FTA's and Global Meat, Poultry and Dairy Trade

A Canadian Perspective

Ted Bilyea

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Importance of Trade to Canada

In 2011, Canada exported

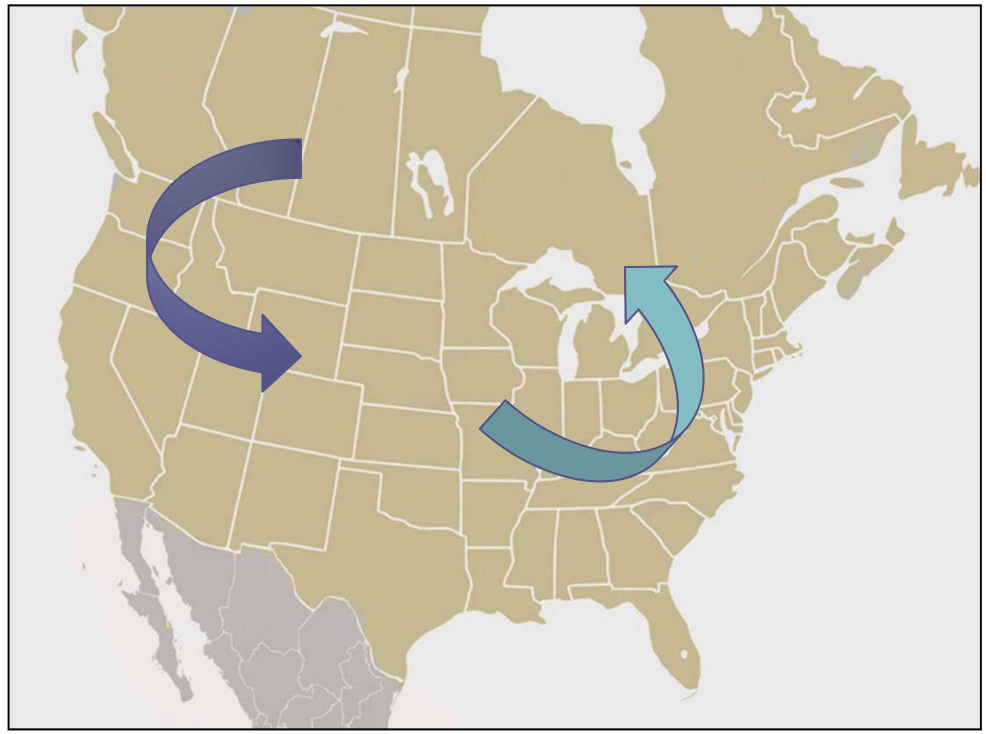
- $1.32 billion of beef and $2.86 billion of pork

The United States Exported

- $5.42 billion of beef and $6.11 billion of pork

Importance of the US market

- 85% of Canada's beef/cattle trade is with the US – worth $1.8 billion.
- Essentially, Canada is "backfilling" US supply.



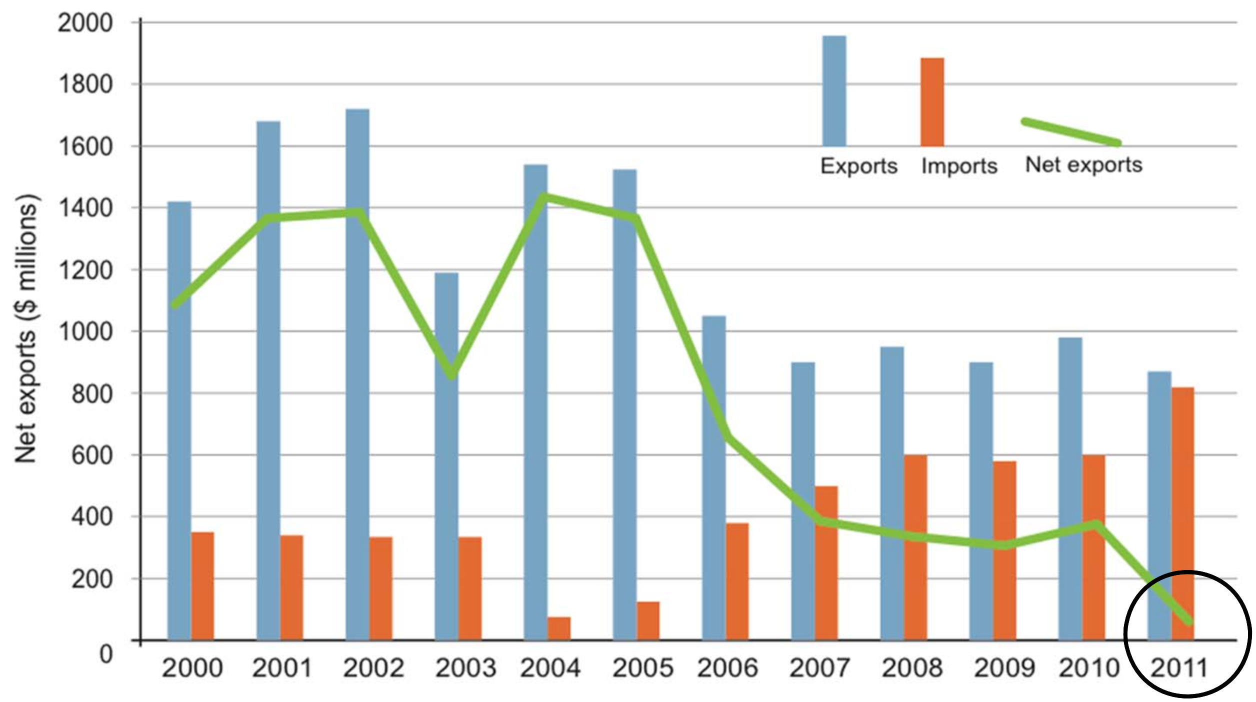
CAPI ICPA

Canada's beef trade balance with the US ($value)

$1.4 billion (2002).

vs.

$42 million (2011).

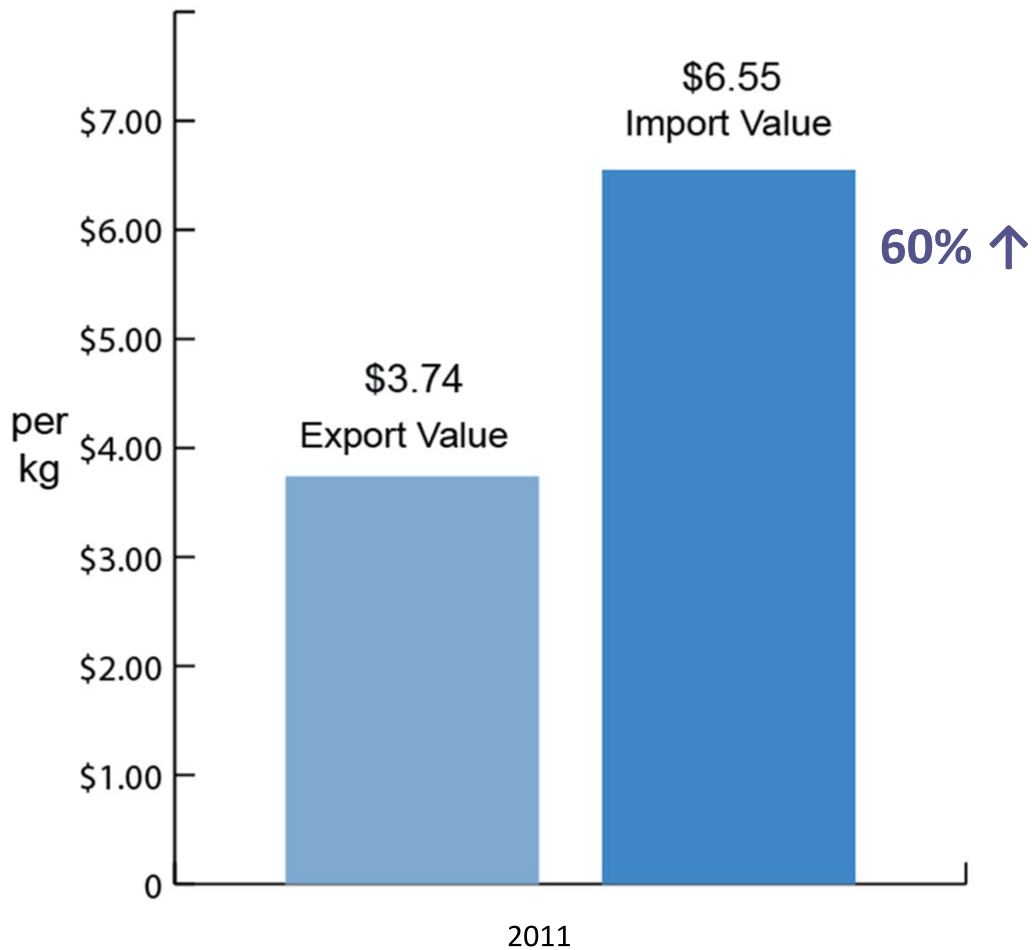


Are we at risk of becoming a net importer of beef?

CAPI ICPA

The value differential in Canada/US beef trade

- Cdn beef exports to US averaged $3.74/kg.
- US beef exports to Canada averaged $6.55/kg.



CAPI ICPA

US export growth

Since 2005:

- US exports: up 280%.

  vs

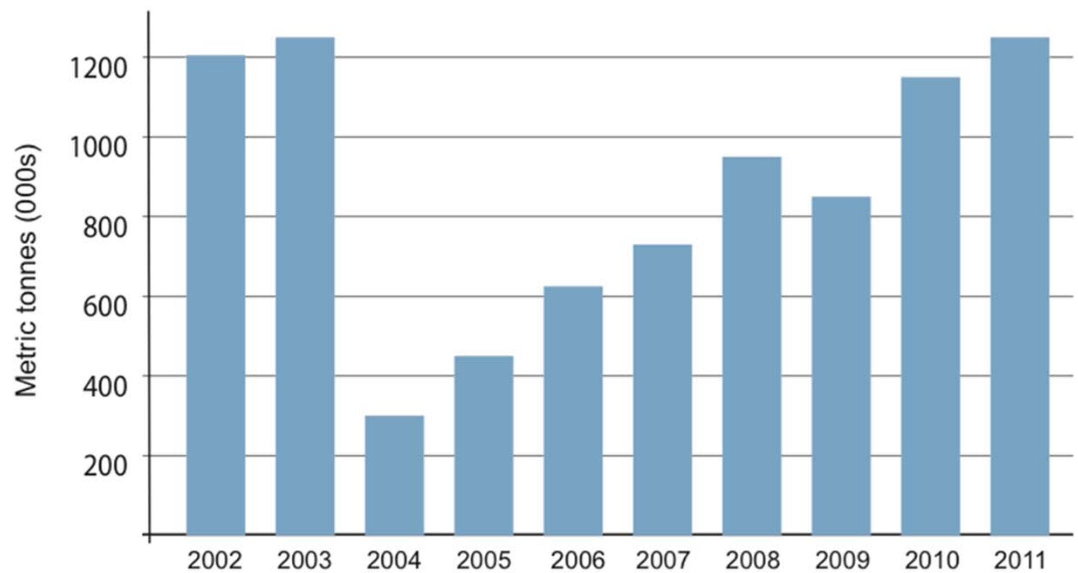
- Cdn exports: up 45%.

Since 2002:

- US exports: up 51%.

  vs

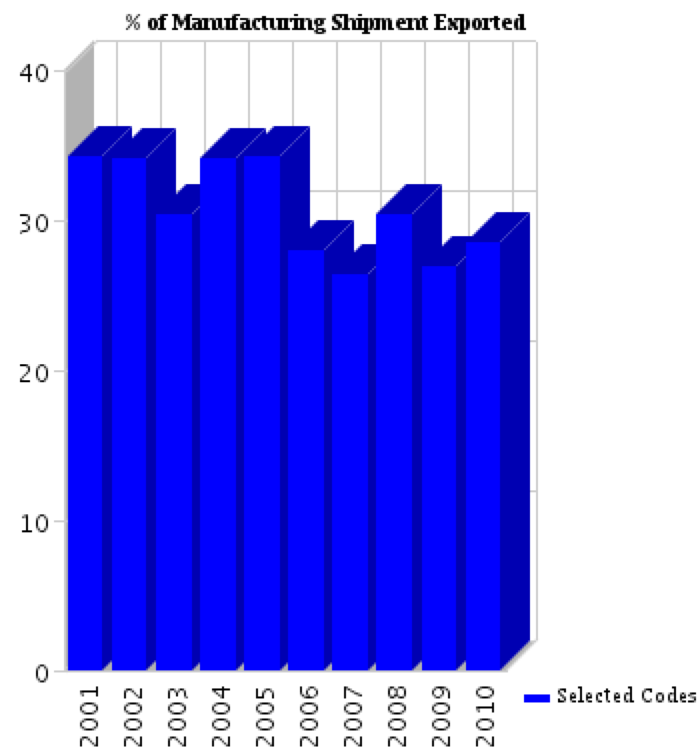
- Cdn exports: down 3.5%.



US beef exports

(Note: excluding exports to Canada
and to the US, respectively.)

Export intensity Canadian meat industry is falling



KavaChart images from VE.com

NAICS 311610 - Animal Slaughtering and Processing
NAICS 311611 - Animal (except Poultry) Slaughtering
NAICS 311614 - Rendering and Meat Processing from Carcasses

Current and Past Challenges

- WTO Doha round
- US / South Korea FTA and Market Access Concessions for U30M Beef.
- US and EU Grain Fed Duty Free Quota

Canada’s Trade Agreements

- Canada European Comprehensive Trade Agreement (CETA).
- Canada Japan Economic Partnership Agreement
- Trans Pacific Partnership

Trans Pacific Partnership

- Canada has the same interest as the United States
- Aggressive trade agenda
- Impact of the Comprehensive Regional Economic Partnership (CREP)

Summary

- Growth in demand is going to come from international markets – not North America.
- FTA's and WTO reduce tariff rates and create rules.
- FTA's influence trade patterns and trading partners.

Beef Market Priorities

	Japan	EU-27	South Korea
Beef Imports (2011)	745,000 tonnes (#3 globally)	431,000 tonnes (#4 globally)	366,000 tonnes (#5 globally)
Total Beef Consumption	1.24 million tonnes	677,000 tonnes	7.95 million tonnes
Top Suppliers	#1 Australia #2 United States #3 New Zealand	#1 Australia #2 United States #3 New Zealand	#1 Brazil #2 Argentina #3 Uruguay
Tariff Rate	38.5%	20% Hilton Quota	40%

Pork Market Priorities

	Japan	South Korea
Pork Imports	1.2 million tonnes (#1 globally)	382,000 tonnes (#4 globally)
Total Pork Consumption	2.5 million tonnes	1.5 million tonnes
Top Suppliers	#1 United States #2 Canada #3 EU	#1 EU #2 United States #3 Chile
Tariff Rate	Minimum of $4.28/kg on half carcasses to $6.25/kg on pork cuts	22.5% on fresh/chilled; 25% on frozen