



Canadian Pork Council  
Conseil canadien du porc

February 14, 2012

Trade Negotiations Consultations (TPP)  
Foreign Affairs and International Trade Canada  
Trade Policy and Negotiations Division II (TPW)  
Lester B. Pearson Building  
125 Sussex Drive  
Ottawa, ON K1A 0G2

Dear Sir/Madam:

**Re: Comments of the Canadian Pork Council  
regarding Participation in the Trans Pacific Partnership (TPP)**

The Canadian Pork Council (CPC) is pleased to have this opportunity to provide comments and to express its support of Canada's participation in negotiations of a Trans-Pacific Partnership (TPP).

The CPC represents the interests of Canada's hog producers. We are a member organization of Canada Pork International and we fully endorse the views contained in their submission to this consultative process. Our partner in CPI, the Canadian Meat Council, has also expressed solid support for Canadian participation in the TPP initiative.

The Canadian Pork Council is also a member of the Canadian Agri-Food Trade Alliance and we commend, without reservation, the CAFTA submission in support of Canada joining the TPP negotiations.

***Export access is of crucial importance to the Canadian pork industry.*** Canadian pork exports in 2010 exceeded \$2.7 billion. Live swine exports contributed another 400 million dollars to Canada's merchandise trade account. Almost two-thirds of Canada's pork production is exported. With constantly changing conditions of export competition – exchange rates, agricultural policy and technical barriers to name a few key factors – Canada's pork producers are extremely concerned that Canada not fall behind the United States and other competitors in terms of access acquired through regional trade agreements. The CPC is thus very supportive of the federal government's current pro-trade agenda, seeking improved terms of trade for Canada through agreements with the European Union, Japan, South Korea and now, the Trans-Pacific Partnership.

***The CPC sees important opportunities to increase pork exports through Canada joining TPP negotiations.*** Reasons for this include:

(1) While Canada has free trade agreements in place with several current TPP participants – the United States, Chile, Peru and, another potential TPP participant, Mexico – the TPP negotiations offer an opportunity for significant improvement in access to Vietnam, a country of over 90 million people for whom pork is, by a considerable margin, the most-consumed meat. Canada's pork exports to Vietnam in 2010 were below \$1 million; we see sales potential well beyond that figure under conditions of tariff reduction and elimination.

(2) The TPP also provides Canada the means of securing, or even enhancing, its terms of trade with FTA partners who are, or wish to be, TPP participants. This would include Mexico, one of our NAFTA partners and who we support for acceptance, along with Canada, into TPP negotiations.

(3) The Pacific region happens to comprise many economically emerging countries where one sees very significant growth in both per capita incomes and in population terms; conditions which often coincide with rapid increases in consumption, and importation, of animal products. Many of Canada's fastest growing pork export markets are in this region, particularly on the Asian segment. Canada's pork exports to its top ten Pacific Asian markets, other than Japan, have quadrupled over the past ten years to now exceed \$600 million on an annual basis. We anticipate several of these nations which are not yet TPP members – such as Philippines, South Korea, and Thailand – will soon want to join the Trans-Pacific Partnership.

(4) Japan's interest in the TPP adds very significantly to the Canadian pork industry's interest in Canada joining these negotiations.

***Japan is a key market for Canadian pork and we could see our sales there very seriously eroded if Japan, and not Canada, joins the TPP.*** Japan is alternately Canada's #1 or #2 pork export market. Despite increased competition from other pork-exporting countries due to the appreciation of the Canadian dollar and other factors, our sales in recent years have consistently stayed close to a quarter of a million tonnes, approaching a billion dollars in value annually. The Canadian pork industry would suffer severe losses in sales to its U.S., Chilean and Australian competitors in the event Japan, and not Canada, became a member of the Trans-Pacific Partnership.

The Canadian Pork Council also supports the launching of free trade negotiations between Canada and Japan as soon as possible. We would look for improved access conditions for pork which potentially could put Canada in a preferred supplier position in the event Japan does not participate in the TPP.

***Canada needs to get into the 'TPP tent' now, rather than wait to try to get in later.*** The sooner Canada becomes a Trans Pacific-Partnership participant, the greater is its ability to help shape it and to prevent it taking on characteristics that later on make it less favourable to Canada's interests. If Canada should wait until later rounds of TPP enlargement to seek membership, we are more likely to find ourselves in a 'take it or leave it' position and it likely will be more

expensive, in terms of concessions on our part, to get accepted when dealing with a broader range of countries. One might compare the situation with TPP to that of the WTO and its forerunner, the General Agreement on Tariffs and Trade. The costs of Canada being a founding member of the GATT which came into place in 1948 with twenty-two other countries were almost certainly far less than they would be today where we would be negotiating separate accession agreements with the WTO's more than 150 members. In the meantime, Canada has benefited economically from the improved terms of access which its membership in GATT/WTO has provided.

***The Canadian Pork Council supports a Canadian negotiating approach that neither accepts pre-conditions nor makes exclusions.*** Canada should not accept any pre-conditions for its entry into TPP negotiations and also not make any exclusions to what it is willing to negotiate in advance of such negotiations. These two conditions are important for achieving the best overall negotiating result for Canada. Accepting pre-conditions of other countries will reduce our negotiating leverage prior to achieving any concessions from TPP negotiating partners. Secondly, by excluding anything in advance of negotiations, Canada would be compromising what can be achieved for Canadians (if not excluding itself altogether) from participation in these important negotiations.

As with other trade negotiations in which Canada is engaged, the Canadian Pork Council looks forward to further consultations and cooperation on Canada's proposal to join TPP talks.

Respectfully submitted,

Canadian Pork Council