



House of Commons Standing Committee on International Trade

Opening remarks for the Study of the 2026 CUSMA Review

June 6th, 2024

Good afternoon and thank you to the members of the Committee for inviting me today.

The Canadian Agri-Food Trade Alliance (CAFTA) is a coalition of national organizations advocating for a freer and fairer international trade environment for the agriculture and agri-food sector.

CAFTA's members include farmers, ranchers, processors, producers, and exporters from major trade sectors such as beef, pork, grains, oilseeds, sugar, pulses, and soy.

A fair and open international trade environment for agri-food is in Canada's economic interest. Agri-food is responsible for 1 in 9 jobs in Canada, and the majority are in export based agri-food. In 2022, Canada exported \$92.8 billion in agriculture and food products, including raw agricultural materials, fish and seafood, and processed foods. More than half of our agricultural production is exported or processed to be exported.

CAFTA's priorities are as follows:

- 1) To open new markets for Canadian agri-food.
- 2) To uphold the international rules-based trading system.
- 3) To strengthen trade diplomacy capacity and Industry-Government collaboration.

The United States is Canada's largest agricultural trading partner by far, buying 59.2 percent of Canadian exports and supplying 57.0 percent of Canadian imports. Canada is the leading agricultural trade partner of the United States when exports and imports are combined.

Canada ranks among Mexico's agri-food suppliers, with Mexican agri-food imports from Canada reached \$2.9 billion in 2022. Mexico's large population, growing middle class, geographic proximity and political stability make it an important market for CAFTA exporters.

The deep integration between the Canadian and US agricultural sectors is largely a question of proximity, but trade agreements and a deep, positive relationship with our American friends and allies are also vital. The Canada-US Free Trade Agreement of 1989, followed by NAFTA in 1994, then CUSMA in 2020, have dismantled most tariff and quota barriers to Canada-U.S. agricultural trade.

I want to underline that for Canada-US agri-food trade, CUSMA benefits trade and investment for both countries through highly integrated supply chains. This includes intra-industry trade for

important sectors where each country exports products to the other within these sectors. Pork and beef are important examples as well as grains and feeds where bilateral trade covers many semi and finished processed products, such as sugar-containing ingredients and food products. Our supply chains are so deeply integrated that in essence, our countries are producing together, making technological advances together, and using an integrated transportation system. These are important elements to emphasize when interacting with US counterparts.

Napoleon famously said that “geography is destiny.” This is clearly true for Canada`s international trading relationships. Nothing is more important than our relationship with the United States. CAFTA is a strong supporter of diversification of our trading relationships, but the US will always be the most important.

In an increasingly uncertain international environment, neighbours and partners like the US and Mexico must be carefully nurtured. Our security relationship, border management and the management of key trade infrastructure cannot be separated from the trading relationship. As a country, we must manage North American relations holistically.

CAFTA members can play a useful role in the Team Canada approach by working with their US counterparts to underline the importance of CUSMA to them. US farmers and producers are politically relevant, including in key swing states.

Finally, I wish to underline the need to avoid provoking American trade negotiators unnecessarily. CAFTA strongly believes that Bill C-282, which would legislatively handcuff Canadian negotiators from discussing tariff-rate quotas in supply-managed industries, waves a red flag in front of US interest groups in key swing states. We are calling on the Senate to reject C-282, which did not receive close study in the House.

I will be pleased to respond to any questions you may have.