

Is THIS the cause of poverty? **Group 1:** Unfair trade rules

"There's no way to get enough cash from the farm, so people either stop farming or just harvest enough for their own food. So there is malnutrition in the mountains, and even some in the lower areas."

Victor Guzmán, farmer in Chiapas, Southern Mexico

In Mexico the price of maize is so low that sometimes it isn't worth the farmers' time to harvest it. Unfair trade rules are preventing Víctor Guzmán and other farmers in Mexico from making a living.

In 1994 Mexico signed a trade agreement (known as the North American Free Trade Agreement 'NAFTA') with the US and Canada. This allowed subsidised US maize to be sold in Mexico. Because it was subsidised it could be sold more cheaply – making it cheaper than maize produced by local farmers.

Subsidies paid to farmers each year for producing maize:

- The US government pays an average of \$21,000 per farmer
- The Mexican government pays an average of \$700 per farmer

From 1994 cheap US maize has flooded into Mexico. In the last ten years 1.8 million farm jobs have been lost.

"If you get (only) a peso for a kilo of maize, that means you need to grow, cut, carry and sell six kilos for just one glass of coke." **Victor Guzmán**

Most of the 8.2 million Mexicans who live off the land are suffering extreme poverty. Young people are moving to the cities in search of work. In parts of Chiapas, Southern Mexico, 58 per cent of children are undernourished.

"We all know we can't stop globalisation but we should be able to make it work for the poor."

Maria Atilano, RMALC (The Mexican Action Network on Free Trade), a CAFOD partner organisation

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The task:

Your group must prepare a two-minute presentation explaining the above passage to the rest of your class. You have 10 minutes to prepare.

What to do:

- In your group, read the story about the effects of trade rules on farming in Mexico.
- Jot down the three or four points in the story that struck you most.
- Decide who will read out each point and whether they need to say anything else in order to explain it more clearly.
- Have a quick run-through to check that your presentation makes sense!