

Statement from CAFTA on the Standing Committee Report on the TPP

Ottawa, ON - April 13, 2017 - The Canadian Agri-Food Trade Alliance (CAFTA) welcomes the recent House Standing Committee on International Trade report on the Trans-Pacific Partnership (TPP) agreement and commends the members for their work.

We agree with the committee's overall support of the TPP and the benefits that the agreement would bring – opening up opportunities for Canadian export-oriented agri-food producers in burgeoning Asia-Pacific markets.

We are particularly pleased with the committee's recognition of how the TPP addresses non-tariff barriers with rules to increase co-operation and transparency on sanitary and phytosanitary measures, biotechnology and plant health. These issues can be the most significant barriers facing our exporters, as important even, in some cases, as tariffs and quotas.

We appreciate that the committee took the time to hear how Canadian beef, pork, grains, canola, soy, pulses, malt, sugar and processed foods are in demand because they are highly regarded in these markets for their quality and safety. Securing greater access for our products would mean tremendous economic and job growth in hundreds of rural and urban communities across the country.

The standing committee's first recommendation is "to actively pursue a trade and investment agreement with Trans-Pacific Partnership signatories, as well as additional trade and investment agreements in the Asia-Pacific region." Canada's agri-food exporters – who sell half of what we produce to foreign markets - heartily agree.

This is why the government and our negotiators need to continue to press for a multilateral deal, in spite of the U.S. withdrawal from the agreement. Ratifying the current TPP would send a strong signal to the remaining 10 countries that Canada is serious about going forward with a robust, rules-based trading system that eliminates both tariff and non-tariff barriers.

CAFTA also supports the committee's third recommendation, as a plan B, which is to resume negotiations with Japan for an economic partnership, should the remaining TPP signatories fail to find a path forward. Japan is a premium market that buys \$4 billion per year in Canadian

agri-food products. It represents the largest predictable market for Canadian canola, ranks second for Canadian malt and Canadian pork, fourth for Canadian beef and is important for Canadian wheat, soy, pulses and processed foods.

Time is of the essence or the doors may soon close on market opportunities in some of the largest and fastest growing economies in the TPP region – besides Japan, there's Vietnam and Malaysia, among others.

Australia recently implemented a free trade agreement with Japan - its 4th round of tariff cuts entered into force on April 1 - and the E.U. is close to concluding a deal.

Canadian exporters are getting squeezed because we're facing higher tariffs than our largest competitors – a disadvantage that will grow over time if it's not addressed.

We already make the high-quality agri-food products that the world demands. We're ready, willing and able to fill its needs. That's why we need our government to be bold in its negotiations, take the advice of the standing committee, and move forward on a deal with the remaining willing TPP partners.

CAFTA is a coalition of national and regional organizations that support 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, pulse, soy, malt and sugar sectors. Together, we account for 90% of Canada's agriculture and agri-food exports, about \$54 billion in exports and an economic activity that supports 940,000 jobs across rural and urban communities.

For information:

Claire Citeau
Canadian Agri-Food Trade Alliance
613-560-0500