

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

LOK SABHA
UNSTARRED QUESTION NO. 888
TO BE ANSWERED ON 23rd JULY, 2018

ISSUE OF AGRICULTURAL SUBSIDIES AT WTO

888. SHRIMATI K. MARAGATHAM:

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

- (a) whether the United States has alleged that India is supporting its rice and wheat farmers with payments that are far higher than the amounts allowed by the World Trade Organisation (WTO);
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) whether India has made reform of agricultural subsidies a major negotiating issue at the WTO in the past five years; 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) & (b): The United States has, in May 2018, submitted a communication under provisions of the WTO Agreement on Agriculture (AoA) on certain measures of India providing Market Price Support (MPS) to wheat and rice for the years 2010-11 to 2013-14. In this communication, the US has claimed that India has under-reported its domestic support provided for wheat and rice and breached its commitments under the WTO AoA. The calculations done by them, to support this claim is based, as per them, on information available in the public domain and news reports. The US has, however, clarified that the purpose of the counter notification is to facilitate conversation and improve transparency.

India has refuted the calculations done in the US counter notifications as being flawed on technical grounds and asserted that the methodology used by India in its domestic

support notifications is in accordance with the rules under the Agreement on Agriculture.

(c) & (d): India has been of the view that the Agreement on Agriculture provides considerable space and flexibility to a few developed members to provide huge trade distorting subsidies and further, to concentrate these subsidies on a few products without any limits. These few members have been trying to shift the focus of negotiations in the WTO from reducing and capping such large trade distorting subsidies by the rich countries to ensuring that developing countries such as India and China reduce or cap their agricultural subsidies. India is concerned at this shift in the discussion on domestic support and has, at various fora, held that the agriculture negotiations are meant to continue the reform process and not to preserve the subsidies of a few while taking away all the flexibilities from developing countries in an already unequal playing field. India has maintained that any meaningful reform in agriculture must first seek to reduce the disproportionately large subsidies of the developed countries. India and China have also made a joint submission in the WTO proposing the elimination of AMS (Aggregate Measurement of Support), available mostly to developed countries, which is the most trade-distorting form of agricultural domestic support.
