

Ag producers following NAFTA talks closely

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by Nick Kuhl

Could Canada be seeing big changes with its trading future as U.S. President Donald Trump sets his sights on different agreements?

The Farming Smarter Conference held last month at Lethbridge's Exhibition Park, allowed the president of the Canadian Agri-food Trade Alliance (CAFTA) to talk about the unsure fate of Canada with the North American Free Trade Agreement (NAFTA) due to new bilateral approaches proposed by the United States.

"It might seem obvious that trade helps our economy, especially in agriculture, trade means a lot to us, and there's a lot of people that think we should trade," said Brian Innes, vice-president of Government Relations for the Canola Council of Canada, and president of CAFTA, as he took the stage to talk about Canada's agri-food future with free-trade discussions taking place.

"But that opinion is not always shared, there's also a perception that trade is done by wealthy people to take advantage of us and now we're facing an interesting time in trade."

As discussions move forward to determine the fate of NAFTA and the agri-food business, Innes gave a detailed presentation to update concerned and interested people heavily involved in the agriculture industry within southern Alberta on the possible fate of their trading economies.

With the current political turmoil the U.S. has seen on issues such as free trade, Innes touched on the topic of Trump and the "America First" approach that caters solely to giving and taking to fully supply the U.S. before addressing the needs of other countries within the agreement.

"We are a medium-size economy, and we do best when the rules work for everybody. However, these new U.S. approaches have caused friction," said Innes on why the current talk concerns Canada and their import-and-export business.

Along with talk of this new bilateral deal which opposes the present multilateral plan that NAFTA currently follows, Innes addressed the other option Trump has laid out, which would see the U.S. withdraw from NAFTA altogether.

But why would the U.S. withdraw from NAFTA or create new bilateral deals within the existing organization cause such a commotion for the Canadian and specifically the southern Albertan agriculture industry?

With NAFTA being the largest free-trade area that caters to 400 million people since it came into action in 1994, it has helped to double Canada's GDP and integrate supply chains. More importantly for southern Alberta, it has grown agri-food business exports by five times, which is a key industry for many people across the Prairies. The importance of NAFTA for the Canadian economy is quite vital, as it removes expensive tariffs and quotas initially attached to trading and creates a flourishing and balanced system across all of North America in its current state.

With these points in mind, Innes discussed what Canada's options would be if the U. S. finalized a motion that would ultimately cause a deficit to Canada through NAFTA or by leaving NAFTA. He said ultimately this would mean Canada would have to look into having access without trade barriers to other parts of the world such as the Trans Pacific Partnership (TPP) or a China-free trade agreement.

However, Innes added no final decisions have been made, and although there are many options to explore in the wake of possible changes, CAFTA is staying engaged with political leaders, negotiators and stakeholders to look out for the agriculture industry that is vital to many across the Prairies and the country as a whole.

"Right now, we have two paths," said Innes of the commotion NAFTA could cause in the future.

"One is going pretty well and focusing on modernizing NAFTA to make trade work better for everyone. Our other path with the new approaches from the U. S. first viewpoint for Canada, and especially our agriculture industry, is not going so well."