

Media Release

Animal Industry Corn Users Voice Concerns in Trade Case

For Immediate Release

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Ottawa – Representatives of beef and pork producers met this week with the House of Commons Standing Committee on Agriculture and Agri-Food (SCAAF) to discuss their concerns about proposals to impose tariffs on imports of grain corn from the USA.

Clare Schlegel, President of the Canadian Pork Council, explained that there are better ways to deal with corn growers' concerns. Addressing U.S. subsidies in the WTO would result in competitive changes which would improve the entire integrated NAFTA market.

“We, too, are concerned about corn producers – thousands of our members grow corn,” Mr. Schlegel said. “But there are over \$3 billion in pork exports at stake – to over 100 countries. “Canadian agriculture, as a whole, simply cannot afford to build a protective wall around a single product in the production and supply chain,” he stressed.

“We met with the corn growers on several occasions to see how we can help. We support a WTO solution. We are prepared to work with them on safety nets, and we are committed to finding alternatives that won't jeopardize our exports.”

Ian McKillop, a Director with the Canadian Cattlemen's Association, and a corn grower, explained that imposition of duties could undermine the beef industry's BSE recovery plan. “Losing the ability to export live cattle during the BSE crisis demonstrated that we must develop the capacity to feed and process our cattle in Canada. Raising Canadian feed costs above that of our U.S. competitors is going to jeopardize our ability to add value and keep jobs in Canada.”

If Canadian cattle producers no longer have feed cost parity with the U.S., American feedlots will be able to out-bid Canadians for calves and there will be a lower break-even

on American-fed cattle. Beef produced from cattle that are retained in Canada at higher feed costs would be less competitive in export markets and face increased competition in the Canadian market from imported beef.

“As the beef industry continues its recovery from the BSE crisis, we need to ensure that inputs are priced competitively within North America. Otherwise, Canadian cattle producers and packers will produce less beef and Canadian consumers will eat more imported beef.”

The beef and pork sector representatives stressed to the SCAAF that the government must work with all sectors of agriculture to find a mutually acceptable solution. In the absence of a short term resolution that addresses the needs of both corn growers and animal industry corn users, the path forward must involve a cooperative approach. In this regard, the industry representatives affirmed their desire to work with corn growers. In the meantime, they have asked the SCAAF to a) encourage the President of the Canadian Border Services Agency to use his legal discretion not to impose provisional duties in the 120 days after the preliminary determination duties and b) ask Cabinet to direct the CITT to conduct its public interest inquiry simultaneously with its final injury inquiry.

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