

CAFTA Trade Insights

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

CAFTA provides conditional support to the CETA deal

CAFTA executive director Claire Citeau appeared on behalf of members before the House of Commons Standing Committee on International Trade in November on the Canada-EU Comprehensive Economic and Trade Agreement (CETA) and Bill C-30, the implementing legislation of the treaty.

CAFTA has expressed support for the CETA as the EU market has the potential to result in significant benefits for agri-food exporters. Citeau emphasized that CAFTA has long stated that in order to achieve meaningful access, members need to have both the tariff and the non-tariff barriers issues resolved before the CETA's implementation.

Today, it is clear that the commercially viable access that was promised for all exporters may not be fully achieved for some time. A number of issues remain outstanding including the timely approval of biotechnology traits, the timely approval and re-evaluation of crop input products and the approval of meat processing systems. Citeau told the Committee that despite the remaining work to be done, \$1.5 billion in additional exports are possible. CAFTA is supporting the passage of Bill C-30 and implementing the CETA with three conditions.

- First, the Government of Canada commits to a **well-resourced advocacy strategy and comprehensive CETA Implementation Plan** for Canadian Agriculture and Agrifood Exporters to achieve real access, including but not limited to the grains, oilseed and the meat sectors.
- Second, the **Committee recommends in its report** on Bill C-30 that the Government of Canada commits to this plan until access becomes commercially viable.
- Third, the Government of Canada **exert every effort to resolve outstanding technical barriers** before the CETA implementation.

CAFTA's a brief on the CETA submitted to the Standing Committee on International Trade is posted on the Parliament's site and can be viewed [here](#).

CAFTA in Geneva for WTO agriculture and Cairns Group Farm Leaders meetings

On Friday 11 November 2016, ambassadors, senior negotiators and farm leaders met at the Cairns Group Farm Leaders meetings in Geneva ahead of World Trade Organization (WTO) agriculture negotiations. The program included discussions around what farmers need from the WTO, and sessions on the current status of WTO agricultural negotiations.



CAFTA executive director Claire Citeau presented the priorities of members and emphasized the need to remove tariffs and non-tariff barriers (MRLs, LLP etc) as well as all forms of trade-distorting subsidies for Canadian export-oriented agriculture and agrifood sectors. Trade-distorting support can give other exporters an unfair advantage in global markets and it can also have serious import substituting effects. Historically, Canadian farmers have been heavily focused on US and EU agriculture policy and subsidies, but as we diversify our export profile, we have become increasingly concerned with trade-distorting subsidies in emerging market like India and China among others.

The clear message from CAFTA and counterparts from Australia, New Zealand, Brazil and Australia during the Cairns Group Farm Leaders meeting was the need for governments to take action to advance agricultural trade reform. Trade distortions make it difficult for efficient producers to excel and earn value from international markets, so levelling the playing field is a priority.

WTO Members are gearing up for the 11th WTO Ministerial Conference, set to take place in Buenos Aires, Argentina in December 2017. The agenda is under negotiation, however placing new limits on trade-distorting domestic support for agriculture is now reportedly a priority for a majority of Members. Members also are considering ways to address market access barriers for agriculture trade and to enhance transparency in the use of export restrictions. The WTO report on the recent negotiations is available [here](#).

An update and background on agriculture at the WTO is available on the CAFTA website: www.cafta.org.

CAFTA appears before the House Committee on Agriculture

Citeau also appeared before the House of Commons Standing Committee on Agriculture and Agri-Food to provide CAFTA members' trade related priorities for the next Agriculture Policy Framework (APF). Citeau emphasized the importance of **competitive access** to global markets for Canada's agriculture and agri-food exporters. Citeau explained why international trade is crucial for Canadian agriculture and how tariffs and non-tariff barriers prevent us from being competitive. She noted how competitors have preferential access because their governments have trade agreements that Canada doesn't, like Australia that already has agreements with Japan and China.

CAFTA's [statement](#) and recommendations on the APF include ensuring that departments and agencies that negotiate trade agreements and resolve market access issues have adequate resources to fulfill their mandates.

On Parliament Hill

The House of Commons gave second reading approval this week to **Bill C-30** that would implement the CETA. The Bill has now been referred to the Commons Trade Committee. The breakdown of the votes (266 to 39) can be viewed [here](#).

Bill C-31, the implementing legislation for the free trade agreement between Canada and Ukraine also received approval and is now being studied by the Commons Trade Committee.



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Trade Updates

Trans-Pacific Partnership (TPP)

- On December 9, Japan became the first country to ratify the Trans-Pacific Partnership (TPP), a free-trade pact aimed at linking a dozen Pacific Rim nations, signaling it hopes the deal can be can be revived when conditions are more favorable.
- President-elect Trump last month promised to withdraw from it after he is inaugurated in January. Instead, he would replace it with bilaterally negotiated trade deals.
- New Zealand, Australia and Mexico among other TPP signatories continue to proceed with their legislative processes. 8 out of the 12 TPP signatories have put the treaty before their parliament. The current text of the deal, which has been seven years in the making, requires ratification by at least six countries accounting for 85 percent of the gross domestic product of member nations.
- CAFTA continues to advocate for the TPP and the outcomes it achieved. Read our latest [opinion piece](#) on the topic “How can Canada save the TPP and lead countries on a new approach”.

Canada-EU Comprehensive Economic and Trade Agreement (CETA)

- In Europe: the plenary ratification vote for CETA in the European Parliament is scheduled for February 2, 2017.
- In Canada: the ratification vote in the House of Commons on the CETA treaty is expected to take place early in 2017. The CETA's implementing legislation (Bill C-30) will still have to be reviewed in the Senate, requires Royal Assent and will also require further consultations on specific pieces of the legislation and regulatory changes.
- Entry into force: as a result, it is possible that the EU and Canada provisionally implement CETA in May 2017. Provisional implementation will effectively cover all areas of the agreement except for investor protection / the ICS – Investor Court System.

Trade is my future

CAFTA's "Trade is my future" campaign rolled on again this month. It helps explain how the future of Canadian farmers and processors depends on trade.

All Members of Parliament have received a postcard and article featuring Matt Sawyer, a third-generation farmer in Alberta growing a variety of wheat, malt, barley and canola. Matt also raises black angus cattle.

Watch a video and read Matt Sawyer's story here: <http://cafta.org/trade-is-my-future/>





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In Other News

Japan-EU FTA

Japan and the European Union may complete their free trade agreement negotiations by end of 2016 or early 2017. <https://sputniknews.com/business/201612051048175006-japan-eu-free-trade-deal/>

The EU releases a study of the impacts of FTAs on agriculture

The European Commission released an Economic study on the cumulative effects of trade agreements on the EU agricultural sector – More [here](#).

Clock ticks on India's fumigation exemption

Canada's waiver to the pulse fumigation policy at origin ends in March <http://www.producer.com/2016/12/clock-ticks-on-indias-fumigation-exemption/>

China – New Zealand FTA

China and New Zealand have started negotiations to modernize upgrading their free trade agreement: <http://www.euronews.com/2016/11/20/china-and-new-zealand-launch-negotiations-to-upgrade-free-trade-agreement>

EU-US FTA

European Union halts trade talks with the US due to uncertainty with newly elected Donald Trump: <http://ipolitics.ca/2016/11/11/eu-pauses-trade-talks-with-us/>

In case you missed it

ePing

The WTO launched [ePing](#), a new online alert system designed to help small and medium-sized enterprises (SMEs) keep track of the latest regulatory requirements and notifications affecting foreign markets and products of particular interest to them. The system allows access to WTO members' notifications of TBT and sanitary and phytosanitary (SPS) measures.

Agricultural-Trade Distorting Support Calculator

The [Trade Distorting Support for Agriculture Calculator](#) allows WTO Members to quickly and easily forecast limits and spending under the Agreement on Agriculture. It also allows Members to model Overall Trade Distorting Support (OTDS) limits and modifications to current limits under the Agreement on Agriculture.

What to Look for When Reviewing a Notification

This Cairns Group [paper](#) provides a step-by-step guide on how to interpret and review notifications for the World Trade Organization's Committee on Agriculture.

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