

meet both Japan's and exporters' interests in eliminating the negative market impacts of the safeguard. In 1997, Canadian exports of fresh and frozen pork cuts were valued at \$337 million.

Tariffs on Canola Oil

Japan maintains high specific duties, currently between 15% and 20% on an *ad valorem* basis, on most cooking oils (except olive oil) to provide protection to its domestic crushing industry. These duties not only limit imports of crude and refined cooking oils, but also confer a competitive advantage on Japanese crushers that are buying oilseeds in the global market. Canada will continue to press Japan to reduce its specific duties on crude and refined canola oil in the context of an overall multilateral zero-for-zero negotiation on all oilseeds. Japan maintains that the tariffs are not a significant impediment to imports, and that they will not be reduced beyond its Uruguay Round commitments. By April 1, 2000, the tariffs on crude and refined canola oil will fall to ¥10.9 per kilogram and ¥13.2 per kilogram respectively.

Tariffs on Feed Peas

Canada is interested in exporting feed peas to Japan for use as a protein source in livestock feeds. Japan considers that imported peas compete with domestic peas intended for human consumption. The existing tariff structure does not differentiate between food-grade peas for human consumption and feed peas for use in livestock feeds. Peas are currently imported under a tariff rate of 10%. Because of this tariff, feed peas are not competitive with other protein sources (e.g. canola and soybean meals, and dehydrated alfalfa) that enter duty-free. In addition, there is a TRQ on all dried leguminous vegetables, which includes feed peas and numerous dried food products. This also restricts access, since the TRQ tends to be filled by the higher-value product. Canada has asked Japan to amend its tariff structure to distinguish feed peas from food-grade peas.

Tariffs on Processed Foods

Japan maintains high tariffs on several processed-food products of concern to Canada. These products include mustard flour, frozen pizza and maple syrup. Canada continues to seek the elimination of tariffs on these products.

Variety-specific Testing of Imported Fruits and Vegetables

Japan requires that fruits and vegetables (such as apples and tomatoes) be approved for importation on a variety-specific basis. The scientific basis for such an approach is questionable. Variety-specific testing is not only expensive, but also delays the introduction of new varieties into the marketplace, as they are developed. This is particularly problematic for commercially grown tomatoes, as new and improved varieties are constantly being developed for commercial use. For example, after seven years of bilateral discussion and testing, Japan removed the ban on imports of seven varieties of Canadian tomatoes in September 1996. Of these seven varieties, only one is currently in commercial production. Canada has asked Japan to eliminate this requirement for new tomato varieties.

Japan's Food Sanitation Law

Japan's Food Sanitation Law (FSL) and its related administrative guidelines do not clearly distinguish between "sanitary" and "quality" problems affecting food products. Quality factors do not constitute health and safety risks, and should not, in Canada's view, be addressed in the same manner as sanitary factors. This problem led Japan to ban the sale of 13 brands of Canadian bottled water in 1995, causing significant damage to Canadian trade interests. Canada believes that Japan should refrain from its current practice of prohibiting the sale of agri-food products based solely on its assessment of undesirable non-health and safety "quality" factors.

The FSL also maintains standards for frozen foods that are much more restrictive than those for non-frozen products. This has led to problems at some ports for frozen-food shipments from Canada. Canada does not believe that this distinction is scientifically justified. Problems have also been encountered with testing methodologies employed to ensure compliance with the FSL. Canada hopes to address this issue through a structured technical dialogue between officials.

Inspection of Baled Hay

To enter Japan, Canadian hay is rigorously inspected on arrival and certified as free of wheat and barley straw, and agropyron plants, that are host to the Hessian fly. Since 1987, Canada and Japan have been