



Institute for Agriculture and Trade Policy

Lessons from NAFTA: Building a New Fair Trade Agenda

October 22-23, 2007, Minneapolis, MN - USA

Preliminary Conference Report by Alexandra Spieldoch, Institute for Agriculture and Trade Policy

Conference Co-Sponsors:

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IATP offers a special thanks for the Ford Foundation, the Solidago Foundation, ActionAid International USA, the Heinrich Boell Foundation, Oxfam America, Unitarian Universalist Veatch Program at Shelter Rock, the Raices Project and Our World is Not for Sale for their support of this conference.

"Lessons from NAFTA: Building a New Fair Trade Agenda" was held in Minneapolis, Minnesota on October 22 and 23rd, 2007. The conference, attended by over 250 people, included representatives from the media; the Minnesota state government; the Mexican and Canadian embassies; representatives from the Canadian, Mexican and U.S. parliament; and a wide variety civil society groups.

Participants and keynote speaker John Nichols of *the Nation* identified trade as a critical issue to be debated by candidates in the lead up to the U.S. elections in 2008, and the need to address what is structurally flawed in trade and investment agreements today as a first step toward achieving an alternative agenda in support of people and the environment, using agriculture as a lens. What follows is a summary of some of the important discussions that took place, organized by topic. A more detailed report of the conference will be available in early 2008 at: www.tradeobservatory.org.

Food and Agriculture

Since NAFTA, the agricultural landscape in all three countries has changed drastically. Victor Suarez from the Asociacion Nacional de Empresas Commercializadores de Productores del Campo (ANEC) reported that over 1.7 million farmers in Mexico have been forced to leave the land due to national reforms in support of free trade. Darrin Qualman from the National Farmers Union reported that Canada has experienced the largest farm income crisis in its national history since the beginning of NAFTA. Kathy Ozer from the National Family Farm Coalition spoke about how U.S. farms have folded over the last 13 years as fair prices for farmers have been undercut and rural extension programs have been greatly reduced. Anuradha Mittal from the Oakland Institute stressed how poor farmers and workers in the U.S. and Mexico are also struggling with hunger and unemployment. Although exports as well as farmer yields have increased since NAFTA, the number of farmers has decreased in all three countries. In essence, the supposed gains for workers and farmers have not panned out. Meanwhile corporate concentration in agriculture has redefined agriculture in all three countries. NAFTA has created new trade for the agribusiness groups that has resulted in increased market power and lesser controls on food safety and consumer prices.

Immigration

Immigration was a central topic of the conference because of its link to trade and agriculture. David Bacon, author of *Children of NAFTA*, reminded conference participants that NAFTA proponents (including then Mexican President Vicente Fox and U.S. President Bill Clinton) had promised that NAFTA would reduce migration. Instead, the opposite has occurred. And according to Oscar Perez Veyna from the International Network on Migration and Development, a principal motivation for Mexican migration is that more than 60 percent of Mexican employment is now in the informal sector, with no job security, health insurance or other benefits. Mexico's national productive capacity, both in manufacturing and in agriculture, has been dismantled under NAFTA. Inflation adjusted prices for basic foods, increasingly import dependent, grew by 257 percent between 1994 and 2002, with more than 50 percent of the rural population being food insecure. Whereas previous migration was circular, with migrants returning to Mexico after a certain period of time, post-NAFTA migration is permanent. Remittances from trade-related migration are helping the Mexican economy today: \$23 billion from sent from Mexicans in the U.S. to their families in Mexico (2006).

Part of the immigration discussion concerned increased militarization of the border. Colin Rajah from the National Network of Immigrant Rights reported that there have been 4,000 dead bodies found along the border since 1994, and it is estimated that for every body found, there are 10 bodies never found. For those migrants able to get to the U.S., many end up in the agricultural sector as underpaid, unprotected farm and meat plant workers. More often, they are vulnerable and scared, speak little English and are being treated as criminals by some of the U.S. population, constantly in fear of deportation without legal representation. Amalia Anderson, of the Main Street Project, reported how families are being split by immigration raids in at meatpacking plants, leaving many minors without parental guidance and support. Mily Trevino from Lideres Campesinas, an organization of farm worker women and girls that work in the fields, canneries, and nurseries in California, talked about how women are being raped crossing the border and sexually assaulted in the fields.

In light of the fact that 46 percent of Mexican migrants in the U.S. were former corn and bean farmers as of 2005, one can expect that the removal of corn and bean tariffs on January 1, 2008 will spark a new wave of migration and an expanded set of problems.

Biofuels

Biofuels was a heated topic of the conference. In spite of the fact that it is not part of a particular NAFTA provision, its current direction has implications tri-nationally, regionally as well as globally. Peter Riggs from the Forum on Trade and Democracy reported that the five largest companies control 30 percent of the biofuels. Among these five are the two agribusiness giants Cargill and Archer Daniels Midland (ADM) and these corporate investments are a driving force in global production. Daniel de la Torre from the University of Tennessee Agricultural Policy Analysis Center stated that developing countries have limited opportunities in reaping benefits from biofuel production, but could still explore some opportunities without necessarily suffering crisis. In order to do this, developing countries would need more investment in local agriculture as a whole and would also need to demand a share in ownership in biofuels. Alejandro Villamar from the Mexican Action Network on Free Trade (RMALC) offered a critical reflection on the expansion of biofuels in Mexico, and its potential negative impact on food security. David Morris from the Institute of Local Self Reliance reminded the audience that the only way to achieve a positive biofuels agenda is if local ownership, appropriate scale, and reasonable distances for supply chains are secured. This panel discussion went on 45 minutes past the proposed end time because of the shared concern for the environment and human rights and potential solutions to energy that are linked with agriculture.

Environment

Manuel Perez Rocha from the Mexican Action Network on Free Trade (RMALC) and the Institute for Policy Studies (IPS) reported that when NAFTA was being negotiated, it was promoted as a treaty that would give Mexico increased resources to clean up its environment, strengthen established norms, and improve infrastructure. It was also promised that increased wealth in Mexico would lead to a decrease in environmental degradation. Unfortunately, there was no mechanism within NAFTA to address social and environmental concerns. And, while the NAFTA side agreements on labor and the environment were created, they were never enforced. Tim Wise from the Global Development and Environment Institute (GDAE) at Tufts University

talked about how Mexican corn has been devastated by U.S. dumping (exporting at a cost below production). Among other impacts, seed collection and cultivation knowledge is being lost, potentially leading to the extinction of Mexican corn. To date, at least 12 species of corn have already been lost. The introduction of genetically modified corn has led to a loss of biodiversity and corn mono-cropping has led to increased chemical use and unsustainable water use. On this last topic, Tony Clarke from the Polaris Institute spoke about how NAFTA has defined water as both a good and a service. Although to date there has been no major trading of water, the groundwork has been laid and more is expected as the U.S. and Mexico face increased water shortages. Mr. Clarke proposed the need for tri-national consultations on water to govern the transfer of water among the three NAFTA countries. Steven Shrybman from the Council of Canadians and IATP's board spoke at length about the detrimental effects of investor to state provisions and how NAFTA gave corporations the unprecedented and shocking right to sue governments for lost revenue – even when governments seek to protect their environment from toxic substances and long-term damage. In this light, he called to remove the investment provisions currently in the NAFTA treaty and to give precedence to internationally agreed upon environmental norms, such as the Kyoto Treaty.

Security and Prosperity Partnership

One last topic that was highlighted during the conference was the Security and Prosperity Partnership (SPP). The SPP is an expansion of NAFTA and is being secretly negotiated among the three presidents of Canada, the U.S. and Mexico. The main elements of the SPP are related to enhanced security in the North America region, further deregulation to strengthen competitiveness, including more cuts in trade tariffs, increased regulatory harmonization in the area of food safety (most likely in the downward direction if it is using U.S. regulations as a starting point), and new infrastructure projects such as new projects to extract oil and energy from Canada and Mexico. The SPP's agenda is partly defined by an ad-hoc North American Competitiveness Council (NACC), which includes big business groups from all three countries and excludes other non-governmental groups. Because SPP is being negotiated in secret and poses a great threat to national sovereignty, we must put it on the radar of policymakers moving into 2008, particularly as President Bush, Harper and Calderon are scheduled to meet in the U.S. During this panel, Maude Barlow from the Council of Canadians and Rusa Jeremic from Common Frontiers spoke about how groups are organizing in Canada with a call to U.S. groups to engage in learning more about what the U.S. government's SPP agenda. Laura Carlsen from the Center for International Policy - Americas Program, based out of Mexico City, warned that SPP is a project to reorganize territory with the fewest roadblocks to optimize the use of capital.

Moving Toward an Alternative Agenda

After two days of looking at the U.S. trade agenda in relation to food, agriculture, the environment, energy, and human rights, participants agreed that talking about NAFTA is important. It is the blueprint for U.S. trade and is the basis for all other trade and investment initiatives that the U.S. is engaged in.

The U.S. public has lived NAFTA and can now talk about it. So has the public in Mexico and Canada. Today we have an opportunity to be sharing our experiences with one another and identifying what has worked and what is simply broken down. Secretary of State, Mark Ritchie,

reminded us that while much was wrong with NAFTA, one of the outcomes was that it brought people together. The friendships and solidarity that have formed have been invaluable.

As the American public grapples with what kind of trade agenda should be promoted for this country and abroad, we must promote alternative policies to NAFTA. We must regulate investment in a way that allows for national policy space to develop domestic, local, and viable production. We must also block existing free trade agreements that will hurt our food and agriculture, our farmers, our farm workers, our consumers and our communities. Trade and investment can contribute to development, human rights and respect for one another if we claim the political space to make it so.