



Canadian Red Meat Industry is Once Again Calling on the Government of Canada to Resume Free Trade Agreement Talks With South Korea

Ottawa, Ont. [October 21, 2011] The Canadian Pork Council, Canada Pork International, Canadian Cattlemen's Association and the Canadian Meat Council have joined forces to urge the Government of Canada to resume the Free Trade Agreement (FTA) talks with South Korea that have been stalled since 2008.

The Canadian pork and beef industries are very concerned that postponing the FTA talks any further will seriously affect the competitiveness of theirs and other Canadian sectors exporting to South Korea now that the United States (US) Congress ratified a FTA with South Korea on October 12, 2011.

"With the recent ratification of the Korean FTA by the US Congress, the Canadian red meat industry is very concerned that further delay in concluding Canadian FTA talks with South Korea will seriously undermine the competitiveness of the pork and beef sectors, lead to the loss of jobs, and a contraction in the production and processing sector in Canada," stated Canadian Pork Council chair Jurgen Preugschas. "An American study evaluated the benefits for the US pork sector of an FTA between the US and South Korea at US \$10 per hog. Canadian producers will be foregoing a similar benefit and risk losing their existing position in the Korean market."

A FTA with South Korea is crucial for the health of the Canadian pork sector, stated Canada Pork International President Edouard Asnong. "For the Canadian pork industry to remain successful and viable, we need market access through free trade agreements and it is clear that without action on the South Korea FTA by the government, the Canadian pork industry will be going backwards by standing still," he said.

Canada's principal competitors have reached or are negotiating FTAs with South Korea, said Preugschas. Canada's current pork trade with South Korea, projected to be \$300 million in 2011, could completely disappear; lost to those who enjoy FTA preferences, he said.

Scott Entz, President of the Canadian Meat Council, said Canada will be lagging behind the US and the European Union (EU) in securing tariff reductions. "After a few years, Canadian pork and beef could be excluded entirely from the Korean market due to its inability to compete with US and EU pork and beef that will get so much lower Korean import tariffs," Entz said.

Canadian Cattlemen's Association President Travis Toews added his concern. "Almost at the very moment we hope Korea lifts its prohibition on Canadian beef, they will be reducing the tariff on US beef which could well negate our market access gain."

The South Korean market, with a population of 50 million people, and the high value items sold there, such as chilled shoulder butts and bellies, is significant enough that losing access to South Korea will have a major negative impact on Canadian hog prices and jobs in both the farming and processing sectors.

We are very supportive of the government's efforts to finalize the Canada-EU Comprehensive Economic and Trade Agreement and the long term potential of that initiative for the pork and beef sectors. However, the South Korean market cannot be replaced overnight and the Canadian red meat industry's long time commitment to the South Korean market will be difficult to maintain.

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