Wheat End-Use Certificates

As part of the United States NAFTA Implementation Act, on February 27, 1995, the United States implemented an end-use certificate requirement for imports into the United States of wheat from countries that, as of April 8, 1994, required end-use certificates for U.S. imports. As Canada is the only country requiring such certificates, the regulation only applies to imports from Canada. Canada will continue to monitor carefully the U.S. regulation to ensure that U.S. end-use certificates are not applied in a trade restrictive manner.

The end-use certificate requirement in both countries was reviewed by the Canada-United States Joint Commission on Grains (the Commission) as part of its overall investigation of Canadian and U.S. grain marketing and support systems. The Commission recommended that both countries pursue arrangements for eliminating the requirement.

Minnesota Wheat and Barley Checkoff Fee

In April 1994, Minnesota extended its one cent per bushel wheat and barley checkoff fee to cover out-of-state and foreign grain as well as grain produced within the state of Minnesota. The checkoff fee is used to fund Minnesota wheat and barley research and market promotion councils. An exemption may be granted if it can be demonstrated that a fee with a "comparable purpose" is paid in the home jurisdiction. Canada has requested an exemption from the fee, on the basis that Canadian grain is subject to a comparable fee in the form of various producer funded research and promotional initiatives in Canada including the Canadian checkoff fee implemented on January 1, 1995.

Marketing Orders

Under Section 8(e) of the Agriculture Marketing Agreement Act of 1937, over 20 agricultural commodities are subject to federal marketing orders, which include inspection requirements, as well as minimum size, grade, quality and maturity standards. Federal marketing orders apply to products grown in the United States within a designated area. In the case of some marketing orders, imports of fruits and vegetables into all regions of the United States must meet the standards established under the order, even though competing U.S. producers in areas excluded from the order are not subject to the same standards.