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**Statement for the Standing Committee on Agriculture and Agri-Food  
on the Trans-Pacific Partnership Agreement (TPP)**

April 18, 2016

- Thank you for inviting me today to speak on behalf of CAFTA, the voice of Canadian agriculture and agri-food exporters regarding the Trans-Pacific Partnership (TPP).
- CAFTA is a coalition of national and regional organizations that seek a more open and fair international trading environment for agriculture and agri-food. Our members represent farmers, producers, processors and exporters from the major trade dependent sectors including; beef, pork, grains, oilseed, sugar, pulse, soy and malt sectors. Together, CAFTA members account for over 90 per cent of Canada's agriculture and agri-food exports, about \$50 billion dollars in exports annually and an economic activity that supports hundreds of thousand jobs in agriculture and food manufacturing.
- Because Canada enjoys such favourable conditions for food production that far exceeds the needs of our own population, the Canadian agri-food sector is primarily export-focused – we export over half of everything we produce: that includes over half of our beef, 65% of our soybean, 70% of our pork, 75% of our wheat, 90% of our canola, 95% of our pulses and 40 per cent of our processed food products.
- 65% of Canada's agriculture and agri-food exports go to the TPP region.
- **CAFTA strongly supports the TPP and believe it is integral to the future viability of Canada's export-oriented agriculture and agri-food sector. It is paramount that the TPP be ratified and implemented quickly.**
- CAFTA advocated for Canada's participation in the TPP and for outcomes that level the playing field with our global competitors in the region and provide real benefits for Canada's agriculture and agri-food exporters.
  - The TPP region represents a market of 800 million people, absorbs 65% of our exports, includes some of our top trading partners (the US, Mexico, Japan) but also includes some of our largest competitors (the US, Mexico and Australia) – and several signatories already have FTAs with each other – so the longer TPP drags, the longer we fall behind.
  - Specifically, Japan is our 3rd priority export market and a premium market that demands \$4 billion per year in Canadian agri-food products –about 10 per cent of Canada's total agri-food exports.
  - TPP countries also include fast growing emerging Pacific Rim countries such as Vietnam, Singapore and Malaysia.

- Outcomes are significant for Canadian agriculture and agri-food exporters despite the US and Japan continuing to maintain restrictive tariffs and tariff rate quotas on sugar products. Additional access to the US, Japan, Vietnam and Malaysia appear to be the major market gains for Canadian agriculture and agri-food exporters. Under a ratified TPP, tariffs will be removed or phased out upon entry into force on a wide range of export oriented agricultural commodities in key markets.
- A sample of CAFTA members' projections of the opportunities seen to be provided by the TPP include:
  - For **canola**, better trade security, more value for their products, expanded exports by up to \$780 million per year in particular into Japan and Vietnam yielding benefits to communities across the country;
  - For **pork** producers, preferential access ahead of non-TPP competitors, ability to compete in the billion dollar Japanese market where exports could climb by \$300 million;
  - Canadian **beef** producers expect to double or triple annual exports to Japan to nearly \$300 million;
  - Canadian **barley** producers could export an additional 400,000 to 500,000 tonnes of barley in various valued added forms worth about \$100 million;
  - The TPP will create new opportunities, provide a more secure trading environment, level the playing field in countries that have FTAs with members but not Canada and preserve current exports: this for 1.5 million tonnes of premium **wheat** exported to Japan, \$2.3 billion dollars of grains and special crops to Japan, Malaysia and Singapore, \$884 million dollar of **soybean** exports to TPP markets and \$340 million dollars of **pulse** exports.
  - As for Canada's **sugar** and **sugar-containing** products sector, the TPP provides welcome, though small quota increases into the restricted US sugar market. The industry is analyzing the opportunities in Japan, Malaysia and Vietnam.
  - **Beyond tariffs**, the TPP also sets a new Asia-Pacific framework for trade with rules to increase cooperation and transparency on non-tariff barriers related to sanitary and phytosanitary measures, biotechnology and plant health.
- We recognize that this agreement may do more for some than others and will not eliminate trade barriers in the region but all members are united in supporting the TPP as a significant improvement on the status quo for all Canadian agri-food exporters and for our broader economy.
- Overall,
  - It preserves Canada's privileged access to our number one trading partner- the US;
  - It secures unprecedented access to the fast-growing Asia Pacific region;
  - It provides an opportunity to maintain and enhance our competitive position in the region;
  - It provides an opportunity to obtain more value from rapidly growing Asian-Pacific markets like Vietnam and Malaysia and high value markets such as Japan;
  - It provides the opportunity to negotiate the terms of entry of potential future TPP countries such as South Korea, Taiwan, Thailand, the Philippines and others;
  - Most importantly, the TPP puts us on an equal footing with our global competitors in the TPP region.
- Canadian agriculture cannot afford to relive the destructive experience of South Korea which saw a billion dollar market cut in half virtually overnight as our competitors, the US, the European Union and Australia had their tariffs eliminated and we didn't. Ultimately, if we are not part of the TPP and other signatories are, we will lose many of these important markets. The best way to implement it quickly, is to ratify quickly.

- **The TPP will substantially increase opportunities for the hundreds of thousands of Canadian farmers, producers, processors and exporters who depend on trade and without such an agreement Canada would be ceding market share to other global competitors in the region.**

In closing,

- We firmly believe that TPP provides the net national benefit to Canada that merits this agreement being implemented quickly.