

CAFTA Trade Insights

CAFTA, the voice of Canada's Agriculture and Agri-Food Exporters

In 2015, the trade agenda emphasized the importance of global competitiveness for Canadian agriculture throughout the world.

The New Year will be busy on the trade front. In the Asia-Pacific region, officials from the Trans-Pacific Partnership countries are conducting consultations and gearing up for a possible signing ceremony of the trade deal. In Canada and Europe, work continues to bring the Canada-Europe Comprehensive Economic and Trade Agreement (CETA) to the respective legislative processes required for implementation on both sides of the Atlantic Ocean. At the same time, most look forward to next steps for trade negotiations beyond the Doha round after the World Trade Organization ministerial late in 2015.

In Brief

TPP

After a careful review of the terms of the Trans-Pacific Partnership (TPP), the Canadian Agri-Food Trade Alliance (CAFTA) today announced its formal support of the deal and believes it is integral to the future viability of Canada's export-based agriculture and agri-food sector. CAFTA urges the Canadian government to sign the agreement and press for its quick ratification by all parties. Read details from the specific CAFTA members on cafta.org.

With the release in early December 2015 of the French version of the text, consultations continue on the Trans-Pacific Partnership as part of the Government of Canada's commitment to being transparent and consultative. While media report that a possible signature of the TPP may take place as early as February 2016, agriculture stakeholders are encouraged to submit views on the TPP on the [Global Affairs Canada website](http://GlobalAffairsCanada.ca).

WTO

CAFTA expressed its [disappointment](#) about the outcomes of the World Trade Organization's (WTO) 10th Ministerial Conference in Nairobi, Kenya as they failed to address market access and domestic support and remain far from the aspirations of the Doha round launched in 2001. An integrated focus on all three pillars (market access, export competition and domestic support) is essential to address trade distortions globally and create meaningful market access opportunities for agriculture and agri-food product exports.

The WTO remains the best forum for achieving fair, global and reciprocal gains in international trade. Let's hope WTO members will use the progress made in Kenya as inspiration to resume work on the broader Doha objectives.

In case you missed it

The [Federal Ministers mandate letters](#) were released.

- In his mandate letter to the new Minister for International Trade, Minister Freeland Canadian Prime Minister Justin Trudeau listed “expanding trade,” “the implementation of the CETA,” “consultations on the TPP,” and the “promotion of **agriculture** interests in trade negotiations” as part of the priorities.
- In his mandate letter to the new Minister of Agriculture, Minister MacAulay’s, Canadian Prime Minister Justin Trudeau listed “supporting the agricultural sector in a way that allows it to be a leader in job creation” and the “promotion of agriculture interests in **trade negotiations**”

On Parliament Hill

The list of [parliamentary secretaries](#) was released.

- David Lametti is Parliamentary Secretary to the Minister of International Trade.
- Jean-Claude Poissant is Parliamentary Secretary to the Minister of Agriculture and Agri-Food. Celina Caesar-Chavannes is one of three Parliamentary Secretaries to the Prime Minister.

Trade Policy

The Canada-Europe Comprehensive Economic and Trade Agreement (CETA)

The trade agreement that made the headlines last month is the Canada-Europe Comprehensive Economic and Trade Agreement (CETA).

Canada and the European Union concluded negotiations a year ago, but the deal still needs to be cleared by the European Parliament and the EU’s 28 member states, some of whom are opposed to investor-state dispute settlement (ISDS).

The issue has come to prominence, as the European Union negotiates the Transatlantic Trade and Investment Partnership (TTIP) with the United States, and has triggered an intense public debate in Europe. ISDS is very complex. The EU Commission released a draft proposal on a possible International “Investment Court System (ICS)” which would replace the controversial investor-state dispute settlement mechanism. The new system wouldn’t, however, apply to the CETA that was agreed last year. “The Canadian agreement is closed, we are not reopening that,” said EU Trade Commissioner Cecilia Malmström.

On December 9 2015, the European Parliament held a [workshop](#) with Steve Verheul Canada’s Chief Negotiator and EU Commissioner Malmström. The workshop outlined why the Comprehensive Economic and Trade Agreement with Canada will be an excellent deal for exporters, workers, consumers and entrepreneurs on both sides of the Atlantic Ocean. In his remarks, Canada’s Chief Negotiator also stated that “Canada will produce according to EU standards; we don’t seek to change [EU] standards”.

Both France and Germany will hold elections in 2017. Time is becoming of the essence and both Canada and Europe are expected to move forward on ratification over the coming months.

In Europe, once the translation and the legal scrubbing of the text are finalized, the agreement will go to the European Council where it will require unanimous support. Once approved by the Council, the CETA can be submitted to the European Parliament where it will undergo examination in the various committees, such as trade and agriculture, before for ratification.

In Canada, the trade minister will request the Governor in Council's approval and the treaty will be signed when approval is granted. The introduction of the necessary implementing legislation (to amend/modify customs tariffs related to the TPP) will be tabled in the House where it will be debated prior to ratification. The provinces will also need to submit legislation in their respective legislatures.

In a joint statement in December, Canadian and European business groups called for the approval & provisional application of the CETA. CAFTA has expressed support for the CETA as it is expected to result in up to C\$1.5 billion in new Canadian agri-food exports, and is confident that the Canadian government is committed to resolving outstanding issues before the CETA is implemented.

Looking forward to 2016

CAFTA Welcomes New Member

We are very pleased to announce that **Pulse Canada** has joined CAFTA as our newest member.



Pulse Canada is the national industry association that represents growers, processors and traders of pulse crops in Canada.

We welcome the voice of Pulse Canada to the cause as we continue to pursue our mandate of a more open and fair international trading environment for agriculture and agri-food.

<http://www.pulsecanada.com/>

Talking up Trade

As part of our outreach initiatives, CAFTA executive director Claire Citeau regularly speaks on the importance of trade for agriculture and agri-food exporters and the need for a level playing field in international trade to maintain our global competitiveness. These recent speaking engagements included appearances at Fields on Wheels in Winnipeg, MB, a TPP session "opportunities and advantages for Western Canada" in Edmonton, AB hosted by the Canada Institute and School of Public Policy and the TPP Forum hosted by the Hill Times in Ottawa, ON.

Citeau's next appearance will be at FarmTech January 26-27, 2017 in Edmonton, AB.

CAFTA's Commitment

In 2016, Canada must continue to negotiate and ratify meaningful comprehensive bilateral and multilateral trade agreements that offer significant benefits and maintain our competitive position vis-à-vis our global competitors.

As we look to the many opportunities and challenges that this year will bring, CAFTA will monitor these trade files with great interest and advocate the interest of CAFTA members.