

Letter to The Right Honourable Stephen Harper, Prime Minister of Canada, regarding the Trans-Pacific Partnership agreement

June 11th, 2015

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The Right Honourable Stephen J. Harper, P.C., M.P.

Prime Minister of Canada

Office of the Prime Minister

Langevin Block

80 Wellington Street

OTTAWA, Ontario, K1A 0A3

Dear Prime Minister,

The Canadian Agri-Food Trade Alliance (CAFTA), whose members contribute billions to the economy, produce 80 per cent of Canada's agriculture and agri-food exports and directly employ 500,000 Canadians, requests that the Government of Canada continue to be fully engaged in the Trans-Pacific Partnership (TPP) negotiations. As sectors of the economy that create jobs and growth from international trade, it's critical that Canada is a founding member of the TPP – an agreement encompassing a market of 800 million people and nearly 40 per cent of the world's economy.

With the United States House of Representatives now considering giving President Obama Trade Promotion Authority, it is clear that the TPP can be concluded quickly – with or without Canada. It is imperative that Canada is at the table when the agreement is finalized. If Canada were to back away while the agreement is concluded, it would have a devastating impact on agriculture and agri-food exports as our market share in countries like Japan would be eroded by others obtaining preferred access through the TPP. Even if Canada wished to join later, in all likelihood countries will demand more concessions from us and offer us less in return – bringing fewer benefits and resulting in Canadian exporters being shortchanged relative to global competitors.

The TPP is especially important to Canada's agriculture and agri-food industry as we're one of the most trade-dependent agricultural sectors in the world. We export over half of the

agri-food products that we grow – 65 percent of which go to the TPP region. To remain a significant contributor to the economy, Canadian agri-food producers and processors need the market access growth that the TPP could provide – and we need it on terms equal to other global agri-food exporters in the TPP like the United States and Australia.

The TPP presents a historic opportunity for the entire Canadian agriculture and agri-food value chain to increase capacity utilization, diversify products and markets and bring significant potential commercial benefits across Canada. Asia-Pacific countries are top buyers of high value Canadian grains, oilseeds, meats and sugar products. Canadian barley farmers export over half of their production to TPP countries either as barley, malt, or as barley-fed beef and pork, with Japan being their second largest malt market.

For wheat, not being part of the agreement would put at risk 1.5 to 2 million tonnes of premium exports to Japan. If Canada is not a founding member of the TPP, Canadian wheat farmers would cede growing premium markets in the Asia Pacific region to our competitors. With ninety percent of canola grown in Canada being exported as seed and processed products, the elimination of tariffs in the TPP region would boost exports by an equivalent of one million tonnes of additional oil and meal. For the cattle and beef sector, a TPP agreement could help cattle producers eventually double or triple beef exports to Japan. Conversely for the meat sector, the loss of market access parity would immediately place at risk at least \$1 billion of current exports, and see a decline of almost forty percent in the volume of pork exports to Japan, a market where the value of Canadian pork is much higher than most other markets. The TPP also represents a critical opportunity to build on the NAFTA platform and address outstanding market access barriers constraining Canadian sugar and sugar products as competitive inputs in the North American food supply chain.

Prime Minister, this historic opportunity can only be realized by your government's willingness to get the best deal for Canada by being an active participant at the table when the TPP is concluded. Canadian farmers, ranchers, producers, processors and exporters deserve the opportunity to compete on an equal footing in the rapidly growing pacific region.

We appreciate your efforts to ensure Canada is fully engaged in the TPP negotiations as an agreement comes together in the weeks ahead. Canada's agriculture and agri-food exporters are ready to support an ambitious, plurilateral, and comprehensive agreement.

Sincerely,

Brian Innes

President

Cc: Honourable Ed Fast, Minister of International Trade

Honourable Gerry Ritz, Minister of Agriculture and Agri-Food