



Cereals Canada

May 28, 2021

Standing Committee on International Trade
Sixth Floor, 131 Queen Street
House of Commons
Ottawa ON K1A 0A6
ciit@parl.gc.ca

RE: Bill C-216, An Act to amend the Department of Foreign Affairs, Trade and Development Act (supply management)

Dear Parliamentarians:

I am writing today on behalf of Canada's cereals sector. Our members include farmers from across Canada that grow the food eaten by Canadians and by people around the world. Our members also include the grain handling and trading companies who are working on the front lines of international trade to bring these Canadian agricultural products to the world.

Our members are concerned that, if passed, Bill C-216, an Act to amend the Department of Foreign Affairs, Trade and Development Act (supply management) would send a dangerous message regarding Canada's commitment to existing and future trade deals and therefore jeopardize Canada's strategic trade, investment and economic interests.

Canada's cereals sector is a key economic driver, directly responsible for export activity averaging over \$8.8 billion dollars on an annual basis. As an export-oriented sector, we rely on open and diversified access to markets. This reality underpins our ability to respond to challenges such as the growing incidence of non-tariff barriers facing Canadian agriculture exports in global markets. Improved access and diversification are also fundamental to strengthen Canada's long-term competitiveness while capitalizing on opportunities in fast-growing global markets.

Given this context, we are concerned that Bill C-216 would tie the hands of Canada's trade negotiating team, give our trading partners legitimate doubts about Canada's sincerity in entering into negotiations and limit Canada's ability to get things done on the international stage. This would ultimately limit our ability to remove barriers for our exporters, harm investment and opportunities in the grains sector and damage the Canadian brand overseas.

Cereals Canada is a member of the Canadian Agri-Food Trade Alliance (CAFTA) and shares the significant concerns expressed by CAFTA as outlined in the addendum below. We believe that Bill C-216 would jeopardize the foundation for progress and diversification in Canada's trade-reliant economy. This



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outcome is particularly concerning in today's context, at a time when export-led growth is critically important to support Canada's economic recovery.

We encourage you to oppose Bill C-216. Canada's overall agricultural, trade and economic interests are best served when Canada can negotiate comprehensive trade agreements with the broad national interest in mind.

Sincerely,

Dean Dias
Chief Executive Officer
Cereals Canada



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Addendum – Cereals Canada shares the perspectives of CAFTA highlighted below.

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 seek exclusions 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