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The animal health status for ostriches is the same in Canada and the United States. The United States, however, does not recognize the Canadian animal health status as equivalent, and therefore, does not permit the importation of Canadian adult ostriches. Requirements related to premises approval for farms of origin, size of bird and quarantine in a USDA facility (the wait for which can take up to two years) restrict export possibilities for young birds.

Standards applied to imported products by one agency can differ from standards applied by that same or other agency to an equivalent domestic product. In the USDA regulations, the definition of "poultry" does not include game birds; consequently, inspection of imported game birds falls outside USDA jurisdiction and is carried out by the FDA. Whereas the USDA considers salmonella to be an unavoidable contaminant in poultry carcasses and concludes that proper cooking normally eliminates any health hazard, it is the policy of the FDA to consider imported food containing salmonella to be adulterated and to prohibit such products from entering the United States. There is no evidence that the same policy is applied to game birds produced within the United States.

To detect the presence of listeria in cold smoked fish, canned lobster and ready-to-eat seafood, the United States has a trade restrictive policy of a zero tolerance level for listeria combined with a more rigorous sampling regime than is required. Canada considers the U.S. policy to be unnecessarily severe given the low level of risk resulting from a minimal listeria presence in these fish products. Instead, Canada uses and advocates a policy of good manufacturing practices which put into place process controls to reduce or eliminate the presence of listeria.

Milk and cream imported into the United States are subject to the U.S. Federal Import Milk Act. Under the Act, milk or cream may be imported only by the holder of a valid import permit issued by the FDA. To obtain a permit, a number of health and sanitary requirements must be met. These requirements effectively preclude imports. Interstate milk shipments in the United States are governed by the National Conference of Interstate Milk Shippers (NCIMS). NCIMS requires that milk and milk products shipped between U.S. states must be produced and pasteurized under regulations that are substantially equivalent to the Grade "A" Pasteurized Milk Ordinance (PMO) and have been rated by a state milk sanitation rating officer certified by the FDA. There are no provisions that pertain to imports from other countries. A specific example of the disruptive nature of this ordinance can be seen in the termination of Canadian ultra high temperature (UHT) milk shipments to Puerto Rico and the restrictions on imports of yogurt.

## Alcoholic Beverages

Federal and state legislative measures have established several barriers to imports of Canadian beer, wine and cider into the U.S. market. Such measures include state-mandated distribution systems that impose added costs on importers of Canadian products by requiring that imported beer and wine be sold through an in-state agent or middleman, whereas local breweries can sell product directly to retailers. Some states require that foreign beer and wine be transported exclusively by private transport companies, while locally produced product can be shipped directly to retailers by the producers themselves.

Various other state measures impose higher licensing fees on foreign beer and wine and dictate uniform prices for out-of-state beers and wines. Local producers, on the other hand, have the advantage of lower fees and the opportunity to be more price-competitive in local markets. Some states maintain listing practices which discriminate against imported wine. Canada challenged the United States on these measures at the GATT. The 1991 GATT Panel report concluded that these U.S. measures were inconsistent with their international trade obligations. (In addition see Taxes on Alcohol in Section X and Canadian Actions under the GATT in Section XII.)