

AGRICULTURAL SECTOR : QUESTION #2

What aspects of Mexican and Canadian trade are especially sensitive to NAFTA?

Background:

Protective Measures-

The removal of seasonal tariffs is a major concern for Canadian fruit and vegetable producers, as the tariffs provide price protection for Canadian produce during harvest and marketing periods.

The major concerns of the fruit and vegetable sector of a NAFTA are the following: the length of the period during the phase out of tariffs will take place, the feared removal of the emergency import safeguard mechanism, and whether the prohibition will continue on consignment selling and on the import of bulk packs.

Mexican Agricultural Environment-

On a product by product basis, Canadian producers fear extended Mexican competition based on weak enforcement of Mexican pesticide regulations and due to the relative lower wage rates vis à vis Canadian rates. This concern is expressed by Canadian and American producers of greenhouse tomatoes and cucumbers, frozen strawberries, broccoli and cauliflower.

RESPONSE:

- THE EVENTUAL REMOVAL OF RESTRICTIONS ON MEXICAN IMPORTS INTO CANADA IS BEING CLOSELY EXAMINED AT THE PRESENT TIME, HOWEVER, IT IS TOO EARLY TO PROVIDE ANY DEFINITIVE ANSWERS AS TO THE DETAILS OF THE TRANSITION PERIOD WHICH WILL BE NEGOTIATED.

AGRICULTURAL SECTOR : QUESTION #3

Considering the alleged lower health and sanitary regulations in place in Mexico, will a NAFTA not result in pressure to reduce Canadian standards?

Background:

Mexican interest-

Mexico believes that some sanitary and phytosanitary requirements are essentially disguised protective measures (NTBs) levied against Mexican agricultural imports, especially of fruits and vegetables.