

Agriculture

Organization of the Agriculture Negotiations

Negotiations are based on the structure adopted in the Uruguay Round, which called for cuts to tariffs, domestic support and export subsidies as well as the volume of subsidized exports; with developed countries facing larger percentage cuts in all areas.

Timelines and Progress

- Negotiations have been very active, with 121 member proposals tabled.
- The modalities "first draft" on agricultural tariff reductions was circulated February 17th, 2003. It calls for reduction, by simple average, of tariffs on agricultural products, subject to a minimum reduction per tariff line. Actual amounts in square brackets are yet to be agreed.
- Developing countries will have extended time periods to implement tariff cuts, be able to declare specific agricultural products (total number as yet undecided) "strategic products" with respect to food security, rural development and/or livelihood security concerns.
- March 31st, 2003 deadline for establishing reduction commitments in export competition, market access and domestic support.

EU & US Formulae	Average Tariff Reduction	Minimum Cut per Tariff Line
European Formula		
Developed Countries	36%	15%
Developing Countries	24%	N/A
United States Formula		
Both Developed & Developing Countries	New Tariff =	$\frac{\text{Old Tariff} \times 25}{\text{New Tariff} + 25}$

Harbinson Draft—February 17 th , 2003 Cuts to <i>Ad Valorem</i> Tariffs	Simple Average Minimum cut Reduction Rate per tariff line	
Developed Countries -- [5] years		
Tariffs greater than [90%]	[60%]	[45%]
Tariffs between [15%] and [90%]	[50%]	{35%}
Tariffs less than [15%]	[40%]	{25%}
Developing Countries -- [10] years		
Tariffs greater than [120%]	[40%]	[30%]
Tariffs between [20%] and [120%]	[33%]	{23%}
Tariffs less than [20%]	[27%]	{17%}
All designated "strategic products"	[10%]	[5%]

Note: *non-ad valorem* tariff cuts to be based on tariff equivalents calculated in transparent manner, using representative average [1999-2001]

Source: World Trade Organization