



CANADIAN AGRI-FOOD TRADE ALLIANCE

CAFTA TRADE POLICY UPDATE

Issue 2007-3

June 18, 2007

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 a weekly update 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.

Executive Director Appointment - Alanna Koch, President of the Canadian Agri-Food Trade Alliance, is pleased to announce the appointment of Keith Lancaster as CAFTA Executive Director effective June 18, 2007. Keith Lancaster comes to CAFTA having worked in the not-for-profit sector for much of the last twenty five years. During this time he has worked for a range of organizations most recently as the founding Executive Director of the Canadian Apprenticeship Forum – Forum canadien sur l'apprentissage (CAF-FCA). His career highlights include successes in government relations and advocacy, organizational planning, program development / management and media relations. An accomplished presenter and communicator, he will bring a new perspective to CAFTA's work.

WTO Agriculture Negotiations – Negotiations on agriculture in the WTO resumed in Geneva during the two weeks from May 21 to June 1, 2007. Discussions were based on the Chairman's two "challenges" papers circulated April 30, 2007, and May 25, 2007. Although there were no major breakthroughs on any of the issues, all of the major outstanding issues were discussed and most participants seemed pleased with the progress being made. The next step will be for the Chairman to produce a more refined draft modalities paper with fewer brackets than the one released in July 2006. It is expected that this paper will be released near the end of June with intensive negotiations to follow with the objective of reaching agreement on modalities by the end of July. In the market access discussions on tariff cuts and tariff quota expansion, Canada's negotiators continued to operate under instructions that they are not allowed to participate in these discussions. It seems inconceivable that the Canadian Government would continue to insist that Canadian negotiators play no role in these discussions which will be vital to the future viability of all parts of Canada's agriculture and agri-food sector. There is now increased optimism that a WTO agreement is likely and, if that should happen, Canada will have to accept the result. Agriculture and Agri-Food Minister Strahl and International Trade Minister Emerson have previously indicated that Canada will sign on to whatever deal emerges.

CAFTA in Geneva – CAFTA’s President, Alanna Koch, was in Geneva May 29-June 1 for the market access discussions that resulted from the release of Chairman Falconer’s papers. The key purpose of CAFTA’s presence was to ensure Canada’s negotiators continue to be aware of the export interests of the Canadian agri-food industry. CAFTA also used it as an opportunity to meet with the WTO Secretariat as well as negotiators from other WTO member nations.

Chairman’s Second “Challenges” Paper – On May 25, 2007, Crawford Falconer, Chairman of the WTO Committee on Agriculture, Special Session, released his second “challenges” paper dealing with issues not covered in his first paper on April 30. Some of the more important issues dealt with in this paper are the special safeguard mechanism, tropical and diversification products, the green box, least developed countries, and tariff escalation. While these two papers have successfully provided the spark required to re-ignite the negotiating process, CAFTA continues to have some concerns with respect to the level of ambition shown by the Chairman on some of the key issues. In the second paper he seems to have all but given up on finding a solution for the problem of tariff escalation, despite the inclusion of this issue in the 2004 Framework Agreement and despite the existence of concrete and workable proposals already on the table to deal with this very serious problem. There are also concerns with the level of ambition shown for reductions in trade distorting support and his ideas for market access to developing country markets.

UPCOMING EVENTS

G4 Ministers Meeting, June 19-22

Chairman’s Draft Modalities on Agriculture Text, probably the week of June 25-29

Meetings of the WTO Committee on Agriculture, Special Session, throughout July, Geneva, Switzerland

WTO General Council Meeting, July 25-26, Geneva, Switzerland

Possible WTO Ministerial Meeting, late July, Geneva, Switzerland

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