



CAFTA Trade Insights

CAFTA: The Voice of Canada's Agri-Food Exporters

CAFTA Priorities in #Elxn43

With the federal election campaign now in full swing, CAFTA is reminding party leaders, candidates and other stakeholders about the positive contribution the agriculture and agri-food sector plays in the Canadian economy, as well as our concerns about the state of global trade. As one of our members said recently:

“Trade and international politics is as important to a farmer today as the weather.”



Against this backdrop, CAFTA has taken the extraordinary step of releasing a 2019 Federal Election Platform, entitled [“Realizing Canada’s Export Potential in an Unpredictable and Fiercely Competitive World.”](#) The platform highlights the challenges and opportunities’ facing Canadian farmers and food processors as trade is increasingly linked to geopolitical and global events.

CAFTA Annual General Meeting

CAFTA members met last week in Ottawa on the occasion of the organization’s AGM and board meeting. We are pleased to announce that **Dan Darling is the newly elected CAFTA president**. Dan resides in the heart of apple country, in the Township of Cramahe of Northumberland County in Ontario, where he and his brother Van operate a cow-calf operation with 250 cows and background calves on 1,500 acres. They cash crop corn, soybeans and wheat for grain, as well as forages to feed their cow herd. We look forward to continuing to advance our trade priorities under Dan’s leadership and we are grateful to be able to benefit from his vast experience as a farmer, an industry association executive and a committed free trader.

CAFTA directors would also like to thank **outgoing president Brian Innes** for the many ways he has enhanced CAFTA and more importantly, the interests of our members during what has been a busy and tumultuous period for global trade. Under Brian’s leadership, our interests have been well represented and advanced on multiple fronts including during the successful conclusion of the TPP and the CPTPP agreements, the renegotiation of NAFTA, the implementation of the CETA, the continued work to remove technical barriers to trade in the CETA and WTO reform efforts.

For the upcoming year, CAFTA members will be represented by the following individuals on our Board of Directors:

- Dan Darling, Canadian Cattlemen Association (President)
- Brian Innes, Canola Council of Canada (Vice President)
- Sandra Marsden, Canadian Sugar Institute (Treasurer)
- Phil de Kemp, Barley Council of Canada
- Daniel Ramage, Cereals Canada



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- Gary Stordy, Canadian Pork Council
- Michael Delaney, Grain Growers of Canada
- Carla Ventin, Food & Consumer Products of Canada
- Gordon Bacon, Pulse Canada
- Janice Tranberg, National Cattle Feeders Association
- Rick White, Canadian Canola Growers Association

The Road Ahead in 2019-2020

As things stand now, the state of global trade remains uncertain and things could change quickly. Following #eln43, we will re-double our outreach efforts in Ottawa and continue to build new relationships, irrespective of who wins the election. From CUSMA ratification, CPTPP accession, to improving real access under CETA to WTO reform and agriculture negotiations, there will be no shortage of issues to discuss with policy - and decision-makers post-October 21.

CAFTA Members Meet with Canadian Officials on FTA Implementation and Enforcement

There has been significant discussion at the CAFTA board table concerning how Canada should respond to market access barriers related to FTAs and the enforcement of trade agreements. In Ottawa, CAFTA members met in September with Government of Canada officials to discuss issues related to the breaching of obligations within a trade agreement and the best way to overcome these persisting barriers. Specific trade agreements discussed include CETA and the CPTPP as well as agriculture negotiations at the WTO.

CAFTA Meets with Senior EU Officials on CETA Implementation

CAFTA members also met with officials from the Directorate General for Trade of the European Commission and the Directorate-General for Agriculture and Rural Development of the European Commission. The EU officials were in Ottawa for the annual meeting of the CETA Agriculture Committee which is one of the mechanisms created in CETA to address irritants *before* they become trade-stifling irritants. While discussions were difficult at time and disagreements remain, it was important for both sides to share information and gain a better understanding of how both sides are approaching these outstanding issues. One thing is for sure: our work to secure what was promised in CETA remains significant and it will be important to engage the new government on these issues early.

Additionally, marking the two year anniversary of CETA being in force, CAFTA issued a news release stating that [CETA is still not delivering for Canadian agri-food exporters](#).

Trade Updates

Canada-United States-Mexico Agreement (CUSMA)

All eyes are on the U.S. as the White House continues to push to get the trilateral pact passed by the U.S. Congress this fall. In the U.S., the next 3 months are crucial as the Trump Administration wants the deal ratified before the 2020 election season gets underway. While House Democrats have requested changes to labour, environment, pharmaceutical and enforcement provisions, a working group with USTR has been set up by Speaker Nancy Pelosi to resolve some of these outstanding concerns. U.S. agriculture groups are strongly in



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favour of a swift ratification and have been urging both Democrats and Republicans to support the new NAFTA.

Here in Canada the official dissolution of the 42nd Parliament meant that all incomplete business was terminated, including government bills such as Bill C-100 'An Act to implement the Agreement between Canada, the United States of America and the United Mexican States'. Prior to dissolution, C-100 had passed 2nd reading in the House of Commons and was at committee stage.

While C-100 does officially die at dissolution, a new government can bring the bill back in a new Parliament at the same stage prior to dissolution with a house vote. Should the Liberals win re-election they may do just that, and the Tories would likely support. Should Conservatives win, they too can bring back the bill in its original form which the Liberals would no doubt vote in favour of. This means that despite dissolution, ratifying CUSMA could quickly get back on track following the federal election.

However, depending on the make-up of the new Parliament, not to mention the unpredictability of the Trump administration, getting it done quickly will be crucial. At the end of the day, regardless of the election outcome, dealing with CUSMA will likely be a top priority for any new government after October 21st. It may even be the first order of business, especially if the U.S. ratifies it during #eln43.

In Mexico, the ratification of the new deal was completed late July 2019.

Until the new agreement is implemented, the current NAFTA remains in force.

CPTPP

The second meeting of the CPTPP Commission which oversees the Agreement and is composed of the trade ministers of the signatories will be held October 7-8 in New Zealand. The Commission is composed of government representatives of each Party at the level of Ministers or senior officials and takes decisions by consensus. Its functions include considering any matter relating to the implementation or operation of the Agreement, reviewing the economic relationship and partnership(s) among its Parties, considering proposals to amend or modify the Agreement, supervising the work of all committees, working groups and any other subsidiary bodies established under the Agreement, and addressing matters related to dispute settlement.

Officials continue to work on the accession protocol which will operate on a consensus basis and is outlined on a [Global Affairs CPTPP accession page](#). To date, Thailand, Colombia, Indonesia, the Philippines, the UK and Taiwan have expressed varying degrees of interest in joining the CPTPP platform. We will continue to watch developments closely and offer our advice and analysis to the federal government on potential new entrants.

Potential Canada-ASEAN FTA

On September 10, Economic Ministers from the ten ASEAN Member States and Canada met in Bangkok, Thailand for the Eighth ASEAN Economic Ministers-Canada Consultations. During the meeting, Canada and ASEAN announced the conclusion of exploratory discussions for a possible Canada-ASEAN free trade agreement (FTA). Whether this leads to a decision to officially launch FTA talks will be decided by the next government.



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News from the WTO

To highlight the important role it plays in ensuring open, rules-based global trade, the WTO has launched a [primer website](#) that highlights its various functions. We will continue to support WTO reform and stand up for the vital work it does.

In Other News

- Dominic Barton was recently announced as the next Canadian ambassador to China. Barton led the Government's Advisory Council on Economic Growth, which highlighted the Canadian agri-food sector's potential growth of agri-food exports to \$75 billion by 2025. Many in the agri-food sector hope that this appointment will help ease some of the bilateral tension that has plagued the relationship in recent months.

OECD-FAO Agricultural Outlook 2019-2028

The Organisation for Economic Cooperation and Development (OECD) and the UN's Food and Agricultural Organization (FAO) recently released the 2019-2028 agricultural outlook report. While it projects higher yields due to technological innovation and growing opportunities due to population growth and urbanization, it also notes some concerning risks. One such risk includes disruptions from trade tensions and notes that trade is "critical for global food security." The OECD Director for Trade and Agriculture states that it is "essential that all governments support open, transparent and predictable agri-food markets."

- Read more about the OECD-FAO Agricultural Outlook 2019-2020 [here](#).

Further Reading

[Agri-food exporters frustrated with CETA](#)

[Approving the USMCA must be at the top of Congress's fall check list](#)

[Possible U.S.-China trade deal could block Canadian agri-exports, worrying farmers](#)

[Taiwan steps up lobbying to join trans-Pacific free trade deal](#)

[Pelosi says 'moving ahead' on trade deal; Mexico optimistic](#)

[Japan and New Zealand to jointly aim for expanded TPP](#)

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