

NAFTA's Grim Harvest

Free Trade and Sustainable Agriculture

by Mark Ritchie

THE U.S.-CANADA-MEXICO FREE TRADE AGREEMENT threatens to be a disaster for sustainable agriculture, harming the well-being of farmers, consumers and the environment in all three countries. On the one hand, the agreement encourages both increased corporate concentration in the food processing sector and the further expansion of large-scale "factory farms" in all three countries. On the other hand, the North American Free Trade Agreement (NAFTA) would restrict local, state and national governments' ability to regulate the flow of goods across their borders, making it difficult for sustainable farmers to compete in the continental market and impossible for consumer safety to be adequately protected.

Threat to farm families

NAFTA would give multinational grain companies based in the United States unlimited access for their exports of corn and other grains to Mexico. At present, almost three million Mexican peasants sell corn at price levels set high enough by their government to secure farmers sufficient cash income to survive. This system requires the Mexican government to strictly regulate imports so that this price level is not undermined by subsidized corn imports.

Economists in both Mexico and the United States predict that if the grain companies succeed in using NAFTA to open the Mexican corn market, the price paid to Mexican peasants for corn will fall dramatically, forcing one million or more families off their land. Most of these families are expected to migrate to the United States in search of either farmworker jobs in the countryside or



A woman cuts stems off freshly harvested garlic in a field near Ixmiquilpan, Mexico.

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service sector work in the major cities. Others will head to Mexico's urban areas, such as Mexico City and Guadalajara, increasing social, economic and environmental pressure on these already vastly overpopulated areas.

Abolition of import restrictions will have additional effects channeled through the U.S. market, since the U.S. government has long used import regulations to sustain a domestic agricultural sector. For example, the Meat Import Act of 1979 established strict controls on the level of beef imports allowed into the United States. But fast-food hamburger retailers have pushed to ensure that NAFTA will abolish or weaken these controls, allowing them to import more hamburger meat.

Beef can be produced most cheaply in North America on cleared rainforest land in southern Mexico; a sharp increase in U.S. beef imports from this region would accelerate rainforest destruction. Another worry is that Mexico would ship domestically produced beef to the United States and substitute beef grown on destroyed rainforest regions in Central and South America for Mexican consumption — a practice that has already begun.

Unlimited beef imports would also lower the income of family-sized cattle producers in the United States, since these producers would have to sell at prices low enough to compete with rainforest beef. If NAFTA is accepted as currently proposed, an increasing share of the U.S. beef supply would be imported and small U.S. cattle farmers would be forced out of business. With more beef coming from overseas, there would also be a smaller market for U.S.-grown hay, corn and other feedstuffs, devastating those farmers who produce these grains for U.S. cattle.

Unregulated beef exports into the United States would also result in serious environmental problems in the United States. Currently, many U.S. beef cattle graze on the hillsides and meadows of the upper Midwest. The northern region of the state of Minnesota, with the exception of the Red River Valley, for example, generally has poor soil conditions. The region is hilly with thin topsoil, and the land is quite fragile. The only agriculture production suited for this land — and indeed needed to maintain this land — is livestock grazing. If beef imports from the Mexican rainforest are permitted, they will drive down U.S. beef prices and put Minnesota's diversified, small, family beef operations out of business. These farmers would most likely plant their fragile land with row crops, soybeans or corn, in hopes of earning enough income to at least pay taxes and expenses. It would only take one or two growing seasons before these crops would cause the topsoil to wash away at a non-sustainable rate, ultimately destroying the productivity of the land.

Exploiting low wages

U.S. food and agricultural producers currently operate under substantial regulations concerning chemical use and worker rights. They also pay higher taxes than producers in Mexico. NAFTA poses serious threats to



Green Giant was ordered in March by the U.S. customs service to change its misleading "American Mixtures" packaging. The vegetables actually come from Mexico.

U.S. farmworkers and farming communities by making them compete with Mexican production costs, and to Mexican agricultural laborers who will suffer from low wages and exposure to intensified chemical farming methods.

Edward Angstead, president of the Growers and Shippers Association of Central California, says that total production costs for frozen broccoli in Mexico are less than pre-harvest costs in California. The difference comes primarily from the cost of labor. Angstead estimates the cost of farm labor in Mexico at \$3 per day, compared with \$5 to \$15 per hour in California. U.S. producers are well aware of the short-term economic advantages of Mexico's low wages and lack of workplace safety regulation, along with weaker environmental laws. Pillsbury Company's Green Giant division, for example, moved a frozen-food packing factory from Watsonville, California to Mexico in anticipation of the adoption of NAFTA, with the idea of importing products back into the United States without tariffs and with few food safety controls.

For the community of Watsonville, the loss of the Green Giant factory means that the farmers in the area who grew crops for the plant lost their market, farmworkers who picked those crops lost their jobs and the workers in the cannery were put out of work.

The U.S. meatpacking industry, already hit by plummeting wages, is experiencing similar problems. Beef and pork slaughterers are moving to Mexico to take advantage of lower wages, weaker occupational health regulations and weaker environmental standards. Cargill Corporation, for example, has already relocated part of its meatpacking operations to Mexico in anticipation of NAFTA. Over time, cattle and hog production will move closer to these meatpacking facilities, since livestock cannot be shipped over long distances without serious loss. Again, workers, their communities and the environment will suffer.

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A man and his 12- and 13-year-old sons hoe a cauliflower field near Ixmiquilpan, Mexico.

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A similar shift is taking place in the textile and apparel industry, with factories closing and moving to Mexico, reducing markets for U.S.-produced cotton. The closing of textile mills has secondary impacts on rural populations, too, as the mills are often a source of off-farm employment for many farm families, providing additional income to supplement low farm prices. Their loss will further harm rural communities.

Reducing consumer confidence

Increased food trade between the United States, Mexico and Canada will likely have a negative impact on consumer confidence in the safety and quality of food. Food processors will need to genetically alter, over-process and over-package their products for them to survive long trips and periods of storage, meaning that quality, taste and nutritional value will diminish.

In the absence of uniform food-safety laws or country-of-origin labeling regulations, consumers cannot be sure about their food. Efforts to “harmonize” — or make uniform — such regulations will likely involve underhanded corporate attempts to weaken them, as has been the case in the General Agreement on Tariffs and Trade negotiations [See “Food Fight: How GATT Undermines Food Safety Regulations,” *Multinational Monitor*, November 1990].

For example, some Mexican milk now comes from cows treated with Bovine Growth Hormone (BGH), a milk-production drug currently banned in the United States in response to consumer and dairy farmer demands. Consumers have expressed grave concerns about

this product’s potential human health effects, especially when they found out that experimental milk from BGH test herds in the United States was being mixed with commercial milk. Over a dozen surveys have shown that consumers will buy less milk and fewer dairy products if the products might contain BGH, according to the National Dairy Promotion and Research Board. U.S. dairy farmers face the potential loss of markets and lower prices if Mexican milk containing BGH is allowed into the country.

Unrestricted trade will also impact negatively on U.S. winter fruit and vegetable production, with a resulting effect on U.S. food safety standards. If farmers in Florida, Texas and California are to take the enormous risks inherent in wintertime crop production, they must be confident of steady markets, profitable enough in good years to cover the occasional crop failures due to weather, crop disease and pests. Unlimited imports would make markets and profits unpredictable, creating unacceptably high risks for farmers.

Eventually, domestic winter fruit and vegetable production in the United States could disappear, with the consequent dependence on imported fruits and vegetables threatening U.S. food safety and security.

These risks are intensified by the lack of enforcement of food standards in the United States — the U.S. Food and Drug Administration inspects only 2 percent of food coming across the border from Mexico. Violators of food safety regulations are therefore free to act with relative impunity in importing food that does not meet U.S. standards.

Another disturbing implication of free trade between the United States and Mexico is the double blow it will deliver to organic farmers on both sides of the border. First, the general lowering of prices on commercially grown fruits and vegetables will make it hard to charge the prices needed to cover organic growers' additional costs.

Second, expansion of fruit and vegetable production in Mexico will increase the overall use of chemicals, further disrupting and interfering with natural pest-control patterns. Organic farmers cannot apply pesticides to control pests driven to their fields by their neighbors' spray.

And since they are dependent on natural predators for their own biological pest management, any increase in chemical spraying on neighboring farms will impact negatively on their efforts to use biological pest management.

Draining resources

The agreement will also have serious environmental implications outside of its effect on sustainable agriculture. For example, three NAFTA-induced changes in the continental agricultural market will lead to increased petroleum use, thereby intensifying global warming and other oil-related environmental problems.

First, producers and shippers will transport food products over longer distances — even though the average U.S. chicken already travels 2,000 miles before it is consumed, requiring enormous amounts of fuel and contributing to global climate change. Second, processing and packaging foods for long-distance shipping and long-term storage requires more energy and the use of sometimes hazardous chemicals. Third, farmers will be forced to intensify their production methods to boost yields in response to lower prices, leading to increased petrochemical fertilizer and pesticide use and increased use of petroleum-fueled machinery.

The U.S., Mexican and Canadian governments have begun laying plans for accommodating the sharp increase in truck and rail shipping to be spurred by NAFTA. Some of these plans could significantly raise the costs of farming. At a meeting of transportation ministers from all three countries, for example, then-U.S. Secretary of Transportation Samuel Skinner praised Mexico's recent moves to encourage private ownership of formerly public roads. Calling tollroads "the way of the future," Skinner predicted that they would become more common in the United States, too, substantially raising farmers' costs for transporting food products.

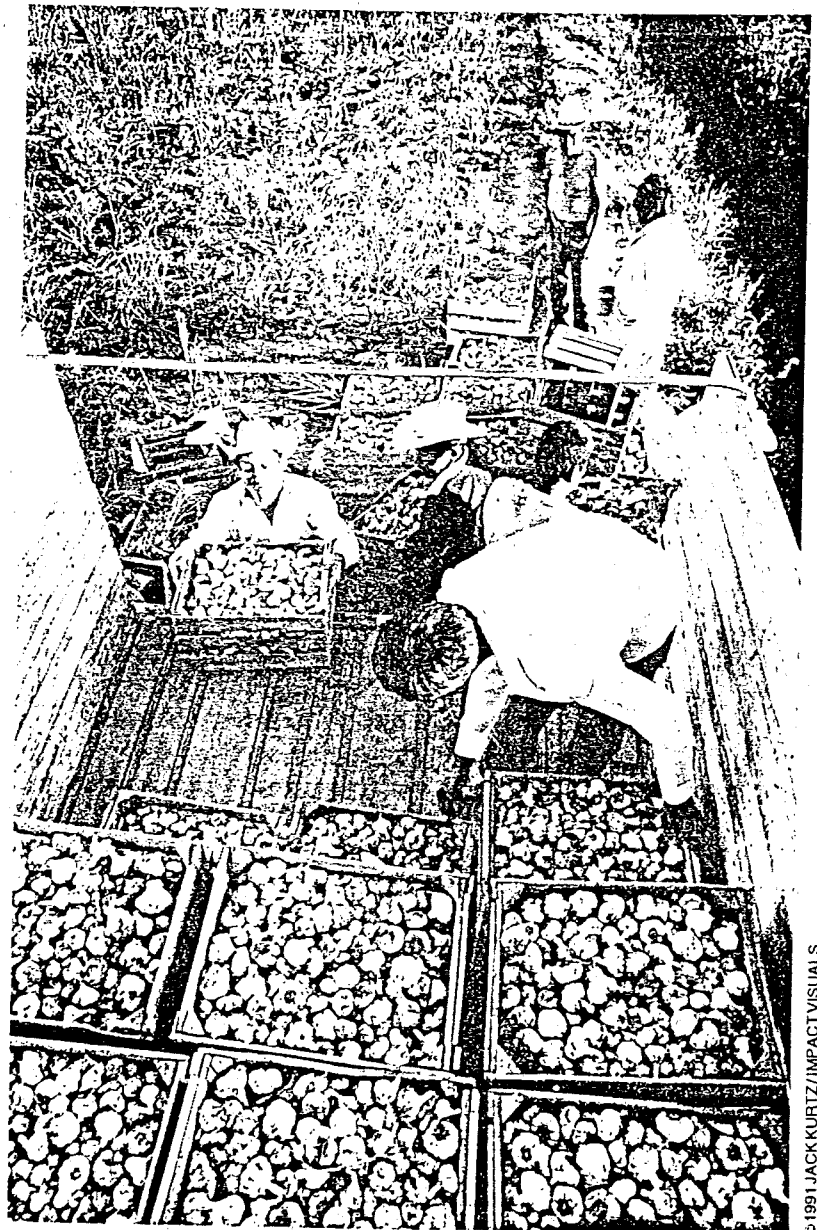
Another concern is the impact the expanded North American Free Trade Agreement poses to biological resource conservation and genetic diversity. Modern agricultural production depends on the continued evolution of crop varieties that not only yield high output but also resist diseases, pests and drought. NAFTA — with its emphasis on increased production — may threaten the survival of diverse genetic resource pools, leaving society

without the genetic raw materials needed to protect food security.

Dividing citizens

Allowing imported products to escape domestic standards can create antagonism and division between farmers and consumers in the United States. If U.S. farmers are prohibited from using pesticides like DDT or Alar, while imports with residues of these chemicals are allowed, the farmers' competitiveness, and thus survival, will be threatened, forcing them to support a weakening of domestic standards. At a time when serious cooperation is needed to solve major environmental problems, the North American Free Trade Agreement appears likely to create new and unnecessary conflict between farmers, environmentalists and consumers. ■

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Loading garlic in a field near Ixmiquilpan, Mexico.

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