

## CAFTA Trade Insights

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

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### CAFTA urges the implementation of a TPP-11 deal

There has been a lot of engagement this week on TPP-11 as Canada prepares to attend the Asia-Pacific Economic Cooperation (APEC) summit. CAFTA has sent an open letter to Prime Minister Trudeau urging the Government of Canada to take a leadership role in securing a free trade agreement with the TPP-11 members and to implement it without delay. [Read CAFTA's open letter here.](#)

Various reports are saying that talks to conclude an agreement with the remaining TPP signatories are entering the final stretch. Chief negotiators of the remaining partners of the TPP-11 are meeting this week in Japan to identify ways in which an agreement can move forward. The withdrawal of the U.S. earlier this year prompted proposals to amend or freeze parts of the pact. Negotiators are now working on narrowing down terms of the original 12-nation deal. Trade Ministers will hold further talks when they gather in Vietnam next week for the APEC meeting.

The meeting, being held on November 11<sup>th</sup> and 12<sup>th</sup>, presents a window of opportunity, especially with the recent re-election of Prime Minister Shinzo Abe in Japan. The Prime Minister has been a strong advocate of the TPP and is said to want to revive the agreement quickly.

CAFTA remains in close communication with negotiators and continues to urge Canada to implement a TPP-11 agreement that incorporates the negotiated market access outcomes of the original TPP.

As the APEC summit nears, CAFTA joins many groups in Canada to call on the Government of Canada to push for an agreement with the TPP-11 partners.

Read CAFTA's [TPP-11 gazette submission](#), which stresses the importance of the trade deal, especially given the participation of Japan, Canada's third largest agri-food export market. The Government of Canada must make every effort to sign and implement the TPP-11.

Read what some of CAFTA members say on TPP-11:

- [Meat Council Hopeful TPP will Move Forward Without US;](#)
- [The Canadian Cattlemen's Association urges crucial aspects of TPP be captured in Asia-Pacific regional trade agreement;](#)
- [CPC urges the government of Canada to assume leadership in striking a free trade agreement with Asia-Pacific Nations](#)
- [Canola industry urges TPP implementation to keep Canadian canola competitive](#)
- [Soy Canada Urges Federal Government to Adopt New TPP-11 Agreement](#)
- [The Trans-Pacific Partnership Provides Lasting Benefits for Canola Growers](#)

## NAFTA Renegotiations: where are we at right now?

CAFTA travelled to Washington D.C. for the fourth round of NAFTA Negotiations to represent the interests of its members and stress the importance of an approach focused on modernizing the deal. The free and fair trade ushered in by NAFTA has been an incredible success for Canadian agriculture and indeed for agriculture throughout North America. There's an enormous potential to improve on the existing regulatory conditions and to make trade in North America easier for agri-food exporters.

While in D.C. CAFTA staff engaged with a range of industry and government stakeholders from Canada, the United States and Mexico. Staff had constructive discussions with Quebec Agriculture Minister Laurent Lessard which focused on the importance of Quebec in Canada's agri-food landscape and potential areas to modernize NAFTA for Quebec's agri-food producers, processors and exporters.

This round of NAFTA negotiations was extended by two days at the beginning of the round, which was interpreted by some as a sign of talks intensifying.

As widely reported, some demands from the U.S. are regarded as unconventional for Canada and Mexico. Ministers concluded the round with a Trilateral Statement acknowledging [“significant conceptual gaps among the Parties.”](#)

Despite major differences, some of the positive developments from this round included completing discussions in the chapter on competition and progress was made in the areas of customs and trade facilitations, digital trade, and good regulatory practices. Another important development was the fact that the timeline of negotiations has been extended to continue into the first quarter of next year which should allow more time in between rounds.



Quebec Minister of Agriculture Laurent Lessard (Center) and L to R): Raymond Bachand (Quebec negotiator), Sandra Marsden (Canadian Sugar Institute), Claire Citeau (CAFTA), Patrick Muzzi, (Quebec Ministry of Agriculture).

Overall, the negotiations are now moving along two tracks: one track has the most contentious proposals from the US which is facing political hurdles, and the other track has technical discussions which appear to be moving forward. At the end of the round Minister of Foreign Affairs, Chrystia Freeland, was quoted stating [“We have seen proposals that would turn back the clock on 23 years of predictability, openness and collaboration under NAFTA.”](#)

Last week, the North American Food and Agriculture Trade Working Group, a coalition of over 100 companies and associations representing America's farmers, ranchers, processors, and agri-businesses sent a letter to U.S. Secretary of Commerce Wilbur Ross, stressing that a withdrawal from the North American Free Trade Agreement (NAFTA) would cause “immediate, substantial harm” to their industries and the U.S. economy.

The [letter](#) described what damage may be done to the U.S. agri-food sector should the U.S. withdraw from NAFTA.

The next round is set to take place in Mexico Nov 17-21, 2017. CAFTA will be on the ground in Mexico with several CAFTA members and continue to monitor the negotiations closely.

## Other News

### Canada launches negotiations towards a free trade agreement with the Pacific Alliance

[On October 22, Canada announced that it was launching free trade agreement negotiations with the Pacific Alliance \(Chile, Colombia, Mexico, and Peru\).](#) FTA negotiations are part of Canada’s admission as an associate member of the Alliance. The Pacific Alliance accounts for more than \$48 billion in merchandise trade for Canada, which is more than 75 per cent of Canada’s two-way merchandise trade with all of Latin America. Canada exports \$2.7 billion in agri-food products to Pacific Alliance countries. The first round of negotiations began in Cali, Colombia from October 23 to 27.

### WTO ‘Mini-Ministerial’ Meeting in Marrakesh

François-Philippe Champagne, Minister of International Trade, travelled to Marrakesh, Morocco this month to attend a WTO meeting. Dubbed a ‘mini-ministerial’ meeting, it was the last of the year prior to the organization’s Eleventh Ministerial Conference (MC11) in Buenos Aires, Argentina this December. Topics of discussion included the status of negotiations, possible outcomes of MC11 and the way forward to help promote its success. The chair of the upcoming farm trade talks, Kenyan Ambassador Stephen Karau, has urged members to step up their efforts to secure a farm trade deal.

CAFTA joined the Cairns Group Farm Leaders including leaders from Argentina, Australia, Brazil, Canada, New Zealand, South Africa and Uruguay to [call on Ministers to commit to a robust, rules-based trading system with a level playing field for agricultural trade.](#) The recommendations proposed in the Statement of Intent focus on issues of domestic support and market access to continue the progress made in the agriculture sector at the upcoming round of talks in Buenos Aires.

## In case you missed it

- [Canada and Mercosur will be announcing negotiations for a free trade agreement in December](#)
- [TPP 11 negotiators make headway before crucial summit next week](#)
- [Japan shouldn’t sit at negotiating table while U.S. is twisting arms on trade](#)
- [US, Japan fail to bridge gap on trade in economic talks](#)
- [Canada desperately needs a revived TPP as NAFTA talks falter](#)
- [A technical barrier for Canadian pork has been resolved, which paves the way for exporting to the EU](#)
- [NASDA sends letter to US President Trump calling for “No Harm” to NAFTA](#)
- [Mexico seeks to diversify economy by looking to Middle East](#)

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