



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 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 liberated international trading environment.

WTO Agriculture Negotiations Resume - Formal negotiations on agriculture are expected to resume the week of May 21, according to the Chairman of the Committee on Agriculture. Chairman Crawford Falconer of New Zealand made this announcement on May 7 after assessing initial reactions to the "challenges" paper he circulated on April 30. His paper challenged WTO Members to give up long-held views to make an agreement possible. In particular he called on the United States and the European Union to offer further cuts in their farm subsidies and protection. The Chairman's paper summarized the current state of play and proposed pragmatic approaches to finding solutions for many of the outstanding issues. He has indicated that he will circulate a second paper covering more issues early in the week beginning May 21. In CAFTA's view, the Chairman's paper has provided a significant step forward and an opportunity that Canada and other WTO Members cannot afford to miss. The two week session of negotiating meetings are expected to concentrate on export competition and domestic support issues the first week and market access issues the second week.

Non-Agriculture WTO Negotiations - WTO Director-General Pascal Lamy, in a speech on May 7, indicated that the recent paper by the Chair of the agriculture negotiating group is the first in a series of draft papers by chairs of the different negotiating bodies "which can become the basis for agreement". He indicated that the chairs are now working on papers in all areas of the negotiations and stressed the need to see serious substantive engagement by all WTO Members. He called on Members to support the chairs by providing constructive inputs and by showing a willingness to negotiate and to be flexible.

Cairns Group Ministerial Meeting - Cairns Group Ministers met in Lahore, Pakistan April 16-18, 2007 to assess the state of the Doha Round negotiations and consider how to contribute to a successful conclusion. They reiterated that there can be no successful outcome to the Doha Round without a substantial package of reforms for agriculture. The Ministers confirmed their willingness to work with other WTO Members to achieve convergence on the main parameters in each of the three pillars – market access, domestic support and export competition – including special and differential treatment provisions. The Canadian government, represented by Minister of International Trade David Emerson, found it necessary to enter a dissenting footnote to the section of the Communiqué dealing with sensitive products within the context of “substantial improvements for market access” for all products. The Communiqué can be viewed on the Cairns Group website at <http://www.cairnsgroup.org/index.html> .

Cairns Group Farm Leaders Meeting - Cairns Group Farm Leaders met April 16 in Lahore, Pakistan in conjunction with Cairns Group Ministers and met with the Ministers on April 17. The Farm Leaders stressed the urgent need for significant progress to be made in the Doha Round of WTO negotiations in the coming months with a view to concluding the negotiations this year. They told Ministers that the key reason that the negotiations had not yet been successfully concluded remained a lack of political leadership and vision from WTO Members with highly protected agricultural sectors. CAFTA was represented by President Alanna Koch and Vice-President Darcy Davis.

G4 Meeting – Ministers from the European Union, United States, Brazil and India (G4) met in Brussels May 17-18 and announced they stand by their commitment to reach a WTO deal by the end of the year. They stated that, “We remain committed and hopeful that our efforts, coupled with the work being done at the multilateral level in Geneva, will lead to a successful conclusion of this Round by the end of this year.” Their statement indicated that their meetings were productive and included discussions in all the core negotiating areas with a particular focus on agriculture, NAMA (non-agricultural market access) and services. A source close to the discussions stated, “The trade-offs are well defined but we are not yet at the final talks stage where we could fit all the key figures into a package.” They indicated that they will continue to hold intensive talks at the senior official and minister level in the coming weeks with a view to find convergence. They will meet again formally next month.

UPCOMING EVENTS

WTO Committee on Agriculture, Special Session, May 21- June 1, Geneva, Switzerland

G8 Summit Meeting, June 6-8, Heiligendamm, Germany

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