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Review Article

The Agreement on Agriculture (AoA) of WTO and Its Impact on India

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Abstract

The international trade treaties especially the treaties and agreements under World Trade Organization (WTO) have challenged the very existence and livelihood of the farmers throughout the world especially in developing and least developed countries. These treaties undermined the rights of the farmers and subjugated them to the capitalist multinational farming and agri-business corporations which resulting in suicides of thousands of farmers especially in developing countries like India. Though there are multiple international conventions which uphold the rights of farmers are not sufficient to protect the human rights of the farmers as against these monstrous trade treaties especially the Agreement on Agriculture (AoA). The Agreement on Agriculture (AoA) is an international treaty of the WTO. It was negotiated during the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), and entered into force with the establishment of the WTO on January 1, 1995. The Agreement on Agriculture has three pillars—domestic support, market access, and export subsidies. Domestic support includes the classification of subsidies into 'boxes' depending their effects on production and trade. Market access refers to the reduction of tariff (or non-tariff) barriers to trade by WTO members. Export subsidies are the third pillar. The 1995 Agreement on Agriculture required developed countries to reduce export subsidies. The Agreement is conceived as part of a continuing process with the long-term objective of securing substantial progressive reductions in support and protection. In this light, it calls for further negotiations in the fifth year of implementation which, along with an assessment of the first five years, would take into account non-trade concerns, special and differential treatment for developing countries, the objective to establish a fair and market-oriented agricultural trading system and other concerns and objectives noted in the preamble to the agreement. The possible welfare gains and likely beneficiaries for the facilitation of agricultural world trade formulated by the Agreement on Agriculture remains a matter of debate and concerns. Therefore, the impact of the Agreement on Agriculture on production, price structure and trade in agricultural sector needs proper introspection and evaluation from Indian perspectives. The paper attempts to evaluate and analyse the impact of the agricultural reforms brought about by the Agreement on Agriculture on the Indian agricultural economy.

Keywords: Agriculture; Trade; Production; Market; Tariff; Subsidies, Farmers.

Introduction

Agriculture is an important and major field of feeding, employment and survival of the human being as well as other lives stock especially in developing and least developing countries as industry is less acquired zones. More than sixty per cent of the population of the India are dependent on farming activity for their livelihood. They are all mostly small and marginal farmers.

Agriculture acquired 17% of India's GDP in 2008. Occupied 43% of India's geographical areas. Agriculture Scientists are applying new technologies and instruments in growing crops. Different state governments of India are taking initiative to literate the farmers. The Liberalisation, Privatisation and Globalisation (LPG) process challenges and affects agricultural sector as crop imports could be traded at cheaper prices, and could be exchange for another commodity because of the free trade.

Earlier our agricultural markets were protective ones which has been liberalised when shifted to LPG process started under the aegies of GATT talks. GATT talks taken place in eight rounds. The final round is the Uruguay Round where many important matters were discussed and finalised for acceptance.

The successful conclusion of the Uruguay Round and the creation of the WTO has provided an impetus towards greater liberalisation and integration in the world economy. More specifically in the agricultural sector substantial steps have been made towards liberalisation.

The Uruguay Round of GATT negotiations heralded a process of gradual liberalisation in global agricultural trade. Many commentators argue that the most significant liberalisation measures will come from future negotiating rounds [1]. The Punta Del Este Ministerial Declaration stated that there was "*an urgent need to bring more discipline and predictability to world agricultural trade by correcting and preventing restrictions and distortions, including those related to structural surpluses so as to reduce the uncertainty, imbalance, and instability in world agricultural markets.*"

This results in the total shifting of the agriculture from closed market to open market, from protected market to liberalized market ushering in multinational agribusiness corporations affecting the traditional livelihood community farming activity.

The agriculture in developed countries and in developing and least developing countries have lot of difference and diametrically opposites. Agriculture in developed world is a matter of business whereas in developing and least developed world, it is a livelihood.

The GATT negotiations in eight rounds concluded more than 60 agreements and understandings covering almost all fields of human occupational matters. One of among such matters is the agriculture whereupon the Agreement on Agriculture (AoA) has been entered. The AoA is a multilateral agreement governing and regulating the production, import, export, barriers of trade and tariffication at international level.

The GATT/WTO as an Epoch-Making International Platform of Trade

Until the liberalisation of 1991, India was largely and intentionally isolated from the world markets, to protect its economy and to achieve self-reliance. India's foreign trade was subjected to import tariffs, export taxes and quantitative restrictions. So far it had followed an inward looking economic policy until the attempts to liberalise its economy. The Green revolution which was introduced in 1990's further brought about reforms in agricultural sector and increase its production. This in a way opened the gate for participation in the world economy through the production of excess agricultural goods. Thus, India's economy shifted from subsistence economy to production for exports in the world market. At present, Indian agriculture contributes to 24% of GDP, however agriculture exports accounts for less than 1% of world trade in agricultural commodities while a major share of the world's exports are supplied by developed countries which accounts for around 64% [2].

Formation of the World Trade Organization (WTO) in January 1, 1995 as a successor organization for the General Agreement of Tariff and Trade (GATT) was a watershed event in the history of global trade reforms. Under the auspices of the WTO, many trade-related agreements were signed by the member countries and, for the first time, an Agreement on Agriculture (AoA) was reached to reform and dismantle trade barriers in the agricultural sector. As per the Article 20 of the AoA, these reforms are an ongoing process and re-negotiations. These re-negotiations will take stock of the experience of the last five years and explore the potential for further commitments to the reform process. Recently, a WTO panel has ruled against India in a dispute with the United States (US) rejecting India's claim that balance of payment problem justifies its import restrictions

[3]. In this context, it is imperative that India takes a retrospective view of what has happened so far and ponder over her prospects for successful and pro-active re-negotiations. The brief sketch of GATT is described in the following lines.

It was started in 1947 in which year the General Agreement on Tariffs and Trade (GATT) has taken its birth as conceived in the famous and historic Bretton Woods Conference [4] after the Second World War and signed by 23 countries [5] including 12 developed countries and 11 developing economies among which, India is one of the initial signatories at the *Palais des Nations* in Geneva. For the first time the Agreement contained tariff concessions and a set of rules designed to prevent these concessions from being frustrated by restrictive trade measures. On January 1, 1948 the GATT entered into force with the founding members [6].

The first real business of the GATT was started by the first Session of Contracting Parties, as it was regarded as the first round [7] of negotiations, which began on February 28, 1948 and ended on March 20, 1948 in Havana, Cuba.

The Second Round of trade negotiations participated by 13 members, held at Annecy, France, from April to August 1949 [8]. Ten more countries had joined GATT.

The Third Round held at Torquay, England from September 1950 to April 1951 participated by 38 member countries. The Contracting Parties were agreed to exchange some 8,700 tariff concessions in the English town, yielding tariff reductions of about 25 per cent in relation to the 1948 level. Four more countries acceded to GATT [9].

The Fourth Round of negotiations held at Geneva during 1955-56 participated by 26 countries was completed in May 1956 [10].

Fifth Round of negotiations is called as Dillon Round (1960-62) held at Geneva participated by 26 countries opened in September and was divided into two phases: the first was concerned with negotiations with EEC member states for the creation of a single schedule of concessions for the Community based on its Common External Tariff; and the second was a further general round of tariff negotiations [11].

The sixth round was called as Kennedy Round (1964-67) held at Geneva participated by 62 countries. This round started by Meeting at Ministerial level, a Trade Negotiations Committee formally opened the Kennedy Round in May 1964. In June 1967, the Round's Final Act was signed by some 50 participating countries which together accounted for 75 per cent of world trade. In 1965 a new chapter added. In February 1965, the Contracting Parties, meeting in a special session, adopted the text of Part IV on Trade and Development. The additional chapter to the GATT required developed countries to accord high priority to the reduction of trade barriers to products of developing countries. A Committee on Trade and Development was established to oversee the functioning of the new GATT provisions. Separate agreements reached on grains, chemical products and a code on anti-dumping [12].

The Seventh Round was launched by Ministers in September 1973 at the Japanese capital Tokyo. Some 99 countries participated in the negotiation on a comprehensive body of agreements covering both tariff and non-tariff matters. The round also recognizes preferential treatment for developing countries and liberalises trade in many tropical products. It revises the anti-dumping code and establishes GATT codes on subsidies, technical barriers to trade, import licencing, government procurement, customs valuation, dairy products, bovine meat and civil aircraft [13]. On January 1, 1974, the Arrangement Regarding International trade in Textiles, otherwise known as the Multifibre Arrangement (MFA), entered into force [14].

The final and Eighth Round (1986-93) of Trade Negotiations of Multilateral Treaty of GATT launched in *Punte del Este* of Uruguay. The seeds of the Uruguay Round were sown in November 1982 at a meeting of Ministerial Session of the GATT Contracting Parties in Geneva. The work programme on which Ministers agreed became the starting-point for what was to become the Uruguay Round negotiating agenda. The Ministerial Meeting at *Punte del Este*, a resort city in Uruguay, held in September 1986, was taken a long period of negotiations running into 7 years. It has been by far the most complex and ambitious. It has 28 [15] separate accords extend fair trade rules for the first time to agriculture, textiles, services, intellectual property and foreign investment. The new accords on services and intellectual property and the various codes such as those on government procurement and anti-dumping had come under the umbrella of GATT. In 1988 the negotiations reached the stage of a mid-term review, mandated in the *Punta del Este* Declaration, and a ministerial meeting was held in Montreal, Canada. The negotiating mandate for the second stage of the round was adopted, and a package of early results was agreed which included concessions on market access for tropical products, a streamlined dispute settlement system with provision for appeals and binding arbitration and the Trade Policy Review Mechanism. The Brussels Ministerial Meeting in December 1990, which should have concluded the Uruguay Round, did not achieve the expected success. The whole document was well drafted by Mr. Arthur Dunkel, Director General of GATT during the Eighth Round that's why it is been called as Dunkel Draft. It can be said that the Dunkel Draft is the net results of GATT proposals which concluded in the eight rounds of negotiations. After a long and guerrilling debate the successful conclusion of the Uruguay Round negotiations on December 15, 1993 in Geneva, Switzerland had taken place and on the same day the Dunkel Draft Text was signed by 117 countries which is also known as GATT a world trade treaty, thus aiming to make the world a global village. The industrialized world claimed this draft as the "Great Magna Carta" of international trade. It sought to dismantle trade barriers of countries and ensure free flow of goods and services throughout the world [16].

The Final Act of the Uruguay Round was signed by Ministers on April 15, 1994 in Marrakesh, Morocco. The GATT agreement came into effect from January 1, 1995 with the establishment of a formal and full-fledged institution the World Trade Organization (WTO) replacing its predecessor GATT a platform of negotiations. On May 31, 1995, General Council of WTO approved the Headquarters Agreement with the Swiss Confederation, including the decision to locate the WTO in Geneva. Financial services accord reached on July 28, 1995, with governments agreeing to negotiate further liberalization at the end of 1997. Maritime transport services negotiations were suspended in July 1996. Members participating in the negotiations agreed to resume negotiations in the year 2000. So with the establishment of WTO its role further become important for almost all countries for entering the international trade. Initially many countries were very much reluctant to membership of the GATT / WTO system including big countries like Russia and China. But now the China and Russia became a major player by becoming members of the WTO recently. As of March 2016 the status of the membership of the WTO is 162 [17] countries. The trend indicates that how the international trade under multilateral treaty is gaining its importance.

The different Agreements and Understandings which were entered under the auspice of GATT / WTO are as follows:

ANNEX 1:

1. ANNEX 1A: Multilateral Agreement on Trade in Goods

1. General Agreement on Tariffs and Trade 1994
2. Agreement on Agriculture (AoA)
3. Agreement on the Application of Sanitary and Phytosanitary Measures
4. Agreement on Textiles and Clothing
5. Agreement on Technical Barriers to Trade (TBT)
6. Agreement on Trade-Related Investment Measures (TRIMS)
7. Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994
8. Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994
9. Agreement on Preshipment Inspection
10. Agreement on Rules of Origin
11. Agreement on Import Licensing Procedures
12. Agreement on Subsidies and Countervailing Measures
13. Agreement on Safeguards.

2. ANNEX 1B: General Agreement on Trade in Services and Annexes

3. ANNEX 1C: Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs)

ANNEX 2: Understanding on Rules and Procedures Governing the Settlement of Disputes

ANNEX 3: Trade Policy Review Mechanism

ANNEX 4: Plurilateral Trade Agreements

1. Agreement on Trade in Civil Aircraft
2. Agreement on Government Procurement
3. International Diary Agreement
4. International Bovine Meat Agreement.

Agreement on Agriculture (AoA) of GATT/WTO

The Agreement on Agriculture (AoA) is an international treaty of the World Trade Organization. It was negotiated during the Uruguay Round of the General Agreement on Tariffs and Trade, and entered into force with the establishment of the WTO on January 1, 1995 [18].

The AoA is an important and one of the thirteen agreements of trade in goods of the GATT / WTO combine created a hope for rationalising the trade and tariff on agricultural goods.

The negotiations have resulted in four main portions of the Agreement; the Agreement on Agriculture itself; the concessions and commitments Members are to undertake on market access, domestic support and export subsidies; the Agreement on Sanitary and Phytosanitary Measures; and the Ministerial Decision concerning Least-Developed and Net Food-Importing Developing countries.

Overall, the results of the negotiations provide a framework for the long-term reform of agricultural trade and domestic policies over the years to come. It makes a decisive move towards the objective of increased market orientation in agricultural trade. The rules governing agricultural trade are strengthened which will lead to improved predictability and stability for importing and exporting countries alike.

The agricultural package also addresses many other issues of vital economic and political importance to many Members. These include provisions that encourage the use of less trade-distorting domestic support policies to maintain the rural economy, that allow actions to be taken to ease any adjustment burden, and also the introduction of tightly prescribed provisions that allow some flexibility in the implementation of commitments. Specific concerns of developing countries have been addressed including the concerns of net-food importing countries and least-developed countries.

The agricultural package provides for commitments in the area of market access, domestic support and export competition. The text of the Agricultural Agreement is mirrored in the GATT Schedules of legal commitments relating to individual countries.

In the area of market access, non-tariff border measures are replaced by tariffs that provide substantially the same level of protection. Tariffs resulting from this "tariffication" process, as well as other tariffs on agricultural products, are to be reduced by an average 36 per cent in the case of developed countries and 24 per cent in the case of developing countries, with minimum reductions for each tariff line being required. Reductions are to be undertaken over six years in the case of developed countries and over ten years in the case of developing countries. Least-developed countries are not required to reduce their tariffs.

The tariffication package also provides for the maintenance of current access opportunities and the establishment of minimum access tariff quotas (at reduced-tariff rates) where current access is less than 3 per cent of domestic consumption. These minimum access tariff quotas are to be expanded to 5 per cent over the implementation period. In the case of "tariffied" products "special safeguard" provisions will allow additional duties to be applied in case shipments at prices denominated in domestic currencies below a certain reference level or in case of a surge of imports. The trigger in the safeguard for import surges depends on the "import penetration" currently existing in the market, i.e. where imports currently make up a large proportion of consumption, the import surge required to trigger the special safeguard action is lower.

Domestic support measures that have, at most, a minimal impact on trade ("green box" policies) are excluded from reduction commitments. Such policies include general government services, for example in the areas of research, disease control, infrastructure and food security. It also includes direct payments to producers, for example certain forms of "decoupled" (from production) income support, structural adjustment assistance, direct payments under environmental programmes and under regional assistance programmes.

In addition to the green box policies, other policies need not be included in the Total Aggregate Measurement of Support (Total AMS) reduction commitments. These policies are direct payments under production-limiting programmes, certain government assistance measures to encourage agricultural and rural development in developing countries and other support which makes up only a low proportion (5 per cent in the case of developed countries and 10 per cent in the case of developing countries) of the value of production of individual products or, in the case of non-product-specific support, the value of total agricultural production.

The Total AMS covers all support provided on either a product-specific or non-product-specific basis that does not qualify for exemption and is to be reduced by 20 per cent (13.3 per cent for developing countries with no reduction for least-developed countries) during the implementation period.

Members are required to reduce the value of mainly direct *export subsidies* to a level 36 per cent below the 1986-90 base period level over the six-year implementation period, and the quantity of subsidised exports by 21 per cent over the same period. In the case of developing countries, the reductions are two-thirds those of developed countries over a ten-year period (with no reductions applying to the least-developed countries) and subject to certain conditions, there are no commitments on subsidies to reduce the costs of marketing exports of agricultural products or internal transport and freight charges on export shipments. Where subsidised exports have increased since the 1986-90 base period, 1991-92 may be used, in certain circumstances, as the beginning point of reductions although the end-point remains that based on the 1986-90 base period level. The AoA provides for some limited flexibility between years in terms of export subsidy reduction commitments and contains provisions aimed at preventing the circumvention of the export subsidy commitments and sets out criteria for food aid donations and the use of export credits.

"Peace" provisions within the agreement include: an understanding that certain actions available under the Subsidies Agreement will not be applied with respect to green box policies and domestic support and export subsidies maintained in conformity with commitments; an understanding that "due restraint" will be used in the application of countervailing duty rights under the General Agreement; and setting out limits in terms of the applicability of nullification or impairment actions. These peace provisions will apply for a period of 9 years.

The agreement sets up a committee that will monitor the implementation of commitments, and also monitor the follow-up to the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries.

The package is conceived as part of a continuing process with the long-term objective of securing substantial progressive reductions in support and protection. In this light, it calls for further negotiations in the fifth year of implementation which, along with an assessment of the first five years, would take into account non-trade concerns, special and differential treatment for developing countries, the objective to establish a fair and market-oriented agricultural trading system and other concerns and objectives noted in the preamble to the agreement [19].

A. The Three Main Features of AoA

The Agreement on Agriculture has three pillars—domestic support, market access, and export subsidies. Which are described as follows:

1) Domestic Support

The first pillar of the Agreement on Agriculture is "domestic support". The WTO Agreement on Agriculture negotiated in the Uruguay Round (1986–1994) includes the classification of subsidies into "boxes" depending on their effects on production and trade: amber (most directly linked to production levels), blue (production-limiting programmes that still distort trade), and green (minimal distortion). While payments in the amber box had to be reduced, those in the green box were exempt from reduction commitments. Detailed rules for green box payments are set out in Annex 2 of the AoA. However, all must comply with the "fundamental requirement" in paragraph 1, to cause not more than minimal distortion of trade or production, and must be provided through a government-funded programme that does not involve transfers from consumers or price support to producers.

The Agreement on Agriculture's domestic support system currently allows Europe and the United States to spend $380 billion a year on agricultural subsidies. The World Bank dismissed the EU and the United States' argument that small farmers needed protection, noting that more than half of the EU's Common Agricultural Policy subsidies go to 1% of producers while in the United States 70% of subsidies go to 10% of its producers, mainly agribusinesses. These subsidies end up flooding global markets with below-cost commodities, depressing prices, and undercutting producers in poor countries, a practice known as dumping.

2) Market Access

Market access refers to the reduction of tariff (or non-tariff) barriers to trade by WTO members. The 1995 Agreement on Agriculture required tariff reductions of:

(a) 36% average reduction by developed countries, with a minimum per-tariff line reduction of 15% over six years.

(b) 24% average reduction by developing countries with a minimum per-tariff line reduction of 10% over ten years.

Least developed countries (LDCs) were exempt from tariff reductions, but they either had to convert non-tariff barriers to tariffs—a process called tariffication—or "bind" their tariffs, creating a ceiling that could not be increased in future.

3) Export Subsidies

Export subsidies are the third pillar. The 1995 Agreement on Agriculture required developed countries to reduce export subsidies by at least 36% (by value) or by 21% (by volume) over six years. For developing countries, the required cuts were 14% (by volume) and 24% (by value) over ten years.

B. Doha Ministerial Conference and the Deadlock

The Uruguay Round of AoA (URAA) had a built in provision for review and renewal of its policy to consider not just increased trade but also such objectives as food security, diversified rural development and the reduction of inequalities between developed countries and developing countries and the least developed countries. In general, to assess in-depth the effects of the URAA on trade, on agricultural policy and on protection levels. This was to be decided at the next round of multilateral talk to be held at the fourth WTO ministerial conference in Doha, Nov. 2001 which was targeted to be completed by Jan. 2005. India's stand at the conference included Non-trade concerns which include food security and environmental protection. India is particularly concern with food security which includes not only adequate supply of food but also stability in its supply. India was of the stand that no profound change has been made in subsidy position of the developed countries even after the agreement.

When the AoA was introduced in Uruguay there were so many expectations, however the results failed to reach the expectations of many countries. In the Doha round, the concerns of the developing countries and the developed countries differed. The developing countries wanted to focus only on the implementation (or non-implementations) and review of the Uruguay agreement. Developed countries' perspective, however, was for new issues (e.g., Singapore issues), viz, investment, competition, trade facilitation and transparency in government procurement, besides environment and internationally recognised core labour standards.

The Doha round clearly shows that India's interest in the negotiation remain at variance from the interest of the least developed countries as India has a much more favourable agricultural condition than any of these countries. Many of these countries are net importers of food and the subsidy in the exporting countries makes them better off. Moreover, under the Everything But Arms (EBA) initiative of the European Union, the LDCs have quota - and duty-free access to the EU market, a facility that was never available to India. Also, India depends highly on its service sector industry; therefore, the situation has become highly tense for India, particularly in view of the fact that the developed countries have managed to link agriculture subsidy with the market access in services and industry. If the European Union needs to do more on agricultural tariffs, and the US needs to do more on reducing agricultural subsidies, then India also needed to do more on industrial tariffs. This is a tricky situation for India.

The Doha Development Round of trade talks was targeted to be concluded by January 2005. However, the progress thereafter has hardly been in the positive direction. There was a deadlock of Doha Ministerial conference and it was left for further work and resulting negotiations. The reason for the failure of the negotiations mostly falls on the role of the United States, which departed from Cairns group and joined EU, the later having too ambitious agenda on including investment and competition. Countries like Australia, New Zealand and Canada (of Cairns Group) favour a totally market oriented approach and oppose trade distorting subsidies and protectionist regimes of EU and Japan. While EU remained against fast track approached to liberalization. Developing countries like India, Pakistan, Sri Lanka, ASEAN etc., highlight significance of role of agriculture in their economies and seek to preserve domestic policy flexibility to guard food security concerns [20].

C. Impact of the AoA on Indian Agriculture

Indian agriculture enjoys the advantage of cheap labour. Therefore, despite the lower productivity, a comparison with world prices of agricultural commodities would reveal that domestic prices in India are considerably less with the exceptions of a few commodities (notably oilseeds). Hence, imports to India would not be attractive in the case of rice, tea, sunflower oil and cotton. On the whole, large scale import of agricultural commodities as a result of trade liberalisation is ruled out. Even the exports of those foodgrains which are cheaper in the domestic market, but are sensitive from the point of view of consumption by the economically weaker sections are not likely to rise to unacceptable levels because of high inland transportation cost and inadequate export infrastructure in India. Because of increasing price of domestic agricultural commodities following improved export prospects, farmers would get benefits which in turn would encourage investment in the resource scarce agricultural sector. With the decrease in production subsidies as well as export subsidies, the international prices of agricultural commodities will rise and this will help in making our exports more competitive in world market.

Both the pattern of production and price expectations will increasingly be influenced by the demands and trends in world markets. On the one hand, the price incentive could be the best incentive and could give a strong boost to investment in agriculture as well as adoption of modern technologies and thereby to the raising of agricultural production and productivity. On the other hand, the rise in domestic prices would put pressure on the public distribution system and accentuate the problem of food subsidy and freedom to export agricultural products without restrictions will also need shedding the long-nurtured inhibition against their imports.

The freeing of trade in agriculture under the AoA is likely to bring about significant increases in trade in agriculture and give unprecedented opportunities to the developing countries to benefit from increased agricultural exports. But this would depend on the developed countries' willingness to reduce domestic and export subsidies and provide market access to agricultural exports from the developing countries. On the other hand, trade liberalisation is also likely to pose serious challenges for the developing countries.

The challenges lie first in becoming globally competitive in agricultural exports and secondly, in enabling the sharing of the benefits of trade liberalisation not by a small minority of rich farmers but by the majority of small and marginal farmers and agricultural workers in India.

The AoA is criticised on being insensitive to human development or improving standards of living, and being too insistent on liberalization. The model of agricultural trade liberalization promoted by the AoA also encourages industrialized and export-oriented agricultural production, favouring trans-national commodity traders and processors over small-scale farmers thus in spite of all the provisions provided under the Agreement, it is further attacked on not taking into consideration the problems faced by the small and marginal farmers.

The success of the agreement to a certain extent also depends on how far the developed countries are willing and committed to the cause of helping the developing countries for development through a process of fair and unrestricted trade in agriculture. It is also argued that the agreement did little to liberalised trade and to improve market access and reduce protection as protection in many countries remain very high and allowable export subsidies still threaten the stability of world markets [21].

D. The Areas which Need Immediate Attention of Make India Equitable in the Field of Agriculture

1. Transitional period available for developing countries for full implementation of the Agreement and the need to extend the same.

2. The terms, conditions and tariff structures for ready access by developing countries to other markets.

3. Minimal domestic support systems needed to ensure food security, which should go far beyond products and distribution to areas of equitable supply at affordable prices.

4. Export subsidies to ensure that Indian commodity exports are competitive in the Global markets, considering that the developed countries have been consistently providing major concessions directly or indirectly to their exporters.

5. Non-tariff modalities practised by developed countries, including invoking issues on labour, sanitary and phytosanitary measures.

6. Special Safeguard provision, which imposes import restrictions under certain conditions, which are considered to be discriminating against developing countries.

7. Impact of phasing out quantitative restrictions by April 2001, which India had enjoyed on the basis of her Balance of Payment (BOP) problems.

8. India's favourable total Aggregate Measure Support (AMS), which being negative, to be taken into account while considering the across the board commitments for tariff reduction agreed to by developing countries

Conclusion

Global agricultural policies affect many economies in a similar way. Developing countries may be more vulnerable to distortions and changes in global trading policies in the agricultural sector, but they also determine the implications of agricultural trade liberalisation in some countries. Vulnerability of countries arising from global policies and trade liberalisation agenda maybe inherent to their economy such as; Strong dependence on agriculture for income, employment and foreign exchange earnings, heavy dependence on food imports and food aid and relatively high degree of sector openness. These conditions may render a country's economies vulnerable to trends and instability levels of world agricultural prices, long term changes with respect to access barriers to exports markets and global policies affecting the competitiveness of imports in domestic markets. With liberalisation of agricultural sector much priority is been given for increasing international trade which is no substitute for inducing a domestically oriented agricultural growth. Indeed most food is produced for local consumption in developing countries and only a small proportion is traded internationally, which means that a solely trade-oriented approach has little relevance for many developing countries. Therefore, agricultural reforms in International trading system like the AoA may not have much impact on a country's economic growth particularly the developing countries if the reforms are implemented without proper analysis of own country's economic strategic position. Since agriculture constitute the major share of many developing economies, the implementation of such reforms and also the participation in world trade without proper precautionary measures may result in crisis which such developing countries may not afford. Therefore, it is necessary to build up a strong domestic market scenario which is in line with external prices, with appropriate policies to ensure the protection of their economies from the unnecessary and unfair competition in world markets. However, if such reforms are disciplined in its implementation and also each country is serious enough to make such commitments for the welfare of the world trading system, it might lead to a balanced and equal world markets. This would in a way solve the problems of poverty, inequalities and lead to increased productivity and improve the standard of living of the world population. This all depends upon the member countries especially the developed nations to follow the provisions of AoA and allow the developing and least developing countries the benefits and special treatments to a fullest extent. Otherwise it becomes harm and hindrance to the farming community to suffer loss and leading to suicides and other unbearable miseries.

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