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***Statement to the Standing Committee on Agriculture and Agri-Food on their study of a Food Policy for Canada***

*Sept 28, 2017*

- I am pleased to be here today on behalf of the Canadian Agri-Food Trade Alliance, and to speak on the subject of a Food Policy for Canada.
- CAFTA is a coalition of national organizations who have a major stake in international trade and seek a more open and fair international trading environment for Canada's agriculture and agri-food exports. Our members represent producers, processors and exporters from the beef, pork, meat, grains, cereals, pulses, soybeans, canola as well as the sugar, malt and food industries. Together, CAFTA members account for over 90 per cent of Canada's agriculture and agri-food exports which last year exceeded \$55 billion and support hundreds of thousands of jobs in communities across the country.
- Canada is one of the few countries that can not only feed its own population but also has an obligation to produce, trade and sell food to the rest of the world for its agriculture sector to thrive and grow. Canada's agricultural and food processing industry is much larger than if we were only serving our domestic market.
  - 9 out of 10 farmers in Canada rely upon exports for their livelihood, which is a result of production that exceeds domestic needs and consumption.
  - 1 in 2 jobs in crop production depend on exports, and 1 in 4 jobs in food manufacturing.
- Canadian agriculture produces what the world needs and is well positioned to continue to do so. But Canadian agriculture cannot be competitive without commercially viable access to export markets.
- CAFTA welcomes the four pillars proposed by the government for a Food Policy for Canada but believes that success will require commitments that extend beyond the mandate of Canada's Minister of Agriculture and Agri-Food.

- International trade is crucial for Canadian agriculture and agrifood as 58% of its total value is generated through exports.
- We export over half of the agri-food products that we grow. Canadian agriculture has already made great strides over the past 10 years: exports have grown by 103%, from \$30 billion to over \$61 billion – boosting farm cash receipts by 61% over the same 2005-2015 period.
- An effective food policy should include a strong trade component and outline the conditions that will allow Canadian agriculture to thrive and build on the export growth forecasted by the Prime Minister's Advisory Council on Economic Growth of \$75 billion in exports by 2025. This is an ambitious goal and one the industry believes is completely attainable given the immense potential for growth.
- The policy should include a focus on negotiating and implementing free trade agreements with key markets and the markets our competitors are also after as well as removing tariff and non-tariff barriers to enable more production and exports.
- We offer the following to the Committee for consideration:
  1. The Policy should ensure that proper resources are allocated to the Departments and Agencies functions in charge of **negotiating free trade agreements (FTAs)**, specifically
    - Maintaining the free and fair trade we have through **NAFTA**, improving it where possible,
    - Implementing FTAs with countries in the Asia-Pacific like the Trans-Pacific Partnership **TPP11** – this remains the best option for Canada to secure favourable market access to Japan and many fast-growing Pacific countries.
  2. The Policy should ensure that proper resources are allocated to the functions in charge of **implementing free trade agreements**. Specifically:
    - While there is huge potential to make greater inroads in the European Union through the Comprehensive Economic and Trade Agreement (**CETA**) that was implemented just one week ago, the results won't be immediate for some agri-food sectors as technical issues remain outstanding.
  3. The Policy should ensure that adequate funding be allocated to functions in charge of resolving market access issues so it can continue its work of minimizing technical barriers to trade and ensuring real access for exporters.
    - The proliferation of Non-Tariff barriers (NTBs) in agriculture over the past decades has significantly increased the number of market access barriers our exporters face as they diversify their export profile. For farmers, producers, exporters of all sizes, this has a direct commercial impact on export revenues, risk management and predictability of operations.
  4. The Policy should allocate proper resources to the network of Canadian

representatives abroad, notably Embassies and agriculture trade commissioners. Canada's ability to build a competitive industry depends in large part on how well the country opens doors abroad.

- In closing, Canada's food policy should place a strong emphasis on creating the most competitive business environment possible in order to continue to grow high-quality food and meaningfully increase agriculture's contribution to the Canadian economy.
- Thank you.