



Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

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Agriculture Export Subsidies Outlook

The World Trade Organization (WTO) agriculture committee gathered on June 7-8 to discuss the implementation of the decisions adopted at the 10th Ministerial Conference (MC10) in Nairobi last December. Of particular importance, Members looked at the decision on export competition, most notably the agreement to eliminate export subsidies and establish discipline on export measures with equivalent effect.

Prior to the meeting, the Cairns Group circulated a paper updating Members' commitment on export competition. On export subsidies, the paper reports that out of the 18 Members that were scheduled to end export subsidy commitments at the conclusion of the Uruguay Round, "16 are yet to eliminate their scheduled entitlements", two countries have already brought their export subsidies to zero – New Zealand in 2000 and Panama in 2003 (Table 1).

Eight countries (Australia, Brazil, Colombia, Iceland, Indonesia, New Zealand, South Africa, and Uruguay) have not used export subsidies since the beginning of the Doha Round in 2001. On the other hand, seven (Canada, the European Union, Israel, Norway, Switzerland-Liechtenstein, and Turkey) have declared using export subsidies in their latest notifications. These have concerned only a limited number of products including dairy products, wheat and wheat flour, coarse grains, beef, pork, poultry, eggs, and incorporated products. Dairy products, poultry meat and incorporated products represent the main areas where export subsidies have been used.

Generally speaking, export subsidy use has decreased globally, except for Canada (who use it for dairy products and incorporated products), Norway (swine, sheep and lamb meats, egg products, dairy and processed products), and Switzerland (dairy, processed products), who have notified outlays comprised between \$32–81 million USD per year. Developing and emerging countries have also notified that they are using export subsidies lately. This has been the case with India, with outlays having reached \$102 million USD, according to data provided in 2009-2010.

The MC10 decisions call for an immediate elimination of all export subsidies by developed countries except Canada, Switzerland and Norway, whom have been given until 2020 to end their export subsidies for processed products, dairy products, and swine meat as long as they do not include products exported to least-developed countries (LDCs). Developing countries will end their subsidies in 2018, with an exception until 2022 to use them for those who have reported their support to the WTO. In addition, developing countries will be allowed to use limited export subsidies for transportation and marketing until 2023, subject to certain conditions. LDCs and net food importing developing countries (NFIDC) have until the end of 2030 to eliminate their export subsidies.

Most Members confirmed their intention to amend their schedule on export subsidies entitlements. A few sought clarification on the legal implication of amending schedules. The chair of the meeting, Canada's agricultural attaché, Garth Ehrhardt, described the discussion as a "very good start."

Table 1: Status of the schedules of Members with scheduled export subsidy commitments and their most recent export subsidy notifications

Member	Year last notified for	Progress Eliminating Scheduled Commitments
Uruguay	2015	No change
Brazil	2014	No change
Canada	2014	No change
European Union	2014	No change
Israel	2014	No change
New Zealand	2014	At zero since 2000
Norway	2014	No change
Australia	2013	No change
Iceland	2013	No change
South Africa	2013	No change
Switzerland–Liechtenstein	2013	No change
Mexico	2012	No change
United States of America	2012	No change
Indonesia	2011	No change
Colombia	2010	No change
Panama	2003	At zero since 2003
Turkey	2000	No change
Venezuela	1998	No change

Source: WTO

Geneva Watch is published by Dairy Farmers of Canada, Chicken Farmers of Canada, Egg Farmers of Canada, Turkey Farmers of Canada and Canadian Hatching Egg Producers to report on the various events occurring in Geneva, particularly on the WTO negotiations on agriculture.

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