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Agriculture in the WTO: Member Spending on Domestic Support

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Randy Schnepf
Specialist in Agricultural Policy
Resources, Science, and Industry Division

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Summary

Under the World Trade Organization's (WTO's) Agreement on Agriculture (AA), member countries agreed to general rules regarding disciplines on domestic subsidies (as well as on export subsidies and market access). The AA's goal was to provide a framework for the leading members of the WTO to make changes in their domestic farm policies to facilitate more open trade. Under the AA, domestic spending is disaggregated according to those outlays that have the greatest potential to distort agricultural markets (i.e., amber box) and therefore are subject to spending limits, and more benign outlays (i.e., which cause less market distortion) that are exempted from spending limits under green box, blue box, *de minimis*, or special and differential treatment exemptions.

Of the 148 members in the WTO on February 16, 2005, 35 had made specific commitments to reduce domestic spending. Based on a review of the 1995-2001 period for which WTO member data are available, WTO policy commitments appear to have either reduced or redirected domestic subsidies away from market-distorting policies and towards programs of the exempt categories. In addition, amber box spending generally has declined relative to spending limits. A notable exception to these trends is the United States, where domestic support has trended higher, both in total value and as a share of WTO spending limits.

During 1995-2001, three WTO members — the 15-member European Union (EU-15), the United States, and Japan — dominated every WTO category of domestic support spending. Together, they accounted for over 90% of amber box spending by WTO members — the EU-15 had a commanding 60% share compared with 19% for Japan and 13% for the United States.

However, policy reforms in the EU-15 and Japan have helped to reduce their amber box spending in recent years — both in total value and as a share of the amber box ceiling. EU-15 amber box spending has declined steadily from $66.5 billion in 1995 to $34.8 billion in 2001 while the outlay-to-ceiling average share has held fairly steady at about 65%. Japan's amber box outlays have fallen from $36.8 billion (an outlay-to-ceiling share of 73%) in 1995 to $5.3 billion (17%) in 2001. U.S. amber box spending has trended higher from an average of $6.1 billion during 1995-97, to $16 billion during 1999-2001. As a share of its WTO ceiling, U.S. amber box spending has risen from 27% to 83% during those same two periods. A tightening gap between WTO spending limits and outlays has the potential to constrain flexibility and policy choices in considering ways to assist domestic agricultural producers, as well as to limit trade negotiators in the ongoing Doha Round of trade negotiations. In contrast, a widening gap between the amber box ceiling and actual outlays represents greater negotiating power for future cuts in WTO spending limits without sacrificing domestic policy flexibility.

Data on domestic support by WTO members has been assembled from available notifications and is presented in a series of appendix tables (**Appendix Tables 1-13**) at the end of this report. This report will be updated as events warrant.

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Agriculture in the WTO: Member Spending on Domestic Support

Introduction

Under the World Trade Organization's (WTO's) Agreement on Agriculture (AA), member countries agreed to general rules regarding disciplines on domestic and export subsidies, and concessions on market access.[1] With respect to domestic subsidies, the AA's goal was to provide a framework for the leading members of the WTO to make changes in their domestic farm policies to facilitate more open trade. Domestic programs deemed, at the time, to have the greatest potential for stimulating excess production, and thereby distorting world trade in various agricultural commodities, became subject to annual subsidy limits.

Of the 148 members in the WTO on February 17, 2005, 35 had made specific commitments to reduce domestic spending as measured by the Aggregate Measure of Support (AMS). In the initial WTO agreement, 26 countries out of 125 members made AMS reduction commitments. Between January 1, 1995 and February 17, 2005, an additional 23 countries joined the WTO. Of these newly acceded countries, nine had also made specific AMS commitments (see **Appendix Tables 2-4** for a list of countries with AMS reduction commitments).

This report focuses solely on the commitments made by WTO member countries concerning government outlays in support of domestic agricultural production. The introductory section provides a brief overview of WTO domestic policy commitments, as well as background information on WTO member requirements for reporting on domestic subsidy outlays. In the second section, WTO member outlays made to support agricultural production (as reported in member notifications to the WTO's Committee on Agriculture) are discussed. Following the WTO reporting format, domestic spending is disaggregated according to those outlays that count against spending limits (i.e., amber box) and those outlays that are exempted from spending limits (i.e., green box, blue box, *de minimis*, or special and differential treatment (SDT) exemptions). Special attention is paid to the spending levels and exemptions for the three major WTO members — the United States, the 15-member European Union (EU-15), and Japan. Together, these three entities account for over 90% of all domestic agricultural subsidies reported by WTO members.

The third and final section describes in more detail U.S. agricultural support outlays and compares them against spending limits. In addition, it briefly discusses the implications for U.S. agricultural policy of continued adherence to existing WTO commitments.

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[1] For information on the full range of member commitments, see CRS Report RL32916, *Agriculture in the WTO: Policy Commitments Made Under the Agreement on Agriculture*.

Data on domestic support by WTO members have been assembled from available notifications and are presented in a series of appendix tables (**Appendix Tables 1-9**) at the end of this report. Detailed data on U.S. domestic support, as notified to the WTO, are presented in **Appendix Tables 10-13**. These tables are referenced throughout this report.

Domestic Support Commitments

Domestic support broadly refers to those agricultural policies that operate within a country so as to influence internal farm and rural incomes, resource use, production, and consumption of agricultural products, or the environmental impacts of farming. The Agreement on Agriculture (AA) recognizes that individual WTO member countries reserve the right and may be obligated by their electorates to use domestic support policies to pursue various national policy objectives. As a result, the AA distinguishes between support programs that have a direct effect on agricultural production and those that are deemed minimally trade or production distorting.

The AA commits countries to discipline their domestic farm subsidies primarily by establishing an annual dollar limit on those policies determined to have the greatest potential to distort markets, while allowing exemptions for less distortive policies. Negotiators (not the Agreement itself) used a color-coded analogy based on a traffic light for these program categories, as described below. For a detailed description of domestic support criteria in accordance with WTO commitments see CRS Report RS20840, *Agriculture in the WTO: Limits on Domestic Support*.

Amber Box Policies. Those policies deemed most likely to cause producers to divert resources into or out of the production of various commodities, thus affecting supplies and world prices, are categorized as amber box policies by the WTO. In the traffic light analogy, amber signifies "proceed with caution subject to rules and commitments."

Each WTO country with such policies has its own dollar limitation, termed its "aggregate measurement of support" (AMS). Annex 3 of the AA specifies the methods countries must use to calculate their AMS. For example, an AMS must be calculated on a product-specific basis for each agricultural product supported. Supports that are not product-specific (for example, irrigation subsidies) must be aggregated into one non-product specific AMS. National and sub-national (e.g., state) support must be counted; levies or fees on producers are subtracted from the AMS calculation.

Examples of such policies or programs include price supports, where the government ensures that the farm price of a particular commodity will not fall beneath a prescribed level; direct payments tied to each unit of a commodity currently produced; subsidies on such inputs as fertilizer, seed, irrigation, or feed; and subsidized crop loans.

Each WTO member agreed that total annual subsidies for its amber box policies — its AMS — would not exceed a base period level (generally 1986-1988). In addition, 35 of these countries, including the United States and most other major agricultural traders, agreed to gradually reduce the maximum permitted levels of amber box support each year, using the AMS calculation to determine this support. The rates of spending reduction and the length of the implementation period varied according to a country's status as either developed, developing, or least-developed. In general, the developed countries agreed to reduce their total AMS by 20% from their base period, over a six-year period of implementation (1995-2000). Developing countries agreed to a 13% reduction over a 10-year period (1995-2004). Least-developed countries agreed to not increase support beyond the base period level.

Each member's AMS for the final year of implementation is the "bound" level applying to each succeeding year — until a new trade agreement is negotiated. Reductions do not have to be made equally across commodities or on a commodity-by-commodity basis. Each country can decide which programs to reduce, and how, in order to meet its obligation.

Individual country negotiations resulted in some variation from these general rules. The list of specific commitments, along with their implementation period, are spelled out for each member country in its "schedule of concessions" (also referred to as its country schedule).[2] New members that join the WTO must negotiate their specific policy commitments, also detailed in a country schedule, during their accession negotiations.

Commitments made by WTO members could potentially constrain their flexibility and spending choices when they consider ways to assist their agricultural producers at home. In other words, a WTO member might not be able to undertake or expand a domestic farm program if that action would cause the member to exceed the annual support limit it agreed to. As a WTO member nation, these constraints also apply to the United States, which was a leading voice for agricultural trade reforms, including reductions in trade-distorting domestic subsidies.

Exemptions from AMS Reduction Commitments. The AA defines four categories of domestic support that are eligible for exemption from AMS reduction commitments — green box, blue box, *de minimis*, and special and differential treatment (SDT) exemptions. The AA describes the general conditions that a policy must meet to qualify for one of these four exemptions. However, each country may have its own interpretation of the WTO conditions. As a result, country notifications[3] are the primary means for determining (1) how a country has chosen to categorize its domestic subsidies; and (2) whether a country is fully meeting its AMS reduction commitments. Disagreements between or among WTO members over whether certain subsidies have been correctly categorized (i.e., as exempt from or subject to AMS reduction commitments) often give rise to WTO dispute settlement cases where the issue is ruled on by a WTO dispute settlement panel.[4]

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[2] Each WTO member's "schedule of concessions," is available at [http://www.wto.org/english/tratop_e/schedules_e/goods_schedules_e.htm].

[3] See "Monitoring Implementation of Commitments" section below for explanation of notifications.

[4] For more information, see CRS Report RS20088, *Dispute Settlement in the World*
(continued...)

Green Box. Certain types of domestic subsidies that do not distort trade, or at most cause minimal distortion while achieving various domestic policy goals are exempted from domestic support disciplines.[5] Complying policies include outlays for activities such as agricultural research and extension, conservation and the environment, rural development, food security stocks, domestic food aid (e.g., food stamps), farm disaster payments, and structural adjustment programs. Also exempted are "decoupled" payments — that is, payments not linked to current production decisions such as commodity direct payments. These specific exemptions are referred to as "green" in the traffic-light sense since countries can "go ahead" with these policies without limit.

Blue Box. Direct payments may qualify for exemption (in the blue box) from AMS reduction commitments if they are made under production-limiting programs. For crops, this includes those payment programs based on fixed area and yield or based on no more than 85% of base production. For livestock production, this includes those payments tied to a fixed number of livestock. There are no limits on blue box spending.

De Minimis Exemptions. The idea behind the *de minimis* exemption is that "small" levels of domestic support, no matter what their nature, are deemed sufficiently benign (i.e., not likely to distort trade) that they do not have to be included in the AMS calculation. The *de minimis* exemption may be applied to domestic subsidies at two levels: product-specific (i.e., support that applies to a specific product such as wheat, sugar, etc.) and non-product specific (e.g., irrigation). If total non-product specific subsidies are below 5% (10% for developing countries) of the value of a developed country's total agricultural production then they do not have to be included in the AMS calculation. In order to evaluate a product-specific subsidy, first total all forms of non-exempt support for that particular commodity, then apply the 5% rule to the value of production for that specific commodity.

For countries that have no AMS reduction commitment in their schedules, domestic support is limited to their *de minimis* values on both a product-specific and non-product-specific basis for any given year.

Special and Differential Treatment (SDT) Exemptions. Certain types of government assistance in developing countries and LDCs are exempt from support reduction commitments.[6] These include both direct and indirect domestic investment in agriculture and rural development, as well as agricultural input subsidies generally available to low-income or resource-poor producers in developing countries. Also included are investments intended to encourage diversification away from growing illicit narcotic crops.

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[4] (...continued)
Trade Organization.

[5] The types of "green box" policies are identified in Annex 2 of the *Agreement on Agriculture* (AA) at [http://www.wto.org/english/docs_e/legal_e/14-ag.pdf].

[6] For more details, see Article 6.2 of the AA.

Monitoring Implementation of Commitments

To provide for monitoring and compliance of WTO policy commitments, the Uruguay Round established a Committee on Agriculture and assigned it the duty of reviewing progress in the implementation of individual member commitments.

Notification of Domestic Support. Each WTO member country is expected to routinely submit reports (called notifications) on the implementation of its domestic support commitments for monitoring and review by the WTO Committee on Agriculture. These notifications serve as the primary source of information about each country's domestic agricultural subsidy outlays, and on how such subsidies have been classified — as exempt from or as subject to reduction commitments.

Although the AA has no firm deadlines for notifications, the Committee on Agriculture has adopted explicit notification requirements and formats that member countries are expected to follow (see **Appendix Table 1** in this report for details).[7] In general, members with base and annual domestic support commitments should submit notifications on domestic support implementation no later than 120 days following the end of the marketing year.

Choosing a Marketing Year. WTO members are given considerable flexibility in defining the 12-month marketing year most relevant to their situation. Countries may choose between a calendar, fiscal, or marketing year as their implementation year. As a result, the marketing year reporting period and notification due-date vary widely across countries.

Some countries — including the United States — report their AMS data using a mixture of different commodity marketing years. For example, the 2001 marketing year for U.S. wheat began in June 2001 and ended in May 2002. The corn marketing year began in September 2001 and ended in August 2002. Most U.S. livestock activities are reported on a calendar year basis. USDA analysts who prepare the notifications must wait until after the end of each commodity's marketing year when all spending and program details become available. Then more time typically is needed to review and calculate expenditures, and organize them into WTO formats and categories.

Overdue Notifications. Although all WTO members agreed to abide by their commitments and to provide notifications of their implementation status, the WTO has no formal method for enforcing such promises. As a result, delays in submitting notifications have become nearly routine for most WTO members and a substantial number of notifications has fallen overdue.

The WTO Committee on Agriculture releases occasional reports detailing the status of members' implementation of policy commitments (see **Appendix Table 2**).

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[7] For more information, see CRS Report RL32916, *Agriculture in the WTO: Policy Commitments Made Under the Agreement on Agriculture*. The WTO source document is "Notification Requirements and Formats," G/AG/2, June 30, 1995.

According to WTO data through June 1, 2005, 1995 was the sole year for which all members with domestic support reduction commitments for that year had submitted a notification. For 2000, out of 30 countries with commitments, 25 (or 83%) had notified. For 2003, of the 35 countries with commitments, 8 (or 23%) had notified and 27 were overdue, including the United States. The most recent U.S. notification was for 2001, which was not submitted until March 17, 2004.[8]

Some particularly egregious examples of overdue notifications include Brazil, Mexico, Switzerland-Liechtenstein, and Venezuela, whose most recent notifications of domestic support are for 1998. Their 1999 notifications of domestic support are now approximately five years late.

With respect to compliance, the WTO again has no enforcement mechanism. Instead, individual members may bring a case against another member in the event of apparent noncompliance with policy commitments; however, the burden of proof is upon the accuser whose case is made all the more difficult if the accused member has failed to keep up with annual notifications.

Issues With Subsidy Categorization and Reporting. WTO trade negotiators (and countries that rely heavily on them) consider domestic support subsidies made under the four exemption categories to be more virtuous (i.e., cause less market distortion) than amber box spending. However, some market analysts (and WTO members) argue that these exemption categories, as well as the entire notification process, have two principal faults.

First, categorizing and reporting exempted subsidies are largely self-policed. That is, each member country has some discretion in determining whether a subsidy is green or amber and, if it is the latter, in calculating its value for WTO reporting purposes.

Second, critics maintain that the various exemption categories have been used by a few countries, primarily the EU-15 and the United States, to shield some large subsidies from any required cutbacks. Creation of the blue box is cited as an example of an exemption designed strictly to protect the EU-15's compensatory payments. Similarly, the United States' heavy use of the *de minimis* exclusion is often characterized as a dodge of subsidy commitments.

Defenders of the language in the WTO's AA argue that criteria for defining AMS outlays as exempt or non-exempt are sufficiently explicit to prevent WTO members from undermining the basic objectives of the Uruguay Round Agreement. Furthermore, they contend that the agricultural policy commitments made under the Uruguay Round and the AA represent the first meaningful attempt to bring the agricultural sector under any significant discipline. Therefore, since consensus was paramount, it could have been unhelpful, from the point-of-view of reaching a final agreement, if the trade negotiators had tried to over-reach on the extent of disciplines to be imposed on domestic support.

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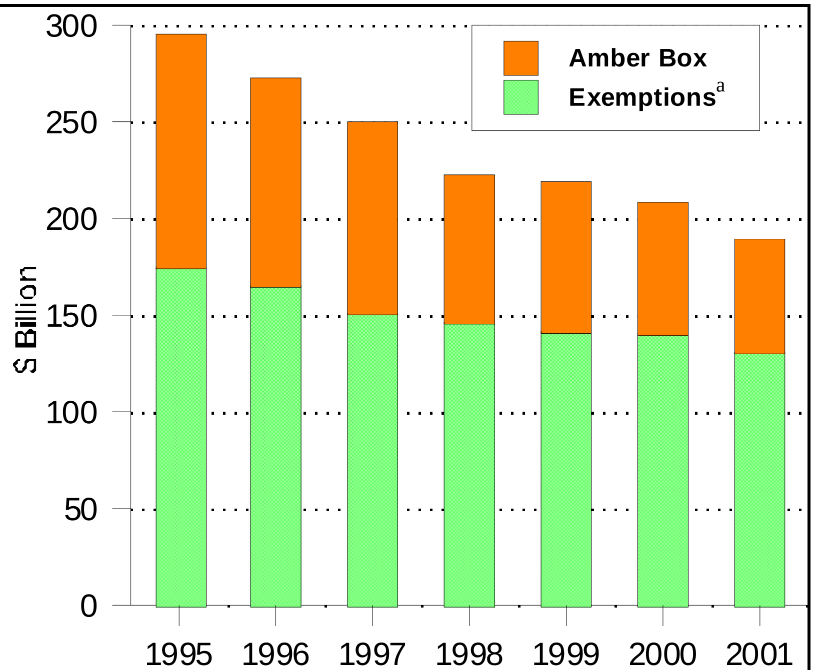
[8] WTO document, G/AG/N/USA/51, March 17, 2005; available at [http://docsonline.wto.org/].

Domestic Support Comparisons Among WTO Members

Total AMS spending, as notified by all WTO members, has been broken into exempt and non-exempt categories for comparison in **Figure 1**. Total domestic support declined from $294.9 billion in 1995 to $189.3 billion in 2001 — a 36% decline. This period encompasses all of the implementation period (1995-2000) for developed countries. The decline in domestic support spending was expected to continue, albeit slower, through 2004 (the final implementation year for developing countries) since 18 of the 35 current WTO members with AMS reduction commitments are developing countries.

Appendix Table 2 shows the status of WTO member notifications on domestic support as of January 14, 2005. Because so few WTO members have notified their domestic support activity for the 2002-2004 period, the following discussion focuses on the 1995-2001 period where data are sufficient to permit valid comparisons.

Figure 1. Total Domestic Subsidies for Agriculture, All WTO Members, 1995-2001



Source: USDA/ERS, WTO database, and recent WTO member notifications.
[a] Subsidies that are exempted from AMS reduction commitments.

Most of the AMS decline (58%) occurred in amber box outlays which fell by over one-half from an aggregate of $119.2 billion in 1995 to $58.4 billion in 2001. Total spending on exempt policy categories also exhibited a decline but by a smaller amount (25%) from $175.7 billion to $130.9 billion. As a result of this uneven rate of decline, total exempt spending increased steadily as a share of total AMS spending, rising from a 58% share in 1995 to a 69% share by 2001. It is likely that a significant portion of the decline in amber box spending resulted from a shifting of domestic subsidies from the market-distorting policies of the amber box category to more "virtuous" programs that qualify for one of the WTO exemption categories.

The pattern of rapidly declining amber box spending relative to exempt AMS spending holds for all major WTO members with the exception of the United States. In contrast to the rest of the world, both amber box spending as well as exempt spending by the United States trended higher through this initial seven-year period of review, with amber box spending increasing at a generally faster rate than exempt spending. (See the third section of this report, "Implications for U.S. Agriculture," for a discussion of U.S. domestic support.)

Data on AMS spending by categories (both exempt and non-exempt) are presented in **Appendix Tables 3-8**. It is noteworthy that three WTO members — the 15-member European Union (EU-15),[9] the United States, and Japan — dominate nearly every AMS spending category (**Appendix Table 9**). To better contrast the preeminence of domestic support by these 3 members from the other 145 members of the WTO, data are disaggregated as the EU-15, the United States, Japan, and a "rest-of-world (ROW) group. Using this breakout, WTO member spending under each of the AMS categories is discussed below.

Amber Box Ceiling and Outlays

Under an AMS spending limit, a WTO member commits to not exceed an established amber box spending level. As a point of reference, the United States' amber box spending limit began from a base of $23.9 billion during 1986-88, but declined in six successive annual steps to $19.1 billion in 2000. In any year after that (or until a new negotiating round is concluded), U.S. amber box outlays cannot exceed $19.1 billion. This compares with the amber box ceiling of $59.8 billion (67.2 billion euro) for the EU-15 and $35.9 billion (3,973 billion Yen) for Japan in 2000. A strengthening of the euro and yen against the U.S. dollar resulted in a rising dollar value for both the EU-15's and Japan's amber box ceiling in 2004 — to $83.3 billion and $36.3 billion, respectively.[10]

In 2000, the EU-15, the United States, and Japan accounted for over 80% of the aggregate WTO amber box ceiling. Only two other WTO members had amber box limits above $3 billion in 2000 — Mexico at $8.8 billion and Poland at $3.3 billion. **Appendix Table 3** shows base period and annual amber box commitments and final year (bound) commitments, as well as the final implementation years (FIYs) for those WTO members with AMS reduction commitments. In general, the FIY was 2000 for developed countries and 2004 for developing countries. However, three countries that acceded after January 1, 1995 have alternate FIYs: Jordan (2006), Lithuania (2005), and the former Yugoslav Republic (FYR) of Macedonia (2003).

Appendix Table 4 shows actual annual amber box outlays. The EU-15 accounted for a commanding 59% of all amber box outlays during 1995-2001, compared with shares of 19% for Japan and 13% for the United States (**Figure 2**).

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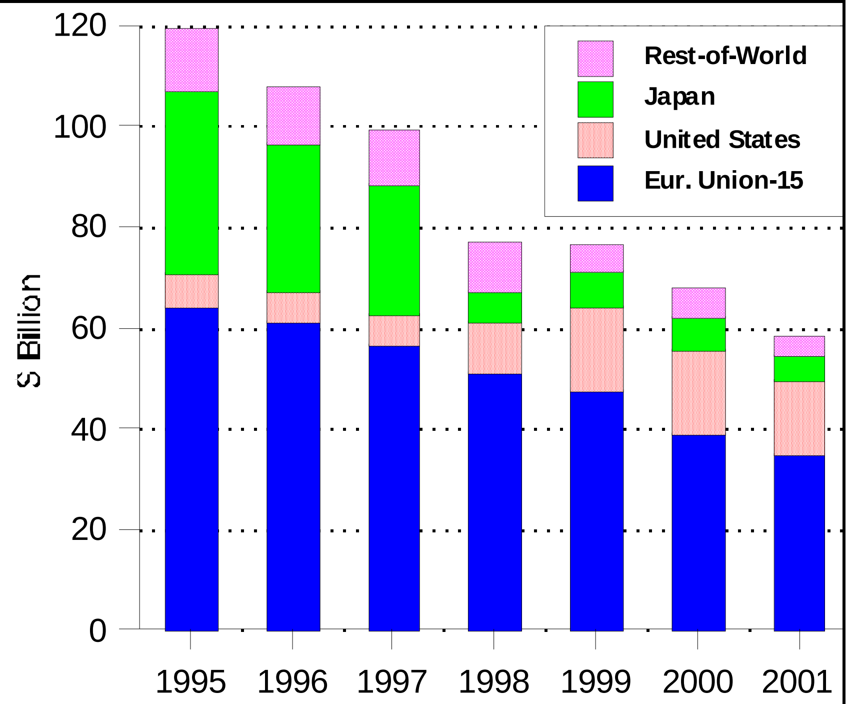
[9] On May 1, 2004, the EU-15 added 10 new members; however, aggregate data for the expanded EU-25 will not appear until notification for the 2004 marketing year is submitted.

[10] This is purely an artifact of exchange rate fluctuations and does not represent a loosening of in either the EU-15's or Japan's true AMS ceiling since both countries undertake all of their domestic policy subsidies in euros and yen, respectively.

Together, the EU-15, the United States, and Japan have accounted for over 90% of all actual amber box spending by WTO members.

Figure 2. Amber Box Outlays: EU-15, United States, Japan, and Rest of World, 1995-2001

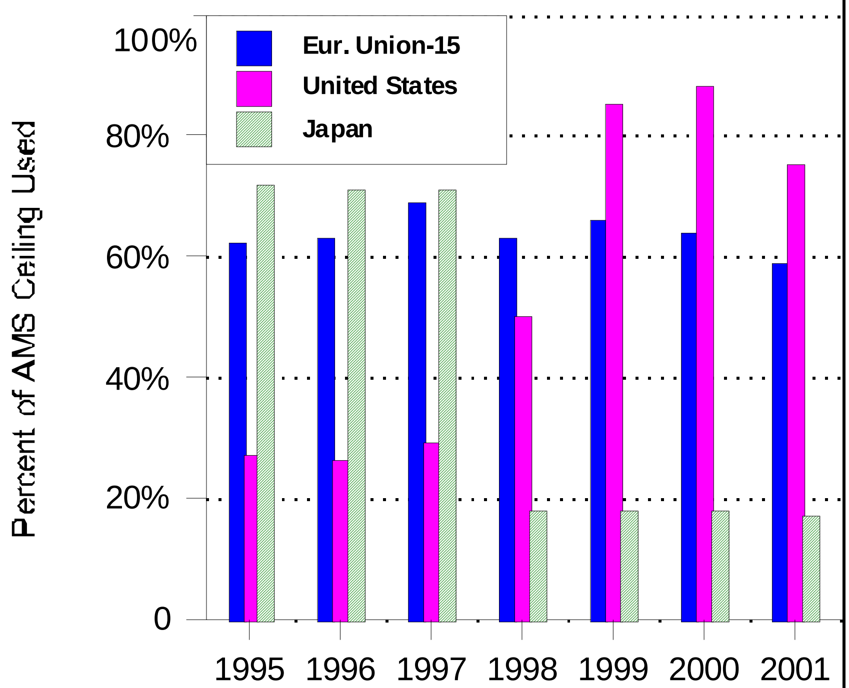


Source: USDA/ERS, WTO database, and recent WTO member notifications.

The EU-15's actual amber box spending has declined steadily from $64.4 billion in 1995 to $35.2 billion in 2001 (**Figure 2**). This decline has been in lock step with the EU-15's declining amber box ceiling and has resulted in a fairly steady outlay-to-ceiling average share of 64% (**Figure 3**). A large gap between the amber box ceiling and actual outlays is significant because it represents real negotiating power for future cuts in WTO amber box ceiling levels without sacrificing domestic policy flexibility. The EU-15's ability to easily absorb further ceiling cuts has been enhanced since 2000 by a series of internal agricultural policy reforms which are expected to dramatically reduce its amber box spending — both in total value and as a share of its amber box ceiling.[11] A key element of recent EU policy reforms has been a re-orientation of subsidy payments away from "coupled" payments (i.e., subsidies that are linked directly to producer behavior and are, therefore, subject to amber box reduction commitments) to "decoupled" payments (i.e., minimally distortive subsidies that are linked only indirectly to producer behavior and are, therefore, eligible for exemption from reduction commitments). These reforms are, thus, expected to give the EU-15 much greater flexibility in negotiating cuts in AMS spending in future WTO trade negotiations.

[11] Major EU agricultural policy reforms include "Agenda 2000" and the "CAP Reform of 2003-04." For more information, see USDA, ERS, *CAP Reform of 2003-04,* WRS0407, August 2004, at [http://www.ers.usda.gov/publications/WRS0407/].

Figure 3. Amber Box Spending as Percentage of Ceiling: EU-15, United States, and Japan, 1995-2001



Source: USDA/ERS, WTO database, and recent WTO member notifications.

Since the mid-1990s, Japan has been gradually reforming its domestic policy, including the removal of government controls over its wholesale and retail rice markets.[12] As a result, market prices for rice — traditionally Japan's largest crop — have been declining. However, producer prices remain substantially above international market prices due to stringent import barriers. In 1998, Japan abandoned its program of administered producer prices in favor of a rice producer's income stabilization program (whose payments are notified as blue box); stronger use of a rice land diversion program (whose payments are notified as green box); and continued reliance of import controls (which are dealt with under market access commitments) to support domestic prices.

As a result of these changes, Japan stopped notifying rice as receiving any product-specific AMS price support (despite domestic prices that were still 10 or more times higher than prices in other japonica rice-growing countries). Japan's notification of product-specific rice price support dropped from 2,315 billion yen ($18.8 billion) in 1997 to only 41.9 billion yen ($327 million) in 1998, and this latter amount was exempted under the product-specific de minimis exemption. None of these notification changes were challenged by other WTO members. These changes resulted in substantially lower annual amber box outlays during 1998-2001. For example, during the 1995-1997 period, Japan's annual amber box outlays averaged almost $31 billion. Since 1998 they have averaged just $6.1 billion, substantially below Japan's amber box ceiling of about $36 billion. Concomitantly, the share of

[12] USDA, ERS, *Rice Sector Policies in Japan*, RCS-0303-01, March 2003.

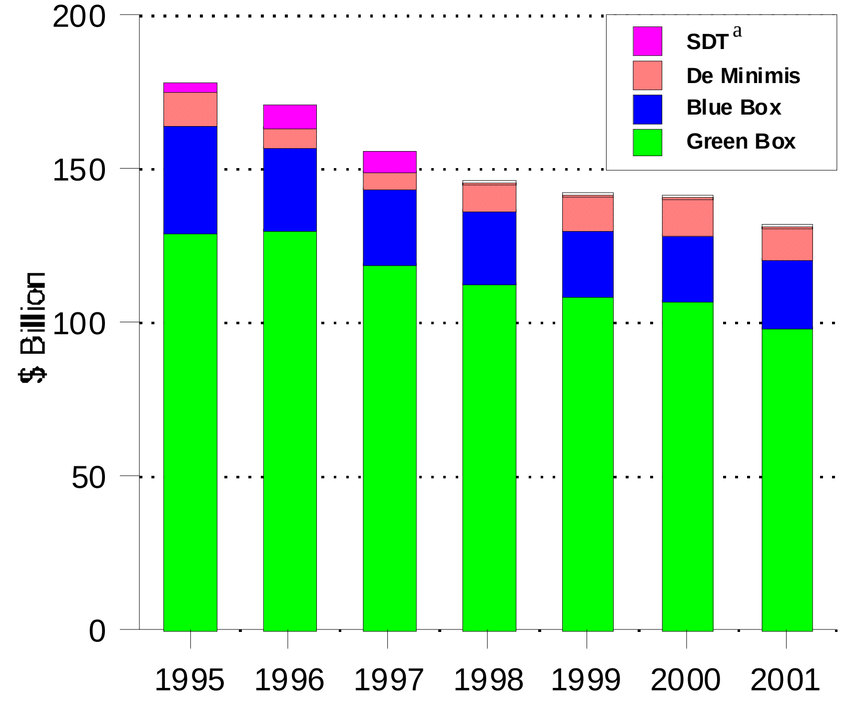
Japan's amber box spending relative to its ceiling has fallen from a 72% share during 1995-97 to only a 17% share during 1999-2001 suggesting that Japan (like the EU-15) will have substantial flexibility in negotiating future cuts in domestic support during WTO trade negotiations.

In contrast to the declining pattern of amber box spending by the EU-15 and Japan, the United States has seen its annual amber box outlays jump from an average of $6.1 billion during 1995-97, to $16 billion during 1999-2001. As a share of its amber box ceiling, U.S. amber box spending has risen from a 27% share to an 83% share during those same two periods. (See the third section of this report, "Implications for U.S. Agriculture," for a discussion of U.S. domestic support.)

Exemptions from AMS Reduction Commitments

Cumulative green box exemptions of $806.0 billion accounted for 50% of total subsidy exemptions during the 1995-2001 period (**Figure 4**). This compares with blue box exemptions of $175.4 billion (11% share), *de minimis* exemptions of $64.7 billion (4% share), and SDT exemptions of $19.1 billion (1%). Each of the four amber box exemptions is briefly discussed below.

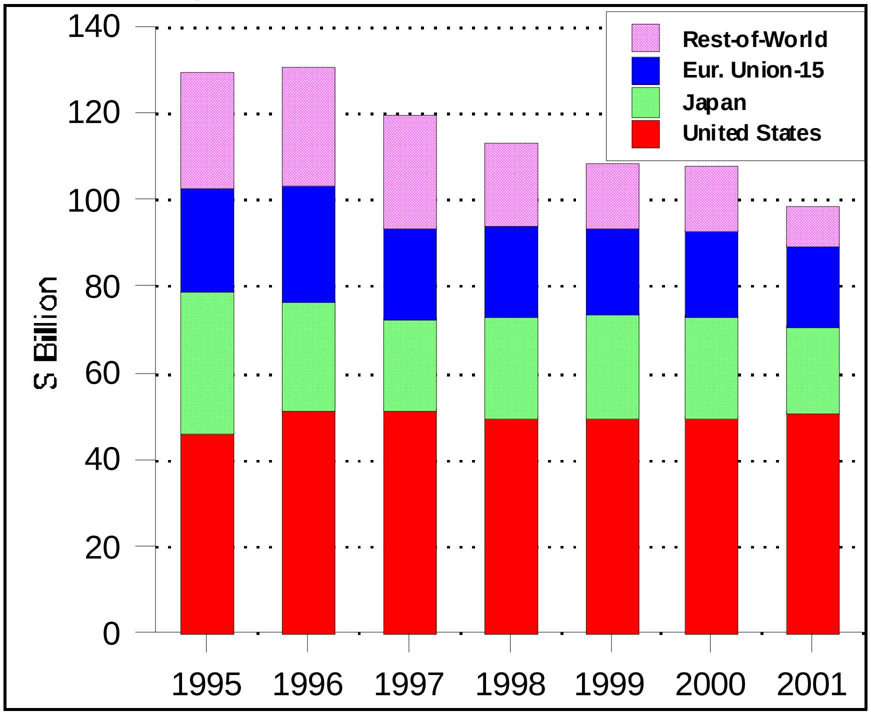
Figure 4. Exemptions from AMS Reduction Commitments, by Major Category, 1995-2001



Source: USDA/ERS, WTO database, and recent WTO member notifications.
[a]SDT=Special and Differential Treatment exemption.

See **Appendix Tables 5-8** for data on country notifications of agricultural subsidies that are exempted from AMS reduction commitments under one of the four principal exemption categories — green box, blue box, *de minimis*, or SDT exemptions.

Figure 5. Green Box Exemptions: EU-15, United States, Japan, and Rest of World, 1995-2001



Green Box Exemptions

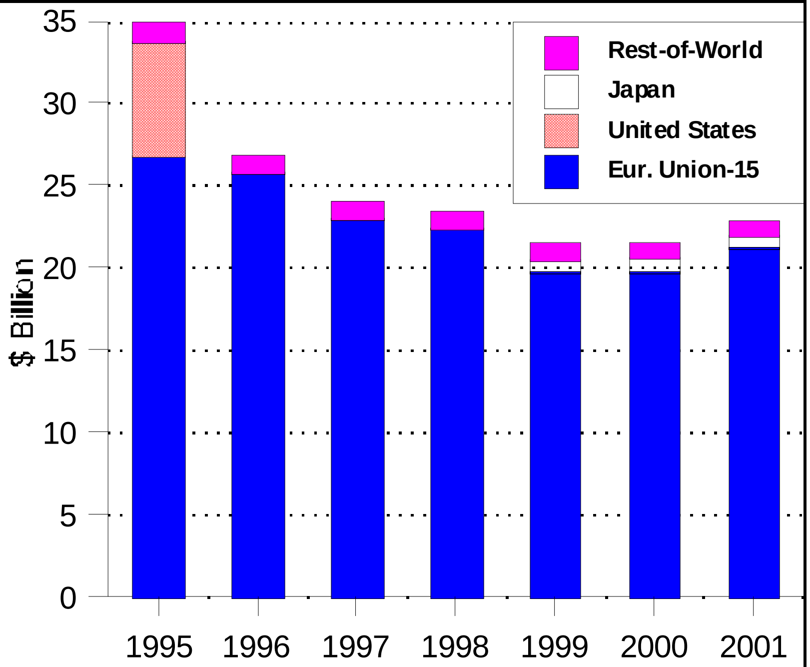
The EU-15, the United States, and Japan together accounted for about 83% of all green box spending by WTO members during the 1995-2001 period (**Appendix Table 5** and **Figure 5**). The United States dominated WTO green box outlays accounting for 43% of the cumulative seven-year total, compared with shares of 21% for Japan, 19% the EU-15, and 17% for the rest of world (ROW) group.

From 1996 to 2001, U.S. green box outlays were fairly stable in a range of $50 to 52 billion. Japan and EU-15 outlays showed a greater tendency to decline over the seven-year period. Japan's green box spending fell from its peak levels of $32.9 billion in 1995 to $20.4 billion in 2001. EU-15 green box spending peaked at $26.6 billion in 1996 and had fallen to $18.5 billion by 2001. Green box spending for ROW showed a similar pattern of decline, falling from a peak of $26.3 billion in 1995 to average about $12.8 billion during 1999-2001.

Blue Box Exemptions

Any support that would normally be in the amber box is instead placed in the blue box where it is exempt from AMS reduction commitments provided that the support requires agricultural producers to limit production. **Appendix Table 6** and **Figure 6** show annual blue box outlays as reported in member notifications between 1995 and 2001.

Figure 6. Blue Box Exemptions: EU-15, United States, Japan, and Rest of World, 1995-2001



Source: USDA/ERS, WTO database, and recent WTO member notifications.

The blue box was created mainly to facilitate a compromise between the United States and the EU-15 (now the primary blue box user) so that the Uruguay Round negotiations on agriculture could be brought to a successful conclusion.[13] As a result, the blue box criteria explicitly encompass the EU-15's direct compensatory payments, (which were linked to land use and to number of livestock), as well as the former U.S. target price deficiency payments made for grains and cotton.

U.S. deficiency payments of $7 billion appear in the WTO blue box in 1995; however, the 1996 Farm Act ended their use. In contrast, the EU-15's compensatory payments — which were adopted with the 1992 Common Agricultural Policy (CAP) reforms to compensate farmers for significantly reduced market intervention prices — are still in effect and have comprised 94% of all WTO blue box payments between 1996 and 2001.

De Minimis Exemptions

Commodity-specific support that is below 5% (10% for developing countries) of a commodity's value of production is deemed sufficiently benign that it does not have to be included in the AMS calculation. Similarly, non-product specific support that is below 5% (10% for developing countries) of the total value of production for all commodities may be exempted from inclusion in the AMS. For countries that have no AMS reduction commitment in their schedules, the *de minimis* exemption limits constitute their primary domestic subsidy ceiling.

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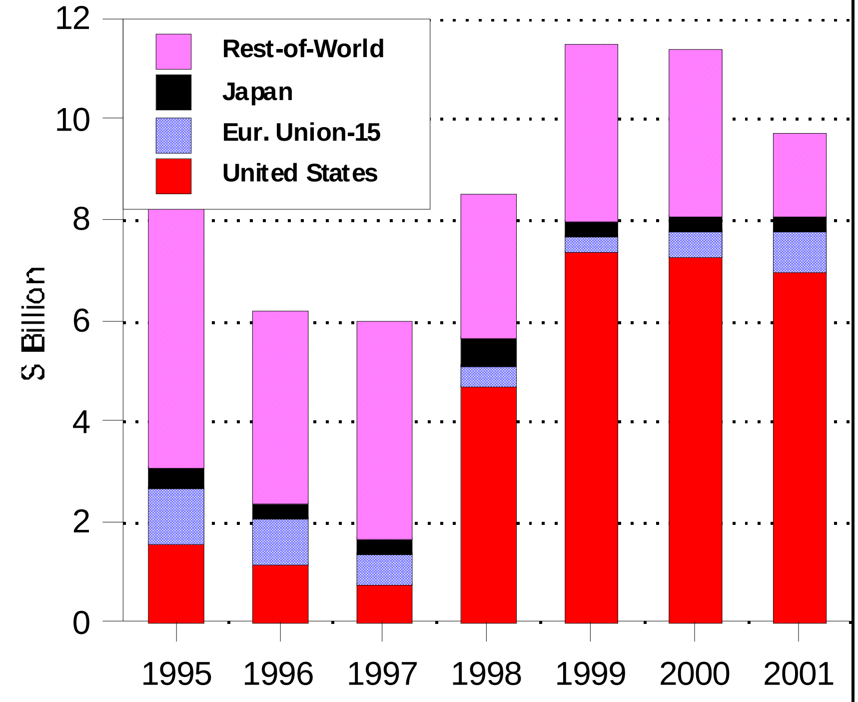
[13] USDA, ERS, *Agriculture in the WTO*, WRS-98-4, December 1998, "Domestic Support Commitments: A Preliminary Evaluation," p. 15.

Figure 7. De Minimis Exemptions: EU-15, United States, Japan, and Rest of World, 1995-2001



Source: USDA/ERS, WTO database, and recent WTO member notifications.

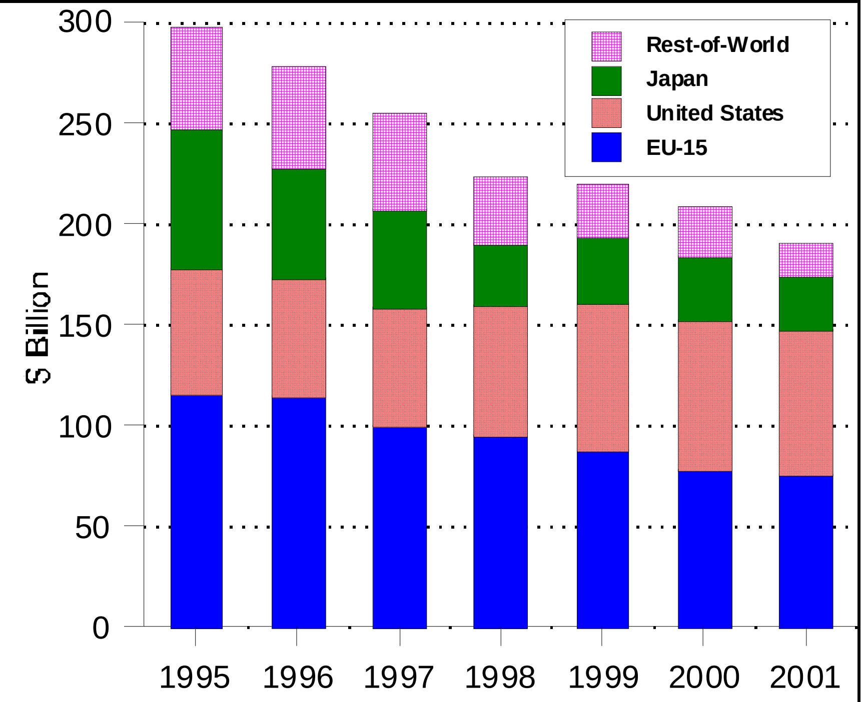
During the first three years of the implementation period (1995-98), domestic subsidies exempted from AMS reductions under the *de minimis* exclusion averaged $7.8 billion per year with the ROW share averaging 68% compared with 16% for the United States (**Appendix Table 7** and **Figure 7**).

Then, starting in 1998 the United States began to make heavier use of the *de minimis* exclusion. During the 1999-2001 period, U.S. *de minimis* exemptions averaged over $7.3 billion per year and accounted for 67% of total WTO *de minimis* exclusions. (See the section "Implications for U.S. Agriculture," below for further discussion of the importance of the *de minimis* exclusion to the United States' ability to meet its WTO domestic support reduction commitments.)

Special and Differential Treatment (SDT) Exemptions

SDT exclusions from AMS reduction commitments are targeted to developing country investments in agriculture and rural development programs. Only developing or least-developed countries (LDCs) are eligible to use SDT exclusions. During 1996 to 2000, the top ten users of SDT exemptions accounted for 95% of their total use (**Appendix Table 8**). The largest users were India, Brazil, Mexico, Thailand, Morocco, and Turkey. In general, SDT exemptions receive less scrutiny and visibility than the other exemption categories, due to their relatively small use and their "developmental" nature.

Figure 8. Total Domestic Support Outlays: EU-15, United States, Japan, and Rest of World, 1995-2001



Source: USDA/ERS, WTO database, and recent WTO member notifications.
Note: The total includes all amber box outlays plus all exempted outlays, e.g., green box, blue box, de minimis, and SDT exemptions

Total Outlays Across All Categories

Data for all AMS spending categories — exempt and non-exempt alike — are aggregated and presented in **Figure 8**. The general pattern of member aggregate shares echoes that of amber box spending — the EU-15 had the largest share, followed by the United States, which by 2001 had nearly closed the total subsidy gap with the EU-15 ($72.1 versus $74.7 billion); Japan was a fairly distant third; and the ROW comprised a still smaller share (**Appendix Table 9**).

Many countries have expressed concern that developed countries, particularly the EU-15, the United States, and Japan, have used the various exemption categories to their advantage to shelter large subsidy outlays to their agricultural sectors. As a result, they have argued that stricter limits should be placed on exemptions or alternately, on total exempt and non-exempt AMS spending. Indeed, such an overall spending cap is included in the July 2004 "Framework Agreement," of the current Doha Round of WTO trade negotiations.[14]

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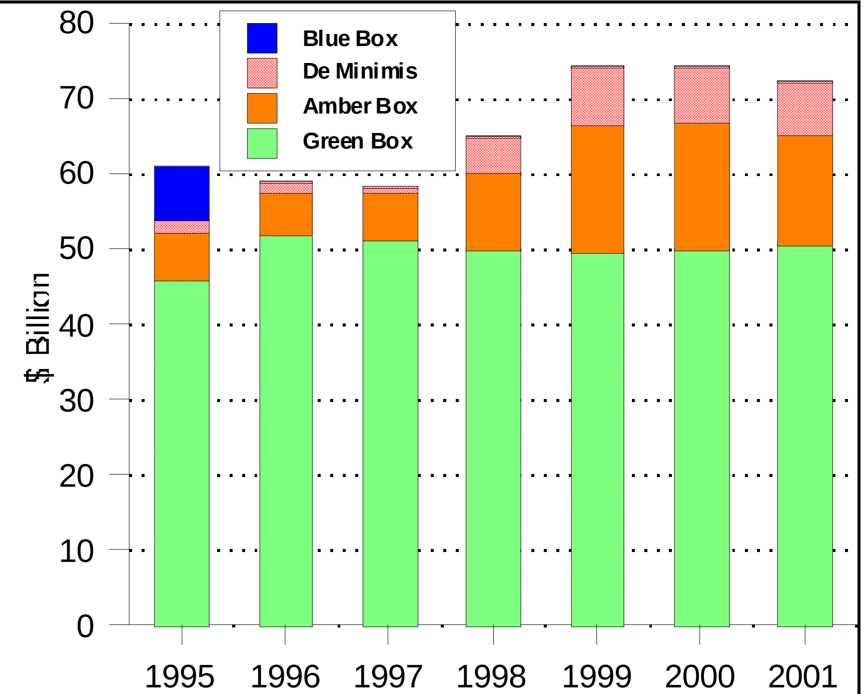
[14] For more information, see CRS Report RS21905, *Agriculture in the WTO Doha Round: The Framework Agreement and Next Steps.*

Figure 9. U.S. AMS Outlays by Category, 1995-2001



Source: USDA/ERS, WTO database, and recent U.S. notifications.

Implications for U.S. Agricultural Policy

Farm Subsidy Trends

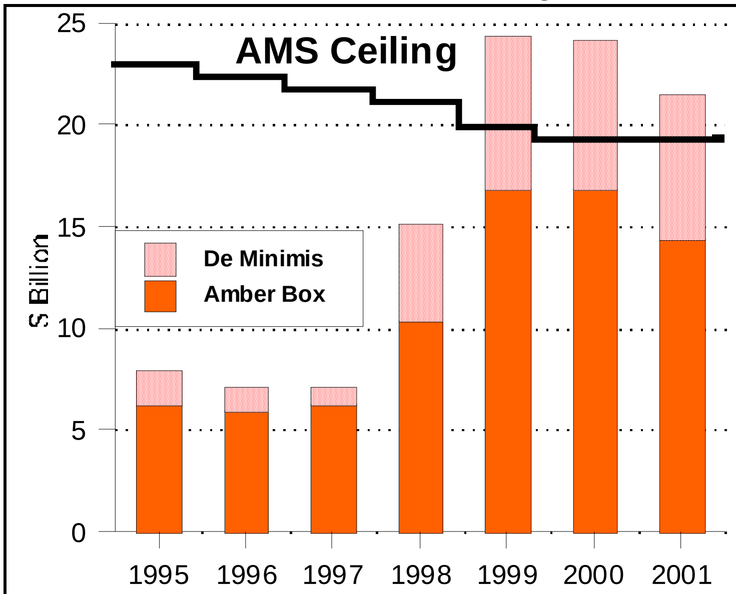
From 1995 through 2001, the United States' annual AMS was below the levels to which it committed under the Agreement on Agriculture (AA), and in most cases comfortably so. However, as mentioned earlier in this report, U.S. domestic support — both for total AMS spending and for amber box outlays — trended higher during the first seven years of the AA (**Figure 9**). This pattern is contrary to the general pattern exhibited by the rest of the WTO membership. The reasons for this, as well as its potential implications, are discussed below.

After declining to $58.3 billion in 1997, total U.S. AMS outlays for all categories (exempt and non-exempt) climbed to over $74 billion in 1999 and remained well-above $70 billion during 2000 and 2001 (**Appendix Tables 10-13**). Green box subsidies, which comprised 76% of total U.S. domestic support during the 1995-2001 period, remained relatively stable at about $50 billion. In contrast, U.S. spending under both the amber box (16% of total) and the *de minimis* exclusion (6%) experienced rapid growth and accounted for nearly all of the surge in AMS outlays that started in 1998.

Although the United States has not yet notified its domestic support spending for 2002 through the present, CRS estimates of U.S. domestic support (based on available USDA budget data[15]) suggest that U.S. amber box outlays are likely to have declined substantially during 2002-2004 from the relatively high level of 1999-2001, before rising once again to approach the U.S. amber box ceiling for 2005 and 2006. The question of how high U.S. domestic support will eventually climb to depends on how the Administration chooses to notify counter-cyclical payments and on the eventual level of commodity market prices.

Amber Box Policies. During the 1995-2000 implementation period, the U.S. amber box ceiling was reduced from $23.9 billion in six equal annual installments to its current ceiling of $19.1 billion (**Figure 10**). Since 2000, the United States has been committed to providing no more than $19.1 billion per year (in total) in amber box support.

Figure 10. U.S. Amber Box Outlays, De Minimis Exemptions, and AMS Commitments Ceiling, 1995-2001



Source: USDA/ERS, WTO database, and recent WTO member notifications.

U.S. programs that are eligible for inclusion in the amber box include the dairy, peanut, and sugar price support programs; "marketing loan" programs for grains and cotton; crop storage payments; irrigation and grazing subsidies; and crop insurance support (see **Appendix Table 10**). Subsidies under the dairy, peanut, and sugar price support programs do not involve a direct payment to producers. Instead, price supports are defined by the WTO as the difference between the higher protected domestic price and the unprotected international market price times annual production.

[15] USDA/FSA reports historical and projected outlays of Commodity Credit Corporation program spending in "Table 35 — CCC Net Outlays by Commodity & Function," available at [http://www.fsa.usda.gov/dam/bud/bud1.htm]. These data do not correspond exactly with WTO notification criteria, but they do provide a rough approximation of WTO-specific domestic support.

In accordance with WTO classification criteria, each AMS outlay is notified by whether it is a product-specific subsidy or a general subsidy. This product-specific versus non-product-specific distinction for AMS outlays has proven crucial to the United States' ability to meet its AMS spending limits. During 1995-2001, non-exempt U.S. product-specific support averaged $11.1 billion per year, all of which has counted against the amber box ceiling. In contrast, non-product-specific support (which averaged $4.2 billion per year) was exempted from AMS limits every year under the *de minimis* exclusion.

As mentioned earlier, the distribution of U.S. domestic support subsidies has shown an increasing trend. In the first four years of the WTO, 1995-1998, annual amber box outlays by the United States averaged $7.2 billion, while *de minimis* exemptions averaged $2.1 billion. Blue box payments of $7 billion were for a single year, 1995. During the most recent three notification years, 1999-2001, average amber box and *de minimis* outlays had jumped to $16 billion and $7.3 billion per year, respectively. The surge in domestic support under these two AMS categories was due to a combination of weak U.S. and international commodity market prices and poor growing conditions in certain regions of the United States during the 1999-2001 period. Low commodity prices resulted in large amber box payments under commodity marketing loan provisions — both loan defeiciency payments (LDP) and marketing loan gains[16] — of U.S. farm programs (see **Appendix Table 10**), while crop failures generated large disaster relief payments that were classified as non-commodity-specific outlays and thus were exempted under the *de minimis* exclusion.

In addition, the United States made large *ad hoc* farm payments — referred to as crop market loss payments — during the 1998-2001 marketing years. These payments were intended to partially offset the economic loss of unexpectedly low market prices and, as such, were notified as eligible for the amber box. They included nearly $3.8 billion of commodity-specific payments and another $18.4 billion of non-commodity specific payments. The latter non-commodity specific market loss payments were entirely exempted under the *de minimis* exclusion.

De Minimis Exemptions. To highlight the importance of non-commodity specific exemptions, total annual U.S. *de minimis* exclusions have been appended to amber box payments and compared against the amber box ceiling (**Figure 10**).

In 1998, U.S. *de minimis* exemptions (product-specific and non-product-specific combined) were $4.8 billion. This jumped to over $7 billion per year during 1999-2001. Non-product-specific crop market loss payments accounted for 71% of U.S. *de minimis* exemptions during those same three years, while crop insurance costs (also declared as non-product specific) accounted for another 21%. If *de minimis* exemptions were added to amber box outlays for 1999-2001, the United States clearly would exceed its $19.1 billion amber box ceiling. As a result, without a significant shift in market conditions and U.S. program subsidies, any future reduction in *de minimis* exemption levels negotiated under the WTO could result in a constraint on U.S. domestic policy intervention.

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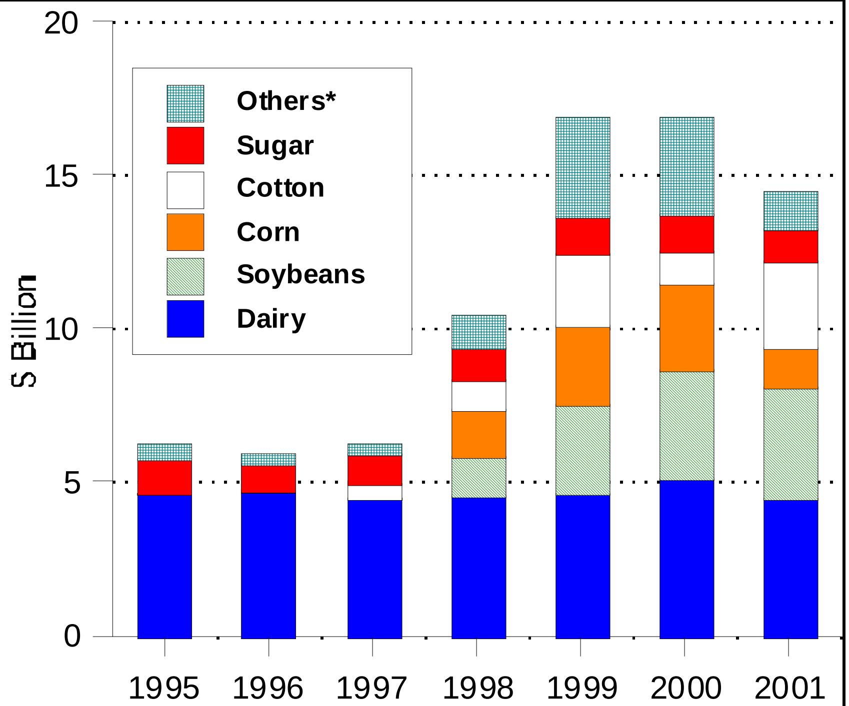
[16] For more information on these program provisions, see CRS Report RS21604, *Marketing Loans, Loan Deficiency Payments, and Commodity Certificates*.

Figure 11. U.S. AMS Outlays by Commodity, 1995-2001



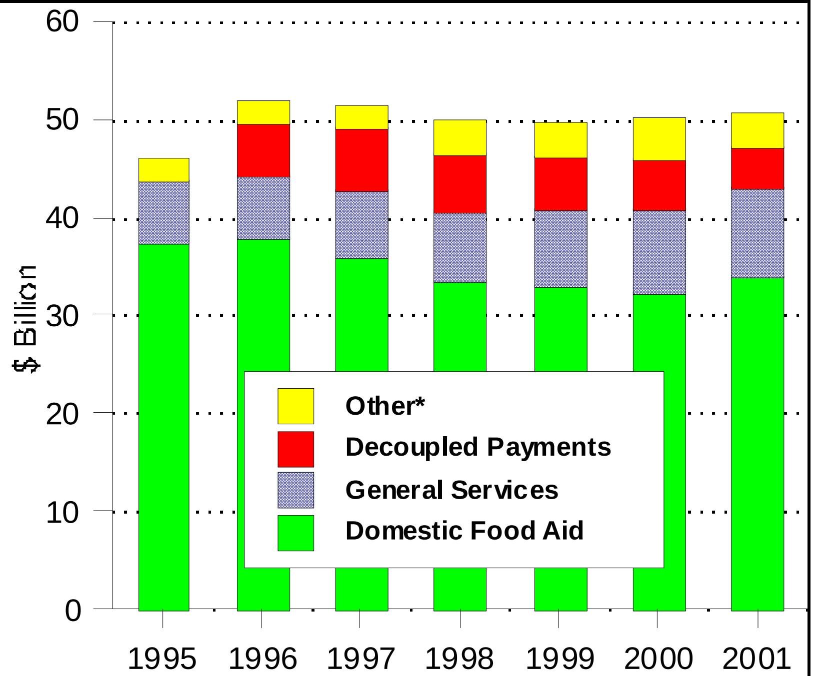
Source: USDA/ERS, WTO database, and recent U.S. notifications.
*Includes peanuts, wheat, rice, tobacco, other coarse grains, minor oilseeds, apples, wool, honey, sheep and lambs, cranberries, mohair, apricots, etc.

AMS Spending by Commodity. In terms of commodity-specific domestic support, thirteen commodity groupings received 99% of U.S. domestic subsidies paid out during 1995-2001. However, the actual spending is concentrated among the top five most highly subsidized commodity groups — dairy, soybeans, corn, cotton, and sugar — which have accounted for 87% of total AMS outlays during the same period (see **Appendix Table 12** and **Figure 11**).

Dairy price supports were the largest single category of annual U.S. amber box spending accounting for 42% or $4.5 billion per year. Soybeans and corn — the two largest crops produced in the United States in terms of both area and volume[17] — ranked second and third as AMS recipients, respectively, with average annual subsidy payments of $1.6 billion and $1.2 billion, and total AMS shares of 15% and 11%. Both soybean and corn subsidies are predominantly from payments made under special marketing loan provisions that include loan deficiency payments (LDPs) and marketing loan gains. Cotton and sugar subsidies each averaged about $1.1 billion per year with 10% shares, respectively, of annual AMS outlays. Sugar subsidies are derived entirely from the U.S.-international price wedge, while cotton subsidies originated from several programs including marketing loan provision payments, the Step-2 user marketing payments, and *ad hoc* market loss payments. Subsidies to peanuts, wheat, rice, and tobacco comprise most of the "Other" category.

[17] For comparisons of crop values, see USDA, ERS, "Farm Income and Costs: Farm Sector Income," at [http://www.ers.usda.gov/Briefing/FarmIncome/ nationalestimates.htm].

Figure 12. U.S. Green Box Outlays by Major Category, 1995-2001



Source: USDA/ERS, WTO database, and recent U.S. notifications.
*Includes natural disaster relief, resource retirement programs, and environmental payments.

The July 2004 "Framework Agreement" of the current Doha Round of WTO trade negotiations includes a proposal for spending caps on product-specific AMS.[18] Although the details of such a product-specific AMS cap are yet to be worked out and agreed upon, the framework proposal suggests that growth in such spending could be unavailable or highly restricted under a new trade agreement.

Green Box Exemptions. During 1995-2001, U.S. green box exemptions averaged nearly $50 billion per year and accounted for 43% of total WTO member green box outlays (**Appendix Table 13** and **Figure 12**). During the Uruguay Round, WTO trade negotiators deemed green box programs to be more virtuous (i.e., cause less market distortion) than amber box programs. As a result, subsidies that qualify for the green box may be used without any spending limitation.

The most prominent example of U.S. green box policies is the WTO category of domestic food aid, which includes food stamps, the women, infants, and children (WIC) program, and various child nutrition programs. U.S. exempt subsidies under the domestic food aid category averaged $34.9 billion during 1995-2001 and accounted for 70% of total U.S. green box outlays. General services, which includes administrative costs for various USDA agencies at both the national and state level (including such activities as meat, grain, and produce inspection, grading, and marketing activities, etc.) averaged $7.5 billion per year and a 15% share of U.S. green box outlays. Decoupled payments averaged $4.5 billion per year and a 9%

[18] For more information, see CRS Report RS21905, *Agriculture in the WTO Doha Round: The Framework Agreement and Next Steps.*

share. Finally, various other programs including the Conservation Reserve Program, crop disaster payments, and diverse environmental payments averaged $3 billion per year and a 6% share.

During the 1995-2001 period, decoupled payments consisted primarily of Production Flexibility Contract (PFC) payments made under the Agricultural Market Transition Act (AMTA; Title I of the 1996 farm law). Under this law, those who formerly were enrolled in the annual USDA crop price and income support programs for grains and cotton, and who signed contracts, received a fixed but declining annual payment, totaling $36 billion over the seven-year term of the law (1996-2002). The level of each recipient's annual subsidy — known variously as a "Freedom to Farm," "transition," "PFC," or "contract" payment — initially was determined by a farm's past level of production of these particular crops, but these payments bore no relation to current production patterns. As a result, PFC payments were eligible to be placed in the green box because they were "decoupled," according to U.S. officials.

In the 2002 Farm Act, PFC payments were replaced by a similar direct payment (DP) based on historical area and yields. Although, the new DP payments have not yet been notified, it is expected that the Administration will continue to classify them as "decoupled" and, therefore, exempt them under the green box. However, this classification has been brought into question by a March 2, 2005, appellate ruling in a WTO dispute settlement case (DS267) brought by Brazil against the U.S. cotton program.[19] A WTO dispute settlement panel found that U.S. direct payments do not qualify for WTO green box exemption from AMS reduction commitments as fully decoupled income support because of a prohibition on the planting of fruits, vegetables, and wild rice on covered program acreage. However, the panel did not specifically reclassify U.S. PFC or DP payments as amber box, nor did the panel recommend that the United States should notify such future payments as amber box.

Blue Box Exemptions. Since U.S. target-price deficiency payments were ended in the 1996 Farm Act, the United States has not notified any other domestic support subsidies in the blue box. However, the 2002 Farm Act included a new program provision — counter-cyclical payments (CCP) — which could potentially fall into the blue box exemption category.

Under the CCP program, a target price was established for each unit (i.e., bushel, pound, or hundredweight) of grains, cotton, and oilseeds. CCP payments occur when the national average market price falls below the target price (after adjusting for per unit direct payments), with the CCP payment making up the difference between the adjusted target price and the market price. Thus, CCP payments tend to rise when market prices decline, and to decrease as market prices rise. As with the fixed direct payments, each eligible producer's CCP is based on an historical, not current, period of production. In other words, unlike the old target price program (in place before the 1996 farm bill), the new payments are "decoupled" from current output because the producer does not have to produce any particular crop to receive the payment.

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[19] See CRS Report RL32571, *U.S.-Brazil WTO Cotton Subsidy Dispute*.

Because CCP payments did not start until 2002, the United States has yet to notify them to the WTO. However, under the current Doha Round of WTO trade negotiations the United States has been negotiating to have blue box criteria be redefined to include CCP payments.[20] Some other WTO members have argued that, because CCP payments are directly tied to market prices and no acreage limitations are required, they should be notified in the amber box. Further, it is also unknown whether such payments would be considered non-commodity specific (on the argument that producers do not have to plant a particular crop in the year a payment might be triggered), or commodity-specific (on the argument that they are, in fact, based on the production of a specific crop, even if it was in the past).

If CCP payments ultimately are counted toward the $19.1 billion AMS limit, it is unclear whether this would force cuts in other program spending to keep the U.S. within the AMS spending ceiling. Future market prices are difficult to predict, in turn making future subsidy levels uncertain.

WTO "Circuit Breaker"

The 2002 farm act (P.L. 107-171) contains a provision [Sec. 1601(e)(1)] in the commodity title (Title I) aimed at ensuring that future farm program benefits do not exceed the United States' annual WTO limit. This has been termed informally as the "circuit breaker." More specifically, if USDA determines that total spending for commodity support will exceed the limit in any year, the Secretary shall, to the maximum extent practicable, make program adjustments to ensure that such expenditures do not exceed such allowable limits. Despite the high levels of support since 1998, the United States so far has remained within its prescribed WTO annual support limits and, therefore, use of the WTO circuit breaker has never been tested.

Critics have questioned the feasibility of implementing the "circuit breaker." Besides the political difficulties of proposing farm program cutbacks, USDA would face administrative problems. As already noted, projections of both private market conditions and government farm spending are notoriously imprecise. That is one reason the USDA analysts who prepare the WTO notifications must wait until after the end of the marketing year, when all spending and program details become available. More time, typically, is needed to review and calculate expenditures, and organize them into WTO formats and categories.

If such calculations were made in advance and USDA found that farm support might exceed the allowable AMS, would it have to withhold from farmers some or all of the year's expected subsidy? Which commodities and/or supports would be affected — some of them, or would USDA make an across-the-board reduction? How would that affect farmers' planting decisions and their access to loans? What if USDA wrongly predicted that spending would not exceed the allowable AMS, but it ultimately did? Defenders of the provision counter that the provision would not be as complicated as critics contend, suggesting that relatively modest adjustments in programs and payment levels could be made easily on an as-needed basis.

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[20] WTO, *WTO Agricultural Negotiations: The Issues, and Where We Are Now*, Dec.1, 2004, p. 57; at [http://www.wto.org/english/tratop_e/agric_e/negs_bkgrnd00_contents_e.htm].

Issues Surrounding Domestic Support Commitments

Foreign competitors are closely monitoring U.S. actions. Some have raised concerns about increased U.S. farm spending in light of the current WTO negotiations to further reform agricultural trade, which were initiated in March 2000 and are now continuing under the more comprehensive multilateral trade negotiations launched at Doha, Qatar, in November 2001.[21]

Defenders of current U.S. farm policy point out that the EU-15, a chief U.S. export competitor, continues to spend far more than the United States on domestic farm aid under current WTO disciplines. They argue that as long as the EU-15 (which nonetheless is still within its permitted annual subsidy limits) and other foreign countries heavily subsidize their farmers, a "free world market" in agriculture is illusory, and U.S. farm aid should not be singled out for criticism or unilateral reductions.

World trade obligations are a factor as Congress begins to consider the issues relevant to new farm legislation. Most commodity price and income support provisions are due to expire in 2007.[22] Because of the interrelationships between trade and domestic support policies, lawmakers are interested in what the current WTO trade commitments stipulate with regard to domestic supports, and how the various proposals being considered under the current Doha Round of trade negotiations might further affect U.S. commitments in the future.

Related CRS Reports

CRS Report RS20840, *Agriculture in the WTO: Limits on Domestic Spending*.

CRS Report RS20858, *Agricultural Export Subsidies, Export Credit, and the World Trade Organization*.

CRS Report RS21569, *Geographical Indications and WTO Negotiations*.

CRS Report RS21905, *Agriculture in the WTO Doha Round: The Framework Agreement and Next Steps*.

CRS Report RS20088, *Dispute Settlement in the World Trade Organization*.

CRS Report RL32645, *The Doha Development Agenda: The WTO Framework Agreement*.

CRS Report RL32916, *Agriculture in the WTO: Policy Commitments Under the Agreement on Agriculture*.

CRS Report RL32571, *U.S.-Brazil WTO Cotton Subsidy Dispute*.

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[21] For a summary of current agricultural negotiating positions in the Doha Round by WTO members see CRS Report, *Agriculture in the WTO Doha Round: The Framework Agreement and Next Steps*; and WTO, *Agriculture: Work in the WTO*, "The Current Negotiations" at [http://www.wto.org/english/tratop_e/agric_e/negoti_e.htm].

[22] See CRS Report RS22131, *Agriculture: Previewing a Farm Bill*.

Appendix Tables

Note on Exchange Rates

The following data tables have been produced from various summary reports produced by the WTO Committee on Agriculture (see individual appendix table source notes) and from WTO member notifications.

To facilitate cross-country comparisons of available WTO member notifications, all data in the appendix tables have been converted to U.S. dollars by CRS using exchange rate data for each year from the notifications when available, and from the International Monetary Fund when not. As a result, readers should be aware of the potential role that exchange rate fluctuations have when reviewing these data tables.

WTO member countries are free to choose the currency in which they notify their domestic support subsidies. The notification usually includes exchange rate data for conversion to U.S. dollars for the period in question. However, because the AMS calculation for a given notification year may involve the summation of commodity subsidies for different 12-month periods, there is some flexibility in how exchange rates may be reported or applied to the notification data.

An obvious exchange-rate influence is as follows. Because member countries initially agreed to freeze their AMS at base levels, then reduce it gradually during an implementation period, the cumulative AMS should show a steady decline from 1995 through 2004, after which it stabilizes at its lowest point. However, fluctuations in the exchange rate between the U.S. dollar and foreign currencies — particularly a weakening of the U.S. dollar from 2001 through the present — have resulted in substantial variability and a slight rise in the aggregate AMS when reported in U.S. dollars (see **Appendix Tables 3 and 4**).

Appendix Table 1. WTO Domestic Support (DS) Notification Requirements

Table Label	Table Contents	Who Must Notify	Frequency	
			Annual	Other
		(See notes below for details)		
Table DS:1	Current total Aggregate Measure of Support	a	b	
Supporting Table DS:1	Green Box Outlays (e)	a	b	
Supporting Table DS:2	Special and Differential Treatment (SDT) Measures (e)	a	b	
Supporting Table DS:3	Direct Payments Under Production-Limiting Programs (Blue Box) (e)	a	b	
Supporting Table DS:4	Calculation of the Current Total AMS (f)	a	b	
Supporting Table DS:5	Product-Specific AMS: Market Price Support	a	b	
Supporting Table DS:6	Product-Specific AMS: Non-Exempt Direct Payment	a	b	
Supporting Table DS:7	Other Product-Specific AMS and Total Product-Specific AMS (f)	a	b	
Supporting Table DS:8	Product-Specific Equivalent Measurements of Support	a	b	
Supporting Table DS:9	Non-Product-Specific AMS (f)	a	b	
Table DS:2	New or Modified Domestic Support Measures Exempt from Reductions	c		d

Source: WTO, "Notification Requirements and Formats," G/AG/2, June 30, 1995; available at [http://docsonline.wto.org/]. Under the Agreement on Agriculture the notification requirement for domestic support is under Articles 18.2 and 18.3.

Notes:

a. All WTO members (except least-developed countries) must notify annually. For Members with no base and annual commitment levels as shown in Section I of Part IV of their Schedule, the WTO Committee on Agriculture may, at the request of a developing country member, set aside this requirement for Supporting Tables DS:4 to DS:9. Least-developed members should submit Supporting Tables DS:1 to DS:3 every two years. Where no support exists, a statement to this effect should be made.

b. To be submitted no later than 120 days after the year in question.

c. All WTO members with base and annual commitment levels as shown in Section I of Part IV of their Schedule.

d. No specific timetable is given for notification of Table DS:2.

e. Measures exempt from reduction commitment.

f. There are no specific instructions or guidelines included in the DS Supporting Tables regarding the calculation of *de minimis* support levels. Product-specific *de minimis* are usually reported in Supporting Table DS:4 or Supporting Table DS:7. Non-production-specific *de minimis* is normally reported in Supporting Table DS:9.

Appendix Table 2. Submission Status of Domestic Support Notifications by WTO Members, 1995-2004

#	Country	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1	Argentina	1	1	1	1	1	1	—	—	—	—
2	Australia	1	1	1	1	1	1	1	1	1	—
3	Brazil	1	1	1	1	1	1	1	1	1	—
4	Bulgaria	n.m.	n.m.	1	1	1	1	1	—	—	—
5	Canada	1	1	1	1	1	1	—	—	—	—
6	Colombia	1	1	1	1	1	1	1	1	1	—
7	Costa Rica	1	1	1	1	1	—	—	—	—	—
8	Croatia	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	—	—	—	—
9	Cyprus	1	1	1	1	1	1	1	1	1	—
10	Czech Rep.	1	1	1	1	1	1	1	1	—	—
11	Eur. Union-15	1	1	1	1	1	1	1	—	—	—
12	F.Y.R.Macedonia	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	1	—
13	Hungary	1	1	1	1	1	1	1	1	—	—
14	Iceland	1	1	1	1	1	1	—	—	—	—
15	Israel	1	1	1	1	1	1	1	1	—	—
16	Japan	1	1	1	1	1	1	1	1	—	—
17	Jordan	n.m.	n.m.	n.m.	n.m.	n.m.	1	1	1	—	—
18	Korea, Rep.	1	1	1	1	1	1	—	—	—	—
19	Lithuania	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	—	—	—	—
20	Mexico	1	1	1	1	—	—	—	—	—	—
21	Moldova	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	—	—	—	—
22	Morocco	1	1	1	1	1	1	1	1	—	—
23	New Zealand	1	1	1	1	1	1	1	1	1	—
24	Norway	1	1	1	1	1	1	1	—	—	—
25	Papua N.Guinea	n.m.	—	—	—	—	—	—	—	—	—
26	Poland	1	1	1	1	1	1	1	1	—	—
27	Slovak Rep.	1	1	1	1	1	1	1	1	1	—
28	Slovenia	1	1	1	1	1	1	1	1	1	—
29	South Africa	1	1	1	1	1	1	1	1	—	—
30	Switz.-Liecht.	1	1	1	1	—	—	—	—	—	—
31	Chinese Taipei	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	—	—	—
32	Thailand	1	1	1	1	1	1	1	—	—	—
33	Tunisia	1	1	1	1	1	1	1	—	—	—
34	United States	1	1	1	1	1	1	1	—	—	—
35	Venezuela	1	1	1	1	—	—	—	—	—	—
Notifications received		27	27	28	28	25	25	21	15	8	0
Share of Potential (%)		100%	96%	97%	97%	86%	83%	64%	44%	23%	0%
Members with AMS commitments		27	28	29	29	29	30	33	34	35	35

Source: WTO documents, TN/AG/S/13, Jan. 27, 2005; TN/AG/S/4, Mar. 20, 2002; and member notifications received through June 1, 2005; available at [http://docsonline.wto.org/].

Notes:
'1' signifies that a notification has been received by the WTO Committee on Agriculture.
'n.m.' implies that a country was not yet a member in that particular year.
' — ' signifies that a notification is overdue or, in the case of 2004, may not yet be due.

Appendix Table 3. Amber Box Annual Spending Ceiling, by WTO Member (Ranked by 2004 Bound Level), 1995-2004

#	Country	FIY[a]	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
							U.S. $Billion					
Total AMS Permitted			**208.5**	**188.8**	**172.3**	**161.6**	**154.1**	**141.8**	**137.2**	**148.5**	**162.1**	**167.3**
1	Eur. Union-15	2000	101.3	91.7	83.5	78.4	69.1	59.8	60.1	70.1	80.0	83.3
2	Japan	2000	49.8	41.2	36.4	33.6	37.1	35.9	31.8	32.6	35.1	36.3
3	U.S.A.	2000	23.1	22.3	21.5	20.7	19.9	19.1	19.1	19.1	19.1	19.1
4	Mexico	2004	9.5	9.4	9.2	9.1	9.0	8.8	8.7	8.6	8.5	8.3
5	Canada	2000	3.8	3.7	3.4	3.1	3.0	2.8	2.7	2.9	3.2	3.4
6	Switz.-Liecht.	2000	4.3	4.0	3.3	3.2	2.9	2.5	2.5	2.7	3.2	3.4
7	Poland	2000	4.0	3.9	3.7	3.6	3.5	3.3	3.3	3.3	3.3	3.3
8	Norway	2000	2.2	2.1	1.8	1.6	1.5	1.3	1.3	1.4	1.6	1.7
9	Korea, Rep	2004	2.8	2.6	2.1	1.4	1.6	1.6	1.3	1.3	1.3	1.3
10	Venezuela	2004	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.2	1.1	1.1
11	Brazil	2004	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9	0.9	0.9
12	Bulgaria	2001	n.m.	0.7	0.7	0.6	0.6	0.5	0.5	0.5	0.6	0.6
13	Israel	2004	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
14	Czech Rep.	2000	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.4	0.5	0.5
15	Thailand	2004	0.9	0.8	0.5	0.5	0.5	0.5	0.4	0.5	0.5	0.5
16	Chinese Taipei	2000[b]	n.m.	n.m.	n.m.	n.m.	n.m.	0.5	0.4	0.4	0.4	0.4
17	Colombia	2004	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3
18	Australia	2000	0.4	0.4	0.4	0.3	0.3	0.3	0.2	0.3	0.3	0.3
19	Slovak Rep.	2000	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.3	0.3
20	South Africa	2000	0.7	0.5	0.5	0.4	0.3	0.3	0.2	0.2	0.3	0.3
21	Iceland	2000	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
22	New Zealand	2000	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.2
23	Hungary	2000	0.3	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.2	0.2
24	Cyprus	2004	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
25	Lithuania	2005	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	0.1	0.1	0.1	0.1
26	Morocco	2004	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
27	Slovenia	2000	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
28	Tunisia	2004	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0
29	Papua N.Guinea	2004	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	Argentina	2004	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0
31	FYR Macedonia	2003	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	0.0	0.0
32	Moldova	2004	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	0.0	0.0	0.0	0.0
33	Costa Rica	2004	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
34	Jordan	2006	n.m.	n.m.	n.m.	n.m.	n.m.	0.0	0.0	0.0	0.0	0.0
35	Croatia	2004	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	0.0	0.0	0.0	0.0

Source: WTO documents, TN/AG/S/13, January 27, 2005, and TN/AG/S/4, March 20, 2002.

[a]Final implementation year. In general, developed countries had a six-year implementation period (1995-2001) and developing countries had a nine-year implementation period (1995-2004). Members that joined after January 1, 1995, negotiated their implementation period in their country schedule.

[b]Chinese Taipei joined the WTO on Jan. 1, 2002; however, accession negotiations were completed prior to its accession. (For political reasons, Chinese Taipei could not accede to the WTO before Mainland China.) During its accession negotiations, Chinese Taipei committed to complete the phase-downs of its total AMS by 2000.

Notes:
Members generally notify in their local currency units (LCU). The conversion of AMS spending bounds to U.S. $billion was done by CRS for each individual year using official WTO data on member

AMS and exchange rate data from the International Monetary Fund, and do not represent official WTO data.

In LCUs, the AMS spending bounds decline overtime for individual countries and for the aggregate membership. However, exchange rate fluctuations, particularly the weakness of the U.S. dollar relative to most other currencies since 2001, have resulted in a rising AMS spending limit for the aggregate total as well as for many individual countries, most notably the EU-15 and Japan.

‘n.m.’ implies that a country was not yet a member in that particular year.

Data are rounded to nearest billion, thus, a zero value implies that the AMS bound was less than U.S. $0.5 billion.

Appendix Table 4. Amber Box Spending as Notified by WTO Members (Ranked by Annual Average), 1995-2004

#	Country	Avg[a]	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
						U.S. $Billion						
Total (Notified)		**86.4**	**119.2**	**107.5**	**99.0**	**77.0**	**76.7**	**67.7**	**58.4**	**7.7**	**0.3**	**0.0**
1	Eur. Union-15	50.7	64.4	61.3	56.6	51.0	47.6	38.9	35.2	—	—	—
2	Japan	16.6	36.4	29.6	25.8	6.0	6.7	6.4	5.3	6.0	—	—
3	United States	11.0	6.2	5.9	6.2	10.4	16.9	16.8	14.4	—	—	—
4	Switz.-Liecht.	2.8	3.6	3.0	2.4	2.3	—	—	—	—	—	—
5	Korea, Rep.	1.8	2.7	2.4	2.0	1.1	1.3	1.5	—	—	—	—
6	Norway	1.4	1.5	1.6	1.5	1.4	1.4	1.2	1.2	—	—	—
7	Mexico	0.8	0.5	0.3	1.1	1.3	—	—	—	—	—	—
8	Canada	0.5	0.6	0.5	0.4	0.5	0.6	0.6	—	—	—	—
9	Thailand	0.5	0.6	0.5	0.4	0.4	0.5	0.5	0.4	—	—	—
10	Israel	0.4	0.5	0.5	0.5	0.4	0.3	0.3	0.3	0.2	—	—
11	Venezuela	0.4	0.5	0.3	0.5	0.2	—	—	—	—	—	—
12	Poland	0.3	0.3	0.2	0.3	0.3	0.2	0.3	0.5	0.4	—	—
13	Hungary	0.3	0.0	0.1	0.1	0.5	0.3	0.4	0.6	0.7	—	—
14	South Africa	0.2	0.5	0.5	0.5	0.1	0.1	0.1	0.0	0.0	—	—
15	Slovak Rep.	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.1	—
16	Iceland	0.2	0.2	0.2	0.1	0.3	0.2	0.2	—	—	—	—
17	Australia	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.2	0.1	0.1	—
18	Argentina	0.1	0.1	0.1	0.1	0.1	0.1	0.1	—	—	—	—
19	Czech Rep.	0.1	0.0	0.1	0.0	0.0	0.1	0.1	0.1	0.1	—	—
20	Slovenia	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	—
21	Cyprus	0.1	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.1	0.1	—
22	Tunisia	0.0	0.1	0.1	0.0	0.1	0.0	0.0	0.0	—	—	—
23	Brazil	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	—
24	Colombia	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	—
25	Morocco	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	—	—
26	Bulgaria	0.0	n.m.	n.m.	0.0	0.0	0.0	0.0	0.0	—	—	—
27	Costa Rica	0.0	0.0	0.0	0.0	0.0	0.0	—	—	—	—	—
28	New Zealand	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	—
29	Papua N.Guinea	0.0	n.m.	—	—	—	—	—	—	—	—	—
30	Croatia	0.0	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	—	—	—	—
31	FYR Macedonia	0.0	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	0.0	—
32	Jordan	0.0	n.m.	n.m.	n.m.	n.m.	n.m.	0.0	0.0	0.0	—	—
33	Lithuania	0.0	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	—	—	—	—
34	Moldova	0.0	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	—	—	—	—
35	Chinese Taipei	0.0	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	—	—	—

Source: WTO documents, TN/AG/S/13, January 27, 2005; TN/AG/S/4, March 20, 2002. The table reflects member notifications received through June 1, 2005.

[a]Average for 1995-2001 or available years within that same period.

Notes:

Members generally notify in their local currency. The conversion of AMS outlays to U.S. $billion was done by CRS using official WTO data on member AMS and exchange rate data from the International Monetary Fund, and do not represent official WTO data.

'n.m.' implies that a country was not yet a member in that particular year.

Data are rounded to nearest billion, thus, a zero value implies that the AMS bound was less than U.S. $0.5 billion.

' — ' signifies that a notification is overdue or, in the case of 2004, may not yet be due.

Appendix Table 5. Green Box Exemptions, as Notified by WTO Members (Ranked by Annual Average), 1995-2004

#	Country	Avg[a]	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
						U.S. $Billion						
Total (Notified)		**115.1**	**129.3**	**130.2**	**119.4**	**112.9**	**108.5**	**107.5**	**98.3**	**25.4**	**5.3**	**0.0**
1	United States	49.9	46.0	51.8	51.3	49.8	49.7	50.1	50.7	—	—	—
2	Japan	24.4	32.9	25.0	21.6	23.4	24.1	23.2	20.4	18.7	—	—
3	EU-15	21.4	24.2	26.6	20.5	21.0	19.8	19.5	18.5	—	—	—
4	Korea, Rep.	5.1	5.2	6.4	6.1	3.8	4.6	4.5	—	—	—	—
5	Brazil	2.6	4.9	2.6	3.5	2.4	1.6	1.5	1.5	0.9	0.8	—
6	India	2.5	2.2	2.5	2.9	—	—	—	—	—	—	—
7	Switz.-Liecht.	2.3	2.3	2.4	2.1	2.2	—	—	—	—	—	—
8	Cuba[b]	1.3	0.9	1.1	1.2	1.6	1.2	1.4	1.5	1.8	2.3	
9	Canada	1.2	1.5	1.5	0.9	0.9	1.2	1.5	—	—	—	—
10	Thailand	1.2	1.3	1.6	1.2	1.0	0.9	1.0	1.1	—	—	—
11	Australia	0.8	0.7	0.7	0.9	0.8	0.8	0.7	0.7	1.1	1.4	—
12	Poland	0.6	0.4	0.5	0.9	0.8	0.6	0.6	0.7	0.7	—	—
13	Venezuela	0.6	0.5	0.6	0.6	0.6	—	—	—	—	—	—
14	Mexico	0.6	0.8	0.6	0.6	0.5	—	—	—	—	—	—
15	Norway	0.6	0.6	0.6	0.5	0.5	0.5	0.6	0.5	—	—	—
16	South Africa	0.5	0.8	0.5	0.5	0.5	0.4	0.4	0.3	0.4	—	—
17	Pakistan	0.3	0.4	0.4	0.3	0.3	0.2	—	—	—	—	—
18	Israel	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.4	0.3	—	—
19	Romania	0.3	0.8	0.6	0.2	0.1	0.1	0.1	0.1	0.1	—	—
20	Morocco	0.3	0.2	0.4	0.3	0.3	0.3	0.3	0.3	0.2	—	—
21	Argentina	0.3	0.1	0.2	0.4	0.3	0.3	0.3	—	—	—	—
22	Philippines	0.3	0.1	0.3	0.4	0.2	0.2	0.3	0.3	—	—	—
23	Colombia	0.2	0.3	0.6	0.4	0.2	0.1	0..0	0.1	0.1	0.0	—
24	Malaysia	0.2	0.2	0.3	0.2	0.1	—	—	—	—	—	—
25	Czech Rep.	0.2	0.1	0.2	0.1	0.2	0.2	0.2	0.2	0.2	—	—
26	Indonesia	0.2	0.2	0.2	0.2	0.1	0.2	0.1	—	—	—	—
27	Chile	0.1	0.2	0.2	0.2	0.1	0.1	0.2	0.1	0.1	—	—
28	Cyprus	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.2	0.2	0.2	—
29	Peru	0.1	0.1	0.2	—	—	—	—	—	—	—	—
30	Hungary	0.1	0.1	0.2	0.1	0.2	0.1	0.1	0.2	0.2	—	—
	Rest of World[c]	0.7	0.8	0.8	0.7	0.6	0.7	0.7	0.7	0.5	0.5	—

Source: USDA, Economic Research Service (ERS) WTO database, available at [http://www.ers.usda.gov/db/wto/]; and WTO member notifications through June 1, 2005.

[a]Average for 1995-2001 or available years within that same period.
[b]Cuba's exchange rate is set at parity with the U.S. dollar in what is an apparent over-valuation.
[c]Includes green box spending notifications during 1995-2001 from an additional 40 WTO members as of February 2005.

Notes:
Members generally notify in their local currency. The conversion of green box exemptions to U.S. $billion was done by CRS using official WTO data on member AMS and exchange rate data from the International Monetary Fund, and do not represent official WTO data.
'n.m.' implies that a country was not yet a member in that particular year.
Data are rounded to nearest billion, thus, a zero value implies that the AMS limit was less than U.S. $0.5 billion.
' — ' signifies that a notification is overdue or, in the case of 2004, may not yet be due.

Appendix Table 6. De Minimis Exemptions as Notified by WTO Members (Ranked by Annual Average), 1995-2004

#	Country	Ave[a]	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
						U.S. $Billion						
Total (Notified) [b]		**9.25**	**11.29**	**6.20**	**5.98**	**8.59**	**11.57**	**11.45**	**9.68**	**1.59**	**1.33**	**—**
1	United States	4.29	1.49	1.18	0.81	4.75	7.43	7.34	7.05	—	—	—
2	India	2.63	5.96	0.93	1.00	—	—	—	—	—	—	—
3	Canada	0.81	0.92	0.83	0.67	0.73	0.74	0.95	—	—	—	—
4	Brazil	0.66	0.30	0.36	0.31	0.41	1.25	1.05	0.98	1.02	1.32	—
5	EU-15	0.65	1.06	0.91	0.61	0.41	0.31	0.50	0.77	—	—	—
6	Korea, Rep.	0.49	0.37	0.43	0.69	0.56	0.41	0.46	—	—	—	—
7	Japan	0.35	0.38	0.33	0.29	0.59	0.29	0.29	0.26	0.36	—	—
8	Turkey	0.30	0.04	0.29	0.47	0.59	0.40	0.21	0.06	—	—	—
9	Peru	0.25	0.22	0.25	0.28	—	—	—	—	—	—	—
10	Romania	0.18	0.00	0.00	0.32	0.33	0.16	0.26	0.22	0.07	—	—
11	Hungary	0.13	0.17	0.23	0.22	0.04	0.24	0.00	0.01	0.05	—	—
12	Israel	0.12	0.21	0.18	0.14	0.09	0.09	0.07	0.08	0.03	—	—
13	South Africa	0.06	0.17	0.20	0.07	0.01	0.00	0.00	0.00	0.00	—	—
14	Philippines	0.05	0.01	0.04	0.02	0.03	0.09	0.10	0.06	—	—	—
15	Thailand	0.03	0.00	0.00	0.00	0.00	0.03	0.10	0.07	—	—	—
16	Jordan	0.03	n.m.	n.m.	n.m.	n.m.	n.m.	0.03	0.02	0.02	—	—
17	Bulgaria	0.02	n.m.	n.m.	0.03	0.01	0.03	0.02	0.01	—	—	—
18	Latvia	0.02	n.m.	n.m.	n.m.	n.m.	0.01	0.02	0.02	—	—	—
19	Chile	0.01	0.00	0.00	0.02	0.02	0.03	0.00	0.04	0.03	—	—
20	Uruguay	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	—	—	—
21	Tunisia	0.01	0.00	0.00	0.01	0.01	0.01	0.02	0.01	—	—	—
22	Australia	0.01	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.01	—	—
23	Pakistan	0.01	0.01	0.02	0.00	0.00	0.00	—	—	—	—	—
24	Cyprus	0.00	0.00	0.01	0.00	0.01	0.01	0.01	0.01	0.01	—	—
25	Poland	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	—	—
	Rest of World[c]	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Source: WTO document TN/AG/S/16, Feb. 1, 2005; and member notifications through June 1, 2005.

[a]Average for 1995-2001 or available years within that same period.
[b]For WTO members with no scheduled AMS reduction commitments, domestic support notified in Supporting Tables DS:4 to DS:9 must be maintained within the relevant product-specific and non-production-specific *de minimis* levels.
[c]Includes notifications with *de minimis* exemptions for at least one year during 1995-2001, from an additional 40 WTO members as of February 2005.

Notes:
Members generally notify in their local currency. The conversion of *de minimis* exemptions to U.S. $billion was done by CRS using official WTO data on member AMS and exchange rate data from the International Monetary Fund, and do not represent official WTO data.
'n.m.' implies that a country was not yet a member in that particular year.
Data are rounded to nearest billion, thus, a zero value implies that the AMS bound was less than U.S. $0.5 billion.
' — ' signifies that a notification is overdue or, in the case of 2004, may not yet be due.

Appendix Table 7. Blue Box Exemptions as Notified by WTO Members (Ranked by Annual Average), 1995-2004

#	Country	Avg[a]	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
							U.S. $Billion					
	Total (Notified)	24.7	35.0	27.0	24.1	23.5	20.7	20.7	22.1	0.1	0.1	0.0
1	EU-15	22.7	26.9	25.9	23.0	22.4	19.7	19.8	21.2	—	—	—
2	United States	1.0	7.0	0.0	0.0	0.0	0.0	0.0	0.0	—	—	—
3	Norway	1.0	1.1	1.1	1.0	1.0	1.0	0.9	0.8	—	—	—
4	Estonia	0.0	n.m.	n.m.	n.m.	n.m.	n.m.	0.0	0.0	0.0	—	—
5	Slovenia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	—
6	Iceland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	—	—	—	—
7	Czech Rep.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	—	—
8	Slovak Rep.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	—
9	Japan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	—	—

Source: WTO document TN/AG/S/14, January 29, 2005, and member notifications through June 1, 2005.

[a]Average for 1995-2001 or available years within that same period.

Notes:
Members generally notify in their local currency. The conversion of blue box exemptions to U.S. $billion was done by CRS using official WTO data on member AMS and exchange rate data from the International Monetary Fund, and do not represent official WTO data.
'n.m.' implies that a country was not yet a member in that particular year.
Data are rounded to nearest billion, thus, a zero value implies that the AMS bound was less than U.S. $0.5 billion.
' — ' signifies that a notification is overdue or, in the case of 2004, may not yet be due.

Appendix Table 8. Special and Differential Treatment (SDT) Exemptions as Notified by WTO Members (Ranked by Cumulative Total), 1995-2001

#	Country	1995	1996	1997	1998	1999	2000	2001	Cumulative[a]	Share
					U.S. $Million					%
	Total SDT Exemptions	2,473	7,081	6,367	1,062	614	735	805	19,137	100%
1	India	254	4,855	5,171	—	—	—	—	10,280	54%
2	Brazil	359	269	281	373	156	310	84	2,079	11%
3	Thailand	213	479	170	124	83	67	0	1,220	6%
4	Mexico	644	226	199	128	—	—	127	1,197	6%
5	Morocco	148	145	155	150	148	143	78	1,015	5%
6	Turkey	0	679	0	0	0	0	77	679	4%
7	Philippines	244	53	72	47	40	73	61	606	3%
8	Colombia	132	141	76	45	40	58	—	570	3%
9	Venezuela	178	38	63	47	—	—	—	326	2%
10	Tunisia	31	32	30	46	53	46	—	299	2%
11	Korea	26	38	40	30	52	—	—	186	1%
12	Costa Rica	133	15	14	7	1	—	—	170	1%
13	Malaysia	47	36	41	35	—	—	—	159	1%
14	Sri Lanka	27	35	26	—	—	—	—	88	0%
15	Cyprus	3	3	4	8	8	7	16	49	0%
16	Uruguay	5	14	7	8	5	6	3	48	0%
17	Cuba	0	0	0	0	13	18	15	46	0%
18	Chile	4	4	3	3	4	3	9	30	0%
19	Barbados	3	4	1	6	7	1	1	22	0%
20	Namibia	3	2	4	3	3	—	—	15	0%
21	Honduras	1	7	3	0	0	1	2	14	0%
22	Egypt	7	2	2	2	—	—	—	13	0%
23	Paraguay	9	0	0	0	1	1	0	11	0%
24	Bahrain	2	3	2	—	—	—	—	7	0%
25	U.A.E.	—	0	0	0	0	2	2	5	0%
26	Fiji	—	0	2	—	—	—	—	2	0%
	Rest of World	0	0	0	0	0	0	0	0	0%

Source: WTO document TN/AG/S/4, March 20, 2002; and notifications through June 1, 2005.
[a]Cumulative is for 1995-2001 or available years within that same period.

Notes:
Members generally notify in their local currency. The conversion of SDT exemptions to U.S. $billion was done by the WTO using official exchange rate data reported on member notifications.
' — ' signifies that a notification was not yet received at the time that the WTO source report was issued.

Appendix Table 9. Comparison of Total Domestic Support: EU-15, United States, Japan, and Rest-of-World, 1995-2001

Year	EU-15	United States	Japan	Rest of World	Total
			U.S. $ Billion		
Amber box (AMS)					
1995	64.4	6.2	36.8	12.2	119.2
1996	61.3	5.9	29.8	10.8	107.5
1997	56.6	6.2	25.8	10.4	99.0
1998	51.0	10.4	6.0	9.6	77.0
1999	47.6	16.9	6.7	5.4	76.7
2000	38.9	16.8	6.4	5.6	67.7
2001	35.2	14.4	5.3	3.5	58.4
De Minimis					
1995	1.1	1.5	0.4	8.3	11.3
1996	0.9	1.2	0.3	3.8	6.2
1997	0.6	0.8	0.3	4.3	6.0
1998	0.4	4.8	0.6	2.8	8.6
1999	0.3	7.4	0.3	3.5	11.6
2000	0.5	7.3	0.3	3.3	11.4
2001	0.8	7.0	0.3	1.6	9.7
Blue box					
1995	26.8	7.0	0.0	1.1	35.0
1996	25.8	0.0	0.0	1.1	27.0
1997	23.0	0.0	0.0	1.0	24.1
1998	22.4	0.0	0.0	1.0	23.5
1999	19.7	0.0	0.8	1.0	21.5
2000	19.8	0.0	0.8	0.9	21.5
2001	21.2	0.0	0.7	0.9	22.8
Green box					
1995	24.2	46.0	32.9	26.3	129.3
1996	26.6	51.8	25.0	26.8	130.2
1997	20.5	51.3	21.6	26.0	119.4
1998	21.0	49.8	23.4	18.7	112.9
1999	19.8	49.7	24.1	14.8	108.5
2000	19.5	50.1	23.2	14.8	107.5
2001	18.5	50.7	20.4	8.8	98.3
Total					
1995	120.2	60.8	70.4	39.7	291.1
1996	121.2	58.9	55.3	31.4	266.8
1997	99.4	58.3	47.8	34.3	239.8
1998	97.3	65.0	30.4	29.2	221.9
1999	91.7	74.0	31.8	18.7	216.2
2000	80.4	74.2	31.3	16.0	201.9
2001	74.7	72.1	26.7	15.5	189.2

Source: USDA/ERS, WTO database, and WTO member notifications through June 1, 2005. Conversions to U.S. dollars are by CRS and do not represent official WTO data.

Appendix Table 10. U.S. Domestic Support: Amber Box Categories and De Minimis Exemptions, 1995-2001

AMS Policy category (a)		Base 1986-88	1995	1996	1997	1998	1999	2000	2001	Average 1995-01
						$ Million				
1. Market Price Support	**(b)**	**6,956**	**6,213**	**5,919**	**5,816**	**5,776**	**5,921**	**5,840**	**5,826**	**5,902**
Dairy		5409	4,693	4,674	4,455	4,332	4,437	4,377	4,483	4,493
Sugar		1,041	1,108	937	1,045	1,093	1,180	1,133	1,032	1,076
Peanuts		347	412	308	315	350	303	330	311	333
Beef	(c)	158	0	0	0	0	0	0	0	0
2. Non-Exempt Direct Pmts	**(d)**	**12,393**	**88**	**7**	**578**	**4,437**	**10,403**	**10,567**	**8,435**	**4,931**
Loan Def. Payment		56	0	0	3	2,780	6,210	6,273	5,593	2,980
Marketing-Loan Gain		387	0	0	161	1,039	1,685	733	610	604
Certificate-Exch. Gains		0	0	0	0	6	175	619	1,975	396
Cotton Step-2 payments		0	35	6	416	280	446	237	182	229
Other non-exempt pymnts		2,244	88	7	414	613	2,332	2,943	256	951
3. Total Other Support	**(e)**	**1,995**	**10**	**12**	**80**	**338**	**567**	**457**	**367**	**262**
Storage payments		573	4	0	24	78	144	43	62	51
Interest subsidies		1,599	115	78	141	344	443	466	367	279
NE dairy compact benefits		0	0	0	0	28	55	20	0	15
Fees paid by producers		(177)	(109)	(67)	(84)	(112)	(74)	(72)	(62)	(83)
4. Product-Specific Totals (= 1 + 2 + 3)		**21,343**	**6,311**	**5,937**	**6,475**	**10,550**	**16,891**	**16,865**	**14,628**	**11,094**
5. Non-prod-specific support		**901**	**1,543**	**1,113**	**568**	**4,584**	**7,406**	**7,278**	**6,828**	**4,189**
Crop market loss payments		0	0	0	0	2,811	5,468	5,463	4,640	2626
Crop insurance costs		289	906	633	120	747	1,514	1,396	1,770	1,012
Irrg. subsidies-W. States		543	543	381	348	348	316	316	300	365
Other		69	94	99	100	677	108	103	118	186
For Non-Specific "De Minimis" (DM) Calculations										
5% of value of prod.	(f)	7,146	9,505	10,285	10,194	9,544	9,237	9,476	9,925	9,738
6. Total Before Exemptions (= 4 + 5)		**22,245**	**7,855**	**7,051**	**7,042**	**15,134**	**24,297**	**24,143**	**21,456**	**15,283**
7. Exemptions		**1,634**	**(1,642)**	**(1,174)**	**(812)**	**(4,750)**	**(7,435)**	**(7,341)**	**(7,045)**	**(4,314)**
Non-prod-specific DM	(f)	(901)	(1,543)	(1,113)	(568)	(4,584)	(7,406)	(7,278)	(6,828)	(4,189)
Prod-specific DM.	(f)	(692)	(99)	(61)	(244)	(166)	(29)	(63)	(217)	(126)
Credit in base period	(g)	3,228	0	0	0	0	0	0	0	0
8. Total Non-Exempt AMS Outlays (= 6 + 7)		**23,879**	**6,212**	**5,876**	**6,231**	**10,384**	**16,862**	**16,802**	**14,411**	**10,968**
9. AMS Ceiling	**(h)**	**23,879**	**23,083**	**22,287**	**21,491**	**20,695**	**19,899**	**19,103**	**19,103**	**20,809**
10. Unused AMS Ceiling		**—**	**16,869**	**16,390**	**15,253**	**10,303**	**3,037**	**2,301**	**4,690**	**9,835**

Source: USDA/ERS, WTO database at [http://www.ers.usda.gov/briefing/farmpolicy/usnotify.htm] and recent U.S. notifications to the WTO.
(See following page for notes.)

Notes:

a. Categories correspond to those in official domestic support notifications to the WTO, as shown in Supporting Tables DS: 4, 5, 6, 7, and 9. Domestic support is measured by WTO index called the aggregate measurement of support (AMS).

b. Market price support is total eligible production times the difference between the current administered price and the fixed, 1986-1988 world reference price.

c. The United States also notified the value of beef purchases made to offset the effect of the dairy herd buy-out program. No fixed world reference price was used.

d. See Table 3 for details on non-exempt direct payments. Support in the 1986-1988 base period was defined to include payments related to production reduction programs. Such payments were exempt (excluded) from the AMS reduction commitments after the base period and were notified in Supporting Table DS:3 (blue box). U.S. deficiency payments included in the blue box were re-calculated using a fixed, 1986-88 reference price. The 1995 value in the blue box was $7,030 million. This payment was eliminated after 1995 by the 1996 Farm Act.

e. Product-specific support only.

f. Under the *de minimis* provision, if the calculated individual product support level or the non-product-specific total is not larger than 5% of its respective total value of production, the support does not have to be included in the current total AMS.

g. For the 1986-1988 base period only, countries could increase their AMS by using the higher of the 1986 value or the 1986-1988 value. The U.S. increased its AMS by $3,227 million. This was done to give credit for reductions in support already accomplished during the first three years of the Uruguay Round.

h. Under the Uruguay Round Agreement, the AMS commitment ceiling was derived as the 1986-1988 base value minus 3.3% per year during 1995 through 2000 (20% divided by 6 years = 3.33333%).

Appendix Table 11. U.S. AMS: Non-Exempt Direct Payments, 1995-2001

Policy Category		Base 1986-88	1995	1996	1997	1998	1999	2000	2001	Average 1995-01
						$ Million				
Total	**(a)**	**12393**	**88**	**7**	**578**	**4,437**	**10403**	**10,567**	**8,435**	**4931**
Loan deficiency pmts		56	0	0	3	2,780	6,210	6,273	5,593	2,980
Marketing loan gains		387	0	0	161	1,039	1,685	733	610	604
Certificate exchange gains		0	0	0	0	6	175	619	1,975	396
Cotton: Step-2 pmts		0	35	6	416	280	446	237	182	229
Oilseed mkt loss pmts		0	0	0	0	0	460	921	0	197
Dairy: mkt loss/def. pmts		0	0	0	0	200	122	673	0	142
Tobacco: mkt loss/quota loss		0	0	0	0	0	328	471	6	115
Tobacco: Forfeiture subsidy		0	0	0	0	0	602	0	0	86
Apples: mkt loss pmts		0	0	0	0	0	95	169	0	38
Cotton: Cottonseed pmts		0	0	0	0	0	0	185	0	26
Peanuts mkt loss pmts		0	0	0	0	0	55	118	0	25
Hogs and pigs pmts (SHOP)		0	0	0	0	123	0	0	0	18
Wool mkt loss or support pmts		78	38	0	0	0	9	33	0	11
Cottonseed mkt loss pmts		0	0	0	0	0	79	0	0	11
CCC loan forfeit subsidy		780	(0)	(0)	(2)	2	36	19	20	11
Sugar diversion payments (PIK)		0	0	0	0	0	0	39	27	9
Sheep/lamb meat assistance		0	0	0	0	0	13	10	22	6
Dairy: Indemnities		3	0	0	0	0	36	0	0	5
Potatoes: Quality loss pmts		0	0	0	0	0	14	14	0	4
Cranberry mkt loss pmts		0	0	0	0	0	20	0	0	3
Mohair mkt loss or supp pmts		43	15	0	0	0	2	2	0	3
Potatoes: mkt loss pmts		0	0	0	0	0	0	11	0	2
Onions pmts		0	0	0	0	0	0	10	0	1
Apples: Quality loss pmts		0	0	0	0	0	4	5	0	1
Dairy: Production disaster		0	0	0	0	0	9	(0)	0	1
Cotton: Georgia indemnity		0	0	0	0	8	0	0	0	1
Tomatoes TVmkt loss pmts		0	0	0	0	0	0	7	0	1
Sugar cooperative pmts		0	0	0	0	0	0	7	0	1
Peaches TVmkt loss pmts		0	0	0	0	0	0	7	0	1
Pears TV mkt pmts		0	0	0	0	0	0	3	0	0
Tobacco: Warehouse disaster		0	0	0	0	0	3	0	0	0
Apricots TV mkt loss pmts		0	0	0	0	0	0	2	0	0
Rice marketing payments		0	0	0	0	0	0	0	0	0
Tobacco: Settlement pmts		0	0	0	0	0	0	0	0	0
Cotton: ELS pmts		1	0	0	0	0	0	0	0	0
Dairy: Vermont pmts		2	0	0	0	0	0	0	0	0
Cotton: First handler payments		37	0	0	0	0	0	0	0	0
Cotton: Inventory protection		207	0	0	0	0	0	0	0	0
Certificate premiums		207	0	0	0	0	0	0	0	0
Diversion payments		886	0	0	0	0	0	0	0	0
Deficiency pmts	(b)	9,706	0	0	0	0	0	0	0	0

Source: USDA/ERS, WTO database [http://www.ers.usda.gov/briefing/farmpolicy/ usnotify.htm],and recent U.S. notifications to the WTO.

Notes:

a. Includes price-related direct payments and other non-exempt direct payments as reported in WTO notification Supporting Table DS:6.

b. Deficiency payments (which were ended by the 1996 Farm Act) were recalculated from actual values using a fixed, 1986-88 reference price instead of actual market prices. These payments are considered to be exempt, blue box payments, hence not part of the AMS.

Appendix Table 12. U.S. AMS Outlays by Commodity, 1995-2001

Policy Category	1995	1996	1997	1998	1999	2000	2001	Cumulative
Total AMS	6,212	5,876	6,231	10,384	16,862	16,802	14,411	76,779
Dairy	4,655	4,691	4,456	4,560	4,660	5,070	4,483	32,576
Soybeans	0	0	0	1,275	2,856	3,606	3,610	11,348
Corn	0	0	0	1,534	2,554	2,757	1,270	8,114
Cotton	0	0	466	935	2,353	1,050	2,810	7,613
Sugar	1,091	908	1,011	1,055	1,207	1,177	1,061	7,512
Peanuts	415	299	306	340	349	438	305	2,450
Wheat	0	0	0	516	974	847	0	2,337
Rice	0	0	0	0	435	624	763	1,822
Tobacco	0	0	0	0	924	519	0	1,443
Other Coarse Grains (a)	0	0	0	167	224	198	0	589
Minor Oilseeds (b)	0	0	0	10	195	220	90	515
Apples	0	0	0	0	99	175	0	274
Wool	38	0	0	0	9	33	0	80
Honey	0	0	0	0	0	29	0	29
Sheep and lambs	0	0	0	0	0	0	22	22
Cranberries	0	0	0	0	20	0	0	20
Mohair	15	0	0	0	2	2	0	19
Apricots	0	0	0	0	0	2	0	2
All other (c)	-2	-22	-8	-7	1	54	-3	14

Source: USDA, ERS, WTO database, at [http://www.ers.usda.gov/briefing/farmpolicy/usnotify.htm], and recent U.S. notifications to the WTO.

Notes for Appendix Table 12:

a. Barley, oats, rye, and sorghum.
b. Canola, crambe, flaxseed, mustard seed, rapeseed, safflower, and sunflower.
c. Includes program overlap across commodities and rounding errors.

Appendix Table 13. U.S. Green Box Exemptions, by Category, 1995-2001

Green Box Policy category (a)		Base 1986-88	1995	1996	1997	1998	1999	2000	2001	Average 1995-01
						$ Million				
A. General services		**4738**	**6419**	**6,550**	**6,796**	**7,225**	**7,693**	**8,554**	**9214**	**7493**
State Agr. Programs		2,196	2,785	2,948	3,067	3,334	3,573	4,274	4,349	3,476
Agr. Research Service		522	758	739	770	782	847	887	969	822
CSREES		606	909	851	871	904	877	919	994	904
NRCS		412	599	659	640	628	692	677	720	659
APHIS		316	495	487	507	526	612	661	904	599
FSIS		371	526	537	574	597	604	645	648	590
AMS		122	176	158	162	153	156	179	317	186
Other	(b)	193	171	171	205	301	332	312	313	258
B. Food Security Stockholding		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
C. Domestic Food Aid		**19,158**	**37,470**	**37,834**	**35,963**	**33,487**	**33,050**	**32,377**	**33,916**	**34,871**
Food Stamp Program		11,813	25,554	25,422	22,857	20,141	19,005	18,295	19,096	21,481
Child Nutrition Program		4,050	7,499	7,875	8,265	8,565	8,878	9,203	9,560	8,549
WIC		1,711	3,404	3,679	3,866	3,902	3,942	3,950	4,077	3,831
AMS Section 32		378	496	450	550	513	833	543	798	598
Other	(c)	1,206	517	408	425	366	392	386	385	411
D. Decoupled Income Support		**0**	**0**	**5186**	**6286**	**5659**	**5471**	**5068**	**4100**	**4539**
Prod. Flex. Contract Pmts		0	0	5,186	6,286	5,659	5,471	5,068	4,100	4539
Decoupled Direct Pmts	(d)	0	0	0	0	0	0	0	0	0
E. Income Ins. & Safety-Net		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
F. Natural Disaster Relief		**1388**	**102**	**156**	**161**	**1,412**	**1635**	**2,141**	**1421**	**1004**
Crop Disaster Pmts		1,332	0	0	0	1,341	1,239	1,834	771	741
Emergency Feed Program		53	74	77	38	0	270	188	427	153
Non-insured Disaster Asst		0	20	61	22	54	44	73	166	63
Other	(e)	3	8	18	101	17	82	46	57	47
G. SA: Producer Retir.	**(f)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
H. SA: Resource Retir.	**(f)**	**532**	**1,732**	**1,732**	**1,691**	**1,688**	**1,434**	**1,476**	**1,624**	**1625**
Conservation Reserve Prog.		194	1,732	1,732	1,691	1,688	1,434	1,476	1,624	1,625
Other	(g)	338	0	0	0	0	0	0	0	0
I. SA: Investment Aids	**(f)**	**132**	**84**	**88**	**89**	**93**	**134**	**132**	**106**	**104**
Farm Credit Programs		132	81	86	86	91	132	130	103	101
State Mediation Grants		0	3	2	3	2	2	2	3	2
J. Environment Payments		**202**	**234**	**279**	**266**	**256**	**332**	**309**	**291**	**281**
Wetland Reserve Prog		0	16	109	80	121	162	120	134	106
EQIP		0	0	0	49	61	92	95	93	56
Agr. Cons. Prog.		166	145	101	64	23	11	4	2	50
Emergency Cons. Prog		6	27	25	32	26	40	65	41	37
Wildlife Habitat Inc. Prog		0	0	0	0	5	11	8	7	4
Other	(h)	30	46	44	41	20	16	17	14	28
K. Regional Asst Prog		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total		**26150**	**46,041**	**51,825**	**51252**	**49,820**	**49,749**	**50,057**	**50,672**	**49917**

Source: USDA, ERS, WTO database at [http://www.ers.usda.gov/ briefing/farmpolicy/usnotify.htm]and recent U.S. notifications to the WTO.

(See following page for notes.)

Notes:

a. Categories correspond to those described in detail in Annex 2 of the Agreeement on Agriculture, available at [http://www.wto.org/english/docs_e/legal_e/legal_e.htm], and as listed in the official domestic support notifications, Supporting Table DS: 1, to the WTO. All acronyms refer to official USDA agencies: CSREES=Cooperative State Research, Education and Extension Service; NRCS= Natural Resources and Conservation Service; APHIS= Animal and Plant Health Inspection Service; FSIS= Food Safety and Inspection Service; AMS= Agricultural Marketing Service; WIC= Women, Infants, and Children; EQIP=Environmental Quality Incentives Program. See [http://www.usda.gov] for more information.

b. Tennessee Valley Authority, GIPSA (Grain Inspection, Packers, and Stockyard Administration), ERS (Economic Research Service), NASS (National Agricultural Statistics Service), WAOB (World Agricultural Outlook Board), NAL (National Agricultural Library), CCC (Commodity Credit Corporation)- FSA (Farm Service Agency) conservation program training assistance, RBCD (Rural Business and Cooperative Development), other USDA administration and programs.

c. Other USDA food programs and their administration, including Food Donation Program, Commodity Assistance Program, Commodity Supplemental Food Program, Temporary Emergency Food Assistance Program, Center for Nutrition Policy and Promotion, and the Human Nutrition Information Service.

d. Direct decoupled paymennts (DP) were initiated under the 2002 Farm Act (P.L.107-171). As a result, no DP expenditures have been notified through 2001.

e. Also includes Flood Compensation Program, American Indian Livestock Feed Program, Tree Assistance Program, Livestock Indemnity Program, and Emergency Disaster Loans.

f. Three Structural Adjustment (SA) categories are included in the green box: G) Producer Retirement Programs, H) Resource Retirement Programs, and I) Investment Aids.

g. The base period includes dairy termination program payments.

h. Also includes Great Plains Conservation Program, Colorado Basin Salinity Control, Water Bank Program, Farms for the Future, and Farmland Protection Program.