

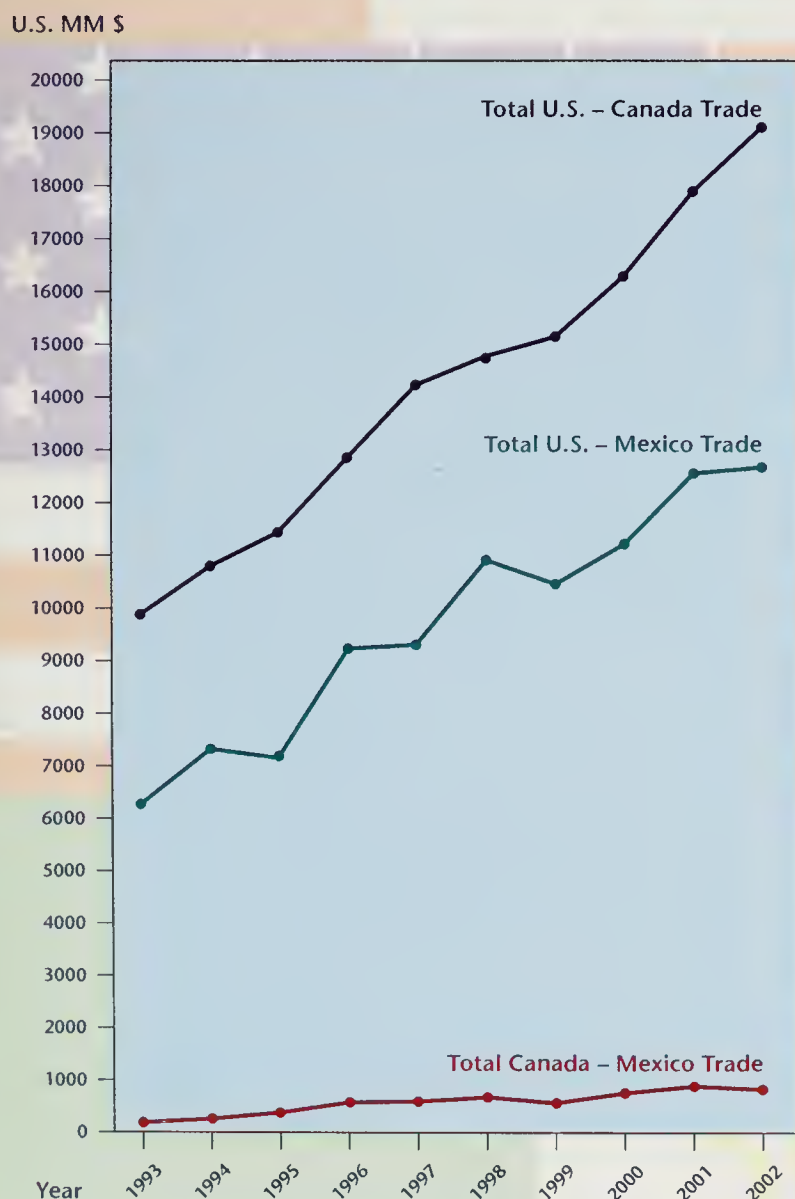
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The North American Free Trade Agreement (NAFTA)

Removing obstacles to trade

- The North American Free Trade Agreement (NAFTA), which took effect on January 1, 1994, eliminated most barriers to trade and investment - including most tariffs on agricultural goods - between Canada, the United States and Mexico.
- The growth, which has been far more rapid than the growth in exports to countries outside North America, has led to changes in the trading patterns between the partners, and has resulted in a more integrated, North American marketplace.



Canada-U.S. trade has grown from \$10 to \$19 billion, Canada-Mexico trade has increased from \$263 to \$816 million, and U.S.-Mexico trade has grown from \$6 to \$13 billion.

The North American marketplace

- NAFTA created a continental marketplace of more than 420 million consumers for North American farm and food products. U.S. agricultural exports to Canada and Mexico exploded after 1993 - increasing by 78%- while U.S. exports to the rest of the world grew by only 9%.
- At the same time, U.S. agricultural imports from Canada and Mexico increased at more than double the rate of imports from the rest of the world. This trade is essential to the agricultural sectors of each country.

Encouraging positive synergy

- North American trade is not just about making products available where they have not been available before - it is also about increasing consumer choices. While producers benefit from selling products to the much broader North American market, consumers also benefit from having more choices in the types of products available.
- In addition, freer trade has encouraged each country to use their agricultural resources more efficiently. Each NAFTA partner has developed areas of specialized production, and has strengthened its ability to withstand the adverse effects of weather-related emergencies or local economic downturns.

For more information

For details about NAFTA and the trading relationship between Canada and the United States, visit our Web site at

http://www.agr.gc.ca/itpd-dpci/english/country/usadvocacy_e.htm

All figures are in U.S. dollars

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