

CAFTA Welcomes Commitments to Double Agri-Food Trade with China by 2025

November 13, 2018

The Canadian Agri-Food Trade Alliance, representing Canada’s agri-food export industry, is very encouraged by commitments made this week by Canada and China to double trade in agri-food products between our two countries as we continue to progress toward a comprehensive economic trade agreement. At the conclusion of the two day summit, Ministers announced a series of outcomes to support doubling agricultural trade between the two countries by 2025.

“We’re thrilled that the dialogue recognized the huge potential for agri-food trade by making it a priority sector,” says CAFTA president Brian Innes. “Canadian agri-food exports face a number of barriers entering China, and the joint commitment to create a favourable trade environment is very encouraging.”

International Trade Diversification Minister Jim Carr and Minister of Finance Bill Morneau co-chaired the Canada-China Economic and Financial Strategic Dialogue in Beijing this week with China’s State Councillor Wang Yong. Agriculture and Agri-food Minister Lawrence MacAulay was also part of the dialogue given that agriculture was a priority area for increased trade.

CAFTA continues to point out that to seize the opportunity for increased trade, both tariffs and non-tariff measures need to be addressed. There is enormous potential for growth in agri-food exports to China, a country that by some reports is the largest agri-food import market in the world. Other agri-food exporters like New Zealand have shown how a trade deal can lead to increased exports. Since their free trade agreement was implemented in 2008, there has been a four-fold increase in exports during which time New Zealand went from having a trade *deficit* with China of almost 2½ billion NZ dollars to enjoying in 2017 a *surplus* of \$3½ billion.

“It’s encouraging that Canada and China remain interested in negotiating a free trade agreement,” says Innes. “Experience has shown that a comprehensive agreement is the most effective way to eliminate tariffs as outcomes are easier when there are more cards on the table.”

Agriculture has often lagged behind other sectors as the world has progressively opened up to increased trade. Agricultural tariffs are consequently often much higher; in the case of China, they average 15.1%, almost double what they are for industrial goods.

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