U.S. Proposal for Global Agricultural Trade Reform

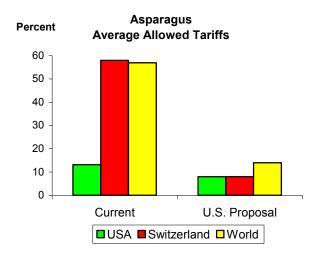
What's at Stake for Asparagus?

The July 2002 U.S. agriculture proposal for the World Trade Organization Doha Development Agenda calls for ambitious reforms to open global markets for American agriculture. The U.S. initiative would correct many of the disparities U.S. asparagus currently faces in global markets in the areas of market access, export subsidies, and domestic support.

Market Access

<u>High Tariffs</u>: The average allowed WTO tariff for asparagus is 57%.

Reduce and Harmonize Tariffs: The United States is calling for a formula that would reduce high tariffs more than low tariffs with no tariff line greater than 25%, creating more equitable treatment for U.S. asparagus.



Export Competition

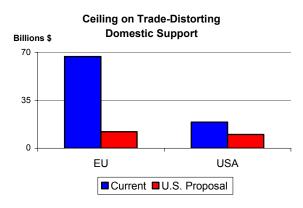
Export Subsidies: In marketing year 2000/01, the European Union (EU) provided \$24.7 million in export subsidies to fresh fruit and vegetable producers, with an

allowance to spend as much as \$48 million on fresh fruit and vegetable exports.

<u>Elimination of Export Subsidies</u>: The U.S. proposal would eliminate export subsidies over a five-year implementation period.

Domestic Support

Reduce and Harmonize Domestic Support: Under the U.S. proposal, the amount of trade-distorting domestic support available to any country would be capped at 5% of the total value of production. For example, the amount available to the EU across all products would drop from more than \$67 billion a year to around \$12 billion. The "blue box" exemption, which accounted for \$22 billion of support in the EU during marketing year 1998/99, would be eliminated. The U.S. maximum allowed trade-distorting support would fall from \$19 billion to around \$10 billion.



Top U.S. Export Markets, 2001

1.	Japan	\$18 million
2.	Canada	\$17 million
3.	Switzerland	\$2 million
4.	Taiwan	\$1 million
5.	Mexico	\$522,000

Total U.S.

Asparagus Exports \$40 million

Top U.S. Import Sources, 2001

1.	Mexico	\$65 million
2.	Peru	\$48 million
3.	Colombia	\$2 million
4.	Chile	\$1 million
5.	Nicaragua	\$572,000

Total U.S.

Asparagus Imports \$117 million