



This is the latest edition of the Canadian Agri-Food Trade Alliance (CAFTA) Trade Policy Update. You are receiving this update either because you expressed an interest in receiving updates on WTO and other trade negotiations, or because your name was suggested to CAFTA. Should you wish to discontinue receiving the Trade Policy Update, simply send an email to office@cafta.org requesting that your contact information be removed from the distribution list

The Canadian Agri-Food Trade Alliance represents producers, processors and exporters of agriculture and agri-food products. Accounting for over 80% of Canada's agriculture and food exports, and more than 50% of farm cash receipts, CAFTA's members are united in their dependence on trade, and in their need for a liberalized international trading environment.

Next Step – A Revised Text

Agriculture negotiators from WTO member countries got an early start on 2008, returning to Geneva on January 3rd. An intense period of negotiations, intended to close the gaps on some of the remaining issues, carried through to Friday, January 11th.

A delegation representing Canadian export interests travelled to Geneva for the week of January 7th. Industry representatives from the Canadian Cattlemen's Association, Canadian Pork Council, Canada Pork International, Alberta Barley Commission and CAFTA were joined by a representative of Alberta Agriculture.

The discussions, carried out in both Room E and in smaller groups, focused on all three pillars of the Doha Round – domestic support, export competition and market access. Perhaps the most detailed and intense discussions dealt with the remaining market access issues.

The level of commitment and engagement from member countries remains very high; the United States, European Union, Australia, Japan, New Zealand, Brazil and Canada have continued to take prominent roles in the process.

The negotiations and discussions continued to press forward with some key breakthroughs noted in the latter part of the week of January 7th.

In a significant development, the European Union announced they would be prepared to consider the elimination of the special safeguard, subject to some conditions. This is the first time the Europeans, long a staunch supporter of the safeguard, have indicated they would be willing to compromise on this point.

On another front, Canada's negotiators were able to raise the question of differential export taxes – a significant concern for Canada's oilseed sector. For the first time, the Japanese delegation spoke in favour of Canada's position on this matter, a marked departure from their previous posture.

Canadian positions on tariff simplification, tariff quota administration and tariff underfill mechanisms also appear to be gaining traction and support from member countries.

In the short term, these moves and announcements may provide some momentum on the individual points. In the longer term, and perhaps more importantly, these moves would suggest that member countries now see an agreement is attainable.

Continued on page 2

Next Step continued

Looking forward, Ambassador Crawford Falconer has committed to drafting and releasing a revised modalities text. The text will “close the gaps” on the July 2007 working text, based on the agreements and convergence reached in the last several months. The text will lay out the framework, and the necessary conditions, for a long awaited agreement on agriculture.

The revised text is likely to be released in the first week of February; the text will be made available to member countries for review and initial comment. Following that stage, a period of negotiations are planned – beginning with agriculture discussions and then moving on to a series of “horizontal” negotiations. The “horizontal” process will bring together the agriculture and NAMA texts along with documents on services and rules.

Based on this timeline, and assuming continuing progress, a ministerial level meeting – and a successful conclusion to the Doha Round - may be possible by the spring of this year.

CAFTA will continue to monitor developments and will be reporting on the revised text in a future issue of Trade Policy Update.

Darcy Davis Elected CAFTA President

CAFTA is pleased to announce the election of Darcy Davis as CAFTA President effective January 18th, 2008. Darcy replaces Alanna Koch, appointed as Saskatchewan’s Deputy Minister of Agriculture in November 2007.

Darcy Davis brings a wealth of experience to this role along with a passion and commitment to liberalizing global trade in agriculture and agri-food.

The members of CAFTA’s Board of Directors are committed to working with Darcy in this new role; CAFTA would like to acknowledge the efforts of Rick White, CAFTA Vice President, who capably assumed the responsibilities of the chair during the transition period.