

# CONTENTS

<b>Executive Summary</b> .....	v
<b>PART I: NAFTA'S IMPACT ON U.S. AGRICULTURE: A BROAD OVERVIEW</b> .....	1
<b>Developments in Trade Policies, Domestic Agricultural Programs, and Dispute Resolution</b> .....	1
Introduction .....	1
The Canada-U.S. Free Trade Agreement .....	1
The North American Free Trade Agreement .....	2
NAFTA and Domestic Agricultural Policies .....	3
Agricultural Trade Disputes in the NAFTA Era .....	6
Dispute Resolution Mechanisms in NAFTA .....	7
References .....	9
<b>NAFTA's Impact on U.S. Agricultural Trade: An Overview</b> .....	10
Introduction .....	10
Trends in U.S. NAFTA Trade .....	10
Evaluating NAFTA's Impact .....	11
<b>Investment in Agriculture and Food Processing</b> .....	22
Introduction .....	22
U.S. Farm and Food-Processing Investment .....	22
NAFTA and Foreign Direct Investment .....	23
Recent ERS Research about FDI .....	25
Conclusion .....	26
References .....	26
<b>Employment in U.S. Agriculture and Related Industries</b> .....	28
Introduction .....	28
Sectoral Employment Levels .....	28
Federal Assistance with Trade Adjustment .....	31
Textiles and Apparel: A Closer Look .....	35
Conclusion .....	41
References .....	41
<b>NAFTA, Agricultural Trade, and the Environment</b> .....	43
Introduction .....	43
The Environmental Impact of Trade Liberalization: Theory and Evidence .....	43
Trade Liberalization and Agriculture: Empirical Evidence .....	44
The North American Agreement on Environmental Cooperation .....	45
Environmental Concerns: The Effects of Trade and NAFTA's Rules .....	47
Conclusion .....	48
References .....	48

<b>Modal Choices in the Transportation of U.S.-Mexico Agricultural Trade</b> . . .	51
Delays Accompany Growth in U.S.-Mexico Trade . . . . .	51
The Improved Efficiency of Mexican Rail Carriers . . . . .	52
Challenges Facing Intermodal Rail . . . . .	52
Recent Developments in Maritime Systems . . . . .	53
Conclusion . . . . .	54
<b>PART II: DETAILED COMMODITY ASSESSMENT</b> . . . . .	56
<b>Livestock and Animal Products</b> . . . . .	56
Cattle . . . . .	56
Beef . . . . .	58
Hogs . . . . .	60
Pork . . . . .	63
Poultry Meat . . . . .	64
Dairy . . . . .	67
<b>Grains, Oilseeds, and Related Products</b> . . . . .	70
Corn . . . . .	70
Sorghum . . . . .	71
Barley . . . . .	72
Oats . . . . .	74
Wheat . . . . .	75
Rice . . . . .	78
Oilseeds and Oilseed Products . . . . .	80
Peanuts and Peanut Products . . . . .	83
<b>Other Field Crops</b> . . . . .	86
Dry Beans . . . . .	86
Cotton . . . . .	87
Sugar and Sweeteners . . . . .	90
<b>Vegetables</b> . . . . .	95
Fresh Tomatoes . . . . .	95
Processed Tomatoes . . . . .	98
Bell Peppers . . . . .	100
Fresh-Market Cucumbers . . . . .	101
Squash . . . . .	103
Eggplant . . . . .	104
Snap Beans . . . . .	105
Fresh and Processed Potatoes . . . . .	106
Frozen Broccoli and Cauliflower . . . . .	108
<b>Fruits and Fruit Juices</b> . . . . .	110
Fresh Citrus . . . . .	110
Orange Juice . . . . .	111
Fresh Apples . . . . .	114
Fresh Pears . . . . .	117
Fresh Peaches . . . . .	118
Avocados . . . . .	120
Grapes . . . . .	121
Cantaloupe . . . . .	122
Watermelon . . . . .	123