

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
(DEPARTMENT OF COMMERCE)

**LOK SABHA**  
**UNSTARRED QUESTION NO. 4919**  
**TO BE ANSWERED ON 26<sup>th</sup> MARCH, 2018**

**ISSUE OF PROCUREMENT PROGRAMME AT WTO**

4919. DR. A. SAMPATH::

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) the details of decisions taken during the World Trade Organisation (WTO) Ministerial Conference in Buenos Aires with respect to Government procurement programme in the farm sector;
- (b) the details of the impact of such decisions on India's agricultural procurement programme;
- (c) whether India's procurement programme in wheat and rice are affected by existing WTO regulations; and
- (d) if so, the details thereof?

**ANSWER**

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सी. आर. चौधरी)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY  
(SHRI C. R. CHAUDHARY)

(a) No decision was taken with respect to Government procurement programmes in the farm sector at the Ministerial Conference of the World Trade Organization (WTO) in Buenos Aires in December 2017.

b) Does not arise in view of (a) above.

(c) & (d) WTO rules are applicable to the purchase of food under public stockholding programmes for food security purposes. If the food for these programmes is purchased at prices fixed by the governments, known as "administered" prices, and not at market prices, then this is considered as support to farmers. WTO rules impose certain limits on such support. In order to ensure that these limits do not constrain public stockholding programmes for food security purposes in developing countries, a coalition of developing countries, including India, sought to amend the WTO rules. As per decisions taken at Ministerial Conferences of the WTO held in Bali (December 2013) and Nairobi (December 2015) and in the WTO General Council in November 2014, an interim mechanism is in place. This provides that WTO members would exercise due restraint (popularly termed as a 'Peace Clause') in raising disputes under the relevant provisions of the WTO Agreement on Agriculture in respect of public

stockholding programmes for food security purposes even if countries exceed their permissible limits on the subsidies involved in food purchases under such programmes. It was also decided that a permanent solution would be negotiated. While a permanent solution could not be achieved at the recently concluded 11<sup>th</sup> Ministerial Conference of the WTO held in Buenos Aires, Argentina in December 2017 due to a lack of consensus, India's public stockholding programmes continue to be protected due to the interim mechanism, which is available in perpetuity.

\*\*\*