III. AGRICULTURE

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NAFTA: A Threat to Food Security

The NAFTA provisions on agriculture were different from those for other economic sectors because there were actually two agreements made: one between the United States and Mexico, and one between Canada and Mexico. The agricultural provisions of the Canada-U.S. Free Trade Agreement negotiated in 1988 were left in force to govern U.S.-Canada agricultural trade. This analysis centers, therefore, on NAFTA's implications for the U.S. and Mexican food systems.

Who sells what to whom and for what price is very important to farmers, and NAFTA is fulfilling the fears of farmers on both sides of the border. Mexican winter tomatoes are putting Florida growers out of business, and U.S. dairy products and grains are smashing Mexican producers. But to focus solely on agricultural trade, and not the food system as a whole, is to leave aside the most important challenge that neoliberal, or "free trade," policy poses to the food system: the challenge to food security itself. Consumers as well as farmers are affected. These policies are also having profound impact on farmworkers in the United States.

Food Security: A Question of Quantity and Quality

When Mexicans talk about food security, they mean the security of knowing there will be enough to eat. When U.S. citizens talk about food security, they talk about a safe food supply. NAFTA erodes food security under both definitions.

In Mexico, the increased commitment of Mexican agricultural land to export commodities threatens the food supply in a country where 40 million of its 90 million population are poor and of the 40 million, 17 million are desperately poor. This year a drought in the northern Mexican state of Chihuahua caused starvation among the indigenous Tarahumara people who were unable to harvest any corn. Human rights activists in Mexico are outraged that the Mexican government did not declare a state of emergency in a state that exports agricultural products to the United States while its own citizens are starving.

Corn is the Mexican staff of life, a safety net for poor people in the countryside. Almost half of Mexican land under cultivation is dedicated to corn. Corn represented 20 percent in terms of value of total agricultural production during the last three years. Whereas corn in the United States is produced exclusively for the market or to feed animals on a diversified family farm, corn in Mexico is produced almost exclusively for human consumption, and much of it never reaches the market, being consumed instead by the families of Mexico's poorest farmers. The poor produce corn to eat. Better off farmers produce it to sell. Ninety percent of the 2.5 million farmers who planted corn last spring planted it on plots of land of less than 11 acres, and 40 percent on less than two acres.

In the past, Mexico subsidized both the producers and consumers of corn. Farmers who marketed through the state-owned CONASUPO program received a supported price that was nearly twice that of the U.S. price. (The U.S. price is artifically low to encourge exports. The Mexican supported price was actually very close to the cost of production.) Consumers also received tortillas at subsidized prices. With the implementation of NAFTA and associated Mexican/international financial institution agriculture "reforms," both producers and consumers are losing subsidies, and this is having a strong impact in the countryside and in poor urban neighborhoods. Corn production is predicted to decrease, because when Mexico reduced support prices for rice and cotton in the past, production dropped 30 percent and 40 percent respectively.

The 15-year transition period Mexico negotiated for corn in NAFTA won't be adequate to keep farmers on the land. Cheaper imports from the United States have already grown significantly. By the end of June, 1994, U.S. exports of corn to Mexico had increased 525 percent over the same time period the year before.

U.S. Food Security and Food Safety

U.S. consumers have fought for and won food safety standards that are tougher than those in other countries. These include everything from meat inspection to food processing

Box 10: Over 1,000 Florida tomato workers lose jobs to NAFTA

In October, 1,100 workers were certified for NAFTA-related Transitional Adjustment Assistance after Regency Packing, a tomato grower and processing firm, declared bankruptcy in Naples, Florida. According to the U.S. Department of Labor, the firm had suffered declining sales due to increased tomato imports from Mexico.

Florida Rural Legal Assistance filed the NAFTA-TAA petition on behalf of some 700 fieldworkers and 400 processors. Lawyer Rob Williams said that obtaining NAFTA-TAA certification was extremely difficult because the firm, caught up in bankruptcy proceedings, was uncooperative with the Department of Labor's investigation. In the end, two legal services workers volunteered to conduct the necessary analysis of Regency's customer invoices to prove that the firm had been hurt by Mexican competition.

According to Williams, the layoffs were related to NAFTA in two ways. First of all, tomato growers on both sides of the border increased planting in anticipation of increased exports after NAFTA. As a result, tomato prices plummeted last spring and Regency, like many others in the industry, suffered a tremendous loss. Secondly, Williams feels that NAFTA has changed the psychology of the tomato industry. "This has always been a tremendously risky business. Before NAFTA, if Regency had a hard year, they would've stuck with it, hoping that they would strike it rich again a couple of years down the road. But now, they're afraid that Mexican production will just keep expanding and they'll never be able to make big profits again."

Williams is doubtful that the tomato workers will benefit very much from the NAFTA-TAA program. "Some of the packing house workers may be interested in retraining," he said. "But most of them have fourth- or fifth-grade educations. Most of them are illiterate and don't speak English. What can they be retrained to do? Really the only jobs available to them are in agriculture or as cleaning staff at hotels on the coast."

Recently, the Florida state employment agency sent notices — in English only — to each Regency worker, stating that they must have worked for Regency for at least 26 weeks last year to qualify for NAFTA-TAA. This requirement would disqualify about 100 percent of the fieldworkers, Williams says. However, the U.S. Department of Labor reportedly disagrees with the state agency's statement and plans to resolve the problem.

In the meantime, the laid-off Regency employees are seeking whatever work they can find. "What they do is they go to a big parking lot and wait for a bus to come and take them to the fields. If they're lucky, they can get on a bus," Williams says. "The problem here isn't unemployment, it's chronic underemployment."

— Sarah Anderson

standards, to allowable pesticide residues. Critics of NAFTA pointed out that border inspection measures were insufficient already and would be totally inadequate to handle increased trade with Mexico where a poorly capitalized agricultural and inspections system is unable to meet many U.S. standards.

The United States has already experienced food safety problems coming into the United States from Mexico. Some 83 percent of the bovine tuberculosis cases reported in U.S. cattle in 1992 were traced to feeder cattle imported from Mexico.

Due to export prohibitions on Mexican Holstein feeder cattle, the number of bovine TB cases detected in U.S. herds declined in FY1993. The decrease in bovine TB incidence is, of course, welcome. However, the high incidence of bovine TB in Mexican dairy cattle (one study estimates an incidence of 20 percent compared to the FY1992 U.S. rate of 2 per 100,000 post-mortem inspections) combined with the possibility of bovine-to-human TB transmission through consumption of unpasteurized dairy products continues to pose a public health risk. The risk is particuarly strong for Mexican immigrants who prefer unpasteurized cheese and migrant workers of Mexican origin who go back and forth across the border. Other reasons not to be complacent about bovine TB include inspection and financial problems in U.S. post-mortem surveillance for bovine TB. Furthermore, remaining to be calculated are animal health problems in Mexico that will continue to evolve from the firing of 3,500 to 4,000 federal veterinarians between 1988 and 1993. The veterinarians were fired as part of the IMF/World Bank mandated reduction of public expenditure to "stabilize" the Mexican economy, a pre-condition for Mexico's accession to NAFTA.

Yes, They Have Cheap Tomatoes

One of the U.S. sectors most vulnerable to increased imports of Mexican products is the winter vegetable sector based in Florida, especially winter tomatoes. The U.S. International Trade Commission reported in June, 1994, that it costs nearly four times as much to produce a tomato in Florida as it does in Mexico — $24,000 per acre in Florida versus $6,454 per acre in Mexico. Tomato imports have increased 25 percent since NAFTA took effect, while the prices U.S. producers received for their crop were only half of 1993 prices. Not surprisingly, given the control processors and retailers have on the food system, consumer prices remained the same. As a result of the Mexican competitive advantage, more than 1,000 Florida tomato workers have been laid off (see Box 10, p.27).

Growers have tried to gain Administration support for filing an anti-dumping claim, but their experience should send shivers up the backs of other vulnerable crop producers and encourage law schools to set up a new specialty in NAFTA trade disputes. After the growers had spent $85,000 in legal fees, the U.S. Trade Representative informed them that he could do nothing to help them unless they filed a formal complaint. Since this would have cost an additional $250,000, the growers left their tomatoes to rot in the fields.

Fresh tomatoes are Mexico's second most important export, coffee being the first. Projected growth in tomato production is 20–30 percent over the next decade. Tomato exports epitomize the Mexican government's strategy — to increase exports of products in which they have advantage over U.S. producers. Yet by focusing on tomato and other vegetable exports to the detriment of basic grain production, Mexico has invested its resources in the most affluent and highly concentrated sector of Mexican agriculture and abandoned the majority of its agricultural producers. Of the 100,000 vegetable producers in Mexico, 22,000 export their products. Of these, 50 foreign companies and Mexican families control the exports. Peasants forced out of corn production by export agriculture will find it nearly impossible to enter this more lucrative sector and are receiving neither technical asstance nor financing to do so.

The Border Dairy War: Both Sides Cry Over Spilt Milk

During the NAFTA debate, researchers and producers' organizations made conflicting claims about the impact NAFTA would have on U.S. dairy producers. A University of Wisconsin study projected that NAFTA would boost dairy income by $400 million per year. Dairy farmers' organizations like the Farmer Union Milk Marketing Cooperative and the National Family Farm Coalition, on the other hand, expressed concern about the loss of import protection, the potential for disguised imports of dairy products because of inadequate rules of origin, and health concerns related to the use of bovine growth hormone and a high tuberculosis incidence in the Mexican dairy herd.

Mexican dairy producers were unanimously opposed to NAFTA. Mexican farmers' organizations asked their government to leave dairy products out of the agreement, without success.

By the end of October 1994, U.S. dairy exports to Mexico had decreased by 67 percent by volume over 1992-93 exports, a significant drop. However, despite overall lower dairy imports, Mexican dairy producers, who are among Mexico's most vulnerable sectors, have reacted aggressively to U.S. fresh milk suppliers' increased access to Mexican markets. An armed mob broke into a Price Creameries' warehouse and dumped 5,500 gallons of milk, and in a separate incident, arsonists burned four of Price's trucks, ice cream and all. The El Paso company's milk was price-competitive with Mexican milk, and dated its milk for freshness, which the Mexican dairies do not. Another company, Borden's, alleged that the Mexican government arbitrarily shortened its operating permits from 90 days to 9 days, making it impossible for them to get the milk across the border before the permits expired.

These incidents underscore the degree to which trade policy plays out differently in the halls of academe than it does on the creamery floor. Had NAFTA been carefully negotiated and the concerns of family farmers incorporated into the new policy, Mexican farmers would not have reacted so violently and U.S. farmers might not have lost markets.

Farmworkers

U.S. agriculture is dependent upon large numbers of farmworkers, many of whom have come to the United States from Mexico. Immigration is covered in the next section of this report, but here it is important to underscore the impact changes in Mexican agriculture policy will have, not only on Mexican farmers, but on U.S. farmworkers.

U.S. farmworker advocates were concerned about NAFTA's impact on labor markets. Many of the farmers who will be displaced in Mexico will become farmworkers in the United States, increasing the already glutted supply of U.S. farm labor. This will have the effect of decreasing wage rates as more and more workers compete for fewer jobs.

The Mexican Undersecretary of Agriculture predicted an average annual exit of one million farmers for 10 years from Mexican agriculture. That's 10 million people. A World Bank study predicted that 700,000 will be displaced in nine years, while University of California economists projected that 800,000 farmers would be displaced over the next six years, 600,000 of whom would come to the United States. All of these projections attribute migration to NAFTA and associated Mexican agricultural reforms, especially related to corn and other basic grains. The most conservative estimate still calculates that about one-third again as many migrants will enter the United States each year during the next decade as are currently arriving.

IMMIGRATION

— drawn primarily from "A Just and Sustainable Trade and Development Initiative for the Western Hemisphere," 1994 (see back cover) and the 1994 citizen statement: "Stop Campaigns Against Migrant Workers"

NAFTA supporters proclaimed that the agreement would reduce the flow of workers across the U.S.-Mexico border by shifting much low-wage production from the United States to Mexico. But the promise has not been born out in the first 10 months of the agreement.[36] The free trade model of economic integration accelerated by NAFTA has already displaced thousands of workers in all three countries, forcing them to leave their homes and sometimes even their countries in search of work. These trends are likely to intensify as NAFTA is more fully implemented, particularly as its agricultural provisions take hold.

By increasing cross-border movements of displaced workers, NAFTA exacerbates anxieties and fears that lie behind the growing wave of repressive legislation, the militarization of the border, the creation of detention camps, and the proposal for national identification cards.

Especially worrisome in this new era of trade agreements is the manner in which migration issues were used for political purposes in the fall electoral campaigns. Many candidates that backed NAFTA promoted xenophobic and discriminatory attitudes instead of working for an atmosphere of cooperation, solidarity, and understanding among our nations. These xenophobic campaigns have included:

- the passage of California's Proposition 187, which denies health care, schooling and other public services to migratory workers;
- measures such as "Operation Gatekeeper";
- other repressive actions against migratory workers that do not recognize international accords protecting workers' human rights, including the proposal for national identity cards; and
- the misleading claim that newer immigrants to the United States pose more of an economic burden on the country than their economic contribution. Data from the Urban Institute indicates that in 1992, documented and undocumented immigrants that entered the United States after 1970 contributed $70.3 billion in taxes and used only $42.9 billion in services.[36]

These campaigns violate both the dignity and human rights of people. Any lasting solution to the migration problem from an economic and labor vision must recognize the asymmetries among our countries. Said recognition should consider the creation of compensatory funds for sustainable development which, if administered democratically with broad social participation, can contribute to the generation social and productive infrastructures that promote jobs and well-being in our communities.