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FEATURED Q&A

Why Is Genetically Modified Corn Causing a Dispute?



Mexico's government is planning to ban imports of genetically modified corn, a move that could lead to USMCA-related complications. // File Photo: Mexican Government.

Q Mexican President Claudia Sheinbaum said Dec. 21 that she expects the country's Congress to ban planting genetically modified corn in the country. Her announcement followed a trade dispute panel's ruling that Mexico's restrictions on imports of genetically modified corn from the United States violate the USMCA trade accord. What is behind Mexico's concerns about genetically modified corn? How likely are Mexican lawmakers to pass a ban on planting genetically modified corn, and what would be the effect of such a ban? What will result from the trade dispute panel's ruling?

A Devry Boughner Vorwerk, member of the Advisor board and founder and CEO of DevryBV Sustainable Strategies: "Mexico's concerns about GMO corn stem from longstanding issues related to white corn, which is native to the country and integral to the staple tortilla. The ban is only for white corn and applies to all exporters, not only the United States. Since NAFTA, U.S. corn exports to Mexico have skyrocketed from less than two million metric tons (MMT) in the early 1990s to hover today around 20 MMT annually, primarily yellow corn used for animal feed and processed products such as corn sweeteners. While the current debate focuses on banning the planting and imports of GMO white corn, the underlying issues include protecting native varieties, addressing perceived health risks of GMOs and resisting a U.S. regulatory system Mexico claims is heavily influenced by industry. Mexican farmers' protests against white corn imports have been a recurring issue for the last 30 years, and tortilla price spikes often

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TODAY'S NEWS

POLITICAL

ELN Attacks Leave at Least 80 Dead in Colombia

At least 80 people were killed this weekend in Colombia's Catatumbo region, bringing the death toll from the past week to at least 100. The ELN paramilitary group is fighting for control with other rebels and government forces.

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ECONOMIC

Bolivia, Chile Eye Gas Exports to Argentina

Argentina's summer heat wave is driving up energy demand, leading Bolivian and Chilean lawmakers to explore resuming natural gas exports to the neighboring country.

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POLITICAL

Donald Trump Returns to Office

Donald Trump took office Monday as the 47th president of the United States, becoming the second to serve nonconsecutive terms. His first-day actions included orders to end birthright citizenship, pull the United States from multiple international agreements and pardon the Jan. 6 rioters.

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Trump // File Photo: United States Government.

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POLITICAL NEWS

Trump Takes Office in U.S., Signs Orders on Border, Cartels

Donald Trump on Monday was inaugurated as president of the United States, returning to the office that he left four years ago, becoming the first U.S. president in 140 years to be sworn in for a nonconsecutive term, and almost immediately signing several executive orders with sweeping implications for migrants and relations with other countries in the Western Hemisphere. Among the executive orders Trump signed after being sworn in were ones to declare a national emergency along the U.S.-Mexico border, end birthright citizenship, restore his "Remain in Mexico" immigration policy and designate cartels and gangs including MS-13 and Tren de Aragua as foreign terrorist organizations, NBC News reported. "The golden age of America begins right now," Trump said in his inaugural address in the U.S. Capitol Rotunda. "From this day forward, our country will flourish and be respected again all over the world," he added. On Monday, Trump reinstated the "Remain in Mexico" policy, which requires asylum seekers to wait in Mexico for their hearings in immigration courts in the United States, without Mexico's consent, said Mexico's foreign minister, Juan Ramón de la Fuente. "Yes, they can do it, that's their right. We don't necessarily agree with it, in fact, we don't agree with it," he said, The Wall Street Journal reported. Mexico's enforcement actions and coordination with U.S. authorities have significantly reduced unauthorized border crossings, said De la Fuente. When Trump was asked whether U.S. special forces could be sent to Mexico to enforce the order, Trump said, "stranger things have happened," NBC News reported. In designating drug cartels foreign terrorist organizations, Trump said in his inaugural address that the government would use "the full and immense power of federal and state law enforcement to eliminate the presence of all foreign gangs and criminal networks bringing devastating crime to U.S. soil, including our cities and inner cities." Trump also signed an

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spark consumer unrest. A ban on GMO white corn could exacerbate domestic tensions. Mexico's agricultural sector, already strained by water shortages, may struggle to meet market demand, driving up tortilla prices and leading to political backlash, much like bread price protests in Egypt. The trade dispute panel's ruling that Mexico's restrictions violate the USMCA will likely inflame tensions, particularly with a potential shift in U.S. trade policy under the new administration. If Robert F. Kennedy Jr. gains influence, he may align with President Sheinbaum on GMO concerns, intensifying the debate. Ultimately, Mexican lawmakers face tough choices. A ban may safeguard native crops and address consumer concerns, but it risks higher food costs for Mexico's staple, the tortilla, creating economic and political ripple effects. Also, a ban on GMO white corn today could ultimately undermine consumer confidence in other GMO products in the future, and that opens an entirely new can of worms that the Mexican Congress will need to address."

Ruben Olmos, president and CEO, and Alejandro Vales, senior director, both at Global Nexus: "Corn is a cornerstone of Mexico's cultural identity, cuisine and biodiversity, with more than 59 native varieties. Concerns about genetically modified organisms (GMO) extending to health risks and the protection of Mexico's diverse corn species have existed since the 1990s. This issue has enabled the ruling Morena party to position itself as a defender of this crop, linking it to food sovereignty, health protection and cultural heritage. In 2020 and 2023, then-President Andrés López Obrador issued decrees banning GMO corn cultivation and restricting its use. The second decree explicitly limited the import of GMO corn for human consumption. However, these measures

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NEWS BRIEFS

Panama's Mulino Rebukes Trump's Claim to Canal

Panamanian President José Raúl Mulino on Monday reaffirmed his country's sovereignty over the Panama Canal after U.S. President Donald Trump said in his inaugural address that his administration would try to seize the canal for the United States, BBC News reported. "We didn't give it to China, we gave it to Panama, and we're taking it back," Trump said. The canal "will remain under Panamanian control with respect to its permanent neutrality," Mulino said in a post to X shortly after Trump's speech.

Mato Grosso Passes Bill to Boost Agriculture's Presence in Amazon

Legislators in Brazil's Mato Grosso state on Monday passed a measure that could expand the footprint of large-scale agriculture in the state's Amazon rain forest territory, Reuters reported. The bill, which still must be signed by the state governor and approved in courts before becoming law, would reduce existing environmental conservation requirements for farms in the Amazon biome. Mato Grosso produces more soybeans and beef than any other Brazilian state, according to the wire service.

YPF Signs Agreement With Three Indian Firms for Natural Gas Exports

YPF, Argentina's state-run oil and gas firm, today signed a memorandum of understanding with three Indian oil firms to export a total of 10 million tons of liquefied natural gas per year, Reuters reported. YPF CEO Horacio Marín is in New Delhi to sign the deal; he's also travelled to Israel, South Korea and Japan in recent days, seeking buyers for Argentina's LNG, Reuters reported. Argentina plans to begin large-scale LNG exports by 2029 amid rising production from the shale-rich Vaca Muerta formation.

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order withdrawing the United States from the Paris climate treaty, calling the accord "unfair and one-sided," CBS News reported. Also on Monday, the U.S. Senate confirmed Florida Sen. Marco Rubio as secretary of state in a vote of 99-0.

ELN Attacks Surge in Catatumbo After Gov't Talks Collapse

At least 80 people were killed last weekend in northeast Colombia as the National Liberation Front (ELN) rebels escalated their attacks against rival groups, the Associated Press reported. Last week Colombia's government suspended peace negotiations with the ELN, which is battling for control with other armed groups over the strategic Catatumbo border region, after the group killed at least 20 civilians in the coca-rich area, El País reported. "The ELN has chosen the path of war and war will come," Colombian President Gustavo Petro said Monday in a post on social media site X. Thousands of people have fled their homes in Catatumbo in recent days, with many seeking refuge at government shelters, according to the AP. Regional officials said that civilians had been killed in this weekend's violence in Catatumbo, but did not disclose exactly how many bystanders and combatants were slain, Al Jazeera English reported. Among the dead are a community organizer and seven rebel group members who had sought to sign a peace deal with Colombia's government, according to the news site.

THE DIALOGUE CONTINUES

How Can Brazil Combat Organized Crime in the Amazon?

Q Organized crime groups have operations in more than a third of the municipalities in Brazil's Amazon rain forest, fueling a surge in violence in the area, the nonprofit Brazilian Forum on Public Safety said in a report released Dec. 11. The Red Command and First Capital Command crime groups have become entrenched in the Brazilian Amazon, a strategic area for transnational drug, arms and human trafficking, the group said. What are the main reasons behind the growth in criminal activity in the area? What is Brazil's government doing, and what more should it do, to fight such groups? How is the situation affecting residents and businesses in Brazil?

A Peter Sufrin, independent Washington-based analyst: "For better or worse, crime and violence have been part of the Amazonian landscape for decades, if not centuries. From the assassination of Chico Mendes in 1988, to the murder of journalist Dom Phillips and human rights defender Bruno Pereira in 2022, not to mention its endemic unemployment and inequality, Brazil's Amazon has been a region categorically plagued by corruption and violence. Certainly, Brazil's environmental ministry and Amazonian municipalities have proposed plans for tackling crime, and the nonprofit organization Amazon Watch has suggested strengthening Indigenous rights and cross-border coordination. Nonetheless, entrenchment of the PCC and CV organized crime groups, drug trafficking, deforestation and attacks on the Indigenous population and environmentalists indicate that there are no easy solutions to the Amazon's problems. The issues are timely. With the upcoming COP30 Climate Summit in November in Belém, Amazon policy is directly linked to Brazil's national agenda, which is thus linked to its international agenda. Lula certainly has his work cut out for him. Inheriting the Bolsonaro administration's policies of deforestation, land grabbing and general disregard for the rain forest, Brazil's current president will have to balance geopolitical concerns with the interest of the Amazon's populace—particularly its Indigenous population. But the fundamental problems will remain. Crime in the Amazon relates not just to Brazil's citizens, environment and drug trafficking, but it also resonates with violence that has existed since the founding of the nation. In the long run, addressing such concerns may be the very substance and purpose of Brazil's leadership."

EDITOR'S NOTE: The comment above is a continuation of the Q&A published in the Jan. 3 issue of the Advisor.

ECONOMIC NEWS

Bolivia, Chile Eye Restarting Gas Exports to Argentina

The Bolivian and Chilean governments are in discussions about resuming natural gas exports to Argentina as a summer heat wave has increased demand for gas there, Reuters reported Friday. "We are in a negotiation with Argentina to create a spot contract," Armin Dorgathen Tapia, the head of Bolivian state-run oil company YPFB, told the wire service in an interview. Officials in Chile also told Reuters they expect a new agreement to supply gas to Argentina's remote northern region. As much as 2.5 million cubic meters of natural gas daily could be sent to Argentina through September, according to Chile's energy ministry. Bolivia's gas exports to Argentina ended last September after nearly two decades amid increasing production from the Vaca Muerta shale formation. Argentina's recent heat wave has boosted energy demand as residents turn up air conditioning and fans, putting stress on domestic energy supplies, Reuters reported. Argentine officials hope the country can eventually become a net exporter of energy as oil and gas exploration activity continues to increase in the future.

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sparked a trade dispute under the USMCA, as the panel ruled in December that Mexico cannot prohibit GMO corn imports for human consumption without violating trade rules due to a lack of scientific evidence to support the measures. Mexico imports more than 85 percent of its yellow corn, mainly for animal feed, while remaining nearly self-sufficient in white corn. The panel's decision

> **"This issue has enabled the ruling Morena party to position itself as a defender of this crop..."**
>
> **— Ruben Olmos & Alejandro Vales**

requires Mexico to repeal the decree by Feb. 3 to avoid penalties. In response, President Sheinbaum plans to repeal the decree while proposing a congressional reform banning GMO corn cultivation (already prohibited since 2021 by a Supreme Court ruling). This reform, expected to pass between February and April given Morena's congressional majority, would align with existing practices and not disrupt trade dynamics. Hence, compliance with the panel's ruling is crucial to uphold the USMCA framework and strengthen Mexico's position ahead of the agreement's 2026 review, avoiding economic and political repercussions."

Nicolás Mariscal, member of the Advisor board and chairman of Grupo Marhnos in Mexico City: "The ban on genetically modified corn has been a contentious issue in the U.S.-Mexico relationship. This matter may be more emotional than rational, which makes it more difficult to resolve. Nonetheless, the USMCA provides independent panels to rule, precisely, on such issues. Science indicates that there is no problem with genetically modified corn. According to Sergio Serna, a recognized Mexican scientist, 99.5 percent of corn's genome stays the same when a modification is made. That is, only a tiny fraction is changed. Even more so, the best varieties of corn are chosen and, according to Serna, the whole process takes around 10 years to complete. Nevertheless, corn is tied to Mexican nationalism. That is understandable, as Mexico has historic ties to the crop. Numerous social groups have opposed genetically modified corn, and Mexico officially prohibited it in 2023. But reality tends to impose itself: That same year, Mexico also bought around 15.3 tons of genetically modified corm from the United States. It is in Mexico's economic and political interests that we allow such a crop. Let us hope that this issue reaches a satisfying completion for both parts, so we can move toward more pressing topics for both countries."

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta.



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