



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

October 5, 2018

Dear Senator Andreychuk,

The Canadian Agri-Food Trade Alliance (CAFTA), representing the 90 per cent of farmers, ranchers, producers, food manufacturers and agri-food exporters who strongly support the federal government's pursuit of creating new and enhanced access to global markets, urge Senators to review and swiftly approve legislation to implement the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) on a timeline that will enable Canada to be one of the first six nations to ratify the agreement and bring the agreement into force before December 31, 2018.

This vital and potentially transformative trade agreement will come into force 60 days after it is ratified by the first six countries. As the second largest economy in the CPTPP, it is essential that Canada lead the way on trade diversification and free and open trade around the world. Our members are very pleased that Bill C-79 is moving swiftly through the House of Commons with broad bipartisan support and are hopeful it be introduced in the Senate shortly after today's Third Reading.

Timing is critical as the race is on with other CPTPP countries vying to be among the first six to ratify so the agreement can be brought into force by December 31, 2018 – a timeline that can only be achieved if six signatories complete domestic ratification by November 1.

Mexico, Japan and Singapore have already ratified the pact, Australia is on track to complete its ratification process before the end of October; New Zealand, Chile, Brunei and Peru are moving on a similar timeframe while Malaysia and Vietnam intend to ratify by the end of 2018. Canada's swift ratification can help ensure this agreement comes into force promptly unlocking significant benefits for Canadian farmers, agri-food workers and communities.

This depends in large part on the expeditious passage of Bill C-79 in the Senate. To that effect, for Canada to be among the first six countries, debate and witness testimony needs to happen expeditiously. Thankfully, there have been a plethora of committee meetings and debate on the provisions of CPTPP already, including CAFTA's testimony about the benefits of the CPTPP to the Standing Senate Committee on Agriculture and Forestry during its meeting of April 18, 2018. Should the Standing Senate Committee on Foreign Affairs want to hear the views of Canada's agri-food exporters, CAFTA would be pleased to appear on behalf of its members* to keep witness testimony at the Committee stage minimal.

The benefits of this agreement are real. According to research commissioned by the CAFTA, this trade pact could increase Canadian agri-food exports by nearly \$2 billion annually for a variety of agriculture products including beef, pork, grains, canola, pulses, soybeans, barley, sugar and processed foods.

Additionally, being among the first six ratifying countries will help Canadian exporters secure the coveted first-mover advantage in lucrative and fast-growing Asian markets which will help create jobs, secure billions of dollars in prosperity and ensure we are not left behind in a sector that is fiercely competitive. It's imperative that Canada be among the first six countries to ratify this trade agreement to benefit from the initial rounds of tariff reductions. It should be understood that a failure by Canada to be among the first 6 to ratify the CPTPP would not result in status quo. Rather, it would constitute a needless reduction of Canadian competitiveness in the vital Asia-Pacific region.

Canada's exporters are becoming increasingly alarmed that they will no longer be competitive in the Japanese market as they watch their competitors complete and implement free trade agreements with Japan; this includes Australia, Chile and most recently, the European Union. As we saw in South Korea when our competitors beat us to duty-free access via a free trade agreement, losing first-mover advantage is not easily recovered and forces us to play catch-up in markets where our exporters are ready to seize a once-in-a-lifetime opportunity to truly break into lucrative markets across Asia.

There is no better opportunity available to Canada than the CPTPP to secure market access gains to the lucrative Japanese market and many fast growing Pacific countries such as Vietnam and Malaysia.

Given the unprecedented and aggressive protectionism that has put the global trading system at risk, the need for Canada to intensify its trade diversification efforts has never been greater. The best way to do that is to ensure Canada is among the first six countries to ratify the CPTPP so that it enters into force before the end of 2018. Simply put, as the second largest economy at the table after Japan, Canada has the opportunity to play an important leadership role and show that we stand tall on the world stage in support of free, open, rules-based trade.

We urge Honourable Senators to help us do just that and keep Canada's trade-reliant economy moving forward to the benefit of Canadians.

I thank you for considering this urgent matter. I look forward to answering any questions you may have.

Sincerely yours,



Brian Innes, CAFTA President

CAFTA is the voice of Canadian agri-food exporters, representing the 90% of farmers who depend on trade and the ranchers, producers, food manufacturers and exporters who want to grow the economy through better access to international markets. This includes the beef, pork, meat, oilseeds, grains, cereals, pulses, soybeans, canola as well as the malt, sugar and processed food industries. The sectors CAFTA represents support over a million jobs in urban and rural communities across Canada.

CAFTA Members

Canola Council of Canada
Canadian Cattlemen's Association
Canadian Sugar Institute
Canadian Pork Council
Grain Growers of Canada
Pulse Canada
Canadian Canola Growers Association
Barley Council of Canada
Cereals Canada
Canadian Meat Council
National Cattle Feeders' Association
Food & Consumer Products of Canada