U.S.-Mexico GMO Corn Dispute Could Endanger the USMCA

By Edward M. Lebow | August 24, 2023

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On February 13, 2023, the Government of Mexico promulgated a decree forbidding the import of genetically modified ("GMO") corn into Mexico for nixtamalization (cooking and steeping in an alkaline solution, usually water and calcium hydroxide, for use in tortillas) and flour production. The immediate ban targets white corn, which currently comprises a small portion of US exports to Mexico. Most US corn exports to Mexico are yellow corn used for animal feed. The decree, however, also sets forth the objective of gradually phasing out the use of GMO corn in animal feed and for human consumption other than in nixtamalization or flour.

On August 17, 2023, after engaging in unproductive consultations with Mexico, the United States announced that it is establishing a dispute panel under Article 31 of the United States-Mexico-Canada Agreement ("USMCA") to consider US objections to both parts of the Mexican decree. This controversy highlights the difficult issues of the tradeoff between increasing food production and maintaining biodiversity, as well as how to honor international trade obligations while protecting native cultures and interests from the economic forces unleashed by free trade.

The Mexican government had on December 31, 2020, announced that it would ban GMO corn in the diets of Mexicans and end the use the herbicide glyphosate by January 31, 2024. The reaction from US corn producers and their congressional representatives was immediate and robust. Mexico is the second-largest export market for US corn (after China), with exports to Mexico totaling $4.792 billion in 2022. This equates to about 17 million metric tons of yellow corn crossing the border annually. The loss of that market would have a serious impact on several US corn-growing states.

In response to US pressure, on February 23, 2023, Mexico scrapped the 2024 deadline banning GMO corn for animal feed and industrial use (primarily yellow corn, much of which is imported from the United States), though it did retain the ban on its use for human consumption (primarily white corn, much less of which is imported from the United States and a significant portion of which is still grown in Mexico). Further heightening tensions, on June 23, 2023, Mexico imposed a 50% tariff on the import of white corn to be in force until the end of 2023. These measures, Mexico announced, were in accordance with the December 31, 2020, decree.

Read the full article here.

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