

**Committee on Agriculture  
Special Session**

**OUTLINING THE DATA NEEDED TO CALCULATE BASE OTDS**

**STEP 1 FOR BASE OTDS**

Communication by the Cairns Group

The following communication, dated 30 September 2009, is being circulated at the request of the Cairns Group.

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1. The present communication is being circulated in order to contribute to the ongoing discussion on data and templates that, once modalities are agreed, will facilitate the verification and scheduling processes and does not prejudge either the Cairns Group or its individual Members' negotiating positions on any of the issues listed below or included in the Doha Mandate

A. INTRODUCTION

2. The purpose of this note is to identify the data needed to calculate Base OTDS for those Members that will schedule a Base OTDS. The identification outlined here concerns only the data needed to calculate Base OTDS, based on paragraphs 1 and 2 of the revised draft modalities (TN/AG/W/4/Rev.4). In other words, this note is about what JOB(09)/99 and JOB(09)/104 call Step 1.

3. The data sets needed to calculate a Member's Base OTDS are few and quite small:

- (a) the pre-Doha Final Bound Total AMS;
- (b) total value of agricultural production in a given period; and
- (c) notified Blue Box payments in a given period.

4. Other than Final Bound Total AMS, not all of the necessary data sets are currently available and will need to be assembled in order for a Member to show its calculation of Base OTDS.

B. DATA NEEDED AND CALCULATION OF BASE OTDS

**1. Developed Countries**

5. Tables 1 and 2 outline the data needs and how the data is used. All developed country Members need to schedule a Base OTDS. It is calculated by summing three components.

- (i) Paragraph 1(a). One component is the pre-Doha Final Bound Total AMS (FBTAMS in Tables 1 and 2).

- (ii) Paragraph 1(b). Under paragraph 1(b), developed country Members need to provide the average total value of agricultural production in 1995-2000 (VoP in Tables 1 and 2). If the currency unit of the Member's value of production is different from the currency unit of its Final Bound Total AMS commitment, it will be necessary to show the exchange rate used to convert values of production into the currency unit of the Final Bound Total AMS commitment. VoP is multiplied by 10 per cent to form the element under paragraph 1(b) that is used to calculate Base OTDS (see Table 2).
- (iii) Paragraph 1(c). This paragraph stipulates that one of two amounts is used to generate the element under paragraph 1(c) for Base OTDS, and data is needed for both. One is the average blue box payments in 1995-2000 (BB in Tables 1 and 2). The other one is 5 per cent of the average total value of agricultural production in 1995-2000, i.e. 5 per cent of the VoP under paragraph 1(b). The higher of the Blue Box payments (BB) or 5 per cent of value of production (5 per cent of VoP) is the element under paragraph 1(c) that is used to calculate Base OTDS (see Table 2). If 5 per cent of VoP is used, the historical Blue Box payments do not enter the calculation of Base OTDS and *vice versa*.

6. Base OTDS. Thus, as shown in Table 2, the Base OTDS is either: (1) the sum of Final Bound Total AMS and 15 per cent of value of production (where 15 per cent is simply the sum of 10 per cent and 5 per cent); or (2) the sum of Final Bound Total AMS, 10 per cent of value of production and the historical Blue Box payments.

## 2. Developing Countries

7. Tables 1 and 3 outline the data needs and how the data is used. Some developing country Members need not schedule a Base OTDS. For those that need to schedule a Base OTDS, it is calculated by summing three components.

- (i) Paragraph 1(a). One component is the pre-Doha Final Bound Total AMS (FBTAMS in Tables 1 and 3).
- (ii) Paragraphs 1(b) and 2. Under paragraphs 1(b) and 2, developing country Members that schedule Base OTDS need to provide the average total value of agricultural production in 1995-2000 or 1995-2004 (VoP in Tables 1 and 3). If the currency unit of the Member's value of production is different from the currency unit of its Final Bound Total AMS commitment, it will be necessary to show the exchange rate used to convert values of production into the currency unit of the Final Bound Total AMS commitment. VoP is multiplied by 20% to form the element under paragraphs 1(b) and 2 that is used to calculate Base OTDS (see Table 3).
- (iii) Paragraphs 1(c) and 2. These paragraphs stipulate that one of two amounts is used to generate the element under paragraphs 1(c) and 2 for Base OTDS, and data is needed for both. One is the average Blue Box payments in 1995-2000 or 1995-2004 (BB in Tables 1 and 3). The other one is 5 per cent of the average total value of agricultural production in 1995-2000 or 1995-2004, i.e. 5 per cent of the VoP under paragraphs 1(b) and 2. The higher of the Blue Box payments or 5 per cent of value of production (5 per cent of VoP) is the element under paragraphs 1(c) and 2 that is used to calculate Base OTDS (see Table 3). If 5 per cent of VoP is used, the historical Blue Box payments do not enter the calculation of Base OTDS and *vice versa*.

8. Base OTDS. Thus, as shown in Table 3, the Base OTDS is either: (1) the sum of Final Bound Total AMS and 25 per cent of the value of production (where 25 per cent is simply the sum of 20 per cent and 5 per cent); or (2) the sum of Final Bound Total AMS, 20 per cent of the value of production and the historical Blue Box payments.

<b>Table 1. Base OTDS: Identifying the data needs for calculating a Member's Base OTDS (draft modalities TN/AG/W/4/Rev.4, December 2008). Data needed for developed country Members and those developing country Members that schedule Base OTDS.</b>					
TN/AG/W/4/Rev. 4 reference		<b>What data is needed?</b>	<b>Specifics of data needed. See note below.</b>	Source	Amount for use in calculating Base OTDS (see Tables 2 and 3)
Paragraph 1(a)		<b>Final Bound Total AMS (FBTAMS)</b>		Part IV, Section I, of Member's pre-Doha Schedule	<b>FBTAMS</b> million currency units
Paragraph 1(b); also paragraph 2 for developing countries		<b>Total value of agricultural production (VoP)</b>	<b>1995-2000 or, for developing countries, 1995-2004</b>	Table DS:1 notifications, where available; TN/AG/S/21/Rev.1 if VoP included; international sources; national sources	<b>VoP</b> million currency units
Paragraph 1(c); also paragraph 2 for developing countries	VoP provision	<b>Same VoP as for paragraph 1(b) and, for developing countries, paragraph 2 above</b>			<b>VoP</b> million currency units
	<b>or</b>				
Paragraph 1(c); also paragraph 2 for developing countries	Blue Box provision	<b>Notified Blue Box payments (BB)</b>	<b>1995-2000 or, for developing countries, 1995-2004</b>	Table DS:1 notifications	<b>BB</b> million currency units

**Note: the data needed would be collected with the help of a template for Step 1. Data and data sources to be verified as part of Step 1.**

<b>Table 2. Calculating Base OTDS from the data (developed country Members)</b>				
Amount for use in calculating Base OTDS (from Table 1)	% to apply	Alternative calculations of Base OTDS (= column sum)		
		VoP-based provision in paragraph 1(c)	<b>or</b>	Blue Box provision in paragraph 1(c)
FBTAMS million currency units		FBTAMS		FBTAMS
VoP million currency units	10%	0.10*VoP		0.10*VoP
VoP million currency units	5%	0.05*VoP		
BB million currency units				BB
<b>Calculate Base OTDS =</b>		<b>FBTAMS+[(0.10+0.05)*VoP]</b>		<b>FBTAMS+0.10*VoP + BB</b>

<b>Table 3. Calculating Base OTDS from the data (developing country Members). Not all developing country Members schedule Base OTDS.</b>				
Amount for use in calculating Base OTDS (from Table 1)	% to apply	Alternative calculations of Base OTDS (= column sum)		
		VoP-based provision in paragraphs 1(c) and 2	<b>or</b>	Blue box provision in paragraphs 1(c) and 2
FBTAMS million currency units		FBTAMS		FBTAMS
VoP million currency units	20%	0.20*VoP		0.20*VoP
VoP million currency units	5%	0.05*VoP		
BB million currency units				BB
<b>Calculate Base OTDS =</b>		<b>FBTAMS+[(0.20+0.05)*VoP]</b>		<b>FBTAMS+0.20*VoP +BB</b>