



news release

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CONSULTATIONS TO BE HELD OVER UHT MILK SHIPMENTS TO PUERTO RICO

The Honourable Pierre Blais, Minister of State for Agriculture and Minister of Consumer and Corporate Affairs, today announced on behalf of the Honourable Michael Wilson, Minister of Industry, Science and Technology and Minister for International Trade, that Canada will hold formal consultations with the United States over recent events that could block shipments of Ultra High Temperature (UHT) milk to Puerto Rico.

The consultations will be held at the earliest possible date under Article 1804 of the Canada-U.S. Free Trade Agreement (FTA) with respect to Puerto Rico's recent acceptance as a member of the National Conference on Interstate Milk Shipments. This action has had the effect of prohibiting the importation to Puerto Rico of UHT milk that does not meet U.S. standards, effective December 31, 1991.

A single Quebec-based Canadian company has been exporting UHT milk to Puerto Rico for more than 15 years. Because of Puerto Rico's acceptance of U.S. standards, the company stands to lose its ability to ship UHT milk to Puerto Rico. Exports amount to about \$8 million annually and are estimated to fill 40 per cent of Puerto Rico's requirements.

"At issue is the difference between Canadian and U.S. standards," Mr. Blais said. "While we agree that they are indeed different, they are equivalent in effect."

In addition to the pending consultations, a working group has been established under the FTA to determine the equivalency of the U.S. and applicable Canadian standards for UHT milk.

"It is Canada's position that the Canadian company involved should be allowed to continue to export UHT milk to Puerto Rico while the working group completes its work," Mr. Blais said.

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