U.S. drops agriculture demand from NAFTA talks: Mexico farm lobby

<u>Sharay Angulo</u> Reuters, August 19, 2018

MEXICO CITY (Reuters) - The United States has dropped a contentious demand from the renegotiation of the North American Free Trade Agreement to impose restrictions on Mexican agricultural exports, Mexico's top farm lobby said on Sunday.

FILE PHOTO: The flags of Canada, Mexico and the U.S. are seen on a lectern before a joint news conference on the closing of the seventh round of NAFTA talks in Mexico City, Mexico, March 5, 2018. REUTERS/Edgard Garrido/File Photo

Talks to rework the 24-year-old pact are entering a crucial phase and Mexican Economy Minister Ildefonso Guajardo said outstanding bilateral issues between Mexico and the United States could be resolved by the middle of this week.

Much of the renegotiation, which has gone on for more than a year, has focused on revamping rules for the automotive industry. The U.S. government wants the rules changed to try to secure more business for American manufacturing workers.

Another divisive issue has been a proposal by the Trump administration to put seasonal curbs on some agricultural exports to the United States. But a senior executive at Mexico's National Agricultural Council (CNA) said that had been dropped.

"Our U.S. counterparts tell us that ... the United States has decided to withdraw (the proposal) from the table," Mario Andrade, CNA vice president for foreign trade, told Reuters.

Mexico's Economy Ministry did not immediately reply to a request for comment on Andrade's remarks. A spokeswoman for the office of U.S. Trade Representative Robert Lighthizer could not immediately be reached for comment.

Andrade said the move followed a lobbying effort that sought to show that the "seasonality" demand stood to benefit a small fraction of U.S. agricultural producers while putting many other U.S. farmers at risk from Mexican retaliation.

The withdrawal of the seasonality measure would allow U.S. and Mexican negotiators to focus on the remaining outstanding issues when they reconvene for talks this week.

Officials say that Canada, which has not taken part in the latest talks while the United States and Mexico resolve their differences, could soon be asked back to the negotiating table.

Reporting by Sharay Angulo; Additional reporting by David Lawder in Washington; Editing by Dave Graham and Peter Cooney