Global Chain Analysis: Corn Tortillas

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Basic consumption

- Cultural and practical importance of tortillas
  - 7.4 millions of tons consumed by rural populations
- Other forms corn is processed and used
  - Other foods
  - Animal feed
  - Bad crops
Production of Tortillas

Milenario-artesanal

Tortillerías mecanizadas

Industria de tortilla fría envasada
Cultivation of corn

Preparation of masa

Corn flour

Preparation of masa

Baking tortillas

Baking tortillas

Consumption

*Selling is not relevant in this chain.*
Las Tortillerías mecanizadas

Cultivation of corn

Preparation of masa

Transportation

Baking tortillas

Corn flour

Preparation of masa

Baking Tortillas

Consumption

Directly to the public

Small restaurants and shops

Individual establishments at supermarkets

Selling tortillas
La industria de tortilla fría envasada

1. Cultivación de maíz
2. Harina de maíz
3. Preparación de masa
4. Horno de tortillas
5. Transportación
6. Distribución en tiendas y supermercados
7. Consumo por restaurantes y individuales
GRUMA

- Worldwide leader in manufacturing tortillas
- Monterrey, México
Operations by country

USA

Production corn flour:
Azteca Milling

Corn bought at:
Farms & grain storages

Production of tortillas:
Mission Food

Distribution:
Independent distributors

Mexico

GIMSA

Farms, grain storages & world markets

Prodisa

Independent distributors & own fleet
Global Inequality
Mexico’s Food Policy

• Keep foods cheap
• Prior to 1970s
  • México’s subsidies
• Changes with modernization
  • Importing from USA
• 1970-1980s
  • Attempts to regain self-sufficiency
• Financial crisis of 1982
  • Attempts to become internationally competitive
  • Subsidies slowly withdrawn
NAFTA- Effects on Mexico

“So what NAFTA did was it made Mexico even more of a kind of a low-wage reserve area in which U.S. corporations could then relocate production in order to make goods not for the sake of sale in Mexico, but for the sake of sale in the United States. So Mexico became tied very tightly to the U.S., but not in a way that benefited ordinary Mexicans. It benefited people at the top, but did not benefit people at the bottom.”

- David Bacon
United States and Mexico

- The US “Supply Management"

- 1996: Freedom to Farm Act: market-friendly

- American dumping: margin of 19%
  - Corn exports from the US to Mexico x5
  - Rise of dependency of Mexico from the US
  - $ 1 billion loss per year for Mexican farmers; $ 6.6 billion in 9 years
Consequences on corn and tortillas consumer prices
Suggested readings


*https://www.youtube.com/watch?v=Pd4OLdaoxtvg
Thank you!

Questions?