



House of Commons Special Committee on the Canada-Peoples' Republic of China Relationship

Opening remarks for the Study of Canada's Indo-Pacific Strategy

May 27th, 2024

Good evening and thank you to the members of the Committee for inviting me today.

The Canadian Agri-Food Trade Alliance (CAFTA) is a coalition of national organizations advocating for a freer and fairer international trade environment for the agriculture and agri-food sector.

CAFTA's members include farmers, ranchers, processors, producers, and exporters from major trade sectors such as beef, pork, grains, oilseeds, sugar, pulses, and soy.

A fair and open international trade environment for agri-food is in Canada's economic interest. Agri-food is responsible for 1 in 9 jobs in Canada, and the majority are in export based agri-food. In 2022, Canada exported \$92.8 billion in agriculture and food products, including raw agricultural materials, fish and seafood, and processed foods. More than half of our agricultural production is exported or processed to be exported.

CAFTA members have established the following priorities for our work:

- 1) To open new markets for Canadian agri-food. This includes prioritizing trade liberalization discussions with growing emerging markets in the Indo-Pacific like Indonesia and ASEAN countries.
- 2) To uphold the international rules-based trading system. A delegation of CAFTA members attended the WTO's recent Ministerial Conference in Abu Dhabi. We witnessed firsthand the challenges the system is facing, and we support Canada's efforts through the Ottawa group to advance key priorities at the WTO.
- 3) To strengthen trade diplomacy capacity and Industry-Government collaboration. We welcomed the opening of the Indo-Pacific Agriculture and Agri-Food Office in Manila, and CAFTA is co-chairing the Industry Working Group that is ensuring alignment between government and stakeholders.

The Indo-Pacific region currently accounts for over one-third of the world's economic activity, and in 2023, Canada's agriculture and agri-food exports to the region reached \$22.8 billion. In 2021, Canada was ranked the seventh largest agri-food and seafood supplier to China with values of \$11.7 billion (3.5% market share). China's top agri-food and seafood imports from Canada were canola seeds, canola oil and barley. China is our second-largest market for agri-food exports.

CAFTA has strongly supported the opening of the Manilla Office because we believe Canadian business will benefit from more sustained Canadian engagement in the Indo-Pacific. Culturally, it is essential to have Canadian representatives on the ground to develop personal relationships. CAFTA members travel regularly to the region and have seen the need to have permanent representation on the ground. It is essential that the office have the technical expertise needed to manage relationships with local authorities to help prevent the emergence of non-tariff barriers that can keep Canadian product out of the market.

It is also important to note that our agri-food competitors are also very present in the Indo-Pacific region. The US and Australia are particularly engaged, have strong infrastructure on the ground, and have developed solid relationships with local buyers.

I wish to underline to Committee members that exporting food responds not just to Canada's economic interest, but also to our national security interest of making an important contribution to international peace and stability.

Canada is the world's fifth largest agri-food exporter. We are one of the few countries in the world producing enough food for ourselves, while at the same time feeding others around the world. We contribute to international peace and security by feeding the hungry, especially at a time of international instability when major grain producers are at war.

Canada also has a strong track record of not using food as a political weapon or banning agricultural exports. That helps make us a more reliable supplier to countries seeking greater food security.

To sum up, it is in Canada's economic and national interest to increase our agri-food exports to the Indo-Pacific region. Doing so requires steady, long-term investment in business relationships with buyers and with national authorities.

I will be pleased to respond to any questions you may have.