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Feast and Famine: The Growth of Corporate Wealth and Food Insecurity in Neoliberal Mexico

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Abstract

This paper explores how recent Mexican food policies have spurred the growth of three large transnational food corporations while at the same time leaving more than 20 million Mexicans in nutritional poverty with little access to their traditional staples and ways of life. The paper sets this seemingly paradoxical situation within the broader context of Mexican food policies and neoliberal restructuring over the past few decades to underscore the contradictory nature of neoliberal capitalist development, the widening inequality that it encourages, and the efforts to erase the historic cultures of *México Profundo*. In the struggles for food sovereignty and food justice, the growth of corporate power and inequality must be underscored and workers all along the food chain need to be brought into the discussion.

Feast and Famine:

The Growth of Corporate Wealth and Food Insecurity in Neoliberal Mexico

“NAFTA is Starving Mexico” is the title of a recent article by Mexico City-based journalist and activist Laura Carlson.¹ Carlson’s title is a recognition of the growing inequality that plagues Mexico. A small percentage of wealthy Mexicans continue to feast while millions struggle to feed their family. Over the past three decades of neoliberal policies, the country’s economy and society has experienced the acceleration of its historic bifurcation both in consumption and production. This is most evident when examining the country’s food situation. While free market proponents have argued that economic growth will provide more “pie” for Mexicanos/as, it has not been equitably distributed, as Carlson emphasizes.

According to the Mexican government one in five Mexicans (approximately 20 million) still suffer from nutritional poverty.² Independent estimates place this number at nearly half of the Mexican population.³ Most analysts agree that this number has worsened since 2006 with the increases in the world price of maize, Mexico’s staple food. While many Mexicans suffer from a lack of food many more suffer from the modern diet consisting of fast, salty, and carbohydrate-laden foods. Inexpensive ramen noodles and *comida chatarra* (junk food) have become

¹ Laura Carlson, “NAFTA is Starving Mexico,” *Americas Program Center for International Policy* (October 10, 2011) <http://www.cipamericas.org/archives/5617>;

² “Asegura que se erradicará pobreza alimentaria en México,” (Notimex, November 18, 2010).

³ James M. Cypher, “Poverty (Mexico),” *Encyclopedia of Social Welfare History in North America* eds. John M. Herrick, Paul Stuart, John Graham, Enrique C. Ochoa, and Ruth Britton. (Thousand Oaks: SAGE Publications, 2005), 281-283.

increasingly popular as beans and tortilla consumption has declined, giving Mexico the dubious distinction of suffering from both a malnutrition and obesity crisis.⁴

At the same time, however, Mexico has emerged as the home of some of the world's largest and most important food companies. This includes the world's largest baked goods and packaged bread producer, Grupo Bimbo and the largest tortilla producer, Grupo Maseca (GRUMA). In addition, the world's leading retailer, Wal-Mart, made Mexico the showcase for its international expansion through its alliance with and later acquisition of Mexican retailer, CIFRA. Since the 1990s, these three companies have come to dominate and transform the basic food market in Mexico and in much of Latin America. These firms have deep multinational links and since the implementation of NAFTA have been expanding across the globe, making a small group of Mexican capitalists and their allies very wealthy, while the diets of millions of Mexicans deteriorate. Of the 11 Mexicans on the *Forbes* 2011 billionaire list, executives of each of these three companies are represented while a fourth billionaire from Grupo Bimbo was declared missing from the list due to methodological calculations.⁵

The importance of Mexico's private sector growth and its recent political and economic offensive is only beginning to gain scholarly and public attention. Business history during the 20th century has often been overshadowed by the active role of the state in the economy. Business histories have often remained hidden in the boardrooms and among elite families. In his 1989 book, *Entrepreneurs and Politics in Twentieth Century Mexico*, Roderic A. Camp noted the paucity of studies on the private sector underscoring the difficulty in collecting information on entrepreneurs who "have published very little about their lives and rarely allow themselves to appear in published materials."⁶ While economists and political scientists have paid particular attention to the economic restructuring of traditional industries and to the rise of maquiladoras, until recently, much less focus has been on the growth of Mexico's more competitive sectors.⁷

⁴ Marla Dickerson, "Steeped in a New Tradition," *Los Angeles Times* (October 21, 2005); Ángeles Cruz Martínez, "La diabetes ya es la primera causa de muerte," *La Jornada* (November 11, 2011); Adriana Gomez Licon, "Mexico Tackles Epidemic of Childhood Obesity," *The Guardian*, October 21, 2011.

⁵ See, <http://www.forbes.com/wealth/billionaires/list> (consulted 10/21/2011) and Kerry Dolan, "Finding Mexico's Missing Billionaires," 3/30/2011.

<http://www.forbes.com/sites/kerryadolan/2011/03/30/finding-mexicos-missing-billionaires/> (consulted 10/19/2011).

⁶ Roderic A. Camp, *Entrepreneurs and Politics in Twentieth Century Mexico* (New York: Oxford University Press, 1989), viii, 3-5.

⁷ James M. Cypher and Raúl Delgado Wise, *Mexico's Economic Dilemma: The Developmental Failure of Neoliberalism* (Lanham: Rowman and Littlefield Pubs., 2010); Jorge Basave Kunhardt, "Accomplishments and Limitations of the Mexican Export Project, 1990-1997," *Latin American Perspectives* #118 (May 2001); Enrique Dussel Peters, *La economía de la polarización: Teoría y Evolución del Cambio Estructural de las Manufacturas Mexicanas (1988-1996)* (México: Universidad Nacional Autónoma de México, 1997).

Scholars and analysts of Latin American business have taken notice of the Latin American companies that have been able to take advantage of the economic restructuring of the 1980s and 1990s and have emerged internationally competitive and in many cases dominant global players. Economists Elvira Concheiro Bórquez and Celso Garrido have separately noted the crucial role that the economic crises of the 1980s and 1990s and neoliberal restructuring has played in restructuring Mexico's capitalist class.⁸ América Móvil led by the world's richest man, Carlos Slim Helú, CEMEX, and the Grupo Bimbo, are among the Latin American companies that have expanded its market across the Americas and have entered the European and Asian markets.⁹ It is increasingly recognized that Mexico's business elite exercise a profound impact in Mexico and that they may indeed be the true *Amos de México* (masters of Mexico), as the title of a popular book profiling Mexico's leading business titans argues.¹⁰

While scholars have amply demonstrated the impact of neoliberal reforms on the Mexican countryside, less attention has been paid to the growth of Mexican agro-food complex. Many have demonstrated the ways neoliberal policies have disrupted Mexico's self-sufficiency in basic grains, leading to increased imports from the U.S. Others have focused on the growing economic and social polarization in the countryside and the impact it has had on campesino agriculture and rural communities. While still others have begun to address the influence of multinational and national efforts to genetically modify Mexican crops.¹¹ Much of this focus has been correctly state-centered, since these are top-down driven policies heavily influenced by the U.S. and World Bank and IMF policies.¹² It also indirectly points to the ways that Central and Southern Mexican life, for thousands of years heavily maize-based in both diet and culturally, systematic erosion has been hastened in the past few decades.

The consequence of these very rural-based approaches has been however, albeit if at times inadvertently, to obscure the growing economic polarization in the food sector. This paper explores how recent Mexican food policies have spurred the growth of three of the largest transnational food corporations while at the same time leaving more than 20 million Mexicans in nutritional poverty with little access to their traditional staples and ways of life. The paper sets this seemingly paradoxical situation within the broader context of Mexican food policies

⁸ Elvira Concheiro Bórquez, *El Gran Acuerdo: Gobierno y Empresarios en la Modernización Salinista* (México: Ediciones ERA, 1996) and Celso Garrido, *Desarrollo económico y procesos de financiamiento en México: Transformaciones contemporáneas y dilemas actuales* (México: Siglo XXI editores, 2005).

⁹ Lourdes Casanova, *Global Latinas: Latin America's Emerging Multinationals* (London: Palgrave Macmillan, 2009).

¹⁰ Jorge Zepeda Patterson (coord.), *Los Amos de México* (México: Editorial Planeta Mexicana, 2007).

¹¹ Gerardo Otero ed. *Food for the Few: Neoliberal Globalism and Biotechnology in Latin America* (Austin: University of Texas Press, 2008).

¹² Tom Barry, *Zapata's Revenge: Free Trade and the Farm Crisis in Mexico* (Boston: South End Press, 1995) and Enrique C. Ochoa, *Feeding Mexico: The Political Uses of Food Since 1910* (Wilmington: SR Books, 2000).

and neoliberal restructuring over the past few decades to underscore the contradictory nature of neoliberal capitalist development, the widening inequality that it encourages, and the efforts to erase the historic cultures of *México Profundo*.¹³

The Feast: Neoliberal Restructuring and the Global Growth of BIMBO, GRUMA, and WAL-MART de México

Since the 1980s, elites have been working to restructure the Mexican economy based on neoliberal principles of privatization, trade liberalization, and comparative advantage. By liberalizing the Mexican economy and deepening its integration into the world economy, policymakers argued that this will lead to economic growth and “all of Mexico’s boats will rise.” For neoliberal-inspired scholars, Mexico has been on the correct path but has not yet gone far enough in dismantling the remnants of protectionism and in liberalizing the economies.¹⁴ Critics counter, however, that such policies have been highly disorienting to industry and the countryside and have come at great social, cultural, and economic costs. Mexico’s economic restructuring, these scholars have demonstrated, has led to a decline of higher wage unionized jobs and public sector jobs in exchange for lower wage maquiladora and pseudo maquiladora factory work. In the process, union busting tactics and the search for more flexible labor policies have fueled inequality and insecurity. Traditional industrial centers have experienced blight due to factory closings, accelerating the rate of women entering the labor force in many areas and to family members taking on second and third jobs and scrambling for other ways to find work.¹⁵ Cypher and Delgado Wise argue that this neoliberal shift “is carrying the nation to higher and higher levels of disarticulation, stagnation, and migration.”¹⁶ Sociologist Sergio Zermeño has gone a step further to argue that “the open economy is the enemy of our times,” and has demonstrated the modernization has fostered anomie and despair characterized by the rise in violent crime and drug trafficking as working people and the dislocated are forced into increasingly desperate situations.¹⁷

In this context of economic restructuring, a handful of companies were well positioned to take advantage of Mexico’s neoliberal reforms. These companies aggressively expanded abroad or

¹³ Guillermo Bonfil Batalla, *México Profundo: Reclaiming a Civilization*, translated by Philip A. Dennis (Austin: University of Texas Press, 1996).

¹⁴ For example, see Stephen Haber, Herbert S. Klein, Noel Maurer, and Kevin J. Middlebrook, *México Since 1980* (Cambridge: Cambridge University Press, 2008) and Sebastian Edwards, *Left Behind: Latin America and the False Promise of Populism* (Chicago: University of Chicago Press, 2010), 125-126.

¹⁵ Mercedes Gonzalez de la Rocha, “From the Resources of Poverty to the Poverty of Resources?” *Latin American Perspectives* 119 (July 2001), 72-100.

¹⁶ Cypher and Delgado Wise, *México’s Economic Dilemma*, 1.

¹⁷ Sergio Zermeño, *La desmodernidad Mexicana y las alternativas a la violencia y a la exclusion en nuestros días* (México: Océano, 2005), 41.

forged alliances with foreign investors. These three key companies, two Mexican multinationals (Grupo Bimbo and GRUMA) and the other a subsidiary of the world's largest retailer (Wal-Mart), have experienced tremendous growth over the past three decades. They have successfully taken advantage of the economic reforms through their longevity in the market, their distribution networks, their political ties, and marketing strategies. By the end of the 1990s, each of these companies came to dominate the national market as virtual monopolies or as one business scholar triumphantly proclaims "national champions."¹⁸ As the economist Celso Garrido has argued, the 1995 economic crisis benefited the large Mexican corporations, since they were able to both increase their concentration of the market and expand throughout the Américas and beyond, leading to the transnationalizing of Mexican conglomerates.¹⁹ This section briefly explores each of these companies to underscore their paths to market dominance and the feast in which they are sharing as they profit from and warp the diets of working class Mexicans.

Grupo Bimbo

Bimbo is the fourth largest food company in the world, behind Unilever, Kraft, and Nestlé) and largest bread manufacturer in the world. It operates over 150 Brands and approximately 8,000 products in 19 countries in the Américas, Asia, and Europe.²⁰ Founded in 1945 by five men, two of whom, Lorenzo and Roberto Servitje, are the sons of Catalan immigrant bakers. Bimbo began by making sliced, packaged bread and would soon become synonymous with it in Mexico. The company stood out for its unusual name, which in the company lore is attributed to a cute sounding melodic name. They originally started with Súper Pan, S.A. but as they were about to register the name they realized that it would sound like Super Panza (big belly). One founder, Alfonso Velasco, came in with several names including Super Pan Bimbo. While it is not clear if it was a play on the 1942 Disney film, *Bambi*, popular in Mexico at the time, the associates liked the sound and shortened it to Panificación Bimbo. According to Lorenzo Servitje, "Now we know that bambino is Italian for boy and colloquially they say bimbo, but these readings are a simple coincidence because in our case, the name emerged because of its metered sound."²¹

The Bimbo logo, a white cartoon bear in a baker's hat, became ubiquitous throughout Mexico. In early advertisements, the Bimbo bear announced the products freshness and "a guarantee of purity and satisfaction."²² A symbol of modern packaged bread and modernization, the white bear was a marked contrast to the tortilla, Mexico's leading bakery product, which is closely

¹⁸ Lourdes Casanova, *Global Latinas*, 43.

¹⁹ Garrido, *Desarrollo económico y procesos de financiamiento en Méxio*, p. 97.

²⁰ Grupo Bimbo website, <http://www.grupobimbo.com/es/index.html> (consulted 2/12/2012).

²¹ Silvia Cherem S. *Al Grano: Vida y Visión de los fundadores de Bimbo*. (Mexico: Khalida eds., 2008), 75.

²² Cherem S. *Al Grano*, p. L.S. 12.

associated to indigenous peoples. The packaged bread of Bimbo and its white bear logo played to the long struggles that Europeanized elite waged against tortillas in favor of the more “civilized” bakery product, bread.²³ The use of packaged bread was also part of the larger process of modernizing the Mexican kitchen and training women to prepare nutritious and healthy meals.²⁴ Modernization, whiteness, and pure food produced in modern factories and packaged hygienic bread fit the image that Mexican business and political elites had for the period of rapid industrialization known as the “Mexican Miracle” (1940-1970s).

In 1956, Bimbo established a division that produced packaged cakes and sweet breads that would later be named Marinela, S.A, after the daughter of Lorenzo Servitje. Throughout the 1960s it would expand to distribute its products throughout much of Mexico and in the 1970s it entered the salted snack market with what would become Barcel S.A. Bimbo begins to vertically integrate each of these operations, so that it produced all of the basic ingredients. By the mid 1980s it purchased its main competitor in Mexico, Continental de Alimentos S.A., the producer and distributor of Wonder products in Mexico.²⁵ In the process, Bimbo and its competitors helped expand the popularity of packaged bread and snacks placing them in markets in all regions of Mexico.

Throughout the late 1980s, Bimbo began reinvesting in its factories and upgrading its equipment to prepare for the opening of the Mexican market with trade liberalization. This helped the company pursue its strategy of keeping foreign competitors out of the bread market and bolstering its position in the Mexican snack market, which reached about 20 percent of the market in 1990. In addition, Bimbo worked with McDonalds as the U.S. fast-food giant expanded into Mexico and built a new 14 billion dollar bun factory to supply McDonalds with hamburger buns to their specifications.²⁶ As of 2012, Bimbo supplies McDonald’s 205 restaurants in Mexico with bread for its hamburger buns.²⁷

Bimbo’s 1990 acquisition of a bread and cake plant in neighboring Guatemala the 1990s, signaled its aggressive expansion into markets throughout the Américas. Over the next three years, Bimbo acquired leading bakeries in Chile and Venezuela, while establishing productive plants in Argentina, Colombia, Costa Rica, El Salvador, and Perú. By 1993, Bimbo acquired

²³ Jeffrey M. Pilcher, *Qué vivan los tamales! Food and the Making of Mexican Identity* (Albuquerque: University of New Mexico Press, 1998), chapter 4; and Enrique C. Ochoa, “Tortillas or Lo- Carb Wraps?: Capitalist Restructuring, Transnational Mexican Identities, and Food Struggles in Los Angeles Since the 1920s,” unpublished paper.

²⁴ Sandra Aguilar Rodríguez, “Alimentando a la nación: Género y nutrición en México (1940-1960,” *Revista de Estudios Sociales* (Bogotá), no. 29 (abril de 2008), 28-41.

²⁵ Grupo Bimbo *Annual Report* 2009, p. 23.

²⁶ Matt Moffett, “Mexico’s Biggest Bread Maker Sees Opportunity in Free Trade,” *The Wall Street Journal* (October 3, 1991).

²⁷ http://www.nationmaster.com/graph/food_mcd_res-food-mcdonalds-restaurants (consulted 3/20/2012).

several regional companies in the United States, including Pacific Pride Bakeries in San Diego and Texas's leading bakery, Mrs. Baird in 1998. In 2001 it began acquisition of U.S. subsidiary of Canadian George Weston LTD, which included its bakery assets West of the Mississippi River and they bought the remaining U.S. Weston bakery assets in 2009, this includes popular brands such as Thomas' English Muffins, Brownberry, and Entenmann's.²⁸

Bimbo's surge has continued with its September 2011 announcement of the purchase of Argentina's leading baker Alimentos Fargo. The following month, the U.S. government authorized Bimbo's acquisition of Sara Lee's Bakery Division in U.S. for 975 billion dollars and Bimbo announced the purchase of Sara Lee's Spain and Portugal Holdings. Together these three acquisitions will increase Grupo Bimbo's sales by 27% a year.²⁹

The Servitje family has been closely linked to ideology of Christian social doctrine and conservative Mexican politics through its close ties with the Partido de Acción Nacional (PAN). Lorenzo Servitje is the founder of several religiously based business association including the prominent Union Social de Empresarios Mexicanos (USEM) founded in 1957 which seeks to reform the image of entrepreneurs as just interested in making money for its own sake to one in which business is intimately involved in social and political problems. According to one scholar, "USEM has gradually and silently expanded its educational activities, generating a multiplier effect which a long reach over a network of institutions."³⁰ The Servitje family is closely aligned with the more conservative segments of the PAN and is known to have contributed millions of pesos in the last few elections. It is aggressively expanding in charities and foundations to address a variety of issues including education, moral reform of the media, and rural development. Their conservative ideology has had a significant impact on Mexican society and this has become particularly evident during the two presidential administrations of presidents Fox (2000-2006) and Calderón (2006-2012).³¹

GRUMA, S.A.

Mexico's largest corn flour and the world's largest tortilla producer, Molinos Aztecas (MASECA) was founded in 1949 in Nuevo Leon by Roberto González Barrera and his father Roberto González Gutierrez in what has been described as a Mexican Horatio Alger story of a shoe-shine

²⁸ Cherem, *Al Grano*, 314-329; Dan Malovany, "The Book on Bimbo," BakingBusiness.com, (December 8, 2010, (consulted August 5, 2011).

²⁹ "Mexico's Bimbo sees low US growth in Sara Lee Units," *Reuters*, October 24, 2011. <http://www.reuters.com/article/2011/10/24/grupobimbo-idUSN1E79N0IX20111024> (consulted 10/26/2011).

³⁰ Alejandra Salas-Porras, "Corrientes de pensamiento empresarial en México," (primera parte) *Revista Mexicana de Ciencias Políticas y Sociales* (enero abril 2001), 196; see also, Robert Weis, "Bimbo," in Eric Zolov, *Icons of Mexico* (Santa Barbara, CA: ABC-Clío, forthcoming).

³¹ Salvador Frausto Crotte, "Lorenzo Servitje, Una apuesta por el pan," in *Los Amos de México* Jorge Zepeda patterson (Coord), 241-272.

boy becoming one of Mexico's most import industrialists. MASECA, later referred to as Grupo MASECA or GRUMA, commercially pioneered the process of making corn flour, storing it and then essentially just adding water to it and a few chemical to make tortillas. The following year, MASECA founding was followed by the establishment of a state enterprise, Maíz Industrializado (MINSA) with a large factory in Tlanepantla, outside of Mexico City.³² Both the state and GRUMA invested heavily in this technology helping to transform what had been a laborious process into a relatively easy one. GRUMA came to dominate the tortilla industry in Mexico during the 1980s and 1990s, benefiting from its close relationship with the administration of President Carlos Salinas de Gortari (1988-1994) as the government restructured its economy to fit the strictures of neoliberalism. At the same time, GRUMA expanded into the U.S. market, quickly coming dominate the growing industry in the U.S. and becoming a global giant with close alliances to agribusiness giant Archer Daniels Midland.

GRUMA grew steadily in Mexico throughout the 1960s and 1970s, but was held in check by a state-owned marketing agency. Since Mexico's populist governments used food policies as a mechanism for delivering on the faltering social promises of the revolution, the state was heavily involved in the marketing of maize and in subsidizing small millers and tortillerías to keep the price of tortilla down while promoting small industry. In 1970, the government offered to buy GRUMA's plants and operation, however González Barrera was dissuaded from selling by several friends who were key government policymakers. The outgoing secretary of the Treasurer Antonio Ortiz Mena reportedly offered to help him secure loans to expand his operations if he rejected the government's offer.³³ González Barrera's decision not to sell paid off handsomely. Between 1970 and 1980 corn flour production increased from 2.9 percent to 7.3 percent of the nixtamal industry in Mexico. As the government poured more resources into corn flour manufacturing capacity, it set the basis for changing consumer tastes and tortilla production.³⁴

By the early 1980s ready-mix manufacturers such as GRUMA began to grow rapidly. Mexico's response to the economic crisis of the 1980s was to go the route of the Reagan-Thatcher-IMF-structural adjustments. This entailed significantly reducing state subsidies to social welfare programs, liberalizing markets, reducing tariff barriers, privatizing state owned industries, and seeking foreign investment. These policies culminated with the implementation of the North American Free Trade Agreement in 1994. Consequently, throughout the 1980s and 1990s,

³² Nacional Financiera, *La industria de la harina de maíz* (México: NAFINSA, 1982), 13-14; Pilcher, *¡Que vivan los tamales! Food and the Making of Mexican Identity* (Albuquerque: University of New Mexico Press, 1998), 105.

³³ Alberto Bello, "Roberto González Barrera, El Banquero Improbable," in *Los Amos de México* Jorge Zepeda patterson (Coord), 388-389.

³⁴ Nacional Financiera, *La industria de la harina de maíz*, 16; Ochoa, *Feeding Mexico*, 192.

subsidies to corn and tortillas plummeted and were eliminated by the end of decade.³⁵ Before they were eliminated however, President Salinas began diverting state corn stocks away from 45,000 subsidized nixtamal tortilla factories and to the ready-mix tortilla industry, openly favoring companies such as GRUMA.³⁶ CEO Roberto González Barrera was closely associated with the president's brother Raul a high-ranking official in the state food agency, later jailed for his role in the death of a presidential candidate, and with Salinas's Secretary of Agriculture Carlos Hank González. Hank's son is married to Gonzalez's daughter and their mutual grandson was closely mentored by both magnates.³⁷ The press reported numerous questionable payments by the Mexican government to GRUMA during the early years of the Salinas administration that smacked of favoritism and cronyism.³⁸ Throughout the 1980s and 1990s, GRUMA came to dominate the tortilla industry in Mexico, coming to account for some 65% of the ready-mix industry which in turn accounted for nearly half of the tortilla industry. With the tortilla subsidy eliminated, the large industrial process of GRUMA has been able to displace large numbers of nixtamal factories.

GRUMA's dominance of the Mexican market stimulated their expansion internationally. Beginning in the 1970s, GRUMA expanded its operations to Central America and by 2003 it controlled approximately 71 percent of the corn flour market in El Salvador and approximately 65% of the Central American market.³⁹ In 1999, GRUMA purchased controlling interest in a Venezuelan firm making it the number 2 producer of wheat and corn flour in that country.⁴⁰ In the following decade, GRUMA expanded into the European and Asian markets.⁴¹

Beginning in the late 1970s GRUMA entered the U.S. market by purchasing several tortillerias including Guerrero and Mission in Los Angeles. Guerrero was purchased from Verónico and Marina Trujillo who started their factory in Los Angeles in 1973. The Trujillo's expanded their business by adding flour tortillas to the corn tortillas that they started with and by 1986 they

³⁵ Alva Senzek, "Mexican Food is a Goodwill Ambassador," *El Financiero International*, February 16-22, 1998; Roberto Gonzalez Amador, "Liberan el precio de la tortilla: \$4 por kilogramo a partir de ayer," *La Jornada* (2 January 1999); "Mexicans Lament Lifting of price Controls on Tortillas," *Mexico City News* (3 January 1999).

³⁶ Anthony De Palma, "Graft Inquiry in Mexico Ties Zedillo to Disputed Payment," *New York Times* (6 July 1996);

³⁷ John Ross, "The Politics of Greed Poison Mexico's Daily Diet: Tortillas of Blood," *Anderson Valley Advertiser* (April 5, 1995) posted on <http://www.eco.utexas.edu/~archive/chiapas95/1995.04/msg00150.html> (consulted 10/18/2004); Ricardo J. Galarza, "Carlos Hank González, El Nieto Pródigo," *Expansión* (11 Mayo de 2009).

³⁸ Matilde Pérez U. "Vigilará Conasupo que no haya más desvios en los subsidios para el consumo de tortillas," *La Jornada* (31 May 1996); Anthony De Palma, "Graft Inquiry in Mexico Ties Zedillo to Disputed Payment," *New York Times* (6 July 1996); Jim Carson and David Brooks, "Secofi autorizó pago dudoso a Maseca en 88: fuente oficial," *La Jornada* (5 July 1996).

³⁹ Ma. Dolores Ortega, "Domina Maseca mercado salvadoreño," *El Norte*. (July 16, 2003).

⁴⁰ Daniel J. McCosh, "The Maseca Maize," *Latin CEO: Executive Strategies for the Americas*. June 2001.

⁴¹ José Manuel López, "Apuntala Gruma su expansion internacional," *El Norte*, August 9, 2004; Roberto González Amador, "Calienta Grupo Maseca 'tacos de arroz' en Asia," *La Jornada*, November 23, 2004.

had four factories and began to advertize on Spanish language television. In 1989, they sold their business to GRUMA.⁴² With Mission and Guerrero as their key brands, GRUMA aggressively expanded in the 1980s and 1990s, accounting for over 50% of U.S. supermarket tortilla sales in 2002 and controlling about 70% of the market in Southern California. By 2003, GRUMA operated 13 industrial plants in the U.S including the largest tortilla factory in the world just in Rancho Cucamonga, California and employ over 5,000 people.⁴³ This growth has occurred with the help of a strategic alliance with Archer Daniel's Midland, one of the leading agribusinesses in the world and a key recipient of U.S. corn subsidies.

In addition to its political connections and alliances in the Mexican government, GRUMA has developed a creative marketing strategy in the U.S. market that appeals to nostalgia, popular culture, and dietary fads. This strategy has several dimensions, including marketing to both a Latinos/as and a non-Latinos/as by appealing to the nostalgia of Mexico or to a Spanish fantasy past, catering to the whims of U.S. dietary fads, and forging ties with the booming fast food industry and with top retailers.⁴⁴ Guerrero and Mission are marketed separately and an average consumer would be hard-pressed to find a link between the two companies. With Guerrero they continued this process working to appeal to Mexican and Latino consumers in particular through their use of the name—Guerrero, the surname name of both a famous Mexican independence leader (Vicente Guerrero) and a Mexican state. The clear packaging is adorned with red and green lettering in Spanish with drawings of ears of corn. Underneath the brand name is the brand's trade marked slogan "un pedacito de Mexico" (a little piece of Mexico), an appeal to consumer's nostalgic remembrances of their homeland and to Mexican nationalism.⁴⁵ The tortilla is reminiscent of the look and feel of tortillas made in the traditional fashion. With Mission Foods, GRUMA made a direct effort to cultivate a non-Latino market attempting to situate itself within the context and history of the U.S. Southwest. The brand name is a direct reference to the Spanish Mission period and evokes a nostalgia for what scholars have termed the Spanish Fantasy past. GRUMA uses Mission and uses it to appeal to a non-Latino market by disassociating tortillas with Mexicans or Mexican immigrants. Mission tortillas, in contrast to Guerrero, are packaged in clear bags with brightly colored lettering in English. The Mission brand is on the front of the packaging with a mission bell adorning the middle of the package, and above the logo the package brags that Mission is the "World's Best Selling Tortillas." On the bottom of the package, it proclaims "No Lard-No Cholesterol." Mission distributes both corn and flour tortillas. The corn tortillas, however, do not look exactly like the Guerrero tortillas. Instead, they are smoother and lighter and look much like flour tortillas. In addition,

⁴² See <http://www.tortillasguerrero.com/About.aspx> (consulted 9/17/08).

⁴³ Marla Dickerson, "Tortilla Makers Try Not to Get Flattened," *Los Angeles Times* (October 28, 2003).

⁴⁴ Ochoa, "Tortillas or Lo- Carb Wraps?"

⁴⁵ See Guerrero's website, <http://www.tortillasguerrero.com/> (accessed 9/17/09).

beginning in 2004, Mission began to produce “wraps” to cater to their popularity and has developed lo-carb tortillas to appeal with health conscious consumers.⁴⁶ By doing so, Mission has helped make the tortilla industry the fastest growing sector of the U.S. baking industry and the process has contributed to the de-Mexicanization of the tortilla.

While marketing on the basis of nostalgia for Mexico among immigrants, GRUMA has been fierce in its effort to keep workers from union organizing in the U.S. Carolina Bank Muñoz has demonstrated that tortilla workers remain significantly poorer paid than other bakery industry workers at a time when tortillas are by far the fastest growing sector of the U.S. bakery industry. This particularly impacts immigrant and women workers who dominate the industry.⁴⁷

As a result of this tremendous growth in Mexico and the U.S. and with a presence in over 100 countries, GRUMA has gained an international reputation and in many areas has become synonymous with tortillas. In Asia and Australia, five years after launching its Asian division, GRUMA has become the principle supplier of tortillas in the regions booming fast food industry.⁴⁸ Roberto González Barrera, GRUMA’s founder and the self-proclaimed “tortilla king,” used his GRUMA success to purchase Mexico’s largest private bank, BANORTE, adding to his family’s fortunes and securing financing for his tortilla operations. In 2011, GRUMA went on the offensive, by selling its shares in BANORTE, paying off its debt, and purchasing four major regional milling and tortilla plants to take advantage of the increases in the price of maize and expand its international reach. As the end of 2011 GRUMA operated 99 plants in 113 countries.⁴⁹

Wal-Mart de México

The retail giant Wal-Mart is deeply tied into Mexico’s retailing sector and has used its Mexican holdings as a base for its expansion into Central America. Wal-Mart entered Mexico in 1991 with a partnership with Mexico’s leading food retailer Grupo Cifra, operators of the Aurrerá chain of discounting warehouses and Superama. Beginning with their establishment by Jerónimo Arango and his two brothers in 1958, Aurrerá grew by selling volume and discounting goods up to 20 and 30 percent. In 1965, they formed a joint venture with the Chicago based

⁴⁶ “Mission Foods Revolutionizes Low Carb Tortilla; New Products Stack up with Great Taste for Dieters and Non-Dieters Alike,” *Hispanic PR Wire*, April 1, 2004. <http://www.hispanicprwire.com/news.php?l=in&id=2152&cha=4> (consulted 9/17/08).

⁴⁷ Carolina Bank Muñoz, *Transnational Tortillas: Race, Gender, and Shop-Floor Politics in Mexico and the United States* (Ithaca: Cornell University Press, 2008).

⁴⁸ Juan Carlos Miranda, “Maseca es ya el principal proveedor de tortillas en cadenas de comida rápida,” *La Jornada* (2 Julio de 2010).

⁴⁹ Gabriela Cabrera y Daniela Clavijo, “GRUMA: La Mejor Defensa,” *Expansion* (25 de Junio a 8 de Julio, 2012), pp. 207-212.

retailer Jewel and expanded operations and “Arango became the first merchant to put clothing, food, and hardware in one store.”⁵⁰ By 1984, Arango purchased back the company and began developing the bodega concept, to sell fast-moving non perishable goods in bulk in poor neighborhoods. The idea took off.

Beginning in 1991, the Cifra formed an alliance with Wal-Mart which was dominating the U.S. market.⁵¹ The alliance helped Cifra consolidate its operations and edge out competitors Gigante, and Comercial Mexicana. Wal-Mart took advantage of Mexico’s peso crisis in 1995 to buy out Cifra fully in 1997. While early critics such as Chris Tilly and Julio Moreno argued that Wal-Mart’s growth in Mexico was impressive but for a number of reasons would soon see its fortunes reversed, as of yet, this does not seem to be the case.⁵²

On the contrary, Wal-Mart has made adjustments to its strategy and is growing at an ever faster rate. Beginning in 2002, Wal-Mart became Mexico’s number one private employer and was responsible for creating nearly half of the of Mexico’s new permanent jobs.⁵³ Wal-Mart’s holdings are ubiquitous in the nation and include Wal-Mart stores, Sam’s Club, SUPERAMA, Bodega Aurrerá, the large clothing chain Suburbia and the leading restaurant Chain VIPS and El Porton. The number of these outlets have grown significantly from 193 in 1998 to over 1700 by 2010 (Table 1).⁵⁴ In addition, in 2010 Wal-Mart de México became Wal-Mart de México y Centroamerica and is operating in Mexico, Guatemala, El Salvador, Honduras, and Nicaragua, having acquired the regions largest supermarket chains.⁵⁵ Throughout 2011 and early 2012, Wal-Mart’s operations in Mexico have continue to grow, though in June 2012, the company announced that it would have to scale back its expansion slightly.⁵⁶ Wal-Mart has helped reshape not only Mexican markets but is accelerating the sale and consumption of packaged and processed foods since preserved foods have a longer shelf-life. The result has fostered a steady decline in fresh foods.

⁵⁰ Joel Millman, “The Merchant of Mexico,” *Forbes*, vol 148:3 (August 5, 1991).

⁵¹ For Wal-Mart’s over all strategy see, Nelson Lichtenstein, *The Retail Revolution: How Wal-mart Created a Brave New World of Business* (New York: Metropolitan Books, 2009) and Bethany Moreton, *To Serve God and Wal-Mart: The Making of Christian Free Enterprise* (Cambridge: Harvard University Press, 2009).

⁵² Chris Tilly, “Wal-Mart in Mexico: The Limits of Growth,” in Nelson Lichtenstein ed. *Wal-Mart: The Face of Twenty-First-Century Capitalism* (New York: The New Press, 2006), 189-212; Julio Moreno, “Wal-Mart y la Diplomacia Económica en América Latina,” *Foreign Affairs en Español*, (April-June 2004).

⁵³ Tim Weiner, “Wal-Mart Invades, and Mexico Gladly Surrenders,” *New York Times* (6 December 2003).

⁵⁴ Walmart de México and Centroamérica website, http://www.walmartmexico.com.mx/negocios_mexico_a.html (Consulted 10/16/2011), and Walmart de Mexico, *Informe Anual de 2004*.

http://www.walmartmexico.com.mx/nuestros_negocios_a.html (consulted 10/15/2011); Cifra, *Informe Anual de 1998*, http://www.walmartmexico.com.mx/nuestros_negocios_a.html (consulted 10/15/2011).

⁵⁵ http://www.walmartmexico.com.mx/nuestros_negocios_a.html (consulted 2/21/2012).

⁵⁶ Mario Maldonado, “Disminuye Walmart planes de expansion,” *Milenio* (Junio 21 de 2012);

Table 1**Wal-Mart's Mexican Outlets, 1998-2010***

1998	193
2000	480
2002	579
2004	678
2006	886
2008	1,197
2010	1,730

*Includes Sam's Clubs, Walmart Supercenters, Bodega Aurrerá, Superama, VIPs, El Portón, and Suburbia. Source: Walmart de México y Centroamérica, *Informe Anual 2010*, p. 31.

Each of these three companies, Bimbo, GRUMA, and CIFRA were well situated to weather Mexico's shifting economic strategies from the period of Import Substitute Industrialization to neoliberalism. All grew up in the system and developed knowledge of local markets and politics. They worked within the political, benefited from subsidies, worked with union leaders, and benefited from the privatizations after the 1980s. They each developed national brand name recognition and complex distribution networks, pitching themselves as national companies, playing to Mexican heritage and nostalgia and in the process helping to construct it. It was this same strategy that enabled GRUMA and BIMBO to expand their businesses internationally by acquiring local businesses and developing them based on their knowledge of local markets, history, and marketing strategies that took advantage of both.

They have all benefited from their extensive lobbying efforts and their political connections. This has translated into favorable and unenforced tax policies in México. The 1982 tax law on rents (*Ley de Impuesto sobre la renta*) allowed Mexico's largest business groups to defer payment of taxes if their overall revenues did not meet a minimum threshold. This has allowed many to distort their income by subtracting their losses from some businesses against their earnings in other "The result was that at times the 400 largest business consortium paid 15 times less in taxes than they should have, some of these companies are strongest in their sector not only in Mexico but on the entire planet."⁵⁷ Bimbo and Wal-Mart are high on this list. In 2008 Bimbo's actual tax payment was 2.6% of its sales and it deferred 1.25 billion pesos in tax liability while Wal-Mart paid 2.1 percent on its sales and deferred 5.5 billion pesos. After much public outrage, the PRI controlled congress created a special commission to evaluate these special tax breaks. The commission was headed by a brother of the one of the son-in-laws of

⁵⁷ Fátima Monterrosa, "El verdadero hoyo fiscal: 400 grandes empresas (casi) no paguen impuestos," *Emequis* (26 de octubre de 200), 11.

the Bimbo founder, causing some to raise their eyebrows.⁵⁸ The feast that these three global food chain companies are partaking in is at the expense of Mexico's food sovereignty and it is exacerbating the poverty and malnourishment of millions.

The Famine: Exacerbating Mexico's Food Dependency and Nutritional Inequality

Accompanying the spectacular transformation of Mexico's food industry, Mexico's countryside has been significantly restructured in ways that exacerbate rural poverty and increase Mexico's food dependence on the U.S. Beginning in the 1980s, Mexico aggressively abandoned post-revolutionary policies that sought, albeit erratically, to base Mexico's food consumption on the production of Mexican peasants and larger Mexican producers. This led to a brief period of Mexican self-sufficiency in basic grains. However, with the economic crisis of the 1980s and World Bank and IMF prescriptions for economic growth, policymakers shunned subsidizing small farmer and campesinos and instead urged the privatization of the ejido and fostered the growth of economically efficient enterprises without much thought to the social costs.

Maize production has not kept pace with demand since the 1980s. While the trend toward the loss of self-sufficiency in maize was well underway by the 1970s, it has only intensified with the neoliberal opening of the economy.⁵⁹ As Table 2 indicates, while maize production has increased over the past several decades, it has not kept up with demand forcing Mexico to increase imports. Mexico's average imports by decade have grown consistently since the 1940s. Between the decade of 1970 and 2000, this growth amounts to nearly a four-fold increase making the total amount of maize imports over 32 percent of what the nation produces. This is historically unprecedented.⁶⁰ Maize imports increased sharply with the liberalization of the prices of maize and tortillas that began in the 1980s and accelerated with the implementation of NAFTA, with maize imports growing from 17 million tons between 1987 and 1993 to nearly 30 million tons from 1994 to 1999, when tortilla subsidies were eliminated. In the first decade of the twentieth-century Mexico's maize dependence reached crisis proportions, between 2000 and 2005 imports grew to 33.8 million tons and from 2006 to 2010 they reached 42.5 million tons, accounting for over 40 percent of Mexican production for three years.⁶¹

The growth in food dependency has occurred with Mexico's other basic grains to an even greater extent. According to Laura Carlson, "Before NAFTA, the country spent 1.8 billion dollars

⁵⁸ Ibid., 28-29.

⁵⁹ David Barkin and Blanca Suárez, *El fin de la autosuficiencia alimentaria* (México: Océano, 1985);

⁶⁰ Aída Mostkoff and Enrique C. Ochoa, "Complexities of Measuring the Food Situation in Mexico: Supply versus Self-Sufficiency of Basic Grains, 1925-86," in *Society and Economy in Mexico*, James W. Wilkie (eds.) (Los Angeles: UCLA Latin American Center Publications, 1990), 117-146.

⁶¹ Armando Bartra, "Rebellious Cornfields: Towards Food and Labour Self-Sufficiency," *Mexico in Transition: Neoliberal Globalization, the State, and Civil Society* Gerardo Otero (eds.) (London: Zed Books, 2004), 24.

on food imports, it now spends a whopping 24 billion dollars.” This amounts to approximately 80 percent of Mexico rice, 95 percent of its soybeans, 33 percent of its beans, and 56 percent of its wheat coming from imports, significant increase from the previous decade.⁶²

Table 2
Average Maize Imports by Decade, 1940-2010

	Production T Tons	Imports T Tons	Imports as % of Production
1940-49	2,294	23	1.0
1950-59	4,217	240	5.7
1960-69	7,761	219	2.8
1970-79	9,034	1,312	14.5
1980-89	12,162	2,848	23.4
1990-99	17,239	3,269	19.0
2000-09	23,198	6,840	29.5

Source: Calculated from Servicio de Información Agroalimentaria y Pesquera (SIAP) of the Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca, y Alimentación (SAGARPA) http://www.siap.gob.mx/index.php?option=com_wrapper&view=wrapper&Itemid=350. (consulted January 24, 2012); and Mostkoff and Ochoa, “Complexities of Measuring the Food Situation in Mexico.”

As part of the comparative advantage framework of neoliberal policymakers, Mexico has worked to boost its production of export crops. While since the 1970s Mexico had been producing to meet the U.S. demand for winter vegetables, notable growths in export crops have taken place since the 1990s, especially in tomato and avocado production. Between 1990 and 2010, the value of tomatoes and avocados as a share of national production doubled to nearly ten percent of total production.⁶³ The expansion in avocado sales is especially notable. While avocados originated in Mesoamerica and have long been recognized as a nutritious fruit

⁶² Laura Carlson, “NAFTA is Starving Mexico,” *Americas Program* Center for International Policy (October 10, 2011) <http://www.cipamericas.org/archives/5617>; Bartra, “Rebellious Cornfields,” 24.

⁶³ Data compiled and calculated from the Servicio de Información Agroalimentaria y Pesquera (SIAP) of the Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca, y Alimentación (SAGARPA) http://www.siap.gob.mx/index.php?option=com_wrapper&view=wrapper&Itemid=350. (consulted January 24, 2012).

in Mexico, until 1997 the U.S. protected its market from Mexican avocados.⁶⁴ With NAFTA Mexican producers were finally able to gain access to the U.S. market and consequently Mexican avocados production and exports have boomed. Recent reports of the growth of the avocado industry show that, “During the last decade, Mexican avocado exports grew more than 25%, by going from U.S.D. \$73 million in 2000 to \$672 in 2010.” In the first 9 months of 2011, Mexico increased its avocado exports by 43.7 % in comparison to the same period in 2010.⁶⁵ This exponential growth occurred as the value of Mexico’s staple products for domestic consumption have held steady or declined, thus demonstrating that Mexico is increasingly prioritizing export crops over crops for domestic consumption.

While free traders insist that this is indeed beneficial to Mexico as a whole since maize production is not in Mexico’s comparative advantage, this ignores the severe impact of this production shift on the Mexican countryside a region for whom maize is far more than a commodity but is a way of life, connected to indigenous identity and culture. As numerous activists, campesinos, and authors have argued, this shifts towards export oriented agriculture based on “comparative advantage” has had real consequences for rural Mexicans. They argue that contrary to economist’s proclamations, “food is different” and should not be treated as just another commodity. Instead food production and consumption patterns are about ways of living that are connected to land, communities, histories, and Mexico profundo (deep Mexico).⁶⁶ Hence, one cannot measure food production with a narrow cost benefit ratio.

Market-oriented policies have increased rural poverty and fostered the expulsion of peasants from the countryside at significant rates. Although as old as the Spanish conquest, the process has greatly sped up with capitalist expansion. For example, in the 20th century Mexico experienced a demographic reversal as its rural to urban ratio went from 80 percent of the population living in the countryside at the beginning of the century to over 80 percent living in urban areas. By the late 1980s increased migration within Mexico’s borders and across borders came from non-traditional sending areas including from many indigenous communities in Southern Mexico. Indigenous migrants from Oaxaca, Guerrero, and Puebla often had little

⁶⁴ Lois Sanford, “The Binational Integration of the US-Mexican Avocado Industries: Examining Responses to Economic Globalism,” *Mexico in Transition: Neoliberal Globalization, the State, and Civil Society* Gerardo Otero (eds.) (London: Zed Books, 2004), 188.

⁶⁵ “Mexico Avocado Exports Grow by 44% this Year,” *Fresh Plaza: Global Fresh Produce and Banana News* (11/23/2011) www.freshplaza.com/news_detail.asp?id=89343 (consulted 1/6/12); “Mexico’s Avocado Exports Rising by a Quarter Annually,” *Fresh Fruit Portal. Com* (11/22/11) www.freshfruitportal.com/2011/11/22/mexico-avocado-exports-rise-by-a-quarter/ (consulted 1/6/12).

⁶⁶ Peter M. Rosset, *Food is Different: Why We Must Get the WTO Out of Agriculture* (London: Zed Books, 2006); Guillermo Bonfil Batalla, *Mexico Profundo: Reclaiming a Civilization*, translated by Philip A. Dennis (Austin: University of Texas Press, 1996).

choice but to leave their communities.⁶⁷ According to Miguel Martínez Peralta a Guerrero native who worked for twelve years in the fields of Sinaloa, “It's the truth: it is migrate or die. We are forced to go to work in Sinaloa.”⁶⁸ While the pace is too slow for elite pundits who lament Mexico’s inability to evict its peasants from the land at a faster rate due to an irrational “clinging to the land,”⁶⁹ it has been disastrous for communities and cultures.

In November 2010, Mexico’s Secretary of Social Development, Heriberto Félix Guerra argued that by 2015 Mexico will have eradicated nutritional poverty through a combination of growing market processes and then include broader society in the struggle to feed Mexico’s poor. According to Guerra, nutritional poverty could be eradicated if the 30,000 tons of food that supermarkets and restaurants waste daily could be diverted, it would be “enough to feed Mexico’s 20 million nutrition poor.”⁷⁰ While Guerra’s focus on the distribution food waste may be considered offensive, it does demonstrate that food poverty is not caused by food shortage but by unequal distribution, reinforced by policies that ignore redistribution. This inequality is deeply rooted in Mexico’s capitalist development and has been exacerbated by neoliberal reforms and the rise of corporate controlled food.

Mexico is suffering from growing economic inequality. According to the Mexican government agency, Consejo Nacional de Evaluación de la Política de Desarrollo Social (CONEVAL) 20 million Mexicans suffer from nutritional poverty.⁷¹ While CONEVAL’s data demonstrate that between 2000 and 2006 the number of nutrition poor declined from 24 million in 2000 to 14 million in 2006, it grew to 18.2 million in 2008 and overall poverty rates are at less than half of the population.⁷² The work of the economist Julio Boltvinik and his integrated Poverty Measurement Method (IPMM) demonstrates the need for multipronged approaches to poverty measurement that takes into account the broad range of basic needs of families, beyond household income to include the satisfaction of basic needs including housing and education. This more comprehensive approach argues that poverty has grown from about half the

⁶⁷ Jonathan Fox and Gaspar Rivera Salgado eds, *Indigenous Mexican Migration in the United States* (La Jolla: Center for U.S.-Mexican Studies, 2004); Laura Velasco Ortiz, “Desde Que Tengo Memoria: Narrativas de identidad en indígenas migrantes (Tijuana: COLEF, 2005).

⁶⁸ Tania Molina Ramírez, “*Migrar o morir evidencia el abuso laboral que padecen los jornaleros,*” *La Jornada* (2 octubre 2009).

⁶⁹ Jorge G. Castañeda, *Mañana Forever? Mexico and the Mexicans* (New York: Alfred A. Knopf, 2011), 21.

⁷⁰ “Aseguran que se erradicará pobreza alimentaria en México,” Notimex (November 18, 2010) <http://espanol.news.yahoo.com/s/18112010/4/n-latam-aseguran-erradicar-aacute-pobreza-alimentaria.html> (consulted November 20, 2010).

⁷¹ “Asegura que se erradicará pobreza alimentaria en Méxio,” (Notimex, November 18, 2010).

⁷² Ruben Aguilar Valenzuela, “La pobreza extrema en México,” *El Economista* (Mar 5, 2010) <http://eleconomista.com.mx/sociedad/2010/03/05/pobreza-extrema-mexico> (consulted November 20, 2010).

population in 1981 to 80 percent in 2000 and climbed to 83 percent in 2010.⁷³ Boltvink and other scholars have repeatedly demonstrated that the CONEVAL measurements are too narrow and significantly underestimate the poverty in Mexico.

The growth in inequality can also be seen in the increasingly dire employment situation for Mexican workers. Real wages have plummeted since the 1980s by nearly 50 percent in less than a decade and continued to fall over the next two decades. By 2010, Mexico's real minimum wage was only 30 percent and wages for federal employees was at 47 percent of its 1980 amount. Industrial workers fared better at 80 percent of its 1980 amount, but this is still a 20 percent reduction in real wages!⁷⁴ By the end of 2011, nearly two-thirds (61%) of Mexico's formal employees earned less than 180 pesos a day (\$13.25). Recent data from Mexico's statistical agency (INEGI) indicates, however, that the majority of the Mexican workforce is unable to find employment in the formal sector and therefore most work in informal jobs.⁷⁵

Poverty and malnutrition rates are notoriously worse in the countryside. In their award winning book, *Morir en la miseria* (To Die in Misery), journalist Miguel Badillo and his collaborators write about life in the municipalities of México where conditions are among the poorest on the planet. Using United Nations data they demonstrate that 11 of the countries municipalities in the primarily indigenous regions of the states of Chiapas, Oaxaca, Veracruz, and Guerrero are among the world's poorest. During the recent neoliberal administration of Vicente Fox (2000-2006) five of these municipalities were added to this list. It is estimated that another 122 other municipalities are only slightly better off.⁷⁶ Hunger deeply affects all aspects of lives in rural areas, according to Abel Barrera, Director of the Centro de Derechos Humanos de La Montaña Tlachinollan,

Here the problem is hunger. The government does not guarantee the nutrition of the people who live in the countryside. With what a family in the mountain sows, it harvests 400 kilos of maize. And this is enough food for a family of eight for three months; but this assumes that they don't get sick, that they don't have to invest in

⁷³ See Araceli Damián and Julio Boltvink, "A Table to Eat On: The Meaning and Measurement of Poverty in Latin American," in *Latin American After Neoliberalism: Turning the Tide in the 21st Century?* Eric Hershberg and Fred Rosen (eds.) (New York: The New Press, 2006), 153; and Julio Boltvink's columns, "Economía Moral," in *La Jornada* (29 July 2011 and 12 August 2011).

⁷⁴ Richard Roman and Edur Velasco Arregui, "The Fragil Rise of Bourgeois Hegemony and the Neoliberal State in Mexico," *Socialist Studies/Études socialistes* 7(1/2) (Spring/Fall 2011), 238-258.

⁷⁵ Roberto González Amador, "Laboran más personas en la economía subterránea que en el sector formal: INEGI," *La Jornada* November 12, 2011.

⁷⁶ Miguel Badillo (coordinador), *Morir en la miseria: Los 14 municipios más pobres de México* (México: Océano, 2009), p. 13.

clothing or in their children's schooling. And when this runs out, they don't have anything to eat.⁷⁷

Coupled with persistent hunger, a growing portion of Mexicans are suffering from a modern junk food diet. While analysts and scholars have examined the ways that U.S. junk food such as Coke and Pepsi have entered the markets and mixed with local histories and cultures,⁷⁸ the combination of "free" trade, food dependency, and the rise of cheap, nutritionally poor foods have flooded the markets and have entered the diets of poor and working class Mexicans in epidemic proportions. This has led to the growth in consumption of salt and carbohydrate-laden ramen noodles, international chain fast food restaurants and a decline in traditional food consumption.⁷⁹ Olivier De Schutter, the United Nations Special Rapporteur, concluded in his report of Mexico that the country's,

Agricultural policies currently encourage the production of grains, rich in carbohydrates but relatively poor in micronutrients, at the expense of the production of fruits and vegetables. The result is that for many Mexicans, particularly in urban areas or in northern states, switching to healthier diets is becoming increasingly difficult. The trade policies currently in place favour an increased reliance on heavily processed and refined foods, with a long shelf life, which does not favour the consumption of fresh and more perishable foods, particularly fruits and vegetables.⁸⁰

The result has been a growing obesity crisis that is reaching epidemic proportions. President Calderón recently admitted that Mexico has the world's highest obesity rate for children age 5-14. Other studies confirm that Mexico has one of the fastest rates in the growth of childhood obesity.⁸¹ In general, many Mexicans are increasingly question the quality of the food that they consume or even refuse to call it food, as the cartoonist Rius has put it "La basura que comemos" ("The Trash we Eat").⁸²

⁷⁷ Cited in Zósimo Camacho, "Desplazados por el hambre," *Morir en la Miseria* Miguel Badillo (coord), 172.

⁷⁸ Jeffrey M. Pilcher, "Industrial Tortillas and Folkloric Pepsi: The Nutritional Consequences of Hybrid Cuisines in Mexico," in *Food Nations: Selling Taste in Consumer Societies*. Edited by Warren Belasco and Philip Scranton (New York and London: Routledge, 2001), 222–229.

⁷⁹ Dickerson, "Steeped in a New Tradition."

⁸⁰ Olivier De Schutter, "End of Mission in Mexico," Statement of the United Nations Special Rapporteur on the Right To Food," (June 20, 2011).

⁸¹ Ángeles Cruz Martínez, "La diabetes ya es la primera causa de muerte," *La Jornada* (November 11, 2011); Adriana Gomez Licon, "Mexico Tackles Epidemic of Childhood Obesity," *The Guardian*, October 21, 2011.

⁸² Rius, *La basura que comemos: Transgénicos y comida chatarra* (México: Grijalbo, 2000).

Conclusion

Mexico neoliberal reforms have both fostered the creation of a booming transnational food industry dominated by a few large companies while at the same time it has radically transformed the Mexican countryside increasing basic food dependency and prioritizing export agriculture over domestic food sovereignty (or production). This, in and of itself, is not unique. Free market advocates have long made the case that this would occur if Mexico followed its “comparative advantage.” The assumption, however, is that increased production and efficient marketing would yield better fed pop with higher access to food. Nevertheless, the acceleration of private control over Mexico’s basic food sectors has led to a booming private sector and oligopolistic control of Mexico’s food markets in ways that exacerbate the health and nutritional crisis of the majority of Mexicans.

While it is beyond the scope of this paper to demonstrated the various ways that Mexicanas/os across space and time have resisted these policies that enrich the few at the expense of the many, it is crucial that in the struggles for food sovereignty and food justice that the growth of corporate power and inequality is underscored and workers all along the food chain be brought into the discussion.

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A fundamentally contested concept, food sovereignty has — as a political project and campaign, an alternative, a social movement, and an analytical framework — barged into global agrarian discourse over the last two decades. Since then, it has inspired and mobilized diverse publics: workers, scholars and public intellectuals, farmers and peasant movements, NGOs and human rights activists in the North and global South. The term has become a challenging subject for social science research, and has been interpreted and reinterpreted in a variety of ways by various groups and individuals. Indeed, it is a concept that is broadly defined as the right of peoples to democratically control or determine the shape of their food system, and to produce sufficient and healthy food in culturally appropriate and ecologically sustainable ways in and near their territory. As such it spans issues such as food politics, agroecology, land reform, biofuels, genetically modified organisms (GMOs), urban gardening, the patenting of life forms, labor migration, the feeding of volatile cities, ecological sustainability, and subsistence rights.

Sponsored by the [Program in Agrarian Studies at Yale University](#) and the [Journal of Peasant Studies](#), and co-organized by [Food First](#), [Initiatives in Critical Agrarian Studies \(ICAS\)](#) and the [International Institute of Social Studies \(ISS\)](#) in The Hague, as well as the Amsterdam-based [Transnational Institute \(TNI\)](#), the conference “Food Sovereignty: A Critical Dialogue” will be held at Yale University on September 14–15, 2013. The event will bring together leading scholars and political activists who are advocates of and sympathetic to the idea of food sovereignty, as well as those who are skeptical to the concept of food sovereignty to foster a critical and productive dialogue on the issue. The purpose of the meeting is to examine what food sovereignty might mean, how it might be variously construed, and what policies (e.g. of land use, commodity policy, and food subsidies) it implies. Moreover, such a dialogue aims at exploring whether the subject of food sovereignty has an “intellectual future” in critical agrarian studies and, if so, on what terms.

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