



Canada's agri-food exporters disappointed that major trade issues glossed over in mandate letters

Upholding rules based trade, enforcing trade rules, and resolving non-tariff barriers ignored in mandate letters

Ottawa, December 17 – The Canadian Agri-Food Trade Alliance (CAFTA) issued the following statement today in reaction to the Mandate letters of the Deputy Prime Minister and the Ministers of Foreign Affairs, Small Business, Export Promotion and International Trade and Agriculture and Agri-Food.

“The Mandate letters address important priorities such as Canada-United States-Mexico Agreement (CUSMA), Canada-European Union Comprehensive Economic and Trade Agreement (CETA) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), but barely touch on the fundamental work required by the federal government in an era of unprecedented uncertainty and geopolitical tensions. We are disappointed that the effort required to uphold rules-based trade, enforce trade rules and resolve non-tariff barriers is not clearly outlined in the mandate letters, but would hope that these core functions of the federal government will continue with the urgency demanded by today’s trade environment.

“We are pleased to see that ratification of the CUSMA is a top priority in the mandate letter to Deputy Prime Minister Freeland. Bringing the new NAFTA into force will usher in much-needed stability and certainty for agri-food supply chains across North America.

“We also support Minister Champagne’s mandate to expand Canada’s support for the rules-based international order. Positive, long term relationships with trading partners will help prevent agri-food from being the center of geopolitical disputes.

“Our members welcome commitments in Minister Ng’s mandate to implement the CETA and CPTPP, agreements that offer massive potential to grow Canadian agri-food exports. The fast growing Asia-Pacific region is essential for the future sustainability of our sector. Minister Ng’s mandate to advance WTO reforms is also positive as the WTO remains the best forum for dealing with disputes and trade distorting subsidies. However, the lack of emphasis in Minister Ng’s mandate on maintaining the rules-based trading system and the urgent need to fix the World Trade Organization’s Appellate Body is concerning. Based on this tepid direction, we are not convinced that Canada will take necessary efforts to defend a trading system that is under attack. This disconnect is even more concerning given that her mandate letter was published the same week the WTO’s Appellate Body ceased to function for the first time in history. For a trade reliant nation, preserving a rules-based trading system is vital to protecting the rights of Canadian exporters and should be a top priority for the international trade minister.

“As for Minister Bibeau’s mandate letter, recognition of the strong global export growth potential and the need to diversify is particularly encouraging. But it fails to mention the importance of achieving Budget

2017's goal of \$75 billion in agri-food exports by 2025, is silent on the recent Liberal party election commitment to make Canada the second largest agri-food exporter in the world, and offers little concrete attention to what is needed for Canadian agri-food exporters dealing with a volatile global trade landscape.

"Unfortunately, none of the mandate letters emphasize enforcing rules in existing free trade agreements. The CETA has been in force for over 2 years yet real access to the EU market remains elusive for Canadian agri-food exporters as the European Union is slow to abide by its commitments. While our exports to the EU should be increasing, they have fallen by 10% since the deal's implementation. The federal government must not simply negotiate and ratify trade agreements; it must work with trading partners and stakeholders to ensure what's in the agreements is respected and enforced.

"To this end, our members are disappointed that none of the Ministers are tasked with removing non-tariff barriers to enable trade to grow. For many agri-food exporters, non-tariff barriers are increasingly damaging. It is important that Ministers recognize that Canada's success depends on our ability to address complex regulatory issues and behind-the-border barriers such as sanitary and phytosanitary measures that unnecessarily distort trade and are not based on science.

"Moreover, the mandate letters missed an opportunity to provide a roadmap for growing exports through more trade agreements – as our international competitors are doing. We should start with expanding the CPTPP, launching bilateral talks with the ASEAN, finalizing negotiations with the Pacific Alliance, and kickstarting talks with the United Kingdom to ensure post-Brexit stability. Our competitors have accelerated their pace of negotiations and we need to be proactive or risk being left behind.

"Lastly, Canada is not just a proud trading nation; we are an export-dependent nation. In these challenging and fiercely competitive times, helping exporters expand and succeed abroad in order to create jobs and prosperity at home must be given greater urgency by the federal government. We look forward to working with Canadian officials and political leaders to truly realize our potential."

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CAFTA is the voice of Canada's agri-food exporters, representing the 90% of farmers who depend on trade and the ranchers, producers, processors and exporters who want to grow the economy through better access to international markets. This includes the beef, pork, meat, grains, cereals, pulses, soybeans, canola as well as the sugar, malt, and processed food industries. The sectors CAFTA represents contribute nearly \$100 billion to Canada's economy annually and support over a million jobs in urban and rural communities across Canada.

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