

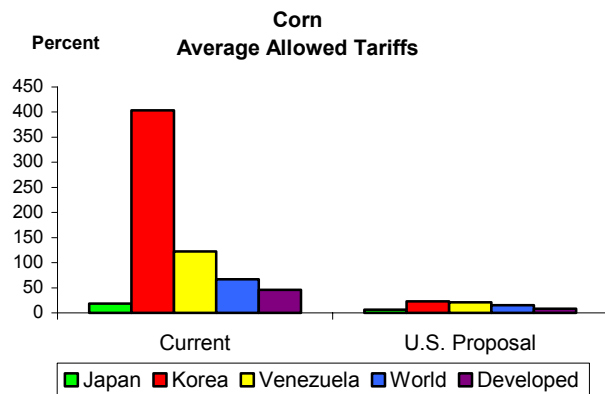
What's at Stake for Corn?

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. corn currently faces in global markets, particularly in the areas of market access and domestic support.

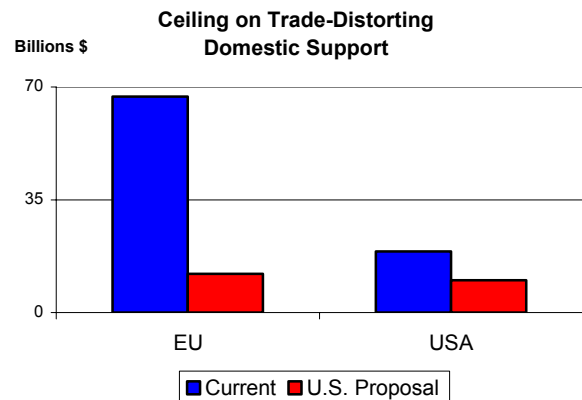
Market Access

High Tariffs: The average allowed WTO tariff for corn is 67%. The U.S. tariff is less than 1%.

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. corn.



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.



Export Competition

Eliminate Export Subsidies: The U.S. proposal calls for the elimination of export subsidies over a five-year implementation period.

Domestic Support

Trade-Distorting Domestic Support: In marketing year 2000/01, the European Union (EU) provided \$1 billion in “amber box” payments to corn producers and an additional \$1.3 billion in “blue box” payments.

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

Top U.S. Export Markets, 2001

1. Japan	\$1.3 billion
2. Mexico	\$567 million
3. Taiwan	\$473 million
4. Egypt	\$398 million
5. Korea	\$277 million

Total U.S. Corn Exports \$4.5 billion

Top U.S. Import Sources, 2001

1. Canada	\$13 million
2. Mexico	\$4 million
3. Peru	\$460,000
4. Argentina	\$363,000
5. Thailand	\$227,000

Total U.S. Corn Imports \$18 million