AGRICULTURE & TRADE NEGOTIATIONS

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BACKGROUND

Canada is a trading nation and so is its agriculture sector. Canada is only one in a handful of nations in the world that produces more food that it consumes and is blessed with vast natural resources. As a result, Canada's farmers will continue to be relied upon to help feed the world's burgeoning population.

Canada is the world's 5th largest exporter, accounting for 3.5% of the total value of world agriculture and agri-food exports. The majority of Canadian farmers rely both on the domestic and oversea markets to sell their product and, in many cases, producers of certain commodities sell more than half their production overseas. As a result, access to international markets is vital for these farmers to ensure their continued viability and prosperity.

On the other hand, farmers of several other commodities opted decades ago to market their product through supply management systems and rely primarily on the Canadian market for their livelihood. For these farmers, predictable and controlled levels of imports into Canada is essential to enable planning for domestic production which fulfills the Canadian market demand.

In either case, Canadian farmers need fair, transparent and predictable trade rules to ensure their viability.

WHAT'S NEEDED

The Canadian government must approach all trade negotiations, including the current Trans-Pacific Partnership (TPP) negotiations, with the objective of achieving positive results for Canadian farmers. Clear and effective rules governing international trade will result in better functioning international and domestic markets.

Specifically, the government must address these three prongs of trade negotiations:

1. Market Access

Canada must negotiate trade agreements that result in real and commercially meaningful market access opportunities for our export reliant farmers. In the case of the TPP negotiations, it must also ensure that it negotiates market access terms and conditions that are equal to or better than other member countries, such as the US or Australia.

2. Supply Management

The government must ensure that supply management systems are protected in trade negotiations by ensuring their import controls are not eroded in any fashion; either by increases in the volume of product allowed into Canada through tariff-rate quotas (TRQ`s) or decreases in over-quota tariffs.

In the case of the recently completed trade agreement with the EU (CETA), Canada conceded some additional market access for European cheese to the determent of Canadian dairy producers. In these cases, the government must work with affected producers to fully mitigate any potential negative impact additional market access would have on Canadian farmers.

3. Non-Tariff Barriers

Canada must also ensure that countries do not erode the market access it has negotiated in trade agreements by introducing trade barriers after negotiations have been completed. A case in point is the CETA agreement, where Canadian food processors are facing a myriad of technical and regulatory burdens into the EU that make exporting product into that market unfeasible or cost-prohibitive .

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