



Global Chain Analysis: Corn Tortillas

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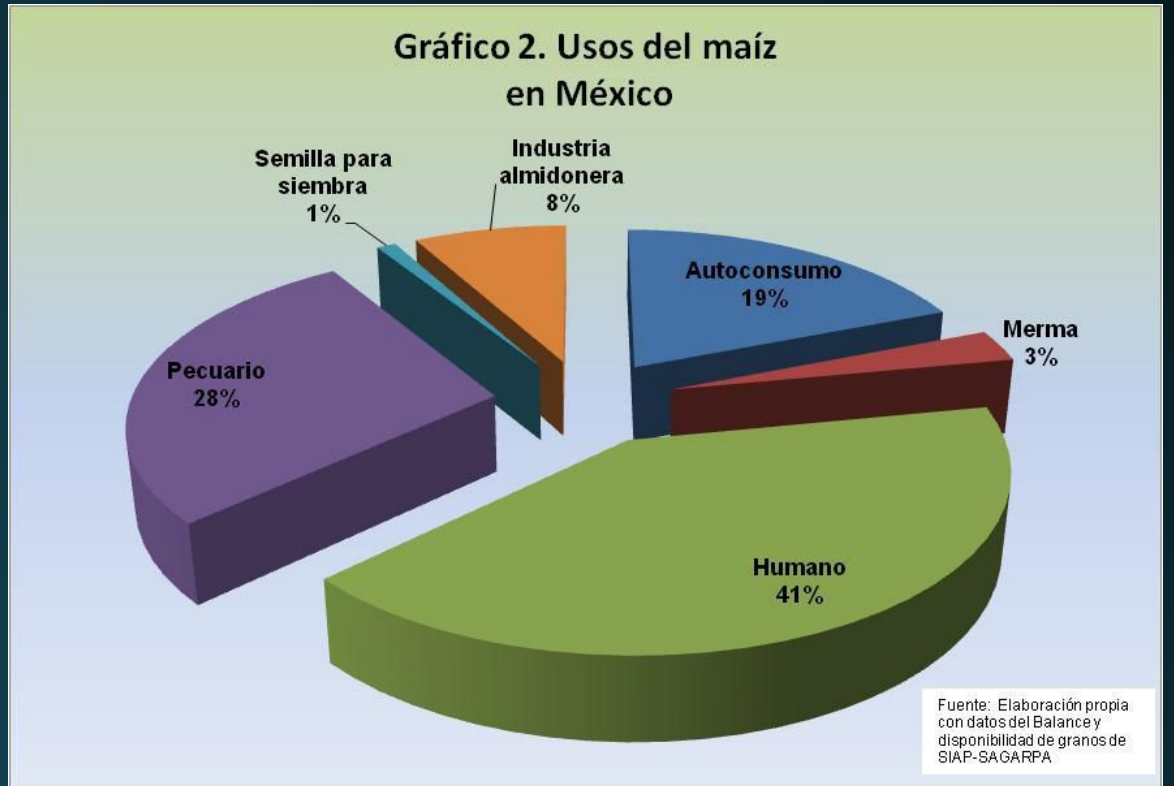


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- Basic consumption
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- Industrial Production: GRUMA
- Global Inequalities
 - Mexico's food policy
 - NAFTA
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Basic consumption

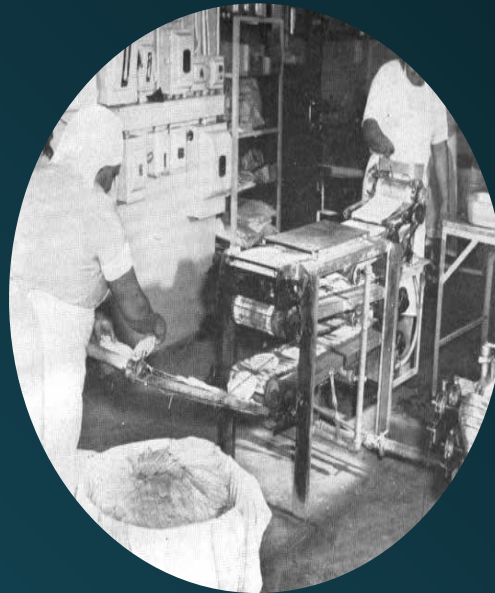
- Cultural and practical importance of tortillas
 - 7.4 millions of tons consumed by rural populations
- Other forms corn is processed and used
 - Other foods
 - Animal feed
 - Bad crops



Production of Tortillas



Milenario-artesanal

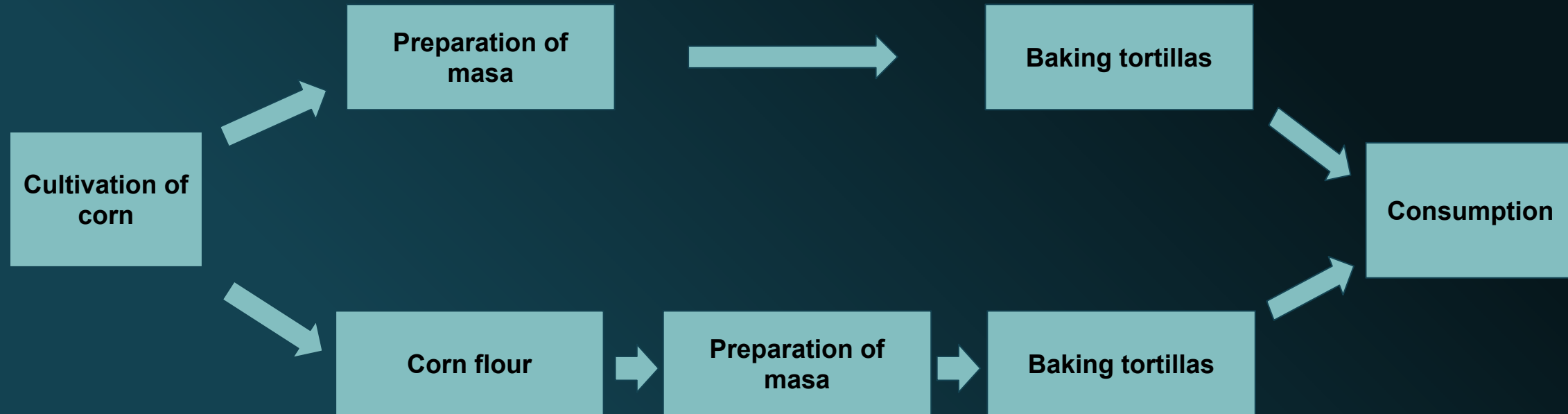


Tortillerías mecanizadas



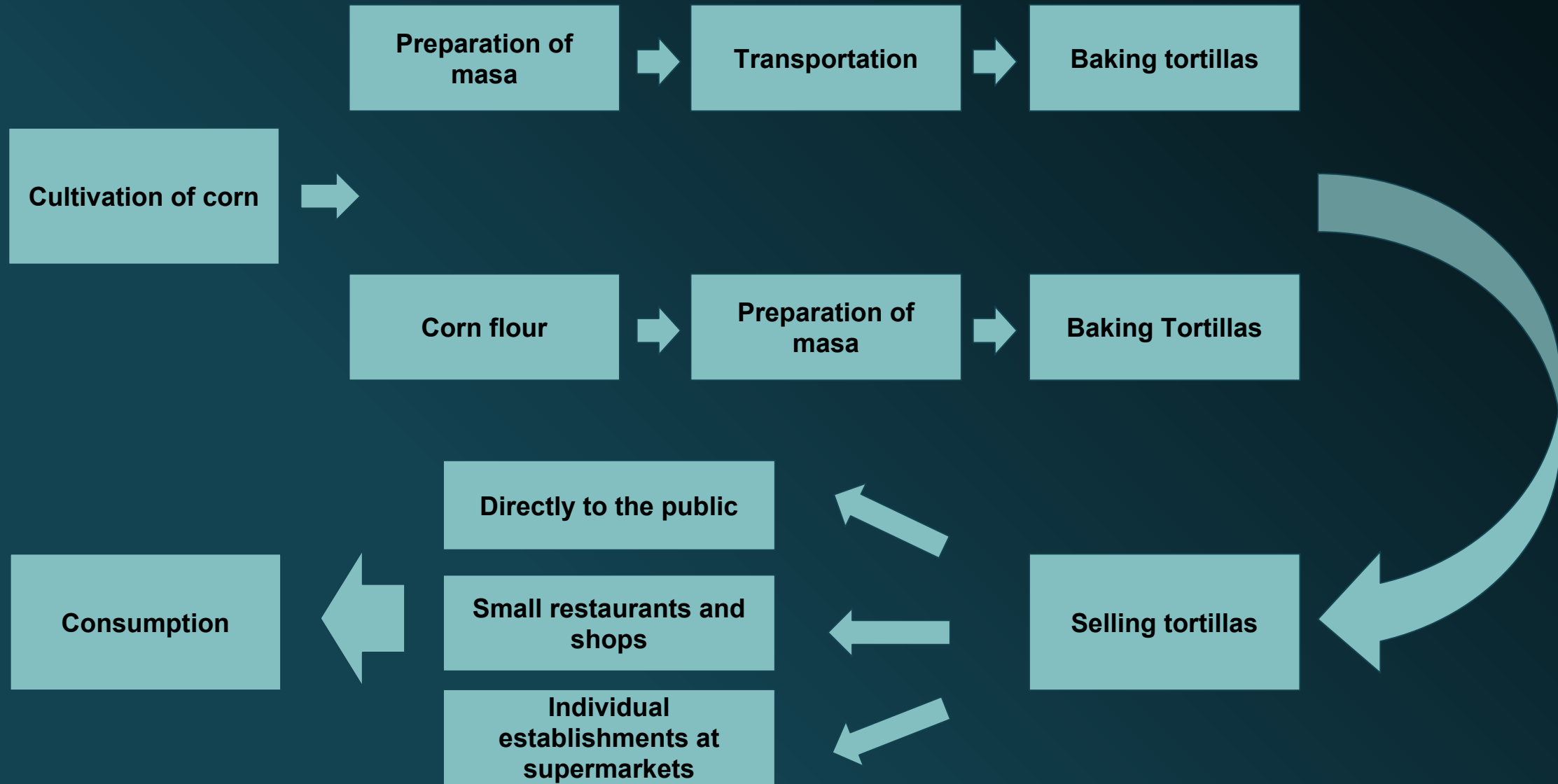
Industria de tortilla
fría envasada

El Milenario-artesanal

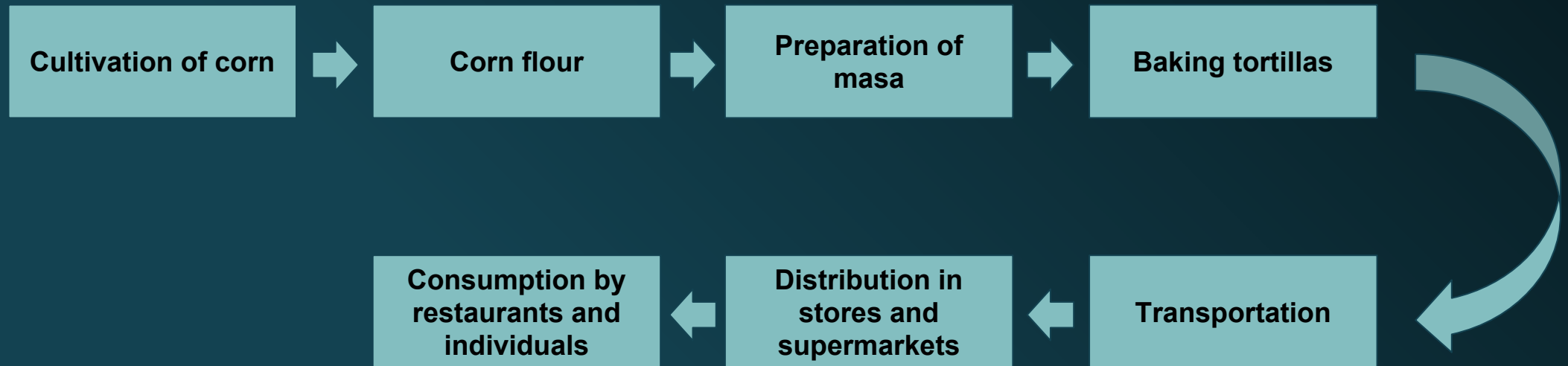


*Selling is not relevant in this chain.

Las Tortillerías mecanizadas



La industria de tortilla fría envasada



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 - Subsidies slowly withdrawn



A vertical strip on the left side of the slide shows a close-up of a person's hand holding a thick stack of golden-brown, slightly charred tortillas. The tortillas are piled on top of each other, showing their layered texture. The hand is positioned at the top left, with fingers gripping the stack.

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

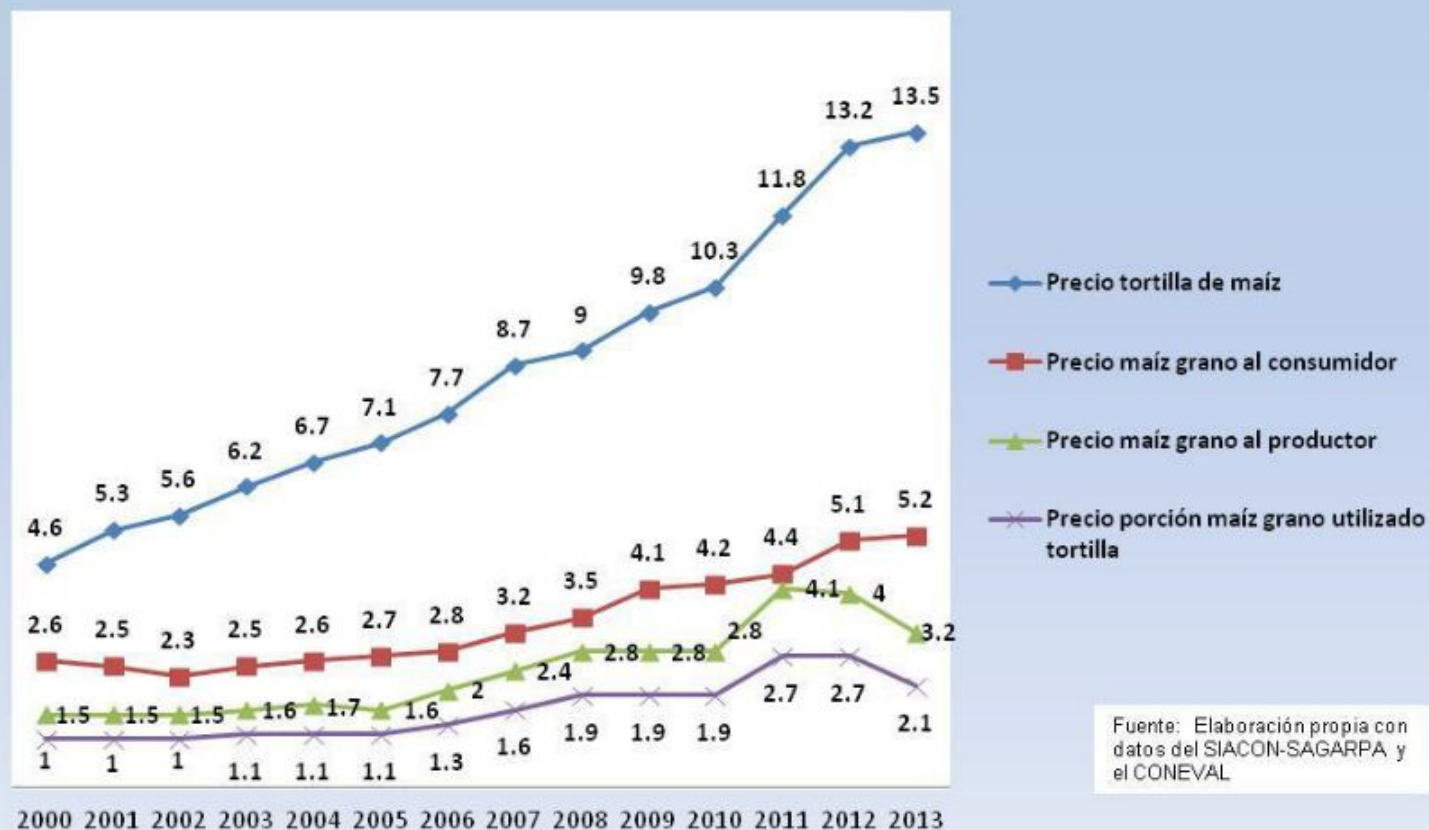
United States and Mexico

- 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

Gráfico 6. Comparativo de precios del maíz grano y la tortilla
(pesos por kilogramos)





Suggested readings

CEDRSSA. "Consumo, Distribución Y Producción De Alimentos: El Caso Del Complejo Maíz- tortilla." *Reporte Del CEDRSSA*. Centro De Estudios Para El Desarrollo Rural Sustentable Y La Soberanía Alimentaria, Sept. 2014.

Department of Basic Industries. "Analysis of the Corn-Tortilla Value Chain: Current Situation and Local Competition Factors." *Ministry of Economy* (2012).

BACON, David. *Illegal people: how globalization creates migration and criminalizes immigrants*. Boston: Beacon Press, c2008. ISBN 9780807042267

*(we suggest Chapters 1 - 3)

*<https://www.youtube.com/watch?v=Pd4OLdaoxvg>



Thank you!

Questions?