WORLD TRADE

ORGANIZATION

Committee on Agriculture

Original: English

NOTIFICATION

The following submission, dated 13 September 2011, is being circulated at the request of the Delegation of the **Kingdom of Saudi Arabia**.   The notification concerns domestic support commitments (**Table DS:1** and the relevant Supporting Tables) for the calendar year **2009**.

Table DS:1

DOMESTIC SUPPORT: Kingdom of Saudi Arabia

REPORTING PERIOD: Calendar year 2009

Current Total Aggregate Measurement of Support

Total AMS commitment level for period in question	Currency	Current Total AMS
(from Section I of Part IV of the Schedule)	(from Section I of Part IV of the Schedule)	(from attached Supporting Tables)
1	2	3
3,514.49	million Saudi Riyals	2,256.60

Supporting Table DS:1

DOMESTIC SUPPORT: Kingdom of Saudi Arabia

REPORTING PERIOD: Calendar year 2009

Measures exempt from the reduction commitment – "Green Box"

Measure Type	Name and description of measure with reference to criteria in Annex 2	Monetary value of measure in year in question (million SRls)	Data sources
1	2	3	
(a) General Services			
Research	Agricultural Research Stations, Plant tissue cultures lab, Operation and maintenance, Regional lab, Agricultural Research Centres and Distance sensors centres.	27.02	MOA
Pest and disease control:	Securance of veterinary, Vaccine production, Veterinary labs, Air spray pest and disease control, and Veterinary services.	105.61	MOA
Training	Saudi Chinese Cooperation[1], FAO Agreement and Veterinary training centres.	63.10	MOA
Extension	Agricultural Extension Expenses, Programmes of nurseries and Extension and development of Honeybees.	75.90	MOA
Inspection Services:	Operation of stations of sorting and purification of seeds and Establishment and equipping of veterinary quarantine.	10.55	MOA
Infrastructural Services:	Construction of dams, maintenance of dams, Irrigation and drainage systems, Prevention of moving sand and Planting and development of forests.	769.77	MOA
	General services total	**1,051.95**	
(b) Public stockholding for food security purposes[2]	GSFMO, among other things, fulfils a public stockholding role for food security purposes by managing and controlling the storage and distribution of grains.	10.20	GSFMO
	TOTAL GREEN BOX	**1,062.15**	

[1] See methodological note number 2.

[2] This meets the criteria of footnote to paragraph 3 of Annex 2 of the Agreement on Agriculture.

MOA = Ministry of Agriculture
GSFMO = Grain Silos and Flour Mills Organization

DOMESTIC SUPPORT: Kingdom of Saudi Arabia

REPORTING PERIOD: Calendar year 2009

Calculation of the Current Total Aggregate Measurement of Support

Description of basic products (including non-product-specific AMS)	Product-specific AMS (from Supporting Tables DS:5 to DS:7 below)	Product-specific measurements of support (from Supporting Table DS:8 below)	Current Total AMS
	(million SRls)		(million SRls)
1	2	3	4
Wheat	323.40		323.40
Barley	00.00		00.00
Livestock	370.61		*de minimis*[1]
Poultry	1,933.20		1,933.20
Dates	46.40		*de minimis*[1]
Dairy	00.00		00.00
Non-product-specific AMS (from Supporting Table DS:9)	585.49		*de minimis*
Total			**2,256.60**

[1] *De minimis* calculation is explained in the attached methodological note (Annex 3).

Supporting Table DS:5

DOMESTIC SUPPORT: Kingdom of Saudi Arabia

REPORTING PERIOD: Calendar year 2009

Product-Specific Aggregate Measurements of Support: Market Price Support

Description of basic products	Calendar year 2009	Measure type(s)	Applied administered price	External reference price[1]	Eligible production	Associated fees/levies	Total market price support	Data sources
			(SRls/tonne)	(SRls/tonne)	(tonnes)		(million SRls)	
1	2	3	4	5	6	7	8 ((4-5*6)-7)	9
Wheat		Market price support	1,000	658.29	946,427		323.40	GSFMO
Barley		Market price support	0	685.22	0		0.00	GSFMO

[1] World prices CIF Jeddah.

GSFMO = Grain Silos and Flour Mills Organization

Supporting Table DS:6

DOMESTIC SUPPORT: Kingdom of Saudi Arabia

REPORTING PERIOD: Calendar year 2009

Product-Specific Aggregate Measurements of Support: Non-Exempt Direct Payments

Description of basic product	Calendar year 2009	Measure type(s)	Applied administered price	External reference price (generally from AGST/…)	Eligible production	Total price-related direct payments	Other non-exempt direct payments (million SRls)	Associated fees/levies	Total direct payments (million SRls)	Data sources
1	2	3	4	5	6	7 ((4-5)*6))	8	9	10 (7+8-9)	11
Dates		Fixed amount of subsidy					46.40		46.40	MOA

MOA = Ministry of Agriculture

DOMESTIC SUPPORT: Kingdom of Saudi Arabia

REPORTING PERIOD: Calendar year 2009

Product-Specific Aggregate Measurements of Support: Other Product-Specific Support and Total Product-Specific AMS

Description of basic product	Calendar year 2009	Measurement type(s)	Other product-specific budgetary outlays	Other product specific support (include calculation details)	Associated fees/levies	Total other product-specific support (million SRls)	Market price support (Supporting Table DS:5) (million SRls)	Non-exempt direct payments (Supporting Table DS:6) (million SRls)	Total product-specific AMS (million SRls)	Data sources
1	2	3	4	5	6	7 (4+5-6)	8	9	10 (7+8+9)	11
Wheat		Market price support					323.40		323.40	GSFMO
Barley		Market price support					0.00		0.00	GSFMO
Dates		Fixed amount of subsidy Target subsidy for palm trees[1]				0.00		46.40	46.40	MOA
Livestock		Input subsidy				370.61			370.61	Annex 2[2]
Poultry		Fixed amount of input subsidy for feed (imported corn and soybean)				1,933.20			1,933.20	MOF
		Fixed amount of input subsidy for equipment				0.00				ADF
Dairy		Fixed amount of input subsidy for production equipment and transportation costs				0.00			0.00	ADF

[1] To encourage producers to use drip irrigation for water conservation.
[2] For calculations, see methodological note (Annex 2).
GSFMO = Grain Silos and Flour Mills Organization
MOA = Ministry of Agriculture
MOF = Ministry of Finance
ADF = Agricultural Development Fund

DOMESTIC SUPPORT: Kingdom of Saudi Arabia

REPORTING PERIOD: Calendar year 2009

Non-Product-Specific AMS

Measure type(s)	Calendar year 2009	Non-product-specific budgetary outlays (million SRls)	Other non-product specific support (include calculation details) (million SRls)	Associated fees/levies	Total non-product-specific support (million SRls)	Data sources
1	2	3	4	5	6 (3+4-5)	
General agricultural subsidies[1]					41.89	ADF
Opportunity cost for interest-free agricultural loans[2]					7.80	ADF
Bad debts for agricultural loans[3]					535.8	ADF
Total					**585.49**	

[1] Agricultural subsidies are paid by ADF. See methodological note number 7.

[2] For calculations, see methodological note number 8.

[3] For calculations, see methodological note number 9.

ADF = Agricultural Development Fund
The ADF replaced the Saudi Arabian Agricultural Bank (SAAB).

Methodological Note

The Basis of Calculation of Agricultural Domestic Support

This is an explanatory note to be read in conjunction with the current Saudi domestic support notification.

1. The figures are expressed in Saudi Riyals, where the exchange rate has been fixed at US$ 1 = SAR 3.75 since 1986.

2. Saudi Chinese Cooperation: In the context of this programme, specialists from China are contracted with in order to work in the Ministry of Agriculture. Similarly, Saudis are sent to this country to gain experience. In addition, laboratory equipment is provided to support these programmes.

3. In determining eligible production for wheat, it excludes 5 per cent impurities and 5 per cent Zakat from total production. The ratio of 5 per cent impurities represents a general average based on samples analysis drawn randomly from wheat and barley received by GSFMO. The ratio of 5 per cent Zakat is determined according to Islamic Rules (this percentage of Zakat is limited only on farming and differs from the normal Zakat on all kinds of money which is 2.5 per cent).

4. The applied administered price of wheat has been reduced to SAR 1,000/tonne (or US$ 266.67) since 2004.

5. External reference prices of wheat are expressed as CIF Jeddah. These reference prices are determined as a sum of (Export price of US Hard Winter Ordinary Protein, FOB US Gulf Ports) + Ocean Freight to Egypt (Alexandria) + US$ 3/tonne as estimated freight from Alexandria to Jeddah (2001-2003 Base Year). (Source: Food Outlook of the Food and Agriculture Organization of the UN, No. 5, December 2002 and No.1 April 2005).

6. The external reference price for barley is calculated as the annual average of effective import prices for barley imported by GSFMO during the period 2001-2003 (Base Year).

7. Agricultural subsidies which are included in Supporting Table DS:9 are provided to all agricultural projects: wheat, poultry, dairy, sheep, greenhouse, vegetables and fruits, etc. These subsidies can be disclosed as follows: 25 per cent of the price fixed by the Ministry of Agriculture for farm machinery; and the cost of poultry and dairy farms equipments.

8. The opportunity cost for agricultural loans represents the amount of total loans granted by the Agricultural Development Fund (ADF) multiplied by the average commercial interest rates because ADF does not charge interest on the granted loans (Annex 1).

9. Bad Debts for Agricultural Loans represent due balances carried forward for several financial years divided by ten. These amounts are based on a ten-year average because medium-term loans are extended for a period of ten years.

10. Calculation of livestock feed subsidy (Annex 2): the amount of subsidy per tonne on imported barley is the difference between the reference price and the price paid by the domestic livestock producers. The calculation of this subsidy is as following:

- For imported barley: IFBS   = (E - P) * I, where:

- IFBS: Imported feed barley subsidy;
- P: Price paid by livestock producers for barley;
- E: External reference price (= world price C.I.F Jeddah) based on the period 2001-2003 (Base Year); and
- I: Quantity of Imported barley.

ANNEX 1

<u>The Opportunity Cost For the Interest Free Total Loans Granted
by the Agricultural Development Fund</u>

<u>Reporting period: Calendar year 2009</u>

Year	Amount of Total loans Million Saudi Riyals	Average Interest Rate %	Opportunity cost Million Saudi Riyals
2009	856.14	0.911	7.80

Sources: 1 – Agricultural Development Fund (ADF).
        2 – Saudi Arabian Monetary Agency (SAMA).

ANNEX 2

Calculation of livestock feed subsidy

Reporting period: Calendar year 2009

Description of Basic products	Calendar year	Measure Type (s)	Reference price (SAR/T)	Price paid by livestock producers (SAR/T)	Quantity (Ton)	Associated fees/levies	Total support Million Saudi Riyals	Data sources
1	2	3	5	4	6	7	8	9
Livestock: Input subsidy Imported barley Domestic barley Total	2009		685.22 00.00	620 00.00	5,682,416 000.00		370.61 000.00	GSFMO

ANNEX 3

Calculation of *de minimis* for certain products

Reporting period: Calendar year 2009

Product Name	Product Value 2009 (million SRls)	Product Support 2009 (million SRls)	AMS %	Comments
Wheat	1,152.0	323.40	28	
Barley	0.0	0.00	00.00	00.00
Livestock	4,385.0	370.61	8.4	*de minimis*
Poultry	5,761.0	1,933.20	33.56	
Dates	6,017.0	46.40	0.77	*de minimis*
Dairy	5,886.0	00.00	00.00	00.00
Non-product-specific	41,419.0	585.49	1.41	*de minimis*

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