

CAFTA Trade Insights

CAFTA: The Voice of Canada's Agriculture and Agri-Food Exporters

Latest News

Canadian exports at risk when US first to free trade agreements

News that the U.S. is poised to launch a bilateral trade deal with Japan after bowing out of the Trans-Pacific Partnership should be a wake-up call for Canada to implement trade agreements with Asia-Pacific economies or we'll be left behind.

While threats about NAFTA and other policy changes south of the border take up most of the oxygen in Canada, equally important is the need to focus on the pace at which others are moving on with their own bilateral trade deals. For Canada, this means there is serious risk to our exports and the jobs they support if we don't step up our game.

Read more in CAFTA's latest opinion piece: <http://cafta.org/opinion-pieces/canadian-exports-risk-america-first-free-trade-agreements/>



CAFTA backs CETA – with conditions

February 13th, Canada's House of Commons passed Bill C-30, the Canada-EU Comprehensive Economic and Trade Agreement (CETA) Implementation Act. The Canadian Senate considered it at First and Second Readings on February 14th and 16th. On February 15th, members of the European Parliament approved CETA with a vote of 58 per cent in favour, paving the way for the deal's possible ratification as early as April or May 2017.

Canada's agriculture and agri-food exporters welcome the positive result of the European Union vote to ratify the CETA while noting the importance of addressing important outstanding issues. CAFTA has expressed support for the CETA as the EU market has the potential to result in significant benefits for agri-food exporters. Today, sticking points remaining – related to EU treatment of crop input products, such as biotechnology, and Canadian meat processing systems – are serious issues that need to be addressed before the agreement can deliver on its potential.

As a result, Canadian agriculture and agri-food exporters back CETA but CAFTA wants the government to commit to a strong advocacy strategy and a comprehensive implementation plan for agriculture and agri-food exporters that will deliver real access for Canadian companies once the trade doors are opened. CAFTA is disappointed that the House of Commons Standing Committee on International Trade did not include CAFTA's concerns in its report on Bill C-30.

Read CAFTA's statement on the CETA ratification vote [Canadian agriculture and agri-food exporters back CETA - with conditions.](#)

NAFTA: CAFTA and Canadian business unite to support Canada-U.S. trade

President Trump's promise to renegotiate NAFTA has many asking questions. Ottawa, too, has said it is open to renegotiating the agreement. Since NAFTA's implementation over 20 years ago, North American GDP has more than doubled¹. The U.S. remains our largest trading partner, absorbing over 52 per cent of our exports², although that share has gone down as exporters have diversified markets to reduce reliance on one large market and get better value for their products. What will happen with NAFTA is still a question mark. CAFTA and its members will continue working hard to make lawmakers understand how trade benefits both Canada and the U.S.

In a [statement](#) CAFTA, the Canadian Chamber of Commerce and 20 business associations pledged to work with the Canadian government to ensure that U.S. legislators are aware of the millions of jobs on both sides of the border that depend on the Canada-U.S. relationship.

Trans-Pacific-Partnership future uncertain

Now that the U.S. has formally withdrawn from the TPP, the future of the deal or of a deal amongst the 11 remaining willing partners is not known. While some feel the TPP is on its last legs, there are others who believe in the agreement's considerable merits. In fact, all the signatories outside the U.S. remain willing partners and none have withdrawn. Japan has now ratified it. Australia, New Zealand and others are moving forward with their legislative proceedings. There is now also discussion among some TPP countries about more bilateral agreements.

Canada's Trade Minister will be attending a mid-March summit hosted by Chile on how to advance trade in Asia-Pacific now that Donald Trump has pulled the U.S. out of the TPP. It is not known whether the countries at this meeting could use the TPP as the basis of a new agreement without the U.S. CAFTA remains engaged with negotiators from Global Affairs Canada and Agriculture and Agri-Food Canada. More updates will be provided as they become available.

Discussions about deeper trade ties between Canada and China

There are discussions about possible engagements between Canadian and Chinese officials in the near future related to the start of the exploratory talks towards a free trade agreement. The talks follow an agreement in September 2016 between Canada's Prime Minister, Justin Trudeau and the Premier of China, Li Keqiang. The two leaders agreed to launch exploratory discussions for a possible Canada-China Free Trade Agreement.

Last week, CAFTA released a report entitled "Chasing China - Expanding Canada's Agri-Food Exports to China", which outlines the potential for expanding trade in a market that accounted for \$5.6 billion in Canadian agri-food and agri-food exports last year. The report describes the growing opportunity in China for Canada's agri-food exports, and how this opportunity could be met if tariffs and non-tariff barriers were eliminated. Currently, agri-food exports to China are already significant - China demands one third of Canada's canola exports and represents an important market for soybeans, pulses, wheat, barley, beef and pork. The report also points out that Canadian exporters continue to face serious barriers that are hampering growth. For example, tariffs and non-tariff barriers reduce the range of products that can be exported and raise uncertainty for exporting businesses.

The report "Chasing China - Expanding Canada's Agri-Food Exports to China" can be accessed at cafta.org.

¹ Results : North Americans Are Better Off After 15 Years of NAFTA http://www.naftanow.org/results/default_en.asp

² Statistics Canada, CATSNET Analytics



CAFTA ACCA

Canadian Agri-Food
Trade Alliance

Alliance canadienne
du commerce
agroalimentaire

On Parliament Hill

Cabinet Shuffle

The recent Cabinet shuffle saw Chrystia Freeland appointed as Canada's new Minister of Foreign Affairs. Minister Freeland took with her the U.S. file and will be responsible for NAFTA. CAFTA has enjoyed an excellent relationship with Minister Freeland and we look forward to continuing a productive dialogue.

The new Minister of International Trade is François-Philippe Champagne (Saint-Maurice–Champlain, Quebec), formerly Parliamentary Secretary to the Minister of Finance. His experience in the law, business and international trade will stand him in good stead in this new role. CAFTA will work with Minister Champagne on files such as the Canada-EU CETA, the Canada-China exploratory discussions as well as the importance of implementing the benefits achieved through the TPP negotiations.

MP Pamela Goldsmith-Jones is the new Parliamentary Secretary to the Minister of International Trade.

Senate Committee report on Canada's approach to International Trade

In a report released earlier this month, the Senate Committee on Foreign Affairs and International Trade makes recommendations to increase public involvement and parliamentary oversight of Canada's free trade agreements (FTAs) and to establish standards by which the success of an agreement would be measured. According to the report, FTAs remain essential to Canada's economic well-being and have been shown to spur innovation and efficiency. Read the report: [Free Trade Agreements: A Tool for Economic Prosperity](#).

Trade is her future

CAFTA's "Trade is my future" campaign rolled on again this month. It helps explain how the future of Canadian farmers and processors depends on trade.

All Members of Parliament have received a postcard and article featuring Carolyn Sekulic, an Alberta pulse farmer growing a variety of chickpeas, lentils, peas, yellow peas, beans, faba beans. Carolyn farms at farms at Rycroft, Alta., where she and her husband Nick are raising three teenagers alongside cereals, oilseeds, and pulses. Read Carolyn Sekulic's story here: <http://cafta.org/trade-is-my-future/>



In case you missed it

[TPP Post-Trump: Canada confirms participation in post-TPP talks next month in Chile](#)

[TPP not dead yet: Canada should ratify trade deal and send 'strong message' to Trump, says Japan's envoy](#)

[The WTO's first multilateral deal - the Trade Facilitation Agreement - entered into force on Feb. 22](#)

[Trump to seek quick progress with Japan's Abe on replacement trade deal](#)

[After CETA After Ceta: the EU trade agreements that are in the pipeline](#)

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