

In May, 1990, Canada exercised its right under the FTA to impose a temporary duty on imports of fresh asparagus from the USA when prices fell below the average price for the previous five years.

U.S. Secretary of Agriculture Yeutter and Minister of Agriculture Mazankowski announced in February, 1990 an agreement that meat and poultry products inspected by either government would move freely between the two countries. The agreement, once implemented, will resolve a bilateral dispute involving U.S. Department of Agriculture border spot checks of Canadian meat and will save Canadian producers time, money and hassle in exporting to the USA.

Under Article 705, Canada will remove Canadian import licenses for U.S. wheat, oats, barley and their products if U.S. support levels for each grain are equal to or less than Canadian support levels. The USA does not require import licenses for these commodities. Based on calculations exchanged between Canada and the USA in 1990, Minister Crosbie announced in May that import permits will continue to be required for U.S. wheat, barley and their products because levels of government support for these grains remain higher in the U.S. than in Canada. Based on 1989 calculations, import licenses were removed for U.S. oats and oat products.

The Canadian Government objected to a proposal in the 1990 Farm Bill which would have had the effect of targeting the use of the Export Enhancement Program (EEP) to Canadian markets. This proposal was not passed.

The nine bilateral Technical Working Groups (TWG) established under Article 708 continue their task of working towards an open border policy with respect to trade in agricultural, food, beverage and certain related goods. Their objective is to prevent or eliminate technical regulations or government standards that would constitute arbitrary, unjustifiable or disguised barriers to bilateral trade.

The TWGs have all established comprehensive work plans and made progress in some areas. The following are examples of the work the groups have undertaken:

The Meat and Poultry Inspection TWG has focused on the implementation of the "open border" policy for product inspection, as well as on the review of the equivalency of respective meat inspection systems.

The Dairy, Fruit and Vegetable Inspection TWG has primarily been involved in an information exchange in such areas as training, licensing and arbitration, product standards, safety standards and plant registration requirements. Agreement has been reached on a mechanism for early notification and consultation prior to regulatory and program modifications.