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CANADA SUCCEEDS IN REMOVING ROADBLOCK TO QUEBEC EXPORTS OF UHT MILK TO PUERTO RICO

The Honourable Roy MacLaren, Minister for International Trade, and the Honourable Ralph Goodale, Minister of Agriculture and Agri-Food, announced today that a major roadblock to exports of Ultra High Temperature (UHT) milk from Quebec to Puerto Rico has been removed, settling a dispute brought to a panel under the Canada-U.S. Free Trade Agreement (FTA). The U.S. Food and Drug Administration has informed Puerto Rico that it may now accept UHT milk from Ouebec.

"This development should soon enable the Canadian exporter, Lactel, and its distributor, Interal Marketing, to resume exports of UHT milk to Puerto Rico," Mr. MacLaren said. "This shows how the dispute settlement provisions of the FTA and NAFTA can work to the benefit of Canadian exporters."

"This is a significant announcement for this Quebec company," said Mr. Goodale. "The reopening of this vital and profitable market will ensure jobs for Quebecers. This accomplishment would not have been possible without solid teamwork among the federal government, the province and industry."

UHT milk exports of \$5 million from the Lactel plant in Sainte-Claire, Quebec, were interrupted in 1992 after Puerto Rico adopted the U.S. standards for fluid milk production known as the U.S. Pasteurized Milk Ordinance. In June 1993, an FTA Panel, convened at Canada's request, recommended that a study be conducted to determine whether UHT milk is produced in Quebec under conditions having the same effect as those in Puerto Rico. The panel also recommended that UHT milk from Quebec be readmitted into Puerto Rico should the study find that the respective UHT milk production systems provide a similar level of public safety.

The study into UHT milk production in Quebec and Puerto Rico was conducted by officials from Agriculture and Agri-Food Canada, the ministère de l'Agriculture, des Pêcheries et de l'Alimentation du



