



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



On November 8, 2007, the Government of Canada announced that it would request the establishment of a World Trade Organization (WTO) dispute settlement panel on U.S. agricultural subsidies at the November 19, 2007, meeting of the WTO Dispute Settlement Body (DSB).

Canada's position

Canada is requesting 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. 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 announces that it will request a dispute settlement panel on the issue of the level of U.S. trade-distorting domestic agricultural subsidies. This new request does not include claims with respect to export credit guarantee measures, as this matter has been addressed in another WTO panel. (See June 8, 2007, news release entitled "[Canada Requests New WTO Panel on U.S. Agricultural Subsidies.](#)")

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.

