

## Ed Lebow and Larry Pascal in Latin America Advisor: ‘What’s Behind the U.S.-Mexico Dispute Over Corn Imports?’

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November 22, 2022 Larry Pascal, Edward Lebow

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**PRACTICES** Latin America Caribbean, Export Controls and Trade Compliance, Import Relief, Trade and Export Finance, International

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Haynes Boone Partners [Ed Lebow](#) and [Larry Pascal](#) participated in a featured *Latin America Advisor* Q&A. Read their response below:

**Q: U.S. Trade Representative Katherine Tai and Mexican Economy Secretary Raquel Buenrostro met virtually on Nov. 3 to discuss how to avoid a disruption in U.S. corn exports and how to return “to a science- and risk-based regulatory approval process for all agricultural biotechnology products in Mexico,” Tai’s office said in a statement. Nearly a week later, Mexican President Andrés Manuel López Obrador announced that Mexico will no longer buy yellow corn from the United States as it phases out corn that is genetically modified. What are the reasons behind the dispute between the United States and Mexico? How is the situation likely to play out? What impact is Mexico’s policies on corn having on the agricultural sectors of both countries?**

A: The dispute between Mexico and the United States surrounding the 2020 threat by President Andrés Manuel López Obrador to ban imports of U.S. genetically modified corn as well as corn grown using the herbicide glyphosate, effective January 31, 2024, appears to be coming to a head. Last month Mexico’s Deputy Agriculture Minister Victor Suarez stated Mexico would in fact proceed and by so doing cut its imports of U.S. yellow corn in half.

Yellow corn is used primarily as animal feed and constitutes the majority of U.S. corn exports to Mexico. According to a recent letter to USTR from Iowa Senators Chuck Grassley and Joni Ernst, the proposed ban would reduce U.S. corn exports to Mexico by 90 percent. The senators called on USTR to formally request dispute settlement consultations under the USMCA.

A formal USMCA dispute settlement would begin with consultations and could postpone, and perhaps eventually avert, imposition of the import ban. If such a proceeding is initiated, Mexico can be expected to argue that it is within its national rights to ban imports of GMO corn, whereas the U.S. will assert that the decree would be discriminatory and not based on science.

There is some hope that a trade dispute could be averted. An import ban would result in increased costs for Mexico. The Biden Administration will want to protect US farmers, an important constituency, from economic harm.

The terms of any future settlement are unclear, but both sides have compelling reasons to find a solution.

Excerpted from *Latin America Advisor*. To read the full article, [click here](#). Ed and Larry’s response is on page 4.

