

## 2 Years in, CETA Not Delivering for Agri-Food Exporters

*CAFTA members need the outcomes promised, not more process and bureaucracy*

**Ottawa, Ontario – September 26, 2019** – Marking two years since the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) came into force, the Canadian Agri-Food Trade Alliance (CAFTA) is urging Canadian and European lawmakers to enforce the provisions and commitments agreed upon to ensure trade flows freely and barriers are removed. CAFTA representatives are meeting with senior Canadian and EU officials this week to discuss the wide gap between the promises of CETA what the reality is for agri-food exporters.

### Quick facts

- Access for Canadian agrifood products was a core benefit for Canada in the CETA.
- Technical and non-tariff barriers are effectively shutting out a significant portion of Canadian agri-food exports from the huge EU market.
- Since the entry into force of the agreement, EU exports to Canada have increased by over 10 per cent while Canadian agri-food exports have decreased by the same amount, increasing the trade deficit to \$3.5 billion in favour of EU exporters.
- The EU market has the potential to result in significant benefits for agri-food exporters: the agreement could drive additional exports of \$1.5 billion annually.
- While increases are recorded for some grain exports to the EU from eastern Canada, overall durum wheat exports into Italy, one of Canada's top grain exports to the EU, have been cut in half since the introduction of Italian mandatory country of origin labelling regulations.
- Canadian pork and beef exports to the EU increased by 107% and 113% respectively in 2018 from a year earlier. However, they were starting from a very small base and overall volumes remain well under what was promised.
- More work remains to be done to facilitate Canadian agri-food exporters taking full advantage of the agreement. Such work includes achieving mutual recognition of meat processing systems, developing protocols to verify livestock production practices, addressing misaligned regulation of crop protection products, more predictable and timely review of seed technologies and ensuring country of origin labeling requirements are not applied in a trade restrictive manner.

### QUOTES:

- “When CETA was first signed, agri-food exporters were promised a mean to increase exports by billions of dollars annually. While our members remain optimistic about the promise of CETA, we’re still waiting for real access to the EU market two years later. Our exports really should be

much higher, in particular at a time when we have an advantage over competitors that do not have a free trade agreement with the EU.

- Mechanisms within CETA were supposed to prevent non-tariff barriers from stifling trade and ensure that parties abide by their commitment. Instead, with non-tariff barriers still in place, viable commercial access remains elusive. It is time for Canadian and EU lawmakers to honour the deal negotiated and deliver on the outcomes promised.”

- **Dan Darling President, Canadian Agri-Food Trade Alliance**

CAFTA members – including farmers, ranchers and food manufacturers – contribute nearly \$100 billion to Canada’s economy annually and support one million jobs in urban and rural areas in every region of the country.

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*CAFTA is the voice of Canadian agriculture and agri-food exporters, representing the 90% of farmers who depend on trade and the 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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