

October 20, 1987

BACKGROUND

CANADIAN VIEWS ON THE NEGOTIATING APPROACH  
FOR AGRICULTURE

Although, in accordance with usual GATT practice, Canada is not making public any GATT negotiating documents, this note summarizes Canada's views on the negotiating approach for agriculture in the Uruguay Round of negotiations.

BACKGROUND:

The Canadian agricultural sector has a major interest in reducing trade distortions and improving the international rules governing world agricultural trade. Less distorted and more market oriented international prices would benefit Canadian producers.

There is, among agricultural trading countries, a growing consensus on the imperatives surrounding trade reform. Canada and other agricultural trading countries agree that:

- ° agricultural trade reform can only occur if there is a parallel reform of domestic policies (in particular a shift to more market-oriented support policies);
- ° reforms will be easier to implement if they are carried out on a multi-commodity basis and are part of a generalized move to improve the agricultural trading system;
- ° adjustments should be phased-in progressively over time; and
- ° governments should retain some flexibility in the choice of policy instruments (support systems vary widely between countries and it is not necessary to achieve homogeneity in agricultural policies in order to achieve agricultural trade reform).