

1.1 Text of Article 2 and Annex 1 .....	1
1.2 General .....	2

This Agreement applies to the products listed in Annex 1 to this Agreement, hereinafter referred to as agricultural products.

1. In \_\_\_\_\_, the Panel referred to Article 2 in finding that the Agreement on Agriculture was applicable in that case:

"Both complainants invoke the Agreement on Agriculture. Article 2 of this agreement provides that it applies to the agricultural products listed in Annex I. The 'agricultural products' set out in Annex I include the products at issue in this dispute (butter, cheese and 'other milk products'), all of which fall under HS Chapter 4. We thus find that the Agreement on Agriculture applies to the issue at hand."<sup>1</sup>

2. In \_\_\_\_\_, the Panel noted that:

"[T]he Chilean PBS applies exclusively to agricultural products, as defined in Annex 1 to the Agreement on Agriculture. Consequently, the provisions of the Agreement on Agriculture are applicable to the Chilean PBS."<sup>2</sup>

3. In \_\_\_\_\_, the Panel observed that "Article 2 and Annex I of the \_\_\_\_\_ set out the product coverage of that agreement; the core distinction between "scheduled" and "unscheduled" products is rooted in the scheduled commitments under the \_\_\_\_\_".<sup>3</sup> The Panel concluded that upland cotton, and the other agricultural products eligible under the export credit guarantee programmes at issue, are products covered by the Agreement on Agriculture.<sup>4</sup> The Panel in \_\_\_\_\_ also referred to Article 2 as relevant context for the purpose of interpreting the term "commodity" in Article 13(b)(ii):

"The word 'commodity'

"This close link to the Harmonized System is particularly true for agricultural products.<sup>7</sup> Annex 1 to the , which forms an integral part of that Agreement , defines the product coverage of that Agreement by reference to headings of the Harmonized System, both at the level of whole chapters and at the four-digit level in respect of specific products. Moreover, it is undisputed that the Uruguay Round tariff negotiations for agricultural products were held on the basis of the Harmonized System and that all WTO Members have followed the Harmonized System in their Schedules to the GATT 1994 with respect to agricultural products."<sup>8</sup>

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<sup>7</sup> ( ) In response to questioning at the oral hearing, the participants noted that the so-called Modalities Paper provides that market access commitments relating to agricultural products had to be based on the Harmonized System. (Articles 3(3)(i) and 3(3)(ii) of the Modalities for the Establishment of