



CANADIAN AGRI-FOOD TRADE ALLIANCE

CAFTA TRADE POLICY UPDATE

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Following 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.

Agriculture Negotiations Continue

Agriculture negotiators from WTO member countries returned to Geneva during the week of November 12th to focus on some of the key remaining issues within the negotiations process.

Considerable progress has been made since the release of Ambassador Crawford Falconer's working text earlier this year. Since early September, negotiators have focused attention on reaching convergence on the three pillars of the negotiations – domestic support, export competition and market access.

During the week of November 12th, countries initially focused attention on export competition issues, in particular remaining issues around export credit. Misuse of export credit – including the extension of “non-commercial” credit terms and repayment schedules – can serve to distort trade by providing an unfair advantage to those that benefit from the credit.

The modalities text proposed a range of measures to address this concern, including a maximum repayment period for export credit advances.

Negotiators have worked to bring convergence on the proposed measures and to develop a set of rules and parameters around export credit provisions.

Other export competition issues under discussion include food-aid and State Trading Enterprises (STE"s). Work on these areas is expected to continue in the coming weeks.

In the latter part of the week, discussions turned to sensitive products – a key consideration for the market access pillar. Once again, the working text had proposed a set of parameters for sensitive products; thoughts around the selection of sensitive products, tariff reduction and tariff quota expansion recommendations were all included.

While some progress has been noted in these areas, it is recognized that more work needs to be done. Negotiators will be focusing their attention on these issues when they return to Geneva on November 26th.

Process Set for Remainder of 2007 – Moving into 2008

On November 16th, Ambassador Crawford Falconer laid out a proposed schedule for the remainder of 2007 and early 2008.

As noted, negotiations are set to resume during the week of November 26th and are likely to continue for two weeks. It is expected that negotiators may also return to Geneva for an additional one week period in December; following a break for the holiday season, negotiations will resume for an intensive two week period beginning January 7, 2008.

Based on this schedule, it is anticipated that a final modalities text will be prepared in late January; the overall goal is to finalize an agreement on modalities in early 2008 with the possibility of a ministerial meeting in February.

CAFTA will continue to monitor the negotiations and will report on the contents of the text in a future issue of Trade Update.

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