



CANADIAN AGRI-FOOD TRADE ALLIANCE

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NEWS RELEASE

CAFTA Stresses Importance of a Doha Agreement in Geneva

Geneva, Wednesday November 9, 2005 - "The Doha Round of agriculture negotiations is our only chance in perhaps decades to take a step towards better trade rules for Canadian farmers, processors and exporters. Canada must play a strong role in the negotiations to improve the offers that are currently on the table." That will be the message from the President of the Canadian Agri-Food Trade Alliance, Liam McCreery and Vice-President Alanna Koch, when they meet with Ministers and negotiators in Geneva this week.

CAFTA's representatives will outline the impact of current trade distortions on farmers. "Canadian grain and oilseed producers lose about \$1.3 billion annually to subsidies; and tariffs and tariff quotas cost another \$1.2 billion. Our livestock producers could be capturing over \$1.9 billion in markets without tariffs, and value added processing in Canada will not realize its full potential until borders open," said Alanna Koch. "We need an outcome to this round of negotiations that will allow our farmers and exporters to compete on a more even basis, and it's up to our Ministers and negotiators to lead the charge towards a positive outcome."

This week's negotiations are said to be critical for progress towards a deal by the end of the year. "As the pressure increases on countries to live up to their Doha Round commitments, we see a growing resistance to change," said Liam McCreery. "What is not being recognized is how bad it can get if there is no deal. That's one of the messages we hope to bring to our negotiating team and others this week."

Without an agreement, WTO member countries can actually increase the amount they spend on trade distorting subsidies. The U.S. could increase the spending in the distorting "amber" box by more than one third from its current levels, and the EU could almost double its amber support. All countries could increase spending in the distorting blue box without limit. Many countries could also increase tariffs substantially from what is being applied now, without notice or explanation.

"We need a deal that results in real and meaningful gains in market access; substantially cuts trade distorting domestic support; and eliminates all forms of export subsidies," said Liam McCreery. "Without a deal, there is a strong potential for the international marketplace to become even more distorted, with very negative consequences for Canadian agriculture and food."

CAFTA will hold a telephone news conference from Geneva on Wednesday November 9 at 2:00 p.m. Ottawa time. Media may participate by dialing 1-866-613-5220 and entering access code 9358462#.

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The Canadian Agri-Food Trade represents producers, processors and exporters of agriculture and agri-food products, as well as suppliers of agricultural inputs. Accounting for over 80% of Canada's agriculture and food exports, and more than 60% of farm cash receipts, CAFTA's members are united in their dependence on trade, and in their need for a liberalized international trading environment.



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