



Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

Charles Akande, Editor

Canada's Dairy Sector Targeted at the WTO Agriculture Meeting

Canada's recent dairy trade policy was a major focus of the September 14-15 World Trade Organization's (WTO) Agriculture Committee meeting, along with India's export subsidies, Thailand's rice stocks, and China's domestic support notifications.

The meeting prompted several questions on the recent agreement signed between Canadian dairy producers and processors on ultra-filtered milk – an agreement which allows processors to buy domestic milk ingredients at world market prices. The U.S. described this as a strategy that will negatively impact the growth of their milk industry and thus, along with Australia and New Zealand, voiced concerns over Canada's policy, claiming that that it would potentially replace imported milk with domestic products.

Other WTO Members also voiced concerns with respect to the Canadian allocation of cheese tariff rate quota (TRQ). Norway, Switzerland, and New Zealand have raised this in previous meetings and reiterated their concerns with respect to Canada's decision to allocate about 800 tons of cheese from its WTO TRQ to the EU as part of the Comprehensive Economic Trade Agreement (CETA) which the three countries stressed would result in reductions of market access for non-EU exporters.

Agriculture and Agri-Food Canada's Deputy Director, WTO Negotiations, May Chow stressed that the decision on ultra-filtered milk was industry-driven, one in which the Canadian government had not been part of, adding that the details of this new initiative remain to be finalized.

With respect to the WTO cheese TRQ, Chow reminded the Agriculture Committee that the current allocation practice is in conformity with Canada's WTO obligations.

Agriculture Talks to Resume in October

At the September 4-5 summit of the G-20 in Hangzhou (China), leaders pledged to achieve "positive outcomes" at the WTO's 11th Ministerial Conference (MC11), which is expected to be held in December next year. There, WTO members "commit to advance negotiations on the remaining Doha Development Agenda (DDA) issues as a matter of priority, including all three pillars of agriculture (market access, domestic support, and export competition)."

One of those potential positive outcomes could take the form of an agreement on domestic support which, according to the Chair of the agriculture negotiations, New Zealand Ambassador to the WTO, Vangelis Vitalis, appears to be the clear priority for the majority of the Membership.

Trade-distorting domestic support, to be precise, is actually what Members are targeting, given the current levels of this type of support being noticeably lower due to high commodity prices and various agricultural reforms already being undertaken by some countries or group of countries such as the EU with its CAP reform.

It is recognized that the latest and most recent notification of Members' domestic support levels would tremendously help get the discussion rolling, serving as the basis for the negotiations. The WTO's Agriculture Committee addressed this issue at the September 14-15 meeting.

There, China was pressed by the likes of Canada, the EU, Japan, and the U.S. to swiftly update its most recent domestic support levels as its last notification dates back to 2010. China informed the Committee that its most recent notification was under way. However, China had rejected the idea that it would have to do more in the subsidies reduction department in previous meetings, citing its status as a developing country.

The discussion on the post-Nairobi (MC10) work programme is expected to intensify this fall with a view of clarifying what could be delivered at MC11. It is with this in mind that Ambassador Vitalis is planning to resume his full Membership agriculture talks this October.

Geneva Watch is published by Dairy Farmers of Canada, Chicken Farmers of Canada, Egg Farmers of Canada, Turkey Farmers of Canada and Canadian Hatching Egg Producers to report on the various events occurring in Geneva, particularly on the WTO negotiations on agriculture.

For more information or comments, please visit: dairyfarmers.ca, chickenfarmers.ca, eggfarmers.ca, turkeyfarmersofcanada.ca, chep-poic.ca

Legal Deposit: National Library of Canada, ISSN 1496-9254



Dairy Farmers
of Canada
Les Producteurs laitiers
du Canada



Chicken Farmers
of Canada
Les Producteurs de
poulet du Canada

EGG FARMERS
OF CANADA
Dedicated to Quality



LES PRODUCTEURS
D'ŒUFS DU CANADA
Dédiés à la qualité



TURKEY FARMERS
OF CANADA
LES ÉLEVEURS DE DINDON
DU CANADA

Canadian
Hatching Egg
Producers



Les Producteurs
d'œufs d'incubatio
du Canada