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GAIN Report #E23038

## **European Union**

### **Oilseeds and Products**

## **EU to Pursue Complaint Against US Soybean**

### **Subsidies**

## **2003**

Approved by:

**Melinda Sallyards**

**U.S. Mission to the European Union, Brussels**

Prepared by:

Christine Strossman

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#### **Report Highlights:**

**On March 12, 2003, the European Commission adopted a Decision to open an examination procedure in response to a complaint by the European Oilseed Alliance (EOA) about US soybean subsidies.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Brussels USEU [BE2], E2

On March 12, 2003, the European Commission adopted a Decision to open an examination procedure in response to a complaint by the European Oilseed Alliance (EOA) about US soybean subsidies. Details about the organization and its complaint were first reported in GAIN report # E23003 of January 7, 2003.

The complaint was filed under the EU's "Trade Barriers Regulation" which requires the Commission to act upon a complaint by a citizen or group who says they are affected by a trade barrier. The Commission has completed its initial 45 day review of the complaint to ensure that it meets the criteria of the regulation and has now decided to pursue the complaint by opening an "examination procedure." This procedure should be completed within 5 to 7 months of its announcement in the Official Journal. If the examination shows it is warranted, further action could then be taken, including bilateral negotiations or WTO consultations. Full details can be found in Council Regulation 3286/1994, web link:  
[http://europa.eu.int/smartapi/cgi/sga\\_doc?smartapi!celexapi!prod!CELEXnumdoc&lg=EN&numdoc=31994R3286&model=guichett](http://europa.eu.int/smartapi/cgi/sga_doc?smartapi!celexapi!prod!CELEXnumdoc&lg=EN&numdoc=31994R3286&model=guichett)

The details of the complaint and the Commission's initial review are expected to be published in the Official Journal on March 13, 2003. The announcement will also state the period within which interested parties may supply written comments to the Commission regarding the complaint. The comment period is expected to be 30 days from the publication date. The Commission will also formally notify the US Government through the EU Commission Delegation in Washington, DC, which is expected by the end of this week. During the examination procedure, the Commission will research the complaint and check information as deemed necessary with importers, traders, agents, producers, trade associations and organizations, with their consent. The Regulation also provides for the Commission to carry out investigations in the territory of third countries, provided that the governments of the countries have been officially notified and raise no objection within a reasonable period.

The EOA complaint focusses on US loan rates, marketing loans, direct payments and contra-cyclical payments for soybeans under the Food Security and Rural Investment Act of 2002 as well as similar provisions and the AMTA payments under the previous Farm Bill. The EOA claims that these US programs are contrary to the US' obligations under Articles 5 and 6 of the WTO Agreement on Subsidies and Countervailing Measures and that they represent a barrier to trade under Article 2 of the EU's Trade Barrier Regulation. In the initial review, the Commission has determined that it is in the interest of the Community to open the examination procedure citing the importance of oilseed support issues during the Uruguay Round negotiations and the fact that agriculture is again under discussion in the Doha Development Round.