V. <u>SANITARY AND PHYTOSANITARY MEASURES</u>

36. The Cairns Group has recently submitted a proposal on sanitary and phytosanitary measures to the Agriculture Group (MTN.GNG/NG5/W/112). This will be further elaborated as the negotiations proceed.

VI. PRODUCT_COVERAGE

37. The Cairns Group considers that a precise definition of the product coverage of the negotiations in the Negotiating Group on Agriculture is required. In this context, it notes that the agriculture negotiations should not prejudice the objectives of the Punta del Este Declaration nor the decision of the MTR Agreement to the fullest liberalization of trade in tropical products, including in their processed and semi-processed forms.

VII. <u>DEVELOPING COUNTRIES</u>

38. A competitive efficient and market-responsive agriculture serves the common long-term interest of developed and developing countries alike. In achieving that long-term objective the reform process in agriculture must provide the framework and opportunity for a dynamic process of structural adjustment to take place both in the developed and developing counties. The implementation in developing countries of reform commitments regarding a more market oriented agriculture must be coupled with the effective application of special and differential treatment.

Developing countries in due course should be prepared to participate more fully in the framework of rights and obligations under the General Agreement.

1. <u>Development Objectives</u>

39. Government measures on assistance, whether direct or indirect, to encourage agricultural and rural development are an integral part of the development programs of developing countries. These measures are, among others, basic infrastructure development, physical support facilities such as storage for agricultural products, extension services, research and development, skill and human resources development and measures necessary to develop long-term staple food production capabilities at internationally competitive levels. Therefore, measures in these fields should not be included in any list of support measures subject to reduction commitments by developing countries.