

Good morning/afternoon everyone depending on where you are on the planet.

My name is Claire Citeau and I am the Executive Director of the Canadian Agri-food Trade Alliance or CAFTA.

It is an honor to be speaking with such an esteemed group of people who live and breathe global trade every day as we do.

CAFTA is the voice of Canadian agri-food exporters, representing the major trade dependent sectors in Canada, including beef, pork, meat, grains, cereals, pulses, soybeans, canola as well as the sugar, malt, and processed food industries. These sectors represent over 90 per cent of Canada's agri-food exports which last year reached a record \$60 billion.

I'd like to take some time to talk about our sector's experience during the COVID-19 crisis, what we have learned, what we remain concerned about and what we need the WTO to deliver on.

First off: it deserves to be recognized just how foundational agri-food trade is for our economy and way of life, in every corner of the globe.

It is remarkable that with most of the world on lockdown, global agri-food markets remained relatively stable.

**Of course, the impact of the crisis varies across sectors. For our members, it is a mixed bag...**

At the onset, keeping the Canada-U.S. border open to trade has been especially critical given the high level of integration of our supply chains across North America.

Let me highlight a few perspectives from our members:

- For Canadian canola and grain farmers, the concerns at the onset focused on market volatility, farmer revenues and whether crop inputs would be in place for seeding. With our short growing season, even small seeding delays can impact farmers' production and increase their exposure to risk. Without borders open, things would have been different. COVID created a lot of uncertainty, adding to existing uncertainty from the unjustified trade barriers. As such, today members remain more focused than ever on actions that ensure trade commitments and trade rules are respected and that all sanitary and phytosanitary measures are based on science.

- Our food manufacturers ramped up production up to 500% at times, invested heavily to keep their workers safe, re-tooled manufacturing facilities and tried to hire more workers. There are real questions about the future of the restaurant industry. Food manufacturers are looking at secondary sources to secure essential raw materials, ingredients and packaging as they rebuild inventories. They are no longer relying on a single supplier – the diversification of their supply chains is becoming critical. To that end, they need the WTO to ensure that international trade is rules and science-based and allows for the predictable flow of ingredients, products and people.
- The pulse sector faced disruptions triggered by key export markets that imposed quarantine measures, adding delays in shipment clearance and in cases imposed import bans to save foreign exchange reserves. The lack of prior warning was particularly disrupting for shipments already en route. Another challenge has been the lack of available shipping containers: the natural flow of inbound traffic of containers from Asia and shipped back on the backhaul has been disrupted. Government policy and actions should follow principles that recognize the interdependence of food producing regions and food deficit regions around the world. Also, new measures by government must recognize the impact on existing contracts and on products en route to markets.
- On the meat side: processing capacity dipped below 50% of Canada’s normal capacity when one of the processing facilities was closed while others significantly reduced their capacity. The industry still needed to face the challenge of working through the backlog of cattle within the supply chain as well as the market impact and uncertainty that had developed. During this time uninterrupted trade ensured very little market disruptions for the consumer side of the supply chain. Today beef exports are almost back to normal, Covid was difficult undoubtedly, but it also showed the strength of the system both within Canada and the responsiveness and dependability of international trade.

Despite the crisis, those in the agri-food supply chain are a resilient bunch.

**But for our members, their most serious concerns lie ahead.**

We are potentially waking up in a new trade world: one where governments seize on the pandemic for political posturing or to push a nationalist and protectionist agenda forward.

The talk of self-sufficiency in food and nationalism is particularly concerning as it will lead to a new form of protectionism.

The unravelling is a big worry: look at COOL in Italy, SPS issues affecting pulses in India and how easily they can spill over to other countries in the name of “food security”.

With agri-food being one of the most vulnerable to protectionism, a tide of protectionism creeping under the cover of nationalism would be very difficult to roll back.

We must hold the line against protectionism in all its forms in every corner of the globe.

This even with our closest trading partners, whether south of the border or on the other side of the Atlantic Ocean.

It has now been over 3 years that the Canada-EU trade deal came into force and our exporters are growing increasingly frustrated with the EU's unwillingness to respect the spirit of the agreement and to remove trade barriers affecting our exports. Let's not let technical barriers stand in the way of our economic recovery.

**This is why the need for an effective and enforceable rules-based global trading system has never been greater.**

At the top of the agenda for Cdn ag-food exporters is the need to ensure that international trade is preserved, enhanced, based on science and rules agreed upon to allow for the stable and predictable flow of ingredients, products and people.

That is why we fully support Canada's leadership at the WTO through the Ottawa group to safeguard the WTO, the rules-based trading system to hold it together.

It is crucial that Canada and its trading partners work together to keep borders open, further unwind restrictions, foster transparency, double down on efforts to modernize the WTO, fix the appeal mechanism and make real progress on notification, domestic support, export restrictions among others. I'd like to underscore the importance of transparency:

Countries have demonstrated an ability to share information and notifications of measures adopted in response to the crisis in relatively timely, transparent manner. Such practices should remain in place and be made permanent to increase the transparency and timeliness of notifications for SPS and other measures – and should also include justification for such measures and potential solutions to manage risks without blocking trade.

Ultimately, COVID taught us that to weather this or any future storm, the world needs more trade, not less. But we need better trade.

Fortunately, managing logistics and adapting quickly to market needs is a core strength of our members. Unfortunately, trade rules do not adapt quickly. This is all the more important to have rules that are predictable and based on science.

Overall, we have seen markets show an increased willingness to disregard their WTO obligations in order to protect their own interests at any cost, this started before the crisis. COVID only made it worst.

However, it is actions by government to restrict import or export of food that undermine confidence in the resilience of global food systems.

Part of the problem is that these actions become more acceptable with the impression of a weakened WTO.

The advancement of WTO reforms, the adaptation of WTO rules to fit the changing landscape of global trade and adherence by members to these rules are imperative.

**And it boils down to better dialogue, transparency, nimbleness, bold approaches and genuine commitment to resolving the challenges we face.**

We need to break down the silos that exist between governments, international organizations and industry so we don't fight fires but prevent them. That includes shortening the distance between Geneva and the farms, ranches, food manufacturing facilities and the broader public who are impacted.

In North America, the renegotiation of NAFTA serves as a wakeup call. It shows just how valuable it is for governments and industry to talk up together the value of trade and how the tide lifts all boats.

The current crisis gives us a chance to get ambitious, put forward bold proposals and secure the promise our sector holds for powering forward the post-pandemic global recovery.

It's time to recognize the central role of international trade for the future of agri-food sector.

Over the next 20 to 30 years, the global demand for agri-food products will continue to grow rapidly.

Agri-food trade that can truly fuel prosperity and feed families in every corner of the globe provided we aggressively oppose protectionism, spend the political capital necessary to keep trade free and open and finally move forward in a meaningful way on trade liberalization in agriculture.

These are the opportunities we must seize.

We stand ready to do our part. And we look forward to working with you all to make it happen.