

## **Saudi Arabia's Accession to the World Trade Organization (WTO) Agriculture**

Saudi Arabia has agreed to numerous improvements in its implementation of sanitary and phytosanitary measures, including on shelf-life requirements and other non-tariff measures that have historically hindered U.S. agricultural exports. U.S. agricultural exports to Saudi Arabia exceeded \$480 million in 2004.

**Tariffs:** As part of its WTO accession, Saudi Arabia will bind over 90 percent of all agricultural tariff lines at fifteen percent or lower. Although some reductions are implemented over five years, the majority of bound rate commitments will be in effect upon accession. Approximately 75 percent of U.S. agricultural exports to Saudi Arabia will have access at these low rates. These products include corn, rice, barley, corn oil, soybean meal, almonds, apples, raisins, cheeses, potato chips, frozen fries, bakery goods and other processed foods. After implementation, the average bound tariff rate will be about seven percent.

**Sanitary and Phytosanitary Measures:** As a result of taking on the obligations of the WTO agreement on Sanitary and Phytosanitary Measures, Saudi Arabia is committed to applying science-based sanitary and phytosanitary standards to all agricultural goods, including grains, meats, fruits, and vegetables. Saudi Arabia has also taken steps to address key issues of importance to the U.S. farmers and ranchers.

- Saudi Arabia has eliminated its prohibition on importing beef and other meat products from animals treated with growth-promoting hormones. Saudi Arabia has also agreed that any maximum residue requirements for synthetic hormones in animal products would be consistent with international standards.
- Saudi Arabia will facilitate U.S. meat and poultry exports by recognizing an official USDA Food Safety and Inspection Service export certificate assuring that meat is safe, along with a producer or manufacturer self-certification that covers additional requirements not related to food safety or animal health.
- Saudi Arabia has removed its ban on imports of live birds (i.e., day-old chicks).

**Shelf-life Restrictions:** Saudi Arabia will accept internationally-recognized manufacturer-determined use-by dates, with the exception of those on certain perishable foods and baby foods.

Saudi Arabia has eliminated its prohibition on importing food products which have less than half of their remaining shelf-life.

**Export Subsidies:** Saudi Arabia has committed to bind the use of agricultural export subsidies at zero.

**Agricultural Supports:** Saudi Arabia is a net importer of agricultural goods. Virtually all barley, corn and soy cake imports are subsidized to provide feed inputs for Saudi Arabian producers, and the United States has historically been a large supplier of corn and soy cake to Saudi Arabia and a secondary supplier of barley. As a result of the volume of subsidized feed inputs, Saudi Arabia has positive Aggregate Measure of Support (AMS), and as is customary, has committed to reduce its domestic support to agriculture (13.3 per cent over a period of ten years in equal annual steps). Under a provision of the Agreement on Agriculture, countries are permitted to exempt from calculation of their AMS any support that falls below a certain minimum or the “de minimis” level. As part of its package, Saudi Arabia received a ten percent “de minimis” for general support and for each specific product. Saudi Arabia is not claiming developing country status.

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