

Looking ahead: taking to the streets for free trade

September 27th, 2015

Atlanta, GA – September 27, 2015

Canada's farmers are always looking ahead. Whether it's what a tiny seed and a bit of soil can do or what a small calf could become. They're used to knowing where things came from and what they could be in the future. If everyone had this same appreciation for how Canadian agriculture depends on competitive access to world markets, people would take to the streets in support of free trade agreements.

This week, negotiations for the Trans Pacific Partnership (TPP) may come to conclusion as trade Ministers from 12 countries gather in Atlanta, Georgia. For the 90% of Canadian farms that depend on world markets for their livelihood, getting an agreement that allows us to compete on a level playing field is as critical to the future as the rain that turns a tiny seed into a plant or the feed that turns that calf into a cow.

As a country we seem captivated by our need to be protected. In fact, much of Canadian agriculture prospers in world markets – we export over half of the agri-food products that we grow. What Canadian producers of wheat, barley, canola, pulses, sugar, beef and pork need is competitive access to world markets.

That's what got us to where we are, and will help us to grow even more. Simply put, we've got a lot more land than people.

Export opportunities have enabled the agri-food sector to grow. Over the last 10 years in Canada, agriculture and agri-food exports have grown by 77%, from \$31 billion to over \$56 billion – boosting farm cash receipts by 46% over the same period.

And it's not just about the more than 180,000 farms, it's about their suppliers, the processors and exporters who have also prospered because of exports. Whether it's food processing in Toronto, shipping in Vancouver, or the thousands of Canadians from coast to coast who support the technology intensive agricultural industry, hundreds of thousands of Canadians are prospering because of agri-food exports.

But how will we thrive in the future?

One thing is certain, being at a disadvantage to our major competitors in the TPP region with 800 million consumers and 40% of the world economy won't do it. Canadian agri-food exporters need to be on a level playing field and the TPP can provide this.

Competitive access to growing Asia-Pacific markets is critical because 65 percent of our current agri-food exports go to TPP markets. Being outside an agreement of this magnitude would put Canadian producers at a disadvantage relative to those in the US and Australia. This would lead to decreased exports, less income for Canadian farmers to support their communities and fewer Canadian jobs provided by processors and exporters.

Take the pork industry as an example. Being outside of the TPP would place at risk \$1 billion of current exports and see a rapid decline of up to forty percent in the volume of pork exports to Japan. This would jeopardize thousands of jobs as the Japanese market is critical for value-added pork exports.

It's a similar story for the grain sector that exports \$2.3 billion worth of grains, oilseeds, pulses, and special crops annually to Japan, Malaysia and Singapore. The canola industry estimates that if a TPP is concluded without Canada, we will be missing out on approximately \$14 billion in exports over the course of the agreement as we become less competitive in key markets.

Removing tariffs and other trade barriers through the TPP will mean even more opportunities for agri-food exporters to support prosperous communities.

For the beef sector, the TPP could double or triple current exports to Japan, valued at \$100 million annually. For sugar, a successful TPP could fix and grow the \$120 million annual access to the US lost through the NAFTA and WTO, supporting investment and exports from Canada's \$18 billion sugar-using food processing sector. For the canola sector, eliminating tariffs through the TPP would boost exports of value-added oil and meal by 1 million tonnes, worth \$780 million annually. For barley farmers and value-added processors the TPP could increase exports by 150,000 tonnes worth \$80 million.

For agri-food exporters and the hundreds of thousands of jobs they support, access to world markets enables prosperity. We've grown because we're good at what we do and we're globally competitive. And we will continue to provide jobs and support communities as long as we have competitive access to world markets.

Just as farmers watch the skies for rain after planting so that seeds can grow, those who understand the importance of access to international markets will be watching Atlanta and the TPP negotiations. Let's hope our political leaders and negotiators reach an agreement that allows our export-based sectors to thrive in the future.

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About CAFTA

CAFTA members represent 80 per cent of Canada's agriculture and agri-food exports, about \$50 billion in exports annually. The economic activity created by CAFTA members supports more than 750 000 jobs in agriculture and food manufacturing. A significant portion of these jobs would not exist without competitive access to world markets.

CAFTA's membership represents a broad cross section of the agriculture value chain, and includes:

Canadian Pork Council

Canadian Canola Growers Association

Canadian Cattlemen's Association

Barley Council of Canada

Canadian Meat Council

Alberta Cattle Feeders' Association

Canadian Sugar Institute

Canola Council of Canada

Grain Growers of Canada

Cereals Canada

National Cattle Feeders' Association