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United States Senate

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The Honorable Katherine C. Tai
United States Trade Representative
Office of the United State Trade Representative
600 17th Street NW
Washington, D.C. 20508

Dear Ambassador Tai:

We write to express our concerns with President Andrés Manuel López Obrador's promise to ban biotech corn imports into Mexico by 2024. This promise directly contradicts earlier ones made by the Mexican government to the United States contained within the U.S.-Mexico-Canada Agreement (USMCA).

Iowa is the leading state for corn production, growing 2.5 billion bushels per year. Iowa corn growers export 16 million tons, or 630 million bushels, of corn to Mexico each year. Any interruption to these shipments will severely affect our farmers and the state's economy, and have dire economic consequences for the entire Corn Belt.

President Obrador's decree is not only a non-starter for America's farmers, but it is also impossible to implement. Ninety-two percent of corn grown in the United States is genetically modified (GM). Even assuming non-GM seeds could be obtained, growers in Iowa and across the U.S. are already ordering bags of seed for spring 2023 planting. The seed purchased this fall will still be in grain channels as late as 2025. Most of that corn is, and will continue to be, biotech corn that empowers us to conserve the soil and reduce inputs.

A study conducted by World Perspectives, Inc. found that over a "10-year forecast period, the Mexican ban on GM corn would cause the U.S. economy to lose \$73.89 billion in economic output, and Gross Domestic Product (GDP) would contract by \$30.55 billion."¹ In the initial year of Mexico's ban, U.S. corn growers and industry partners would suffer \$3.56 billion in losses, followed by a loss of \$5.56 billion in year two. This economic downturn would also lead to the loss of 32,000 U.S. jobs.

Mexico's actions would also negatively impact American farmers' access to current and future innovation, which promotes increased agricultural productivity and sustainability. Given the impact Russia's invasion of Ukraine continues to have on global grain supplies, it is critical to remove arbitrary barriers to seed technology that supports resiliency throughout the agricultural value chain.

President Obrador's policy is not only ill-advised substantively, it contravenes a number of commitments in USMCA, including the chapters on sanitary and phytosanitary (SPS) measures. Those commitments include

¹ World Perspectives. "Consumer Price Impacts of Mexican Restrictions on GM Corn: An Economic Analysis."
[https://www.bio.org/sites/default/files/2022-10/Implications%20and%20Consumer%20Price%20Impacts%20of%20a%20Mexican%20GM%20Corn%20Ban_Final_221003%20\(002\).pdf](https://www.bio.org/sites/default/files/2022-10/Implications%20and%20Consumer%20Price%20Impacts%20of%20a%20Mexican%20GM%20Corn%20Ban_Final_221003%20(002).pdf)

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ensuring SPS measures are based on relevant scientific principles,² and on a documented risk assessment that takes into account the relevant scientific evidence.³

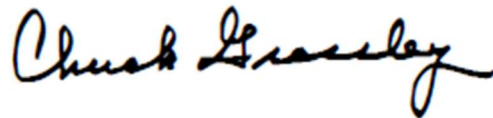
Despite overtures to the Mexican government for nearly two years, there is little indication from the country's leadership that it will adhere to its commitments under USMCA. The time has come for the Office of the United States Trade Representative (USTR) to intervene on this issue. We am respectfully calling on you to formally request dispute settlement consultations under Article 31.4 of USMCA. If at the end of the consultation period, Mexico has not confirmed that it will reverse its ban, USTR should proceed to request the establishment of a dispute settlement panel.

Thank you for your prompt attention to this matter. Should you need further information, we would be happy to provide answers to any additional questions you might have.



Joni K. Ernst
United States Senator

Sincerely,



Charles E. Grassley
United States Senator

² USMCA, Article 9.6.6.

³ USMCA, Article 9.6.3, 9.6.7, & 9.6.8.