

## **AGRICULTURE MINISTERS SIGN WIDE-RANGING AGREEMENT TO ENHANCE INTERPROVINCIAL AGRI-FOOD TRADE**

Ministers responsible for agriculture and agri-food in British Columbia, Alberta, Saskatchewan, Manitoba, Prince Edward Island and the Yukon have signed a wide-ranging agreement to enhance interprovincial agriculture and food trade.

The Agreement, entitled 'Interim Agreement on Internal Trade in Agriculture and Food Goods', has now come into effect between British Columbia, Alberta, Saskatchewan, Manitoba, Prince Edward Island and the Yukon.

It effectively works to expand the scope of the Agriculture and Food Goods Chapter (Chapter 9) of the Agreement on Internal Trade (AIT) to encompass all technical measures affecting interprovincial agriculture and food trade, and requires that all signatory jurisdictions adhere to the general obligations of the Agreement on Internal Trade (set out in Chapter 4) in maintaining or adopting any such measures.

Technical measures covered include all sanitary and phytosanitary measures; all technical regulations and standards; and all conformity assessment procedures associated with these measures, as defined in Canada's World Trade Organization obligations.

The agreement means that any such measures must not operate to create obstacles to internal trade; or discriminate against products from or between other jurisdictions, other than to achieve health and safety, environmental protection or other such legitimate objectives. It also means there is a commitment to reconcile differences, duplication and overlap between jurisdictions respecting all such technical measures.

The Agreement is open to signature at any time by Ministers responsible for agriculture of the federal government, other provinces, and other territories. Should all federal, provincial and territorial Ministers responsible for agriculture sign the agreement, the Agreement on Internal Trade itself can be amended.

### **Background:**

This action by the signatory Ministers follows a request by the Council of the Federation to all Ministers responsible for agriculture. In 2004, as part of its initiative to strengthen the Federation of Canada, the Council of the Federation adopted a comprehensive work plan to revitalize the Agreement on Internal Trade (AIT), subsequently endorsed by the federal government.

Ministers of Agriculture were requested to contribute to this plan by completing a review of the scope and coverage of the Agricultural and Food Goods Chapter (Chapter 9), outstanding since 1997, by July 2005, with the objective of achieving the broadest

possible coverage and further liberalizing internal trade. The chapter review, including comprehensive stakeholder consultations, was undertaken in 2005. All Ministers of Agriculture approved in principle the inclusion of all technical measures within the scope of the Agriculture and Food Goods Chapter, which would significantly clarify and broaden its scope. Currently, the Agriculture and Food Goods Chapter of the AIT clearly covers only a handful of specific measures.

At a March 2006 meeting of federal-provincial territorial ministers responsible for agriculture, Ministers from British Columbia, Alberta, Saskatchewan, Manitoba, and Prince Edward Island expressed concern with the continuing delays in reaching consensus on a revised text for the Agricultural and Food Goods Chapter. These Ministers indicated their intention to proceed with a Trade Enhancement Arrangement under article 1800 of the AIT.

Interim Agreement  
on Internal Trade in  
Agriculture and Food Goods

**The undersigned Governments, resolved to enhance internal trade in agriculture and food goods, hereby agree as follows:**

**Article 1: Definitions**

1. In this Agreement:

**Agreement** means this Agreement, including Annex A attached hereto;

**Parties** means the signatories to this Agreement;

2. Terms used in this Agreement shall have the meaning ascribed to them in this Article 1 or in Annex A, as the case may be.

**Article 2: Relationship to the Agreement on Internal Trade**

1. This Agreement is established pursuant to Article 1800 (Trade Enhancement Arrangements) of the *Agreement on Internal Trade*, which permits the Parties to enter into arrangements to liberalize trade, investment and labour mobility beyond the level required by that agreement.
2. In the event of an inconsistency between any provision of this Agreement, and any provision of Chapter Nine (Agriculture and Food Goods) of the *Agreement on Internal Trade*, the provision that is more conducive to liberalized trade in agriculture and food goods will prevail between the Parties. In the event that a provision of the *Agreement on Internal Trade* is determined to be more conducive to liberalized trade in agriculture and food goods under the preceding sentence, that provision is hereby incorporated into and made part of this Agreement.
3. Chapter Four (General Rules) of the *Agreement on Internal Trade* is hereby incorporated into and made part of Annex A hereto, along with any other provision of the *Agreement on Internal Trade* necessary for the proper interpretation and application of that Chapter.

**Article 3: Obligations**

1. As between them, the Parties agree to give effect to the obligations set out in Annex A to this Agreement, as if it were a Chapter to the *Agreement on Internal Trade*, in addition to their obligations under Chapter Nine (Agricultural and Food Goods) of the *Agreement on Internal Trade*.
2. Each Party is responsible for compliance with this Agreement by its government entities.
3. The obligations of this Agreement apply only to the Parties and the benefits of this Agreement accrue only to the Parties and their persons.

#### **Article 4: Contact Points**

The contact point(s) maintained by each Party for the purposes of Chapter Nine (Agricultural and Food Goods) of the *Agreement on Internal Trade* shall be maintained and made available to the other Parties for the purposes of this Agreement.

#### **Article 5: Further Co-operation**

Parties shall cooperate to promote their mutual interests in improved internal trade in agriculture and food goods nationally.

#### **Article 6: Further Negotiations**

1. The Parties may enter into further negotiations to amend or further supplement this Agreement.
2. The Parties may establish such working groups as they consider necessary to ensure that the obligations of this Agreement are met.

#### **Article 7: Dispute Resolution Procedures**

1. In the event of any dispute between the Parties concerning the interpretation or application of this Agreement, the Parties will utilize the dispute resolution procedures provided for in Chapter Seventeen (Dispute Resolution Procedures) of the *Agreement on Internal Trade*, with such changes as may be required in the circumstances, and such procedures are hereby incorporated into and made part of this Agreement.
2. Should any dispute arise concerning the interpretation or application of this Agreement such that the dispute settlement procedures specified in paragraph 1 must be utilized, the disputants shall be solely responsible for the administrative and other costs involved in utilizing those procedures.

#### **Article 8: Entry Into Force**

This Agreement shall enter into force on July 1, 2006.

#### **Article 9: Accession and Withdrawal**

1. Any Canadian province, territory or the Federal Government may accede to this Agreement by written notice to all the Parties of its acceptance of the terms of this Agreement.
2. A Party may withdraw from this Agreement on six months written notice to all the other Parties.

**Article 10: Termination**

This Agreement shall terminate on:

- (a) the date set by the Parties, if any;
- (b) any time at which there is only one Party to the Agreement; or
- (c) the effective date of any agreement among all parties to the *Agreement on Internal Trade* that Annex A hereto is to replace Chapter Nine (Agriculture and Food Goods) of that agreement.

**In Witness Whereof**, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

**For British Columbia:**

The Honourable Pat Bell  
Minister of Agriculture and Lands

**For Alberta:**

The Honourable Douglas Horner  
Minister of Agriculture, Food and Rural  
Development

The Honourable Gary Mar  
Minister of International and  
Intergovernmental Relations

**For Saskatchewan:**

The Honourable Mark Wartman  
Minister of Agriculture and Food

**For Manitoba:**

The Honourable Rosann Wowchuk  
Minister of Agriculture, Food and Rural  
Initiatives

**For Prince Edward Island:**

The Honourable Jim Bagnall  
Minister of Agriculture, Fisheries and  
Aquaculture

**For the Yukon:**

The Honourable Archie Lang  
Minister of Energy, Mines and Resources

## **ANNEX A**

### **Chapter Nine Agricultural and Food Goods**

#### **Article 900: Application of General Rules**

For greater certainty, Chapter Four (General Rules) applies to this Chapter, except as otherwise provided in this Chapter.

#### **Article 901: Relationship to Other Chapters**

In the event of an inconsistency between a provision of this Chapter and any other provision of this Agreement, this Chapter prevails to the extent of the inconsistency.

#### **Article 902: Scope and Coverage**

1. Subject to paragraph 2, this Chapter applies to technical measures adopted or maintained by a Party relating to internal trade in agricultural and food goods.
2. Notwithstanding any other provision of this Chapter, those measures that were included within the scope and coverage of this Chapter prior to December, 2005, as set out in Annex 902.2, are deemed to be included within the scope and coverage of this Chapter.
3. Any other measure that may affect internal trade in agricultural and food goods may be made subject to this Chapter by Ministers in accordance with the process set out in Annex 902.3. The scope and coverage of this Chapter shall be extended to include any such measures as of the date determined by the Ministers.

#### **Article 903: Technical Measures**

1. For greater certainty, in adopting or maintaining any technical measure a Party may establish the level of protection it considers necessary in the circumstances to achieve a legitimate objective.
2. Each Party shall ensure that any technical measure adopted or maintained for a legitimate objective does not arbitrarily or unjustifiably discriminate between or among Parties, including between that Party and other Parties, where identical or similar conditions prevail.
3. Each Party shall, where appropriate and to the extent practicable, specify its technical measures in terms of results, performance or competence.

#### **Article 904: Consultations**

1. A Party may make a written request for consultations with another Party on any matter falling within the scope and coverage of this Chapter. The Party requesting consultations shall deliver a notice of its request to the other Party.
2. The consulting Parties may request the Trade Policy Committee to assist them in the resolution of the matter. Where so requested, the Trade Policy Committee shall facilitate the consultations by considering the matter itself or by referring the matter for

advice or recommendations to an existing or ad hoc working group or another appropriate forum.

3. The Trade Policy Committee shall consider any matter referred to it under paragraph 2 as expeditiously as possible, particularly matters regarding perishable goods, and promptly forward to the consulting Parties any technical advice or recommendations that it develops or receives concerning the matter. The consulting Parties shall provide a written response to the Trade Policy Committee concerning the technical advice or recommendations within such time as that Committee may request.

## **Article 905: Definitions**

In this Chapter:

**agricultural good** means:

- (a) an animal, a plant or an animal or plant product; or
- (b) a product, including any food or drink, wholly or partly derived from an animal or a plant;

but does not include fish or fish products or beverage alcohol products;

**conformity assessment procedure** means any procedure used, directly or indirectly, to determine that relevant requirements in technical regulations or standards are fulfilled. Conformity assessment procedures include, inter alia, procedures for sampling, testing and inspection; evaluation, verification and assurance of conformity; registration, accreditation and approval as well as their combinations;

**equivalent** means, with respect to technical measures, having the same effect in terms of results, performance or competence;

**food good** means any article manufactured, sold or represented for use as food or drink for humans, chewing gum, and any ingredient that may be mixed with food for any purpose whatever, but does not include fish or fish products or beverage alcohol products;

**Ministers** means the respective Ministers of Agriculture of the Parties;

**standard** means any document approved by a recognized body, that provides, for common and repeated use, rules, guidelines or characteristics for products or related processes and production methods, with which compliance is not mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method.

**sanitary or phytosanitary measure** means any measure applied:

- (a) to protect animal or plant life or health within the territory of the Party from risks arising from the entry, establishment or spread of pests, diseases, disease-carrying organisms or disease-causing organisms;
- (b) to protect human or animal life or health within the territory of the Party from risks arising from additives, contaminants, toxins or disease-causing organisms in foods, beverages or feedstuffs;



- (c) to protect human life or health within the territory of the Party from risks arising from diseases carried by animals, plants or products thereof, or from the entry, establishment or spread of pests; or
- (d) to prevent or limit other damage within the territory of the Member from the entry, establishment or spread of pests.

Sanitary or phytosanitary measures include all relevant laws, decrees, regulations, requirements and procedures including, inter alia, end product criteria; processes and production methods; testing, inspection, certification and approval procedures; quarantine treatments including relevant requirements associated with the transport of animals or plants, or with the materials necessary for their survival during transport; provisions on relevant statistical methods, sampling procedures and methods of risk assessment; and packaging and labelling requirements directly related to food safety;

**technical measure** means a measure that is a technical regulation, a standard, a sanitary or phytosanitary measure, or a conformity assessment procedure, but does not include purchasing specifications prepared for the production or consumption requirements of a Party that are addressed in Chapter Five (Procurement), according to the coverage of that Chapter;

**technical regulation** means any document which lays down product characteristics or their related processes and production methods, including the applicable administrative provisions, with which compliance is mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method; and

**Trade Policy Committee** means the Federal-Provincial Agriculture Trade Policy Committee or any body with delegated authority that may be appointed or established by Ministers to serve a similar function.

## **Annex 902.2**

### **Measures Continuing to Fall Within the Scope and Coverage of Chapter Nine**

For greater certainty, the following measures that were included within the scope and coverage of this Chapter prior to December, 2005 continue to be included within the scope and coverage of this Chapter:

- relating to game farmed or ranched animals;
- blueberry maggot control measures;
- standards for UHT or sterilized milk;
- relating to semen licensing;
- relating to livestock bonding and licensing;
- relating to the shipment of horticultural products in bulk containers;
- absence of a Canada No. 1 Small potato grade;
- margarine colouring restrictions and other margarine standards;
- standards for dairy blends and imitation dairy products; and
- fluid milk standards and distribution.

## **Annex 902.3**

### **Reports on Measures That May Affect Internal Trade**

1. The Parties agree to direct their respective officials to jointly prepare and submit written reports and recommendations with respect to any measures that may affect internal trade in agricultural and food goods, regardless of whether such measures fall within the scope of coverage of this Chapter.

#### **National Standards**

2. The Parties shall work together to develop and implement common standards on any measures that may affect internal trade in agricultural and food goods.

3. The Parties agree that any common standards must be consistent with international commitments of Canada, including those under the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, the Agreement Establishing the World Trade Organization, the General Agreement on Tariffs and Trade, the North American Free Trade Agreement and, where applicable, the Canada-United States Free Trade Agreement.

#### **Work Programs**

4. A Party may, by delivering a written notice to the other Parties, request the establishment of a work program to produce a report and recommendations on any measure that may affect internal trade in agricultural and food goods regardless of whether such measures fall within the scope of coverage of this Chapter.

5. Where a Party requests the establishment of a work program, it shall prepare a proposed schedule of tasks and completion dates. The schedule of tasks and completion dates shall be implemented when approved by a majority of the Ministers representing a majority of the production amongst the Parties of the agricultural or food good affected by the measure.

6. Following completion of the agreed work program Ministers may make such recommendations and take such further action as they consider appropriate in the circumstances to address the issue, which action may include extending the scope and coverage of this Chapter to cover the subject measures.

7. If Ministers agree to extend the scope and coverage of this Chapter pursuant to section 6, such action will be take effect as of a date determined by the Ministers.