

# December 3, 2014

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## **CAFTA MEMBERS PLEASED WITH IMPORTANT MILESTONE FOR CANADA-KOREA FREE TRADE AGREEMENT**

Quick implementation is the next step to access the Korean market

**OTTAWA, ONTARIO, December 3, 2014** – The Canadian Agri-Food Trade Alliance (CAFTA) is pleased with today's announcement that the Canada-Korea Economic Growth and Prosperity Act has received royal assent. This announcement, in conjunction with the conclusion of the South Korea's ratification process, is the next step to concluding the Canada-Korea Free Trade Agreement (CKFTA).

"We would like to thank the Government of Canada for their tireless work towards completing this agreement," said CAFTA President Lisa Skierka. "With today's announcement, we are on track for bringing the benefits of free trade with South Korea home to Canadians."

South Korea is a lucrative market of 50 million consumers and a key central hub for the Asia-Pacific agri-food supply chain. CAFTA members are united in their approval of this agreement, and the need for it to be implemented by January 1, 2015.

"Stable and open trade with Korea is significant for the canola industry. Implementing the agreement on January 1, 2015 will allow Canadian canola to enter the market on a level-playing field," said Brian Innes, vice president of government relations for the Canola Council of Canada (CCC).

The CCC estimates that exports for canola seed and canola oil, \$60- and \$90-million per year respectively, could double once the CKFTA is implemented.

Until a few years ago, Canada was a preferred supplier to Korea for many agri-food products. However, trade agreements established by Korea with Canada's top competitors (including the European Union, the United States and Australia) and high tariffs have reduced trade between the two countries dramatically. The CKFTA will remove the historically high tariffs on Canadian agri-food exports, an important step in rebuilding trade between the two countries.

"The elimination of South Korean import tariffs will allow the Canadian pork industry to recover its traditional position as a lead supplier to what is one of the world's most

important pork importing countries,” said Jean-Guy Vincent, chair of the Canadian Pork Council.

Once Canada’s meat processors and exporters regain competitive access, it is projected that annual beef and pork exports will rebound and surpass their previous peaks. Korea is one of the most important meat importers in the world with import demand exceeding \$2 billion for beef and pork products annually.

“I am very pleased that the CKFTA will be in place on time to restore a competitive position for Canadian beef in the Korean market,” said Dave Solverson, president of the Canadian Cattlemen’s Association.

The CKFTA signals to Korean buyers that they can resume their relationship with Canadian beef and maintain a long-term competitive position.

Additionally, South Korea is the fourth-largest market for malting barley. A ratified and implemented CKFTA will result in new marketing opportunities for the malt industry and for Canadian barley farmers.

“This agreement will provide Canadian maltsters not only competitive export stability into Korea, but also it opens the door for what we believe will be significant increased sales over the course of the next 11 years,” added Phil de Kemp, president of the Malting Industry Association of Canada.

***CAFTA is a coalition of national and regional organizations that support a more open and fair international trading environment for agriculture and agri-food. CAFTA’s members include producer organizations, processors, marketers and exporters from the major trade dependent sectors in Canada. Together, these sectors produce almost 80 per cent of Canada’s agriculture and agri-food exports, conduct about \$40 billion in business annually and directly employ close to 500,000 Canadians.***

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