

At WTO, India to support 'per-farmer subsidy' rule

New Delhi wants the Ministerial meet to consider its proposal on domestic sops

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India is working on a new paper for consideration at the World Trade Organization (WTO) that would focus on the need to adopt a per-farmer subsidy methodology so that subsidies for sustaining the livelihood of poor farmers could be treated differently from those used by some developed members to support large-scale farm exports, an official has said.

"New Delhi has been discussing for some time the need for the WTO to re-define its methodology of calculating farm subsidies to take into account the level of sops that each farmer is getting in every country.

It now wants to submit a formal proposal which can be considered for adoption at the 12th WTO Ministerial Conference (MC12) which is likely to take place this year," the official tracking the matter told *BusinessLine*.

India's paper would incorporate adoption of a per-farmer subsidy methodology and redefining the 'principle of proportionality' so that subsidies for sustaining the livelihood of poor farmers could be treated differently from those used by some developed members to support large-scale farm exports, the official said. It would also look at other issues such as the need for reducing the AMS

(Aggregate Measurement of Support or the subsidies that are considered trade distorting) entitlements of rich countries," the official said.

Re-looking agri sops

All members of the WTO have agreed to take a re-look at agriculture subsidies given by them and minimise those that are distorting world trade and creating uncertainties.

The next agriculture negotiations meeting for narrowing down what could be agreed upon at MC12 will take place on February 5.

In a joint paper submitted in 2017 by India and China, the two pointed out that developed members have more than 90 per cent of global entitlements amounting to nearly \$160 billion which is beyond their de-



WTO members have agreed to review farm subsidies REUTERS

minimis (the levels at which the subsidies are capped).

In contrast, most developing members have access only to de minimis resulting in a major asymmetry in the rules on agricultural trade.

Under the existing rules, since developing countries' AMS is capped at 10 per cent of the

value of the farm produce, India has already breached the level for rice through its MSP support. Although, WTO members have offered India a peace clause under which its breach can't be challenged till a satisfactory solution is reached on AMS calculations, the waiver is subjected to a lot of clauses which may be difficult to fulfil.

"What India now wants to focus on at the WTO is the huge difference between the per-farmer support given by developing countries like India and that offered by developed members such as the EU, the US and Canada. India's per-farmer subsidy is just a fraction of what rich nations give. The paper will elaborate on this. The onus of reduction should be based on the subsidy that goes to each farmer," the official said.