

WORLD TRADE
ORGANIZATION

G/AG/W/30/Rev.1*

28 February 1997

(97-0848)

Committee on Agriculture

Original: English

COMMUNICATION FROM SOUTH AFRICA

Revision

The following communication was received by the Secretariat on 5 February 1997 along with a request for its circulation to Members of the Committee on Agriculture.

In accordance with the procedures at the time, Part IV of South Africa's Schedule refers to the document G/AG/AGST/ZAF and, specifically, to Tables 6 and 6(bis). On review, it appears that these tables were inadvertently not included in that document dated 22 March 1995.

These tables and relevant additional tables relating to South Africa's domestic support calculations are set out below in the interest of transparency and completeness. South Africa is at Members' disposal should there be any need to clarify the information.

* English only

OVERVIEW OF TOTAL DOMESTIC SUPPORT1986-1988Rand million

Market price support (supporting table 6)	1,480.25
Minus <i>de minimis</i>	(7.09)
Non-exempt direct payments (supporting table 7)	248.20
Equivalent measures of support (supporting table 9 and annex)	287.66
Non-product specific support (supporting table 10)	<u>510.27</u>
Total base AMS	2,519.27

Supporting Table 6

AGRICULTURAL NEGOTIATIONS: SUPPORTING DATA

DOMESTIC SUPPORT: SOUTH AFRICA

Aggregate Measurement of Support: Market Price Support

Description of basic products	Measure type(s)	Applied administered price (Rand/ton)	External reference price (Rand/ton)	Eligible production (‘000 tonnes)	Associated fees/levies (Million rand)	Total market price support (Million rand)	Data sources	Comments
1	2	3	4	5	6	7 ((3-4)*5)-6	8	9
WHEAT								
1986	Price support	325.00	251.19	1,666.3	5.00	118.00		Applied administered price is the producer price for BS1 wheat. External price is derived from the c.i.f. Argentine Trigo Pan wheat price to South Africa.
1987	Price support	376.80	205.61	2,311.2	3.47	392.19		
1988	Price support	405.00	306.80	2,916.2	4.37	281.99		
average		368.93	254.53	2,297.9	4.60	264.06	Department of Agriculture	
BARLEY								
1986	Price support	269.00	245.38	188.9	5.48	0.00		Applied administered price is the producer price for grade M1 barley. External price is the c.i.f. Australian price for malting barley to South Africa.
1987	Price support	301.50	225.03	199.0	1.29	13.92		
1988	Price support	330.00	314.73	268.0	1.74	2.35		
average		300.17	261.71	218.6	3.06	5.42	Department of Agriculture	
OATS								
1986	Price support	185.00	222.72	12.0	0.25	0.00		Applied administered price is the producer price for grade 1 oats. External price is a c.i.f. value, based on the average oats price in the United States, to South Africa. <i>(de minimus)</i>
1987	Price support	201.00	256.25	43.0	0.06	0.00		
1988	Price support	200.00	478.61	67.0	0.10	0.00		
average		195.33	319.19	40.7	0.33	0.00	Department of Agriculture	

1	2	3	4	5	6	7	8	9
RYE								
1986	Price support	200.00	156.72	2.0	0.04	0.08		Applied administered price is the producer price for grade 1 rye. External price is a c.i.f. value, derived from the average rye price in the United States, to South Africa.
1987	Price support	215.00	152.84	2.0	0.00	0.12		
1988	Price support	305.00	260.65	2.0	0.00	0.09		
average		240.00	190.07	2.0	0.02	0.10	Department of Agriculture	
COTTON								
1986	Price support	2,508.57	2,346.10	46.8	0.00	7.61		Applied administered price is the average producer price for cotton lint. External price is the c.i.f. Liverpool A-index price, to South Africa. (<i>de minimus</i>)
1987	Price support	2,685.71	3,678.51	60.7	0.00	0.00		
1988	Price support	3,057.14	3,640.91	77.7	0.00	0.00		
average		2,750.47	3,221.84	61.7	0.00	2.54	Department of Agriculture	
CHICORY								
1986	Price support	777.00	598.29	13.1	0.00	2.34		Applied administered price is the selling price for chicory (dried root) grade 1. External price is an average c.i.f. value of imported chicory (dried root) to South Africa.
1987	Price support	887.00	732.60	19.1	0.00	2.95		
1988	Price support	1,026.00	866.91	19.5	0.00	3.10		
average		896.67	732.60	17.2	0.00	2.80	Department of Agriculture	
EGGS								
1986	Price support	1,056.34	2,537.90	195.0	0.00	0.00		Applied administered price is the price paid to packers under the Egg Purchasing Basic price. External price is a c.i.f. value, based on the wholesale price in New York City for Grade A large eggs, to South Africa. (<i>de minimus</i>)
1987	Price support	1,647.89	1,960.47	201.0	0.00	0.00		
1988	Price support	1,633.80	2,206.37	225.0	0.00	0.00		
average		1,446.01	2,234.91	207.0	0.00	0.00	Department of Agriculture	

1	2	3	4	5	6	7	8	9
TOBACCO								
1986	Price support	6,772.00	6,984.00	32.2	0.00	0.00		Applied administered prices is the selling prices of fluecured tobacco.
1987	Price support	8,067.00	4,436.00	27.2	0.00	98.76		External price is a c.i.f.
1988	Price support	8,627.00	8,943.00	29.3	0.00	0.00		Zimbabwe price for
average		7,822.00	6,787.67	29.6	0.00	32.92	Department of Agriculture	fluecured tobacco to South Africa.
GRAIN SORGHUM								
1986	Price support	196.00	186.91	390.0	0.00	3.55		Applied administered price is the net floor price of GL1 sorghum. External price is a c.i.f. US Gulf ports price, for sorghum
1987	Price support	182.00	192.92	477.0	0.00	0.00		US No. 2 yellow, to South Africa. (<i>de minimus</i>)
1988	Price support	187.00	310.17	474.0	0.00	0.00		
average		188.33	230.00	447.0	0.00	1.18	Department of Agriculture	
DRY BEANS								
1986	Price support	944.86	1,060.00	97.8	0.00	0.00		Applied administered price is the producer price of sugar beans. External price is a c.i.f. China price, Chinese speckled kidney beans, imported to South Africa. (<i>de minimus</i>)
1987	Price support	1,090.29	994.00	99.3	0.00	9.56		
1988	Price support	1,312.00	1,316.00	97.1	0.00	0.00		
average		1,115.71	1,123.33	98.0	0.00	3.19	Department of Agriculture	
SOYA BEANS								
1986	Price support	408.00	518.35	35.1	0.00	0.00		Applied administered price is the producer price of soya beans. External price is a c.i.f. Gulf ports price for soya beans US yellow to South Africa. (<i>de minimus</i>)
1987	Price support	524.55	574.07	32.0	0.00	0.00		
1988	Price support	528.34	704.51	64.0	0.00	0.00		
average		486.96	598.98	43.7	0.00	0.00	Department of Agriculture	
SUNFLOWERSEED								
1986	Price support	460.84	502.37	272.4	0.00	0.00		Applied administered price is the producer price of sunflowerseed grade FH. External price is a c.i.f. value, based on the US farm price of sunflowerseed, to South Africa.
1987	Price support	564.50	395.94	374.8	0.00	63.17		
1988	Price support	580.81	563.60	419.7	0.00	7.22		
average		535.38	487.31	355.6	0.00	23.46	Department of Agriculture	

1	2	3	4	5	6	7	8	9
GROUNDNUTS								
1986	Price support	1,024.54	1,176.00	78.3	0.00	0.00	Department of Agriculture	Applied administered price is the producer price - combined net price for crushing and edible groundnuts. External price is a c.i.f. Argentine price for Grade 60-70 groundnuts shelled (derived from the c.i.f. Rotterdam), to South Africa. (<i>de minimus</i>)
1987	Price support	1,051.57	1,119.64	83.3	0.00	0.00		
1988	Price support	913.09	1,568.09	165.2	0.00	0.00		
average		996.40	1,287.91	108.9	0.00	0.00		
LUCERNE SEED								
1986	Price support	3,880.56	9,499.64	1.2	0.00	0.00	Department of Agriculture	Applied administered price is the producer price for Lucerne seed. External price is a c.i.f. value based on an average US retail price paid by US farmers for Alfalfa, uncertified seed, to South Africa. (<i>de minimus</i>)
1987	Price support	4,539.72	8,618.21	0.7	0.00	0.00		
1988	Price support	5,762.44	13,625.30	0.1	0.00	0.00		
average		4,727.57	10,581.05	0.7	0.00	0.00		
MAIZE								
1986	Price support	271.77	191.12	5,062.0	235.38	293.71	Department of Agriculture	Applied administered price is the gross producer price for yellow maize. External price is a weighted average price between an FAE (Durban) export realization price and a c.i.f. import realization price (derived from the f.o.b. US Gulf No. 3) of maize.
1987	Price support	306.00	191.32	5,533.0	331.98	431.42		
1988	Price support	283.00	300.40	6,280.0	175.84	0.00		
average		286.92	227.61	5,625.0	252.19	241.71		
COFFEE								
1986	Price support	6,200.00	8,260.77	1.0	0.00	0.00	Department of Agriculture	Applied administered price is the producer price of coffee. External price is the c.i.f. Robustas coffee indicator prices on the New York market to South Africa. (<i>de minimus</i>)
1987	Price support	5,300.00	5,098.19	1.4	0.00	0.28		
1988	Price support	5,459.00	5,289.40	1.6	0.00	0.27		
average		5,653.00	6,216.12	1.3	0.00	0.18		

1	2	3	4	5	6	7	8	9
TEA								
1986	Price support	5,448.00	4,866.77	10.1	0.00	5.90		Applied administered price is the producer price of tea. External price is a c.i.f. average auction price for tea (London), to South Africa.
1987	Price support	6,255.00	3,900.52	11.0	0.00	25.84		
1988	Price support	6,873.00	4,487.80	11.8	0.00	28.12		
average		6,192.00	4,418.36	11.0	0.00	19.95	Department of Agriculture	
BEEF								
1986	Price support	3,534.00	3,039.34	414.4	0.00	204.96		Applied administered price is an average auction price of beef on the hook - City Deep abattoir. External price is the average of c.i.f. value based on the average value of imported beef, mainly from the EU.
1987	Price support	4,516.00	3,385.37	370.7	0.00	419.10		
1988	Price support	4,826.00	4,152.04	349.6	0.00	235.64		
average		4,292.00	3,525.58	378.2	0.00	286.57	Department of Agriculture	
SHEEP								
1986	Price support	4,085.29	3,249.42	107.8	0.00	90.10		Applied administered price is the average auction price of mutton (all grades). External price is the average c.i.f. value based on the average value of imported mutton, mainly from Australia and New Zealand, to South Africa.
1987	Price support	4,721.89	3,340.58	111.9	0.00	154.58		
1988	Price support	5,905.11	4,674.74	105.9	0.00	130.30		
average		4,904.10	3,754.91	108.5	0.00	124.99	Department of Agriculture	
PORK								
1986	Price support	2,640.04	1,929.00	90.9	0.00	64.64		Applied administered price is the average auction prices of pork (all grades). External price is the average c.i.f. value based on the average value of imported pork mainly from the EU and Canada.
1987	Price support	3,148.05	1,840.00	91.2	0.00	119.34		
1988	Price support	3,589.03	1,906.00	95.9	0.00	161.37		
average		3,125.71	1,891.67	92.7	0.00	115.12	Department of Agriculture	

1	2	3	4	5	6	7	8	9
DAIRY								
1986	Price support	391.50	239.56	1,689.1	0.00	256.65	Department of Agriculture	Applied administered price is the net producer prices of fresh milk. External price is the c.i.f. IDA minimum export prices for butter and skimmed milk powder to South Africa, converted to fresh milk equivalent.
1987	Price support	456.56	243.39	1,769.0	0.00	377.11		
1988	Price support	536.15	298.96	1,831.5	0.00	434.42		
average		461.40	260.63	1,763.2	0.00	356.06		
MOHAIR								
1986	Price support	16,973.00	17,140.00	10.6	0.00	0.00	Department of Agriculture	Applied administered price is the producer price of mohair. External price is the average f.o.b. export price of South African mohair.
1987	Price support	17,023.00	17,190.00	11.2	0.00	0.00		
1988	Price support	12,290.00	12,410.00	11.7	0.00	0.00		
average		15,428.67	15,580.00	11.2	0.00	0.00		

Table 6 bis

AGRICULTURAL NEGOTIATIONS: LIST OF COMMITMENTS

DOMESTIC SUPPORT: SOUTH AFRICA

Deregulatory Actions Already Taken

Product	Deregulatory actions taken since the base period 1986-1988	Source	Comments
Meat	<ol style="list-style-type: none"> 1. Restrictive registration of abattoir agents, butchers, general dealers, meat processors, hide and skin dealers as well as importers abolished. 2. Quantitative import control lifted. 3. Repeal of prohibition establishing controlled areas i.e. the free movement of meat throughout the RSA, subject to health requirements. 4. Scrapping of control over meat products. 5. Privatization of Abattoir Corporation. 	Department of Agriculture	
Maize	<ol style="list-style-type: none"> 1. Annual subsidization of the Maize Board's handling and storage costs phased out and ceased. 	Department of Agriculture	
Wheat	<ol style="list-style-type: none"> 1. Restrictive registration of millers and bakers abolished. 2. The payment of subsidies on standard bread ceased on 28 February 1991. 3. Price control on flour, meal and standard bread abolished on 1 March 1991. 4. Price control on buckwheat abolished in April 1991. 	Department of Agriculture	
Rye	<ol style="list-style-type: none"> 1. Price control abolished on 1 October 1987. 	Department of Agriculture	
Cotton	<ol style="list-style-type: none"> 1. Restrictive registration of ginnerers abolished. 	Department of Agriculture	
Tea (Rooibos)	<ol style="list-style-type: none"> 1. Restrictive registration of traders abolished. 	Department of Agriculture	

Product	Deregulatory actions taken since the base period 1986-1988	Source	Comments
Dairy	<ol style="list-style-type: none"> 1. Price control on fresh milk abolished on 1 July 1983. 2. Price control on butter and cheese abolished on 30 May 1985. 3. Price control on industrial milk abolished on 1 September 1988. 	Department of Agriculture	
Oilseeds and oilcake	<ol style="list-style-type: none"> 1. Consensus Committee consisting of equal numbers of producers and buyers established by the Oilseeds Board to negotiate prices for each season. 2. Quantitative import control measures lifted on vegetable oils and oilcake. 	Department of Agriculture	
Fish meal	<ol style="list-style-type: none"> 1. Quantitative import control lifted. 	Department of Agriculture	
Tobacco	<ol style="list-style-type: none"> 1. Consensus Committee consisting of equal numbers of producers and buyers established by the Tobacco Board to negotiate prices for each season. 2. Quantitative import control lifted. 3. The single channel marketing scheme established under the Co-operative Act discontinued. 4. Substantive reduction of export subsidies. 	Department of Agriculture	
Fruit and vegetables	<ol style="list-style-type: none"> 1. Consensus Committee consisting of equal numbers of producers and buyers established by the Canning Fruit Board to negotiate prices for each season. 2. Quantitative import control measures lifted on dried beans and pulses. 3. Tariffication of most fresh and frozen fruit and vegetables, dried beans, pulses and legumes and the consequent lifting of import control measures have been approved by the Minister of Agriculture. 4. Single channel marketing of local citrus and deciduous fruit abolished in favour of free marketing. 5. Banana Scheme and Banana Board abolished. 	Department of Agriculture	
Eggs	<ol style="list-style-type: none"> 1. Egg Scheme and Egg Board abolished. 	Department of Agriculture	
Karakul	<ol style="list-style-type: none"> 1. Karakul Scheme and Karakul Board abolished. 	Department of Agriculture	
Wine	<ol style="list-style-type: none"> 1. Production quotas abolished. 	Department of Agriculture	
Chicory	<ol style="list-style-type: none"> 1. Chicory Scheme and Chicory Board abolished. 	Department of Agriculture	
Lucerne	<ol style="list-style-type: none"> 1. The single channel marketing scheme for lucerne hay established under the Co-operatives Act discontinued. 	Department of Agriculture	

Supporting Table 7

AGRICULTURAL NEGOTIATIONS: SUPPORTING DATA

DOMESTIC SUPPORT: SOUTH AFRICA

Aggregate Measurements of Support: Non-Exempt Direct Payments (product specific)

Description of basic products	Measure type(s)	Applied administered price (Rand/ton)	External reference price (Rand/ton)	Eligible production (Million tons)	Total price-related direct payments (Million tons)	Other non-exempt direct payments (Million rand)	Associated fees/levies (Million rand)	Total direct payments (Million rand)	Data sources	Comments
1	2	3	4	5	6 ((3-4)*5)	7	8	9 (6+ 7-8)	10	11
Maize	Direct aid									Direct aid includes payments for: maize price subsidy, redemption of loans, import losses and interest subsidies.
1986						34.66				
1987						279.54				
1988						2.37				
average						105.52		105.52	Department of Agriculture	
Wheat	Direct aid									Direct aid for bread subsidy.
1986						146.20				
1987						147.37				
1988						132.00				
average						141.86		141.86	Department of Agriculture	
Tea	Direct aid									Interest subsidies to the Rooibos Tea Board
1986						0.00				
1987						1.80				
1988						0.67				
average						0.82		0.82	Department of Agriculture	
Total non-exempt direct payments								248.20		

AGRICULTURAL NEGOTIATIONS: SUPPORTING DATA

DOMESTIC SUPPORT: SOUTH AFRICA

Aggregate Measurements of Support: Other Product-Specific Support and Total Product-Specific AMS

Description of basic products	Measure type(s)	Other product-specific budgetary outlays	Other product-specific support	Associated fees/levies	Total other product-specific support	Market price support (Supporting Table DS:6)	Non-exempt direct payments (Supporting Table DS:7)	Total AMS	Data sources	Comments
1	2	(Million rand)	(Million rand)	(Million rand)	(Million rand)	(Million rand)	(Million rand)	(Million rand)	10	11
					(3-4)-5			(6+ 7+ 8)		
Wheat						264.06	141.86	405.92		
Barley						5.42		5.42		
Oats						0.00		<i>de minimis</i>		
Rye						0.10		0.10		
Cotton						2.54		<i>de minimis</i>		
Chicory						2.80		2.80		
Eggs						0.00		<i>de minimis</i>		
Tobacco						32.92		32.92		
Grain sorghum						1.18		<i>de minimis</i>		
Dry beans						3.19		<i>de minimis</i>		
Soya beans						0.00		<i>de minimis</i>		
Sunflowerseed						23.46		23.46		
Groundnuts						0.00		<i>de minimis</i>		
Lucerne seed						0.00		<i>de minimis</i>		
Maize						241.71	105.52	347.23		
Coffee						0.18		<i>de minimis</i>		
Tea						19.95	0.82	20.78		
Beef						286.57		286.57		
Sheep						124.99		124.99		
Pork						115.12		115.12		
Dairy						356.06		356.06		
Mohair						0.00				
								1,721.36		

AGRICULTURAL NEGOTIATIONS: SUPPORTING DATA

DOMESTIC SUPPORT: SOUTH AFRICA

Equivalent Commitments

Description of basic products	Measure type(s)	**Applied administered price	Production eligible to receive the applied administered price	Market price budgetary outlays	Non-exempt direct payments	Other product-specific support	Data sources	Comments
		(Rand/ton)	('000 tonnes)					
1	2	3	4	5	6	7	8	9
Sugar								Applied administered price is the average industrial price of white and brown refined sugar. External price is the average f.o.b. export realization price. (Average gross export returns to the sugar industry.)
1986	Price support	728.00	1,114.8	-	-	-		
1987	Price support	835.00	1,294.4	-	-	-		
1988	Price support	937.50	1,267.5	-	-	-		
average	Price support	833.50	1,225.6	-	-	-	Department of Agriculture	

**In calculating the AMS for sugar, quality differences have not been taken into account in comparing the administered price (refined sugar) and the external reference price in the base period (mainly raw sugar).

ANNEX TABLE TO SUPPORTING TABLE 9: SUGARCalculation of Equivalent Measure of Support

			1986	1987	1988	Average
**Applied administered price	Rand/t	(a)	728.00	835.00	937.50	833.50
Reference price	Rand/t	(b)	391.00	372.00	572.00	445.00
Price support	Rand/t	(c)	337.00	463.00	365.50	388.50
Eligible production	'000 tonnes	(d)	1,114.83	1,294.39	1,267.52	1,225.58
Total	Rand million	(e)	375.70	599.30	463.28	479.43
Support received by sugar cane producers	Rand million	(f)	225.42	359.58	277.97	287.66

Explanatory notes:

- (a) Average industrial price of white and brown refined sugar.
(b) Average gross export returns to the sugar industry.
(c) (a)-(b) = (c).
(d) Domestic consumption of white and brown refined sugar.
(e) Total support to the sugar industry.
(f) The support passed to the producers is calculated by multiplying row (e) above by a coefficient (of 0.6) that reflects the distribution of total gross returns to the sugar industry between millers (40 per cent) and cane growers (60 per cent).

**In calculating the AMS for sugar, quality differences have not been taken into account in comparing the administered price (refined sugar) and the external reference price in the base period (mainly raw sugar).

Supporting Table 10

AGRICULTURAL NEGOTIATIONS: SUPPORTING DATA

DOMESTIC SUPPORT: SOUTH AFRICA

Non-Product-Specific AMS

Measure type(s)	Non-product-specific budgetary outlays (Million rand)	Other non-product- specific support	Associated fees/levies	Total non-product- specific support (Million rand)	Data sources	Comments
1	2	3	4	5 (2+ 3-4)	6	
Subsidies to co-operatives					Department of Agriculture	Fuel and administrative costs to co-operatives and aid to fresh produce markets.
1986						
1987	1.90					
1988	6.80					
average	5.92					
	4.87			4.87		
Subsidies to the Land and Agricultural Bank					Department of Agriculture	State guaranteed scheme
1986	2.60					
1987	12.40					
1988	35.41					
average	16.80			16.80		
Interest subsidies to Control Boards					Department of Agriculture	Interest subsidies on Reserve Bank loans to Control Boards
1986	5.90					
1987	2.08					
1988	0.00					
average	2.66			2.66		

1	2	3	4	5	6	
Interest subsidies to co-operatives					Department of Agriculture	Interest subsidies to co-operatives in financial difficulty
1986	13.34					
1987	14.31					
1988	20.27					
average	15.97			15.97		
Interest subsidies to producers					Department of Agriculture	Interest subsidies to producers on carry-over debt/production credit, consolidated agric. debt long term and establishment loans in designated areas.
1986	122.32					
1987	163.38					
1988	199.10					
average	161.60			161.60		
Fertilizer subsidies					Department of Agriculture	Fertilizer subsidies to farmers.
1986	1.96					
1987	1.00					
1988	0.00					
average	0.99			0.99		
Subsidies to irrigation boards					Department of Agriculture	Financial assistance in the form of statutory loans and subsidies to irrigation boards i.r.o. the construction of water schemes.
1986	1.80					
1987	3.30					
1988	4.95					
average	3.35			3.35		
Fuel subsidies					Department of Agriculture	Subsidizing the cost of fuel paid by producers.
1986	0.00					
1987	242.79					
1988	265.54					
average	169.44			169.44		

1	2	3	4	5	6	
Administration (general services)					Department of Agriculture	To conduct the overall management of the Department of Agriculture and render specialized administrative services.
1986	11.81					
1987	19.36					
1988	27.57					
average	19.58			19.58		
Industry assistance (general services)					Department of Agriculture	Subsidized administration costs of the co-operatives i.r.o. claims for diesel fuel rebate.
1986	9.65					
1987	2.28					
1988	0.17					
average	4.03			4.03		
State Water Scheme (general services)					Department of Agriculture	Maintenance and operational costs of the State Water Scheme.
1986	10.94					
1987	17.18					
1988	15.17					
average	14.43			14.43		
Agricultural financing (general services)					Department of Agriculture	Government expenditure to the Directorate Financial Assistance after subtracting specific financial assistance schemes (unallocated amounts)
1986	190.53					
1987	0.00					
1988	99.04					
average	96.52			96.52		
Total non-product-specific AMS				510.25		