

trade negotiations. As one might expect, the measures differ by year and by study, but in general, oilseeds, pork, and corn receive little protection; milk, eggs, and poultry consistently exhibit high, if not the highest, rates of protection; and the results for the remaining commodities are quite mixed. Four major policy areas generate most of the protection: those marketing boards that are able to control aggregate supply; grain marketing, licensing, and freight-rate regulations; stabilization or insurance programs at the federal and provincial levels; and border controls, including tariff and nontariff barriers.

Although these protectionist measures could dominate perceptions of where policy changes are most likely to occur, their importance could be misleading in two respects. First, if calculated with reference to a unilateral movement to free trade, they could overstate the degree of protection offered in Canada relative to that in the United States, a situation found in the dairy and grain sectors. Second, if the protection applies only to domestic production, its removal might not change international trade flows, as is likely to be the case with poultry and eggs. Once market access is achieved through liberalized border controls, the principle of a level playing field is only relevant to that production which is traded -- that is, with respect to explicit or implicit export subsidies.

Let us now examine existing policy measures in the major agricultural sectors and assess how FTA negotiations might require Canada to make changes in these areas.

Poultry and Eggs

The protection afforded Canadian egg and poultry producers is significant, visible, and well documented. In addition to the calculations on