Abstract:

The North American Free Trade Agreement (NAFTA) has increased the volume of agricultural trade between the US, Canada, and Mexico since implementation on January 1, 1994. Other factors, however, have been even more important in recent years in their impact on trade volume. Two case studies (greenhouse and dry beans) were analyzed. These case studies indicate that factors such as fluctuating exchange rates, economies of size in production and marketing, and the use of new technology are major determinants of the success of Canadian firms in competing with producers in the borders states of the US. The asymmetry between national interests and those of producers in border states are noted.