MYTHBUSTING 101: The true focus of international trade negotiations

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Some pundits have recently claimed that the government's focus during international trade talks is supply management, and that this hurts Canada's global trade interests. This is just nonsense. Our mythbusting team is ready to tackle this rather peculiar myth.

Since 1989, Canada has negotiated a total of **14 trade agreements** with **51 countries** and the focus each and every time has been about opening up markets for Canada's export interests.

These trade agreements include the North American Free Trade Agreement (NAFTA), the Canada-European Free Trade Association with Switzerland, Norway, Iceland and Liechtenstein, the Comprehensive Economic and Trade Agreement (CETA) with 28 member countries of the European Union, and the 12-nation Trans Pacific Partnership, as well as bilateral deals with Korea, Honduras, Panama, Jordan, Colombia, Peru, Costa Rica, Chile, Israel and the Ukraine. In every one of these agreements, Canada has been able to maintain supply management while aggressively and successfully promoting open trade in other sectors.

Supply management has not limited Canada's export potential at all: In its 2013-2014 annual report on global trade, Farm Credit Canada states, "Canada is the world's top agriculture trader when compared to all other countries on a per capita basis." That's testament to Canada's negotiating prowess.

All countries have sensitive sectors they wish to protect. The United States has a long history of protecting its sugar, cotton and dairy industries while Japan supports protectionist policies for its rice sector. Canada must, and has, used a pragmatic approach in negotiating trade deals, understanding that our domestic supply management system used by the chicken sector provides stability at home while those industries with greater export potential have the ability to pursue opportunities in international markets.

Export-oriented agriculture is risky as foreign demand can disappear when countries buying Canadian food enter recessions or infuse their domestic agriculture sectors with generous subsidies. The fluctuations of exchange rates is another destabilizing factor for exports when the purchasing countries devalue their currency. Canadian trade negotiators have worked hard to establish fair trade rules that sustain our domestic supply-managed sectors, which produce a safe, stable supply of basic food necessities for Canadian consumers, while unlocking opportunities abroad for our export-oriented sectors.

LET'S REVIEW THE FACTS:

- **Canada is a successful trading nation. More than half of its GDP is dependent on trade.**
- **All countries have sensitive sectors.**
- **Thanks to its insistence on ensuring fair trade rules, Canada has been successful in sustaining supply management while creating trade opportunities for exporters from all sectors, including agriculture.**

The focus of Canada's trade negotiations has and will remain opening up export markets while ensuring the greatest benefits to the Canadian economy. Taking measures such as ensuring fair trade rules for exporters while defending our vibrant supply management here at home simply makes a lot of sense.

Want us to bust some other supply management myths? Send us your questions via twitter using the hashtag #IHeartChickenFarmers – stay tuned to see if your myth gets busted!