

Oral testimony by Juliette Majot, Executive Director, Institute for Agriculture and Trade Policy, on the proposed renegotiation of the North American Free Trade Agreement. Presented to the Office of the United States Trade Representative, Washington D.C., June 27, 2017.

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Good afternoon.

My name is Juliette Majot. I am the executive director of the Institute for Agriculture and Trade Policy (IATP is a non-profit organization based in Minneapolis, Minnesota with offices in Washington, DC and Berlin, Germany that works locally and globally to ensure fair and sustainable food, farm and trade systems.

IATP analysis of nearly a quarter century of NAFTA finds that its provisions have contributed to the economic and social erosion of U.S. rural communities as well as devastating farmers in trading partner nations who cannot compete with U.S. crops, meat and dairy exports priced below the cost of production (aka, dumping). Over-supply requiring ever-expanding export markets has locked in a pattern of low farmgate prices in the U.S., at once pushing U.S. farmers off the land, while making it impossible for Mexican farmers to compete in a variety of markets in which U.S. commodities are dumped. In 2015 (the most recent year for which we have adequate data), wheat, soy and corn were all dumped at significant prices below the cost of production; wheat at 32%; soy, 10%; and corn 12%. In the first few years of NAFTA, Mexican imports of U.S corn quadrupled, and according to Tim Wise, then at Tufts University, undermining Mexican domestic markets to such an extent that nearly 2 million Mexican farmers were displaced. And who is benefitting? Not U.S. farmers. Right now farm income in the U.S is lower than it has been in years, a full 50% down from 2013.

With three decades of research and analysis of agriculture and trade systems, and particularly in light of robust documentation and data spanning 23 years of NAFTA, IATP holds that an entirely new agreement is necessary, and further, that objectives related to agriculture must include the rebuilding of farm and food systems in all signatory countries, with provisions designed to support sustainable practices and livelihoods, diverse rural economies and secure food supplies. A new agreement should:

First, Restore local and national sovereignty over farm and food policy. Among priorities

- 1. Bring trade agreements out of secrecy and into the light through transparent democratic public processes, including field hearings to draw the experience and knowledge of farmers and food system workers; and guarantee full transparency, including publication of negotiating texts, reports and supporting documents.**

2. **Get rid of all Investor-State Dispute Settlement (ISDS) Provisions:** ISDS is unnecessary and it undermines our democratic system of government. It is unnecessary because Canada, Mexico and the U.S. each have well-developed legal and judicial systems that are fully capable of addressing investor legal disputes related to the application of a country's domestic law, which is the focus of ISDS challenges. It is undemocratic because it allows private investors to sidestep the courts to directly challenge sovereign nations in private tribunals.

Second, a new agreement should reject proposals from the failed Trans Pacific Partnership (TPP) that would undermine fair and sustainable agriculture in all three countries and reject the suggestion made by Commerce Secretary Wilbur Ross that the TPP be the starting point, the “low hanging fruit” for the renegotiation of NAFTA. Instead, a new agreement should

1. **Protect farmers' ability to save and share seeds.** The TPP would have required countries to ratify an international treaty protecting plant breeders and preventing farmers from saving and exchanging protected seeds.
2. **Support food safety , environmental integrity and public health. TPP set out to do the opposite, expediting rules for agricultural biotechnology products in ways that bypass national efforts to assess their safety, effectiveness and impacts on workers, rural communities and ecosystems.** For example, a TPP provision on “Trade in Products of Modern Agricultural Biotechnology,” would include not only food and agricultural products derived from 20th century genetic engineering traits, but products derived from far more powerful and unregulated 21st century GE techniques, such as CRISPR. A new agreement must not allow trade in food and agricultural products derived from novel and unregulated technologies.

Finally, a new agreement must support local efforts to address climate change. Each country, state and local government should retain their sovereignty to enact and implement policies designed to reach their commitments under the Paris Climate Agreement.

We call on you to set aside, entirely, the failed NAFTA model and create something new. An agreement for North America; forged through democratic negotiating processes and guided by trade objectives including sustainable practices and fair prices for farmers; fair wages and safe working conditions for farm and food systems workers, and food security in ALL signatory nations.

Sincerely,

Juliette Majot
Executive Director
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