

## CAFTA Trade Insights

*CAFTA: The Voice of Canada's Agriculture and Agri-Food Exporters*

### CAFTA Board of Directors meet with Minister Freeland and Minister MacAulay

CAFTA held its Annual General Meeting (AGM) on September 28, 2016 in Ottawa. Invited guests included senior level officials from Global Affairs Canada Kirsten Hillman, Associate Deputy Minister and Steve Verheul, Canada's Chief Negotiator for the CETA. Mrs. Hillman and Mr. Verheul engaged with CAFTA members on Canada's trade agenda in Asia and the Canada-Europe Comprehensive Economic Partnership (CETA).

The AGM ended on Parliament Hill with two roundtable discussions: one with Agriculture Minister, Lawrence MacAulay and one with International Trade Minister Chrystia Freeland and David Lametti, Parliamentary Secretary.



Roundtable discussion with Chrystia Freeland, International Trade Minister, David Lametti, Parliamentary Secretary, Steve Verheul Chief Negotiator and CAFTA Directors

CAFTA was pleased to have constructive discussions with both Minister Freeland and Minister MacAulay. These meetings provided an opportunity to discuss Canada's trade agenda, the importance of competitive access to world markets for agrifood, the rise of non-tariff barriers and key policy files such as the TPP, the CETA and the exploratory FTA discussions with China amongst others.

These meetings are part of ongoing efforts by CAFTA to ensure key influencers are aware of the importance of trade for Canadian agriculture and agri-food exporters and can advocate for the critical importance of competitive access to foreign markets for agriculture.



Lawrence MacAulay, Minister of Agriculture and Agri-Food and CAFTA directors/members (R to L): Catherine Scovil (Canola Growers Association), Dan Darling (Canadian Cattlemen's Association), Fiona Cook (Grain Growers of Canada), Brian Innes (CAFTA President, Canola Council of Canada), Sandra Marsden (Canadian Sugar Institute), Jim Everson (Soy Canada), Gord Kurbis (Pulse Canada), Cam Dahl (Cereals Canada), John Ross (Canadian Pork Council), John Masswohl (Canadian Cattlemen's Association).

## China and Canada begin exploratory free trade talks

Canada and China are launching exploratory talks towards a free-trade agreement, Prime Minister Justin Trudeau announced earlier this month. The prime minister, who said the two countries hope to [double bilateral trade between both nations by 2025](#), made the announcements alongside Chinese Premier Li Keqiang, who is in the midst of the first visit to Canada by a Chinese leader since 2010.

CAFTA welcomed the announcement in [statement](#) and a backgrounder on “[Expanding Canadian Agri-Food Exports to China](#).” In the statement, Brian Innes, President of CAFTA said:

*“With this step forward, we are closer to taking advantage of a huge opportunity to increase trade. Canada depends on agriculture and agri-food exports to feed our own urban and rural communities and support hundreds of thousands of jobs.”*

Last year, the Chinese market accounted for \$5.6 billion in Canadian agriculture and agri-food exports, not including seafood. Opportunities are enormous with China projected to be the world’s largest agri-food importer by 2020, passing the EU. Canadian canola is a major export, with soybeans, pulses, pork, wheat, barley, beef, genetics and processed products also in high demand in the Chinese market.

In January, China’s Vice-Minister of Financial and Economic Affairs, Han Jun, reportedly said that a free trade agreement could be very beneficial for both nations and was quoted:

*“What is China most in need of? We have a shortage of agricultural products. China is the biggest importer of agricultural products in the world”. “If there is an FTA arrangement between China and Canada, you can see a flooding of potash, agricultural products from Canada to China.”*

In addition to the trade talks, both countries announced a pair of breakthroughs in agriculture. They reached an agreement to try to stable trade of Canadian canola until 2020. Li also said China was lifting a ban on imports of bone-in beef less than 30 months old.

## On Parliament Hill

Parliament resumed Monday, September 19<sup>th</sup>. The week started off with debates on the Trans-Pacific Partnership and second reading of Bill C-13\*which refers to the Trade Facilitation Agreement which passed and has been referred to the Standing Committee on International Trade (CITT). Further discussion on the TPP and CETA occurred from an order paper question answered by the government.

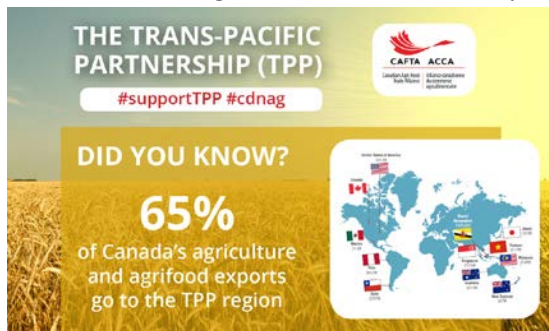
\*This enactment enables Canada to implement the Agreement on Trade Facilitation, which was done at Geneva by members of the World Trade Organization, including Canada, on November 27, 2014. Trade facilitation generally refers to the simplification, harmonization, and standardization of the controls governing the movement of goods across national borders.

CIIT resumed September 22<sup>nd</sup> hearing public consultations on the TPP in the eastern provinces and is expected to conduct more consultations in early October. The CITT will then be expected to issue a report on the TPP. The government will then have 120 (calendar) days to respond.

## Trans-Pacific Partnership (TPP)

[In Japan](#), Prime Minister Abe opened a 66-day session which will include a debate on the ratification of the TPP. To date, eight of the 12 TPP signatories have introduced the treaty in the respective legislatures. The four countries that have not are the U.S., Canada, Brunei and Chile (which is also the only TPP country with bilateral FTAs with all TPP members).

CAFTA is launching a TPP social media campaign and released infographics and FAQs to contribute to a



better public understanding of the importance of this trade deal for Canadian agriculture and agri-food.

Join the dialogue on Twitter and use #TPP, #SupportTPP #cdnag #cdntrade #cdnecon, #cdnpoli

It is incumbent on all who see merit in this agreement – who care about Canada's place in the world and about competitive access to foreign markets – to tell Parliament. The deadline to submit TPP briefs to the

government is October 31st, 2016.

## Canada-Europe Comprehensive Economic Partnership (CETA)

With the unanimous support for CETA last week at the informal meeting of the European Council's meeting of trade ministers in Bratislava the signing of the CETA trade deal is looking increasingly likely.

However, the binding Council vote on the CETA will not take place until October 18th in Brussels.

According to comments by the Minister for the Economy of the Slovak Republic, on September 23rd in Bratislava "Today, the Member States endorsed the proposal that the agreement could be approved by trade ministers most probably at the extraordinary European Council in Luxembourg on 18 October."

More on this here: <http://www.eu2016.sk/en/press-releases/trade-ministers-discuss-ttip-and-ceta>

## Market Access News

### Canada signs new agreement with China securing access for canola and beef

The Minister of Agriculture and Minister of International Trade welcomed the announcement that Canada and China have signed agreements supporting the export of canola and beef, which will help farmers by creating jobs, opportunities and growth in the agricultural sector. More on this here:

<http://www.international.gc.ca/media/comm/news-communiques/2016/09/24a.aspx?lang=eng>

According to the agreement, canola trade can occur according to terms in place during August 2016, and measures to manage the risk of blackleg will be based on science. In recent months, there has been significant uncertainty around canola seed exports to China – one of Canada's most valuable exports to China. Read CAFTA members' statements here:

[Stable Access to China Welcomed](#)

[Canola Farmers Express Renewed Confidence in Chinese Exports with New Agreement](#)

Canada and China also announced that China will begin to allow bone-in Canadian beef from cattle under 30 months of age (UTM). The industry is pleased that this important trading partner has recognized the rigour of Canada’s bovine spongiform encephalopathy (BSE) control measures and has taken this step to move forward in normalizing import conditions for Canadian beef. Read CAFTA members’ statements here:

[CCA Applauds Expansion of Beef Access to China](#)  
[Canadian Meat Industry Welcomes Restored Access to China for Bone-in Beef Products](#)

## In case you missed it

Last month, CAFTA launched the "Trade is my future" campaign on [cafta.org](http://cafta.org). The purpose of this campaign is to tell the story of Canadian farmers and processors who depend on trade.

**Margaret Hansen** is the first farmer to be featured. Margaret is a third generation farmer in Saskatchewan. Her farmland is suited to grow canola, barley and wheat. Read Margaret’s story here <http://cafta.org/trade-is-my-future/>



## In other news

### WTO dispute against Chinese Farm subsidies filed by the U.S.

In mid-September, the [U.S. filed a WTO dispute](#) to challenge China’s alleged illegal government subsidies for producing corn, rice, and wheat. U.S. Trade representatives suggested China provided \$100 billion in trade-distorting domestic support in excess of its WTO commitments.

### European Commission approves 11 GM maize varieties

The European Commission’s approved 11 new varieties of GMO maize which can now be imported and sold as food and feed in Europe. The authorisation decision is valid for 10 years allowing the import of these varieties but not the cultivation within Europe.

### Stricter horsemeat import rules agreed to by EU

As of March 31, 2017, horses must meet a six month residency period before being slaughtered and exported to the EU.

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