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Comércio e Negociações
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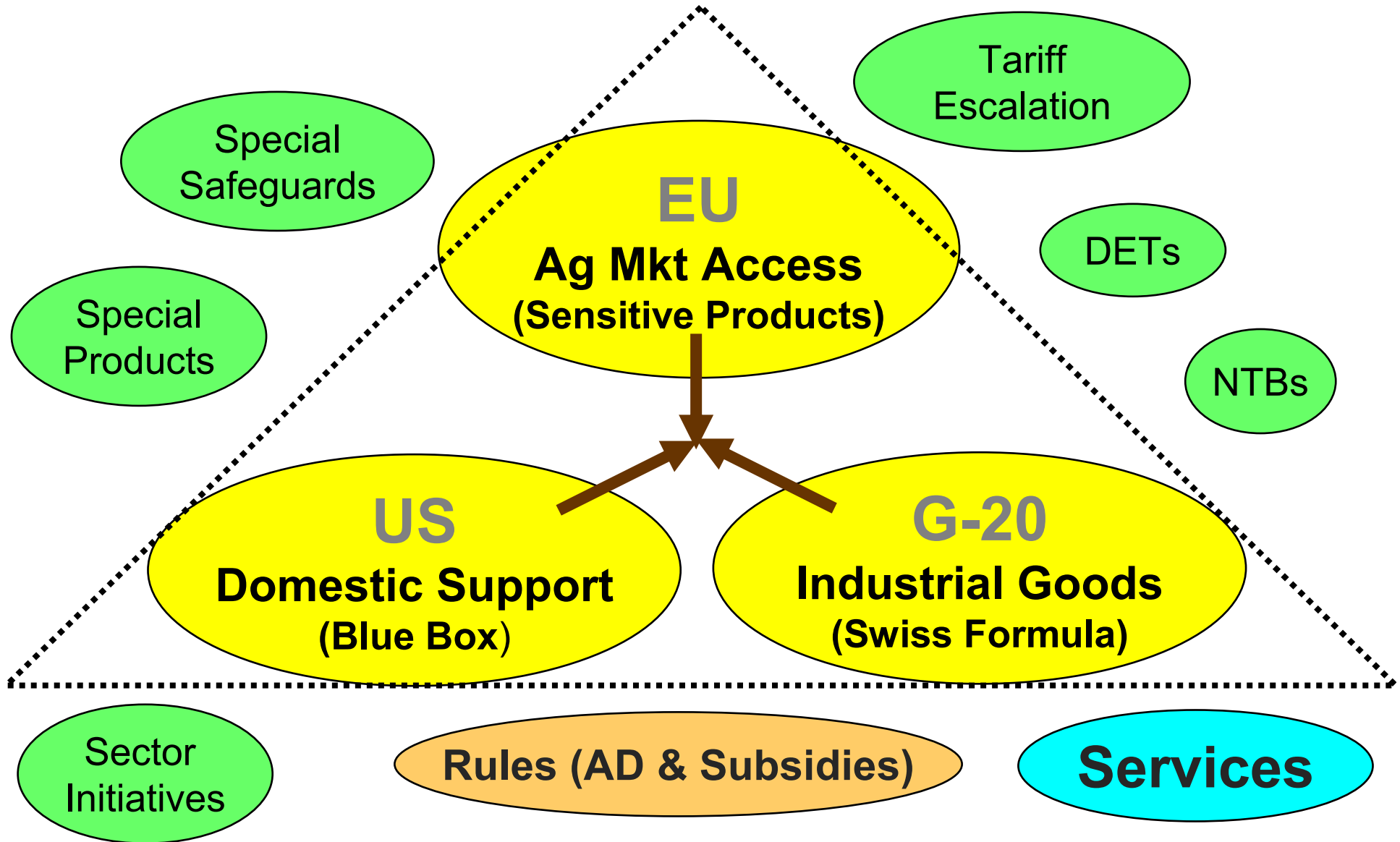
**OECD – IDB - WTO
REGIONAL MEETING ON AGRICULTURE AND TRADE
IN LATIN AMERICAN COUNTRIES**

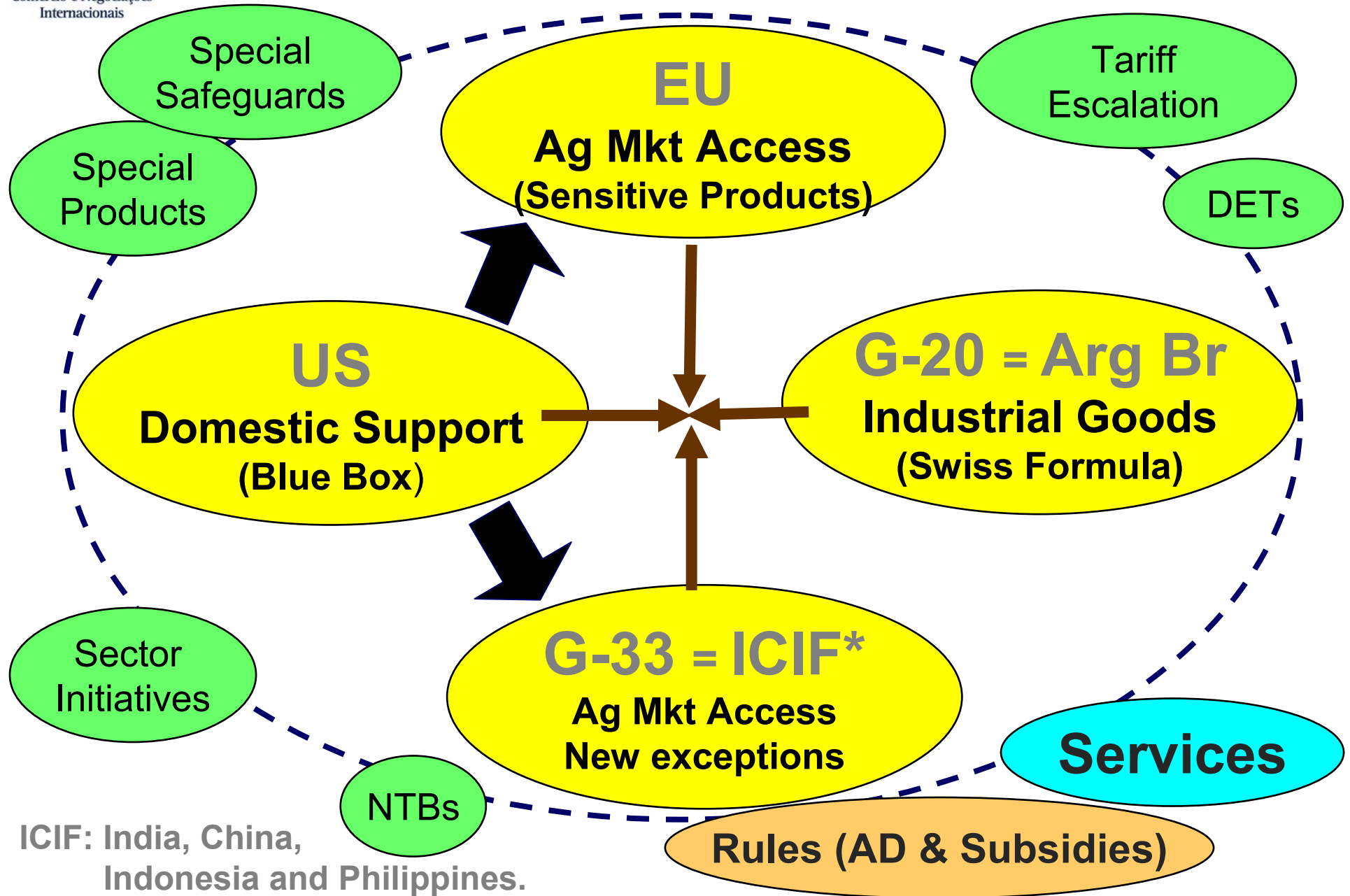
**DOMESTIC SUPPORT ON THE DOHA ROUND:
G-20 PERSPECTIVE**

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**Buenos Aires, Argentina
10 October 2006**





G-20 OBJECTIVES IN DOMESTIC SUPPORT PILLAR

- Targets: US, EU and Japan
- Two pillars: cuts and product-specific disciplines
 - \uparrow cuts \Rightarrow \downarrow disciplines but \downarrow cuts \Rightarrow \uparrow disciplines
- US
 - Effective cuts on overall trade-distorting support (OTDS)
 - AMS and OTDS or AMS and De Minimis
 - Product-specific disciplines:
 - Minimize adverse effects of domestic policies on world market
 - Effective cuts (AMS) and anti-concentration measures (Blue Box)
 - Cotton, soybean and rice
- EU
 - Water elimination: precautionary approach
 - AMS and Blue Box
 - Additional efforts (new Blue Box): cotton
- Japan: water elimination

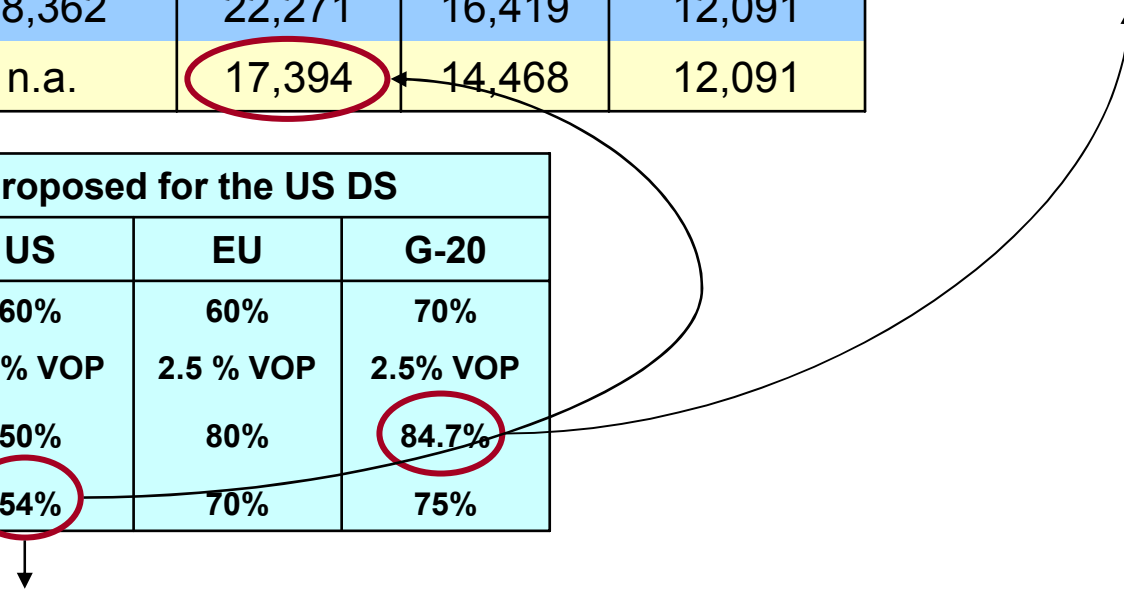
US Ag Domestic Support Proposed cuts and ceilings (US\$ Billion)

	Departure Point	US	EU	G-20
AMS	19,103	7,641	7,641	5,731
Blue Box	9,753	4,877	4,877	4,877
NPS De Minimis	9,753	4,877	1,951	1,483
PS De Minimis	9,753	4,877	1,951	0
OTDS	48,362	22,271	16,419	12,091
Available OTDS	n.a.	17,394	14,468	12,091

Resulting amount to implement OTDS assuming 100% usage of AMS and BB

Cuts and ceilings proposed for the US DS			
	US	EU	G-20
AMS	60%	60%	70%
Blue Box	2.5% VOP	2.5 % VOP	2.5% VOP
NPS and PS De Minimis	50%	80%	84.7%
OTDS	54%	70%	75%

It should be at least 64%



EU Ag Domestic Support Proposed cuts and ceilings (€ Billion)

	Departure Point	US	EU	G-20
AMS	73,228	12,449	21,968	18,307
Blue Box	20,621	6,447	6,447	6,447
NPS De Minimis	12,893	6,447	2,579	0
PS De Minimis	12,893	6,447	2,579	0
OTDS	119,636	29,909	35,891	23,927
Available OTDS	n.a.	25,342	30,994	12,091

Resulting amount to implement OTDS assuming 100% usage of AMS and BB

Assuming € 4,500 billion (2006), NPS De Minimis goes to € 1,120

Cuts and ceilings proposed for the US DS			
	US	EU	G-20
AMS	83%	70%	75%
Blue Box	2.5% VOP	2.5 % VOP	2.5% VOP
NPS and PS De Minimis	50%	80%	65%
OTDS	75%	70%	80%

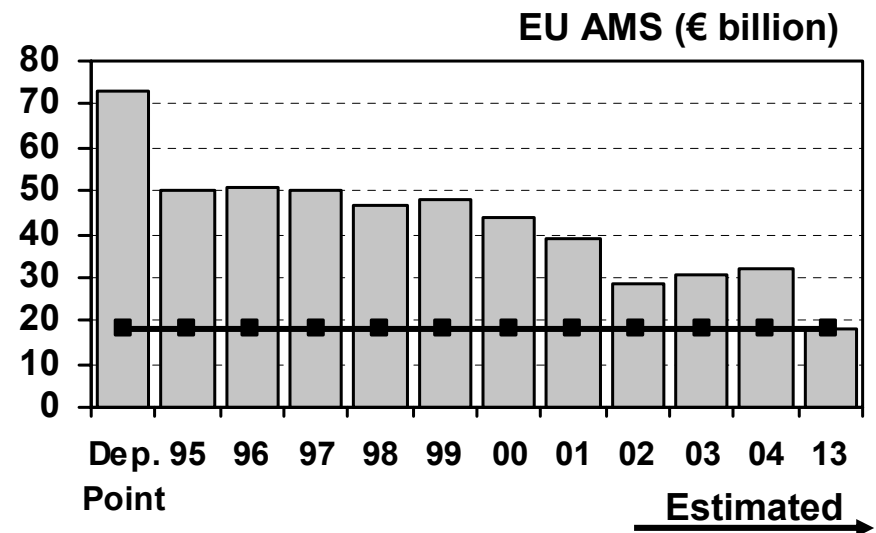
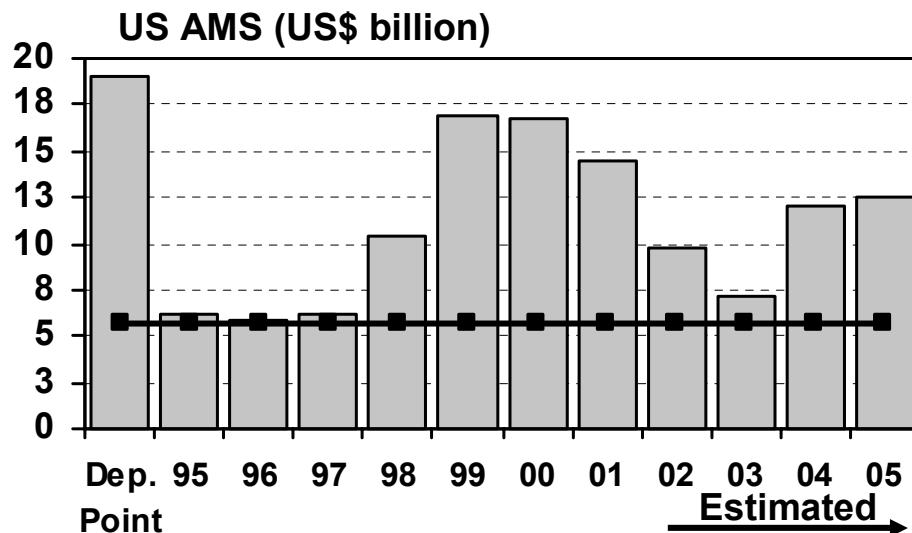
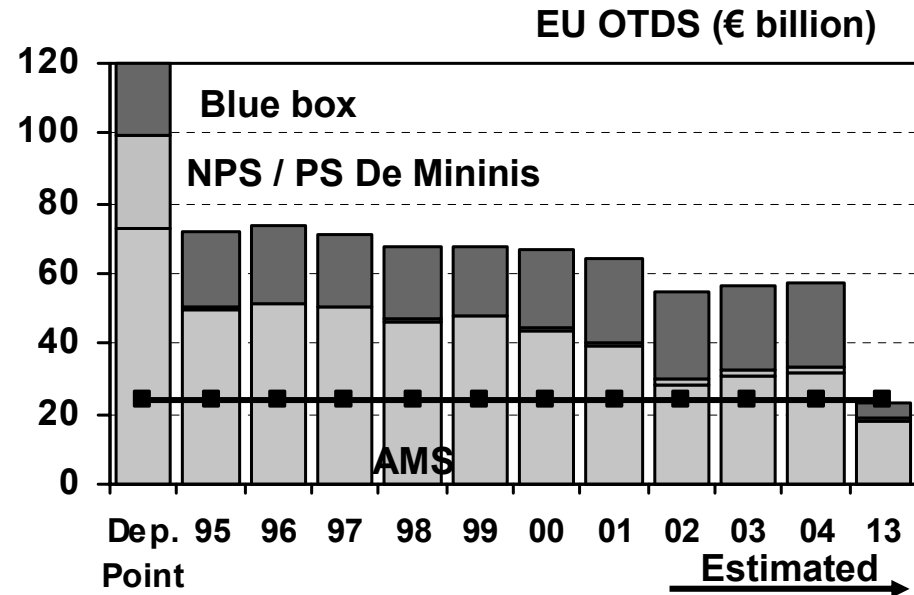
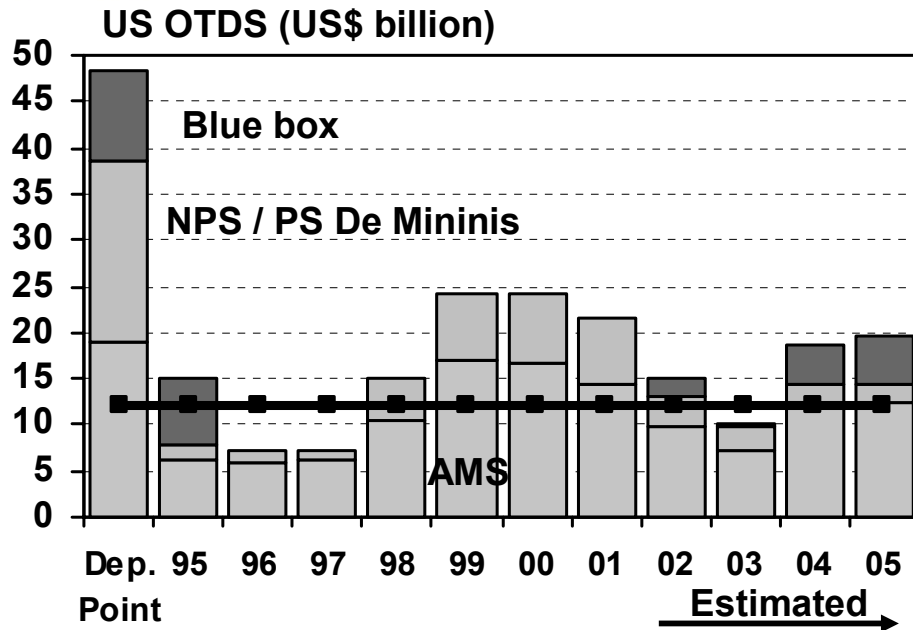
It should be at least 74%



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US and EU: OTDS and AMS Reduction According to Different Proposals

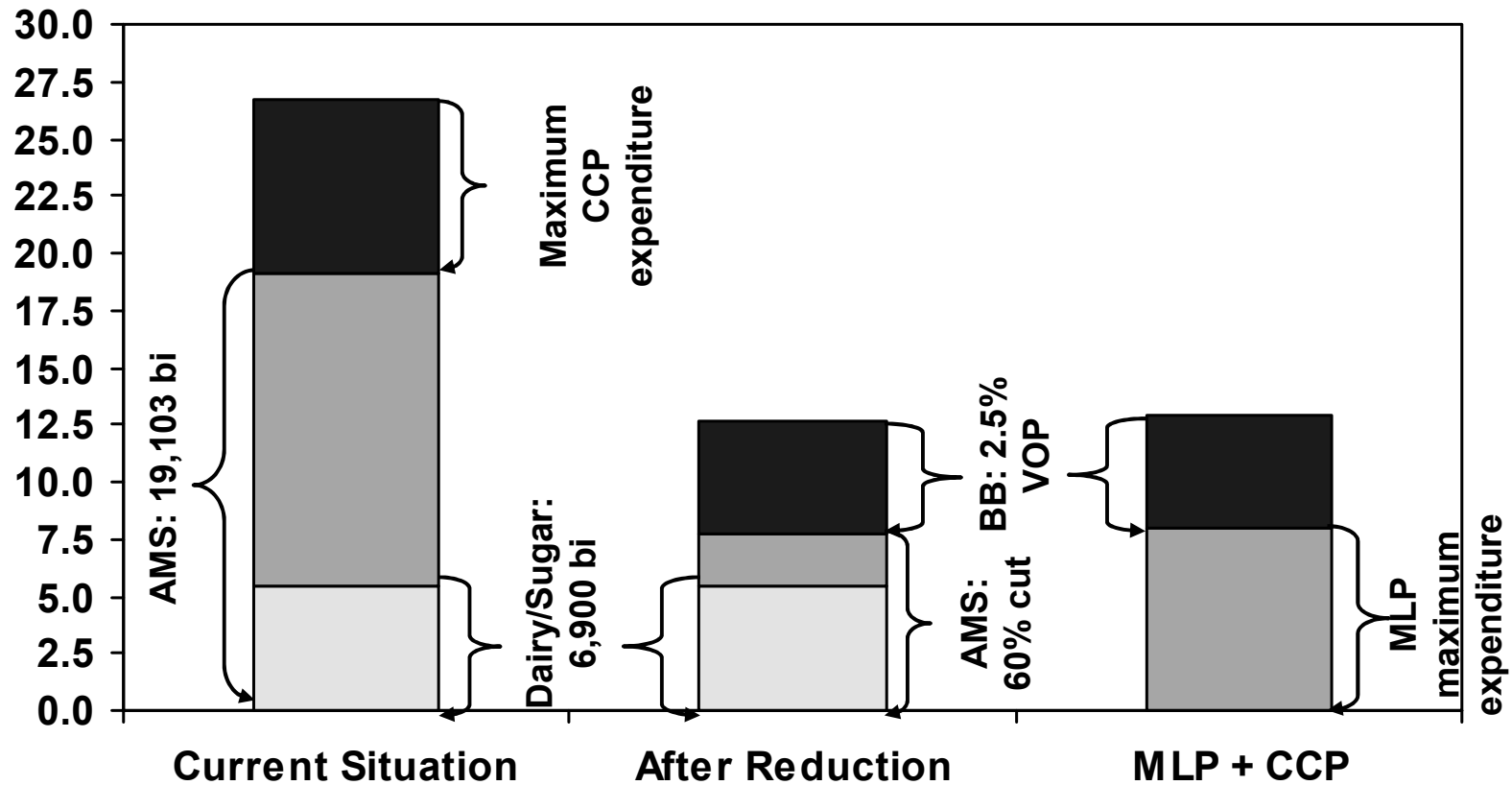
(5.0% VOP for Blue Box)



Source: WTO notifications and ICONE's Simulations.

Note1: Counter cyclical payments for the Blue Box from 2002 to 2005. Note 2: on the starting point, AMS for EU-25

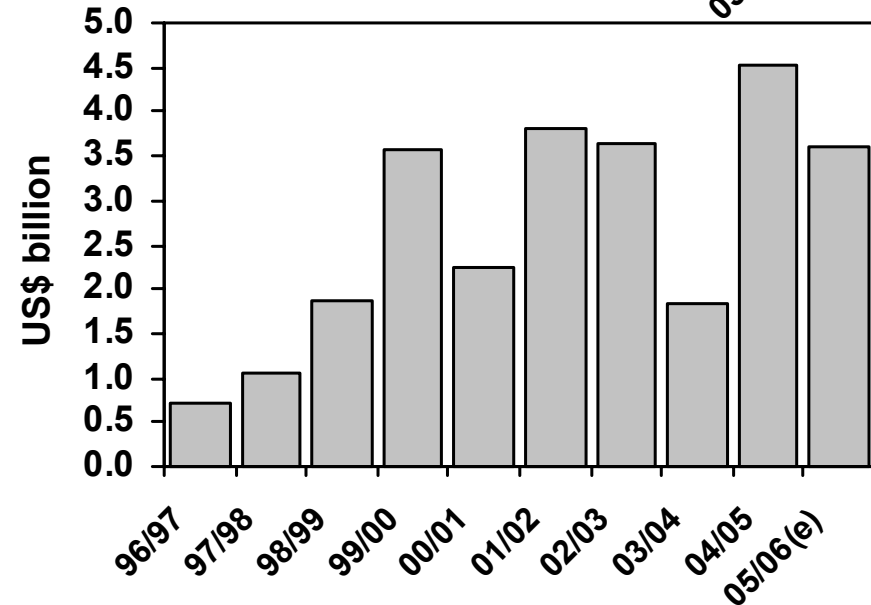
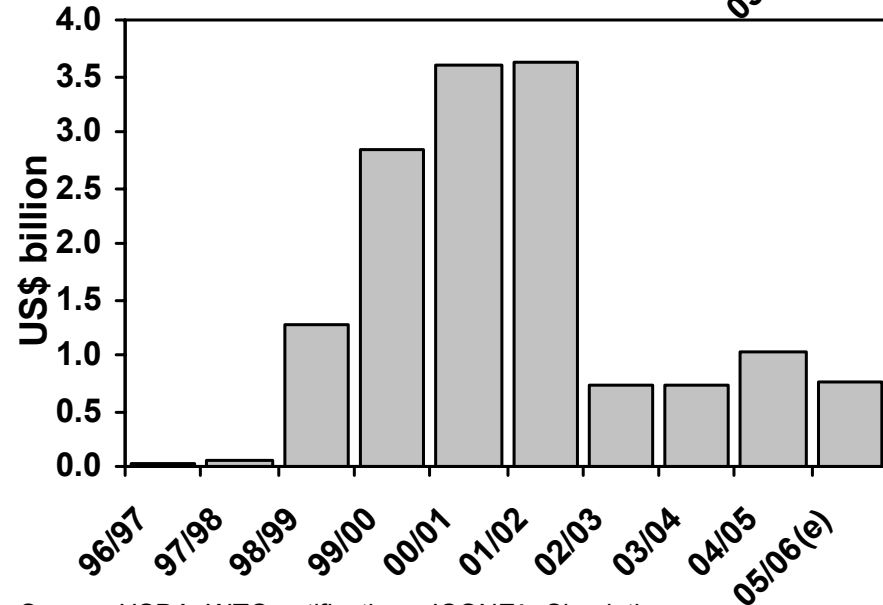
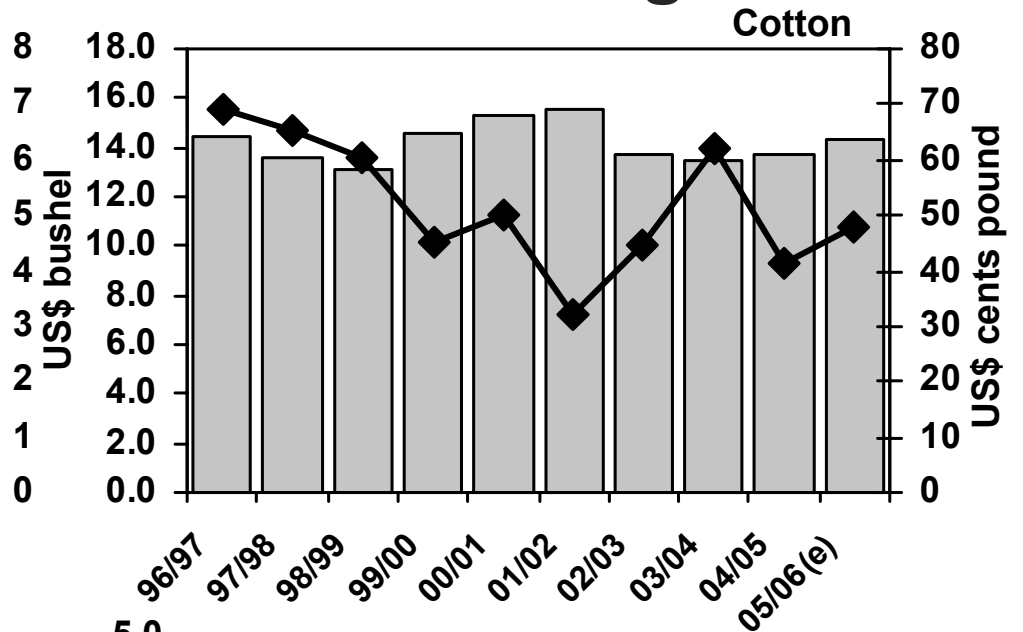
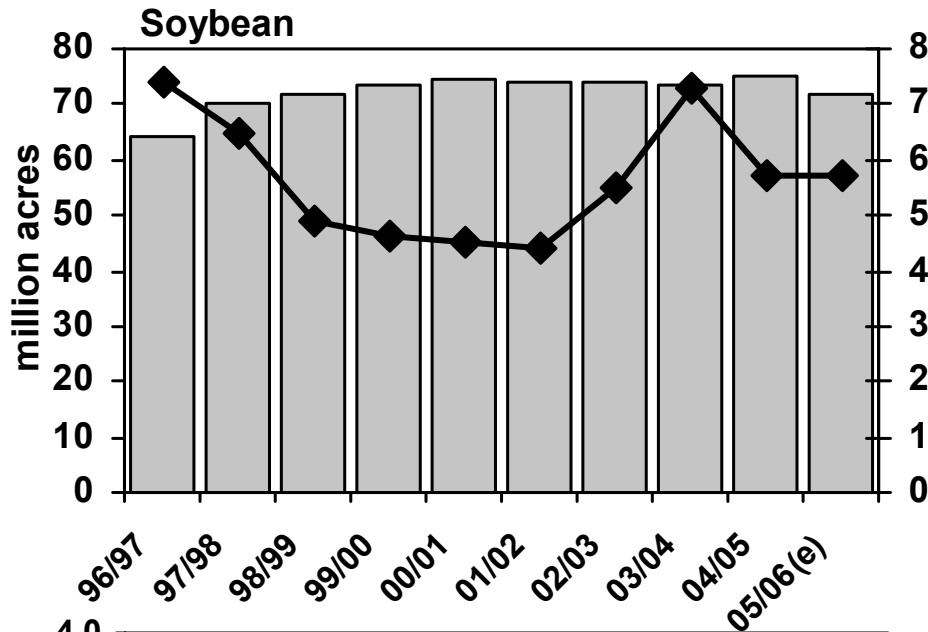
Product-Specific Disciplines and Reform of Dairy and Sugar Sectors (US\$ billion)





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US Farmer's Decision Variables: Market Prices vs Trade-Distorting DS

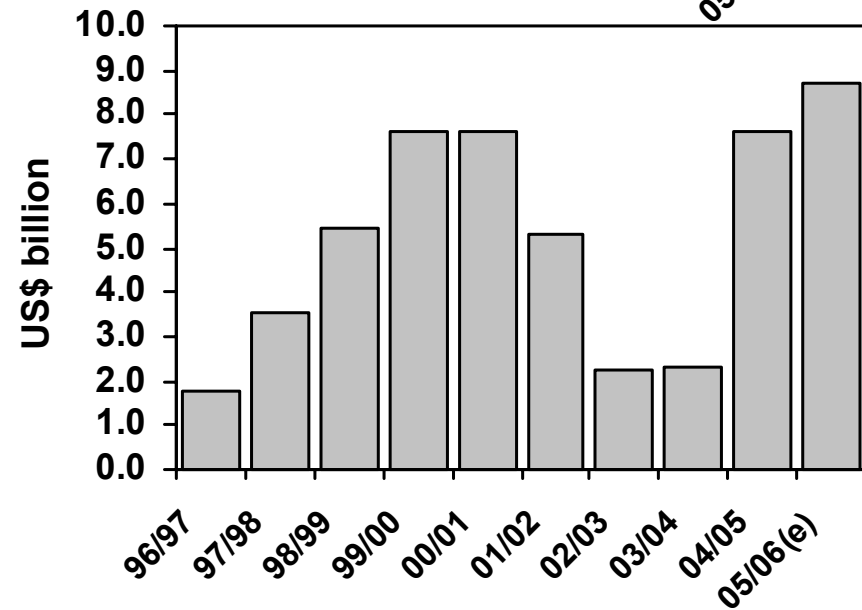
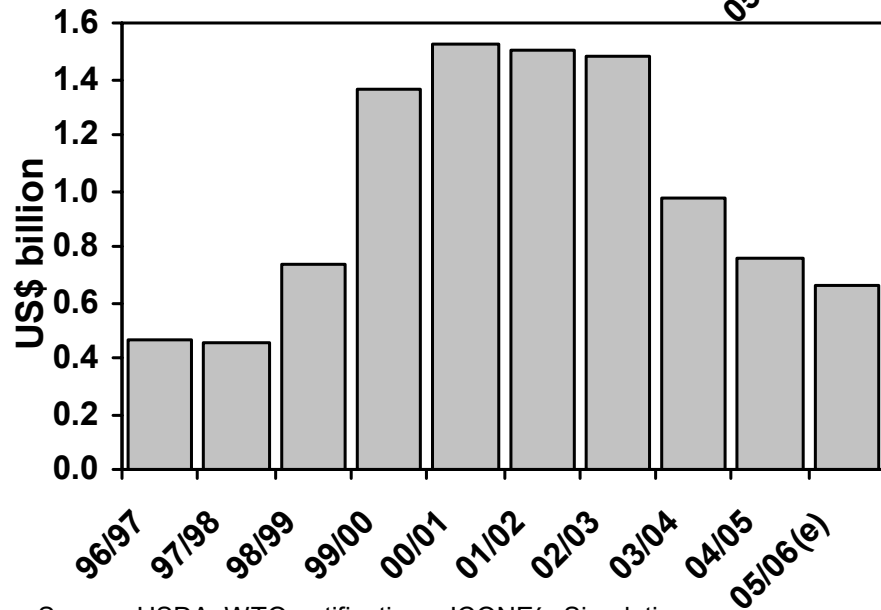
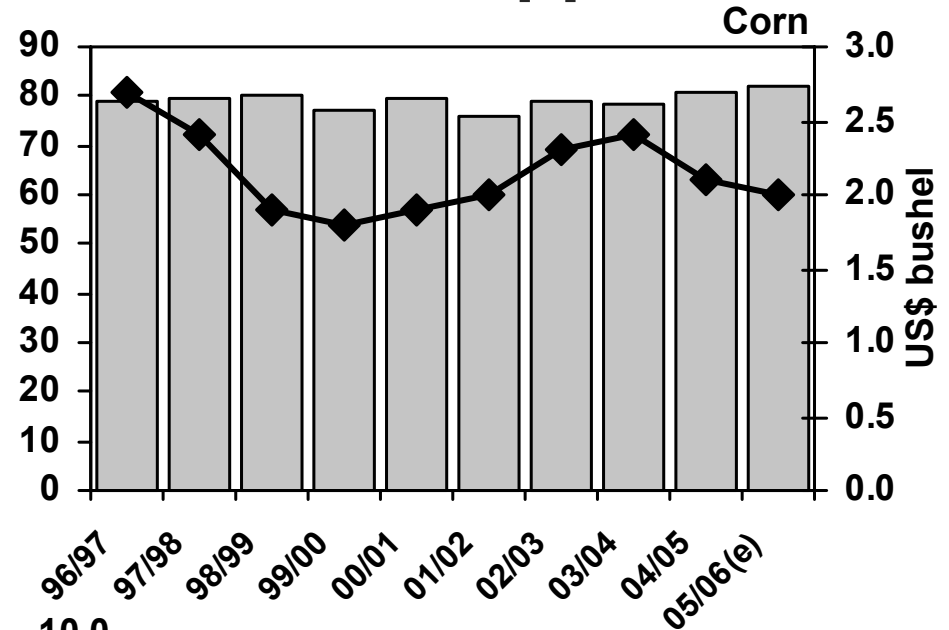
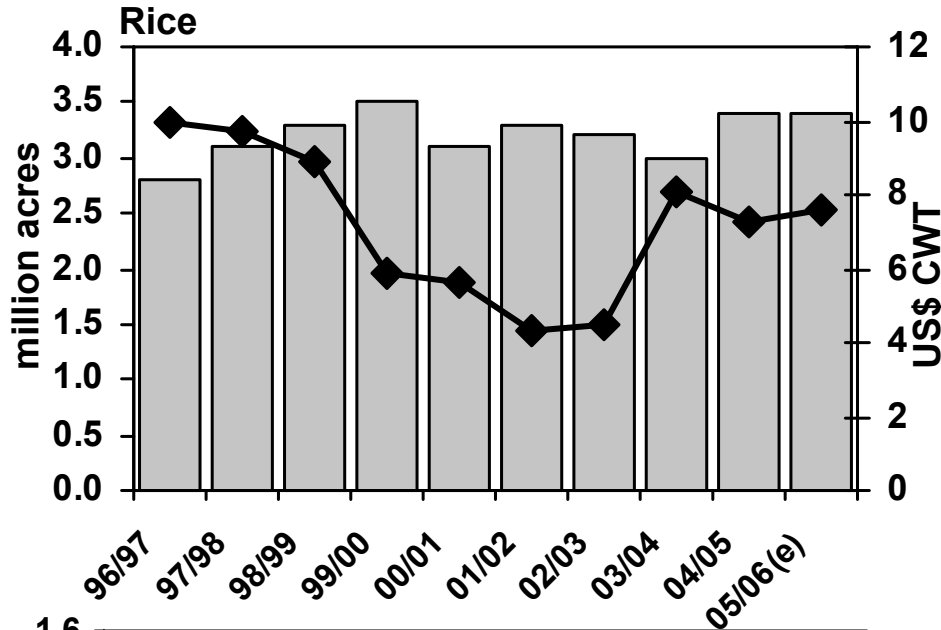


Source: USDA; WTO notifications; ICONE's Simulations.



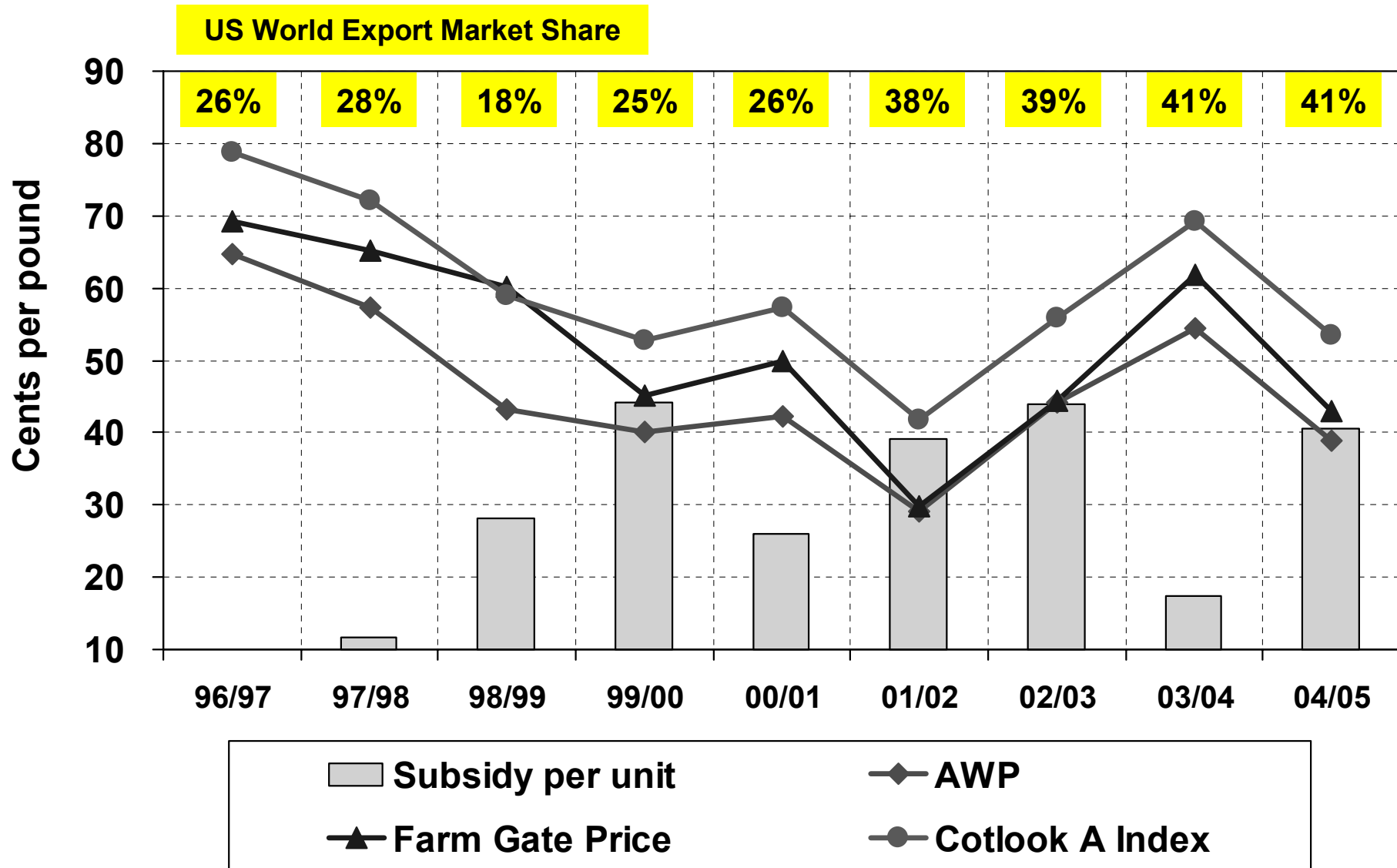
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US Farmer's Decision Variables: Market Prices vs Domestic Support



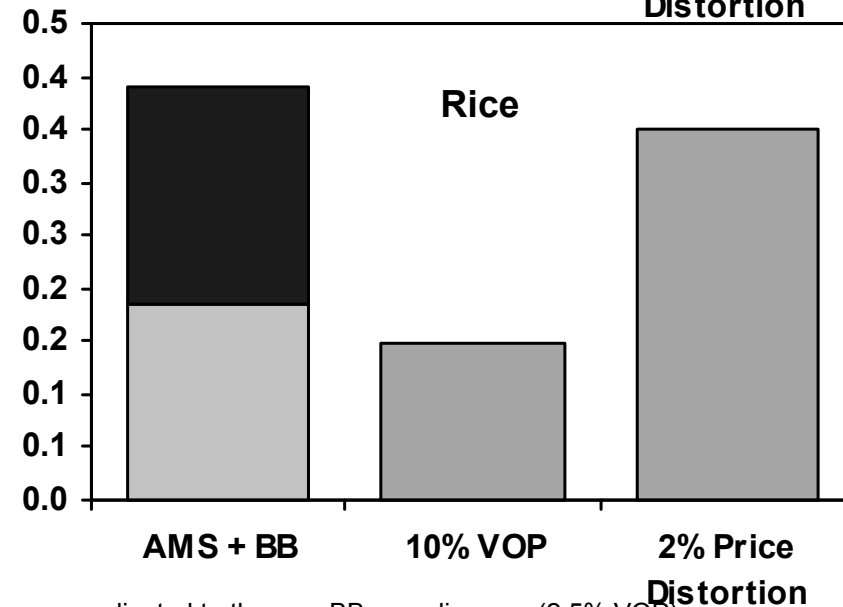
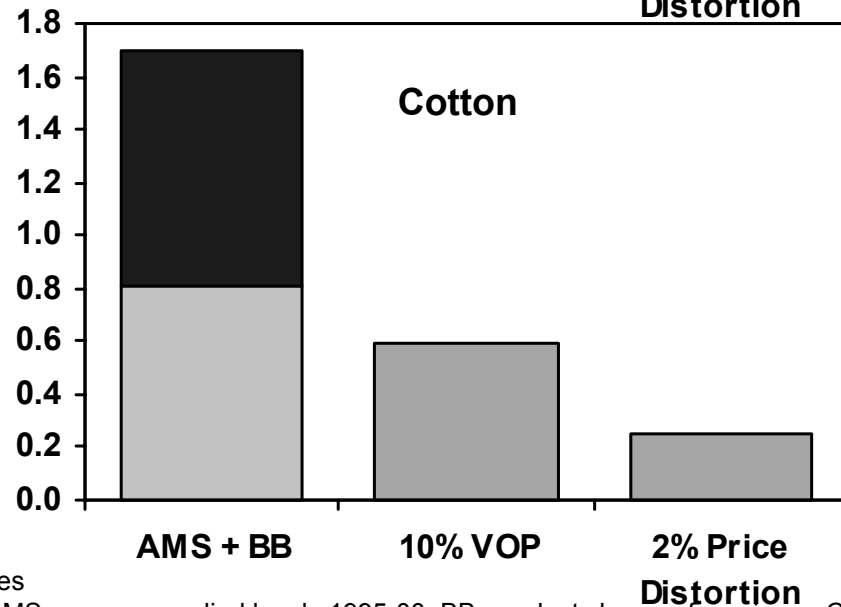
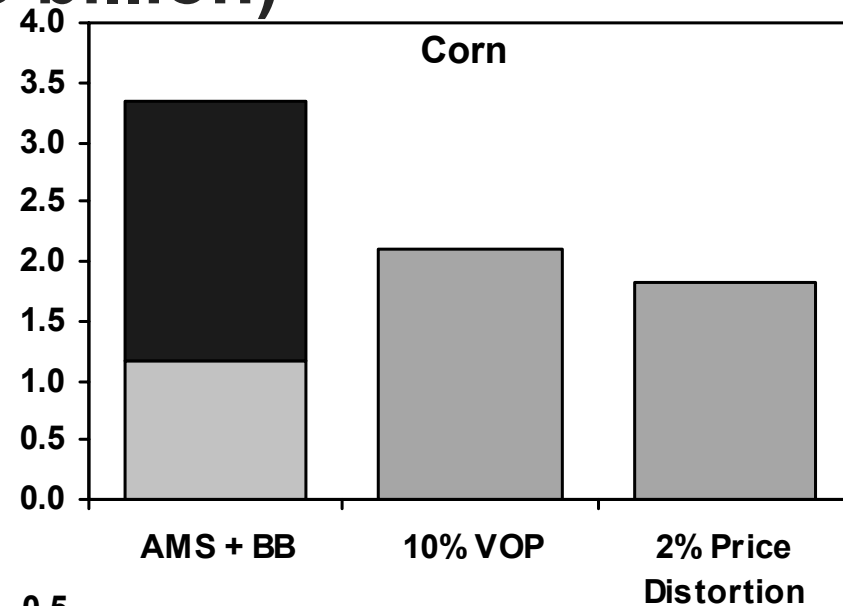
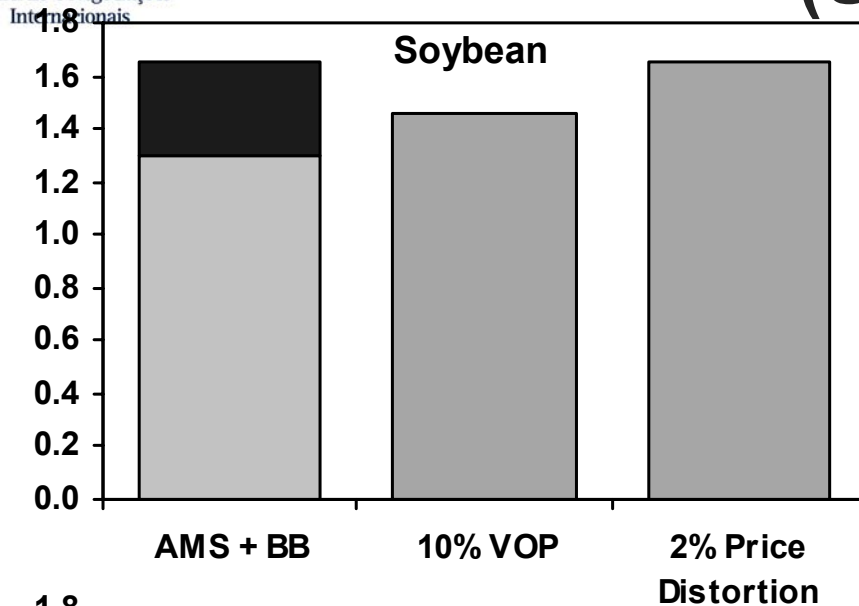
Source: USDA; WTO notifications; ICONE's Simulations.

Prices Received by U.S. Cotton Farmers and the World Prices



Source: ICAC; USDA; CCC.

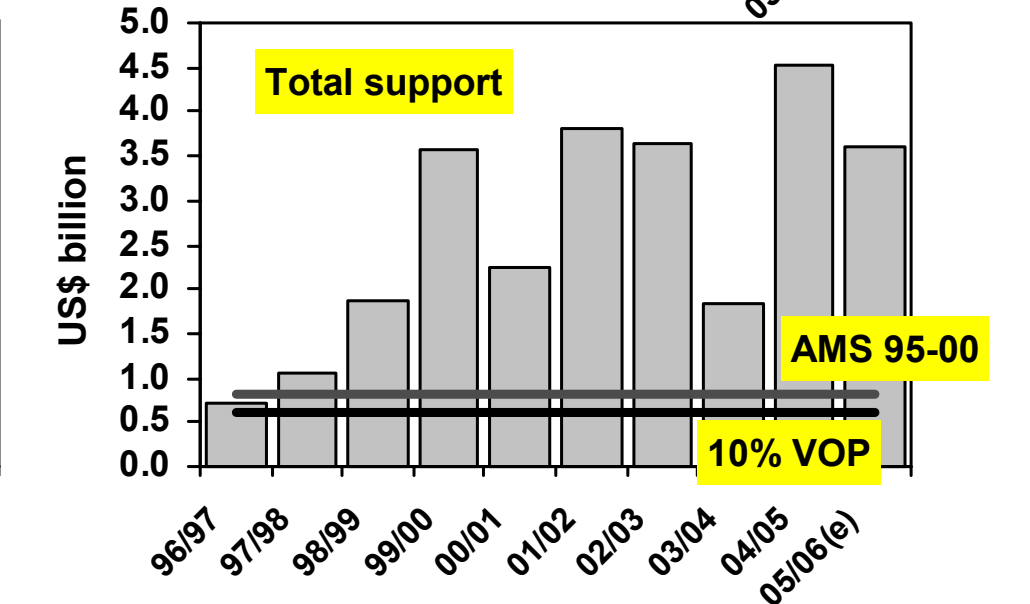
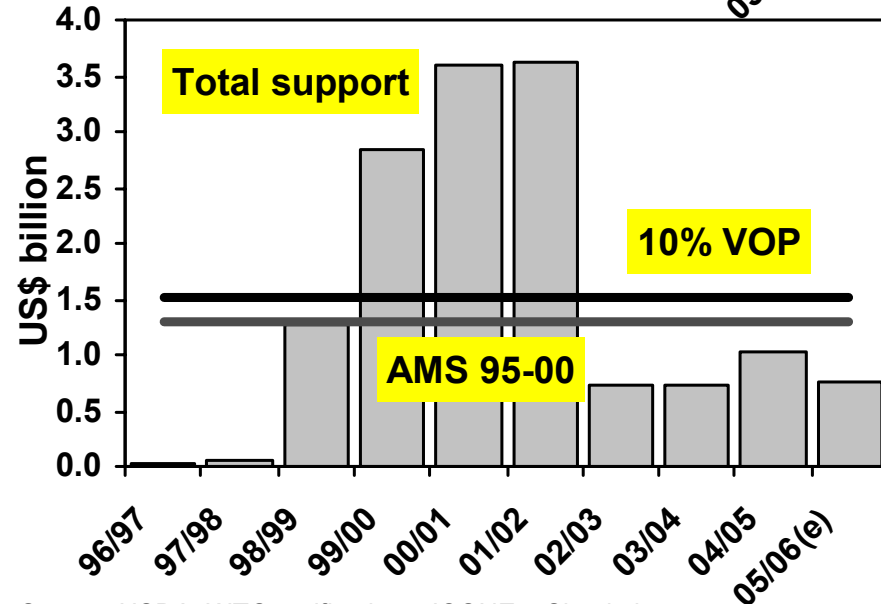
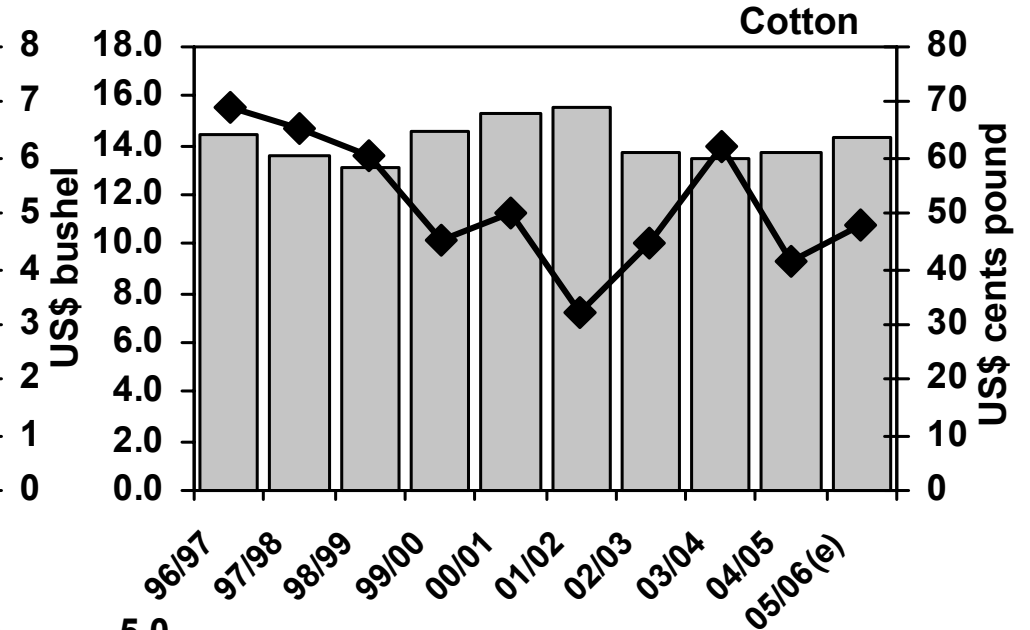
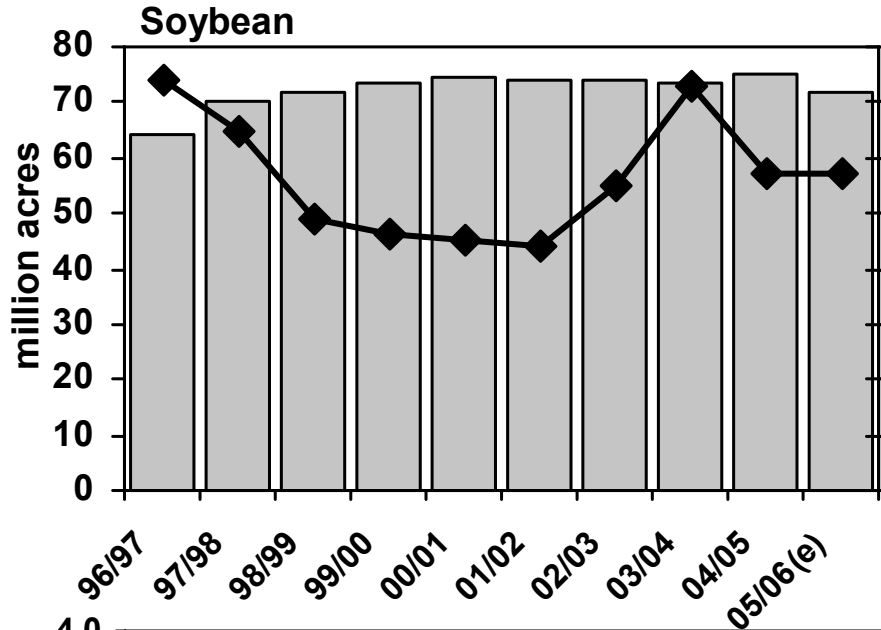
Alternatives for Product-Specific Caps (US\$ billion)



Notes

- AMS: average applied levels 1995-00. BB: product shares of maximum CCP allowances adjusted to the new BB spending cap (2.5% VOP);
- 10% VOP: 10% value of production (average 95-00);
- 2% price distortion: minimize the risk of serious prejudice (drop of more than 2% of world prices).

Product-Specific Disciplines and Farmer's Decisions

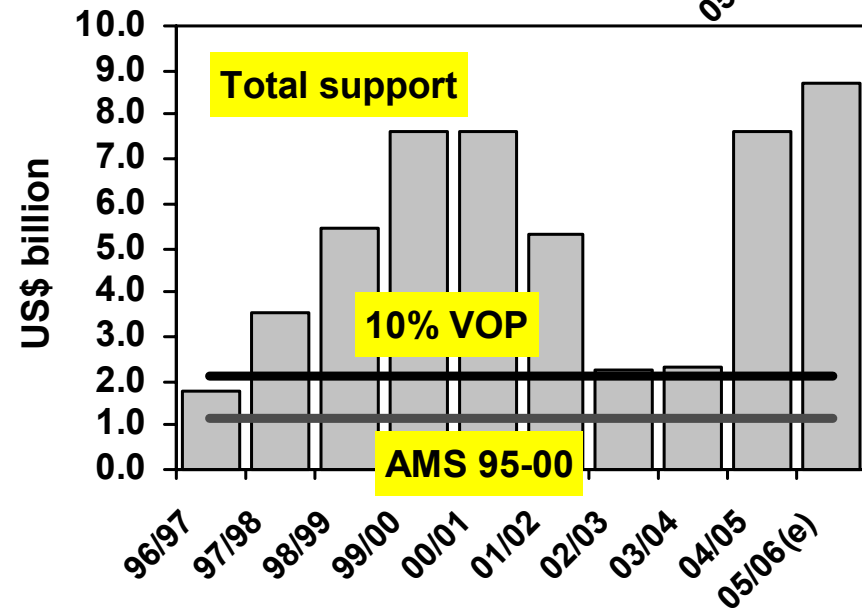
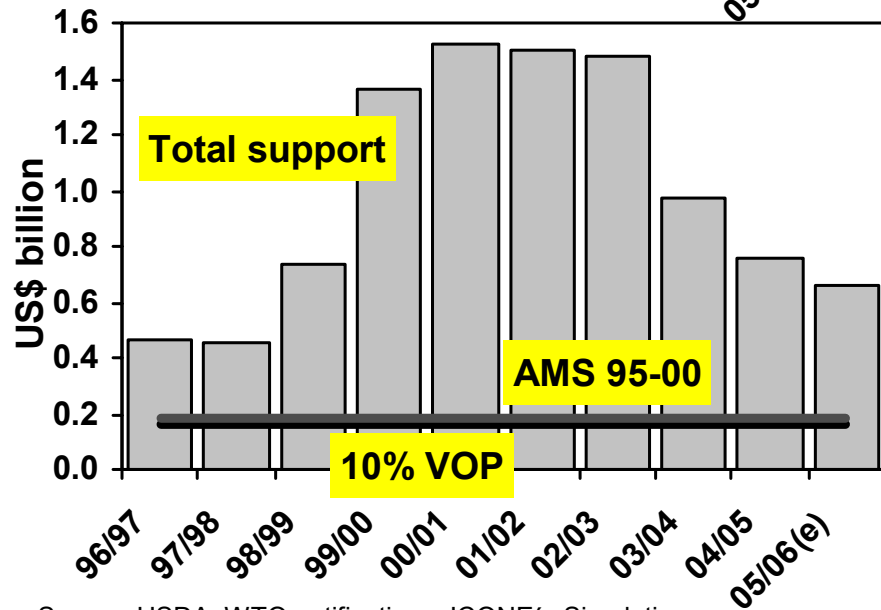
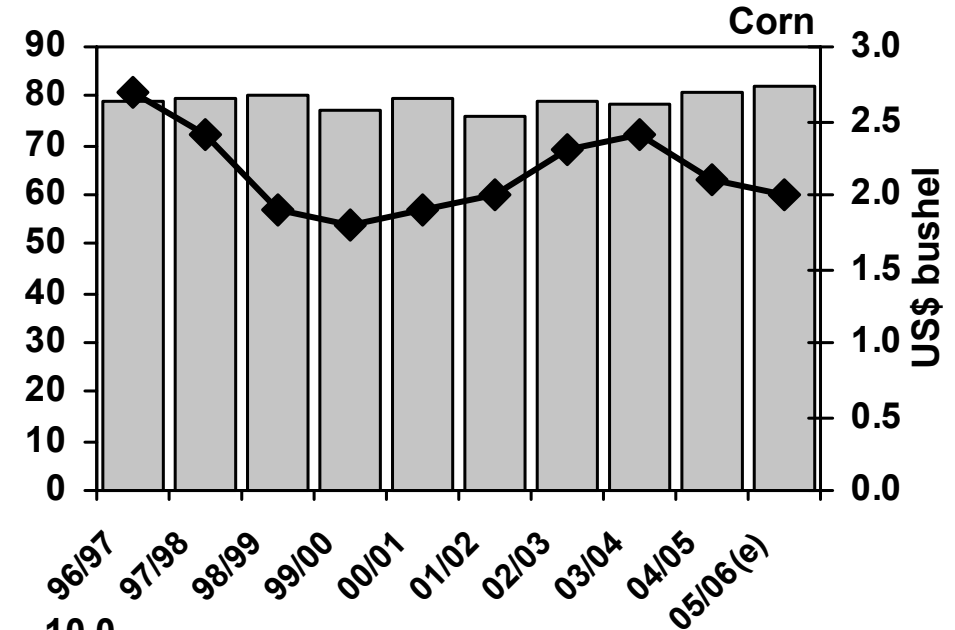
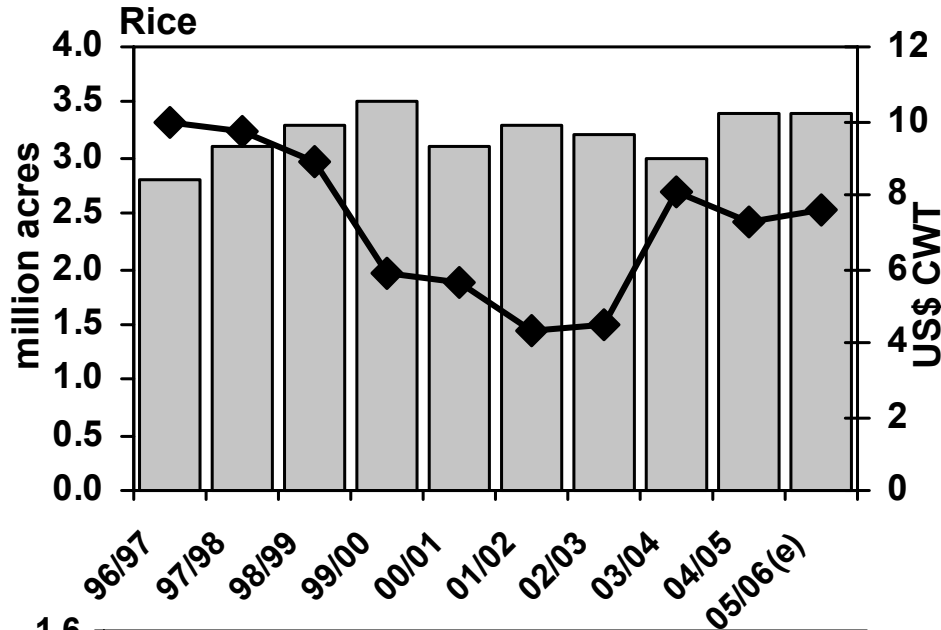


Source: USDA; WTO notifications; ICONE's Simulations.



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Product-Specific Disciplines and Farmer's Decisions



Source: USDA; WTO notifications; ICONE's Simulations.



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Mantenedores



Parceiros

