1 ARTICLE 6 OF THE AGREEMENT ON AGRICULTURE

1.1 Text of Article 6

Article 6

Domestic Support Commitments

1. The domestic support reduction commitments of each Member contained in Part IV of its Schedule shall apply to all of its domestic support measures in favour of agricultural producers with the exception of domestic measures which are not subject to reduction in terms of the criteria set out in this Article and in Annex 2 to this Agreement. The commitments are expressed in terms of Total Aggregate Measurement of Support and "Annual and Final Bound Commitment Levels".

2. In accordance with the Mid-Term Review Agreement that government measures of assistance, whether direct or indirect, to encourage agricultural and rural development are an integral part of the development programmes of developing countries, investment subsidies which are generally available to agriculture in developing country Members and agricultural input subsidies generally available to low-income or resource-poor producers in developing country Members shall be exempt from domestic support reduction commitments that would otherwise be applicable to such measures, as shall domestic support to producers in developing country Members to encourage diversification from growing illicit narcotic crops. Domestic support meeting the criteria of this paragraph shall not be required to be included in a Member's calculation of its Current Total AMS.

3. A Member shall be considered to be in compliance with its domestic support reduction commitments in any year in which its domestic support in favour of agricultural producers expressed in terms of Current Total AMS does not exceed the corresponding annual or final bound commitment level specified in Part IV of the Member's Schedule.

4. (a) A Member shall not be required to include in the calculation of its Current Total AMS and shall not be required to reduce:

   (i) product-specific domestic support which would otherwise be required to be included in a Member's calculation of its Current AMS where such support does not exceed 5 percent of that Member's total value of production of a basic agricultural product during the relevant year; and

   (ii) non-product-specific domestic support which would otherwise be required to be included in a Member's calculation of its Current AMS where such support does not exceed 5 percent of the value of that Member's total agricultural production.

   (b) For developing country Members, the de minimis percentage under this paragraph shall be 10 percent.

5. (a) Direct payments under production-limiting programmes shall not be subject to the commitment to reduce domestic support if:

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(i) such payments are based on fixed area and yields; or

(ii) such payments are made on 85 percent or less of the base level of production; or

(iii) livestock payments are made on a fixed number of head.

(b) The exemption from the reduction commitment for direct payments meeting the above criteria shall be reflected by the exclusion of the value of those direct payments in a Member's calculation of its Current Total AMS.

1.2 Article 6.2

1. The "Mid-Term Review Agreement" referred to in Article 6.2 of the Agreement on Agriculture is the package of results adopted by the Uruguay Round Trade Negotiations Committee at its mid-term review held in Montreal on 5-9 December 1988 and in Geneva on 5-8 April 1989. The Mid-Term Review Agreement is also referenced in the second paragraph of the preamble to the Agreement on Agriculture.¹

1.3 Bali Ministerial Decisions on General Services and on Public Stockholding for Food Security Purposes

2. At the Ninth Ministerial Conference in Bali in December 2013, Ministers agreed on an agricultural package in which two Ministerial Decisions related to Domestic Support.

3. Members agreed not to challenge breaches of domestic support commitments by developing country Members resulting from their public stockholding programmes for food security purposes that existed at the time and involved food purchases at administered prices provided that certain conditions were met.² In November 2014, the General Council clarified that this protection against legal action under the Agreement on Agriculture would remain in force until a permanent solution were agreed upon.³

4. Ministers also agreed to expand the Green Box list of "general services" in Annex 2 of the Agreement on Agriculture to include spending related to land reform, water management, rural livelihood security and other purposes related to development and reducing poverty.⁴

1.4 Nairobi Ministerial Decision on Public Stockholding for Food Security Purposes

5. The outcome of the Tenth Ministerial Conference in Nairobi in December 2015 included a further Ministerial Decision on public stockholding for food security purposes. This Ministerial Decision encouraged Members to make all concerted efforts to agree on a permanent solution and to continue holding negotiations in dedicated sessions of the Committee on Agriculture in Special Session in an accelerated time-frame.⁵

¹ MTN.TNC/11, p. 9.
² WT/MIN(13)/38 and WT/L/913.
³ WT/L/939.
⁴ WT/MIN(13)/37 and WT/L/912.
⁵ WT/MIN(15)/44 and WT/L/979.