Agriculture by Suzanne Rose

New USDA report lauds NAFTA

According to USDA logic, starvation is good for you because it will help you lose weight.

In April, the U.S. Department of Agriculture released a congressionally-mandated report on its evaluation of the expected impact in the United States of the proposed Free Trade Agreement with Mexico. Entitled "Agriculture in a North American Free Trade Agreement; an Interim Review," the 74-page report lists benefits that are supposed to result, according to logic so twisted that to believe the USDA you have to agree that starving yourself is good, because before you die, you will be thin.

The report stresses that the United States will benefit from "trade creation," which is supposed to mean that U.S. food exports to Mexico will increase. True, since the 1960s, when Mexico was a grain exporter, it has been coerced by the International Monetary Fund (IMF) into importing staples (corn, wheat, milk powder), while exporting beef, cattle, and fruits and vegetables. The USDA report praises the Mexican government for shifting away from a policy of food self-sufficiency, or "import substitution," to a policy of "food access."

However, the purpose of this shift was to meet IMF conditionalities in order to make debt service payments at any cost. Mexico is now paying $9 billion a year to service its $100 billion debt. In fact, per capita consumption of meat, milk, corn, and beans, the staples of the Mexican diet, have declined 20-30% over the last decade.

Mexican output of meat and milk has declined 30% since 1980. Production of corn and beans has been similarly reduced. Imports of corn, rice, wheat, dairy products, and beans have increased steadily as domestic production collapsed under the deregulation introduced by the Salinas government. Conasupo, the government's regulatory agency, is no longer the sole authorized importer of most grains and dairy products. Price support was eliminated for all but corn and beans. Export licenses to restrict exports until domestic needs were met, were dropped.

Over the 1980s, the official malnutrition rate among the 85 million Mexicans has risen to 30%. The USDA report portrays this as a healthy consumer market for the United States.

In the USDA jargon of "free trade," the report stressed that there will be "economies of scale" when the 85 million Mexicans and the 250 million in the U.S. become one market. What this means in practice is shown by the recent developments in the beef and cattle trade.

Right now, Mexico is sending cattle to feedlots in the United States and returning them to Mexico for slaughter, under an "in bond" relationship similar to the *maquiladoras*. Feedgrain is cheaper in the United States. Import tariffs on beef and cattle for slaughter have been removed. Beef herds in Mexico have declined from 37 million head over the past six years to 17 million head today. Yet, Mexican exports of feeder cattle to the U.S. have doubled over the past decade. Mexico is so short of beef that all import restrictions have been removed. Five slaughterhouses have recently been established to process Mexican beef for export. Historically this has been restricted by health regulations.

Now the USDA inspects the meat on site, and there are spot checks on the border. When the remaining protection on feedgrains are lifted in Mexico, feedlots will shift there from the U.S.

Infrastructure investment is not part of the NAFTA program. The lack of sanitation and health in the border areas care will soon spread diseases, which, like cholera, are moving towards Mexico from Peru into the U.S.

The USDA report cites health-related regulations or sanitary and phytosanitary measures to be applied to imports into the U.S. from Mexico under a free trade agreement. Nowhere does the report talk about investment to alleviate poor sanitation and health care responsible for the conditions cited.

Instead, the USDA report cites some of the animal health problems in Mexico which have restricted meat exports to the U.S. to date, and makes no mention of programs to provide veterinary and animal husbandry aid.

Mexican poultry flocks have diseases including Newcastle disease, which, the USDA advises, would require products for export to be cooked. Because of the presence of hog cholera in Mexico, only cooked pork products would be eligible for export to the U.S. Because of scrapie, the importation of live sheep and goats from Mexico is restricted. Mexican infestation with fruit pests not yet present in the U.S. is also noted.

Private food cartel interests are buying up Mexican land in joint ventures and partnerships with Mexicans, while waiting for foreign ownership of land regulations to be lifted under a NAFTA agreement. Currently, land ownership has to be at least 51% Mexican. The cartels are also waiting for government land, and the peasant collectives, to be sold off for debt repayment.