

**Statement by India in the WTO Committee on Agriculture  
meeting held on 26-27 November 2018**

**INDIA'S MARKET PRICE SUPPORT TO SUGARCANE: COUNTER  
NOTIFICATION BY AUSTRALIA**

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1. Thank you Chair for giving my delegation the opportunity to respond to the communication from Australia under Article 18.7 of the WTO Agreement on Agriculture (AoA) on certain measures of India said to be providing Market Price Support (MPS) to sugarcane.
  
2. Australia has stated that its counter notification is based on publicly available information and has concluded that India provides MPS for sugarcane, and further that, this support is significantly in excess of the limit of 10% of the total value of production of sugarcane.
  
3. India would like to draw the attention of the Chair and present the correct perspective on these issues.
  
4. India reiterates its commitments towards transparency in the WTO and as far as DS1 notifications are concerned, we are up to date in our DS1 notifications, and have notified support up to the year 2016-17.
  
5. The entire Australian counter notification is based on the premise that India provides domestic support to sugarcane and various scenarios have been built under this premise. The counter notification is fallacious in its approach when it says that the market price support for sugarcane in the form of FRP is a domestic support and must be included in India's sugarcane AMS. In this context, India would like to put on record that it has notified market price support for all the crops where government agencies have made procurement under

applied administered price. In case of sugarcane, no support was notified as no procurement was resorted to by the Government.

6. Government announces Fair and Remunerative Price for sugarcane in order to ensure that the cane farmers do not resort to distress sale. Government agencies are not involved in procurement of sugarcane. Hence eligible production for sugarcane is zero. Therefore, India is not notifying product specific support for sugarcane.

7. As far as other issues relating to use of currency, inclusion of State Advised Price, inclusion of premium above a certain percentage of recovery rate are concerned, these do not come into play in the present context in view of the fact that no procurement has been made by the Government on FRP.

8. We would like to inform members that various measures taken by the Government of India to address the concerns related to unpaid sugarcane dues of farmers and the liquidity crisis affecting sugar mills. India is a marginal player in the international sugar market and has made no contribution to the international sugar glut or the fall in prices. We have exported only about 0.62 million tons of sugar under MIEQ, accounting for less than 1% of global exports in 2018. Further, in the same year India has imported almost as much sugar as it has exported. India's sugar package is therefore purely a domestic issue and has, in no way, distorted international trade in sugar.

9. To conclude, it is apparent that Australia's counter notification appears to be a hurried exercise, based on faulty assumptions, wrong interpretations and flawed analysis leading to erroneous conclusions. India, therefore rejects this counter notification and reiterates that the methodology used by India is consistent with its obligations under the AoA.

Thank you.