

**CANADA – MEASURES AFFECTING THE IMPORTATION OF MILK  
AND THE EXPORTATION OF DAIRY PRODUCTS**

Recourse to Article 21.5 of the DSU  
by New Zealand and the United States

Notification of an Appeal by Canada  
under paragraph 4 of Article 16 of the Understanding on Rules  
and Procedures Governing the Settlement of Disputes

The following notification, dated 4 September 2001, sent by the Permanent Mission of Canada to the Dispute Settlement Body ("DSB"), is circulated to Members. This notification also constitutes the Notice of Appeal, filed on the same day with the Appellate Body, pursuant to the *Working Procedures for Appellate Review*.

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Pursuant to paragraph 4 of Article 16 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (the "DSU") and Rule 20 of the *Working Procedures for Appellate Review*, the Government of Canada hereby notifies its decision to appeal certain issues of law covered in the Panel report in *Canada – Measures Affecting the Importation of Milk and the Exportation of Dairy Products – Recourse to Article 21.5 of the Dispute Settlement Understanding by New Zealand and the United States* (WT/DS103/RW and WT/DS113/RW) and certain legal interpretations developed by the Panel.

The Government of Canada seeks review of the Panel's finding that the Canadian measures in question constitute an export subsidy within the meaning of Article 9.1(c) of the *Agreement on Agriculture*. In particular, Canada seeks review of the Panel's finding that commercial export milk sales constitute payments that are financed by virtue of governmental action. This finding is in error and is based on erroneous findings on issues of law and on related legal interpretations with respect to the interpretation and application of Article 9.1(c) of the *Agreement on Agriculture*.

The Government of Canada respectfully requests that the Appellate Body reverse the findings and conclusions of the Panel and modify accordingly the recommendations and rulings of the Panel.

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