

September 21, 2020

RE: Supporting Canada's world-class agri-food sector in global markets to drive economic recovery now and beyond

Dear Prime Minister Trudeau:

Canada's trade agreement with the EU was hailed as a gold-standard pact that would set the tone for 21st century global trade. According to the federal government at the time of signing, lowering and eliminating tariff and non-tariff barriers would add \$12 billion annually to Canada's economy and create up to 80,000 new jobs.

As you know, Canada's provinces were active participants throughout these negotiations due to the fact that many of the outcomes negotiated were in areas of provincial jurisdiction. In exchange for agreeing to open up many areas under provincial authority, provinces expected reciprocal benefits in return. Chief among them was significant market access to the EU for the agriculture and agri-food sector.

The CETA promised to be especially transformative for Canada's world-class agri-food sector, one of the largest drivers of job creation and economic growth across Canada. The liberalization of trade was to increase Canada's exports by nearly \$1.5 billion annually. The pact also included commitments to resolve issues related to technical barriers to trade, sanitary and phytosanitary provisions and other non-tariff barriers.

As the world's 5th largest exporter of agriculture and agri-food products, Canada's food sector has built a world-class reputation due to our robust food safety rules and high standards. Therefore, our producers and processors were enthusiastic about the opportunities in the high standard EU market.

However, CETA has now been in force for three years and it has failed to deliver on its promises for Canada's agri-food exporters. This outcomes results from the EU Commission and EU member states continuing to impose a wide range of trade barriers for pork, beef, canola, sugar and grains, or failing to reduce those that were to be lowered or eliminated altogether through CETA. As an example, Italy's country of origin labelling (COOL) regulation for pasta discriminates against Canadian wheat exports, is unquestionably offside from both the EU's CETA commitments and EU law and present the danger of being replicated on other commodities and jurisdictions.

As former premiers of five Canadian provinces representing the majority of Canada's total agri-food production, we are writing to express our concern over the lack of commitment the European Union is demonstrating to adhere to the spirit of the Comprehensive Economic and Trade Agreement (CETA). Successfully resolving these persisting issues will help our respective world-class agriculture and agri-food sectors play a major role in driving the world's post-pandemic economic recovery.

The federal government, provincial and territorial governments and municipal governments in Canada have respected and implemented what was negotiated as part of CETA. We have held up our part of the bargain. The EU must do the same and be held accountable to its trade commitment.

We know your government has raised these issues with your EU counterparts on behalf of Canada's agri-food sector on numerous occasions. However, in the interest of ensuring Canada's post-pandemic recovery is not harmed by continued or new possible threats of protectionism, we believe you should raise these issues directly with EU leaders including the leaders of relevant EU member states.

The EU's failure to address these issues within CETA poses great reputational risk for its status as a community that not only champions free and rules-based trade, but also as a counterparty that abides by the outcomes it has negotiated. Now more than ever, the EU needs to show its relevance in the global economy by championing the core issues that will help ensure the global economy recovers from one of the gravest economic threats the world has ever known.

If the EU cannot implement and enforce agreements it has negotiated, its authority and credibility as a negotiating partner will be severely undermined. This is also true for Canada.

The past few years have shown us just how harmful it is when trade agreements and rules are ignored or disavowed. We urge you to continue to stand up for Canada's agri-food exporters by making sure these issues are at the top of the agenda when you meet with your EU counterparts and with the leaders of EU member states. The next meeting of G7 leaders presents such an opportunity.

As you know, throughout the pandemic period, Canada's agri-food sector has helped feed the world as well as Canadians here at home, while protecting jobs and keeping our economy moving. Like other essential sectors, we are all proud of the resiliency, commitment and leadership those within the agri-food ecosystem have shown these past few months.

As a trade-dependent country, one of the best ways to secure Canada's post-pandemic prosperity is to ensure the sectors that can help drive us forward have the conditions in place to thrive. In the weeks ahead, we urge you to take up these issues with your counterparts as one of your top foreign policy priorities.

Sincerely,



Hon. Jean Charest, former Premier of Quebec
McCarthy Tétrault, Partner



Brad Wall, former Premier of Saskatchewan



Gary Doer, former Premier of Manitoba



Kathleen Wynne, former Premier of Ontario



Ed Stelmach, former Premier of Alberta