

Q. What is agreement on agriculture (AOA)?
Describe its three pillars (250 W).

A. Agreement on Agriculture (AOA) is an international treaty of World Trade Organisation which was finalised during Uruguay round, 1995 with objective to make trade in agriculture, agricultural products fair and market oriented. It puts check and balances on the subsidies and benefits provided by a country's government to boost domestic agricultural production.

Three pillars of AOA are :-



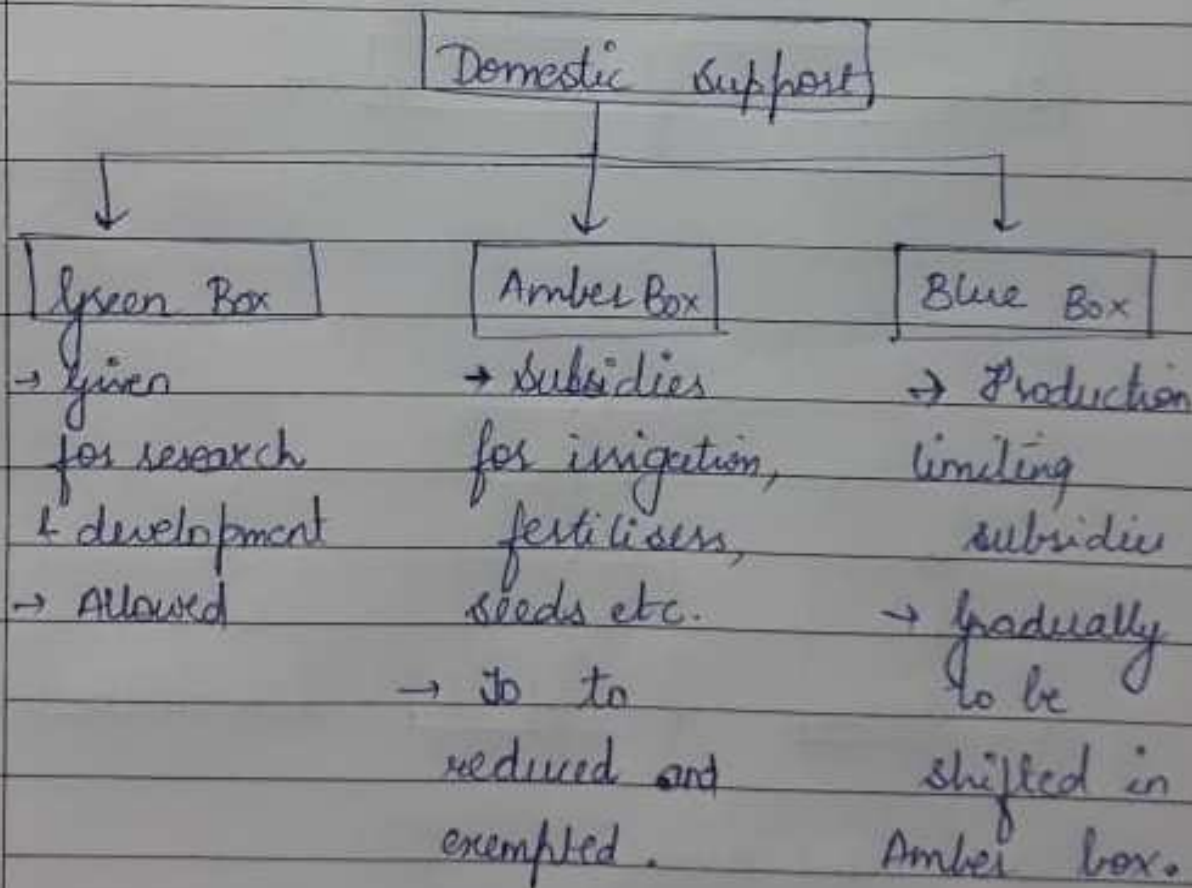
1. Market Access :-

This pillar of the agreement aims at reducing the tariff and non-tariff

barriers in the agriculture trade. Upto 24% tariff reduction for developing countries 36% for developed countries and no such criteria for least Developed Countries.

2. Domestic Support :-

It focuses on subsidies given by government to boost production, out of which classification is done according to need of reduction of such subsidies.



3. Export Subsidies:-

These are provided in order to boost production but make goods cheaper in foreign market causing trade distortion.

To be reduced upto 36% by developed countries, 24% by developing countries.

AOA is a step to promote globalisation, reduce tariff and non-tariff barriers in agriculture trade but prevailing conditions for countries like India where subsidies are given for reducing poverty and malnutrition and provide support to primary agriculture, AOA should be properly revised.

~~Excess!~~