

- (b) the elimination of all provisions for exceptional treatment whether maintained under waivers, protocols of accession, or other derogations and exceptions;
- (c) binding of all tariffs on agricultural products at low levels or zero.

II. INTERNAL SUPPORT

(a) Reform Process

17. Achievement of the objective of the MTR Agreement for agriculture requires an integrated approach to achieve the market-orientation of policies across all agricultural sectors, through substantial progressive reductions in those policies which most distort agricultural trade. An essential element of an integrated approach will be commitments on internal support which:

- are consistent with and reinforce commitments proposed in Sections I and III of this proposal on import access and export subsidies
- provide for minimum adjustments to specific policies while providing some flexibility in meeting overall reform targets
- bear a relationship to initial support levels and aim to achieve their gradual harmonisation
- provide comprehensive coverage of commodities

18. Commitments aimed at reducing substantially the most trade distorting policies will need to encompass

1. Market Price Support: measures that raise the market price received by producers and paid by consumers.
2. Direct Payments: measures that raise the effective price received by producers for their output, implemented through direct payments from budgetary outlays rather than by raising the price paid by consumers.