UNITED STATES

Support to agriculture

The level of support provided to agricultural producers in the United States has been consistently below the OECD average and shows a declining trend over time. Market price support has become a progressively smaller share of US support to agriculture in recent decades. Budgetary support has increased in importance over time, mainly due to increases in payments that do not require production and, to a lesser extent, increases in input payments. Nevertheless, producer support as a share of receipts has varied widely over time and across commodities. Reflecting the fact that many agricultural policies are counter-cyclical to market prices, the level of support is inversely related to market prices. As a result, support has peaked when world commodity prices were depressed (in terms of USD), while high commodity prices since 2007-08 have contributed to low levels of support.

The United States' producer support estimate (PSE) has declined from 21% of gross farm receipts in 1986-88 to 9% in 2014-16. The share of potentially most distorting support (based on output and variable input use – without input constraints) has fallen to 33% in 2014-16, well below the OECD average and much lower than levels in 1996-97. Payments requiring production that are based on area, animal numbers, receipts or income, primarily insurance programs, accounted for around 21% of the PSE in 2014-16. Insurance programs provide indemnities based on the difference between the insured level of coverage, mostly yield or revenue, and actual outcomes.. On average, prices received by farmers in 2014-16 were 3% higher than those observed in world markets. This largely resulted from MPS for milk, sugar, and to a lesser extent sheep meat, as producer prices of other commodities are mostly aligned with border prices. Support to consumers accounts for close to half of total support to US agriculture as a result of US domestic food assistance programmes. The share of the General Services Support Estimate (GSSE) has increased in total support to agriculture (TSE), from 6.4% of the TSE in 1986-88 to 9.9% in 2014-16.

Main policy changes

While most of the provisions of the 2014 Farm Bill were fully implemented by 2015, several programmes have seen adjustments or expansions in 2016. These include changes to the *Margin Protection Program* (MPP) for dairy producers, and changes to programmes that facilitate farm access to credit for beginning, small, and underserved farmers, and specialty crop producers, among others, including the *Microloan Program* and the *Farm Storage Facility Loan*. USDA's Farm Service Agency (FSA) introduced the *EZ guaranteed loans* programme to streamline applications for farm operating and ownership loans. The United States also provided one-off, cost-shared assistance to cotton producers to help with anticipated ginning costs under the *Cotton Ginning Cost Share* (CGCS) programme.

The United States signed the Trans-Pacific Partnership (TPP) agreement on 4 February 2016 to create a regional trading bloc with 11 other countries (Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Viet Nam). However, the agreement was never ratified by Congress and the United States withdrew from the agreement on 23 January 2017.

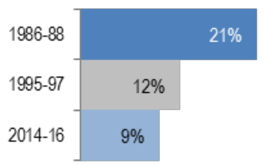
Assessment and recommendations

- Levels of producer support and border protection have decreased substantially since 1986-88. However, low levels of support since 2002 are due, in part, to higher world commodity prices, as many of the agricultural support programmes are counter-cyclical to market prices. Overall, support represented 9% of gross farm receipts in 2014-16.
- The increasing emphasis on insurance and risk management policy tools is, in principle, a good approach to providing support to farmers when they are in need. However, risk management instruments should be evaluated to ensure that they do not transfer risk to the public budget that should be borne by farmers.
- While agri-environmental programmes are targeted to specific objectives and tailored to the most effective means of reaching those objectives, they face challenges including slippage effects, declining participation, and climate change. These challenges could be addressed by relying more on the polluter-pays principle and market-based approaches to reduce agri-environmental pressure from agriculture, and by developing environmental service markets, such as carbon offsets and water quality credit markets.
- Farm programmes continue to support farm incomes. However, the long-term effects on incentives to make sustainable improvements in agricultural productivity and efficiency brought about by the 2014 Farm Act are unclear and require continued assessment.

Development of support to agriculture

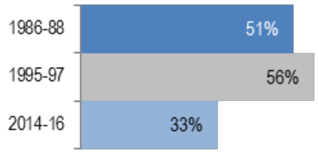
PSE as % of receipts (%PSE)

The level of support as measured by the percentage PSE has more than halved since 1986-88, from 21% to 9% in 2014-16. Support to producers in 2016 declined by 1 percentage point to 9%, compared with 10% in 2015.



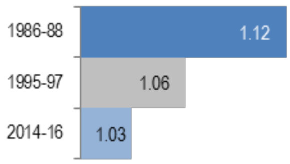
Potentially most distorting support as % of PSE

The share of potentially most distorting support (based on output and variable input use – without input constraints) has fallen to 33% in 2014-16, well below the OECD average and much lower than levels in 1996-97.



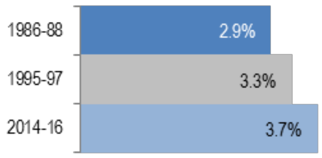
Ratio of producer price to border price (Producer Nominal Protection Coefficient)

On average, prices received by farmers were 3% higher in 2014-16 than those observed in world markets. This has largely resulted from market price support for milk, sugar, and sheep meat, as producer prices of other commodities are mostly aligned with border prices.



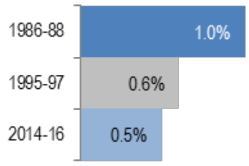
GSSE relative to agricultural value added

Expenditures for general services are increasing and were equivalent to 3.7% of the agricultural value added in 2014-16, up from 2.9% in 1986-88

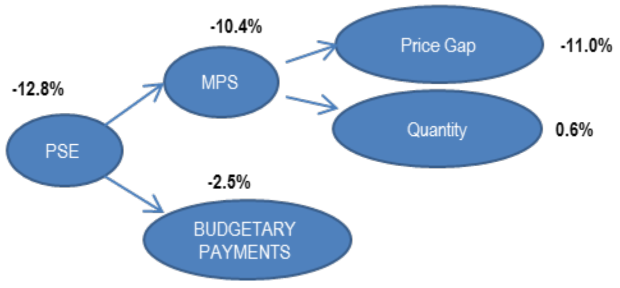


TSE as % of GDP

Total support to agriculture represented 0.5% of GDP in 2014-16. The share of General Services Support in total support has increased from 6.4% of the TSE in 1986-88 to 9.9% in 2014-16.

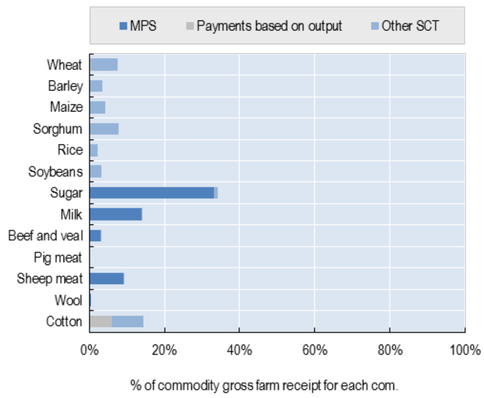


Decomposition of change in PSE, 2015 to 2016



The decline in the level of support in 2016 is mainly due to lower market price support, as a result of a smaller gap between domestic and border prices for beef, milk and sugar. Budgetary payments were also lower in 2016.

Transfer to specific commodities (SCT), 2014-16



The share of Single commodity transfers (SCT) decreased from 70% of PSE in 1986-88 to 44% in 2014-16. SCT accounted for the highest share of farm receipts for sugar, milk, cotton, and sheep meat.

Table 2.24. United States: Estimates of support to agriculture

Million USD

	1986-88	1995-97	2014-16	2014	2015	2016p
Total value of production (at farm gate)	**143 469**	**200 325**	**377 544**	**406 355**	**370 647**	**355 629**
***of which:** share of MPS commodities (%)*	78.3	76.5	78.2	79.0	77.8	77.7
Total value of consumption (at farm gate)	**121 087**	**162 235**	**296 511**	**320 467**	**296 171**	**272 894**
Producer Support Estimate (PSE)	**35 337**	**25 617**	**38 413**	**43 784**	**38 177**	**33 277**
Support based on commodity output	15 114	11 487	10 885	14 117	11 285	7 253
Market Price Support[1]	12 003	11 336	10 443	13 572	10 856	6 900
Payments based on output	3 111	151	443	545	429	353
Payments based on input use	7 061	6 641	8 406	8 376	8 673	8 168
Based on variable input use	3 697	3 088	2 389	2 719	2 402	2 045
with input constraints	739	264	626	606	664	607
Based on fixed capital formation	1 233	554	1 620	1 641	1 673	1 545
with input constraints	1 233	537	1 581	1 602	1 610	1 532
Based on on-farm services	2 131	2 999	4 397	4 015	4 598	4 577
with input constraints	349	543	1 284	1 264	1 176	1 412
Payments based on current A/An/R/I, production required	12 231	1 825	7 922	8 030	7 978	7 757
Based on Receipts / Income	912	721	1 802	1 693	1 833	1 880
Based on Area planted / Animal numbers	11 319	1 104	6 120	6 337	6 145	5 877
with input constraints	2 565	595	6 114	6 328	6 138	5 876
Payments based on non-current A/An/R/I, production required	0	0	0	0	0	0
Payments based on non-current A/An/R/I, production not required	338	3 824	9 346	11 334	8 327	8 377
With variable payment rates	0	0	7 125	5 191	7 808	8 375
with commodity exceptions	0	0	7 125	5 191	7 808	8 375
With fixed payment rates	338	3 824	2 222	6 144	519	3
with commodity exceptions	0	3 824	1 575	4 726	0	0
Payments based on non-commodity criteria	592	1 839	1 853	1 927	1 912	1 722
Based on long-term resource retirement	592	1 839	1 833	1 903	1 897	1 700
Based on a specific non-commodity output	0	0	0	0	0	0
Based on other non-commodity criteria	0	0	20	24	16	22
Miscellaneous payments	0	0	0	0	0	0
Percentage PSE (%)	**21.2**	**11.9**	**9.5**	**10.0**	**9.6**	**8.7**
Producer NPC (coeff.)	**1.12**	**1.06**	**1.03**	**1.04**	**1.03**	**1.02**
Producer NAC (coeff.)	**1.27**	**1.14**	**1.10**	**1.11**	**1.11**	**1.10**
General Services Support Estimate (GSSE)	**3 108**	**4 239**	**8 713**	**7 823**	**8 747**	**9 568**
Agricultural knowledge and innovation system	1 129	1 479	2 271	2 233	2 283	2 297
Inspection and control	372	559	1 372	1 328	1 360	1 428
Development and maintenance of infrastructure	13	27	2 653	2 017	2 590	3 351
Marketing and promotion	495	654	1 178	1 020	1 279	1 235
Cost of public stockholding	0	52	13	-1	8	31
Miscellaneous	1 100	1 468	1 226	1 226	1 227	1 226
Percentage GSSE (% of TSE)	**6.4**	**8.8**	**9.9**	**8.0**	**11.5**	**10.5**
Consumer Support Estimate (CSE)	**-2 630**	**6 157**	**29 648**	**32 167**	**16 888**	**39 888**
Transfers to producers from consumers	-11 699	-11 146	-10 215	-13 199	-10 652	-6 793
Other transfers from consumers	-1 314	-1 143	-1 461	-1 268	-1 794	-1 322
Transfers to consumers from taxpayers	10 089	18 437	41 324	46 633	29 334	48 004
Excess feed cost	294	8	0	0	0	0
Percentage CSE (%)	**-2.4**	**4.3**	**11.6**	**11.7**	**6.3**	**17.7**
Consumer NPC (coeff.)	**1.12**	**1.08**	**1.04**	**1.05**	**1.04**	**1.03**
Consumer NAC (coeff.)	**1.02**	**0.96**	**0.90**	**0.89**	**0.94**	**0.85**
Total Support Estimate (TSE)	**48 534**	**48 292**	**88 449**	**98 241**	**76 258**	**90 849**
Transfers from consumers	13 013	12 288	11 676	14 467	12 446	8 115
Transfers from taxpayers	36 835	37 147	78 234	85 041	65 606	84 056
Budget revenues	-1 314	-1 143	-1 461	-1 268	-1 794	-1 322
Percentage TSE (% of GDP)	**1.0**	**0.6**	**0.5**	**0.6**	**0.4**	**0.5**
GDP deflator (1986-88=100)	**100**	**128**	**183**	**181**	**183**	**185**
Exchange rate (national currency per USD)	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**

Note: p: provisional. NPC: Nominal Protection Coefficient. NAC: Nominal Assistance Coefficient.
A/An/R/I: Area planted/Animal numbers/Receipts/Income.
1. Market Price Support (MPS) is net of producer levies and excess feed cost. MPS commodities for the United States are: wheat, maize, barley, sorghum, alfalfa, cotton, rice, soybean, sugar, milk, beef and veal, sheep meat, wool, pig meat, poultry and eggs.

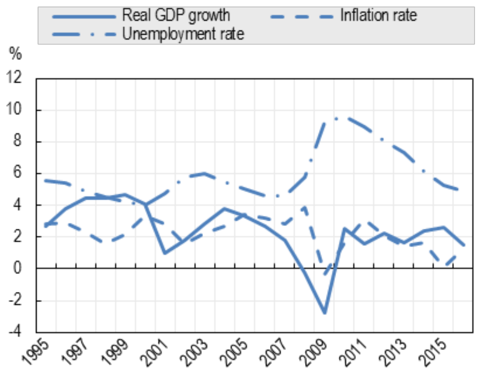
Source: OECD (2017), "Producer and Consumer Support Estimates", *OECD Agriculture statistics* (database). doi: dx.doi.org/10.1787/agr-pcse-data-en

StatLink http://dx.doi.org/10.1787/888933508963

Contextual information

The United States is the world's second largest economy and the third largest by land area and population. Primary agriculture accounts for 1.3% of GDP. A net exporter of agri-food products, the United States is also the world's largest agricultural exporter. Exports to China, Canada and Mexico accounted for around 44% of exports in 2014, while around half of US agricultural imports are sourced from Canada, Mexico, and the European Union. The US agricultural sector benefits from a large domestic consumer market, as well as abundant arable and pasture land and diverse climatic conditions that support production of a wide range of commodities. In recent years, total agricultural production has been divided equally between crops and livestock, although their shares vary over time. Key industries include grains (maize and wheat), oilseeds (soybeans), cotton, cattle, dairy, poultry, and fruits and vegetables.

Figure 2.24.1. Main economic indicators, 1995-2016



Source: OECD Factbook statistics.

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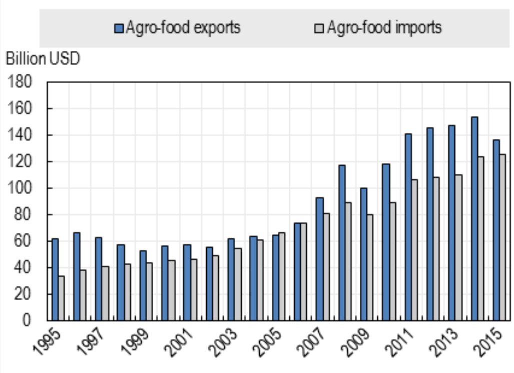
Figure 2.24.2. Agro-food trade, 1995-2015



Source: UN Comtrade Database.

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Table 2.24.1. Contextual indicators

	United States		International comparison	
	1995	2015*	1995	2015*
Economic context			Share in total of all countries[1]	
GDP (billion USD in PPPs)	7 664	18 037	27%	21%
Population (million)	266	321	8.7%	8.8%
Land area (thousand km^2)	9 159	9 147	12.0%	11.9%
Agricultural area (AA) (thousand ha)	420 139	405 437	15.3%	14.9%
			All countries analysed[1]	
Population density (inhabitants/km^2)	29	35	40	47
GDP per capita (USD in PPPs)	28 749	56 066	9 312	23 457
Trade as % of GDP	9	10	4.7	7.2
Agriculture in the economy			All countries analysed[1]	
Agriculture in GDP (%)	1.6	1.3	3.2	2.9
Agriculture share in employment (%)	2.8	1.6	-	-
Agro-food exports (% of total exports)	11.4	10.6	7.9	6.9
Agro-food imports (% of total imports)	4.4	5.4	7.7	6.8
Characteristics of the agricultural sector			All countries analysed[1]	
Crop in total agricultural production (%)	61	53	-	-
Livestock in total agricultural production (%)	39	47	-	-
Share of arable land in AA (%)	43	37	30	30

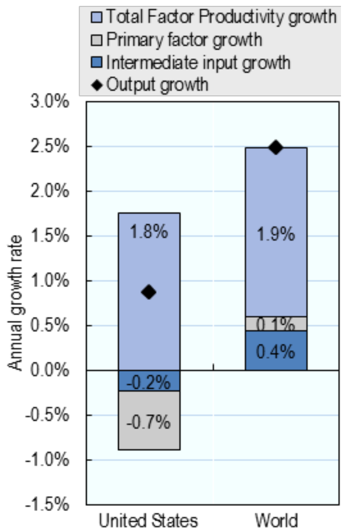
Notes: * or latest available year. 1. Relative to the total of all countries covered in this report. EU treated as one.
Sources: OECD statistical databases, UN Comtrade, World Development Indicators and national data, http://dx.doi.org/10.1787/agr-pcse-data-en.

StatLink http://dx.doi.org/10.1787/888933509666

Total factor productivity (TFP) growth has driven agricultural output growth of 0.9% a year on average over the recent decade, offsetting declining use of primary factors and intermediate inputs. TFP growth averaged 1.8% a year between 2004 and 2013, similar to the world average, and driven by farm consolidation and the adoption of innovations in crop and livestock breeding, nutrient use and pest management, farm practices, and farm equipment and structures. The high productivity growth realised by US agriculture has been achieved with an overall reduction in environmental pressures from the sector. Nutrient surplus intensities at the national level have declined and are at similar levels as the average for OECD countries. Agriculture's share in energy use is below the OECD average, as are GHG emissions. However, water stress in the United States is above the OECD average. Almost half of agro-food imports are processed products for final consumption, while over half of agro-food exports are destined for industry, predominantly as primary products.

Figure 2.24.3. Composition of agricultural output growth

2004-13 average

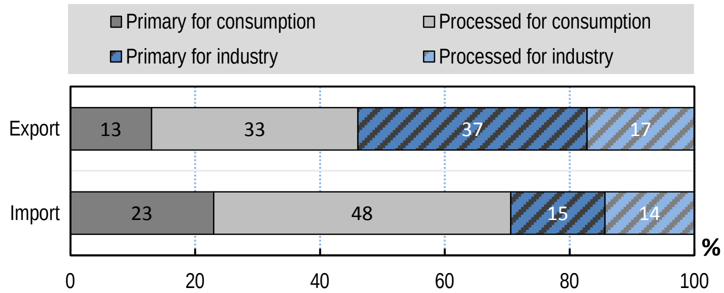


Primary factors comprise labour, land, livestock and machinery.

Source: USDA Economic Research Service Agricultural Productivity database. Available at: www.ers.usda.gov/data-products/international-agricultural-productivity/documentation-and-methods.aspx#excel.

StatLink http://dx.doi.org/10.1787/888933508222

Figure 2.24.4. Composition of agro-food trade, 2015



Source: UN Comtrade Database.

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Table 2.24.2. Productivity and environmental indicators

	United States		International comparison	
	1991-2000	2004-13	1991-2000	2004-13
			World	
TFP annual growth rate(%)	2.10%	1.76%	1.58%	1.89%
			OECD average	
Environmental indicators	1995	2015*	1995	2015*
Nitrogen balance, kg/ha	37	32	33	30
Phosphorus balance, kg/ha	3.6	2.3	1.8	1.9
Agriculture share of total energy use (%)	1.1	1.3	1.8	1.9
Agriculture share of GHG emissions (%)	8	8	8.7	8.7
Share of irrigated land in AA (%)	5.3	5.5	-	-
Share of agriculture in water abstractions (%)	41	36	45	42
Water stress indicator	18.8	20	10	10

Notes: * or latest available year. EU treated as one.

Sources: USDA Economic Research Service. OECD statistical databases, UN Comtrade, World Development Indicators and national data, http://dx.doi.org/10.1787/agr-pcse-data-en.

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Description of policy developments

Main policy instruments

The Agricultural Act of 2014 (2014 Farm Bill) provides the basic legislation governing farm programmes for the period 2014 to 2018 (and beyond 2018 in the case of some provisions). The 12 titles of the 2014 Farm Bill authorise policies for commodity programmes, crop insurance, conservation on agricultural land, domestic food assistance, agricultural trade promotion and international food aid, farm credit, rural development, agricultural research, forestry on private lands, horticulture and organic agriculture, and bioenergy, among others. Almost 80% of budgetary spending under the 2014 Farm Bill is allocated to domestic food assistance programmes – primarily, the *Supplemental Nutrition Assistance Program* (SNAP) – with farm programmes accounting for just over 20% of the projected budgetary outlays.

Agriculture in the United States is also affected by a wide range of other legislation, at both Federal and local levels, including trade measures, food safety regulation, commodity trading and finance, tax policy, energy, and transportation.

The primary crop commodity programmes under the 2014 Farm Bill include programmes that make payments to producers with historical base acres of programme crops (wheat, feed grains, rice, oilseeds, peanuts and pulses) when prices fall below statutory minimums or when crop revenue is low relative to recent levels. *Price Loss Coverage* (PLC), a counter-cyclical price programme, makes a payment when market prices for covered crops fall below their fixed reference prices. *Agriculture Risk Coverage* (ARC), a revenue-based programme, makes a payment when actual revenue falls below rolling average benchmark revenues. For both programmes, payments are made on 85% of base acres. Participating producers made a choice in 2014 between the PLC and ARC programmes on a commodity-by-commodity basis, which then remains in place through 2018.

Sugar is supported by a tariff rate quota (TRQ), together with provisions for non-recourse loans and marketing allotments. Milk and dairy products are no longer supported by minimum prices with government purchases of butter, skim milk powder and cheddar cheese, but tariffs and TRQs continue. A new programme for dairy producers, the *Margin Protection Program for Dairy Producers* (MPP-dairy), insures the margin between milk price and feed costs on historical milk production for a premium. The related *Dairy Product Donation Program* (DPDP) makes purchases of dairy products for feeding programmes under certain conditions. Marketing assistance loans continue for wheat, feed grains, cotton, rice, oilseeds, pulses, wool, mohair and honey, as do border measures (including TRQs) for beef and sheep meat and some other products, although US agricultural tariffs are generally low.

The crop insurance programme covers both yield and revenue losses. Traditional crop insurance makes available subsidised crop insurance to producers who purchase a policy to protect against losses in yield, crop revenue, or whole farm revenue. In addition, the *Supplementary Coverage Option* (SCO) offers producers additional area-based insurance coverage in combination with traditional crop insurance policies (but excluding crops for which producers have elected to participate in the ARC programme). The *Stacked Income Protection Plan* (STAX) provides premium subsidies to upland cotton producers to purchase area-based revenue insurance policies (cotton is not covered by the PLC and ARC commodity programmes). Participants in the STAX programme may not purchase SCO policies for the same upland cotton acreage.

At the federal level, agri-environmental programmes focus on measures to: convert environmentally fragile cropland to approved conservation uses (including long-term retirement); and encourage crop and livestock producers to adopt practices that reduce environmental problems. Since the enactment of the 1985 Farm Act, eligibility for most federal commodity programme payments is subject to the recipients having established an individual farm-based conservation plan to protect highly erodible cropland and wetlands; since the 2014 Farm Act, eligibility for crop insurance premium subsidies have been subject to the same requirement.

Other farm programmes include direct and guaranteed loans – including microloans – for farmland purchase, and operating credit designed to assist producers who face difficulty obtaining credit on their own in the private market, particularly beginning, veteran, and socially disadvantaged farmers. Farm Bill programmes also support public agricultural research and technical assistance, including programmes targeted specifically to specialty crops, organic production, and pest and disease prevention, as well as promotion of sustainable farming practices.

Ethanol and other biofuels production are mainly supported in the form of mandated fuel use, and loan and grant programmes.

Domestic policy developments in 2016-17

Most of the provisions of the 2014 Farm Bill were fully implemented by 2015 and remained unchanged in 2016. However, several programmes have seen adjustments or expansions. Other policy developments in 2016-17 include one-off assistance to cotton producers for anticipated cotton ginning costs, and the passage of a mandatory labelling law for genetically modified food ingredients.

The *Margin Protection Program* (MPP) for dairy producers provides **direct payments** when the difference between milk prices and feed costs falls below a minimum level. Producers elect how much of their historic production will be covered and at what margin, and pay a premium for coverage above the basic catastrophic level. To encourage participation and allow dairy producers to make well informed coverage election selections, the annual registration and coverage election period for the 2017 programme was extended beyond the original September deadline and remained open until 16 December 2016. Changes were also made to MPP-dairy with a view to facilitating the intergenerational transfer of dairy farm businesses. From April 2016, dairy operations enrolled in the MPP may increase their production history under the programme to account for the restructuring of a dairy operation that results from children, grandchildren, or their spouses joining the operation. A dairy operation has the opportunity to make use of the option until 2018.

The *Cotton Ginning Cost Share* (CGCS) programme provided one-off, cost-shared assistance to cotton producers to help with anticipated ginning costs. Payments were based on a producer's 2015 cotton acres, multiplied by 40% of the average ginning cost for each production region. Producers were required to meet eligibility requirements, including active engagement in farming, conservation compliance, and adjusted gross income limits and payments were limited to USD 40 000 per producer. Payments to producers totalled just over USD 300 million.

In 2016, the USDA's Farm Service Agency (FSA) announced changes to programmes that facilitate **farm access to credit**, and announced new programmes, including for beginning, small, and underserved farmers, and specialty crop producers, among others.

In January 2016, the FSA began offering farm ownership loans under the three-year old *Microloan Program*, which is designed to help beginning, small, and underserved farmers secure loans. Previously, microloans were available only for farm operating loans and to cover living expenses while establishing a new farm operation. Under the expansion, microloans of up to USD 50 000 are available for farm land and building purchases, and for soil and water conservation improvements.

In October 2016, FSA introduced *EZ guaranteed loans*, a programme that streamlines applications for farm operating and ownership loans of up to USD 100 000 for beginning, small, underserved and family farmers. The programme also introduced a new category of approved lenders, microlenders, who can offer EZ guaranteed loans up to USD 50 000. The new microlender category, which includes Community Development Financial Institutions and Rural Rehabilitation Corporations, is intended to help reach urban farmers and underserved producers.

In September 2016, the FSA received approval from Congress to reprogramme farm loan funds to leverage up to USD 185 million in additional lending for direct and guaranteed operation loans. The reprogramming allowed the agency to address its projected shortfall of funds before the end of fiscal year 2016. The shortfall in funding for already approved loans was the result of record demand for FSA farm loans.

In April 2016, the FSA announced changes to the *Farm Storage Facility Loan* to help farmers purchase portable storage and handling equipment, including conveyers, wash and pack equipment, scales, refrigeration units, and trucks than can safely store commodities before delivery to markets. The programme also offers a new microloan option with reduced costs and streamlined application for producers seeking less than USD 50 000.

On **crop insurance**, USDA's Risk Management Agency (RMA) introduced a *Margin Protection* insurance product that provides coverage against an unexpected decrease in operating margin (revenue less costs). Margin Protection is area-based, using county-level estimates of average revenue and input costs to establish the amount of coverage and indemnity payments. Margin Protection is available on its own or in conjunction with a Yield or Revenue Protection policy. Coverage for the 2016 crop year included rice in selected counties in six states (Arkansas, California, Louisiana, Mississippi, Missouri, and Texas), corn and soybeans in all counties in Iowa, and wheat in selected counties in four states (Minnesota, Montana, North Dakota, and South Dakota). The RMA also expanded the availability of premium price elections for crop insurance coverage on organic crops for 24 additional crops, including barley, rice and wheat.

On **natural resources and environmental measures**, beginning January 2016, producers may terminate *Conservation Reserve Program* (CRP) contracts early without penalty on eligible land (land determined to be least environmentally sensitive) if the land is sold or leased, with an option to buy, to a beginning farmer or rancher. The purpose of the programme is to facilitate access to land for beginning farmers and ranchers.

The *Conservation Stewardship Program* (CSP) supports ongoing and new conservation efforts for producers who meet stewardship requirements on working agricultural and forest lands. In September 2016, the USDA's Natural Resources Conservation Service (NRCS) announced changes to the CSP that include redesigned planning and evaluation tools and an expanded array of new enhancements that take advantage of emerging trends to provide producers with more options for conservation practices on working lands. New tools allow producers to better evaluate their conservation options using cost projections and indicators of how best to meet stewardship thresholds and to better integrate with the suite of NRCS programs. The updated programme will also increase local input from State Technical Committees and local workgroups to inform and expand conservation strategies under the programme and develop local ranking priorities and targeted resource concerns.

On **food labelling**, the Safe and Accurate Food Labeling Act came into force on 29 July 2016, which requires the Secretary of Agriculture to establish a national disclosure standard for bioengineered foods. The new law establishes the framework for the labelling of food products containing bioengineered or genetically modified organism (GMO) ingredients, allowing for three options: on-package text, on-package use of a USDA-developed symbol, or a QR code that can be electronically scanned. The Secretary of Agriculture is required to develop specific rules for the labelling over the next two years.

Trade policy developments in 2016-17

The United States signed the **Trans-Pacific Partnership** (TPP) agreement on 4 February 2016 to create a regional trading bloc with 11 other countries (**Australia**, **Brunei**, **Canada**, **Chile**, **Japan**, **Malaysia**, **Mexico**, **New Zealand**, **Peru**, **Singapore**, and **Viet Nam**). However, the agreement was never ratified by Congress and the United States withdrew from the agreement on 23 January 2017. Negotiations continued with the **European Union** on the **Transatlantic Trade and Investment Partnership** (TTIP). The fifteenth round of negotiations between the European Union and the United States took place on 3-7 October 2016. As part of the outstanding issues, wine, spirits and export competition were discussed. Specific export interests as regards tariffs were flagged while products identified as most sensitive were not reviewed. No new elements were presented on specific non-tariff issues.

On 13 September 2016, the United States initiated **WTO dispute** proceedings against China regarding its domestic support measures for agricultural producers of, among other crops, wheat, indica rice, japonica rice, and maize (WTO, 2016a). The parties held consultations in Geneva in October, failing to resolve the dispute; in December, the United States thus asked the Dispute Settlement Body to establish a WTO panel to hear its complaint over China's grain subsidies. In mid-December 2016, the United States filed a new complaint against China's administration of TRQs for rice, wheat, and maize (WTO, 2016b).

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