

REFLECTIONS ON U.S. - CANADA-MEXICO POLICY HARMONIZATION/CONVERGENCY/COMPATIBILITY

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I am one of the handful of people who have participated in all three of the trade dispute resolution workshops. My comments are a reflection of that experience and a recent experience. Earlier this week, I participated in the National Agricultural Forum, "Food and Agriculture in a Borderless World", held in Des Moines, Iowa.

Our workshop here in Tucson was extremely productive. However, as we university agricultural economists and government officials discussed key issues, I was somewhat disappointed about the speed at which progress was occurring. Indeed, we once again addressed issues that had not changed since our workshops in Rio Rico in 1995 and in Clearwater last year.

In contrast, The National Agricultural Forum, dominated by agribusiness representatives and farm group leaders, was characterized by an upbeat sense of dramatic change in the world trade environment — change wrought by huge technological advances and rapidly increasing global demand for value added food products.

One of my least favourite cliches associated with recent changes in the U.S. political climate is "You just don't get it!" The cliche is typically uttered by a conservative politician in response to a well-meaning honest question about dismantling some of our entrenched government programs. For example, "If we cut Program X, Y or Z, won't people go hungry, get sick, be forced out of business, etc.?" The response, "You just don't get it, do you?" is completely unresponsive to the question, but conveys a sense of intellectual superiority and make a good TV sound bite.

But perhaps in this case it is us who "just don't get it." I for one am convinced that we are on the verge of a tremendous structural upheaval in agriculture. This upheaval will affect the geography of where products are produced and processed; in the number, type and size of farms; and in the various forms of vertical linkages that will emerge to coordinate the system. These changes will not happen overnight, but they are likely to happen much faster than our discussions this week would indicate. They will happen both within and among our three countries.

At the Agricultural Forum, I heard an Iowa farm leader comment that his state would prosper in the emerging less trade restrictive, more market driven global agricultural economy. For sure, there will be bumps in the road he said, but we will prosper." Then he pointed to my neighbouring state. "But now take Georgia for instance, I don't think they can compete with us in corn and soybeans. Maybe those farmers can just grow pecans." Maybe he is correct. Not that Georgia can have a prosperous agriculture growing only pecans, but just maybe we in our southeast region won't be producing nearly as much of some commodities as we do today.

It is urgent that we as educators and researchers take a leadership role in helping guide our industries and our governments through this process. Harmonization, convergence and compatibility are going to occur. Governments and trade negotiators will be forced in this direction by changes in the sector. We do not have a decade or two to adjust, but must develop a sound strategy of research and education to forecast future directions, prepare industries for growth or decline, and develop sound transition policies.

Much of the blame here for our lack of progress has been attributed to lawyers, and that's fine. But be reminded, behind every lawyer in this game, there is usually an agricultural economist arguing for continued protection of economic rents that can be attributed to some ancient government action. This group is a good one to take the lead in the development of a sound, intellectually honest research and education program that will address the promising but puzzling world that lies ahead.