

EL CAMPO NO AGUANTA MAS

(The Countryside Cannot Bear it Anymore)

Statistics on the situation in the Mexican countryside:

1. Some of NAFTA's impacts on food and agriculture:

- NAFTA has led to an increase in agricultural imports. In 1995, Mexico imported \$3.254 billion of U.S. agricultural products, and exported \$3.8 billion dollars of agricultural products to the U.S. In 2001 imports from the U.S. surpassed \$7.415 billion and our exports to the U.S. were \$5.267 billion. Our agricultural trade surplus of \$581 million with the U.S. in 1995 has become a deficit of \$2.148 billion.
- Since NAFTA was first implemented Mexico has paid \$78 billion to purchase food, more than the entire public debt of the country.
- In 1990 Mexico's average annual import level of basic crops (corn, beans, wheat, sorghum, rice, etc.) was 8.7 million tons. In 2000 it reached 18.5 million tons, a 112% increase. Before NAFTA we imported 2.5 million tons or less of corn annually; in 2001 we imported 6.148 million tons.
- Mexico no longer has food sovereignty. It imports 95% of soy consumed; 58.5% of rice consumed; 49% of wheat consumed; and 25% of corn consumed. We also import 40% of the meat we consume.
- Because of unfair competition from foreign imports, the real value of products from the countryside has fallen. Between 1985 and 1999 corn lost 64% of its value and beans lost 46% of their value. This has not led to decreased prices for consumers; between 1994 and 2002 real prices of a "basic basket" of food have risen 257%.
- All this has impoverished rural people even more. Of the 8.2 million Mexicans who work in the countryside, the majority live in extreme poverty, according to the Mexican government's Secretary for Social Development Agency (SEDESOL). Two of every three people who live in the countryside are indigent. In 1992, 35-36% of the rural population was considered to live in a state of "pobreza alimentaria," ie, earning less than the minimum amount needed for food. Today, that number is 52.4%. In 1992, 41.8% of the rural population was considered to live in "pobreza de capacidades"

(unable to cover basic food, education, and health needs); today that figure is 50%. The World Bank itself acknowledges that the current poverty rates in the countryside are higher than they were a decade ago.

- Poverty is pushing the campesino population towards cities and towards the U.S. According to SEDESOL, an average of 600 campesinos leave their land every day. 1.78 million jobs have been lost in the Mexican countryside since NAFTA went into effect.
- The subsidies that the U.S. government gives to its producers amount to an average of \$21,000 per producer; in Mexico, the average subsidy per producer is \$700. The 2002 U.S. Farm Bill will increase subsidies to U.S. producers by 80% over the next ten years.

2. NAFTA's winners:

- Grupo Bimbo (The Bimbo Group – a Mexican bread company), which has benefited from subsidized imports of wheat from the U.S. In 2001 its sales reached 33.855 billion pesos (approximately USD\$3.47 billion)
- Alfonso Romo Garza (Pulse and Savia groups). Development, marketing, and production of seeds for fruits and produce. Sales in 2001: USD\$1.2 billion.
- Grupo Gruma (Maseca), the biggest producer of corn and flour tortillas in the world. It has benefited from imported corn from the U.S. (Mexico has so far imported 14 million more tons of corn than was forecast in NAFTA). In 2001 Grupo Gruma had sales of 12,216 billion pesos (USD\$1.25 billion) and a 50% increase in net profits.
- The big grain importers (corn and sorghum, above all), to produce milk and meat:
 - Grupo Bachoco (Bachoco Group) has benefited from importing yellow corn and sorghum for poultry production. Net sales in 2001: more than 9 billion pesos. (USD\$925 million)
 - The milk company Lala, with monthly sales of USD\$40 million.

- Grupo Viz, the principal producer, distributor, and marketer of beef. Sales around USD\$287 million in 2001. This group is also a major cattle importer.
- Vegetable exporters, who account for more than 50% of Mexican agricultural food exports. Of the 100,000 vegetable producers in the country, only 20,000 producers are exporters. The Labastida Ochoa family, which exports 550 tons of vegetables to the U.S., plays an important role in this sector.
- Exporters of tropical fruits, particularly the transnational companies Chiquita and Del Monte.
- The transnational corporation Pilgrim's Pride, with annual sales of \$270 million in Mexico. The Cargill corporation, the most powerful grain trader in the world. The Dupont corporation, with sales of \$515 million in the first half of 2002.
- It is estimated that all these businesses have earned net profits of around USD\$25 billion since NAFTA went into effect.

3. On January 1, 2003, taxes on all agricultural food imports except corn, beans, and powdered milk coming from NAFTA countries will be lifted.

On January 1, 2003 the second to last offensive against our agriculture will go into effect. On this day all taxes on agricultural food imports – except for corn, beans, and powdered milk - coming from NAFTA countries will be lifted entirely. Tariffs on the exempted products will be lifted entirely in 2008. There will be no quotas and no tariffs on milk or milk products, meat, fruit, vegetables, grains, or oils.

Chicken producers say that they will lose 30,000 jobs in one year. Their claim is plausible: costs of production in the U.S. are 68% less than they are in Mexico. Taking away the current 59.4% taxes on chicken, imports, our poultry farmers will be an extinct species. Pork producers have indicated that about 70% of the 300,000 jobs in their sector will be at risk.

4. 10 Reasons for our country to declare a moratorium on the agricultural chapter of NAFTA:

1. The agricultural sector and all of rural Mexico are in grave economic, social, and environmental danger, due in large part to agricultural food imports from the U.S.
2. The U.S. has not complied with the letter or spirit of NAFTA, or international agreements like the WTO, which clearly stipulate the elimination of unfair trade practices and the shrinking of agricultural subsidies that distort the international

market. U.S. government subsidies went from \$5 billion in 1994 to \$32 billion in 2000.

3. The situation described above has provoked an artificial drop in international agricultural prices and gives an artificial, unjust advantage to U.S. agricultural exports to Mexico.
4. Agricultural subsidies from the U.S. government create fixed market prices below the costs of production, which in turn leads to “dumping” prices.
5. The Mexican government simultaneously offers special protection and low tariffs to North American imports, and reduces in real terms subsidies to our agricultural sector, provoking the fall of real prices and loss of profitability for Mexican agricultural producers.
6. Agricultural food imports coming from the U.S. have left much to be desired in terms of quality and sanitation. We have been inundated with food imports that are harmful to human and animal health and that affect our environment. This is what has happened with transgenic corn and soy, corn and sorghum which contain toxins, and meat and milk with hormones or which may have been frozen for years.
7. In reality these years of NAFTA have not been free trade. The U.S. has used dual language: Mexico should open its borders, but can close its own doors at its discretion; our country should eliminate subsidies, but the U.S. government keeps raising subsidies; they demand quality and sanitation of Mexican exports, but send food with hormones and chemicals to Mexicans.
8. The agricultural chapter of NAFTA was poorly negotiated and poorly implemented by the governments of Mexico and the U.S, according to what officials of both countries now acknowledge. It was the result of negotiations of one of the most authoritarian and corrupt regimes of recent years: Carlos Salinas de Gotari.
9. Exercising our rights as Mexican citizens, we cannot allow NAFTA to supercede our constitution which establishes that national sovereignty lives with the people. The constitution guarantees the right to work and authorizes the Congress and the Executive branch, in conditions of economic emergency, to restrict and prohibit imports to regulate foreign trade for the benefit of the economy and the stability of the country.
10. Chapter 13 in NAFTA, which refers to Emergency measures, and Chapter 31 of the WTO give countries the right to temporarily break commitments to lower tariffs for reasons of national security.

4. How the moratorium on the agricultural chapter of NAFTA would operate:

In accordance with articles 131, 39, and 73, sections 39 A and E of the Federal constitution of the United States of Mexico, the Senate of the Republic should declare a state of economic, social, and environmental emergency in the Mexican countryside. Consequently, on January 1, 2003, the government should enact a three-year provisional suspension of NAFTA agricultural obligations related to those food crops defined as “basic and strategic” for our security and nutritional sovereignty in Chapter 17 of the Law of Sustainable Rural Development. These crops include corn, sugar cane, beans, wheat, rice, sorghum, coffee, eggs, milk, beef, pork, poultry, and fish.

The above implies that the Senate should decree in the 2003 Budget Legislation and the 2003 Applicable Rate for the General Import Tax for goods originating from countries with which a trade treaty exists, the establishment, beginning January 1, 2003, of tariffs and annual and/or seasonal quotas with ad valorem taxes from 0 to 30% on each of the food productions chains that is considered “basic and strategic” under the new Law of Rural Sustainable Development.

The Congress of the Union should expedite a decree through which it instructs the Federal Executive to initiate a process of re-negotiation of the agricultural chapter of NAFTA with the governments of U.S. and Canada, based on the constitutional mandates of the new Law of Sustainable Rural Development.