

## Agriculture

Manitoba farmers will benefit from the agricultural section in the agreement. For agriculture, there was a recognition that special rules were required. While access will be more open and more secure, our supply management and marketing systems for dairy and poultry are not affected. Canada has maintained the right to implement new supply management programs and import controls.

The government had three objectives in the agricultural area: to improve access for farm products; to make that access more secure; and to preserve Canada's agricultural policy instruments. The agreement meets all three objectives. Nothing in the agreement will in any way affect the right of the federal government and the provinces to introduce and maintain programs to protect and stabilize farm incomes.

Of special interest to Manitoba farmers is the exemption of each other from restrictions under their respective meat import laws, thus ensuring free trade in beef and veal. The meat and meat processing sector represented over \$55.5 million of exports in 1986. No longer will the U.S. be able to block exports by triggering meat import restrictions. In addition commitments on technical regulations will ensure that North Dakota and other midwestern states will not again be able to halt exports of live hogs by abusing technical regulations as disguised barriers to trade, as they did with chloramphenicol in 1985.

While Canada agreed to the elimination of import licences for wheat, barley and oats, this was conditional upon U.S. price support programs maintaining prices at the same level as Canadian prices. Should U.S. price support programs depress the U.S. export price, Canada can re-impose restrictions.

Poultry and egg producers will not be affected in any major way by the Canada U.S. Free Trade Agreement. Canada has agreed that the global quotas on poultry and eggs will reflect actual levels enjoyed by U.S. exporters over the past five years. There will be no actual increase in exports. Supplementary quotas have usually provided U.S. producers with more exports than are provided by the global quotas.

Canadian food processors will achieve greater and more secure access to the U.S. market as a result of the removal of U.S. tariffs. The importance to them of competitively priced inputs has been recognized. Administrative changes to poultry import quotas will be made and the two-price wheat policy will be removed to ensure that food processors are well positioned to compete in the domestic and U.S. markets.