

**Committee on Agriculture
Special Session**

DRAFT POSSIBLE MODALITIES ON AGRICULTURE

Corrigendum

Cover letter, second page, first paragraph is replaced by the following:

A Chair's responsibilities also involve the responsibility, consistent with that duty of honesty and fairness, to call things as they are seen in an effort to move the process forward. In my Reference Papers and, indeed, through more informal processes, I provided some commentary of my own which was aimed at suggesting where I thought particular efforts could and should be made. I stand by those various comments, but I do not think it is appropriate now to elaborate further any such personal views. They are on the record, and they served a purpose at the time – which was to try to promote convergence. But we are beyond that point now. Having made my own comments, positions of Members are what they are. The task here and now is above all to reflect that as fairly and honestly as possible. At this crucial point in the negotiations it is more than ever important to confront the issues squarely as they are without distraction or intrusion.

Subparagraphs 10(a) and (b) are replaced by the following:

- (a) Subject to the provisions set out in (b) below, expansion of the tariff quota for a Sensitive Product shall be on a most-favoured-nation basis.

[Bound tariff quotas shall be increased based on a minimum of [6] per cent of domestic consumption or, for developing country Members, less than [4] per cent of domestic consumption. For developing country Members, domestic consumption shall not include self-consumption of subsistence production. Developing country Members with bound quotas established as a result of Article XXVIII negotiations or accession commitments shall be able to use as a base for tariff quota expansion the lesser of the bound tariff quota so established or less than [4] per cent of domestic consumption. The formula for expansion shall be as follows: []]

[Bound tariff quotas shall be increased by the following formula

$$\Delta Q = 100 * (0.45 - 0.5 * (1 - (r_f - r_s) / r_f))$$

Where

ΔQ is the expansion in the tariff quota expressed as a percentage of current bound tariff quota;

r_f is the reduction in bound duty under the tiered formula;

r_s is the reduction in bound duty for the sensitive product; and

the maximum deviation from the tiered formula as measured by $(r_f - r_s) / r_f$ shall be [80] per cent and the minimum deviation [20] per cent.

]

[Bound tariff quotas shall be increased by the following formula

$$\Delta Q = [\Delta Q_b] + (T_{1s} - T_{1n}) * [S]$$

Where

ΔQ is the expansion in the tariff quota expressed as a percentage of domestic consumption;

ΔQ_b is the base expansion of the tariff quota expressed as a percentage of domestic consumption;

T_{1s} is the bound duty to be applied to the sensitive product;

T_{1n} is the bound duty as calculated under the tiered formula;

S is the Slope.

]

[Bound tariff quotas shall be increased by the following formula

$$\Delta Q = [0.8] * (r_f - r_s) * 100 / (1 + t_0)$$

Where

ΔQ is the expansion in the tariff quota expressed as a percentage of current imports;

r_f is the reduction in bound duty under the tiered formula;

r_s is the reduction in bound duty for the sensitive product; and

t_0 is the current bound duty or its *ad valorem* equivalent.

]

(b) In cases where:

(i) [the existing bound tariff quota represents:

- more than [30] per cent of domestic consumption the expansion in the tariff quota under (a) above shall be adjusted by a factor of [0.2];
- more than [10] per cent but less than or equal to [30] per cent of domestic consumption the tariff quota under (a) above shall be adjusted by a factor of [0.33];
- more than [5] per cent but less than or equal to [10] per cent of domestic consumption the tariff quota under (a) above shall be adjusted by a factor of [1];
- more than [2.5] per cent but less than or equal to [5] per cent of domestic consumption the tariff quota under (a) above shall be adjusted by a factor of [2];
- less than or equal to [2.5] per cent of domestic consumption the tariff quota under (a) above shall be adjusted by a factor of [3];
- an exceptionally high percentage of domestic consumption the additional tariff quota commitment will be adjusted further in Schedules negotiations in an equitable manner.]

- (ii) [current imports] [the existing bound tariff quota] represent[s] less than [] per cent of domestic consumption, the expansion in the tariff quota under (a) above shall be adjusted by [];
- (iii) there is no existing final bound tariff quota commitment for a Sensitive Product the Member concerned [may choose to] [shall not] create a new tariff quota, [provided that the tariff cut for the Sensitive Product shall be achieved in a shorter implementation period. Alternatively, a Member may opt for a longer implementation period for the full tariff cut required by the tiered formula.] [Developing country Members shall have the right to apply a lower reduction in bound duties than would otherwise have been required under the tiered formula over the implementation period, or a reduction in bound duties of up to [55] per cent of that required by the tiered formula over a shorter implementation period, or the reduction required by the tiered formula over a longer implementation period or []].

Paragraph 11 is replaced by the following:

11. [Should, after application of the tiered formula for tariff reductions, the bound duty on a processed agricultural product be greater than the bound duty on the primary product, the bound duty for the processed agriculture product shall be reduced by applying a factor of [1.3] compared to the reduction which would otherwise have been required under the tiered formula or by reducing to the rate applicable to the unprocessed product, whichever is the lesser.

Paragraph 29 is replaced by the following:

29. Each developing [and least-developed] country Member [shall have access to a Special Safeguard Mechanism for all agricultural products] [shall have the right to designate up to [] [per cent of] tariff lines [at the HS 6-digit level] as "SSM" in column [] in Part I, Section I of its Schedule] [may designate as "SSM" in its Schedule those products which have undertaken tariff reductions greater than [] per cent [which result in a reduction in the bound duty to less than then current applied duty]]. [Products designated as "Special Products" may not be designated as "SSM".]

Paragraph 39 is replaced by the following:

39. [Recently acceded Members may reduce bound duties by [] per cent of the reduction that would otherwise have been required by tiered formula] [and bound duties below [10] per cent in a [developing] recently acceded Member shall be exempt from reduction].

Paragraph 42 is replaced by the following:

42. Least-developed country Members shall have full access to all special and differential treatment provision and shall not be required to undertake reduction commitments.

As an alternative to paragraph 43 the following should be inserted:

[By the time Members submit their comprehensive draft schedules of concessions, developed-country Members shall, and developing-country Members declaring themselves in a position to do so should:

- inform the WTO of the products that are currently covered under duty free and quota free market access for LDCs;
- notify the internal procedures by which they will implement the Decision; and

- provide an indication of the possible time frame within which they intend to fully implement the Decision as agreed.]

Paragraph 46 is replaced by the following:

46. [Developed country Members [shall] [should] grant duty- and quota-free access for cotton exports from [least-developed] [developing] country Members from the commencement of the implementation period.]

Paragraph 47 is replaced with the following:

47. Members with economies that, in the period [1999] to [2004], had an average share of [(a) world merchandise trade of no more than [0.16] per cent,] [(b) world trade in non-agricultural products of no more than [0.10] per cent] [and] [(c) world trade in agricultural products of no more than [0.40] per cent] shall have the right to reduce bound duties by [] less than those that would otherwise have been required under paragraph 4 above.

Paragraph 59 is replaced by the following:

59. [In cases where a product-specific AMS during the base period was below the *de minimis* level the Current AMS for such products shall not exceed [the *de minimis* level] [[] per cent of the value of production of that product] and the limit for such products shall be denoted accordingly in the Schedule.] [In cases where product specific AMS exceeded *de minimis* after the base period the product specific limit shall not exceed [].]

Paragraph 67 is replaced by the following:

67. The maximum permitted value of support under Article 6.5 shall not exceed [2.5] per cent of the average total value of agricultural production during the base period. This limit will [apply from the commencement of the implementation period] [be reduced to [] per cent in accordance with the following schedule []] [be phased in, starting from 5 per cent of the value of production in the first year of implementation, according to the following schedule []].

Paragraph 105 is replaced by the following:

105. [The disciplines set out in Annex I, shall apply from the first day of the implementation period of the Doha Round for developed country Members [and from [] for developing country Members] [.] [and the maximum repayment term of 180 days shall be phased in according to the following schedule [].]

Paragraph 111 is replaced by the following:

111. [In-kind food aid [provided in situations other than those defined in paragraphs 2.4 and 2.6 of Annex K] shall be [phased out by the end of 2013 for developed country Members and by end [] for developing country Members] [in accordance with the following timetable []] [in parallel with the elimination of export subsidies].]

Paragraph 112 is replaced by the following:

112. [The monetisation of in-kind food aid shall be phased out by the end of 2013 for developed country Members and by end [] for developing country Members [in accordance with the following timetable []] [in parallel with the elimination of export subsidies] [.] [except where it is necessary to

fund activities that are directly related to the delivery of food aid to the recipient or for the procurement of agricultural inputs.]

Paragraph 1 of Annex L is replaced by the following:

1. [In order to strengthen the existing disciplines on export prohibitions and restrictions of Article XI of GATT 1994, Article 12 of the Agreement on Agriculture shall be modified to include the following elements:

The addition of a new paragraph to Annex M which would read as follows:

[4. Technical and financial assistance shall be provided to commodity dependant exporting countries to assist them in the diversification and periodic review of developments in the world commodity markets and their impact on their economies.]
