

Canadian Embassy



Ambassade du Canada

501 Pennsylvania Avenue, N.W.  
Washington, D.C. 20001

April 30, 1993

The Honourable Michael Kantor  
United States Trade Representative  
600 - 17th Street, N.W.  
Washington, D.C. 20506

Dear Ambassador Kantor,

I have the honour to refer to recent discussions between officials of our two Governments in the Working Group established for the purpose of Annex 705.4 to the Canada-United States Free Trade Agreement on the Levels of Government Support for Wheat, Oats and Barley.

I have the further honour to propose, pursuant to paragraphs 5 and 6 of the Annex, that our Governments agree to include under Schedule 2 "Canadian Government Support Programs", Part A "Direct Payments", of the Annex the following programs and agreed-to-methodology:

5.5 Payments Pursuant to the Gross Revenue Insurance Plan (GRIP)

The support provided by the federal and provincial governments to producers of barley through the GRIP is two-thirds of the total amount paid to producers of barley for that crop year. The support is computed in accordance with the following formula:

$$A = B * \frac{2}{3}$$

where:

- A = government support provided to barley producers through the Gross Revenue Insurance Plan for the crop year
- B = total payout to barley producers from the Gross Revenue Insurance Plan for the crop year