

**HOW DOES THE FREE TRADE AGREEMENT AFFECT AGRICULTURE?**

- Canada's agricultural marketing systems remain intact. As promised, nothing in the FTA prevents the establishment of new supply management programs.
- All agricultural tariffs will be eliminated within 10 years. Canada will have recourse to special safeguard measures for horticultural products for 20 years.
- The FTA provides that the U.S. will not impose import quotas on Canadian products containing less than 10 percent sweeteners.
- Each country will exempt each other from their restrictions under meat import laws.
- The FTA provides that Canada will eliminate import licences on wheat, barley, oats and their products when the corresponding Canadian and U.S. grain support levels become equivalent.
- Import quotas on poultry and eggs will be maintained at actual recent import levels.
- While certain ice cream and yoghurt products are not under restriction at present, the FTA provides that these could be placed under quota if imports increase as a result of tariff phase-out.
- Export subsidies in bilateral trade will be prohibited.
- The Agreement provides for Canadian-U.S. cooperation to eliminate international trade-distorting agricultural subsidies in the Uruguay Round of the GATT.
- It phases out preferential pricings (mark-ups) for Canadian wines.
- Both countries have agreed to minimize technical barriers to agricultural, food and beverage goods.
- The Agreement does not apply to beer.