

Cancun. While members failed to reach agreement in the NAMA and other negotiating groups, Canada and many other members remain committed to advancing trade liberalization in this area and achieving an end result in the Doha Round that is beneficial for all.

Canada conducted a public consultation with respect to non-agricultural market access in the summer and early fall of 2002. Since that time, various groups and individual stakeholders have provided their views. Provincial and territorial governments are consulted on a regular basis. As the negotiations proceed, input from the provinces, industry, non-governmental organizations and the general public will continue to be a valued element in the development of Canada's negotiating positions.

## AGRICULTURE

Canadian farmers and processors operate in a global marketplace, exporting \$24.3 billion and importing \$20.6 billion worth of agri-food products in 2003. Canada is the world's third largest exporter of agri-food products, after the United States and the European Union, and the fifth largest importer. Given Canada's share of global agri-food trade, Canadians have a significant interest in ensuring that the international trade rules governing agriculture are fair. The Government of Canada strives to ensure that Canadian producers and processors can obtain access to foreign markets and that they are not disadvantaged by high subsidy levels offered by other countries. For that reason, the current round of WTO agriculture negotiations is very important to Canada's agri-food sector.

Canada's initial negotiating position for the WTO agriculture negotiations was announced in August 1999, following extensive consultations with the provinces and with Canada's agriculture and agri-food stakeholders. Canada's primary negotiating objective is to level the international playing field. Canada is seeking:

- the elimination of all export subsidies as quickly as possible;
- the elimination or substantial reduction of trade-distorting domestic support; and
- real and substantial improvements in market access for all agricultural and food products.

Canada's position is that decisions about the production and marketing of Canadian products will continue to be made in Canada. For Canada's negotiating positions, visit the agri-food trade policy Web site of Agriculture and Agri-Food Canada ([www.agr.gc.ca/itpd-dpcil/indexe.html](http://www.agr.gc.ca/itpd-dpcil/indexe.html)).

During the fourth WTO Ministerial Conference in Doha in November 2001, WTO members agreed to launch a new broad-based round of multilateral trade negotiations, incorporating the ongoing agriculture and services negotiations that began in 2000. The Doha Ministerial Declaration included an ambitious mandate and timetable for the agriculture negotiations. One element of the Doha timetable was the establishment of agriculture modalities by March 31, 2003. Modalities in this context refer to the commitments that WTO members will undertake to reduce trade-distorting domestic support and export subsidies and to make improvements in market access.

WTO members were not able to agree on agriculture modalities by the March 31 deadline, given the large differences that remained on many of the central issues in the negotiations (e.g., the approach to tariff reductions, the level of ambition on reducing trade-distorting domestic support). During the spring and summer of 2003, WTO members worked at both the ministerial and official levels in an attempt to narrow those differences in preparation for the fifth WTO Ministerial Conference, which was held in Cancun from September 10 to 14, 2003.

In late July 2003, it was clear that it would not be possible to develop draft modalities in time for the Cancun Ministerial. During August 2003, a number of WTO members, including the United States and the European Union jointly, and a group of 20 developing countries that included Brazil, China and India proposed "framework" texts to guide the subsequent development of modalities.

On the basis of these and other proposals, the Chair of the WTO General Council, Carlos Pérez del Castillo, developed a draft agriculture framework to be used as the basis for discussion by ministers in Cancun. This framework set out a structure of approaches and concepts but did not include specific numbers such as percentages to be applied for reductions of tariffs and domestic support. Ambassador del Castillo's intent was that ministers would discuss and