

The text states that where the import price is below 90% of the previous five-year average monthly import price and the planted acreage of the importing Party is not higher than the previous five-year average (taking out the high and low year), the MFN tariff rate can be re-applied on a temporary basis. The text ensures that planted acreage increases, as a result of possible shifts from wine grape production to other fruits and vegetables are excluded from acreage calculation. This is a new element which will be of assistance to grape growers who may be facing adjustment over the next few years and wish to shift from grape to such crops as tender tree fruits.

In the absence of this provision recourse to the 20-year tariff "snap-back" provision for some fruits and vegetables could have been prevented because of acreage increases arising from wine grape adjustments.

In addition, the text notes that the tariff can only be applied once a year nationally or once per year per region, and that its duration will be for a maximum of 180 days.

Two days' notice and consultations are required before application of the tariff.

The text then lists the products covered by this article (all fresh fruits and vegetables, except those that are already duty free).

Article 704: Market Access for Meat.

Article 704.1 provides that both countries will exclude each other from the provisions of their respective Meat Import Laws.

Article 704.2 spells out that when a Party takes action against third party imports and the other Party does not take similar action, the Agreement contains a provision aimed at avoiding displacement which could frustrate the effect of the quantitative restrictions on third country imports.

Article 705: Market Access for Grain and Grain Products

The elements text indicates that import permits will be removed when "support levels" are equalized. The legal text spells out the details of the "technical calculation". In addition, the text indicates that if import restrictions are lifted, Canada reserves the right to require end-use certificates or denaturing to ensure that the integrity of the Canadian grain quality control system is maintained.