Canada’s beef producers urge TPP11 Member Countries to maintain momentum

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Calgary, AB – The Canadian Cattlemen’s Association (CCA) is encouraged by the significant progress made at the Ministerial meeting of the 11 Trans-Pacific Partnership (TPP) countries in Da Nang, Vietnam this week. Although it was hoped an agreement would be reached today, the complexities of the negotiations are such that additional work will be required before the trade deal can be concluded. It is the CCA’s hope that negotiations resume quickly to maintain the momentum achieved this week.

“We need a TPP11 agreement to ensure Canadian beef producers can improve access to Japan and other growing markets in Asia,” stated CCA President Dan Darling, a beef farmer from Castleton, Ontario. “With an agreement, I can envision that we can double or triple our annual beef exports to Japan to over $300 million.”

The TPP11 is an opportunity to exempt Canadian beef from tariffs in Japan of 38.5 per cent, which can snapback to 50 per cent when beef imports reach a certain trigger level, and restore Canada’s competitive position with Australian beef. Australia implemented a FTA with Japan in 2015 and enjoys a growing tariff advantage that is already making it difficult for Canadian beef to remain competitive in Japan.

“It is a major priority for Canadian beef producers to achieve a level playing field for all beef competitors in the TPP11 region. I am concerned about the long-term prospects of the Canadian beef industry if we do not address the tariff situation,” said Darling.

Other potential wins for Canadian beef producers in the TPP11 include achieving elimination of beef tariffs in Vietnam and Malaysia, two countries that have not traditionally been significant beef consumers, but have been identified as potentially important markets in the future as their level of economic development increases.

Since the withdrawal of the United States from the original TPP12 agreement, Canadian beef exporters also see the opportunity for competitive advantage over U.S. beef. Darling sees this as a short-term advantage as the U.S. strives to negotiate bilateral agreements with its former TPP partners, or possibly re-joins the TPP in the future, but is one that Canada should act quickly to enjoy as soon as possible.

The CCA thanks International Trade Minister François-Philippe Champagne for his strong efforts on behalf of Canadian beef producers at the TPP11 negotiating table to ensure the market access provisions of the original TPP agreement remain intact. We understand that more work remains to be done to achieve a TPP11 agreement and we encourage Canada to be a constructive partner as the negotiations continue. The CCA commits to work closely with the Government of Canada to achieve an agreement that is in the interest of Canadians.

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