



## FAST FACTS: Canada requests WTO panel on U.S. agricultural subsidies



On December 17, 2007, a World Trade Organization (WTO) dispute settlement panel was established on U.S. agricultural subsidies at the request of the Government of Canada and the Government of Brazil

### Canada's position

Canada requested a WTO panel because it believes that the United States has provided trade-distorting agricultural subsidies in excess of its WTO commitments. Under its Total Aggregate Measurement of Support (Total AMS) commitments under the WTO Agreement on Agriculture, the U.S. agreed that its level of trade-distorting domestic support would not exceed US\$19.9 billion for 1999 and US\$19.1 billion for each subsequent year.

Canada disagrees with how the United States classifies a number of its subsidy programs when it calculates its level of trade-distorting domestic support. It is Canada's view that when these programs are properly accounted for under the WTO Agreement on Agriculture, the level of U.S. trade-distorting subsidies exceeded U.S. WTO commitments in 1999, 2000, 2001, 2002, 2004 and 2005.

Most of the U.S. trade-distorting subsidies come from Farm Bill programming and are provided to a wide range of agricultural products. The U.S. Congress is expected to complete shortly a new Farm Bill for the years 2008-2013. However, the proposals being considered by the U.S. Congress do not address Canada's WTO concerns.

### Chronology of events

#### February 7, 2007

- Canada holds consultations with the U.S. on its trade-distorting agricultural subsidies. Eight other WTO members, including Brazil, participate as third parties in these consultations. (See January 8, 2007, news release entitled "[Canada Requests WTO Consultations on U.S. Agricultural Subsidies.](#)")

#### June 8, 2007

- Canada announces that it will make an initial request for a panel at the next WTO Dispute Settlement Body (DSB) meeting. The request relates both to the level of U.S. trade-distorting domestic agricultural subsidies and certain export credit guarantee measures. The U.S. blocks this first request to establish a panel at the June 20 DSB meeting (as allowed under WTO rules). (See June 8, 2007, news release entitled "[Canada Requests WTO Panel on U.S. Agricultural Subsidies.](#)")

#### August 22, 2007

- Canada participates as a third party in consultations held by Brazil on U.S. trade-distorting domestic support. Eight other WTO members participate as third parties in these consultations.

#### November 8, 2007

- The Government of Canada and the Government of Brazil announce that they will request a dispute settlement panel on the issue of the level of U.S. trade-distorting domestic agricultural subsidies at the next WTO DSB meeting. This new request by Canada does not include claims with respect to export credit guarantee measures, as this matter has been addressed in another WTO panel. The United States blocks Canada's and Brazil's respective requests at the November 19 DSB meeting (as allowed under WTO rules). (See news release entitled "[Canada Requests New WTO Panel on U.S. Agricultural Subsidies](#)" and official documentation, "[Request for the Establishment of a Panel by Canada.](#)")

**December 17, 2007**

- Canada and Brazil make their respective second panel requests to the DSB and a WTO dispute settlement panel on U.S. agricultural subsidies is established. All three parties to the dispute (Canada, Brazil and the United States) agree that a single panel be established to hear the case and that the hearings will be open to the public. Fifteen other WTO Members ask to be third-parties to the panel: Argentina, Australia, Chile, China, European Communities (in WTO matters), India, Japan, Mexico, Nicaragua, New Zealand, South Africa, Thailand, Chinese Taipei, Turkey and Uruguay.

Further information about the WTO dispute settlement process can be obtained from the WTO website at [http://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/disp1\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif_e/disp1_e.htm).