



**TECHNICAL ARRANGEMENT
BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF CANADA
CONCERNING TRADE IN POTATOES**

The **GOVERNMENT OF THE UNITED STATES OF AMERICA** and the **GOVERNMENT OF CANADA**, hereinafter jointly referred to as the “Participants”:

AFFIRMING their countries’ existing rights and obligations with respect to each other under the North American Free Trade Agreement (“NAFTA”) and the Marrakesh Agreement Establishing the World Trade Organization;

BEARING IN MIND that Article 906 of the NAFTA encourages NAFTA Parties to treat each other’s technical regulations as equivalent in situations where an exporting Party can demonstrate to the satisfaction of an importing Party that particular technical regulations adequately fulfill the importing Party’s legitimate objectives, and that Article 2.7 of the World Trade Organization Agreement on Technical Barriers to Trade contains a similar provision;

SHARING a common desire to facilitate international trade in potatoes between the United States of America (“United States”) and Canada;

DESIRING to work within existing regulatory frameworks in both the United States and Canada; and

REFLECTING the input and recommendations of representatives of the Canadian and U.S. potato industries;

HAVE REACHED the following arrangement:

I. DEFINITIONS

For the purposes of this Arrangement:

“**Applicant**” means a Canadian resident who has requested a Ministerial Exemption;

“**Competent Authority**” means:

- (i) for the Government of the United States of America, the Agricultural Marketing Service (“AMS”); and
- (ii) for the Government of Canada, the Canadian Food Inspection Agency (“CFIA”);

“**Contract**” means a written, legally binding agreement between a seller in the United States and a buyer in Canada for the supply of potatoes to a particular processor or repacker in Canada at a price determinable in such agreement and for a period of not more than 12 months;

“Contracted Potatoes” means potatoes sold under Contract;

“Destination” means the end point for product delivery or Inspection, including a terminal market, warehouse, railroad siding, or other end point location, exclusive of retail locations;

“Historical Average” means the figure calculated by the CFIA, in the assessment of monthly shortage, that is:

- (i) for an Applicant who has been issued a Ministerial Exemption in a particular month in three or more years during the five-year period beginning in calendar year 2002 and ending in calendar year 2006, a three-year average of loads for which Ministerial Exemptions were issued to the Applicant in that particular month over that five-year period, excluding the months with the highest and lowest number of loads; or
- (ii) for an Applicant who has been issued a Ministerial Exemption in a particular month in fewer than three years during the five-year period beginning in calendar year 2002 and ending in calendar year 2006, a five-year average of loads, including years where no Ministerial Exemptions were issued, for that particular month;

“Inspection” means a Participant’s verification of potatoes for compliance with minimum quality import requirements either:

- (i) at shipping point, which includes verification of both permanent (grade) defects and condition defects; or
- (ii) at Destination, which includes verification of permanent (grade) defects;

“Minimum Import Requirements” means:

- (i) for the Government of the United States of America, the requirements set forth in 7 C.F.R. § 980.1 (Import regulations; Irish potatoes) or any successor provisions;
- (ii) for the Government of Canada, the requirements set forth in sections 34(3) and 35(1) of the Fresh Fruit and Vegetable Regulations (C.R.C., c. 285) or any successor provisions;

“Minister” means the Canadian Minister of Agriculture and Agri-Food;

“Ministerial Exemption” means an exemption issued from packaging, labeling, or quality requirements by the Minister or the Minister’s delegate for the marketing in import trade of potatoes where considered necessary to do so in order to alleviate a shortage in Canada in the available supply from domestic production;

“Monitoring Inspections” means Inspections conducted at Destination, performed by the Competent Authority and paid for with government funds;

“Non-Compliance” means a determination by a Competent Authority that a shipment or part thereof does not satisfy:

- (i) for the Government of the United States of America, the Minimum Import Requirements, not including branding requirements; and
- (ii) for the Government of Canada, the Minimum Import Requirements, including requirements with respect to test markets;

“Spot Check Inspections” mean partial Inspections of potato loads conducted by a Competent Authority at border crossing points between the United States and Canada; and

“Year” means a period of twelve months beginning the day this Arrangement commences or on an anniversary of that day.

II. QUALITY ASSURANCE FOR POTATOES

1. Each Participant recognizes the other Participant’s quality grade standards, quality assurance systems, conformity assessment procedures and certification programs (hereinafter jointly referred to as “Certification Mechanisms”) as achieving equivalent outcomes for the purpose of meeting that Participant’s import requirements for potatoes.
2. A Participant may designate a provincial or state government, or provincial- or state-mandated not-for-profit commodity board or organization, as responsible for administering specific activities relating to its Certification Mechanisms, provided that the Participant maintains ultimate responsibility for official Inspection, audit/verification, and certification of the conformity of potatoes.
3. Commencing in Year 2 of this Arrangement, the Participants may implement alternative Certification Mechanisms, aimed at verifying minimum grade, size, and maturity of potatoes, to facilitate potato trade by reducing the need for hands-on Inspection of potatoes, relying instead on the effectiveness of process control approaches of the exporting country.
4. If a Participant seeks to introduce changes to its potato grade standards, minimum quality import requirements, and related programs and policies, it should notify the other Participant and provide for consultations with the other Participant before seeking to introduce and domestically implement those changes.

5. Each Participant intends to permit the other Participant's Competent Authority to accompany its Competent Authority as it reviews the operation of its Certification Mechanisms for potatoes, at mutually determined intervals but not more than once per quarter, unless the Participants otherwise decide.
6. If a Participant makes a determination of Non-Compliance of imported potatoes, it should, through its Competent Authority, notify the other Participant's Competent Authority in writing within five business days of such determination. Either Participant may, through its Competent Authority, request consultation with the other Participant regarding such determination, and such consultation should occur within ten days of the notification, if both so decide.
7. Each Participant should, through its Competent Authority, notify the other Participant of any potential Non-Compliance of imported potatoes found as a result of Spot Check Inspections.
8. A Participant may conduct Monitoring Inspections, combined with industry-requested Destination Inspections for potatoes, on a national basis, for no more than five percent for Year 1, three percent for Year 2, and two percent for subsequent Years, of the total number of loads that are imported under a recognized program. A Participant should determine the specific government funded inspection level on a monthly basis.
9. Monitoring Inspections should be distributed equitably, based on normal market patterns.
10. If a Participant determines that the percentage of Non-Compliance of inspected loads of potatoes imported from the other country exceeds 10% of the number of inspected shipments of potatoes failing to meet Minimum Import Requirements on a yearly basis, or if it determines that there is ongoing, persistent Non-Compliance of imported potatoes with Minimum Import Requirements, following notification and consultation, it should provide the other Participant with an opportunity to correct deficiencies within a defined time period. A Participant should not include any findings made in the course of Spot Check Inspections in its calculation of such Non-Compliance rate. The Participant that made the determination referenced in this subparagraph may also, following notification and consultation and notwithstanding other provisions of this Arrangement:
 - (a) conduct or increase Monitoring Inspections or Spot Check Inspections to respond to the specific problems identified; or
 - (b) suspend the mutual recognition of the Certification Mechanisms implemented in Year 2 of the Arrangement.

III. MINISTERIAL EXEMPTIONS FOR POTATOES

1. The Government of Canada should recommend the establishment of guidelines, for use by the Minister or a delegate of the Minister in exercising his or her discretion to issue Ministerial Exemptions for import trade in Year 1 and Year 2, that provide:
 - (a) an Applicant's Historical Average is sufficient evidence, in the absence of evidence to the contrary, of a shortage or anticipated shortage of potatoes so as to enable the Minister or Minister's delegate to issue to the Applicant, each month, on request, Ministerial Exemptions for potatoes for a volume at least equal to, in Year 1, 110 percent of the Applicant's Historical Average for that month, and in Year 2, 125 percent of the Applicant's Historical Average for that month;
 - (b) Ministerial Exemptions issued pursuant to the above paragraph are only valid for the month for which they are issued;
 - (c) the issuance of Ministerial Exemptions is not dependent on whether potatoes are to be sourced inter-provincially or from imports;
 - (d) Applicants issued Ministerial Exemptions for the purpose of shipping potatoes into a particular province are not to use them to ship product into another province;
 - (e) Ministerial Exemptions are non-transferable between Applicants; and
 - (f) the Minister or Minister's delegate issues Ministerial Exemptions, over and above those issued based on the historical determination of shortage, on a case-by-case demonstration of shortage, pursuant to Paragraph III.3 of this Arrangement.
2. For Year 3 and subsequent Years of this Arrangement, provided that the Certification Mechanisms described in Paragraph II are being implemented, the Government of Canada should recommend the establishment of guidelines, for use by the Minister or Minister's delegate in exercising his or her discretion to issue Ministerial Exemptions for import trade, that provide that evidence of the existence of a Contract provided by an Applicant at least 60 days in advance of the expected date of entry of imports of the Contracted Potatoes is sufficient evidence, in the absence of evidence to the contrary, of a shortage or anticipated shortage of potatoes so as to enable the Minister or Minister's delegate to issue Ministerial Exemptions to the Applicant upon request for the importation of the Contracted Potatoes, with no quantitative limit on the volume or number of Ministerial Exemptions issued.

3. In all cases, the Government of Canada should recommend that the Minister or Minister's delegate continue to issue Ministerial Exemptions on a case-by-case basis, in accordance with the previously established Guidelines for requesting Ministerial Exemptions, attached herewith as Annex 1, with the following modifications:
 - (a) the Minister or Minister's delegate should determine shortage based on the availability of supply of provincially grown potatoes in the receiving province only;
 - (b) the Minister or Minister's delegate should allow Applicants to send applications for Ministerial Exemptions for potatoes simultaneously to the Minister or Minister's delegate and to the provincial marketing organization in the receiving province and the relevant provincial marketing organization should be granted two working days to provide the Minister or Minister's delegate with data on the availability of supply of potatoes;
 - (c) in the event of a dispute between an Applicant and a provincial marketing organization as to the quality or suitability of supply, Ministerial Exemptions necessary to maintain the Applicant's operations should be issued on a limited basis until the dispute is resolved; and
 - (d) Contracted Potatoes should not be considered in the determination of supply available to an Applicant, unless Contracted by that Applicant. As per current practice, where an Applicant has Contracted Potatoes but has not sought delivery, those potatoes will continue to be considered as available to that Applicant.
4. The Government of Canada should recommend that guidelines established for use by the Minister or Minister's delegate in exercising his or her discretion to issue Ministerial Exemptions for import trade pursuant to this Paragraph apply equally, *mutatis mutandis*, to the issuance of Ministerial Exemptions for inter-provincial trade.

IV. SPOT-CHECK INSPECTIONS OF POTATOES

1. The Government of the United States of America intends to limit its spending on Spot Check Inspections of potatoes at northeastern border crossings to no more than USD \$26,666 in Year 1, to no more than USD \$13,333 in Year 2, and to no more than USD \$0 for Year 3 and subsequent years. The Government of the United States of America should only conduct such Spot Check Inspections up to two times per week between January and April in Year 1, and between February and March in Year 2, unless otherwise determined by the Participants.

2. If either Participant determines that the percentage of Non-Compliance of inspected loads of potatoes imported from the other country exceeds 10% of the number of inspected shipments of potatoes failing to meet Minimum Import Requirements on a yearly basis, or if it determines that there is ongoing, persistent Non-Compliance of imported potatoes with Minimum Import Requirements, following notification and consultation as per Paragraph VIII of this Arrangement, that Participant may increase the level of spending for Spot Check Inspections or Destination Inspections at any time during operation of this Arrangement, until the Non-Compliance is remedied.

V. IMPORT REQUIREMENTS FOR POTATOES

The Government of the United States of America intends to initiate, as soon as practicable, rule-making to modify its import requirements to provide for the importation of:

- (a) potatoes of any color, of a size of one inch (1”) minimum, if the potatoes meet at least U.S. No. 1 grade; and
- (b) potatoes of any size packed in a container of three pounds or less, if the potatoes meet at least U.S. No. 1 grade.

VI. APPLICATION BEYOND YEAR THREE

Subject to fulfillment of the commitments and full application of the initiatives under Paragraphs II, III.2, III.3, IV and V and subject to consultations under Paragraph VIII, the Participants intend that the commitments in Paragraphs II, III.2, III.3, IV and V be applied so long as this Arrangement is not discontinued by one of the Participants.

VII. FUTURE NEGOTIATIONS

1. The Participants may enter into future discussions with a view to harmonization and mutual recognition of cross-border quality, certification, and Inspection requirements and resolving other issues related to trade in potatoes.
2. The Participants may enter into future discussions outside of the context of this Arrangement aimed at improving bilateral trade in other produce.

VIII. CONSULTATIONS

The Participants should encourage their Competent Authorities to meet annually, or more frequently as appropriate, to discuss matters relating to this Arrangement. A Participant may request consultations with the other Participant regarding any matter relating to this Arrangement, including Inspections or other measures taken at the border, which may have an impact on trade in potatoes. Consultations should commence within 30 days of the date of receipt by the other Participant of the request, unless the Participants otherwise decide. While such consultations may not give rise to any legal obligation, the Participants recognize their mutual interest in ensuring cooperation towards attaining the objectives of this Arrangement.

IX. CONFIDENTIALITY

Nothing in this Arrangement should be interpreted as requiring a Participant to furnish or allow access to information the disclosure of which would impede law enforcement or would be contrary to relevant Canadian or U.S. laws protecting personal privacy, trade secrets, confidential (or proprietary) information, or the financial affairs and accounts of individual customers of financial institutions.

X. OPERATION OF THIS ARRANGEMENT

1. This Arrangement is intended to commence on November 1, 2007.
2. In the event a Participant determines that the other Participant is failing to fulfill its prescribed commitments, it may request consultation under Paragraph VIII above. If consultations are unable to resolve the issue, the Participant that initiated the consultations may, after providing 90 days written notice to the other Participant, withhold the application of its own commitments.
3. This Arrangement may be amended by mutual written consent of the Participants.
4. Nothing in this Arrangement diminishes or otherwise affects the right of either Participant to carry out its regulatory responsibilities and programs.

SIGNED in duplicate at _____ this _____ day of _____ 2007 and at _____ this _____ day of _____ 2007 in the English and French languages.

**FOR THE
GOVERNMENT OF THE UNITED
STATES OF AMERICA**

**FOR THE
GOVERNMENT OF CANADA**

APPENDIX 1

General Guidelines for requesting Ministerial Exemptions

Fresh Fruit and Vegetable Regulations

Import and Interprovincial

(Modified April 2002)

1. INTRODUCTION

The Fresh Fruit and Vegetable Regulations, under the Canada Agricultural Products Act, are designed to ensure that all fresh fruits and vegetables entering into interprovincial or international trade in Canada are safe, wholesome and in compliance with Federal health and safety, quality, packaging and labelling regulations. Processors or packers are free to source their supplies from the area or supplier of their own choice provided those supplies comply with all the requirements of the Act and the Regulations. In the case where adequate quality and quantity of supplies are not available, processors or packers may apply to the Minister for an exemption to obtain non-complying product from another province or another country.

Provisions exist for the Minister or a delegate of the Minister, when there is a shortage in Canada of a type of product (or a suitable equivalent product), to exempt such products from the minimum quality (grade), labelling or packaging requirements in order to provide packers and processors with the supplies necessary to meet their needs.

The CFIA decides whether shortage exists based on evidence submitted by the applicant. If supply is available in Canada, the CFIA will reject the application or portion thereof until supply is not available. Price of the product cannot be used as a factor in determining a shortage under the regulatory requirements of Ministerial Exemptions. Health and safety requirements will not be waived under any circumstance.

Ministerial Exemptions will be granted only for repacking or for processing purposes. The labelling, packaging and quality requirements may be waived, when a Ministerial Exemption is requested for processing purposes. Only the labelling and packaging requirements may be waived, when a Ministerial Exemption is requested for repacking purposes. The quality requirement will be dictated by import or interprovincial requirements.

Individuals applying for a Ministerial Exemption are required to provide, at the time of application, evidence satisfactory to the Minister or delegate demonstrating that a shortage in supply of the product for which the application is being made, actually exists. Such evidence may be gathered from sources such as commercial suppliers, producer associations, marketing boards, provincial governments, etc.

Each organization contacted by an applicant is expected to provide prompt, accurate information concerning the present availability of the product including known suppliers and, if possible, future availability. The organizations do not decide or recommend the action to be taken with respect to an application. They may, however, be consulted by the Canadian Food Inspection Agency (CFIA) regarding the possible effects that any decision may have on the marketing of that product.

The Minister delegates his authority to appropriate persons (called the "delegate") within the CFIA. The delegate in the case of an interprovincial exemption, is the Fresh Fruit and Vegetable Program Network Specialist responsible for Ministerial Exemptions in the receiving Area or Region. In the case of import exemptions, the delegates are the Director of the Food of Plant Origin Division, the National Program Manager, Headquarters' Fresh Fruit and Vegetable Program Officer, or the Program Network Specialist in the Area or Region.

2. GATHERING EVIDENCE PRIOR TO APPLICATION

To qualify for a Ministerial Exemption, an applicant must submit evidence that a shortage in available supply exists along with the application for exemption. The sources for this evidence are:

- (a) known suppliers of the product;
- (b) producer organizations, Marketing Boards, commodity commissions, etc., (Note: Provincial Departments of Agriculture may be contacted to determine appropriate organizations or Marketing Boards); or
- (c) any other information which may be beneficial to the Minister's delegate in determining the availability of domestic supply and/or considering the application for exemption.

In the case of interprovincial exemptions, the applicant may restrict the search to suppliers, producer associations or commodity boards within the receiving province. In the case of import exemptions, applicants should thoroughly search within the receiving province and neighboring provinces.

Suppliers, associations, boards, etc., are expected to provide prompt written responses to an applicant's request for information. The responses should only indicate if supply is available or not.

In most cases, the CFIA will consider that the requested product is not available if no response is received by the applicant within three (3) working days of the receipt of the request for information. In cases where the suppliers, associations, boards, etc., indicate that suitable supplies are available, they must provide the applicant with satisfactory information on sources of those supplies, i.e., grower's name, address, telephone number and quantity available.

Certain associations or boards who are primary contact points for applicants may, however, establish scheduled responses to requests for information. In such cases, a response time of up to seven (7) calendar days may be reserved providing the association or board makes their response schedule known in advance both to potential exemption applicants and CFIA.

Evidence must be supplied in the form of letters, facsimiles, telexes, electronic mail messages or other means of printed communication on the letterhead of the organization having drafted the letter. Such evidence should indicate that a shortage in the quantity or the quality of produce requested exists and may refer to the availability of alternative produce or forecast future availability of the requested produce.

3. APPLICATION

The applicant completes an application for a Ministerial Exemption and submits it to the CFIA office in the receiving province along with the supporting evidence and payment for the number of loads requested.

A standardized Request for an "Exemption to the Fresh Fruit and Vegetable Regulations" form is attached to these guidelines (Appendix A). This form may be photocopied or typeset copies may be obtained from designated CFIA offices (See Section 5 "Payment for Ministerial Exemptions").

The applicant is responsible for verifying that any product for which a Ministerial Exemption is requested is in compliance with any other applicable Acts and Regulations, e.g., Food and Drugs Act and Regulations, Plant Protection Act and Regulations, etc.

4. PROCESSING OF APPLICATIONS

Upon receipt of an application, the CFIA Program Network Specialist shall:

- (a) review the application, and submitted evidence to ascertain the completeness of the submission; and
- (b) ensure the proper payment for the Ministerial exemption is received

If deficiencies are apparent, the Program Network Specialist will advise the applicant and hold the request until the required information has been supplied or the proper payment has been received.

If the application appears to be complete, the Program Network Specialist will:

- (a) for interprovincial Ministerial Exemption or import Ministerial Exemption for produce other than apples, onions, and potatoes from the United States:
 - (i) commence a review of the submitted evidence as is necessary. It should be noted that Plant Health requirements will be verified prior to the recommendation of any Ministerial Exemption;
 - (ii) if necessary, seek additional information relating to the application from other relevant parties, including the applicant, in order for the CFIA to arrive at a decision;
 - (iii) approve the requested Ministerial Exemption, approve a portion of it or deny the request if an apparent shortage in the available supply from domestic production is not confirmed;
 - (iv) input the information into the Exemption Authorization System (EAS) and issue the ME. When the application is approved, the EAS will assign a "Contract" number to the Ministerial Exemption (Appendix B).
 - (v) print (on letterhead) and sign, a Ministerial Exemption for each requested load.

- (b) for an import Ministerial Exemption for Apples, Onions and Potatoes from the United States:
 - (i) commence a review of the submitted evidence as is necessary. It should be noted that Plant Health Requirements will be verified prior to the recommendation of any Ministerial Exemptions;
 - (ii) if necessary, seek additional information relating to the application from other relevant parties, including the applicant, in order for the CFIA to arrive at a decision;
 - (iii) recommend the requested Ministerial Exemption, recommend a portion of it or deny the request if an apparent shortage in the available supply from domestic production is not confirmed.
 - (iv) input the information into the EAS for approval by HQ.
 - (v) upon receipt, the Headquarters' Fresh Fruit and Vegetable Program Officer will commence a review of the information inputted on the EAS and if necessary, seek additional information relating to the application from other relevant parties, including the applicant, in order for the CFIA to arrive at a decision; and
 - (vi) the Headquarters Fresh Fruit and Vegetable Program Officer will approve the requested Ministerial Exemption, approve a portion of it, or deny the request if an apparent shortage in the available supply from domestic production is not confirmed.
 - (vii) When an application is approved, the EAS will assign a "contract number" to the Ministerial Exemption.
 - (viii) The Headquarters Fresh Fruit and Vegetable Program Officer will sign the approved Ministerial Exemption and a copy will be faxed to the USDA and to the appropriate Area or Regional office.

Other information such as border crossing, Plant Health arrangements or other comments may be included on the Ministerial Exemption form and may be included on the Ministerial Exemption.

When the application form is used to confirm that only a portion of the original application is granted, the CFIA officer will make the necessary corrections on the application and initial all corrections.

When an application is denied, the appropriate CFIA officer will notify the applicant of the decision, return the application with a statement that the request has been denied and return the applicable payment.

5. PAYMENT OF MINISTERIAL EXEMPTIONS

As noted in Section 3, the applicant must submit payment of the fee with the application for an exemption to the *Fresh Fruit and Vegetable regulations*.

In accordance with Item 2 of the Table in Part 6 of the Canadian Food Inspection Agency Fees Notice pursuant to the *Canadian Food Inspection Agency Act*, the fees prescribed for Ministerial Exemptions shall be paid at the time of the request for an exemption or the fee prescribed by this Notice be payable on receipt of a statement for services supplied by the CFIA.

The fee that is payable for a Ministerial Exemption conferred under Item 2 of the Table in Part 6 of the *Canadian Food Inspection Agency Fees Notice* is \$20.00 per load.

No refund will be given for unused portions of an approved Ministerial Exemption, except in the case where the Agency has terminated the Ministerial Exemption earlier than stated on the Ministerial Exemption.

When a request for Ministerial Exemption is denied, the CFIA will return the application along with the payment to the applicant.

6. CONTROL OF EXEMPTIONS

Interprovincial Movement

Once a Ministerial Exemption has been approved and issued, the Program Network Specialist will forward, by facsimile, a signed copy to the appropriate CFIA office and fax or send a copy to the applicant.

The appropriate CFIA office, through the EAS will print the number of ME's that correspond to the number of loads granted. Each ME will be printed on letterhead and signed by the appropriate CFIA officer or inspector authorizing movement of the load. The inspection office will forward the ME's, with original signatures, to the applicant as needed. A signed ME must accompany each load.

Import Movement

(a) Apples, Onions and Potatoes Imported from the United States

Once a Ministerial Exemption has been approved and issued and signed, the Headquarters' Program Officer will forward, by facsimile, a copy of the Ministerial Exemption to USDA, Washington, DC and the Program Network Specialist in the receiving region. USDA will in turn forward the approved Ministerial Exemption to the appropriate shipping point office, while the Program Network Specialist will forward the ME to the applicant.

The USDA shipping point inspector will issue an inspection certificate certifying that this particular load meets the requirements of the Ministerial Exemption issued by CFIA under "Contract No._____". This inspection certificate will be in the form of a "Memorandum of Inspection for Canadian Destinations", (FV-205).

The USDA inspectors will assure, as a form of control, that the proper number of inspection certificates are issued and correspond to the number of loads granted.

Should a bulk load arrive at the border and is not accompanied by a proper USDA certificate, it will be refused entry into Canada.

(b) Produce Other than Apples, Onions and Potatoes for which a grade has been established and is imported from the United States

Once a Ministerial Exemption has been approved, the Network Specialist will print and sign the number of ME's that correspond to the exact number of loads granted.

The applicant must ensure that the original ME's are at the border when the loads are to enter Canada. To comply with this requirement, the applicant could:

- (i) provide the original ME's to the American shippers and the shipper would ensure that every load is accompanied by an original ME; or
- (ii) courier the original ME's to their Customs' Broker at the point of entry, to ensure that every load is accompanied by an original ME.

Should a load arrive at the border and not be accompanied by an original ME because the applicant has omitted to comply with the above requirements, the load will be delayed entry into Canada until the applicant can provide an original ME

Should a load arrive at the border and not be accompanied by an original ME because the applicant has not applied for an Ministerial Exemption or has used all issued ME's, the load will be refused entry until an application for Ministerial Exemption has been received, shortage of supply can be demonstrated and the ME is approved and issued.

If a shortage cannot be demonstrated, the load will be refused entry.

(c) Produce for which a grade has been established and is directly imported from places other than the USA

"Directly imported" means that the load is entering Canada without passing through any other country or is passing through a US territory under a US Customs Bond.

The control and requirements are explained under 6 b) and will apply in this situation.

However, where grade is not waived in the Ministerial Exemption, the applicant is required to notify the nearest CFIA inspection office of its arrival, whereby an inspection will be performed to ensure compliance with the required grade as per the Fresh Fruit and Vegetable Regulations.

Should the bulk load not comply with the required grade, the applicant will be given option for its disposal.

Failure to notify the nearest CFIA inspection office on the arrival of each and every load will result further control measures to ensure that loads are subject to inspection.

7. AMENDMENTS TO MINISTERIAL EXEMPTIONS

The applicant must complete a new application for any amendment to an existing Ministerial Exemption. The application for an amendment must be submitted to the Program Network Specialist in the receiving region.

In certain circumstances, the applicant may be asked to provide additional evidence that the product is still in shortage. This will especially be true at the beginning of Canadian harvest periods.

8. PAYMENT OF AMENDMENTS

No fee will be charged for an amendment to an existing Ministerial Exemption when the amendment is for a change to:

- (a) the name and address of shipper(s);
- (b) the quality requirements (i.e., grade or size); or
- (c) the cut-off date.

A new ME must be issued and payment will be requested when the applicant wishes to increase the quantity from what was originally applied for.

A new ME must be issued when the applicant wishes to change the state when importing from the United States.

9. DESIGNATED CFIA OFFICES

Atlantic

Fresh Fruit and Vegetable Program Network Specialist / Plant Products
850 Lincoln Road
P.O. Box 2222
Fredericton, New Brunswick
E3B 5G4
Telephone: 506-452-4964
Facsimile: 506-452-3923

Manitoba/Saskatchewan

Fresh Fruit and Vegetable Program Network Specialist / Plant Products
762-269 Main Street
Winnipeg, Manitoba
R3C 1B2
Telephone: 204-984-6186
Facsimile: 204-983-5926

Quebec

Fresh Fruit and Vegetable Program Network Specialist / Plant Products
7th Floor, 2001 University Street
Montreal, Quebec
H3A 3N2
Telephone: 514-283-8888
Facsimile: 514-285-1919

Alberta

Fresh Fruit and Vegetable Program Network Specialist / Plant Products
Room 654 - 220 4th Avenue South East
Calgary, Alberta
T2G 4X3
Telephone: 403-292-4301
Facsimile: 403-292-5707

Ontario

Fresh Fruit and Vegetable Program Network Specialist / Plant Products
174 Stone Road
Guelph, Ontario
N1G 4S9
Telephone: 519-837-9400
Facsimile: 519-837-9773

British Columbia

Fresh Fruit and Vegetable Program Network Specialist / Plant Products
4321 Still Creek Drive, Suite 400
Burnaby, British Columbia
V5C 6S7
Telephone: 604-666-6513
Facsimile: 604-666-1261