

CANADA - MEASURES AFFECTING DAIRY EXPORTS

Request for the Establishment of a Panel by New Zealand

The following communication, dated 12 March 1998, from the Permanent Mission of New Zealand to the Chairman of the Dispute Settlement Body, is circulated pursuant to Article 6.2 of the DSU.

My authorities have asked me to submit the following request on behalf of New Zealand for consideration at the next meeting of the Dispute Settlement Body.

The Government of Canada is providing export subsidies on dairy products in contravention of its export subsidy reduction and other WTO commitments as encapsulated by the Agreement on Agriculture and the General Agreement on Tariffs and Trade 1994 (GATT 1994). The dairy export subsidy scheme in question is commonly referred to as the "special milk classes" scheme. The background to, and details of, the "special milk classes" scheme is contained, though not necessarily exclusively, in the following documents:

- (i) the Canadian Dairy Commission Act;
- (ii) the Comprehensive Agreement on Special Class Pooling (the P9 Agreement);
- (iii) the National Milk Marketing Plan (NMMP);
- (iv) the Agreement on All Milk Pooling (the P6 Agreement); and
- (v) the Western Milk Pooling Agreement (the P4 Agreement).

New Zealand considers that the "special milk classes" scheme referred to above is inconsistent with Canada's obligations under the following provisions:

- (i) Articles 3, 8, 9 and 10 of the Agreement on Agriculture; and
- (ii) Article X:1 of the GATT 1994.

In a communication dated 29 December 1997 (WT/DS113/1), the Government of New Zealand requested consultations with the Government of Canada pursuant to Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), Article 19 of the Agreement on Agriculture and Article XXII:1 of the GATT 1994 with regard to the Canadian "special milk classes" scheme. Consultations were held on 28 January 1998, but did not result in a resolution of the dispute.

Accordingly, New Zealand requests the establishment of a panel pursuant to Article 6 of the DSU and Article 19 of the Agreement on Agriculture to examine the measures in question, with the standard terms of reference as set out in Article 7 of the DSU.

As indicated above, New Zealand asks that this request for the establishment of a panel be considered at the next meeting of the Dispute Settlement Body.

---