

POLICIES & REGULATIONS FOR A THRIVING CANADIAN AGRI-FOOD SYSTEM

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WTO POLICY SPACE FOR DISTORTING FARM SUPPORT FROM 1995 TO 2011: INDIA, CHINA, EU AND US

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While negotiations in the World Trade Organization have not progressed as once envisaged, countries remain bound by the existing Agreement on Agriculture. This includes constraints on the room for certain kinds of farm support, a kind of “policy space”. It consists for India and for China of the sum of the so-called *de minimis* allowances: 20 percent of India’s value of production (VOP) in agriculture and 17 percent of China’s VOP. For the European Union it is, schematically, 10 percent of VOP plus 72 billion euros, and for the United States it is, schematically, 10 percent of VOP plus 19 billion dollars. Since 1995 VOP in the EU and the US has grown considerably, increasing their VOP-related policy spaces relative to the room below their fixed euro or dollar ceilings. VOP in India and China has grown even more rapidly than in the EU and the US, increasing their policy spaces by very large amounts. China can now provide more of the constrained support than the EU, and India can provide about as much as the US. The poster examines the evolution over 1995-2011 of these two elements of policy space for India, China, the EU, and the US.