

Enhance Domestic Markets and Recapture Closed International Markets for Agricultural Products

Agriculture is a huge industry in Canada, yet most sectors within the industry are facing obstacles that represent serious impediments to its ability to capture any significant level of international market share:

The transmissible spongiform encephalopathy (TSE) diseases affecting agricultural livestock of the last several years have had a serious negative impact on the agricultural industry. The TSE diseases include bovine spongiform encephalopathy (BSE) in beef cattle, chronic wasting disease (CWD) in cervids (elk and deer) and scrapie in sheep.

Country of Origin Labeling (COOL) adopted by the United States is market protectionist in nature. The agricultural sector in Canada has relied heavily on the export market for its domestically raised products. There are many instances of Canadian agricultural exports hampered by non-tariff barriers that are not based on sound science, and that do not accord with existing bilateral and multilateral agreements, and international norms. In addition, Canada has not done an adequate job of broadening and deepening established ties with international markets or of pursuing and developing new trade opportunities.

What is not widely known is that the closure of markets has affected not only the beef industry but also cervid, sheep and many other livestock industries, such as bison, goat and alpaca. Canadian livestock producers suffer from limitation or loss of access to key international markets.

Canada imports more foreign livestock products than it exports. Domestic markets for Canadian-raised products are underdeveloped because of a variety of issues including the following: inefficient transportation networks; foreign subsidization of livestock exports; inadequate processing capacities; limited resources for market development initiatives, especially for smaller industries; and legal or regulatory norms that hamper market access and expansion. These are only a few of the problems encountered.

Canada has an excellent track record of respecting its international trade agreement obligations. This cannot be said of a number of its trading partners. Governments must ensure that the playing field in international trade is level through adherence to bilateral free trade and investment agreements, World Trade Organization (WTO) obligations and international norms. A balance between international market dependence and domestic markets is necessary for greater long-term stability for livestock producers.

Recommendations

That the federal government:

1. Immediately proceed to work with the provinces and industry stakeholders to foster the development of new products, support marketing initiatives, enhance transportation infrastructure and processing capacities;
2. Work with industry organizations to remove the encumbrances of restrictive legislation that inhibit trade and growth of international and domestic markets;
3. Work with countries that have restrictions in place on Canadian agricultural products to remove those restrictions and open closed international markets;
4. Improve marketing of domestic agricultural products in Canada to achieve a more balanced and sustainable Canadian marketplace for livestock industries.