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House of Commons Standing Committee on International Trade

CAFTA Brief for the Study of the Free Trade Negotiations Between Canada and Ecuador

From: Michael Harvey, Executive Director

Thank you for the opportunity to submit this brief to the Committee.

The Canadian Agri-Food Trade Alliance (CAFTA) is a coalition of national organizations that support a more open and fair international trading environment for agriculture and agri-food. CAFTA represents the 90% of farmers who depend on trade and ranchers, producers, processors, and agri-food exporters who want to grow the economy through better access to international markets. This includes the beef, pork, meat, grains, cereals, pulses, soybeans, canola as well as the sugar and processed food industries. The sectors CAFTA represents support over a million jobs in urban and rural communities across Canada.

CAFTA wishes to express its support for negotiations for a Free Trade Agreement with Ecuador.

I will soon be attending the WTO Ministerial Conference in Abu Dhabi along with five CAFTA members. We are concerned with the current state of the global trading system, with the more powerful countries showing less and less leadership in investing in a rules-based system.

In this context, middle powers like Canada can show commitment to rules-based trade on various levels. One of these is advancing our national interests while simultaneously showing solidarity with smaller economies such as Ecuador by engaging with them bilaterally.

Commercial relations between Canada and Ecuador are complementary, particularly with respect to agricultural products. Tropical fruit, flowers, cacao, and seafood are exported from

Ecuador to Canada, and wheat, lentil, oats, barley, and peas from Canada to Ecuador. Ecuador remains dependent on imports of food and other essential goods. Domestic production cannot meet consumer demand, necessitating continued agri-food imports.

Trade serves as the bridge to get food from where it is grown to where it is needed. In doing so, trade enables food security while creating economic opportunities for producers, farmers, and SMEs. Trade is also a key factor in the sustainable and efficient use of scarce global resources.

CAFTA believes that trade agreements should be comprehensive, across all goods and services. Negotiations have the best chance of success when there are broad interests on the table – and not just one entrenched interest versus another.

CAFTA believes that a bilateral agreement with Ecuador should emphasize adherence to international standards and science-based policy making to counter trade restrictive regulatory approaches promoted by other countries. A strong sanitary and phytosanitary (SPS) chapter and clear rules to facilitate the trade of crops grown from seed varieties developed through biotechnology and with plant protection products are required.

Ensuring that future agreements between Canada and Ecuador promote adherence to science-based decision making and international standards will be critical to avoid market access challenges given Canada's experience in other regional and global agricultural import markets. An effective binding dispute resolution mechanism to address non-tariff barriers, such as those based on SPS issues, would be an important outcome in bilateral Canada-Ecuador negotiations.

I would be pleased to discuss further with any committee members who wish to follow up.

Michael Harvey