NATIONAL
CATTLE FEEDERS'
ASSOCIATION

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Standing Committee on International Trade (CIIT) VIA EMAIL: ciit@parl.gc.ca
6th Floor, 131 Queen Street
House of Commons
Ottawa, ON
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Re: Proposed Amendment to the Department of Foreign Affairs, Trade and Development Act (Bill C-216)

Dear Members of the Committee:

The National Cattle Feeders' Association (NCFA) was established in 2007 to serve as a unified voice for Canada's cattle feeders on issues of national importance and industry relevance. One such issue is Bill C-216, a Private Member's Bill intended to amend the *Department of Foreign Affairs Trade and Development Act (2013)*.

The amendment proposed in Bill C-216 would legislatively prohibit any further concessions from Canada's supply-managed sectors (i.e., dairy, poultry, eggs) by excluding these sectors from all trade negotiations that Canada might undertake in the future.

As the House Standing Committee on International Trade (CIIT) considers Bill C-216, NCFA wants to make it absolutely clear that we do **not** support this bill. Furthermore, we would urge all Committee members and all Parliamentarians to reject it. The rationale behind our opposition is both clear and straight-forward.

1) *Excluding specific goods, services, or economic sectors from all future trade negotiations is antithetical to a policy of trade liberalization, and works against securing comprehensive trade agreements that are essential to the future prosperity of Canadians.*

   Canada has always been a trading nation, and much of our quality of life and standard of living directly depend on gains from trade that accrue from comprehensive and rules-based trading agreements. If Canada excludes certain sectors from trade negotiations, Canada may find itself unable to complete deals even when they hold the prospect of considerable economic and social benefit. If Canada refuses to consider concessions on our important issues, then other nations are sure to refuse concessions on their issues. The result is less ambitious, less comprehensive, and less commercially beneficial trade agreements for all sectors of the Canadian economy.

2) *Excluding certain sectors—on an a priori basis—diminishes the flexibility of negotiators to appropriately balance concessions among the negotiating parties and secure the best possible terms of trade for Canadian agriculture and agri-food exporters.*

   Bill C-216 would essentially handcuff Canadian trade negotiators before talks even begin, reducing our leverage to secure valuable concessions from potential trading partners. Such a loss of flexibility also works against creative approaches and innovative solutions. To be successful in international trade negotiations, Canada must preserve the ability of our negotiators to do just that—negotiate.

3) *Bill C-216 seeks to achieve protection for Canada's supply-managed agriculture through a legislative sledgehammer despite the fact that supply-management has been kept largely intact under trade deals that have been crafted through finely-tuned tools and approaches applied with precision and nuance.*

   Canada's experience across numerous rounds of trade negotiations over multiple decades demonstrates that measures such as Bill C-216 are not required. To be sure, supply-management has always presented a challenge in trade negotiations. However, the challenge has not been insurmountable (e.g., Canada-Korea FTA, CETA, CPTPP, and CUSMA).

4) *Fundamentally, Bill C-216 is inequitable and discriminatory.*

   Bill C-216 prioritizes the economic interests of a single sector over and above the combined economic interest of all other sectors in Canada. Bill C-216 also cuts a very wide swath, with negative implications for a number of potential trade negotiations including those with United Kingdom, Indonesia, the ASEAN bloc, Mercosur, Pacific Alliance, and the accession of other countries to the CPTPP agreement.

5) *Approval of Bill C-216 sets a very dangerous precedent both within Canada and among our important trading allies.*

   Bill C-216 is an invitation for other sectors of the Canadian economy to request similar special treatment and protection from the competitive challenges that result from participation in the global economy and the international trading system. Likewise, it invites a response from our trading partners to exclude important sectors within their economy. In the end, Bill C-216 would further frustrate Canada's efforts to negotiate new trade agreements and renew existing agreements by encouraging other countries to avoid making any significant concessions in their domestically sensitive areas.

6) *Bill C-216 would inflict considerable damage on Canada's hard-won reputation as a global leader in international trade liberalization through the completion of comprehensive bilateral and multilateral trade agreements.*

   The current global trading environment is fraught with numerous challenges—rising protectionism, dysfunction at the WTO, faltering commitment to rules-based trade, a growing list of unfair trade practices, and declining enthusiasm for multilateral approaches in favour of "one-off" bilateral agreements. Canada has largely resisted these developments, and rightly so. Bill C-216 elevates one economic sector for specialized treatment and amounts to Canadian trade protectionism.

7) *Finally, Bill C-216 is contradictory to the stated goals and objectives of Canada's broader agriculture and agri-food trade and export policy.*

   The *Barton Report* and the *2017 Federal Budget* clearly identified agriculture and agri-food as a high-growth sector with significant potential to increase its contribution to the Canadian economy, and set an ambitious goal to grow Canada's agriculture and agri-food exports to $75 billion by 2025. This potential was further confirmed in the recent report by *Canada's Economic Strategy Table on Agri-Food,* which set an even more ambitious target—$85 billion in exports by 2025. While NCFA welcomes these goals and stands ready to partner with government to achieve them, it is impossible without commensurate policy measures such as resolving labour challenges, boosting investment, revising agriculture business risk management (BRM) programming, regulatory reform, rural infrastructure improvement, and accessing new markets and improving existing markets through comprehensive trade agreements.

Maintaining Canada's capacity to sign comprehensive trade deals is critical to the future growth, sustainability, and increased competitiveness of the beef industry. In any given year, Canadian ranchers and cattle feeders export 50% of all cattle and beef raised in the country. In 2019, the value of these exports reached some $4.4 billion.

The National Cattle Feeders' Association (NCFA) strongly recommends that the Committee consider Bill C-216 within the context of Canada's wider strategic trade interests. Viewed through that lens, and the more than 90% of Canadian farmers who rely on export markets, shows Bill C-216 to be an unwanted, unnecessary, and detrimental intrusion into Canada's trade policy that must be rejected.

Sincerely,

James Bekkering
Chair