UNFAIR TRADE

Mexico's Agriculture Crisis:
How Free Trade, the United States and Transnational Corporations Made It Happen

A Special Report

Public Citizen

GRACE
GLOBAL RESOURCE ACTION CENTER FOR THE ENVIRONMENT

Washington, D.C.

November 2003

UNFAIR TRADE

Mexico's Agriculture Crisis: How Free Trade, the United States and Transnational Corporations Made It Happen

Washington D.C.
November 2003

This document can be viewed or downloaded at www.citizen.org/cmep

Public Citizen

Critical Mass Energy and Environment Program
215 Pennsylvania Ave., S.E.
Washington, D.C. 20003
tel: (202) 546-4996
fax: (202) 547-7392
cmep@citizen.org
www.citizen.org/cmep

GRACE
GLOBAL RESOURCE ACTION CENTER FOR THE ENVIRONMENT

215 Lexington Ave., Suite 1001
New York, NY 10016
tel: (212) 726-9161
fax: (212) 726-9160
info@gracelinks.org
www.gracelinks.org

Public Citizen, founded by Ralph Nader, is a non-profit research, lobbying and litigation organization based in Washington, D.C. Public Citizen advocates for consumer protection and for government and corporate accountability, and is supported by more than 150,000 members throughout the United States.

GRACE – the Global Resource Action Center for the Environment – works to form new links with the research, policy and grassroots communities to preserve the future of the planet and protect the quality of the environment.

UNFAIR TRADE

The story of Mexico's agriculture crisis is not an easy one to tell.

It is a complex story that involves some of the largest and most powerful nations and corporations in the world – nations and corporations that have operations spanning the globe, that often do their business with virtual anonymity, that are essentially unaccountable to outside forces, and that usually make decisions based on political and economic grounds without involving local communities, where stability and quality of life are most affected.

It is a still-emerging story that continues to be written on a day-to-day basis, as these nations and corporations decide where their next deal will be made and with whom, which agricultural products will be produced and traded, where these products will be distributed from and to, who will get the work, and who will be out of work.

And, it is a painful story to tell. An estimated 1.7 million farmers – campesinos – have been displaced as a result of the North American Free Trade Agreement (NAFTA), which went into effect in 1994.[1] Rising imports and falling prices for corn, beans, beef, poultry, basic grains and other agricultural products have driven campesinos off of their land, pushing them into overcrowded cities looking for work in the industrial and service sectors, or sending them across the United States border in search of seasonal farming jobs.

Protests involving hundreds of thousands of people demanding government relief have been raging in Mexico for more than a year.

In December 2002, campesinos stormed the Mexican Congress on horseback – breaking glass, starting fires, spreading manure and throwing rotten vegetables. Four pigs painted with the names of President Vicente Fox and three cabinet ministers were part of the procession.

In April, the Fox administration and certain campesino leaders finally agreed to a financial assistance package. By most accounts, however, the agreement falls far short of the types of measures needed to reverse 20 years of economic "reforms" that have benefited large agribusinesses at the expense of small, community-based farms.

Under NAFTA, food is treated like any other product – not as something necessary to sustain life. NAFTA's rules require governments to eliminate price floors, supply management, and other programs that were previously used to shield farmers against the vagaries of weather and the market. Additionally, NAFTA required elimination of tariffs and quotas used to ensure food security. The result – a few huge agribusiness giants have been granted new opportunities to manipulate markets and farmers in all three NAFTA countries.

The virtually free flow of agricultural products across the Mexico-U.S. border has disrupted local, regional and even national economic systems by throwing all producers into a competition, in which grain traders and food processors use NAFTA's rules to handicap the race. Corporations get free rein to squeeze out the lowest prices – even if it is below the cost of production.

U.S. farmers have already suffered plenty at the hands of multinational agribusinesses, whose only concern is buying bottom-dollar products and selling them at top-dollar prices. That the industrialized, consolidated, heavily-subsidized agriculture industry has had punishing effects on small- and medium-sized farming operations in the U.S. is a well-documented phenomenon.

In the U.S., more than 38,000 small farms have gone out of business since NAFTA took effect.[2] Net U.S. farm income was $36 billion in 2002, down one-sixth from the annual average of $43 billion during 1990-95.[3] Untold thousands of farming jobs have been lost.

Small farms cannot compete with increasingly integrated, multinational conglomerates that produce meat, fruits, vegetables and other agricultural products at low prices in developing nations. They cannot compete with large-scale exporters that receive substantial government subsidies. And they cannot compete with imports that are "dumped" onto domestic markets at below-production-level prices.

"There may be celebrations in the board rooms of multinational corporations, vertical integrators and food processors since their profits are at a record high," said Bill Christison, a farmer from Missouri and former president of the National Family Farm Coalition, in 2000. "For family farmers there is not much to celebrate."[4]

The U.S. fruit and vegetable industries have been hit especially hard. Fresh produce imports from Mexico rose from $1.3 billion a year to $2 billion in the first five years of NAFTA alone.[5] Growers of winter vegetables – including tomatoes, cucumbers, bell peppers and eggplant – have suffered perhaps the most.[6]

Eleven percent of food consumed in the U.S. is imported, up about 20 percent since NAFTA took effect. Consumption of imported vegetables has nearly doubled.[7]

The situation is likely to worsen. On Jan. 1, 2003, U.S. tariffs on winter vegetables from Mexico were eliminated. But, the increased sale of Mexican fruits and vegetables in the U.S. has not eased the economic situation in Mexico. Like family farmers in the U.S., Mexico's rural communities have been devastated, as agribusiness has turned its attention to Mexico.

Rural communities already on the brink of collapse have been pushed over the edge. There is a mass exodus of jobless campesinos from the countryside to the cities. Civil unrest is mounting. Hope is fading.

Now the same multinational agribusinesses are pushing to increase their reach, as governments negotiate a U.S. proposal to expand the NAFTA to 31 more countries. The goal is to create the Free Trade Area of Americas (FTAA), which would include 800 million people throughout the Western Hemisphere.

But agribusinesses need much more than paper treaties to help them meet their objectives. They need new technologies, such as genetic engineering, which is perhaps the best known.

Irradiation, though less extensive than biotechnology, may hold even more potential to expand the global food trade.

Irradiation can dramatically extend the

shelf life of food by retarding spoilage and delaying ripening, thus allowing foods to be shipped farther and stored longer. Plans are afoot to produce meat, fruit and vegetables in Australia, Brazil, Malaysia, New Zealand, Thailand, Vietnam, several African and Middle Eastern countries, and numerous other nations and ship the food to points throughout the world. Irradiation, like other technologies being promoted by agribusiness, will exacerbate current trends toward monoculture, cash crop production that is focused on exports instead of food for domestic consumption.

Further, irradiation can eradicate fruit flies, weevils and other invasive pests, thus opening new markets for exotic fruits and vegetables. Papayas and sweet potatoes are

The Crisis: Stories from the Streets

The Mexican agriculture crisis – or rural crisis, as it is often called – boiled to the surface in April 2002, when hundreds of campesinos from the state of Chihuahua blocked 4,000 trucks trying to enter Mexico with U.S. agricultural imports. Leaders of the movement inspected trucks and train cars as they entered Mexico. They found some of the goods were imported legally but others were "illegal contraband" – low-cost products being dumped onto the Mexican market, which has caused the price of Mexican farm products to decline up to 50 percent.

In November 2002, campesinos from Morelos blocked the highway from Mexico City to Cuernavaca, demanding compensation for crop loss due to drought. The National Association of Commercializing Industries of Agricultural Products and the Permanent Agrarian Congress said protests would continue unless the government provides more financial support for productivity and commercialization.

In one of several empty responses to the crisis, President Fox announced "agricultural armor" legislation that would speed up procedures for levying tariffs on certain goods, reduce electricity and diesel prices for farmers, and provide payments to grain farmers to guarantee income if market prices fall short. Fox also said he would re-introduce crop support prices and increase other subsidies, pressure developed countries to reduce subsidies, increase quality inspection and labeling supervision on imports, and do more to detect dumped products.

Campesino-led demonstrations escalated in December in opposition to NAFTA provisions slated to go into effect on January 1, 2003, that would end most tariffs on agricultural products. Hundreds of campesinos – led by El Barzon, the National Union of Agricultural Workers (UNTA) and the Coordinator of Urban and Campesino Organizations (CODUC), and accompanied by teachers demanding increases in the education budget – invaded Congress, breaking glass doors, starting small fires and riding horses into the building's foyer. Four pigs with the names Fox, Agriculture Minister Javier Usabiaga, Economy Secretary Ernesto Derbez, and Foreign Affairs Minister Jorge Castañeda painted on their sides accompanied the demonstration.

National politicians are in disarray as they try to develop responses to an unprecedented crisis in the countryside brought on by neoliberal policies that include free trade and declining government supports for the agricultural sector. The double whammy has already devastated the Mexican countryside, forcing more than a million campesinos to abandon their lands for at least part of the year in search of income that used to come from sales of corn, coffee and sugar in national and even international markets.

Nearly 80 percent of the rural population lives in poverty, with over 60 percent living in extreme poverty, a direct result of federal policies that began in the 1980s when Mexico joined the General Agreement on Tariffs and Trade (GATT), the precursor to the WTO. These policies were made even worse to conform with NAFTA. The Mexican government has used these policies as an excuse to virtually abandon

see next page

grown in Hawaii, irradiated and shipped to the continental U.S. Mangoes grown in the Philippines will soon be irradiated and shipped to the U.S. and other Western Nations. And variety of tropical fruits from New Zealand will soon be irradiated and shipped to Europe and other lucrative markets.

And, irradiation can kill *E. coli*, *Listeria*, *Trichinella, Salmonella* and other harmful bacteria that can contaminate beef, chicken, pork and ready-to-eat foods processed in huge, factory-style plants. Such facilities are used by multinational corporations to consolidate their operations as much as possible, to produce as much food as possible as quickly as possible, and to ship it as far as possible.

from previous page

the 25 million Mexicans who live in rural areas, creating a crisis of historical proportions.

In the midst of singing the national anthem, one demonstrator at San Lazaro remarked that the situation in the countryside is "beyond a crisis."

In December, the Fox administration said for the first time that it would study the possibility of renegotiating the agricultural provisions of NAFTA, a surprising shift in policy that was confirmed the following day by Agriculture Minister Usabiaga.

Fox said he would use new anti-dumping tariffs and emergency NAFTA measures, that he would negotiate with U.S. for safeguards on chicken legs and thighs by increasing tariffs from 49.4 to 98.8 percent, and that he would consider pork safeguards. At that point it was not completely clear what "renegotiate" meant, and the Bush administration made clear its strong opposition to any re-opening of the agreement.

Protests and threats of roadblocks continued into January 2003, as talks with the Fox administration ensued. Hunger strikes and demonstrations were staged in Chiapas, Guerrero, Chihuahua and other states. At the same time, Fox began to back away from his pledge to study the renegotiation of NAFTA and instead leaned more toward internal remedies.

Despite resistance to renegotiating NAFTA, Foreign Affairs Minister Castañeda acknowledged: "Big multinational companies dedicated to export certainly have benefited from the opening of international markets, but the majority of the countryside has suffered from a situation in which they cannot compete under equal conditions."[1]

After weeks of statements reflecting a sympathy to the increasingly serious situation, Fox stated in February: "There is no rural crisis. There is not a crisis in the economy either. The fundamentals are solid and every aspect is better than before [NAFTA]."[2] He was forced to reverse his head-in-the-sand position the following day, admitting that poverty is rampant.

A short time later, on February 10, 2003, Fox held talks with campesino groups in an effort to reach an agreement on new rural policies, but the two sides were far apart. The "Dialogue for National Policies on the Countryside" began without the presence of four major campesino groups – El Campo No Aguanta Mas, (The Countryside Can Take No More), the Permanent Agrarian Congress (CAP), the National Campesino Confederation (CNC) and El Barzon.

Fox negotiated with campesino groups for weeks but ultimately convened the meeting unilaterally, imposing the format without input from groups demanding changes in agricultural policies and renegotiation of NAFTA. Campesino groups also threatened to organize national mobilizations on March 15 if progress was not made.

Fox's speech at the February meeting was interrupted by cries of "We want a solution!" Among the detractors was Yolanda Juarez, a 58-year-old cattle rancher from Fox's home state of Guanajuato: "They say this is an unprecedented negotiation, but it doesn't mean anything if they don't find a solution." Juan Ramos, a corn and sugarcane farmer from western Jalisco, said: "We are very humble, very poor people. The President comes and speaks to us but then he leaves. The question is: What happens now?"

After weeks of discussions involving hundreds of

see next page

As a U.S. Department of Agriculture official put it, maximizing the global food trade would be "impossible" without irradiation.[8]

The Crisis

The roots of Mexico's agriculture crisis are well-understood by campesino, labor, environmental and human rights groups in Mexico, especially the 25 million Mexicans – one-fourth of the population – who live in rural, agricultural areas.[9]

As a condition for entering NAFTA, Mexico was required in 1992 to change agricultural land policies to allow private ownership of land, reversing 75 years of land

from previous page

campesinos and dozens of government officials, in March Fox proposed continuing current federal policies, while campesino groups insisted on widespread reforms, including renegotiating NAFTA. Fox refused to cancel arrest warrants issued against campesino leaders and proposed limiting the restoration of Article 27 of the Constitution, proposed limiting the restoration of Article 27 of the Constitution.* Campesino groups continued to threaten mass marches and civil disobedience.

The hype and glitz surrounding the ceremony at which the Mexican government and farmers' associations signed the National Agreement on the Rural Crisis on April 28 stood in contrast to its content, which hardly resembled the far-reaching measures demanded by small farmers. In the presence of more than 1,000 guests, including state governors and the heads of several of Mexico's farmers' movements, Fox said the Agreement marked the start of a "new era" for rural Mexico, where 75 percent of the country's poor are concentrated.

The pact – signed after numerous nationwide protests by small farmers and nearly four months of negotiations – contains no promises by the government, for example, to seek to remove corn and beans from NAFTA or to restore Article 27 of the Constitution. It does not specify where funds for new relief measures are to come from, nor when they are to go into effect. And, a demand for $2 billion in emergency relief was met with a promise of only $260 million.

The National Union of Autonomous Regional Peasant Organizations (UNORCA) refused to sign the accord, arguing – as did a number of analysts – that it was too "superficial." The Permanent Agrarian Congress, which also did not sign the document, said the pact "will not change the reality of the poverty," and warned that the accord "does not imply a halt to the struggle of peasant farmers."

None of the organizations that signed the accord represents Mexico's indigenous people, who comprise 10 percent of the country's 100 million people. Four of the 12 campesino groups from the El Campo No Aguanta Mas also refused to sign.

In a potentially significant concession, Fox has agreed to ask Canada and the U.S. to renegotiate the tariffs on white corn and dried beans, though outside the context of NAFTA. Tariffs on these items are scheduled to end in 2008, although import levels have exceeded quotas established by NAFTA each year since 1996.

Disappointment soon followed when in May – following a year of civil unrest throughout the country – Fox announced that discussions over the rural crisis were "closed." Talks with the U.S. continued, however, over trade in corn, beans, pork, poultry, rice and beef, among other agricultural products.

[1] "Renegotiation of NAFTA agriculture terms costly for Mexico, Minister Casteneda says." Florida Farmers, January 2003. <www.floridafarmers.org/news/articles/tradeRenegotiation.htm>

[2] "Rural crisis continues." *Weekly News and Analysis,* Mexico Solidarity Network, Feb. 3-9, 2003.

* Dating to the revolution of 1910, Article 27 legalized ejidos (village communes), many of which were then populated by indigenous peoples. Changes to the provision in 1992 banned land redistribution to landless rural communities and created an agricultural land market.

Excerpted from reports by:
Florida Farmers Inc. <www.floridafarmers.org>
Mexican Solidarity Network <www.mexicosolidarity.org>
Resource Center of the Americas <www.americas.org>

reform in Mexico. Article 27 of the 1917 Mexican Constitution was intended to distribute land more equitably by creating rural communities known as ejidos – a system under which land tenure was held in common by the community to use for their mutual benefit. The goal was to break up the enormous estates of the wealthy and make land available to peasant communities.[10]

The 1992 revision to Article 27 made three drastic changes. It allowed ejido land to be individually certified, titled and privatized. It permitted ejidos to enter joint ventures with Mexican and foreign corporations. And it officially ended the government's land reform and redistribution program.[11]

The revision was made along with other agriculture policy changes, such as eliminating price supports and subsidies for most crops; reducing or eliminating protective trade barriers; reducing the government's role in marketing crops; and allowing titling and privatization of property held under non-private forms of property rights.[12]

Among many severe consequences, these changes have resulted in major increases in food imports and the movement of farmers to urban areas. This is contributing significantly to the impoverishment of Mexicans. Even the World Bank acknowledges the growing gulf between the rich and poor. Some 45 million Mexicans live on less than $2 per day, with 10 million living on less than $1 a day.[13]

Outside of Mexico, however, most notably in its NAFTA trading partners, the United States and Canada, the story of the Mexican rural crisis has received surprisingly little attention.

This lack of attention might help explain why the crisis has been allowed to smolder for so long. Although protests and activism in Mexico are increasing, the Fox administration and subsequent administrations will likely continue to dodge the problem unless they face serious consequences both domestically and abroad.

The blame for the situation must be shared by the international finance institutions that pressured Mexico for decades to have an export economy, the NAFTA and World Trade Organization rules, and the U.S. government, which is promoting the interests of U.S. agribusiness in Mexico.

Former President Carlos Salinas de Gortari, who promoted the reversal of Mexico's revolution-era land reforms, negotiated the adoption of NAFTA and implemented many economic liberalization policies, certainly bears much responsibility for the situation. More recently President Vincente Fox and his immediate predecessor Ernesto Zedillo have been more concerned about corporate interests than the well-being of their citizenry.

Fox, a former Coca-Cola executive and a member of the right-of-center National Action Party, ran as an independent outsider. Unfortunately, most of Fox's promised reforms have not come through – most significantly his quickly abandoned promise to study whether NAFTA should be renegotiated to reverse the treaty's devastating effects on his country's farmers.

NAFTA is clearly the main target of criticism, having removed most tools that Mexico had to protect its farmers and agriculture industry in general. On Jan. 1, 2003, Mexican tariffs were lifted on some 80 agricultural products, including wheat, poultry, pork, rice, dairy products, peaches, strawberries and oranges. Now, tariffs on 99 percent of agricultural imports into Mexico have been removed, as have all quotas.[14]

This has allowed agribusiness – the handful of companies that dominate the market – to dump enormous amounts of food into Mexico. These crops are bought below the cost of production in the U.S. and then sold below the cost of production in Mexico. As a result, U.S. imports into Mexico have soared, particularly of beef, grains, corn, apples, potatoes, rice, dairy products, pork, poultry, vegetable oils, grapes and beans.

All that remain are tariffs on key staple products: corn, dried beans, sugar, powdered milk and some seasonal orange juice – and these are scheduled to be eliminated in 2008,[15] a date that seemed far into the future when NAFTA took effect, but which now is only five years away.

NAFTA and changes in land ownership policies, however, are by no means solely to blame for the mess in Mexico. Other factors, which date since before the 1980s, include:

• The "structural adjustment" requirements of the World Bank, International Monetary Fund and other international

Here Come the Corporations

By all accounts, the major beneficiaries of NAFTA and Mexico's economic "reforms" are transnational corporations. Massive job losses and the ruin of millions of small farmers have occurred in Canada, Mexico and the U.S. alike. Yet the profits and global reach of large corporations continue to grow.

NAFTA was promoted – publicly, at least – as a road to more jobs, higher wages, and lower consumer prices in all three countries. On this point, NAFTA has largely been a failure. Corporate executives no doubt were promised increased sales and higher profits. On this point, NAFTA has been a huge success.

Tyson

Tyson is the largest poultry producer in the world and, since its acquisition of IBP, is now the world's largest red meat producer. In 2002, Tyson built its first Mexican facility to produce fully-cooked items to meet increasing demand for processed foods. After the acquisition of a major production facility in 2002, sales from the company's Mexican subsidiary rose 36 percent.[1]

In 2001, Tyson acquired a 95 percent share in Tyson de Mexico (TdM) by obtaining the remaining shares of the Villegas family. The family first entered a joint agreement with Tyson in 1989, initially called Trasgo. Also in 2001 TdM purchased the poultry assets of Nochistongo, a chicken producer with a capacity of 500,000 birds per week, which markets its products under the "Kory" brand. TdM now has the capacity to produce 2.2 million chickens per week.[2]

With 12 percent of the market, Tyson is now the third-largest poultry producer in Mexico, behind Bachoco (31 percent) and Pilgrim's Pride (14 percent).[3]

In 2001, Tyson acquired IBP, which had been the largest meat company in the U.S. IBP's exports to Mexico more than tripled in the five years before the company was acquired by Tyson: from $75 million in 1996 to $267 million in 2000.[4]

Cargill

Cargill is the third-largest meat producer in the U.S. Cargill entered Mexico in the 1920s with a wood operation in northern Mexico. In 1972, Cargill opened the first Cargill de Mexico office with six employees. Today Cargill has about 350 employees with $184 million in investments. Based in Mexico City, Cargill's operations include a major grain warehouse in Poncitlan and an oilseed crushing plant in Tula .[5]

Smithfield

Smithfield is the sixth-largest meat producer in the U.S. Chief executive officer Joseph W. Luter III stated recently: "We try to go to places where we can succeed. Some countries offer more opportunity than we see in the U.S. If regulations become too tight in this country, we'll invest in Canada and Mexico."[6]

Smithfield has done just this in Mexico. In May 1999, Smithfield paid $24 million for a 50 percent share in Agroindustrial Del Noroeste, which owns and operates Grupo Alpro. With annual revenues of $100 million, Grupo Alpro is Mexico's largest pork producer. Grupo Alpro is based in Sonora and has operations in Hermosillo, Guadalâjara and Mexico City. The joint venture will also own a hog production company, Agrofarms, the largest pig farmer in Mexico,

see next page

finance institutions that have forced the Mexican government to deregulate, cut government spending, devalue the currency, open its borders to imports and create an export economy;[16]

• Mexico's decision to join the General Agreement on Tariffs and Trade (GATT), which required wholesale economic liberalization "reforms;"

• The integration of agricultural production, distribution and marketing systems with the U.S. and Canada;

• A significant increase in foreign direct investment (FDI) in Mexican farms, livestock operations, distribution centers, supermarket chains, feed mills and other food industry

from previous page

which will become the main source of hogs for Grupo Alpro's fresh meat operations.[7]

Agroindustrial plans to increase the annual processing capacity of Grupo Alpro's plant in Hermosillo from 500,000 to 650,000 pigs. Agrofarms plans to increase its annual production from 350,000 to 600,000 pigs.[8] Said Luter: "This alliance with a well-established and well-run pork processor is another step in Smithfield Foods strategic plan to become a global pork processor."[9] Smithfield also owns facilities in Veracruz and Sonora.[10]

Farmland Industries

Farmland is the seventh-largest meat producer in the U.S. In 1999, Farmland purchased a 50 percent share in Mexico's second-largest pork producer, Grupo Kowi, a producer-owned co-op based in Sonora. "We definitely have a presence in Mexico," a Farmland spokesperson said at the time. "Business relationships are very important in Mexico."[11]

Another Mexican firm, Grupo Acuario Lomas, distributes Farmland pet food and controls 90 percent of all pet accessories in Mexico.[12] In 1996, Farmland joined Productos Chata, one of Mexico's best-known makers of traditional Sinaloa-style foods, to market hot dogs under Farmland's Maple River brand.[13]

Farmland moves 2 million tons of its U.S. wheat, milo, corn and soybeans to Mexico, with a large portion coming from U.S. cooperatives. Farmland is the largest cooperative in North America, doing business in all 50 states and more than 70 countries.[14]

As of the writing of this report, Farmland was in the process of selling its pork operations to Smithfield, which will result in even more consolidation and integration of this industry.

Pilgrim's Pride

Pilgrim's Pride is the 15th-largest meat producer in the U.S. Its Mexican subsidiary – whose slogan is "Fanaticos de la Frescura" ("Fanatics About Freshness")[15] – is the second-largest poultry producer in Mexico, with 14 percent of the market.[16]

More than 50 percent of grocery stores in Mexico and 80 percent in Mexico City carry Pilgrim's Pride products. Its distribution system extends in 26 of 32 states, where about 85 percent of the population lives.[17] One of the company's four main food categories is Mexico-specific products, which consist primarily of lower value-added products such as eviscerated chicken and chicken parts.[18]

The company has operations throughout Mexico, including chicken processing plants, feed mills, hatching facilities, distribution centers and offices.[19]

Wal-Mart

The biggest retailer in the world, Wal-Mart has rather rapidly become the largest grocer and the largest private employer in Mexico. One-fourth of Wal-Mart's $40 billion in international sales come from Mexico (behind the U.K.)[20,21]

Wal-Mart de Mexico – better known as Wal-Mex – had record sales of 106 billion pesos (US$10.2 billion) in 2002, a 13 percent increase over 2001. Wal-Mex brings in 550 million customers per year and has more than 90,000 employees.[22]

Wal-Mex has about 600 stores in 59 cities totalling 20 million square-feet, including 50 Sam's Clubs, 75 Wal-Mart Supercenters, 116 Bodegas, holdings – especially from the U.S.; and,

• U.S. agriculture policies that have abandoned price floors and food security reserves, and caused prices for U.S. agricultural products to plummet since the mid-1990s – often below the actual cost of production. The billions of dollars in agricultural subsidies paid out each year as a result of falling prices actually benefit the same agribusinesses that create and profit from such low prices. This decreasing price trend has increased opportunities for large agriculture corporations to "dump" products at artificially low prices into Mexico. In the

from previous page

44 Superamas, 51 Suburbias and 260 Vips, El Porton and Ragazzi restaurants.[23]

Wal-Mex uses rhetoric similar to what is heard in the U.S.: "The customers are the primary reason for our existence and the purpose for the day-to-day efforts of this company... The country overall, and each community or locality in particular, demand the presence of an honest and ethical corporate citizen, willing to work in conjunction with the local citizenry in favor of the common good."[24]

As in the U.S., however, the opposite may be true. Mexico's Federal Competition Commission has opened an investigation into Wal-Mex's alleged anti-competitive practices,[25] which have had the effect of putting many small retailers out of business.

All told, Wal-Mart's annual sales of $250 billion are greater than the national output of Sweden or Switzerland.[26]

Notes

1 U.S. Securities and Exchange Commission Form 10-K, for the fiscal year ended Sept. 28, 2002. Tyson Foods.

2 "Tyson Foods Inc. announces international initiatives." Tyson Foods website, June 7, 2001. <www.tysonfoodsinc.com/ir/newsinfo/viewnews.asp?article=774>

3 "Tyson acquires 2 Mexican companies." *Mexican Intelligence Report*, February 2002. <www.mex-i-co.com/Arc_Agribiz.html>

4 U.S. Securities and Exchange Commission Form 10-K, for the fiscal years ended Dec. 30, 2000, Dec. 25, 1999, and Dec. 26, 1998. IBP.

5 "Worldwide Presence: Mexico." Cargill website <www.cargill.com/prodserv/country/mexico.htm>

6 Miller, Dale. "Straight talk from Smithfield's Joe Luter." *National Hog Farmer*, May 1, 2000. <nationalhog farmer.com/ar/farming_straight_talk_smithfields>

7 "Smithfield Foods Inc. Forms Vertically Integrated Pork Processing Joint Venture In Mexico." Smithfield Foods website, May 12, 1999. < www.smithfieldfoods.com/Investor/Press/press_view.asp?ID=117#>

8 Ibid.

9 Ibid.

10 "Pork Powerhouses, 2001." *Successful Farming*, October 2001. <www.agriculture.com/sfonline/sf/2001/october/pork_powerhouses.pdf>

11 Tucker, Jim. "Farmland expands reach in Mexico: Feed division forms joint venture with Grupo Kowi." Farmland Industries website. <www.farmland.com/news/sysnews/oldarchive/JAN1999/mexico.htm>

12 Ibid.

13 Dees, Stephen P. "International marketing and farmer-owned cooperatives: Making the world you customer." Farmland Industries.

14 Ibid.

15 2002 Annual Report, Pilgrims's Pride. <ir.thomsonfn.com/InvestorRelations/IRFiles/10408/pdfs/2002annualreport.pdf>

16 "Tyson acquires 2 Mexican companies." *Mexican Intelligence Report*, February 2002. <www.mex-i-co.com/Arc_Agribiz.html>

17 2002 Annual Report, Pilgrims's Pride.

18 U.S. Securities and Exchange Commission Form 10-K, for the fiscal year ended Sept. 28, 2002. Pilgrim's Pride.

19 2002 Annual Report, Pilgrims's Pride.

20 Dolan, Kerry. "It's nice to be big." *Forbes*, Sept. 1, 2001.

21 Associated Press. "Decade after signing, NAFTA's results haven't matched expectations." *Miami Herald*, Dec. 9, 2002.

22 Wal-Mart of Mexico, Annual Report 2002. <www.walmartmexico.com.mx/informe2002i.pdf>

23 Ibid.

24 Ibid.

25 "NAFTA - Wal-Mart and Mexico." Communications Workers of America, *FTAA Update*, Vol. 2 No. 22.

26 Randall, Jeff. "Wonderful world of Mexico." *BBC News*, Feb. 23, 2003.

process both Mexican and U.S. farmers are being undercut and put out of business.

For all intents and purposes, assertions by Mexican government officials that NAFTA would help modernize rural agricultural operations by transforming under-utilized campesino lands into more efficient operations to supply growing domestic and international markets have fallen flat.

The effects of this failure are far reaching: economic and social devastation in rural areas throughout Mexico; an exodus to large cities and to the U.S.; a dramatic decline in farm output as a percentage of gross domestic product; a growing distrust among the populace that the Fox administration is not looking out for best interests of the people; and a loss of hope in the future of agriculture-based economic and social systems that date back centuries.

Speaking of the economy, the Americas Program of the Interhemispheric Resource Center characterizes the situation this way:

"The free-trade model creates food dependency through imports (Mexico now obtains 40 percent of its food from abroad); links the rural sector to the whims of transnational capital instead of the nation's consumers and producers; strangles local and regional markets; and encourages dependency on transnational conglomerates."[17]

The National Family Farm Coalition, in a January 2003 letter to President Fox, stated: "Since the U.S. is now entering into several other trade negotiations with developing countries such as those of Central and South America, it is even more urgent that Mexico take immediate steps to establish policies that protect family farmers in all three trading countries from corporate dominance."[18]

The State of Agriculture

As it is, Mexico's agriculture industry is at a great disadvantage, and has much to lose as a result of so-called free trade agreements, compared to its NAFTA trading partners, the U.S. and Canada. Three-fourths of Mexican farmers have holdings of 12 acres or less, and Mexico's 8.6 million farmers produce about one-seventh as much as their 3 million U.S. counterparts.[19] While 25 percent of the Mexican population makes a living as farmers, only 2 percent of the U.S. population does so.[20]

Mexican agriculture's share of the gross domestic product (GDP) has steadily declined over the past two decades. Agriculture now accounts for less than 5 percent of the GDP, down from 10 percent in the 1980s.[21] The number of Mexicans active in agriculture is rapidly declining, as many rural Mexicans migrate to cities or other countries. Consejo Nacional Agropecuario and Confederacion Nacional Campesina estimate that as many as 5 million campesinos may be forced to move to the U.S. in search of jobs.[22] While unemployment and underemployment are growing, the quality of available jobs is declining – offering low pay, dreadful working conditions, and little or no job security.

Under particularly severe attack is corn, Mexico's major food source and its most widely grown crop, providing income for 15 million people[23] and representing 60 percent of the country's farmlands.

Corn imports have nearly tripled since NAFTA.[24] In addition, real prices paid to farmers for corn have fallen by half.[25] These lower prices have largely not been passed onto the Mexican consumer. With the end of price controls of tortillas and the elimination of subsidies to tortilla mills in 1998,[26] the price of tortilla dough increased by one-fifth and tortilla prices in Mexico City rose by 50 percent within a year.[27] Poor Mexicans, many of whom receive half of their caloric intake from tortillas, have been hit especially hard.[28]

U.S. corn imports into Mexico grew 15-fold from 1993 and 1999 to 5.6 million tons; U.S. imports now comprise 25 percent of Mexican consumption, up from just 2 percent before NAFTA.[29]

Agribusinesses, supported by billions of dollars in subsidies, buy U.S. corn at artificially low prices, and then dump it in Mexico, at prices 25 percent below its production cost.[30] Although corn and beans, Mexico's top staple food crops, were given a 14-year grace period under NAFTA, both essentially have been liberalized due to government decisions to permit tariff-free imports above NAFTA quotas. In effect, corn faced zero tariffs less than three years into NAFTA. The Mexican government, citing grain supply shortages, unilaterally approved U.S. imports over NAFTA's quotas and then declined to collect tariffs.

The State of Quality of Life

Since NAFTA took effect in 1994, 1.7 million Mexican farmers have been displaced,[31] while poverty, malnutrition and school desertion are all on the increase. Three-fourths of households now live in

Supermarket Sprawl

The Mexican food distribution system is in the midst of major structural changes. Small, specialized shops and market stalls account for most food sales (40 percent from stalls and 20 percent from street markets). However, supermarket growth is rapid. The smaller outlets cannot compete with the economy of scale of supermarkets, which grew in number from 700 in 1993 to 3,850 in 1997.

Large, sophisticated supermarkets are changing the way food is produced and the way it reaches consumers, especially perishables such as produce and meat. Supermarket chains, which deal with huge economies of scale, are far more likely to purchase goods from large rather than small producers. Packers, processors and shippers are trying – many in vain – to respond to these pressures to modernize and accelerate operations.

The upshot for the Mexican people is that most small-scale farmers are being forced off their land and are taking jobs in the manufacturing and service industries. The supermarket revolution will likely hasten agriculture consolidation and North America-wide integration.

Similarly, changes in marketing practices and the structure of marketing channels have been taking place in Mexico since the mid-1980s, when Mexico began to open its economy. The liberalization of the Mexican economy has encouraged U.S.- and European-based retail store chains – Wal-Mart, Price Club, HEB, Auchan and Carrefour, among others – to establish and expand operations in Mexico, often in partnership with existing Mexican supermarket chains.

In the fresh produce sector, the rapid expansion of national and international supermarket chains has forced significant change in traditional distribution practices.

To the extent that U.S. exporters have the organizational and operational capability of supplying large volumes of market-ready produce items directly to Mexican supermarket chain distribution centers, they also may have a logistical advantage over many Mexican produce growers. Supermarkets attempt to purchase produce directly from producing regions, bypassing, and thus threatening, the dominant role of traditional wholesale markets.

Further, market share is being taken away from *tianguis*, or open-air markets. To challenge the competition, one supermarket chain even bills its weekly sales as "*tianguis* days" to emphasize low, street-market prices and expand customer base.

Excerpted from:

"Mexican Supermarkets Spur New Produce Distribution System." *Agricultural Outlook*, Economic Research Service, U.S. Department of Agriculture, August 1998.

Mexico's Changing Marketing System for Fresh Produce: Emerging Markets, Practices, Trends, and Issues. Agricultural Marketing System, U.S. Department of Agriculture, October 2002.

poverty, an 80 percent increase since 1984.[32]

Extreme poverty, defined as living on less than one dollar per day, increased from 23 percent in 1984 to 55 percent in 1999[33] according to the World Bank. Four-fifths of rural Mexico lives in poverty, over half in extreme poverty.[34]

Each year, more than 150,000 Mexican children die before reaching the age of five due to illnesses related to nutrition.[35]

Income distribution has become more uneven, leaving Mexico with one of the Western Hemisphere's worst records. The World Bank described Mexico as "one of the most inequitable economies in Latin America."[36] Thousands of Mexicans have migrated to the U.S., many to work in agriculture as undocumented workers without labor protections or benefits.

Of the 6 billion pesos in annual earnings from agricultural exports, only 7 percent of actually reaches Mexico's farmers.[37] Instead, a vast majority of this money is being kept by the corporations that process, package, ship and market exports after harvest.

The State of Foreign Dependency

Imports of soybeans, wheat, poultry and beef collectively have risen over 500 percent since NAFTA took effect.[38] Nearly all soybeans and half of the wheat consumed in Mexico is imported.

In April 2002, the Committee for the Improvement of Agriculture reported that in the previous five years, Mexico had imported 50 million tons of grain, equivalent to two years of national production: "Our dependency on foreign food has reached 95 percent in oil seeds, 90 percent in sorghum, 50 percent in rice, 40 percent in beef, 25 percent in corn and 20 percent in milk."[39]

The State of Trade

Fueled by a growing population, an expanding economy and NAFTA, Mexico has become the United States' third-largest agricultural trading partner (total of exports and imports) after the European Union and Canada.

Agriculture imports from the U.S. rose from $3.8 billion in 1992 to $7.3 billion in 2002, making Mexico the fourth-largest recipient of U.S. agricultural exports.[40]

Among fruits and vegetables, U.S. imports rose 230 percent from 1995 to 2001 (from $90 million to $300 million), while Mexican imports rose only 50 percent, from $1.6 billion to $2.5 billion. In 2000, Mexico had its first agriculture trade deficit with the U.S. since 1995.[41]

In the first five years of NAFTA, Mexico's trade deficit with the U.S. in cereals tripled, and the oilseed deficit doubled.[42]

Foreign direct investment in Mexico by the U.S. food processing industry rose from $2.3 billion in 1993 to $5.3 billion in 1999 – three-fourths of which came in highly processed foods, canned and frozen meats, pasta and candy.[43] Such investments have the dual result of threatening the domestic food industry and drawing profits out of Mexico.

The State of Farm Subsidies

As government support for U.S. agribusinesses has dramatically increased, Mexican government programs have been on the decline.

From 1990 to 1994, Mexican farmers received 33 percent of their yearly income from the government. From 1995 to 2001, that figure dropped to 13 percent. In the U.S., government subsidies now make up approximately 40 percent of farm income.[44]

Mexico has responded only modestly to the imbalance in subsidies. It has instituted special trade safeguards for only a few domestic products, including pork, potatoes and apples.

In 1994, Mexico started the PROCAMPO program, which allows for direct payments to partially compensate for the loss of input subsidies, price supports and import protection.[45]

In 2000, Mexico increased subsidies by 18 percent, still far below the U.S. and Canada; and the change did not increase the budget for the highly touted Alliance for the Countryside, a new subsidy program designed to replace programs that had been eliminated.

Meanwhile, in the U.S., the 2002 Farm Bill (Farm Security and Rural Investment Act) calls for $170-180 billion in subsidies over the next 10 years, a 70-80 percent increase over the 1996 Farm Bill. An entire new category of aid was created for pulses, including peas, lentils and chick peas[46] – another threat to the Mexican agriculture industry.

It is important to acknowledge that the U.S. agriculture industry is also in the midst of a crisis, as independent farmers are being driven from their land because of ever-lowering prices paid for their goods.

The U.S. farm support system is rampant with inequities. An estimated 90 percent of financial assistance is paid to producers of just five crops: wheat, corn, soybeans, rice and cotton. And, just as large producers increasingly dominate both domestic and foreign markets, they also receive the vast majority of subsidy dollars. This puts small producers, already in a weakening position, at a further disadvantage.

From 1996 to 2000, only about one-third of U.S. farms received any subsidies.[47] Three-fifths of subsidies went to the largest

A Flood of Foreign Money

NAFTA investor protections and other trade and financial institution arrangements, as well as policies instituted by President Fox and former President Carlos Salinas, have permitted a vast increase in the amount of foreign direct investments (FDI) flowing into Mexico.

In 1988, Mexico changed its foreign investment regulations to allow foreigners to own a majority stake in Mexican businesses. As a result, sales by U.S. affiliates in Mexico grew from $1.3 billion in 1988 to $6.5 billion in 1998. Major U.S. companies, including Coca-Cola, Campbell Soup, General Mills and PepsiCo, have taken advantage of the changes.

In 1999, top U.S. pork producer Smithfield bought a 50 percent share in its Mexican counterpart, Grupo Alpro, for $24 million. Also that year, another leading U.S. pork producer, Farmland Industries, bought a 50 percent share in Grupo Kowi, Mexico's second-largest producer.

In the poultry arena, Mexico-based affiliates of U.S. companies including leading producers Tyson Foods and Pilgrims Pride, are the top producers of deboned chicken and chicken parts.

Mexico has become the third-largest host country for foreign investment from the U.S. (after England and Canada). And Mexico is the second-largest host country for FDI from the U.S. related to the manufacturing of processed foods (after England), with about three-fourths of U.S. FDI being in highly processed foods.

Naturally, most FDI is pumped into large-scale operations, applying more pressure on Mexico's agriculture industry to modernize and consolidate, and putting small-scale operations at a disadvantage. Most of the profits from these foreign-owned operations are exported out of Mexico.

NAFTA has also resulted in a synergy between investment and trade, as well as increased cross-border integration among producers, suppliers and marketers. U.S. companies have also invested in croplands, poultry farms and other production facilities.

Excerpted from:
"U.S. Firms Invest in Mexico's Processed Food Industry." *FoodReview*, 22(2):26-30, 1999.

10 percent of producers.[48] And while only about one-third of "residence" farms received subsidies in 2001, nearly three-fourths of large commercial operations did.[49]

Further, while government subsidies allow thousands of small-scale farming operations in the U.S. to scrape by, their crops – no longer supported by price floors – are sold at extremely low prices to large corporations. In effect, taxpayers are financing the industrialization of the food system, to the benefit of grain traders and food processors, and the detriment of farmers and consumers. It is corporate welfare in disguise.

Independent family farmers in the U.S. are becoming an endangered species, which in the long term could threaten food security.

The ability to produce food is important for all nations – including the U.S. Producing sustainably grown crops as locally as possible is good for consumers, the environment and farmers. Unfortunately, the policies of the U.S. government, as promoted by agribusiness, are destroying that capacity here in the U.S., as well as in Mexico.

Advocates for family farming propose reinstating programs that have historically worked for farmers, consumers and taxpayers, including a food security reserve program, price floors and a way to manage crop inventories.[50]

The Beef Situation

Before NAFTA took effect in 1994, Mexico produced a vast majority of the beef consumed by its people. This self-sufficiency is about to change to a position of dependency.

Mexico's beef imports from the rest of the world have more than quadrupled in the past seven years, rising from 105,000 tons in 1996 to an estimated 500,000 tons in 2003 – making Mexico the fourth-largest beef importer in the world.[51,52]

U.S. beef imports into Mexico have nearly doubled since 1998, rising from $460 million to $854 million last year, giving the U.S. an 80 percent share in Mexico's import market. Mexico is the fastest-growing and top export market for U.S. beef (measured by volume). U.S. import volumes rose 12 percent in the last year alone, to a record 350,000 tons in 2002. By comparison, from 1989-1993 – the five years preceding NAFTA – U.S. imports averaged only $135 million per year.[53]

However, U.S. family farmers are not benefiting from the increased exports to Mexico. As a result of consolidation in the industry, corporate agribusiness is reaping a vast majority of the profits. Consolidation is growing in every segment of the beef industry.[54]

The root of the problem for family farmers in the U.S. is consolidation and vertical integration. Four beef packing companies – IBP/Tyson, Cargill/Excel, ConAgra and National – slaughter more than 80 percent of all steers and heifers in the U.S. These companies either own outright or control through contracting – called "captive supply" – 25 percent of all animals prior to slaughter.[55]

The four companies' 80 percent share of the market is up from just 30 percent in the 1960s. From 1993 and 2002, the number of cattle producers dropped by one-fifth. During this same period, cattle producers' share of the consumer dollar declined from 59 cents to 43.5 cents, while average consumer prices increased 41 cents per pound.[56]

Just as U.S. beef imports into Mexico are on the rise, so are imports from other countries. From 1996 to 2000, arrivals from Canada rose from 450 tons to 59,000 tons; from Australia from 375 tons to 7,300 tons; and from New Zealand from 75 tons to 3,000 tons.[57]

The Minnesota Beef Council, among the most aggressive promoters of U.S. beef, summarized the changes this way:

"We're working harder to demonstrate to Mexican consumers the value of U.S.

meats, and that has paid off for us. The North American Free Trade Agreement has helped us expand our customer base, and we see even greater opportunities down the road… Mexico will continue to be a major target."[58]

Meanwhile, despite claims that NAFTA would stimulate Mexican trade in a positive direction, Mexico's total beef exports have risen only slightly, from 7,000 tons in 1996 to a projected 8,000 tons in 2003.[59]

Beef consumption in Mexico has kept pace with increased imports, rising from 1.9 million tons in 1996 to an estimated 2.4 million tons during the same period.[60] What this means is that imports are not only supplanting domestic production, these imports are also opening up new markets in Mexico that are being deprived domestic producers. U.S. beef producers have a tremendous incentive to increase exports and marketing further still: Mexicans on average eat only one-sixth as much beef as Americans.

About one-fifth of U.S. imports are lower-valued products, such as tripe, a Mexican mainstay that is now being threatened by increased imports. Moreover, the remaining U.S. imports are comprised of mid- and high-valued cuts which, though they do not compete significantly with Mexican beef, serve as a disincentive for Mexican producers to enter this growing, lucrative market. Nearly all cattle in Mexico is grass-fed, whereas most in the U.S. is grain-fed. Any effort for Mexican ranchers to make this transition would likely be snuffed by low-cost U.S. imports.

The increasing demand for U.S. beef – which is being marketed as being of higher quality than Mexican beef – is largely being driven by rising incomes among certain socioeconomic classes in Mexico that can afford higher prices. This is emblematic of the ever-growing gap between the rich and poor.

Another result of these developments is that the cattle and beef industries throughout North America are becoming increasingly integrated – from the feedlots to the meat case. Irrespective of the concerns of individual farmers and ranchers, producers and distributors in Mexico, the U.S. and Canada are shifting resources towards activities in which each has a comparative advantage.

The situation has grown so grim for Mexican producers that the government charged the U.S. with dumping beef in 1994 and 1998, leading to increased anti-dumping tariffs as high as $1.75 per pound beginning in 2000.[61]

In a particularly galling maneuver – given the tremendous advantage that the U.S. meat industry has over Mexico – U.S. Trade Representative Robert Zoellick this past June filed a World Trade Organization

Losers and Winners

More than ever, agriculture markets are being rigged in favor of large corporations to the detriment of small-scale operations. The Western Organization of Resource Councils sums up the situation this way:

"The dominant private corporations and public policies shaping the U.S. farm and food system are failing the family farmers and ranchers who produce our food. Farmers and ranchers have lost income, independence, and their farms and ranches to a system tilted in favor of input suppliers and food processors.

"Agricultural commodity markets and family farms and ranches are threatened by the deadly combination of concentration and vertical integration in agriculture."

Source: Western Organization of Resource Councils.
<www.beefmonopoly.org/beef>

complaint against Mexico over its anti-dumping duties on U.S. beef (as well as white, long-grain rice). The U.S. previously filed a NAFTA complaint regarding Mexico's anti-dumping measures.[62]

The Poultry Situation

Few products raised in Mexico are more sacrosanct than poultry. Like beef, however, the security of Mexican poultry growers is at risk.

From 1998 to 2003, chicken imports from the rest of the world rose from 185,000 tons a year to an estimated 275,000 tons, making Mexico the sixth-largest chicken importer in the world.[63] Turkey imports have increased from 120,000 tons to 160,000 tons during this same period, making Mexico by far the world's largest turkey importer.[64]

The value of chicken imports rose from an annual average of $57 million in the pre-NAFTA years of 1989-1993, to $88 million in the post-NAFTA years of 1994-2000. During these same periods, turkey imports rose from an annual average of $42 million to $105 million.[65]

Poultry imports from the U.S. alone rose from 80,000 tons in 1995 to 260,000 tons in 2002, giving the U.S. a 98 percent share in Mexico's import market, and making Mexico the fourth-largest export market for U.S. poultry. Imports from Chile rose from 0 tons in 1995 to 5,000 tons in 2002.[66]

Meanwhile, poultry exports from Mexico have plunged from 6,000 tons in 1998 to an estimated 1,000 tons in 2003.[67]

A major part of the problem is that Mexico has not been enforcing its quota-based tariff system, even though under NAFTA it is perfectly within its rights to do so. Further, under pressure from sausage makers that want mechanically deboned chicken and other chicken meats, Mexico increased its tariff-free limits for these products. Tariffs were lifted completely on Jan. 1, 2003, meaning that the flood of imports is only likely to intensify. To begin with, the shift from tough licensing requirements to a tariff system eased the import process.

Under tremendous pressure from domestic chicken farmers, Mexico on Jan. 22 imposed a 98.8 percent "emergency" tariff on imported U.S. chicken quarters, thighs and drumsticks beyond the first 50,000 tons, which can be brought in duty-free.[68] This step was taken after Mexico threatened the U.S. with a 240 percent emergency tariff, but this proposal was dropped under pressure from the U.S. government and the poultry industry.[69]

Compared to beef and pork, the Mexican poultry industry is better organized and has a higher degree of vertical and horizontal integration, as well as higher productivity. Five companies account for 50 percent of domestic production. Pilgrim's Pride de Mexico has about 12 percent market share. And Trasgo, a joint venture with Tyson Foods, has a 8 percent share. These factors make the poultry industry ripe for additional integration with multinational producers and distributors, putting the domestic industry in further peril.

Tyson and Pilgrim's Pride are among the 20 companies that control 85 percent of poultry production in the U.S.[70]

As in the beef industry, consolidation and vertical integration is intensifying in the realm of poultry.

Since 1960, U.S. poultry production has grown 700 percent. During this time, however, the number of poultry companies has dropped from about 285 to about 40. In 1960 the top four companies controlled 12 percent of the U.S. market. Today the top four companies – Tyson, Gold Kist, Perdue and Pilgrim's Pride – control 57 percent of the market.[71]

Farmers' share of sales is decreasing as well. In 1923, U.S. farmers received 62 cents for every pound of chicken produced. Today that figure stands at just 36 cents.[72]

The Pork Situation

Perhaps even more than beef and poultry, the Mexican pork industry has been hit especially hard since NAFTA went into effect – and the future looks grim.

The numbers tell the sad story.

Since 1994, fully one-third of Mexican pork farmers have gone out of business,[73] as technologically advanced operations grow larger and increase productivity. Currently, only about 40 percent of Mexican pork producers use "modern" techniques, and one-third of Mexican pork production comes from operations that raise only one or two pigs a year.[74]

From 1998 to 2003, annual pork imports from the rest of the world soared from 59,000 tons to an estimated 320,000 tons, making Mexico the third-largest pork importer in the world.[75] Pork imports rose from an annual average of $59 million during the pre-NAFTA years of 1989-1993, to an annual average of $93 million during the post-NAFTA years of 1994-2000.[76]

Imports from the U.S. alone rose from 39,000 tons in 1995 to 220,000 tons in 2002, giving the U.S. an 84 percent share of Mexico's import market, and making Mexico the second-largest export market for U.S. pork.[77] In 1994 – the first year of NAFTA – U.S. pork imports increased by 75 percent in volume and 63 percent in value.

Mexican farmers simply cannot compete with imports from the U.S., where pork is produced at two-thirds the price of Mexican pork[78] – 32 cents per pound compared to 52 cents per pound.[79] Elsewhere, imports from Chile rose from 0 to 12,000 tons, and from Canada from 3,000 tons to 28,000 tons.[80]

The increase in imports contributed to a sharp rise in consumption, increasing from 928,000 tons to an estimated 1.4 million tons from 1998 to 2003.[81] Like with the beef situation, these import-driven consumption increases have robbed Mexican producers of the opportunity to expand domestic sales.

Meanwhile, exports have risen only slightly, from 26,000 tons to an estimated 60,000 tons.[82]

Mexico finally responded to the flood of U.S. pork by opening a formal dumping investigation in Januray 2003. The Fox administration acted on a request from the Mexican Pork Council, mainly due to imports of ham and shoulders during the spring and summer of 2002.[83]

Eight U.S. exporters were named in the investigation: AJC International of Atlanta, Georgia; Cambrian of San Antonio, Texas; CS Export of Dallas, Texas; EB International of Hidalgo, Texas; Farmland Industries of Kansas City, Missouri (a top 10 U.S. meat

Institutionalized Insensitivity

Emblematic of the Mexican government's apathy toward campesinos, Eduardo Perez Motta, Mexico's Ambassador to the World Trade Organization, said in a recent interview:

"The agriculture sector needs the longest period of adjustment [to free trade agreements]. Some farmers are very poor and need further adjustment to compete with other farmers. But the U.S. is supporting their farmers. We are also supporting our farmers, but we don't have the same resources. However, Mexico has never accepted that agriculture should depend on the finance capacity of the government. It should be based on the capacity of the farmer to be efficient."

Source:
Institute of Agricultural and Trade Policy, Minneapolis, MN, May 26, 2003. <www.tradeobservatory.org/library/uploadedfiles/Interview_with_Ambassador_Eduardo_Perez_Motta_.htm

producer); IBP of Dakota Dunes, South Dakota (a top 10 U.S. meat producer); Nowaco USA of Glen Elin, Illinois; and Sioux-Preme Packing of Sioux Center, Iowa.[84]

As is the case with beef and poultry, the rise in U.S. pork exports to Mexico mainly has translated into better tidings not for small-scale operations, but for large corporations.

Just 7 percent of pork companies control 69 percent of U.S. production.[85] Four companies – Smithfield, IBP/Tyson, Cargill/Excel and ConAgra (the latter three of which are also among the top four beef packers) – slaughter about 60 percent of all pigs; partially or completely own one-fourth of all market pigs; and control 80 percent of all pigs through some form of forward sales agreement.[86]

Since 1980, the number of pig slaughterhouses has fallen from more than 500 to about 180.[87] During the past 10 years, though the retail price of pork has climbed by one-third, pig producers' share of the consumer dollar has fallen by one-third.[88]

Irradiation in the Future?

No discussion of the effect that free trade agreements and globalization of the food trade would be complete without a discussion of irradiation.

The Codex Alimentarius Commission is the most powerful food safety organization in the world. Operated by the World Health Organization and the United Nations' Food and Agriculture Organization, Codex sets food safety standards on behalf of more than 168 countries, including NAFTA partners Mexico, U.S. and Canada.

In June 2003, Codex ruled that any food could be irradiated at any dose, regardless of how high. The decision eliminated the previous radiation limit of 10 kiloGray (an already astronomical amount that is the equivalent of 330 million chest X-rays.)

Codex standards are enforceable through the World Trade Organization. What this means is that a WTO member nation that has a food irradiation law more restrictive than the Codex standard can have its law challenged and overruled. Essentially, the new Codex standard has created a free, global market in irradiated foods.

Irradiation is being embraced by the food industry for three main reasons:

- It can dramatically extend the shelf life of food, allowing it to be stored for longer periods and shipped farther before sprouting and rotting. This allows multinational corporations to produce food as cheaply as possible and export it to countries that might have competing industries, thus putting them at a financial disadvantage.
- Irradiation can eradicate fruit flies, weevils and other invasive pests, opening otherwise closed markets to exotic fruits and vegetables. This will also allow overseas producers to compete with domestic operations.
- And, irradiation can kill *E. coli*, *Salmonella*, *Listeria* and other harmful bacteria that are often the product of large, factory-style facilities commonly used by multinational corporations.

Mexico has but a fledgling food irradiation industry. Mexico has only two food irradiation facilities (that could be identified for this report) – one in Toluca, operated by the Instituto Nacional de Investigaciones Nucleares;[89] and one in Tepeji, a joint project of Belgium-based Ion Beam Applications and Canada-based MDS Nordion, operating under the name NGS Enterprises.[90]

Both facilities "treat" food with cobalt-60, a radioactive isotope of naturally occurring cobalt-59. A vast majority of the world's cobalt-60 is produced in Canada by MDS Nordion.

Mexico is one of about 60 countries in which food irradiation is legal. Though Mexico passed a sweeping food irradiation law in 1995, which legalized irradiation for more than 50 types of food,[91] only a small amount of irradiated food is actually consumed.

Many of these more than 50 foods, however, are types of meat, fruits and vegetables that are grown in the U.S. and other countries, and that can potentially be irradiated and exported to Mexico. (See chart, this page.)

The U.S. already has more than 40 facilities where food can be irradiated, and plans are in the works to build several more in the next few years. More than 30 other countries have facilities, including major agriculture exporters, such as Argentina, Australia, Brazil, New Zealand and Thailand. Brazil,[92] already a major meat exporter, is also being touted as "the fruitbasket of the world," and has the most permissive food irradiation law in the world.

Just as the U.S. has been the driving force behind NAFTA, GATT, the economic liberalization policies of the International Monetary Fund and World Bank, and the general push towards a global, free-market economy, the U.S. has also been the most influential player in the proliferation of irradiated foods and irradiation technology.

And, just as the operations of Codex, the World Trade Organization and other international trade- and agriculture-related agencies

Irradiation Nation

In July 1995, just 18 months after NAFTA went into effect, Mexico passed one of the most permissive food irradiation laws in the world, allowing a wide range of meat, fruit, vegetables, grains and other foods to be "treated" with radiation:

Apples
Apricots
Avocados
Bananas
Beef (Dehydrated)
Breakfast Cereals
Bulbs
Cereal Grains
Cereal Products
Cherries
Chicken
Chicken (Dehydrated/Dried)
Chicken Products
Cocoa (Dehydrated)
Condiments (Dried)
Corn
Corn Products
Currants (Red)
Dates
Eggs (Dehydrated)
Figs (Dried)
Fish
Food Colors (Dehydrated)
Frog Legs
Fruit (Dried)
Garlic
Ginger
Grapes
Guavas
Herbs
Jujube (Dried)
Lemons
Litchis
Mandarins
Mangoes
Melons
Milk (Dehydrated)
Mushrooms
Onions
Oranges
Papayas
Pears
Persimmons
Pineapples
Plums
Pork
Potatoes
Raisins
Rice
Rice Products
Roots And Tubers
Shallots
Soup Stock (Dehydrated)
Soybeans
Soybean Products
Strawberries
Tea (Herbal)
Tomatoes
Vegetables (Dried)
Wheat

Source:
International Consultative Group on Food Irradiation, Vienna

often occur behind closed doors, so too are the irradiation industry and its government sponsors in the U.S. and other industrialized nations.

The upshot is that if the U.S.-led food irradiation movement continues to thrive, multinational food corporations will have another tool at their disposal to transport low-cost food longer distances. For example, beef raised in Brazil, dates grown in Israel, and mangoes grown in the Philippines could be shipped to Mexico and remain "fresh."

In theory, at least, the Mexican market could be flooded with still more low-cost agricultural imports under a global production and distribution system that incorporates irradiation. In practice, this flow could begin within the next 5 or 10 years.

Effects on the United States

Like Mexico, certain sectors of the U.S. agriculture industry have suffered due to NAFTA, despite purported gains.

Since NAFTA went into effect, agricultural imports from Mexico have risen an average of 8.2 percent per year, from $2.7 billion in 1993 to $5.5 billion in 2002. Among the nine products that comprise half of this trade are tomatoes, peppers, cucumbers, grapes, cauliflower, and broccoli.[93] Half of the imported fresh and frozen vegetables, and one-third of the imported fresh and frozen fruits now come from Mexico.[94]

The winter vegetable industry has been hit especially hard, and particularly in Florida. The state once supplied the U.S. with 95 percent of winter vegetables; now two-thirds of the supply comes from Mexico.[95] Competition with Mexico peaks from December through April, being the fiercest in February and March.

Florida's woes are not new. A coalition of Florida farms first came together in 1978 to combat the importation of low-cost winter vegetables from Mexico. When then-Presidents Bush and Salinas sat down to discuss a free trade treaty in 1992, Florida's agriculture commissioner held a press conference to warn of an impending disaster if winter vegetables were not exempted from NAFTA. The caution fell on deaf ears.

In March 1995, a little over a year after NAFTA went into effect, the Florida Tomato Exchange filed a petition with the U.S. International Trade Commission seeking relief from low-cost Mexican tomatoes allegedly "dumped" onto the U.S. market. The U.S. Department of Commerce rejected the petition when Mexico agreed to a price floor, despite the disappearance of two-thirds of Florida tomato industry in 1994 and 1995.[96]

The Florida tomato industry, which makes up one-third of all vegetables produced in the state, has been hammered ever since. The state once produced half of all the fresh tomatoes grown in the U.S., and 90 percent of the crop from December through May.[97] During the first three years of NAFTA, Mexican tomato imports doubled as Florida's production fell by a third, costing the state $750 million and robbing hundreds of workers of their jobs.[98]

Since NAFTA, the number of tomato farms has fallen from 230 to fewer than 100, and 25 packing houses have closed.[99] Florida's tomato acreage fell from 5,600 to 2,000 from 1992 to 2000. And, since NAFTA the number of major tomato companies dropped from more than 300 to 15.[100]

Meanwhile, Mexico's share of the U.S. tomato market grew from 42 percent to 63 percent in the first year of NAFTA alone. Tomatoes are now by far Mexico's top fresh agricultural export. Prices have fallen so low that less-than-perfect tomatoes grown in Florida routinely go unpicked.[101]

This comes as little wonder. Mexico is not required to grade or size its tomatoes according to U.S. standards. Compared with the U.S., labor costs are much lower, and environmental, worker protection and pesticide rules are far more lax. An infinitesimally small percentage of trucks crossing the border at Nogalas, Arizona, are inspected.[102]

The situation has Skip Jones of the Florida Tomato Committee wondering: "Why legislate the end of an important industry like the Florida tomato industry and displace thousands of workers? We aren't asking much. We just want to have the opportunity to market our products in our own country and have imports marketed under the same rules."[103]

Tomatoes are one of several winter vegetables that Mexico exports to the U.S. in mass quantities, endangering Florida's agriculture industry. Others include bell peppers, cucumbers, snap beans, eggplant and squash. These vegetables comprise 10 percent of the fresh vegetables produced in the entire U.S.

From 1995 to 1999, imported Mexican bell peppers increased 45 percent to comprise three-fourths of all pepper imports, while U.S. pepper production fell by one-fifth and acreage dropped 14 percent.[104]

The problems are only bound to get worse. Under NAFTA, U.S. tariffs on certain winter vegetables were lifted this past January, with the remainder to be eliminated in 2008.

Additionally, Florida, California, Texas and other U.S. states have been harmed by rising Mexican imports of asparagus, broccoli, cauliflower, garlic, grapes, limes, mangoes, onions, strawberries, avocados (the latter once banned due to fruit fly concerns).

The Big Picture

As Mexico becomes further integrated into the global agriculture economy, it will experience greater difficulty protecting its own agriculture industry from the flood of low-cost imports – which will continue to surge – from NAFTA partners U.S. and Canada, as well as other exporting giants such as Argentina, Australia, Brazil, Chile, the European Union and New Zealand, to name but a few.

In just 20 years of economic liberalization, structural adjustments, free trade agreements and other measures ostensibly designed to improve the condition of its economy and its people, Mexico is in a severe downward spiral.

When the country finally reaches rock-

Soaring Mexican Imports

Since NAFTA went into effect in 1994, certain varieties of Mexican fruit and vegetables have entered the U.S. in mass quantities. The situation is especially serious for winter vegetables, and especially damaging for Florida, California and Texas. Here is a sampling. (Figures are in millions of dollars.)

	1993	2002
All agriculture	2,379	5,518
Vegetables	1,058	2,047
Fruit	314	784
Tomatoes*	304	552
Peppers*	135	300
Grapes	55	203
Melons	51	92
Fruit juices	31	62

	1998	2002
Sugar	57	109
Asparagus	58	74
Citrus	43	73
Avocados	11	39
Berries	5	29
Lettuce	8	27

	1989-93	1994-2000
Cucumbers*	73	119
Broccoli*	80	91
Squash*	52	89
Eggplant*	13	21
Snap beans*	13	21
Cauliflower*	14	17

Source: Foreign Agricultural Service, U.S. Department of Agriculture.

* winter vegetables

bottom – when the bald face of these "reforms" will be revealed for all to see – is anybody's guess. Perhaps this has already happened. More than likely, however, the ravaging of the countryside and the people who call it home has just begun.

Unlike its more industrialized trading partners, the modernization of Mexico's economy has evolved much quicker. It has not had sufficient time for new demands and concerns to be addressed – for displaced farmers to find work in other industries, for communities suffering from unemployment and poverty to find alternative means of self-sufficiency, for export routes to be established, for commercial operations to keep pace with industrialization, and for the national psyche to adjust to what has blithely been termed the New Global Economy.

In the long term, Mexico could serve as a stark example of what can happen to a country that brings upon itself – albeit under the influence of powerful outside forces – wholesale changes that result in the country becoming susceptible to the shifting winds of the global economy.

Mexico is also surrendering more control over its food supply system to corporations based in other countries. For the farmers and consumers of Mexico, this is a no-win situation.

Instead of production, distribution and marketing decisions being made regionally or even locally, more of these decisions are being made in corporate boardrooms thousands of miles away, by people who more than likely will never set foot in the portions of Mexico where their products are grown and sold. Compared to the uncertainties that daily life has brought to the Mexican people up until this point in history, the uncertainties of such a future are staggering.

The general population of no nation would consciously decide to put themselves in such a position. In the case of Mexico, and developing nations throughout the world in a similar state, these decisions have not been made by the people. It is now up to the people, however, to find solutions to reverse the devastation resulting from governmental and corporate recklessness. Immediate action is needed to enhance family farm-based food production for domestic markets, and to prevent low-price imports that destroy local family-farm production.

As far as the United States is concerned, many of the worries voiced by farmers before NAFTA was signed have become reality. NAFTA has a nine-year track record of broken promises for family farmers and ranchers. Small- and medium-scale farmers and ranchers, already hammered by the march of consolidation and globalization, are fighting for survival.

Farmers throughout the Americas have observed the results of NAFTA and are working together to defeat the Free Trade Area of the Americas, which would expand NAFTA's attack on farmers to 31 additional countries. Farmers from around the world have joined together to promote food sovereignty and to work for the rejection of the Agreement on Agriculture in the World Trade Organization.

Their vision, expressed in the People's Food Sovereignty Statement, is one worth fighting for:

"People must have the right to define their own food and agriculture; to protect and regulate domestic agricultural production and trade in order to achieve sustainable development objectives; to determine the extent to which they want to be self reliant; and to restrict the dumping of products in their markets."

Continuing: "Food sovereignty does not negate trade, but rather, it promotes the formulation of trade policies and practices that serve the rights of peoples to safe, healthy and ecologically sustainable production."[105]

Notes

[1] Carlsen, Laura. *The Mexican Farmers' Movement: Exposing the Myths of Free Trade*. Americas Program Policy Report. Interhemispheric Resource Center, Silver City, NM, March 2003.

[2] *Farms and Land in Farms.* National Agricultural Statistics Service, U.S. Department of Agriculture, February 2002.

[3] *Agricultural Income and Finance Outlook*. Economic Research Service, U.S. Department of Agriculture, Sept. 26, 2002 and Oct. 17, 1996.

[4] "Statement of Bill Christison at press conference for rally for rural America." National Family Farm Coalition, March 20, 2000. <www.nffc.net/press1.htm>

[5] "U.S./Mexican Bilateral Horticultural Trade Trends Under NAFTA." Foreign Agricultural Service, U.S. Department of Agriculture, 1999.

[6] "Group 5 NAFTA Industry – Fresh Fruits And Vegetables." Mays Business School, Texas A&M University.

[7] Jerardo, Andy. "Import share of U.S. food consumption stable at 11 percent." Economic Research Service, U.S. Department of Agriculture, FAU-79-01, July 2003.

[8] Personal communication with Arnold Foudin, Animal and Plant Health Inspection Service, U.S. Department of Agriculture.

[9] "Briefing Room: Mexico." Economic Research Service, U.S. Department of Agriculture. <www.ers.usda.gov/briefing/mexico>

[10] Foley, Michael W. "Privatizing the Countryside: The Mexican Peasant Movement and Neoliberal Reform." *Latin American Perspectives*, Vol. 22(1):59-76, Winter 1995.

[11] Randall, Laura (Ed.) *Reforming Mexico's Agrarian Reform*. Armonk, N.Y.: M.E. Sharpe, 1996, p. 272.

[12] Ibid.

[13] Mexico: Country Brief. The World Bank Group. <www.worldbank.org>

[14] Karst, Tom. "Mexican grain producers call for NAFTA overhaul." *The Packer*, May 16, 2003.

[15] "Renegotiation of NAFTA agriculture terms costly for Mexico, Minister Casteneda says." Florida Farmers Inc., January 2003.

[16] "Structural Adjustment." Resource Center of the Americas.
<www.americas.org/labor/structural_adjustment.htm>

[17] Carlsen, Laura. *The Mexican Farmers' Movement: Exposing the Myths of Free Trade*. Americas Program Policy Report. Interhemispheric Resource Center, Silver City, NM, March 2003.

[18] Letter from the National Family Farm Coalition to Mexico President Vicente Fox, Jan. 8, 2003.
<paddy42.tripod.com/2003/EXAMINER.htm>

[19] "Mexico to reintroduce farm subsidies." Associated Press, Nov. 18, 2002.

[20] Carlsen, Laura. *The Mexican Farmers' Movement: Exposing the Myths of Free Trade*. Americas Program Policy Report. Interhemispheric Resource Center, Silver City, NM, March 2003.

[21] "Briefing Room: Mexico." Economic Research Service, U.S. Department of Agriculture.
<www.ers.usda.gov/briefing/mexico>

[22] "Mexican agriculture threatened with near extinction." Florida Farmers Inc., Nov. 2002.

[23] Becker, Elizabeth. "U.S. corn subsidies said to damage Mexico." *New York Times*, Aug. 27, 2003.

[24] Carlsen, Laura. *The Mexican Experience and Lessons for WTO Negotiations on the Agreement on Agriculture*. Americas Program Presentation to the European Parliament. Interhemispheric Resource Center, Silver City, NM, June 11, 2003.

[25] *Down on the Farm: NAFTA's Seven-Years War on Farmers and Ranchers in the U.S., Canada and Mexico*. Public Citizen, Washington, DC, June 2001.

[26] "Mexican government tries to calm discontent over tortilla prices." Associated Press Worldstream, Jan. 7, 1999.

[27] "Rise in tortilla prices." *Morning Edition*, National Public Radio, Jan. 20, 2000.

[28] Anderson, John Ward. "Tortilla price hike hits Mexico's poorest." *Washington Post*, Jan. 12, 1999.

[29] Kraul, Chris. "Growing troubles in Mexico." *Los Angeles Times*, Jan. 17, 2000.

[30] Halwell, Brian. "Why no one win in the global food fight." *Washington Post*, Sept. 21, 2003.

[31] Carlsen, Laura. *The Mexican Experience and Lessons for WTO Negotiations on the Agreement on Agriculture*. Americas Program Presentation to the European Parliament. Interhemispheric Resource Center, Silver City, NM, June 11, 2003.

[32] Wise, Tim. *NAFTA's Untold Stories: Mexico's Response to North American Integration*. Americas Program Policy Report. Interhemispheric Resource Center, Silver City, NM, June 10, 2003.

33 *Down on the Farm: NAFTA's Seven-Years War on Farmers and Ranchers in the U.S., Canada and Mexico*. Public Citizen, Washington, DC, June 2001.

34 "Special Report: Mexican Agriculture in Crisis." Florida Farmers Inc., Dec. 2002.

35 Suppan, S. and Lehman, K. *Food Security and Agricultural Trade Under NAFTA*. Institute for Agriculture and Trade Policy, July 11, 1997.

36 Glendinning, Chellis. "They Call Them Deportees." AlterNet, July 17, 2003.

37 Carlsen, Laura. *The Mexican Farmers' Movement: Exposing the Myths of Free Trade*. Americas Program Policy Report. Interhemispheric Resource Center, Silver City, NM, March 2003.

38 Carlsen, Laura. *The Mexican Experience and Lessons for WTO Negotiations on the Agreement on Agriculture*. Americas Program Presentation to the European Parliament. Interhemispheric Resource Center, Silver City, NM, June 11, 2003.

39 "Campesinos block U.S. agricultural imports." Mexico Solidarity Network, Weekly News Summary, April 29-May 5, 2002.

40 *Effects of North America Free Trade Agreement on Agriculture and the Rural Economy.* International Agriculture and Trade Reports, Economic Research Service, U.S. Department of Agriculture, WRS-02-1, July 2002.

41 Agricultural Marketing Service, U.S. Department of Agriculture.

42 Foreign Agricultural Service, U.S. Department of Agriculture.

43 *Effects of North America Free Trade Agreement on Agriculture and the Rural Economy.* International Agriculture and Trade Reports, Economic Research Service, U.S. Department of Agriculture, WRS-02-1, July 2002.

44 Carlsen, Laura. *The Mexican Farmers' Movement: Exposing the Myths of Free Trade*. Americas Program Policy Report. Interhemispheric Resource Center, Silver City, NM, March 2003.

45 *Effects of North America Free Trade Agreement on Agriculture and the Rural Economy.* International Agriculture and Trade Reports, Economic Research Service, U.S. Department of Agriculture, WRS-02-1, July 2002.

46 "The U.S. Farm Bill: Implications to the Canadian Pulse Industry." Sparks Companies, A Special Analytical Series, May 2002.

47 "Farms getting government subsidies, by state." Environmental Working Group, Farm Subsidy Database, 2001.

48 "Green Acre$." Environmental Working Group, April 2000.

49 Ibid.

50 "George Naylor's Speech to ANEC: Mexico City, Mexico." National Family Farm Coalition, Commodities Task Force. <www.nffc.net/comm3.htm>

51 "Briefing Room: Mexico." Economic Research Service, U.S. Department of Agriculture. <www.ers.usda.gov/briefing/mexico>

52 "Beef and Veal Summary Selected Countries." Foreign Agricultural Service, U.S. Department of Agriculture.

53 *Effects of North America Free Trade Agreement on Agriculture and the Rural Economy.* International Agriculture and Trade Reports, Economic Research Service, U.S. Department of Agriculture, WRS-02-1, July 2002.

54 Kester, Warren. "Bigger and fewer." *Beef*, April 1, 2003.

55 Guebert, Alan. "Packer ban hearing brings hoots, no consensus." *FoodRoutes*, #7, July 19, 2002.

56 "Packer Ban WORC Fact Sheet: S. 27 and H.R. 719, Banning Packer Ownership of Livestock." Western Organization of Resource Councils.

57 "Mexico's Beef Situation." Foreign Agricultural Service, U.S. Department of Agriculture.

58 "Mexico gains ground as major beef export market." Minnesota Beef Council, May 2003.

59 "Mexico's Beef Situation." Foreign Agricultural Service, U.S. Department of Agriculture.

60 "Beef and Veal Summary Selected Countries." Foreign Agricultural Service, U.S. Department of Agriculture.

61 *Effects of North America Free Trade Agreement on Agriculture and the Rural Economy.* International Agriculture and Trade Reports, Economic Research Service, U.S. Department of Agriculture, WRS-02-1, July 2002.

62 "U.S. files WTO case against Mexico." Reuters, June 16, 2003.

63 Broiler Summary Selected Countries." Foreign Agricultural Service, U.S. Department of Agriculture.

64 "Turkey Summary Selected Countries." Foreign Agricultural Service, U.S. Department of Agriculture.

65 *Effects of North America Free Trade Agreement on Agriculture and the Rural Economy.* International Agriculture and Trade Reports, Economic Research Service, U.S. Department of Agriculture, WRS-02-1, July 2002.

[66] "Mexico's Broiler Situation." Foreign Agricultural Service, U.S. Department of Agriculture.

[67] "Mexico's Broiler Situation." Foreign Agricultural Service, U.S. Department of Agriculture.

[68] Murphy, Dan. "Mexico slaps 98.8 percent 'emergency tariff' on U.S. chicken leg quarters." TheMeatingplace.com, Jan. 24, 2003.

[69] Lipsky, Joshua. "United States secures poultry exports to Mexico." TheMeatingplace.com, Jan. 28, 2003.

[70] Kester, Warren. "Bigger and fewer." *Beef*, April 1, 2003.

[71] Vandiver, John. "Poultry growers struggle to keep up." *The Daily Times* (Salisbury, MD), Aug. 10, 2003.

[72] Ibid.

[73] "Mexican farmers fear NAFTA's effects." *Newsday*, Jan. 31, 2003.

[74] "The future for pork." Mexican Economic Report, Jan. 2000.

[75] "Pork Summary Selected Countries." Foreign Agricultural Service, U.S. Department of Agriculture.

[76] *Effects of North America Free Trade Agreement on Agriculture and the Rural Economy.* International Agriculture and Trade Reports, Economic Research Service, U.S. Department of Agriculture, WRS-02-1, July 2002.

[77] "Mexico's Pork Situation." Foreign Agricultural Service, U.S. Department of Agriculture.

[78] "Mexican farmers fear NAFTA's effects." *Newsday*, Jan. 31, 2003.

[79] "The future for pork." Mexican Economic Report, January 2000.

[80] "Mexico's Pork Situation." Foreign Agricultural Service, U.S. Department of Agriculture.

[81] "Pork Summary Selected Countries." Foreign Agricultural Service, U.S. Department of Agriculture.

[82] "Mexico's Pork Situation." Foreign Agricultural Service, U.S. Department of Agriculture.

[83] "USMEF sees No. 2 pork export market threatened." U.S. Meat Export Federation, Jan. 9, 2003.

[84] Resolution, Mexico Ministry of the Ecomony, Jan. 7, 2003. <www.usmef.org/misc_news/03_0107_mexantidump_sp.pdf>

[85] Kester, Warren. "Bigger and fewer." *Beef*, April 1, 2003.

[86] Guebert, Alan. "Packer ban hearing brings hoots, no consensus." *FoodRoutes*, #7, July 19, 2002.

[87] "The meat oligonomy." *Oligopoly Watch*, Aug. 5, 2003.

[88] "Packer Ban WORC Fact Sheet: S. 27 and H.R. 719, Banning Packer Ownership of Livestock." Western Organization of Resource Councils.

[89] International Consultative Group on Food Irradiation, Vienna. <www.iaea.org/icgfi>

[90] "IBA and MDS Nordion open new irradiation facility in Mexico." IBA press release, April 28, 2000.

[91] International Consultative Group on Food Irradiation, Vienna. <www.iaea.org/icgfi>

[92] International Consultative Group on Food Irradiation. Vienna. <www.iaea.org/icgfi>

[93] *Effects of North America Free Trade Agreement on Agriculture and the Rural Economy.* International Agriculture and Trade Reports, Economic Research Service, U.S. Department of Agriculture, WRS-02-1, July 2002.

[94] "Briefing Room: Mexico." Economic Research Service, U.S. Department of Agriculture. <www.ers.usda.gov/briefing/mexico>

[95] "Food Fight." The NewsHour with Jim Lehrer, March 28, 1996.

[96] *Down on the Farm: NAFTA's Seven-Years War on Farmers and Ranchers in the U.S., Canada and Mexico*. Public Citizen, Washington, DC, June 2001.

[97] WTO listening session, Foreign Agricultural Service, U.S. Department of Agirulture, June 4, 1999, Winter Haven, FL.

[98] WTO listening session, Foreign Agricultural Service, U.S. Department of Agirulture, June 4, 1999, Winter Haven, FL.

[99] "NAFTA shock." *Multinational Monitor*, Vol. 19, No. 12, December 1998.

[100] *Down on the Farm: NAFTA's Seven-Years War on Farmers and Ranchers in the U.S., Canada and Mexico.* Public Citizen, Washington, DC, June 2001.

[101] "NAFTA poses problem for U.S. growers – Food is wasted due to low prices, abundant tomato crop." Associated Press, May 1999.

[102] WTO listening session, Foreign Agricultural Service, U.S. Department of Agirulture, June 4, 1999, Winter Haven, FL.

[103] WTO listening session, Foreign Agricultural Service, U.S. Department of Agirulture, June 4, 1999, Winter Haven, FL.

[104] Foreign Agricultural Service, U.S. Department of Agriculture.

[105] "Peoples' food sovereignty – WTO out of agriculture." Via Campesina. <www.viacampesina.org/art_english.php3?id_article=34>

Public Citizen

Critical Mass Energy and Environment Program
215 Pennsylvania Ave., S.E.
Washington, D.C. 20003
tel: (202) 546-4996
fax: (202) 547-7392
cmep@citizen.org
www.citizen.org/cmep

GRACE
GLOBAL RESOURCE ACTION CENTER FOR THE ENVIRONMENT

215 Lexington Ave., Suite 1001
New York, NY 10016
tel: (212) 726-9161
fax: (212) 726-9160
info@gracelinks.org
www.gracelinks.org