



CANADIAN  
CATTLEMEN'S  
ASSOCIATION

National Voice Of Cattle Producers

# Statement

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## Now is the time for Canada to move forward on a Pacific trade deal

January 17, 2018

Calgary, AB – Japan is strongly signaling that it wants to move forward quickly with the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), aka TPP11. This will be an extremely positive development for Canada's entire beef sector, if Canada chooses to be part of the agreement.

The CPTPP is a massive opportunity for Canada's beef sector, particularly in the Japanese market. Japan imported US\$3.8 billion of beef in 2016. Canada was the fourth largest beef supplier to Japan with \$115 million, behind Australia (\$1.8 billion), United States (\$1.6 billion), and New Zealand (\$163 million). Those trade figures were achieved with Canada, the U.S. and New Zealand all paying a 38.5 per cent tariff on beef exports to Japan, while Australia enjoys an increasingly preferential tariff.

If Canada accepts Japan's proposal to be one of 11 countries signing on to the CPTPP, then we will immediately enjoy the same preferential tariff as Australian beef, as will New Zealand and Mexico. The U.S. will not be part of the agreement and will remain at a much higher tariff.

If Canada chooses not to join the deal, it appears likely that Japan and the other nine CPTPP-member countries will proceed without us. This outcome would leave Canada at a widening disadvantage to Australia, and also falling behind our competitors in New Zealand, Mexico and Ireland<sup>1</sup>, as they gain the same access as Australia.

In short, there can be no status quo for Canadian beef. Either Canada joins the CPTPP and Canadian beef will join the club of preferential suppliers to Japan or Canada remains outside the CPTPP and Canadian beef producers will watch helplessly as our exports to Japan erode.

Securing market access in the Asia Pacific region is of vital importance to the hard-working families who operate Canada's 60,000 beef farms and feedlots. With the CPTPP, Canadian beef exports to Japan are anticipated to see an increase of more than \$200 million. This increase will be enjoyed across Canada with processors in Eastern Canada and thriving regional brands like Ontario Corn Feed Beef and Prince Edward Island Certified Beef also benefitting alongside their Western counterparts and the Alberta Beef brand.

The uncertainty in the minds of beef producers over the status of the North American Free Trade Agreement and the security of access for \$3 billion in annual Canadian cattle and beef exports to the U.S. further underscores the necessity of securing access to alternate markets for Canadian beef. The CPTPP can be the secure alternative that Canadian beef producers desperately need.

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<sup>1</sup> Ireland will obtain similar beef access to Japan under the EU-Japan Free Trade Agreement as is provided to CPTPP members.