



Agriculture and
Agri-Food Canada

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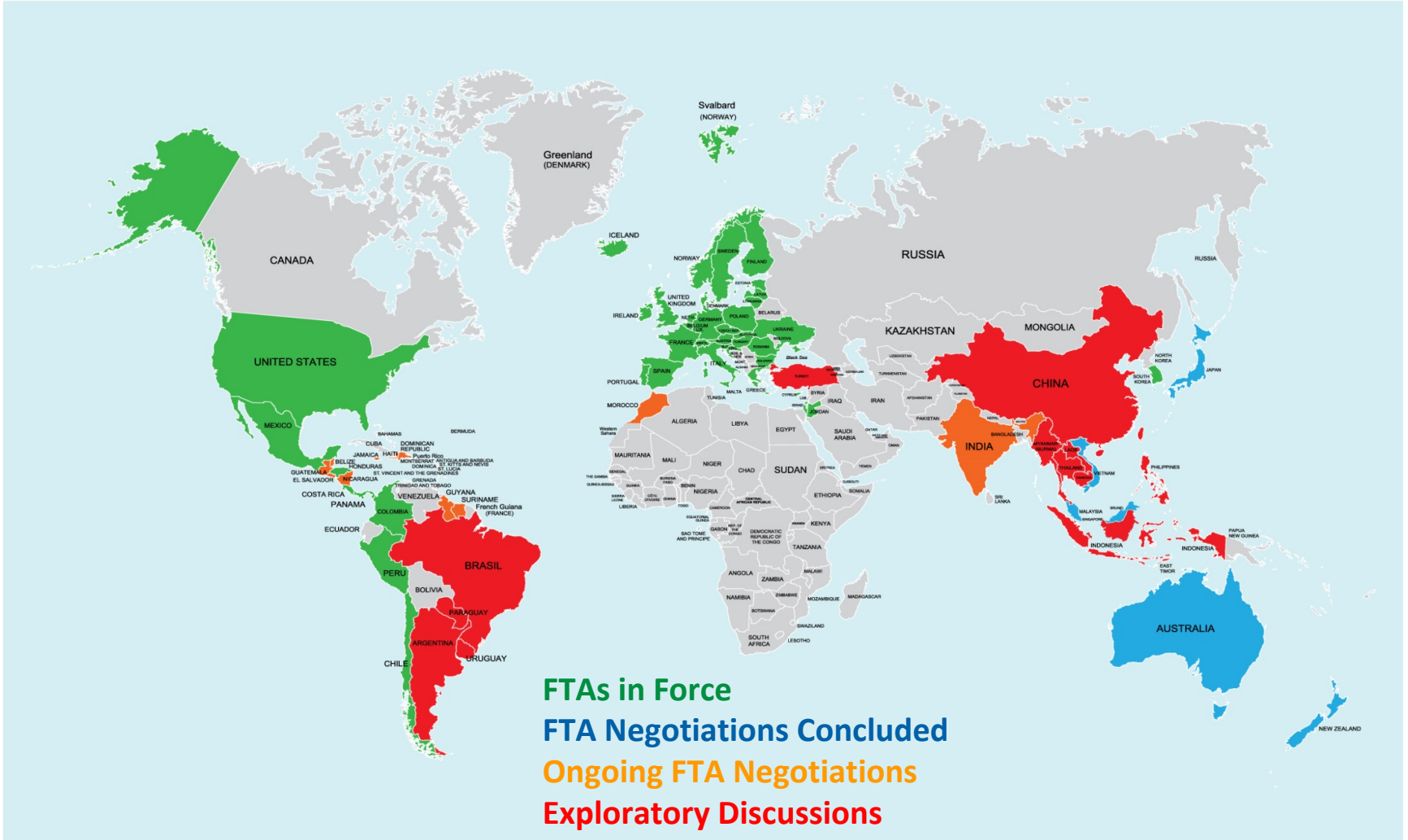
Canada



Trade Update

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Canada's Free Trade Agreements (FTAs)



North American Free Trade Agreement

- During the 2016 campaign, President Trump indicated his strong belief that the agreement should be renegotiated
- U.S. used *Trade Promotion Authority* or “Fast Track”
- Canada is committed to modernizing NAFTA in a way that benefits all three partners
- Canada launched a consultation process
 - Canada Gazette submissions
 - NAFTA website
 - Roundtables, one-on-one meetings, sectoral groups



Why Modernize NAFTA?

The Agreement is dated

- The agreement came into effect in 1994
- NAFTA incorporates parts of the *Canada-U.S. Free Trade Agreement*, one of the world's first bilateral FTAs

NAFTA continues to work

- Canadian agriculture has benefited greatly from
- North American agricultural supply chains have become highly integrated and globally competitive



Negotiating Objectives

- U.S. published negotiating objectives on July 17, 2017 and released updated objectives on November 17, 2017
- Mexico's Secretary of the Economy provided negotiating objectives to the Mexican Senate on 31 July, 2017
- Minister Freeland outlined Canada's core objectives in a speech on August 11, 2017

Canadian Agriculture Objectives

- A modernized agreement must do no harm
- Modernize where possible and make more progressive
- For example, biotechnology, meat, export credits, and committee structure

Negotiating Dynamics

Dynamics at the table

- U.S. is negotiating in an unconventional manner
- Overall alignment between Canada and Mexico on the “big picture” and core elements of the negotiations
- Canada is engaging on proposals that are consistent with its core objectives and would lead to overall beneficial outcomes



Next Steps for NAFTA

On the agenda

- 5 negotiation rounds and 1 intersessional meeting have occurred to date, with round 6 scheduled to begin in Montreal from the week of January 21, 2018
- Further rounds are expected in February and March 2018
- Mexico and the U.S.' ability to negotiate beyond March 2018 will be constrained by their electoral calendars

Three potential outcomes

1. Successful conclusion
2. Continued discussions in “caretaker mode”
3. U.S. withdrawal

Advocacy Efforts

- Focus on strengthening the Canada-U.S. trade relationship with U.S. administration and industry

Key activities

- Ministerial engagement with key U.S. officials
- Trade commissioners and officials engagement with key influencers
- Industry-to-industry engagement on both sides of the border

How you can help

- Continue to connect with your U.S. counterparts to reinforce the importance of Canada-U.S. trade

Other Trade Policy Agenda Priorities

Trade Negotiations

- Implications of BREXIT/Canada-European Union Comprehensive Economic and Trade Partnership (CETA)
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)
- China
- Pacific Alliance





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Thank you