



CAPI

*The Canadian Agri-Food
Policy Institute*



ICPA

*L'Institut canadien des
politiques agro-alimentaires*

How to Succeed at the WTO: Focus on the Facts

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Markets for Canadian Agri-Food Products

Primary Products

Processed Products

- | | | |
|-----------------|-----|-----|
| • Canada | 67% | 73% |
| • USA | 12% | 20% |
| • Japan | 4% | 2% |
| • China | 3% | 1% |
| • EU | 3% | 1% |
| • Mexico | 2% | 1% |
| • Rest of World | 9% | 2% |
- NAFTA countries purchase 81% of Canadian primary agri-food products and 94% of processed products.

Markets for Canadian Agri-Food Products

WTO negotiating strategy must be aligned with market strategy

- Preserve advantage in NAFTA markets
- Improve access to high quality/value markets for processed products
- Eliminate export subsidies and reduce trade distorting domestic support to support marketing of primary products

Low tariffs do not equal market access

A Tale of Two Countries

- **USA is world's largest chicken market**
 - Minimal tariff
 - Minimal imports
 - Sanitary measures stop almost all chicken imports
- **Canada is world's 9th largest chicken market**
 - 7.5% TRQ
 - 238% over-quota tariff
 - 9th largest importer of chicken
 - As imports do not threaten the entire market, the industry does not pressure government to use non-tariff barriers

A Strategy for Canada

A Win for All of Canadian Agriculture

- Elimination of export subsidies by 2013
- Significant reduction of trade-distorting domestic support
- Aggressive tariff reduction formula
- Sensitive product treatment based on level of access not level of over-quota tariff
- Rules applicable to all WTO members

Don't open the champagne just yet

Post Doha Round Risks

- Uncertain access to emerging economy markets
- Increased competition in NAFTA markets
- Increased use of SPS measures
- Increased blue box and green box spending