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## **WTO Stance Threatens Canadian Barley Producers**

**May 12, 2006 – (Calgary, Alberta)** A reversal in Canada’s stance at the World Trade Organization’s current round of negotiations threatens to drive prices for Canadian barley – and other grain – to new lows say two groups representing barley producers.

“An about-face by Canada’s WTO negotiating team has seriously undermined, if not completely eliminated, our ability to negotiate for cuts on other countries’ domestic support to their agricultural producers,” says Mike Leslie, general manager of the Alberta Barley Commission.

Canada’s WTO negotiation team was recently instructed “to ask for flexibility in not reducing” over-quota tariffs. The request is contrary to the efforts of a number of Canadian agricultural producer groups – called Team Alberta – that sent representatives to Geneva in April to lobby for a reduction in quota tariffs and trade-distorting subsidies.

The team included Leslie, Jeff Nielsen, president of the Western Barley Growers Association (WBGA), and Doug McBain, past president of the WBGA; Jurgen Preugschas, chairman of Alberta Pork Producers; Darcy Davis, chairman of Alberta Beef Producers; and Dale Soetaert of the Alberta Winter Wheat Producers Commission.

Leslie and Nielsen say Canadian farmers do not get anywhere near the same level of support many other countries give their farmers. Furthermore, they do not understand why the Canadian government would support the status quo of tariffs that are harming the majority of Canadian grain producers and threatening five years of WTO negotiations.

Team Alberta travelled to Geneva with “strong direction to press for change in WTO rules.” The WBGA’s Nielsen says without a WTO agreement to reduce quota tariffs and trade-distorting subsidies, Canadian producers will face a number of crippling disadvantages.

Not least would be the renewal for up to five years of the U.S. Farm Bill. In 2005, the Farm Bill put US \$10.2 billion in the hands of American corn growers. The impact of this huge subsidy distorted world coarse grain prices and helped drive Canadian barley prices to new lows.

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In 2000, the most recent year for which data is available, Agriculture and Agri-Food Canada calculated the loss to Canadian grain producers as a direct result of trade-distorting subsidies to be CND\$1.3 billion. Since that time, a number of countries have continually increased support to their farm sector with damaging impact on Canadian feed grains. Indeed, the U.S. and the European Union could increase their trade-distorting support to agriculture by as much as 32% and 50% respectively.

Nielsen says Canada's Trade and Agriculture Ministers "must engage immediately in WTO negotiations if a positive agreement is to be reached in the next six weeks." The WBGA and the Barley Commission are launching a letter-writing campaign to Prime Minister Stephen Harper and Trade Minister David Emerson urging ministerial participation in the WTO negotiations, scheduled to come to a critical point in mid-June.

The WTO's current negotiations began in 1986 at the Uruguay Round negotiations, which lasted until 1994 and were seen as a way of dealing with largely ineffective GATT rulings related to domestic and international subsidies. Negotiations intensified with the 2001 Doha Ministerial Declaration (reached in Doha, Qatar), which defined both objectives and deadlines. For the past five years, a series of difficult negotiations among developed and developing nations have addressed a wide range of views and needs of WTO-member governments such as further substantial reductions in tariffs, domestic support and export subsidies.

In March 2003, negotiators missed the deadline for producing actual targets, formulas and other "modalities" for countries' commitments. A revised framework was agreed in August 2004, but no official deadline was set. Many member countries hoped negotiations in May 2006 would result in new agreements, but in his introductory statement to the Trade Negotiations Committee on May 1, Director-General Pascal Lamy warned that finding consensus in the negotiations "remains doable, but only if a sense of urgency – which I feel is not always shared by all – starts appearing in each and every delegation."

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