

Politics of corn loom for divided Mexico

The disputed election has heightened tensions over a NAFTA deadline for removal of tariffs. Corn farmers vow to fight it.

The Christian Science Monitor
August 09, 2006

PUEBLA STATE, MEXICO – Corn plays an important role in ancient Mexican mythology. The Aztecs revered a corn god named Centeotl; the Mayans believed man's flesh was formed from corn dough.

But these days the folklore of a crop that is still the centerpiece of the Mexican diet is fueling a bilateral clash between Mexico and the US as cheap American corn has inundated Mexican farms and marketplaces under the North America Free Trade Agreement (NAFTA).

"They should not send their corn here, they can send it somewhere else," says farmer Luis Damaso tending his *milpa*, or corn patch, outside the town of Santa Ana Xalmimilulco in the central state of Puebla. "No one will pay for [our corn] now."

The politics of corn continue to escalate, as a 2008 NAFTA deadline looms for Mexico to scrap its corn and bean import tariffs. And the disputed July 2 election has only heightened those tensions. On the campaign trail, runner-up Andrés Manuel López Obrador said he would renegotiate NAFTA provisions to protect the nation's corn and bean farmers. Now Mr. Obrador is leading mass protests for a full, vote-by-vote recount of the election he lost by 0.6 of a percentage point.

He has put NAFTA supporters on the defensive, and raised the hopes of farmers across the country - many of whom have rallied around Obrador and promise a long, hard fight ahead if rival Felipe Calderón, a staunch supporter of NAFTA, is certified as president. That decision is in the hands of an electoral court which has until Sept. 6 to rule.

"[Corn in Mexico] is one of the areas that has the potential to become extremely explosive," says Jon Huenemann, a former assistant US trade representative who helped negotiate many agricultural provisions under NAFTA. "US-Mexican trade is huge and getting bigger and more significant to producers and consumers. And yet for the same reason the sensitivities are getting potentially more complicated. ... It's a bit of a tinderbox."

The US is the largest corn producer in the world, exporting 18 percent of its crop.

In the 2004-05 season, US corn growers shipped 231 million bushels to Mexico, its second largest customer after Japan, with a price tag of some \$462 million, says Jon Doggett, vice president of public policy at the National Corn Growers Association. The vast majority exported from the US is yellow corn used to feed livestock, not the white corn that Mexicans traditionally consume. "I don't think we are a threat to the Mexican farmer who is raising white corn," Mr. Doggett says.

But critics of NAFTA disagree. They say the flow into Mexico of American corn, sold 15 to 20 percent cheaper than the cost to produce it in the US, is lowering the price of all corn, displacing farmers, and eroding a way of life. Victor Suarez, a congressman for Obrador's Democratic Revolution Party (PRD) who helped organize a mass protest of farmers in 2003, says nearly a million farmers have been displaced since NAFTA went into effect in 1994. He says their only recourse is to head north along the border or into the US.

Mr. Damaso's experience seems to exemplify that concern. He says he used to sell corn on his family's 1.2-acre *milpa* to his local tortilla-maker, but since the price of corn has dropped - while the price for fertilizer and diesel has gone up - he says it is no longer worth it. "You can't break even anymore," he says.

Now he tends the field for family consumption - while the rest of the family has looked for work elsewhere: a few siblings are in New York, others work in a textile factory. He recently returned home after three years working in Brooklyn.

In Mexico, both the culture of small-plot farming and limited investment in technology have prevented the development of vast, mechanized fields like those found in the American Midwest. Nor are Mexican farmers supported as heartily as US corn farmers, who receive an average of \$10 billion a year in government subsidies.

Because of these inherent inequalities, many say Mexico is better off with cheaper US corn. For Jorge Gonzalez, a professor of Economics at Trinity University in Texas, not complying with corn provisions under NAFTA "would imply that the price for corn, and therefore tortillas, would increase for everyone," he says. "They would be protecting domestic farmers, but hurting everyone else."

Some farmers agree. Just a few miles from Damaso's plot, Fredy Alvarez Cortez prepared soil for the white, red, and blue corn he cultivates and sells. Yet for the yellow corn that feeds his family's 25 cows, they purchase US imports. Like many farmers in the area, he knows little about the provisions under NAFTA, but he does know his budget. "It's more economical for us now," he says.

Even if Obrador does win, he does not have the authority to renegotiate NAFTA provisions unilaterally, experts say.

If Mexico were to not honor its obligations, the US could enter a dispute under NAFTA or retaliate by not honoring other provisions - like slapping limits on the Mexican avocado industry, which has flourished under NAFTA.

"It becomes much more difficult to predict the array of outcomes," says Mr. Huenemann. The US sent \$9.4 billion worth of goods to Mexico in 2005, and is the largest market for Mexico's products. "It's the slippery slope theory."

Still, farm groups say they plan on fighting for the renegotiations promised by Obrador. In January 2003 tens of thousands descended upon Mexico City to demand the renegotiation of agricultural provisions under NAFTA.

Now, says Ana De Ita, executive director of the Center for the Study of Change in the Mexican Countryside, groups are remobilizing. Farmers from across the country have attended Obrador rallies, she says. But they are preparing an information campaign to educate farmers about the impacts of 2008 regardless of who wins, and she says they could hold another demonstration by the middle of next year.

Mr. Suarez, who planned a convocation for August to drum up new strategies, says if his group's demands are not met, they will not go away quietly. "There will be more demonstrations," he says, "and stronger demonstrations."

