

Canada considers the full and effective participation of developing countries in these negotiations to be an essential element in the success of the Doha Development Agenda. Experience has shown that tariff liberalization attracts increased trading activity and investment, thus contributing significantly to economic development. That said, special consideration needs to be given to developing countries' needs and priorities. Canada believes that developing countries (particularly the least developed) should be given a degree of flexibility in implementing their commitments.

## AGRICULTURE

Canadian farmers and processors operate in a global marketplace, exporting \$ 33.2 billion and importing \$ 29.5 billion worth of agri-food products in 2004. Canada is the world's fourth largest exporter of agri-food products, after the United States, the European Union and Brazil, and was the fifth largest importer in 2003. 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. Specifically, 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 will also continue to defend the ability of its producers to choose how to market their products, including through orderly marketing structures such as supply management and the Canadian Wheat Board. For Canada's negotiating position, visit the agri-food trade policy Web site of Agriculture and Agri-Food Canada ([www.agr.gc.ca/itpd-dpci/english/current/inp.htm](http://www.agr.gc.ca/itpd-dpci/english/current/inp.htm)).

During the fourth WTO Ministerial Conference in Doha, Qatar, in November 2001, WTO members agreed to launch a new broad-based round of multi-lateral 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 specific rules and reduction commitments that WTO members will work out.

WTO members were unable 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. 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 in September 2003.

The Cancun Ministerial Conference, however, did not secure agreement on a framework text for the establishment of modalities on agriculture because ministers failed to reach consensus on certain other issues in the negotiations, such as investment and competition policy.

The negotiations resumed in March 2004 and intensified as WTO members worked toward achieving an agreement on an agriculture framework by the end of July. All WTO members have agreed on the July 31, 2004, agriculture framework as part of a broader package setting out the way forward for the Doha Development Agenda. The framework identifies concepts and approaches to guide negotiators in the next stage of the negotiations.