Information Session on International Food Aid
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ARTICLE 10

PREVENTION OF CIRCUMVENTION OF EXPORT SUBSIDY COMMITMENTS

(...)

4. Members donors of international food aid shall ensure:
(a) that the provision of international food aid is not tied directly or indirectly to commercial exports of agricultural products to recipient countries;
(b) that international food aid transactions, including bilateral food aid which is monetized, shall be carried out in accordance with the FAO “Principles of Surplus Disposal and Consultative Obligations”, including, where appropriate, the system of Usual Marketing Requirements (UMRs); and
(c) that such aid shall be provided to the extent possible in fully grant form or on terms no less concessional than those provided for in Article IV of the Food Aid Convention 1986.
## Table ES:1 notification

### EXPORT SUBSIDIES: UNITED STATES OF AMERICA

**REPORTING PERIOD:** 2015

*Export Subsidies: Budgetary Outlays and Quantity Reduction Commitments*

<table>
<thead>
<tr>
<th>Description of products</th>
<th>Calendar/marketing year beginning&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Subsidized exports&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Food aid&lt;sup&gt;3&lt;/sup&gt;</th>
<th>Annual commitment levels</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Outlays (USD)</td>
<td>Quantity (tonnes)</td>
<td>Outlays (USD)</td>
<td>Quantity (tonnes)</td>
</tr>
<tr>
<td>Wheat and wheat flour</td>
<td>0</td>
<td>0</td>
<td>363,814,616</td>
<td>14,522,060</td>
</tr>
<tr>
<td>Coarse grains</td>
<td>0</td>
<td>0</td>
<td>46,117,755</td>
<td>1,500,599</td>
</tr>
<tr>
<td>Rice</td>
<td>0</td>
<td>0</td>
<td>2,368,925</td>
<td>38,544</td>
</tr>
<tr>
<td>Vegetable oils</td>
<td>0</td>
<td>0</td>
<td>14,082,900</td>
<td>141,299</td>
</tr>
<tr>
<td>Butter and butter oil</td>
<td>0</td>
<td>0</td>
<td>101,501</td>
<td>30,497,220</td>
</tr>
<tr>
<td>Skim milk powder</td>
<td>0</td>
<td>0</td>
<td>82,463,935</td>
<td>68,201</td>
</tr>
<tr>
<td>Cheese</td>
<td>0</td>
<td>0</td>
<td>3,635,638</td>
<td>3,030</td>
</tr>
<tr>
<td>Other milk products</td>
<td>0</td>
<td>0</td>
<td>20,974</td>
<td>34</td>
</tr>
<tr>
<td>Bovine meat</td>
<td>0</td>
<td>0</td>
<td>22,822,166</td>
<td>17,589</td>
</tr>
<tr>
<td>Poultry meat</td>
<td>0</td>
<td>0</td>
<td>497,055</td>
<td>395</td>
</tr>
<tr>
<td>Live dairy cattle (head)</td>
<td>0</td>
<td>0</td>
<td>14,554,827</td>
<td>27,994</td>
</tr>
<tr>
<td>Eggs (dozen)</td>
<td>0</td>
<td>0</td>
<td>11,881,419</td>
<td>11,024</td>
</tr>
</tbody>
</table>

(1) All quantity commitments are for the period 1 July 2015 through 30 June 2016 while budgetary outlay commitments are implemented on a fiscal year basis beginning 1 October 2015.

(2) WTO dispute settlement proceedings resulted in a determination that the Commodity Credit Corporation export credit guarantee programme (GSM-102) conferred an export subsidy with respect to specific agricultural goods during fiscal year 2006 of the United States Government. Summaries of export credit guarantee activity under the GSM-102 for fiscal year 2015 can be found at: [http://www.fas.usda.gov/programs/export-credit-guarantee-program-gsm-102/yearly-activity-reports](http://www.fas.usda.gov/programs/export-credit-guarantee-program-gsm-102/yearly-activity-reports). Dollar amounts for guarantees registered do not constitute budgetary outlays for purposes of annual commitment levels.

(3) Data is for food aid to all destinations on a fiscal year basis beginning 1 October 2015.
Table ES:1 notification

Table ES:1

EXPORT SUBSIDIES: INDONESIA

REPORTING PERIOD: CALENDAR YEAR 2017

Outlay and Quantity Reduction Commitments

<table>
<thead>
<tr>
<th>XSID</th>
<th>Description of products (from Section II of Part IV)</th>
<th>Reporting Year</th>
<th>Subsidized exports</th>
<th>Food aid</th>
<th>Annual commitments (from Section II of Part IV)</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Type</td>
<td>From</td>
<td>To</td>
<td>Outlays USD</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>IDNX001</td>
<td>Rice</td>
<td>CY</td>
<td>01-01-17</td>
<td>31-12-17</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Also: Canada (until 2011), EU and Member States (decreased quantities in last years)

2 Following the deposit of instruments of ratification, the new Food Assistance Convention entered into force on 1 January 2013. Canada’s minimum annual commitment of food assistance is expressed in terms of value. Therefore, information is no longer available on a product by product basis.
### Table ES:3 notification

**Table ES:3**

<table>
<thead>
<tr>
<th>Description of products</th>
<th>Reporting year type</th>
<th>From</th>
<th>To</th>
<th>Quantity of food aid to all destinations</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil</td>
<td>FY</td>
<td>01-04-2016</td>
<td>31-03-2017</td>
<td>792,660 tonnes</td>
<td></td>
</tr>
<tr>
<td>Processed food</td>
<td>FY</td>
<td>01-04-2016</td>
<td>31-03-2017</td>
<td>1,799 tonnes</td>
<td></td>
</tr>
<tr>
<td>Rice</td>
<td>FY</td>
<td>01-04-2016</td>
<td>31-03-2017</td>
<td>69,508 tonnes</td>
<td></td>
</tr>
<tr>
<td>Sorghum/Millet</td>
<td>FY</td>
<td>01-04-2016</td>
<td>31-03-2017</td>
<td>61 tonnes</td>
<td></td>
</tr>
<tr>
<td>Pulses</td>
<td>FY</td>
<td>01-04-2016</td>
<td>31-03-2017</td>
<td>1,759 tonnes</td>
<td></td>
</tr>
<tr>
<td>Wheat</td>
<td>FY</td>
<td>01-04-2016</td>
<td>31-03-2017</td>
<td>6,934 tonnes</td>
<td></td>
</tr>
<tr>
<td>Wheat Flour</td>
<td>FY</td>
<td>01-04-2016</td>
<td>31-03-2017</td>
<td>6,328 tonnes</td>
<td></td>
</tr>
</tbody>
</table>

**Also:** Argentina (until 1999), Australia (until 2005), Brazil, Canada (until 2011), Cuba, EU and Member States (until 2009), Norway (until 2001), South Africa (latest in 2002), Switzerland (including food not purchased domestically), United States (1996)

**Food Aid**

3. Australia untied its food aid in 2005. Since then Australia has not provided physical food aid (Table ES:3). Australia instead provided food assistance in the form of cash contributions to international agencies.

4. For further information on Australia’s food aid contributions see Table NF:1 notifications.
EXPORT COMPETITION

MINISTERIAL DECISION OF 19 DECEMBER 2015

The Ministerial Conference,

Having regard to paragraph 1 of Article XII of the Marrakech Agreement Establishing the World Trade Organization,

Decides as follows:

General

1. Members reaffirm their commitment, pursuant to the 2013 Bali Ministerial Declaration on Export Competitiveness, to ensure serious and sustained efforts with regard to any recourse to all forms of export subsidies and all export measures with equivalent effect.

2. Nothing in this Decision can be construed to give any Member the right to provide, directly or indirectly, export subsidies in excess of the commitments specified in Members’ Schedules, or to otherwise depart from the obligations of Article 8 of the Agreement on Agriculture. Furthermore, nothing can be construed to imply any change to the obligations and rights under Article 10.1 of the Agreement on Agriculture as or to diminish in any way existing obligations under other provisions of the Agreement on Agriculture or other WTO Agreements.

3. Nor can anything in this Decision be construed to diminish in any way the existing commitments contained in the Marrakech Ministerial Decision of April 1994 on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries and the Ministerial Decision of 14 November 2001 on Implementation-related Issues and Concerns on, inter alia, commitment levels of food aid, provision of food aid by donors, technical and financial assistance in the context of aid programmes to improve agricultural productivity and rural development, and the obligations of Members under Article 6 of the Agreement on Agriculture. Nor could it be understood to alter the regular review of these decisions by the Ministerial Conference and monitoring by the Committee on Agriculture.

4. The Committee on Agriculture shall monitor the implementation of this Decision by Members in accordance with existing notification requirements under the Agreement on Agriculture, as supplemented by the provisions set out in the Annex to this Decision.

5. The regular sessions of the Committee on Agriculture shall review every three years the disciplines contained in this Decision, with the aim of enhancing disciplines to ensure that no circumvention through export subsidy elimination commitments and to prevent countries from using commercial transactions to circumvent such commitments.

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1 Document WT/10/MIN/1 and WT/10/15.
2 Document WT/MIN(13)/258.
Objective

- Prevent or minimize commercial displacement

General commitments

- Maintain adequate level of international food aid
- Take account of the interests of food aid recipients
- Do not unintentionally impede the delivery of food aid in emergency situations.

Specific commitments

- Needs-driven
- In fully grant form
- Not tied directly or indirectly to commercial exports
- Not linked to market development objectives
- Not re-exported (with well justified exceptions)

- maximum flexibility to provide all type of food aid / making efforts to move towards more untied cash based food aid (Food Assistance Convention)
Local markets and production

- Take into account local market conditions (same or substitute products)
- Not provide in-kind food aid if risk adverse effect on local or regional production / undue impact on established commercial markets
- Encouraged to seek to procure food aid from local or regional sources

Monetization

- Where demonstrable need for monetization for transport and delivery OR to redress short /long term food deficit requirements or insufficient agricultural production situations giving rise to chronic hunger and malnutrition in LDCs and NFIDCs (+ 9 SVEs)
- Complete local/regional market analysis before monetization occurs
- Independent third party entities for monetization to ensure transparent and open market competition for the sale of food aid.
- Minimize or eliminate disruptions to local or regional markets
- Government of a recipient country can opt out from monetization
FOOD AID

Consistent with the Bali Ministerial Declaration on Export Competition, Members shall continue to provide information on International Food Aid within the context of an annual examination process, based on the following structure:

1. Product description
2. Quantity and/or value of food aid provided
3. Description of whether food aid is provided on in-kind, untied cash-based basis and whether monetisation was permitted
4. Description of whether in fully grant form or concessional terms
5. Description of relevant needs assessment (and by whom) and whether food aid is responding to a declaration of emergency or an emergency appeal (and by whom)
6. Description of whether re-export of food aid is an option under the terms of the provision of food aid
18 Members (EU as one) who replied at least once since 2016: Australia; Brazil; Canada; China; European Union; Iceland; Indonesia; Japan; New Zealand; Norway; Russian Federation; South Africa; Switzerland; Chinese Taipei; Thailand; Turkey; United States; Viet Nam

2019 - Food aid provided in fully grant form and in various forms
- In-kind
- Cash based (lack of precision regarding whether tied or untied)
- Some cases of monetisation
- Product description available for in-kind food aid (and in one case of financial contribution)

Some discussions on:
- How to improve the rate of replies
- Need to clarify the questionnaire
- Possibility to add new data requests
Monitoring by the regular Committee on Agriculture (CoA)

Continuation of the annual dedicated discussion process resulting from the December 2013 Bali Ministerial Declaration
- Same information required from Members (Annex to the Decision)
- 5 years “grace period” for developing Members (unless in position to reply)

Annual review of the Food Aid provisions during annual CoA monitoring of the 1994 Marrakesh Ministerial Decision on LDCs and NFIDCs (par. 32)

4th post Nairobi dedicated discussion  CoA Meeting 25-26 June 2019
- Background document G/AG/W/125/Rev.10 and 4 addenda
Thank you for your attention