



Caught in the Crossfire: Agri-food exports at risk if Canada doesn't sign CPTPP

Canadian Agri-Food Trade Alliance | Alliance canadienne du commerce agroalimentaire

Ottawa, ON – January 19, 2018 - The Canadian Agri-Food Trade Alliance (CAFTA) is warning the federal government that failure to sign the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) would put billions of dollars in agri-food exports at risk, limit opportunity for growth and affect the livelihoods of nearly a million Canadians.

"Treading water doesn't move us forward in the Asia-Pacific," says CAFTA President Brian Innes. "Agri-food exporters need the CPTPP. Without the CPTPP it will be South Korea all over again – watching sales evaporate because we hesitated and didn't implement a trade agreement."

South Korea is the only country in the region with which Canada has a free trade agreement. The EU, Australia and Chile have already secured deals with Japan, which imports about \$4 billion in Canadian agri-food products annually. An important example is the risk to Canada's exports of \$1.1 billion of high quality pork. The EU is a major competitor for pork exports to Japan, so when their trade agreement is implemented it will make it hard for Canadian pork to compete in Japan.

"Falling behind in Asia would threaten pork production and processing in Canada," says Chris White of the Canadian Meat Council. "The impacts are not just numbers, a trade agreement with Japan matters for the jobs of the people that live and work in our plants located across Quebec and Southern Ontario." While production occurs across the country, the regional economic impacts associated with the red meat products supply chain are largest in central Canada, with real GDP impacts of \$6.7 billion in Ontario, and \$3.9 billion in Quebec.

Innes added that while the automotive sector and softwood lumber are taking up a lot of attention, what's getting lost is that more than 90 per cent of Canadian farmers depend on world markets and the agri-food industry supports close to a million jobs in communities of all sizes.

"Grain farmers in Canada depend on trade," says Michael Delaney of the Atlantic Grains Council who represents Grain Growers of Canada on the CAFTA board of directors. "From Prince Edward Island to Vancouver Island, implementing the CPTPP is important for grain farmer's livelihoods."

Food processors, over half of which are in Ontario and Quebec, are also very concerned about losing an opportunity for better access to Asian markets. Food and beverage processing is the largest employer in the manufacturing sector in Canada with close to a quarter of a million jobs, more than the automotive and aerospace sectors combined.

"Food processors see growing opportunity in Asia," says Carla Ventin, who represents Food & Consumer Products Canada on the CAFTA board of directors. "It will be a lost opportunity for value-added growth if we do not implement the CPTPP."

The 2017 federal budget set a target of reaching \$75 billion in agri-food exports by 2017. Between 2006 and 2016, Canadian agri-food exports doubled from \$27.8 billion to over \$56 billion.

"It's hard to imagine we'll reach the government's \$75 billion target without the CPTPP," says Innes. "The Canadian agri-food industry needs competitive access to world markets to grow our exports."

Negotiations and consultations on the TPP have been exhaustive. The original Trans-Pacific Partnership was negotiated over 8 years, with Canada at the negotiating table for 6 of those years. Since the US withdrew from the TPP in early 2017 numerous meetings between the remaining 11 countries have occurred. Since late 2015, consultation between the government of Canada and Canadians on the TPP has been extensive – including a public consultation in 2017 on proceeding with the remaining 11 countries and ample time for all Canadians affected by a trade agreement to engage.

CAFTA is the voice of Canadian agriculture and agri-food exporters. Representing the 90% of farmers who depend on trade and ranchers, producers, processors and agri-food exporters who want to grow the economy through better access to international markets. This includes the beef, pork, meat, grains, cereals, pulses, soybeans, canola as well as the sugar, malt, and processed food industries. The sectors CAFTA represents support over a million jobs in urban and rural communities across Canada.

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