

**STATEMENT**  
**Alejandro Ramirez Gonzalez**  
**Confederation of Mexican Hog Farmers**  
**(Confederacion de Porcicultores Mexicanos)**

NAFTA has had severe effects on the agricultural and livestock sectors in Mexico. Far from providing benefits for farmers, we've been trampled on by imports to degrees that threaten the sovereignty of our country. As an example, between 2007 and 2008, pork imports from the US to Mexico increased by approximately 40%. In turn, imported pork now represents approximately 50% of domestic pork consumption in Mexico.

Due to the fact that current agricultural policy does *not* promote fair competition, there has been the development of a one-way trade flow in pork products (NORTH TO SOUTH). The elimination of tariffs has forced us to abandon the idea that we can participate in the exportation of our goods out of Mexico within the trade framework, while at the same time, imports, into Mexico have benefited from the lack of verification and quality control mechanisms in our country. In other words, trade-related government policies are not mirrored or equal across the border.

We believe that there are possibilities to resolve our conflicts within the NAFTA framework; however, we confront a situation lacking the necessary commitment from our governments to apply these regulations, above all in Mexico. When confronted with eventualities such as Country of Origin Labeling (COOL), stimulus programs such as "Buy American", monopolistic practices and trade policies, we face the reality that the Mexican government has not responded positively with initiatives to implement similar measures in our country.

Finally, in this meeting, we have discovered that livestock producers in all three countries are confronting common problems, for which we can find common solutions. Through cooperation among producers, we can push for similar reactions from our governments and force them to act accordingly.

**Statement from Canada's National Farmers Union**

Canadian cattle farmers and Canada's National Farmers Union have come to Billings, Montana to help build a three-nation mobilization to change the way the business is done in the livestock and meat markets. Farmers and the NFU have also come to help to build fair and sustainable alternatives to the corporate-controlled, export focused system that is destroying family farms and communities across North America."

The NFU believes that that best way to advance cattle farmers' interests is through collaboration with US and Mexican farmers and organizations. The areas of common concern and common struggle include the following:

1. Working toward legislation that bans meat packer ownership and control of cattle—so-called "captive supply." Large packers use captive supplies to push down prices to independent livestock producers.

2. Pushing back against the imbalance of power within the food system: challenging corporate concentration; building sustainable, democratic, local food systems; and focusing on food safety, security, and sovereignty as alternatives to far-flung, corporate-controlled systems.
3. Critiquing and reforming export-oriented agriculture policies—showing policy-makers and farmers that trade-focused agriculture and food policies hurt farmers in both the exporting and receiving nations.
4. Working locally, nationally, and tri-nationally toward a renegotiation or elimination of trade agreements (NAFTA and WTO) and toward the creation of a fair-trade system that fosters family farm prosperity and local and regional food systems rather than eroding both, as is now the case.

Farmers from Mexico; the US, and Canada are united. And farmers in all three nations are united with non-farm families who purchase food. All are united in calling for structural changes to current agricultural policies within the three nations with the common objective of improving food safety, farm incomes, environmental protections, and access to food across of the North American continent.

The National Farmers Union is broadening and accelerating its work toward reforming cattle, meat, and food markets. Forming a tri-national coalition to pursue common objectives and speak to governments with a common voice is a critical step toward success for all North Americans—farmers and non-farmers, rural and urban, Canadian, Mexican, and American.

For more information, contact Neil Peacock, National Board Member, National Farmers Union. (780) 595-2962.

### **Statement**

**Patty Lovera, Assistant Director, Food & Water Watch**

Food & Water Watch is a nonprofit consumer advocacy organization and we are happy to be here today with farmers and ranchers from Mexico, Canada, and the United States to talk about how to work together to stop the negative impacts caused by bad trade policies.

Consumers care about workers, farmers, and the environment — all of which are damaged by trade policy that puts corporate controlled trade as its top priority. But consumers are also directly impacted when trade policy means that they are exposed to unsafe food or lose the ability to know what they are eating, where it is from, or how it was produced.

The growing number of food safety scares, from both domestic and imported food, has made it very clear that regulators are not doing enough to protect consumers. And the rising volume of imported food in all three of our countries makes it even harder for citizens to hold officials accountable for establishing and enforcing food safety rules. Consumers have no way to influence the governments of other countries on what they do to regulate food safety, but have to live with the consequences of what these governments do.

And despite many promises that expanded trade would benefit consumers, these benefits have not materialized. Even as the prices livestock producers receive have gone steadily

down, retail food prices rarely do. So while the producer's share of the retail food dollar continues to shrink, consumers are not spending less at the meat and dairy case.

The tremendous interest in local food shows that consumers are looking for something different and that food that comes from closer to home fits the bill. The advantages of decentralizing our food production are many: local farmers can stay in business, we use less fuel to ship food, and consumers know more about where and how food was produced. But our ability to recreate these local food systems and to ensure that consumers in every country have access to safe food is being undermined by bad trade policy. Our current trade policy lets agribusiness pit producer against producer in a race to the bottom on price that few will survive. And it exposes reasonable regulations on food safety and food labeling to constant attack by corporations.

It is time to take a time out on free trade and rework trade policy to ensure that consumers everywhere are protected by strong food safety and labeling standards. These rules must be off limits to any efforts to weaken them for the convenience of agribusiness. And there must be room in our trade policy for antitrust measures so we can restore competitive markets for producers and prevent a handful of corporations from calling all of the shots about how our food system works.

**Statement**  
**Gilles Stockton**  
**Western Organization of Resource Councils**

Two-thousand-and three, when BSE (Bovine Spongiform Encephalopathy) in Canada triggered a ban on cattle imports was an eye-opener for U.S. cattlemen. It was predicted that U.S. cattle prices would increase by 5% or 6%. Instead cattle prices jumped 27%.

How could this be because Canadian imports were only 3% of the supply?

With reflection, we learned that prices improved by 27% because the ban on Canadian cattle disrupted the beef packers captive supply mechanism. Suddenly packers could not draw on Canadian cattle to manipulate prices and temporarily lost control of the market.

Since NAFTA was introduced in 1994, cattle producers had been receiving 6% lower prices because of the increased supply imported from Canada, but 21% lower prices because packers strategically manipulated the cattle market

When I say cattle producers lost 27% in potential revenues I mean Mexican, Canadian, and U.S. cattlemen. We all lost.

It is time that we do something about this. Intolerable is too mild a word to describe my feelings of outrage.

From 1994 to 2003 Montana cattle producers received 27% lower prices. This is money that was taken out of my home town, Grass Range, and out of the economy of Billings, the state of Montana and our whole region.

For a short time we have had better cattle prices at the expense of Canadian ranchers but now the Canadian captive supply cattle are again in the pipeline and cattle prices are headed down. And this comes at a time when the monopoly power of the Beef Packers is growing.

The giant Brazilian firm JBS is rapidly buying up U.S. packing firms, a move that will

increase monopoly concentration to over 90%.

What can we do?

NAFTA must be renegotiated, and the beef packing cartel must be reined in. President Obama has promised to renegotiate NAFTA. We must hold him to his word.

In our discussions with agricultural representatives from Mexico and Canada, it is clear that NAFTA is not working for Mexican and Canadian farmers, and it is certainly not working for U.S. farmers and ranchers. We also learned that it is not working for consumers.

So who exactly is NAFTA working for?

President Obama. Renegotiate NAFTA NOW!

President Obama. JBS must not be allowed to buy more U.S. packers. Stop the mergers NOW

President Obama, you promised to issue a ban on packer ownership of livestock. Cattle producers have worked with academics, legal experts, and leaders in Congress ON rules to require packers to actually bid for fat cattle. Imagine that Packers actually bidding for supply in a free and fair auction.

President Obama, you promised and we are ready and willing to work with you.

#### **Statement**

#### **VICTOR QUINTANA**

*Peasants' Democratic Front of Chihuahua  
(Frente Democrático Campesino de Chihuahua)*

Hundreds of thousands of Mexican dairy farmers will be driven into bankruptcy if Mexico's federal government does not change current agricultural and food policies.

Although Mexican dairy farmers can only meet two-thirds of the demand for domestic consumption in Mexico, they are facing a looming crisis due to the importation of powdered milk from the US, Argentina, Uruguay and New Zealand.

Imported milk is sold at 3.05 pesos per liter, whereas the average cost of production for Mexican dairy farmers is 5.20 pesos per liter. Therefore, the highly concentrated commercial dairy industry prefers to purchase imported milk over domestic production, excluding local farmers from the marketplace.

The sole refuge for small and medium-sized Mexican dairy farmers is to sell their milk to the Mexican government's social milk program for low income families, called LICONSA, which purchases powdered milk at the rate of 4.20 pesos per liter (producing a net loss of 1 peso per liter for Mexican dairy farmers).

If Mexico's government continues to import powdered milk (where Mexico is the world leader in powdered milk imports), 200,000 out of 600,000, or 1/3<sup>rd</sup> of Mexican dairy farmers will be forced out of their livelihoods.







