

# Agrifood Regulatory and Policy Integration Under Stress

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## 2<sup>nd</sup> Annual NAAMIC Market Integration Workshop

San Antonio, Texas

May 4-6, 2005

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Texas A&M University





# NAAMIC

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The North American Agrifood Market Integration Consortium (NAAMIC) with its predecessor PDIC has organized 11 annual workshops analyzing:

- The degree to which the NAFTA agricultural economies have become integrated
- The impacts of market integration on the agricultural economies of each member country
- The policy initiatives needed to spur further market integration in agriculture under NAFTA



# Economic Integration

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Economic integration occurs when barriers to commercial exchange across countries are removed

- Exchange of goods and services
- Exchange of inputs
- Capital investment
- Employment – immigration

## Barriers

- Tariffs, quotas, regulatory standards
- Political motivations
- Industry protection
- Exchange rates



# Market Integration

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Market integration exists when product flows between countries are on the same terms and conditions as within countries

- Market integration occurs when two or more formerly separated national or regional markets are combined
- It emphasizes trade and foreign direct investment
- If markets do not integrate through trade, they will integrate through capital investments



# Policy Integration

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Policy integration is the explicit and proactive development of common policies, laws and regulations

- Economic and market integration may be hindered by the lack of harmonization of policies, programs and regulations
- Markets can integrate without policy integration, but distortions will occur
- Inconsistent or incompatible policies, programs and regulations inevitably generate pressures for change
- In the long-run, economic and scientific forces will prevail



# Background on 2<sup>nd</sup> Market Integration Workshop

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1<sup>st</sup> workshop concluded:

- NAFTA had not foster harmonization of regulations and their enforcement.
- Policy makers need to more seriously consider the effects their decisions have on other countries

NAAMIC Coordinating Committee concluded:

- Deterioration of market integration in livestock is a perfect case study for what is has gone wrong
- 2007 U.S. farm bill debate begins in 2006



# Coordinating Committee

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- Praveen Dixit, USDA
- Andrew Goldstein, Ag Canada
- Karen Huff, University of Guelph
- Ron Knutson, Texas A&M University
- Karl Meilke, University of Guelph
- Rene Ochoa, Texas A&M University
- James Rude, University of Manitoba
- Renée Schwartz, USDA
- Tulay Yildirim, Ag Canada
- Antonio Yunez, El Colegio de Mexico
- Steve Zahnizer, USDA



# Sponsors

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- Ag Canada
- USDA
- SAGARPA
- Farm Foundation
- IICA
- University of Guelph
- Texas A&M University
- All those who participate





# Special River Walk Event

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- Thursday (today) following reception
  - Bus departs at 7:30 pm for  
County Line BBQ on the River Walk (need a headcount)
  - Eat at County Line or wherever
- First bus returns at 10 pm
- Second bus returns at 10:40 pm
- Or take a taxi when ready



# Ground Rules

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- Get involved in the discussion
- Presenters adhere to time constraints
- Come to the reception to capitalize on the friendship, expertise, and hospitality



# Introductions

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**Welcome to Texas!!!**

Y'all...