



Members of Parliament
House of Commons
Ottawa, Ontario
Canada
K1A 0A6

June 20, 2023

**RE: Request to urgently oppose Bill C-282 An Act to amend the
Department of Foreign Affairs, Trade and Development Act
(supply management)**

Dear Members of Parliament:

Canadian agri-food exporters, representing the 90% of Canadian farmers, producers, food manufacturers and agri-food businesses who depend on trade write to respectfully urge you to oppose Bill C-282 *An Act to amend the Department of Foreign Affairs, Trade and Development Act (supply management)* on June 21, 2023, for third reading.

Bill C-282 is not just any bill, it sets an incredibly dangerous precedent and jeopardizes Canadian businesses and industries that rely on international trade.

Canada is a trade dependent nation. Competitive access to global markets is crucial to our economic growth and prosperity, and yet, this bill will undermine our economic opportunity. This Bill favours one economic sector above all others. This Bill is counter to the government's commitment to free and open trade, equality among all Canadians, and the future welfare of our country.

Not to mention, this Bill has already been deemed unnecessary by previous trade officials testimony. Bill C-282 will jeopardize Canada's economic future growth for little to no gain.

Bill C-282 not only contradicts trade rules, but it also severely constrains the government's ability to negotiate the best deals for all of Canada. Put simply, this Bill is detrimental to our ability to generate economic growth and continue to support the million jobs CAFTA members generate across Canada.

Below is a non-exhaustive summary of the detriments of Bill C-282:

1. C-282 contradicts Canada's trade policy and hurts our current and future trade negotiations

Restricting Canada's ability to make decisions (on concessions and overall negotiating strategy) through legislation contradicts the government's objective of achieving comprehensive trade outcomes.¹ Tying the hands of our trade negotiators before negotiations even begin will result in poor outcomes across the board as other countries will follow suit and exclude products or sectors from discussions where Canada has offensive interests. This bill will naturally encourage other sectors to also seek exclusion from trade talks and will send the signal that protectionism is acceptable and indeed desirable in Canada.

2. C-282 erodes Canada's credibility as a leading voice for free and open trade

Promoting free and open trade in international organizations while entrenching protectionism at home not only is contradictory but it will damage Canada's reputation and credibility with our trade partners. This legislation directly contradicts Canada's leadership at international fora like the WTO, where Canada opposes protectionism and supports free- and rules-based trade. Bill C-282 will embolden our trade partners to enact similar legislation creating space and legitimacy for protectionism in an already tense geopolitical climate.

Other trade partners are watching this legislation closely, and this bill's passage will have immediate negative consequences, as we fully expect many of our trading partners to respond by threatening to refuse to extend, review or modernize existing trade agreements. CUSMA's sunset clause will automatically trigger a review of the entire pact in 2026. Embracing protectionism will send the signal that Canada is an unreliable trading partner which will end up limiting our ability to be invited to various bilateral and multilateral negotiations.

3. C-282 is bad policy for a highly diversified economy like Canada's

Perhaps most worrisome, is the fact that this bill will lead to less ambitious and less commercially meaningful outcomes which will affect all Canadians –consumers and producers alike. Bill C-282 will encourage every country to avoid making any significant trade concessions, especially in sensitive areas where Canada has a special interest. Less access to trade means less access to products and services Canadians want and need.

Bill C-282 prioritizes the economic interests of the products or sectors excluded in this bill above the economic interests of any other sector in Canada. This is not only unfair but also disastrous for Canadian policy. This legislation will harm future growth opportunities for sectors that depend on trade, such as agriculture, energy, manufacturing, forestry, mineral products, and consumer goods. It also would limit our economic growth by not being able to secure meaningful trade agreements in high-growth areas like the Indo-Pacific and Africa where we do not have major trade agreements.

4. C-282 is bad from a food security and affordability perspective

With inflation at record levels –particularly in food prices— this Bill could exacerbate food inflation. International trade supports the accessibility and affordability of food. We cannot achieve global food security and greater affordability without free and open trade. As the world's fifth largest food exporter, Canada has a moral responsibility to feed the world. Closing access to markets is closing access to food. This bill directly also contradicts Canada's commitments in recently signed declarations on food security

¹ (Department of Foreign Affairs, Trade and Development Act, 10.2).

at the G7, G20, WTO and APEC. We should remember that throughout the global pandemic, free and open trade kept prices in check and supplies abundant. This bill turns its back on these realities.

While we understand these issues are sensitive, our past agreements show we already have and can defend and protect Canadian sensitive sectors when we're negotiating free trade pacts. Taking these issues off the table from the outset is simply a slippery slope that is bound to hurt more than help Canada's long-term economic interests.

We ask that you oppose Bill C-282 to allow Canada to preserve its robust ability to negotiate comprehensive trade agreements that help secure Canada's long-term economic success with the broad national interest in mind.

We stand ready to discuss these issues with you further and answer any questions you may have.

Sincerely,

Dan Darling, CAFTA President