

## AGRICULTURE

### Background

The Doha Ministerial Declaration agrees on “substantial improvements in market access; reductions of, with a view to phasing out, all forms of export subsidies; and substantial reductions in trade-distorting domestic support”. It also reconfirms the long-term objective already agreed in Article 20 of the Agreement on Agriculture: to establish a fair and market-oriented trading system through a programme of fundamental reform. The purpose is to correct and prevent restrictions and distortions in world agricultural markets.

The Doha Declaration makes Special and Differential Treatment (SDT) for developing countries integral throughout the negotiations, both in countries’ new commitments and in any relevant new or revised rules and disciplines. The outcome should be effective in practice and should enable developing countries to meet their needs, in particular in food security and rural development. Non-trade concerns (such as environmental protection, food security, rural development, etc) are also noted.

Since 1995, industrial countries have lowered agricultural tariffs in a way that fulfils the Agreement on Agriculture’s technical requirements but which could be considered to be in violation of the spirit and intent of the Agreement. The way in which developed countries have converted non-tariff barriers into tariffs, as agreed to under the Uruguay Round, has resulted in tariffs being higher now than they were prior to the start of the Uruguay Round, and these higher tariffs are especially common for sensitive products of particular export interest to LDCs. Tariff peaks remain pronounced in industrial countries, with peaks often applied to developing country exports, and those of potential export interest, such as processed foods. Tariff escalation occurs in products of particular interest to developing countries such as coffee, cocoa, oilseeds, vegetables, fruits and nuts, and continues to be one of the factors impeding export diversification and vertical diversification of agricultural exports in developing countries.

The main challenges faced in moving the Doha Round forward is the link between negotiations in agriculture and NAMA. Developed and developing countries alike are concerned that if significant obligations are undertaken in agriculture then these should be parallel significant obligations taken in NAMA and *vice versa*. There is also a need to balance the negotiations, in terms of “levels of ambition” in agriculture itself between the three pillars of Domestic Support, Export Competition and market Access. Finally, there are also Members who want to link progress made in the services negotiations to progress made in the Agriculture and NAMA negotiations.

Since the Hong Kong Declaration, which builds on the progress made in the Doha Declaration, the Agreement on Agriculture and the July Framework and which takes note of the Report by the Chairman of the Special Session of the Committee on Agriculture to the TNC (annexed to the Hong Kong Declaration), progress has been made in the negotiations in agriculture with the release of a series of Chairman’s papers as follows:

- Two “challenges” papers dated 30<sup>th</sup> April 2007 and 25 May 2007
- Draft Modalities for Agriculture (TN/AG/W/4 of 1<sup>st</sup> August 2007)
- Revised Draft Modalities for Agriculture (TN/AG/W/4/Rev.1 of 8<sup>th</sup> February 2008).

However, the draft texts which are being considered do not provided “full modalities” as envisaged in the July Framework. The smaller developing countries especially are also concerned that the Draft Modalities did not take account of issues of interest to them, including preference erosion, special products, special safeguard mechanism, and tariff escalation. As would be expected in any draft modalities from the Chair, his proposals are not supported by all Members.

### Domestic Support

The discussions on domestic support revolve around the three support boxes - Amber Box, Green Box and Blue Box. (See dialogue box ).

The July Package specified that all developed countries will make substantial reductions in trade distorting domestic support. Members with higher levels of permitted domestic support will make deeper cuts in bound rates. This will be done by reducing the final bound total aggregate measurement of support (AMS), which reduces Amber Box support; reduces permitted *de minimis* levels (to a level to be negotiated); and caps the Blue Box. For the overall level of support (Amber Box, *de minimis* and Blue Box combined), a “tiered formula” will be used. This will be designed so that higher levels of support will have steeper cuts. On top of that, in the first year, each country’s ceiling of permitted overall support will be cut by 20%. Details include how to measure the Blue Box component for the overall cut. There will be limits on supports for specific products in order to avoid shifting support between different products. Since the tiered formula applies to the total of support on all products, the text also says that the result will be cuts in support specified for some products.

### Amber, Green and Blue Boxes

In WTO terminology, subsidies in general are identified by “boxes” which are given the colours of traffic lights: green (permitted) and amber (slow down - i.e. be reduced). The Agreement has no red box but there is a blue box for subsidies that are tied to programmes that limit production. There are also exemptions for developing countries.

All domestic support measures considered to distort production and trade (with some exceptions) fall into the amber box. The total value of these measures must be reduced.

In order to qualify for the “green box”, a subsidy must not distort trade, or at most cause minimal distortion. These subsidies have to be government-funded (not by charging consumers higher prices) and must not involve price support. They tend to be programmes that are not directed at particular products, and include direct income supports for farmers that are not related to (are “decoupled” from) current production levels or prices. “Green box” subsidies are therefore allowed without limits, provided they comply with relevant criteria.

The blue box is an exemption from the general rule that all subsidies linked to production must be reduced or kept within defined minimal (“*de minimis*”) levels. It covers payments directly linked to acreage or animal numbers, but under schemes which also limit production by imposing production quotas or requiring farmers to set aside part of their land. Countries using these subsidies (very few) say they distort trade less than alternative amber box subsidies.

Although Blue Box support is to be capped at no more than 5% of the value of a country’s agricultural production, some flexibility will be allowed for countries whose Blue Box support is an exceptionally large proportion of their trade distorting subsidies. This will allow Members, such as the EU, to switch subsidies from the more trade-distorting Amber Box to the less distorting Blue Box. A new category of Blue Box measures called “direct payments that do not require production” has been introduced. This will cover counter-cyclical payments under the US Farm Act. These payments provide price support so would have been categorised in Amber Box and so would otherwise have been subject to substantive reductions.

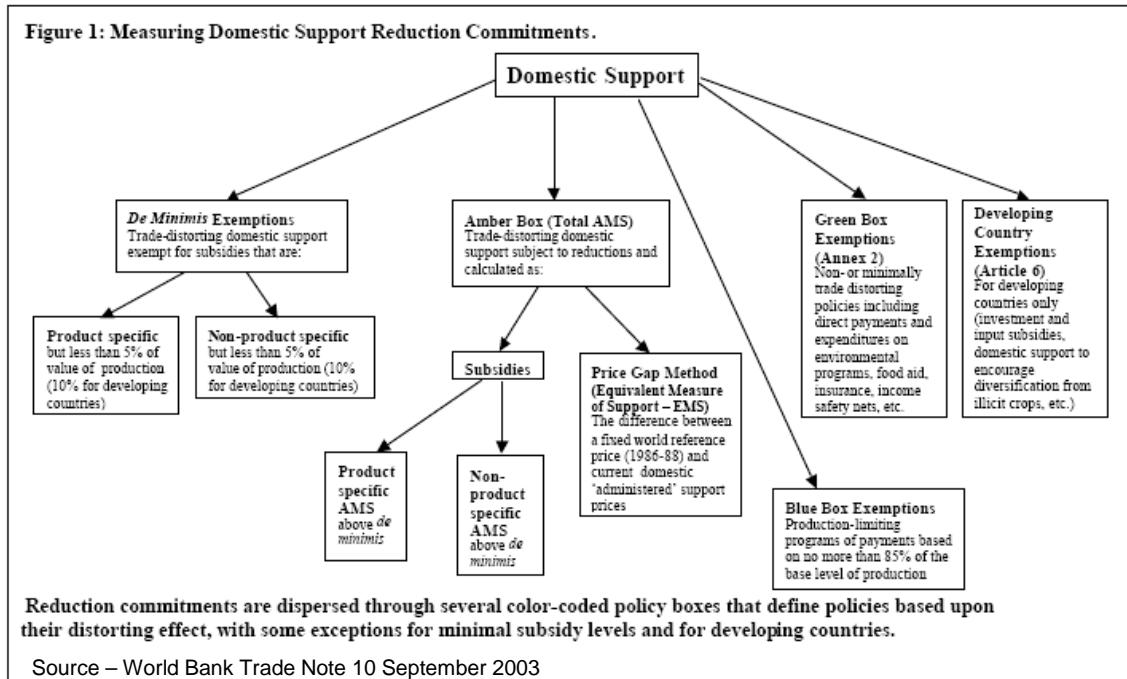
Green Box support remains unlimited and free from reductions but the criteria will be reviewed to ensure that Green Box measures do not have significant trade distorting effects or effects on production.

LDCs are not required to undertake reduction commitments, will be allowed longer implementation periods and will continue to be allowed exemptions under Article 6.2 of the Agriculture Agreement.

The Hong Kong Declaration text:

- clarified the structure for the reduction formulas – 3 bands for AMS reduction and for overall trade distorting subsidies – OTDS – (i.e. AMS, Blue Box and *de minimis*) with higher linear cuts in higher bands;
- agreed to a review of the Green Box criteria in line with the July Framework (Paragraph 16) to ensure the coverage of developing country programmes that are not more than minimally trade distorting; and

- exempted developing country members with no AMS commitments from reductions in *de minimis* and overall cut in trade distorting domestic support.



The proposals on reductions in domestic support from developed countries contained in the Draft Modalities were considered by a number of developing country Members not to go far enough with proposed cuts and caps only minimally reducing actual support levels.

Overall Trade Distorting Subsidies (OTDS)

The Draft Modalities and the Revised Draft Modalities proposes that the US reduce its allowed overall trade distorting support (OTDS) to a range of US\$13-16.4 billion. The US has indicated it can consider the upper part of that range (which is close to the \$17 billion it had already offered in Potsdam). This would give the US “water” between the allowed and the actual level of OTDS which was about US\$11 billion in 2006.

However, the proposed range of US\$13b – 16.4b is actually higher than the OTDS was at the start of the implementation period of the Uruguay Round (about US\$7 billion). The agriculture domestic support simulations paper (JOB(06)/151 dated 22 May 2006) prepared by Canada shows that the US’s applied OTDS were as follows:

**United States OTDS by year in billion US\$ (from JOB(06)/151)**

Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
OTDS billion US\$	7.7	7.1	7.0	15.1	24.3	24.1	21.5	14.9	10.2	18.6	19.7

The US’s offer to cap at between US\$13b to US\$16.4b, therefore, does not take the US to where it was in terms of OTDS at the start of the Uruguay Round.

The Draft Modalities and the Revised Draft Modalities also propose that the EU’s allowed OTDS be reduced by 75-85 per cent to the range of €16.5 billion to €27.6 billion. The EU had requested to be allowed OTDS of €33 billion but this figure was above what the EU had planned itself under Common Agricultural Policy (CAP) reform, where OTDS was expected to be €26.8 billion in 2008 and €12 billion in 2014. In September 2007 the EC said it would retain its position of offering to cut by 10% more than the US. This would mean that the EU would cut by about 80% (at most) which would result in a final OTDS of about €22 billion. Given that the EU itself expects to have OTDS down to about €14b by 2014, they would seem to be comfortable with this cut in OTDS.

Final Bound Aggregate Measure of Support (AMS)

The Revised Draft proposes the following tiered reduction in the final bound AMS:

<b>Final Bound Total AMS</b>	<b>Reduction Rate</b>	<b>Applied to:</b>
More than US\$40billion	70%	EU
More than US\$15b and less than or equal to US\$40b	60%	US
Less than or equal to US\$15b	45%	Some G10

The Revised Draft Modalities also include more detailed proposals in implementation and staging. The text suggests that for developed country Members, reductions in Final Bound Total AMS shall be implemented in six steps over five years. For the US and EU reductions shall be implemented by means of a first instalment of a [25] per cent reduction on the first day of implementation, followed by reductions in equal annual instalments over five years. For other developed country Members, the reductions shall be implemented in six equal annual instalments over five years, commencing on the first day of implementation.

Special and Differential Treatment remains at two-thirds of the reductions applicable to developed country Members.

Product Specific AMS Limits

The section on Product-Specific AMS has been adjusted, perhaps to take account of the concerns of the US in using a base period of 1995 – 2000, and to take account of the different situations of other Members.

De Minimis

The Revised Draft Modalities continue to suggest a 50% or 60% cut in *de minimis* levels. This would involve reducing the product-specific and non-product specific *de minimis* from 5% to 2.5% or 2%, with developing countries applying two-thirds of the reduction of developed countries. Flexibilities are suggested for Recently-Acceded members (RAMs).

Blue Box

As was the case in the Draft Modalities text, the Revised Draft Modalities propose changes in the Blue Box criteria. These changes would seem to allow the US to notify its counter-cyclical payments.

Significant changes in text are introduced under additional criteria and this text would need to be studied in detail to assess whether it would allow “box shifting” to take place.

Green Box

Significant changes are also proposed in that the Chairman is suggesting amending Annex 2 of the Agreement on Agriculture to extend the developmental elements of the Green Box and to control the updating of direct payments to farmers. The suggested amendments with relation to development issues include:

- Policies and services related to farmer settlement, land reform programmes, rural development and rural livelihood security in developing country Members, with examples given;
- Natural disaster relief (and government-funded insurance payments) for producers in developing countries where production loss is less than 30% of a previous average; and
- Tight criteria on the updating of base periods on which decoupled income support, structural adjustment assistance, and regional assistance programmes are calculated in developed countries, with softer conditions applying for developing countries.

Cotton: Domestic Support

The Revised Draft Modalities includes the formula proposed by the C-4 countries (Benin, Burkina Faso, Chad, and Mali) which calculates a higher reduction for AMS for cotton. Developing countries with relevant AMS and Blue Box commitments shall provide a rate of

reduction for cotton that is two-thirds of the rate that would be calculated by the formula and have longer implementation periods.

At the 8<sup>th</sup> Cotton Sub-Committee meeting on 18<sup>th</sup> November 2005 the C-4 proposed that: export subsidies on cotton to be eliminated totally by the end of 2005; 80% of trade distorting domestic support to be scrapped by the end of 2006, with 10% each in 2007 and 2008, leaving total elimination by 1 January 2009; and disciplines to ensure only authorised domestic supports remain. The proposals in the Revised Draft Modalities fall short of the C-4 proposals.

## Market Access

### Tiered Formula for Tariff Reductions

In order to deal with extra high tariffs ("tariff peaks") and to narrow the gaps between tariffs on finished products and raw materials ("tariff escalation") Members have agreed on a tiered formula for tariff reductions.

Developed Countries		Developing Countries		Small and Vulnerable Developing Countries	
Thresholds	Reduction	Thresholds	Reduction	Thresholds	Reduction
>0% & <20%	[48%-52%]	>0% & <30%	[32%-35%]	>0% & <30%	[22%-25%]
>20% & <50%	[55%-60%]	>30% & <80%	[37%-40%]	>30% & <80%	[27%-30%]
>75% & <50%	[62%-65%]	>130% & <80%	[41%-43%]	>130% & <80%	[31%-33%]
>75%	[66%-73%]	>150%	[44%-48%]	>150%	[34%-38%]

The maximum overall average cut on final bound tariffs any developing country Member shall be required to undertake as a result of application of this formula is [36] per cent. Should the above formula imply an overall average cut of more than [36] per cent, the developing country Member shall have the flexibility to apply lesser reductions applied in a proportionate manner across the bands, to keep within such an average level.

Small, vulnerable economies shall be entitled to moderate the cuts specified in the table above by a further [10] *ad valorem* percentage points in each band. S&DT is provided for Recently Acceded Members (RAMs).

### Sensitive Products

The Revised Draft Modalities make provision for each developed country Member to designate up to [4] [6] per cent of [dutiab] tariff lines as "Sensitive Products". Where such Members have more than 30 per cent of their tariff lines in the top band, they may increase the number of Sensitive Products to [6] [8] per cent, subject to certain conditions. Provision is also made for an increase to 6% or 8% if tariff are scheduled at the 6-digit level.

Developing country Members can designate up to one-third more of tariff lines as "Sensitive Products".

For Sensitive products the tariff reduction that should have been applied could be one-third, one-half or two-thirds of the reduction that would otherwise have been required by the tiered reduction formula.

Rather complicated provisions are also made for tariff quota expansions and the impact of these proposals on market access.

### Tariff Escalation

A tariff escalation formula will be applied to a list of primary and processed products attached as an annex (but which is yet to be finalised and which the LDCs should pay particular attention to) to the Revised Draft Modalities. Additional measures are also to be applied by developed country Members and developing country Members in a position to do so, including:

- the tariff cut will be less than it would have been according to the band it was in;

- tariff escalation adjustment formula will not be applied in full where doing so would reduce the tariff for the processed product below that applicable to the primary product; and
- tariff escalation treatment shall not apply to any product that is declared as Sensitive.

### Commodities

In the Revised Draft Modalities provision is made for developed countries to engage with commodity-dependent producing countries in the event that tariff escalation is not eliminated through implementation of the tiered formula. Commodity-dependent developing countries, individually or as a group, shall identify and present products of interest to them for purposes of addressing tariff escalation to be adopted as part of the modalities.

### Special Agricultural Safeguard (SSG)

The Revised Draft Modalities suggests a scaling down and/or elimination of the SSG for developed country Members but, for developing country Members the terms and conditions of the SSG would remain unchanged from the Uruguay Round Agreement on Agriculture (URAA) terms and conditions except that the tariff rates concerned shall be updated to reflect the outcome of the Doha Round negotiations. This means that, for those countries that have not notified their schedule of commitments, they will not have access to the SSG.

### Special Products

Developing country members are entitled to self-designate Special Products, based on the criteria of food security, Livelihood security and rural development and under certain conditions. In his Revised Draft Modalities the Chairman would appear to have taken account of the concerns of developing countries relating to the need to negotiate thresholds and parameters within the indicators and the implication that the verifiability of data as a precondition to designate SPs. The Chairman, however, still does not consider exemption from tariff reduction as a possible treatment for SPs. The need for exemption in some of the lines has been advocated for by many developing countries in view of their development concerns and tariff structures.

### Special Safeguard Mechanism (SSM)

Language has been developed for the SSM in the Revised Draft Modalities so that:

- The SSM will have no *a priori* product limitations but will only be invoked for 3 to 8 products in any given 12-month period; and
- A price-based and volume-based SSM shall be available.

Although price-based and volume-based triggers are provided for, the mechanisms that will trigger the SSM will need to be studied carefully by the LDCs.

The Chairman has suggested that for LDCs, where application of any of the listed modalities on price- and volume-based measures would involve the prospect of exceeding their pre-Doha bound tariffs, such tariffs may be exceeded by a maximum of 20 *ad valorem* percentage points provided that all other relevant conditions have been met.

### Long-Standing Preferences and Preference Erosion

The Revised Draft Modalities suggest that there should be no tariff cuts for a list of products (annexed to the Modalities) for 10 years and that tariff cuts shall commence only after that point and shall be implemented over five years in equal annual instalments thereafter. There are also other proposals but these would not appear to be as generous as the one above.

### Least Developed Countries

On duty-free, quota-free market access the Revised Draft Modalities simply echo the Hong Kong Declaration. In the Chair's Challenges paper of 25<sup>th</sup> May 2007 he was prepared to go a lot further and suggested that "Even if that last 3% cannot be achieved by the commencement of the implementation period, it is something to aim for by the end". Now there is no implementation period for the 3% and this is something the LDCs should fight to get included.

The Chair does suggest that the monitoring procedure foreseen in the Decision should be defined and agreed by the time of final schedules.

For cotton market access, the Chair does not go beyond what the Hong Kong provisions on DFQFMA are.

## **Export Competition**

### Scheduled Export Subsidy Commitments

The July Package states that all forms of export subsidies will be eliminated by a “credible” date. The elimination will work in parallel for all types of subsidies, including those in government-supported export credit, food aid, and state-sanctioned exporting monopolies. The negotiations will also develop disciplines on all export measures whose effects are equivalent to subsidies.

In the Hong Kong Declaration Members agreed to the parallel elimination of all forms of export subsidies and disciplines on all export measures with equivalent effect to be completed by the end of 2013 and that way this would be achieved would be specified in the modalities.

The Revised Draft Modalities propose that developed country Members shall eliminate their remaining scheduled export subsidy entitlements by the end of 2013 on the basis of reducing budgetary outlay commitments by 50 per cent by the end of 2010 and the remainder by end-2013, all in equal instalments

Various options are also suggested in terms of reducing quantity commitments.

Developing country Members are expected to eliminate their export subsidy entitlements by the end of 2016, although can still benefit from the provisions of Article 9.4 of the Agreement on Agriculture until the end of 2021. (five years after the end-date for elimination of all forms of export subsidies as provided for in the Hong Kong Declaration).

### Export Credits, Export Credit Guarantees or Insurance Programmes

The July Framework specified that a negotiated date will mark the end of: export subsidies as listed in Members’ reduction commitments (“scheduled”); all export credits, export credit guarantees or insurance programmes with repayment periods beyond 180 days; those with shorter repayment periods but which fail to conform with disciplines that are to be negotiated; and trade-distorting practices of state trading enterprises that are considered to be subsidised.

When Members eliminate subsidised components of credit and insurance, they should do this in such a way as to avoid harming the interests of LDCs and Net Food Importing Developing Countries (NFIDCs). Special consideration will be given to poorer countries’ State Trading Enterprises (STEs) whose monopoly privileges aim to keep domestic prices stable for consumers and to ensure food security.

The July Framework, in cases of exceptional circumstance, also makes provision, under strict conditions, for “*ad hoc* temporary financing arrangements relating to exports to developing countries” on the understanding that these arrangements do not undermine the commitments that Members will make to eliminate export subsidies.

In the Hong Kong Declaration it is specified that the disciplines on export credits, export credit guarantees or insurance programmes, exporting state trading enterprises and food aid will be completed by 30 April 2006 as part of the modalities, including appropriate provision in favour of least-developed and net food-importing developing countries as provided for in paragraph 4 of the Marrakesh Decision.

The Revised Draft Modalities propose modalities for Export Credits, Export Credit Guarantees or Insurance Programmes (Annex J) which recommends that maximum repayment terms for export financing support shall be no more than 180 days applied for developed country

Members from the start of the implementation period or end-2010 and terms and conditions for self-financing programmes.

Developing country members are provided with S&DT in terms of the maximum repayment terms and self-financing programmes.

### Agricultural Exporting State Trading Enterprises

With regard to State Trading Enterprises (STEs) discussions have concentrated on identifying practices which distort trade and how to eliminate these. The Revised Draft Modalities propose modalities (disciplines, S&DT provisions and monitoring and surveillance) for Agricultural Exporting State Trading Enterprises (Annex K).

### International Food Aid

With regard to food aid, the objective is only to provide food aid when commercial transactions are not possible and so avoid displacing commercial transactions.

In the Hong Kong Declaration Members reconfirmed their commitment to maintain an adequate level and to take into account the interests of food aid recipient countries and agreed on the provision of a "safe box" for bona fide food aid to ensure that there is no unintended impediment to dealing with emergency situations.

Members also agreed to elimination of commercial displacement and the use of effective disciplines on in-kind food aid, monetisation and re-exports so that there can be no loop-hole for continuing export subsidisation.

The Revised Draft Modalities have an annex (Annex K) on International Food Aid. General disciplines applicable to all food aid transactions include being needs-driven; being in fully grant form; they are not tied to commercial exports; not linked to the market development objectives of donor Members; not re-exportable except for specified logistical reasons; take fully into account local market conditions of the same or substitute products so as to avoid an adverse effect on local or regional production of the same or substitute products.

Members are encouraged to procure food aid from local or regional sources to the extent possible, provided that the availability and prices of basic foodstuffs in these markets are not unduly compromised and Members commit to making their best efforts to move increasingly towards more cash-based food aid.

The recipient government has a primary role and responsibility for the organisation, coordination and implementation of food aid activities within its territory.

Further disciplines for food aid transactions in emergency situations (Safe Box) are also proposed in the Revised Draft Modalities, including the need for an emergency to have been declared by the recipient country or by the Secretary-General of the United Nations; or there has been an emergency appeal from a country, a relevant United Nations agency, including the World Food Programme and the United Nations Consolidated Appeals Process; the International Committee of the Red Cross and the International Federation of Red Cross and Red Crescent Societies; a relevant regional or international intergovernmental agency, a non-governmental humanitarian organization of recognised standing traditionally working in conjunction with the former bodies; and in either case, there is an assessment of need undertaken by a relevant United Nations agency, including the World Food Programme; the International Committee of the Red Cross and the International Federation of Red Cross and Red Crescent Societies.

The Revised Draft Modalities suggests that there shall be no monetisation for food aid inside the Safe Box except for LDCs where there is a demonstrable need to do so for the sole purpose of transport and delivery. Such monetization shall be carried out solely within the territory of the recipient least-developed country such that commercial displacement is avoided or, if not feasible, at least minimised.

Further disciplines for food aid transactions in non-emergency situations are proposed in the Revised Draft Modalities dealing with in-kind food aid for consumption in non-emergency situations outside the Safe Box.

Provision is made for monitoring and surveillance but these modalities still need to be developed.

### **The Cotton Initiative**

In the July Package General Council reaffirmed the importance of the Sectoral Initiative in Favour of Cotton and stressed the complementarity between the trade and development aspects. General Council instructed the WTO to work with the development community and to provide periodic reports on relevant developments. The Framework instructs the Special Session of the Committee on Agriculture to ensure that the cotton issue is given “appropriate” priority, and is independent of other sectoral initiatives so that the cotton issue is addressed ambitiously, expeditiously, and specifically within the agriculture negotiations.

The Sub-Committee on Cotton (SCC) has been established and is open to all WTO members and observer governments. International organisations that are observers in the agriculture negotiations are also observers in the sub-committee.

At the third meeting of the SCC, held on 29<sup>th</sup> April 2005, the African Group submitted a proposal calling for the fast-track reduction or elimination of domestic support provided to cotton (TN/AG/SCC/GEN/2) requesting:

- domestic support that distorts the world market for cotton to be eliminated before 21<sup>st</sup> September 2005;
- a tightening of disciplines to prevent box shifting (i.e. transferring trade distorting domestic support that was Amber Box support to Blue Box or Green Box support without first making significant adjustments to the domestic support modalities to ensure they are less trade distorting);
- the establishment of ambitious cotton-specific criteria concerning Green Box and Blue Box support;
- elimination of all forms of export subsidies on cotton by 1<sup>st</sup> July 2005; and
- tight disciplines to monitor domestic support and measures to eliminate subsidies.

On 10<sup>th</sup> November 2005 the US announced the launch of the West African Cotton Improvement Program (WACIP) aimed at the cotton sectors of Benin, Burkina Faso, Chad, Mali and Senegal. The WACIP is allocated US\$7 million, of which US\$5 million is fresh funding.

In the Hong Kong Declaration Members reaffirmed that developed country Members would eliminate all forms of export subsidies by developed country Members in 2006 and provide duty and quota free access for cotton exports from LDCs from the commencement of the implementation period.

Members also urged the development community to further scale up its cotton-specific assistance and to promote and support South-South cooperation, including transfer of technology.

In the Revised Draft Modalities it is proposed that cotton export subsidies be prohibited for developed countries (as per the Hong Kong Ministerial Declaration) and that developing country Members which have any export subsidy entitlements shall comply with this prohibition no later than the end of the first year of the implementation period.

At the 8<sup>th</sup> Cotton Sub-Committee meeting on 18<sup>th</sup> November 2005 the C-4 (Benin, Burkina Faso, Chad, and Mali) proposed substantial improvements in market access, with duty-free and quota-free access for cotton and cotton products from least-developed countries; an emergency fund to help deal with depressed international prices; and technical and financial assistance for the cotton sector in Africa. The proposals in the Revised Draft Modalities fall short of the C-4 proposals.