Report of the United States-Canada Consultative Committee on Agriculture
December 7, 2007
Washington, D.C.

Introductory remarks and introductions
The U.S. co-chairs welcomed the Canadian delegation to the meeting. Following introductions of both delegations, the United States and Canada reviewed the agenda. This meeting was the first held under a different format which included the exchange of papers on longer term priority issues. Due to the short lead time in preparation for this format, neither side had finalized its issue notes package for the paper exchange. Canada proposed and the United States agreed with a plan to develop a system for vetting papers and finalizing the CCA agenda at least 6 weeks before each meeting. The Canadian and U.S. co-chairs expressed their eagerness to make progress on some long-standing items on the agenda.

Co-chair Norval Francis, Foreign Agricultural Service (FAS), led the discussion of a new proposed approach for the CCA. The proposed approach establishes an agenda which would include those issues which are the most important for the U.S and Canada and which are either not getting addressed in other fora or through bilateral discussions between our respective technical agencies, or which have stalled in those fora/discussions. This will allow more time to effectively address those issues which may gain ground in this forum (i.e. the priority issues for the next six months), as opposed to providing a lengthy list of updates. The new agenda would include approximately 10 short-term priority items for discussion. Longer-term issues would be addressed by an exchange of papers that would happen prior to the CCA meeting.

The meeting started on a very positive note by acknowledging the successes that our two countries have achieved: Minimal Risk Rule 2 (MRR2), the Technical Arrangement for Trade in Potatoes, and harmonization of bovine small intestine policies. The Canadian delegation stated that Minister Ritz appreciated the efforts by the United Stated regarding implementation of MRR2, and they look forward to the positive conclusion to the issue in South Dakota. They also stated that they are following the developments in Congress.

Import safety initiatives
USDA's Food Safety and Inspection Service (FSIS) and the Food and Drug Administration (FDA) delivered information on import safety initiatives. FSIS announced that its existing authority was sufficient to support the recommendations contained in the U.S. Interagency Working Group on Import Safety's November, 2007, Action Plan on Import Safety, and that no additional rulemaking is necessary for the products it regulates. Both FSIS and FDA stressed that the regulatory agencies cannot "inspect their way to safety," but rather, safety must be ensured during production and verified through oversight of production and distribution processes.

FSIS described several aspects of USDA's role in the Action Plan, which was made public in September, 2007. Highlights of the Action Plan can be found at *www.importsafety.gov*. The International Trade Data System will involve all U.S. federal

agencies integrating their data systems with that of the Customs and Border Protection. Canadian border officials have been kept apprised of this effort. In order to facilitate legal trade, capacity building will be an important part of the Action Plan. FSIS is also developing an electronic certification system to facilitate U.S. imports and exports. Canada and Mexico will figure prominently in the development and implementation of this system.

USDA will take several immediate steps under the Action Plan, none of which will require new regulation or authority. First, USDA will collaborate and share information with industry. Second, the aforementioned International Trade Data System will integrate several U.S. Government databases. Third, the United States will increase its collaboration and information sharing on food safety with other governments. Finally, the United States will enter into import safety agreements with exporting country governments.

Canada expressed that it has reacted to the same stimuli regarding food safety. Canada reiterated its desire to work with the U.S. to improve the safety of food and products within our shared perimeter. Canada expressed its concerns with some of the user fees outlined in various U.S. import safety initiatives which would unfairly affect Canada. Further, Canada asked that any potential initiatives be based on science and no more trade restrictive than necessary. These concerns had previously been raised by Canada. Canada's Ambassador Wilson recently sent a letter of support to Health and Human Services Secretary Leavitt. Canadian Ambassador Wilson also sent a letter to U.S. Representative Dingell regarding the imposition of user fees, which in their present form, would prove costly for Canada, which is not a target country of the U.S. import safety initiatives. In response to Canada's inquiry as to what effect the Action Plan has had on any Congressional efforts, FSIS responded that these efforts are separate, adding that the focus of the Action Plan is to facilitate legitimate trade and to make it difficult to commit fraud or market unsafe products.

FDA then presented a description of its role in the Action Plan developed by the Interagency Working Group on Import Safety, which included the following:

- Stricter penalties and increased surveillance
- FDA's Food Protection Plan, which is based on three elements – Prevention, Intervention and Response
- Collaboration with federal, state, local, and foreign governments
- Improved rapid/emergency response
- Third party inspection abroad, before foods leave for the United States
- Inspection fees for high risk importers
- Export certification fees
- Refusal of entry for products whose producers will not invite FDA to visit their facilities
- Mandatory recall authority (This will require new legislation, and will be announced to the WTO with plenty of time for comments. It will take three years to implement.)
- Increased international presence, including technical assistance to assure safer exports to the United States

FDA indicated that the Grocery Manufacturers Association (GMA) supports its efforts and is generally willing to play a greater role in food safety. GMA supports mandatory Hazard Analysis and Critical Control Point, as well as mandatory Good Manufacturing Practices. GMA members have also expressed interest in being third party inspectors. FDA welcomes USDA for collaboration.

The Canadian Food Inspection Agency (CFIA) will soon announce its own food safety initiatives, which will include electronic certification for imported meat and plant products and the principles of safety at source and greater communication. Health Canada and CFIA will work together in this effort. Canada asked how FDA plans to unveil its food safety initiatives internationally. FDA responded that the World Trade Organization (WTO) would be the main forum for this, with work in Codex Alimentarius and with Canada in quadrilaterals. FDA wants to increase regulatory capacity through assistance by working with development banks, regional organizations, and USTR. FDA is also trying to increase interaction from inspectors. Finally, FDA will enter into agreements and memoranda of understanding with food safety authorities in countries that export to the United States. Canadian co-chair Paul Robertson of the Department of Foreign Affairs and International Trade (DFAIT) added that the similarities in the U.S. and Canadian approaches should provide opportunities for cooperative efforts in multilateral fora.

Canadian and U.S. organic regulations

USDA's Agricultural Marketing Service (AMS) thanked CFIA for its application for organic equivalence. AMS would like to schedule a teleconference with Canada to see what progress can be made, as the December 2008 deadline is quickly approaching. USDA will send the document before the teleconference to determine what the technical differences are. Both sides agreed to hold a teleconference in January 2008. CFIA is confident that an agreement will be reached but stressed that progress must be made in order to meet the December 2008 target date for an agreement. Co-chair Paul Robertson, asked how well the side-by-side has materialized. AMS stated that there are minor technical differences and differences in antibiotics and policies used for livestock production. Specifically, the United States does not permit antibiotics but Canada does.

Canada is also working on an organics equivalence agreement with the European Union (EU). It was noted that the United States does not permit the use of antibiotics in organic agriculture – this has prevented a U.S.-EU organics equivalence agreement.

Labeling/ingredients issues

a) Nutritional labeling

Canada announced a new nutritional labeling rule in 2005. FDA published a *Federal Register Notice* on labeling in November, 2007; comments are sought through January 2008. The proposed changes seek to update outdated FDA daily reference values. It was agreed that the NAFTA Technical Working Group on Labeling was the forum for information sharing on this topic. The U.S. noted that the Canadian rules that became effective December 2005 could have been an added burden, but that our countries worked together to resolve their differences.

b) Allergen labeling regulations

Canada requested an update on U.S. allergen labeling regulations; they understood that these were to be published in late 2006 but nothing has been published. The United States responded that there was no set date for these regulations to be published. Canada noted that, owing to delays in finalizing the regulatory packages for allergen labelling and food fortification, it was not possible, at the current time, to provide a timeline for when the proposed regulations would be published in *Canada Gazette*, Part I.

c) Food fortification policies

The status remains the same for U.S. food fortification policies – no set date for publication of regulations. Canada noted that, owing to delays in finalizing the regulatory packages for allergen labelling and food fortification, it was not possible, at the current time, to provide a timeline for when the proposed regulations would be published in *Canada Gazette*, Part I.

d) Canadian highlighted ingredients policies

Canada indicated no change since the last CCA meeting – the regulations are being applied as before. Some documents have been developed to explain the policy, but no consultations that would result in policy changes are planned. Canada expressed willingness to receive any U.S. comments. FDA indicated that it will review at the CFIA website before providing comment. CFIA replied that Executive Director Debra Bryanton is the main contact for comments on Canada's highlighted ingredients policies; Barbara Schneeman, FDA, will contact her.

e) Canadian meat nomenclature requirements

These requirements caught the United States Government by surprise. In particular, the ninety day gap between announcement and implementation is problematic for the United States. It was noted that the U.S. sent CFIA a letter in mid-November requesting an additional year's grace. Regarding further postponement of the requirement, Canada responded that it would be willing to extend the date to March 10, 2008, and perhaps discuss a longer grace period. The United States asked Canada for its rationale for this requirement. Canada responded that the changes were the result of routine regulatory "housekeeping" and that their goal is to protect consumers and to provide orderly marketing. The requirement is based on CFIA's manual on meat cuts. CFIA stated that this decision was made in 2004, and that it had advised industry and they have been given 3 years to comply.

Canada said that since it gave its industry three years to comply with the new requirements, that importers would have had time to advise U.S. exporters of the requirements in those three years. In response to the U.S. question of whether the nomenclature requirements were notified to the WTO Technical Barriers to Trade (TBT) Committee, Canada replied that it had not notified the requirements to the TBT Committee. CFIA added it had sent letters out to importers and industry contacts in lieu of notification. The United States urged Canada to notify, even at this late date. Co-chair Francis added that it is helpful for governments to be officially notified since exporters do

not always realize that government officials are not aware of notifications/changes in regulations. At this point in the meeting, it was suggested that anticipated initiatives could be added as part of the CCA paper exchange and that "early warnings" were also an element of what both countries are working on to improve the CCA.

Container size regulations (baby food jar sizes)
The United States urged Canada to abolish these requirements, citing them as an unnecessary barrier to trade. A review is under way at Justice Canada, and the timing of publication in the Canada Gazette is unknown. The United States asked whether Canada has considered that its container size regulations run counter to its North American Free Trade Agreement obligations; Canada's "normal trading patterns" argument makes no sense to the United States. Canada replied that this question is, no doubt, part of the review under way at Justice Canada. The United States proposed a pilot project to test alternative container sizes (the U.S.' earlier request was refused). Canada indicated willingness to consider a container size pilot project. It was also suggested by the United States that this issue could be addressed as a pilot project under the Regulatory Cooperation Framework of the North American Security and Prosperity Partnership. Canada responded that any of the three NAFTA partners are welcome to propose an SPP project and if the United States was to make such a proposal, it would be reviewed within the SPP process.

Canadian cheese compositional standards
The United States noted that when this issue was raised in the Canadian Parliament it was presented as a means of limiting imports of dairy products. Canada responded that it could not comment on the opinions of Members' of Parliament voiced during debate in the Parliament. The U.S. asked how the percentage of casein allowed in the standards was determined. Canada answered that the question would need a response from technical experts who were not present. The United States' main concern is that the purpose of the regulations limits imported ingredients. The view is that this contravenes the spirit of NAFTA if not the agreement itself.. The United States suggested that Canada and the United States work together to address the Canadian dairy industry's protectionist efforts. Canada proposed that the next step should be a technical discussion so the United States can understand what Canada is seeking to achieve through its cheese compositional standards. The United States replied that such a proposal might have merit if recent Canadian official statements did not indicate a desire to restrict market access. In response to the U.S. inquiry regarding the status of the standards, Canada said that CFIA is reviewing comments received and will begin drafting the final regulations.

The Canadian delegation welcomed a discussion between U.S. and Canadian technical experts, but stated that they could not discuss the composition standards until they became a rule. The U.S. questioned the merit of such a discussion if the regulations were already a *fait accompli*. The Canadian delegation reiterated that they cannot discuss the status of the regulations at this point in the process.

Article XXVIII
The U.S. delegation stated that they would like to be present at Article XXVIII negotiations with respect to Canada's intent to modify its concessions with regard to

certain milk protein substances. Canada agreed to reply to the United States regarding the status of these negotiations.

Access for non-supply management milk to U.S.
An example of this issue occurred in 2006, which involved the Georgian Bay Milk Company Limited. The BTU Group Ltd. company is an offshoot of Georgian Bay Milk Company and is the source of complaints by the New York State Department of Agriculture. There were injunction hearings held before the Ontario Superior Court of Justice on November 13, 2007. The court reserved its judgment. The current status of the situation is that the court will rule on whether or not Canadian milk producers can operate outside of the supply management system. Canada explained its obligations and that with the court case the Government of Canada had fulfilled its obligations. With respect to potential precedents, the Government of Canada had taken regulatory action, so it would anticipate similar follow-up on a future case as well.

Bovine spongiform encephalopathy (BSE) issues
a) Third country market access
The United States opened the discussion indicating that it has been seeking to open markets around the world based on OIE guidelines and requested Canada's support to work together to ensure alignment with the OIE guidelines in targeted third markets. Canada acknowledged that it shares this goal – it also noted that there are several markets in which the United States has partial access and Canada has none. The United States noted that it is taking a strong position with Asian markets, seeking OIE consistency. This process is ongoing.

Canada stated that it is working with Mexico to agree on certification to allow imports of Canadian ruminant breeding stock. Canada noted that U.S. dairy heifers are allowed into Mexico but Canadian heifers are not – an important issue for Canada. Canada noted some progress in recent talks with Mexico.

The United States also met recently with Mexico to discuss implementation. The meetings went well, with the Mexicans focusing on movement of Canadian cattle through the United States to Mexico. The United States commented to Mexico that now that the second Minimal Risk Rule (MRR2) is in place, the United States would like to harmonize North American guidelines to be consistent with the OIE guidelines. The United States noted that it has urged Mexico to seek its BSE risk classification from the World Organization for Animal Health (OIE). Canada indicated that they offered to help Mexico with its OIE submission. To this, Mexico replied that it was one year away from being prepared to seek an OIE risk classification.

Canada inquired whether the United States had experienced any difficulty exporting animal products to Mexico this year. In February, Mexico suspended Canadian establishments from exporting Canadian meat to Mexico. The United States replied that it had encountered no problems with exporting to Mexico. Mexico wants the list of U.S. plants that can export to Mexico to include only those that actually ship. The U.S. responded that it had not been able to add any plants to the list since May. This is causing some problems.

The United States, in response to a Canadian inquiry regarding consistency of the U.S. Government's position with that of U.S. industry, acknowledged that the U.S. Government and U.S. industry have not always been on the same page but that the U.S. Government will not waiver from seeking full OIE consistency. In a recent meeting with Acting Secretary Conner, the beef industry indicated their support for the U.S. goal of seeking full OIE consistency.

b) BSE Comprehensive Rule

Canada sought information on whether the U.S. BSE comprehensive rule would provide access for small ruminants, noting that information indicated that this rule would include certification requirements for small ovine/sheep and goats and the rule would be put into place by the end of 2008. The United States explained its intent to fully align the U.S. regulations with the OIE which led to the drafting of the BSE Comprehensive Rule. One impact of the comprehensive rule will be to eliminate minimal risk regions. With regard to timing, the U.S. also noted that there was a 2008 timeline but it was unclear if that included full implementation of the rule, adding that small ruminants would be addressed under a separate rule, likely to be ready in 2009. Canada also asked about the release of additional information at the upcoming NAFTA trilateral meetings. The U.S. committed to look into the possibility to see what could be shared publicly.

FSIS testing of Canadian meat and poultry

The Canadian delegation stated that although USDA returned to standard testing of Canadian meat products on November 28, 2007, the United States' public announcement prior to communication with Canada of the increased testing caught Canada by surprise. Canada looks forward to working with FSIS to address programs to test meat without unnecessarily impeding trade. Canada shared its plan to have in place enhanced testing for ground beef, beef trim and raw beef components used in the manufacturing of ground beef. Canada also shared the concerns of some Canadian companies that U.S. industry is not willing to take the risk of buying Canadian meat due to the long testing delays.

FSIS reported aligning its import testing with its domestic testing levels. FSIS first tested domestic product, and then started testing imported products from Canada, and later product from other countries. U.S. industry has the ability to test anytime they think they should. Each test is an opportunity to increase food safety. When a problem plant is identified, FSIS increases its testing. The complications with Canada have resulted from some problematic plants. FSIS stated that it has a consistent policy for both foreign and domestic product. CFIA replied that a company that has plants on both sides of the border has reported that its U.S. product did not experience the same rigorous level of testing as its Canadian product.

FSIS reminded Canada that when it first started the testing it held product at the border each time. Now the product may be voluntarily held at the border or brought into the country but if it fails it has to be recalled and either destroyed or rendered. Canada recognizes that the increased concerns with buying Canadian product is not because of FSIS, but rather a decision on the part of importers to leave product in trucks until testing results are known; thus increasing the exporter's costs as those additional delays may

sometime exceed the period of freshness of ground beef making it only suitable for rendering. This has increased the costs of "just-in-time" delivery. This is a new practice.

FSIS expressed its willingness to work with Canada to make U.S. expectations clearer. FSIS reminded Canada that U.S. industry has suffered from voluntary recalls that were devastating and as a result, U.S. industry recognizes that it is easier to have a hold or voluntarily hold product instead of a recall. As such, with rare exception, U.S. industry views it as prudent to hold all product until it is tested. FSIS does not mandate this approach but is looking to make it a mandatory in the future. That decision, however, is years away.

CFIA again stated that, given the importance of "just-in-time" delivery, Canada is willing to look at creative solutions, such as testing in Canada prior to export, so that products could enter the U.S. without interruptions. FSIS responded that it is unrealistic to imagine that it would stop testing at U.S. ports of entry, but that it could examine the Canadian system based on equivalence of systems to see if the U.S. could reduce its level of border testing. However, FSIS reiterated the unlikelihood of eliminating its testing at the border.

The Canadian delegation stated that it seems that in this recent episode officials were scrambling to share information with industry. Canada asked if there is a way our governments can make announcements to offices on either side of the border to minimize misunderstandings. FSIS stated that there certainly are improvements to be made. This past circumstance is unique as it was the first time that adulterated meat entered the United States that could be traced.

State related-import requirements for cattle

CFIA asked if APHIS planned on taking any action on North Dakota setting import conditions in excess of OIE standards on Canadian cattle exports. North Dakota was specifically identified as a State that has imposed new requirements for testing (for tuberculosis and brucellosis) and branding which are stricter than the Federal requirements. Canada noted its concern with this developing trend and asked if any state is free to take these actions. Further, Canada stated that it understands that the USDA's Animal and Plant Health Inspection Service (APHIS) has no jurisdiction over the States, but asked if APHIS is able to impose some influence. Canada also acknowledged that the Chief Veterinary Officers (CVO) from Canada and the U.S. have already discussed this issue. At this time, APHIS is not imposing further testing requirements. APHIS confirmed that it has no jurisdiction over the States. While it is not common for the States to impose stricter requirements, it is nonetheless their prerogative. APHIS maintains regular dialogue with the States and works closely with them to encourage consistent approaches. APHIS encouraged Canada to continue to use the technical dialogue to address this matter and noted it would request the U.S. CVO to address this matter with North Dakota again.

FDA draft risk assessment: safety of animal clones

On December 28, 2006, FDA released a draft risk assessment on animal cloning. FDA received over 30,000 public comments. The draft risk assessment concludes that cloning does pose some risk to animal health; however, none of these risks are unique to clones. FDA concludes that meat and milk from cloned swine, goats, and cattle are not materially different from meat and milk from conventionally produced livestock, and that it is safe to consume these foods. Technical work has been completed and FDA is currently waiting for clearance from the Department of Human and Health Services (HHS) to publish the final version of this risk assessment.

Dr. Willian Yan, Health Canada, stated that the Canadian risk assessment of cloned animals has focused on food safety (Health Canada responsibility) and animal health and welfare issues (Canadian Food Inspection Agency responsibility) but before an overall decision can be made, issues such as social and ethical ones will also need to be addressed. FDA did not consider ethics or economics in their assessments as these are outside of FDA's mandate. Dr. Yan stated that industry is wondering about a management plan for clones. FDA is aware that industry has developed a market segmentation plan which includes an animal identification system that will allow for tracking of clones.

Canada has had a rule in place since 2003 that categorizes cloned animals as "novel". Co-chair Robertson noted that the U.S. decision not to label clones is troubling, in that a product that other countries consider to be novel may enter those same countries before they have determined the implications and asked how the U.S. plans to roll this assessment on novel animals out to trading partners. Dr. Turzillo, FDA, stated that these animals are not novel in that they are genetically identical to original non-cloned animals and the composition of milk and meat from clones is no different than milk and meat from non-cloned animals. Co-chair Robertson stated that we still have a commercial problem until such time that it makes its own risk assessment and takes resulting decisions. Dr. Turzillo replied that in the U.S. there are less than 300 cloned animals. The U.S. does not anticipate a flood of milk and meat from clones into the marketplace if the risk assessment is announced in December, 2007 and its moratorium lifted. One reason for this is that clones are very expensive. Dr. Turzillo stated that producers are in favor of cloning as a way to disseminate superior genetics, and that clones will be reserved as elite breeding stock. Co-chair Robertson asked why there could not be control with respect to the market and management of the supply of clones. Dr. Turzillo stated there would be a lag time in market availability if the moratorium is lifted and breeding is allowed, given the timing requirements of gestation and raising the resulting animals to a point where their products are ready for market. The U.S. noted that Canada and the U.S. need to continue to stay in touch on this issue and the potential problems that may arise from it.

Seed certification grader accreditation

Dr. Payne, AMS, noted that the United States appreciates the collaborative efforts to resolve the issue and informed the meeting participants that AMS has approved the memorandum of understanding (MOU). He asked when agreement can be expected from CFIA. CFIA stated that they did not know that AMS had approved the MOU and that this would be discussed and approved at the Subcommittee on Regulations and Agreements, which is currently scheduled to meet on December 20, 2007. Should this meeting not occur, discussion and approval of the MOU will occur at the January 2008 meeting. The

United States requested that this be resolved before the end of the year. Canada stated that this would be approved as soon as possible, there are no controversial issues that would prevent approval, it will happen at the next meeting of the Subcommittee.

Almonds: PPO expedited review

The United States has a new requirement for treating almonds to reduce levels of *Salmonella*. Almonds are being treated in the United States with propylene oxide. For almonds to be exported to Canada, a maximum residue limit (MRL) for propylene oxide for almonds will have to be established, as one does not currently exist. The United States has requested an expedited review and approval of this treatment. The application was received in September and an earlier miscommunication between the applicant and Health Canada has been resolved. The submission is currently under review, and Canada is working with the Environmental Protection Agency (EPA) Office of Pesticide Programs to obtain data that Canada can use to facilitate the process. Normally, review and approval takes at least 1 year in either the United States or Canada. Canada is working on this issue and hoping to expedite this in less time. Health Canada and EPA share recognition of dealing with this problem.

Potato phytosanitary issues

Canada provided background on the recent detections of potato cyst nematode (PCN) including the recent find in the Province of Alberta. Canada stated that the U.S. is impeding trade with its ban on potatoes from Alberta, noting that is not in conformity the 2007 Canada – United States Guidelines for Phytosanitary Actions Following the Detection of Potato Cyst Nematodes. Canada encouraged the United States to quickly follow-up on their concerns. Canada stated that it signed the Guidelines in order that situations such as the one at hand would be dealt with. The agreement was a scientific way of dealing with this problem. The U.S. (APHIS) responded noting that the action relative to seed potatoes from Alberta is appropriate given the plant health issues involved and consistent with our bilateral agreement. Moreover, the U.S. potato industry relies on seed potatoes from Canada, so we have no interest in maintaining restrictions unless they are necessary to protect plant health. Canada noted it disagrees with the U.S. interpretation of the agreement The APHIS technical team will continue to work closely with CFIA. The technical teams are meeting this week. Canada also requested additional information about four unconfirmed PCN incidents, it was believed, in New York State. The U.S. agreed to follow-up on that request.

Country of Origin Labeling (COOL)

AMS stated that in June, 2007, the comment period was reopened for the proposed rule (PR) and interim final rule (IFR). The U.S. House and Senate versions of the Farm Bill would expand covered commodities to include goat meat, chicken and macadamia nuts. However, a final Bill has not been passed. It was noted that the USDA cannot change the legislative provisions of the Farm Bill statute. Co-chair Steve Lavergne, Agriculture and Agri-Food Canada (AAFC), stated that Canada has submitted many comments in the context of the U.S. rulemaking process and at the WTO, and wants the U.S. to be consistent with its international trade obligations. He noted that although the "fix" provides an incremental improvement, Canada still is concerned about the segregation requirements the rule could impose. Canada would like to work together to decrease trade-related transaction costs. Furthermore, Co-chair Lavergne asked: if the current Farm Bill

is extended, would there be a "fix" with COOL? AMS could not answer this question, as any information provided would be speculative. Canadian Co-chair Paul Robertson stated that Canada did not want to leave the table saying we're satisfied with U.S. mandatory COOL. He then asked about the difference in labeling requirements for differing products. AMS responded that all covered commodities must be labeled. The interim final rule for fish and shellfish would require "originating in Canada, processed in the U.S." for aquaculture Canadian larva ground out in the U.S. Documentation must exist to validate a country of origin claim, including vessel records, documents on production steps in the case of aquaculture or whatever is acceptable to Customs. In the case of imported products, the Customs declaration is used for an origin determination.

Sugar beet thick juice

Co-chair Lavergne explained that post-Hurricane Katrina, Canada supplied 69,500 tons of refined beet and cane sugar to the U.S. However, normal Canadian access for sugar beet thick juice to the U.S. has been recently reduced and has the potential of wiping out the sugar beet sector in Canada.

Co-chair Francis stated that the treatment of imported thick juice under the U.S. sugar program marketing allotment system could change if the draft Farm Bill becomes law. USDA will administer whatever sugar program is passed by Congress.

European Union (EU) issues

Co-chair Murphy, USTR, stated that Ambassador Schwab expressed concern to the EU, specifically concerning pork, poultry, beef, corn, soy, and rice. Canada stated they shared some of these concerns and, on biotechnology, agreed that they wanted to see a more reliable and timely EU approval system. Regarding pending approvals, the United States has a more extensive list than Canada. Both sides appreciate our continued collaboration, and any difference in our current approaches to dealing with the EU is in large part a question of tactics. Part of the problem is that the EU has very small resources applied to this issue. Canada and the U.S. also exchanged views on their respective WTO cases with the EU concerning beef from cattle treated with hormones.

EU export subsidies for pork

Last week the EU introduced new subsidies for pork exporters. Canada expressed concern, noting the unfortunate timing with respect to the Doha negotiations. Both sides agreed to discuss possible coordination of messaging on this issue.

Other issues and wrap up

Canada and the United States agreed to exchange papers by December 20, 2007.
The United States said that they will send the cleared CCA minutes from the May 31, 2007 meeting to Canada as soon as they are cleared by USTR.

The Canadian and U.S. co-chairs noted that since the last CCA meeting, progress had been made on several challenging issues, and that they look forward to continuing to work through them.

Canada thanked the United States for hosting the meeting. The next meeting will be held in Canada.

The United States and Canada also exchanged papers on the following issues (please note that the majority of these papers were exchanged in the weeks following the CCA):

1. Canada's Next Generation of Agriculture and Agri-Food Policy Growing Forward
2. Labelling
3. Access for U.S. mozzarella cheese sticks
4. Harmonization of pesticides
5. Proposed changes to Canada's maximum residue limits (MRLs)
6. Fruit and vegetable industry financial trust protection in Canada
7. Official recognition by the USDA of Canada's cut flower export certification program
8. Carbadox
9. North American Biotech Initiative (NABI)
10. Security and Prosperity Partnership (SPP)
    - i) North American Plan for Avian and Pandemic Influenza report
    - ii) Update on North American Competitiveness Council (NACC)
11. NAFTA/Trilateral Committees - info items
    - i) NAFTA implementation
    - ii) NAFTA SPS Committee meeting
    - iii) Canada/Mexico and U.S./Mexico CCAs
    - iv) Trinational accord
    - v) Pork sectoral initiative