# WORLD TRADE

# **ORGANIZATION**

**WT/GC/W/290** 4 August 1999

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General Council Original: English

## PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

#### Negotiations on Agriculture

Objectives for the Agriculture Negotiations: Domestic Support

Communication from the United States

The following communication, dated 27 July 1999, has been received from the Permanent Mission of the United States.

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## **Proposal**

- 1. That the agriculture negotiations result in substantial reductions in trade-distorting support and stronger rules that ensure all production-related support is subject to discipline, while preserving criteria-based "green box" policies that can provide support to agriculture in a manner that minimizes distortions to trade.
- 2. As noted in WT/GC/W/186, on the Objective and Overall Framework for the Agriculture Negotiations, WTO Members should agree to present proposals on specific modalities for the agricultural domestic support negotiations beginning in January 2000 and agree that each WTO Member will table a comprehensive offer following agreed parameters no later than y date.

# Background

- 3. Governments have the right to support farmers if they so choose. However, it is important that this support be provided in a manner that causes minimal distortions to production and trade.
- 4. In the Uruguay Round, it was agreed that trade-distorting support would be reduced, and upcoming negotiations on agriculture should continue the reform process. At the same time, criteria contained in Annex 2 ("green box") have allowed Members to provide appropriate and legitimate support to farmers in a manner that minimizes distortions to trade while recognizing the important role of agriculture in Member economies. The results of these negotiations should ensure that the "green box" exemption continues to support the primary objectives of minimizing the link between support and production through the use of appropriately specified policies.