



# POLICY PAPERS

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## “The Voice of Manitoba Farmers”

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## Trade

**Date of Adoption: April 8, 1998**

Keystone Agricultural Producers initiated a series of meeting with Manitoba agricultural commodity organizations, which resulted in creation of this trade statement following the meeting held February 2, 1998. Organizations involved in this initiative were:

- Keystone Agricultural Producers
- Manitoba Broiler Hatching Egg Association
- Manitoba Canola Growers Association
- Manitoba Cattle Producers Association
- Manitoba Corn Growers Association
- Manitoba Chicken Producers
- Manitoba Egg Producers
- Manitoba Equine Ranching Association
- Manitoba Milk Producers
- Manitoba Pork Est.
- Manitoba Pool Elevators
- Manitoba Pulse Growers Association
- Manitoba Sheep Producers
- Manitoba Sugar Beet Producers
- Manitoba Turkey Producers
- Manitoba Women's Institute

Manitoba Agriculture personnel assisted in facilitation, and in drafting the trade statement, which was subsequently sent to all participating groups for approval.

This statement was adopted as the Keystone Agricultural Producers trade policy at the General Council meeting held April 8, 1998.

### **Manitoba Agricultural Organizations Trade Statement**

#### **General Statement**

Agricultural production in Manitoba will continue to undergo significant change. The production of livestock represents a growth opportunity for agriculture in Manitoba. Improved and expanding market access is essential for this opportunity to be realized. Research, varietal,

marketing and policy changes will create fierce competition for acreage in crops. However, for the agriculture sector to remain healthy, viable and progressive, producers need trade and government policies that allow us to maximize the profitability of what we produce.

### **Priority Markets**

1. The domestic Canadian market
2. US
3. Asia
4. Mexico
5. Latin America
6. Europe
7. Former Soviet Union
8. Israel

### **International Trade Strategy**

1. Canadian trade strategy must focus on what each sector needs to build its strength, rather than entering into a trade-off mentality. It must be recognized that there are a wide range of trade needs among the agricultural commodities produced in Manitoba and across Canada. Many commodities are on an import replacement basis, while others are struggling to meet fierce (often distorted) competition in the export market. One way of meeting this need is the continuation of "zero for zero" negotiations.
2. While other bilateral agreements and negotiations are an important vehicle to improve market access and enhance trade dialogue, the WTO should be the primary forum for establishing fair trade rules. The clarification and enforcement of existing rules under the WTO and the expansion of the WTO to non-member countries (particularly China) should be a priority.
3. The international harmonization of standards for SPS issues (hormones, pesticides, and health risks) and GMO products is essential to the continued success of Canadian exports.
4. Canada must be more aggressive in identifying trade distorting programs in other countries. Non-tariff barriers which limit our legal access to market must be challenged. Further, the next round of the WTO must go further to reduce identified trade distorting subsidies, especially export subsidies, and non-tariff barriers.
5. While other WTO member countries are enhancing funding for "green" and "blue" box programs, Canada has reduced expenditures in these areas. Canada must push for clarification, and narrowing of "green" and "blue" box definitions and monitor spending in these categories in competitor countries to ensure that green and blue box spending is clearly non-trade distorting.
6. The CWB has received significant international attention as a STE that "distorts" markets. This attention has been unfair and unwarranted. The international community should be encouraged to focus on STEs in all trading countries, rather than just the CWB (e.g. Commodity Credit Corporation of the U.S., Queensland Sugar Corp in Australia, Agricultural Marketing

Agency in Poland, Japanese Food Agency, Japanese Livestock Industry Corp.). Further, the principle of a producer controlled export monopoly competing against multinational corporations is important and should be stressed.

7. Trade economics should be considered when developing trade agreements. Issues such as disciplines on credit guarantees and exchange rate fluctuations may need to be incorporated into trade agreements.

8. It must be recognized that consumer, labour and environmental groups will continue to play a greater role in the success or failure of international trade. Canadian agriculture must ensure that accurate information on the health, safety, and production methods of Canadian products is provided to these groups.

9. Canada must encourage all trading countries to continue to move toward more liberalized trade agreements, while ensuring that all participants are adhering to the spirit and intent of current and future agreements.

### **Domestic Government Strategies**

1. Government regulations must be more flexible to allow the evolution of agricultural and value added production based on comparative advantage (i.e. cooperative production and contractual arrangements, more flexible quota allocation - supply managed; expansion in flour mills, gluten).

2. The CWB must be effective for producers.

3. Governments have a role to provide research, knowledge transfer, inspection and extension. Agriculture in Manitoba will not continue to expand without a greater government presence in these areas.

4. Disincentives to development should be removed from government taxation policies (i.e. provincial sales tax on production buildings, increased land taxes on manure storage units, etc.).

5. Safety net funding must be based on the relative production and price risks across Canada.

### **Producer Strategies**

1. Producers must address consumer health and other food production concerns through better consumer education. Producers and industry must ensure that the media presents a fair and balanced position on agriculture issues.

2. Producers must cease to focus solely on production, and move into processing and product market development with an emphasis on building in areas of comparative advantage. The future focus will be on "branded" products with producer involvement further into the food chain.

3. Producers and processors must work to develop relations which promotes sharing of information on markets and trade issues and allows both a fair share of the market returns. This and new cooperative/contractual arrangements would prevent producer from being "shut out" of an industry controlled by corporate interests.
4. Producers must promote research in areas identified by producer groups.