



4 January 2019

Standing Committee on Alberta's Economic Future
c/o committee Clerk
3rd Floor, 9820-107 Street
Edmonton, AB.
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RE: Impact of CUSMA on the Sugar Beet Industry

Dear Standing Committee Members,

Our organization represents the Sugar Beet Producers across Canada which is largely focused on the 200 plus farm families that grow sugar beets in Southern Alberta. The Canadian Sugar Beet Producers Association (CSBPA) was part of the recent negotiations of the Canadian-United States-Mexico Free Trade Agreement and this letter is meant to provide you with information about the impact of the CUSMA on our industry. During the negotiations, our organization was frequently in contact with the Agriculture Negotiators to ensure that the sugar beet producers in Southern Alberta were provided opportunities within the new agreement and were not faced with even more challenges than already exist for the industry. We were also represented at the rounds by the Canadian Federation of Agriculture who had people on the ground for the government briefing sessions.

We are pleased to say that the CUSMA provides our growers with some new opportunities for exporting sugar from sugar beets into the United States. Our processor, Lantic Inc., can now export an additional 9,600 metric tonnes of Canadian Origin Sugar into the States. This almost doubled our access to the U.S market. The market in the U.S is a lucrative opportunity for the industry as close to 20,000 tonnes of sugar produced from sugar beets can now be exported to the U.S through this special TRQ and it must be beet sugar. Market access like this is equivalent to roughly 16% of the total sugar produced by Alberta Sugar Beet Farmers. To supply this new TRQ, we are expecting that Lantic will increase the contracted acres to Sugar Beet Farmers once the agreement is ratified. This is very positive for the industry as we have not seen significant growth for quite some time.

In addition, additional access was granted for sugar containing products. Sugar Containing Products are largely manufactured in Eastern Canada and utilize imported cane sugar, so the benefit here is minimal to Alberta farmers. However, if the government was to ensure that the Sugar in those SCPs was beet sugar, producers in Southern Alberta would see a much larger opportunity, but that is something that must be negotiated outside of this agreement.

We will continue to work with the Federal Government to ensure that the Country of Origin label remains with sugar produced from sugar beets as the cane refineries would like to see this altered to include the sugar they melt from raw cane. We believe this is not in the best interest of Albertans and Canadians as we do not grow sugar cane, only sugar beets. This is something that we think the committee should be aware of as there may be a time when we are called to advocate to the Federal Government about this and there would a significant impact on the Alberta economy if this relabelling of Country of Origin was allowed as it would most probably result in the closure of the processing facility in Southern Alberta. This would mean the sugar beet industry would be gone from Alberta and Canada.

Thank you for reaching out to us about this agreement and for helping us continue to grow the only 100% source of Canadian Sugar. If you have any questions, please reach out to me and we will be happy to discuss.

Sincerely,



Melody Garner-Skiba
Executive Director, Canadian Sugar Beet Producers

