



Trade Insights

CAFTA Welcomes New Executive Director

Canadian Agri-Food Trade Alliance (CAFTA) Members welcomed their new executive director, Michael Harvey. Michael Harvey is an experienced public affairs executive who has specialized in international business, law and diplomacy. His career has included roles with a senior multinational mining company, the Privy Council Office and Global Affairs Canada. “I am honoured to have been chosen as CAFTA's Executive Director and will work to increase awareness of the importance and value of agri-food trade and international markets to Canadian agri-food exporters and the Canadian economy” stated Harvey.



Michael began his new role as of July 24, 2023. As the Executive Director, Michael will lead CAFTA’s advocacy strategy and communications and continue to advance the organization’s priorities. “The CAFTA Board is excited to welcome Michael Harvey as our new Executive Director. Michael’s experience in diplomacy, policy and government relations will help advance CAFTA’s priorities in the years ahead” stated CAFTA President Dan Darling.

The State of Global Agricultural Trade

The [Agricultural Outlook 2023-2032 report](#) released by the Food and Agriculture Organization of the United Nations (FAO) and the Organization for Economic Co-operation and Development (OECD) projects that agricultural demand is projected to continue to increase over the next ten years, but at a slower pace of growth than the previous decade due to demographic trends. Production of agricultural commodities is also projected to grow at a slower pace.

The reduced growth incentives are not only driven by a weakening global demand for agricultural products but by decelerating productivity growth resulting from increased input prices, notably fertilisers, and tightening of environmental regulations. Global trade in agricultural commodities covered in the Outlook is projected to expand by 1.3 percent annually –half the pace recorded in the past decade— due mostly to slower growth in demand by middle-income countries.

Greenhouse gas emissions from agriculture are expected to increase by 7.5 percent in the next decade – just less than half the projected output growth – indicating a significant fall in the carbon intensity of agricultural production. In a special assessment of key farming input prices, which have risen significantly in the past two

years, the Outlook calculates that every 10 percent increase in fertilizer prices leads to a 2 percent increase in food costs, with the burden falling hardest on the poor, who spend a larger share of their budget on food. The Outlook highlights the importance of policies to ensure greater efficiency and resilience.

FTA Updates

UK Accession to CPTPP

The Honourable Mary Ng, Minister of International Trade, Export Promotion, Small Business and Economic Development, participated in the seventh Commission meeting of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) hosted by New Zealand on July 16. At the meeting, Minister Ng and her CPTPP partners [welcomed](#) the United Kingdom as the newest member of the agreement.

CAFTA members are disappointed that the UK's accession to the CPTPP has not addressed many of the SPS and tariff barriers that limit Canada's market access for important Canadian agri-food exports to the UK such as beef and pork. You can read the Canadian Cattle Association and the Canadian Pork Council statement on the UK's accession to CPTPP [here](#).

In the [Joint Ministerial Statement](#), CPTPP Members welcomed Chile and Brunei's ratification and entry into force of the agreement. Members also reaffirmed the agreement's openness to other applicants provided they meet "the high standards of the Agreement and with a demonstrated pattern of complying with their trade commitments." The UK's accession will [enter](#) into force once it is ratified by all CPTPP members, which is expected to take about 18 months. The next CPTPP Commission meeting will take place in Canada in 2024. Read CAFTA's full statement [here](#).

Canada-Indonesia Comprehensive Economic Partnership Agreement (CEPA)

At the margins of the the 12th ASEAN Economic Ministers Canada Consultation, Minister Ng [held](#) the first meeting of the Canada-Indonesia Economic Task Force in Jakarta, Indonesia. The ministers agreed to continue strategic investment in infrastructure projects and cooperation on food security and agriculture. Canada and ASEAN launched negotiations toward a free trade agreement in 2021 and will be holding the fifth round of negotiations in September 2023.

USMCA Free Trade Commission Meeting in Cancun, Mexico

The Honourable Mary Ng, Minister of International Trade, Export Promotion, Small Business and Economic Development, Ambassador Katherine Tai, United States Trade Representative, and Raquel Buenrostro, Mexico's Secretary of Economy, [participated](#) in the third meeting of the CUSMA Free Trade Commission (FTC), hosted by Mexico in Cancún, from July 5 to 7, 2023.

Minister Ng [raised](#) concerns about protectionist measures that threaten cross-border collaboration between the United States and Canada that undermines commitments made by the leaders of both countries. Although not discussed in the official press release of the meeting, the three countries have outstanding trade disputes. Some of which include Mexican policies to limit use of genetically modified corn imported from the United States and Canada's allocation of dairy import quotas. The USMCA is set for a major review and potential updates in 2026.

Other Updates

Canada Joins Corn Dispute between the US and Mexico

Canada will [participate](#) as a third party in the dispute settlement proceedings initiated by the United States under the Canada-United States-Mexico Agreement (CUSMA) regarding the use of genetically engineered corn in tortillas and dough. Canada shares the concerns of the US that Mexico is not compliant with the science and risk analysis obligations under CUSMA's Sanitary and Phytosanitary Measures Chapter.

On August 29, Dan Darling, President of the Canadian Agri-Food Trade Alliance (CAFTA) issued a statement welcoming the Government of Canada's opposition to the Mexican biotech corn ban. Darling added that "CAFTA is a strong advocate for upholding the rules-based framework for trade that is enabled by CUSMA" and that "SPS measures must be based on scientific and risk-based principles, relevant international standards, and not create unnecessary barriers to trade." You can read CAFTA's full statement [here](#).

G20 Trade and Investment Ministers Meeting in India

The Honourable Mary Ng, Minister of Export Promotion, International Trade and Economic Development, [participated](#) at the Group of Twenty (G20) Trade and Investment Ministers Meeting in Jaipur, India at the end of August. The meeting concluded with a [statement](#) in which trade "plays a vital role in improving global food security in all its dimensions." G20 Members also expressed their commitment to have a fully and well-functioning Dispute Settlement System by 2024.

ASEAN Meetings

The Honourable Mélanie Joly, Minister of Foreign Affairs [travelled](#) to Jakarta, Indonesia, from July 13-15, 2023, to attend the 56th ASEAN Foreign Ministers' Meeting. Minister Joly [participated](#) in the ASEAN-Canada Post Ministerial Conference with ASEAN Foreign Ministers to advance shared priorities. At the meeting, Minister Joly updated the progress of Canada's Indo-Pacific Strategy and announced with Dr. Kao Kim, Secretary-General of ASEAN, the adoption of the ASEAN-Canada Strategic Partnership at the 43rd ASEAN Summit in September of this year.

Prime Minister, Justin Trudeau [announced](#) he will travel to Jakarta, Indonesia to participate in the ASEAN Summit from September 5-6, 2023. This will be followed by a bilateral visit to Singapore from September 7-8, and then participate the G20 Summit in New Delhi, India, from September 9-10, 2023. The Prime Minister will reaffirm Canada's commitment to strengthening economic co-operation and removing trade barriers.

WTO Updates

WTO Members Revitalize Agriculture Reform

Three new negotiating submissions have highlighted the importance of reform to the WTO's rulebook on domestic support to agriculture, as talks intensify ahead of the organization's ministerial conference next February, and a senior official meeting scheduled for 23-24 October. Domestic support is widely seen by WTO members as a priority in the negotiations, because of its impact on the ability of producers to compete fairly in global markets.

The new submissions included two that had been prepared by groups of countries — the African Group and the Cairns Group of agricultural exporting economies — and one by Costa Rica. They analyze the support that

is provided to the sector, including its impact on trade and markets. Costa Rica and the African Group also put forward ideas on how WTO members should limit its adverse effects in the future.

MC12 SPS Declaration Implementation

At the 12th Ministerial Conference (MC12) in June 2022, ministers [adopted](#) the “SPS Declaration: Responding to Modern SPS Challenges”. The Declaration recognizes new opportunities and emerging challenges in global agriculture since the adoption of the [SPS Agreement](#) in 1995. The Declaration instructed the SPS Committee to carry out a work programme to further enhance the implementation of the SPS Agreement to better manage issues related to international trade in food, animals and plants.

Since June of 2022, the SPS Committee has met to revise and improve the implementation of the SPS Agreement. The SPS Agreement implementation is key to addressing emerging SPS non-tariff barriers and protectionism in agricultural trade. On June 21, 2023 the committee [released](#) a draft report outlining the challenges in implementing the SPS Agreement. Notably, the draft report recognizes there is no **"one-size-fits-all" approach to the regulation of sustainable agricultural farming practices across WTO Members, and thus Members need to consider the differences in local and regional conditions.**

On the Hill

Cabinet Shuffle

On July 26, Prime Minister Justin Trudeau [announced](#) changes to the Ministry. Notably, the previous Minister for Agriculture and Agri-Food, Marie-Claude Bibeau became the Minister for National Revenue. Lawrence MacAulay became the Minister of Agriculture and Agri-Food. Minister Mary Ng of Small Business, International Trade and Economic Development became the Minister of Export Promotion, International Trade and Economic Development. The Ministry of Small Business was allocated to Rechie Valdez. CAFTA extends its gratitude to Minister Bibeau for her work and collaboration with the agriculture sector.

Continued Advocacy Against C-282

CAFTA remains the leading group opposing Bill C-282 which seeks to protect supply management from future trade negotiations. Senator and Chair of Standing Committee of Foreign Affairs and International Trade expressed his concern with Bill C-282 in a recent [article](#), mentioning “It would handcuff the hands of negotiators.” Senator Paula Simmons, Vice-Chair of the Agriculture Committee, also commented “On balance, I have concerns about the potential consequences to Alberta’s agricultural economy and to Canada’s trade negotiations, if we make supply management an untouchable [and] take it out of negotiations completely.” As Parliamentarians resume their duties the week of September 18-22, CAFTA will be a strong advocate against C-282 in the Senate.

In case you missed it:

- [Senators raise concerns about Bloc’s ‘flawed’ supply management bill](#)
- [Supply management is a disaster, and the terrible Bill C-282 will make it worse](#)
- [Positioning Canada’s Agriculture to Meet Asia’s Growing Food Security Needs](#)

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