

Abstract

The objective of this thesis is to evaluate impacts of North American Free Trade Agreement on Mexican agricultural sector. The treaty was a substantial liberalization element for Mexico. After coming to force, the agriculture of both partner countries was gradually liberalized and after fifteen years the trade between the partner countries was free of all trade barriers on agricultural commodities. The thesis analyses the problem from various aspects. The first aspect consists of subsidies which the Mexican government pays to its farmers and subsidies which the U.S. pays to its farmers. The U.S. subsidies are considerably higher than the Mexican ones. The second aspect comprises the impacts on agricultural commodities and its production in general. This part examines impacts of the agreement on production of particular agricultural commodities and the change of production of certain commodities is examined. The production of more remunerative commodities like fruits and vegetables replaces the production of staples like corn. The following aspect examines the employment and poverty on the countryside and its connection to the treaty. The last aspect lists the impacts of the new agricultural structure on the environment in Mexico. The thesis comes to conclusion that the agreement created more “losers” than “winners” in Mexican agricultural sector and the “winners” are unable to encompass all the “losers” of the agreement.