

Many exporters find it difficult to ensure that their products meet the FDA requirements for quality and labelling. This is because of a lengthy decision-making process and the absence within the FDA of a mechanism for approval of exporters' labels in advance of shipment. These deficiencies create uncertainty for exporters and difficulties at border points.

Interstate milk shipments in the United States are governed by the National Conference on Interstate Milk Shipments (NCIMS). The basis for NCIMS membership is compliance with the U.S. Pasteurized Milk Ordinance (PMO). A state that is a member of the NCIMS can receive only milk or milk products from NCIMS-participating states, or from a state that has equivalent regulations. No provisions under the NCIMS pertain to imports from other countries. A specific example of the disruptive nature of this ordinance can be seen in the recent termination of Canadian ultra high temperature (UHT) milk shipments to Puerto Rico.

Milk and cream imported into the United States are subject to the Import Milk Act. Under the Act, milk or cream may be imported only by the holder of a valid import permit. The requirements for issuance of such permits are complex and have effectively precluded imports from Canada.

Futures Contracts

The Commodity Futures Trading Commission approved, on November 26, 1991, a Chicago Board of Trade proposal for a "buyers call option" which allows the buyer of futures contracts for wheat, corn, soybeans, soybean oil or soybean meal the option to request delivery of products of "U.S. origin only." This option was effective with September 1992 contracts.

The buyers call option discriminates against Canadian commodities, especially soybeans, delivered against U.S. futures contracts. In particular, warehouses will likely be reluctant to handle Canadian soybeans because of the small volumes exported to the United States. This option is expected to limit market access to the United States, and to lower Canadian soybean prices.

Marketing Orders

The Agriculture Marketing Agreement Act establishes marketing orders that provide for grade, size, quality and maturity standards for horticultural products. Federal marketing orders apply to products grown in the United States within a designated area. In the case of some marketing orders, imports of fruits and vegetables into