

What's at Stake for Rice?

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. rice currently faces in global markets in the areas of market access, domestic support, and export competition.

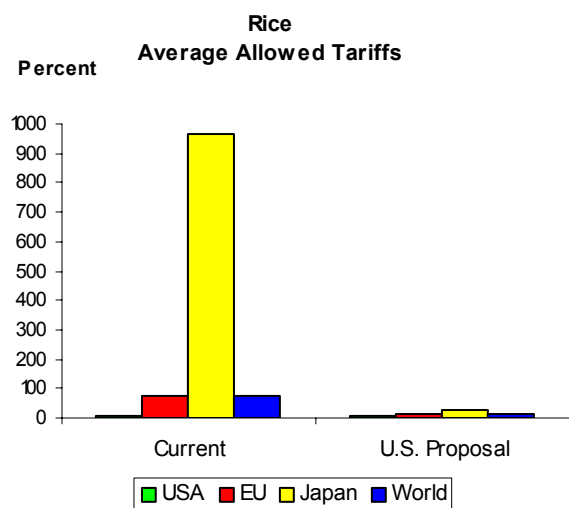
Market Access

High Tariffs: The average allowed WTO tariff for rice is 72%.

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. rice.

Government Importers: U.S. rice imports are limited in countries where rice trade is controlled by government importers, such as in Japan, South Korea, Indonesia, and the Philippines. Government importers account for about a third of global rice trade.

U.S. Proposal on Government Importers: The U.S. proposal would eliminate import and purchasing exclusivity.



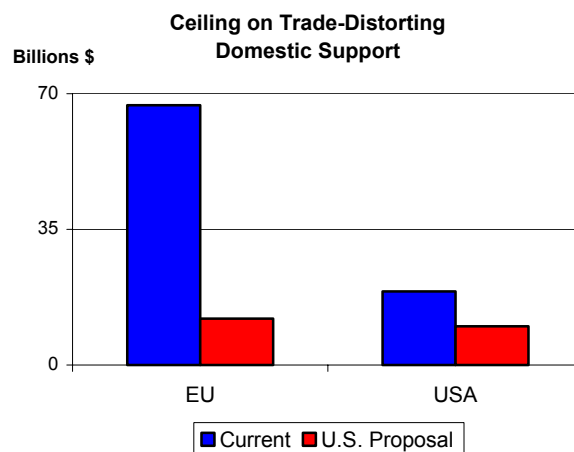
Domestic Support

Trade-Distorting Domestic Support:

In marketing year 1998/99, Japan provided \$1.8 billion of “blue box” support to rice producers. In the same marketing year, the European Union (EU) provided \$478 million of “amber box” support and \$89 million in “blue box” support to rice producers.

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, and the “blue box” exemption would end. Japan’s maximum allowed trade-distorting support would fall from \$30 billion to \$14 billion. The U.S. maximum allowed trade-distorting support would fall from \$19 billion to around \$10 billion.



Export Competition

Export Subsidies: In marketing year 2000/01, the EU provided \$29.5 million in export subsidies to rice producers, with an allowance to spend as much as \$33.6 million on rice exports.

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

Top U.S. Export Markets, 2001

1. Japan	\$88 million
2. Mexico	\$81 million
3. Canada	\$66 million
4. Saudi Arabia	\$62 million
5. Philippines	\$28 million
Total U.S. Rice Exports	\$695 million

Top U.S. Import Sources, 2001

1. Thailand	\$106 million
2. India	\$38 million
3. Australia	\$9 million
4. Pakistan	\$7 million
5. Italy	\$4 million
Total U.S. Rice Imports	\$168 million