

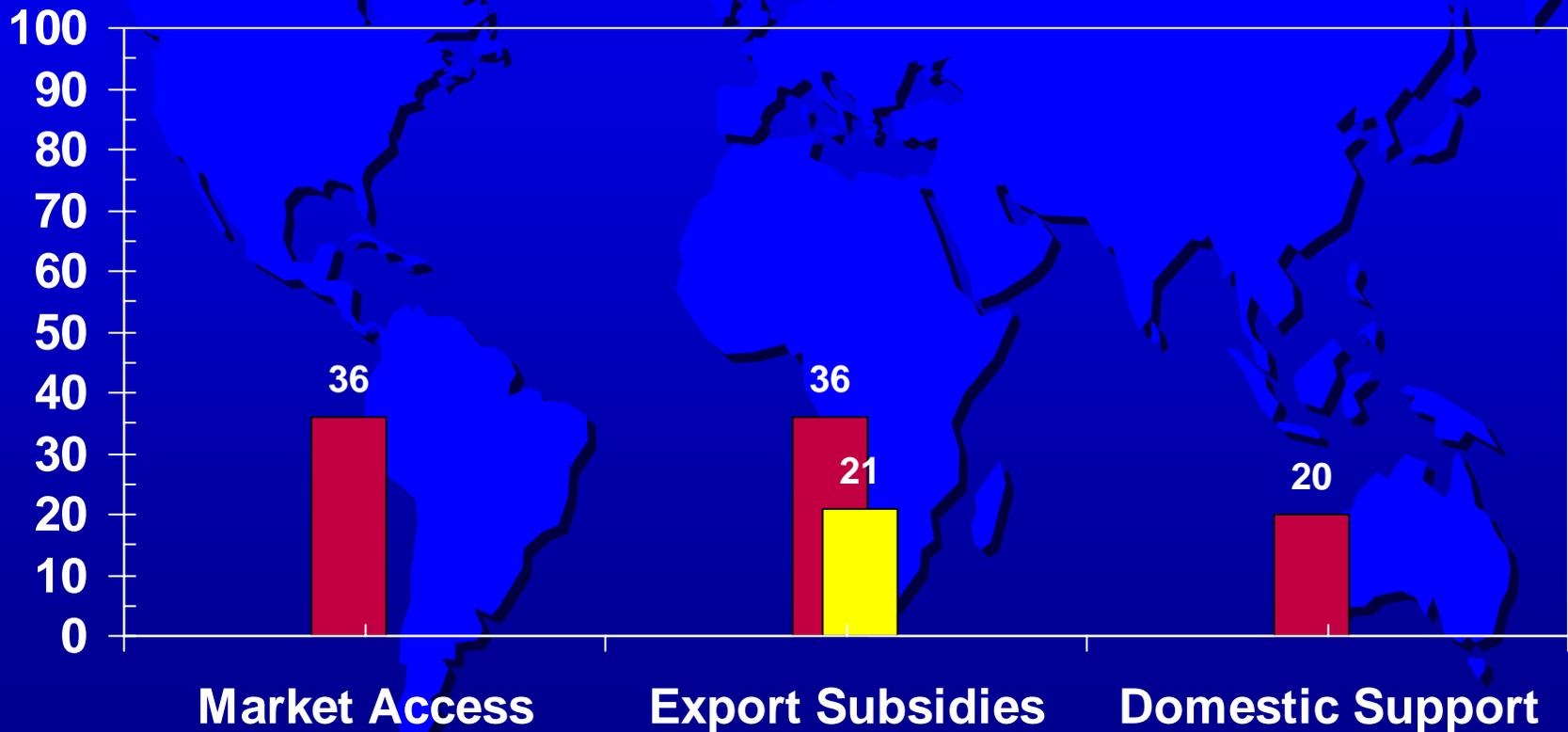
WTO AGRICULTURE NEGOTIATIONS



A FAIR PATH TO FREE TRADE

The Uruguay Round Framework

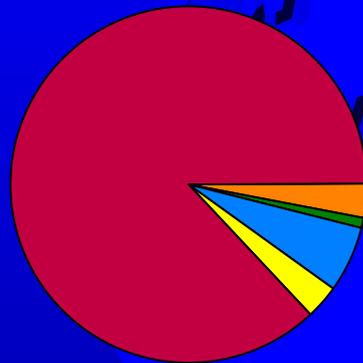
Reduction Commitments



Level Playing Field

**Export Subsidies:
Elimination**

EU 87%



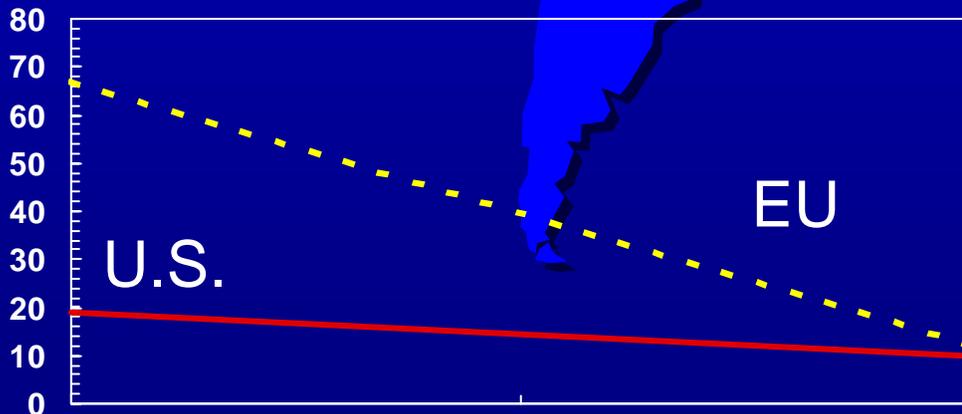
US 1%

Switzerland 6%

Domestic Support: 5% VAP

Tariffs: Swiss25

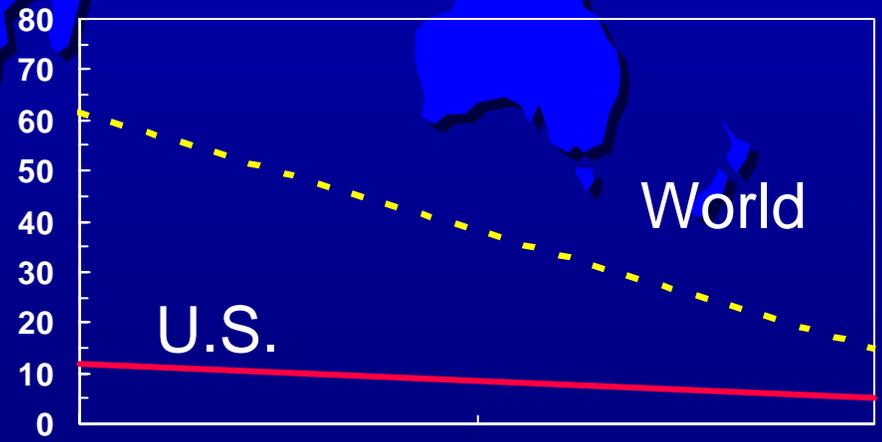
Billions \$



Current

5%

Percent



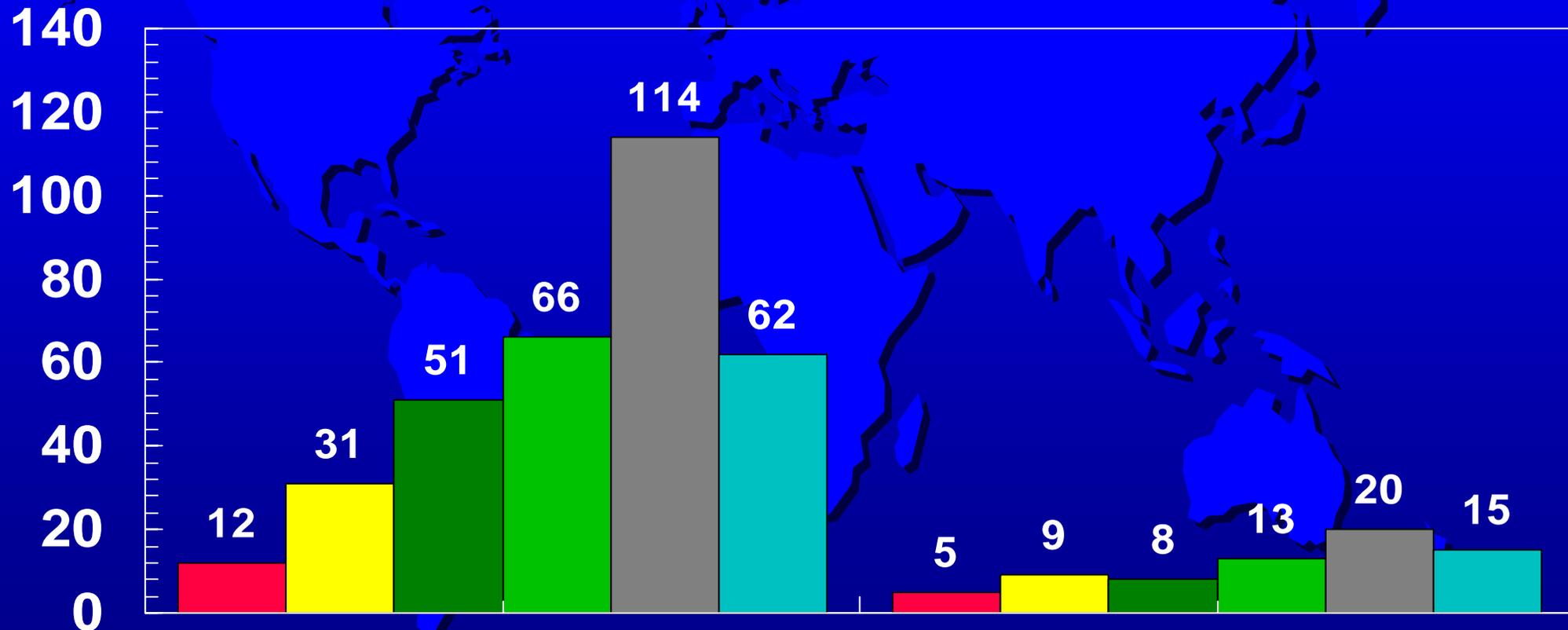
Final Bound

Swiss25

TARIFFS

Average Level of Ag Tariff Binding

Percent



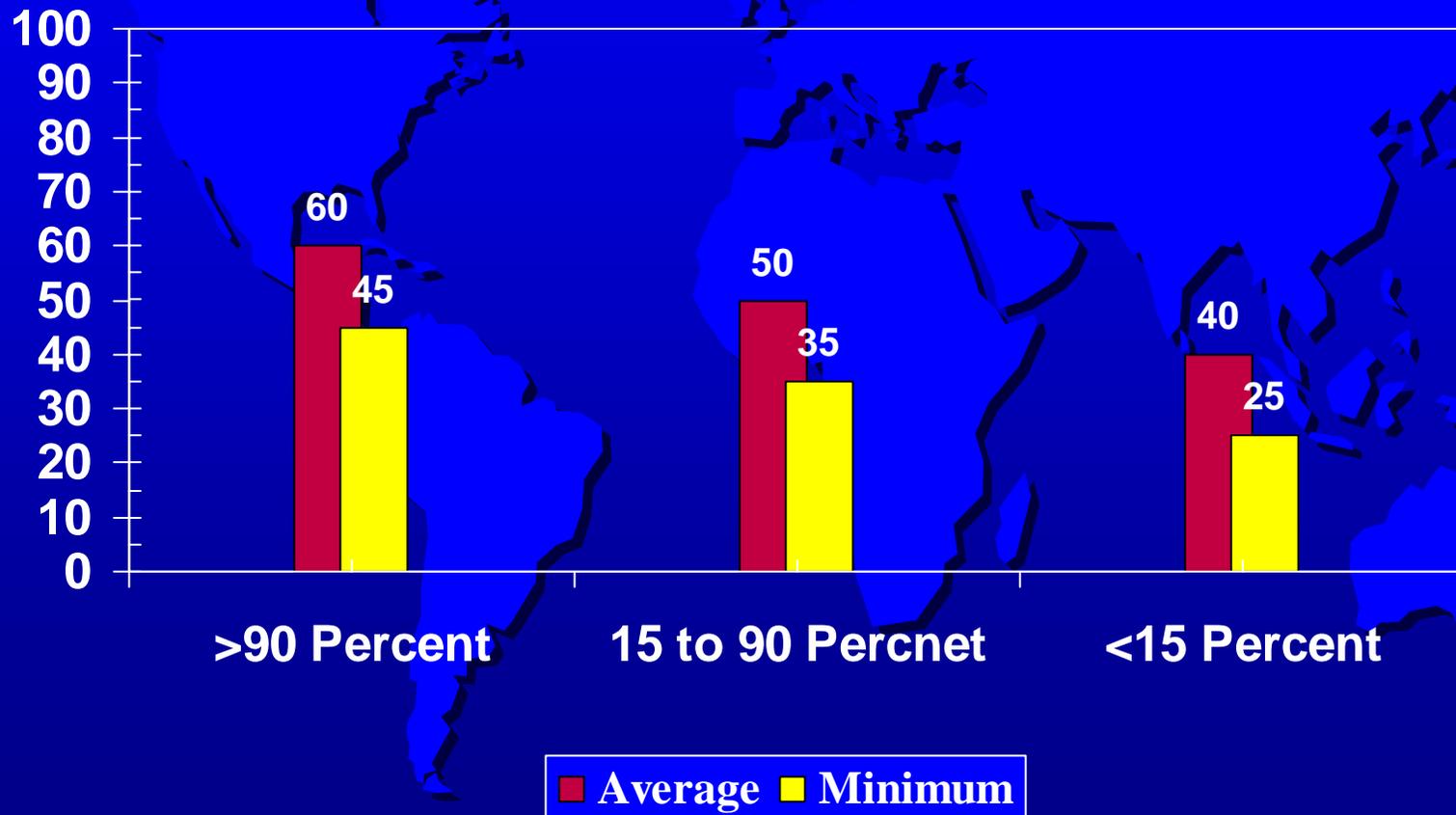
Uruguay Round

Swiss25

US EU Japan Korea India World

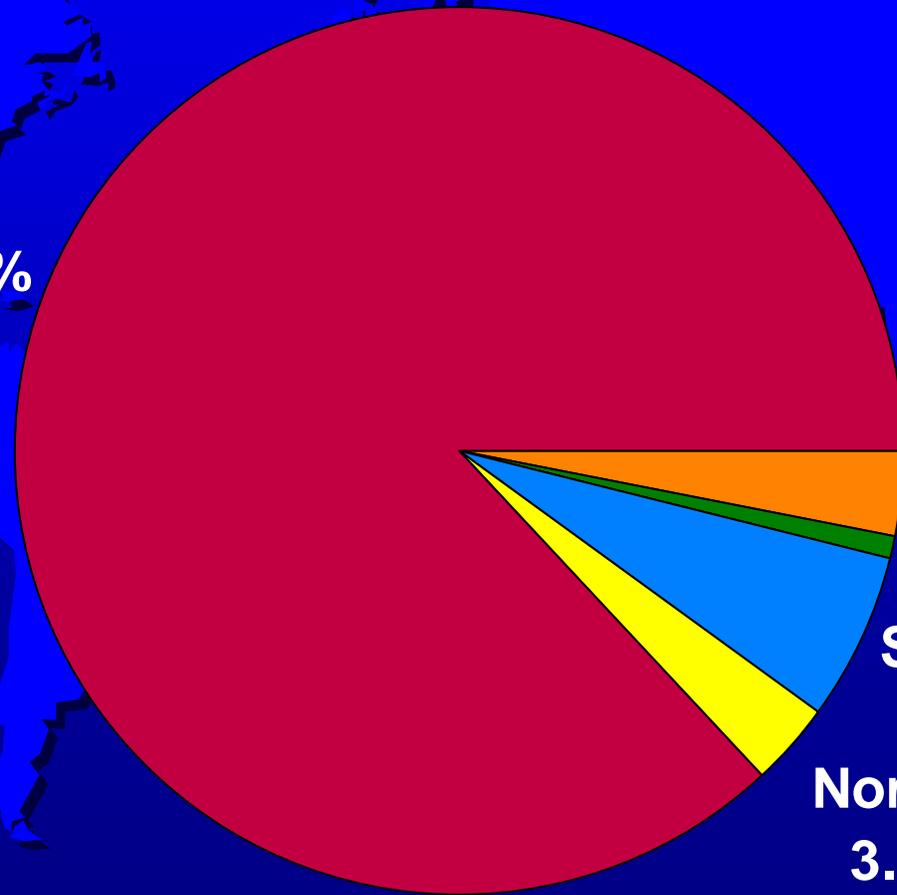
Tariffs: Harbinson Approach

Reduction Commitments



Export Subsidies

EU
87.0%



Rest of World

U.S. 3.0%

1.0%

Switzerland

6.0%

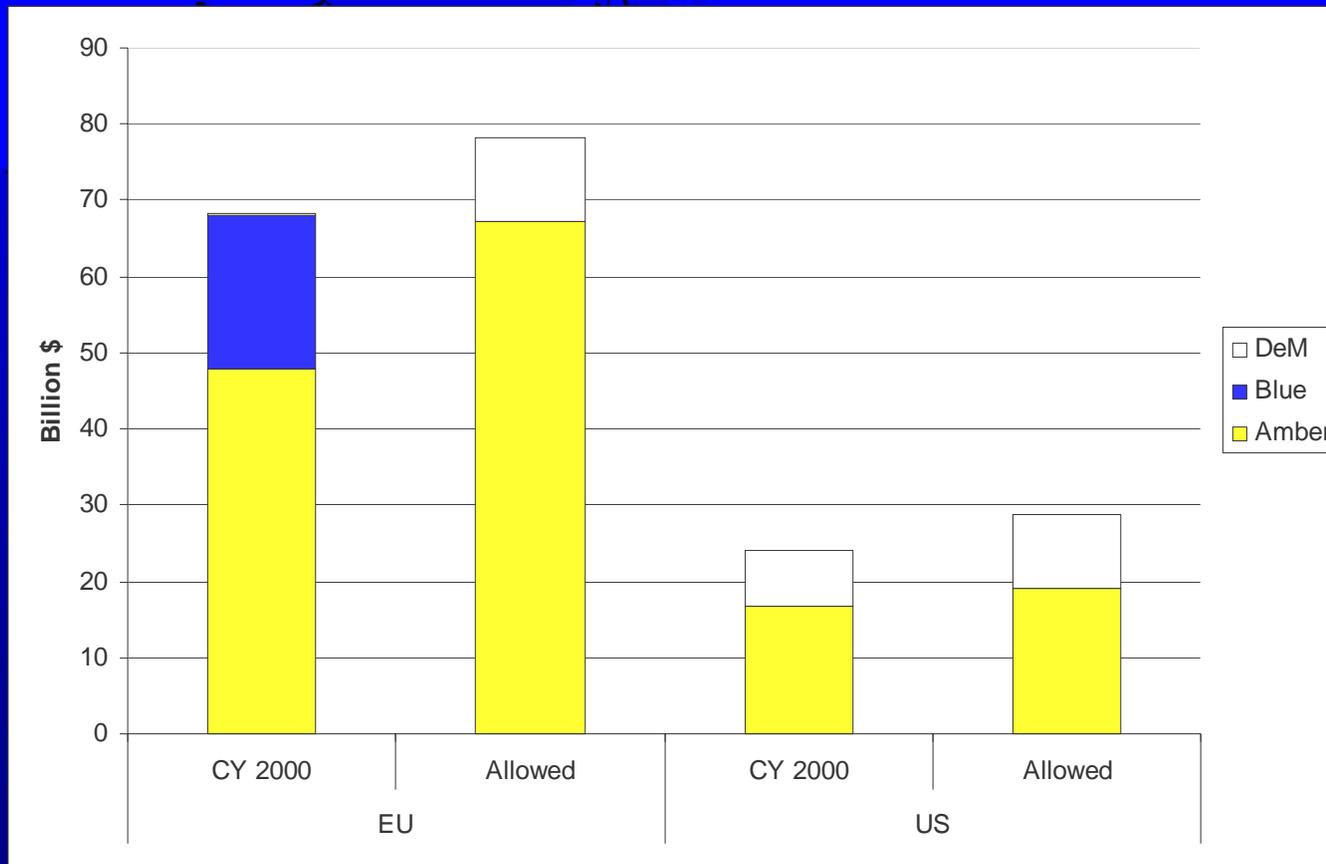
Norway

3.0%

Based on 2000 notifications. Norway and Rest of World are estimated.

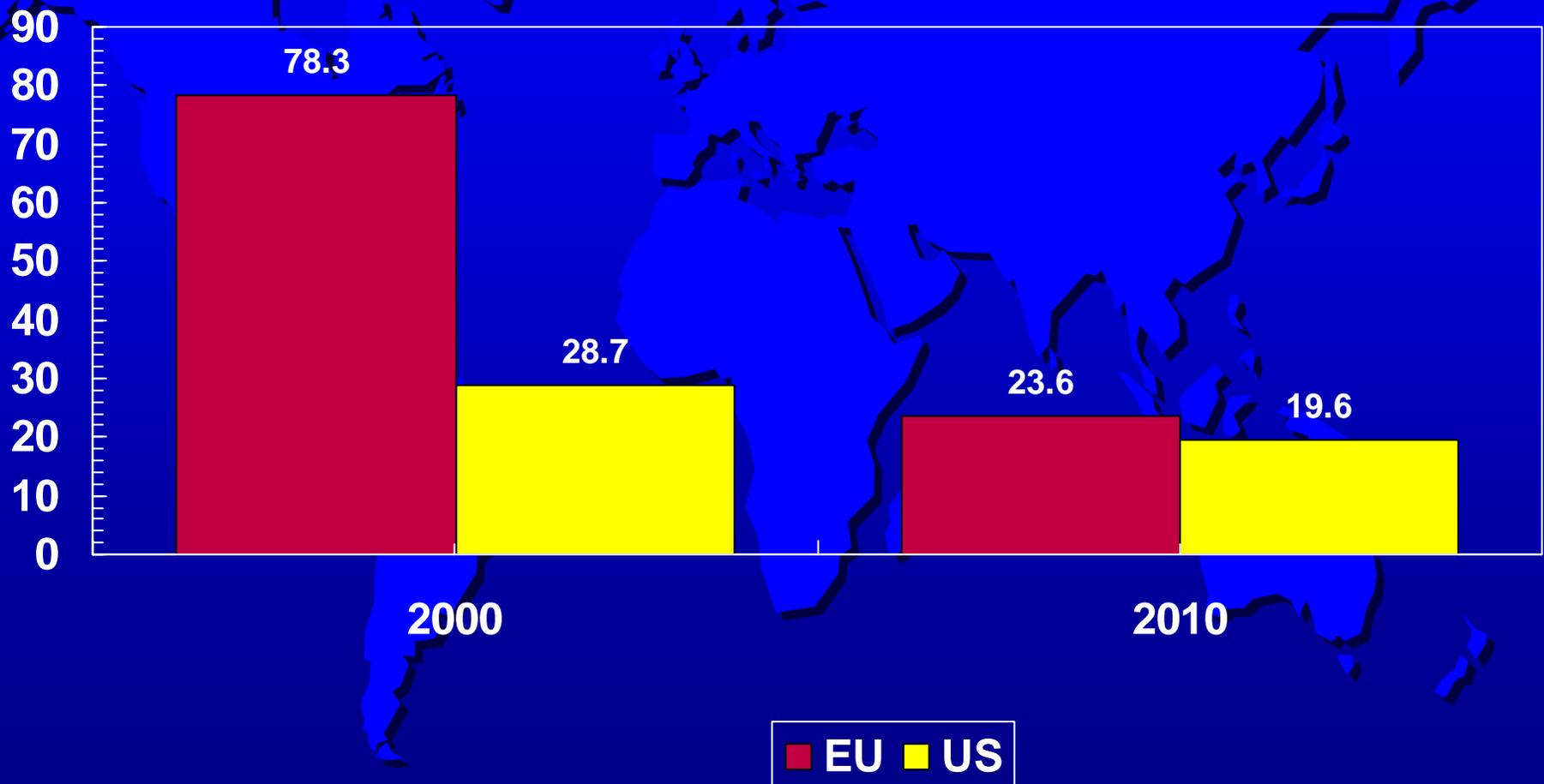
Domestic Support

Trade Distorting Domestic Support



Domestic Support: U.S. Proposal

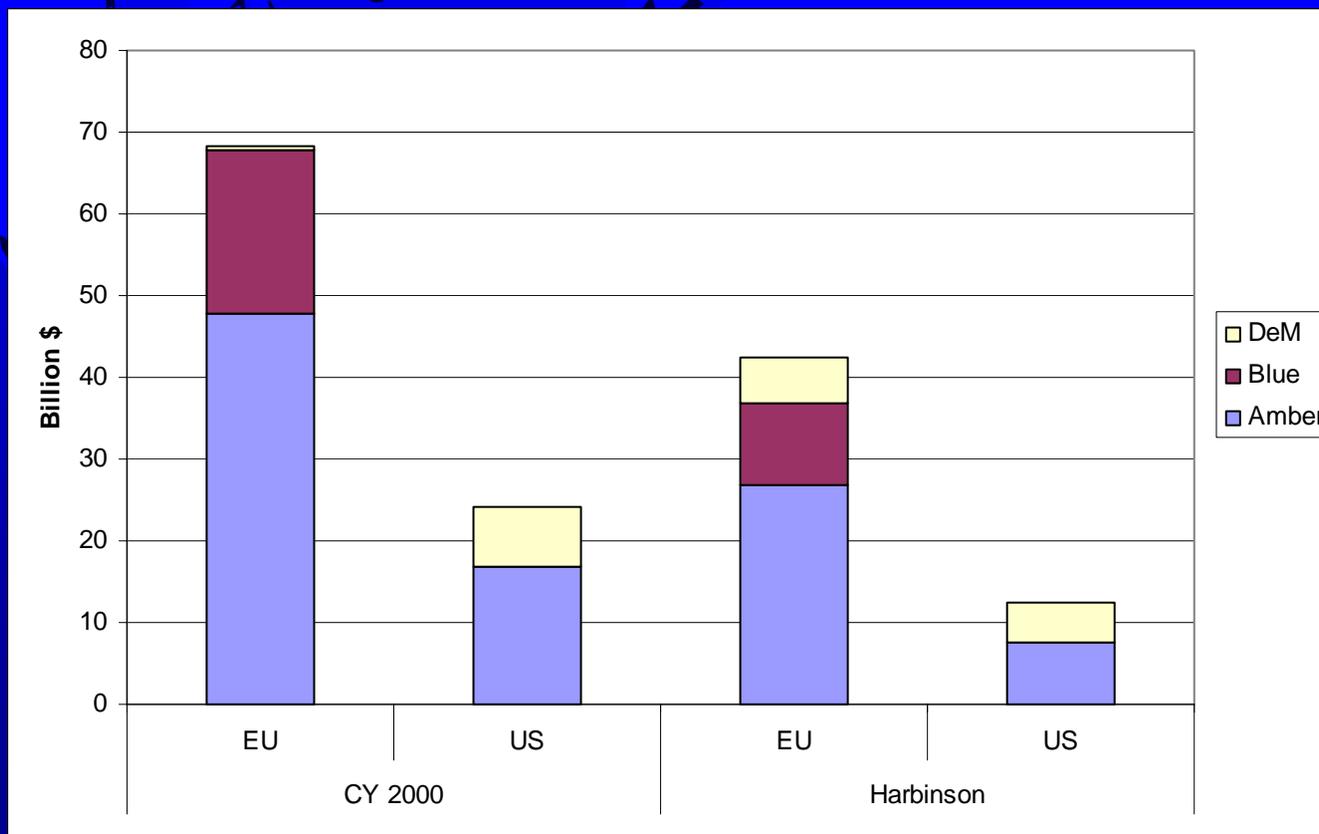
\$Billion



Includes non-exempt support (amber and blue) and de minimus.

Based on a 1996 - 1998 value of agricultural production. 7/9/02 exchange rates.

Domestic Support Harbinson Proposal



Commitment to Reform

DOHA Declaration:

“We recall the long-term objective referred to in the Agreement [on Agriculture] to establish a fair and market-oriented trading system through a program of fundamental reform encompassing strengthened rules and *specific commitments on support and protection....* We reconfirm our commitment to this program.”

Franz Fischler, Tokyo, February 16, 2003:

“We don’t do reforms on the invitation from the outside, neither from America nor anywhere else.”