



OTTAWA, Ont. [March 8, 2011] – Canada’s hog producers, pork processors and exporters have sent an open letter to Prime Minister Harper asking him to expedite completion and implementation of the Free Trade Agreement with Korea.

Edouard Asnong, Chair of Canada Pork International, commenting on the lack of discussion and movement in negotiations with Korea over the last two years said, “We cannot wait for the elusive comprehensive, high quality agreement to revive from its coma. We don’t have time for more process. Our third largest market is at risk. We need action now.”

Martin Rice, Executive Director of the Canadian Pork Council, explained, “The U.S. refers to the Korea-U.S. Free Trade Agreement (FTA) as the most important FTA they have negotiated in nearly 20 years – and an agreement with Korea is no less important for Canada.”

Jim Laws, Executive Director of the Canadian Meat Council, pointed out that other countries have negotiated FTAs with Korea and are poised to benefit at Canada’s expense. “Chile has come from nowhere to be third largest supplier to Korea. This was a direct result of conclusion of the FTA.” He explained further, “If Chile had a larger herd, they would be an even more important supplier to Korea. And now Korean customers are booking business with U.S. exporters in anticipation of the Korea-U.S. FTA. The U.S. expects a seven-fold increase in the volume of their exports to Korea.”

Tariffs on pork imported into the very price sensitive Korean market are in the 22.5% to 25% range. These tariffs are being phased out over 10 years or less for the U.S. (and the E.U.). Unless Canada has the same tariff preferences, we will lose out on \$500 million of expected growth in our exports to Korea. And our second place in what is our third largest market, worth over \$138 million in 2008, will be little more than a memory.

“With delays and complications in the Doha Round, Free Trade Agreement negotiation appears to be the only game in town,” said Mr. Rice. “This may be the case for the time to come. We need to harvest all the low hanging fruit and access that we can as soon as we can.” He went on to explain, “The Korean market is also changing structurally – in the wake of a major outbreak of Foot and Mouth Disease – and increased demand from famine-plagued North Korea. We cannot compete with the price disadvantage we will face without FTA access.”

Mr. Asnong said, “We would not normally ask Prime Minister Harper to get involved. These negotiations began in 2004. We could be very big losers because others have moved more quickly in their negotiations with Korea. It is time to complete them”. He noted, “Canada’s negotiators are very capable and highly motivated. We have no problems with them.” Rather, Mr. Asnong explained, “The problems seem to be political and motivated by trying to keep all Canadian stakeholders happy.”

“The pork sector representatives recognized that there have been problems in securing objectives for some Canadian stakeholders in these complex and protracted negotiations.” Mr. Laws said. “But there must be a better way. Mexico seems much more inclined to agree on and implement the easier parts and carve out the problem areas for future consultations.”

Mr. Asnong concluded, “Telling government not to conclude an FTA with Korea until certain objectives are met is not acceptable to Canada’s pork producers and processors.”

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