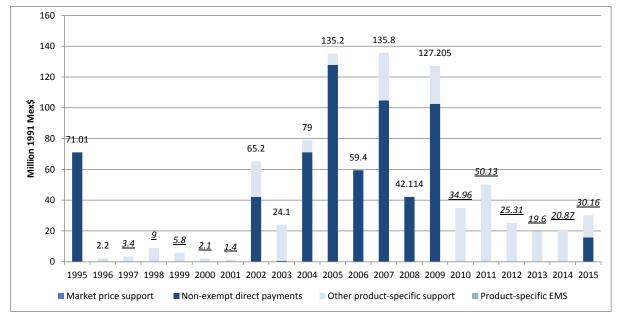




5,000 4,713 4,500 4,000 3,500 \$\$ 3,000 2,500 2,000 1,500 1,000 500 <u>47</u> 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 Market price support Non-exempt direct payments Other product-specific support Product-specific EMS

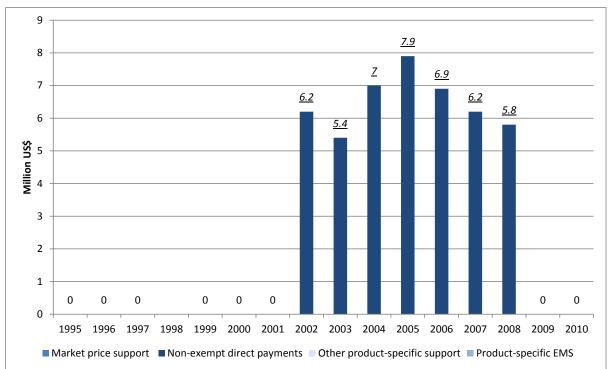








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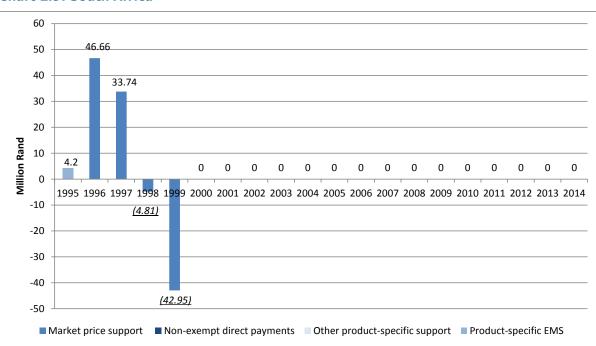


Chart 2.9: South Africa

Chart 2.8: Peru

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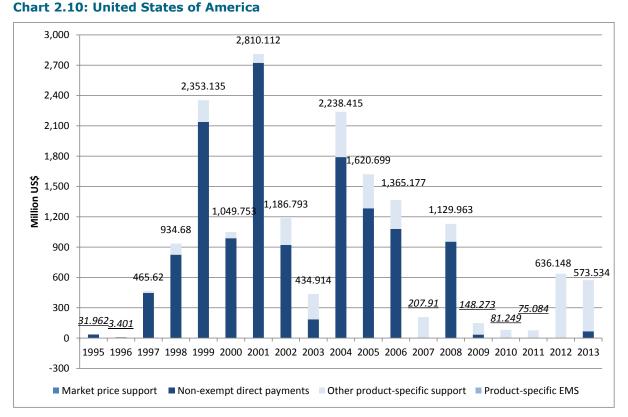
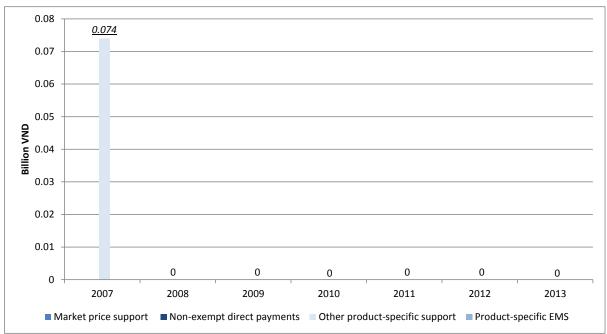


Chart 2.11: Viet Nam



Overview of cotton product-specific support, current total AMS and value of production for cotton

2.5. Further to Members' requests at the third dedicated discussion, the following table shows, for each Member listed in Section 2.1 and for the most recent year of notification, the level of product-specific AMS for cotton, together with the current Total AMS and the value of production for cotton (if available). For ease of comparison, product-specific AMS for cotton are further expressed in US dollars. The following column headings are used:

Member

Name of Member having notified product-specific support for cotton, as shown in Section 2.1.1;

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- **Latest year notified** The most recent year for which a domestic support notification is available for the Member concerned;
- **Notified Currency** The currency used in the Member's notification;
- **Cotton-specific AMS** Product-specific support notified for cotton. Italic and underlined figures represent support notified as <u>de minimis;</u>
- **Current Total AMS** Sum of all product-specific and non-product-specific AMS as notified in Table DS:1 or Supporting Table DS:4. "*De minimis*" represents cases where all product-specific and non-product specific support are notified as *de minimis*. "0" indicates that the Member has not notified any product-specific or non-product specific support;
- **VoP-cotton** Value of production data notified for cotton, if available;

Cotton-specific AMS in USD Product-specific support notified for cotton expressed in US dollars. Where data were provided in a currency other than USD, the conversion to USD was made using the exchange rates from the IMF's "International Financial Statistics". The IMF exchange rates are year averages for the relevant year of notification of each Member. Italic and underlined figures represent support notified as <u>de minimis</u>.

Member	Latest year notified	Notified currency	Cotton-specific AMS	Current Total AMS	VoP- cotton	Cotton-specific AMS (Million USD)
Brazil	2014	Thousand USD	0	de minimis		0
China	2010	Million RMB	de minimis <u>2,977</u>	de minimis	160,420	de minimis <u>446.55</u>
Colombia	2013	Thousand USD	20,210	20,210	65,814	20.210
European Union	2012	Million EUR	0	5899.1		0
India	2010	Million USD	0	de minimis		0
Israel	2014	Thousand USD	de minimis <u>47</u>	661,363	50,037	de minimis <u>0.047</u>
Mexico	2015	Million 1991 MXN	de minimis <u>30.16</u>	1,810.30	736.88	de minimis <u>1.903</u>
Peru	2010	Million USD	0	de minimis		0
South Africa	2014	Million rand	0	0		0
United States of America	2013	Million USD	573.534	6891.782	6245.508	573.534
Viet Nam	2013	Billion VND	0	de minimis		0

2.1.2 DIRECT PAYMENTS IN ACCORDANCE WITH ARTICLE 6.5

2.6. This section details the levels of direct payments for cotton in accordance with Article 6.5 as notified in Supporting Table DS:3. Since 1995, two Members have notified this type of support for cotton: the European Union from implementation year 2006 onwards and the United States for 1995 only.

2.7. The notified currency unit is indicated in brackets in the title for both Members.

2.8. The information presented in each table is also presented as a chart showing the level of the direct payment notified by the Member concerned.

European Union (Million EUR)

Description of Measure	2006	2007	2008	2009	2010	2011	2012
Payments based on fixed area and yields: Cotton (Title IV, Chapter 10a of R $1782/2003$) ¹	254.5	247.5	216.9	221.7	247.3	245.8	242.3

¹ As of 2009, the reference for the payment also includes Title IV, Chapter 1 of Regulation 73/2009.

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United States of America (Million USD)

Description of Measure	1995
Payments based on 85% or less of base level of production: Deficiency payments for marketing year	901.022
1995 were only made on 85% of base acreage and program yields have been held constant.	901.022

Charts on direct payments for cotton in accordance with Article 6.5

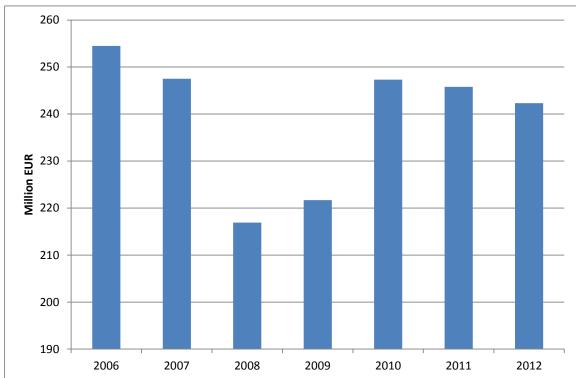
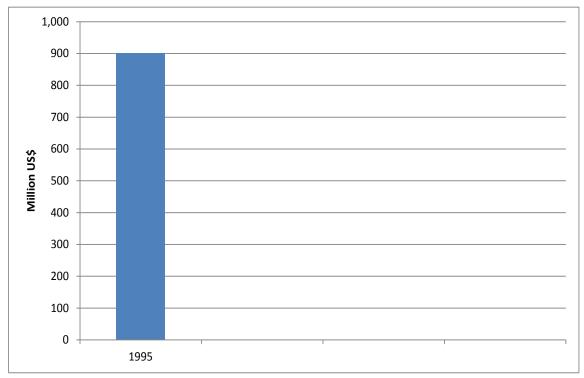


Chart 2.12: European Union





3 MARKET ACCESS

3.1. By way of an introduction to this Part on tariffs and non-tariff measures relevant to market access for cotton, the following overview charts show the evolution of total imports and exports of cotton with a breakdown between imports/exports from/to LDCs and from/to the rest of the world, in value and quantity, over the period 2005-2015.

Charts on market access (overview)

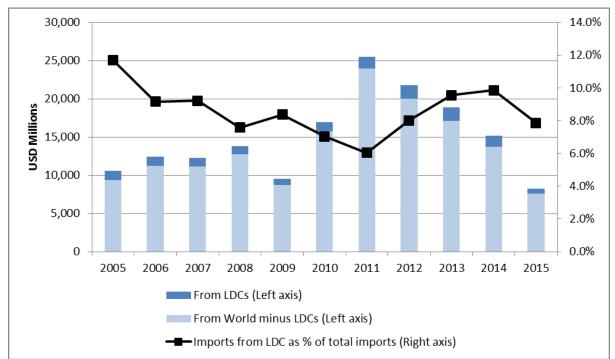


Chart 3.1 Total imports of cotton¹ from World and LDCs, 2005-2015, value

¹ Sum of available reporters – Source UN Comtrade – HS codes 5201, 5202 and 5203.

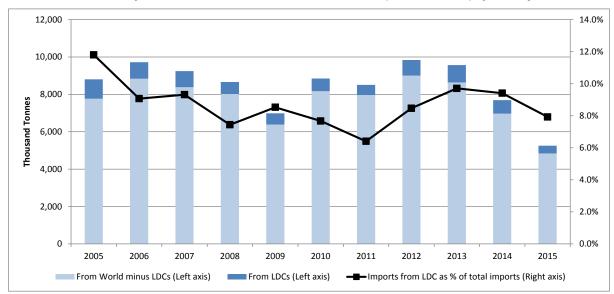
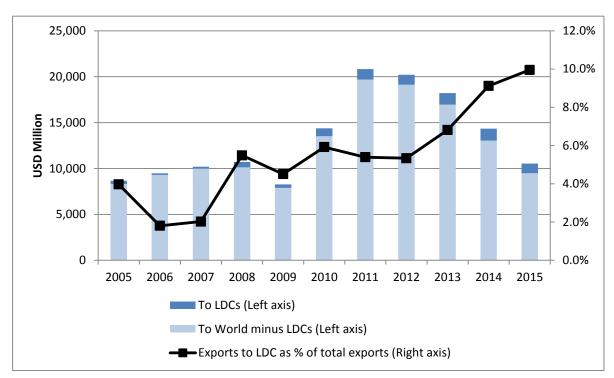


Chart 3.2: Total imports of cotton¹ from World and LDCs, 2005-2015, quantity

¹ Sum of available reporters – Source UN Comtrade – HS codes 5201, 5202 and 5203.

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¹ Sum of available reporters – Source UN Comtrade – HS codes 5201, 5202 and 5203.

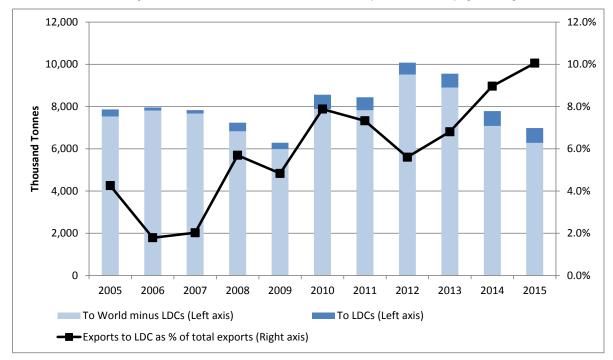


Chart 3.4: Total exports of cotton¹ to World and LDCs, 2005-2015, quantity

¹ Sum of available reporters – Source UN Comtrade – HS codes 5201, 5202 and 5203.

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3.2. The following overview tables show total imports of cotton and imports from LDCs, in value and quantity, for the 32 Members identified in paragraphs 12 and 13 of this paper. The last column shows the percentage of imports originating from LDCs.

Imports of cotton¹⁵ from World and LDCs, 2015¹⁶ in value (USD Million)

	1	1	1
	World	LDC	Percentage of imports from LDCs (%)
Australia	0	0	0
Bahrain, Kingdom of	20.7	3.5	16.9
Bangladesh ¹	2,429	64.8	2.7
Brazil	9.8	0.1	1.4
Canada	8	0.0	0.0
China	2,654.8	73.3	2.8
Colombia	47	4.4	9.4
Egypt	145.6	38.8	26.6
European Union ²	418.4	59.2	14.2
Hong Kong, China	12.9	0.4	3.5
Iceland	0	0	0
India	390.5	117.1	30
Indonesia ³	1402	229.9	16.4
Japan	131.7	1	0.8
Kenya⁴	4.6	4.0	86.6
Korea, Republic of	485.5	10.3	2.1
Malaysia	161.2	1.6	1.0
Mauritius	47.2	38	80.6
Mexico	343.5	0	0
Morocco	42.6	2.9	6.8
New Zealand	0.1	0	0
Norway	1.1	0.0	0.8
Pakistan	546.2	106.6	19.5
Peru	108.4	0	0
Russian Federation	88.3	0	0
South Africa	17.2	11.6	67.3
Switzerland-Liechtenstein	27.6	0	0
Chinese Taipei	307.1	11.1	3.6
Thailand	551.1	102.3	18.6
Turkey	1,243.3	55.4	4.5
United States of America	19.8	0	0
Viet Nam ³	1,439.4	221.2	15.4

¹ Imports in 2011.

² Sum of EU member States (as reported to Comtrade), extra-trade.

³ Imports in 2014.

⁴ Imports in 2013.

Source: UN Comtrade database.

¹⁵ HS codes 5201, 5202, 5203.

¹⁶ For those Members whose import statistics are not available for 2015, imports in previous years are listed. "0.0" represents a figure which is rounded to zero.

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Imports of cotton¹⁷ from World and LDCs, 2015¹⁸ in quantity (metric tonnes)

	World	LDC	Percentage of imports from LDCs (%)
Australia	236	0	0
Bahrain, Kingdom of	12,802	1,999	15.6
Bangladesh ¹	709,593	17,372	2.4
Brazil	5,280	273	5.2
Canada	12,583	0	0.0
China	1,560,967	48,848	3.1
Colombia	30,934	3,045	9.8
Egypt	73,044	19,434	26.6
European Union ²	293,311	41,017	14.0
Hong Kong, China	17,547	627	3.6
Iceland	7	0	0
India	229,428	85,402	37.2
Indonesia ³	705,564	117,515	16.7
Japan	75,219	604	0.8
Kenya⁴	2,323	2,208	95
Korea, Republic of	287,185	6,973	2.4
Malaysia	90,709	1,229	1.4
Mauritius	29,921	24,057	80.4
Mexico	228,469	22	0.0
Morocco	25,738	1,856	7.2
New Zealand	23	0	0
Norway	170	1	0.3
Pakistan	280,557	50,909	18.1
Peru	55,903	0	0
Russian Federation	82,138	0	0
South Africa	31,519	22,333	71
Switzerland-Liechtenstein	13,146	0	0.0
Chinese Taipei	215,732	7,813	3.6
Thailand	526,654	66,019	12.5
Turkey	815,909	37,677	4.6
United States of America	14,998	0	0
Viet Nam ³	752,459	116,109	15.4

¹ Imports in 2011. ² Sum of EU member States (as reported to Comtrade), extra-trade. ³ Imports in 2014.

⁴ Imports in 2013.

Source: UN Comtrade database.

 ¹⁷ HS codes 5201, 5202, 5203.
 ¹⁸ For those Members whose import statistics are not available for 2015, imports in previous years are listed. "0.0" represents a figure which is rounded to zero.

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3.3. The following overview tables show total exports of cotton and exports to LDCs, in value and quantity, for the 32 Members identified in paragraphs 12 and 13 of this paper. The last column shows the percentage of exports to LDCs.

	World	LDC	Percentage of exports to LDCs (%)
Australia	813.9	20.4	2.5
Bahrain, Kingdom of	1.4	0	0
Bangladesh ¹	20.3	0	0
Brazil	1,290.7	26.5	2.1
Canada	0.1	0	0
China	49.3	1.5	3.1
Colombia	1.8	0	0
Egypt	89.8	3	3.4
European Union ²	397.1	11.2	2.8
Hong Kong, China	12.7	0.3	2.5
Iceland	0	0	0
India	1,905.7	694.6	36.4
Indonesia ³	45.7	0	0
Japan	3.1	0	0
Kenya⁴	0.9	0	
Korea, Republic of	20.4	0	0
Malaysia	19.6	4.0	20.6
Mauritius	3.4	0.0	0.2
Mexico	56.5	0	0
Morocco	0.3	0	0
New Zealand	0	0	0
Norway	0	0	0
Pakistan	151.2	26.4	17.5
Peru	3.4	0	0
Russian Federation	0.2	0	0
South Africa	7.7	6.2	79.7
Switzerland-Liechtenstein	2.4	0	0
Chinese Taipei	4.3	0	0
Thailand	5.8	0.6	11.1
Turkey	139.1	4.2	3.0
United States of America	3,991.1	67.3	1.7
Viet Nam ³	24.6	0.0	0.0

¹Exports in 2011.

² Sum of EU member States (as reported to Comtrade), extra-trade.
 ³ Exports in 2014.

⁴ Exports in 2013.

¹⁹ HS codes 5201, 5202, 5203.

²⁰ For those Members whose export statistics are not available for 2015, exports in previous years are listed. "0.0" represents a figure which is rounded to zero.

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	World	LDC	Percentage of exports to LDCs (%)
Australia	448,877	10,676	2.4
Bahrain, Kingdom of	3,576	0	0
Bangladesh ¹	10,421	0	0
Brazil	834,551	16,984	2.0
Canada	142	0	0
China	29,164	940	3.2
Colombia	1,434	0	0
Egypt	49,996	1,655	3.3
European Union ²	260,469	7,029	2.7
Hong Kong, China	17,395	213	1.2
Iceland	0	0	0
India	1,297,580	452,650	34.9
Indonesia ³	36,540	19	0.1
Japan	1,171	0	0
Kenya⁴	675	1	0.1
Korea, Republic of	19,877	0	0
Malaysia	16,195	3,178	19.6
Mauritius	4,310	3	0.1
Mexico	42,727	0	0
Morocco	529	0	0
New Zealand	0	0	0
Norway	0	0	0
Pakistan	112,521	17,512	15.6
Peru	1,531	0	0
Russian Federation	152	0	0
South Africa	5,188	4,413	85.1
Switzerland-Liechtenstein	1,029	0	0
Chinese Taipei	5,822	0	0
Thailand	6,339	135	2.1
Turkey	111,264	2,664	2.4
United States of America	2,445,170	40,331	1.6
Viet Nam ³	1,500	13	0.9

Exports of cotton²¹ to World and LDCs, 2015²² in quantity (metric tonnes)

¹Exports in 2011.

² Sum of EU member States (as reported to Comtrade), extra-trade.

³ Exports in 2014.

⁴ Exports in 2013.

3.4. As explained at the beginning of this background paper, this Part on Market Access provides information on the cotton tariff levels and the use of various non-tariff measures for the 32 Members identified as per paragraphs 12 and 13. Part Three is divided into four sections:

- Section 3.1 lists bound and applied tariffs for cotton based on (i) Members' schedules as reflected in the CTS database, and (ii) data on applied tariffs contained in the IDB database;
- Section 3.2 provides information on the special safeguard provisions for cotton based on Members' schedules and Table MA:3, MA:4 and MA:5 notifications;
- Section 3.3 provides information on cotton tariff rate quotas based on Members' schedules and Table MA:1 and MA:2 notifications; and
- Section 3.4 lists various other non-tariff measures, based on data contained in the WTO I-TIP Goods database and notifications under the Agreement on Import Licensing procedures.

²¹ HS codes 5201, 5202, 5203.

²² For those Members whose export statistics are not available for 2015, imports in previous years are listed. "0.0" represents a figure which is rounded to zero.

3.5. Market access data for the relevant cotton-related products (other than cotton) included in the list annexed to the Nairobi Ministerial Decision on Cotton are available in the Addendum to this document (TN/AG/GEN/34/Rev.5/Add.1), using the same methodology and presentation as in this Part.²³

3.1 TARIFFS

3.6. This section lists bound and applied duties for cotton for the 32 Members identified in paragraphs 12 and 13 of this paper.

3.7. The following first table shows the average and maximum bound and applied duties for the cotton product group²⁴, as they appear in the World Tariff Profile 2015.²⁵ The methodology used to calculate these average and maximum duties, in particular the averaging and the *ad valorem* equivalent calculation, can be found in the World Tariff Profile 2015.

Bound and Applied Tariff from World Tariff Profile 2016 for Cotton Product Group

	Average Duty (%)		Maximum Duty (%)	
Member	Bound	Applied (2015)	Bound	Applied (2015)
Australia	1.2	0	2	0
Bahrain, Kingdom of	35	5	35	5
Bangladesh	200	3.5	200	5
Brazil	55	6.4	55	8
Canada	0.8	0	8	0
China	22	22	40	40
Colombia	75.8	5	99	5
Egypt	5	4	5	5
European Union	0	0	0	0
Hong Kong, China	0	0	0	0
Iceland	2.2	0	11	0
India	110	6	150	30
Indonesia*	37.4	4	40	5
Japan	0	0	0	0
Kenya	100	0	100	0
Korea, Republic of	2	0	2	0
Malaysia*	4	0	5	0
Mauritius	122	0	122	0
Mexico	39.4	0	45	0
Morocco	22	2.5	34	2.5
New Zealand	0	0	0	0
Norway	0	0	0	0
Pakistan	13	7.4	25	10
Peru	30	2.4	30	6
Russian Federation	0	0	0	0
South Africa	60	4.5	60	15
Switzerland	0	0	0	0
Chinese Taipei	0	0	0	0
Thailand	4.5	0	4.5	0
Turkey	10.9	0	12.6	0
United States of America	4.8	4.8	18.0	18.0
Viet Nam	14	6	20	10

*Data for 2014.

Bound and Applied Cotton Tariffs (most recent year available)

3.8. The series of tables below show, for each Member, scheduled bound cotton tariffs as reflected in the CTS database and the applied cotton tariffs as reported in the IDB database. The following column headings are used:

BOUND DUTIES: Bound duties presented according to the following column subheadings:

²³ Paragraph 4 of WT/MIN/(15)/46 and WT/L/981

²⁴ Corresponding to the Harmonized System nomenclature 2012 (HS 2012) headings 52.01 to 52.03.

²⁵ <u>http://www.wto.org/english/res_e/reser_e/tariff_profiles_e.htm</u>.

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Tariff line (HS year)	The tariff item number(s) as specified in the Member's schedule reproduced in the CTS file, using the HS nomenclature indicated in brackets;
Designation:	The product description for the corresponding tariff heading, subheading or line, as specified in the Member's schedule reproduced in the CTS file (in original language only);

- **Bound Duty:** The level of duty for the corresponding tariff line, as specified in the Member's schedule reproduced in the CTS file; and
- **Other Duty and Charges:** The level of other duties and charges (and related information) for the corresponding tariff line, as and when specified in the Member's schedule reproduced in the CTS file.

APPLIED DUTIES: Applied duties (for the most recent year available as indicated in brackets), presented according to the following column subheadings:

- **Tariff line (HS year)** The tariff item number(s) as specified in the Member's IDB file, using the HS nomenclature indicated in brackets;
- **MFN** The level of applied MFN duty for the corresponding tariff line, as specified in the Member's IDB file; and
- **LDC Preferential** The level of duty for the corresponding tariff line, as specified in the Member's IDB file, applied in the context of a preferential regime for LDC imports. The absence of data in the column reflects either the absence of such a regime for that Member or the absence of information on such a regime within the IDB.

Australia

	Bound Duties				Applied Duties (Year 2015)		
Tariff Line (HS 2007)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential	
520100	Cotton, not carded or combed	0%		52010000	0%	0%	
5202	Cotton waste (including yarn waste and garnetted stock):						
520210	- Yarn waste (including thread waste)	2%		52021000	0%	0%	
52029	- Other:						
520291	Garnetted stock	2%		52029100	0%	0%	
520299	Other	2%		52029900	0%	0%	
520300	Cotton, carded or combed	0%		52030000	0%	0%	

Bahrain, Kingdom of

	Bound Duties				Applied Duties (Year 2014)		
Tariff Line (HS 2007)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential	
52010000	Cotton, not carded or combed	35%		52010000	5%		
5202	Cotton waste (including yarn waste and garnetted stock)						
52021000	- Yarn waste (including thread waste)	35%		52021000	5%		
52029	- Other:						
52029100	Garnetted stock	35%		52029100	5%		
52029900	Other	35%		52029900	5%		
52030000	Cotton, carded or combed	35%		52030000	5%		

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Bangladesh

	Bound Duties					Applied Duties (Year 2013)		
Tariff Line (HS 1996)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential		
520100	Cotton, not carded or combed	200%	2.5%	52010000	0%			
5202	Cotton waste (including yarn waste and garnetted stock)							
520210	 Yarn waste (including thread waste) 	200%	2.5%	52021000	5%			
52029	- Other:							
520291	Garnetted stock	200%	2.5%	52029100	5%			
520299	Other	200%	2.5%					
				52029910 ¹	0%			
				52029990 ²	5%			
520300	Cotton, carded or combed	200%	2.5%	52030000	5%			

¹ Cotton waste. ² Cotton waste, nes.

Brazil

	Bound Duties			Applied Duties (Year 2016)		
Tariff Line (HS 2002)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential
520100	Algodón sin cardar ni peinar					
52010010	Sin desmotar	55%		52010010	6%	
52010020	Simplemente desmotado	55%		52010020	6%	
52010090	Los demás	55%		52010090	6%	
5202	Desperdicios de algodón (incluidos los desperdicios de hilados y las hilachas)					
52021000	Desperdicios de hilados	55%		52021000	6%	
52029	- Los demás:					
52029100	Hilachas	55%		52029100	6%	
52029900	Los demás	55%		52029900	6%	
52030000	Algodón cardado o peinado	55%		52030000	8%	

Canada

	Bound Duties					Applied Duties (Year 2016)		
Tariff Line (HS 2007)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential		
52010000	Cotton, not carded or combed	0%		52010000	0%	0%		
5202	Cotton waste (including yarn waste and garnetted stock)							
52021000	- Yarn waste (including thread waste)	0%		52021000	0%	0%		
52029	- Other:							
52029100	Garnetted stock	0%		52029100	0%	0%		
52029900	Other	0%		52029900	0%	0%		
520300	Cotton, carded or combed			52030000	0%	0%		
52030010	Slivers	0%						
52030090	Other	8%						

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China

	Bound Duties					ties 5)
Tariff Line (HS 1996)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential
5201	Cotton, not carded or combed					
52010000	- Cotton, not carded or combed	40%		52010000	40%	
5202	Cotton waste (including yarn waste and garnetted stock)					
52021000	-Yarn waste (including thread waste)	10%		52021000	10%	
52029	- Other:					
52029100	Garnetted stock	10%		52029100	10%	
52029900	Other	10%		52029900	10%	
5203	Cotton, carded or combed					
52030000	- Cotton, carded or combed	40%		52030000	40%	

Colombia

	Bound Duties					Applied Duties (Year 2016)		
Tariff Line (HS 2007)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential		
5201000000	Algodón sin cardar ni peinar	99%						
				5201001000 ¹	5%			
				5201002000 ²	5%			
				5201003000 ³	5%			
				5201009000⁴	5%			
5202	Desperdicios de algodón (incluidos los desperdicios de hilados y las hilachas)							
5202100000	- Desperdicios de hilados	70%		5202100000	5%			
52029	- Los demás:							
5202910000	Hilachas	70%		5202910000	5%			
5202990000	Los demás	70%		5202990000	5%			
5203000000	Algodón cardado o peinado	70%		5203000000	5%			

¹ De longitud de fibra superior a 34.92 mm (1 3/8 pulgada).
² De longitud de fibra superior a 28.57 mm (1 1/8 pulgada) pero inferior o igual a 34.92 mm (1 3/8 pulgada).
³ De longitud de fibra superior a 22.22 mm (7/8 pulgada) pero inferior o igual a 28.57 mm (1 1/8 pulgada).
⁴ De longitud de fibra inferior o igual a 22.22 mm (7/8 pulgada).

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Egypt

	Bound Duties				lied Du ear 201	
Tariff Line (HS 2007)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential
52010000	Cotton, not carded or combed	5%		5201000010 ¹	0%	
				5201000030 ²	0%	
				5201000033 ³	0%	
				5201000034⁴	0%	
				52010000355	0%	
				5201000036°	0%	
				52010000377	0%	
				5201000038 [®]	0%	
				5201000039°	0%	
				5201000041 ¹⁰	0%	
				5201000042 ¹¹	0%	
				5201000043 ¹²	0%	
				5201000044 ¹³	0%	
				5201000045 ¹⁴	0%	
				5201000046 ¹⁵	0%	
				5201000047 ¹⁶	0%	
				5201000048 ¹⁷	0%	
				5201000050 ¹⁸	0%	
				5201000090 ¹⁹	0%	
5202	Cotton waste (including yarn waste and garnetted stock)					
52021000	- Yarn waste (including thread waste)	5%		5202100000	5%	
52029	- Other:					
52029100	Garnetted stock	5%		5202910000	5%	
52029900	Other	5%		5202990000	5%	
52030000	Cotton, carded or combed	5%		5203000000	5%	

¹ Raw cotton not mixed Giza 45 not carded or combed, not ginned.

² Raw cotton not mixed Giza 31 not carded or combed, not ginned.

³ Raw cotton not mixed Giza 66 not carded or combed, not ginned.

⁴ Raw cotton not mixed Giza 67 not carded or combed, not ginned.

⁵ Raw cotton not mixed Giza 68 not carded or combed, not ginned.

⁶ Raw cotton not mixed Giza 69 not carded or combed, not ginned.

⁷ Raw cotton not mixed Giza 83 not carded or combed, not ginned.

⁸ Raw cotton not mixed Giza 84 not carded or combed, not ginned.

⁹ Raw cotton not mixed Giza 85 not carded or combed, not ginned.

¹⁰ Raw cotton not mixed Giza 76 not carded or combed, not ginned.
 ¹¹ Raw cotton not mixed Giza 77 not carded or combed, not ginned.

¹² Raw cotton not mixed Giza 80 not carded or combed, not gimed.

¹³ Raw cotton not mixed Giza 81 not carded or combed, not ginned.

¹⁴ Raw cotton not mixed Giza 82 not carded or combed, not ginned.

¹⁵ Raw cotton not mixed Giza 70 not carded or combed, not ginned.

¹⁶ Raw cotton not mixed Giza 72 not carded or combed, not ginned.
¹⁷ Raw cotton not mixed Giza 75 not carded or combed, not ginned.

¹⁸ Other cotton not carded or combed, not ginned.

¹⁹ Other cotton not carded or combed, ginned.

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European Union

	Bound Duties				Applied Duties (Year 2016)			
Tariff Line (HS 1996)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential		
5201	Cotton, not carded or combed:							
52010010	- Rendered absorbent or bleached	0%		52010010	0%	0%		
52010090	- Other	0%		52010090	0%	0%		
5202	Cotton waste (including yarn waste and garnetted stock):							
52021000	- Yarn waste (including thread waste)	0%		52021000	0%	0%		
52029	- Other:							
52029100	Garnetted stock	0%		52029100	0%	0%		
52029900	Other	0%		52029900	0%	0%		
52030000	Cotton, carded or combed	0%		52030000	0%	0%		

Hong Kong, China

	Bound Duties				Applied Duties (Year 2016)		
Tariff Line (HS 2007)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential	
52010000	Cotton, not carded or combed	0%		52010000	0%		
5202	Cotton waste (including yarn waste and garnetted stock).						
52021000	- Yarn waste (including thread waste)	0%		52021000	0%		
52029	- Other:						
52029100	Garnetted stock	0%		52029100	0%		
52029900	Other	0%		52029900	0%		
52030000	Cotton, carded or combed	0%		52030000	0%		

Iceland

	Bound Duties				Applied Duties (Year 2014)			
Tariff Line (HS 2002)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential		
5201	Cotton, not carded or combed							
52010000	- Cotton, not carded or combed	0%		52010000	0%	0%		
5202	Cotton waste (including yarn waste and garnetted stock)							
52021000	- Yarn waste (including thread waste)	11%		52021000	0%	0%		
52029	- Other:							
52029100	Garnetted stock	0%		52029100	0%	0%		
52029900	Other	0%		52029900	0%	0%		
5203	Cotton, carded or combed							
52030000	- Cotton, carded or combed	0%		52030000	0%	0%		

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India

	Bound Duties					ties 5)
Tariff Line (HS 2007)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential
52010000	Cotton, not carded or combed	100%				
				52010011 ¹	0%	0%
				52010012 ²	0%	0%
				52010013 ³	0%	0%
				520100144	0%	0%
				520100155	0%	0%
				52010019 ⁶	0%	0%
				520100207	0%	0%
5202	Cotton waste (including yarn waste and garnetted stock)					
52021000	- Yarn waste (including thread waste)	100%		52021000	0%	0%
52029	- Other:					
52029100	Garnetted stock	100%		52029100	0%	0%
52029900	Other	100%		52029900	0%	0%
52030000	Cotton, carded or combed	150%		52030000	30%	0%

¹ Bengal deshi.
² Indian cotton of staple lengths 20.5 mm (25/32") and below (e g. oomras, yellow picking, Assam Comillas).
³ Indian cotton of staple length exceeding 20.5mm (26/32") and but not exceeding 24.5mm (30/32").
⁴ Indian cotton of staple length over 24.5 mm (31/32") to 28 mm.
⁵ Indian cotton of staple length 28.5 mm (1 4/32") and above but below 34.5 mm.
⁶ Indian cotton of all staple length 34.5 mm and above (1 12/32").
⁷ Cotton, other than Indian, of all staple lengths.

Indonesia

	Bound Duties					Applied Duties (Year 2015)		
Tariff Line (HS 1996)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential		
5201	Cotton, not carded or combed							
520100000	- Cotton, not carded or combed	27%		5201000000	5%			
5202	Cotton waste (including yarn waste and garnetted stock)							
520210000	- Yarn waste (including thread waste)	40%		5202100000	5%			
52029	- Other:							
520291000	Garnetted stock	40%		5202910000	5%			
520299000	Other:	40%		5202990000	5%			
5203	Cotton, carded or combed							
520300000	- Cotton, carded or combed	40%		5203000000	5%			

Japan

	Bound Duties				Applied Duties (Year 2015)		
Tariff Line (HS 2002)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential	
520100	- Cotton, not carded or combed	0%		520100000	0%	0%	
5202	Cotton waste (including yarn waste and garnetted stock)						
520210	- Yarn waste (including thread waste)	0%		520210000	0%	0%	
52029	- Other:						
520291	Garnetted stock	0%		520291000	0%	0%	
520299	Other	0%		520299000	0%	0%	
520300	- Cotton, carded or combed	0%		520300000	0%	0%	

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Kenya

	Bound Duties				lied Dut ear 2015	
Tariff Line (HS 2007)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential
52010000	Cotton, not carded or combed.	100%		52010000	0%	
5202	Cotton waste (including yarn waste and garnetted stock).					
52021000	- Yarn waste (including thread waste)	100%		52021000	0%	
52029	- Other:					
52029100	Garnetted stock	100%		52029100	0%	
52029900	Other	100%		52029900	0%	
52030000	Cotton, carded or combed	100%		52030000	0%	

Korea, Republic of

	Bound Duties					ties 6)
Tariff Line (HS 2007)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential
520100	Cotton, not carded or combed					
5201001000	Seed cotton	2%		5201001000	0%	0%
52010090	Other					
5201009010	Less than 232 mm (7/8 inch) of fibre-length	2%		5201009010	0%	0%
5201009020	Not less than 232 mm (7/8 inch), but less than 254 mm (1 inch) of fibre-length	2%		5201009020	0%	0%
5201009030	Not less than 254 mm (1 inch),but less than 285 mm (11/8 inch) of fibre- length	2%		5201009030	0%	0%
5201009050	Not less than 285 mm (1-1/8 inch), but less than 349 mm (1-3/8 inch) of fiber length	2%		5201009050	0%	0%
5201009060	Not less than 349 mm (1-3/8 inch) of fiber-length	2%		5201009060	0%	0%
5202	Cotton waste (including yarn waste and garnetted stock)					
5202100000	1. Yarn waste (including thread waste)	2%		5202100000	0%	0%
52029	- 2. Other:					
5202910000	A. Garnetted stock	2%		5202910000	0%	0%
5202990000	B. Other	2%		5202990000	0%	0%
5203000000	Cotton, carded or combed	2%		5203000000	0%	0%

Malaysia

	Bound Duties				Applied Duties (Year 2013)		
Tariff Line (HS 2002)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential	
520100000	Cotton, not carded or combed	0%		520100000	0%		
5202	Cotton waste (including yarn waste and garnetted stock)						
520210000	- Yarn waste (including thread waste)	5%		520210000	0%		
52029	- Other:						
520291000	Garnetted stock	5%		520291000	0%		
520299000	Other	5%		520299000	0%		
520300000	Cotton, carded or combed	5%		520300000	0%		

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Mauritius

	Bound Duties				Applied Duties (Year 2016)		
Tariff Line (HS 2007)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential	
52010000	Cotton, not carded or combed	122%	17%	52010000	0%		
5202	Cotton waste (including yarn waste and garnetted stock)						
52021000	- Yarn waste (including thread waste)	122%	17%	52021000	0%		
52029	- Other:						
52029100	Garnetted stock	122%	17%	52029100	0%		
52029900	Other	122%	17%	52029900	0%		
52030000	Cotton, carded or combed	122%	17%	52030000	0%		

Mexico

	Bound Duties					ies 5)
Tariff Line (HS 2002)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential
520100	Algodón sin cardar ni peinar	45%				
				52010001 ¹	0%	
				52010002 ²	0%	
				52010099 ³	0%	
5202	Desperdicios de algodón (incluidos los desperdicios de hilados y las hilachas)					
520210	Desperdicios de hilados	37%		52021001	0%	
52029	- Los demás:					
520291	Hilachas	37%		52029101	0%	
520299	Los demás					
52029901	Borra	37%		52029901	0%	
52029999	Demás	45%		52029999	0%	
520300	Algodón cardado o peinado	37%		52030001	0%	

¹ Con pepita.
² Sin pepita, de fibra con más de 29 mm de longitud.
³ Los demás.

Morocco

	Bound Duties					ies 5)
Tariff Line (HS 2002)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential
5201	Coton, non cardé ni peigné					
5201000010	non égrené	19%	15%	5201000010	2.5%	2.5%
5201000091	égrené:					
5201000091	écru	19%	15%	5201000091	2.5%	0%
5201000099	autres	19%	15%	5201000099	2.5%	0%
5202	Déchets de coton (y compris les déchets de fils et les effilochés).					
520210	– Déchets de fils					
5202100010	déchets de fils pour essuyages industriels	19%	15%	5202100010	2.5%	2.5%
5202100090	autres	19%	15%	5202100090	2.5%	2.5%
52029	– Autres:					
5202910000	Effilochés	19%	15%	5202910000	2.5%	2.5%
5202990000	Autres	19%	15%	5202990000	2.5%	2.5%
5203	Coton, cardé ou peigné					
52030010	écru, décrué ou blanchi:					
5203001010	écru	34%	15%	5203001010	2.5%	2.5%

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Bound Duties					lied Dut ear 2016	
Tariff Line (HS 2002)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential
5203001020	décrué	34%	15%	5203001020	2.5%	2.5%
5203001090	blanchi	34%	15%	5203001090	2.5%	2.5%
5203009000	autres	34%	15%	5203009000	2.5%	2.5%

New Zealand

	Bound Duties				Applied Duties (Year 2016)			
Tariff Line (HS 2002)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential		
52010000	Cotton, not carded or combed	0%		52010000	0%	0%		
5202	Cotton waste (including yarn waste and garnetted stock):							
52021000	- Yarn waste (including thread waste)	0%		52021000	0%	0%		
52029	- Other:							
52029100	Garnetted stock	0%		52029100	0%	0%		
52029900	Other	0%		52029900	0%	0%		
52030000	Cotton, carded or combed	0%		52030000	0%	0%		

Norway

	Bound Duties					Applied Duties (Year 2016)		
Tariff Line (HS 2007)			Tariff Line (HS 2012)	MFN	LDC Preferential			
5201000	Cotton, not carded or combed	0%		52010000	0%	0%		
5202	Cotton waste (including yarn waste and garnetted stock).							
5202100	- Yarn waste (including thread waste)	0%		52021000	0%	0%		
52029	- Other:							
5202910	Garnetted stock	0%		52029100	0%	0%		
5202990	Other	0%		52029900	0%	0%		
5203000	Cotton, carded or combed	0%		52030000	0%	0%		

Pakistan

	Bound Duties	Applied Duties (Year 2014)				
Tariff Line (HS 2007)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential
520100	Cotton, not carded or combed					
52010010	American	5%				
52010020	Egyptian	5%				
				52010030 ¹	1%	
				52010040 ²	1%	
				52010050 ³	1%	
				52010060 ⁴	1%	
				52010070 ⁵	1%	
				52010080 ⁶	1%	
52010090	Other	5%		52010090	1%	
5202	Cotton waste (including yarn waste and garnetted stock).					
52021000	- Yarn waste (including thread waste)	25%		52021000	10%	
52029	- Other:					
52029100	Garnetted stock	15%		52029100	10%	
52029900	Other	15%		52029900	10%	
52030000	Cotton, carded or combed	5%		52030000	5%	

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¹ Length not exceeding 20.5 mm.
 ² Length exceeding 20.5 mm but not exceeding 24.5 mm.
 ³ Length exceeding 24.5 mm but not exceeding 28.5 mm.
 ⁴ Length exceeding 28.5 mm but not exceeding 31 mm.
 ⁵ Length exceeding 31 mm but not exceeding 34.5 mm.
 ⁶ Length exceeding 34.5 mm.

Peru

	Applied Duties (Year 2015)					
Tariff Line (HS 2007)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential
5201000000	Algodón sin cardar ni peinar.	30%				
				5201001000 ¹	6%	
				5201002000 ²	6%	
				5201003000 ³	6%	
				52010090004	6%	
5202	Desperdicios de algodón (incluidos los desperdicios de hilados y las hilachas)					
5202100000	- Desperdicios de hilados	30%		5202100000	0%	
52029	- Los demás:					
5202910000	Hilachas	30%		5202910000	0%	
5202990000	Los demás	30%		5202990000	0%	
5203000000	Algodón cardado o peinado	30%		5203000000	6%	

¹ De longitud de fibra superior a 34.92 mm (1 3/8 pulgada).
 ² De longitud de fibra superior a 28.57 mm (1 1/8 pulgada) pero inferior o igual a 34.92 mm (1 3/8 pulgada).
 ³ De longitud de fibra superior a 22.22 mm (7/8 pulgada) pero inferior o igual a 28.57 mm (1 1/8 pulgada).

⁴ De longitud de fibra inferior o igual a 22.22 mm (7/8 pulgada).

Russian Federation

	Applied Duties (Year 2016)					
Tariff Line (HS 2007)	Designation Bound Other Duty Duties and Charges			Tariff Line (HS 2012)	MFN	LDC Preferential
520100	Cotton, not carded or combed:					
5201001000	 rendered absorbent or bleached 	0%		5201001000	0%	0%
5201009000	- other	0%		5201009000	0%	0%
5202	Cotton waste (including yarn waste and garnetted stock):					
5202100000	- yarn waste (including thread waste)	0%		5202100000	0%	0%
52029	- other:					
5202910000	garnetted stock	0%		5202910000	0%	0%
5202990000	other	0%		5202990000	0%	0%
5203000000	Cotton, carded or combed	0%		520300000	0%	0%

South Africa

	Applied Duties (Year 2016)					
Tariff Line (HS 2007)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential
520100	Cotton, not carded or combed					
52010010	Not ginned	60%	4.4c/kg cotton fibre (Normal levy)+3.3c/kg cotton fibre (Special levy)	52010010	0%	
52010020	Ginned but not further processed	60%	4.4c/kg cotton fibre (Normal levy)+3.3c/kg cotton fibre (Special levy)	52010020	160c/ kg ¹	
52010090	Other	60%	4.4c/kg cotton fibre (Normal levy)+3.3c/kg	52010090	15%	

	Applied Duties (Year 2016)					
Tariff Line (HS 2007)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential
			cotton fibre (Special levy)			
5202	Cotton waste (including yarn waste and garnetted stock):					
520210	- Yarn waste (including thread waste)			52021000	0%	
52021010	Unprocessed	60%				
52021090	Other	60%				
52029	- Other:					
520291	Garnetted stock					
52029110	Unprocessed	60%		52029100	0%	
52029190	Other	60%				
520299	Other			52029900	0%	
52029910	Unprocessed	60%				
52029990	Other	60%				
52030000	Cotton, carded or combed	60%	1	52030000	15%	

 $^{\rm 1}$ "c/kg" stands for rand cent per kilo.

Switzerland

	Bound Duties					Applied Duties (Year 2016)			
Tariff Line (HS 2002)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential			
520100	Coton, non cardé ni peigné								
52010010	blanchi et dégraissé (hydrophile)	0%		52010010	0%	0%			
52010090	autres	0%		52010090	0%	0%			
5202	Déchets de coton (y compris les déchets de fils et les effilochés)								
52021000	- déchets de fils	0%		52021000	0%	0%			
52029	- Autres:								
52029100	effilochés	0%		52029100	0%	0%			
52029900	autres	0%		52029900	0%	0%			
52030000	- Coton, cardé ou peigné	0%		52030000	0%	0%			

Chinese Taipei

	Applied Duties (Year 2016)					
Tariff Line (HS 2007)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential
52010000	Cotton, not carded or combed	0%		52010000	0%	0%
5202	Cotton waste (including yarn waste and garnetted stock)					
52021000	Yarn waste (including thread waste)	0%		52021000	0%	0%
52029	Other:					
52029100	Garnetted cotton stock	0%		52029100	0%	0%
52029900	Other cotton waste	0%		52029900	0%	0%
52030000	Cotton, carded or combed	0%		52030000	0%	0%

Thailand

	Bound Duties					Applied Duties (Year 2014)		
Tariff Line (HS 2002)					MFN	LDC Preferential		
520100	Cotton, not carded or combed	4.5%		52010000	0%			
5202	Cotton waste (including yarn waste and garnetted stock)							
520210	- Yarn waste (including thread waste)	4.5%		52021000	0%			
52029	- Other:							
520291	Garnetted stock	4.5%		52029100	0%			

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	Bound Duties					ies 4)
Tariff Line (HS 2002)					MFN	LDC Preferential
520299	Other	4.5%		52029900	0%	
520300	Cotton, carded or combed	4.5%		52030000	0%	

Turkey

	Bound	Duties			lied Duti ear 2015	
Tariff Line (HS 2002)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential
520100	Cotton, not carded or combed					
5201001000	- Rendered absorbent or bleached	6%	- Municipality share: 15% of customs duty, - Transportation infrastructure fee: 3% (in case of road, rail or air Transport) or 4% (in case of maritime transport) of the sum of CIF value, customs duty and other charges mentioned above.	520100100000	0%	0%
5201009000	- Other	6%	 Municipality share: 15% of customs duty, - Transportation infrastructure fee: 3% (in case of road, rail or air Transport) or 4% (in case of maritime transport) of the sum of CIF value, customs duty and other charges mentioned above. 	520100900000	0%	0%
5202	Cotton waste (including yarn waste and garnetted stock)		-			
5202100000	- Yarn waste (including thread waste)	12%	 Municipality share: 15% of customs duty, - Transportation infrastructure fee: 3% (in case of road, rail or air Transport) or 4% (in case of maritime transport) of the sum of CIF value, customs duty and other charges mentioned above. 	520210000011	0%	0%
				520210000019	0%	0%
52029	- Other:					
5202910000	Garnetted stock	12%	 Municipality share: 15% of customs duty, - Transportation infrastructure fee: 3% (in case of road, rail or air Transport) or 4% (in case of maritime transport) of the sum of CIF value, customs duty and other charges mentioned above. 			
				520291000011	0%	0%
				520291000012	0%	0%
				520291000013	0%	0%
				520291000019	0%	0%
5202990000	Other	12%	- Municipality share: 15% of customs duty, - Transportation infrastructure fee: 3% (in case of road, rail or air Transport) or 4% (in case of maritime transport) of the sum of CIF value, customs duty and other charges mentioned above.	520299000011	0%	0%
				520299000012	0%	0%
				520299000013	0%	0%
				520299000018	0%	0%
5203000000	Cotton, carded or combed	12.6%	 Municipality share: 15% of customs duty, - 	5203000000	0%	0%

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	Applied Duties (Year 2015)					
Tariff Line (HS 2002)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential
			Transportation infrastructure fee: 3% (in case of road, rail or air Transport) or 4% (in case of maritime transport) of the sum of CIF value, customs duty and other charges mentioned above.			

United States of America

	Bound Duties		Applied Duties (Year 2016)				
Tariff Line (HS 2007)	Designation	Bound Duty	Other Duties and Charges	Tariff Line (HS 2012)	MFN	LDC Preferential	
520100	Cotton, not carded or combed:						
	- Having a staple length under 28.575 mm (1-1/8 inches):						
52010005	Harsh or rough, having a staple length under 19.05 mm (3/4 inch) Other:	0%		52010005	0%	0%	
52010012	Other: Described in general note 4 of the tariff schedule and entered pursuant to its provisions	0%		52010012	0%	0%	
52010014 ¹	Described in U.S. Tariff-Rate Quota Notifications, TRQID USA035	0%		52010014	0%	0%	
52010018	Other	31.4¢/kg		52010018	31.4¢/kg	0%	
	- Having a staple length of 28.575 mm (1-1/8 inches) or more but under 34.925 mm (1-3/8 inches):						
52010022	Described in general note 4 of the tariff schedule and entered pursuant to its provisions	4.4¢/kg		52010022	4.4¢/kg	0%	
	Other, harsh or rough, having a staple length of 29.36875 mm (1- 5/32 inches) or more and white in colour (except cotton of perished staple, grabbots and cotton pickings):						
520100241	Described in U.S. Tariff-Rate Quota Notifications, TRQID USA036	4.4¢/kg		52010024	4.4¢/kg	0%	
52010028	Other	31.4¢/kg		52010028	31.4¢/kg	0%	
	Other:						
52010034 ¹	Described in U.S. Tariff-Rate Quota Notifications, TRQID USA037	4.4¢/kg		52010034	4.4¢/kg	0%	
52010038	Other	31.4¢/kg		52010038	31.4¢/kg	0%	
	- Having a staple length of 34.925 mm (1-3/8 inches) or more:						
52010055	Described in general note 4 of the tariff schedule and entered pursuant to its provisions	1.5¢/kg		52010055	1.5¢/kg	1.5¢/kg	
52010060 ¹	Described in U.S. Tariff-Rate Quota Notifications, TRQID USA038	1.5¢/kg		52010060	1.5¢/kg	1.5¢/kg	
52010080	Other	31.4¢/kg		52010080	31.4¢/kg	31.4¢/kg	
5202	Cotton waste (including yarn waste and garnetted stock):						
52021000	 Yarn waste (including thread waste) Other: 	0%		52021000	0%	0%	
52029100	Garnetted stock			52029100	4.3%	0%	
5202910001	Having a staple length under 28.575 mm (1-1/8 inches)	4.3%					
5202910002	Having a staple length 28.575 mm (1-1/8 inches) or more	4.3%					
520299	Other:						
	Card strips made from cotton having a staple length under 30.1625 mm (1-3/16 inches) and lap waste, sliver waste and roving waste:						

Bound Duties					Applied Duties (Year 2016)		
Tariff Line (HS 2007)	Designation	Designation Bound Duty		Tariff Line (HS 2012)	MFN	LDC Preferential	
52029905	Described in general note 4 of the tariff schedule and entered pursuant to its provisions	0%		52029905	0%	0%	
52029910 ¹	Described in U.S. Tariff-Rate Quota Notifications, TRQID USA039	0%		52029910	0%	0%	
52029930	Other	7.8¢/kg		52029930	7.8¢/kg	0%	
52029950	Other	0%		52029950	0%	0%	
520300	Cotton, carded or combed:						
	- Fibers of cotton processed but not spun:						
52030005	Described in general note 4 of the tariff schedule and entered pursuant to its provisions	5%		52030005	5%	0%	
520300101	Described in U.S. Tariff-Rate Quota Notifications, TRQID USA040	5%		52030010	5%	0%	
52030030	Other	31.4¢/kg		52030030	31.4¢/kg	0%	
52030050	- Other	4.3%		52030050	4.3%	0%	

 1 Tariff rate quotas were reserved for these tariff lines. 2 "¢/kg" stands for USD cent per kilo.

Viet Nam

	Bound Duties					Applied Duties (Year 2015)			
Tariff Line (HS 2002)	Designation Bound Other Duty Duties and Charges		Tariff Line (HS 2012)	MFN	LDC Preferential				
52010000	Cotton, not carded or combed	0%		5201000000	0%				
5202	Cotton waste (including yarn waste and garnetted stock)								
52021000	- Yarn waste (including thread waste)	20%		5202100000	10%				
52029	- Other:								
52029100	Garnetted stock	20%		5202910000	10%				
52029900	Other	20%		5202990000	10%				
52030000	Cotton, carded or combed	10%		5203000000	0%				

3.2 SPECIAL SAFEGUARD PROVISIONS

3.9. This section provides information on scheduled special safeguard (SSG) provisions for cotton and on the use of those provisions by Member.

3.10. Of the 32 Members covered by this Market Access Part, three have scheduled SSG provisions for cotton, namely, Colombia, South Africa, and the United States.

3.11. The following table lists the cotton tariff lines for which SSG provisions are specified in each of those three Members' schedules. The following column headings are used:

- **Member** The name of the Member who has reserved SSG provisions for cotton; and
- **Tariff Line** The tariff item number for which the SSG provision was reserved (through the inclusion of the symbol "SSG") as specified in the Member's schedule reproduced in the CTS file using the HS 2002 nomenclature.

3.2.1 Scheduled SSG provisions for cotton

Member	Tariff Line
Colombia	5201000000
South Africa	52010010
	52010020
	52010090
	52021010
	52021090
	52029110
	52029190
	52029910
	52029990
	52030000
United States of America	52010018
	52010028
	52010038
	52010080
	52029930
	52030030

3.12. Based on Table MA:3 notifications circulated by the Secretariat up to 18 October 2016, none of those three Members has notified trigger levels for the volume-based SSG concerning cotton.

3.13. Regarding the price-based SSG, based on Table MA:4 notifications circulated by the Secretariat up to 18 October 2016, the United States have notified trigger prices for all the tariff lines for which SSG provisions were reserved. These trigger prices are presented by tariff item number in the table below. The following column headings are used:

- **Tariff Line** The tariff item number for which the SSG provision was reserved (through the inclusion of the symbol "SSG") as specified in the Member's schedule reproduced in the CTS using the HS 2002 nomenclature;
- **Trigger Price** The trigger price for the tariff item number as notified in the Table MA:4 notification.

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3.2.2 Notified trigger prices for cotton

United States of America (G/AG/N/USA/1)

Tariff Line	Trigger price
52010018	USD 1.60/kg
52010028	USD 1.12/kg
52010038	USD 1.20/kg
52010080	USD 2.75/kg
52029930	USD 8.15/kg
52030030	USD 0.64/kg

3.14. The table below provides, based on MA:5 notifications circulated by the Secretariat up to 18 October 2016, information regarding price-based SSG actions invoked on cotton by the United States. The following column headings are used:

ProductProduct description as specified in the Table MA:5 notification;

Tariff LineThe tariff item number for which the SSG provision was reserved
(through the inclusion of the symbol "SSG") as specified in the
Member's schedule reproduced in the CTS using the HS 2002
nomenclature;

Implementation year The implementation year during which SSG action was invoked;

Affected quantity (kg.) The quantity in kilograms of the tariff item number affected by the SSG action as notified in the Table MA:5 notification; and

Notification reference The reference of the relevant notification.

3.2.3 Invoked price-based SSG for cotton

United States of America (Table MA:5)

Product	Tariff Line	Implementation year	Affected quantity (kg.)	Notification Reference
Short staple cotton, over-quota	52010018	Calendar year, 1996	150	G/AG/N/USA/24
Short staple cotton, over-quota	52010018	Calendar year, 2006	54	G/AG/N/USA/61
Extra long staple cotton, over-quota	52010080	Calendar year, 2003	118,807	G/AG/N/USA/61
Extra long staple cotton, over-quota	52010080	Calendar year, 2007	539	G/AG/N/USA/67

Note: The following paragraph is quoted in all of the above-mentioned U.S. notifications: "United States price-based safeguards are invoked automatically on a shipment-by-shipment basis. Importers who enter goods in an over-quota tariff line are required to declare which pre-established price range is applicable to their product. If there is a safeguard duty associated with that price range, the additional charge is assessed. Entries where the safeguard duties were assessed during the reporting period are summarized in this notification. Information on affected quantities, while not required by the format, is provided for illustrative purposes. Multiple transactions involving the same product have been aggregated for the purposes of this notification."

3.3 TARIFF RATE QUOTAS

3.15. Of the 32 Members covered by the Market Access Part of this background paper, only China, Colombia, South Africa and the United States have scheduled tariff rate quotas²⁶ for cotton.

3.16. This section is organized as follows: Sub-section 3.3.1 provides information regarding the tariff rate quota commitments for cotton as specified in those four Members' schedules; Sub-section 3.3.2 presents the most recent TRQ administration methods notified by those four Members in Table MA:1 notifications; and Sub-section 3.3.3 provides, for each of those four Members, the TRQ quantities and the notified in-quota imports from Table MA:2 notifications and the corresponding fill rates further to the request made at the third dedicated discussion.

3.3.1 Tariff rate quota commitments for cotton

3.17. This sub-section lists, by Member, the initial and final bound tariff rate quota quantities and in-quota tariff rates for cotton as specified in the Member's schedule. The following column headings are used:

TQID	The number identifying the bound tariff quota for each Member in the CTS, in the same sequential order as scheduled. The seven-character code is comprised of the three-letter WTO Member code, followed by "Q" for "TRQ", and by the three-digit sequential identifier.
Product	The product or group of products as specified in the Member's schedule 27 ;
Tariff Line(s)	The tariff item number(s) as specified in the Member's schedule reproduced in the CTS using the HS 2002 nomenclature;
Unit	The unit for initial and final bound tariff rate quota quantities;
Initial quota	The initial bound tariff rate quota quantity as specified in the Member's schedule;
Final quota	The final bound tariff rate quota quantity as specified in the Member's schedule; and

In-quota tariff rate The in-quota tariff rate as specified in the Member's schedule.

China¹

TQID	Product	Tariff line(s)	Unit	Initial quota	Final quota	In-quota tariff rate
CHNQ010	Cotton ²	52010000, 52030000	Metric tonnes	780,750	894,000	1%

¹ Annex 1 contains the notes from China's schedule concerning tariff rate quota commitments.

² The following information is taken from the column "other terms and conditions" in China's schedule for its cotton TRQ commitment (Refer to Annex 1, "Note 1")

1) STE share = 33% (See Note 1).

2) Staging for cotton

- <u>Year</u> <u>TRQ quantity</u> 2002 818,500 mt.
- 2003 856,250 mt.
- 2004 894,000 mt.

Colombia

TQID	Product	Tariff line(s)	Unit	Initial quota	Final quota	In-quota tariff rate
COLQ057	Algodon sin cardar ni peinar	5201	Metric tonnes	222	222	99%
COLQ067	Algodon	5201	Metric tonnes	1510	2664	80%

South Africa¹

TQID	Product	Tariff line(s)	Unit	Initial quota	Final quota	In-quota tariff rate
ZAFQ053	Cotton	5201	Metric tonnes	17,101	17,101	12%

¹ The following note is included in South Africa's schedule for its TRQ commitments: "South Africa commits itself to fill the quotas as indicated at tariff rates at a maximum of 20% of the bound rates for both the initial and final quantities."

²⁶ Also referred to as TRQ or tariff quota.

²⁷ In original language only.

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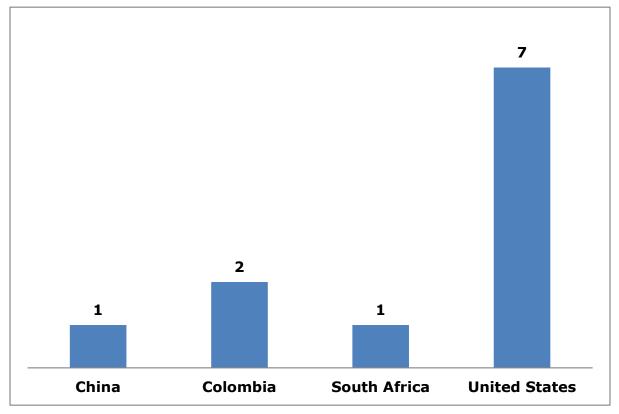
TQID	Product	Tariff line(s)	Unit	Initial quota	Final quota	In-quota tariff rate
		52010014				0%
		52010024	Metric tonnes			USD 0.044 per kilogram
USAQ048		52010034		10,000	10,000	USD 0.044 per kilogram
U3AQ046		52010060	Metric tonnes	10,000	10,000	USD 0.015 per kilogram
		52029910				0%
		52030010				5%
USAQ049		52010014	Metric tonnes	8,495	20,207	0%
USAQ050		52010024	Metric tonnes	900	1,400	USD 0.044 per kilogram
USAQ051		52010034	Metric tonnes	5,200	11,500	USD 0.044 per kilogram
USAQ052		52010060	Metric tonnes	25,500	40,100	USD 0.015 per kilogram
USAQ053		52029910	Kilograms	1,835,427	3,335,427	0%
USAQ054		52030010	Kilograms	1,000	2,500	5%

United States of America¹

¹ Annex 2 contains the chapter notes from the U.S. schedule concerning TRQ commitments for cotton.

3.18. The following chart summarizes the total number of scheduled TRQs for cotton, by Member, based on the number of TQIDs identified in the CTS.





3.3.2 Most recent Tariff Rate Quota administration method notified for cotton

3.19. This sub-section describes, for each Member and for each cotton TRQ, the most recent import arrangements notified in Table MA:1 notifications up to 18 October 2016.

3.20. The reference number of the relevant notification is indicated in the title for each Member, with the reporting period covered by the notification specified in brackets.

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China

G/AG/N/CHN/2 (calendar year 2003)

CHNQ010

Description of import arrangement applicable

- (a) (i) Import tariff quota of agricultural products shall be applicable to global trade.
 (ii) The tariff quota for the year 2003 is open from the date of issuance to 31 December.
- (b) (i) The former State Development Planning Commission was responsible for tariff quota allocation of agricultural products. National Development Reform Commission and Ministry of Commerce are responsible for reallocations.

(ii) Requirements and conditions for applicants applying for import tariff quota are: having registered with Administration of Industry and Commerce (presenting the duplicate of business licences) prior to 1 October 2002; being under sound financial conditions and having good tax payment records (presenting relevant data for 2001 and 2002); having no records of unlawful acts at the Customs, Administration of Industry and Commerce, Inspection and Quarantine authorities and Taxation Administration within the period of 2000-2002; having passed the annual enterprise review of the year 2001 conducted by Administration of Industry and Commerce and Inspection and Quarantine authorities.
(iii) Import tariff quota for general trade shall be allocated with reference to the volumes for which applicants have applied, previous import performance and production capacity or other applicable commercial standards, or under the principle of "first-come, first-served".

Colombia

G/AG/N/COL/35 (calendar year 2005)

COLQ067

Description of import arrangement applicable

- (a) Allocation of quotas to supplying countries: none.
- (b) Allocation of licences or of access to quotas to importers: the import quota is allocated on a competitive basis amongst participants registered with the Ministry of Agriculture and Rural Development. Quota allocation is by means of public auctions in which importers take part through the bid registration system.
- (c) Details of other arrangements: not applicable.
- (d) Any other information: Decree No. 430 of 2004 of the Ministry of Agriculture and Rural Development

South Africa

G/AG/N/ZAF/35 (calendar year 2001)

ZAFQ053

Description of import arrangement applicable

- (a) Country Allocations: Global
- (b) Import Allocations:
 - (i) Department of Agriculture will allocate and issue permits annually;
 - (ii) historical and new importers who are processors of cotton will be eligible for permits;
 - (iii) permits will be issued pro rata;
 - (iv) permits will be valid for twelve months.

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United States of America²⁸

G/AG/N/USA/2/Add.3 and G/AG/N/USA/34/Add.1 (calendar year)

USAQ049

Description of import arrangement applicable

- (a) COUNTRY ALLOCATIONS: See Additional U.S. Note 5 to Chapter 52 of the HTSUS (Annex 1, 36/).
- (b) IMPORTER ALLOCATIONS: First-come, first-served, implemented by U.S. Customs Service (http://www.customs.gov/impoexpo.htm).
- (c) OTHER ARRANGEMENTS: None.
- (d) OTHER INFORMATION: This provision is included in Additional U.S. Note 5 to chapter 52 of the HTSUS (Annex 1, note 36/) and in Additional U.S. Note 6 to Chapter 52 of Schedule XX.

USAQ050

Description of import arrangement applicable

- (a) COUNTRY ALLOCATIONS: None.
- (b) IMPORTER ALLOCATIONS: First-come, first-served, implemented by U.S. Customs Service (http://www.customs.gov/impoexpo/impoexpo.htm).
- (c) OTHER ARRANGEMENTS: None.
- (d) OTHER INFORMATION: This provision is included in Additional U.S. Note 6 to chapter 52 of the HTSUS (Annex 1, note 37/) and in Additional U.S. Note 7 to Chapter 52 of Schedule XX.

USAQ051

Description of import arrangement applicable

- (a) COUNTRY ALLOCATIONS: None.
- (b) IMPORTER ALLOCATIONS: First-come, first-served, implemented by U.S. Customs Service (http://www.customs.gov/impoexpo/impoexpo.htm).
- (c) OTHER ARRANGEMENTS: None.
- (d) OTHER INFORMATION: This provision is included in Additional U.S. Note 7 to chapter 52 of the HTSUS (Annex 1, note 38/) and in Additional U.S. Note 8 to Chapter 52 of Schedule XX.

USAQ052

Description of import arrangement applicable

- (a) COUNTRY ALLOCATIONS: None.
- (b) IMPORTER ALLOCATIONS: First-come, first-served, implemented by U.S. Customs Service (http://www.customs.gov/impoexpo/impoexpo.htm).
- (c) OTHER ARRANGEMENTS: None.
- (d) OTHER INFORMATION: This provision is included in Additional U.S. Note 8 to chapter 52 of the HTSUS (Annex 1, note 39/) and in Additional U.S. Note 9 to Chapter 52 of Schedule XX.

USAQ053

Description of import arrangement applicable

- (a) COUNTRY ALLOCATIONS: See Additional U.S. Note 9 to Chapter 52 of the HTSUS (Annex 1, 40/).
- (b) IMPORTER ALLOCATIONS: First-come, first-served, implemented by U.S. Customs Service (http://www.customs.gov/impoexpo/impoexpo.htm).
- (c) OTHER ARRANGEMENTS: None.
- (d) OTHER INFORMATION: This provision is included in Additional U.S. Note 9 to chapter 52 of the HTSUS (Annex 1, note 40/) and in Additional U.S. Note 10 to Chapter 52 of Schedule XX.

 $^{^{28}}$ Annex 3 contains the excerpt of notes from the harmonized tariff system of the United States of America that concern cotton (from Annex 1 in G/AG/N/USA/2/Add.3 and G/AG/N/USA/34/Add.1).

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USAQ054

Description of import arrangement applicable

- (a) COUNTRY ALLOCATIONS: See Additional U.S. Note 10 to Chapter 52 of the HTSUS (Annex 1, 41/).
- (b) IMPORTER ALLOCATIONS: First-come, first-served, implemented by U.S. Customs Service (http://www.customs.gov/impoexpo/impoexpo.htm).
- (c) OTHER ARRANGEMENTS: None.
- (d) OTHER INFORMATION: This provision is included in Additional U.S. Note 10 to chapter 52 of the HTSUS (Annex 1, note 41/) and in Additional U.S. Note 11 to Chapter 52 of Schedule XX.

3.3.3 TRQ quantities and in-quota imports for cotton

3.21. This sub-section provides yearly TRQ quantities, notified in-quota imports for cotton, and the corresponding fill rates based on Members' Table MA:2 notifications circulated by the Secretariat up to 18 October 2016.

3.22. Fill rates are calculated based on the data provided in Table MA:2 notifications as the ratio of in-quota imports to notified TRQ quantities. In cases where notified in-quota imports are greater than TRQ quantities, the fill rates are adjusted by setting a maximum of 100% fill rate. The implementation years covered in the tables below are those indicated in the Member's Table MA:2 notifications. The title of the individual tables indicates the TQID of the TRQ, while the quantity unit used in the notification is indicated in brackets.

China

CHNQ010 (metric tonnes)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
TRQ Quantity	818,500	856,250	894,000	894,000	894,000	894,000	894,000	894,000	894,000	894,000	894,000	894,000	894,000
In-quota Imports	177,000	870,000	1,910,000	2,570,000	894,000	1,165,000	2,111,000	894,000	894,000	894,000	894,000	894,000	894,000
Fill rates (%)	22	100	100	100	100	100	100	100	100	100	100	100	100

Colombia

COLQ067 (metric tonnes)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
TRQ Quantity	1,510	1,847	1,963	2,117	2,245	2,373	2,501	2,630	2,758	2,886	2,886	2,886	2,886	2,886	2,886	2,886	2,886	2,886	2,886	2,886
In-quota Imports	37,747	25,676	47,284	42,661	37,846	58,636	53,583	64,345	64,556	33,490	39,525	61,904	53,307	50,563	60,328	50,315	43,957	26,265	33,040	30,615
Fill rates (%)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

South Africa

ZAFQ053 (metric tonnes)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
TRQ Quantity	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101
In-quota Imports	44,114	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101	17,101
Fill rates (%)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

United States of America¹

USAQ049 (metric tonnes)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
TRQ Quantity		8,495	10,837	13,180	15,522	17,865	20,207	20,207	20,207	20,207	20,207	20,207	20,207	20,207	20,207	20,207	20,207	20,207	20,207
In-quota Imports		198	1	45	12,098	452	229	351	0	45	2	259	1,346	73	0	0	0	3,969	1,172
Fill rates (%)		2	0.009	0.3	78	3	1	2	0	0.2	0.01	1	7	0.4	0	0	0	20	6

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USAQ050 (metric tonnes)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
TRQ Quantity		900	1,000	1,100	1,200	1,300	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
In-quota Imports		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fill rates (%)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

USAQ051 (metric tonnes)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
TRQ Quantity		5,200	6,460	7,720	8,980	10,240	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500
In-quota Imports		0	0	23	1,471	190	116	855	195	1,525	2,608	1,294	235	123	0	0	545	117	0
Fill rates (%)		0	0	0.3	16	2	1	7	2	13	23	11	2	1	0	0	5	1	0

USAQ052 (metric tonnes)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
TRQ Quantity		25,500	28,420	31,340	34,260	37,180	40,100	40,100	40,100	40,100	40,100	40,100	40,100	40,100	40,100	40,100	40,100	40,100	40,100
In-quota Imports		0	13	62	3,483	9,611	2,657	5,089	13,813	9,270	4,244	3,934	2,423	2,418	0	0	1,518	1,214	1,548
Fill rates (%)		0	0.05	0.2	10	26	7	13	34	23	11	10	6	6	0	0	4	3	4

USAQ053 (kilograms)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
TRQ Quantity		1,835,427	2,135,427	2,435,427	2,735,427	3,035,427	3,335,427	3,335,427	3,335,427	3,335,427	3,335,427	3,335,427	3,335,427	3,335,427	3,335,427	3,335,427	3,335,427	3,335,427	3,335,427
In-quota Imports		15,000	17,584	0	0	0	0	0	C	128,198	0	0	169,844	791,441	87,332	561,492	729,436	558,590	1,224,637
Fill rates (%)		1	1	0	0	0	0	0	C	4	0	0	5	24	3	17	22	17	37

USAQ054 (kilograms)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
TRQ Quantity		1,000	1,300	1,600	1,900	2,200	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
In-quota Imports		800	120	0	1,796	1,307	2,500	2,500	2,500	2,300	157	0	0	0	2,500	0	20	0	70
Fill rates (%)		80	9	0	95	59	100	100	100	92	6	0	0	0	100	0	1	0	3

¹ According to the U.S. notification for implementation year 1995, Uruguay Round commitments for cotton products in headings 5201, 5202 and 5203 became effective only in the fall of 1995, and imports under these commitments were reported along with calendar year 1996 imports in early 1997.

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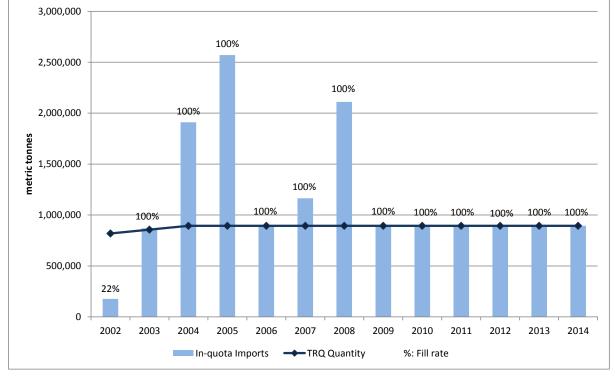
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3.23. Based on the information presented in section 3.3.3 above, the following charts show, by Member and by year, notified in-quota imports compared to the scheduled quantity, as well as the corresponding fill rates, under each TRQ.

Charts on notified in-quota imports compared to the scheduled quantity

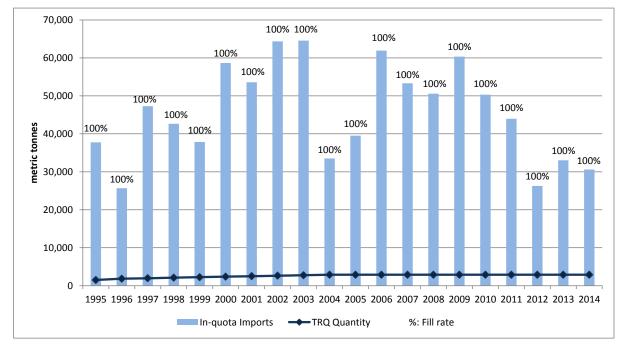
Chart 3.4: China (CHNQ010)

Insert the chart for CHNQ010 in sheet "TQ charts" in Excel file "Charts_notif"





Insert the chart for COLQ067 in sheet "TQ charts" in Excel file "Charts_notif"







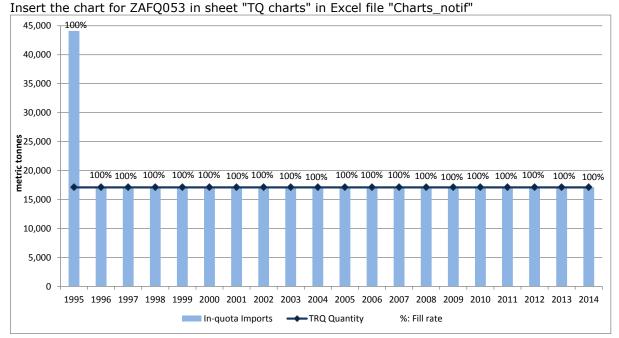
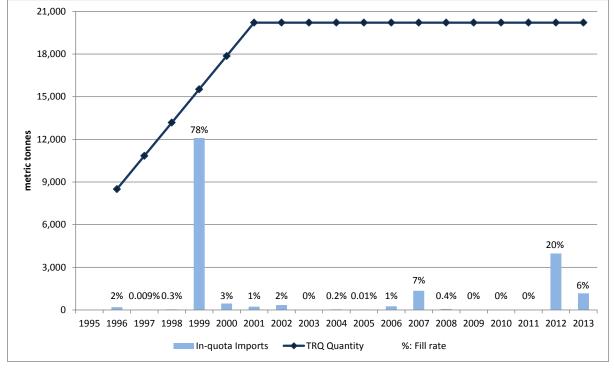


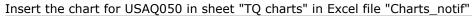
Chart 3.7: United States of America (USAQ049)

Insert the chart for USAQ049 in sheet "TQ charts" in Excel file "Charts_notif"



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Chart 3.8: United States of America (USAQ050)



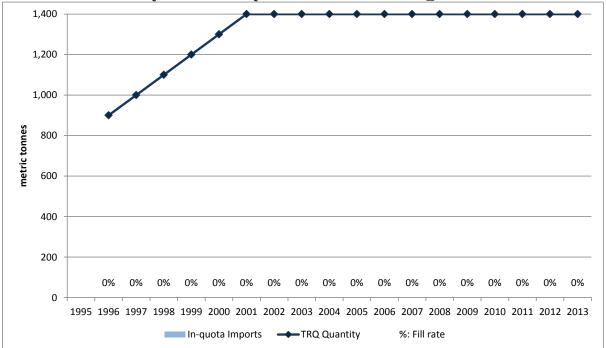
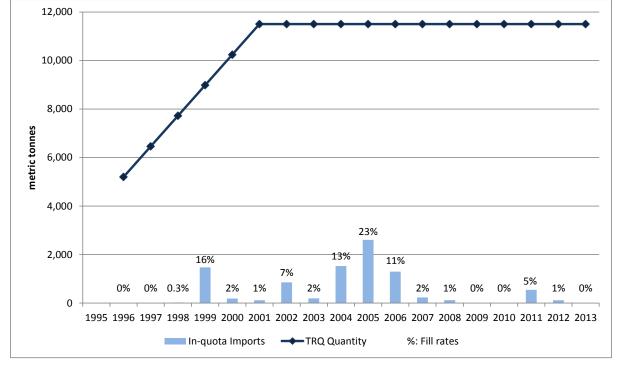


Chart 3.9: United States of America (USAQ051)

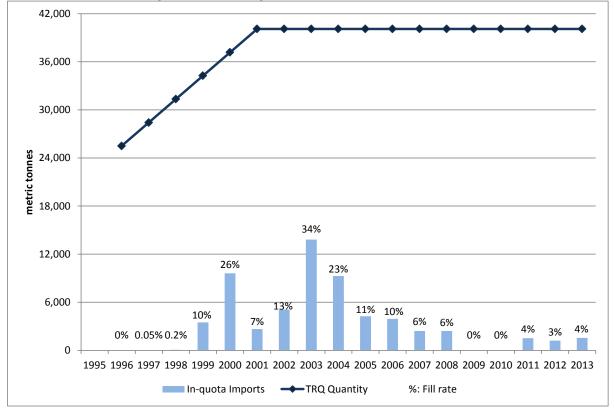
Insert the chart for USAQ051 in sheet "TQ charts" in Excel file "Charts_notif"



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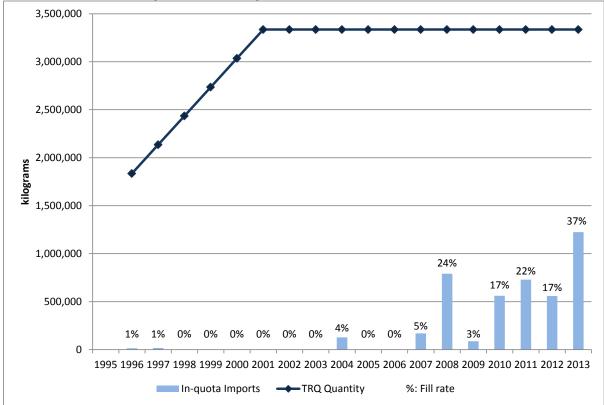
Chart 3.10: United States of America (USAQ052)







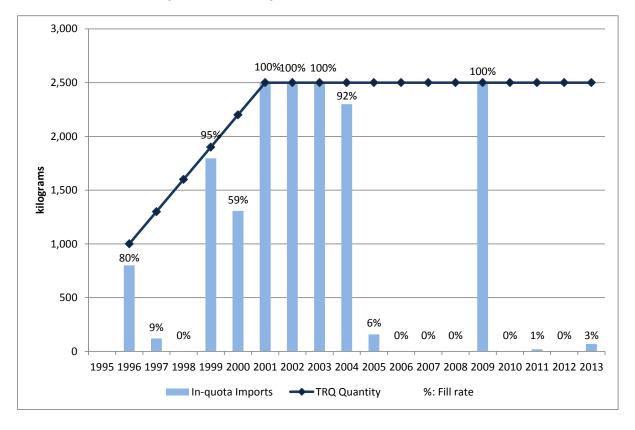
Insert the chart for USAQ053 in sheet "TQ charts" in Excel file "Charts_notif"



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Chart 3.12: United States of America (USAQ054)

Insert the chart for USAQ054 in sheet "TQ charts" in Excel file "Charts_notif"



3.4 OTHER NON TARIFF MEASURES

3.24. This section contains information on other non-tariff measures applicable to cotton. The information presented is sourced from the WTO I-TIP Goods database²⁹, which compiles data about non-tariff measures notified by Members as well as information on "specific trade concerns" raised by Members during WTO Committee meetings.

3.25. The non-tariff measures listed below result from a query in the I-TIP Goods database, using the following criteria:

- a. Member imposing the measure: The 32 Members selected for this Market Access part;
- b. Type of measure covered: Sanitary and Phytosanitary measures (as notified under the Agreement on Sanitary and Phytosanitary measures); measures notified under the Agreement on Technical Barriers to Trade; Anti-Dumping measures (as notified under the Anti-Dumping agreement); Countervailing duties (as notified under the Agreement on Subsidies and Countervailing Measures); Safeguard measures (as notified under the Agreement on Safeguards); State Trading Enterprises (as notified to the Working Party on State Trading Enterprises, pursuant to Article XVII:4(a) of the GATT 1994 and Paragraph 1 of the Understanding on the interpretation of Article XVII); Quantitative restrictions notified to the Committee on Market Access as per the CTG Decision contained in G/L/59/Rev.1; and import licensing procedures (as notified under the Agreement on Import Licensing procedures).
- c. Measures initiated or notified from 1 January 2012 to 18 October 2016 and which have not been withdrawn to date; and
- d. Measures with a reference to "cotton" and with a product description encompassing explicitly or potentially HS headings 52.01, 52.02 or 52.03.³⁰

3.26. It should be noted that, to date, no specific trade concern has been raised in the relevant WTO Committees with respect to the non-tariff measures identified in this Section and listed in the table below.

3.27. The following column headings are used for the tables below:

Member	Member notifying the measure.

Initiation/

Partner affected Member(s) affected by the measure if identified in the relevant notification, or otherwise "All Members".

- Notif. req. Type of measure notified, using the following coding: "SPS" for Sanitary and Phytosanitary measures; "TBT" for measures notified under the Agreement on Technical Barriers to Trade; "AD" for Anti-Dumping measures; "CV" for countervailing duties; "SG" for Safeguard measures; "STE" for State Trading Enterprises; "QR" for Quantitative Restrictions; and "LIC" for import licensing procedures.
- **notification** Date of initiation or notification of the measure.
- **In force** Date of entry into force of the measure (if any) as it appears in the relevant notification.
- **Measure description** Summarized description of the measure based on the information in the relevant notification.
- **Product description** Summarized description of the product covered by the measure based on the information in the relevant notification.

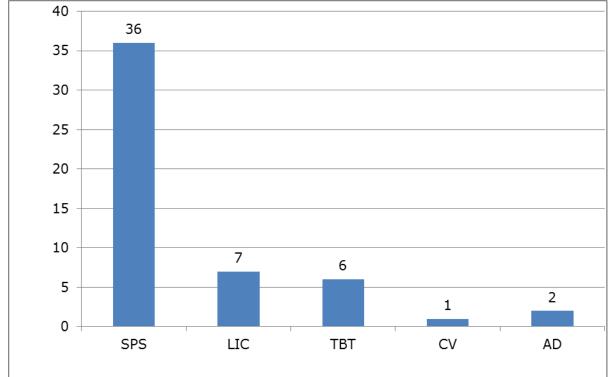
Source Document number of the relevant notification(s).

²⁹ <u>http://i-tip.wto.org/goods/default.aspx?language=en</u>.

³⁰ It should be noted that, in the absence of specific or further indication by Members, listed measures making reference to "cotton", may in fact not apply to the trade of "cotton" as defined in this paper, i.e. products covered by the Harmonized System nomenclature headings 52.01, 52.02 and 52.03.

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Chart 3.13: Number of other non-tariff measures applicable to cotton, per type of measure (1 January 2012 to 18 October 2016)



Find the chart in the Excel file named as "Cotton NTM chart_October_2016"

Member	Partner affected	Notif. req.	Initiation/ Notification	In force	Measure description	Product description	Source
Honduras	All countries	LIĊ	12-Aug-16		Import permits are required to ensure that plants, plant products and by-products, and products and inputs for agricultural use have been inspected via the proper procedures and do not constitute a potential risk as carriers of pests or diseases.	·	G/LIC/N/3/HND/10
Brazil	All countries	TBT	27-Jul-16	01-Mar-17	Technical regulation establishing the quality requirements, sampling presentation, marking, labelling aspects relating to the cotton classification.	HS: Chapter 52 - Cotton	G/TBT/N/BRA/683
Kazakhstan	All countries that are parties to the Basel Conventio n	LIC	29-Jun-16		The Republic of Kazakhstan manages its obligations for hazardous waste controlled by the Basel Convention for the Control of Trans-boundary Movements of Hazardous Waste and their Disposal (Basel Convention) through the Common List of Goods that are Subject to Non-tariff Measures in Trade with Third Countries (Decision of the Collegium of the Eurasian Economic Commission No. 30 "On Measures of Non- tariff Regulation" of 21 April 2015, Annex 2.3).	down.	G/LIC/N/3/KAZ/1
Malaysia	All countries, with the exception of countries in the American Tropics and countries endemic to disease of plants of the palmae family.	LIC	18-Feb-16		The Plant Quarantine Act 1976 amends and consolidates the laws relating to the control, prevention and eradication of agricultural pests, noxious plants and plant disease and to extend co-operation in the control of the movement of pests in international trade for matters connected therewith. The Plant Quarantine Regulations 1981 were made pursuant to Section 23 of the Plant Quarantine Act 1976. It stipulates the requirement which must be met for the entry of plants, growing media, organic fertilizers, soil, living or dead organisms including micro-organism and any hosts of plant pest and/or carrier of plant pests into Malaysia, and at the same time for the prevention of entry of pests of quarantine importance into the country.		G/LIC/N/3/MYS/11
China	All Members	ТВТ	28-Oct-15		National Standard of the P.R.C., Conventional Moisture Regains of Textiles	Textile materials (HS: 50010010-50079090, 51011100-51130000, 52010000-52122500, 53011000-53110090, 54011010-54083400, 55011000-55169400, 56011000-56090000, 58011000-58110090, 59011010-59119000, 60011000-60069000, 61012000-61179000, 62011100-62179000)	G/TBT/N/CHN/1151 G/TBT/N/CHN/1151/Sup pl.1
Russian Federation	All Members	LIC	21-Oct-15		The Russian Federation manages its obligations for hazardous waste controlled by the Basel Convention for the Control of Trans-boundary Movements of Hazardous Waste and their Disposal (Basel Convention) through the Common List of Goods that are subject of import/export prohibitions or restrictions in trade with third countries (Decision of the Board of the Eurasian Economic Commission No. 30 "About measures of non-tariff regulation" of 21.04.2015) (Annex 2.3).		G/LIC/N/3/RUS/2/Rev.1

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Member	Partner affected	Notif. req.	Initiation/ Notification	In force	Measure description	Product description	Source
Pakistan	India	AD	20-Aug-15		Anti-dumping	Cotton yarn 55.5 and above	G/ADP/N/280/PAK
Brazil	All Members	SPS	23-Jun-15		Draft resolution regarding the active ingredient Q05.2 QUIZALOFOP-P-TEFURYL of the monograph list of active ingredients for pesticides, household cleaning products and wood preservers, published by Resolution - RE n° 165 of 29 August 2003, Brazilian Official Gazette (DOU Diário Oficial da União) of 2 September 2003	(0.1mg/kg safety security period of 30 days) ()	G/SPS/N/BRA/1048
Brazil	All Members	SPS	23-Jun-15		Draft resolution regarding the active ingredient I18 ISOXAFLUTOLE of the monograph list of active ingredients for pesticides, household cleaning products and wood preservers, published by Resolution - RE n° 165 of 29 August 2003, Brazilian Official Gazette (DOU Diário Oficial da União) of 2 September 2003	Post-emergency application in cultures of cotton (0.01mg/kg safety security period of 97 days) ()	G/SPS/N/BRA/1049
Peru	United States of America	SPS	22-Jun-15		The draft phytosanitary requirements governing the importation into Peru of cotton gin waste (linters) originating in and coming from the United States of America are being submitted for public consultation following the completion of the relevant technical report.		G/SPS/N/PER/613
Brazil	All Members	SPS	22-May-15		Draft resolution regarding the active ingredient G05 GLUFOSINATE of the monograph list of active ingredients for pesticides, household cleaning products and wood preservers, published by Resolution - RE n° 165 of 29 August 2003, Brazilian Official Gazette (DOU Diário Oficial da União) of 2 September 2003	(0.5mg/kg safety security period of 28 days), cotton (0.5mg/kg safety security period to the culture of genetically modified cotton, which	G/SPS/N/BRA/1044
Brazil	All Members	SPS	12-May-15		Draft resolution regarding the active ingredient C32 CLETHODIM of the monograph list of active ingredients for pesticides, household cleaning products and wood preservers, published by Resolution - RE n° 165 of 29 August 2003, Brazilian Official Gazette (DOU Diário Oficial da União) of 2 September 2003 Inclusion of cultures of sunflower (0.05mg/kg safety security period of 53 days), apple and grape (0.05mg/kg safety security period of 23 days), inclusion of cultures of sweet potato, yacon potato, beet, yams, ginger, cocoyam, arracacha, turnip and radish (0.5mg/kg safety security period of 180 days); and inclusion of cultures of eggplant, scarlet eggplant, pepper, green pepper and okra (0.5mg/kg safety security period of 20 days), all in post-emergency application.	Post-emergency application in cultures of cotton (0.5mg/kg safety security period of 50 days), ()	G/SPS/N/BRA/1031
United States of America	All Members	SPS	13-March-15	20-Feb-15	This regulation establishes tolerances for residues of dimethenamid in or on cottonseed subgroup 20C and cotton, gin byproducts.	Cotton, gin byproducts; Cottonseed subgroup 20C	G/SPS/N/USA/2740
Brazil	All Members	TBT	5-Feb-15		Draft technical regulation setting up official standard classification, quality, marking and labelling requirements, sampling procedures, method of presentation etc. related to the product (cotton) classification. It revises the Ordinance Nº 63, 5 December 2002 (Instrução Normativa SDA/MAPA/Nº		G/TBT/N/BRA/78/Rev.1

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Member	Partner affected	Notif. req.	Initiation/ Notification	In force	Measure description	Product description	Source
					63 de 5 de Dezembro de 2002), notified under the document G/TBT/N/BRA/78, 21 January 2003.		
China	All Members	LIC	22-Jan-15		Import tariff-rate quotas	() Cotton ()	G/LIC/N/3/CHN/13
Brazil	Sudan	SPS	07-Jan-15	18-Dec-14	The notified document approves the phytosanitary requirements for the importation of threshed cotton fibre (<i>Gossypium hirsutum</i>) (Category 2, Class 10) produced in Sudan, in accordance with the results of a pest risk analysis.	Threshed cotton fibre (<i>Gossypium hirsutum</i>) (Category 2, Class 10)	G/SPS/N/BRA/1011
Malaysia	All Members	LIC	6-Nov-14	1-Jan-15	The Plant Quarantine Regulations 1981 were made pursuant to Section 23 of the Plant Quarantine Act 1976. It stipulates the requirement which must be met for the entry of plants, growing media, organic fertilizers, soil, living or dead organisms including micro-organism and any hosts of plant pest and/or carrier of plant pests into Malaysia, and at the same time for the prevention of entry of pests of quarantine importance into the country. Under the Plant Quarantine Regulations 1981, an import permit is imposed for the importation of the following () - Importation of all commodities as listed below for processing or consumption from All Countries except from countries endemic to South American Leaf Blight, countries endemic to disease of plants of Palmae and countries endemic to Khapra Beetle (Trogoderma granarium) commencing 1 January 2015, () Cotton (Gossypium hirsutum) ()		G/LIC/N/3/MYS/10
Turkey	United States of America	AD	18-Oct-14		Original investigation	Cotton; 5201	G/ADP/N/265/TUR
Brazil	All Members	SPS	13-Oct-14		Draft resolution regarding the active ingredient F23 FLUAZIFOP-P of the monograph list of active ingredients for pesticides, household cleaning products and wood preservers, published by Resolution - RE N° 165 of 29 August 2003, Brazilian Official Gazette (DOU Diário Oficial da União) of 2 September 2003 ()	(0.05mg/kg, safety security period of 28 days), cotton (0.04mg/kg, safety security period of 60	G/SPS/N/BRA/989
Brazil	All Members	SPS	13-Oct-14		Draft resolution regarding the active ingredient G05 - GLUFOSINATE of the monograph list of active ingredients for pesticides, household cleaning products and wood preservers, published by Resolution - RE N° 165 of 29 August 2003, Brazilian Official Gazette (DOU Diário Oficial da União) of 2 September 2003 ()	(0.5mg/kg, safety security period of 28 days), cotton (0.5mg/kg, the safety security period to the culture of the genetically modified cotton, which manifests resistance to the glufosinate, is of 116 days, when the pesticide is applied in post- emergency of culture and weeds) () Desiccant application in cultures of cotton (0.5mg/kg, safety security period of 28 days) ()	
Brazil	All Members	SPS	13-Oct-14		Draft resolution regarding the active ingredient G01 - GLYPHOSATE of the monograph list of active ingredients for pesticides, household cleaning products and wood preservers, published by Resolution - RE N° 165 of 29 August 2003, Brazilian Official Gazette (DOU Diário Oficial da União) of 2 September 2003 ()	Post-emergency application in cultures of cotton (3.0mg/kg, safety security period to the culture of cotton is not determined when the pesticide is applied in post-emergency of the weeds and pre- emergency of the culture. The safety security period to the cultures of genetically modified cotton, which express resistance to the glyphosate, is of 130 days, when the pesticide is applied in post-	G/SPS/N/BRA/981

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Member	Partner affected	Notif. req.	Initiation/ Notification	In force	Measure description	Product description	Source
						emergency of the weeds and of the culture) ()	
Brazil	All Members	SPS	10-Oct-14		Draft resolution regarding the active ingredient P01 - PARAQUAT of the monograph list of active ingredients for pesticides, household cleaning products and wood preservers, published by Resolution - RE N° 165 of 29 August 2003, Brazilian Official Gazette (DOU Diário Oficial da União) of 2 September 2003 ()	Desiccant application in cultures of cotton	G/SPS/N/BRA/980
Brazil	All Members	SPS	8-Oct-14		Draft resolution regarding the active ingredient F42 - FLUROXYPYR of the monograph list of active ingredients for pesticides, household cleaning products and wood preservers, published by Resolution - RE n° 165 of 29 August 2003, Brazilian Official Gazette (DOU Diário Oficial da União) of 2 September 2003 ()	due to the mode of use) ()	G/SPS/N/BRA/973
United States of America	All Members	LIC	3-Oct-14		Import permits are required for the importation of most plants and some plant products, to protect against the introduction of pests and diseases. Permits are also required for the import, export or re-export of terrestrial plants that are on the endangered species list.		G/LIC/N/3/USA/11
United States of America	All Members	SPS	07-Aug-14		Amitraz, Carfentrazone-ethyl, Ethephon, Malathion, Mancozeb, et al.; Proposed Tolerance Actions EPA is proposing to revoke certain tolerances for the fungicides spiroxamine and triflumizole, the herbicides carfentrazone-ethyl and quizalofop ethyl; the insecticides amitraz, oxamyl, propetamphos, and spinosad; and the plant growth regulators ethephon and mepiquat. In addition, EPA is proposing to revoke the tolerance on rice straw for multiple active ingredients. Also, EPA is proposing to modify certain tolerances for the fungicides mancozeb, thiram, and triflumizole; and the insecticide malathion. In addition, EPA is proposing to establish new tolerances for the fungicide mancozeb. Also, in accordance with current Agency practice, EPA is proposing to make minor revisions to the tolerance expression for malathion, mepiquat, and thiram.		G/SPS/N/USA/2688
Brazil	All Members	SPS	04-Aug-14		Draft resolution regarding the active ingredient S- METOLACHLOR of the monograph list of active ingredients for pesticides, household cleaning products and wood preservers, published by Resolution - RE n° 165 of 29 August 2003, Brazilian Official Gazette (DOU Diário Oficial da União) of 2 September 2003 ()	(0.2mg/kg safety security period not determined due to the mode of use) ()	G/SPS/N/BRA/966
Brazil	All Members	SPS	04-Aug-14		Draft resolution regarding the active ingredient CARFENTRAZONE-ETHYL of the monograph list of active ingredients for pesticides, household cleaning products and wood preservers, published by Resolution - RE n° 165 of 29 August 2003, Brazilian Official Gazette (DOU Diário Oficial da União) of 2 September 2003 ()		G/SPS/N/BRA/965
Mexico	All Members	SPS	12-Jun-14		Proyecto de Modificación a la Norma Oficial Mexicana NOM- 026-FITO-1995, Por la que se establece el control de plagas del algodonero (Draft Amendment to Mexican Official Standard NOM-026-FITO-1995: Establishing cotton plant pest	and cotton boll weevil (Anthonomus grandis Boheman), which affect cotton, okra and kenaf	G/SPS/N/MEX/260

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Member	Partner affected	Notif. req.	Initiation/ Notification	In force	Measure description	Product description	Source
					controls) The notified Standard establishes the mandatory regulations to control and prevent the spread of pest populations: pink bollworm (Pectinophora gossypiella Saunders) and cotton boll weevil (Anthonomus grandis Boheman), which affect cotton, okra and kenaf crops; in addition to phytosanitary measures in order to prevent the spread of such pests to pest-free areas. ()		
Malaysia	All Members	SPS	10-Mar-14	01-Jul-14	New Import Requirements for Importation of Plants, Plant Products and Regulated Articles into Malaysia 2014 Malaysia proposes to revise and implement new import requirements of plants, plant products and regulated articles into Malaysia following the gazette of Malaysian Quarantine and Inspection Services Act 2011. This Act requires that the importation of any plant into Malaysia shall require an import license. The commodities would also have to be accompanied by a phytosanitary certificate with additional declarations stating that appropriate treatment/measures have been applied prior to importation.	(<i>Glycine max</i>), corn/maize grain (<i>Zea mays</i>), dried for consumption cocoa bean (<i>Theobroma cacao</i>), processed and dried for consumption coffee beans (<i>Coffea Arabica</i> , <i>Robusta coffee</i> , <i>Coffea liberica</i>), fresh/dried leaves tobacco (<i>Nicotiana tabacum</i>),	G/SPS/N/MYS/27
Canada	All Members	SPS	21-Nov-13		Proposed Maximum Residue Limit: Chlorantraniliprole (PMRL2013-106). The objective of the notified document PMRL2013-106 is to consult on the listed domestic and import maximum residue limits (MRLs) for chlorantraniliprole that have been proposed by the Health Canada's Pest Management Regulatory Agency (PMRA). MRL (ppm) Raw Agricultural Commodity (RAC) and/or Processed Commodity () 0.3 Root and tuber vegetables (Crop Group 1)b, Cotton (Crop Subgroup 20C) ^c () ^c The currently established MRL of 0.3 ppm for undelinted cottonseed will be extended to Crop Subgroup 20C. ppm = parts per millionMRLs are proposed for each commodity included in the listed crop groupings in accordance with the Residue Chemistry Crop Groups webpage http://www.hc-sc.gc.ca/cps-spc/pest/part/protect- proteger/food-nourriture/rccg-gcpcr-eng.php in the Pesticides and Pest Management section of Health Canada's website.	commodities (ICS Codes: 65.020, 65.100, 67.040,	G/SPS/N/CAN/769, G/SPS/N/CAN/769/Add.1

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Member	Partner affected	Notif. req.	Initiation/ Notification	In force	Measure description	Product description	Source
Mexico	Peru	SPS	21-Oct-13		Pursuant to the Decision establishing the module of phytosanitary requirements for the importation of goods regulated by the Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food, in relation to plant health (Acuerdo por el que se establece el módulo de requisitos fitosanitarios para la importación de mercancías reguladas por la Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación, en materia de sanidad vegetal), published in the Mexican Official Journal on 7 February 2012, the phytosanitary requirements for the importation into Mexico of uncarded or uncombed cotton fibre (Gossypium barbadense) for processing, originating in and coming from Peru, established following the pest risk analysis or risk assessment, have been submitted for public comment.	combed, for processing.	G/SPS/N/MEX/241, G/SPS/N/MEX/241/Add.1
Brazil	All Members	SPS	12-Jul-13		Draft Resolution no. 25 of 2 July 2013 Draft Resolution regarding the active ingredient Diflubenzuron to be included in the monograph list of active ingredients of pesticides, household cleaning products and wood preservers, including the use in the cultures of cotton (0.2mg/kg; safety period of 28 days), rice (0.1mg/kg; safety period of 70 days), citrus (0.2mg/kg; safety period of 30 days), corn (0.2mg/kg; safety period of 21 days), tomato (0.5mg/kg; safety period of 4 days) and wheat (0.5mg/kg; safety period of 30 days).	citrus, corn, soybean, tomato and wheat	G/SPS/N/BRA/883
United States of America	All Members	SPS	11-Apr-13	27-Mar-13	Abamectin; Pesticide Tolerances This regulation raises tolerances for residues of abamectin (also known as avermectin B1 a mixture of avermectins containing greater than or equal to 80% avermectin B1a (5-O-demethyl avermectin A1) and less than or equal to 20% avermectin delta-8,9-isomer) in or on cotton and strawberries.		G/SPS/N/USA/2530
United States of America	All Members	SPS	05-Mar-13	27-Feb-13	Pyraflufen-ethyl; Pesticide Tolerances This regulation establishes tolerances for residues of pyraflufen-ethyl in or on multiple commodities which are identified and discussed later in this document. Nichino America, Inc. requested these tolerances under the Federal Food, Drug, and Cosmetic Act (FFDCA).	meat by-products; Corn, field, forage; Corn, field, grain; Corn, field, stover; Cotton, gin by-products; Cotton, undelinted seed; ()	G/SPS/N/USA/2523

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Member	Partner affected	Notif. req.	Initiation/ Notification	In force	Measure description	Product description	Source
Brazil	All Members	SPS	29-Oct-12		Draft Resolution n° 58 of 4 October 2012 Draft Resolution for the active ingredient Pymetrozine to be included in the monograph list of active ingredients of pesticides, household sanitizing products and wood preservers, including the use in the cultures of lettuce (MRL of 0.1 mg/kg and safety period of 7 days), cotton (MRL of 0.1 mg/kg and safety period of 7 days) ()		G/SPS/N/BRA/837
Brazil	All Members	SPS	29-Oct-12		Draft Resolution n° 59 of 4 October 2012 Draft Resolution for the active ingredient Zeta-Cypermethrin to be included in the monograph list of active ingredients of pesticides, household sanitizing products and wood preservers, including the use in the cultures of cotton (MRL of 0.05 mg/kg and safety period of 15 days) ()		G/SPS/N/BRA/841
Brazil	All Members	SPS	29-Oct-12		Draft Resolution n° 60 of 4 October 2012 Draft Resolution for the active ingredient Flumioxazin to be included in the monograph list of active ingredients of pesticides, household sanitizing products and wood preservers, including the use in the cultures of cotton (MRL of 0.05 mg/kg and safety period of 100 days)()	Active ingredient F46 - Flumioxazin	G/SPS/N/BRA/845
United States of America	All Members	SPS	08-Oct-12	28-Sep-12	Sulfoxaflor; Pesticide Tolerances for Emergency Exemptions This regulation establishes time-limited tolerances for residues of sulfoxaflor, N-methyloxido [1-[6-(trifluoromethyl)- 3-pyridinyl]ethyl] [lambda]\4\-sulfanylidene] cyanamide, including its metabolites and degradates in or on cotton, undelinted seed; cotton, gin by-products; and cotton, hulls.		G/SPS/N/USA/2476
United States of America	All Members	SPS	10-Sep-12	15-Aug-12	Flutriafol; Pesticide Tolerances for Emergency Exemptions This regulation establishes time-limited tolerances for residues of flutriafol in or on cotton, undelinted seed; cotton, meal; cotton, refined oil; and cotton gin by-products. This action is in response to EPA's granting of an emergency exemption under section 18 of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) authorizing use of the pesticide on cotton. This regulation establishes a maximum permissible level for residues of flutriafol in or on cotton commodities. The time-limited tolerances expire on 31 December 2014.		G/SPS/N/USA/2451
China	All Members	ТВТ	23-Jul-12		Administrative Measures on Inspection and Supervision of Imported Cotton (9 pages, in Chinese) These Measures specify the administrative measures of inspection and supervision on the quality of imported cotton.		G/TBT/N/CHN/925

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Member	Partner affected	Notif. req.	Initiation/ Notification	In force	Measure description	Product description	Source
Peru	India	SPS	19-Jul-12	19-Oct-11	Resolución Directoral Nº 34-2011-AG-SENASA-DSV (Directorial Resolution No. 34-2011-AG-SENASA-DSV) The notified Directorial Resolution lifts the phytosanitary measures suspending the issue of phytosanitary import permits for cotton (Gossypium spp.) fibre, not carded or combed, originating in and coming from India.	Cotton fibre, not carded or combed.	G/SPS/N/PER/422
Peru	India	SPS	19-Jul-12	17-May-12	Resolución Directoral Nº 0012-2012-AG-SENASA-DSV (Directorial Resolution No. 0012-2012-AG-SENASA-DSV) The notified Directorial Resolution establishes the mandatory phytosanitary requirements governing the importation into Peru of cotton comber waste from India.	waste.	G/SPS/N/PER/428
China	All Members	TBT	18-Jul-12		National Standard of the P.R.C., Cotton Part1: Saw Ginned Upland Cotton• i23 pages• Cin Chinese• j This standard specifies the quality requirements, classification criterions, test methods, inspection rules, inspection certificates, packages and marks, storage and transportation requirements etc. for saw ginned upland cotton. This standard applies to saw ginned upland cotton produced, purchased, processed, traded, stored and used in China.		G/TBT/N/CHN/921
China	All Members	TBT	18-Jul-12		National Standard of the P.R.C., Cotton Part 2: Roller Ginned Upland Cotton• i18 pages• Cin Chinese• j This standard specifies the quality requirements, classification criterions, test methods, inspection rules, inspection certificates, packages and marks, storage and transportation requirements etc. for roller ginned upland cotton.This standard applies to roller ginned upland cotton produced, purchased, processed, traded, stored and used in China.		G/TBT/N/CHN/922
Brazil	All Members	SPS	15-Jun-12	06-Aug-12	Draft Resolution on Azadirachtin This draft sanitary regulation modifies Resolution RE nº 165, 29 August 2003, by including in it the use of azadirachtin in the cultures of cotton, corn, soy and grape (Leaf application, LMR and safety period without restrictions).		G/SPS/N/BRA/814

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Member	Partner affected	Notif. req.	Initiation/ Notification	In force	Measure description	Product description	Source
United States of America	All Members	SPS	11-Jun-12		Aldicarb; Cancellation Order for Amendments To Terminate Uses This notice announces EPA's order for the amendment to terminate uses, voluntarily requested by the registrant and accepted by the Agency, of products containing aldicarb, pursuant to section 6(f)(1) of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), as amended. This cancellation order follows an 7 October 2010 Federal Register Notice of Receipt of Request from the registrant, Bayer CropScience to voluntarily amend to terminate uses of the product, TEMIK[supreg] Brand 15G, containing aldicarb on citrus and potatoes effective immediately. The registrant also requested that EPA amend to terminate the remaining pesticide uses of this product on cotton, dry beans, peanuts, soybeans, sugar beets, and sweet potatoes, effective as of 31 December 2014. These are not the last products containing aldicarb registered for use in the United States of America. ()		G/SPS/N/USA/2386
United States of America	All Members	SPS	08-Jun-12	14-May-12	Penflufen; Pesticide Tolerances Tolerances are established for residues of the fungicide penflufen, including its metabolites and degradates, in or on the following commodities listed in the table. Compliance with the tolerance levels specified in the table. Compliance with the tolerance levels specified in the table is to be determined by measuring only penflufen N- [2-(1,3-dimethylbutyl)phenyl]-5-fluoro-1,3-dimethyl-1H- pyrazole-4-carboxamide, in or on the following commodities. Commodity Parts per Million Alfalfa, forage 0.01 Alfalfa, hay 0.01 Cotton, gin by-products 0.01 ()		G/SPS/N/USA/2382

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Member	Partner affected	Notif. req.	Initiation/ Notification	In force	Measure description	Product description	Source
United States of America	All Members	SPS	08-Jun-12	14-May-12	Fluxapyroxad; Pesticide Tolerances Tolerances are established for residues of the fungicide fluxapyroxad, including its metabolites and degradates, in or on the commodities listed in the table below. Compliance with the tolerance levels specified below is to be determined by measuring only fluxapyroxad, 3-(difluoromethyl)-1-methyl-N-(3',4',5'- trifluoro[1,1'-biphenyl]-2-yl)-1H-pyrazole-4-carboxamide in or on the commodity. Commodity Parts per million Apple, wet pomace 2.0 Beet, sugar, dried pulp 0.1 Beet, sugar, tops 7.0 Cattle, fat 0.05 Cattle, meat 0.01 Corn, oil 0.03 Corn, oil 0.03 Corn, sweet, kernels plus cobs with husks removed 0.15 Cotton, gin by-products 0.01 Cotton, undelinted seed 0.01		G/SPS/N/USA/2383
Peru	United States of America	CV	02-Jun-12		Countervailing	Cotton	G/SCM/N/242/PER, G/SCM/N/250/PER
United States of America	All Members	SPS	10-May-12	02-Mar-12	Thiamethoxam; Pesticide Tolerances This regulation establishes tolerances for residues of thiamethoxam in or on multiple commodities. (a) General. Tolerances are established for residues of the insecticide thiamethoxam, including its metabolites and degradates, in or on the following commodities. Compliance with the tolerance levels specified below is to be determined by measuring only thiamethoxam 3-[(2-chloro-5-thiazolyl)methyl]tetrahydro-5-methyl-N-nitro- 4H-1,3,5-oxadiazin-4-imine and its metabolite CGA-322704 N-[(2-chloro-thiazol-5-yl)methyl]-N'-methyl-N''-nitro- guanidine, calculated as the stoichiometric equivalent of thiamethoxam, in or on the following commodities: Commodity Parts per () Cotton, gin by-products 1.5 Cotton, undelinted seed 0.10 0.10		G/SPS/N/USA/2362
United States of America	All Members	SPS	02-May-12	06-Aug-12	Notice of Receipt of Requests for Amendments To Delete Uses in Certain Pesticide Registrations EPA is issuing a notice of receipt of request for amendments by registrants to delete uses in certain pesticide registrations for Buctril Herbicide (active ingredient Bromoxynil) on BTX cotton.		G/SPS/N/USA/2359, G/SPS/N/USA/2359/Corr. 1

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Member	Partner affected	Notif. req.	Initiation/ Notification	In force	Measure description	Product description	Source
United States of America	All Members	SPS	18-April-12	9-March-12	This regulation establishes tolerances for residues of penthiopyrad in or on multiple commodities. (a) General. (1) Tolerances are established for residues of penthiopyrad, including its etabolites and degradates, in or on the commodities in the table below. Compliance with the tolerance levels specified below is to be determined by measuring only penthiopyrad (N-[2-(1,3-dimethylbutyl)-3-thienyl]-1-methyl-3-(trifluoromethyl)-1H-pyrazole-4-carboxamide).		G/SPS/N/USA/2347
					CommodityParts per million()Cotton, seed1.5Cotton, gin by-products()		

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ANNEX 1

NOTES ON TARIFF RATE QUOTA COMMITMENTS FROM CHINA'S SCHEDULE

1. Tariff quotas indicated in the third column are volumes for calendar year 2001. Tariff quota concessions will be implemented according to the date specified in the "implementation" column. The implementation column indicates the date (referring to 1 January of the year indicated) when the final quota quantity will be achieved. The tariff quota concessions are subject to equal annual adjustments (occurring on 1 January of each year), unless otherwise specified in the last column ("Other terms and conditions").

2. The People's Republic of China (hereinafter referred to as "China")shall maintain its in-quota applied and bound rates (and, upon removal of the tariff-quota, its applied and bound rates) for HS 1514 (rape or colza (canola) oil and its fractions, whether or not refined, but not chemically modified) at a level equal to that for HS 1507 (soya-bean oil and its fractions, whether or not refined, but not chemically modified) and for HS 1205 (rape or colza (canola) seeds, whether or not broken).

3. The growth rate for the TRQ volume for canola (rapeseed) oil shall be no less than the growth rate for the TRQ volume for soybean oil.

4. An entity granted a tariff quota allocation (quota-holder) may engage in importation through state-trading enterprises and/or through entities possessing the right to trade other than state-trading enterprises, including direct importation by the quota holder, as indicated on documentation issued with the allocation or reallocation of the tariff quota quantities.

5. Application: All applications for an allocation of the tariff-quota will be submitted to the State Development and Planning Commission (SDPC). Specific conditions for applying for a tariff-quota allocation will be published in the official journal one month in advance of the application period, which will be from 15 October to 30 October.

- 6. Allocation:
 - a. The entire tariff-quota quantity established in Section I-B shall be allocated to end users by 1 January each year. Inquiries regarding tariff-quota allocations can be made to the SDPC, with responses provided within 10 working days. Any additional requirement for importation will be automatic under the terms of the Agreement on Import Licensing Procedures. China shall equitably distribute allocations within each portion of the tariff-quota to ensure complete tariff-quota utilization and to establish a tariff-quota system that is open, transparent, fair, responsive to market conditions, timely, minimally burdensome to trade and reflects end user preferences.
 - b. In the first year, allocations to end users by the SDPC of the tariff-quota reserved for importation through state-trading enterprises shall be based on a first-come, first-served system or the requests of the applicants and their historical import performance, production capacity, or other relevant commercial criteria, subject to specific conditions to be published one month in advance of the opening of the application period so as to ensure an equitable distribution and complete tariff-quota utilization. In the first year, no less than 10 % of the tariff-quota reserved for importation through state-trading enterprises will be allocated to new quota-holders.
 - c. In the first year, allocations to end users by the SDPC of the tariff-quota reserved for importation through entities other than state-trading enterprises shall be based on a first-come, first-served system or the requests of the applicants and their historical import performance, production capacity, or other relevant commercial criteria. No less than 10% of the tariff-quota reserved for importation through entities other than state-trading enterprises will be allocated to new quota-holders. This tariff-quota will be limited to entities that do not receive any special or exclusive rights or privileges, and will include allocations to joint ventures, wholly foreign-funded enterprises, and private enterprises.
 - d. Except in cases where tariff-quota is allocated on a first-come, first-served basis, and in accordance with China's Schedule of Concessions and Commitments on Goods, a

quota-holder that has imported under a tariff-quota shall, upon application, receive an allocation of the tariff-quota in the following year for a quantity no less than the quantity imported the previous year. For all methods of allocation, a quota-holder that does not import its full allocation under a tariff-quota will receive a proportional reduction in the tariff-quota allocation in the subsequent year unless the quantity is returned to the SDPC prior to 15 September. A quota holder that unused portion by 15 September shall have its quota allocated in the following year on the basis of its fill rate in the most recent year, and will not benefit from any additional reallocations until and unless there are no other applications. The means of calculating the penalty will be included in the TRQ regulation in force and publicly available, and will be applied in a consistent and equitable manner.

- e. Allocations will be established for commercially viable shipping quantities and provisions will be made for partial shipments against a single tariff-quota allocation. All commercial terms of trade, including product specification, pricing, packaging, etc., will be at the sole determination of the importer and the exporter taking into full account the demands of the end user. Tariff-quota allocations will be valid for any item or mixture of items subject to the same tariff-quota.
- f. Inquiries on the entities which received the allocation can be made to the SDPC which shall provide the information within 10 days.

7. Term: The tariff-quota for each product will be opened on 1 January each year, unless otherwise specified in the Schedule. Tariff-quota allocations will be valid for the calendar year.

- 8. Reallocation:
 - a. In any year, if a quota-holder has not contracted for the total quantity by 15 September, it shall return the unused portion of the tariff-quota quantity to the SDPC for reallocation.
 - b. Applications for reallocation of the tariff-quota will be accepted by the SDPC from 1 September to 15 September and new allocations shall be assigned by 1 October. Specific conditions for applying for reallocation of tariff quotas will be published in the official journal one month in advance of the application period. Such allocations, which shall be to new applicants and to entities other than those returning quotas under sub-paragraph 8.A. above, will be assigned on a first-come, first-served basis. Quota-holders allocated a share of the tariff-quota reserved for importation through entities other than state-trading enterprises may import through any entity that has a right to trade in any product as specified in Section 5 of China's Protocol of Accession.
 - c. Inquiries on the entities which received the reallocations can be made to the SDPC which will provide the information within 10 days.
 - d. In situations where goods have been shipped from their port of origin before 31 December of any year, but are entered after 31 December of that year, China shall extend the validity of the tariff quota documents and shall count such shipments against the tariff quota allocation for the year in which the tariff quota was initially allocated.

Consultations:

9. With a view to maintaining a transparent and open tariff quota system, upon request from any WTO Member, China shall consult with the Member on the administration of the tariff quota to ensure that the tariff quota will be allocated in a transparent, equitable and non-discriminatory manner and that the tariff quota will be fully utilized.

Notes:

1. The share of the tariff-quota reserved for importation through state-trading enterprises is specified in column 7 of Section I-B. The remainder of the tariff-quota quantity is reserved for importation through any non-state trading enterprise possessing the right to trade in any product as set forth in Section 5 of China's Protocol of Accession.

In any year, if the quantity of the tariff-quota reserved for importation through state-trading enterprises has not been contracted for by 15 August, quota-holders will have the right to

trade or to import through any entity with the right to trade any product under Section 5 of China's Protocol of Accession.

- 2. China shall ensure that the applied duty for soybean oil, rapeseed oil, palm oil, peanut oil, cottonseed oil, sunflower seed oil, and corn oil is no greater than the applied duty for any one of these oils or for any other vegetable oil. Of the vegetable oils subject to tariff quota (i.e., soybean oil, rapeseed oil, and palm oil), if the tariff-quota for any one oil is autonomously increased, the tariff-quotas for the other two will be increased commensurately. Beginning 1 January 2006, China will remove soybean oil, rapeseed oil and palm oil from Annex 2A of the Protocol of Accession and will grant the right to trade such oils to all individuals and enterprises.
- All quota holders, that have already fully used or contracted their tariff-quota allocations in any year by 15 September shall also be eligible for reallocation of tariff-quota from other quota holders that have returned their allocations.

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ANNEX 2

CHAPTER NOTES CONCERNING TRQ COMMITMENTS FOR COTTON FROM THE U.S. SCHEDULE

"CHAPTER 52

COTTON

Additional U.S. Notes 1/

1. Under regulations prescribed by the Secretary of the Treasury, the staple length of cotton shall be determined for all customs purposes by application of the Official Cotton Standards of the United States of America for length of staple, as established by the Secretary of Agriculture and in effect when the determination is to be made.

5. There shall be permitted entry an aggregate quantity of cotton, entered under the provisions of additional U.S. notes 6 through 11, inclusive, to this chapter, of not less than the total quantity specified below.

	Quantity (metric tons)
1995	41,926.8
1996	48,850.4
1997	55,773.9
1998	62,697.5
1999	69,621.0
2000 and thereafter	76,544.6

An additional aggregate quantity of 10,000 metric tons is reserved for Mexico under this note.

The quantitative limitations established by this note may be administered through regulations (including licenses) issued by the Secretary of Agriculture.

1/ Note 1 and additional U.S. notes 2, 3 and 4 to this chapter are omitted from this section and are in section II of this schedule. Additional U.S. notes 5 through 11, inclusive, to this chapter are not in the Harmonized Tariff Schedule of the United States.

6. There shall be permitted entry an aggregate quantity of cotton, not carded or combed, having a staple length under 28.575 mm (1-1/8 inches) (except harsh or rough cotton, having a staple length under 19.05 mm (3/4 inch)), entered under subheading 5201.00.14 during the 12-month period beginning September 20 in any year, of not less than the total quantity specified below.

	Quantity (metric tons)
1995	8,495.05*
1996	10,837.45*
1997	13,179.85*
1998	15,522.25*
1999	17,864.65*
2000 and thereafter	20,207.05*

* Of the quantitative limitation provided for in this note, access levels are reserved as follows for entry under the provisions of this note:

	Quantity (kg)		Quantity (kg)
Egypt & Sudan (aggregate)	355,532	Honduras	341
Peru	112,469	Paraguay	395
India & Pakistan (aggregate)	908,764	Colombia	56
China	621,780	Iraq	88
Brazil	280,648	British East Africa	1,016
Union of Soviet Socialist Republics	215,512	Indonesia & Netherlands New Guinea (aggregate)	32,381

	Quantity (kg)		Quantity (kg)
Argentina	2,360	British West Indies (except Barbados, Bermuda, Jamaica, or Trinidad and Tobago)	9,671
Haiti	107	Nigeria	2,438
Ecuador	4,233	British West Africa (except Nigeria and Ghana)	7,259

The quantitative limitations established by this note may be administered through regulations (including licenses and reallocation of unfilled guotas) issued by the Secretary of Agriculture.

7. There shall be permitted entry an aggregate quantity of harsh or rough cotton, not carded or combed, having a staple length of 29.36875 mm (1-5/32 inches) or more but under 34.925 mm (1-3/8 inches) and white in colour (except cotton of perished staple, grabbots and cotton pickings), entered under subheading 5201.00.24 during the 12-month period beginning 1 August in any year, of not less than the total quantity specified below.

	Quantity (metric tons)
1995	900.0
1996	1,000.0
1997	1,100.0
1998	1,200.0
1999	1,300.0
2000 and thereafter	1,400.0

The quantitative limitations established by this note may be administered through regulations (including licenses) issued by the Secretary of Agriculture.

8. There shall be permitted entry an aggregate quantity of cotton, not carded or combed, having a staple length of 28.575 mm (1-1/8 inches) or more but under 34.925 mm (1-3/8 inches) (except harsh or rough cotton, not carded or combed, having a staple length of 29.36875 mm (1-5/32 inches) or more and white in color) but including cotton of perished staple, grabbots and cotton pickings, entered under subheading 5201.00.34 during the 12-month period beginning 1 August in any year, of not less than the total quantity specified below.

	Quantity (metric tons)
1995	5,200.0
1996	6,460.0
1997	7,720.0
1998	8,980.0
1999	10,240.0
2000 and thereafter	11,500.0

The quantitative limitations established by this note may be administered through regulations (including licenses) issued by the Secretary of Agriculture.

9. There shall be permitted entry an aggregate quantity of cotton, not carded or combed, having a staple length of 34.925 mm (1-3/8 inches) or more, entered under subheading 5201.00.60 during the 12-month period beginning August 1 in any year, of not less than the total quantity specified below.

	Quantity (metric tons)
1995	25,500.0
1996	28,420.0
1997	31,340.0
1998	34,260.0
1999	37,180.0
2000 and thereafter	40,100.0

The quantitative limitations established by this note may be administered through regulations (including licenses) issued by the Secretary of Agriculture.

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10. There shall be permitted entry an aggregate quantity of card strips made from cotton having a staple length under 30.1625 mm (1-3/16 inches), and lap waste, sliver waste and roving waste of cotton, all the foregoing the product of any country or are including the United States of America, entered under subheading 5202.99.10 during the 12-month period beginning 20 September in any year, of not less than the total quantity specified below.

	Quantity (kg)
1995	1,835,427*
1996	2,135,427*
1997	2,435,427*
1998	2,735,427*
1999	3,035,427*
2000 and thereafter	3,335,427*

* Of the quantitative limitation provided for in this note, access levels are reserved as follows for entry under the provisions of this note:

	Quantity (kg)		Quantity (kg)
United Kingdom	653,695	Japan	154,917
Canada	108,721	China	7,857
France	34,385	Egypt	3,689
India & Pakistan (aggregate)	31,582	Cuba	2,968
Netherlands	10,317	Germany	11,540
Switzerland	6,711	Italy	3,215
Belgium	5,830		

The quantitative limitations established by this note may be administered through regulations (including licenses and reallocation of unfilled quotas) issued by the Secretary of Agriculture.

11. There shall be permitted entry an aggregate quantity of fibers of cotton processed but not spun, entered under subheading 5203.00.10 during the 12-month period beginning 11 September in any year, of not less than the total quantity specified below.

	Quantity (kg)
1995	1,000
1996	1,300
1997	1,600
1998	1,900
1999	2,200
2000 and thereafter	2,500

The quantitative limitations established by this note may be administered through regulations (including licenses) issued by the Secretary of Agriculture."

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ANNEX 3

EXCERPT FROM ANNEX 1 TO G/AG/N/USA/2/ADD.3 AND G/AG/N/USA/34/ADD.1 NOTES FROM THE HARMONIZED TARIFF SYSTEM OF THE UNITED STATES

"36/ Short staple cotton

from Additional U.S. Note 5 to Chapter 52 of the HTSUS:

5. The aggregate quantity of cotton, not carded or combed, the product of any country or area including the United States of America, having a staple length under 28.575 mm (1-1/8 inches) (except harsh or rough cotton, having a staple length under 19.05 mm (3/4 inch)), entered under subheading 5201.00.14 during the 12-month periods from 20 September 1999, through 19 September 2000, inclusive, shall not exceed 17,864.65 metric tons or from 20 September 2000, through 19 September 2001, inclusive, shall not exceed 20,207.05 metric tons (articles the product of Mexico shall not be permitted or included in the aforementioned quantitative limitation and no such articles shall be classifiable therein).

Of the quantitative limitations provided for in this note, the countries listed below shall have access to not less than the quantities specified below:

	Quantity (kg)
Argentina	2,360
Brazil	280,648
British East Africa	1,016
British West Africa (except Nigeria and Ghana)	7,259
British West Indies (except Barbados, Bermuda, Jamaica, Trinidad, Tobago)	9,671
Chine	621,780
Colombia	56
Ecuador	4,233
Egypt & Sudan (aggregate)	355,532
Haiti	107
Honduras	341
India & Pakistan (aggregate)	908,764
Indonesia & Netherlands New Guinea (aggregate)	32,381
Iraq	88
Nigeria	2,438
Paraguay	395
Peru	112,469
Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan (aggregate)	215,512

Other than as provided for in the country allocations above, articles the product of countries or areas who are not members of the World Trade Organization shall not be permitted or included in the quantitative limitations set forth in this note.

37/ Harsh or rough cotton

from Additional U.S. Note 6 to Chapter 52 of the HTSUS:

6. The aggregate quantity of harsh or rough cotton, not carded or combed, the product of any country or area including the United States of America, having a staple length of 29.36875 mm (1-5/32 inches) or more but under 34.925 mm (1-3/8 inches) and white in color (except cotton of perished staple, grabbots and cotton pickings), entered under subheading 5201.00.24 during the 12-month periods from 1 August 1999, through 31 July 2000, inclusive, shall not exceed 1,300.0 metric tons or from 1 August 2000, through 31 July 2001, inclusive, shall not exceed 1,400.0 metric tons (articles the product of Mexico shall not be permitted or included in the aforementioned quantitative limitation and no such articles shall be classifiable therein).

Articles the product of countries or areas who are not members of the World Trade Organization shall not be permitted or included in the quantitative limitations set forth in this note.

38/ Medium staple cotton

from Additional U.S. Note 7 to Chapter 52 of the HTSUS:

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7. The aggregate quantity of cotton, not carded or combed, the product of any country or area including the United States of America, having a staple length of 28.575 mm (1-1/8 inches) or more but under 34.925 mm (1-3/8 inches) (except harsh or rough cotton, not carded or combed, having a staple length of 29.36875 mm (1-5/32 inches) or more and white in colour) but including cotton of perished staple, grabbots and cotton pickings, entered under subheading 5201.00.34 during the 12-month periods from 1 August 1999, through 31 July 2000, inclusive, shall not exceed 10,240.0 metric tons or from 1 August 2000, through 31 July 2001, inclusive, shall not exceed 11,500.0 metric tons (articles the product of Mexico shall not be permitted or included in the aforementioned quantitative limitation and no such articles shall be classifiable therein).

Articles the product of countries or areas who are not members of the World Trade Organization shall not be permitted or included in the quantitative limitations set forth in this note.

39/ Long staple cotton

from Additional U.S. Note 8 to Chapter 52:

8. The aggregate quantity of cotton, not carded or combed, the product of any country or area including the United States of America, having a staple length of 34.925 mm (1-3/8 inches) or more, entered under subheading 5201.00.60 during the 12-month periods from 1 August 1999, through 31 July 2000, inclusive, shall not exceed 37,180.0 metric tons or from 1 August 2000, through 31 July 2001, inclusive, shall not exceed 40,100.0 metric tons (articles the product of Mexico shall not be permitted or included in the aforementioned quantitative limitation and no such articles shall be classifiable therein).

Articles the product of countries or areas who are not members of the World Trade Organization shall not be permitted or included in the quantitative limitations set forth in this note.

40/ Cotton waste

from Additional U.S. Note 9 to Chapter 52 of the HTSUS:

9. The aggregate quantity of card strips made from cotton having a staple length under 30.1625 mm (1-3/16 inches), and lap waste, sliver waste and roving waste of cotton, all the foregoing the product of any country or area including the United States of America, entered under subheading 5202.99.10 during the 12-month periods from 20 September 1999, through 19 September 2000, inclusive, shall not exceed 3,035,427 kilograms or from 20 September 2000, through 19 September 2001, inclusive, shall not exceed 3,335,427 kilograms (articles the product of Mexico shall not be permitted or included in the aforementioned quantitative limitation and no such articles shall be classifiable therein).

Of the quantitative limitations provided for in this note, the countries listed below shall have access to not less than the quantities specified below:

	Quantity (kg)
Belgium	5,830
Canada	108,721
China	7,857
Cuba	2,968
Egypt	3,689
France	34,385
Germany	11,540
Italy	3,215
India & Pakistan (aggregate)	31,582
Japan	154,917
Netherlands	10,317
Switzerland	6,711
United Kingdom	653,695

Other than as provided for in the country allocations above, articles the product of countries or areas who are not members of the World Trade Organization shall not be permitted or included in the quantitative limitations set forth in this note.

41/ Cotton processed but not spun

from Additional U.S. Note 10 to Chapter 52 of the HTSUS:

10. The aggregate quantity of fibers of cotton processed but not spun, entered under subheading 5203.00.10 during the 12-month periods from 11 September 1999, through 10 September 2000, inclusive, shall not exceed 2,200 kilograms or from 11 September 2000, through 10 September 2001, inclusive, shall not exceed 2,500 kilograms (articles the product of Mexico shall not be permitted or included in the aforementioned quantitative limitation and no such articles shall be classifiable therein).

Articles the product of countries or areas who are not members of the World Trade Organization shall not be permitted or included in the quantitative limitations set forth in this note."

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ANNEX 4

MEMBERS' REPLIES TO THE QUESTIONNAIRE ON NEW OR UPDATED COTTON-RELATED POLICY DEVELOPMENTS

Since the second dedicated discussion of the relevant trade-related developments for cotton 1. of 28 November 2014, Members agreed that, in order to complement the revised background paper to be prepared by the WTO Secretariat and in advance of each dedicated discussion, a questionnaire would be sent to Members to seek updates, on a voluntary basis, on their recent cotton-related policy developments across the three pillars of Market Access, Domestic Support and Export Competition.¹ Members were also invited to provide an assessment of the impact (or anticipated impact), if available, of those new or updated policy developments.

Four questionnaires were circulated, on 4 February 2015, 17 September 2015, 22 February 2. 2016² and 13 September 2016, respectively. The following table lists Members who have replied to those questionnaires. The replying Members who are among the 32 Members identified in paragraphs 12 and 13 of this paper as markets of interest to LDCs are identified in bold:

Members who replied to the previous questionnaires circulated on 4 February 2015, 17 September 2015 and 22 February 2016	Members who replied to the questionnaire circulated on 13 September 2016		
Argentina; Australia; Benin; Brazil; Chad; China; Colombia; Costa Rica; Egypt; Ecuador; European Union; Hong Kong, China; Israel; Macao, China; Mali; Mauritius; New Zealand; Pakistan; Peru; Russian Federation; South Africa; Chinese Taipei; United States of America and Uruguay.	Benin; Brazil ; Burkina Faso; <u>Costa Rica; Ecuador;</u> <u>European Union; Hong Kong, China</u> ; Mali; <u>Mauritius;</u> <u>New Zealand</u> ; Peru; and <u>Russian</u> <u>Federation</u> .		

Some Members provided a "nil" reply, i.e. they did not report any new or updated policy 3. development across the three pillars of Market Access, Domestic Support and Export Competition. These Members are listed in the table below.

Members with a nil reply to the previous questionnaires circulated on 4 February 2015, 17 September and 22	Members with a nil reply to the questionnaire circulated on 13 September 2016
February 2016 Australia; Ecuador; European Union; Costa Rica; Hong Kong, China; Macao, China; Mauritius; New Zealand; Pakistan; Peru ³ ; Chinese Taipei, Uganda ⁴ and Uruguay.	China; Mauritius; New Zealand; and Russian

Non-nil replies are reproduced below In cases where a Member has replied to more than one 4. questionnaire, only the response to the latest questionnaire is listed. Responses to earlier questionnaires can be found in previous versions of the Secretariat's background paper.

¹ Paragraph 12 of the Chairperson report on the second dedicated discussion of the relevant traderelated developments for cotton (TN/AG/29 and TN/AG/SCC/3).

The French and Spanish versions of the questionnaire were circulated on 8 March 2016.

³ Peru informed that there have been no changes to the information presented in its reply to the questionnaire circulated on 17 September 2015.

⁴ This reply was provided after the circulation of the fourth revision of this background paper and is included in document TN/AG/GEN/34/Rev.4/Add.2 - TN/AG/SCC/GEN/13/Rev.4/Add.2. ⁵ The European Union informed that no new policy developments can be reported since its reply to the

questionnaire circulated on 22 February 2016.

⁶ The Russian Federation informed that no new policy developments can be reported since its reply to the questionnaire circulated on 22 February 2016.

Reply from Benin to the questionnaire circulated on 13 September 2016 (original reply in French)

Eager to bring about a significant expansion of the cotton sector in the framework of a public-private partnership, the Council of Ministers decided to revive the Framework Agreement between the State and the Cotton Trade Association (AIC). Accordingly, the agreement, which had been suspended on 23 September 2013, was renewed on 28 April 2016. A number of reforms undertaken by the Beninese Government have had a direct or indirect impact on the cotton sector through the three pillars of agriculture, i.e. market access, domestic support and export competition.

1) Market Access

One of the aims of the amending finance law adopted in July 2016 and the preliminary draft finance law of 2017 is to promote measures to stimulate private investment. Accordingly, since July 2016, **the registration formalities for the following documents are taxed at 0%**:

- deeds for transfer of movable and immovable property, in connection with the improvement of the business climate;
- credit agreements, in order to reduce the cost of credit transactions.

Measures were also taken to reduce harassment along the trunk roads.

Similarly, in connection with the transport of seed cotton from the self-managed markets to the processing plants, the Government decided to remove the rehabilitation of rural roads from the responsibilities relating to critical functions. The rehabilitation of dirt roads used for cotton is now the responsibility of the State.

2) Domestic Support

In connection with domestic support, the following new measures have been taken:

- Revival of the Framework Agreement between the State and the AIC. The introduction of **domestic price support mechanisms for producers** is now the responsibility of the sectoral trade associations in cooperation with the Ministry.
- Production and agricultural research capacity-building through the introduction, in July 2016, of an agricultural research contribution charged on exports of cotton seed and fibre and raw cashew nuts, at a rate of 10 CFAF per kilogram exported.
- Suspension by the Government of cotton subsidies (particularly in relation to inputs) as from the 2016-2017 season.

3) Export Competition

The introduction of a framework conducive to agro-industry is at the centre of the interim budget for 2016. A public/private partnership law will help to promote the processing industry and in particular the cotton spinning mills.

Reply from Brazil to the questionnaire circulated on 13 September 2016

With regard to the Chairman of the Committee on Agriculture in Special Session invitation of 13 September 2016 to provide updates on Members cotton-related policy developments in view of the forthcoming sixth dedicated discussion, Brazil submits the following information:

1) Market Access

Of the three tariff lines in heading 5201 (cotton, not carded or combed), tariff line 5201.00.10 (not ginned) had its applied duty rate kept at 6%, but tariff line 5201.00.20 (merely ginned) had its applied duty rate reduced from 10% to 6% in 22^{nd} April 2016 and tariff line 5201.00.90 (others) had its applied duty rate reduced from 10% to 6% in 24^{th} June 2016;

2) Domestic Support

In the crop year 2015/2016, which begins in July 2015 and ends in June 2016, there has been no domestic support provided to Brazilian cotton producers.

3) Export Competition

No export subsidies have been granted to cotton in crop year 2015/2016.

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Reply from Burkina Faso to the questionnaire circulated on 13 September 2016 (original reply in French)

There have been no particular changes across the three pillars of market access, domestic support and export competition since the 25th round of the WTO Director-General's Consultative Framework Mechanism on Cotton. Burkina Faso's cotton-related policy developments are summarized in the following table:

Pillars	Cotton-related policy developments	Comments
Market access	Nothing to report	Nothing to report
Domestic support	Nothing to report	Nothing to report
Export competition	Nothing to report	Nothing to report

By way of general comment on Burkina Faso's cotton sector, it is important to point out that for this 2016/2017 cotton season, the cotton is grown from 100% conventional cotton seed.

Reply from Mali to the questionnaire circulated on 13 September 2016 (original reply in French)

The following noteworthy developments have occurred since July 2016:

1) Market Access

- Awareness-raising missions along major roads to reduce the number of checkpoints;
- Fact-finding mission to assess the opportunities offered by Mauritania's Autonomous Port.

2) Domestic Support

- Signing of a performance contract with the Compagnie Malienne des Textiles (COMATEX SA) for the sourcing of raw materials on preferential terms;
- Payment of VAT abolished (exemption) on the purchase price of cotton seed for the crushing plants;
- "1,000 tractors" programme: facilitated access to tractors in order to boost domestic production;
- Signing of a protocol between the National Oil Mill and Cattle Feed Federation of Mali (FENAPHAB) and stakeholders in the livestock meat subsector in order to provide better access to oil cake and other cattle feed.

3) Export competition

• Mali does not grant any cotton export subsidies.

Reply from Peru to the questionnaire circulated on 13 September 2016 (original reply in Spanish)

NEW OR UPDATED COTTON-RELATED POLICY DEVELOPMENTS

OCTOBER 2015 - SEPTEMBER 2016

1) Market Access

During the analysis period, Peru made no changes to its cotton-related policies concerning market access.

2) Domestic Support

Cotton Financing Programme (2015-2016 season)

Description of the programme

Funding programme consisting of the provision of repayable loans to eligible cotton producers in the coastal region for support activities (seasonal), including the purchase of inputs, machinery, labour, administrative costs and technical assistance.

Objective

Provision of loans to finance cotton farming. The financing is intended for the purchase of inputs (seed, fertilizers and agrochemicals), machinery, labour, administrative costs and technical assistance.

Beneficiaries

Cotton producers, through producer organizations (formally established cooperatives and/or associations), which, in addition, are involved in business management and technical assistance work.

Duration

The 2015-2016 cotton season began in May 2015, and the payments ended in March 2016.

Form of benefit

For the 2015-2016 cotton season, AGROBANCO continued its funding programme at a preferential rate for cotton producers (Annual Effective Rate: 16%), covering 3,500 ha and 1,200 producers. The areas concerned were located between the Santa valley in the north and the Ica valley in the south, i.e. the areas producing mainly the Tanguis (long staple) cotton variety, and to a lesser extent the IPA-59 and Hazera (extra-long staple) varieties.

The 2015-2016 season took place under conditions of climate risk marked by the El Niño phenomenon (high temperatures and possible rains). AGROBANCO did not implement its funding programme in the departments of Piura and Lambayeque, following the recommendations of the Ministry of Agriculture and Irrigation (MINAGRI). There was also a significant decline in the areas sown to cotton between the Santa and Ica valleys, many producers preferring to avoid any risks in view of the negative experiences in terms of production during the El Niño event of 1997-1998.

Funding is expected to amount to S/4,900 per ha^{37} , with a maximum of 4 ha per producer and a credit line totalling S/17,150,000, distributed as follows:

Category	Amount (in soles)
Inputs and services: seed, fertilizers, agrochemicals	2,300.00
Machinery and labour	2,330.00
Technical assistance	160.00
Administrative costs	50.00
Technical management	60.00
Total	4,900.00

Source: Cotton Programme-AGROBANCO. Preparation: MINCETUR.

It should be pointed out that the financing programme goes hand in hand with a marketing programme which aims to bring the producer and buyer together in order to improve the price of the quintal of raw cotton in the different production areas. MINAGRI provides guarantee cover through the Agroperú fund.

3) Export Competition

Peru does not provide export subsidies for agricultural products, including cotton.

The latest notification, submitted pursuant to Article 18.2 of the WTO Agreement on Agriculture and document G/AG/2 (Notification Requirements and Formats), concerns export subsidy commitments (Table ES:1) for the year 2014 and was circulated as WTO document G/AG/N/PER/14 of 6 July 2015. It notifies that Peru provided no export subsidies in respect of agricultural products in 2014.

³⁷ This amount is lower when the producer can do without a certain category either because it can fund the resources itself or because it already has them.

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Reply from Argentina to the questionnaire circulated on 22 February 2016 (original reply in Spanish)

Policies adopted

The Ministry of Agro-Industry, through the National Agricultural Technology Institute (INTA), implements a Cotton Fibre Quality Improvement Assistance Programme, created pursuant to Resolution No. 537/2008 of the former Secretariat of Agriculture, Livestock, Fisheries and Food.

The aims of this programme are, *inter alia*, to improve the quality of cotton fibre and its production and technological processing; to increase the value of cotton fibre on the basis of its quality, thereby boosting its competitiveness; and to establish protocols for monitoring and control during the production process, such as Good Agricultural Practices (production protocol), harvesting and post-harvesting (harvester survey), separation and storage (cotton gin survey), and sampling and assessment (seed and grain quality parameters). It also seeks to publicize, disseminate and foster the implementation of these protocols, as well as define the characteristics that determine the quality of Argentine cotton.

The National Agriculture and Food Quality and Health Service (SENASA), a decentralized body of the Ministry of Agro-Industry, runs the National Programme for the Prevention and Eradication of Cotton Boll Weevil (PNPEPA). This focus of this programme is twofold, namely monitoring and control. It seeks to provide assistance to producers through phytosanitary measures that help to minimize the damage caused by the pest with a view to ensuring the sustainability of cotton production.

Pursuant to Decree No. 133 of 17 December 2015 and as a support measure for regional economies, an export duty rate of 0% was established for goods classified under MERCOSUR Common Nomenclature (NCM) Chapters 50 to 53, which include cotton fibre.

Reply from Australia to the questionnaire circulated on 22 February 2016

Cotton Research and DevelopmentResearch into improvements in cotton production	AUD 7.729 million for 2014-15	Australian Government Department of Agriculture, Water Resources (DAWR)
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Reply from Colombia to the questionnaire circulated on 22 February 2016 (original reply in Spanish)

The WTO questionnaire requests information on any new or updated cotton-related policy developments.

1) Market access

In addition to the duty-free treatment granted to Colombia's main cotton-supplying trading partners, the Colombian Government considered it viable to grant a 15,000 tonne import quota for 2016, at a zero tariff rate, for uncarded and uncombed cotton under tariff subheading 5201.00.30.00 originating in countries with which Colombia does not currently have any trade agreements. The quota was opened to help supply domestic industry. This measure is currently being formalized. The country remains at a deficit in terms of the supply of cotton for use in domestic industry, which is why it has had to resort to this type of unilateral initiative.

2) Domestic support

The Minimum Guaranteed Price is maintained as an instrument to protect the income of domestic cotton producers from unfavourable international price fluctuations. In 2015, farmers were paid 39,920 million Colombian pesos, through the Minimum Guaranteed Price, as compensation for the fall in international fibre prices.³⁸ The Colombian Government has 9,500 million Colombian pesos set aside for the payment of compensation in 2016. The country's crop areas have diminished in size by 41.7% in the course of a year, from 30,000 hectares in 2015 to 17,500 hectares in 2016, while the Minimum Guaranteed Price has remained constant in the last four years at 5,045,000 Colombian pesos per tonne. Colombia does not have any new or updated instruments for cotton.

3) Export competition

Colombia did not apply any export competition measures.

³⁸ The competitiveness of Colombian cotton has improved, with significant progress made in terms of yield, fibre characteristics and production costs, thanks to better growing conditions resulting from the use of new technologies and improved agricultural practices.

Reply from the European Union to the questionnaire circulated on 22 February 2016

In reply to the request of the WTO Secretariat to Members to submit information on any new or updated cotton-related policy developments that occurred since the last update in September last year, the EU would like to provide data on direct payment expenditures for cotton granted in accordance with Article 6.5 of the Agreement on Agriculture.

For that purpose, the EU updates the table on page 26 of document TN/AG/GEN/34/Rev.3-TN/AG/SCC/GEN/13/Rev.3 of 9 November 2015 as follows.

European Union

(Million EUR in a calendar year) Description of Measure	2006	2007	2008	2009	2010	2011	2012	2013	2014
Payments based on fixed area and yields: Cotton (Title IV, Chapter 1, Section 6 of Regulation (EC) No 73/2009; from 2015, Title IV, Chapter 2 of Regulation (EU) No 1307/2013)	254.5	247.5	216.9	221.7	247.3	245.8	242.3	231.8	244.0

Reply from Israel to the questionnaire circulated on 22 February 2016

With regard to the Chairman's requests on cotton Israel would like to inform the Members of the following:

No new or updated cotton-related policy developments occurred in Israel in 2015

1) Market Access

No changes in tariffs related to cotton were made during 2015.

2) Domestic Support

Israel's budgetary outlay for cotton in both thousand USD and thousand tonnes (marketing year, 1 October-30 September) for 2015 was zero.

Market price support, non-exempt direct payments, other product-specific support, product-specific EMS and product-specific AMS for cotton during 2015 were also zero.

3) Export Competition

Export subsidies for cotton were zero in 2015.

Reply from the Russian Federation to the questionnaire circulated on 22 February 2016

1) Market Access

Cotton fiber exports and imports of Russian Federation (thousand US dollars)

	2015
Export	
Republic of Belarus	139.2
Total	139.2
Import	
Azerbaijan	760.2
Kazakhstan	18,556.1
Kyrgyz Republic	12,039.7
Latvia	50.3
Tajikistan	28,703.2
Turkey	70.2
Turkmenistan	5,947.3
Republic of Uzbekistan	3,623.2
Total	69,750.2

2) Domestic Support

The Russian Federation does not provide domestic support for cotton.

3) Export Competition

There are no specific measures in the context of export competition for cotton in the Russian Federation.

Reply from South Africa to the questionnaire circulated on 22 February 2016

1) Market access

No changes were made to market access related policies in recent years.

All tariffs for cotton at the applied level are zero, with the exception of the following lines:

Product code	Product	Tariff
5201 0020	Ginned, but not further processed	ZAR 1.60/kg
5201 0090	Other	15%
5203 00	Cotton, carded or combed	15%

On the above tariff lines, a preference tariff of zero is applied for cotton origination in SADC countries and the EU in accordance with relevant Free Trade Agreements.

In recent years, an average in access of 90% of South Africa's cotton imports originates from SADC countries. The suppliers of cotton in this regard are, in the main, LDCs.

2) Domestic support

No changes were made to Domestic Support policies.

No AMS has been used on cotton for more than 15 years. Cotton production might indirectly benefit from Green Box expenditure.

3) Export Competition

No changes were made to EC policies.

South Africa did not make use of export subsidies since the year 2000.

Reply from the United States of America to the questionnaire circulated on 22 February 2016³⁹

On 6 June 2016, USDA announced the Cotton Ginning Cost-Share programme, which provides cost-share assistance payments to cotton producers. Cotton ginning is a necessary requirement for producers to market the lint for fibre or the seed for oil or feed. Through the Cotton Ginning Cost-Share programme, eligible producers can receive a one-time cost share payment in 2016, which is based on a producer's past plantings (i.e., 2015 cotton planted acres) and 40% of the average ginning cost in each of the four production regions. The programme is limited in scope by payment caps and eligibility requirements for producers.

Any payments under the programme will be based on the 2015 cotton plantings and are not connected to either current or future production. Sign-up for U.S. producers began on 20 June and will run through 5 August 2016.

 $^{^{39}}$ This reply was provided after the circulation of the fourth revision of this background paper and is included in document TN/AG/GEN/34/Rev.4/Add.2 - TN/AG/SCC/GEN/13/Rev.4/Add.2.

Reply from Chad to the questionnaire circulated on 4 February 2015 (original reply in French)

The Permanent Mission of the Republic of Chad to the World Trade Organization (WTO) presents its compliments to the WTO Secretariat and, further to the Secretariat's correspondence of 4 February 2015 on relevant trade-related developments for cotton, has the honour to transmit herewith details of new cotton-related policy developments that have occurred in Chad since January 2014 in relation to the following three pillars:

1) Market access

Chad has adopted an action plan with a view to substantially increasing production in its cotton sector. This will enable the country to boost exports to the main consumer countries, most notably Bangladesh, India, Indonesia, Portugal and Germany.

2) Domestic support

Despite a difficult budgetary situation, due to the fall in oil prices which has spread to other raw materials and which has played a significant role in slowing down the country's economic growth, the Chadian State has fought to maintain its cotton sector, which is of considerable economic and social importance for millions of Chadians. This support, which has a significant impact on priority sectors such as education and health, clearly demonstrates the Government's determination to do everything possible to ensure that this important sector does not disappear - something that would have disastrous consequences for Chad and its population. This support is consistent with Article 6.2 of the Agreement on Agriculture.

3) Export competition

Chad continues to suffer the severe financial consequences of falling cotton prices due to the unfair competition that we are continuously denouncing at the WTO. If all cotton-producing countries were on an equal footing in the international market, Chadian cotton would be more competitive and the cotton sector would be making a profit instead of the successive losses recorded in recent years.

This is a moral issue within the WTO, and as WTO Members we are all responsible for finding a solution to this situation, which is unacceptable to countries like ours.

The Permanent Mission of the Republic of Chad to the World Trade Organization takes this opportunity to renew the assurances of its highest consideration to the WTO Secretariat.

Access to international markets

The *Société Cotonnière du Tchad* (COTONTCHAD) exported 31,700 tonnes of fibre in 2014 and envisages export production of 52,000 tonnes of fibre in 2015, i.e. an increase of almost 50%. This significant increase is linked to the creation of a business plan that envisages a gradual increase in production to 120,000 tonnes of fibre by 2018.

This business plan was adopted by the Board of Directors, which includes representatives of the various Ministers responsible for agricultural policy in general and the development of the cotton sector in particular.

The increase in production has been possible thanks to the support the State has provided by selling inputs (fertilizer, insecticides and various other materials) to farmers to increase crop yields, and the increase in the purchase price paid to cotton farmers, which is set at 240 CFAF/kg for high-grade cotton.

Cotton is of considerable economic and social importance to Chad. The Chadian government has spared no effort to provide financial support to increase cotton production, since this sector provides a livelihood, both directly and indirectly, for almost 3 million people. The cotton sector is the only sector that brings large quantities of fresh capital into producing regions. It helps to settle the population, and COTONTCHAD SN, which is in charge of purchasing, ginning and marketing, funds village associations with a view to the construction of classrooms and family health clinics.

CFAF 20 billion in cash was distributed to farmers in 2014 for the purchase of seed cotton, and the company plans to provide CFAF 31 billion in 2015. In anticipation of the increase in production in the next two to three years, the Chadian State has committed itself, via the Development Bank of Central African States (BDEAC), to a long-term loan of approximately CFAF 30 billion for COTONTCHAD SN, so as to ensure the renewal and strengthening of logistics and industrial infrastructure.

Due to the lack of cotton processing infrastructure at national and regional level, COTONTCHAD SN exports 98% of its production abroad. The main consumer markets are Asian and European countries. Although there are no particular restrictions affecting Chad directly, certain domestic policies implemented by wealthier countries distort competitiveness. This means that certain mills, while appreciating the intrinsic qualities of Chadian cotton, refrain from buying our cotton when they compare its price with the local prices of their own production, which are driven down artificially. However, given the much appreciated quality of Chadian cotton, our sales remain steady, despite the fall in prices.

Listed below are the main consumers of Chadian cotton in 2014 and 2015:

COUNTRY	QUANTITY (TONNES)			
	2014	Projection for 2015		
Germany	1,500	3,500		
Portugal	2,550	5,200		
Spain	700	1,300		
Italy	200	900		
India	8,300	9,500		
Indonesia	3,380	5,800		
Bangladesh	11,415	18,220		
China	1,850	3,800		
Malaysia	180	680		
Thailand	500	600		
Viet Nam	1,125	2,500		
Total	31,700	52,000		

Exports of Chadian Cotton By Country

State Domestic Support

In 2014, the Chadian State budgeted 6.9 billion to support farmers by subsidizing fertilizer. For 2015, it budgeted 6.69 billion. Of the amount for 2014, COTONTCHAD SN received 3.5 billion, although nothing has yet been paid out under the 2015 budget due to the country's current economic and financial situation, which is particularly difficult.

This support is consistent with the provisions of Article 6.2 on special and differential treatment for the promotion of agriculture and rural areas in low-income countries and the fight against poverty.

Despite a difficult budgetary situation, due to the drop in oil prices which has spread to other raw materials and which has played a significant role in slowing down the country's economic growth, the Chadian State has fought to maintain its cotton sector, which is of considerable economic and social importance for millions of Chadians. The State's actions, which have had an important impact on priority sectors such as education and health, clearly demonstrate the Government's determination to do everything possible to ensure that this important sector does not disappear - something that would have disastrous consequences for Chad and its population.

Cotton plays a pivotal role in our country's development. It is competitive. And yet it suffers from the effects of the massive cotton subsidies provided by certain countries, which have the effect of driving down prices on the international market.

For Chad, the time has come to move on from general statements and engage constructively in substantive discussions on the cotton issue. This belief forms the basis of its commitment and determination to continue negotiating with other C4 members at the WTO. Chad remains open to any initiatives that might help to find an acceptable solution to the cotton issue.

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Export Competition

The massive support provided to farmers in the form of both production and operating subsidies by countries such as the United States and China and by the European Union constitute unfair competition and have been denounced for several years now by the C4 countries within the WTO framework. The least developed countries (LDCs) continue to suffer the severe financial consequences of falling cotton prices. If all cotton-producing countries were on an equal footing in the international market, African cotton would be more competitive and the cotton sector would be making a profit instead of the successive losses recorded in recent years.

Countries such as the United States and China have introduced mechanisms to help the C4 countries with a view to repairing the harm they have suffered, but these interventions amount to very little when compared with the hundreds of millions of dollars paid to their respective producers.

What is being demanded by the C4 countries in general, and by Chad in particular, is compliance with the WTO rules that condemn unfair competition and the artificial driving down of prices, rather than the rules on subsidies, which are already well defined and should be limited in terms of volume.

Reply from China to the questionnaire circulated on 4 February 2015⁴⁰

First, China supports C-4's position and their request to solve their problem according to the Ministerial Decision on Cotton of December 2013 adopted at MC9. We also support the approach to solve the problem of cotton on the basis of the Agriculture Modalities of 2008 (TN/AG/W/4/Rev.4). We would continue to work together with all Members to find the solution to this issue.

Second, China's cotton sector is subsistence farming.

China is among the largest cotton producers in the world. However, China's production is based on small-scale and subsistence farming, and the average acreage of cotton is 0.3 hectare per household. Moreover, China's cotton production is located remotely in the resource-poor and underdeveloped ethnic minority areas, serving as the only instrument for local livelihood security and poverty reduction.

After joining the WTO, China's cotton production has shown a declining trend; the cotton acreage has diminished from 4.8 million hectares in 2001 to 4.3 million hectares in 2013. The main reason for such a decline is the high production cost compared to the lower price of cotton caused by subsidies of the developed Members.

Third, China's cotton subsidies are at minimal low level.

China's agriculture support toolbox is short supplied compared to other WTO Members. It has no AMS including on cotton, no development box. China is only entitled to *de minimis*, for which the level is also lower than for other developing Members (8.5% versus 10%).

China's cotton support remains lower both in absolute terms and per capita terms. In absolute terms, China's cotton support is USD 480 million. In per capita terms per cotton farmer, China's cotton support is only just USD 16.

Fourth, China's cotton subsidy policy is a passive response.

China has been the victim to the cotton subsidies by the developed Members. Since its accession into the WTO, China's cotton imports surged from 113,000 tonnes to 4.2 million tonnes, while the cotton acreage actually diminished.

China's poor subsistence cotton farmers are over 30 million in household, and they will be forced out of jobs if the Government does not take the necessary actions. Therefore, the Chinese Government has no choice but to subsidize its poor cotton famers to offset the subsidies and safeguard the livelihood of those poor famers.

Fifth, China's cotton subsidy policy does not distort international trade.

China's temporary cotton reserve policy is designed to offset the turbulence of the volatile international market caused by the subsidies of developed Members. This policy does not create production distortion or trade distortion. On the production side, China's cotton production does not increase in a significant manner. On the import side, China's cotton import continues to increase from 2.8 million tonnes in 2010 to 4.2 million tonnes in 2013. If the import on cotton yarn is included, the cotton import will be increased from 4.1 million tonnes to 6.5 million tonnes, which provides strong incentives for all cotton producers and the developing ones in particular in the context of depressed global cotton prices. In addition, the cotton in stock is intended for domestic textile industry rather than for export, thus producing no distortion on international cotton market.

In the meantime, exports of Chinese textiles are still subject to tariff peaks, tariff escalations and other protectionist measures of developed Members, which the developed Members intend to ignore through the so-called recalibration exercise.

⁴⁰ This reply was provided after the circulation of the second revision of this background paper and is included in document TN/AG/GEN/34/Rev.2/Add.1 - TN/AG/SCC/GEN/13/Rev.2/Add.1.

Sixth, China has made significant contribution to resolving the cotton issue.

China has been the largest cotton importer, and its share in the global cotton import has been consistently more than 50%, which creates a lot of market access for the export developing Members.

China has been extensively importing a large amount of cotton from African cotton-producing Members, including the C-4. During the period 2001 to 2013, China's cotton imports from Africa increased from 3,700 tonnes to 442,000 tonnes.

On the development assistance side, China has been committed to providing technical and financial assistance to the C-4 to enhance their production and export capacity. China signed cooperation Communiqués with the C-4 members in 2011 and 2013, respectively, which cover the supplies of agriculture inputs, training courses, technology transfer, etc. In addition, China has also been providing various cotton-related assistance to the C-4 through bilateral channels.

On the allocation of the cotton TRQ

Regarding the allocation of TRQ of cotton, it is consistent with China's WTO commitment. Another related question is about the import exceeding the import quota. In addition to the 894,000 tonnes, we import more than the TRQ subject to the sliding duties.

On China's domestic support notification

Regarding the notification, China has just updated its domestic support notification up to 2010, and preparation for new notifications is underway.

On China's cotton stock

Regarding China's cotton stock, the stock is real, as we have imported more cotton than our obligation. We import cotton for textile processing, but we are facing a lot of difficulties in the textile sector as just mentioned. The other reason for the huge stock is that the price for cotton is distorted by the subsidies from developed Members.

Reply from Egypt to the questionnaire circulated on 4 February 2015

1. Applied tariffs on cotton versus bound tariffs (2015)

HS	Description	Applied tariff 2015 %	Bound Tariff %
5201.00	Cotton, not carded or combed	Free	5
5202.00	Cotton waste (including yarn waste and garnetted stock)		
5202.10	- Yarn waste (including thread waste)	5	5
	- Other:		
5202.91	Garnetted stock	5	5
5202.99	Other	5	5
5203.00	Cotton, carded or combed	5	5

2. Egyptian cotton trade

	2012		2013		2014	
	Quantity (tonnes)	Value (USD million)	Quantity (tonnes)	Value (USD million)	Quantity (tonnes)	Value (USD million)
Exports	86,775.62	197.07	67,097.50	136.69	37,313.53	89.90
Imports	16,412.16	44.47	4,833,833.36	170.41	76,436.45	175.94

3. Egyptian cotton production (in metric cantars, 1 metric cantar = 50 kg)

Year	2011-2012	2012-2013	2013-2014	2014-2015
production	3,685,927	2,164,949	1,880,564	2,482,198

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ANNEX 5

INFORMATION ON COTTON MARKETS AND POLICIES FROM THE TRADE POLICY REVIEW MECHANISM⁴¹

1.1. At the second dedicated discussion of the relevant trade-related developments for cotton, Members agreed that, in order to complement the revised background paper to be prepared by the WTO Secretariat, the Secretariat would compile information related to cotton markets and policies contained in the most recent Trade Policy Review (TPR) reports.⁴²

1.2. The Secretariat searched the most recent TPR reports available by Governments and by the WTO Secretariat for the 32 Members identified in paragraphs 12 and 13 of this paper. Information that met the following two criteria has been included in this Annex: (1) information relevant to cotton markets and policies; and (2) information not presented elsewhere in this background paper.

1.3. No relevant information was found for the following thirteen Members:⁴³ Bahrain, Kingdom of (April 2014); Canada (June 2015); Hong Kong, China (November 2014); Iceland (November 2012); Japan (March 2015); Kenya (November 2012)⁴⁴; Korea, Republic of (October 2016); Malaysia (March 2014); New Zealand (July 2015); Russian Federation (September 2016); Norway (October 2012); Switzerland (September 2013) and Chinese Taipei (September 2014).⁴⁵

1.4. For the remaining 19 Members, the relevant information found is presented below by Member. The date of the most recent TPR report available, as well as the type of report and the document symbol for the report, are indicated next to each Member. Except for Bangladesh, no relevant information was found in the most recent Government reports available for these 19 Members.

1.5. Information is listed along with the headings of the chapters from which it is extracted, and "..." represents information left out from a table, a paragraph or a chapter.

1.6. Information not directly linked to cotton markets and policies but which provides context for understanding the above-mentioned information may have also been included based on the Secretariat's own judgement and is without prejudice to information excluded from this Annex.

⁴¹ The purpose of the Trade Policy Review Mechanism ("TPRM") is to contribute to improved adherence by all Members to rules, disciplines and commitments made under the Multilateral Trade Agreements and, where applicable, the Plurilateral Trade Agreements, and hence to the smoother functioning of the multilateral trading system, by achieving greater transparency in, and understanding of, the trade policies and practices of Members. Accordingly, the review mechanism enables the regular collective appreciation and evaluation of the full range of individual Members' trade policies and practices and their impact on the functioning of the multilateral trading system. It is not, however, intended to serve as a basis for the enforcement of specific obligations under the Agreements or for dispute settlement procedures, or to impose new policy commitments on Members (Annex 3 (A)(i) of the Marrakesh Agreement).

⁴² Paragraph 13 of the Chairperson's report of the second dedicated discussion of the relevant traderelated developments for cotton (TN/AG/29 and TN/AG/SCC/3).

⁴³ The date in brackets is that of the most recent TPR report available.

⁴⁴ Joint Trade Policy Review of the East African Community (EAC).

⁴⁵ The Secretariat report for the 2014 TPR (WT/TPR/S/302) is being revised therefore the report from the previous TPR (July 2010) was used and no relevant information was found.

AUSTRALIA (MARCH 2015) - SECRETARIAT REPORT (WT/TPR/S/312/REV.1)

"4. TRADE POLICIES BY SECTOR 4.2 Agriculture, Livestock, and Fisheries 4.2.2 Main policy developments 4.2.2.2 Domestic support measures

Under its Carbon Farming Futures Program (2011-2017), Australia has implemented a Filling the Research Gap, Action on the Ground, Extension and Outreach Program, and related offset incentives.⁴⁶

APPENDIX TABLES

Table A1. 1 Merchandise exports, by product groups, 2010-13

	2010	2011	2012	2013
Total exports (USD billion)	212.5	270.1	256.6	253.7
Total exports (AUD billion)	231.1	261.7	247.8	262.0
	(% of total)			
Total primary products	77.3	79.8	79.0	80.4
Agriculture	13.9	14.3	15.5	15.8
Agricultural raw material	2.5	3.0	3.0	3.0
2631 Cotton (other than linters), not carded or combed	0.5	1.0	1.1	1.0

Source: WTO Secretariat calculations, based on data provided by the Australian authorities in SITC four-digit classification.

⁴⁶ ... Under the Action on the Ground funding programme, farmers and land managers undertake on-farm trials of abatement technologies, practices and management strategies to measure and demonstrate how they can reduce agricultural greenhouse gas emissions of methane and nitrous oxide or increase the sequestration of carbon in soil while maintaining or improving farm productivity. By March 2014, 89 multi-year grants worth up to AUD 44.29 million had received funding; these projects were trialling a diverse range of on-farm practices and management strategies, on more than 530 properties across the country. By April 2013, 24 projects valued at AUD 21.3 million were funded under the Extension and Outreach program supporting sector-specific projects, including the livestock, dairy, horticulture, cotton and grains industries (Department of Agriculture online information. Viewed at: <u>http://www.daff.gov.au/about/current-grants</u>; and Productivity Commission, 2013d).

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BANGLADESH (OCTOBER 2012) - GOVERNMENT REPORT (WT/TPR/G/270)

"II. RECENT ECONOMIC PERFORMANCE

Table 6. - Composition of Bangladesh's import

Commodity	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Total import (c.i.f.)	14,746	17,157	21,629	22,507	23,738	33,657
Of which:						
16. Raw cotton	5.0%	5.0%	5.6%	5.7%	6.1%	8.0%

Source: Bangladesh Economic Review, 2012

III. TRADE POLICY DEVELOPMENT

Since 2011 the Government has imposed export tax on bricks, tobacco and cotton waste in order to discourage production of tobacco and bricks on health and environmental reasons and discourage export of cotton waste to safeguard interests of growing local industry."

Secretariat Report (WT/TPR/S/270/Rev.1)

"III. TRADE POLICIES AND PRACTICES BY MEASURE

(1) Measures Directly Affecting Imports

(iv) Tariffs and other charges

Table III.2 - Tariff structure, 2005/06 and 2011/12

	MFN a	SAFTA	
	2005/06	2011/12	2011/12
Memo:			
WTO agriculture	18.0	17.8	13.1
Cotton	4.0	3.3	1.9

Source: WTO Secretariat calculations, based on data received by the Bangladeshi authorities.

(2) Measures Directly Affecting Exports

(ii) Export taxes, charges, and levies

In 2010/11, export duties were applied to tobacco and tobacco products (10%), cotton waste (25%), and ceramic building bricks (25%) in order to discourage production of these products. According to the authorities, brick production is not environmentally friendly and tobacco production occupies land needed for essential crops. Duty on the export of cotton waste is intended to encourage the use of cotton waste in Bangladesh.

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IV. TRADE POLICIES BY SECTOR

(2) Agriculture

(b) Food security

Table IV.4 - Developments in domestic support to agriculture, 2002-07

_(USD million)						
	2002/03	2004/05	2006/07			
Total domestic support (I+II+III)						
II. Measures exempt from the reduction commitment - "Green Box"						
General services	52.4	95.5	75.1			
(i) Research and development of non-rice crops, (fruit, vegetables, spices) except sugar cane, jute, cotton, and tea	9.32	10.9	23.6			
(iv) Research and development of cotton	0.35	0.36	0.2			

Source: Notification from Bangladesh, G/AG/N/BGD/3, 4 May 2011 covering FY2002/03, 2004/05 and 2006/07.

BRAZIL (JUNE 2013) - SECRETARIAT REPORT (WT/TPR/S/283/REV.1)

"3 TRADE POLICIES AND PRACTICES BY MEASURE

3.2 Measures Directly Affecting Imports 3.2.3 Tariffs

3.2.3.3 Preferences

Table 3.4 Summary analysis of tariffs according to preferential agreements, 2012

	No. of lines	MFN	GUY	СНІ	BOL	Me>	cico	PER	COL	ECU	VEN	СИВ	IND	ISR
Total	10,031	11.7	11.6	7.1	6.9	11.4	11.5	6.8	7.6	6.9	7.3	9.6	11.6	8.1
HS 01-24	1,252	10.3	10.0	6.3	6.1	9.8	10.3	6.2	6.4	6.4	6.3	8.6	10.3	7.0
HS 25-97	8,779	11.9	11.9	7.2	7.0	11.6	11.7	6.9	7.8	7.0	7.4	9.7	11.8	8.3
By WTO categor	y													
WTO Agriculture	1,030	10.2	9.8	5.3	5.2	9.6	10.2	5.2	5.4	5.4	5.3	8.4	10.1	6.0
- Cotton 	7	7.4	7.4 	4.3 	3.7 	7.4 	7.4 	3.7 	3.7 	3.7 	3.7 	7.4 	7.4 	2.4

Source: WTO Secretariat estimates, based on data provided by the Brazilian authorities.

4 TRADE POLICIES BY SECTOR

- 4.2 Agriculture, Forestry, and Fisheries
- 4.2.3 Domestic support measures

4.2.3.3 Minimum price guarantees

Brazil operates several programmes based on minimum price guarantees, which support the production of a wide range of commodities, including corn, rice, cotton, and wheat. According to OECD estimates, price support schemes accounted for more than half of transfers granted to farmers during 2008-10. Their overall effect, however, appears to be modest, as annual budgets are limited and partly targeted at less developed regions and low-income farmers.⁴⁷

Table 4.5 Price support programmes, 2012

Price Support Programme/Description	Use/Cost
 Premium for Product Outflow (PEP)	
The CONAB grants an equalization premium to wholesalers who agree to pay farmers a reference price. The premium is determined in public auctions and generally reflects the difference between the reference price and the market price. In addition to guaranteeing minimum prices for producers, the PEP is used to shift the supply of agricultural products across regions, so as to avoid shortages and prevent the accumulation of stocks. In theory, all products included in the PGPM can participate in the PEP; however, the programme has been used for only a few products so far, mainly cotton, corn, wheat, sisal, beans, rice, and wine.	Premiums paid under PEP totalled was BRL 279.5 million in 2011, of which BRL 190.6 million for rice, BRL 58.3 million for wheat, and BRL 30.6 million for sisal.

Source: Law No. 11,775 of 17 September 2008; CONAB online information. Viewed at: <u>http://www.conab.gov.br/conteudos.php?a=1255&t=</u>; and CONAB (2012), *Relátorio De Gestão 2011*. Viewed at: http://www.conab.gov.br/conteudos.php?a=23&t=1.

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4.2.3.4 Measures to promote family farming

Table 4.6 Budget allocated to family farming programmes and measures, harvest year 2012/13

Programme	Description	Budget
Price Guarantee Programme for Family Farming (PGPAF)	An indexation of the credit taken out by family farmers under the PRONAF, through which the price is fixed when the credit is granted. Upon repayment of the PRONAF's credit, if the price of the product financed has decreased, the farmer benefits from a discount from the amount due, equivalent to the difference between the product's market price and the price set in the programme's index. The limit for the PGPAF bonus per farmer is BRL 7,000 each year. The programme covers 49 products, including corn, cotton, rice, milk, and oranges.	BRL 90 million

Source: MDS online information. Viewed at: http://www.mds.gov.br/segurancaalimentar/fomento-a-producaoe-a-estruturacao-produtiva-1/fomento-as-atividades-produtivas-rurais; CAIXA online information. Viewed at: http://www.caixa.gov.br/voce/Social/Transferencia/fomento/ index.asp; MDA online information. Viewed at: http://comunidades.mda.gov.br/portal/saf/programas/, and MDA (2010), *Plano Safra da Agricultura Familiar* 2010-2011. Viewed at: http://www.agricultura.pr.gov.br/arquivos/File/deral/psafra ag familiar 2010 11.pdf.

APPENDIX TABLES

Table A1.2 Merchandise exports by groups of products, 2007-12

(USD million and %)

Description	2007	2008	2009	2010	2011	2012
Total	160,649	197,942	152,995	197,356	256,039	242,580
			(% of tota	I exports)		
Total primary products	50.1	53.3	59.0	63.2	64.2	62.7
Agriculture	30.1	31.0	37.7	34.8	33.8	35.6
Food	26.2	27.4	33.9	30.8	30.2	31.8
Agricultural raw material	3.8	3.6	3.8	4.0	3.5	3.8
2631 Cotton (other than linters), not carded or combed	0.3	0.4	0.4	0.4	0.6	0.9

Source: UNSD, Comtrade database (SITC Rev.3).

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CHINA (JULY 2016) - SECRETARIAT REPORT (WT/TPR/S/342/REV.1)

Summary

Government-set prices are currently applied to refined oil products, natural gas, certain medicines, and some services. Products classified as important central reserve materials (grain, cotton, sugar, filature silk, crude oil, processed oil, and chemical fertilizers) are no longer subject to government-set prices...

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3 TRADE POLICIES AND PRACTICES BY MEASURE

3.2 Measures Directly Affecting Exports

3.2.3 Export prohibitions, restrictions, and licensing

Table 3.11 Products subject to export quotas and licensing, 2015-16

Products	Type of management	Comment
Goods subject to quota and licensing		
Rice, maize, wheat, cotton, coal	Export quota (licensing)	The quota is allocated by the NDRC and MOFCOM The licence is issued by MOFCOM

Source: MOFCOM GACC Joint Announcement No. 76 of 2015. Viewed at:

http://wms.mofcom.gov.cn/article/zcfb/g/201512/20151201225345.shtml (in Chinese only); and information provided by the Chinese authorities.

3.3 Measures Affecting Production and Trade 3.3.5 State trading and state-owned enterprises 3.3.5.1 State trading

In 2015 China submitted a new and full notification regarding state trading enterprises to the WTO.⁴⁸ The legislation regulating state trading has not changed since 2014, nor have the reasons for maintaining this practice or the products subject to it. State trading remains in place to: ensure a stable supply and price of the products concerned; safeguard food security; and protect exhaustible and non-recyclable natural resources, and the environment.

Imports subject to state trading administration comprise: grain (including wheat, maize, and rice), sugar, cotton, chemical fertilizers, tobacco, crude oil, and processed oil (Table 3.17). They can be imported (and exported) only by authorized enterprises, in accordance with Article 11 of the Foreign Trade Law. ... Non-state trading enterprises that have obtained trading rights through registration may engage in the importation of part of the quota of products subject to tariff-rate quotas (grain, cotton, sugar, and certain chemical fertilizers), and of crude and processed oil. The NDRC (in the case of grains and cotton) and MOFCOM (for the other products) issue on a yearly basis the criteria for an enterprise to acquire trading rights for these products, the volumes they can import and the allocation method. No information was provided on the quantities imported under state trading.⁴⁹

Table 3.17 Imports under state trading, 2013-15

Product	HS Code	allocate	Percentage of TRQ allocated to state-trading enterprises				
		2013	2014	2015 ^a			
Cotton	5201.00.00; 5203.00.00	33	33	33			

a. Provisional.

Source: WTO documents G/STR/N/10/CHN-G/STR/N/15/CHN, 19 October 2015; and data provided by the authorities.

⁴⁸ WTO documents G/STR/N/10/CHN-G/STR/N/15/CHN, 19 October 2015.

⁴⁹ WTO documents G/STR/N/10/CHN-G/STR/N/15/CHN, 19 October 2015.

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Exports subject to state trading and the enterprises in charge of trading these products also remain unchanged since the last Review. In 2015, exports subject to state trading were rice, maize, cotton, coal, crude and processed oil, tungsten ore and products, antimony ore and products, silver and tobacco (Table 3.18). According to the authorities, the volume of exports subject to state trading is determined taking into account market signals and so are export prices; there is no government intervention.⁵⁰ According to the authorities, export allocation amongst state-trading enterprises is also based on market principles.

Table 3.18 Export products subject to state-trading arrangements, 2014-15

Product (HS code)	Enterprises				
Cotton 5201.00.0	0; 5203.00.00	Chinatex Cotton Import & Export Corporation; Xinjiang Uygur Autonomous Region Cotton and Jute Import & Export Co; Xinjiang Yin Long International Agricultural Co. Ltd (since 2012); and China National Cotton Reserve Corporation.				
-	MOECOM and	na information Manual at				
а		ne information. Viewed at:				
	http://www.n	nofcom.gov.cn/aarticle/b/c/200404/20040400210082.html				
b	State Council	online information. Viewed at:				
http://www.gov.cn/gongbao/content/2004/content_62767.htm.						
с	c China reserves the right to use state trading.					
d MOFCOM online information. Viewed at:						
http://www.mofcom.gov.cn/article/b/e/200411/20041100306546.shtml.						
	<u></u>					

Source: Information provided by the Chinese authorities and WTO documents WT/STR/N/10/CHN-WT/STR/N/15/CHN, 19 October 2015.

4 TRADE POLICIES BY SECTOR 4.1 Agriculture 4.1.3 Policy instruments 4.1.3.1 Border measures 4.1.3.1.1 Measures affecting imports

...

... In-quota and out-of-quota rates have not changed; they are both *ad valorem*, with the exception of the out-of-quota rate for a type of cotton (HS 52.01.00.00). Out-of-quota imports of this type of cotton may be subject to a sliding duty that depends upon the price of cotton, but that cannot exceed 40% (i.e. the bound rate for cotton). Under this system, China fixes a threshold price (RMB 15/kg in 2015). If the price of imports is equal to or higher than the threshold price a specific duty of RMB 0.57/kg is levied; if the import price is lower than the threshold price, an *ad valorem* rate based on the formula applies.⁵¹ Out-of-quota rates for other products are in most cases equal to bound rates.

The NDRC is responsible for allocating TRQs for grains and cotton, and MOFCOM allocates the rest. Some products subject to TRQs (i.e. grains, cotton, sugar, and chemical fertilizers) are also subject to state trading. In these cases, part of the quota is allocated to state-trading enterprises and another part to other enterprises. Historically, the fill rate of TRQs has been low; however, this changed in 2013 and 2014 for products such as sugar, wool and cotton (Table 4.2).

Table 4.2 Tariff rate quotas and their utilization, 2013-14

(Tonnes, unless otherwise indicated)									
Products	Out-of-quota rates (%)	In-quota rates (%)	Tariff quota quantity	In-quota imports (2013)	In-quota imports (2014)				
Cotton (2 lines)	40	1	894,000	894,000	894,000				

Note: Number of tariff lines in brackets refers to the 2015 tariff schedule.

Source: WTO document G/AG/N/CHN/30, 2 February 2016; and Ministry of Finance (2015), *Customs Tariff of Imports and Export of the People's Republic of China*, 2015.

⁵⁰ WTO documents G/STR/N/10/CHN-G/STR/N/15/CHN, 19 October 2015.

⁵¹ The variable rate is calculated according to a formula, which may be viewed in: Ministry of Finance (2015), *Customs Tariff of Import and Export of the People's Republic of China 2015* (The Legal Texts), Beijing, p. 442.

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4.1.3.2 Internal measures 4.1.3.2.1 Support measures

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...The Subsidy for Promoting Superior Strains and Seeds scheme introduced in 2002 to improve the quality of seeds and livestock covers: cotton, maize, rice and wheat throughout China, and soya beans, rapeseed, cotton, potatoes, highland barley and peanuts, in specific areas of the country....

4.1.3.2.2 Price controls and marketing

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In 2014, China stopped its stockholding programme for cotton. This programme resulted in an increase in the domestic price of cotton paid to farmers to above international prices, and led farmers to sell most of their production to the State.⁵² As a result, state reserves increased to levels beyond annual domestic demand, which triggered a reform of the policy. The former system was replaced, on a pilot basis in the Xinjiang Autonomous Region, by a mechanism that sets a target price for cotton; this price was RMB 19,800 per tonne in 2014 (RMB 19,100 per tonne in 2015).⁵³ Through the new mechanism, if the market price falls below the target price, the central government provides a subsidy to cotton farmers, the amount of which depends on the land farmed (which is given a weight of 60% in the calculation of the subsidy) and the amount of cotton sold for processing in the domestic market (a weight of 40%).⁵⁴ In 2015, the cotton subsidy was extended to nine other provinces.⁵⁵ However, it is not clear what form of subsidy applies in these provinces, it seems that a target price has also been established.⁵⁶

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Hebei online information. Viewed at: <u>http://www.tuliu.com/read-11746.html</u>; Hubei online information. Viewed at: <u>http://www.texindex.com.cn/Articles/2015-3-24/330704.html</u>; Hunan online information. Viewed at: <u>http://www.hn315.qov.cn/business/htmlfiles/hnzjj/s42/201510/32546.html</u>; Jiangsu online information. Viewed at: <u>http://www.jscz.qov.cn/pub/jscz/xxqk/qkml/201505/t20150528_75680.html</u>; and Jiangxi online information. Viewed at:

⁵² Imports and exports of cotton are subject to state trading.

⁵³ Cotton Target Price Reform Pilot in Progress. Viewed at:

http://www.sdpc.gov.cn/zcfb/zcfbtz/201404/t20140415_607179.html.

⁵⁴ The Interim Measures on Administration of Fund for Xinjiang Cotton Target Price Reform Pilot Subsidy. Viewed at:

http://www.xjjh.gov.cn/zwgk/xzfxxgkml/czxx/cdxm/f59e4d28_2d31_4af8_8efd_36930fff8166.htm. ⁵⁵ These are: Shandong, Henan, Hebei, Hubei, Hunan, Jiangsu, Jiangxi, Gansu, Anhui and Tianjin.

Viewed at: http://www.201511/t20151120_554754.html. ⁵⁶ Henan online information. Viewed at: http://www.1633.com/policy/zhuanti/view-10680508-1.html;

http://www.jxdpc.gov.cn/departmentsite/jmc/tztg/gztz/201502/t20150205_115865.htm.

COLOMBIA (JUNE 2012) - SECRETARIAT REPORT (WT/TPR/S/265/REV.2)

"III. TRADE POLICIES BY MEASURE

- (2) Measures Affecting Imports
- (v) Other charges on imports
- (a) Value added tax (VAT)

Table III.8 - Other VAT rates

HS Code	Description	Rate					
		Imports	National production				
5201	Cotton fibre	10%	10%				

Source: Tax Statute, Articles 468-1, 471, 473 and 475.

(4) Measures Affecting Production and Trade

(iv) Incentives

(d) Other support schemes

Given the importance of the agricultural sector in Colombia, in addition to the credit programmes implemented by FINAGRO and the backing provided by the FAG, there are other programmes for supporting the sector in general, as well as specific programmes. Under the Agricultural Debt Relief Programme, small and medium-sized producers are offered assistance, for up to two years, with their interest payments, and the debt can also be restructured.⁵⁷ The aid is granted by MADR and provided by FINAGRO for each debt to be restructured, through the financial intermediary with which the producer contracted the debt. Likewise, to protect the income of producers in the export sector from exchange rate fluctuations, the Government offers assistance with foreign exchange hedging that covers between 60 and 80% of the cost of the premium. To protect crops against adverse weather conditions, the Government provides support for agricultural insurance that covers between 30 and 60% of the value of the policy. At present, only one insurer offers this type of product.

Among the specific programmes two stand out, namely, those for cotton and rice. The aim of the cotton price compensation programme or Guaranteed Minimum Price for Cotton (PMG) is to protect the incomes of domestic farmers from international price fluctuations by making up the difference between the market price (New York Stock Exchange) and a guaranteed minimum price per tonne of fibre. The PMG of the Interinstitutional Committee for Cotton Crop Competitiveness (CICA) is established by taking into account the production costs per hectare for the previous five years and updating them using the producer price index. The MADR announces the PMG before planting begins, and this support is paid during the marketing period. The support granted through the PMG increased from USD 18,091,000 in 2006 toUSD 25,592,000 in 2010.⁵⁸ To prevent the fall in producer prices due to the surpluses that normally occur in the second half of each year, the Government offers an incentive to store rice.

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IV. TRADE POLICIES BY SECTOR

(2) Agriculture

(ii) Domestic support and subsidies

⁵⁷ At present, for small producers in the first year the support corresponds to 100% of the interest payment and in the second year to 60%. For medium-sized producers the support corresponds to 100% of the interest payment in the first year and 40% in the second (information provided by the authorities).

⁵⁸ Information provided by the authorities.

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Colombia makes use of price stabilization mechanisms in order to deal with fluctuations in world prices for certain agricultural products. The Price Stabilization Funds (FEPs), created by Law No. 101 of 1993, are intended to guarantee producers' incomes, regulate domestic production, and prevent price speculation, in addition to promoting agricultural exports. Currently, there are FEPs for five products: cotton; sugar; cocoa; meat, milk and their by-products; and palm kernel oil.⁵⁹ The Funds operate by estimating a price for each product based, *inter alia,* on international prices in the relevant markets. Depending on the estimated price, producers or exporters make "transfers" to the Fund or are compensated by the Fund, according to the price difference. The Funds act as a savings and insurance scheme.

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In addition to the foregoing, there are three specific price stabilization programmes: support for cotton, rice and milk. The equalization programme for cotton prices, or the minimum guaranteed price for cotton, is a policy introduced in 2001 and implemented during the period 2003/2004 to protect Colombian farmers' incomes from fluctuations in international prices by offering compensation for the price differential between market prices (New York Exchange) and a minimum guaranteed price per tonne of lint. ...

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The Ministry of Agriculture and Rural Development (MADR) also implements other support programmes to enable the agricultural and fisheries sector to contend with climate problems or to renew plantations, *inter alia*, so as to encourage investment in higher value crops and exports, as well as other programmes specifically for small and medium-sized producers (Table IV.3).

The Agriculture, Secure Income (AIS) Programme was implemented by MADR until 2010, when it was replaced by the Rural Development with Equity Programme (DRE). Its objective was to make the national agricultural sector more competitive, protect the incomes of producers affected by the distortions caused by foreign markets, and lessen rural inequalities. The Programme made use of a number of tools such as the Special Line of Credit (LEC)⁶⁰, the Rural Capitalization Incentive (ICR), the Technical Assistance Incentive (IAT) and the Public Irrigation and Drainage Assembly.

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The LEC can be used to finance the sowing of crops with a short life cycle, for example: rice, white and yellow maize, sorghum, barley, oats, beans, vetch, vegetables, fruit (except those benefiting from the ICR), soya beans, plantains, yucca, potatoes, sesame, cotton, tobacco, groundnuts and achira. These lines of credit are at subsidized rates of interest: the subsidy given by the Fund for Financing the Agricultural Sector (FINAGRO) varies depending on the producer's volume and ranges from 5 to 7.5%.⁶¹ FINAGRO states that at present there are no resources for this line.

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⁵⁹ The FEP for cotton, which is managed by the Colombian Cotton Confederation (CONALGODON); the FEP for centrifugal sugars, molasses obtained by extracting or refining sugar, and sugar syrups, managed by the Colombian Sugar Cane Growers' Association (ASOCAÑA); the FEP for cocoa, managed by the National Federation of Cocoa Growers (FEDECACAO); the FEP for promoting the export of meat, milk and their by-products, managed by the Colombian Cattle Breeders' Federation (FEDEGAN); and the FEP for palm kernel oil, palm oil and fractions thereof, managed by the National Federation of Palm Oil Producers (FEDEPALMA).

⁶⁰ The terms for the LEC in the AIS include a subsidized interest rate (Fixed Term Deposit (DTF) rate – 2 percentage points), and a term of up to 15 years, including grace periods of up to three years. The DTF rate represents the average interest rate on 90-day deposit certificates owned by Colombian banks. The term and the grace period are determined by the income and expenditure flows in the production activity that is the subject of the investment financed.

⁶¹ Small-scale individual producers: DTF rate + 1%; small associate producer: DTF rate; medium-sized individual producer: DTF rate + 2%; medium-sized associate producer: DTF rate + 1%; medium-sized or large producer incorporating small producers: DTF rate + 1%. The DTF rate represents the average interest rate on 90-day deposit certificates owned by Colombian banks. See FINAGRO (2012), Chapter V: *Líneas especiales de crédito*.

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APPENDIX TABLES

I. ECONOMIC ENVIRONMENT

AI.2 Merchandise imports (c.i.f.) by product, 2005-2011

Table AI.2 Merchandise imports (c.i.f.) by product, 2005-2011

(USD million and %)

Description	2005	2006	2007	2008	2009	2010	2011
Total (USD million)	21,204	26,162	32,897	39,669	32,898	40,683	54,675
			(0	% of import	s)		
Total primary products	15.6	16.3	16.5	18.6	17.0	18.2	19.3
Agriculture	10.4	10.3	10.5	11.5	11.5	11.0	10.5
Agricultural raw materials	1.6	1.6	1.4	1.3	1.2	1.4	1.2
2631 Cotton (other than linters), not carded or combed	0.2	0.3	0.2	0.2	0.2	0.3	0.3

Source: WTO Secretariat estimates based on data from the Comtrade database (SITC Rev.3) and the authorities.

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EGYPT (JULY 2005) - SECRETARIAT REPORT (WT/TPR/S/150/REV.1)

III. TRADE POLICIES AND PRACTICES BY MEASURE

(3) MEASURES DIRECTLY AFFECTING EXPORTS

(vii) Export promotion and marketing assistance

...

In October 2002, Egypt mandated a LE 200 million subsidy programme to encourage the use of local cotton by textiles mills and to compensate farmers for low world market prices. The programme ended in 2003 and has not been reinstituted.

(4) MEASURES AFFECTING PRODUCTION AND TRADE

(i) Incentives

- (ii) Competition policy and price controls
- (iii) Government procurement

(iv) State-owned enterprises and privatization

State-owned enterprises play an important role in the import of petroleum products and some agricultural commodities, and cotton exports. ... Cotton and cotton products, such as yarn, fabrics, and garments, are largely exported by public companies.

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IV. TRADE POLICIES BY SECTOR (2) AGRICULTURE (i) Main features

... In terms of employment and export value, cotton is the most important crop in Egypt. It is estimated that cotton production employs up to one million farm workers.

Table IV.3 - Agricultural output, 1997-03

(Thousand tonne	es)							
		1997	1998	1999	2000	2001	2002	2003
Cotton lint		342	230	233	225	330	285	280

Source: FAO statistical database.

APPENDIX TABLES

Table AI.1 - Structure of exports, 1995-03

(USD million and %)

	1995	2000	2001	2002	2003
Total (USD million)	3,444.1	4,713.0	4,164.9	4,691.6	6,159.2
			(%)		
Total primary products	59.7	58.8	60.3	55.1	61.5
Agriculture	16.0	13.0	15.2	17.0	15.3
2631 Cotton (other than linters), not carded	4.4	4.1	4.5	7.1	5.9
or combed					

Source: WTO Secretariat estimates, based on UNSD, Comtrade database SITC Rev.3 data.

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EUROPEAN UNION (JULY 2015) - SECRETARIAT REPORT (WT/TPR/S/317/REV.1)

4 TRADE POLICIES BY SECTOR

- 4.2 Agriculture
- 4.2.3 Agricultural policies

4.2.3.1 Domestic support

4.2.3.1.1 Direct payments

... Direct payments linked to production applied only to suckler cows, sheep and goats, and (for four member States) cotton. Member States had some flexibility to direct some of the money available under direct payments to specific objectives and, for those member States that applied the SAPS, to provide complementary national direct payments (Table).

Table 4.4 Direct payments to agricultural producers in the EU, 2007/08-2011/12

(EUR million)					
	2007/08	2008/09	2009/10	2010/11	2011/12
Decoupled payments					
Other direct aids					
Cotton	248	217	222	247	246

Source: WTO notifications.

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Coupled payments

Under CAP Reform 2014-2020, crop-specific payments for cotton remain as set out in Table.

Table 4.6 Crop-specific payments for cotton

	Area ha	Fixed yield tonne/ha	Payment EUR/ha
Bulgaria	3,342	1.2	2015: 584.88 2016 and onward: 649.45
Greece	250,000	3.2	234.18
Spain	48,000	3.5	362.15
Portugal	360	2.2	228.00

Source: Regulation (EU) No. 1307/2013, Article 58.

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INDIA (JUNE 2015) - SECRETARIAT REPORT (WT/TPR/S/313/REV.1)

2 TRADE AND INVESTMENT REGIME 2.2 Trade Policy Formulation and Objectives 2.2.2 Trade policy goals

...

...

 \dots During the period 3 July 2009 and 31 March 2013 export restrictions were placed on wheat flour and exports of cotton were subject to prior registration of contracts with DGFT. \dots

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1 Measures Directly Affecting Imports

3.1.5 Other charges affecting imports

Table 3.5 Summary analysis of India's import charges, 2014-15

			oplied rates FN)	Total duty rate, incl. extra chargesª		
	No. of lines	Average (%)	Range (%)	Average (%)	Range (%)	
Total	11,481	13.0	0-150	28.3	0-537.5	
HS 01-24	1,609	37.7	0-150	46.2	0-537.5	
HS 25-97	9,872	9.0	0-100	25.3	0-186.1	
By WTO definition						
Agricultural products	1,496	36.4	0-150	46.1	0-537.5	
Cotton	11	2.7	0-30	3.3	0-36.1	

Note: Calculations exclude specific rates and include the *ad valorem* part of alternate rates.

Source: WTO calculations, based on data provided by the Indian authorities; and Big's Easy Reference Customs Tariff, 2014 (35th edition).

3.1.9 Import prohibitions, restrictions, and licensing 3.1.9.3 Import surveillance

India does not maintain any mechanism to monitor imports of items that are considered to be sensitive; such a mechanism was discontinued by April 2012.⁶²

3.2 Measures Directly Affecting Exports 3.2.4 Export prohibitions, restrictions, and licensing 3.2.4.2 Export licensing and guotas

5.2.4.2 Export licelising and quotas

On 8 December 2014, the previous requirement that exports of cotton and cotton yarn required an export authorization registration certificate (EARCs) issued by the DGFT was abolished.⁶³

⁶² At the end of March 2012, there were 415 sensitive items (based on HS eight-digit classifications). These included milk and milk products, fruits and vegetables, pulses, poultry, tea and coffee, spices, food grains, edible oils, cotton and silk, marble and granite, automobiles, parts and accessories of motor vehicles, products produced by small-scale industries, and other products (bamboos, cocoa, copra, and sugar).

⁶³ DGFT Notifications Nos. 102 and 103, 8 December 2014.

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4 TRADE POLICIES BY SECTOR 4.1 Agriculture 4.1.1 General policy framework 4.1.1.3 Internal measures

Table 4.3 Minimum support prices, 2010-15

(Rs per quintal)		
Minimum support prices (MSPs)	2010-11	2014-15
Cotton (medium staple)	2,500	3,750
·		

Source: Directorate of Economics and Statistics online information. Viewed at: http://eands.dacnet.nic.in/msp/MSPStatement(2014.29.10).pdf; and information provided by the Indian authorities.

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INDONESIA (APRIL 2013) - SECRETARIAT REPORT (WT/TPR/S/278/REV.1)

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1 Measures directly affecting imports

3.1.6 Contingency measures

3.1.6.2 Safeguard measures

Table 3.10 Safeguard activity, 2007-12

Product	Investigation initiation	Investigation outcome
Cotton yarn (other than sewing thread)	25.06.2010	Imposition on 06.06.2011 of safeguard measures for three years: Rp 40,687 per kg (06.06.2011 to 05.06.2012); Rp 38,144 per kg (06.06.2012 to 05.06.2013); and Rp 35,601 per kg (06.06.2013 to 05.06.2014). Certain tariff lines as well as 105 developing countries are excluded from the safeguard measure
Woven fabrics of cotton	25.06.2010	Imposition on 23.03.2011 of safeguard measures for three years: Rp 116,800 per kg (23.03.2011 to 22.03.2012); Rp 109,500 per kg (23.03.2012 to 22.03.2013); and Rp 102,200 per kg (23.03.2013 to 22.03.2014)

Source: Notifications to the WTO Committee on Safeguards; and additional information provided by the authorities.

APPENDIX TABLES

Table A1. 3 Merchandise imports by product group, 2007-11

(USD million and %)

	2007	2008	2009	2010	2011
Total imports (USD million)	74,473.4	129,244.1	96,829.2	135,663.3	177,435.6
			(% of total)		
Total primary products	47.4	38.1	34.6	35.3	39.2
Agriculture	14.1	10.3	11.7	11.5	12.6
Agricultural raw material	3.5	3.0	2.8	3.1	3.2
2631 Cotton (other than linters), not carded or combed	1.1	0.9	0.8	0.8	1.0

Source: UNSD Comtrade database, SITC Rev.3.

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MAURITIUS (OCTOBER 2014) - SECRETARIAT REPORT (WT/TPR/S/304/REV.1)

APPENDIX TABLES

Table A1. 3 Merchandise imports by product group, 2007-13

(USD million and %)

	2007	2008	2009	2010	2011	2012	2013
Total (USD million)	3,901	4,670	3,725	4,402	5,159	5,772	5,398
				(%)			
Total primary products	40.7	45.9	40.7	43.4	46.9	45.5	47.0
Agriculture	21.3	23.5	23.9	23.1	24.2	23.5	24.2
-							
Agricultural raw material	2.5	2.6	2.4	2.2	3.0	2.0	2.2
2631 Cotton (other than linters), not carded or combed	0.9	1.2	0.9	0.8	1.5	0.8	0.8

Source: UNSD Comtrade database, SITC Rev.3.

Table A3. 1 VAT-exempt supplies, 2013

Item
Cotton of headings 52.01, 52.02 and 52.03

Source: Value Added Tax Act 1998 (Consolidated Version with amendments to 1 September 2013), First Schedule. Viewed at:

 $http://mra.gov.mu/download/VATAct_Proclamation_38_2013.pdfhttp://mra.gov.mu/download/VATAct_Proclamation_38_2013.pdf.$

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MEXICO (APRIL 2013) - SECRETARIAT REPORT (WT/TPR/S/279/REV.1)

4 TRADE POLICIES BY SECTOR 4.2 Agriculture 4.2.4 Policy instruments 4.2.4.2 Domestic support measures 4.2.4.2.4 Risk prevention and management

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The Supplementary Support for Target Income and Marketing subprogramme guarantees the producers of certain crops a minimum income by means of a transfer per tonne marketed. Its specific objectives are to incentivize cereal and oilseed production and strengthen the agrifood production and marketing chain by giving the producer income certainty and/or the buyer cost certainty. The "supplementary support" granted is equal to the difference between the market price and the target income, provided that the former is below a minimum target income threshold. This programme is of national scope, and the eligible crops are currently maize, wheat, sorghum, rice, soya, safflower, canola, sunflower and cotton.⁶⁴ Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) determines a "maximum marketable production volume" for the eligible products. Supplementary income support is granted per tonne produced and marketed and is the same for all of the producers of the corresponding state or region, regardless of the producer's individual selling price. The produce cannot be for the grower's own consumption. Marketing support is up to 85% of the costs inherent in the marketing process for the eligible product. Between 2007 and 2011, ASERCA's (Agricultural Marketing Support and Services, which is part of SAGARPA) total annual expenditure under its Supplementary Support for Target Income and Marketing subprogramme averaged MXN 9,851 million, reaching a maximum of MXN 11,748 million (some USD 840 million) in 2011.65

Price Hedging Support is also available. This mechanism is intended to protect the anticipated income of the producers and/or the cost of purchasing agricultural products. The products eligible for agricultural price hedging support are: maize, wheat, rice, sorghum, cotton, oats, coffee, orange juice, sugar cane, cocoa, barley, oilseeds and their derivatives, beef, pork and milk. Depending on the product, the hedge may be based on another product representative of price movements. ASERCA determines the hedge, which may be basic, i.e. authorized to deal with a specific marketing problem or to protect the income of the producers, or special, i.e. designed by ASERCA to deal with recurring marketing problems. The support is for up to 85% of the total cost of the premium for the futures options contract (put and/or call) for the producer and up to 50% for the consumer and marketer (or if an equivalent direct support hedge is not purchased, up to 50% of the cost of the call/put hedge purchased by the producer). Support worth up to the equivalent of USD 8.00 is also offered to pay the commission for the hedge purchasing and administration service, together with up to 80% of the related costs of participating as a market maker, including the operating costs for joining an electronic market. Out of any profits generated by liquidation, ASERCA recovers up to 50% of its contribution. Any additional hedging profits go to the participant.

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⁶⁴ In 2012, the target income (per tonne) was: maize (MXN 2,200); bread wheat (MXN 3,040); durum wheat (MXN 2,860); sorghum (MXN 2,000); safflower (MXN 4,690); canola (MXN 4,690);

raw cotton (MXN 19,800), rice (MXN 3,300), soya (MXN 4,690), and sunflower (MXN 4,690).

⁶⁵ The 2011 data are estimates at 31 July of the same year. Viewed at: Office of the President of the Republic (2011), *Anexo Estadístico*.

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APPENDIX TABLES

Table A1.1 Merchandise imports by product category (SITC Rev.3), 2006-2011

(USD million and %)						
Description	2006	2007	2008	2009	2010	2011
Total (USD million)	256,086	281,927	308,583	234,385	301,482	350,842
	(% of impor	ts)				
Total primary products	16.0	17.7	20.8	17.6	18.5	21.3
Agriculture	7.2	7.8	8.4	8.6	7.8	8.3
2631 Cotton (other than linters), not carded or combed	0.2	0.2	0.2	0.2	0.2	0.2

Source: WTO Secretariat estimates, based on data from the Comtrade database (SITC Rev.3).

Table A1.2 Exports by product, 2007-2012

(USD million)						
Heading	2007	2008	2009	2010	2011	2012 (Jan-Sept)
Total exports	271,875	291,343	229,704	298,473	349,375	275,380
Exports of agricultural products ^c	7,415	7,895	7,726	8,610	10,309	8,385
Cotton	65	79	47	53	119	96

^c Includes fishery products.

Source: Foreign Trade Statistics Working Group, composed of the Bank of Mexico, INEGI, the Tax Administration Service and the Ministry of the Economy.

Table A1.3 Imports by product, 2007-2012

(USD million)						
Heading	2007	2008	2009	2010	2011	2012 (Jan-Sept)
Total	281,949	308,603	234,385	301,482	350,843	273,263
Imports of agricultural products	8,994	11,838	8,610	9,845	13,141	9,897
Cotton	462	539	412	631	835	354

Source: Foreign Trade Statistics Working Group, composed of the Bank of Mexico, INEGI, the Tax Administration Service and the Ministry of the Economy.

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MOROCCO (FEBRUARY 2016) - SECRETARIAT REPORT (WT/TPR/S/329)

4 TRADE POLICIES BY SECTOR 4.1 Agriculture and agro-industry

4.1.1 Overview

Table 0.2 Main imports of agricultural products, 2008-2014

(USD million)							
Products	2008	2009	2010	2011	2012	2013	2014
Total imports	42,322	32,882	35,379	44,263	44,790	45,186	46,035
Agriculture	5,191	3,809	4,197	5,797	5,773	5,042	5,811
% of total	12.3	11.6	11.9	13.1	12.9	11.2	12.6
Main products							
HS 5201 Cotton, not carded or combed	76	49	71	123	79	71	73

Note: Agriculture by WTO definition.

Source: WTO Secretariat calculations based on data from the UNSD Comtrade database; statistics from the Moroccan Foreign Exchange Board for 2014.

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PAKISTAN (MARCH 2015) - SECRETARIAT REPORT (WT/TPR/S/311/REV.1)

3 TRADE POLICIES AND PRACTICES BY MEASURE 3.3 Measures Directly Affecting Exports

3.3.1 Registration, documentation, clearance, inspection, and minimum prices

The Trade Development Authority of Pakistan (TDAP) under the Ministry of Commerce succeeded the Export Promotion Bureau (EPB) in 2006 and has pursued a more holistic strategy with respect to global trade development compared to its predecessor. ...

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Export contract registration with TDAP remains a requirement for export of cotton. ...

3.3.3 Export prohibitions, restrictions, and licensing 3.3.3.2 Export licensing and restrictions

Table 3.8 Exports subject to certain conditions

	HS Code	Item/goods	Condition/procedure/formalities
10	5201.0000	Cotton	(i) Export contract registration with TDAP and classification certificate issued by the Pakistan Cotton Standards Institute

Source: Export Policy Order 2013, Ministry of Commerce.

4 TRADE POLICIES BY SECTOR 4.2 Agriculture 4.2.3 Key sub-sectors 4.2.3.1 Crops

Table 4.2 Area and production of important crops, 2009-14

(Area "000" hectares and production "000" tonnes)

Crops	200	9/10	2010/11		2011/12		2012/13		2013/14	
	Area	Production	Area	Production	Area	Production	Area	Production	Area	Production
Cotton ^a	3,106	12,913	2,689	11,460	2,834.5	13,595.0	2,878.8	13,030.7	2,805.7	12,769.0

^a Cotton production is in thousand bales (375 lbs per bale).

Source: Pakistan Bureau of Statistics.

4.2.3.1.4 Cotton

Pakistan is the fourth largest cotton producer in the world. Cotton is cultivated by around 1.6 million farmers, mostly with smallholdings of less than five hectares. Yields have been largely stagnant for the last several years. Cotton is exported as a raw material, but also provides an essential input to the domestic textiles industry.

The Pakistan Central Cotton Committee (PCCC), a semi-autonomous body in the Ministry of Textile Industry has as an objective to improve the sector's productivity. Its annual budget of PRs 500 to 600 million is funded by a cess payable by the mills. Support prices for cotton were abandoned in 2008. Export contracts on cotton must be registered, with exports being subject to mandatory quality inspection and certification.

Exports of raw cotton amounted to USD 217 million in 2013, whereas exports of cotton yarn amounted to USD 2.2 billion. Pakistan also imports high-quality cotton, to blend with domestic cotton and to produce quality fabrics; imports amounted to USD 757 million of raw cotton and

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USD 151 million of cotton yarn in 2013. The average MFN tariff on cotton imports is 3.8%, with tariffs ranging from 1% to 10%.

APPENDIX TABLES

Table A1. 4 Pakistan's merchandise imports by group of products, 2007-13

(USD billion and %)

	2007	2008	2009	2010	2011	2012	2013
Total imports (USD billion)	32.59	42.33	31.58	37.54	43.58	43.81	43.78
			('	% of total)		
Total primary products	43.2	53.1	47.2	51.2	53.7	53.9	52.2
Agriculture	13.9	16.8	15.6	17.9	16.9	14.9	14.5
2631 Cotton (other than linters), not carded or combed	2.7	2.8	1.5	2.0	1.9	1.3	1.7

Source: UNSD, Comtrade database (SITC Rev.3).

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PERU (NOVEMBER 2013) - SECRETARIAT REPORT (WT/TPR/S/289/REV.1)

3 TRADE POLICIES AND PRACTICES BY MEASURE 3.1 Measures affecting imports

3.1.7 Anti-dumping, countervailing and safeguard measures

3.1.7.2 Safeguards

...

During the review period, Peru initiated only one investigation, in 2009, with a view to the application of a general safeguard measure to imports of cotton yarn (HS 5205 and 5206)⁶⁶, although this ended without any measure being applied.⁶⁷

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APPENDIX TABLES

Table A1. 5 Merchandise imports by product, 2007-2012

(USD million and %)

Description	2007	2008	2009	2010	2011	2012
			(USD r	nillion)		
Total	20,368	29,953	21,814	30,030	37,747	42,157
			(% of i	mports)		
Total primary products	31.7	30.8	27.6	27.4	28.7	26.8
Agriculture	12.0	11.4	12.4	12.0	11.9	11.4
Agricultural raw materials	1.6	1.4	1.4	1.7	1.7	1.4
2631 Cotton (other than linters), not carded or combed	0.4	0.3	0.3	0.5	0.6	0.3

Source: WTO Secretariat estimates based on data obtained from the Comtrade database (SITC Rev.3) and the Peruvian authorities for 2012.

⁶⁶ WTO document G/SG/N/6/PER/2 of 25 March 2009.

⁶⁷ WTO document G/SG/N/9/PER/2 of 2 November 2009.

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SOUTH AFRICA (NOVEMBER 2015) - SECRETARIAT REPORT (WT/TPR/S/324/REV.1)⁶⁸

3 TRADE POLICIES AND PRACTICES BY MEASURE 3.3 Measures affecting production and trade 3.3.2 Competition policy and price controls 3.3.2.2 Price control

In general, prices in South Africa are market-determined. Guideline prices, for agricultural products subject to levies, continue to be determined under the Marketing of Agricultural Products Act (Act No. 47 of 1996), to ensure that the levy does not exceed 5% of the actual price. Guideline prices are determined for the wine industries, milk and dairy products, as well as cotton lint.

...

4 TRADE POLICIES BY SECTOR 4.1 Agriculture 4.1.2 Policy

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Levies continue to apply to the export and/or production of the following products: ..., cotton, ...

⁶⁸ Trade Policy Review of the Southern African Customs Union (SACU).

THAILAND (NOVEMBER 2015) - SECRETARIAT REPORT (WT/TPR/S/326/REV.1)

3 TRADE POLICIES AND PRACTICES BY MEASURE 3.4 Other Measures Affecting Production and Trade 3.4.4 Competition policy and consumer protection 3.4.4.2 Price controls

... Its Central Commission on Prices of Goods and Services (CCP) in the DIT has the authority to set out: the goods and services subject to price controls; controls for their sale or purchase prices; and, procedures and conditions relating to the display of prices. ...

... The CCP Monitoring List remains divided into three categories (Table 3.7): the Sensitive goods and services whose prices are monitored daily because they are expected to increase in the near future; the Priority Watch goods and services that are monitored twice a week; and the Watch goods and services that are monitored twice a month. ...

Table 3.7 - Products and services subject to monitoring, April 2015

List	Products
	Goods
Sensitive	
Priority Watch	
Watch	82. Absorbent cotton161. Cotton wool
	Services

Source: Department of Internal Trade online information. Viewed at: http://www.dit.go.th/en/backoffice/uploadfile/255610011351485115749.pdf and http://www.dit.go.th/en/backoffice/uploadfile/255610011351485115749.pdf and http://www.dit.go.th/en/backoffice/uploadfile/255610011351485115749.pdf and http://www.dit.go.th/en/backoffice/uploadfile/255610011147057425749.pdf.

4 TRADE POLICIES BY SECTOR 4.2 Agriculture and Food Processing 4.2.2 Trade

...

In value terms, major imports are soya bean oil cakes, soya beans, food preparations and cotton (Table 4.4). The main sources of soya bean oil cakes and soya beans are Brazil, Argentina and the United States; of food preparations, the United States, Singapore and China; and of cotton, the United States, Australia, Brazil, and Mali. ...

HS code		2008	2009	2010	2011	2012	2013	2014
5201 - Cotton, not	USD million	715.3	484.6	729.6	1,120.0	748.9	734.2	676.3
carded/combed	'000 tonnes	435.9	349.7	383.7	319.2	305.8	344.9	322.3

Note: WTO definition of agriculture used.

Source: UNSD Comtrade database.

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TURKEY (MARCH 2016) - SECRETARIAT REPORT (WT/TPR/S/331)

3 TRADE POLICIES AND PRACTICES BY MEASURE 3.1 Measures Directly Affecting Imports 3.1.8 Contingency measures

3.1.8.1 Anti-dumping and countervailing measures

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...One anti-dumping investigation has been initiated ex officio with respect to the United States on cotton. ...

•••

Over the review period, there has been considerable anti-dumping activity. Since the beginning of 2012, 25 new investigations have been initiated and 14 new measures have been imposed; many of these have affected more than one WTO Member (Table A3.2). Additionally, various existing anti-dumping measures have been extended (Table A3.3). Since 2012, a concern has been raised by the United States in a meeting of the Committee on Anti-Dumping Practices about Turkey's investigation on cotton.⁶⁹

Table A3.1 - New anti-dumping investigations initiated and measures imposed or terminated, 2012-15

Products concerned	Exporter(s) affected	Status
Cotton (HS 5201)	United States	Initiation of investigation on 18 October 2014

Source: WTO document WT/TPR/OV/W/9, 3 July 2015 and information provided by the authorities.

3.1.8.2 Safeguard measures

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Since the beginning of 2012, Turkey has launched five safeguard investigations. At mid-October 2015, two of these were still ongoing, definitive safeguard measures had been imposed on another two, and one investigation was completed with no definitive measure imposed. Existing safeguard measures were extended in eight cases; and of these, one expired in 2014 (footwear) and two expired in 2015 (matches and motorcycles) (Table A3.4). On 31 December 2012, ahead of schedule, Turkey terminated the safeguard measure on cotton yarn. ...

Over the review period, Turkey has responded to questions posed by India in the WTO Committee on Safeguards regarding certain aspects of determination of serious injury in the context of Turkey's notifications on polyethylene terephthalate and certain types of cotton yarn.⁷⁰ ...

...

⁶⁹ WTO document G/ADP/M/48, 6 August 2015.

⁷⁰ WTO documents G/SG/Q2/TUR/6/Rev.1, 11 May 2012 and G/SG/Q2/TUR/6, 4 May 2012.

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Table A3.2 -	Safeguard	investigations	initiated	and	measures	imposed	or	extended,	
2012-15									

Date original investigation published in the <i>Official</i> <i>Gazett</i> e	Product(s) subject to investigation	Imposition of safeguard measure	Extension of safeguard measure
 21.10.2008	Cotton yarn Turkey terminated this measure as of 31 December 2012.	15/7/2008-14/7/2011 Application of variable duty with liberalization annually: 1st period: 20% max. USD 1/kg-min. USD 0.35/kg; 2nd period: 19% max. USD 0.95/kg-min. USD 0.33/kg; 3rd period: 18% max. USD 0.90/kg-min USD 0.31/kg. Various developing countries excluded.	 15/7/2011-14/7/2014 Application of variable duty with liberalization annually: 1st period: 10% max. USD 0.85/kg-min USD 0.29/kg; 2nd period: 9% max. USD 0.80/kg-min USD 0.26/kg; 3rd period: 8% max. USD 0.75/kg-min USD 0.23/kg. Various developing countries excluded.

Source: Turkey's notifications to the WTO Committee on Safeguards.

3.1.9 Standards and other technical requirements 3.1.9.4 Controls at the border

In 2011, Turkey started pilot implementation of a risk-based trade control system, TAREKS, to carry out safety checks on imported and exported goods on the basis of risk. Consequently, since January 2012, conformity assessment of certain imported goods (toys, medical devices, telecommunication products, personal protective equipment, batteries and accumulators, construction products, and shoes) and as of August 2012, transactions related to cotton controls have been taken under the scope of TAREKS. ...

TAREKS introduces a new risk assessment understanding and emphasizes the control of "risky" products while leaving behind the era of checking each product at each arrival at customs. TAREKS reduces bureaucratic procedures as well as the number of documents to be submitted during the control process and replaces the paper documentation. It also contributes to effective traceability and market surveillance schemes.

Quality checks for agricultural products are also part of the control process pursuant to Communique No. 2015/21 on Commercial Quality Controls on Certain Agricultural Produce at Export and Import Stage. In accordance with the Communiqué No. 2012/25, cotton is also subject to commercial quality controls at export and import stages and in the domestic market as well. See Section 3.2.4.2 for details on the export quality control of agricultural products.

4 TRADE POLICIES BY SECTOR 4.1 Agriculture 4.1.2 Production

Hazelnuts are the largest earner for the fruit and nut category (Table 4.1).

Table 0.3 Major crop production, 2010-14

		Production value (TL million)				(% of total)		
	2010	2011	2012	2013	2014 ^a	2010	2014 ^a	
Crop production (total)	80,038	88,979	87,947	92,453	97,988	100.0	100.0	
Raw materials used in textiles, of which:	2,642	4,883	2,758	2,941	3,467	3.3	3.5	
Cotton (raw)	2,642	4,883	2,758	2,941	3,467	3.3	3.5	

^a 2014 data is provisional.

Sources: Turkstat, Agricultural Structure (production, price, value) Publication; Turkstat, The Summary of Agricultural Statistics Publication.

4.1.3 Trade

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4.1.3.1 Overview

...

Over the past five years, imports of raw materials and exports of processed goods have increased in parallel: as imports of cotton, wheat, and tobacco increased, exports of textiles, flour and confectionary, and tobacco products also increased. ...

...

Table 0.4 Exports of agricultural products, 2010-14

(USD million)

		2010	2011	2012	2013	2014
	Total exports	113,979	134,915	152,537	151,803	157,715
	Total agriculture exports	11,899	14,350	15,105	16,707	17,635
	of which					
1512	Sunflower-seed, safflower or cotton-seed oil	103	341	418	496	790

Source: UNSD Comtrade.

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Table 0.5 Imports of agricultural products, 2010-14

(USD million)

		2010	2011	2012	2013	2014
	Total imports	185,541	240,839	236,544	251,661	242,224
	Total agricultural imports	9,865	13,477	12,599	13,398	14,554
	of which					
5201	Cotton, not carded or combed	1,720	1,850	1,275	1,681	1,750
1512	Sunflower, safflower or cotton-seed oil	274	629	988	919	1,201
	:					

Source: UNSD Comtrade.

The main source of imports also depends on the product: in 2014, the United States was the main supplier of cotton (HS 5201); ...

4.1.4 Support programmes

Table 0.6 Main measures of agricultural support, 2011-14

(TL million)

	2011	2012	2013	2014
Producer support estimate (PSE)	27,022.51	26,041.07	31,385.15	33,888.92
Deficiency payments:	2,434.49	2,736.55	2,639.91	2,689.09
Cotton premium	792.27	1,123.69	1,037.21	1,075.23

Source: OECD, PSE.

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5 APPENDIX TABLES

Table A2.1 Turkey's I 2012-1 December 2015	nvolvement in	Dispute Set	tlement Cases, 1	January
Subject	Respondent/ complainant/ appellant	Request for consultation received	Status (as at 30 October 2014)	WTO document series
Panels				
Turkey as a respondent:				
Turkey – Safeguard Measures on Imports of Cotton Yarn (other than Sewing Thread)	Turkey/India	13-Feb-12	Consultations requested	WT/DS428

Source: WTO Secretariat.

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UNITED STATES OF AMERICA (DECEMBER 2014) - SECRETARIAT REPORT (WT/TPR/S/307/REV.1)

3 TRADE POLICIES AND PRACTICES BY MEASURE 3.1 Measures Directly Affecting Imports 3.1.5 Other charges affecting imports 3.1.5.1.4 Agriculture fees

Pursuant to a number of laws or regulations, CBP collects a number of agricultural fees on behalf of the Department of Agriculture (Table 3.4). ...

Table 3.4 Agricultural fees

Fee	Legal reference	Reason	Amount of fee
Cotton Imports Assessment	Cotton Research and Promotion Act of 1989 7 CFR 1205	Cotton research, promotion, consumer information	Varies according to the HTS number

Source: CPB online information. Viewed at: <u>http://www.cbp.gov/sites/default/files/documents/userfee0407_3.pdf</u>.

4 TRADE POLICIES BY SECTOR 4.1 Agriculture 4.1.1 Agricultural Act of 2014 4.1.1.1 Overview

Crop sector

One of the most significant changes affecting the structure of the U.S. farm safety net is the elimination of the Direct Payments (DP) programme. The DP programme has been a cornerstone of U.S. agricultural policy reforms since the end of the Uruguay Round negotiations, and provided about USD 5 billion annually in decoupled income support to farmers and landlords. The Counter-Cyclical Payments (CCP) programme and the Average Crop Revenue Election (ACRE) programme have also been eliminated. These three measures (DP, CCP, and ACRE) have been replaced by two new measures, the Price Loss Coverage (PLC) and Agriculture Risk Coverage (ARC).

In the PLC programme, deficiency payments are provided when commodity prices fall below the statutory "reference prices". The PLC payments are coupled to current prices, but decoupled from actual production, to the extent that payments are based on historical yields and a percentage of historical planted acres (base acres). Farmers have a one-time opportunity under the new Farm Bill to update their historical payment yields and re-allocate base acreage, which may more closely align base acres with recent planting, thereby linking payments to a more recent base period.

As an alternative to the PLC, farmers may participate in the new ARC programme, a revenue-based deficiency payments scheme, which is coupled to current prices and also tied to a percentage of base acres, amongst other parameters. The PLC and ARC have the same commodity coverage as the repealed programmes (grains, rice, oilseeds, pulses, peanuts), excluding upland cotton.

The marketing loan programme, which provides income support via loan deficiency payments/marketing loan gains in a low-price environment, remains unchanged (with the exception of a potentially lower loan rate for upland cotton). Thus, the key commodity programmes may be considered as variants of deficiency payment schemes in the trade-distorting category.

Federal crop insurance with subsidized insurance premiums is available for over 100 commodities and livestock. Crop insurance traditionally provides coverage for about 70-75% of expected

revenues or yields. The 2014 Farm Bill introduces a new subsidized insurance programme (Supplemental Coverage Option) that allows eligible farmers to top up their crop insurance, in order to cover a portion of the deductible of the insurance.⁷¹ For producers of upland cotton, a new subsidized insurance plan, Stacked Income Protection (STAX), will be available starting in the 2015 marketing year. The Supplemental Coverage Option (SCO) is not available for ARC and STAX participants. These are examples of how the new Farm Bill attempts to address the issue of overlap of the price- and revenue-based income supports and crop insurances, and the potential for overcompensation of farmers' actual losses.⁷² The sugar regime with its key instruments (price support; a domestic marketing allotment fixed at 85% of domestic consumption; feedstock flexibility programme and other measures to divert surplus sugar to ethanol production and other uses; tariff rate quotas) remains unchanged.

	2008 Farm Bill	2014 Farm Bill
odity nmes	Marketing loan programme	 Maintained Coupled to current prices and production Loan rates unchanged, except for potential downward adjustment of upland cotton loan rate
Commodity programmes	Direct payments	Eliminated • DP-style programme for upland cotton until Stacked Income Protection (STAX) is implemented
Crop insurance	Federal Crop Insurance Programme (permanently authorized)	 Maintained Amendments include new subsidized insurance programmes: Supplemental Coverage Option (SCO) Stacked Income Protection Plan for producers of upland cotton (STAX)
Export credit guarantees	Export credit guarantee programme (GSM-102)	 Maintained Amendments include: Maximum tenor reduced to 24 months Flexibility given to the U.S. Secretary of Agriculture to adapt the programme pursuant to such terms as may be agreed between the United States and Brazil in the cotton dispute WTO/DS267

Table 4.1 Overview of main programme changes in the 2014 Farm Bill

Source: WTO Secretariat.

4.1.1.2 Title I (Commodities) 4.1.1.2.1 Elimination of direct payments

Direct payments (DPs) were eliminated at the end the 2013 crop year (P.L. 113-79, Sec. 1101).⁷³ DPs have been controversial in the United States in a climate of fiscal restraint because they were paid out to farmers and some landlords irrespective of record commodity prices and healthy farm incomes in recent years and even if no crops were grown on eligible land.⁷

any expenses. ⁷² Given the complexity of the U.S. farm programmes, the USDA has previously drawn attention to this issue. USDA online information, "Identifying Overlap in the Farm Safety Net". Viewed at: http://www.ers.usda.gov/publications/eib-economic-information-bulletin/eib87.aspx

⁷¹ The deductible is the amount of expenses that must be paid out of pocket before an insurer will pay

⁷³ Transitional DPs for upland cotton apply in the crop year 2014 and possibly also in crop year 2015 in some areas, due to the delayed implementation of the STAX programme (P.L. 113-79, Sec. 1119).

⁷⁴ The DPs are fixed payments for producers and some landowners based on historical acreage and yields of covered commodities (wheat, corn, grain sorghum, barley, oats, rice, upland cotton, rice, soybeans and other oilseeds, and peanuts). The programme has planting flexibility provisions, but production is not required to receive the DPs.

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4.1.1.2.2 Price Loss Coverage

The Counter-Cyclical Payments (CCP) programme has been repealed (P.L. 113-79, Sec. 1102) and a similar price-based programme, Price Loss Coverage (PLC), introduced. The main purpose of both the CCP and the PLC is to help stabilize farm incomes by providing deficiency payments when commodity prices fall below certain levels (target prices under CCP, reference prices under PLC).

The PLC is open for enrolment by farmers with eligible historical acreage (base acres) of "covered" commodities.⁷⁵ Eligible commodities are the same as under the CCP programme (wheat, feed grains, rice, oilseeds, peanuts, and pulses), with the exception of upland cotton, for which a new insurance programme was established (Stacked Income Protection Plan). ...

Like the expired CCP programme, PLC payments are based on a percentage (85%) of base acres and historical yields, i.e. they are decoupled from current production. However, farmers have the one-time option of updating yields, and of allocating base acres among covered commodities based on the average planted acres in 2009-12. Acreage shifts among commodities in recent years, include an increase in corn and soybeans, and a decline in wheat, feed grains, and upland cotton (Table 4.3). A reallocation of base acres and yield updating could increase the link or correlation between base acres, and actual crop production and farmers' risks. Base acres for upland cotton ("generic" base acres) are excluded from reallocation. The payments on generic base acres are tied to the covered commodities planted on those acres (i.e. payments are coupled to current planting decisions), which increases the link between current production and payment on those acres. However, rules governing the allocation of payments from generic and commodity-specific base acres aim to minimize some of those effects. The maximum total base acreage remains the same as in previous Farm Bills, i.e. the number of acres that may receive payments is unchanged. Producers are free to produce most crops on base acres (with some limits, though less restrictive than before, on fruits and vegetables, and wild rice), but production is not required in order to receive the PLC payments. Conservation compliance provisions apply (section 4.1.1.3).

Table 4.3 Reallocation of base acreage

	Base acres (million), 2008 Farm Bill	Planted acres (million), 2009-12 average
Upland cotton	17.9	11.6

Source: Information provided by the U.S. authorities.

The United States has notified the CCP programme in terms of non-product-specific AMS (*de minimis*), arguing that payments cannot be ascribed to a specific product. Counter-cyclical payments declined to USD 16.9 million in FY2010 and zero in FY2011, as market prices of most covered commodities have been above target prices in recent years (Table 4.2). Since the 2006 marketing year, payments have been made only for upland cotton and peanuts base acres. CCP payments were terminated at the end of the 2013 crop year.

4.1.1.2.4 Marketing loan programme

The marketing loan programme remains unchanged, with the exception of a potential downward adjustment of the loan rate for upland cotton. ...

With the exception of upland cotton, the 2014 Farm Bill holds the loan rates at the same level as for crop years 2010-13 and the statutory rates are fixed for the crop years 2014-18. ... Unlike the PLC or ARC, marketing loan programme payments are not tied to, or capped by, base acres. Thus, marketing loan support is fully coupled to current prices and production. To be eligible, farmers must comply with environmental cross-compliance provisions and report all crop acreage planted on the farm.

⁷⁵ To acquire base acres, a new farmer would have to buy or rent a farm with existing base acres.

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The marketing loan programme figures as trade-distorting domestic support (AMS) in U.S. domestic support notifications, with loan deficiency payments, marketing loan gains, and forfeitures classified as non-exempt direct payments. ...

4.1.1.10 Title XI (Crop Insurance) 4.1.1.10.1 Overview

The Federal crop insurance programme is permanently authorized under the Federal Crop Insurance Act of 1980, as amended, *inter alia*, by subsequent Farm Bills. The new Farm Bill retains the federal crop insurance programme, albeit with a number of amendments and increased spending for subsidized crop insurance. Most of the increase is due to two new insurance plans: for cotton (Stacked Income Protection Plan for producers of upland cotton), and for other crops (Supplemental Coverage Option). ...

...

... Four crops (corn, soybeans, wheat, and cotton) accounted for most of the premium subsidies (84% of the total in crop year 2009).⁷⁶ Insurance policies are sold by 18 approved private insurance companies, whose operating and administrative costs are partially reimbursed and losses underwritten by the Federal Government (as notified by the United States in the General Services category of the Green Box).

4.1.1.10.3 Stacked Income Protection Plan for Producers of Upland Cotton

The Stacked Income Protection Plan for Producers of Upland Cotton (STAX) is a new statutory revenue insurance that covers losses of up to 20% of expected county revenues (P.L. 113-79, Sec. 11017). Historical acreage planted with upland cotton is not eligible for payments under the PLC or ARC programmes. The STAX is generally meant to supplement producers' other insurance policies. The policy includes a multiplier factor of 80%-120%, allowing producers to adjust the amount of protection per acre. The premium subsidy rate is set at 80%. STAX will not be operational until the 2015 marketing year.

APPENDIX TABLES

Table A1. 6 Merchandise exports and re-exports by groups of products, 2008-13

Description	2008	2009	2010	2011	2012	2013			
Total	1,299,90 0	1,056,71 0	1,277,11 0	1,479,73 0	1,545,57 0	1,578,000			
	Ŭ	(% of total exports and re-exports)							
Total primary products	20.5	19.7	21.2	23.9	23.3	23.5			
Agriculture	10.8	11.3	11.2	11.4	11.1	11.1			
2631 Cotton (other than linters), not carded or combed	0.4	0.3	0.5	0.6	0.4	0.4			

(USD million and %)

Source: UNSD, Comtrade database (SITC Rev.3).

⁷⁶ Congressional Research Service (2013a).

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Table A4. 1 Commodity loan rates and Price Loss Coverage reference prices, AgriculturalAct of 2014

Covered commodities		loan programme lity loan rates	Price Loss Coverage Reference prices			
		converted into USD/tonne		converted into USD/tonne 		
Extra-long staple cotton (lb.)	0.7977	1758.6	n.a.	n.a.		
Upland cotton	immediately pre	of the adjusted price for the two ceding MYs, but not .45/lb. or more than	n.a.	n.a.		

n.a.: Not applicable (i.e. not a covered commodity).

Note: For the conversion factors, see US TPR (2010), Table AIV.1.

Source: Agricultural Act of 2014.

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4 TRADE POLICIES BY SECTOR 4.2 Agriculture 4.2.2 Trade

Table 4.2 Exports [???] and imports of agricultural, 2005-11

HS 2002			2005	2006	2007	2008	2009	2010	2011
Import	S								
	TOTAL (not including rubber)		2,404	2,850	4,066	5,819	5,757	7,849	10,052
5201	Cotton, not carded or	'000 tonnes	106	176	202	291	295	349	320
	combed	USD million	163	214	259	456	385	661	1,037

Source: UNSD Comtrade.

4.2.3 Policies

4.2.3.2 Domestic policies

...

Product-specific plans set out objectives and general policies for some crops and other agricultural products....⁷⁷ Similarly, the Cotton Development Master Plan for 2015-20 sets targets for areas (in this case, an increase in area planted) and states that assistance will be provided through low-interest loans and improved infrastructure.⁷⁸

...

APPENDIX TABLES

Table A1. 7 Merchandise imports by product group, 2007-11

(USD million and %)

	2007	2008	2009	2010	2011			
Total imports (USD million)	62,764.7	80,713.8	69,948.8	84,838.6	106,749.9			
		% of total						
Total primary products	27.5	29.0	25.5	26.5	28.3			
Agriculture	9.4	9.8	10.8	12.1	12.4			
2631 Cotton (other than linters), not carded or combed	0.4	0.6	0.5	0.8	1.0			

Source: UNSD Comtrade database, SITC Rev.3.

⁷⁷ USDA Foreign Agricultural Service (2012a).

⁷⁸ USDA Foreign Agricultural Service (2012b).

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Table A3. 3 Preferential tariff averages for selected product groups, 2013

	No. of lines	MFN applied	ATIGAª	AK FTA ^b	AC FTA ^c	AANZ FTA ^d	AI FTA ^e	AJ CEPA ^f	VJ EPA ^g
Description		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Total	9,558	10.4	2.0	7.5	4.2	8.2	9.1	7.8	7.6
HS 01-24	1,594	17.4	2.8	10.5	4.7	13.5	15.5	14.3	14.5
HS 25-97	7,964	9.0	1.8	6.9	4.1	7.2	7.8	6.5	6.2
By WTO category									
WTO Agriculture	1,298	17.4	3.4	10.4	5.4	12.6	15.1	13.8	14.0
Cotton	5	6.0	0.0	3.0	3.0	3.0	6.0	3.0	3.3

ASEAN Trade in Goods Agreement (Circular No. 161/2011/TT-BTC). а

ASEAN-Korea Free Trade Agreement (Circular No. 163/2011/TT-BTC). b

с

ASEAN-China Free Trade Agreement (Circular No. 162/2011/TT-BTC). ASEAN-Australia New Zealand Free Trade Agreement (Circular No. 44/2012/TT-BTC). d

ASEAN-India Free Trade Agreement (Circular No. 45/2012/TT-BTC). е

ASEAN-Japan Comprehensive Economic Partnership Agreement (Circular No. 20/2012/TT-BTC). f

Viet Nam-Japan Economic Partnership Agreement (Circular No. 21/2012/TT-BTC). g

Source: WTO Secretariat calculations, based on data from the Ministry of Finance, Circular

No. 193/2012/TT-BTC and Circular Nos. as in footnotes a) to g).