

CAFTA URGES ALL LEVELS OF GOVERNMENT TO FINALIZE CANADA-KOREA TRADE DEAL

OTTAWA , (ON) February 4, 2014 – Canadian Agri-food Trade Alliance (CAFTA) urges Canada's federal and provincial governments to complete a Canada-Korea Free Trade Agreement (FTA) to make Canadian exporters once again competitive in South Korea.

Canada has lost significant market share in recent years while Korea has concluded FTAs with Canada's key competitors, namely the European Union in 2011 and the United States in 2012, and most recently Australia. South Korea is currently negotiating FTAs with its other key trading partners in New Zealand and Mexico.

Korea imports over 70 per cent of its food and, until a few years ago, Canada was a preferred supplier for many agri-food products.

"The benefits from an FTA with Korea are real and substantive for our country's national and provincial economies," said Lisa Skierka, President of CAFTA. "In the agri-food industry, we directly employ close to 500,000 Canadians and represent 80 per cent of Canada's agriculture and agri-food exports—and we are asking for a level playing field that simply does not exist today."

Since 2011, Canada's agriculture and agri-food exports to Korea have plunged by about 50 per cent, from a level exceeding \$1 billion prior to our competitors' FTAs coming into effect. Without a Korean FTA our agri-food exports are faced with tariffs as high as 50 per cent, and in some cases 200 per cent, while our main competitors have had their tariffs eliminated or phased out completely.

"It's not too late for Canada to regain its access to the Korean market, but we are running out of time," said Skierka. "The food processing sector is the largest manufacturing employer in Canada. We have all felt the losses of the past few years and now it is time to get back on track."

Quick Facts on Canada-Korea Agri-Food Trade History *Prior* to 2012:

- Canadian grain exports were \$479 million a year. Today they are less than \$100 million.
- Canadian pork exports were \$233 million a year. They have fallen to under \$129 million.
- Canadian beef exports were \$96 million a year. Today, they are \$10 million.

CAFTA urges Canada's federal and provincial governments to help Canadian agriculture and agri-food exporters regain competitive access to South Korea. Canada's farmers and the people who work in the agri-food industry have already paid a price for the delay in the conclusion of the negotiations with South Korea. The Canadian disadvantage will widen further every year that our country continues to lag behind its competitors. Swift conclusion of a Canada-Korea FTA will renew prosperity in the agriculture and agri-food sector, 90 per cent of which are dependent on, or supported by, export markets.

CAFTA is a coalition of national and regional organizations that support a more open and fair international trading environment for agriculture and agri-food. CAFTA's members include producer organizations, processors, marketers and exporters from the major trade dependent sectors in Canada. Together, these sectors produce almost 80 per cent of Canada's agriculture and agri-food exports, conduct about \$40 billion in business annually and directly employ close to 500,000 Canadians.

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