

COMPILATION OF THE SUGGESTIONS FOR THE DRAFT MINISTERIAL TEXT AGRICULTURE

AFRICAN GROUP

Domestic Support

- a. Number of bands: The African group supports three bands linear formula.
- b. Overall cut ambition: The African Group calls for real reductions in overall trade distorting domestic support.

Developing countries without AMS shall be exempted from making any reductions commitments in the de-minimis support and overall trade-distorting domestic support.

The Green Box criteria should be reviewed to ensure that it is non or minimally trade distorting and to provide the appropriate policy space for developing countries to address their developmental needs.

Appropriate disciplines for the Blue Box measures to prevent box shifting should be developed.

Market Access

- a. Number of bands: The African Group supports four bands formula with different thresholds for developing than that for developed countries.
- b. Sensitive products: The list of sensitive products by developed countries should be limited and include products of interest to preference-beneficiaries.
- c. Special Products: Designation and treatment of the special products must be devised in a way that provides maximum flexibility to the African countries to reflect particular domestic circumstances and development needs.
- d. SSM: Modalities that are to be developed for SSM should fully address the concerns of the developing countries in terms of the negative effects of import surges.
- e. Preference erosion: The African Group calls for a decision on concrete ways and mechanism for integrating issues of preference erosion in the modalities to be agreed upon, in accordance with paragraph 44 of the August, 1st, 2004 General Council Decision. The consideration of this issue should be paramount when designating the list of sensitive products by developed countries, as mentioned before.

The principle of overall proportionality shall be an integral part of all commitments under the market access pillar.

Export Competition

- a. Parallelism: The African Group is of the view that parallelism is important, but for the sake of achieving in Hong Kong starting by convergence on a specific end date for the elimination of export subsidies would help to move forward.
- b. End date: All forms of export subsidies on agricultural products should be eliminated by 2010.
- c. Food aid: The African Group emphasizes that the interests of food aid recipients must be taken into account in developing disciplines on food aid
- d. Export credits: Any disciplines on export credits shall consider implementation of the Marrakech Decision on NFIDCs and LDCs, in accordance with paragraph 4 of the Decision.

- e. STEs: STEs in Africa play an important developmental and poverty alleviation role and in this regard, African countries' STEs should be exempted from the application of any disciplines.

All reductions and disciplines agreed under the export competition pillar shall be without prejudice to the NFIDCs needs.

An immediate mechanism should be established for implementation of the Marrakech Decision on NFIDCs and LDCs.

AUSTRALIA

Export Competition

- No later than 2010
- Front end loading elimination for the most distorted areas of trade.
- Reductions in equal annual instalments for all other products
- Food aid – safe box for bona fide food aid, other food aid subject to strict disciplines on monetisation and other commercially displacing measures.
- Export Credits – elimination of subsidised credits, including a self-financing principle and market-based risk premiums, 180 days repayment term
- Export STEs, including export monopolies – agreement to eliminate subsidies provided to or by STEs, government financing and the underwriting of losses.
- Appropriate S&D

Domestic Support

- 3 bands for cuts to domestic support in both AMS and overall trade distorting support
- Members with highest levels of support to be placed in top two tiers and take deepest cuts
- Product specific reductions and caps on AMS and Blue Boxes
- No more than 2% cap on Blue – but without prejudice to further disciplines on Blue
- Restate commitment to Green Box review and clarification
- Appropriate S&D

Market Access

- Substantial improvements in market access for all products including sensitive products
- 4 tiers for tariff cuts
- Deep cuts in the general tariff cutting formula using a progressive formula
- No flexibility within the general tariff formula
- Agreement on cap for all products
- Link cuts to general tariffs with selection and treatment of sensitive products
- TRQ expansion based on domestic consumption
- No new TRQs
- Appropriate S&D
- Special Products and Special Safeguard Mechanism provided on the basis of reform commitments

Other

- Preference erosion to be dealt with under the aid for trade section, and focus on tailored capacity building by Bretton Woods institutions and regional development banks.

CHINA**Export Competition**

Drafting suggestions on the end date for phasing out of export subsidies:

Ministers agree that all forms of export subsidies be phased out by 2010.

Drafting suggestions on exporting state trading enterprises:

Ministers agree that developing country Members shall have the right to maintain the monopoly status of their exporting state trading enterprises.

Domestic Support

Drafting suggestions on *de minimis*:

Ministers agree that developing country Members without AMS entitlement shall be exempted from overall trade-distorting domestic support reduction and de minimis reduction.

Market Access

Drafting suggestions on Special Products:

Ministers agree that developing country Members shall have the right to self-designate at least 20% of tariff lines as Special Products, which shall be eligible for more flexible treatment, including exemption from tariff reduction and tariff rate quota expansion.

Drafting suggestions on Special Safeguard Mechanism (SSM):

Ministers agree that a SSM shall be established specifically for developing country Members to respond to their special circumstances including food security, rural development and livelihood security. This Mechanism shall permit recourse to both import price-triggered and import volume-triggered remedial actions on any agricultural product.

Other

China firmly requests that the following issue be included in the Draft Ministerial Declaration:

Drafting suggestions on Recently Acceded Members (RAMs):

Ministers agree that the particular concerns of RAMs shall be effectively addressed through specific flexibility provisions across all the three pillars including, inter alia, exemption from further tariff reductions and from TRQ expansions for products which are of vital importance for their food security, livelihood security, and rural development and on which significant commitments have already been made during accession, lower tariff reduction, longer implementation periods and adequate grace periods for other products. Ministers also agree that such specific flexibility provisions for RAMs shall constitute an integral part of the full Modalities to be agreed.

COSTA RICA on behalf OF BOLIVIA, COLOMBIA, COSTA RICA, ECUADOR, GUATEMALA, HONDURAS, NICARAGUA, PANAMA and VENEZUELA

Preference erosion:

While recognizing the importance of long-standing preferences, an analytical assessment of the specific effects of preference erosion shall be undertaken on a country by country basis. For Members facing difficulties, as result of the erosion of preferences, solutions in the form of Aid for Trade will be implemented in order to help them to face the MFN trade liberalization resulting from the Round.

EUROPEAN COMMUNITIES

4. *We reaffirm our commitment to the mandate on agriculture as set out in paragraph 13 of the Doha Ministerial Declaration and to the Framework adopted by the General Council on 1 August 2004. We welcome the progress made by the Special Session of the Committee on Agriculture since 2004 and adopt the following provisions, as an important further step towards achieving full modalities.*

~~We reaffirm our commitment to the mandate on agriculture as set out in paragraph 13 of the Doha Ministerial Declaration and to the Framework adopted by the General Council on 1 August 2004. We take note of the report by the Chairman of the Special Session on his own responsibility (TN/AG/21, contained in Annex A). We welcome the progress made by the Special Session of the Committee on Agriculture since 2004 and recorded therein.~~

5. On domestic support, ~~we note in particular that there is a working hypothesis of~~ *there will be* three bands for developed countries for reductions in Final Bound Total AMS and in the overall cut in trade-distorting domestic support with higher linear cuts in higher bands. In addition, developed countries in the lower bands with high relative levels of Final Bound Total AMS will make an additional effort in AMS reduction. We also note that there has been some convergence concerning the reductions in Final Bound Total AMS, the overall cut in trade-distorting domestic support and in both product-specific and non product-specific *de minimis* limits.

We agree that the structure for reducing overall trade distorting support AMS and de minimis, together with disciplines in the Blue Box, should result in effective policy reform compared with the situation at the end of the implementation period of the Uruguay Round. Effective discipline should be foreseen for Blue Box type direct payments that do not require production.

6. We recall our agreement to ensure the parallel elimination of all forms of export subsidies, and disciplines on all export measures with equivalent effect by a credible end date.

~~We note emerging convergence on some elements of disciplines with respect to export credits, export credit guarantees or insurance programmes with repayment periods of 180 days and below, as well as on some aspects of exporting state trading enterprises, and on some elements regarding the disciplines on food aid necessary to eliminate commercial displacement~~

As regards export credits, we confirm the move towards the 180 day re-payment period with no exceptions other than those that may be negotiated under Art 26 of the Framework Agreements (Special Circumstances). We agree on the principle of self financing over a short period of time for export credits with re-payment periods below 180 days.

For STEs, we agree on the objective of phasing out the use of monopoly powers as well as Government privileges conferring substantial benefits for STEs.

On food aid, we reconfirm our commitment to maintain an adequate level. In order to eliminate any commercial displacement, we will work towards the phasing in of cash-based food aid, and the phasing out of monetisation and re-export of food aid.

7. On market access, we note in particular the progress made on *ad valorem* equivalents. ~~and that~~ *There will be is a working hypothesis for four bands for structuring tariff cuts from bound rates based on a linear approach taking account of the necessary flexibility and the treatment of sensitive products.*

With regard to sensitive products, the higher the deviation from the normal cut, the greater should be the TRQ expansion. We also agree that the way in which the formula and supporting elements operate should be transparent and give sufficient predictability to export-interests notwithstanding the principle of self selection of sensitive products. Subject to the requirement that the final negotiated result must reflect the sensitivity of the product concerned, combination of a lesser cut and MFN-based tariff quota expansion must result in 'substantial improvement' for the product in question.

~~We also note that there has been some recent movements on the designation and treatment of Special Products and elements of the Special Safeguard Mechanism (SSM).~~ *Special Products, based on agreed criteria of food security, livelihood security and rural development need to be agreed, will be available to developing countries in addition to "sensitive products". Special Products may cover up to [] % of the "appropriate level" of sensitive products agreed.*

A Special Safeguard Mechanism (SSM), based on agreed criteria designed to reflect the particular circumstances and needs of developing countries will be established for use by developing country Members, to tackle import surges.

8. On special and differential treatment, we note in particular the consensus that exists in the Framework on several issues in all three pillars of domestic support, export competition and market access and that some progress has been made on other special and differential treatment issues.

9. However, we recognise that much remains to be done in order to establish modalities and to conclude the negotiations. Therefore, we agree to intensify work on all outstanding issues. In particular, we are resolved to establish modalities no later than [...] and to submit comprehensive draft Schedules based on these modalities no later than [...].

Other Issues

Progress should be made on the recognition of a short list of GIs that would benefit from additional protection without exceptions.

G-10

1. Export Competition

- i) End date
 - Parallelism on export competition shall be defined by 1st March 2006 in order to set an end date for the elimination of all forms of export subsidies.
- ii) Exporting STEs

- Establish disciplines on trade-distorting practices including cross-subsidisation and price pooling system. S&D for developing countries' exporting STEs.

iii) Food aid

- Disciplines shall be differentiated according to the degree of emergency and other elements.

iv) Export credits

- Establish disciplines to eliminate the subsidy component on export credits, export credit guarantees or insurance programmes with a repayment period of less than 180 days.

2. Domestic Support

i) Tiered formula

- 3 tiers.

ii) Overall reduction of trade distorting domestic support

- The reduction formula for overall trade distorting domestic support shall have 3 bands, where the EU will be placed in the highest band, Japan and the US in the middle band, and the other Members in the lowest band.
- The cut in overall trade distorting support should be greater than the one in the final bound total AMS.

3. Market Access

i) Number of tiers

- 4 tiers.

ii) Thresholds

- Developing countries will have higher thresholds than developed countries.

iii) Treatment of sensitive products

- smaller degree of market access improvement
- tariff reductions proportionate to reductions in Tiered Formula, while TRQ commitments remain disconnected from the level of the tariffs
- standard combination of tariff reductions and TRQ commitments; sliding scale mechanism between tariff reductions and TRQ commitments
- TRQ expansion is determined by applying an expansion rate to current TRQ volumes; expansion rate will be adjusted by coefficients using a tiered formula. The greater the ratio of the base TRQ volume to consumption, the smaller the coefficient.

iv) Long standing preferences

- Long standing preferences should be duly taken into account.

v) SPs

- The number of special products should be limited to a certain percentage of tariff lines.
- Special products should be categorized into several groups with different levels of flexibility in market access improvement

vi) SSMs

- SSMs should have both price-based and volume-based triggers and be simpler to operate than the SSG.

G-20¹**Export competition**

- The key aspect is to define the end date for the elimination of all forms of export subsidies. The G20 proposes a clear commitment to elimination by 2010.
- We could also agree on a standstill measure as of 1st December 2005 that would add support to the above
- We could also agree to set a date for the completion of the work on parallelism (export credits, food aid and STE's): early march 2006.

Domestic support

- In terms of principle, in accordance with the framework, establish the primacy of the overall cut over the cuts of its components. Overall cut establishes a benchmark;
- Need to have effective cuts that would represent effective reduction of current levels of support. Proportion to be agreed later on;
- Frontloading of the cuts to rapidly eliminate water;
- Cuts should claim priority over harmonization of levels of support
- Define 3 bands for developed and one band for developing countries
- Agreement on the thresholds of the bands (G-20 proposal) – place the main users – EC (1st band), USA (2nd band) – Japan (1st band or additional effort if in the 2nd band);
- Disciplines should complement the cuts. Acknowledgement that disciplines are more effective over smaller levels of subsidies but they are still necessary
- Product specific caps should be defined in a period that is representative, reflecting accurately the experience of the implementation period comprising low and high international prices. Developing countries have a different implementation period and should have flexibility ;
- Blue Box capping convergence. should be effective as of day one of the implementation period;
- In the Green Box, we could realistically envisage for an acknowledgement that the developing countries non-distorting policies should be incorporated in the disciplines;
- In monitoring and surveillance, at this stage, recognition that a substantial improvement in current practices should take place

Market access

- In accordance with the framework instructions, sensitive products should not be detached from the tariff reduction formula and there should be a minimum cut for all sensitive products;
- The cuts should be linear in all bands, without flexibilities as they will be taken up by the concept of sensitive products, and without progressivity already captured by the tiered approach;
- We could agree on the thresholds suggested by the G-20 (0-20%; 20-50%; 50-75%, 75%- and over).
- The bands for developed countries should be as such not to accumulate too large a proportion of tariffs in it as this would undermine the tiered approach;
- Thresholds for developed and developing countries should be differentiated in view of different tariff structures;
- Tariff reduction commitments by developed and developing countries should bear proportionality;
- There should be a tariff capping and it should be extended to sensitive products;

¹ G-20 also provided previously submitted detailed proposals.

- Number of sensitive products should be very restrict (less than 1%), otherwise they will undermine the objectives of the tiered approach and they should bear a credible relationship with the volume of trade of tariff lines for their selection and treatment
- Treatment will be meaningless unless coupled with the tariff reduction formula. Treatment should be as such that will not represent the continuation of trade patterns;
- Expansion should be based on domestic consumption and increased by a percentage (6%) of such consumption;
- There shouldn't be any TRQ creation;
- SSG elimination;
- Binding of tariffs in their *ad-valorem* equivalents

Special and Differential Treatment

- Integral part of all three pillars and made operative and effective
- Agree on smaller cuts (less than 2/3) and longer timeframes for the implementation of commitments
- *De minimis* of developing countries without AMS entitlements should not be cut and this is particularly more relevant in the case of countries with large rural populations
- Smaller cuts and longer implementation periods for developing countries with AMS entitlements;
- Developing countries without AMS commitments should not be subject to the overall reduction
- Green box policies by developing countries should be incorporated in the criteria
- Proportionality of commitments
- As regards thresholds for the bands for developing countries must be higher the G-20 proposes (0-30; 30-80; 80-130; above 130) There is no flexibility on these numbers
- Sensitive products – developing countries larger number of products than developed countries and more flexible treatment for developing countries
- As development is a key element in the Round, SP and SSM should be specified at the same level as all other market access elements
- RAMs concerns cover all three pillars;
- Liberalization of tropical products not included as sensitive products;
- Address effectively the issue of tariff escalation

G-33

De minimis

5. On domestic support, we note in particular that there is a working hypothesis of three bands for developed countries for reductions in Final Bound Total AMS and in the overall cut in trade-distorting domestic support with higher linear cuts in higher bands. In addition, developed countries in the lower bands with high relative levels of Final Bound Total AMS will make an additional effort in AMS reduction. We also note that there has been some convergence concerning the reductions in Final Bound Total AMS, the overall cut in trade-distorting domestic support and in both product-specific and non product-specific *de minimis* limits. ***We also agree that developing countries shall be exempted from commitments to reduce de minimis support, either on a stand-alone basis or as part of reduction of overall trade-distorting support.***

Special Products and Special Safeguard Mechanism

7. On market access, we note in particular the progress made on *ad valorem* equivalents and that there is a working hypothesis for four bands for structuring tariff cuts. We also note that there have been some recent movements on the designation and treatment of Special Products (SP) and elements of the Special Safeguard Mechanism (SSM). *We also agree that any developing country Member shall have the right to self-designate at least 20% of tariff lines as SPs, and will use indicators to guide the designation of SPs. SPs shall be eligible for more flexible treatment, including no new TRQ commitments, and in most cases exemption from tariff reductions. The SSM shall permit recourse to both import price-triggered and import volume-triggered remedial actions on any agricultural product. For ease of operation and effectiveness, the terms and conditions of the mechanism shall be more favourable than the existing provisions of Article 5 of the Agreement on Agriculture, and respond to the special circumstances, including food and livelihood security and rural development needs, of developing countries.*

G-90

Export competition

- Elimination of all forms of export competition by 2010 without prejudice to NFIDC and LDCs in respect of export credit, food aid and STEs. G90 STEs be exempt from any new disciplines

Domestic support

Policy space and SDT including use of green box and “de minimis“.

- Elimination within a well-defined timetable of all support on cotton.
- Proposals contained in JOB (05)/257.Rev1 provide the basis for a fair and equitable outcome of the negotiations.
- Appropriate disciplines for the Blue Box measure to prevent box shifting should be developed.

Market Access

- Improved access to markets of developed and large emerging economies for their products in primary, semi-finished and finished agricultural products.
- Operationalisation of SDT under the tiered tariff reduction formula as follows:
 - Less than full reciprocity with guarantee that overall outcome of tariff reduction commitments by G90 is lower than these required by developed countries.
 - No tariff capping
- To build on paragraph 44 of the July 2004 Framework Agreement using specific proposals of paragraph 16 of TN/AG/4/Rev.1
- Consolidation of long-standing preferential agreements like sugar and bananas under Article XIII of GATT.

- Products receiving preferential market access under long-standing preferences be designated as sensitive products by preference-giving countries, in order to address the issue of further preference erosion. Consequent TRQ expansion on MFN basis should be without prejudice to G90.
- Establishment of meaningful modalities, including maximum flexibility, for Special Products and SSM in favour of G90 to meet that food and livelihood security and rural development. Such modalities would be more favourable than the existing provisions of article 5 of AOA.
- Special Products (SP) for G90 be exempt from tariff reduction and TRQ commitments, and any G90 country can self-designate at least 20% of tariff lines as SP.
- To initiate immediately negotiations on NTBs.

INDIA

Export Competition

1. The end date for phasing out export subsidies.
2. The rate of phasing out:

Developing countries will continue to benefit from special and differential treatment under the provisions of Article 9.4 of the Agreement on Agriculture for a period of 5 years from the date on which Members complete the phasing out of all forms of export subsidies and implementation of all relevant disciplines.

3. Food aid
4. Export Credits
5. Exporting State Trading Enterprises:

We agree that special and differential treatment of developing countries shall remain integral to the development of all elements of export competition modalities and the final outcome of the negotiations.

Domestic Support

6. The number of bands for reductions.
7. The thresholds for the bands.
8. The reduction in total trade distorting support:

We agree that developing countries without AMS entitlements shall be exempted from any disciplines relating to reduction commitments in the product-specific and non-product-specific de minimis entitlements and to overall trade-distorting domestic support.

With respect to additional criteria in the Blue Box, we agree that Blue Box programme payments shall be subject, inter alia, to price disciplines and to measures to prevent concentration of support in a few products in accordance with paragraph 14 of the Framework. Accordingly, we also agree that there shall be product-specific disciplines on Blue Box payments to guarantee that they are less trade-distorting than AMS measures.

We agree that, without undermining the fundamental requirement that Green Box measures have no, or at most minimal, trade-distorting effects or effects on production, the Green Box will be amended to incorporate developing country programmes to ensure that their development goals are not compromised. We reiterate our commitment to review and clarify Green Box criteria for developed country Members to ensure that Green Box measures have no, or at most minimal, trade-distorting effects or effects on production.

Market Access

9. The number of bands for reductions:

We recall that the Framework establishes special and differential treatment for developing countries as "an integral part of all elements in the negotiations" and further that the tiered formula will take into account their "different tariff structures". Accordingly, we agree on four bands for both developed and developing countries for structuring tariff cuts, provided that simple linear cuts will apply within all bands; that developing countries shall apply overall tariff reduction commitments of not more than 36% and which are at least two-thirds lower in proportion than those of developed countries; and, further, that lower tariff reduction commitments in each band, and higher thresholds for defining the bands, for developing countries shall be based on the same principle of proportionality.

We agree that developing countries will be entitled to longer implementation periods.

10. The treatment of sensitive products:

We agree that developing countries shall not be required to undertake any new tariff rate quota commitments and that they shall have the right to designate a proportionately higher number of sensitive products than developed countries. The principle of proportionately lower commitments by developing countries shall also apply in respect of all elements of the modalities on sensitive products and they shall also be entitled to more flexible treatment in respect of other commitments as well.

11. Special Products.

12. The Special Safeguard Mechanism:

We also note that there have been some recent movements on the designation and treatment of Special Products (SPs) and elements of the Special Safeguard Mechanism (SSM). We further agree that any

developing country Member shall have the right to self-designate at least 20% of tariff lines as SPs, and will use indicators to guide the designation of SPs. SPs shall be eligible for more flexible treatment, including no new TRQ commitments, and in most cases exemption from tariff reductions. The SSM shall permit recourse to both import price-triggered and import volume-triggered remedial actions on any agricultural product. For ease of operation and effectiveness, the terms and conditions of the mechanism shall be more favourable than the existing provisions of Article 5 of the Agreement on Agriculture, and respond to the special circumstances, including food and livelihood security and rural development needs, of developing countries.

JAPAN

Food aid: Subject to consistency with the objective of preventing commercial displacement, any such disciplines shall not restrict the management of food aid within recipient countries.

MALAYSIA

Export Competition

- Export subsidies:
 - end date for phasing out export subsidies to be no later than 2010;
 - and
 - phasing out of export subsidies to be frontloaded.
- Food Aid:
 - to allow bona fide food aid;
 - and
 - other food aid to be subject to strict disciplines to prevent commercial displacement.
- Export Credit:
 - eliminating subsidy components of export credits;
 - and
 - longer implementation periods for developing countries.
- Exporting State Trading Enterprises (STEs):
 - disciplines needed to eliminate subsidies provided to or by STEs.

Domestic Support

- Number of bands for reductions:
 - 3 bands for cuts to domestic support.

- Thresholds for bands:
 - Members with highest levels of support to be placed in top 2 bands and take deepest cuts.
- Reductions in total trade distorting support:
 - reductions to cut into actual expenditures;
 - not more than 2% cap on Blue Box;
 - Green Box measures to be reviewed and clarified to ensure that they are non- or minimally trade-distorting;
and
 - developing countries especially those without AMS entitlements to be exempt from cuts in de minimis.

Market Access

- Substantial improvement in market access for all products.
- Number of bands for reductions:
 - 4 bands for tariff cuts;
 - progressive cuts within the bands;
 - no flexibility within the general tariff reduction formula;
and
 - tariffs subject to caps.
- Treatment of sensitive products:
 - Deviations from the tariff reduction formula for Sensitive Products should be compensated by expansion of TRQ.
 - TRQ expansion to be based on domestic consumption;
and
 - no introduction of new TRQs.
- Special Products:
 - selection and treatment to be negotiated.
- Special Safeguard Mechanism:
 - to be made available for products that undergo substantial market liberalisation.

NEW ZEALAND

Export competition

...the end date for phasing out export subsidies

"We agree to ensure the parallel elimination of all forms of export subsidies, and disciplines on all export measures with equivalent effect, by 2010."

...the rate of phasing out

“Elimination will take place in equal annual instalments.”

... food aid

“We commit to agreeing disciplines on food aid which would provide a “safe box” for bona fide food aid, and disciplines on other food aid, including in-kind food aid, relating to monetization and other commercially displacing measures.”

...export credits

“We commit to agreeing disciplines on export credits, including a self-financing principle, which will eliminate all export subsidies.”

...exporting state trade enterprises

“On exporting STEs, including on export monopolies, we commit to agreeing disciplines to eliminate export subsidies provided to or by such enterprises, government financing, and the underwriting of losses.”

Domestic support

...the number of bands for reductions

“On domestic support, we agree to three bands for developed countries for reductions in Final Bound Total AMS and in the overall cut in trade-distorting domestic support...”

Market access

...the number of bands for reductions

“...and that there is agreement that there will be four bands for structuring tariff cuts...”

...the treatment of sensitive products

“On sensitive products, we reaffirm that substantial improvements will apply to each product. There will be a minimum tariff cut, linked to the general tariff reduction formula, and a minimum tariff quota expansion for each sensitive product. Tariff quota expansion will be based on domestic consumption.”

...Special Products; the special safeguard mechanism; and preferences

“We commit to agreeing appropriate special and differential treatment provisions, including on Special Products and the special safeguard mechanism.”

THAILAND**Export Competition:**

1. End date of export subsidies: no later than 2010
 2. Front loading elimination
 3. Encompass all forms of export competitions including :
 - Food Aid: cash and untied food aid only, no monetization, strict disciplines on other commercially displacing measures.
 - Exporting STEs: Elimination of subsidies
- S&D: S&D for developing countries in all elements.

Domestic Support:Overall Reduction

1. Number of bands: 3
2. Threshold: Members with the highest supports must be in the top two bands
3. Rate of cut: deeper cuts for higher supports.

AMS

1. Number of bands: 3
2. Threshold: Members with the highest supports must be in the top two bands
3. Rate of cut: deeper cuts for higher support;
3. Commitment to disciplining Blue Box and reviewing Green Box criteria

S&D: S&D for developing countries in all elements.

Market Access:

1. Number of bands: 4;
 - deeper cuts for higher tariffs with capping;
 - linear formula for tariff cuts.
2. Treatment of sensitive products:
 - 2.1 Selection: 1% of total tariff lines
 - 2.2 Treatment: less tariff reduction must be compensated by more TRQs.
Tariff capping on sensitive products;
No new TRQ;
X% expansion of TRQs.
3. Special Products:
 - 3.1 Selection: Strict selection indicators;
Not products exported by Members with Special Products for the recent past 3 years.
 - 3.2 Treatment: must have market access improvement through the combination of tariff reduction and TRQ expansion;
must be a temporary measure with adjustment plan to phase out the special products within an agreed period of time.
4. SSM: must be a temporary measure for products that are subject to substantial tariff reduction formula;
must have clear guidelines and criteria for SSM

S&D: S&D for developing countries in all elements.

Preference Erosion

- must not be used to avoid market access improvement;

- issue of preferential erosion should be addressed under para 51 of Draft Ministerial Text (WT/MIN(05)/W/3)

US

4. We reaffirm our commitment to the mandate on agriculture as set out in paragraph 13 of the Doha Ministerial Declaration and to the Framework adopted by the General Council on 1 August 2004. We take note of the report by the Chairman of the Special Session on his own responsibility (TN/AG/21, contained in Annex A). We welcome the progress made by the Special Session of the Committee on Agriculture since 2004 and recorded therein.

5. On domestic support, we confirm that there will be three bands for developed countries for reductions in Final Bound Total AMS and in the overall cut in trade-distorting domestic support with higher linear cuts in higher bands. For the overall reduction in trade-distorting domestic support, the thresholds for the tiers (in billions of US dollars for the period 1999-2001) will be: from 0 up to 10; from 10 up to 60; and 60 and over. The reduction in the lowest tier will be 31 per cent; in the middle tier 53 per cent; and in the highest tier 75 per cent. Furthermore, as regards AMS, the thresholds for the three tiers (in billions of US dollars) will be: 0 up to 12; 12 up to 25; and 25 or greater. The reductions in the lowest tier shall be 37 per cent; in the middle tier 60 per cent; and in the highest tier 83 per cent. Developed countries in the lower bands with high relative levels of Final Bound Total AMS will make an additional effort in AMS reduction. The Blue Box shall be capped at 2.5 per cent of the value of agricultural production, and both the product-specific and non product-specific de minimis amounts shall be capped at 2.5 per cent of the value of production.

6. We recall our agreement to ensure the parallel elimination of all forms of export subsidies, and disciplines on all export measures with equivalent effect by 1 January 2010. The reductions will be implemented in equal annual instalments during the implementation period. We note emerging convergence on some elements of disciplines with respect to export credits, export credit guarantees or insurance programmes with repayment periods of 180 days and below, as well as on some aspects of exporting state trading enterprises, and on some elements regarding the disciplines on food aid necessary to eliminate commercial displacement and agree to finalize these modalities by 1 March 2006.

7. On market access, we agree to establish four tiers for tariff cuts, which will be set at the following thresholds: from 0 up to 20 percent; from 20 percent up to 40 percent; from 40 percent up to 60 percent; and the final tier 60 percent or greater. Furthermore, we note the progress made on *ad valorem* equivalents and request these equivalents for all agricultural products be finalized by 1 March 2006. We recognize the essential nature of sensitive products and the work remaining in this area. We establish that the basis for treatment of sensitive products will be domestic consumption. In the application of sensitive product treatment the greater the deviation from the agreed tariff cut, the larger the TRQ expansion. We also agree that those developing country products needing additional flexibility as noted in the July framework will be designated special products according to criteria to be agreed. Special safeguard mechanism (SSM) will be available for those developing country products, which are subject to a substantial tariff cut. We recognize the current importance of preferences for certain products and countries and the need for transitional assistance.

8. On special and differential treatment, we note in particular the consensus that exists in the Framework on several issues in all three pillars of domestic support, export competition and market access and that some progress has been made on other special and differential treatment issues.

9. However, we recognise that much remains to be done in order to establish modalities and to conclude the negotiations. Therefore, we agree to intensify work on all outstanding issues. In particular, we are resolved to establish modalities no later than 31 March, 2006 and to submit comprehensive draft Schedules based on these modalities no later than 1 May 2006.