



## **House of Commons Standing Committee on International Trade**

### **Opening remarks for the Study of Canadian Businesses in Supply Chains and Global Markets**

May 2nd, 2024

Good morning and thank you to the members of the Committee for inviting us today.

The Canadian Agri-Food Trade Alliance (CAFTA) is a coalition of national organizations advocating for a freer and fairer international trade environment for the agriculture and agri-food sector.

CAFTA's members include farmers, ranchers, processors, producers and exporters from major trade sectors such as beef, pork, grains, oilseeds, sugar, pulses, and soy.

As I said, CAFTA works for a fair and open international trade environment. This is in our country's economic interest, and in our national security interest of making an important contribution to international peace and stability.

Economically speaking, agri-food is responsible for 1 in 9 jobs in Canada, and the majority are in export based agri-food. In 2022, Canada exported nearly \$92.8 billion in agriculture and food products, including raw agricultural materials, fish and seafood, and processed foods. More than half of our agricultural production is exported or processed to be exported.

CAFTA members have established the following priorities for our work:

- 1) To open new markets for Canadian agri-food. This includes prioritizing trade liberalization discussions with growing emerging markets like Indonesia and ASEAN countries.
- 2) To uphold the international rules-based trading system. A delegation of CAFTA members attended the WTO's recent Ministerial Conference in Abu Dhabi. We witnessed first hand the challenges the system is facing, and we support Canada's efforts through the Ottawa group to advance key priorities at the WTO.
- 3) To strengthen trade diplomacy capacity and Industry-Government collaboration. We welcomed the opening of the Indo-Pacific Agriculture and Agri-Food Office in Manilla, and are co-chairing the Industry Working Group that is ensuring alignment between government and stakeholders.

Speaking to our national interest, and our contribution to the world we live in, Canada is the world's fifth largest agri-food exporter. We are one of the few countries in the world producing enough food for ourselves, while at the same time feeding others around the world. We make an important contribution

to international peace and security and to feeding the hungry, especially at a time of international instability when major grain producers are at war.

We cannot forget that these economic and national interest contributions are a function of ensuring our customers see Canadian products to be competitive and reliable. These customers place great emphasis on predictability in food delivery. Supply chain challenges affect predictability, as evidenced by COVID, effective closure of the Suez Canal and Red Sea, reduced capacity of the Panama Canal, as well as major disruptions in Canada caused by natural disasters, strikes and other protests.

Key elements of Canada's supply chain affecting Canada's predictability are bulk and container shipping, rail, road, and port infrastructure. We know that you have listened to representatives of these key sectors in your previous Committee hearings. There are also deficiencies in the road and bridge structure in smaller municipalities where farms are located, making the connection from farm gate to national corridors less efficient.

Further, it is important to underline that reliable labour relations have been a challenge in recent years, and our customers are noticing. Customers abroad and exporters in Canada are the main sufferers when strikes or lockouts take place in a monopoly service provider like the railways.

These are just some of the ways supply chains can affect our ability to succeed in global markets. We would be pleased to answer any questions you may have.