

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

STARRED QUESTION NO:213

ANSWERED ON:09.08.2010

AGRICULTURAL SUBSIDY AND WTO

Mahto Shri Baidyanath Prasad;Vardhan Shri Harsh

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) whether India has registered its protest over the issue of heavy subsidy on agricultural products by the developed countries during the last Doha round of talks;
- (b) if so, the details in this regard alongwith the average annual subsidy being provided in the said countries;
- (c) whether the rich countries have given any assurances during the said talks and if so, the details thereof;
- (d) the extent to which the said assurances have been fulfilled;
- (e) whether fresh WTO proposals on agriculture sector meet India`s demands; and
- (f) if so, the details thereof alongwith the extent to which these are likely to protect the country`s agricultural community?

**Answer**

MINISTER OF COMMERCE AND INDUSTRY(SHRI ANAND SHARMA)

a)to f): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF LOK SABHA STARRED QUESTION NO. 213 FOR ANSWER ON 9TH AUGUST 2010 REGARDING "AGRICULTURAL SUBSIDY AND WTO"

a) & (b) A substantial reduction in trade-distorting domestic support is a key element of the mandate of the Doha Round of trade negotiations in the World Trade Organisation (WTO). India, together with several other WTO member countries, both developed and developing, has been pressing for substantial and effective reductions in the large subsidies provided by some developed countries to their agriculture sector as these distort production and global trade.

As per the latest statistics released by the OECD (Organisation for Economic Cooperation and Development), the level of support to agricultural producers (expressed as % of producer revenues) in 2007-09 was 9% in the United States (US), 23% in the European Union (EU) and 47% in Japan.

(c) & (d) The current agriculture negotiations in the WTO are based on draft modalities of 6 December 2008. The draft modalities are in public domain at [www.wto.org](http://www.wto.org). As and when these draft modalities are agreed, developed countries will be required to reduce their maximum permissible levels of overall trade-distorting domestic support to farmers by 55%-80% over the implementation period of the Doha Round of trade negotiations.

(e) & (f) India's key priorities in the Doha Round of agriculture negotiations are to seek substantial and effective reduction in subsidies and tariffs by developed countries while enabling developing countries to protect and promote the interests of their low income and resource poor farmers. The Doha Round is a development round and provides a historic opportunity to correct trade distortions, particularly the agricultural protectionism that is rampant in developed countries. It is also an opportunity to gain market access for India's exports, while simultaneously safeguarding the interests of farmers.

The flexibilities available to developing countries including, inter alia, lower tariff cuts than developed countries, self-designation of Special Products (SPs) which will have more flexible tariff reduction commitments than other products and the Special Safeguard Mechanism (SSM) to safeguard the interests of farmers in the event of surges in import volumes or a fall in prices would be utilized by India for protecting low income and resource poor farmers of the country.