

TPP Agreement Will Increase Agri-Food Exports

October 5th, 2015

New trade deal means access to new markets in the Asian-Pacific

Atlanta, GA – October 5, 2015 – The Canadian Agri-Food Trade Alliance (CAFTA) welcomes the long-anticipated conclusion of the Trans-Pacific Partnership (TPP) negotiations. The future for Canada’s globally competitive agri-food exporters looks a lot brighter now that they will have improved access to a market of 800 million people across 12 countries.

“This is an historic moment for the hundreds of thousands of Canadians who are employed by Canada’s export-based agriculture and agri-food sector,” said CAFTA president Brian Innes. “Whether you are a farm family who depends on world markets, a processor, exporter, or live in a community supported by agriculture or food processing, improved access to TPP markets bodes well for a stable and prosperous future.”

Through the TPP, Canadian agriculture and agri-food now has an opportunity to obtain more value from rapidly growing Asian-Pacific markets like Vietnam and Malaysia and high value markets such as Japan. Canada’s participation in the TPP as a founding member provides the opportunity to negotiate the entry of potential future TPP countries such as South Korea. The TPP maintains an integrated North American market and eliminates tariff and non-tariff barriers that have hampered access to the US market – though preliminary indications are that the US will continue to limit Canada’s access to its sugar market.

Canada has achieved an agreement that will give Canadian agri-food exporters of all sizes access to a new trading block, encompassing nearly 40 per cent of the world’s economy.

“Our agriculture and agri-food sector is one of the most trade-dependent in the world. With 65 per cent of our agriculture and agri-food exports going to TPP markets, this trade agreement will put Canadian producers on a level playing field to help ensure that we can continue to be globally competitive,” added Innes. “It is currently unclear if Canada’s globally competitive sugar producers will have increased access to the highly protected US market.”

Outcomes for agri-food exports appear significant at first glance. Upon entry into force, Vietnam will eliminate tariffs on close to 31 percent of its tariff lines and a further 67 percent within 15 years. Malaysia will eliminate tariffs on nearly 92 percent of its tariff

lines upon entry into force. In Japan, close to 32 percent of tariff lines on agriculture and agri-food products will be duty-free upon entry into force. Notably, in Japan: beef products will see of 38.5 percent be reduced to 9 percent within 15 years; for fresh, chilled, frozen pork products, Japan will eliminate the over-gate price tariff of 4.3 percent within 10 years; feed wheat products will be duty-free, quota-free upon entry into force; Canada will have a 53,000 tonnes quota for food wheat within six years; feed barley will be duty-free, quota-free upon entry into force; and as for canola, tariffs on canola oil of up to 13.20 yen/kg will be eliminated within five years. It is unclear if there will be improved market access for the sugar industry.

“We congratulate the Canadian government on concluding this critical agreement,” says Innes. “Trade Minister Ed Fast, Agriculture Minister Gerry Ritz and Canada’s negotiators have worked tirelessly over the last three years since Canada joined the negotiations. We have seen first-hand the benefits of being at the table to shape this historic agreement. We hope all parties will recognize the importance of this agreement and work to implement it as quickly as possible.”

CAFTA is a coalition of national and regional organizations that support a more open and fair international trading environment for agriculture and agri-food. CAFTA’s members include producer organizations, processors, marketers and exporters from the major trade dependent sectors in Canada. Together, these sectors produce over 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 880 000 jobs in agriculture and food manufacturing. A significant portion of these jobs would not exist without competitive access to world markets.

For further information, contact:

Claire Citeau, Executive Director, CAFTA

cciteau@cafta.org, (1) 613-266-9104