Spring 2023





Trade Insights

CAFTA Applauds Indo-Pacific Agriculture and Agri-Food Office

Canadian Agri-Food Trade Alliance (CAFTA) Members welcomed the Honourable Minister of Agriculture and Agri-Food, Marie-Claude Bibeau to their board meeting in June. The Minister used the occasion to publicly announce the location of the government's Indo-Pacific Agriculture and Agri-Food Office (IPAAO) which will be located in Manila, Philippines.

"We are pleased that Canada's new Indo-Pacific Agriculture and Agri-Food office will be established in Manila, a growing trading partner for Canada and a key member of the Association of Southeast Asian Nations (ASEAN)" said Dan Darling, President of CAFTA. Read <u>CAFTA's statement on the IPAAO location</u>.

CAFTA Members thanked the Minister for the establishment of IPAAO and shared the great opportunities the Indo-Pacific region offers Canadian agrifood exporters.





CAFTA Welcomes CropLife Canada and Soy Canada as New Members

On June 7, CropLife Canada and Soy Canada officially joined the CAFTA Board of Directors. CAFTA is pleased to be growing at a time when the need to advance and promote free and open trade has never been more important. With an even stronger voice, we look forward to continuing to advance the interests of agri-food exporters and work alongside our many like-minded partners in industry and government.

FTA Updates

CPTPP Accessions

The Comprehensive and Progressive Agreement Trans-Pacific Partnership (CPTPP) received on May 5, 2023, a request from Ukraine to formally accede to the CPTPP via a notification to New Zealand in its role as the CPTPP depositary. Ukraine is the 7th applicant to formally request accession to the CPTPP. The Government of Canada has <u>expressed support</u> for Ukraine's accession to the agreement.

Indo-Pacific Strategy

The Honorable Mary Ng, Minister of International Trade <u>participated</u> in the Asia-Pacific Economic Cooperation APEC) Ministers of Trade Meeting from May 24-35 meeting in Detroit. On the margins of APEC, Minister Ng <u>met</u> with counterparts from Indonesia, New Zealand, Philippines, Japan and the Director General of the WTO. The ministerial meeting between Canada and Indonesia included discussions on Indonesia's presidency of the Association of Southeast Asian Nations (ASEAN) and the ongoing trade negotiations between the two countries.

Canada-India Early Progress Trade Agreement (EPTA)

In early May, Minister Ng <u>hosted</u> in Ottawa the 6th Canada-India Ministerial Dialogue on Trade and Investment with Minister Piyush Goyal, India's Minister of Commerce and Industry. The Ministers made progress on the EPTA and reaffirmed that it would cover high-level commitments in goods, investment, services, as well as a focus on rules-based international order, technical barriers to trade and dispute settlement. Minister Ng also <u>announced</u> Canada's trade mission to India and Japan in October of this year.

Other Updates

G7 Meetings

Prime Minister Justin Trudeau <u>attended</u> the G7 summit which took place from May 19-21 in Hiroshima, Japan. One of the notable outcomes is that the G7 leaders agreed to <u>launch</u> the Hiroshima Action Statement for Resilient Global Food Security with partner countries to address food and nutrition needs. Their joint statement also reaffirmed their commitment to free and fair trade. A <u>statement</u> issued by G7 agriculture ministers calls for WTO agriculture negotiations to contribute to the realization of the UN Sustainable Development Goals, "both in terms of food security and sustainability".

Indo-Pacific Economic Framework: Third Round

The Indo-Pacific Economic Framework (IPEF) third round of negotiations <u>took place</u> from May 8-15 in Singapore. The round focused on pillar two, which covers supply chain resiliency. So far, the set of chapters released by the United States Trade Representative (USTR) do not mention an enforcement mechanism. The chapter on trade is expected to cover agriculture, environment, trade facilitation and transparency and good regulatory practices.

OECD Trade Ministers Meeting

In early June, the Honourable Mary Ng, Minister of International Trade participated in the 2023 Ministerial Council Meeting of the Organisation for Economic Co-operation and Development (OECD). Minister Ng met with counterparts from Australia, Japan, New Zealand, the United Kingdom and the United States of America to address economic coercion and unfair trading practices. Together, they issued a <u>Joint Declaration</u> Against Trade-Related Economic Coercion and Non-Market Policies and Practices.

The declaration commits to identifying, preventing, deterring and addressing "trade-related economic coercion and non-market policies and practices, including through multilateral institutions, such as the WTO." CAFTA will continue monitor the declaration and how the implementation will affect Canadian trade stakeholders.

Aim for Climate Conference

The Agriculture Innovation Mission (AIM) for Climate Summit gathered world leaders in agriculture in Washington DC from May 8-9. The conference was attended by the Honourable Minister of Agriculture and Agri-Food, Marie-Claude Bibeau. The AIM for Climate organization was launched by the U.S. and United Arab Emirates (UAE) at COP26 in November 2021.

The summit seeks to advance sustainability goals in agriculture and build a resilient food supply to mitigate global hunger through increasing finance for climate-smart agriculture. At the conference, the UAE as host of COP28, <u>announced</u> that 'Transforming Food Systems' will be one of the main themes on the conference's global agenda. This framework will bring intensified efforts to update global food systems and enhance their responsiveness to climate challenges, food security, and nutritional concerns around the world.

WTO Updates

WTO Agriculture Committee: MC13

In early May, the Chair of the agriculture committee, Ambassador Alparslan Acarsoy, <u>held</u> two thematic seminars on market access and export restrictions. These sessions provided WTO members with two questions:

- i) the contribution MC13 could make to enhance food security and,
- ii) which elements of an agricultural package at MC13 might be acceptable to all

Members generally shared the view that a food security package should be the centerpiece of an MC13 outcome, given the urgent need to combat hunger. However, there were divergent views on the package's contents, scope and level of ambition, among other things. Negotiations will continue with the next committee meetings scheduled for 21-22 June and 17-18 July.

MC12 SPS Declaration Implementation

At the 12th Ministerial Conference (MC12) in June 2022, ministers <u>adopted</u> the "SPS Declaration: Responding to Modern SPS Challenges". The Declaration recognizes new opportunities and emerging challenges in global agriculture since the adoption of the <u>SPS Agreement</u> in 1995. The Declaration instructs the SPS Committee to carry out a work programme to further enhance the implementation of the SPS Agreement to better manage issues related to international trade in food, animals and plants.

Since June of 2022, the SPS Committee has met to revise and improve the implementation of the SPS Agreement. Most recently, from May 8-11, WTO members <u>discussed</u> the progress made on the work programme and possible improvements to enhance the Committee's work on food safety and animal/plant health. The Committee expects to submit its findings and recommendations from the work programme to ministers at MC13. The SPS Agreement implementation is key to addressing emerging SPS non-tariff barriers and protectionism in agricultural trade.

On the Hill

House of Commons Standing Committee of International Trade (CIIT): Study on Non-Tariff Barriers

On May 4 CAFTA Treasurer Dave Carey and Interim Executive Director Adam Taylor <u>presented</u> to the House Standing Committee on International Trade Non-Tariff Barriers in Canada's Existing and Potential International Trade Agreements. This study was a long-standing ask from CAFTA.

CAFTA shared with the committee the fact that NTMs, remain the most significant source of disruption impacting Canada's agriculture and agri-food trade in our broader national economy. Overall, NTMs increase the cost of agricultural goods and have a significant impact on the price paid by consumers.

In a time of record food prices, CAFTA encouraged Parliamentarians to recognize the need to open access to agricultural trade to make food more affordable and accessible. See CAFTA' appearance <u>here</u>.



Continued Advocacy Against C-282

CAFTA remains the leading group opposing Bill C-282 which seeks to protect supply management from future trade negotiations. In addition to various media and related public activities, CAFTA continues to meet with Parliamentarians to oppose the bill and present our arguments for why the bill is bad for a highly diversified economy like Canada's. In view of C-282 passing third reading on June 21st, CAFTA is proactively meeting with senators to urge them to give the bill its due diligence in the upper chamber. CAFTA will continue to stand tall in support of free trade and highlight why this bill erodes Canada's credibility on the world stage in opposing protectionism.

What We're Reading: A Partner in Food Security: Canada's Opportunity for Agri-Food Trade with ASEAN

This report, commissioned by the Canada-ASEAN Business Council (CABC) and written by four graduate students at the University of British Columbia, proposes six strategies within the framework of a Food Security Partnership. These six strategies leverage Canada's agri-food strengths to increase in agri-food trade while meeting ASEAN's food security needs. Read more <u>here</u>.

In case you missed it:

- Article: Multilateral trade: The green European genie at the WTO
- <u>Article: Why the World Still Needs Trade, The Case for Reimagining—Not Abandoning—Globalization</u>
- <u>Canada formally accepts Agreement on Fisheries Subsidies</u>
- New Global Trade Data Portal offers real-time access to trade data