

## **WTO asks U.S. to lower farm subsidy ceiling further**

Reuters, Guardian.co.uk (Adds details, U.S. official)  
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GENEVA -- A compromise proposal to break a deadlock in talks on a global trade deal would require the United States to lower its ceiling on farm subsidies to about \$14.5 billion, sources familiar with the talks said on Friday.

The United States said on Tuesday it was ready to cut its ceiling for trade-distorting farm subsidies to \$15 billion a year to help unblock the World Trade Organisation talks.

A U.S. official, speaking on condition of anonymity, said the U.S. offer still stood at \$15 billion, compared to its current ceiling of \$48.2 billion under WTO rules.

"We have always signalled that additional flexibility is contingent on an entire package containing additional market access," the U.S. official said.

Under the compromise proposal, the EU would be required to lower its ceiling for trade-distorting farm subsidies by 80 percent to 24 billion euros (\$37.7 billion) although that figure was within the scope of reforms already approved by the EU.

Trade ministers from around 30 countries are in Geneva this week to try to reach a breakthrough in nearly seven-year-old world trade talks. A smaller group comprising the United States, the European Union, Brazil, India, China, Japan and Australia have been struggling for days to agree on terms for cutting farm subsidies and tariffs on both agricultural and manufactured goods.

The United States, a major agricultural exporter, has insisted that developing countries make improved offers to open their markets in exchange for subsidy cuts.

*(Reporting by Jonathan Lynn, Robin Pomeroy, William Schomberg and Doug Palmer)*