

Minister for
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FREE TRADE AGREEMENT: WHEAT SUPPORT LEVEL HIGHER IN CANADA THAN IN U.S.

Minister of Industry, Science and Technology and Minister for International Trade Michael H. Wilson announced today that Canada and the United States have reached agreement on calculation of support levels for wheat and barley in each country.

Based on these calculations, import licences will continue to be required for U.S. barley and barley products entering Canada. Import licences for wheat and wheat products will no longer be required effective as soon as Canadian Wheat Board Regulations are amended.

Under Article 705 of the Canada-U.S. Free Trade Agreement (FTA), support level calculations are to be done every year until such time as import licence requirements have been eliminated. Canadian import licences for wheat and barley, and their products from the U.S. are to be removed if U.S. government support levels for each grain are equal to or less than Canadian government support levels. These calculations take into account both direct and indirect support.

In 1991, the calculations are as follows:

	Wheat	Barley
Canada	31.12 %	18.89 %
U.S.	26.80 %	26.47 %