

CAFTA Trade Insights

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

Trade Updates

Comprehensive and Progressive Trans-Pacific Partnership (CPTPP)

Late January in Japan, Canada attended the first meeting of CPTPP states since the Asia-Pacific Economic Cooperation Summit in November of last year. Prior to the meeting in Tokyo, CAFTA was among many in agriculture and agri-food that voiced its support for the CPTPP and stressed the urgent need for Canada to sign the CPTPP. Failure to do so would have put billions of dollars in agri-food exports at risk in a time when Canada's agri-food sector needs stability and access to new markets.

That's why it was excellent news on January 23rd when the 11 members of the agreement, including Canada, announced they successfully concluded the CPTPP negotiations and were making plans to sign the final deal in March. CAFTA applauded the success of the CPTPP as it will bring unprecedented access to the high-value Japanese market and rapidly growing markets including Vietnam and Malaysia. The CPTPP includes much of the content of the TPP, including all of the tariff reductions and goods market access. The CPTPP will enter into force 60 days after at least 50% of the signatory countries have ratified the agreement.

The Government of Canada unveiled its [CPTPP website](#) a week after the agreement was announced. The website provides key highlights into the market access gains for Canadian agriculture and agri-food producers, processors, and manufacturers. The government also stated that the expected GDP gains would total \$3.4 billion under the CPTPP, compared with \$2.8 billion under the TPP. This is due to the fact that without the US in the agreement, Canadian business will gain a competitive advantage in key CPTPP markets such as Japan. However, it is critical that Canada is among the first countries to ratify the agreement to gain the first mover's advantage and access to the market.

The signing ceremony will take place March 8 in Chile. It is a positive sign that countries are quickly moving towards the implementation of the agreement. After signing, each CPTPP country will undergo their own domestic ratification procedures. This process should be relatively straightforward for most CPTPP members. In Canada, Cabinet approval is required before the government tables the CPTPP in Parliament and its implementing legislation. It remains of the utmost importance that Canada begins the ratification process quickly. Canada may lose the first mover advantage if it is not among the first tranche of countries that ratify the deal.

- A week prior to the meeting in Tokyo, CAFTA released [Caught in the Crossfire: Agri-food exports at risk if Canada doesn't sign CPTPP](#)
- Read CAFTA's statement: [Canadian agri-food exporters applaud success of the Comprehensive and Progressive Trans-Pacific Partnership agreement](#)

CAFTA at Sixth Round of NAFTA Negotiations

CAFTA and its members were present at the sixth round of NAFTA negotiations, which took place in Montreal from January 23rd to 29th.

CAFTA held several trilateral events with American and Mexican counterparts including a roundtable with government officials, news conference and a networking reception. Major agri-food exporters from the United States, Canada, and Mexico stood united on maintaining a strong NAFTA. Canadian Parliamentary Secretary of Foreign Affairs Andrew Leslie and Raul Urteaga, Head of International Trade at Mexico's Agriculture Ministry participated in the roundtable. During the news conference, farmers from Canada, the US, and Mexico stressed the importance of NAFTA in supporting their livelihood. "Trade is for people, trade benefits people in concrete ways," said CAFTA President Brian Innes at the new conference. "Our industry represents one of NAFTA's biggest success stories," Innes says.



CAFTA President Brian Innes speaks with counterparts at the joint news conference stressing the significant advantages of NAFTA to agriculture and agri-food exporters across North America.

Ministers reported "some" progress had been made during this round of negotiations. Overall, this round can be characterized as proceeding slowly, but has been a step forward nevertheless. CAFTA welcomed the progress made and urges the federal government to continue working towards a modernized agreement that will increase market access for Canadian agriculture and agri-food products.

- Read CAFTA's [statement pressing for a positive outcome in NAFTA negotiations](#).

On the Hill

Parliament resumed sitting late January and CAFTA continued its outreach to those on the Hill to advocate for Canadian agriculture and agri-food producers and manufacturers.

- On February 6th, CAFTA and its members met with a dozen Members of Parliament to discuss critical issues of trade including ongoing negotiations for NAFTA modernization and the urgent need to ratify the CPTPP as quickly as possible.
- CAFTA also appeared before the House Standing Committee on International Trade for their study on a potential agreement between Canada and the Pacific Alliance. Read CAFTA's statement [here](#).

The House Standing Committee on Agriculture and Agri-Food welcomed two new members: Earl Dreeshen (Red Deer-Mountain View, CPC) replaced Sylvie Boucher, and Alistair MacGregor (Cowichan-Malahat-Langford, NDP) replaces Ruth Ellen Brosseau. On the House Standing Committee on International Trade, Randy Hoback (Prince Albert, CPC) replaced Earl Dreeshen.



Canadian Agri-Food Trade Alliance | Alliance canadienne du commerce agroalimentaire



CAFTA ACCA

Canadian Agri-Food Trade Alliance | Alliance canadienne du commerce agroalimentaire

Canada Gazette Notice: this notice relates to regulatory cooperation efforts under the Canada-European Union (E.U.) Comprehensive Economic and Trade Agreement (CETA), which entered into force provisionally last September. Chapter 21 of the Canada-E.U. CETA lays out the framework through which the Parties will carry out regulatory cooperation activities.

This includes the establishment of a new [Regulatory Cooperation Forum](#) (RCF) with the mandate of facilitating and promoting regulatory cooperation. As outlined in the notice, the Government of Canada is seeking input from stakeholders on potential areas for regulatory cooperation with the E.U. Canadians, businesses and other stakeholders are encouraged to submit suggestions for consideration by April 11, 2018.

Other News

United States and Japan begin trade framework discussions

The U.S. and Japan began discussions towards a framework of trade negotiations and fix bilateral trade imbalances. Despite the push, Japan has shown resistance to the idea of an FTA with the United States. Instead, Japan has pushed for the CPTPP, from which the United States withdrew in January 2018.

European Commission publishes report on EU-Mexico trade talks

The European Commission published its [report](#) on the most recent trade talks with Mexico, which occurred in December. The report said that negotiators reached an agreement on eight chapters. Additional meetings between officials are set to occur February 12th to 16th in Mexico.

Prime Minister Trudeau set to travel to India

Prime Minister Trudeau will be visiting India from February 17th to 23rd to promote trade between Canada and India. The trip comes at a time when India has slapped new tariffs of up to 50% on Canadian pulses.

Agriculture and Agri-Food Canada (AAFC) launches CKFTA Web Portal

AAFC launched their Canada-Korea Free Trade Agreement (CKFTA) for Agri-Food Exporters [website](#). Since the implementation of CKFTA, agri-food and seafood trade with South Korea has increased by over 20%.

United States FDA releases draft guidance on its Foreign Supplier Verification Programs (FSVP)

The US FDA released four draft guidance documents to help industry meet requirements for the FSVP rule. Canadian exporters are recommended to read the guidance documents which can be found here: [first draft guidance](#), [second draft guidance](#), [third draft guidance](#), [fourth draft guidance](#).

In case you missed it

[Trump's anti-trade agenda could be great for Canadian agriculture](#)

[The new TPP good for Canadian ag, according to Farm Credit Canada](#)

[Japan key in new TPP deal](#)

[India's tariff on pea imports expected to affect planting of pulse crops](#)

[Cereals Canada Wants Formal Complaint Launched Against Italy](#)

[CAFTA on CBC's On The Money about the advantages CPTPP brings to agriculture and agri-food exporters](#)

[A European Commission spokesperson: EU would respond in kind if the US initiated a trade war](#)

Contact us: www.cafta.org or info@cafta.org

Follow us: [@CAFTA](#) [ACCA](#) 