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Trade with Mexico: Deeper Integration under NAFTA

USDA Agricultural Outlook Forum 2008

Arlington, VA

February 22, 2008

Jeffrey Max Jones

Undersecretary for Agribusiness Development

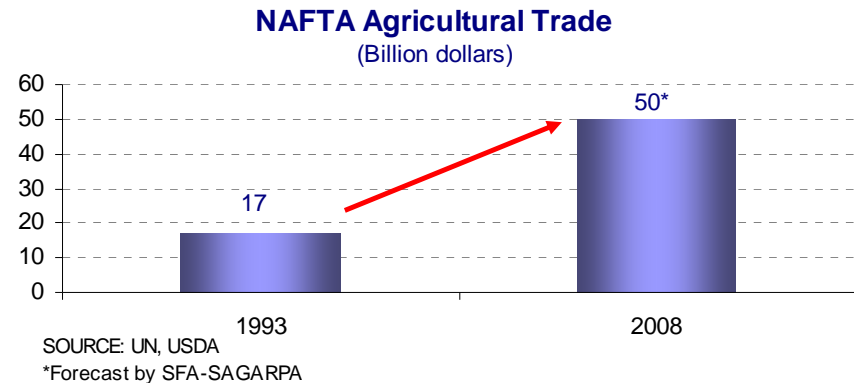


Reassuring the benefits of NAFTA

SAGARPA



- Since its inception, NAFTA has provided a wide array of benefits



- NAFTA's benefits go beyond economical
 - Higher quality and safer products
 - Access to a wider variety of food products
 - Better prices and greater value
 - Increase producers and consumer welfare

New challenges to face

SAGARPA

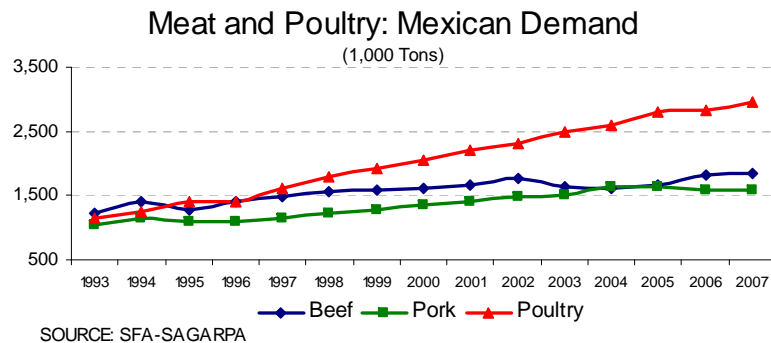
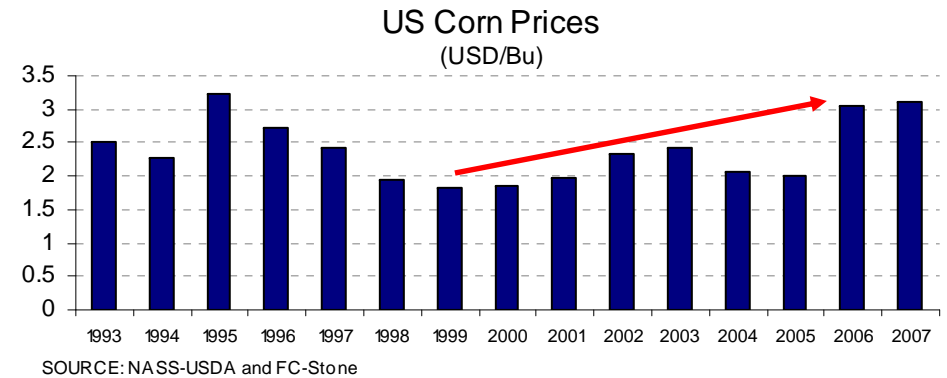


■ Biofuels

- Effect on *prices and demand*
- Fuel vs food

■ Food security

- Food availability
- Safer food



■ New demand structures

- US: increase in produce demand
- Mexico: important increase in animal protein demand

What is next?



- Have all possible benefits from NAFTA been realized?
- Is there life after NAFTA?
- Producers need to respond to changes in demand in areas of economic advantage
- Removing technical trade barriers in order to harmonize agricultural policy among NAFTA'S three countries
- Developing compatible sanitary, phytosanitary and food security policies to achieve a common sanitary region
- Addressing supply chain issues, including biosecurity, on a regional basis
- Fostering research and innovation of "North American" products to compete as a region

Conclusions



- NAFTA has proven successful but need to reassure benefits
- The goal of SAGARPA is to provide leadership in facilitating market-oriented adjustment to change
- We must respond to changes in demand in areas of economic advantage
- NAFTA is a strong economic region and has the potential to compete as an economic bloc
- Integration is key to foster trade and improve benefits among members.
 - Market – Economic - Policy