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CANADA WILL STRONGLY DEFEND POSITION IN NAFTA CHAPTER 20 PANEL ON FARM PRODUCTS

Minister for International Trade Roy MacLaren and Agriculture and Agri-Food Minister Ralph Goodale said today the government will strongly defend Canadian measures on certain agricultural products that are being challenged before a panel by the United States.

The Ministers were responding to today's U.S. request for a North American Free Trade Agreement (NAFTA) Chapter 20 panel to rule on the dispute over Canadian application of tariff equivalents to U.S.-origin products, including dairy, poultry and egg products subject to Canada's supply management system. Chapter 20 of the NAFTA deals with disputes arising out of interpretation of the Agreement. As required under the World Trade Organization (WTO) Agreement on Agriculture, Canada has moved to replace quotas and import licensing requirements with equivalent tariffs, a process known as "tariffication."

"Canada's approach to tariffication is fully consistent with our international trade obligations under both the NAFTA and the WTO," said Mr. MacLaren. "We are confident of our legal case in this matter and will argue it forcefully before the NAFTA panel."

"We will consult closely with industry and provincial governments throughout the panel process to ensure that Canadian agriculture interests are defended," said Mr. Goodale.

The United States requested a NAFTA panel after consultations and a meeting of the ministerial-level Free Trade Commission failed to resolve the issue.

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