Rice Watch and Action Network

G33 Consolidated Fact Sheets

Rice Watch and Action Network
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Rice Watch and Action Network (R1)
c/o Action for Economic Reforms (AER)
3rd Floor, # 40 Matulungin St., Central District
Quezon City, 1100 Philippines
TelefaxL (632) 426-5626
Email: ricewatch_actionnet@yahoo.com

Layout Design by Nonoy Regalado

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Introduction

One of the crucial negotiating points that emerged for the G33 after the 6th Ministerial Meeting in Hong Kong centers on the challenge of operationalizing the concept of self-designation of special products. Although, the Hong Kong Ministerial Declaration gave developing countries the right to self-designate special products, it qualified the concept with the requirement that such process be based on the criteria of food security, livelihood security and rural development.

Since Hong Kong, there has been much debate on the formulation and use of indicators for the three criteria mentioned above. The G33, as the main proponent for SP and SSM has come up with a list of indicators to help guide developing countries' SP selection process. These indicators use both quantitative and qualitative information to substantiate the importance of a particular commodity to a developing country's food security, livelihood security and rural development objectives. On the other hand, countries like the US, Malaysia and Thailand have put forward their own proposals on the designation of special products. Their proposals imply the need for thresholds and require the use of strictly quantitative data for each indicator. The US, in particular, has been at the forefront of lobby in the WTO to narrow down indicators to those that use internationally verifiable data. These proposals tend to limit developing countries' flexibility to designate special products, especially in light of the fact that developing countries have different levels of capability when it comes to data availability and collection.

Objectives of the paper

This paper intends to contribute to the discussion on SP designation, by offering other perspectives in looking at indicators beyond what has already been proposed on the table. In particular, the paper wants to look at indicators that identify products that are important to country's food security, livelihood security and rural development objectives as these intersect with other important concerns such as poverty alleviation, gender equality, small farm development and ecological preservation. These indicators rely mostly on qualitative data, as quantitative data are not sufficient and, in many cases, not available for their application.

This paper also wants to simulate the application of some of the indicators identified by the G33, particularly those that require internationally verifiable data, as a way of trying to understand the opportunities as well as limitations that a developing country may face in using some of these indicators.

Finally, it wants to identify the gap between the results of the indicators above and the results of the application of the some of the G33 indicators in order to draw lessons on how developing countries can best approach the SP designation process.

The Paper's Indicators

Below are the indicators used by the paper in identifying which products are important to a country based on the three criteria set out in the Hong Kong Declaration. These indicators must be considered individually, as each one provides information on the relevance of each product to a country's food security, livelihood security and rural development objectives. It follows then that a commodity may be designated as a special product if it satisfies at least one of these indicators.

In particular, the paper considers the following commodities as special products:

1. Agricultural product that employ the highest number of people;
2. Agricultural product/s that employ mostly poor farmers, farmworkers and producers;
3. Agricultural product/s in which women are heavily engaged in the production, processing and marketing process;
4. Agricultural products that are considered as food and staple crops;
5. Agricultural products that are produced by an ethnic group
6. Agricultural commodities that are mainly produced in small farms
7. Agricultural products that are produced in certain agro-ecological zones, defined as areas where sustainable agricultural and farming systems are used in accordance with ecological concepts and principles
8. Agricultural products that are important to the agricultural sector, economy for specific reasons

Pakistan

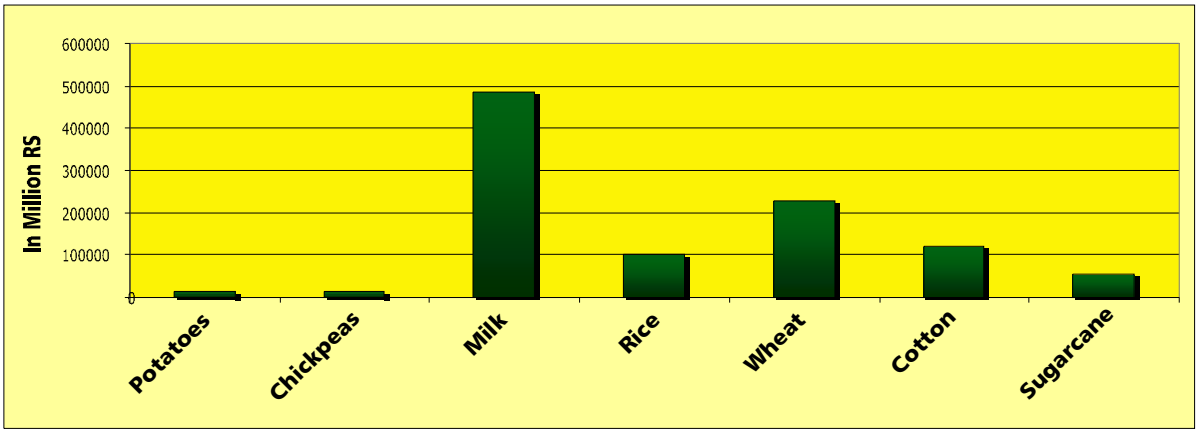
Overview of Agriculture

Agriculture is an important sector in Pakistan's economy. It accounts for 22% of the country's Gross Domestic Product, and is a major source of employment to a substantial portion of its people. The sector employs 22.79 million people, accounting for 44.8% of the country's total working population.

Sixty six percent (66%) of the country's population resides in the rural areas, where agriculture is the dominant source of income and livelihood. The rural sector has a higher poverty incidence level at 23.90% compared to urban areas at 14.90%. Hence, policy interventions in the sector have a high potential in contributing to Pakistan's poverty alleviation efforts.

Pakistan's main agricultural products include milk, wheat, cotton, rice, sugar cane, chickpeas or *gram* and potatoes. The country also produces onions, dates, chilies, among other agricultural commodities.

Figure 1: Value of Production of Selected Major Agricultural Products



Wheat, rice and other food grains such as millet, corn and barley are important food crops, and considered as staples in the country's diet. Rice, apart from being the second most significant food item, is also a key agricultural export, accounting for 60% of the country's agricultural exports.

Commercial and cash crops include cotton and sugarcane, tobacco and rapeseed. Cotton is exported in its raw form, and is a vital input to the country's export of cotton yarn and cotton cloth.

The average farm size is 3.1 hectares, indicating the importance of small farms in the agricultural sector.

Agricultural Trade

Rice is the country's number one agricultural export item, generating Rs 69 Billion in 2005-2006. Other major export commodities are cotton, oil seed nuts and kermals, spices including chilies, and fruits and vegetables. Table 1 below presents the value and volume of Pakistan's key agricultural commodities.

Table 1: Pakistan Agricultural Exports, 2005-2006

Product	Value of Export (million Rs)	Volume of Export ('000 tons)
Rice	69325.1	3,688.7
Fruits	7508.2	455.3
Cotton	4079.7	62.7
Vegetables	1757.5	111.7
Spices including chilies	1409.5	20
Oil seeds and kemals	664.9	17.3

Source: Agricultural Statistics of Pakistan, 2005-2006

The country's main agricultural imports include edible oil, particularly soybean and palm oil, tea, oilseeds, and fertilizers. It also imports products, which it domestically produces such as wheat, milk and milk products and refined sugar. Table 2 below shows the value and volume of agricultural products imported by Pakistan.

Table 2: Pakistan Agricultural Imports, 2005-2006		
Product	**Value of Export (million Rs)**	**Volume of Export ('000 tons)**
Edible Oil	44212.1	1695.8
Fertilizer	40786.9	
Refined Sugar	37365.9	1527.3
Oilseeds and oleaginous fruits	19351.2	1050.0
Tea	13336.0	127.1
Pulses	10406.5	478.7
Milk and Cream	2528	29.9
Oil seeds and kemals	664.9	17.3

Source: Agricultural Statistics of Pakistan, 2005-2006

Pakistan's major trading partners are the US, EU, Japan, Bangladesh, Sri Lanka and China. The country has yet to formally sign free trade pacts with these trading partners, except with Sri Lanka, with which its has a bilateral free trade agreement. The Pakistan-Sri Lanka Free Trade Agreement grants the former market access concessions on a range of products including rice, some fruits and vegetables, processed fruits, raw sugar, fresh and chilled fish, bovine meat, among others.

Pakistan is presently a member of the South Asian Free Trade Area (SAFTA). The agreement is designed to improve its trade relations with countries in the region namely, India, Sri Lanka, Bangladesh, Bhutan, Maldives, and Nepal.

Position on Special Products

Pakistan is a member of the G33. However, its recent paper on special products contains proposals that undermine the coalition's core position on SP. In particular, it proposed the adoption of stringent indicators in the designation of special products. It also recommended the application of tariff cuts on all commodities identified as SPs. These proposals run counter to the G33's position that special products should be self-designated based on indicators of food security, livelihood security and rural development. It is also a marked deviation from the G33's position that fifty percent (50%) of special products should be exempted from tariff cuts.

Pakistan presents its proposal as a possible middle ground between the highly divergent position of the G33 and the US. It also justified its proposal by arguing that SP and SSM should not limit South-South trade. The country has expressed concern over the possible impact of SPs on its rice export, which is the most important source of export revenues for its agricultural sector, apart from cotton. Table 3 shows the percentage contribution of selected commodities to total agricultural export.

Table 3: Percentage contribution of selected agricultural products to total exports, 2005-2006

Product	Pecentage contribution to total agricultural Export
Rice	60.61
Fruits	6.56
Raw Cotton	3.56
Vegetables	1.53
Spices	1.2
Oilseeds	0.58

Source: Agricultural Statistics of Pakistan, 2005-2006

Moreover, in the future, Pakistan expects to have surplus production in milk and horticulture products, and as such, is concerned over the possible effect of SP on the potential demand for these products from developing countries. At present 80% of Pakistan's exports are marketed to developed countries.

Finally, Pakistan has high tariff bound rates and is, thus, capable of absorbing tariff cuts on many agricultural products.

Still, despite the clear differences in position with the coalition, Pakistan maintains that it will continue to be a member of the G33.

Identification of special products

Below are the products that are important to Pakistan's food security, livelihood security and rural development.

Table 4: List of Potential Special Products

Indicator	Products
Agricultural Products that employs the highest number of people	cotton, wheat, rice, potato, sugar, onion, mutton, milk, chilies, dates

Agricultural Products that employs most of the poor	wheat, sugar, edible oil, onion, mutton, poultry, milk, Gram, maize, chilies, dates
Many women are engaged in the production of the crop	wheat, Cotton (cotton picking), Chilies, mutton, poultry, milk, onion, tomato
Food or staple crop	
Crops largely produced and used by an ethnic group	Basically, the country has been divided into ten agro-ecological zones based on physiography, climate, land use and water availability. **Agro Ecological Zones** 1. Indus Delta = Rice, sugarcane, banana, pulses, livestock 2. Southern Irrigated = Cotton, wheat, sugarcane, rice, gram, livestock 3. Sandy Desert = wheat, rice, sugarcane, cotton, maize, citrus and mangoes 4. Northern Irrigated = sugarcane, maize, tobacco, wheat, sugar beet, fruit crops, livestock 5. Barani (rainfed) Lands = wheat, millet, oilseed, pulses, livestock 6. Wet Mountains = forest, Grazing land, livestock 7. Northern Dry Mountains = Grazing land, livestock 8. Dry Western Plateau = Melons, fruit crops, vegetables, wheat, livestock 10. Sulaiman Piedmont = Wheat, millet, gram, livestock
Other indicators that are most important to your people, please specify (ethnic, food, fiber, shelter)	Ethnic=Wheat, Vegetables, gurr (brown sugar), poppy Food = Wheat, Rice, Sugarcane, mutton, milk, vegetables Fiber = Cotton , Jute Shelter = Forest trees, Farm trees, dates

Source: Pakistan Fact Sheet

Based on this product mapping, the commodities that are highly important to Pakistan's food security, livelihood security and rural development are **milk, wheat, cotton, rice, sugarcane, gram or chickpeas, potatoes, onions, dates, mutton and chilies**. On the other hand, the government's list of possible special products include cotton, wheat, rice, potato, sugar, edible oil, tomato, onion, citrus, and apple, leaving out chickpeas, chilies, dates, mutton and milk, from the country's probable SP list.

Agricultural commodities produced by multinational companies are tobacco, cotton, citrus, mango and apple.

Use of selected G33 indicators

However, the indicators currently proposed and discussed within the WTO may not be sufficient to cover all the products identified in the matrix above. Additionally, the use of indicators becomes especially challenging in the light of growing pressure from the US and other countries to ensure that only internationally verifiable data are used in its application.

Contribution of the product to total agricultural output

One of the most basic indicators put forward by the G33, which is acceptable to other countries on account of its use of internationally verifiable data relates to the importance of a product to a country's agricultural sector. This can, in one way, be gauged based on a commodity's percentage contribution to a country's total agricultural output. In particular, the G33 maintains that, for special products, *"A significant proportion of total value of agricultural production or agricultural income of households is derived from the production of the product"* (Indicator number 7 in the G33 Indicator List).

Table 5: Percentage Contribution of selected products to total agricultural output, 2005

Product	Percentage contribution to total agricultural output
Milk	33.37
Wheat	15.85
Cotton	8.41
Rice	7.01
Sugarcane	3.8
Gram	0.8
Potatoes	0.8

Source: Pakistan Fact Sheet

There is still no decision on whether or not there should be thresholds to define "significant proportion". Nevertheless, in this case, a threshold of 10% will only qualify milk and wheat. A slightly lower threshold of 5% will qualify only four products, namely: milk, wheat, cotton, rice and sugarcane. Hence, it is clear that with this indicator and these thresholds, it will be very hard for Pakistan to include many of possible special products into its final SP list.

Share of the Product to Total Food Expenditure

Another indicator, proposed by the G33 aims to capture the importance of products from the perspective of food security. Indicator number 10 in the G33's list of indicators proposes that a commodity can be declared as a special product if *a significant proportion of the total food expenditures, or of the total income, of households in a particular region or at the national level in the developing country Member concerned, is spent on the product.*

Table 6 presents the results of applying this indicator on Pakistan's major food items.

Table 6: Percentage Share to Total Food Expenditures

Product	Average Per Capita Monthly Expenditure	Percentage Share to Total Food Expenditure
Wheat and wheat flour	77.38	15.8
Rice and rice flour	20.52	4.19
Pulses (including chickpeas)	11.86	2.42
Milk and milk products	103.19	21.0
Edible oils and fats	42.33	8.64
Mutton	10.57	2.15
Beef	16.35	3.33
Poultry (including eggs)	15.52	3.17
Banana	2.35	0.48
Citrus	1.65	0.33
Apples	2.76	0.56
Potatoes	10.49	2.14
Onion	6.68	1.3%
Tomato	4.22	0.86
Chilli	6.17	1.36
Other spices	8.56	1.74
Sugar and other sugar preparations	39.71	8.11
Tea	14.63	2.98
Tobacco, chewing products	18.14	3.70

Source: Pakistan Fact Sheet

With this indicator, items that registered values higher than 5% are wheat and wheat flour, milk and milk products and edible oils. However, milk and milk products and edible oils are food categories, covering more than one product. Hence, if the computation is done on a per product basis, which is the most likely option, then the actual number of items that can qualify as special product using this indicator will actually be smaller.

Hence, it is important for the G33 to pursue the concept of self-designation in the identification of special products, by advocating for the use of indicators that are not confined to international verifiable quantitative information.

Uruguay

Overview of Agriculture

Agriculture accounts for 11.16% of the Uruguay's Gross Domestic Product in 2004. Although the sector employs only 157,009 people, or 12.5% of the working population, it remains a significant segment of the economy, as agricultural exports are an important source of foreign exchange revenues for the country.

Unlike most developing countries, Uruguay has a predominantly urban population. Only 8.2% of the country's people are in the rural areas, while bulk of its people live in urban communities. More than 16% of the country's poor can be found in the rural sector.

Uruguay's main agricultural products are: beef cattle, rice, dairy products, wool, forestry items, horticulture and seeds, barley, wheat and grapes. Wheat, maize, rice, sugar, milk and bovine meat are important to the people's diet and are significant contributors to the population calorie intake. A substantial portion of its cereals and meat output, particularly beef and rice, are produced mainly for the export market.

Table 1 below shows the value of Uruguay's main agricultural products.

Table 1: Value of Uruguay's agricultural production (in million US $), 2005

Item	Value of Production (in million US $)
I. Agricultural and Forestry	694,9
1. Cereals	356,6
Wheat	55,4
Rice	227,7

Barley	42,5
Corn	25,5
Sorghum	3,3
2. Oil crops	119,0
Sunflower	28,4
Soybeans	90,3
3. Roots and tubers	20,2
Potatoes	14,4
4. Fruits	86,9
Citrus production	26,3
Hoja caduca	60,7
5. Grape for wine	37,6
6. Others	74,6
Forestry	173,7
II. Livestock	1.402,9
1. Beef cattle	821,3
2. Wool	167,7
3. Dairy products	247,5
4. Poultry and bee production	59,8
5. Others	106,6

Source: Pakistan Fact Sheet

Uruguay's agricultural commodities are produced mostly in large farms. The country has a highly concentrated land ownership pattern, with farm sizes averaging at 287 hectares. In fact, out of the country's 77,131 farms, only 36% are below 20 hectares, while 14% of total farms measure more than 500 hectares.

Agricultural Trade

Uruguay is a net agricultural exporter. It charted an agricultural trade surplus of US $ 2.1 billion in 2005. Agricultural exports during the same year accounted for 69.4% of total exports, underscoring the sector's significant contribution to the country's foreign exchange revenues. Products exported include beef meat, cereals, as rice, leather, dairy products, forestry products, wool, fruit and citrus, sheep meat, honey, among others. Table 2 below shows the agricultural products exported by Uruguay, and the share of each commodity to total exports.

Table 2: Value and contribution of agricultural exports to total exports in Uruguay, 2005

Exports of selected commodity products (2005)		% contribution of Product to Total Exports
Product	Thousands of US dollars	
Bovine meat (beef)	765.391	22,5
Cereals and oil crops	425.986	12,5
Leathers	277.924	8,2
Dairy products	265.777	7,8
Forestry products	206.800	6,1
Fish products	148.289	4,4
Wool	130.558	3,8
Fruit and citrus products	68.979	2,0
Sheep meat	37.073	1,1
Honey	11.042	0,3
Sheep	10.538	0,3
Fruits (other than citrus)	6.724	0,2
Beef cattle	4.676	0,1
Wine	3.678	0,1
Subtotal	**2.363.435**	**69,4**
Other products (non-agricultural)	1.041.066	30,6
TOTAL EXPORTS	**3.404.501**	**100,0**

Source: Ministry of Agriculture of Uruguay

Agricultural imports, valued in 2005 at US $ 198.6, account for only 5% of total imports. Uruguay's main imports include wheat, soybean oil, corn, corn oil and corn flour, among others. These products form part of Uruguay's basic food basket. Table 3 below shows the value of selected agricultural products imported by Uruguay.

Table 3: Value of Uruguay Agricultural Imports (in million US $) 2005

Products	Value of importation 2005
Wheat	4.309
Soybean oil	10.440
Soybean pellets	5.585
Corn	8.686
Sunflower oil	1.927
Corn oil	1.491
Sunflower pellets	3.306
Oats	299
Corn flour	248
Sunflower	175
Wheat flour	78
Soybeans	20
Sorghum	26
Crop seeds	11.816
Cattle and byproducts	
Pork meat	15.473
Beef	1.961
Poultry meat	913
Other meats	258
Wool	24.532
Forestry Products	**70.754**
Others	
Flowers	301
Fresh fruits	6.552
Potatoes	2.140
Vegetables and legumes	3.022
Wine	4.346

Source: Pakistan Fact Sheet

Uruguay's main trading partners are the US, EU, Brazil, Argentina, Mexico and Chile, among others. Table 4 below shows the country's main partners and their share to total trade. The US is the country's main market for meat and dairy products, while Brazil is the key export destination for rice, barley, dairy products and meat.

Table 4: Uruguay's trading partners and their share to total share to total trade, 2005	
USA	17.8
Brazil	14.2
Argentina	7.8
Germany	5.2
Mexico	4.0
Spain	3.9
China	3.4
Canada	2.9
Italy	2.7
Chile	2.7
Source: Uruguay Fact Sheets	

Uruguay is a member of Mercosur along with Argentina, Brazil and Paraguay. Mercosur is a regional free trade agreement, which aims to promote increased trade among its member countries, and to counterbalance trade initiatives undertaken by the US and the EU.

The country has a bilateral trade agreement with Mexico, and is currently deliberating a possible free trade agreement with the United States.

Position on special products

Uruguay is a member of the Cairns group and the G20. The country's membership in these developing country formations, which are known for their strong position against developed countries continued use trade distorting domestic subsidies, is a reflection of its offensive interest in trade. As a net agricultural exporter, Uruguay is very keen on gaining market access to potential export market. It is also wary of trade measures that can potentially limit its entry to possible markets.

It is in this context that one can understand the country's recent proposal on SSM. Uruguay, along with Paraguay and Argentina, also known collectively as the APU, came up with a proposal on special safeguard measures (SSM) that, if implemented, will weaken developing countries capability to effectively use the said trade facility against import surges

and price depression. The proposal, among other things seeks to: (1) narrow down the number of products that will have access to the said safeguard measure; (2) require the use of cross validation prior to the application of SSM remedies; and (3) limits the remedies or import duties that a country can apply in cases of imports surges or price depressions.

Possible special products

Below is a mapping of possible special products, using this paper's alternative indicators for food security, livelihood security and rural development.

Table 5: List of Possible Special Products	
Agricultural Products that employ the highest number of people	Beef cattle Horticulture (Vegetable production) Dairy Swine Poultry Grape production Grains (wheat, barley) Fruit crops Forestry Rice
Agricultural Products that employ most of the poor	Horticulture Swine
Many women are engaged in the production of the crop or in animal production	Cattle production Dairy products
Crops largely produced and used by an ethnic group	Dairy products
Crops largely produced in a certain geographical area	Rice Dairy
Other indicators that are most important to your people, please specify _____	Top 10 agri products
Other indicators that are most important to your people, please specify _____	Top 10 agri products

Based on this list the possible special products are: beef (cattle), dairy products, particularly milk and cheese, swine, grapes, grains, such as wheat, barley and rice, fruit crops and vegetables. However, beef, rice, cheese, among others are among the country's top export winners. Hence, there may be little incentive and reason for government to designate these as special products. On the other hand, there may be greater incentive to include wheat, corn, soybean oil in the country's list of special products, because of their importance to the country's food basket and the fact that they are produced largely for the domestic market. At the same time, these are the products that are mainly imported by Uruguay.

Use of selected G33 indicators

Contribution to agricultural output

A significant proportion of total value of agricultural production or agricultural income of households is derived from the production of the product.

Using this indicator, products that registered values higher than 5% are beef cattle, rice, dairy products, wool, forestry items and soybeans and sunflower. Once a threshold of 10% is imposed for this indicator, only beef and rice will qualify as SP. Wheat and corn will not make it to the SP list, as their share to total output is less than 5%. Table 6 below shows the percentage contribution of agricultural product to total agricultural output in 2004.

Table 6: Percentage contribution of agricultural product to total agricultural output, 2004

Products	Percent
Beef cattle	26.8
Rice	11.1
Dairy products	8.3
Wool (sheep)	8.1
Forestry	6.7
Soybeans and sunflower	5.4
Horticulture and seeds	3.4
Barley	2.5
Wheat	2.3
Grapes	1.6

Contribution to Caloric Intake of the Population

The product is a staple food, or is part of the basic food basket of the developing country Member, through inter alia, laws and regulations, including administrative guidelines or national development plan of policy or historical usage, or the product contributes significantly to the nutritional or caloric intake of the population.

Table 7: Share of Selected Products to Total Calorie Intake, 2001-2003

Product	Per Capita Daily	Share to Total Calorie Intake
Rice	119	4.1
Wheat	834	29.2
Potatoes	70	2.4
Sugar	269	9.4
Soybean oil	73	2.5
Milk	283	9.9
Animal Fats	57	2.0
Eggs	31	1.0
Pigmeat	51	1.7
Poultry meat	53	1.8
Bovine meat (including beef)	259	9.0
Sheep and goat meat	50	1.7

Source: FAOSTAT

For this indicator, only wheat, milk, bovine meat (which includes beef), and sugar registered values higher than 5%. If a threshold of 10% is adopted, only wheat will qualify as a special product.

Indonesia

Overview of Agriculture

Agriculture accounts for 13.4% of Indonesia's gross domestic product in 2005. However, the sector's significance to the country's economy is highlighted not only by its share to total economic output but more so by its contribution to total employment. During the same year, the sector employed 41 million people, accounting for 44% of total employment.

In 2001, forty two percent (42%) of the country's population is in the rural areas. Majority of these are engaged in agricultural production and other agriculture- related activities. The fact that the sector's contribution to total economic output is less than its share to total employment underscores the low level of productivity in the sector. Understandably, poverty is particularly evident in the rural sector. In 2005, 22.70 % of people in the rural areas are living below the poverty line, compared to 12.40 % in the urban sector.

The country's main agricultural products are rice, coconuts, cassava, maize, natural rubber, cattle meat, hen eggs, bananas, coffee beans, among others. Rice, apart from being the staple grain, is also the country's number one agricultural output. Rice production, mainly to meet the grains requirement of Indonesia's 245 million population, was at 53 million metric tons, valued at US $ 11.5 billion. Table 1 (next page) details the volume and value of production of Indonesia top agricultural products.

Small-farm production characterizes Indonesia's agricultural sector. The average farm size in terms of ownership are in the range of .25 – 1.20 hectares for farm holdings in the Java Island, and 0.35 to 1.0 hectares for those outside the Java Islands.

Table 1: Volume and value of Indonesia top agricultural commodities, 2005		
Product	Volume (metric tons)	Value (000 $)
Rice	53,984,590	11,499,260
Coconuts	16,300,000	1,474,172
Cassava	19,459,400	1,402,244
Maize	12,013,710	1,395,993
Natural rubber	2,128,000	1,141,417
Indigenous cattle meat	395,785	818,593
Hen eggs	876,000	760,613
Groundnuts in shell	1,469,000	709,880
Bananas	4,503,467	641,789
Green coffee	762,00	622,986
Indigenous pig meat	591,332	598,812
Sugar cane	25,500,000	529,635
Cocoa beans	610,000	469,810
Pepper	95,000	438,462
Tropical fruit	3,300,000	377,718
Green beans	830,000	364,063
Mangoes	1,478,204	359,928
Chilies and Peppers	871,080	300,601
Tobacco leaves	141,000	257,074
Source: FAOSTAT		

Agricultural Trade

Indonesia is one of the world's top suppliers of palm oil, rubber, coconut oil cocoa and coffee beans. The country's number one export commodity is palm oil. In 2004, palm oil exports alone were at 8.4 million metric tons, valued at US 3.4 billion dollars. Export revenues for rubber, at 1.8 million metric tons, was at US $ 2.1 billion dollars during the same year. Table 2 below lists the volume and value of Indonesia's top agricultural exports in 2004.

Table 2: Volume and value of Indonesia top agricultural commodities, 2004		
Product	**Volume (metric tons)**	**Value (000 $)**
Palm Oil	8,661,647	3,441,776
Rubber	1,862,506	2,166,521
Cocoa Beans	275,485	369,863
Coffee Beans	339,880	283,328
Coconut Oil	447,113	264,944
Fatty Acids Oil	525,864	227,063
Cigarettes	27,918	145,685
Margarine and shortening	268,785	136,530
Tea	98,572	116,018
Cocoa Butter	43,226	108,404
Food prepared	41,496	97,388
Tobacco leaves	46,462	90,618
Cake of Palm Kernel Oil	1,366,904	77,107
Pineapples, Canned	138,503	77,005
Sugar Confectionery	36,454	67,766
Pastry	31,538	66,351
Pepper	32,364	55,637
Cashew nuts	56,491	50,346
Cocoa Powder and Cake	35,614	50,060

All in all, agricultural exports generated US $ 8.6 billion in foreign exchange revenues in 2004, accounting for 12% of the country's total exports for that year. Key export markets are the US for rubber, cocoa, coffee; China for palm oil, rubber and cotton; India for palm oil and Malaysia, also for palm oil, and cocoa.

On the other hand, the country imports wheat, cotton lint, cake of soya beans, dry skim cow milk, maize, raw and refined sugar, tobacco leaves among others. Total imports in 2004 were at US $ 4.7 billion, accounting for 10% of the country's total imports.

Table 3: Volume and Value of Indonesia's top agricultural imports		
Product	**Volume (metric tons)**	**Value (000 $)**
Wheat	4,545,590	841,000
Cotton Lint	448,690	679,914
Cake of Soya Beans	1,731,920	533,400
Dry skim cow milk	91,299	184,400
Feed supplements	411,864	183,930
Maize	1,088,928	177,675
Sugar, Centrifugal Raw	584,364	149,355
Food Prepared	62,056	145,637
Dry whole cow milk	59,229	137,137
Tobacco leaves	35,171	120,854
Sugar refined	546,557	116,094
Cattle	277,188 (heads)	91,374
Milled Paddy Rice	319,575	83,700
Flour of wheat	307,556	79,532
Gluten Feed and Meal	185,099	75,455
Apples	114,031	63,353
Garlic	243,721	53,303
Cocoa beans	31,083	50,656
Tobacco products	8,154	49,964
Source: FAO		

The country's imports sources include Australia for corn, cotton and milk; the US for corn, soybean, pepper, cotton, processed vegetables and processed; India for processed food crop, corn, rice and cotton from India and Thailand for sugar.

Indonesia is a member of the Association of South East Asian Nations, and is a party to the ASEAN Free Trade Area – Common Effective Preferential Treatment (AFTA-CEPT). As part of the coalition, the country is a member of the different free trade agreements that ASEAN has forged with other countries. This includes the ASEAN South Korea, ASEAN-China, ASEAN Close Economic Relations (with Australia and New Zeland), among others. The coalition is also presently negotiating possible trade pacts with other countries and regions.

Indonesia has begun discussions for a possible free trade pact with the US, as well as an economic cooperation agreement with India. The country is also looking into moving towards building closer trade partnership with China, particularly with agricultural and retail trade. Indonesia and China share many similar characteristics such as having a big population, a huge agricultural sector and a big market for agriculture and retail goods.

Position on Special Products

Indonesia leads the G33. It provides secretariat and technical support to the coalition as the latter participates in trade negotiations. As such, it plays a major role in defining and influencing the G33's position on special products and special safeguard mechanisms. As lead of the developing country formation, the country is faced with the challenge of balancing its position vis-à-vis the sensitivities of other member countries, in order to ensure that the coalition remains intact and strong throughout the negotiation process.

Identification of special products

Based on the product mapping above, the top ten most often identified products are rice, corn, soybean, shallot, coffee, cocoa, potatoes, sugar cane, peanut and cassava.

Identification based on G33 indicators.

Table 4: List of Possible Special Products

Indicators	Agriculture Products
Agricultural products that employ the highest number of people	Rice, Corn, Soybean, Onion/Shallot, Coffee, Sugar, Cocoa, Cassava, Peanut, Potatoes
Agricultural products that employ most of the poor	Rice, Corn, Soybean, Shallot, Sugar, Cassava, Coffee, Cocoa, Peanut, Potatoes
Many women are engaged in the production of the crop	Rice, Corn, Soybean, Coffee, Shallot, Tea, Cocoa, Tobacco, Clove, Potatoes
Food or staple crop	Rice, Corn, Soybean, Cassava, Potatoes, Peanut, Sweet Potatoes
Crops largely produced and used by an ethnic group	Rice, Corn, Cassava, Sweet Potatoes, Banana, Pepper
Crops largely produced in a certain geographical area	Rice, Corn, Soybean, Shallot, Cassava, Peanut, Chili, Tomato, Banana, Cabbage

Other indicators that are most important to your people, Commodities produced in specific location, or are important for specific reasons, areas or regions	Rice (in Java), Onion (in north coast central java), potatoes (highland java), apple (malang. east java), pepper (Bangka island. sumatera), salak (Bali island), garlic (highland west java and central java), pineapple (Subang and Lampung), Mango (North Coast Java)

Using these indicators, the commodities that should be designated as special products are: rice, corn, soybean, onion and shallots, coffee, sugar, cocoa, cassava, peanut, potatoes, tea, tobacco, cloves, sweet potatoes, banana, pepper, chili, tomato, cabbage. Apart from these commodities, other products that are candidates for the SP list, on account of their importance to specific regions are apple, pepper, salak or snake fruit, pineapple and mango.

Except for cocoa, coffee, coconut, tea, tobacco and sugar, which are exported, most of the commodities above are produced largely for domestic consumption.

Government has yet to declare a list of special products, but based on its initial pronouncements, rice, corn, soybean will be designated as special products. Other commodities such as shallots and peanuts are also being considered as possible SP. On the other hand, cocoa and coffee are not considered in the SP list because they are produced mainly for export. Apart from this cassava and potatoes may also not make it to the SP list. Cassava, though clearly important to Indonesia's food security is not affected by international trading (i.e. not imported), although Indonesia is currently looking at its export potential for bio-ethanol production, while potatoes are not considered as a staple in the Indonesian food diet.

Identification using G33 indicators

Production to meet consumption

A significant proportion of domestic consumption of the product in its natural, unprocessed or processed form, in a particular region or at a national level, is met through domestic production in the developing country member concerned.

The volume of consumption was compared to the volume of production for all the commodities identified above. A high ratio of production to consumption indicates that a substantial percentage of the country's consumption requirement is met through domestic production. Values higher than one indicate that a country has surplus production for that particular commodity.

Table 5: Ratio of Production to Consumption of selected agricultural products	
Product	Ratio of production to consumption
Rice	1.2
Corn	1.9
Soybean	0.42
Onions and shallots	1.05
Coffee	1.91
Sugar	
Cocoa	11.15
Cassava	1.61
Peanuts	
Potatoes	0.95
Tea (including mate)	2.4
Tobacco	
Cloves	18.7
Sweet potato	1.1
Banana	1.1
Pepper (fresh and green)	1.6
Chili	1.0
Tomato	1.0
Cabbage (and other brassicas)	1.0
Apple	
Pineapple	5.54
Source: FAOSTAT	

The data shows that this indicator will qualify almost all candidates for SP, except for soybean, which has a low ratio of production to consumption. Data also shows that, though there is more than sufficient production for corn, it remains one of the country's top agricultural imports.

India

Overview of Agriculture

Agriculture has always been important to India's economy. The sector accounts for 18.3% of the country' gross domestic product, and provides employment to 59% or 235 million of the country's total working population.

The fact that agriculture is the most dominant sector in the rural economy underscores its significance to the country's rural development objectives. More than 743 million people or 72.2% of India's population are in the rural areas. Poverty is particularly prevalent in these areas as 221 million households live below the poverty line.

India produces a wide range of agricultural commodities. Its key agricultural products, in terms of value of production are: rice, buffalo milk, wheat, cow milk, vegetables, sugarcane, potatoes, cattle meat, groundnuts, mangoes, chickpeas, among others. Most of these products, apart from being an important component of India's food basket, are also produced in large volumes for the export market. These include rice, wheat, maize, chickpeas, groundnuts, to name a few. Table 1 below shows the volume and value of India's major agricultural commodities.

Table 1: Volume and Value of India's Top Agricultural Commodities, 2005

Product	Value (000 $)	Volume (unit ?)
Rice, Paddy	27,478,290	129,000,000
Buffalo milk	25,344,630	50,740,000
Wheat	11,230,560	72,000,000
Cow milk, whole fresh	10,238,690	38,500,000
Vegetables	6,567,750	35,000,000
Sugarcane	4,825,286	232,320,000

Potatoes	3,626,250	25,000,000
Pimento, allspice	3,267,187	1,100,000
Indigenous cattle meat	3,087,958	1,493,008
Groundnuts in shell	2,851,116	5,900,000
Mangoes	2,629,692	10,800,000
Chickpeas	2,451,420	6,000,000
Indigenous Buffalo meat	2,405,425	1,487,640
Bananas	2,397,018	16,820,000
Indigenous chicken meat	2,217,838	1,901,406
Hen eggs	2,163,754	2,492,000
Spices	2,073,136	1,600,000
Rapeseed	1,817,472	6,400,000
Tomatoes	1,800,668	7,600,000
Maize	1,684,900	14,500,000

Source: FAOSTAT

Cereals, primarily rice and wheat, and milk, especially buffalo and cow milk are of prime significance to the country's agricultural sector. Food grains and dairy products, alone comprise 25% and 18%, respectively of the country's total agricultural output. Apart from the products identified above, India also produces millet and sorghum, soya bean, onion, jute and spices such as chilies, turmeric, ginger, cardamom, arecanut, among others. Table 2 below shows the percentage contribution of various product groups to overall agricultural production.

Table 2: Percentage Share of Product Groups to Total Agricultural Output

Products	Percentage
Food Grains	25%
Dairy	18%
Vegetables	12%
Oilseeds	7%
Fruits	6%
Sugarcane	4%
Fibre Products	3%
Plantation Crops	3%
Condiments and Spices	2%
Poultry	2%

Source: India Fact Sheet

Agricultural production is usually done on small farms as ninety-seven (97%) of India's farms are below 20 hectares in size, with average farm sizes at 1.32 hectares.

Agricultural Trade

India's agricultural exports in 2005 were valued at US $ 10.5 billion, while agricultural imports were at US 2.9 billion. As such, the country is a net exporter, when it comes to agricultural trade. Agricultural export is an important source of foreign exchange revenue for the country, accounting for 10% of the country's total export receipts during the same year.

India's key export commodities in 2004 include rice, cake of soyabean, cashew nuts, tea, wheat, buffalo meat, tobacco leaves, castor bean oil, coffee and corn, among many others. Table 2 below shows the value and volume of India's key export commodities.

Table 3: Volume and Value of India's top agricultural export commodities, 2004

Product	Volume (unit?)	Value (unit?)
Milled Paddy rice	4,665,386	1,448,462
Cake of Soya Beans	2,278,520	530,299
Cashews Nuts	109,869	515,778
Tea	174,728	377,742
Wheat	2,007,947	322,056
Buffalo meat	275,861	320,886
Tobacco leaves	135,383	207,021
Oil of Castor Beans	239,218	206,980
Coffee, Green	140,613	157,109
Maize	1,068,677	155,704
Sesame seeds	156,664	146,220
Onions, dry	833,230	137,095
Cake of rapeseed	858,700	107,281
Essential oils	8,624	96,517
Pimento, Allspice	128,716	91,029
Other resins	8,999	77,638
Groundnuts shelled	112,411	70,965
Cotton Lint	67,395	69,558
Lentils	136,922	65,708

Source: FAOSTAT

The US, EU and Japan are some of the country's main markets for cashew, oil meal, spices, fruits and vegetables, tea and rice.

On the other hand, India's agricultural import accounts for 1.9% of total imports in 2005. Imported products include palm oil, soyabean oil, cashew nuts, cotton lint, raw sugar, dry peas, pulses, almonds, wool, rubber, among others. Among these, those that are also locally produced are soya bean oilseeds, cotton, raw sugar, pulses. In fact, data shows that, for some of these commodities, production is sufficient to cover the country's consumption requirements, particularly for pulses, and sugarcane products. Interestingly, the country imports soya bean oil, cotton lint even as the country exports these items.

Table 4: Volume and value of India's top agricultural imports, 2004

Product	Volume (unit?)	Value (000 US$)
Palm oil	3,472,518	1,684,982
Soya bean oil	1,048,043	627,293
Cashew Nuts	468,419	386,707
Cotton lint	171,168	239,278
Sugar, Centrifugal, raw	932,255	215,190
Peas, Dry	643,178	155,362
Silk, Raw and Waste	7,948	134,028
Pulses	388,244	123,016
Alcohol non-food purposes	321,267	115,568
Almonds	25,785	101,629
Fatty Acids	232,364	100,373
Wool, sourced	54,650	98,744
Rubber, natural dry	68,111	88,849
Beans, dry	281,424	86,484
Wool, greasy	25,976	84,212
Oil of palm kernels	98,440	59,080
Molasses	666,434	58,261
Chickpeas	132,518	51,225
Dates	247,875	46,407
Oils hydrogenated	62,931	45,850

Source: FAOSTAT

India has been very active in forging free trade agreements with many countries, as part of its initiative of expanding possible markets for its agricultural products. It is a member of the South Asia Free Trade Area, which also includes Bangladesh, Bhutan, Maldives, Pakistan and Sri Lanka. It has bilateral free trade pacts with Thailand, Bhutan, Sri Lanka, Maldives and Afghanistan. In 2003, the country signed a framework agreement with Mercosur, as a way of increasing trade with Mercosur countries, which includes Brazil, Argentina, Paraguay, Uruguay, among others. The country is currently discussing possible bilateral free trade agreement with the US, EU and Japan.

Position on Special Products

Although India is a net exporter and has been very aggressive in its bid to open markets for its key agricultural exports, its positioning in the WTO remains highly defensive when it comes to market access. In fact, the country is regarded as one of the leading members of the G33, and is one of the most vocal and active advocates for meaningful modalities on SP and SSM. India's position is no doubt borne by the need to protect sensitive agricultural sectors from liberalization. As mentioned earlier, 72% of the country's population is in the rural areas, where agriculture is the primary economic activity.

Identification of special products

The following are the list of possible special products identified using the set of indicators introduced in this paper.

Table 5: List of Possible Special Products

Indicators	Agricultural products
Agricultural Products that employ the highest number of people	**Grains** (Rice, Wheat and Pulses), **Fruits** (Banana, Mango, Oranges, Apples, Grapes), **Vegetables** (Potato, Onion), **Dairy, Fibre Crops** (Cotton, Wool, Silk and Jute), **Oilseeds** (Groundnut, Rapeseed & Mustard, Soyabean, Coconut), **Plantation Crops** (Tea, Coffee, Rubber, Cocoa), **Condiments and Spices** (Arecanut, Chilies, Turmeric, Ginger, Cardamom), **Sugarcane**, **Poultry**
Agricultural Products that employ most of the poor	**Grains** (Rice, Wheat and Pulses), **Fruits** (Banana, Mango, Oranges, Apples, Grapes), **Vegetables** (Potato, Onion), **Dairy, Fibre Crops** (Cotton, Wool, Silk and Jute), **Oilseeds** (Groundnut, Rapeseed &

	Mustard, Soyabean, Coconut), **Plantation Crops** (Tea, Coffee, Rubber, Cocoa), **Condiments and Spices** (Arecanut, Chilies, Turmeric, Ginger, Cardamom), **Sugarcane**, **Poultry**
Many women are engaged in the production of the crop or in animal production	**Grains** (Rice, Wheat and Pulses), **Fruits** (Banana, Mango, Oranges, Apples, Grapes), **Vegetables** (Potato, Onion), **Dairy, Fibre Crops** (Cotton, Wool, Silk and Jute), **Oilseeds** (Groundnut, Rapeseed & Mustard, Soyabean, Coconut), **Plantation Crops** (Tea, Coffee, Rubber, Cocoa), **Condiments and Spices** (Arecanut, Chilies, Turmeric, Ginger, Cardamom)
Food or staple crop	**Grains** (Rice, Wheat and Pulses), **Fruits** (Banana, Mango, Oranges, Apples, Grapes), **Vegetables** (Potato, Onion), **Dairy, Oilseeds** (Groundnut, Rapeseed & Mustard, Soyabean, Coconut)
Products that are largely produced by multinationals	**Field Grains, Dairy, Plantation Crops**(Tea, Coffee, Rubber, Cocoa), **Fruits** (Banana, Mango, Oranges, Apples, Grapes), **Vegetables** (Potato, Onion), **Floriculture**
Crops largely produced and used by an ethnic group	**Grains** (Rice, Wheat and Pulses), **Fruits** (Banana, Mango, Oranges, Apples, Grapes), **Vegetables** (Potato, Onion), **Dairy, Fibre Crops** (Cotton, Wool, Silk and Jute), **Oilseeds** (Groundnut, Rapeseed & Mustard, Soyabean, Coconut), **Plantation Crops** (Tea, Coffee, Rubber, Cocoa), **Condiments and Spices** (Arecanut, Chilies, Turmeric, Ginger, Cardamom), **Sugarcane**
Crops largely produced in certain geographical areas	**Grains** (Rice, Wheat and Pulses), **Fruits** (Banana, Mango, Oranges, Apples, Grapes), **Vegetables** (Potato, Onion), **Dairy, Fibre Crops** (Cotton, Wool, Silk and Jute), **Oilseeds** (Groundnut, Rapeseed & Mustard, Soyabean, Coconut), **Plantation Crops** (Tea, Coffee, Rubber, Cocoa), **Condiments and Spices** (Arecanut, Chilies, Turmeric, Ginger, Cardamom), **Sugarcane**
Crops largely produced by small farmers	**Grains** (Rice, Wheat and Pulses), **Fruits** (Banana, Mango, Oranges, Apples, Grapes), **Vegetables** (Potato, Onion), **Dairy, Fibre Crops** (Cotton, Wool, Silk and Jute), **Oilseeds** (Groundnut, Rapeseed & Mustard, Soyabean, Coconut), **Plantation Crops** (Tea, Coffee, Rubber, Cocoa), **Condiments and Spices** (Arecanut, Chilies, Turmeric, Ginger, Cardamom), **Sugarcane**

Source: India Fact Sheet

The product matrix above shows that India has a lot of products that are important to its food security, livelihood security and rural developments objectives. In fact, the list of potential SP covered many cereals, oilseeds, fruits, vegetables, spices, fibre and other cash crop products. This is not surprising given India's huge agricultural sector and broad product range.

The government of India has yet to come up with a final list of special products. However, there are indications that it will designate cereals such as rice, wheat, maize, sorghum and millet as SP. Oilseeds such as soybean and rapeseed, and castor oil are also reported to be likely inclusions in the country's SP list, as well as onions and garlic, some spices (not specified), dairy products, coffee and tea. On the other hand, palm oil, pulses, sugar and cotton – some of the countries top imported agricultural commodities - were reported omitted from government's initial list of special products.

When it comes to cereals, the list of commodities reported to be likely designated by government as SPs are broader then the list identified using the indicators above. Government's list is said to cover millet, sorghum and maize, which were not identified in this paper's matrix However, in the main, the list drawn using the indicators above covered a broader range of commodities. It includes fruits such as mango, bananas, oranges, apples and grapes; vegetable particularly potato, fibre crops such as wool, silk and jute: oilseeds like groundnut and coconut; plantation crops such as rubber and cocoa; condiments and spices such as arecanut, chilies, turmeric, ginger, cardamom, and poultry.

Identification using G33 indicators

The products identified above were evaluated using one of the indicators identified by the G33, namely the ability of local production to cover a significant proportion of domestic consumption. Unfortunately, problems related to availability of internationally verifiable data limited the application of this indicator to some of the candidate SPs. The results of the application of the indicator are shown in the table below.

Production to meet consumption

A significant proportion of domestic consumption of the product in its natural, unprocessed or processed form, in a particular region or at a national level, is met through domestic production in the developing country member concerned.

Table 6: Ratio of production to consumption, 2004

Product	Ratio of Production to Consumption
Rice	1.04
Wheat	.96

Pulses	1.01
Banana	.98
Oranges	1.15
Apples	1.07
Grapes	1.07
Potato	1.29
Onion	1.47
Milk	1.27
Groundnut	1.30
Rapeseed and mustard sees	1.20
Mustard	
Soybean	.60
Coconut (including copra)	1.09
Tea (and Mate)	1.20
Coffee, Green	3.24
Cocoa	.87
Chilies and peppers, green	1.10
Ginger	1.44
Chicken meat	1.00
Sugarcane	1.07
Garlic	1.31
Maize	3.53
Millet	.87
Sorghum	1.13

This indicator qualified all of the candidate special products, with the exception of soyabean, which is one of India's main agricultural imports. The data above indicates that the country has a high level of self-sufficiency when it comes to its key food commodities. In fact, except for millet, banana, cocoa and wheat, India's production of the other food items in the list of possible SPs is more than sufficient to cover its consumption requirements. Indeed, some of the commodities above are produced at a surplus, which are then exported.

Data are not available for cotton, wool, silk and jute, rubber, arecanut and cardamom. The first five products are not food items, which may explain why there is no data for local consumption, although consumption here is defined as domestic demand for the commodity.

Guatemala

Overview of Agriculture

0Agriculture accounts for 22.15% of Guatemala's gross domestic product. It provides employment to 1.8 million people and is an important source of income and livelihood to 36% of the country's population.

The sector is the main source of employment in the rural areas, where more than sixty percent of Guatemala's rural population resides. Eighty-two (82%) of the nation's poor are in the rural areas. Hence, rural development is an important over-all economic development objective for the country.

Guatemala's main agricultural products are sugar cane, coffee, chicken and cattle meat, bananas, maize, hen eggs, cow milk, plantains, mangoes, vegetables such as tomatoes, beans and potatoes, tobacco, among others. Table 1 below shows the volume and value of production of the country's main agricultural commodities.

Table 1: Main Agricultural Products of Guatemala, 2005

Product	Value of production (000 $)	Volume of production (unit ?)
Sugarcane	373,860	18,000,000
Coffee, green	177,084	216,600
Indigenous Chicken meat	163,490	140,164
Bananas	142,510	1,000,000
Indigenous cattle meat	130,302	63,000
Maize	124,602	1,072,310
Hen eggs	73,804	85,000

Cow Milk	71,804	270,000
Plantains	59,445	268,000
Mangoes	45,533	187,000
Tomatoes	44,360	187,229
Beans, Dry	42,305	97,105
Potatoes	41,038	282,923
Tobacco leaves	37,449	20,540
Lemons and limes	37,332	142,877
Nuts	34,125	24,000
Cantaloupes and melons	33,363	188,163
Sesame Seed	31,004	35,049
Nutmeg, Mace, Cardamoms	27,265	19,000
Natural Rubber	26,724	49,823

Source: FAOSTAT

Maize is the most important food staple. Other major food items include: sugar, rice, vegetable oils like soybean and palm oil, milk, and poultry, bovine, and swine meat. Crops such as sugar, coffee and bananas, while also domestically consumed, are produced largely for the export market.

Agricultural production is done in farms with average sizes of 6.4 manzanas or 4.46 hectares.

Agricultural Trade

Guatemala's main agricultural exports are: coffee, bananas, sugar, spices such as nutmeg, mace and cardamoms, rubber, palm oil, among others. Coffee, bananas and sugar are by far the biggest export winners, with combined export revenue of US $ 745.7 million in 2004 (FAOSTAT). Agricultural exports account for 27.55% of the country's total exports.

Table 2: Volume and value of Guatemala's Agricultural Exports

Product	Volume of exports (metric tons)	Value of exports (000 US$)
Coffee	208490	328006
Bananas	1058161	229701
Sugar	1154589	188027
Nutmeg, Mace, Cardamoms	28569	73831
Prepared Food	29125	42056
Rubber	32106	40914

Oil of Plam	66910	36026
Beverages Non-Alcoholic	128955	32784
Pastry	49657	31043
Breakfast Cereals	11920	29226
Molasses	604964	25092
Plantains	65458	19226
Natural Rubber	12870	17823
Sesame Seeds	16930	17311
Green Peas	20137	14477
Food Wastes	22641	14275
Tobacco leaves	4343	12426
Beverages Alcoholic	16909	12290
Cauliflower	21049	11707
Sugar Confectionery	7996	10645

Source: FAOSTAT

Guatemala's main imports are wheat, maize, soybean oil, cow milk, chicken meat, among others. Agricultural imports account for 49.7% of the country's total imports. Table 3 below shows the volume and value of the country's main agricultural imports.

Table 3: Volume and Value of Guatemala's Agricultural Imports, 2004

Product	Volume of imports (metric tons)	Value of imports (000 US$)
Prepared Food	40,103	102,037
Wheat	444,211	87,400
Maize	559,108	84,062
Cake of Soyabeans	213,997	65,962
Oil of Soyabeans	57,886	36,969
Dry whole cow milk	15,382	34,032
Breakfast Cereals	18,557	33,349
Chicken Meat	52,639	30,693
Beverages non-Alcoholic	40,044	26,856
Tallow	56,325	25,985
Cotton Lint	15,281	23,279
Sugar Confectionery	13,131	22,781
Rice, Paddy	76,795	19,209
Infant Food	5,050	14,793
Cheese	5,172	14,513

Source: FAOSTAT

Except for wheat and soybean oil, most of the country's agricultural imports are also produced domestically.

The country's main trading partners are the US, EU, Japan and Mexico. The US is a key market for its banana, coffee, sugar, plantains and peas and a primary source of its import of yellow maize, wheat, cotton and rice. The EU, on the other hand, is a market for coffee, peas, cardamoms, mangoes and flowers.

Guatemala is a member of the Dominican Republic- Central America Free Trade Agreement (CAFTA), which, among other things, eliminates import duties on selected agricultural products as a way of increasing trade among member countries. Other DR-CAFTA countries are the United States, El Salvador, Nicaragua, Honduras, Dominican Republic, Honduras and Costa Rica. Prior to CAFTA, the Caribbean Basin Initiative allowed exports from Guatemala to enter the US at zero tariffs.

Guatemala is also a beneficiary of the General Preferential System with EU countries.

Position on Special Products

The country is a member of the G33, and as such, supports the coalition's position on special products and special safeguard mechanisms. At the moment, the country is relying on developments in the negotiations on indicators and treatment of special products in determining its list of special products.

Identification of special products

The products that are important to Guatemala's food security, livelihood security and rural development, based on the indicators put forward by the paper are:

Table 4: List of Potential Special Products

Indicators	Agricultural products
Agri Products that employ the highest number of people	White maize, yellow maize, coffee, black beans, banana, avocado, mango, cardamoms, peach, pineapples
Agri Products that employ most of the poor	White maize, yellow maize, coffee, black beans, banana, avocado, mango, cardamoms, peach, pineapples
Many women are engaged in the production of the crop	There is no data in Guatemala about women's participation in agriculture
Food or staple crop	White maize, black beans, rice, shrimp, green peas, tomatoes, onion, potatoes, banana, platanos.
Products that are largely produced by multinationals	Rubber, melon, oilpalm tree, mangos, pineapple, plantain, sugarcane, banana, coffee, cardamoms,

Crops largely produced and used by an ethnic group	White maize, yellow maize, coffee, black beans, banana, avocado, mango, cardamoms, peach, pineapples
Crops largely produced in a certain geographical area	Sugarcane, oilpalm tress and fruit in the South Coast and the North; vegetables, some kinds of fruits and flowers in the occidental area which are mountainous and colder), Basic grains (maize, beans, rice) are being produced in the whole country
Other indicators that are most important to your people, please specify: most imported products	Yellow maize, wheat, rice, white maize, potatoes, avocado, pineapples, apples, melocotones, pears
Other indicators that are most important to your people, please specify: most exported products	Sugarcane, banana, coffee, cardamomo, plantains, mango, pea, pineapple, ajonjolí, rubber
Source: Guatemala Fact Sheet	

Based on this product mapping, Guatemala's list of possible special products should include: white and yellow maize, coffee, black beans, banana, cardamoms, peach, pineapples, rubber, rice, pears and avocado. The country has yet to come up with its official SP, pending the finalization of modalities on the designation and treatment of special products. However, government has given an early indication that it will definitely include white maize and beans, which are important to the country's food basket. There are also indications that export products will be excluded from the country's SP list.

Commodities produced by multinationals are rubber, melon, oilpalm, pineapple, plantain, sugarcane, banana, coffee and cardamoms.

G33 indicators

The indicator below was applied on products that are most important to Guatemala in terms of value of production, and on the products that were identified by the product mapping above. Commodities with limited data sets were not included in the simulation of the indicators.

Production to meet consumption

A significant proportion of domestic consumption of the product in its natural, unprocessed or processed form, in a particular region or at a national level, is met through domestic production in the developing country member concerned.

This indicator was applied by comparing the domestic consumption and domestic production of Guatemala's potential special products, and by computing the ratio of these two variables (production over consumption). A high ratio indicates that consumption can be met through domestic production.

Table 5: Percent of Consumption sourced from domestic production, 2005

Product	Consumption (000 tons)	Production (000 tons)	Ratio of Production to Consumption
Sugarcane	3,501.03	19,070.00	5.44
Coffee, green	10.14	256.61	25.30
Indigenous Chicken meat	205.59	176.24	.86
Bananas	16.28	1,070.54	65.76
Maize	1,227.07	989.59	.810
Milk	522.01	283.08	0.54
Plantains	14.56	272.36	18.71
Tomatoes	176.20	92.21	0.52
Beans, Dry	85.94	87.57	1.02
Potatoes	86.12	268.90	3.12
Lemons and limes	150.35	141.78	0.94
Nuts	25.71	26.33	1.02
Sesame Seed	11.03	34.61	3.14
Rice	110.27	34.36	0.32
Wheat	408.26	6.27	0.15
Pineapple	80.28	114.10	1.42
Avocado	20.24	27.15	1.34

Source: FAOSTAT

An analysis of the application of this indicator shows that for sugarcane, coffee, bananas, plantains, potatoes, nuts, sesame seeds, pineapple and avocado, domestic production is more than sufficient to meet the country's consumption requirements. Hence, these commodities will qualify as possible special products based on this indicator. Similarly, products such as chicken meat, maize, lemons and limes will also qualify as special productions since the country's consumption requirements for these commodities are also sourced mainly from domestic sources, although a small portion of total demand is met through importation.

On the other hand, the consumption of products such as milk, tomatoes, rice and wheat are met largely from imports, and as such could not qualify as special product using this indicator.

However, it is important to point out that countries may not want to declare all the commodities that qualify under this indicator as part of their SP list. For instance, the very high ratio of production to consumption for many of these commodities indicates that these are export goods. In this case, developing countries will have limited incentive to designate these as special products.

Internationally verifiable data are not available for products such as cattle meat, mangoes, chicken eggs, among others.

Contribution to caloric intake of the population

In the light of the results of the simulation of the application of the indicator above, it is worthwhile to look at other indicators, particularly those relating to food security. A commodity can be designated as an SP if:

The product is a staple food, or is part of the basic food basket of the developing country Member, through inter alia, laws and regulations, including administrative guidelines or national development plan of policy or historical usage, or the product contributes significantly to the nutritional or caloric intake of the population.

Table 6: Per capita daily calorie intake of selected commodities in Guatemala, 2001-2003

Product	Per capita daily calorie intake	Share to Total Daily Calorie Intake
Rice	48	2.1
Wheat	237	10.7
Maize	859	38.9
Sorghum	4	0.1
Potatoes	11	0.5
Cassava	3	0.1
Sugar	382	17.28
Soybean oil	85	3.8
Palm oil	33	1.5
Milk	68	3.1
Animal Ftas	21	0.9
Eggs	23	1.0
Pigmeat	11	0.5
Poultry meat	50	2.26
Bovine Meat	22	0.9
Sheep and Goats Meat	1	.04

Source: FAOSTAT

From the data, only maize, wheat and sugar have fairly significant contribution to the population's calorie intake. Hence, this indicator is, in a sense, more limiting as it only qualifies a few commodities.

The Philippines

Overview of Agriculture

The agricultural sector accounts for 14.4% of the Philippines Gross Domestic Product in 2005. Despite the sector's small share in over-all economic output compared to services and industry, it remains an important segment of Philippine economy. It is major source of income and livelihood to a large section of the country's population, providing employment to 12.16 million people, or 37.2% of the country's total working population.

Poverty is highly prevalent in the sector. In 2000, the number of poor people in agriculture is at 48.5%. Moreover, it is the biggest contributor to over-all poverty incidence, accounting for 61.6% of the nation's poor.

The Philippines' key agricultural products, in terms of value of production in 2006 are: rice, hog, chicken, corn, coconut, banana, sugarcane, chicken eggs, mango, cattle and rubber. Table 1 below details the value and volume of production of the country's main agricultural commodities.

Rice and corn are the most important food staples, while hogs, chicken and chicken eggs are important sources of protein to the population. Products such as coconut, banana and mango, although also fairly common in the Filipino diet, are produced in huge volumes for the export market.

Small farms, with an average size of 2 hectares per farm dominate the country's agricultural sector. All in all, the country has 4.82 million farms, underscoring the importance of securing the economic viability of family sized-farms in attaining rural development.

Table 1: Value and Volume of Top Agricultural Products, 2003-2006		
Product	Value of production (million PhP)	Volume of production (000 metric tons)
Palay (paddy rice)	162,463.13	15,326.71
Hog	126,983.06	1,840.37
Chicken	81,956.36	1,205.95
Corn	54,921.45	6,082.11
Coconut	49,660.83	14,958.08
Banana	43,520.77	6,801.25
Sugarcane	33,109.35	24,345.10
Chicken eggs	23,117.00	330.29
Mango	18,689.82	918.87
Cattle	15,802.07	238.27
Rubber	12,649.49	351.57
Source: FAOSTAT		

Agricultural Trade

The Philippines' main exports are coconut, particularly coconut oil, copra and desiccated coconut, banana, tobacco, tuna, shrimps and prawns. It also exports rubber, pineapple, mango and sugar. Coconut is the most important export commodity, making the country the number one supplier of coconut oil and coconut-based products in the world market. In 2005, export revenue from the export of crude and refined coconut oil was at US 657.22. Table 2 below shows the volume and value of the country's agricultural exports.

Table 2: Quantity and Value of Philippine Agricultural Export by Commodity Group (2005) (Quantity in '000 M.T., F.O.B. Value in Million US $)		
Item	**Quantity**	**Value**
I. Food and Live Animals		1,612.42
A. Live Animals (No.)	1,091,645	2.42
B. Meat and Meat Preparations	4.40	9.39
C. Dairy Products & Bird's Eggs	38.15	80.81
D. Fish and Fish Preparations	106.02	346.87
E. Cereals and Cereal Preparations	33.62	57.91
F. Vegetables and Fruits	2,898.51	877.13
1. Coconut Products	133.31	135.00
2. Pineapple Products	536.72	204.28

3. Banana	2,058.57	398.08
4. Mango	44.61	46.17
5. All other fruits & vegetables	125.30	227.25
G. Sugar and Sugar Preparations	422.93	110.86
H. Coffee, Tea, Cocoa, Spices and Manufactures thereof	9.95	15.02
I. Feeding Stuff for Animals	457.25	32.65
J. Miscellaneous Edible Products and Preparations	49.68	79.35
II. Tobacco & Tobacco Manufactures	38.51	142.85
III. Crude Materials	94.35	135.66
A. Oil Seeds and Oleaginous Fruits	2.29	0.64
B. Crude Rubber	44.70	38.29
C. Crude Fertilizer	0.47	0.05
D. Crude Animal & Vegetable Materials	46.89	96.68
IV. Animal & Vegetable Oils and Fats (including coconut oil)	1,205.32	694.33
V. Fertilizer Manufactured	410.21	97.27
VI. Agricultural Chemicals & Materials	3.18	6.62
VII. Agricultural Machinery (No.)		7.03
TOTAL VALUE OF AGRICULTURAL EXPORTS		2,691.19

Source: FAOSTAT

Sugar used to be a major export commodity, accounting for more than 25% of the country's export revenues in the 1980s. However, sugar exports, along with other traditional export commodities like abaca, coffee and manufactured tobacco, have declined over the last few decades, giving way to new export items such as banana, mangos, pineapples, among others.

The country's top agricultural imports are rice, soya bean, wheat, palm oil, milk and cream products, meat of bovine animals, among others. The country also imports corn, poultry and swine and vegetables such as onions and garlic, which are locally produced. Table 3 below shows the quantity and value of Philippine agriculturalimports by commodity group.

Table 3: Quantity and Value of Philippine Agricultural Imports by Commodity Group (2005) (Quantity in '000 M.T., C.I.F.. Value in Million US $)		
Item	**Quantity**	**C.I.F. Value**
I. Food and Live Animals		2,944.70
A. Live Animals (No.)	835,925	20.09
B. Meat and Meat Preparations	169.81	162.82
C. Dairy Products & Bird's Eggs	268.42	429.90
D. Fish and Fish Preparations	124.68	69.68
E. Cereals and Cereal Preparations	4,183.27	1,043.54
F. Vegetables and Fruits	381.94	130.59
G. Sugar and Sugar Preparations	144.90	67.52
H. Coffee, Tea, Cocoa, Spices and Manufacturers thereof	251.48	405.77
II. Tobacco & Tobacco Manufactures	73.94	200.72
III. Crude Materials	784.51	204.40
A. Oil Seeds and Oleaginous Fruits	249.96	70.10
B. Crude Rubber	23.51	41.66
C. Crude Fertilizer	452.96	16.77
D. Crude Animal & Vegetable Materials	58.07	75.87
IV. Animal & Vegetable Oils and Fats	296.97	15.17
V. Fertilizer Manufactured	1,314.72	231.93
VI. Agricultural Chemicals & Materials	158.98	194.10
VII. Agricultural Machinery (No.)	11,650,609	46.60
TOTAL VALUE OF AGRICULTURAL EXPORTS		3,975.62

Source: National Statistics Office (NSO)

The Philippines is a net agricultural importer, registering an agricultural trade deficit of US $ 1.28 B in 2005. Its main trading partners are the US, Japan, China, Netherlands, Hong Kong, Singapore, Malaysia and Taiwan. Table 4 below shows the market share of the country's various trading partners.

Table 4: Share of Philippine Trading Partners to Total Philippine Trade, 2006	
Main Export Partners	United States (18%), Japan (17.5%), China (9.9%), Netherlands (9.8%), Hong Kong (8.1%), Singapore(6.6%), Malaysia (6%), Taiwan (4.6%)
Main Import Partners	United States (19.2%), Japan (17%), Singapore(7.9%), Taiwan (7.5%), China (6.3%), South Korea (4.8%), Saudi Arabia (4.6%), Hong Kong (4.1%)

Source: Philippine Fact Sheet

The country is a member of the Association of South East Nations (ASEAN) and is a signatory to the ASEAN Free Trade Agreement (AFTA). The trade pact was expected to foster greater trade relations with other ASEAN member countries, which include Malaysia, Thailand, Indonesia, Singapore, Brunei Darussalam, Myanmar, Cambodia, Laos and Myanmar. As part of ASEAN, the country is a signatory to the ASEAN-China FTA, the ASEAN-South Korea FTA and the ASEAN-India Regional Trade and Investment Area. ASEAN is presently undergoing negotiations for the ASEAN-Closer Economic Relations (with Australia and New Zealand) FTA and is discussing the possibility of an ASEAN-EU trade pact.

At the bilateral level, the Philippines signed the Japan Philippines Economic Partnership Agreement. The Philippine Senate is still in the process of deliberating whether or not it should ratify the saif agreement. The country is also presently negotiating a possible free trade pact with the US and China.

Position on Special Products

The Philippines is an active member of the G33 and is a firm advocate of the coalition's core position on SP and SSM within the WTO. The country's low and rather flat tariff structure, with bound rates ranging mainly from 40-50% is one of the reasons why it is pushing for maximum access flexibility in the treatment of special products. At the same time, the Philippine government is facing pressure from many agricultural producers not to commit to further tariff cuts, on account of the negative effect of liberalization policy on many sectors.

Identification of Special Products

Based on the indicators identified by this paper, the products that are important to the Philippines's food security, livelihood security and rural development are:

Table 5: Potential List of Special Products

Indicators	Agricultural products
Agricultural products that employ the highest number of people	1. Rice 2. Corn (maize) 3. Coconut 4. Swine/Hogs 5. Chicken 6. Sugar 7. Banana 9. Vegetables
Agricultural products that employ most of the poor	Rice, corn (maize), coconut, sugar, poultry and livestock

Many women are engaged in the production of the crop	Rice, corn (maize), poultry and livestock
Food or staple crop	Rice, white corn, cassava, camote
Crops largely produced and used by an ethnic group	Rice, corn, cassava, sweet potato, vegetables, coconut
Crops largely produced in a certain agro ecological zones	Rice (all over the Philippines) Yellow Corn (Mindanao, Cagayan Valley) Cococut (Bicol/Southern Tagalog) Sugar (Visayas) Banana (Mindanao) Pineapple (Mindanao) Temperate Vegetables (Cordilleras)
Other indicators that are most important to your people, please specify. (ethnic, food, fiber, shelter)	Fiber = Abaca (Manila hemp) Food = Rice, white corn, sugarcane, hogs, chicken, vegetables, coconut Shelter = Forest trees, coconut trees

Commodities produced by multinational companies include yellow corn, banana, pineapple, oil palm and asparagus.

Based on the matrix above, the products that should be part of the country's SP list are rice, corn, coconut, hogs, poultry, sugar, banana, pineapple, vegetables, cassava, sweet potato and abaca.

The Philippine government is currently in the process of finalizing its list of special products. However, based on its evaluation and initial consultation with agricultural stakeholders, the list of products that are important to the country's food security, livelihood security and rural development includes, but is not limited to, rice, corn, tomato, potato, garlic, onion, carrots, sugarcane, coconut, coffee, chicken, swine and rubber. Government's list does not cover bananas and pineapple, although these are significant in terms of contribution to total agricultural output, because the country has very little defensive interest insofar as these products are concerned.

Use of Selected G33 Indicators

An application of some of the indicators identified by the G33 will reveal the following results:

Contribution of product to the caloric intake of the population

The product is a staple food, or is part of the basic food basket of the developing country Member, through inter alia, laws and regulations, including administrative guidelines or national development plan of policy or historical usage, or the product contributes significantly to the nutritional or caloric intake of the population.

This indicator is applied on products that are typically present in a Filipino family's food diet, namely rice, corn, sugar, coffee, swine and poultry meat and selected vegetables. Using this indicator, only rice, corn and swine registered relatively higher contribution to the caloric intake of the population (above 5%).

Table 6: Contribution to Caloric Intake

Commodity	Contribution to caloric intake
Rice	58.53
Corn	7.24
Swine	6.87
Chicken	2.97
Coconut	2.40
Sugarcane	2.18
Potato	0.07
Garlic	0.06
Tomato	0.04
Onion	0.04
Coffee	0.04
Carrots	0.02

Source: Bureau of Agricultural Statistics

Share of product to total food expenditure or total income

A significant proportion of the total food expenditures, or of the total income, of households in a particular region or at the national level in the developing country Member concerned, is spent on the product.

In this case, per capita household expenditure is used as a proxy variable for household income. For this indicator, only rice, swine and chicken have relatively higher shares to per capita household expenses.

Table 7: Share to Per Capita Expenditure (Selected Products)

Commodity	% Share
Rice	16.6
Corn	1.8
Coconut	0.6
Sugarcane	3.1
Swine	9.3
Chicken	5.0
Onion	0.6
Garlic	0.5
Tomato	0.3
Coffee	0.2
Potato	0.2
Carrots	0.2

Source: DA

Conclusion

The countries covered by the study shared a lot of similarities in terms of the commodities that are significant to their food security, livelihood security and rural development objectives. In all seven countries, rice emerged as a possible special product, mainly because it is a staple food, and is a significant sector in most developing economies. Other products that appeared in the mapping of probable special products in many of the countries are corn, wheat, potatoes, poultry, edible oil, fruits and vegetables. Table 1 below shows the composite list of possible special products for each country.

The process of identifying special products provided some interesting and instructional insights on the use of indicators:

First, only major agricultural products are visible when indicators require internationally verifiable data. Indicators that warrant the use of these data such as those proposed by the US, Malaysia and Thailand and some by the G33 require that a significant proportion of a particular condition be met for a commodity to qualify as a special product. However, most products that are important to the food security and livelihood security of vulnerable groups register very low values, and are in many cases, almost invisible when evaluated vis-à-vis these indicators. In many instances these indicators qualify only a very few commodities, and are not able to capture products that are important to women, resource poor farmers and other vulnerable groups.

Second internationally verifiable data are available on a per commodity bases, even as negotiations in the WTO on the selection and number of special products are undertaken on the basis of tariff lines. For instance, rice has 14 tariff lines, but internationally verifiable data is available only for rice as a single commodity. This may pose some challenges in translating the results of the negotiations on indicators into actual

Table 1: Composite List of Special Products for Selected Countries

Country	Possible list of special products
Pakistan	Milk, wheat, cotton, rice, sugarcane, gram or chickpeas, potatoes, onions, dates, mutton and chillies, edible oil, tomato, citrus, apple
Uruguay	Beef (cattle), dairy products particularly milk and cheese, swine, grapes, grains such as wheat, barley and rice, fruit crops and vegetables
Guatemala	White and yellow maize, coffee, black beans, banana, cardamoms, peach, pineapples, rubber, rice, pears and avocado.
Philippines	Rice, corn, coconut, hogs, poultry, sugar, banana, pineapple, vegetables, cassava, sweet potato and abaca, tomato, potato, carrots, coffee, garlic, onion, rubber
Sri Lanka	Rice, maize, onions, tomatoes, potatoes, chillies, cucumber, cowpeas, chickpeas, dairy, poultry, beef, pork, mangoes, papayas, oranges, jackfruit, cloves, cinnamon, arecanut, tobacco, millet, tea,
Indonesia	Rice, corn, soybean, onion and shallots, coffee, sugar, cocoa, cassava, peanut, potatoes, tea, tobacco, cloves, sweet potatoes, banana, pepper, chilli, tomato, cabbage, apple, pepper, salak or snake fruit, pineapple and mango.
India	Rice, wheat, maize, sorghum, millet, soybean, rapeseed, castor oil, onions and garlic, dairy products, coffee, tea, mango, bananas, oranges, apples and grapes, potato, wool, silk and jute, groundnut, coconut, cocoa; condiments and spices such as arecanut, chillies, turmeric, ginger, cardamon; and poultry.

SP selection. In particular, different products have different number of tariff lines, and as such, it will be impossible to set a definite figure on the number of tariff lines that countries can commonly adopt.

Third, the results of the simulation on the application of indicators show that from the G33 indicators that use internationally verifiable data, the one that is highly useful in terms of qualifying many special products is indicator number two. This indicator requires that a significant proportion of consumption is met through domestic production. The countries in the study generally showed relatively high levels of self-sufficiency in producing products that are important to their food security, livelihood security and rural development objectives, and as such were able to qualify a lot of

products using this indicator. However, this indicator tends to yield more favorable results for export products rather than for products that are substantially imported.

Fourth, most of the indicators proposed by the G33 and other countries require quantitative sub-national, national and international data. However, different countries have different levels of capacities in meeting these data requirements, hence limiting the capability of some to effectively use the indicators.

Unlike sensitive products that are truly governed by the principle of self-designation in the sense that countries do not have to rationalize their choice of what products should be declared as such, special products must go through the process of proving that each commodity is truly relevant to food security, livelihood security and rural development. It is in this context that the G33 must push for the concept of real self-designation. As developing countries they are the ones that have greater need for this flexibility compared to developed countries.