

# BUILDING FREE TRADE



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# The Value of Integrated Markets



For more information: [www.agr.gc.ca/agpartners](http://www.agr.gc.ca/agpartners)  
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■ = Canada  
■ = United States

# The Produce Story....396 %Growth...

Since the implementation of NAFTA in 1994, Canadian fresh fruit and vegetable exports to Mexico and the U.S. have increased substantially to a total of \$2,181,299,795 CDN in 2016.

This is an increase of approximately 396% when adjusted for inflation.

# Canadian Economic Impact on US Jobs

Canada & the U.S. trade an average of



**\$1.2**  
MILLION  
IN BILATERAL  
GOODS &  
SERVICES

every minute of every day



On average, Canadian goods sold to the U.S.  
**CONTAIN 25% AMERICAN CONTENT**

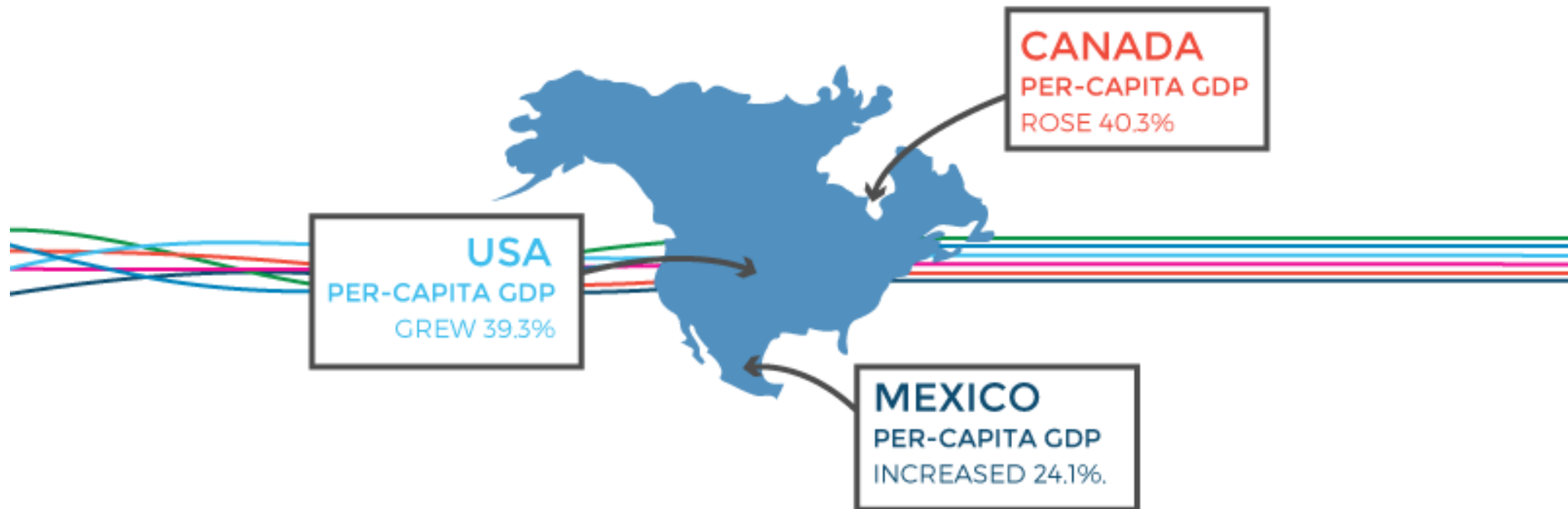


Nearly **9 MILLION U.S. JOBS**  
depend on trade & investment with Canada



# Making Something Good Better...

## The State of **NAFTA**: 23 Years Later



# Improving an integrated trade model...NAFTA 2.0

- Shrink the border – Perimeter Approach
- Responsive governments to non-tariff trade issues - e.g. integrated inspection models
- Recognized Sanitary and Phytosanitary (SPS) measures in trade agreements
- Good Regulatory Practices – Formalizing RCC
  - Food Safety Systems – Development of a North American Food Safety Authority?
  - Harmonized/acceptance of equivalency
- Biotech- harmonization and alignment
- Environment – broad based recognition
- Intellectual Property Rights – Aligned standards
- Fair and Ethical Trading Model, PACA-like Trust in Canada
- Labour – broad based framework



# What We Hear From Media and Other Sources

*"New proposals have created challenges and Ministers discussed the significant conceptual gaps among the Parties," United States Trade Representative Robert Lighthizer, Canadian Foreign Affairs Minister Chrystia Freeland and Mexican Secretary of the Economy Ildefonso Guajardo – Trilateral Statement*

## *Canada Says NAFTA Can't Be 'Winner Take All' After Ross Comments*

*"A negotiation where a one party takes a winner-takes-all approach is a negotiation that may find some difficulties in reaching a conclusion," Freeland said during a press conference in Toronto, without specifying which party she was referring to. She later added Canada understands the value of opening new export markets in China and elsewhere. "Perhaps now we understand it more urgently than ever."*

# Challenges & Opportunities

## Challenges

- Protectionist and Inconsistent Trading Models:
  - Government Procurement, Export Credits, Food Aid
  - Seasonal Produce Proposal and Anti-dumping
  - Chapter 19 – not negotiable – (need for the existing independent, binational panel of five arbiters, agreed upon by both parties, who will determine whether or not the duties have merit based on U.S. domestic laws, rather than basic judicial review)
  - Dairy – non starter
  - Softwood Lumber
  - Sunset Clause

## Opportunities

- BioTech -
- SPS - set the new benchmark...similar to TPP (alignment of SPS, risk assessment, equivalency of audits, import checks)
- PACA-like trust in all three countries



# Who is the End Loser?

- Access (wide range of products year round)
- Availability
- Affordability



THANK YOU

