



FOR IMMEDIATE RELEASE

The Canadian Pork Industry is calling on the Government of Canada to urgently resume Free Trade Talks with South Korea

Ottawa, Ont. [January 12, 2011] The Canadian Pork Council (CPC), Canada Pork International (CPI) and the Canadian Meat Council are calling on the Canadian government to resume the Free Trade Agreement (FTA) talks with Korea that have been interrupted since 2008. With the recent agreement between South Korea and the United States, the Canadian pork industry is very concerned that postponing the FTA talks any further will seriously affect the competitiveness of the pork industry and all other Canadian sectors exporting to Korea.

“A free trade agreement with South Korea is the most crucial potential free trade agreement that can be completed for the Canadian pork sector. 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 the agreement for the pork industry. However, the lack of progress on a FTA with Korea is having a noticeable effect on our current market share.” states CPC’s chair Jurgen Preugschas. “An American study evaluated the benefits for the United States (U.S.) pork sector of an FTA between the U.S. and Korea at U.S. \$10 per hog. The Canadian context is different but the impact should be somewhat similar.”

“All of our key competitors have previously reached or have negotiated FTAs with Korea. It is fair to assume that Canada’s current pork trade with Korea, valued at \$125 million in 2009, would completely disappear,” says CPI’s President Edouard Asnong. “Chile has become a significant player in Korea since signing an FTA a few years ago, the EU has an agreement that will come into effect on July 1st, 2011, and the U.S. finalized a deal in December 2010 that will most likely be approved by the U.S. Congress.” Canadian pork exports are already suffering from the lack of FTA discussions as strategic alliances are being developed between Korean customers and suppliers from countries where FTA’s are being finalized.

“If Canada is lagging behind the U.S. and the EU in the implementation of the tariff reduction schedules, the negative impact on Canadian exports will carry throughout the tariff reduction period. Canada will lose its status as a competitive supplier to South Korea for the next decade due to this tariff gap, so it is crucial to resume and finalise the FTA as soon as possible,” added Brian Read, President of the Canadian Meat Council.

Edouard Asnong explains that “The size of the Korean Market, with a population of 50 million people, and the high value for the items sold there, such as chilled shoulder butts and bellies, is significant enough to have a major impact on Canadian hog prices and jobs in both the farming and processing sectors should Canada lose access to the Korean market”. Korea is not a market that can be replaced overnight and the Canadian pork industry’s long time commitment to the Korean market will be impossible to maintain.

The Canadian Pork Council serves as the national voice for hog producers in Canada. A federation of nine provincial pork industry associations, our organization’s purpose is to play a leadership role in achieving and maintaining a dynamic and prosperous Canadian pork sector.

The Canadian Meat Council has been representing Canada's federally-inspected meat packers and processors since 1919. The meat processing, packing and rendering industry is Canada’s most important food processing industry, with over 67,000 Canadians employed and over \$21 billion in annual sales.

Canada Pork International is the export development agency of Canadian pork industry. It is a joint venture of the Canadian Pork Council and the Canadian Meat Council.

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