

## Impacts of Mexico's GM Corn Ban

Implementation of Mexico's Presidential Decree banning genetically-modified (GM) corn will increase the country's food insecurity, add **\$4.4 billion** to its corn import costs, and impose unnecessary costly changes for US and Canadian farmers and a wide range of other industries. The world is already facing a looming food security crisis and policies like these add to this burden by decreasing productivity for North American farmers, adding increased volatility in the corn value chain for supply and pricing, and exacerbating existing supply chain and cost challenges.

### KEY IMPACTS

- **This proposed policy will cost farmers in Canada and the United States the most:**
  - Farmers in the US are expected to experience a net economic loss of \$3.1 billion and could shrink GDP by \$7.95 billion in the first ten years after implementation.
  - Canadian farmers are expected to experience a net economic loss of \$171 million and could shrink GDP by \$73 million in the first ten years after implementation.
  - US employment could fall by 8,700 jobs annually, 1,400 of which are directly tied to grain farming
- **There no value creation as a direct result of the new policy.** There is only downside for Mexican consumers, export countries, and farmers. Farmers and the global commodity trade value chain will be forced to take on additional cost and complexity to meet Mexico's unscientifically supported standards.
  - This policy implementation will add **\$4.4 billion to Mexico's corn import costs** and is expected to result in **Mexicans paying 30% more for corn tortillas in 2024, and 42% more in 2025.**
  - To segregate and identity-preserve non-GM corn destined for Mexico will add a **\$11.1 billion in additional costs**. This will most likely need to be passed on to consumers.
- **Mexico needs corn imports.** Mexico cannot provide enough domestic corn nor can they source a sufficient amount of non-GM corn to support its domestic food and feed needs. In 2021, Mexico's corn imports accounted for 4.4% of all the corn produced in the US (24% of US corn exports). Changes resulting from a blanket ban on GM corn would significantly disrupt global corn exports and the import of corn to Mexico, since over 90% of corn produced in the US is GMO. Mexicans can expect a corresponding rise in food insecurity and the cost of food domestically.
- **Disincentivizes R&D.** Farmers globally are increasingly faced with the need to produce more food from fewer resources and under less predictable growing conditions, while at the same time being tasked with managing the broader landscape within which they farm and mitigating the effects of climate change. We need to ensure all farmers have access to innovations and tools, including GM crops, to deliver sustainable agriculture. Policies like this disincentivize innovation at a time when the world needs technology and innovation the most to help farmers adapt and mitigate climate change.
- **Zero food safety benefit.** Since the commercial introduction of genetically modified (GM) crops over 25 years ago, over 3,500 independent regulatory agency reviews have deemed these crops safe. In fact, Mexico has themselves issued over 180 approvals for GM crops since 1995, deeming these products safe for human and animal consumption. Implementation of the Presidential Decree does nothing to increase food, feed, or environmental safety in Mexico.
- **Negative environmental impacts.** GM crops help farmers farm more sustainably. Non-GM corn varieties yield 5-17% less than GM varieties. Lower yields means more land being put into production, reducing biodiversity.