

TPP: Tiny island brings us close to big deal

May 29th, 2015

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Guam, US – May 29, 2015

Negotiators are sequestered on the tiny Pacific island of Guam this week to finalize key details of potentially the most significant trade agreement for Canada in a generation. Since May 15th they've been sorting out the remaining few issues to help conclude the Trans Pacific Partnership (TPP), a free trade agreement spanning 12 countries and 40% of the world's economy.

And from what we've seen here, a deal is just around the corner – which is welcome news for Canadian farmers and agri-food exporters looking to remain globally competitive and grow.

A successful TPP will establish 21st century rules to make trade more open and stable in a region with a growing middle class and an appetite for Canadian exports. It will preserve our integrated North American market and improve access to rapidly growing Asian-Pacific markets such as Vietnam, Malaysia, Singapore and Japan – the crown jewel of the TPP.

Japan is a premium market that demands about \$4 billion per year in Canadian agri-food products. It's the destination for about 10 per cent of Canada's agri-food exports as a top priority market for Canadian canola, pork, malt, beef and an important high-value market for sugar products, wheat and pulses.

But our global competitors into this high value market already have better access. With Australia's recently implemented free trade agreement, Canadian exporters are getting squeezed in Japan because we're now facing higher tariffs than a key competitor – a disadvantage that will grow over time if not addressed. A successful TPP providing equal access for all member countries would keep us competitive and increase agri-food exports by eliminating tariff and non-barriers.

It's exciting that this could happen soon. The TPP has been under negotiation for nearly 7 years, with Canada joining the negotiations in 2012. It's a huge opportunity that is finally close.

We're seeing the U.S. Congress move towards granting President Obama Trade Promotion Authority, an authority he needs to sign an agreement. It's a step that many TPP countries

see as necessary for the final pieces of the agreement to come together. Once Obama has Trade Promotion Authority the dominoes could fall into place quickly.

Negotiations always involve choices, as Prime Minister Harper has acknowledged. But one choice that is not an option is the status quo. Doing nothing – or signing on late to a deal – means Canada falls further behind our global competitors. It would mean decreased exports, lower revenues for Canadian farmers and fewer Canadian jobs.

Canada must be a founding member of the TPP. Not only would it be devastating for Canadian agriculture if our government was not at the table when the final decisions are made, but the costs to negotiate our way back in the TPP later would be much higher and the benefits much smaller. The best deal for Canada will happen when we're at the table. When political leaders come together to finalize the deal, Canada must be there.

Canada is a relative small country in the world and we can't let the inconvenience of talking trade during an election campaign prevent us from getting the best deal for Canadian agri-food exporters.

Our farmers, ranchers, producers, and exporters deserve the opportunity to compete on an equal footing in our biggest markets, an opportunity that can only be realized by our federal government's willingness to get the best deal for Canada. As our federal government prepares for the final choices in the coming weeks, let's hope that they keep this in mind.

For Canadians concerned about where future jobs and growth will come from, we need to keep a close eye on the TPP. What's happens with the TPP will affect Canada's agri-food exporters: we will either move forward or fall behind. There is no status quo.

It may be just a tiny spec of land in the Pacific, but decisions made in Guam could lead to the biggest opportunity affecting Canadian agriculture's ability to profit from international markets in a long, long time – and that's worth paying attention to.

Brian Innes, President of the Canadian Agri-Food Trade Alliance