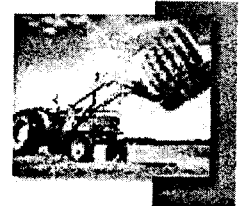


Trade in agricultural goods and fishery products



EU – US Joint Text on Agriculture

13 August 2003

Members reconfirm the objectives as established in paragraphs 13 and 14 of the Doha declaration, including the objective to establish a fair and market-oriented system through fundamental reform in agriculture. Members recognize that reforms in all areas of the negotiations are inter-related, that special and differential treatment for developing countries will be an integral part of the negotiations, and that non-trade concerns should be taken into account.

Ministers agree to intensify work to translate the Doha objectives into reform modalities, including by adopting the following approaches for reduction commitments and related disciplines on key outstanding issues on market access, domestic support and export competition.

1. The Doha declaration calls for "substantial reductions in trade-distorting domestic support". All developed countries shall achieve reductions in trade distorting support significantly larger than in the Uruguay Round, that will result in Members having the higher trade distorting subsidies making greater efforts.

Reductions shall take place under the following parameters:

1.1. Reduce the most trade-distorting domestic support measures in the range of []% - []%.

1.2. Members may have recourse to less trade distorting domestic support under the following conditions:

(i) for direct payments if:

- such payments are based on fixed areas and yields; or
- such payments are made on 85% or less of the base level of production; or
- livestock payments are made on a fixed number of head.

(ii) support under 1.2.(i) shall not exceed 5% of the total value of agriculture production by the end of the implementation period.

(iii) the sum of allowed support under the AMS, support under 1.2.(i) and de minimis shall be reduced so that it is significantly less than the sum of de minimis, payments under Article 6.5, and the final bound AMS level, in 2004.

1.3. reduce de minimis by []%.

2. The Doha declaration calls for "substantial improvements in market access." Negotiations should therefore provide increased access opportunities for all and in particular for the developing countries most in need and take account of the importance of existing and future preferential access for developing countries.

To achieve this, commitments shall be based on the following parameters:

2.1. The formula applicable for tariff reduction shall be a blended formula under which each element will contribute to substantial improvement in market access. The formula shall be as follows:

(i) []% of tariff lines subject to a []% average tariff cut and a minimum of []%; for these import sensitive tariff lines market access increase will result from a combination of tariff cuts and TRQs.

(ii) []% of tariff lines subject to a Swiss formula coefficient []

(iii) []% of tariff lines shall be duty-free.

2.2 For the tariff lines that exceed a maximum of []% Members shall either reduce them to that maximum, or ensure effective additional market access through a request:offer process that could include TRQs.

2.3. The use of the special agricultural safeguard (SSG) remains under negotiation.

2.4. A special agricultural safeguard (SSM) shall be established for use by developing countries as regards import-sensitive tariff lines.

2.5. All developed countries will seek to provide duty-free access for at least []% of imports from developing countries through a combination of MFN and preferential access.

2.6. Having regard to their development and food security needs, developing countries shall benefit from special and differential treatment, including lower tariff reductions and longer implementation periods.

3. The Doha mandate calls for "reductions of, with a view to phasing out, all forms of export subsidies." To achieve this, disciplines shall be established on export subsidies, export credits, export state trading enterprises, and food aid programs.

Reduction commitments shall be applied in a parallel manner according to the following parameters:

3.1 With regard to export subsidies:

- Members shall commit to eliminate over a [] year period export subsidies for the following products of particular interest to developing countries [...];
- for the remaining products, Members shall commit to reduce budgetary and quantity allowances for export subsidies.

3.2 With regard to export credits:

- Members shall commit to eliminate, over the same period as in 3.1-1st indent the trade distorting element of export credits through disciplines that reduce the repayment terms to commercial practice ([] months), for the same products in 3.1-1st indent in a manner that is equivalent in effect;
- for the remaining products, a reduction effort that is parallel to the reduction in 3.1 2nd indent in its equivalent effect for export credits shall be undertaken.

3.3. Without prejudging the outcome of the negotiations, reductions of, with a view to phasing out, all forms of export subsidies mentioned in 3.1 and 3.2 will occur on a schedule that is parallel in its equivalence of effect on export subsidies and export credits.

3.4. Disciplines shall be agreed in order to prevent commercial displacement through food aid operations.

3.5. Disciplines, including ending single desk export privileges, prohibition of special financing privileges, and disciplines on pricing practices shall be established for export state trading enterprises.

4. As far as S&D treatment for developing countries is concerned, the rules and disciplines will need to be adjusted for significant net food exporting countries.

5. Issues of interest but not agreed: Peace clause, non-trade concerns, implementation period, sectoral initiatives, continuation clause, GIs, and other detailed rules.