Agreement on Internal Trade
Accord sur le commerce intérieur

Progress on the Review of Chapter 9
Agricultural and Food Goods

Carolynn Osborn, ALT Working Group Co-Chair
Historical Context

- Background to Development of AIT
  - Trade Agreements – NAFTA, WTO
  - International Competitiveness
  - Meech/Charlottetown Failures
  - Political Dynamic

- Internal Trade Agreement came into effect on July 1, 1995.
Agriculture Chapter

- Scope and coverage initially limited to notified barriers.
- Was expanded to include “technical barriers with policy implications” on September 1, 1997
  - Horticulture products in bulk containers
  - Margarine colouring restrictions and standards
  - Standards regarding dairy blends and imitation dairy products
  - Fluid milk standards and distribution
- Scope and coverage to be reviewed by September 1, 1997.
Agriculture Chapter – Initial Review

- Review initiated in 1996.
- Discussion paper developed
- Industry consultations on discussion paper took place.
- Draft revised Chapter proposed.
- Ministers could not achieve consensus on process for revised Chapter
- Efforts regarding WTO agriculture negotiations seen as taking precedence
The “Lost Years”

- No negotiations on AIT
- Five agriculture related disputes to Panels
  - NS challenge of PEI regulations for fluid milk
  - NS challenge of NB regulations for fluid milk distribution
  - ON challenge of QC coloured margarine
  - AB challenge of QC coloured margarine
  - AB and BC challenge of ON Edible Oil Products Act (dairy/vegetable blended products).
- To date, only 1 panel ruling has been implemented to the satisfaction of the complaining party.
Council of Federation Initiative

- December 2003 – Premiers agreed to “re-vitalize” AIT.
- Ministers of agriculture to complete review Chapter Nine by July 2005
- Objective - achieve broadest possible coverage and further liberalizing internal trade.
Council of Federation Initiative

- Proposed expansion of Chapter 9 to all technical measures.
- Agriculture conducted consultations.
- No significant objections to expansion to all technical measures
  - Problems noted with Chapter 17 – shared with CIT.
Provinces agreed:
- expand the coverage of Chapter Nine to capture all technical measures
- measures related to orderly marketing systems should not be covered by the Chapter

Provinces disagreed:
- Language for orderly marketing
- Exclusions
Some jurisdictions concerned with delays in achieving consensus.

Plurilateral TEA developed that expands AIT obligations to all technical measures.

BC, AB, SK, MB, PEI, Yukon have signed.

No language related to orderly marketing included as jurisdictions believe that orderly marketing measures are not captured in technical measures.
New CIT Directives

- September 2006 – Agriculture ministers directed by CIT to develop action plan.
- Officials moving ahead with discussions with goal of completing Chapter 9 review.
- Unclear if agreement can be reached on outstanding issues related to:
  - Language for orderly marketing
  - Exclusions