



MARKET ACCESS AND THE IMPORTANCE OF FARMER VOICES IN OTTAWA

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We are fortunate in Canada to grow more than we can eat. As a result of this, we depend on trade to survive and thrive. In fact, over 90% of some of our agri-food exports (including wheat, barley, and oilseeds) are destined for international markets. That is a staggering number, and, as recent times have shown us, our ability to rely on those markets rests on increasingly shaky ground.

Dating back to the Mulroney administration, our foreign policy strategy has been laser-focused on increasing market access through the negotiation and ratification of free trade agreements. These were seen as the most effective way to reduce or eliminate costly tariffs imposed on Canada's agricultural sector. For the most part, this strategy has worked. However, in the meantime, the cost of trade has actually *increased*.

In 1995, the number of trade-related concerns between countries reported to the World Trade Organization's Technical Barriers to Trade Committee was *four*. In 2018 that number reached 184.

The financial implications of these non-tariff measures have cost Canadians, and subsequently farmers, in markets that we rely on



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the most. Some studies have cited the impact as the equivalent of a 25-30% tariff in Asia, and a 30-40% tariff in the European market. Our agriculture and agri-food industry have borne the brunt of these costs.

How will we overcome this? Farmers play a critically important and influential role in this conversation and there has never been a better time to speak with a united voice.

In 2018, Statistics Canada reported that the country's farmers saw net farm income fall by 45% to \$3.9 billion. This was the second-consecutive annual drop in income and the lowest reported in eight years. Farmers are getting hit where it hurts and are not being freed to reinvest in their business. This is why the Grain Growers of Canada (GGC) is working tirelessly to combat the disruptive impact of non-tariff barriers on Canadian farmers – and open up the world to our products.

GGC will continue to encourage our government to work with the sector to establish a proactive strategy that acknowledges that this unpredictable and highly volatile trade environment is the new norm (at least for the foreseeable future). This strategy must ensure that Canadian regulators have the mandate and resources to increase the regulatory capacity in Canada's most important markets. This should include two-way flow of information which sees the installment of scientific and regulatory expertise in every one of these markets as well as the opportunity for regulators in importing countries to observe, first hand, the way in which Canada's world-class handling system is set up to ensure the quality and safety of our products.

We also need to let farmers use their voice and reach out to our markets and international partners



Grain Growers of Canada members met with Agriculture and Agri-Food Minister Marie-Claude Bibeau in Ottawa in March 2019. From left to right: Markus Haerel, Jeff Nielsen, Minister Marie-Claude Bibeau, Erin Gowriluk and William VanTassel.

directly. An example of this is the New Crop Missions led by Cereals Canada, the Canadian International Grains Institute (CIGI), and the Canadian Grain Commission. These missions engage farmers in yearly direct outreach with important international trading partners and establish critical relationships with stakeholders and officials to resolve non-tariff barriers to trade. Our federal government should promote this type of activity by conducting crop missions of its own in key export markets. GGC and our partners are in Ottawa to help in getting this done.

When all else fails Canada's agriculture and agri-food industry needs to stand up for ourselves. Our government should aggressively pursue the resolution of non-tariff barriers (and other issues) through the avenues available to us in the many free trade agreements of which we are a part. Canada has never had a problem holding up our

end of the bargain, and we need to push the World Trade Organization to reform their policies and enforce action against demonstrated rule-breakers. If we fail to do so, our trading world will become more isolated, more unpredictable, and less open. In that outcome, we all lose.

To quote Professor Louis Belanger from the Université Laval, who spoke at the GGC Summer Meeting in July, the increased protectionism we are witnessing in international trade is "not a Trump-era" phenomenon. It's here to stay for the foreseeable future. The good news is that there are no more prepared, adaptable, and responsive groups to the needs of our customers than our very own Canadian farmers.

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