

May 28, 2021

RE: A Submission from Canada's Agri-Food Exporters regarding Bill C-216, An Act to amend the Department of Foreign Affairs, Trade and Development Act (supply management)

Dear Parliamentarians:

As the House of Commons Standing Committee on International Trade (CIIT) receives submissions regarding Bill C-216, an Act to amend the Department of Foreign Affairs, Trade and Development Act (supply management), we wanted to ensure the voice of Canadian agri-food exporters, representing the ninety percent of Canadian farmers who depend on trade and the producers, food manufacturers and agri-food exporters who grow the economy through better access to foreign markets is heard clearly.

Simply put, we believe this bill should not be supported by Parliamentarians and we are urging Committee Members to review this legislation carefully with Canada's wider strategic interests in mind. CAFTA is deeply concerned about legislating the exclusion of products or sectors from trade negotiations, a move that would damage relationships with key trading partners and jeopardize the foundation of our economic engine as a trading nation.

At the very least, Bill C-216 not only contradicts trade rules, but it is also counterproductive to our interests and effectively ties the hands of negotiators before negotiations even begin. As such, it would severely constrain the government's ability to negotiate the best deals for Canada and in turn for Canadian agri-food exporters and workers. Put simply, this would be detrimental to our ability to generate growth and support about a million jobs across Canada.

Furthermore, such legislation would set a dangerous precedent inviting other sectors and trading partners to impose legislated restrictions from trade negotiations. It is not unreasonable to recognize how encouraging countries to avoid making significant concessions on their end would only lead to less ambitious and less commercially meaningful outcomes across all economic sectors.

Ultimately, by making it impossible for partners to even contemplate a win (big or small) in these sectors, Bill C-216 would reduce opportunities to be invited to a seat at the table of various bilateral and multilateral negotiations and put Canada on a collision course with the United States and many other trading partners, especially when it is time to review, extend or modernize existing trade agreements. Increasing the leverage of other trading nations threatening to rip up trade deals threatens Canada's relationships, erodes badly needed stability and predictability and jeopardizes the very foundation of our trade-reliant economy.

One lesson that we should learn from the renegotiation of the NAFTA is that we should not take trade and existing FTAs for granted. We ask that you oppose Bill C-216 to allow Canada to preserve its robust ability to negotiate comprehensive trade agreements that help secure Canada's long-term economic success with the broad national interest in mind.

Sincerely,



Dan Darling, President

ADDENDUM

Additional significant negative consequences from Bill C-216 becoming law and part of Canada's official trade policy

1. From a trade policy perspective

- Legislating Canada's ability to make a decision (on concessions) contradicts the objective of achieving comprehensive trade outcomes
- Would set a precedent and lead other sectors to also impose legislated restrictions from trade talks which would further frustrate Canada's ability to negotiate new trade agreements and review existing agreements
- Would set a precedent and lead other countries to exclude products or sectors from trade discussions where Canada has offensive interests
- Would lead to an exacerbation of protectionist sentiment around the world at a time when it is already on the rise

2. From a trade negotiating perspective

- Constraining Canadian negotiators from the outset of any new trade negotiation and effectively tying their hands before negotiations even begin
- Limiting the flexibility of Canadian negotiators to reach a balance of concessions to secure the best deal for Canada and in turn for Canadian agri-food exports
- Reducing the leverage of Canadian negotiators by unilaterally revealing information to the other party

3. From a political perspective

- Could increase the leverage of trading partners threatening to refuse to extend, review or modernize existing trade agreements
- Would set a dangerous precedent which would limit our ability to even be invited to a seat at the table of various bilateral and multilateral negotiations which would be devastating for a trade-reliant nation
- Would severely jeopardize Canada's ability to negotiate and conclude any comprehensive trade negotiations where Canada has significant offense interests even where massive benefits may be accrued

4. From an economic perspective

- Would lead to less ambitious and less commercially meaningful outcomes across all economic sectors because it would encourage every country to avoid making any significant concessions, especially in sensitive areas
- Would prioritize the economic interests of the products or sectors excluded above the economic interests of any other sectors in Canada

Members of the Canadian Agri-Food Trade Alliance (CAFTA),
The voice of Canadian agriculture and agri-food exporters

Membres de l'Alliance Canadienne du Commerce Agroalimentaire (ACCA),
Le porte-parole des exportateurs agricoles et agroalimentaires du Canada



Malting Industry Association of Canada



Canadian Canola Growers Association



Canadian Cattleman's Association



Grain Growers of Canada



Canadian Pork Council
Conseil canadien du porc
Canadian Pork Council



canola
council
OF CANADA

Canola Council of Canada



CANADIAN
SUGAR
INSTITUTE

Canadian Sugar Institute



Cereals Canada

Cereals Canada



Pulse Canada

FOOD, HEALTH &
CONSUMER PRODUCTS
OF CANADA



Food, Health & Consumer Products of Canada



NATIONAL
CATTLE FEEDERS'
ASSOCIATION
ASSOCIATION
NATIONALE DES
ENGRAISSEURS DE BOVINS

National Cattle Feeder's Association