

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3043
ANSWERED ON:19.08.2011
SUBSIDY TO FARMERS
Adsul Shri Anandrao Vithoba

Will the Minister of FINANCE be pleased to state:

- (a) whether the amount of subsidy/financial assistance provided to Indian farmers is proportionately low as compared to the farmers of developed countries;
- (b) if so, the details thereof for each of the last three years and the current year; and
- (c) the steps taken by the Union Government to enhance the subsidy/ financial assistance to farmers during the Twelfth Five year Plan?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) and (b) Member countries of the World Trade Organization (WTO) are required to notify annually to the WTO, the domestic support that they provide to farmers. The support is notified in various categories depending on their distortive effect on trade and production. Developed countries provide large amounts of agricultural support to their farmers. Information on the domestic support provided to farmers by the United States of America, the European Union and Japan, as notified to the WTO, is given in the Annexure. India has notified this information upto the period 2003-04. This is also provided in the Annexure.

(c) Twelfth Five Year Plan is yet to be finalized by the Planning Commission.

**Annexure
Domestic Support as notified to the WTO**

		Currency	2006	2007	2008
		Unit			
United States of America	Current total AMS	US\$ Millions	7742.0	6259.9	6254.9
	Green Box	US\$ Millions	76035.0	76162.0	81585.0
			2005	2006	2007
European Union	Current total AMS	â‚¬ Millions	28427.1	26632.1	12354.2
	Green Box	â‚¬ Millions	40280.2	56529.7	62610.2
	Blue Box	â‚¬ Millions	13445.2	5696.7	5166.1
			2004	2005	2006
Japan	Current total AMS	¥ Billions	607.8	593.3	571.2
	Green Box	¥ Billions	2094.2	1916.3	1802.3
	Blue Box	¥ Billions	67.8	65.3	70.1
			2001-02	2002-03	2003-04
India	Current total AMS	Nil	Nil	Nil	Nil
	Green	US\$ Millions	4002.3	5236.8	5883.0
	Art. 6.2	US\$ Millions	8254.0	7341.1	9025.7

Source: WTO

Notes: Current Total AMS refers to the Aggregate Measurement of Support (or Amber Box support) for the year in question; this is the component of domestic support that is supposed to be the most trade-distorting. The US, Japan and the EU had reduction commitments emanating from the Uruguay Round of trade negotiations i.e. starting from a base level, they had to reduce this category of support by a fixed percentages each year upto the 2000. From then onwards, the level reached in the year 2000 acts as the annual

ceiling. India did not have to agree to any such reduction commitments because its support levels did not count as AMS when compared with the base period.

The Green Box category of support includes the forms of support that are not considered as distorting trade.

The Blue Box category of support is considered to be less trade-distorting than Amber Box support because it is given provided the producer limits his production or the number of heads of cattle as the case may be.

Article 6.2 support refers to support that is exempted from reduction commitments under special and differential treatment provisions for developing countries.