

Negotiating and utilizing first mover advantage of preferential trade access critical to Canada's agri-food success

OTTAWA, Sept. 10, 2014 — A report published by the Canadian Agri-Food Policy Institute (CAPI) states that Canada's agri-food sector is competing in an increasingly complex trade world where significant export success depends on the timely negotiation of preferential trade access and achieving new ways to reach consumers in foreign markets. The discussion paper is co-authored by John Weekes (Bennett Jones), Al Mussell (George Morris Centre) and David McInnes (CAPI).



"Countries are competing with each other to be the first to secure free or at least preferential access to the world's major markets," states the report's authors. Two examples make the point. The bilateral agreement between the United States and South Korea has been costly for Canada, which has not secured such a deal. On the other hand, Canada and the EU have advanced an agreement well before any such EU-US arrangement. The paper portrays how these situations are conferring distinct comparative trade advantages (the Canada-EU case) and disadvantages (the US-South Korea deal) and this affects export strategies. "In this environment of competitive trade liberalization," state the authors, "firms need to consider the most cost-effective way of reaching consumers in foreign markets".

Opportunities abound for Canada's agri-food sector in this new trade world, but the paper advances the idea that "trade barrier audits" are required to assess the breadth of issues facing current and prospective exporters and the marketing hurdles. The paper notes that trade agreements, while important, are only one part of a series of integrated steps that must be taken to achieve export success. Firms must also overcome often restrictive non-tariff barriers, other regulatory requirements and stiffening supply chain standards as well as fully comprehending diverse consumer market niches to achieve immediate and longer-term success.

The paper was written to spur debate about how Canada's agri-food sector can exploit new global trade opportunities. In the months to come, CAPI will identify issues that need to be further explored as the country positions itself to compete in this ever-changing trade world.

About CAPI

CAPI is an independent, non-partisan and non-government research catalyst. We bring leaders together. We provide balanced perspectives. We present strategic choices.

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