



CANADIAN MEAT COUNCIL
CONSEIL DES VIANDES DU CANADA



Canadian Pork Council
Conseil canadien du porc

220 Laurier Avenue W. Suite 900
Ottawa, ON K1P 5Z9
613-729-3911

August 9th, 2024

Trade Policy and Negotiations Division
Global Affairs Canada
111 Sussex Drive
Ottawa ON K1A 0G2
Via email: cptpp-ptpgp.consultations@international.gc.ca

RE: Consultations on the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

The Canadian Meat Council (CMC) and Canadian Pork Council (CPC) are pleased to comment on the General Review of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

About the Canadian Meat Council (CMC) and the Canadian Pork Council (CPC)

The **Canadian Meat Council** (CMC) represents federally inspected meat packers and meat processors as well as suppliers of goods and services to the meat industry. As an industry association, CMC advocates on behalf of its members and works to secure and improve Canada's global red meat competitiveness and domestic growth. CMC members directly employ over 64,000 people in rural and urban locations nationwide, and additionally support 300,000 jobs along the supply chain.

The **Canadian Pork Council** (CPC) is the national voice for pork producers in Canada. A federation of nine provincial pork organizations representing more than 7,000 farms, the organization plays a leadership role in achieving and maintaining a dynamic and prosperous Canadian pork sector. The CPC serves its membership through national and international advocacy efforts as well as through the development and implementation of initiatives, such as food safety, animal care and health, traceability, environment and sustainability, international trade and nutrition.

International Trade

The Canadian meat sector, encompassing beef, pork, bison, lamb and veal, is heavily reliant on international trade. With exports accounting for a significant portion of production -



CANADIAN MEAT COUNCIL
CONSEIL DES VIANDES DU CANADA



Canadian Pork Council
Conseil canadien du porc

220 Laurier Avenue W. Suite 900
Ottawa, ON K1P 5Z9
613-729-3911

almost 70 percent of pork and 50 percent of beef - the industry's success is intrinsically linked to global markets. In 2023, the Canadian meat sector's overall exports were valued at over \$9.7 billion, underscoring the critical role of trade in driving economic growth and sustaining the industry.

The United States remains the primary export destination for Canadian meat products, which saw exports valued at \$4.0 billion (80% of total exports) for beef and \$1.8 billion for pork (38% of total exports) in 2023. However, the industry's reach extends far beyond North America, with Canadian meat products being exported to more than 90 countries worldwide. This global presence not only provides market diversification but also helps buffer against regional economic fluctuations and trade disruptions.

Trade agreements, such as CUSMA (Canada-U.S.-Mexico Agreement) and CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership), play a crucial role in facilitating this international trade. These agreements help reduce tariffs, address non-tariff barriers, create more predictable trading environments and access to large fast-growing markets in the Indo-Pacific region. For the Canadian meat sector, continued efforts to maintain existing trade relationships and expand into new markets are essential for long-term growth and sustainability, especially given the highly integrated nature of the North American meat industry and the increasing global demand for high-quality protein sources.

Canadian Meat Exports to the CPTPP

The Canadian Meat Council was actively involved throughout the TPP and CPTPP negotiation processes and is pleased with the final CPTPP outcomes. Since its implementation, the CPTPP has enabled meat producers to expand into the Indo-Pacific region, diversifying their markets and increasing value. Japan has become Canada's second-largest export market, surpassing Mexico, while Vietnam has emerged as the fifth-largest, with significant potential for further growth.

The success of the CPTPP can be attributed to its progressive, rules-based standards, particularly its science-based approach to sanitary and phytosanitary (SPS) measures. These standards have been crucial for export success and are a model for multilateral agreements worldwide. Maintaining the integrity of the SPS chapter is essential for continued success and for attracting new member countries.



CANADIAN MEAT COUNCIL
CONSEIL DES VIANDES DU CANADA



Canadian Pork Council
Conseil canadien du porc

220 Laurier Avenue W. Suite 900
Ottawa, ON K1P 5Z9
613-729-3911

Overall, the CPTPP has significantly reduced or eliminated tariffs on Canadian beef and pork exports to member countries, with Japan emerging as the largest market benefiting from these tariff reductions. For the 2018-2023 period, overall agri-food and seafood exports to the CPTPP grew by 14.5% and imports increased by 40%. Meat exports grew by 9.3% and meat imports increased by 46%.

CMC urges the Canadian government to continue monitoring the compliance of all CPTPP signatories and possible future entrants with CPTPP's SPS Chapter. CMC remains concerned about the UK's accession to the CPTPP. The Canadian government must advocate for rules-based trade and implement a transparent process to ensure that new candidates agree to the established standards and contribute positively to the existing members of the CPTPP before they are granted entrance. As it stands, the CPTPP will not help Canadian red meat access the UK market in any way.

Ongoing Efforts and Market Access Challenges

The Canadian Meat Council is committed to securing an African Swine Fever (ASF) zoning agreement with Japan and ensuring that this remains a priority for government officials working across the region. A similar initiative should be pursued with the other country members of CPTPP to secure pork procurement even during a crisis such as an ASF outbreak in Canada. The establishment of such an agreement is critical to maintaining and expanding our market share in Japan and other countries, especially given the competitive pressures from other exporting nations. Current market access among the countries makes a fluid trade with no significant impediments for profitable trade.

Additionally, while not part of this CPTPP review, the lack of market access to Thailand remains a significant concern for the Canadian meat industry. Despite ongoing efforts, Canadian meat products face substantial barriers to entry, limiting our ability to compete in this important market. We strongly encourage the Canadian government to prioritize resolving these issues as part of any broader CPTPP negotiations that might include expansion to Thailand.

Recognition of AAFC Office in Manila

We would like to acknowledge the important role of the Agriculture and Agri-Food Canada (AAFC) office in Manila as part of the comprehensive government approach on this file. The



CANADIAN MEAT COUNCIL
CONSEIL DES VIANDES DU CANADA



Canadian Pork Council
Conseil canadien du porc

220 Laurier Avenue W. Suite 900
Ottawa, ON K1P 5Z9
613-729-3911

presence of this office exemplifies the collaborative efforts between different government agencies in supporting the Canadian meat industry's goals in the Indo-Pacific region. We appreciate the continued support and look forward to further strengthening these partnerships.

ANNEX

Canadian beef and pork exports to CPTPP markets and the associated tariff reductions can be summarized as follow:

Pork and Pork Products:

- Japan is the largest CPTPP market for Canadian pork, with exports valued at \$918.41 million in 2023. Under the CPTPP agreement, tariffs on over-gate price pork will be reduced to zero by 2027. Japan uses a "gate price system" for pork imports.
- Mexico is the second-largest CPTPP market for Canadian pork, with exports totaling \$425.71 million in 2023. Most pork products exported to Mexico were already duty-free before the implementation of CPTPP.
- Australia is a large CPTPP market for Canadian pork, with exports amounting to \$30.7 million in 2023.
- Canada's viable access to Malaysia made this country a \$13.6 million dollar market instead of \$1.3 million dollars before CPTPP.
- Other large and fast-growing markets include Vietnam and New Zealand. Tariffs on various pork products exported to Vietnam will be gradually reduced to zero by 2027. Other CPTPP markets represent smaller export volumes for Canadian pork, with most tariffs eliminated upon the entry into force of the agreement or already duty-free prior to CPTPP implementation.

Beef and Beef Products:

- Japan is the largest CPTPP market for Canadian beef exports in the region, with sales reaching \$351.8 million in 2023. Under the CPTPP agreement, tariffs on most beef cuts exported to Japan will gradually reduce from 38.5% to 9% by 2033.
- Mexico represents the second-largest CPTPP market for Canadian beef, with exports valued at \$283.78 million in 2023. Most beef products exported to Mexico were already duty-free before the implementation of CPTPP.



CANADIAN MEAT COUNCIL
CONSEIL DES VIANDES DU CANADA



Canadian Pork Council
Conseil canadien du porc

220 Laurier Avenue W. Suite 900
Ottawa, ON K1P 5Z9
613-729-3911

- Vietnam is the third-largest CPTPP market for Canadian beef exports, with sales of \$78.95 million in 2023. As a result of the CPTPP agreement, most beef cuts exported to Vietnam became duty-free, down from tariffs of up to 31% before the agreement.
- Other CPTPP markets represent smaller export volumes for Canadian beef. In these markets, most tariffs were either eliminated upon the entry into force of the agreement or were already duty-free prior to CPTPP implementation.