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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.

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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

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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

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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

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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