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PRESS RELEASE

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International Groups Release Critical Analysis of CAFTA

Problems for Agriculture, Investment, Environment, Labor

An analysis of the U.S.-Central America Free Trade of the Americas (CAFTA) trade agreement, released today by the Bloque Popular Centroamericano and the Alliance for Responsible Trade, warns that the deal would throw into chaos everything from agriculture to pharmaceutical drug prices.

The report, *Why We Say No to CAFTA: Analysis of the Official Text*, is authored by farm, consumer, labor and environmental organizations in the U.S. and Central America. CAFTA is currently under-going the ratification process in the U.S. and among its Central American signatories.

"CAFTA is not good news for farmers either in the U.S. or in Central America," said Dennis Olson, of the Institute for Agriculture and Trade Policy, and author of a chapter in the report on agriculture. "CAFTA clears the way for expanded predatory dumping of agricultural products at below their cost of production from one country to another as a means to keep prices paid to farmers in all countries as low as possible."

The agreement also discriminates against certified "fair trade" products - which have been labeled as produced in an environmentally-sustainable manner while paying producers a fair price. "To our knowledge, this is the first regional trade agreement to discriminate explicitly against a class of traders, and would allow agribusiness cartels to use CAFTA as a tool to quash competition from fair trade food products."

CAFTA also has provisions that strip farmers of their traditional right to save seeds from year to year, and strengthens the rights of biotech companies to sue farmers for patent violations.

In other sections of the report:

- Oxfam International's Carlos Galian warns that CAFTA will be the "nail in the coffin for traditional agriculture in Central America."
- Angel Maria Ibarra Turcios from the Salvadoran Sinti Techan network states that, while governments have hailed CAFTA's environmental chapter as a huge achievement, a simple reading of the text and its relationship to other chapters reveals its essentially cosmetic nature. One Salvadoran activist commented that, "They have added a bit of green sweetener to a truly toxic stew."
- Costa Rican analysts Ariane Grau and Omar Salazar (ASEPROLA) explain why CAFTA's labor chapter is little more than an agreement of good intentions. It does nothing to ensure enforcement of internationally recognized labor rights.

- Elizabeth Drake (AFL-CIO) describes how CAFTA's procurement rules would remove local and national governments' ability to condition public contracts on social goals, such as requiring contractors to pay a living wage or contribute to local development. Even worse, state governors are signing away their right to these conditions without any kind of public consultation.
- Raul Moreno from the Salvadoran Centro para la Defensa del Consumidor and the Sinti Techan network explains how CAFTA's investment chapter would prohibit Central American governments from setting rules to ensure that foreign investment serves local development goals. It would also bind them to provisions like NAFTA's controversial investor-state clause, giving foreign investors the right to sue governments over public interest laws that might undermine their potential profits.
- Mario Devandas from the Costa Rican Pensamiento Propio describes how CAFTA's patent rules would make it harder for to produce cheaper generic copies of essential medicines. Generic producers would be denied access to trial data on the drug's safety and efficacy for five years.

Why We Say No to CAFTA: Analysis of the Official Text is available at: tradeobservatory.org

The Alliance for Responsible Trade (ART), formed in 1991 at the beginning of the NAFTA debate, is a national network of labor, family-farm, religious, women's, environmental, development and research organizations that promotes equitable and sustainable trade and development. For more information about ART, go to: www.art-us.org

The Institute for Agriculture and Trade Policy promotes resilient family farms, rural communities and ecosystems around the world through research and education, science and technology, and advocacy.

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