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Chair: The Honourable Judy A. Sgro



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• (1530)

[English]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): I call the meeting to order.

This is meeting number 17 of the House of Commons Standing Committee on International Trade. Today's meeting is taking place in a hybrid format, pursuant to the House order of November 25, 2021. For us, it's nice and pleasant. We have witnesses physically here with us. It's terrific to get back to a bit of normal again.

Welcome to all of you.

Per the directive of the Board of Internal Economy of March 10, 2022, all those attending the meeting in person must wear a mask, except for members who are at their place during proceedings.

I have a few comments for the benefit of witnesses and members.

Before speaking, please wait until I recognize you by name. For those participating by video conference, click on the microphone icon to activate your mike. Please mute it when you are not speaking. For those participating via Zoom, you have interpretation options at the bottom of your screen of floor, English or French. I would remind you that all questions and comments go through the chair.

Before we open it up to our witnesses, all of the members received a copy of the budget last week. I need somebody to move approval. This is the \$18,000 budget for the study that we're currently working on.

An hon. member: I so move.

(Motion agreed to [*See Minutes of Proceedings*])

The Chair: Thank you very much.

With us today we have Claire Citeau, executive director of the Canadian Agri-Food Trade Alliance. From the Canadian Canola Growers Association, we have Dave Carey, vice-president of government and industry relations, and Janelle Whitley, senior manager of trade and marketing policy. From the Canadian Cattlemen's Association, we have Jack Chaffe, co-chair of the trade committee, and Fawn Jackson, director of policy and international affairs. From the Canadian Centre for Policy Alternatives, we have Stuart Trew, senior researcher. From the Canadian Pork Council, we have Gary Stordy, director of government and corporate affairs. From the National Cattle Feeders' Association, we have Casey Vander Ploeg, vice-president.

Welcome to all of you.

We will start with Ms. Citeau.

I invite you to make an opening statement of up to five minutes, please.

Ms. Claire Citeau (Executive Director, Canadian Agri-Food Trade Alliance): Thank you for the opportunity to speak about ways for Canada to maximize opportunities in the Indo-Pacific region. CAFTA is the voice of Canadian agri-food exporters. It represents the 90% of farmers in Canada who depend on trade, and those growing the economy through better access to international markets for beef, pork, wheat, grains, oilseeds, canola, sugar, malt, pulses and processed food products.

Today, I'll be sharing three main points.

First, we need to diversify in the region. Economic resiliency is a growing concern around the world. Canada's agri-food system faced great pressures and uncertainty throughout the pandemic. An increase in protectionism continues to disrupt rules-based trade for Canadian agri-food exporters. The best way to manage risk in this uncertainty is to diversify and expand our trade and investment footprint abroad. Opening markets and upholding the rules-based trading system are perhaps the most important things the government can do to protect Canada's agri-food sector and support its critical role in the economy.

CAFTA supports efforts to enhance and improve access to large, high-value markets in the U.S., the U.K. and the EU. CAFTA members also have their eyes set on the vast and fast-growing region of the Indo-Pacific. This is where most of the global growth is expected to be over the next several decades. In this region, the top priority is the ASEAN. We support the bilateral talks with Indonesia and believe they serve as a gateway to the ASEAN region. As a market of 643 million people with a growing middle class, this region provides the opportunity to boost our competitiveness and a framework to diversify in countries such as Indonesia, Thailand and the Philippines, in particular.

As a bloc, ASEAN has five FTAs, including some with our competitors. With ASEAN, Canada's list of Asia-Pacific countries included in our FTAs would grow from four—South Korea, Japan, Vietnam and Singapore—to 10 with Indonesia, Cambodia, Thailand, Laos, Myanmar and the Philippines, and to 12 when Malaysia and Brunei ratify the CPTPP. The CPTPP has been a largely beneficial agreement for agri-food, and CAFTA supports ongoing accession talks with economies that can meet its standards. CAFTA also welcomes renewed trade engagement with India while recognizing this complex trade relationship must be handled with a constructive yet cautious approach.

In general, Canada should seek to ensure that trade negotiations recognize the importance of effective implementation. This is so negotiated outcomes can translate into real growth opportunities for businesses. There are many examples of trading partners not abiding by commitments. This means three things in particular: tariff liberalization; rules of origin and cumulation provisions that support Canadian usage of supply chains; and commitments to build a transparent, stable and predictable trading platform.

Second, we need to address non-tariff barriers. We have shared before with this committee how non-tariff barriers prevent Canadian exporters from achieving export gains in free trade agreements, and we offer the following four suggestions:

One, we need to start early in negotiations and clarify the regulatory requirements for our sectors. This means co-operation between industry and government—the regulatory and policy staff at home and abroad.

Two, within FTAs, there should be mechanisms for co-operation among trading partners on regulatory standards and approval processes. Working groups need to be established early and should include ways to elevate issues to higher levels if no resolution is found in a timely manner.

Three, the human resource requirements of our regulatory, policy and advocacy agencies increase with each new trade agreement given differences among countries and the ever-increasing expectations placed on food producers around the world. Sufficient and stable investment in staffing and expertise among our regulatory, policy and diplomatic personnel is essential to take advantage of trade agreements.

Four, to maximize FTAs, we should also learn from existing deals and conduct a review of Canada's major free trade agreements to make sure that negotiated outcomes turn into commercial opportunities. As you know, while the CETA holds huge potential for Canadian agri-food, Europe is slow to remove non-tariff barriers.

• (1535)

My third and last point is the need to improve advocacy capacity and industry-government collaboration. While the importance of regular effective industry-government collaboration should be obvious to both sides, it's not always the case at home and abroad.

There's an overall need to enhance Canada's advocacy capacity so that officials are equipped with the tools and information to promote the science and sustainability behind Canada's world-class

agri-food sector, and can defend a rules-based and science-based trading system. This is key to strengthening Canada's diversification in the Indo-Pacific region.

Overall, we all need to do a better job communicating with one another as industry and government, but also with our trading partners to enhance dialogues, encourage greater transparency, and foster more accountability, so we can tackle issues before they become problems. This is particularly true after two years of virtual discussions, an erosion of trust, a lack of respect of trade rules around the world and massive ongoing shifts in the global trading environment.

• (1540)

The Chair: Thank you very much, Ms. Citeau.

Mr. Carey, you have five minutes, please.

Mr. Dave Carey (Vice-President, Government and Industry Relations, Canadian Canola Growers Association): Thank you for the opportunity for the Canadian Canola Growers Association to appear on your study on trade opportunities for Canadian businesses in the Indo-Pacific. I'm joined virtually today by my colleague, Janelle Whitley, senior manager, trade and marketing policy.

CCG represents Canada's 43,000 canola farmers on issues that impact their farm's success. As the world's largest producer and exporter of canola, Canada exports nearly 90% of what we grow as oil, seed or meal. It was valued at \$13.7 billion in 2021. International trade underpins the canola sector's \$29.9-billion annual economic contribution and the 207,000 jobs it creates in Canada.

Expanding Canada's trade and economic relationship in Southeast Asia should be a cornerstone of Canada's Indo-Pacific strategy. The region presents exciting opportunities for market diversification, and the government's new strategy provides a platform to build stronger trade relationships in this fast growing dynamic region and strengthen canola's competitive position.

On average, Canada exports close to \$45 million of canola to members of the Association of Southeast Asian Nations, or ASEAN. While not currently a large market, market opportunities for Canadian canola oil and meal are expected to increase. This is particularly true in Thailand and Vietnam for canola meal, Malaysia for canola oil, and Indonesia for all canola products. Taiwan and India, also noted in the committee's motion, purchase an additional \$10 million and \$6 million of canola oil a year, respectively.

The tabled objectives of negotiations for potential agreements with ASEAN and Indonesia aim to deliver commercially meaningful market access through the elimination of tariff and non-tariff trade barriers. While tariffs exist in Thailand and Indonesia, non-tariff barriers are increasing in number and are becoming more complex. While this is not unique to the Indo-Pacific, they curtail our growth potential and serve as a barrier to building markets in the region. As such, we see three distinct but interlinked opportunities for the government's Indo-Pacific strategy and the committee's study.

I'll turn it over to my colleague, Janelle, to further elaborate on these priorities.

Ms. Janelle Whitley (Senior Manager, Trade and Marketing Policy, Canadian Canola Growers Association): Thank you, Dave.

First, trade diversification is an important priority for canola farmers. While canola is exported to over 50 countries, a handful of markets make up the bulk of purchases. Ambitious free trade agreements with Indonesia and ASEAN would significantly extend Canada's networks of agreements and provide a platform to pivot and expand our export reach.

Duty-free access for canola seed, oil and meal would level the playing field with Australian canola farmers whose trade is governed by a 2010 agreement, as well as provide Canadian oilseeds an advantage over the United States. Given its geographic proximity and long history in the region, Australia already enjoys an advantage when selling into leading Asian economies.

Second, clear rules are needed to facilitate trade for agriculture products enhanced by biotechnology, including plant breeding innovation and grown using plant protection products. Such rules go hand in hand with commercially meaningful access as they are needed to create the certainty to grow new markets and to move major barriers faced by canola.

Considerable time and effort are exerted to manage asynchronous approvals of biotech varieties and missing and misaligned maximum residue limits for pesticides, resulting in delayed access to innovation for farmers or loss of important production tools altogether. With 95% of canola acres in Canada planted to biotech varieties, the two are linked. Farmers should not have to choose between access to innovation and access to a market.

Third, an Indo-Pacific diversification office should be established to accompany Canada's trade agenda and to capitalize on growing opportunities in the region. Complementary to the trade commissioner service activities, such an office would focus on strengthening market access, responding to emerging policy and regulatory issues and enhancing collaboration between government and industry to prevent and overcome barriers in a timely manner.

Many countries in the region lack well-developed science-based regulations and transparent commercial environments. A specialized multidisciplinary office could leverage its boots on the ground experience and regional connections to help exporters overcome market risk and proactively find solutions to the complex market access challenges facing agriculture.

In conclusion, the Indo-Pacific strategy provides the opportunities to further Canada's trade and economic ties in an important region. Commercially meaningful agreements and increased capacity to address market access barriers will create the enabling environment needed to grow canola exports.

• (1545)

The Chair: Thank you very much, Ms. Whitley.

Ms. Jackson, please go ahead.

Ms. Fawn Jackson (Director, Policy and International Affairs, Canadian Cattlemen's Association): Good afternoon. My name is Fawn Jackson, and I'm the director of policy and international affairs for the CCA. With me is Jack Chaffe, who is the foreign trade committee co-chair and president of the Beef Farmers of Ontario. We are pleased to have the opportunity to provide input on opportunities for the Canadian beef sector in the Indo-Pacific region.

CCA represents 60,000 beef farms from coast to coast. The beef industry is a significant driver of our economy, as Canada's second-largest single source of farm income, contributing \$22 billion to GDP and supporting 347,000 jobs. Certainly, free and open trade is key to the beef industry's success, with over 50% of Canadian beef being exported around the globe.

International trade adds significant value to the industry, as producers gain more than \$1,000 per animal through selling in international markets in addition to the domestic market. Last year our industry hit a record high of \$4.5 billion worth of beef exports, the sixth record in a row. This is largely attributed to access in the Indo-Pacific region.

With a growing middle class, GDP and food consumption, the region is a high-growth market and one of Canada's best opportunities for agri-trade. About 20% of Canada's beef exports are destined for the Indo-Pacific market, with the five top markets currently being Japan, China, South Korea, Vietnam and Hong Kong.

We've already seen some of the positive effects of gaining market access in countries located in the region. Through the CPTPP and the removal of tariffs that followed, the Canadian beef sector has seen considerable gains. Japan is our second-largest beef export market today, with exports reaching \$116 million as of March of 2022—an increase of 45% from 2021 and a 73% increase since the start of the CPTPP agreement. Vietnam has also seen exciting growth, from \$8 million in 2019 to \$83 million in 2021, since the implementation of CPTPP.

Canada's agreement with South Korea has seen similar growth. In 2021 beef exports to South Korea stood at \$117 million, a significant increase from the previous year of \$45 million and a more than 2,000% increase since the implementation of the Canada-Korea Free Trade Agreement in 2015.

As you can see by these examples, there is significant growth in the region when we attain meaningful market access. That is why we continue to encourage the government to attain further access. Specifically, the CCA supports securing further preferential market access through free trade agreements in the Indo-Pacific, including through ASEAN, through an FTA with Indonesia, and through accession of new economies to CPTPP.

I will now turn it over to Jack to further add to our remarks.

Mr. Jack Chaffe (Co-Chair, Trade Committee, Canadian Cattlemen's Association): Thank you, Fawn.

At the same time as addressing tariff removals, we want to focus on the further removal of limits on Canadian beef exports, such as restrictions on certain cuts of meat and age of eligibility of cattle—for example, removing the restrictions of bone-in beef for Indonesia or the over 30-month access for South Korea and Taiwan. Japan and Singapore have removed all of these restrictions. We would like to see the other nations follow suit.

We also would like to see the focus on increasing our capacity to be proactive in addressing and preventing market access issues. This could be accomplished by creating a new Indo-Pacific diversification office. This office should have the mandate to prevent and resolve agricultural market access issues, and would complement current staff in the region and provide much-needed technical resources to address new and ongoing market access issues, deepening the connections, supporting regional capacity-building and preventing new trade barriers from arising.

We strongly encourage members of Parliament to remove trade barriers around the globe, especially in the Indo-Pacific, given the current demand and growth potential for beef exports into the region.

CCA appreciates the opportunity to provide input on trade opportunities for Canadian business into the Indo-Pacific. We would be pleased to provide any further information that the committee asks for.

Thank you.

• (1550)

The Chair: Thank you very much.

Mr. Trew, you have five minutes, please.

Mr. Stuart Trew (Senior Researcher, Canadian Centre for Policy Alternatives): To the chair and the committee, thanks very much for the opportunity to present today.

I'm speaking in my capacity as a researcher at the Canadian Centre for Policy Alternatives. It's a progressive policy research institute with offices in Ottawa and five other provinces.

I'm going to focus my comments on the Canada-Indonesia comprehensive economic partnership agreement, but I think they also relate to the ASEAN and the India negotiations.

I'm going to make two points today. The first and main point is that, whatever business opportunities exist in the Indo-Pacific, and I'm sure there are many, obviously, we don't need the investor-state dispute settlement agreement to achieve them. In fact, putting ISDS into any of these agreements would be harmful to all countries concerned, including Canada.

This government celebrated the removal of ISDS from the new NAFTA, if you recall. They did that because, in doing so, according to Minister Freeland, it "strengthened our government's right to regulate in the public interest, to protect public health and the environment".

As the committee will know, Canada and the U.K. also have no intention of including ISDS in their replacement agreement for the Trade Continuity Agreement for 2021.

These were good moves and very much in line with international backlash to investor-state dispute settlement as an unnecessary, unpredictable and costly handout to big business with dubious economic benefits for countries.

The climate-related case against ISDS is especially strong now that the Intergovernmental Panel on Climate Change has warned in its 2022 report that trade investment treaties could delay or even stop countries from introducing new measures to lower emissions, since countries will be worried about drawing huge ISDS cases for cancelling new fossil fuel projects, for example, or for simply not issuing new permits for projects.

Canada has been burned by such cases like the Clayton/Bilcon successful NAFTA lawsuit against the non-issuance of a quarry permit in Nova Scotia or the pending Lone Pine case against Quebec's moratorium on hydraulic fracking under the St. Lawrence.

New research published in the Journal of Science last week finds that ISDS claims from fossil fuel companies could reach as high as \$340 billion in the coming years as countries start to make moves to meet their Paris climate targets.

The risks here go both ways for Canada as well as Indonesia. In Indonesia, 95% of Canadian investment is currently in the mining sector, where Canadian investors have a very high incidence of using ISDS in Canada's existing treaties to challenge environmental decisions in other countries, but they also will affect us here in Canada where there's a lot of Indonesian investment in, say, LNG, forestry and pulp and paper, where future conservation measures or just transition policies may also spark very large claims against Canada, as we experienced under NAFTA.

My second argument is about the poor chances, and I would say the almost non-existent chances, of getting a decent labour chapter in this Indonesia agreement. That will go for ASEAN and India as well. Indonesia told Canadian negotiators last month that a labour chapter is a non-starter. They haven't included labour provisions in any of their current agreements, including the 2020 deal with Australia, so I would say we're sleepwalking—or perhaps sleep negotiating—into an outcome that will likely be negative for workers, women and the environment.

As an example of what I mean, a European sustainability impact assessment of the EU's planned CEPA with Indonesia states that the deal “is expected to result in increased demand for employment in sectors historically less likely to meet decent working conditions including the textile, wearing apparel and leather industry. Concerns also arise that vulnerable groups, including women and children, would bear the brunt of poor working conditions.” The EU impact assessment also says that “considering Indonesia's rather weak implementation of laws on indigenous peoples' land rights, increasing trade in sectors where concerns on land rights are relevant, such as forestry and wood products, could run the risk of increased human rights violations.”

I won't go into detail on that because I think Greenpeace Canada put it very clearly in their presentation to the committee. I'll just emphasize that without a strong floor for labour rights, it is unlikely Indonesian workers will see any benefits flowing from the CEPA with Canada, and they may be worse off. By staying at the negotiating table without a commitment from Indonesia to a high-standards labour outcome, Canada is signalling that it is flexible on this critical issue.

● (1555)

To conclude, I'll just note that there was a period around 2016-17 when Canada looked to be pioneering a more progressive and sustainable trade policy. The government has done some interesting things since then, for example, with respect to gender chapters in new agreements, taking more seriously Canada's obligations to include indigenous peoples in the negotiations themselves and the outcomes, and of course taking ISDS out of the new NAFTA.

It would be a shame to throw that all away to go back to signing lopsided trade investment treaties with a new list of Indo-Pacific countries, just as countries like the U.S. and EU are testing more promising-sounding worker-focused partnerships in the region.

Thank you.

The Chair: Thank you very much.

We move to Mr. Stordy, please, for five minutes.

Mr. Gary Stordy (Director, Government and Corporate Affairs, Canadian Pork Council): Good afternoon. I'd like to thank you for the opportunity to appear before the standing committee this afternoon to discuss how trade opportunities in the Indo-Pacific can benefit pork producers.

My name is Gary Stordy. I'm the director of government and corporate affairs. I am pleased to speak on behalf of Canada's pork producers, who are responsible for generating 31,000 jobs on farms from coast to coast.

As you know, we are a trade-dependent sector. More than two-thirds of what we produce in Canada is exported either as live hogs or pork products around the world. Over the past five years, Canada pork has been exported to more than 125 countries. In 2021, these exports were valued at \$4.9 billion.

The foundation for this success is built on trade agreements such as NAFTA, CETA, CPTPP and most recently CUSMA. All these agreements work to lower tariffs and barriers that prohibit trade. These trade agreements brought structure to sometimes very confusing import systems and rules of trade that should allow disputes to be quickly resolved. Our industry is fortunate to have trade agreements in key markets around the world and an established industry that knows how to sell and move pork to market.

Despite labour shortages at processing plants and supply chain disruptions, Canada's pork gets to where it needs to go, but governments around the world are putting that demand at risk with policies that directly affect our industry. We are concerned by the fact that countries are restricting the use of animal health products, implementing labelling rules, restricting how animals should be raised and, frankly, being slow to grant approval, whether it's for systems or even for our ability to ship to that country.

Canada is fortunate to have dedicated a public service in our foreign posts and here in Canada that works on our behalf. They are tasked with addressing these emerging issues. However, we know that officials are stretched to the point where additional resources and staffing are needed to take advantage of new trade opportunities in the Indo-Pacific.

The Canadian pork industry is very competitive in the world market and is well-positioned to capitalize on growth and opportunities in this Pacific region. That is why we are supportive of the Canadian government pursuing a Canadian-Indonesian agreement and a potential ASEAN agreement. ASEAN countries are increasing their consumption of pork in response to their growing household incomes. They represent a great market opportunity for Canadian pork.

As you are aware, out of the 10 ASEAN countries, four are already part of the CPTPP. The Philippines and Thailand, on the other hand, are not, nor are they part of any other agreement that we have. For us, these two countries represent important pork markets. The Philippines, for example, is the fifth-largest lucrative market, with sales of over \$301 million. It's the fifth-largest market for volume, with over 126,000 tonnes of Canadian pork exported there last year.

In addition to market access opportunities, we believe that increased economic collaboration in the Indonesian region provides an opening to address important global animal health challenges. The spread of foreign animal diseases, such as African swine fever, in our case, has been impacting the global meat market trade for the past four years. For Canada to be recognized as a stable supplier of pork products, any strategy in the region must include the Canadian government actively working to secure animal disease control zones with each of these countries. Singapore already has an agreement to allow for safe trade from Canada in the event of a disease outbreak, but more agreements are needed, especially with key markets such as Vietnam, Philippines and Japan.

The pork industry is aware of the importance of not being dependent on any one market, whether it's in North America or in the Indo-Pacific region. However, it's impossible not to talk about the importance of the Chinese market to our industry and the need for a strategic approach for the Canadian-Chinese agriculture trade. For us, China is the world's largest importer of pork. It imports more than twice the second-largest importer and more than 30% of global imports. However, China is currently restricting 65% of Canadian pork processing capacity from accessing the country. The Chinese market adds an additional \$10 to \$20 of value to the carcass. That supports the financial stability of our industry and allows our industry to prosper.

We are pleased that our industry has had some success over the past year, with the Canadian and Chinese foreign ministers recently speaking. This is a market that we are unable to walk away from. It is of utmost importance that dedicated staff in the Canadian embassy in China reinforce the importance of the trading relationship for agriculture products as a whole.

To sum it up, CPC is a staunch supporter of Canada's effort to deepen economic ties, either through trade negotiations or strategies that expand commercial interests in the Indo-Pacific.

• (1600)

We do see the need to address that shortage of dedicated trained technical staff that can build working relationships with foreign officials to address emerging issues and facilitate the timely implementation of zoning agreements and system approvals.

I'd like to thank the committee for the invitation to appear and for your attention. I'd be pleased to answer your questions.

The Chair: Thank you very much, Mr. Stordy.

We'll move to Mr. Vander Ploeg for five minutes, please.

Mr. Casey Vander Ploeg (Vice-President, National Cattle Feeders' Association): Good afternoon.

I'm Casey Vander Ploeg, and I serve as vice-president of the National Cattle Feeders' Association.

I'd like to share three things with the committee this afternoon: first, the general landscape of our beef export trade; second, how that landscape has changed and the role played by the Indo-Pacific in that change; and, third, some recommendations addressing the challenges and opportunities of trade in general and the Indo-Pacific in particular.

It has already been mentioned that Canada currently exports half of the value of all live cattle and beef that we produce. The U.S. accounts for about 75% of those exports, but other important markets are Japan, China, Mexico and Korea. Those five nations account for almost 95% of Canada's beef exports.

Over the last 10 years, we have seen tremendous growth in our beef exports. They've moved from about \$1.4 billion per year to \$4.5 billion last year, as already mentioned. What's behind that growth and does the answer help to inform the future of Canada's trade policy?

It comes as no surprise that the U.S. is behind much of that growth, about 70%. Of course, it's that realization that drives concern about Canada's dependence on the U.S. and the need to diversify our trade.

What's more surprising is the share of that export growth being generated by Indo-Pacific countries, which have been responsible for 20% of our beef export growth in the last 11 years. If we add in China, the total raises to 25%.

Another way to look at all of it is through our current suite of multilateral and bilateral agreements. These have been absolutely essential in fuelling Canada's beef exports. Virtually all of our export growth has occurred in those markets with which Canada has a free trade agreement.

Moving to the Indo-Pacific specifically, we currently have an agreement with eight of the Indo-Pacific nations. These agreements have resulted in more than just export growth. In 2010, Canada actually had a negative trade balance in beef with this group of eight. We were importing \$30 million more than we were exporting, but last year we had a positive trade balance of \$460 million. The CPTPP and the Korean bilateral have played no small role in our ability to access the Indo-Pacific, to compete there and to win.

Vietnam is an excellent example of the benefits that can flow from these agreements. Our exports to Vietnam were always small, but they did grow slowly and steadily year over year. After the CPTPP took effect, our exports made huge leaps forward, moving from \$8 million in 2019 to \$83 million last year. Last year, our exports eclipsed all of our exports to Vietnam in the past 10 years.

Today, another eight Indo-Pacific nations are now in play as a result of negotiations with the ASEAN, possible accessions to the CPTPP and various bilateral initiatives. Here, Canada is going to have to be strategic. Not all of the eight countries hold promise. Beef is perhaps best left out of any discussion with India, for example, but the four that do stand out for us are the Philippines, Taiwan, Indonesia and Thailand.

We've been exporting beef to the Philippines and Taiwan each and every year, and that trade has been slowly growing. Trade with Indonesia has been more variable and spotty, but we do have history and experience in that market. In the case of Thailand, we used to export beef there, but trade has been non-existent for a number of years now.

Our priorities to the committee for the Indo-Pacific are as follows:

First, we should focus strongly but not exclusively on opportunities with the Philippines, Taiwan, Indonesia and Thailand.

Second, we need to focus on tariff liberalization and elimination, as well as addressing all of those regulatory and non-tariff barriers that can become so problematic.

Third, we believe that prioritizing accession to the CPTPP is the best route forward wherever feasible.

Finally, we need to maximize opportunities and benefits for Canadians under our existing agreements.

That last point requires two points of explanation.

First, not all trade deals have brought export benefit to Canada's beef industry. The committee is likely aware of some of our disappointments and challenges with CETA.

- (1605)

Second, FTAs do not automatically grow our exports. Labour shortages on farm and in our beef plants make it difficult to maintain current production, never mind expand it. As well, Canada's beef herd today is 20% smaller than the peak in 2005.

We need to maximize the benefit from our trade policy agreements and require supportive policies in other areas, such as labour.

The front-of-pack labelling initiative at Health Canada is another policy that works at cross-purposes to our trade objectives. At the same time that we're working to grow our international exports, Health Canada seems determined to attach warning labels on single-ingredient whole foods, like lean ground beef, domestically. That policy damages our reputation both at home and abroad.

NCFA would—

The Chair: I'm sorry to interrupt. Thank you very much for your comments, Mr. Vander Ploeg.

We will go to Mr. Baldinelli for six minutes, please.

Mr. Tony Baldinelli (Niagara Falls, CPC): Thank you, Madam Chair.

Thank you to the witnesses for being here—those who could be. It's so nice to have witnesses here in person. Thank you for taking that time and for being with all of us.

Two witnesses shared similar thoughts: Ms. Whitley from the Canadian Canola Growers Association, and Ms. Jackson from the Cattlemen's Association.

You raised the whole notion of a kind of specialized multidisciplinary office being established in addition to the trade services that are already provided there. Do you think there are enough technical resources in the region to help grow market access opportunities in Asia?

Ms. Fawn Jackson: I can start and then go over to canola.

We think there has been a hollowing out of the amount of technical expertise within the region. We want to have an office that would be able to build on the capacity within our consulates. We think that having that technical trade expertise that is able to work with existing offices as well as with industry will help us to more proactively address the issues that are coming fast and furious at us.

When we were talking about this earlier this year, ahead of the budget, we had an example that was happening in the beef industry. We had a case of an animal disease that shut down three markets for us. We needed to have those markets opened as quickly as possible. They never should have closed in the first place, so we think that we need more technical expertise.

We see that the future is going to be rocky. Let's get these people on the ground before we're really in the middle of it.

Mr. Tony Baldinelli: Ms. Whitley, would you like to add to that?

Ms. Janelle Whitley: Sure. Dave, who's also in the room, might want to add something as well.

From our perspective, I think we're looking at rounding out the current capacity. The trade commissioner service has some great resources and capacity on the ground, but from our experience, they tend to be focused more on market promotion, development and putting in business connections in the region or country.

We're looking at an office that would have the plant health specialists on the ground, animal veterinarians, people who can specialize in the regulatory and political environment. It's really trying to help our exporters understand the environment they're selling in to in order to proactively prevent a market access issue from occurring. However, in the event that there is one, you want to make sure that the right people—information, collaboration and connection between industry and government—are already in place, so it doesn't take hold and ultimately impact our trade flows.

• (1610)

Mr. Dave Carey: To echo that, but in closing, I'd say it's about being proactive. An ounce of prevention is worth a pound of cure. If we can get away from trade irritants before they become something, and have an expert on the ground who can walk local regulators through why it's not a concern and how Canada has already addressed an issue, it will go a long way. It won't be attention grabbing, but it will be something that facilitates trade and market access before it becomes a trade dispute or irritant.

Mr. Tony Baldinelli: The trade associations all discussed the need for diversification as an important component and reason for entering into these agreements with Indonesia and ASEAN countries.

I also found it interesting that the National Cattle Feeders' Association talked about some of the challenges being labour shortages and size of beef herd, for example.

My question is for all of you. For each of your sectors, what would be your top trade challenge in exporting to ASEAN countries and other Indo-Pacific countries?

Mr. Dave Carey: It's non-tariff trade barriers, one hundred per cent. Canola has a 90% export crop valued at \$13.7 billion. It's not so much tariffs anymore; it's non-tariff trade barriers, the way they treat biotechnology, a lack of science-based equivalency and a lack of understanding phytosanitary issues and when and where they should be applied. Those would be canola's biggest issues.

Ms. Claire Citeau: It's non-tariff barriers and upholding rules-based trade not only in the region but globally as well, and making sure that, to Dave's point, industry and government proactively connect and communicate so that we can better tackle issues before they become problems.

Mr. Gary Stordy: I have to add that some of the issues that we're dealing with are more domestic at times, whether it's labour shortages, supply chains, shipping issues or logistics to get from here to wherever we need to go. Once we get past that or choose to ignore it, in country, it does come down to some of the technical services. We do have some very good trade commissioners who help us facilitate trade, but at the same time when they find something that's potentially a problem to trade, that information comes back here to Ottawa to deal with rather than maybe trying to resolve it on the ground in country.

Ms. Fawn Jackson: I would echo Casey's comment that labour is very serious for our industry. We do talk about it a lot in limiting our ability for growth. Beyond that, of course, are the barriers, but we have to get the door open first of all.

If we look at Thailand with a 50% tariff on beef, that's a barrier there. In Indonesia, on the other hand, they have quite low tariffs, but we don't have a certified halal into that market. It somewhat depends on the market, but nonetheless, we need to be there because the growth is really exciting for our sector.

Thanks for the great question.

The Chair: Thank you very much.

Next is Mr. Arya for six minutes please.

Mr. Chandra Arya (Nepean, Lib.): Thank you, Madam Chair.

Canada's opportunities in Indo-Pacific countries are very important, especially in the light of Global Affairs Canada launching the Indo-Pacific strategy. The pandemic is having a major impact, in my opinion, on globalization and in increased protectionism amongst many countries. Obviously for Canada, trade is important as it accounts for 60% to 65% of our GDP.

We need to diversify, because most of our international trade currently is with the U.S. I think it's almost 70%. There is potential with India, which I think Canada is considering as a high-priority trading partner. This year we formally relaunched the comprehensive economic partnership agreement and we agreed, I think a month ago, to considering entering an agreement meanwhile.

Taiwan is a major partner. I think it's bigger than India in terms of trade. In 2021, Taiwan's trade with Canada was around \$10 billion, whereas for India it was \$8.9 billion.

Canada and ASEAN, the Association of Southeast Asian Nations—Brunei, Malaysia, Singapore, Vietnam—have signed a CPTPP. Taiwan has applied to join it, and we have already begun exploratory discussions with Taiwan for a foreign investment protection agreement.

ASEAN countries are important for diversification. Currently, ASEAN is the sixth-largest trade partner of Canada. We have launched negotiations with Indonesia. Combined ASEAN economies are too big. In 2020, their GDP was \$8.2 trillion with a combined population of about 670 million.

Importantly, a working paper recently published by the C.D. Howe Institute states that an agreement with ASEAN would position Canada to join the regional comprehensive economic partnership of Australia, China, Japan, New Zealand, South Korea and 10 ASEAN countries. This is now the largest regional trade agreement in the world and is likely to be an important framework for the future development of East Asian value chains and production networks. All this tells us we should move forward with the trade agreements with the countries in the Indo-Pacific region as soon as possible.

My question is for Claire Citeau of the Canadian Agri-Food Trade Alliance.

I listened to what you said. I agree with all the suggestions you made on diversifying the non-tariff barriers and advocacy. This pandemic, as mentioned, is affecting globalization. In my view, the protectionism and self-reliance strategy adopted by many countries is going to affect our free trade agreements.

Do you think now or in the near future we will have problems with all the existing trade agreements and the new trade agreements in the areas of countries not abiding with the agreements or increasing the non-tariff barriers?

• (1615)

Ms. Claire Citeau: Is your question about whether there will be new non-tariff barriers within free trade agreements?

Mr. Chandra Arya: That's it exactly.

Going forward, do you foresee problems in the implementation of the trade agreements we have, for example, that a country is not abiding by the rules of the agreement or there are increases in the non-tariff barriers?

Ms. Claire Citeau: I think this is happening already. This is the case. This has started, and it did so way before COVID. I think COVID only made it worse. The whole war in Ukraine certainly accelerates that move towards regionalization. Hence, it is even more important to have free trade agreements in place and strong rules and disciplines that work.

Mr. Chandra Arya: In the interest of time, I have another question for both you and Mr. Trew from the Canadian Centre for Policy Alternatives.

Why do you think Canadian companies are not taking advantage of the many trade agreements we already have? Most Canadian trade is still with the U.S., despite all the trade agreements we have with Europe, and the CPTPP, etc. Why are Canadian companies not moving forward?

Mr. Stuart Trew: I'm not sure I have a great answer for that.

From what I've seen and read, most of the time it's a question of proximity. Familiarity would be one of the reasons that we do a lot of business with the United States. Beyond that, I don't know.

Given the government statistics, there is some evidence they are taking advantage of CETA as well, right?

Ms. Claire Citeau: I would echo the response on regional proximity and cultural preferences. If you look at some of our competi-

tors, Australia, the U.S., Brazil, Argentina and the EU are also shipping to some of the markets that we are shipping to.

Mr. Chandra Arya: Could you give us a quick answer, Mr. Sturdy, if you have any comments.

Mr. Gary Sturdy: Sometimes it's just the cost of accessing that market. The cost doesn't necessarily mean that the rules or requirements for entry are harder or better; it's just that if I have something I can sell for one dollar over here, and it costs me 10¢ to get into here, that's where I'm going to go, versus selling it for one dollar where it costs me 25¢ to get into.

The Chair: Thank you very much.

We go now to Mr. Savard-Tremblay for six minutes.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ): Good afternoon.

I would like to thank all the witnesses for being with us today.

It's nice to see them again in person. It's been a long time since we've seen them in the flesh.

Mr. Trew, you spoke to us a little about investor protection, that is to say the mechanism we call “investor-state,” which has been removed from the new free trade agreement, the CUSMA.

You tell us that it would be discussed in the context of an agreement with Indonesia, potentially also in the context of an agreement with the Indo-Pacific region, and that it would be a bad idea.

How would such a mechanism really be a problem in terms of rights protection and environmental protection?

• (1620)

Mr. Stuart Trew: Thank you very much for the question.

[*English*]

A couple of years ago, we at the Canadian Centre for Policy Alternatives put out a report. The Canadian experience is that two-thirds of cases, investor-state dispute cases, brought mainly, almost entirely, by U.S. companies were against environmental or resource management policies, whether those involved a decision to phase out cosmetic pesticide use in Quebec, for example, or the Bilcon case in Nova Scotia, in which an environmental assessment process was disputed by a Canadian investor who had some investments in the United States.

This is what we see repeatedly, particularly with Canadian mining companies. They're the most active users of ISDS mechanisms in Canada's existing treaties abroad. They have successfully brought cases, for example, against Colombia, which very recently lost a case related to a mining ban in a very sensitive environmental region of the country, which applied to everybody, but simply because Canada had a treaty, a Canadian company was able to sue for compensation in that case.

It's a very grossly imbalanced system.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: So that's why you're recommending that such a mechanism be excluded from a possible agreement with Indonesia and the Indo-Pacific region.

Let's take the example of the United States. I know we are getting a bit off topic, but it is still interesting to see what happens with other countries.

Given that the investor-state mechanism is not part of the CUSMA, have you seen a before and after to NAFTA?

Have we really discouraged investors, or would you say it hasn't really had an impact?

[English]

Mr. Stuart Trew: Unfortunately, we don't have an "after" just yet, because we have the legacy clause in the new NAFTA. There are still some investor-state cases happening until July 2023, but I haven't seen anything to suggest that investment has decreased or increased since we dropped the mechanism.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: You told us what we should not have, that is, the mechanism in question.

Given what you have seen and studied, can you make a recommendation on what should be in place to strengthen human rights and environmental rights?

[English]

Mr. Stuart Trew: That's a good question. I didn't come prepared to talk about some of the mechanisms that are being considered at the UN, for example, but there is a UN treaty on business and human rights that has been in development for, I think, about 10 years now.

Canada has been a bit on the sidelines there. I think the Canadian government could step into those in a more serious way. That would be one way of adding balance at least. The treaties create responsibilities for governments but no obligations or responsibilities for companies. That's one of the major criticisms we've seen internationally with ISDS. They're trying to reform it at the UNCITRAL Working Group III right now. They're trying to reform it in the OECD. There are all kinds of conversations about what's wrong with it. I think it would be smart for Canada to consider those and take heed of those, and maybe back away from...in these agreements, including ISDS, when there's so much of this backlash, as I've said, against the process.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: In a press release that you published on March 17, you quoted the International Union for Conservation of Nature, according to which: "... the expansion of palm-oil production is affecting at least 193 species classified as 'threatened'..."

In the case of a possible agreement with this region of the world, are you concerned that the deforestation that this could entail would be in contradiction with Canada's commitments?

[English]

Mr. Stuart Trew: Yes, I do believe that. Greenpeace, which we worked with on that press release, believes that as well.

There are tariffs on palm oil, as far as I understand it, that would come down as part of the negotiations. That would almost certainly result in Canada importing more palm oil from Indonesia. That is a major source, among others, including mining and pulp and paper, of deforestation in Indonesia. I think it would have a direct effect.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Thank you.

[English]

The Chair: Thank you very much.

We have Mr. Green for six minutes, please.

Mr. Matthew Green (Hamilton Centre, NDP): Thank you.

I'll pick up on some of those questions, through you, Madam Chair, to Mr. Trew.

For the purpose of this study and for, perhaps, people who are tuning in, I would like to get to know a bit more about your thoughts on the balance that you articulated in the way in which investor-state dispute settlements were ostensibly set up to give primacy to private corporations, as I'm to understand it, by unelected, unaccountable, really unknown jurisdictions of dispute resolution outside of the frameworks of any of our legal frameworks.

Can you share an example, in your opinion, particular to mining, for instance, in the countries that we are studying now where this could be a significant problem?

• (1625)

Mr. Stuart Trew: Thank you for the question.

I suppose it is in the region, but there was a case recently in Pakistan. Maybe members of the committee will have heard of it. It was Tethyan Copper, which involves Barrick Gold. This is a case where Pakistan was recently ordered to pay the company \$6 billion U.S. This was compensation for not being given a mining lease to dig a gold and copper mine on the border with Afghanistan. There were a number of problems with the result, one of which was the valuation of that took into account future profits. This is a major problem with ISDS. The company only invested about \$200 million in Pakistan, but was ordered by this private tribunal, as you said, to pay \$6 billion instead.

There were concerns that maybe there was corruption involved with the company in securing the lease, that maybe the Balochistan government didn't have the permission to give them the rights to dig in the first place. There were all kinds of problems with this case, and yet Pakistan was asked to pay. That was the same amount as an IMF bailout they received that year, because their economy was in such crisis.

This kind of case happens all the time. We can absolutely expect that down the road Canadian mining companies might...as has already happened. Mining companies have already used such processes to challenge Indonesia.

Mr. Matthew Green: One thing I'm sensitive to is the primacy of corporate law over what I think to be fundamental human rights and environmental rights. I reference, just by example, the Canada-Russian Federation bilateral investment treaty, which has the same dispute resolution system in it. I'm not clear that's been interrupted despite some of the heinous acts that country has committed and the sanctions that are applied to it.

In a like way, when I look at ASEAN, I think about Myanmar. I think about some of the other very real investigations on human rights and atrocities that are being committed by other countries listed within this study.

I just want to ask, through you, Madam Chair, if Mr. Trew would reflect on the way in which we ought to be considering, as legislators, the balance of international law. I reference the United Nations Declaration on the Rights of Indigenous Peoples versus these investor-state dispute resolution processes.

Mr. Stuart Trew: That's a big question. Just in general, it's a matter of balance, as you say.

The point of my presentation was that I wanted to make sure that, hopefully, the committee is thinking about ISDS in the context of these treaties because of the specifics of the region and the human rights situations in many of these countries. Labour rights are non-existent in a number of them, let alone with Myanmar.

Mr. Matthew Green: Just to be clear, whenever I hear "balance" I think "equal consideration".

In your opinion, would you care to comment or extrapolate on whether or not we ought to be giving the very fundamental human rights and environmental rights consideration over, say, the rights of some corporation and its investors?

Mr. Stuart Trew: The CCPA believes that we should be stopping negotiating investor-state dispute settlement treaties of this kind. They don't add anything to the mix. They create a toxic environment in countries, especially where the people can see that their government might not be listening to their demands, but they have to listen to the demands of a foreign company that wants to build a mine somewhere that might be contested.

These things can actually create political instability in countries where Canadian investment exists.

Mr. Matthew Green: I want to be clear that there are two parts to this. The first part is our impact, in this agreement, on the labour markets abroad and their ability to then sue us for having our own protections domestically. Also, there is the mining sector, as you

mentioned, and many more that are operating around the world in ways they wouldn't legally be able to operate here.

Through you, Madam Chair, for the last question and with about a minute remaining, could Mr. Trew please expand on ways in which those considerations need to be considered for the purpose of this study?

• (1630)

Mr. Stuart Trew: A number of instances have come up very recently in the backlash against ISDS. There have been concerns that COVID measures, for example, might trigger a new wave of disputes. There have been cases related to the introduction of new public services that end up competing with private services. For example, in Europe, completely legitimate decisions by government across a number of areas are getting challenged through ISDS. It can create a chill factor on governments that might be less inclined to introduce new public services down the road, for example. There are a number of areas.

I focused on climate and mining because it's top of mind. We obviously have to be reducing our emissions and countries will be doing that with greater speed, hopefully, in the coming years. If we can take out this cost and the uncertainty that ISDS creates, then all countries are better off—Canada, as well as Indonesia and ASEAN.

The Chair: Thank you very much.

Mr. Lewis, you have five minutes, please.

Mr. Chris Lewis (Essex, CPC): Thanks so much, Madam Chair.

Thank you to all the witnesses. It's fabulous testimony this afternoon once again.

The first question, through you, Madam Chair, is for Mr. Chaffe.

You had mentioned the Indo-Pacific office. I'm wondering if you could expand on that a bit further. Are you planning on that being a Canadian office? If Canada takes the role, what exactly would that role be? What would that look like?

Mr. Jack Chaffe: That question was for me and then maybe Fawn could follow up.

It would be a Canadian office, from what I could see. Within that, on the beef end of it, we have Canada beef on the ground there doing the marketing. On the regulatory and the technical resources that we'd need for market access, that is where this diversification office would come into play.

I'll ask Fawn to follow up on that.

Ms. Fawn Jackson: Certainly, our idea would be to increase technical access and really work, as Janelle said earlier, to have great services at our consulates that already there.

How can we build on that? I don't think we have a completely clear idea of "This is where it must be and this is who must be in the office." I would say the framework...to have the conversation about the bumpy roads ahead. We want to be proactive in making sure that Canadian agriculture products are given the best chance through negotiating trade agreements and, once they're in place, getting real market access past the trade barriers we inevitably end up facing.

Mr. Chris Lewis: Thank you very much for those answers.

Again, though you, Madam Chair, Mr. Stordy, you spoke about the pork producers, and generally speaking, they're doing okay. I can only assume you must have a lot of hurdles. I'm a bona fide grain farmer myself, so I know the price of everything is crazy.

You spoke specifically about labelling rules. What needs to be changed to make life a little easier for the pork producers with regard to the labelling rules themselves?

Mr. Gary Stordy: With pork and beef, we have a history of dealing with country of origin labelling disputes in the U.S. where the laws had an impact of over \$1 billion. To get that resolved, it took over seven years through a WTO process.

There are situations—and it's also impacting other sectors—where countries are introducing country of origin labelling rules. Right now, we're watching the product of U.S. rules to see where that discussion goes. It's a problem when new things are being implemented that could impact trade outside of free trade agreements. The discussion is about needing extra time and requirements to pay attention to what's happening, so we can see it in advance, and having the technical ability or even political ability to intervene to make our case as to why it's going to impact, or whether it's a good or bad decision. You're hearing today that there is a need for extra resources—staffing, knowledgeable technical people on the ground in important markets—to help facilitate that. One is an early-warning system. Two is how we deal with it. Three is how we try to resolve it.

Mr. Chris Lewis: Thank you, Mr. Stordy.

Madam Chair, I have about a minute left, so the last question in this round will be for Mr. Trew.

Sir, I think it was last weekend, or maybe the weekend before—I don't know; I forget the days, these days—I was with my colleague down in the Niagara Region. We visited the Vineland research centre. Ironically, there is a very similar research centre in my riding. I believe you touched on research on this front.

As the government and Canadians work to ensure the disease comes out of the vines and the disease comes out of the animals and all of those things, is the same thing happening in the ASEAN countries? Can anybody answer that?

• (1635)

Ms. Fawn Jackson: I would note that, globally, we work collaboratively on a number of different issues. There's the livestock research centre in Kenya, for example. Certainly, we all have an interest in making sure we're addressing these issues, which seem to come up more and more.

I would also say that, in the face of climate change, we certainly recognize that food security is going to be at the top of everybody's mind. Investment in research within Canada that can feed into the global context is extremely important for all of our futures.

The Chair: Thank you very much.

Next is Mr. Miao, please.

Mr. Wilson Miao (Richmond Centre, Lib.): Thank you, Madam Chair.

Thank you to all the witnesses for joining us today in person and virtually.

I'd like to ask Ms. Citeau a question, through the chair.

Can you please elaborate on what effect a signed ASEAN free trade agreement would have on Canadian agri-food exporters?

Ms. Claire Citeau: Sure.

What it would do mainly is provide a framework. This is already a region that we do a fair amount of business with, both on the trade and export and import side. However, the rules that govern our trade right now are those of the WTO. Having a free trade agreement with that particular region would not only reinforce, improve and enhance some of those rules and disciplines, but it would also lower all of the tariffs that some of our exporters continue to be subject to.

Not only would the framework lower the tariffs, it would also improve the overall trading environment and provide a huge opportunity for our sector overall to diversify. If you look at our free trade agreements in the world right now, we have the CUSMA, the CETA and the CPTPP, although not all countries have yet ratified the agreement. There is this whole region in the world that is vast and growing. This is really where our members see growth moving forward.

Mr. Wilson Miao: To follow that, how has the CPTPP benefited Canadian agri-food exporters? How could lessons learned though the successful signing of the CPTPP help in the signing of an ASEAN free trade agreement?

Ms. Claire Citeau: If you look at just the numbers in the Asia region, on average, our exports have grown by about 15% since the deal was implemented. It has been higher for some members. Others are catching up. The big prize in that region is Japan, but there's also Vietnam and other deals. Hopefully, Malaysia will ratify soon.

What it would do, again, is provide an opportunity to diversify. There are committees that have been set up, and some of the non-tariff barriers that our members have experienced are being worked on, so there are definitely lessons learned there that we can apply to a deal with the ASEAN as well.

It's an opportunity to diversify and perhaps expand supply chains in the region. Overall, the membership of CAFTA has a preference for regional agreements versus bilateral agreements, because we have an opportunity to enhance our supply chains through cumulative rules of origin in the region. That is certainly something that our food processing sector is looking at with great interest.

● (1640)

Mr. Wilson Miao: Thank you very much.

Through you, Madam Chair, I'd like to direct the following question to Mr. Carey or Ms. Whitley.

Currently, where do you believe the most opportunity exists in the Indo-Pacific region for your members and how can that be improved upon?

Mr. Dave Carey: I'll start and then pass it over to Janelle.

The biggest markets that we're looking at within the Indo-Pacific region are Thailand and Vietnam, as well as Malaysia. One of the reasons that we look at it as such an opportunity is it is not only an economic opportunity, but also a risk management tool. At one point, 60% of our exports were going to China. That's too much trade exposure. Right now, we still have 75% of our canola exports going to five markets. Having more opportunities to sell Canadian products abroad is good for farmers.

I'll ask Janelle if she has any more in-depth comments for that region.

Ms. Janelle Whitley: It's similar to Dave's answer.

One of the main benefits would be to have this platform to diversify into the region, particularly meal into Thailand and the Philippines, and oil into Malaysia and India. As many people have testified before, the region has a strong population, a growing middle class and an increasing interest in heart-healthy products. We feel that canola could be well positioned if we had the tariff reductions and the clear rules of trade to be able to provide an opportunity for our exporters to pivot between markets.

Specifically, we have an exciting opportunity in Canada, with seven million tonnes of crush capacity potentially coming online in the next few years. With that, we'll have more oil and meal to sell globally, and the Indo-Pacific is very much an area we'd like to capitalize on to sell more into the region. There is a high, growing demand for high-quality feed, more interest from the aquaculture sector, trends towards plant protein....

There are lots of opportunities that we would like to see reflected in the trade agreements and the strategy being put forward by the government.

The Chair: Thank you very much.

We'll go to Monsieur Savard-Tremblay for two and a half minutes, please.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Thank you.

I'll continue along the same lines, Mr. Trew.

You are asking us not to give more powers to the mining companies operating in this part of the world. You tell us that certain violations have already been committed and that these mining companies have enough powers for the time being.

In that regard, do you believe that the mechanisms in place to monitor the activities of these companies are sufficient?

[*English*]

Mr. Stuart Trew: Do you mean with an ISDS mechanism that would monitor the companies or without, just in general?

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Without this mechanism, in general, do you consider that the mining companies that invest in this region of the world are subject to sufficient accountability obligations?

[*English*]

Mr. Stuart Trew: I like to think that countries know best how they want to manage their resource sectors. In the Indonesian case, there is an investment law that would cover foreign and national investors in exactly the same way. I would say that's probably sufficient.

With mining companies being able to take out insurance when they operate abroad.... It's a hugely risky sector, obviously. The problem we have with ISDS, and a number of countries have with ISDS, is that it removes that risk onto the public sector for anything that could possibly go wrong, and then some. It basically steps on the pedal in support of the mining companies for them to be able to claim for future lost profits when things don't go their way.

Is it perfect in Indonesia? Probably not, from the perspective of the mining companies. However, I don't think it's the role of the Canadian state to be stepping on the gas, as I've said, for them on behalf of other interests that might be impacted by mining in that country.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: In this sense, this mechanism could, for example, threaten the foreign investment law that has been adopted in Indonesia.

Is this true?

[*English*]

Mr. Stuart Trew: Perhaps it wouldn't threaten the law necessarily, but it would create a different law for Canadian mining companies operating there, like a law that's more conducive to their interests. Both would exist. The national law would exist for national mining players, and then international mining players, like Canada, if there's a treaty, would get these extra super-laws that tend to treat countries quite favourably in disputes as they come up.

• (1645)

The Chair: Thank you very much.

Mr. Green, you have two and a half minutes, please.

Mr. Matthew Green: In summary, so that we're clear, is it fair to say, or do you agree with the statement that ISDS erodes domestic sovereignty to make decision-making on labour, environmental issues and basic matters of trade?

Mr. Stuart Trew: Absolutely.

Mr. Matthew Green: Okay.

Without wanting to stay on that lane, I want to provide some value to the committee in terms of where we might be able to find a better alternative. Are there examples that you know of in trade agreements where rights-based approaches that respect international law, the environment and perhaps labour can be used or have been used to actually uplift the disproportionate power relationship between G7 countries and the rest of the global self?

Mr. Stuart Trew: That's an interesting question. Not within the ISDS chapter—

Mr. Matthew Green: No, no. We're throwing that out. We've already determined, at least I have, that that's a problematic feature. If we were to leave that out, are there other mechanisms on the positive side that might actually uplift the working-class conditions and material conditions of workers around the world, given our relationship with them to trade?

Mr. Stuart Trew: First of all, I'd like to commend the Canadian government in one respect when it did come forward with what it called the most progressive and strongest labour chapter provisions, absolutely. Nonetheless, it's been rejected by Indonesia.

There are examples in the CUSMA that are quite good. The labour language is much better. It's easier to enforce. There is no onus on workers to prove that a violation occurred as a result of trade, which was impossible to prove in case studies brought under previous agreements. There is also this rapid response mechanism that, granted, is a bit heavy handed on the part of the United States in Mexico, but it's working. It's producing democratic workplaces in Mexico, overturning the bad unions and putting in place more democratic unions.

Mr. Matthew Green: In my final 30 seconds, I would like to ask Mr. Trew, and anybody else for that matter, to provide any additional testimony in consideration of the testimony they've provided today, particularly as it relates to the way in which the ISDS impacts their industries, both for and against, or ways in which they see other trade agreements that might be able to help provide a rights-based approach to trade, one that centres on international law, the environment and human rights. That would be greatly appreciated.

Thank you, Madam Chair.

The Chair: Does someone want to give a very brief comment?

Mr. Matthew Green: I was just asking for it in writing, Madam Chair.

The Chair: Okay. Put it in writing.

Thank you very much.

We'll go to Ms. Gray for five minutes, please.

Mrs. Tracy Gray (Kelowna—Lake Country, CPC): Thank you, Madam Chair. It's great to see all the witnesses here today.

My first questions are for CAFTA.

Ms. Citeau, it's nice to see you again. You mentioned in your opening testimony the lack of respect for trade rules during this time of COVID. We know that a lot has come out, likely as a backlog at the WTO, but I was wondering if you have any thoughts on what needs to be in place separate from that.

As we're looking at negotiating new agreements like we're discussing here, what needs to be in place to ensure that trade rules are respected and enforced?

Ms. Claire Citeau: I think the real value in free trade agreements these days is in the framework and the mechanisms for co-operation. Yes, they reduce tariffs, but they also bring partners back together to look at issues through a number of committees that are to be set up.

There's a committee on agriculture. There should be a committee on SPS—sanitary and phytosanitary barriers and measures—and a committee on technical barriers to trade and so forth. Ultimately, all of these committees are to roll up all these issues and bring them back to the highest levels for resolution. It's really important that these operate on a regular basis and that they actually function.

In parallel to these, there should be also industry-to-government committees so that we can keep track of where the issues are at and so there are some transparency and accountability for how issues progress.

There should be also a review of how these free trade agreements deliver on outcomes. I think it's one thing to negotiate free trade agreements. It's another thing to implement them. Having an implementation plan or process to track how they deliver outcomes and whether companies are actually able to benefit from a commercial perspective would be important.

• (1650)

Mrs. Tracy Gray: That's great. Thank you for that.

I know there's been a fair amount of conversation today about non-tariff barriers. You touched on a couple of them right now. I'm wondering if you can give us a list of what some of those specific non-tariff barriers are that you hear about the most.

Ms. Claire Citeau: I would say that at the top of the list... For example, you mentioned COVID, and right at the onset, Italy renewed its mandatory country of origin labelling, which discriminates against durum wheat and is also against EU law.

There is also a need for the sustainability practices of our farmers to be recognized in Europe on the canola side, to have better access, essentially, as was promised in the agreement. Staying with Europe, the meat processing facilities don't have their practices recognized by the EU. Our members here can further expand on this.

There is a long list. We do have our own, and certainly the market access secretariat and CFIA have a list, and last time I heard, I think there were over 300 issues on that list, so it's a lot of work for them to tackle.

Mrs. Tracy Gray: What might be useful for this committee as we're looking at making suggestions going into a new agreement would be to table those, maybe, as part of this study, just so we can see what they are. It would be helpful in moving forward in negotiating an agreement, if that's okay, because I know we're running out of time here.

I want to squeeze in one more question.

I'd like to go to Ms. Jackson at the Cattlemen's Association.

In your previous conversations at this committee on the Canada-U.K. trade, you highlighted how, despite Canadian beef farmers were gaining capacity on exports of beef to the U.K., non-tariff barriers continued to be persistent, so much so that quotas actually aren't even being met.

What needs to be done differently in future trade agreements with Indo-Pacific countries so that beef ranchers can use the full quota given to them?

Ms. Fawn Jackson: Yes, it's an excellent point now, because in fact we're not actually exporting anything to the U.K. anymore. It has become so difficult to trade into that market.

Certainly, as we're looking at new trade agreements, we're using the example of the CPTPP as something that we would want to build off and CETA as something that we would not want to build off. We're very excited to see new economies interested in the CPTPP, for example, and very hesitant if others are interested in lowering the progressive trade nature of that agreement.

The Chair: Thank you very much.

Mr. Miao, you have five minutes.

Mr. Wilson Miao: Thank you, Madam Chair.

I'd like to direct my questions, through the chair, to Mr. Carey and Ms. Whitley.

What kind of opportunities do you anticipate a potential trade agreement with Indonesia would bring to farmers who run small and medium-sized enterprises? Can you please also elaborate on what tariff and non-tariff barriers Canada should seek to eliminate in a potential trade agreement with Indonesia?

Mr. Dave Carey: I can start, and I'll ask Janelle to weigh in at a more detailed level.

Farmers don't necessarily decide where their products end up. It's a bulk handling system. About 20 million tonnes get rolled up. When there isn't trade volatility, their prices tend to be higher, and they don't ever have issues selling their products domestically, and then they get shipped out.

I'll ask Janelle to speak to the specifics of the region, but I think the one opportunity we do have when we establish a relationship to look at a free trade agreement is to use language included in CUSMA and CPTPP—progressive language around science-based equivalency and around how we treat biotechnology and adjudicate

scientific disagreements in a transparent and expeditious way. There's a lot of opportunity if we adopt the progressive language in CPTPP and CUSMA, and, as my colleague Fawn said, veer away from language like that in CETA, which is not nearly as progressive.

I'll ask Janelle to weigh in on a more detailed level.

Ms. Janelle Whitley: Thanks.

Looking at the Indonesian market, we see an opportunity for all canola products, seed, oil and meal. With respect to the list of non-tariff barriers, I think we often think of a non-tariff barrier as an issue or barrier that we're currently facing that is preventing current access. However, a non-tariff barrier could also be something that is impacting our decision to sell into a market. From a canola perspective, we often need approvals of biotech varieties in markets before we will consider them. If we're using a crop protection product, we also need to have a maximum residue limit in place. There are also some barriers that need to be resolved before we can even consider selling into a market. There are two sides to the non-tariff barrier conversation or perspective.

As Dave said, as far as Indonesia goes, we are very much looking for clear, prescriptive rules on how agriculture biotechnology will be managed and how missing and misaligned approvals of crop protection products will be considered, to ensure that we have a pathway and an environment in place, before we sell into that market, that allow our exports to pivot easily between the two without having to go through all the regulatory approvals before they can access them.

• (1655)

Mr. Wilson Miao: Thank you very much for the answers.

I'd like to direct the following question, through the chair, to Mr. Stordy.

How do you believe we can best diversify pork exports, specifically within the ASEAN region, and what sort of impact would a diversified market have on your members?

Mr. Gary Stordy: There is a lot of incredible opportunity within that region. Pork is the preferred protein. At the moment, even though there are some issues, there is opportunity for growth.

We do look at some of the free trade agreements and the terms and at building bilateral relationships. Doing so provides the opportunity for our industry to be flexible on where product is going to be shipped.

To keep it short, essentially we look at it as—and I apologize—taking the animal and disassembling it into as many pieces as possible and maximizing the revenue. One week it may be in the United States. The next week it may be in Japan, for example. However, if there were, perhaps, a problem that prevented us from shipping to, for example, the United States or Japan, some of those agreements and FTA terms and relationships we have built would allow us to deviate or move that product somewhere else efficiently. That makes a difference.

Unfortunately, on the pork side, we've had too many experiences in which we've depended on a market and something has changed. The best example would be Russia or China, with 500 to 600 containers on the water at any time en route to that country. FTAs and bilateral agreements allow us to look into options to move that product somewhere else so there is not as large a financial impact.

The Chair: Thank you very much. You have 24 seconds—not enough time.

Mr. Lewis, you have five minutes.

Mr. Chris Lewis: Through you, Madam Chair, my question is for Mr. Vander Ploeg with the Cattle Feeders' Association.

We're talking about trade and I'm excited to talk about trade and the opportunities, as I'm the eternal optimist, but I'm curious. I'm just thinking about droughts and floods out west. I'm thinking about our grain farmers and I'm thinking about the strikes we had with the trains. I'm thinking about all of our cattle that we couldn't get feed to because we shipped so much to the United States.

Is there a backstop here to make sure that we don't experience this in Canada again so we can be that great trade partner with the ASEAN communities?

Mr. Casey Vander Ploeg: It's a very good question. My crystal ball isn't always very clear on these things, but the industry certainly had its share of black swan events over the last two years, just one after another. They were definitely challenging times for producers.

I think one of the most important things here is to understand that to the extent possible our government policies around our trade issues and agriculture in general should help position agriculture to be that credible supplier to the world. Oftentimes, some of these things we can't help. Floods and fires, we can't help. Government is there through programs like AgriRecovery, for example, which helped.

Sometimes it very much is a homegrown issue. For example, with CP Rail, increasingly agriculture producers in the country are thinking that with the CP having a virtual monopoly in the west, we need to give serious consideration to whether this is an essential service or not. We need to pay attention to government policies and their ability to help agriculture be that consistent supplier to the world.

• (1700)

Mr. Chris Lewis: Thank you very much, sir, for that answer.

Through you, Madam Chair, my next question is for Ms. Citeau.

My riding is Essex. I'm down by the Windsor area. We're the Florida of Canada, but we also are the greenhouse nation of Canada. Ninety per cent of the produce that our greenhouse producers grow is exported to the United States, and 10%, generally speaking, stays in Canada. Is there an opportunity—and I'm asking you as the Agri-food Trade Alliance—for trade with the ASEAN market, or do they produce enough of their own vegetables, such as tomatoes and cucumbers or whatnot, to take care of themselves? Is there an opportunity there?

Ms. Claire Citeau: I can't speak for them because we don't represent them. We represent pretty much everybody else but the horticulture and the supply-managed sector.

Mr. Chris Lewis: Does anybody else have a feel for that?

Mr. Dave Carey: There are concerns around the perishability, just given that produce has such a short shelf life, and then the cost of refrigerating containers might make it cost prohibitive, but with root vegetables and things, it's probably an opportunity perhaps. That would be my take.

Mr. Chris Lewis: Okay, thank you.

I'll go back to you, Ms. Citeau.

You mentioned in your opening remarks about enhanced staffing. What type of enhanced staffing is that exactly and how many jobs would be tied to that?

Ms. Claire Citeau: I think similar to the content of the office that the grain sector or the meat sector is proposing, there needs to be more discussion as to where that would be and how many staff, which countries and so forth. Certainly the region, the Indo-Pacific region, has been identified as a place where there is a need for more, essentially, boots on the ground. Yes, there are excellent trade commissioners and an excellent service that is provided, but at times, there's a need to perhaps be more focused on the advocacy front and what is coming at us from the regulatory standpoint given the need, and the increased importance people around the world place on where their food comes from and how their food is produced. We see that happening actually across the world.

Mr. Chris Lewis: Thank you, Madam Chair.

Thank you to all the witnesses. I have no further questions.

The Chair: Thank you very much.

Ms. Koutrakis you have five minutes please.

[*Translation*]

Ms. Annie Koutrakis (Vimy, Lib.): Thank you, Madam Chair.

I'm really pleased to be here with all of you this afternoon. This is my first time on this committee.

I thank all the witnesses for being here today.

Ms. Citeau, where do you see the greatest opportunities for your members to increase their exports in the ASEAN and Indo-Pacific regions?

What are the current barriers that you think Canada should be prioritizing for removal?

Ms. Claire Citeau: I'd be happy to send you the submissions we sent to the government through the Canada Gazette process.

In the ASEAN area in particular, the countries that are at the top of the list are Indonesia, the Philippines, and Thailand. Indonesia is there because of its size, growth and interest in Canadian products.

In terms of non-tariff barriers, they are really complex and varied. Some of these countries are putting in place, in some cases, market-distorting financial support measures. This is an issue that needs to be studied very closely and that concerns some of our members, particularly in the processing sector and in the sugar sector. Our members who are here have talked about some of the non-tariff barriers that exist. I know that the rest of our members will be presenting their views to this committee. I would invite them to give you details at that time.

• (1705)

Ms. Annie Koutrakis: Thank you, Ms. Citeau.

[English]

Madam Chair, through you, I would like to ask Mr. Trew a question.

It was widely reported this morning that South Korea is positively considering joining an Indo-Pacific economic pact that is planned by the United States.

Could you please elaborate on your views on the inclusion of Korea in the CPTPP? Could you expand on that, given your expertise and your membership?

Mr. Stuart Trew: Was that the news that it wants to join the CPTPP and not the separate Biden administration-led process?

Ms. Annie Koutrakis: That's correct.

Mr. Stuart Trew: Well, I suppose for Canada, it wouldn't have a huge impact, because we have a free trade agreement with South Korea. I can't speak to the motives of the current South Korean government as to why it would do this. I know that the previous government wasn't as interested as the current government is, so maybe it's a shift in direction based on the election. That's my impression.

In terms of the impact on Canada, I don't see it as having much of an impact.

Ms. Annie Koutrakis: Does anyone else want to chime in on that?

Ms. Fawn Jackson: Yes.

We would see it as something that would be very positive. We are at a significant tariff disadvantage in comparison to Australia and the United States. We have a number of barriers from the BSE era.

We would see South Korea's joining as potentially very positive for a rebalancing with some of our big competitors within the region. We see that as quite exciting.

Ms. Annie Koutrakis: Does anybody see a problem with the regulations within these various agreements that impede the trade and the competitiveness of Canada, whether it be on the Canadian side or any other jurisdiction we have agreements with? I'd be curious to hear if the current regulation, the environment, impedes in any way.

Ms. Fawn Jackson: I think it really depends on the agreement and the activity of some of those committees that Claire mentioned before, and the true dedication to resolving the issues that are

brought forward. I would say that we have seen very good progression, through CPTPP, in addressing some of those issues we have.

In other agreements, also as Claire mentioned, for example, through CETA, we certainly see a lack of dedication to finding real solutions to be able to do trade in both directions. That's particularly why you'll hear this community speak very positively of CPTPP. It follows international guidelines that have been set out, whether it's through the OIE, which is international animal health, or through Codex, or these sorts of groups.

Those have to be our founding parameters of the future of trade. If one country says, "I want x", and the next country says, "I want y", well, all of a sudden, we've lost the ability to do meaningful trade.

The Chair: Thank you very much.

We will move to Mr. Savard-Tremblay for two and a half minutes, please.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Ms. Citeau, you said that there was a growing interest in the origin of our food. This is a fairly international, if not unanimous, observation.

Do you think that an agreement should contain a thorough traceability mechanism to identify the origin of food?

How should this mechanism work?

Ms. Claire Citeau: In the initial rules, this mechanism already exists in a certain way. We should look further into this question to see how important the mechanism is, which sectors are affected and what the details are. In principle, a mechanism is in place in a general way.

Mr. Simon-Pierre Savard-Tremblay: Could it be strengthened or developed further in some way?

Ms. Claire Citeau: I will let the members of the associations answer your question.

Mr. Simon-Pierre Savard-Tremblay: I invite the other witnesses to answer the question.

• (1710)

[English]

Mr. Dave Carey: I would just say that it would really depend on the kind of commodity, where canola...it's all bulked up together. I'd also suggest that traceability comes with a significant cost. As we look at rising food prices, at the cost of living and inflation, we have to be really careful that we don't inadvertently add extra cost on food production at this time. When grocery store prices are high for someone like me, who lives in Ottawa, I can only imagine what some families are facing across Canada.

Traceability is a good thing, but we have to make sure that the return on investment is worth any additional costs to just the basic food prices we see at grocery stores.

Mr. Gary Stordy: I would just say that there are methods and ways of tracking to make sure that it comes from where it says it's from in terms of the country of origin. There are two areas where there are aspects—

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: I am sorry to interrupt you, but there is no interpretation.

[*English*]

Mr. Gary Stordy: Oh. So sorry.

Are we good now?

The Chair: Try it again.

Mr. Gary Stordy: I'm sorry.

[*Translation*]

My French is not very good.

Mr. Simon-Pierre Savard-Tremblay: It's no big deal. The interpretation was not working, but I think the problem is solved.

I invite you to resume speaking.

[*English*]

Mr. Gary Stordy: There is a fairly good traceability system established in terms of ways of tracking movement from source to destination. There are two areas where there's probably some opportunity to improve. One is e-certification. Instead of relying on a paperwork process, it would move to the electronic. The second part is making sure there are anti-fraud techniques, so that the existing paper documentation or the electronic format cannot be copied by alternative participants.

The Chair: Thank you very much.

We'll now go to Mr. Green, please.

Mr. Matthew Green: Thank you, Madam Chair.

I don't know when I'll be back at this committee—

The Chair: We're glad to have you here today.

Mr. Matthew Green: —I do appreciate that—so this is for my own edification.

I referenced Canada's trade relationship with Russia. The canola producers are here. With the war in Ukraine, and displacement and anticipated shortages in oilseeds for cooking oil production, are there measures that the Canadian canola growers and other oilseed producers in this country could take to ensure there are no shortages or price spikes, as in mitigation strategies, especially for some of the lower-income countries in Asia, some of the ones that we're looking at?

Just in terms of tying it in with the way in which global food insecurity in the face of war might be impacted, this is a consideration we should have when contemplating our trade agreements with ASEAN.

Mr. Dave Carey: I can certainly say that in Canada, even, we're coming out of the worst drought in 50 years in western Canada. We saw production fall from about 20 million tonnes to about 12.5 million tonnes. I think the biggest thing with oilseeds around the world this year will be whether or not the supply can meet the demand.

As far as pricing goes, that's a global market. If farmers could control that, they certainly would love to. However, with price-takers it is a global commodity. I think there are discussions under

way, which our CEO is involved with through the United Nations Food and Agriculture Organization around global food security. I think the biggest concern coming out of this Russian-Ukraine conflict will likely be more a concern about cereals. Canola is not something you eat a bowl of sort of thing. About 40% of North Africa's cereals, like oats and barley, come from that area of Russia-Ukraine.

Then there are the knock-on effects. A lot of the world's supply of fertilizer, which is key to yields to produce a lot of food, also comes from that area. We're following keenly and engaging through international forums.

On the price side, it's a global market, but I'd say that Canadian farmers are very optimistic about this year and growing as much as possible. But that also requires a domestic regulatory environment that encourages intensification as opposed to discouraging it, which is probably a whole other committee appearance right there.

Mr. Matthew Green: I might see you at another one of those committees.

Thank you very much, Madam Chair.

The Chair: Mr. Baldinelli, you have five minutes, please.

Mr. Tony Baldinelli: Thank you, Madam Chair.

Thank you again to the witnesses for being here.

Earlier on, Mr. Vander Ploeg, you were speaking about some of the challenges of trade negotiations and the issues you face in other countries. You also mentioned in your remarks, which you never had an opportunity to really complete, some of the challenges you've faced. Some of the issues are domestic, in a sense, too. Mr. Stordy mentioned that as well.

Mr. Vander Ploeg, you talked about some of the Health Canada concerns that you had. I was wondering if you could further elaborate on some of the issues you have.

Mr. Stordy, you mentioned some of the issues as well, the supply chains and so on. If you could just elaborate on that a bit, that would be great.

Mr. Casey Vander Ploeg: I think the essential point there was for all of us to realize that the signing of a free trade agreement is a fundamental and important first step in terms of gaining market access, but the efforts have to go beyond that. There's been a lot of talk around the committee this afternoon about non-tariff barriers, for example.

There are other challenges, as well. There are other domestic policy challenges in the form of labour. It's the one we talk about the most.

In the cattle industry, there was a recent study done that we're missing out on almost a half a billion dollars in beef sales simply because there isn't enough labour both on farm and in our plants to maximize the value of carcasses. In several beef plants right across the country there's a continual work shortage where worker stations are empty, and we're not maximizing the value of our carcasses that producers are raising.

Along with trade policy and targeting specific markets where we could succeed, there will have to be other supporting policies. What can we do to increase the domestic labour force in agriculture and agri-food? What are the other policies that are taking away? I simply refer to the front-of-pack labelling as just an example of something that is homegrown here in Canada that might not be providing much benefit at all in terms of being able to promote Canadian beef abroad.

We need to take a look at other policies to make sure they're supportive of our trade agenda.

• (1715)

Mr. Tony Baldinelli: Mr. Stordy.

Mr. Gary Stordy: I should address some of the labour challenges. I'll probably move it a little bit off CEs and whatnot where agriculture is benefiting from programming that allows us to go to countries as an industry, promote our product, build those relationships and work collaboratively with trade commissioners or other participants. That particular...whether it's programming or whatnot, is really under stress because of the lack of funding and demand for more opportunities in global markets.

If anything, it's one of those things where there are some fundamental challenges here domestically in Canada, whether it's labour or supply chains or even just investment in routes. At the same time, on the other side there is a need for partners through programming to really build those relationships in the absence of government being able to come through.

Mr. Tony Baldinelli: I have one quick question. The very nature of trade agreements will allow those nations trading with us access into our country. From your industry's perspective, are there things the Government of Canada needs to consider protecting or preserving when looking to expand trade opportunities in Indonesia and with the ASEAN countries?

That's for anyone who wants to take it.

Mr. Gary Stordy: If I could add, there is not for pork, other than the need for recognition of disease control zones. That way, if the other countries were to meet and be able to access into the Canadian market but unfortunately had a reportable disease that would essentially stop trade, they're able to demonstrate that they have areas that are free of it and areas that have it so they're able to continue to trade with us. We would expect that same kind of retroactive access.

Ms. Fawn Jackson: I would just note that the silence of the group really emphasizes that we are very good trade partners with that portion of the world. We are a stable, large, sustainable producer of food, and they have large populations, so we're, as you can see, excited about the opportunity that lies ahead of us.

The Chair: Mr. Trew, do you want to squeeze in a fast comment?

Mr. Stuart Trew: Yes. It just pertains, again, to traceability, I suppose, and maybe in respect to human rights abuses and forced labour in supply chains. We might want to protect Canadian industry and farming from those kinds of practices overseas, as the Biden administration is doing with its emphasis on how that undercuts the competitiveness of the U.S. manufacturing and U.S. industry.

We have to know where the products coming in have been built using forced labour, slave labour or child labour, for example. That's something we should spend time thinking about. How do we protect our workers and our industry against that kind of activity?

• (1720)

The Chair: Thank you very much.

Mr. Sheehan, you have five minutes, please.

Mr. Terry Sheehan (Sault Ste. Marie, Lib.): Thank you very much, Chair.

I have a question for our witnesses, and I've delved into this a little bit before. Our government is supporting environmental sustainability both domestically and abroad, and I'd like to ask specifically about agricultural clean-tech exports to ASEAN countries. Do you see a path forward for Canada to export agricultural clean technologies to ASEAN countries?

Mr. Dave Carey: I can't speak necessarily to the clean-tech side of it, Madam Chair.

I can say, though, that when you are exporting something like a Canadian canola product, which is really good at sequestering carbon and does have recognition under the International Sustainability and Carbon Certification, we are in a way exporting a very carbon-neutral product.

On the clean-tech side, I represent farmers and not companies, so it would be a bit further upstream. Canadian agriculture exports around the world tend to also inherently come with a better climate profile, as my colleague Mr. Trew was just describing with some of the issues around deforestation or draining of peatlands for palm in Canada. We have very robust sustainable practices around canola, so more canola there theoretically would be clean. On the tech side, that would be further upstream than the company side.

Mr. Terry Sheehan: That's fair enough.

Is that what the rest of you would say? I see some nodding heads.

Previously when we did the TPP, there were two tariff lifts. We did them expeditiously for two reasons, and the cattlemen were very excited about this. The two tariff lifts that happened.... Canada was in a good position, because a few original signatories would have a say in who might be involved in that particular trade agreement going forward. We know in the area that we're discussing, some of those countries are already involved in the TPP.

Through you, Madam Chair, to our witnesses, what do you think would be better, to basically have a broadened TPP, if you will, or a new deal?

Ms. Fawn Jackson: I think that we want to be focusing on both, because, if we look at CPTPP, that agreement is there. If we can get folks or economies in the door, let's get that rolling. At the same time, it might not be appropriate for some of the economies within that region, so let's make sure that we have systems in process to move those forward, too. Hopefully, we can do both.

Maybe Claire has further insight on that.

Ms. Claire Citeau: Yes. In previous years, we recommended that the ASEAN countries join the CPTPP platform as a preferred approach, recognizing that their priorities were elsewhere at the time and that it might not work for all countries. We have continued to support Canada launching trade discussions with the ASEAN. Certainly, if they were to join the CPTPP platform, this would strengthen the CPTPP overall.

Mr. Terry Sheehan: Through our trade deals, and it was touched on a little bit, it was about how we can elevate not only the environmental situation in that particular area of the world but also more gender equality. I think that's really, really important as well.

I would like to hear from the witnesses. The reason I'm asking this right now is we're planning a trip to go over to be face to face with the various countries we hope to expand our trade deals with. If you were there with us as a witness sitting at the table, what would you express is the Canadian advantage for those people to be involved with a trade deal with the association that you represent?

• (1725)

Ms. Claire Citeau: There is a vast amount of resources and experiences. There is a strong and robust regulatory system that is recognized around the world. It's an industry that is backed by science and really strong sustainability practices. It's at the forefront of innovation. Canola is a result of that. It's really fascinating to see the amount of innovation that the sector has. As a result, we are the fifth exporter of food products in the world. We are a reliable and trusted food security partner at a time when the world is changing.

Mr. Terry Sheehan: Very good.

Does anybody else want to comment?

I have one last question.

The Chair: Very quickly, Mr. Sheehan.

Mr. Terry Sheehan: I get your whole backdoor tariffs.

I was in high school in Sault Ste. Marie, when the then trade minister, Jim Kelleher, who served as MP for one term in Sault Ste. Marie, referenced how there was some kind of inoculation that we were giving swine and the Americans had put in some tariffs against that particular thing.

How would we address what I call backdoor tariffs and non-trade barriers? What would be your advice to this committee in dealing with those?

The Chair: Could we have a brief answer?

I think Mr. Stordy is going to give it a try.

Mr. Gary Stordy: From the health side, even though the WTO can be dysfunctional, there are systems with the WTO, the OIE, that help manage the discussion moving forward, and that countries follow those rules.

The Chair: Thank you very much.

Thank you to all of our witnesses. You made the meeting very interesting by actually being here in person. The time passed very quickly. To the members, thank you all very much. To the witnesses, until the next time, thank you all very much.

The meeting is adjourned.

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