
Processors

In 1984, shipments of finished product by the fruit and vegetable processing industries exceeded \$2.3 billion, with value-added of approximately \$1 billion, and more than \$353 million in wages and salaries.

Processors of horticultural commodities employed an additional 24,000 full or part-time workers.

Assessment

Specific Elements of the Agreement Affecting Horticulture

Both countries have agreed that, for a period of 20 years, and under special conditions, a temporary snapback to the MFN tariff for fresh fruit and vegetable producers can be introduced to protect these producers.

Changes to provincial liquor board practices will affect grape producers.

Both countries have agreed to minimize differences in technical regulations, which will enhance trade.

The open border concept only allows spot checks, no more burdensome than that used by the United States for its own goods.

There is agreement to work towards mutual acceptance of phytosanitary certificates for shipments.

There is further agreement on procedures to control the spread of plant pests when the pest is present in the United States but not in Canada (and vice versa).

Work will begin towards equivalence for the process of risk/benefit assessment, tolerance setting and the setting of legal/regulatory policies on pesticides.

Effect of Tariff and Non-Tariff Measures

Most Favoured Nation tariffs in effect are noted in Table 4.8.

The existing tariffs on fresh fruits and vegetables will be phased out over 10 years. However, for a 20-year period from the date of implementation, both countries retain the right to apply a special duty for these products, based on the following conditions:

- first, import prices must fall below 90 per cent of a benchmark price based on the previous five-year moving monthly average minus the high and low years — in effect a three-year average; and
- second, the domestic acreage must not exceed 100 per cent of a three-year average, calculated by using the previous five-year figures minus the high and low years.