

Americas

QUARTERLY

LATIN AMERICA'S FOOD PARADOX

The region produces more food than ever,
but is struggling to feed its own people.

A SPECIAL REPORT

Harvested soybeans are loaded into a trailer in Argentina's Santa Fe province in April. Latin America produces more than 60% of the world's soy.

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Creating a Better Breadbasket


Both food exports and food insecurity are on the rise in Latin America. Innovative projects are helping, but more effort is needed.



TODAY'S LATIN AMERICA IS truly becoming the world's breadbasket: the source of more than 60% of the planet's soy, a quarter of its beef and chicken, and so on. But paradoxically, even as exports soar, the region faces serious challenges feeding its own population. Nearly 30% of Latin Americans are estimated to suffer from food insecurity — an increase of six percentage points from a decade ago.

This “food paradox,” as the award-winning journalist John Otis calls it in this issue's cover story, is clearly unsustainable. Hunger is a major factor driving the region's unprecedented levels of migration, and a source of political tension as well. Latin America's future lies in addressing both challenges: becoming a more efficient producer and exporter of food while ensuring its own citizens don't go hungry.

The good news is that many organizations, governments and companies are working to address the challenge — often in innovative fashion, as the reporting in this issue shows. Food banks in Argentina are working to reduce wasted produce, farmers in Mexico are rediscovering old growing techniques, and sugarcane workers in the Dominican Republic, many of them the children of Haitian migrants, are getting better access to nutritious food.

Such projects aren't enough, of course. Stronger economic growth would create higher-quality jobs, and some governments also should pay more than lip service to the challenges posed by hunger by, for example, using tools like tax policy. The private sector can also play a role, helping create financing opportunities for quality projects, and providing an upward ladder for social mobility. A better breadbasket is within reach — but it will require commitment, focus and a broad coalition. 

A Better Breadbasket

Today's Latin America is a massive producer and exporter of food. But the region also struggles to feed its own people; about 28% of its population is estimated to suffer from food insecurity.

This issue explores how the region can solve this paradox.

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John Otis

Otis is an author and journalist based in Colombia. Previously the South America bureau chief for the *Houston Chronicle*, Otis' work has been featured in *NPR*, *Time*, *The New York Times* and *The Wall Street Journal*. He is the winner of the 2024 Maria Moors Cabot Gold Medal for journalism in Latin America.



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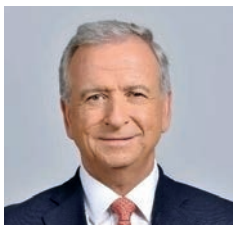
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Tell us what you think. Please send letters to Brian@as-coa.org



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Muy interesante y enriquecedor artículo de [Eduardo Levy Yeyati](#) en [Americas Quarterly](#) sobre la preparación y adaptación de América Latina a la adopción y difusión de IA.

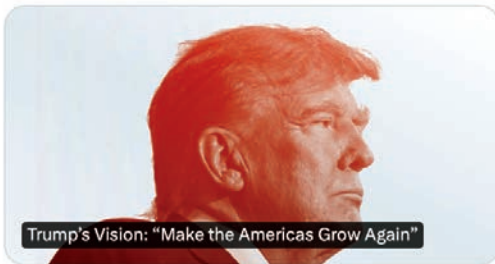


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My Americas Act is the best way to make the Western Hemisphere prosper again. Former Trump NSC Senior Director Mauricio Claver-Carone explains how this landmark bill will counter China's growing influence in Latin America & bring jobs back to our shores.



From americasquarterly.org

Nicolas Forsans

@nforsans Latin America's Armed Groups Are Expanding Their Empires via @AmerQuarterly Cartels have diversified away from narcotics trafficking and now have their hands on vast amounts of land, agriculture, oil and politics in the region #organisedcrime

Jorge Restrepo

@JorgeARestrepo "La brecha que crece en la relación entre Estados Unidos y Colombia", excelente análisis de @CindyArnson en @AmerQuarterly

Carlos Santiso

@carlos_santiso Will pragmatism overcome polarization in Latin America? This is probably the region's central challenge to become a "region of solutions". @juancudiaz reviews @arugeles "Latin America: The Vision of its Leaders" in @AmerQuarterly

Dolia Estévez

@DoliaEstevez Se desvanece el esfuerzo por frenar la reforma judicial de AMLO. @AmerQuarterly

María de los Angeles Fernández Ramil

@Mangeles_HM Nicolás Maduro se vuelve "Ortega total", en @AmerQuarterly. #EleccionesVenezuela2024

Juanita Goebertus

@JuanitaGoe México: Cambiar la forma de elegir a los jueces no resolverá el verdadero cuello de botella en el sistema de justicia: las fiscalías y su falta de capacidad y voluntad para investigar delitos. Lean a @TMattiaceHRW en @AmerQuarterly

Cristian González Cabrera

@cristianfergo Crime-politics entanglement destabilizes Latin America. Corruption and weak institutions let organized crime flourish. Reforms must enhance transparency, data collection, and institutional strength. Good overview @AmerQuarterly

Glenn Greenwald

@ggreenwald Good article on the magnitude of the abuses of power by Brazil's censorship judge Alexandre de Moraes, as well as the impact of the reporting we've been doing at @Folha this month based on a huge archive of private messages we obtained from the top levels of his chambers

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THE BIG
PICTURE

Manaus, the largest city in the Brazilian Amazon, was shrouded in smoke in late August. Wildfires swept through large portions of Brazil, bringing smoke also to the capital, Brasília, and largest city, São Paulo. Brazil's Environment Minister Marina Silva declared a "war" against fire in response.

PHOTO BY MICHAEL DANTAS/AFP/GETTY









Haitians carry goods to be sold down a rocky road to the capital Port-au-Prince in late August. Though perilous and long, this path is an increasingly popular alternative to the main road, National Route 2, which has become plagued by gang violence.

PHOTO BY CLARENS SIFFROY/AFP/GETTY

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THE BIG
PICTURE

A municipal worker in La Campanera, El Salvador, walks in front of a mural of a house reclaimed from criminal gangs in early September. This neighborhood of the capital, San Salvador, was once notoriously violent. Since President Nayib Bukele's crackdown on the country's gangs, many houses once occupied by gang members in the area have been returned to their owners or put up for sale.

PHOTO BY MARVIN RECINOS/AFP/GETTY







MANIFESTAÇÃO

07 DE SETEMBRO

Former Brazilian President Jair Bolsonaro speaks to supporters during a September rally to protest the ban of the social media platform X in Brazil. The ban came after a months-long clash between X owner Elon Musk and Brazilian Supreme Court Minister Alexandre de Moraes, who ordered the ban and has been a longstanding target of criticism from Brazil's right.

PHOTO BY MAIRA ERLICH/BLOOMBERG/GETTY

AQ

THE BIG
PICTURE





AS HEARD ON THE AMERICAS QUARTERLY PODCAST

Experts and policymakers join AQ's Editor-in-Chief Brian Winter to discuss the issues currently shaping Latin American politics, economics and culture.



“In the four years that Kamala Harris has spent as vice president, she has learned an enormous amount. She’s spoken to something like 150 world leaders. She’s gone to 21 countries. And one of the things you see in her view of the world is she is all about alliances, about asking how we build groups of countries to do things together.”

—**Roberta S. Jacobson, former State Department official and founding partner at Dinámica Americas**



“Colombians tend to oppose change. They prefer the certainty of the known. And as this is the first left-wing government in modern Colombian history, Gustavo Petro’s administration might feel like a jump into the void. That’s part of the reason why many Colombians have this deep mistrust of President Petro.”

—**Laura Lizarazo, senior analyst at Control Risks**



“The bottom line is: Wherever crime makes the lives of hundreds of thousands of people a nightmare, there will continue to be broad public demand for manodurismo.”

—**Manuel Meléndez-Sánchez, doctoral candidate in government at Harvard University**

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Eduardo Levy Yeyati

A leading Argentine economist argues that Latin America needs a new centrist agenda to preserve democracy and boost growth.



Interviewed by Brian Winter

AQ: Why are you advocating for a centrist revival in Latin America?

ELY: The center is where people on the right and left gather to discuss policies that have some resilience amid changes in government. We know we are missing that space.

We see a lot of negative identification. In Argentina, in particular, people vote against the Other. People say, “It’s not that I really like (President Javier) Milei, but I’d *never* vote for (Sergio) Massa,” and vice versa. That means you are not contributing to a debate in favor of any measure. Instead, you are essentially trying to undo something that you think is wrong.

That destructive dialectic is, in part, why the performance of our countries has been so disappointing. The challenge is to have people come back closer to a center where they can negotiate policies that have more than four or six years of staying power.

AQ: Why is that staying power so important?

ELY: The lack of these resilient policies creates one of the greatest disincentives for growth in Argentina, but also in Latin America in general. If you know the rules of the game will be changing soon, it is very hard for the private sector to make long-term plans and investments. Moreover, as the center is displaced by antagonizing extremes, democracies continuously weaken and may eventually become illiberal, or even authoritarian.

Decade after decade, we talk about the middle-income trap that we cannot get out of. We must find a way out while also remaining democratic. And we can only do that through the center, or something like the center, a space of majoritarian convergence.

AQ: How can centrists compete with the energy that often accompanies more ideological figures?

ELY: The center used to be reformist, that is, constructively disruptive, but now so many centrists have given up on reform and novelty and change that, to the average voter, they look like they don’t want to go anywhere, or like they are burnt out or resigned to the status quo. Meanwhile, this old guard is crowding out the emergence of new faces.

We are seeing a rapid generational change among voters, which is just how politics evolves naturally, and politics needs to embrace this. But we don’t see the same renewal in the political menu. For the center to recover its political clout, it is essential to have new — or renewed — politicians that connect with the novel demands of younger voters. 

Levy Yeyati is a professor at the School of Government at Torcuato di Tella University in Buenos Aires. He was a chief economist at the Central Bank of Argentina and is a member of *AQ*’s editorial board.

THIS INTERVIEW HAS BEEN EDITED FOR CLARITY AND LENGTH



FOOD SECURITY

Solving Latin America's "Food Paradox"

Despite the region's agricultural export boom, food insecurity is higher than a decade ago. What can be done?

by John Otis

photographs by Lucía Merle



Lorena Hernández picks up food from Argentina Food Banks to bring to a community center in a poor area of Tigre, north of Buenos Aires.



FOOD SECURITY

T**IGRE, ARGENTINA**—Lorena Hernández backs up her Ford to a food warehouse, and fills the SUV with so many bags of dried mashed potatoes, bottles of fruit juice and boxes of frozen broccoli that there’s barely room left for her to fit behind the wheel.

Hernández is taking the fare, provided by the non-profit Argentina Food Banks, to a community center in Tigre, just north of Buenos Aires. Although tourists flock to Tigre for its craft shops, riverside restaurants and boat excursions, the community center sits in a hard-bitten area of one-story brick huts whose residents are often unemployed — and hungry.

At the community center, built in a former coal-packing plant, boys and girls wolf down bowls of beef stew and bread as Hernández looks on. During her 17 years coming here, she has devised ways to gauge how well Argentina is doing. When things are looking up, demand for meals falls off and the kids shy away from foods they don’t care for, like lentils.

But these days, the place is always packed. And the kids are no longer picky.

“Now,” Hernández said, “they devour everything.”

Similar scenes are playing out across much of Latin America today. Call it the food paradox: Even as the region produces and exports more food than ever before, it faces enormous challenges feeding its own people.

Latin America has in many ways become the world’s breadbasket. Over the past two decades, the value of its agricultural exports rose a whopping 500% to \$316 billion in 2022, the last full year data

was available. No other region has a larger farming surplus. It is the source of more than 60% of the world’s soybean trade, almost half its corn, and more than a quarter of its beef. Three out of four avocados come from Latin America, as does much of the world’s coffee.

At the same time, about 28% of people in Latin America and the Caribbean suffer today from moderate or severe food insecurity, meaning they lack regular access to enough safe and nutritious food for normal health and development. That number is down from its peak during the COVID-19 pandemic, but still six percentage points higher than in 2014, according to the United Nations Food and Agriculture Organization (FAO). That means an additional 48 million people are suffering from food insecurity compared to a decade ago.

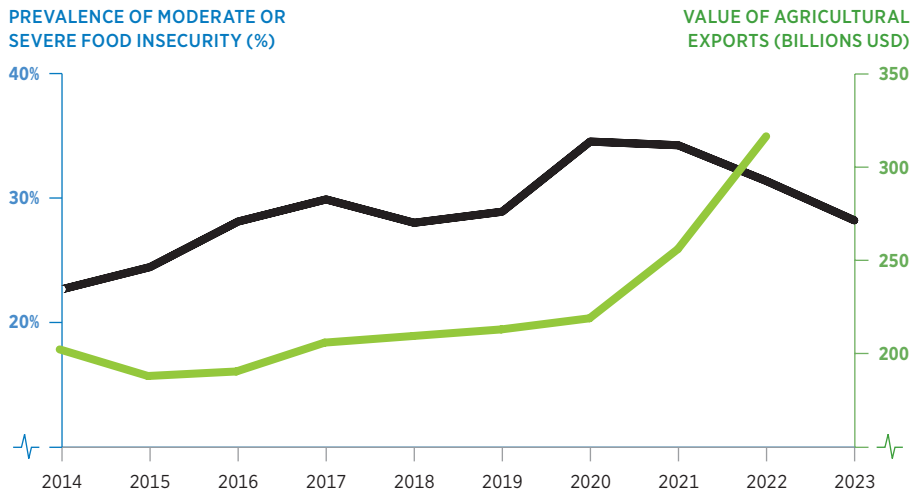
The food paradox infuriates people like Martín Caparrós, the Argentine writer and author of *Hunger*, an award-winning book that examines why so many people go hungry in a world of abundance. He has called Argentina “an extreme case of an extremely shameful situation.”

But the phenomenon is region-wide, intimately linked to recent economic ups and downs. Latin America saw strong progress in reducing poverty and hunger during the prosperous 2000s, but several of the biggest economies including Argentina and Brazil endured severe recessions starting in the mid-2010s, while Venezuela teetered on collapse. Then came COVID, which hit Latin America especially hard. The ensuing spikes in unemployment, inflation and

Latin America has in many ways become the world's breadbasket. At the same time, about 28% of people in the region today suffer from moderate or severe food insecurity.

Latin America's "Food Paradox"

FOOD INSECURITY IS HIGHER THAN A DECADE AGO,
EVEN AS AGRICULTURAL EXPORTS HAVE SOARED.



NOTE: PEOPLE AFFECTED BY MODERATE FOOD INSECURITY FACE UNCERTAINTIES ABOUT THEIR ABILITY TO OBTAIN FOOD AND HAVE BEEN FORCED TO REDUCE, AT TIMES DURING THE YEAR, THE QUALITY AND/OR QUANTITY OF FOOD THEY CONSUME DUE TO LACK OF MONEY OR OTHER RESOURCES. SEVERE FOOD INSECURITY REFERS TO SITUATIONS WHEN INDIVIDUALS HAVE LIKELY RUN OUT OF FOOD, EXPERIENCED HUNGER AND, AT THE MOST EXTREME, GONE FOR DAYS WITHOUT EATING.

NOTE: EXPORTS INCLUDE DATA FROM CARIBBEAN COUNTRIES. FIGURES ROUNDED TO NEAREST DECIMAL. SOURCE: FAOSTAT: SUITE OF FOOD SECURITY INDICATORS (2024)

hunger are still being felt.

"We lost 15 years with COVID," Máximo Torero, a Peruvian who is chief economist of the FAO, told *AQ*. "The levels of hunger we have today are the same as 15 years ago."

The good news is that much of Latin America is gradually getting back on the right track. From Mexico to Colombia to Brazil, presidents have declared fighting hunger a top priority. Government agencies, not-for-profit groups and private foundations are coming up with often novel ways to get a wider variety of nutritious food to more people. The goal is to create a better breadbasket, a Latin America capable of nourishing the world while at the same time providing food security to its own people.

A food rescue mission

MUCH OF THE WORK goes well beyond just distributing food to the neediest.

On a recent morning in La Plata, a provincial capital 35 miles southeast of Buenos Aires,

Sebastián Laguto was tooling around in a pickup visiting farmers on the edge of the city. His truck was emblazoned with green letters spelling out his mission statement: "Rescuing fruit and vegetables."

Laguto, a volunteer for an area food bank, works with farmers to salvage oranges, spinach and other produce that is misshapen, slightly bruised or a tad overripe. Such products are often rejected by food companies and supermarkets even though they are perfectly edible. Argentina's government estimates an astounding half of all the country's fruits and vegetables are eventually thrown into compost heaps or landfills — a loss rate similar to many other countries.

"Wasted food could solve the problem of hunger," Laguto told *AQ*. "The truth is there is enough for everyone."

One frequent donor to La Plata's food bank is Nicolás Marinelli, an area farmer. He loves working the rich, black soil — he proudly shows off the tractor tattoo on his right bicep — but the unpredict-

Nicolás Marinelli, 34, a farmer in the area, grows leafy greens and other vegetables and is a frequent donor to La Plata's food bank.



Argentina's government estimates that half of all the country's fruits and vegetables are eventually thrown into compost heaps or landfills—a loss rate similar to many other countries.

ability of farming has taken its toll. A stretch of hot weather suddenly overripened 4,000 pounds of broccoli, leading buyers to take just 250 pounds. More recently, a cold wind tore the green and white leaves of his chard, rendering them unpresentable for supermarkets.

"They haven't lost any of their nutrients," he said with a shrug, noting that at least the food bank will accept his imperfect produce.

Argentina certainly can't afford to waste any more food. Over the past year inflation spiked above 200%,

leaving many people struggling to get to the end of the month. Since President Javier Milei took office in December, his government has devalued the peso, slashed the government workforce, and cut subsidies for electricity and public transportation. This has brought down inflation, but contributed to a rise in poverty, at least for now. UNICEF says some 1.5 million Argentine children are now missing at least one meal per day.

Argentina Food Banks, which includes the food bank in La Plata, was founded in 2001 during the

country's worst-ever economic crisis. The network now has 20 food banks nationally, which distribute leftover produce and groceries donated by farmers, food companies and supermarkets, to some 4,500 community groups. The funding comes from several sources, including the Citi Foundation.

"As an Argentine, it pains me to see so much poverty," said Mario Bañiles, director of the organization's location in Tandil, a city 220 miles south of Buenos Aires. "The good thing is that there are a lot of people willing to help take care of their neighbors."

One of the beneficiaries is Daniela Sussani, a

19-year-old single mother who lives on the outskirts of Buenos Aires. Her 16-month-old son, Bruno, has a ravenous appetite, gulping down eggs, noodles and rice whenever they're available.

But Sussani is unemployed and the shelves of the apartment she shares with her mother are sometimes bare. So rather than feeding Bruno the solid food he needs, she'll sometimes try to nurse him to sleep. It doesn't work very well.

"If he eats, he sleeps through the night. But if not, he wakes up all the time," Sussani said. "I'm worried about him."



Daniela Sussani, 19, lives on the outskirts of Buenos Aires and visits a food bank to help feed her infant son, Bruno.



About 100 people—children, adolescents and adults—eat at the Popular Development Center in Benavidez on the outskirts of Buenos Aires every day.

Daunting obstacles

THESE RECENT STRUGGLES mean Latin America will likely fall short of the UN's sustainable development goals of ending hunger and achieving food security by 2030.

One problem is the price tag. The FAO says the cost of a healthy diet in Latin America and the Caribbean today is, on average, higher than in any other region in the world. (This is partly a product of the exceptionally high cost of food imports in Caribbean nations.) The organization's representative for the region, Mario Lubetkin, lamented, "We are moving further and further away from meeting the 2030 agenda."

José Graziano, a former director general of the FAO who helped design Brazil's much-lauded "Zero Hunger" program in the early 2000s, said the region's drive to export farm commodities can drive up prices for those same staples at home. Brazil, for example, is one of the world's largest rice exporters. But Graziano said the country often fails to keep enough on hand for local consumption and ends up importing the grain, leading to higher prices for Brazilians.

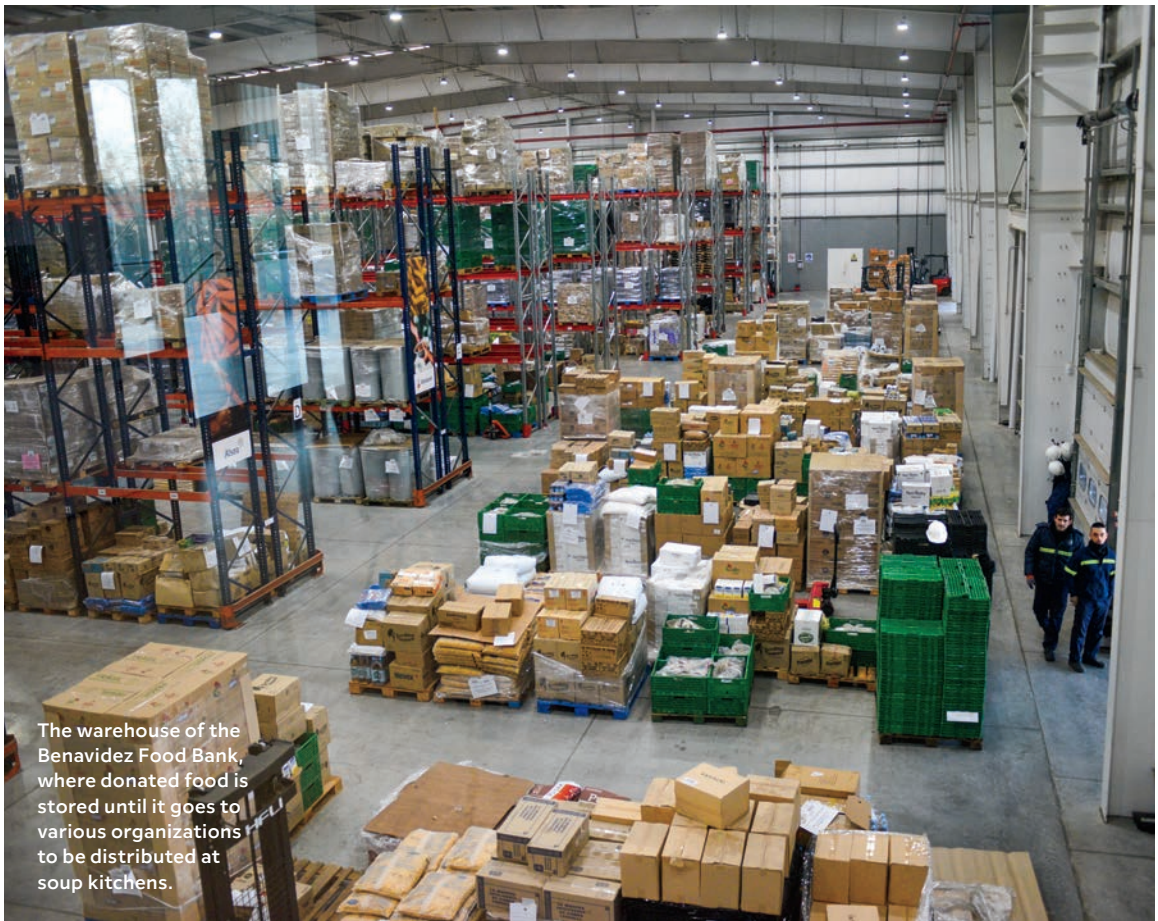
"It's a perverse system," Graziano told *AQ*.

Because many people resort to cheap, processed foods that have extended shelf lives and can survive long hauls to remote jungle and mountain villages, the number of overweight and obese people is simultaneously on the rise. "Latin America now has twice as many people suffering from obesity as from hunger," said Eugenio Díaz-Bonilla, a special advisor to the Inter-American Institute for Cooperation on Agriculture.

Climate change is also a culprit, contributing to crop failures and the spread of funguses, like coffee rust and *Fusarium TR4*, which attacks bananas. Russia's 2022 invasion of Ukraine drove up prices for fertilizer, putting it out of reach of many small farmers in Latin America. That meant lower yields and higher supermarket prices.

Yet another factor is the unprecedented number





The warehouse of the Benavidez Food Bank, where donated food is stored until it goes to various organizations to be distributed at soup kitchens.

of people all over the region packing their bags and moving. The most dramatic case is Venezuela, where nearly a quarter of the population has fled abroad amid the country's economic collapse.

“The movement of people leads to the loss of access to food and social protection,” said Susana Raffalli, a food security and nutrition expert in Venezuela. “This is happening all over Latin America.”

In the face of such challenges, some governments have been slow to act or too caught up in other crises — from gang violence to natural disasters — to give food security their full attention.

Take Peru. The country is now on its seventh president in the past seven years. That has meant musical chairs at the top of government ministries, making it much harder to carry out coherent social protection programs. Now, 51% of Peru's population is food insecure. A decade ago, that rate was about 38%.

Carolina Trivelli, who was Peru's Social Development and Inclusion Minister from 2011-13, told *AQ*, “If you ask: ‘Who is responsible for food security in Peru?’ the answer is: nobody.”

Several government food distribution programs have been marred by theft, bribery, and organized crime. The most infamous case involved Alex Saab, a Colombian businessman who supplied food for a Venezuela handout program known as CLAP. In 2019, the U.S. Treasury Department sanctioned Saab, claiming he used overvalued CLAP contracts to “loot hundreds of millions of dollars from starving Venezuelans.” What's more, it was poor quality food. A chemical analysis of CLAP powdered milk showed that to get their daily calcium, children would have had to guzzle up to 41 glasses of the stuff.

Prosecutors in Mexico have charged about 90 people at Segalmex, the government food security

"We are using the same tools today that we used 10 years ago. But poverty and hunger are different."

—Carolina Trivelli, Peruvian social development and inclusion minister, 2011-13

agency, in a probe over the alleged embezzlement of more than half a billion dollars. In Colombia, President Gustavo Petro announced in his 2022 inaugural address that combatting hunger would be his first priority. But his government has been weakened by a widening embezzlement scandal surrounding its purchase of overpriced tanker trucks to provide drinking water to poor Indigenous villages.

"Petro talks all the time about hunger," said Felipe Roa-Clavijo, a food security expert at the University of the Andes in Bogotá. "But he hasn't done very much."

In Argentina, Milei temporarily halted the distribution of government food to soup kitchens to investigate alleged corruption by the previous government. A new scandal erupted in May when 5,000 kilos of milk, corn flour, beans and other staples nearing their expiration dates were discovered sitting in government warehouses in Buenos Aires and Tucumán.

Turning the nutritional tables

EXPERTS SAY THAT LATIN American governments need to prioritize food security and boost spending on programs that have a track record of success, like school-feeding campaigns. They also need to reorganize existing programs — such as money and food handouts — and use tools like tax policy and nutrition regulations to promote healthier eating.

"You need an overall strategy and then you need to finance it," said Díaz-Bonilla of the Inter-American Institute for Cooperation on Agriculture. "Otherwise, it's just a wish list."

Many countries have embraced conditional cash transfers. These programs encourage parents to in-

vest in their children by keeping them in school and getting them medical check-ups and vaccinations. In exchange, they receive monthly stipends allowing them to buy, among other things, more food. Latin America pioneered cash transfer programs, with the first launched in Mexico in 1997.

But they require a reset.

"We are using the same tools today that we used 10 years ago," said Trivelli, the former Peruvian minister. "But poverty and hunger are different."

For example, poor rural residents continue migrating to Latin American cities. But these newcomers tend to move frequently and bounce between informal jobs, making it more difficult to register for cash transfers and other benefits.

Housing, bus fare, easy access to alcohol, and extortion by criminal gangs make cities more expensive — yet stipends are often still indexed to the cost of living in the countryside. "It's a lot harder to address urban poverty than rural poverty," said Graziano, the former FAO director general.

Tweaks to the system are also required because handouts don't always end up in the pockets of the neediest. UN research published last year found that slightly more than half of all cash-transfer recipients in Latin America lived above the poverty line.

That was the case in Mexico, where the Andrés Manuel López Obrador government scrapped long-standing welfare programs in favor of new ones to help senior citizens, unemployed youths, farmers and people with disabilities. But Mexico's poorest ended up receiving a smaller proportion of social spending, according to government data compiled by the Associated Press. Extreme poverty edged up.

Government handouts can also blind public officials to the bigger picture. With elections looming,

“Hunger is not natural. It is, above all, the result of political choices.”

—Brazilian President Luiz Inácio Lula da Silva

cash transfers can generate votes. But they should not supplant projects that can have more impact, said Ignacio Gavilan, senior director of food systems partnerships for The Global Food Banking Network who spent years working in Central and South America.

“In the Petén rainforest in Guatemala, everyone is drinking Pepsi because the water is undrinkable,” he said. “The government would rather give out subsidies than build water systems.”

To promote healthier diets and get more cash into the hands of small farmers, government agencies in Colombia have a mandate to directly purchase fresh food from local producers. That cuts out intermediaries who can get these goods to faraway markets but who pay farmers lower prices. Colombia’s congress has also approved tax breaks for companies that donate to food banks.

Torero, the FAO chief economist, said progress requires better coordination. He points to huge sums wasted on overlapping projects by multilateral agencies, with many unwittingly “funding the same thing in the same country.”

Fish farming is a relatively cheap and efficient way to produce protein. But Torero said countries must also improve cold-chain storage and transportation so fish and other perishables can reach more people in remote areas.

To avoid duplication, governments could mesh disaster relief with regular food programs. In most countries responsibility for nutrition and food security is spread among agriculture, health and social protection ministries, which often leads to confusion and inertia.

“Governments could name a food czar to coordi-

nate everything,” Trivelli said.

There are also lessons to be learned from Brazil, which made headlines in the early 2000s for its successful efforts to reduce poverty and hunger under President Luiz Inácio Lula da Silva.

Brazil relied on a combination of robust cash transfers, school-feeding, and other programs, while putting together a comprehensive database of at-risk families. This single national registry allowed government agencies to quickly scale up assistance during the COVID-19 pandemic and other emergencies, said Mary Arends-Kuenning, an economic demographer at the University of Illinois Urbana-Champaign who has carried out extensive research in Brazil.

When Lula returned to the presidency for a third term last year, he picked up where he left off. He re-established Brazil’s National Council for Food and Nutritional Security, banned ultra-processed foods from the school-feeding program and boosted spending for that program by 35%.

As it turns out, funneling more money into the fight against hunger makes good economic sense. Research by the UN’s Economic Commission on Latin America and the Caribbean and World Food Programme found that it would cost countries 1.5% of their annual GDP to provide needy people with healthy food. By contrast, the cost of doing nothing — in terms of health care and lost productivity — would be 6.4% of GDP.

Lula endorsed this approach at a July summit in Rio de Janeiro at which he proposed forming a global alliance against hunger.

“Hunger is not natural,” he said in a speech. “It is, above all, the result of political choices.”

It's About Politics, Too

Venezuela's decline shows how politics and repression can lead to food insecurity.

by Susan Segal



Susan Segal is the CEO of Americas Society/Council of the Americas

MANY BELIEVE THAT Latin America can feed the world. It is increasingly an agricultural powerhouse and a huge producer and exporter of food. It is also on the cutting edge of “ag tech,” which is critical to the planet’s future.

However, the continent is also home to very serious food insecurity. There are millions who experience moderate or severe food insecurity, but even worse, over 43 million people in Latin America and the Caribbean suffer from extreme hunger, according to the UN World Food Programme (WFP).

Food insecurity is often the result of severe poverty, which is driven by poor economic and social policies — but it can also result from political instability and repression.

Let us take Venezuela as an example of a rich country driven to poverty by its repression and anti-democratic leaders. Prior to 2000, Venezuela was self-sufficient in several staples, such as white corn, fruits, vegetables, coffee, cocoa and rice. Additionally, its farmers produced 70% of the country’s sugar and 80% of its beef and chicken.

Today, the picture couldn’t be more different. Some 8 million people have emigrated, often due to severe food insecurity and overall poverty. According to the WFP, the country is also home to 2.3 million people who suffer from severe food insecurity and are in need of assistance to survive.

So how do we reduce food insecurity in Latin America? First, good economic policies that promote growth and inclusion and create employment. But the most vulnerable also need to be protected. The region would benefit from more nutrition assistance programs and school meals for children so they can learn and create better lives for themselves.

We must also realize we are all connected. Bad government policy and internal conflicts in one country create migration, which can lead to more poverty and food insecurity throughout the hemisphere.

To change this reality will require leadership across the Americas — and a realization that reducing food insecurity and poverty will make us all more secure. **AQ**



FOOD SECURITY

Fighting Food Insecurity:

Tales From the Trenches

Plataforma NUUP AC

Mexico

by Luiza Franco

The Hunger Project

Mexico

by Mark Viales

Abaco Colombia

by Michelle Sicard Jimenez

Heartland Alliance International

Dominican
Republic

by Michelle Sicard Jimenez

Reigniting Organic Agriculture in Oaxaca

A community project is reintroducing traditional agricultural practices to a mountainous corner of southern Mexico.

by Luiza Franco



SAN MIGUEL SUCHIXTEPEC, MEXICO — Growing up in the rural Oaxacan town of San Baltazar Chichicapam, Faustino Hernández, 46, would help his parents grow corn, beans and squash on their plot of land. The produce fed the family, with enough left over to sell.

As an adult, though, he hasn't been able to keep up that practice. He took different jobs in a bigger city, and planting got harder as rains became more infrequent. One recent morning, in Oaxaca's damp mountain air, he picked up where he'd left off and learned new techniques. Hernández joined a hands-on lesson on how to plant and maintain a *huerto*, or vegetable garden, using only organic materials — no herbicides, synthetic pesticides or chemical fertilizers. He plans to teach what he learned to the students at the school where he works as a cleaner.

The workshop was organized by local NGO Mbis Bin, which means “seeds for sowing” in Zapotec. Mbis Bin is a community enterprise dedicated to the research, development and creation of agricultural products. The organization also provides training to promote sustainable agriculture and addresses food insecurity, which affects one in four people in Oaxaca state.

Co-founder and president Blanca Sánchez grew up seeing farmers use chemical fertilizers in her town of

San Miguel Suchixtepec, where there was a common perception that these were superior to natural alternatives. After studying rural development planning in Puebla, she and three others founded Mbis Bin to help spread alternative models of planting.

That morning's workshop was part of the Harvesting Resilience project, funded by the Citi Foundation and Plataforma NUUP AC. The 18 participants, all residents of San Miguel Suchixtepec and nearby towns, ranged from people in their 60s to small children learning with their parents. On a hilltop plot overlooking a valley, they planted an organic *huerto* from scratch, following the *milpa* method, a Mesoamerican planting technique in which a variety of fruits and vegetables are interspersed in the same plot.

Among them was María Sánchez Hernández, 63. When it came time to add pesticides to the soil, Mbis Bin co-founder César Ramírez brought out a low-cost organic product. María Hernández shared the method she had learned from her now 84-year-old mother: adding ashes to the soil. Both work great, Hernández assured. And if all goes well, another 18 sustainable *huertos* will be planted in this corner of Oaxaca. **AQ**

Francisco is an editor, writer and podcast producer at AQ

Local residents take part in Mbis Bin's huerto workshop in Oaxaca.



The Maya Women Beating Malnutrition and Becoming Entrepreneurs

A project in southern Mexico promotes land ownership and local food production.

by Mark Viales



LOS ALTOS DE CHIAPAS, MEXICO — Twisting and turning through winding mountain roads in a minivan in early August, a group of Maya women, garbed in colorful traditional tunics, chatted in their native Tzotzil language.

Coming from different parts of Chiapas, in southern Mexico, they made their way to the remote village of Tzoeptic to meet another all-female Indigenous group. Eager to showcase regional recipes, organic soaps and textiles tinted with natural dyes that they made from scratch over the past year, they aimed to share how this work was helping them address financial hardship and how they were blossoming into businesswomen.

Since 2023, these women have been taking part in a project that teaches healthy food standards and encourages entrepreneurship using regional products. It is organized by The Hunger Project (THP), an NGO that works to relieve food insecurity. According to THP's research, 4.9 million people in Mexico suffer from malnutrition.

THP negotiated with officials from the community and provided funds to permit these women to access a plot of land and produce their goods. Securing ownership of land to grow vegetables and ingredients for natural products, they say, can pave the way to financial self-sufficiency and a break with unequal gender traditions.

“These women wake up at 4 a.m. to take care of their families, so instant noodles can appear to be an easier option, rather than growing vegetables in their land,” said Montserrat Salzar Gamboa, 45, the Mexico director for THP.

Gamboa said most shops in rural communities provide processed products, which lack nutrients. “But everyone has the right to access healthy foods and the goal of the program is to promote dietary habits that are more sustainable, healthier and in fact cheaper.” A pot of soup with vegetables accompanied by corn tortillas provides five healthy portions, whereas several packs of instant noodles give less sustenance and cost more.

Machista stereotypes remain prevalent in many villages in Chiapas, where women are pressured to stay at home as caregivers. The extra income from selling goods, an average \$63 per household, allows the women to generate savings, and respect.

Luisa Fernanda Ruiz Pérez, 19, from Chixiltón, has received training to make natural dyes and now owns an online shop where she sells tinted linen to neighboring villages. She has also been reflecting on her rights as a woman and developing leadership skills. “These workshops, and selling my textile products, have really changed my life.” **MQ**

Viales is a freelance journalist based in Yucatán



Participants in The Hunger Project's Chiapas initiative display their homemade products in Tzoepitic.

Luis Alberto Morales
Ospino, who leads a food
bank in Santa Marta,
packs groceries for the
community in 2023.



Rescued Food Becomes a Lifeline in La Guajira

Food banks are working with Indigenous communities to fight malnutrition in one of Colombia's most remote regions.

by Michelle Sicard Jimenez



THE GUAJIRA PENINSULA is an isolated desert plateau that straddles the Colombia-Venezuela border and drops precipitously into the Caribbean. It is the homeland of more than 200,000 Wayúu people, Colombia's largest Indigenous group, who for generations have faced displacement and marginalization on the rugged landscape.

Their communities are especially vulnerable to food insecurity; on Colombia's side of La Guajira, periodic water shortages are becoming more acute due to climate change and intensive coal mining. Last year alone, 70 children died of malnutrition there, and rates of this condition are thought to be many times the national average.

The area's remoteness is a key cause; medical care is scant, village wells are often distant, and a liter of milk costs four times the national average. This is precisely the type of logistical challenge that the Food Bank Association of Colombia, known as Abaco, is determined to overcome. Abaco comprises 25 food banks across the country, and works with hotels, restaurants and retailers to redirect food that would otherwise be thrown away to communities struggling with malnutrition.

By offering logistical support and coordinating efforts across 298 municipalities, Abaco redirects 25,000 tons of food every year — still a small frac-

tion of the millions of tons it says goes to waste nationwide.

In La Guajira, Abaco is working with the Citi Foundation to go a step further. It has collaborated with Wayúu communities to open 15 grocery stores that sell nutritious food at steeply discounted prices. In each case, locals build the store and choose representatives to run it. Abaco provides shelving, produce and small business training.

"It's the community itself that organizes how to sustain the store over time," Juan Carlos Buitrago Ortiz, Abaco's executive director, told *AQ*. The community budgets a share of revenue to invest in local projects and pay workers, and uses the rest to buy food from Abaco to replenish its inventory.

"The store (then) becomes an epicenter of development," Buitrago Ortiz said. Local artisans display and sell their crafts, and revenues help create poultry projects and vegetable gardens that families use for subsistence or as sources of income.

Thus far, it has proven a sustainable model — one that Abaco plans to expand. **AQ**

Sicard Jimenez is an editorial assistant at *AQ* and a graduate student studying international relations at the Johns Hopkins School of Advanced International Studies (SAIS).

A Life Beyond Sugarcane

Workers in the Dominican Republic's *bateyes* are exercising their rights and building more prosperous communities.

by Michelle Sicard Jimenez



THE DOMINICAN REPUBLIC'S sprawling sugarcane worker settlements, called *bateyes*, are home to over 200,000 people, though the figure may be far higher. They are so remote and marginalized that the true number is unknown.

They are also vital for the sugar industry — long a pillar of the national economy — but beset by high rates of poverty, with scant access to adequate nutrition or basic services. Most residents are Haitian or the Dominican-born children of Haitian migrants without legal status in the DR. Many of them work in the cane fields, where pay is low and labor violations are common.

“They produce something that is so vital for the world, but they’re not receiving basic rights,” said Carolina Zapata, the DR country representative of the Heartland Alliance International (HAI). The Heartland Alliance, founded in Chicago in 1888 as an anti-poverty NGO, established HAI in 2013 to build on its international work. In the DR, it supports food security in the *bateyes* — but goes far beyond food to do so.

Within the *bateyes*, HAI organizes neighborhood cookouts with nutrition workshops and food deliveries alongside the Citi Foundation’s Global Initiative Challenge. At its events, it facilitates community discussions about how to design future HAI programming, from vocational training to know-your-rights classes.

To foster long-term opportunities, HAI focuses on building bridges between the *bateyes* and the outside world. Whenever possible, it connects residents

to legal aid NGOs that help them obtain legal documentation, which in turn allows them to access basic services and travel beyond the confines of the *bateyes* with less danger of detention and deportation. It also chairs the Civil Society Coalition Against Human Trafficking, composed of 19 civil society groups, that reports abuses and helps victims access psychological support and other services.

To create more of these kinds of connections, HAI hosts a forum every month for representatives from various *bateyes* — including religious leaders and small business owners — to meet with civil society groups as well as government agencies, which don’t often dialogue with these undocumented communities, Zapata said.

The bridges are only growing. This year, for example, HAI connected women who own small shops in the *bateyes* with one of the country’s largest grocery chains to help them access seed capital, diversify their merchandise, and ensure their stores are stocked with nutritious food.

Progress is slow but steady as opportunities grow in the *bateyes*, based on better health and nutrition, rights education, and close attention to local voices. **AQ**

Sicard Jimenez is an editorial assistant at *AQ* and a graduate student studying international relations at the Johns Hopkins School of Advanced International Studies (SAIS).



Above: As adults take part in a cooking workshop in June, children participate in educational activities related to nutrition.



Left: A man visits a community fair in San Pedro de Macorís, where 20 entrepreneurs with HAI training and seed capital exhibit their projects.



FOOD SECURITY

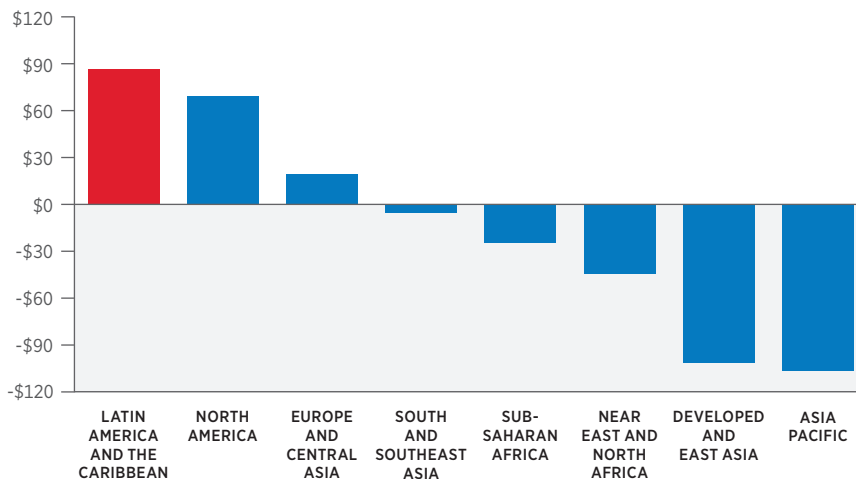
Latin America's Food Paradox in Numbers

The region is the world's biggest net exporter of food, but faces big challenges feeding its own people.

by Emilie Sweigart

Latin America and the Caribbean is the world's top agricultural commodities exporter...

NET TRADE (EXPORTS MINUS IMPORTS) OF AGRICULTURAL COMMODITIES, MEASURED IN CONSTANT 2014-16 USD (BILLIONS), 2020-22

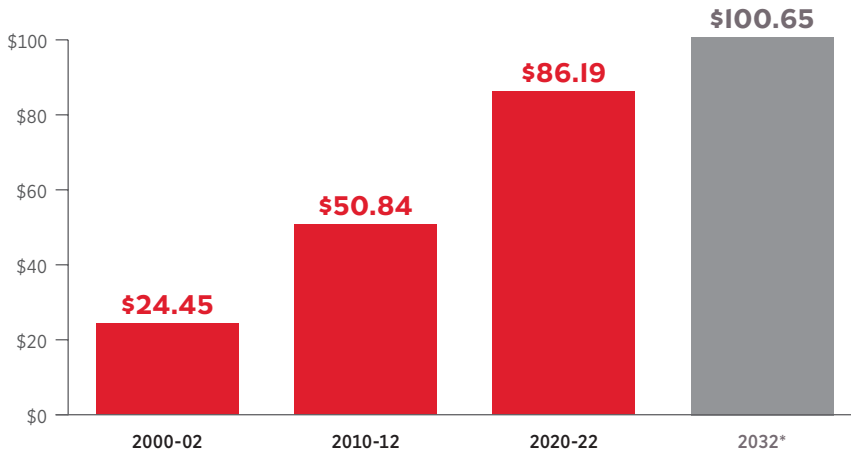


NOTE: COMMODITIES INCLUDE CEREALS, OILSEEDS, PROTEIN MEALS, VEGETABLE OIL, PULSES, ROOTS & TUBERS, SUGAR, MEAT, DAIRY PRODUCTS, FISH, BIOFUELS, COTTON, AND SOME AGRICULTURAL BYPRODUCTS.

SOURCES: OECD/FAO (2023), "OECD-FAO AGRICULTURAL OUTLOOK," OECD AGRICULTURE STATISTICS

...and agricultural trade is on the rise.

NET TRADE (EXPORTS MINUS IMPORTS) OF AGRICULTURAL COMMODITIES, MEASURED IN CONSTANT 2014-16 USD (BILLIONS)






NOTE: COMMODITIES INCLUDE CEREALS, OILSEEDS, PROTEIN MEALS, VEGETABLE OIL, PULSES, ROOTS & TUBERS, SUGAR, MEAT, DAIRY PRODUCTS, FISH, BIOFUELS, COTTON, AND SOME AGRICULTURAL BYPRODUCTS.

SOURCES: OECD/FAO (2023), "OECD-FAO AGRICULTURAL OUTLOOK," OECD AGRICULTURE STATISTICS

* FORECAST

The region is expected to continue increasing its share of key commodities...

LAC SHARE OF GLOBAL COMMODITY EXPORTS (%)

	2011-13	2033	% CHANGE
SOYBEANS 	57.26% →	65.68%	+8.42%
CORN 	38.19% →	47.95%	+9.76%
BOVINE MEAT 	30.94% →	43.46%	+12.52%

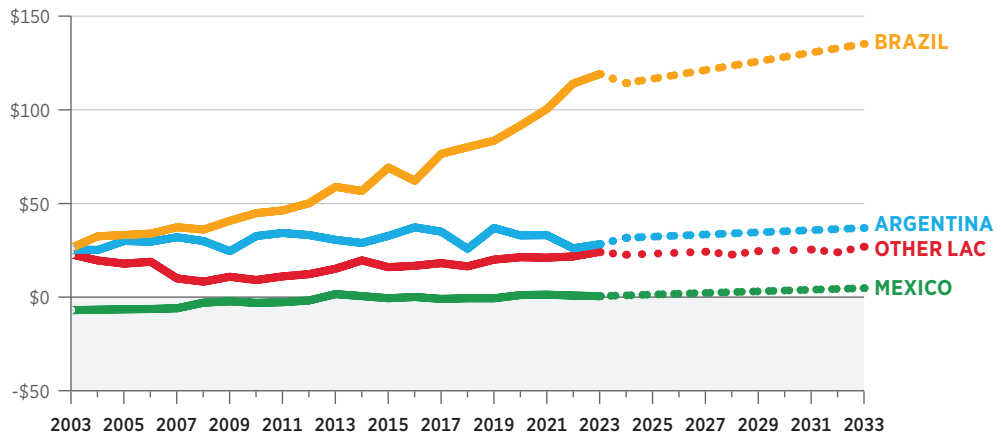
SOURCES: OECD/FAO (2024), "OECD-FAO AGRICULTURAL OUTLOOK," OECD AGRICULTURE STATISTICS (DATABASE)



FOOD SECURITY

...driven by Brazil's booming agricultural exports.

AGRICULTURAL TRADE BALANCES IN LATIN AMERICA AND THE CARIBBEAN, 2014-16 USD (BILLIONS)

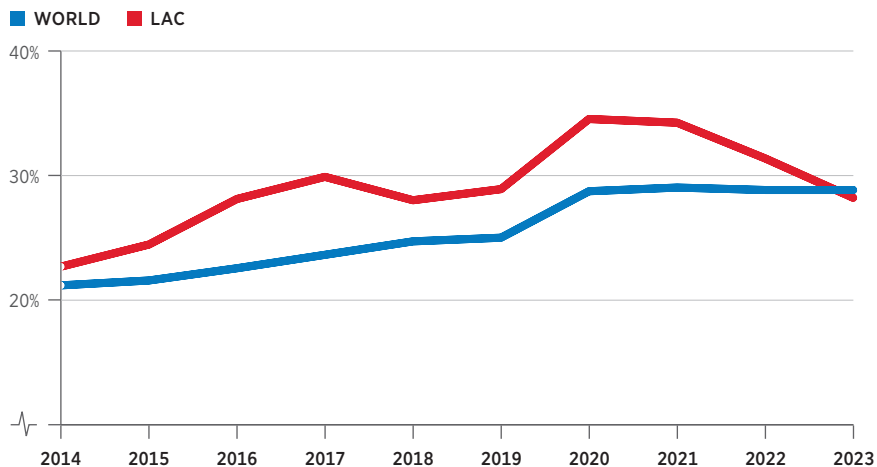


NOTE: CHART INCLUDES PROCESSED PRODUCTS, FISHERIES (NOT COVERED IN THE FAOSTAT TRADE INDEX) BASED ON OECD-FAO AGRICULTURAL OUTLOOK DATA.

SOURCES: FAO (2024) FAOSTAT VALUE OF AGRICULTURAL PRODUCTION DATABASE; OECD/FAO (2024) "OECD-FAO AGRICULTURAL OUTLOOK," OECD AGRICULTURE STATISTICS

Although food insecurity has fallen since the pandemic, it remains above levels from the mid-2010s...

PREVALENCE OF MODERATE OR SEVERE FOOD INSECURITY (%)



NOTE: PEOPLE AFFECTED BY MODERATE FOOD INSECURITY FACE UNCERTAINTIES ABOUT THEIR ABILITY TO OBTAIN FOOD AND HAVE BEEN FORCED TO REDUCE, AT TIMES DURING THE YEAR, THE QUALITY AND/OR QUANTITY OF FOOD THEY CONSUME DUE TO LACK OF MONEY OR OTHER RESOURCES. SEVERE FOOD INSECURITY REFERS TO SITUATIONS WHEN INDIVIDUALS HAVE LIKELY RUN OUT OF FOOD, EXPERIENCED HUNGER AND, AT THE MOST EXTREME, GONE FOR DAYS WITHOUT EATING.

SOURCE: FAO. 2024. FAOSTAT: SUITE OF FOOD SECURITY INDICATORS [ACCESSED ON 25 JULY 2024]

...and many people in the region remain undernourished.

PREVALENCE OF UNDERNOURISHMENT (%) 3-YEAR AVERAGE FOR 2021-2023



NOTE: PREVALENCE OF UNDERNOURISHMENT IS AN ESTIMATE OF THE PROPORTION OF THE POPULATION THAT LACKS ENOUGH DIETARY ENERGY FOR A HEALTHY, ACTIVE LIFE.
SOURCE: THE STATE OF FOOD SECURITY AND NUTRITION IN THE WORLD 2024 (FAO, IFAD, UNICEF, WFP AND WHO)



FOOD SECURITY

Moving the Needle on Food Insecurity: It's Time for an Innovative Approach

by Brandee McHale

FOOD INSECURITY—where food quality or quantity is reduced—is one of the most pressing challenges of our time, directly impacting communities around the globe. According to research from Citi Global Perspectives and Solutions (GPS), one in three people globally endures moderate or severe food insecurity, and over 770 million people suffer from some form of malnutrition.

These sobering numbers are due to various environmental, social, and economic factors, including global conflict, climate change, the COVID-19 pandemic, and economic downturns that have slowed progress in recent years.

Just as the factors are multifaceted, so are the implications. Food insecurity is a detrimental social issue, but its economic implications are also severe. So, what is the cost of hunger? Citi GPS estimates the impact of malnutrition on the global economy to be as high as \$3.5 trillion per year. And while finding a solution will also be costly, the report estimates that the economic benefits to society could reach up to \$5.7 trillion annually by 2030.

As such, at the Citi Foundation, we see four key areas of investment needed to help advance food security:



1 Enabling food access: Nongovernmental organizations (NGOs) and for-profit social entrepreneurs are on the front lines, working to meet the needs of a growing number of individuals and families experiencing food insecurity and the economic strain of overall household expenses. Investing in their efforts to increase access to affordable and healthy food for low-income communities is essential.

2 Addressing affordability: With record food prices and soaring energy costs, households are making near-impossible budgeting decisions. This is particularly true in low-income countries where people spend almost half of their income on food. Therefore, improving food affordability through community finance efforts can help reduce the financial burden on low-income communities.

3 Improving availability: One of the six key strategies to address food insecurity in the 2022 UN State of Food Security and Nutrition in the World report is to reinvent the supply chain to lower the cost of food, particularly by shortening supply chains in urban areas so that residents can access fresh food. This can lead to positive community benefits, such as creating new jobs and businesses.

4 Supporting community resilience: The growing frequency and intensity of natural disasters and conflict, along with an increasingly volatile world, is jeopardizing the global food system. The potential harm to lives, livelihoods and quality of life can be reduced by implementing strategies to manage disaster-related risks. It is critical to invest in community organizations that are working to increase the resources available for low-income com-

munities to more effectively prepare for and respond to disruptions in food security during a crisis.

Latin America continues to battle with food insecurity. Too many people in the region go hungry every day. According to the United Nations, hunger impacted as many as 56.6 million people in the hemisphere in 2021. Meanwhile, we see community-based organizations with new and emerging ideas, technologies, and approaches addressing these key areas of access, affordability, availability, and community resilience that are ripe for meaningful investment. The region can — and will — benefit from these solutions.

Philanthropy as a tool for innovation

CATALYTIC FUNDING is a vital way in which the private sector can help address some of society's most pressing challenges, including food insecurity. Philanthropy is a critical tool to catalyze solutions because it can infuse innovative solutions with patient, flexible capital and bring a wide range of nonprofit partners to the table without an expectation of financial returns.

Through the Citi Foundation's Global Innovation Challenge model, we seek to address urgent community needs and identify and provide philanthropic support to community organizations developing innovative solutions to address social and economic challenges facing low-income communities worldwide. With millions of people globally suffering from some form of malnutrition, food insecurity is one of the greatest challenges facing low-income populations.

The 50 recipient community organizations of the Global Innovation Challenge are spearheading game-changing solutions that improve food access, affordability, availability and community resilience around the world. Their innovative solutions center around providing technological advancements, training and mentorship, expanding access to markets

and investors, promoting environmentally friendly farming practices, and more. The grants span two years, and the goal is to pilot or expand each organization's innovative ideas that are designed to improve food security and strengthen the financial health of low-income families and communities.

Take The Hunger Project, for instance. This initiative enhances the leadership and entrepreneurial skills of Indigenous women in Southern Mexico through technical training to launch community-driven food businesses. The strategy is designed to foster lasting progress that extends far beyond the life of the grant. The Hunger Project projects that their efforts will bring sustainable access to diverse, nutritious food and increase household income for over 2,000 rural, Indigenous individuals while reaching more than 3,000 others through local markets.

Another example is Bancos de Alimentos ARGENTINA (BAA). They are expanding access to food in Argentina by providing training at food banks and improving their infrastructure. The efforts increase the delivery of healthy food to those in need, with a focus on women and children. In Chile, Red de Alimentos is broadening its efforts to rescue more food from disposal nationwide by enhancing its app and developing partnerships with new food providers to reach underserved groups, including women, migrants and youth. In Guatemala and Honduras, Groundswell International is establishing community grain and seed reserves and promoting sustainable farming methods with a focus on supporting women and Indigenous communities. Across the board, these solutions center innovation and training to accelerate the reach and impact of solutions.

During our Global Innovation Challenge, these grantees have access to technical assistance and a learning community facilitated by IDEO.org, a nonprofit focused on designing products and services in the social impact sector. Through wrap-around services, grantees can collaborate, share lessons

learned, and exchange best practices.

Our goal? To leverage philanthropy as a catalyst for innovation, specifically as it pertains to the issue of food security and the financial well-being of communities and families. Each community organization in this inaugural cohort brings unique perspectives, relationships, capabilities and ideas to the issue of food security.

For lasting impact, influence is key

IT'S ESSENTIAL TO THINK about our influence. No organization can single-handedly solve societal issues through grant support alone — and that's OK. Influence is about going beyond the funding. Funders can help put game-changing solutions on the map. This is especially important as we think about local organizations in Latin America, many of which lack the size and resources to absorb large cash infusions to scale their projects. By elevating new approaches, we can help shift the headlines from solely pointing out the issues to focusing on *solutions* and the community leaders driving them. Further, as ideas are amplified, they can inspire investment as well as influence new effective models elsewhere.

Influence also means playing a leadership role in bringing others to the table. The magnitude of the

food crisis and the need in communities worldwide requires the public, private, civic and philanthropic sectors to collaborate in new ways and build momentum to effect meaningful change at more intensive speeds than ever before. With so many sectors interested in addressing food security, we have a collective opportunity to draw from the range of tools and resources at our disposal to drive long-lasting change.

Nearly a decade ago, the United Nations established its Sustainable Development Goals, noting its second goal (SDG2) to “end hunger, achieve food security and improved nutrition and promote sustainable agriculture” worldwide by 2030. Today, this goal is just as important, and with 2030 rapidly approaching, I am reminded of the urgency of our collective efforts.

In Mexico, Argentina, Chile, Guatemala, Honduras and beyond, the groundbreaking solutions in Latin America, as shown by the Global Innovation Challenge grantees, are examples of how progress is possible. They also are examples of how further investment will be required to continue scaling. Now is the time to come together and continue collaborating across all sectors and organizations of all sizes to move the needle on food security for the future. 



Brandee McHale is the Head of Community Investing & Development at Citi and the president of the Citi Foundation. Brandee leads Citi's efforts to drive economic opportunity and invest in the equitable and inclusive growth of communities through impact investing, community-based financial access and education programs, fulfillment of U.S. Community Reinvestment Act regulatory obligations, employee volunteerism, and the philanthropy of the Citi Foundation. With more than three decades of experience in financial services and philanthropy, Brandee has dedicated her career to developing forward-thinking initiatives that connect low-income communities and communities of color to jobs, housing and a more economically secure future.

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FOOD SECURITY

The Past, Present and Future of Soy in South America

**Over the past 50 years, the continent
has become a soy-growing behemoth.
But is the boom over?**

text and photos by Nick Burns

A harvester machine next
to a field of soybeans at
Fazenda Ipê, in southern
Piauí state, Brazil





FOOD SECURITY

B **AIXA GRANDE DO RIBEIRO, BRAZIL** — Here, in a small brick building, a three-hour drive down muddy roads and across a river barge from the nearest city, one possible future for soy in South America is on display.

Agronomists watch on computer screens as little icons creep across a map — showing harvester machines threshing soybeans across the farm’s enormous span, 60 miles from end to end. The display shows weather forecasts and conditions in the fields, fed live over a 4G connection by a network of solar-powered monitoring posts.

The technology isn’t here just to impress visitors from abroad. This year, it helped the team at Fazenda Ipê overcome an El Niño-linked drought that took a hit on the area’s yields. Based on analysis of 10 years’ worth of data, the decision-making team opted to plant on a delayed timeline, to take advantage of a likely second planting window later on. The result was a harvest that ended up even with last year’s totals, despite far worse conditions.

“The growth we’ve had in recent years doesn’t come from nowhere,” said Gilmar Cadore, director of Insolo, the company that owns Fazenda Ipê. “We’re using more technology, we’re getting a better scientific understanding, and it’s because of that that Brazil’s become the world’s biggest soy exporter.”

Not every farm in the region is so high-tech. But make no mistake: Soy is big business in South America, which now produces more than half of the plan-

et’s supply following 50 years of extraordinary growth — a truly epic story that involves technological innovation, both the helping hand and the hindrance of government, and the rise of middle classes half a world away.

The question facing the industry today is whether those days of heady expansion are over.

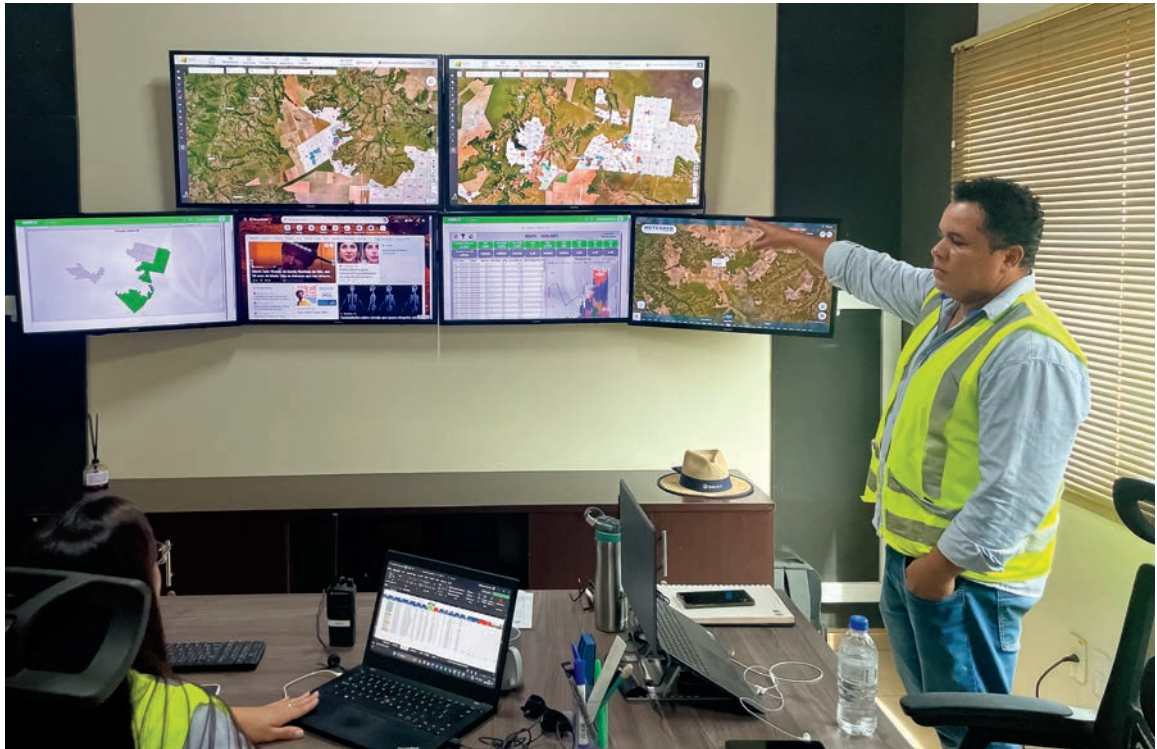
Producers like Ricardo Faria, who owns Insolo and is one of the country’s most prominent farmers, argue that good times are still ahead. Emphasis will go from cultivating new land to getting more productivity out of land already under cultivation, they argue, while soy will remain a mainstay of food security in a growing world, and new markets will come from biofuels and up-and-coming regions like southeast Asia.

“In the past, soy was a product for pigs and chickens — today, it’s clean energy for the world,” said Faria.

But others say the soy business faces a forbidding set of challenges, as China’s growth slows, risking a glut in soy markets, as production continues to rise. Many fast-growing countries don’t eat much red meat — a crucial determinant of demand for soy. Soy’s role in the deforestation of South America’s tropical savannas has come under increasing scrutiny from the European Union and others, while the crop is also a particularly heavy user of pesticides and other chemicals.

Here in northeast Brazil, some 600 miles from

**Soy is big business in South America,
which now produces more
than half of the planet’s supply.**



Monitoring team director Michel Lopes, right, gestures at a set of computer displays showing real-time conditions on the farm.

Brasília, both the promise and limitations are clear. Half a century ago, this region was mostly given over to small-scale cultivation of crops like indigo and cotton, and many locals migrated to the southeast to escape hunger and find work. Today, in booming Balsas, the nearest city to the farm, billboards advertise agribusiness services and jewelry stores cater to a new upper-middle class, some of whom moved here from the prosperous south or from older soy boomtowns in the center-west.

Soybeans are now the single biggest export for both Brazil and neighboring Argentina, while Paraguay and Bolivia are also among the global top 10 producers in a \$155 billion global market. Shipped in seed form or crushed into oil and meal, this versatile bean is used in a wide range of food and cosmetic products, and to make biofuels. In the popular imagination, soy is often associated with a vegetar-

ian diet: Think soymilk and tofu. But its reality is far more carnivorous. More than three-fourths of global soy production is destined for animal feed, in which it is a key source of protein.

Despite how closely connected the soy industry is to global markets, the continent's growers can face conditions that are anything but modern. For all of the high technology inside Fazenda Ipê, most of the soy harvested here has to be trucked across the Paranaíba River on a small ferry barge that stops running at night. When *AQ* visited earlier this year, the dirt road from the ferry to the farm had turned half to reddish mud after a storm, and a broken-down truck caused a long pileup. There are improvements in the works: The state government is planning a bridge, and another road to the farm is set to be paved.

But improving transportation infrastructure is just one of several challenges facing the industry.



Because of bad roads and the lack of bridges over the Parnaíba River, most of the soy harvested at Fazenda Ipê must cross this ferry by truck.

How Brazil became a soybean powerhouse

IN BRAZIL, THE WORLD'S largest soybean producer and the source of most of South America's recent growth in this segment, the success story is neither a free-market miracle nor a triumph for state planning — it's both.

It began under the country's 1964–85 military dictatorship, which created Embrapa, an agricultural research institute whose soybean wing soon made a major breakthrough: developing new genetic varieties of soybean that could flourish in Brazil's tropical climates and acidic soils.

Looking for ways to populate Brazil's sparsely settled interior, the military channeled funding through state banks to soy farmers, built roads, set up exchanges with the U.S., a major soy producer — and transformed what had been small-scale cultivation by Japanese immigrants and their descendants into an industrialized phenomenon.

"It was [an attempt] to try to create a Midwest in Brazil," said Susanna Hecht, a specialist on Latin

American tropical development at UCLA. "It's national capital, government capital stimulating the growth."

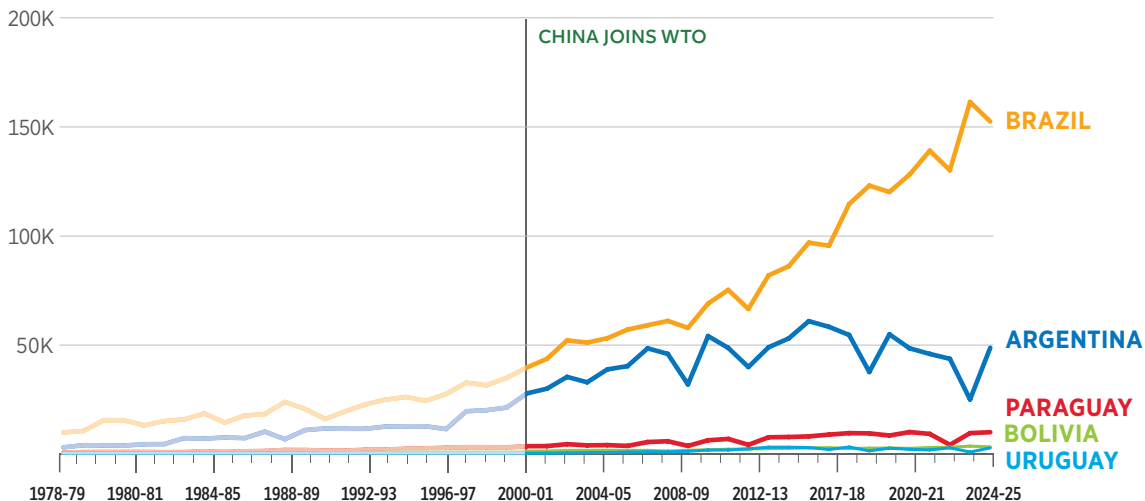
In the 1976–77 harvest, Brazil produced 12 million metric tons of soy, nearly all of it in the south. By 2000–01, that figure had tripled to 38.4 million, and the center-west had become the leading soy-growing region. The dream of economic integration of Brazil's interior was being fulfilled.

That was only the beginning. Around the millennium, two major changes supercharged South American soy. The first was Monsanto's 1996 release of genetically modified varieties of soybeans resistant to glyphosate, a commonly used pesticide. The second was China's entry into the World Trade Organization in 2001. That country's breakneck growth was creating a new domestic middle class that could suddenly afford to eat more meat — especially pork. Raising the animals to meet the demand required vast amounts of feed, and the best cheap source of protein was soybeans. Now, China had access to world markets, just as South America had figured out how to grow soy cheaply and at scale.

South America's Soy Boom

AFTER CHINA JOINED THE WTO AND GMO SOYBEANS WERE WIDELY ADOPTED, SOY CULTIVATION TOOK OFF ACROSS THE CONTINENT.

SOYBEAN PRODUCTION BY HARVEST, THOUSANDS OF METRIC TONS



SOURCE: USDA

In Brazil, farms multiplied across new agricultural frontiers in the center-west and the north. Total production rose to 155 million metric tons in the 2022-23 harvest, a mind-boggling 100-fold expansion since 1970. Since the 2017-18 harvest, when it overtook the U.S., Brazil has been the world's top producer, representing 40% of global supply.

In the 1970s, the median productivity in Brazil was around 1.6 metric tons per hectare. Now it's above 3.6, said Alexandre Nepomuceno, who heads Embrapa's soy division. "That means there's been significant technological investment to produce what Brazil produces today," he said.

Other countries benefited from the boom, too: Today, Argentina is the world's third-biggest producer, representing about 13% of the global supply, and is especially successful in what's called crushing: separating raw soybeans into oil and meal through industrial processes. Paraguay and Bolivia hold 3% and 1% of the global market, respectively.

What's the secret to South America's world-beating soy success? Market analysts and farmers say they

have several advantages over the U.S. Cheaper land helps, but so does the climate. A longer growing season allows South American producers to wring two harvests a year out of their fields. In Brazil, soy producers often plant a *safrinha*, or "little harvest," of corn after their soy harvest. At Fazenda Ipê during AQ's visit, most plots of land that weren't full of soy plants ready to be harvested contained knee-high corn plants, the seeds sown in the stubble of the harvested soy. That increases land productivity. South American producers can also plant without tilling the land, which cuts down on costs and lowers carbon emissions.

A favorable regulatory system that ensures genetic innovations make their way to Brazil has been the work, in part, of a powerful agribusiness lobby in Congress, the *bancada ruralista*. This year's annual package of financing support to the agricultural and livestock sectors will total 400 billion reais, or about \$73 billion. The money goes toward incentives and loans for farmers, made through state banks, often at reduced interest rates, to finance investments and other improvements.

Limits to the soy boom?

AT THE TIME OF AQ'S VISIT, the headquarters of Fazenda Ipê was a flurry of activity. Trucks full of soy from the fields rolled in past a checkpoint to dump their cargo into a giant sorting machine. The highest-quality beans were being set aside to be used as seed for next year's harvest, while the rest were deposited in a towering metal silo, waiting to be trucked to the nearest railyard or river port. The seed operation here is being ramped up at breakneck speed — from 3,000 bags last year to some 14,000 this year — as Fazenda Ipê applies for a license to be able to sell its seeds to other producers, a way to add value to its operations.

Expansion is happening on other fronts, too. Fazenda Ipê's parent company Insolo is growing its landholdings, harvesting 150,000 hectares, up from 110,000 last year. And the farm has seen major productivity gains over the last six years, its median yield rising to 72 bags of soy per hectare from around 40.

Those are impressive numbers for the surrounding area, which is expanding, too. The region around Fazenda Ipê “has grown a lot,” said Daniele Siqueira, a grains market analyst at AgRural. From Uruguí, north of here, to Balsas to the west, “they're new areas, and they're at the forefront of the new frontiers,” Siqueira told AQ.

International investors are getting in on the bonanza. Faria purchased Insolo from Harvard University's endowment fund, and down the road from Fazenda Ipê is a farm owned by the Mitsubishi Corporation.

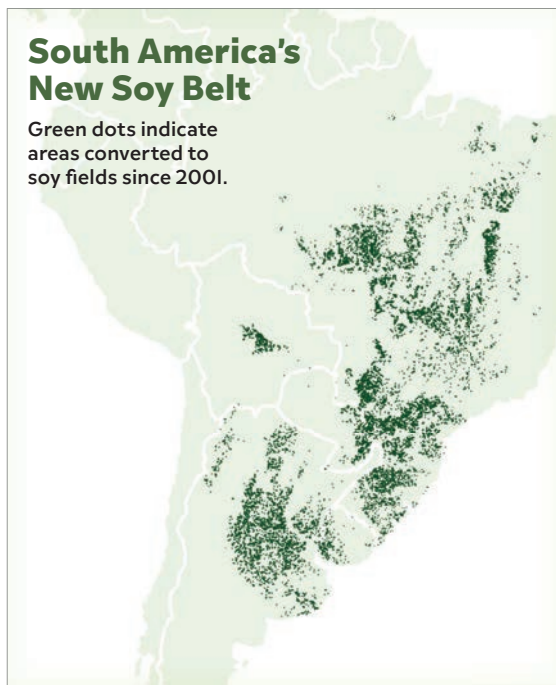
What could put an end to this boom?

In Argentina, it may already be over. There, soy production and area have been stagnant for more than a decade. Farmers, along with some experts, blame government policy and Argentina's economic woes. Soy export taxes are in excess of 30%, while long-term loans are scarce and farmers can't access newer genetic varieties used in Brazil and elsewhere.

“The government has played a negative role, on one side with taxes and on the other with a lack of

South America's New Soy Belt

Green dots indicate areas converted to soy fields since 2001.



SOURCE: GLOBAL LAND ANALYSIS & DISCOVERY (DATA UPDATED THROUGH 2023)

support for intellectual property for genetic improvement,” said Carlos Steiger, a professor at the Universidad Austral.

Many farmers feel their sector is heavily taxed in order to sustain the country's noncompetitive industries and hope the current, market-friendly government will change things for the better. President Javier Milei has promised to start cutting soy export taxes as soon as he can. But for now, the country's fiscal situation is so dire he can't spare the revenue.

“We understand that when the moment comes, and we hope it's sooner rather than later, we'll [be] taxed similarly to the rest of the economy and not singled out as a cash cow,” said David Hughes, co-founder of TraulenCo, an Argentine agribusiness company.

The advance of soy growing in Brazil has also been dogged, since its earliest years, by questions over land rights and usage. Fazenda Ipê was itself a subject of controversy in 2018, when a judge ruled that Insolo, when it was still owned by Harvard, had en-

Government data showed an increase of 43% in deforestation last year in the Cerrado, threatening the government's zero-deforestation goals.

gaged in land-grabbing and improperly extended the farm's boundaries into public lands. The issue generated international media attention, and Harvard sold its stake in Insolo not long after.

Perhaps the most enduring criticism of soy is environmental: its links to deforestation (and therefore carbon emissions), loss of biodiversity, and toxic contamination of water and soil. But producers in Brazil respond that they follow the country's extensive regulations on land use, meant to limit deforestation and damage to ecosystems.

In 2006, after a Greenpeace campaign against agriculture-linked rainforest deforestation, the major multinational companies that dominate the world soy market signed an agreement pledging not to buy any soy grown on deforested land in the Amazon. The Amazon soy moratorium, as it's known, was a substantial success, studies have shown.

It helped that the Amazon rainforest itself is not ideal for soy cultivation, said Beto Veríssimo, co-founder of Imazon, a think-tank that studies land use in Brazil. The area is too wet, and the infrastructure isn't very good. It also has strict environmental requirements: 80% of land must be conserved by law.

Most of the expansion of the soy frontier has instead taken place in the Cerrado tropical savanna that covers a wide swath of the country, from Mato Grosso in the center-west to the northeast. These areas are better for soy growing, since they have a well-defined dry season, and legal requirements on land use are less strict. There, the proportion of land required to be set aside for ecological reserves ranges from 20%-35%, while on the remainder, vegetation can be legally cleared.

Government data showed an increase of 43% in

deforestation last year in the Cerrado, which includes soy frontier areas in Mato Grosso and the northeast, threatening the government's zero-deforestation goals. The Cerrado has historically drawn less international attention than the Amazon — but that's beginning to change.

Starting in December, the EU, the second-biggest importer after China, which also uses South American beans for animal feed, is mandating that all the soy it imports be certified deforestation-free. That could change how the global market titans engage with Brazilian buyers.

"The main trading companies have most of [their soy] traced, 97%, 98%, but it's precisely in this 1% or 2% where this clearance and deforestation resides," said Karla Canavan, vice president of commodity trade and regulation at the World Wildlife Fund. There's worry that after the EU regulations go into effect, this untraced soy could be diverted toward Brazil's large domestic market.

Adding up the environmental cost

THERE'S NO QUESTION THE advance of the soy frontier has come at a cost to native vegetation, including in sensitive ecosystems like Brazil's Cerrado and the Chaco in Paraguay and Argentina. Sometimes the process happens indirectly, with cleared land first used for pasture and later planted with soy. As environmental advocates point to the sector's contributions to global emissions, farmers argue that the damage is limited and brings important benefits.

For Maurício Buffon, president of Aprosoja, Brazil's leading soy growers' association, the economic and social development that soy brings to the agri-



Inside the seed processing facility at Fazenda Ipê: Through a sorting process, the highest-quality soybeans are set aside as seed for next year's crop.

cultural frontier in Brazil's traditionally poor northeast is worth the consequences of land use change, as long as environmental regulations are respected.

"It's the only way to take these populations out of poverty," said Buffon, who told *AQ* the northeast "won't be devastated" by another 3%-4% of its territory going to soy cultivation, on top of the current 4%. "If we get to 8%, it's a very different situation for the region," in terms of socioeconomic improvement, he said.

Veríssimo is less certain. More clearances could exacerbate climate-related challenges facing producers, he said. Brazilian soy is mostly grown without irrigation, which keeps prices down. But the soy-growing belts in Mato Grosso and especially in the northeast depend on what scientists call "flying rivers" — belts of atmospheric moisture that bring rainfall from the Amazon rainforest. Recent studies suggest deforestation is threatening to disrupt those flows, potentially imperiling yields.

In interviews, soy producers tended to downplay climate risks, saying they only see the usual cycli-

cal weather changes — an El Niño here, a La Niña there — and emphasized their ability to adapt to unpredictable weather, as Fazenda Ipê did this year. But in the meantime, some farms, including Fazenda Ipê, are toying with the idea of upping their irrigation capacity.

Farmers "want to be optimistic," Veríssimo told *AQ*. "But the science is very clear right now. ... We are very exposed to climate change scenarios."

An uncertain future

THE LAST TWO HARVESTS have been a wake-up call for South American soy producers. In 2022-23, a brutal drought in Argentina cut its harvest in half — and brought the national government to its knees, sapping it of foreign reserves and helping spoil the incumbent party's bid for the presidency. This year, Brazil suffered a double blow: bad conditions in the field, thanks to drought conditions, on top of lower prices. But even with Brazil's production down, a better year in Argentina and the



“Today, (soy) is clean energy for the world.”

—Ricardo Faria, Insolo owner

U.S. led to oversupply in the global market. Chinese growth was slowing — and some indicators suggested it was taking a toll on demand for soybeans. But acres planted in Brazil were still going up, and so were yields.

Could South American soy be headed for a major setback — the end of the boom?

“The problem is that Chinese demand is very stagnant,” said Siqueira, the grain market analyst. “In years when the weather is good there will be too much soy. [Without] new markets, whether for soy or its derivatives, this is a worry for the future.”

Pedro Dejneka, co-founder of MD Commodities, a market intelligence firm, thinks the problem can only be fixed through lower prices. “We need to take prices low enough where the United States is going to have to decrease soybean area” by switching acres to corn, he told *AQ*.

There were fears China could start producing more of its soy domestically, seeking to reduce its dependence on imports from the Americas, or that it might encourage African countries with similar climates to adapt Brazil’s soy-growing technology and know-how.

Finding new global markets to fill in for China’s slowdown could be difficult. Rapid economic growth in India, where vegetarianism is more common, might not translate into high levels of soybean demand, driven principally by meat eating. Even Brazil’s president is openly broadcasting his hopes for a global shift to keep the boom going. “Every day I pray that even the Indians go back to eating meat,” said Luiz Inácio Lula da Silva at a business forum in July.

Biofuel might be the next frontier: Analysts cite the

possibilities of biodiesel, a fully renewable diesel fuel that has advantages over the current mix of biofuel and regular diesel that’s sold in countries like Brazil.

Ricardo Faria, the Insolo owner, struck a more confident tone. “I don’t believe Africa will steal our market,” he told *AQ*. “We have this capability that was [the product of] a long-term educational system of knowledge, and we have very well-structured laws of protection of property that Africa doesn’t have.”

What about oversupply in the global market? Faria saw a possibility for a “perfect storm” for producers, if global supply outstrips demand. But if global grain consumption continued to increase by around 1% per year, as it has up to now, and with biofuel demand increasing, he told *AQ*, the cycle can repeat itself.

“Two or three years after the perfect storm for [producers], the perfect storm for consumers can happen, and prices skyrocket.”

At Fazenda Ipê, there’s scarce time to contemplate the future of South American soybeans — there’s too much work to do. Despite the cutting-edge technology, farming still requires long hours of toil. During *AQ*’s visit, operations on the farm started before dawn and ended after dark.

Standing amid rows of soybeans ready to be harvested, it looks like the fields here go on forever, stretching to the horizon where they meet a wide, pale blue sky, studded with anvil-shaped clouds. But it’s an illusion. The farm is really perched on an enormous plateau, one of many here in southern Piauí that alternate with lowlands less suitable for farming. It goes on for a long way, but it has its limits. [AQ](#)

Burns is editor and social media manager at *AQ*

President José Raúl Mulino speaks at a press conference in Panama City in August.





THE AQ PROFILE

“Nobody’s Puppet”

**Panama’s President José Raúl
Mulino is facing multiple crises —
and a powerful political sponsor.**

by Mary Triny Zea

PANAMA CITY — Panama faces enormous challenges. The Panama Canal’s recent water shortages caused a months-long traffic jam for shipping, leading to the loss of many customers. The country’s border with Colombia at the Darién Gap, which over 500,000 people traversed in 2023, has become a major flashpoint for migration in the Americas.

The country of 4.2 million people is also facing its most serious fiscal crunch in decades, its social security system is at risk of collapse, and investment is falling. Panama’s largest mine, responsible for around 4% of the country’s GDP, was shuttered last year after massive demonstrations and a Supreme Court ruling against its contract, which only added to investor concern.

The person now charged with addressing these multiple flashpoints was an unexpected, last-minute candidate in this year’s election. After Ricardo Martinelli, a billionaire and popular former president who ran Panama from 2009–14, was barred from the race for his conviction on major money laundering charges, Martinelli tapped José Raúl Mulino to replace him. In Panama’s single-round election, Mulino won comfortably with 34% of the vote.

“I’m nobody’s puppet,” Mulino said in his inaugural address on July 1, responding to critics of his campaign slogan: “Mulino is Martinelli and Martinelli is Mulino.” He has promised to tackle Panama’s economic problems head-on, “close” the Darién Gap, and maintain his direct demeanor. “I’m center-right. I’m never going to turn to the left,” he said in a post-election interview.

Internationally, Mulino seeks close relations with the U.S. and Western investors — but also a free trade agreement with China. And just as Panama

seeks broader cooperation on migration, it will have a rotational seat on the UN Security Council in 2025–26, which Mulino is expected to try to leverage.

As the protégé of a controversial figure, Mulino, 65, will have to walk a fine line to restore Panama’s finances and reputation. Analysts expect him to continue being both decisive and divisive. Former President Ernesto Pérez Balladares (1994–99) said Mulino doesn’t shy away from taking risks in politics. “He’s a brave, stubborn fighter,” Pérez Balladares told the Panama Noticias Network in May.

Mulino has already eliminated housing subsidies and price controls on rice; ordered the air and naval defense forces to take over port and airport security from the police; and imposed curfews in three cities for minors under 18 to address street crime. His assertiveness may allow him to push through an enormous dam to make the Canal more resilient, reopen the unpopular mine, crack down on migration, and make painful social security adjustments.

But observers also say Mulino likely won’t advance much on transparency or inequality. And if major protests again coalesce around these themes, his track record suggests he may not hesitate to use *mano dura*.

What seems clear is that his agenda will be ambitious — and reverberate far beyond Panama’s borders.

Mulino’s political instincts

MULINO HAS BEEN IN politics for decades, but always on the outskirts of Panama’s most powerful political machines. He grew up in a middle-class household in the Chiriquí province of western Panama, where his mother was a

His agenda will be ambitious—and reverberate far beyond Panama’s borders.



Mulino visits the province of Darién as president-elect in June. He has pledged to close the Darién Gap, a major migration corridor.

public school teacher and his father rose through the local political machine to become governor, giving his son early exposure to the art of climbing the ranks.

After studying law in Panama City and the U.S., Mulino co-founded a law firm and plunged into politics as a high-profile opponent of the Manuel Noriega dictatorship. After the U.S. overthrew Noriega in 1989, the new democratic government tapped Mulino as deputy foreign minister. When the foreign minister died, Mulino took over the ministry for a year until a new administration came to power in 1994.

He then helped to lead a political party, *Solidari-*

dad, that sought to disrupt a two-party system and grew slowly into a pole of center-right organizing. In 2006, it fused with another bloc that ran Martinelli as its candidate in 2008. Martinelli, a supermarket magnate, won by styling himself an outsider and disruptor.

This is when the two men drew close. Martinelli put Mulino at the head of the Security Ministry after promising to crack down on crime. Mulino put more police on the streets, and they set up checkpoints throughout the country that were controversial but also led to a drop in crime.

In 2010, Martinelli passed a reform package that banned road-blocking protests and cut labor and environmental regulations, sparking nationwide protests. Mulino condemned the demonstrations and ordered a crackdown using tear gas and rubber bullets. In northwest Panama, two demonstrators were killed and dozens more were at least partially blinded. (The reform was eventually overturned.) In 2012, another response to protests, this time over hydroelectric dam and mining projects, left three people dead.

But Mulino's toughest challenge arose over a contract he signed as minister to acquire military equipment and services from Italian conglomerate Finmeccanica. One of the Italians who brokered the deal, Valter Lavitola, was investigated in Italy for, among other offenses, allegedly bribing Panamanian officials and attempting to blackmail Italian President Silvio Berlusconi.

Lavitola served four years in prison, and Panama's authorities placed Mulino in pre-trial detention on related charges in October 2015. He was released six months later on parole. In 2017, the Supreme Court dismissed the case on procedural grounds, ruling that his detention had been illegal. Mulino maintained his innocence and remained defiant throughout. In his inauguration address, he said, "My family and I suffered personally at the hands of a political, judicial and media system that operated to hobble its adversaries in the most cowardly, immoral manner."

Mulino has also stood by Martinelli, characterizing all charges against him as politically motivated. Martinelli now also faces charges related to the region-wide Odebrecht scandal; two of his sons were convicted in U.S. federal court in 2022 for facilitating \$28 million in bribes, and a lawyer for one said in

court that they acted at Martinelli's direction. (Martinelli denies any wrongdoing.)

Yet Martinelli remains perhaps the country's most popular politician, remembered for rapid growth, declines in poverty, and major infrastructure projects, including the Panama City metro. Mulino rode Martinelli's popularity to victory. On election day, he visited Martinelli at the Nicaraguan embassy, where he has been seeking asylum since February to avoid a 10-year prison sentence.

Pivoting to govern

MULINO HAS LARGELY TAPPED Martinelli loyalists for his Cabinet. Security Minister Frank Ábrego was Martinelli's Border Service chief, for example, and Commerce and Industry Minister Julio Moltó led Martinelli's security council. The council was implicated in allegations that Martinelli's government monitored the communications of dozens of political opponents. Martinelli was arrested for this in the U.S. in 2021 and extradited to Panama, where he denied wrongdoing and was acquitted for lack of evidence.

But Mulino made an important exception with his selection of Economy and Finance Minister Felipe Chapman, who has been critical of Martinelli. He's seen as a pick qualified to tackle unemployment, which is the public's top concern, followed by high cost of living and corruption, according to polling from Prodigious Consulting.

"Our economy unfortunately doesn't generate employment because investor confidence is so low," labor economist René Quevedo told *AQ*. Credit ratings agency Fitch downgraded Panama's bonds to junk status in March, citing fiscal deficits as well as the

Mulino rode Martinelli's popularity to victory.

The U.S. seems intent on soliciting his cooperation on migration.

“tense social backdrop and party fragmentation” likely to impede efforts to address them.

Mulino’s most immediate challenge will be to rescue the social security system. He has received broad praise for promising not to privatize it while insisting that contributors may have to pay more, and for holding frequent consultative meetings with a range of sectors. The process “has been very transparent,” political analyst Rodrigo Noriega told *AQ*. “Mulino brought together all the relevant actors to consult them — not to drag his feet, but to hear concrete proposals.” The government aims to pass major legislation in December.

Mulino is still seeking a final solution for the copper mine, while Canadian firm First Quantum Minerals (FQM) sues for \$20 billion through arbitration. “Panama doesn’t negotiate with a gun to its head,” Mulino said at his inauguration.

The mine was shut down suddenly last year, and Mulino has floated the idea of reopening it with stricter regulations to finance an environmental cleanup and proper closure. This will be decided next year, Moltó, the commerce minister, told *AQ*, adding that the government plans to hold a plebiscite on the process to demonstrate transparency and attentiveness to public concerns.

The administration is taking a similar approach to the massive reservoir to support the Canal. Mulino is backing the project and plans to present a concrete plan next year. The project may displace several thousand people, and Mulino has pledged to dialogue with affected communities “without hostilities.”

Other initiatives seem less pragmatic. Mulino is promising a train project estimated to cost \$5 billion, generate 6,000 jobs, and stretch over 390 kilometers from Panama City to his home province of Chiriquí. But it’s unclear how he’d finance it.

The project has reportedly received interest from

Chinese builders, just as Mulino is jumpstarting negotiations with China on a free trade agreement. An agreement with China would aim to create jobs by attracting Chinese investment, especially in infrastructure, Moltó said.

Mulino may be well positioned to negotiate with China without jeopardizing Panama’s relationship with the U.S., since the U.S. seems intent on soliciting his cooperation on migration. On his first day in office, Mulino signed an agreement with the U.S., securing support for border operations and deportation flights, the first of which took off in August.

While such deterrence policies are expected to push migrants toward more remote and dangerous routes, Panama has pledged to abide by international law. “Panama’s position is that there is nothing humanitarian about the route these people are taking, given the number of people who die, the number of children who experience trauma,” said Zamira Gozaine, a former director of Panama’s National Migration Service.

These moves are popular in Panama, which saw migrant traffic equivalent to 12% of its population in 2023. “If it means putting in place so-called ‘inhuman’ policies to close the way to migrants passing through, it’s a way of protecting our country, and as president he has to do this,” said Itzela Solís, 31, a resident of Los Santos province, which is far from the Darién but has nonetheless seen a surge of migrants.

“Mulino’s going to do what’s popular whenever possible,” Noriega, the political analyst, told *AQ*. “The style I’m seeing from him isn’t authoritarianism,” he said, “but rather soft populism.” AQ

Zea is an investigative reporter based in Panama City. She is an eight-time winner of Panama’s premier national journalism prize and won the Gabo Foundation award in 2017.

Nearshoring: Who Might Benefit Most in Latin America?

**Countries distant from the United States
such as Uruguay and Chile offer good
conditions, thanks to other strengths.**

by Felipe Larraín B. and Carmen Cifuentes V.

NEARSHORING HAS BEEN front of mind for investors and policymakers in Latin America for a few years now. But we are still in the process of figuring out which countries are best suited to take advantage of the historic opportunity presented by this renewed fragmentation, or “regionalization,” of the global economy.

Early evidence suggests the following: Distance is a key consideration — but even countries relatively far from the United States are poised to benefit. Other factors, such as respect for property rights, stability of the financial system and overall political stability, are also of paramount importance. As a result, countries such as Uruguay, Chile, Costa Rica and Brazil may have an underrated opportunity to participate in nearshoring, illustrated by a “ranking” table we have included later in this article.

First, a look at recent history helps explain why the current opportunities are so tantalizing — if our countries can seize the moment.

The ebbs and flows of global trade

GLOBALIZATION SURGED during the decades following World War II, with trade increasing from 20% of global GDP in the postwar era to nearly 60% just before the global financial crisis of 2008–09. That crisis marked the onset of a stagnation in trade growth, and initiated a trend of deglobalization. By 2018, global trade still hovered below 60% of GDP, but escalating U.S.-China tensions further slowed trade volumes as tariffs surpassed 20% by late 2019.

The COVID-19 pandemic added new disruptions. The resulting drop in global trade (-5.3%) was less

severe than in 2009 (-12.6%) and the recovery was quicker. However, the crisis exposed vulnerabilities in global supply chains, as delays, shortages, and higher costs drove companies to reassess sourcing strategies. Post-pandemic recovery was quickly complicated by geopolitical conflicts, such as the Russia-Ukraine war, the crisis in the Red Sea, the conflicts between Hamas and Israel and Iran and Israel, and tensions between China and Taiwan. These conflicts not only created humanitarian crises, but also disrupted global supply chains, affecting the availability and prices of essential goods.

The Russia-Ukraine war, involving two of the world's largest wheat exporters, led to an over 80% surge in wheat prices and a 25% rise in corn prices between December 2021 and May 2022. Conflicts in energy-producing regions, such as the Middle East and Eastern Europe, also raised oil prices and their volatility. The Russian invasion of Ukraine drove Brent crude to its highest price in seven years, while Hamas' attack on Israel led to a 4% price increase in a single weekend.

These events also disrupted global trade routes. Attacks in the Red Sea reduced traffic through the Suez Canal, which handles around 15% of global maritime trade. Consequently, several shipping companies rerouted vessels around the Cape of Good Hope, increasing delivery times by an average of 10 days or more and impacting companies with limited inventories. Rising transport costs made shipping goods from distant locations more expensive and less predictable. The need to use more costly and less efficient alternative routes has increased maritime shipping costs, as evidenced by the Drewry wCI index for 40-foot containers. This remains 45% below the pandemic peak in September 2021 but 318% above the average rates of 2019 (pre-pandemic).

Geopolitical conflicts have amplified economic fragmentation and reshaped trade dynamics. Pandemic-driven product shortages fueled calls for relocating or renationalizing supply chains. Recent conflicts have emphasized the need for resilience over cost efficiency and advocating strategies like

reshoring and nearshoring. This shift poses critical questions about who will bear the brunt of these trends and how they will specifically impact Latin American countries.

Reshoring, nearshoring

IN A GLOBAL LANDSCAPE increasingly defined by geopolitical uncertainty and the vulnerability of supply chains, reshoring and nearshoring strategies have emerged with unprecedented significance. These approaches aim to redefine the production and distribution of goods by relocating industrial operations either back to the home country (reshoring) or to nearby countries (nearshoring). Their objectives include mitigating risks, enhancing resilience, and streamlining response times to global market disruptions.

Reshoring involves relocating business operations back to the company's home country. It can therefore raise costs related to labor, production inputs, and regulatory compliance, potentially reducing efficiency and competitiveness despite savings in transportation. Meanwhile, nearshoring involves relocating business operations to a nearby country, generally within the same region or continent as the company's home country. This strategy leverages geographical proximity to enhance efficiency, improve communication and coordination, reduce costs, and mitigate offshoring risks. Geographical proximity facilitates supply chain management by reducing transit times, transport costs, and political or economic instability risks in far-off regions. It also allows for better supervision and quicker production adjustments in response to market changes.

However, while transport costs decrease, labor and production costs in nearby countries can be higher compared to more distant ones, potentially sacrificing competitive advantages associated with overseas production. The success of nearshoring heavily depends on nearby countries' labor, infrastructure, regulations, bureaucracy, and stability—social, economic and political.

Unlike reshoring, nearshoring affects both the

company's home country and potential nearby destinations. Thus, this strategy offers Latin America a unique chance to become a competitive alternative for companies seeking to diversify their supply chains.

Which countries could benefit most from nearshoring?

Nearshoring could offer the advantages of lower production costs compared to domestic markets, without the drawbacks of long-distance offshoring. Furthermore, the growing focus on building resilient value chains and geopolitical shifts in many advanced economies is likely to diversify supplier locations. But which countries are attractive as nearshoring destinations?

Geographic proximity to industrial centers is crucial in this strategy. Thus, several Latin American countries are emerging as prime destinations for nearshoring. The Inter-American Development Bank (IDB) estimates that nearshoring could boost annual exports of goods and services in Latin America and the Caribbean by close to \$78 billion in the medium term. The automotive, textile, pharmaceutical, and renewable energy industries, among others, have strong potential.

According to the IDB, Mexico emerges as the leading destination due to its proximity to North America — with \$35 billion of that expected boost potentially set for Mexico. But while the projected volume for Mexico is substantial, countries like Brazil, Argentina, Chile, and Colombia also show potential as nearshoring destinations. As indicated by IDB data, they are projected to reap one-quarter of the total wins, equivalent to almost \$20 billion.

While proximity to a major consumer market like the U.S. is a significant advantage, it is not the sole factor that determines a country's appeal for nearshoring. Critical elements such as rule of law, investment protections, robust infrastructure, and a skilled workforce are critical in relocation decisions.

We gathered a variety of data to try to quantify which countries in Latin America offer the best op-

portunities for nearshoring. The inputs came from publicly available indices and other sources, including the World Bank and the World Justice Project. We standardized the scores for each indicator, and then divided by the sample's standard deviation to come up with an average score for 20 countries in the Western Hemisphere.

The results, visible on the opposite page, highlight how countries relatively distant from the United States are still attractive nearshoring destinations. For example, Chile ranks among the top five nearshoring prospects. Its strengths include better adherence to the rule of law, greater property rights protection, and a more developed financial system compared to Mexico and the regional average, making it a competitive nearshoring option. Other countries that also perform better than Mexico in these key factors include Brazil, Argentina and Colombia.

The countries mentioned also boast strong competitive advantages in high-potential industries. Brazil's automotive sector, bolstered by a large domestic market and Mercosur membership, is a prime nearshoring hub for automakers seeking proximity to North America. Its leadership in biofuels and expanding renewable energy sectors further aligns with global shifts toward greener technologies, enhancing Brazil's position as a major energy exporter. Argentina's vast "Vaca Muerta" shale reserves make it a top choice for nearshoring natural gas production, strengthened by its trade agreements with North America. Similarly, Colombia's rising natural gas output and strategic location provide direct access to North American markets, reducing reliance on distant suppliers.





















Potential benefits from nearshoring

NEARSHORING REDUCES reliance on international suppliers, shortens delivery times, cuts transportation costs and risks, and enables more efficient oversight of production processes. However, what are the benefits for the host country?

The foremost advantage is the attraction of for-

Viability for Nearshoring in Latin America and the Caribbean

ELEMENTS SUCH AS RULE OF LAW, INVESTMENT PROTECTIONS, ROBUST INFRASTRUCTURE AND A SKILLED WORKFORCE ARE KEY FACTORS FOR COUNTRIES' NEARSHORING PROSPECTS.

Country	Average score	Logistics Performance Index (2023)	World Justice Project Rule of Law Index (2023)	Political Stability and Absence of Violence/Terrorism (2022)	International Property Rights Index (2023)	Financial Development Index (2021)
URUGUAY 	1.2	0.9	1.8	1.3	1.8	0
CHILE 	1	0.9	1.3	-0.1	1.4	1.6
COSTA RICA 	0.9	0.6	1.5	1.1	1.3	0
BRAZIL 	0.7	1.6	-0.3	-0.7	0	2.9
PANAMA 	0.7	1.3	0	0.2	0.6	1.3
JAMAICA 	0.3	-0.8	0.5	0.3	0.8	0.5
TRINIDAD AND TOBAGO 	0.1	-0.8	0	0.2	0.5	0.7
PERU 	0.1	0.9	-0.3	-0.9	-0.1	0.6
ARGENTINA 	0	0.2	0.3	-0.3	-0.2	0.1
COLOMBIA 	0	0.6	-0.3	-1.2	0.1	0.7
MEXICO 	-0.1	0.6	-0.9	-1.2	0.2	0.8
DOMINICAN REPUBLIC 	-0.3	-0.5	-0.3	0.2	0.2	-0.9
PARAGUAY 	-0.3	-0.1	-0.5	-0.2	0	-0.8
EL SALVADOR 	-0.4	-0.1	-0.7	-0.5	-0.1	-0.7
HONDURAS 	-0.5	0.6	-1	-1	-0.5	-0.7
ECUADOR 	-0.6	-	-0.4	-0.6	-0.2	-1
BOLIVIA 	-0.7	-1.1	-1.3	-0.7	-1	0.7
NICARAGUA 	-1	-0.8	-1.6	-0.7	-0.8	-1.2
VENEZUELA 	-1.8	-1.5	-2.3	-2	-2.4	-0.4
HAITI 	-1.9	-2.2	-1.6	-2.2	-1.6	-1.6

NOTE: THE SCORES FOR EACH INDICATOR WERE STANDARDIZED, MEANING EACH VALUE WAS ADJUSTED BY SUBTRACTING THE REGIONAL MEAN AND THEN DIVIDING BY THE SAMPLE'S STANDARD DEVIATION. THE AVERAGE SCORE COLUMN REPRESENTS THE AVERAGE OF THE STANDARDIZED VALUES ACROSS THE FIVE INDICATORS.

SOURCES: AUTHORS' CALCULATIONS; WORLD BANK; WORLD JUSTICE PROJECT; INTERNATIONAL PROPERTY RIGHTS INDEX

Nearshoring's impact extends beyond a single country, promoting regional trade and economic growth.

eign direct investment (FDI), which can significantly boost infrastructure, technology and human capital. Indeed, the current nearshoring trend has already driven a substantial increase in FDI across Latin America. Many industrial companies expect demand to rise between 2024 and 2025, with benefits fully realized after 2026. This is a reasonable timeline, as relocating industrial production lines is a complex and time-intensive process, involving infrastructure development, plant construction, securing permits, workforce acquisition, company registration, and other preparatory steps.

Nearshoring also creates new employment opportunities across sectors like manufacturing, technology and specialized services. It also integrates host countries into global supply chains, enhancing their significance in international trade. Additionally, nearshoring introduces advanced technologies and management practices, enabling host countries to build their own production capabilities. This often leads to investment in critical infrastructure such as ports, airports, roads and telecommunications.

Nearshoring's impact extends beyond a single country, promoting regional trade and economic growth. For example, Mexico's increased manufacturing could boost demand for raw materials and inputs from countries like Brazil, Chile or Argentina. Additionally, success in one country could inspire others in the region to improve their business environments, infrastructure, and regulatory frameworks to attract investment. This would foster competition, driving up standards across the region.

How to take advantage of nearshoring?

PROXIMITY TO THE U.S. and North America alone will not guarantee that Latin American countries fully capitalize on future relocation opportunities. To attract FDI and strengthen

their global position, the region must foster a more favorable business environment and improved commercial infrastructure.

To take advantage of this trend, countries should enhance their business climate, as each dollar spent on investment promotion yields nearly \$42 in FDI, according to the IDB. Also, modernizing regional integration to reduce trade frictions and enhance competitiveness is essential. Despite numerous trade agreements among LAC countries, the region's integration into international trade and global value chains remains limited. Harmonizing the more than 33 preferential trade agreements within the Americas could increase intraregional trade by more than 10%.

In addition, elements like the rule of law, investment protections, and tax considerations are crucial in determining relocation decisions, providing the certainty investors seek (and need). To enhance long-term attractiveness, the region must also ensure a qualified labor force through appropriate education and training policies. This is key to maximizing the benefits of incoming investments.

Host countries must also assure foreign investors that their intellectual property, business interests, and operational investments will be protected and effectively managed. Nearshoring, as part of the deglobalization process, is likely to reduce overall economic efficiency and growth. Nonetheless, some regions can significantly win from this. If appropriately complemented by domestic and regional policies, Latin America is likely to be one of them. **AQ**

Larraín is an economics professor at Universidad Católica de Chile and director of its Centro Latinoamericano de Políticas Económicas y Sociales (CLAPES UC). He is a former finance minister of Chile. **Cifuentes** is an economist from Universidad Católica de Chile and a researcher at CLAPES UC.

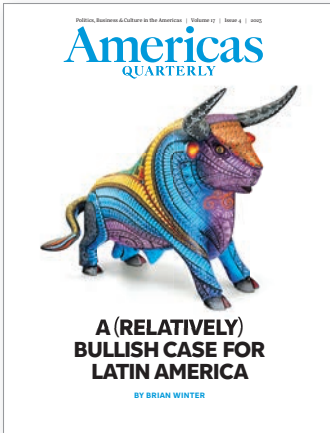
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Two Steps Forward, One Step Back

A year after AQ's regional overview, there are still reasons to be "relatively bullish."

by Brian Winter

IT ALWAYS FEELS RISKY to voice optimism about Latin America and the Caribbean.

When AQ published our "relatively bullish case" for the region's economic prospects a year ago, I received a deluge of messages along the lines of "Hmm, I hope you're right!" The disappointment that has trailed Latin America since the end of the commodities boom circa 2013, and a longer record of slow economic growth and political instability, have produced an understandable skepticism of anyone predicting even slightly better times.

A year later, the region has in many ways lived up to a "relatively bullish" forecast.

With an emphasis on both words.

On the "bullish" side, Latin America continues to punch above its weight among international investors. The region attracted about \$180 billion in foreign direct investment (FDI) in 2023, giving it 15% of all global inbound FDI — its highest share in a decade, according to a recently released UN report. The largest single investment area was in commodities and minerals related

The region’s distance from global conflict zones, and relative neutrality in geopolitical matters, continue to be seen by many investors as major pluses.

to the energy transition, with green hydrogen and green ammonia taking the lead. The region’s distance from global conflict zones, and relative neutrality in geopolitical matters, continue to be seen by many investors as major pluses.

Economies in Latin America and the Caribbean are expected to grow about 2% this year on average, slightly below previous forecasts — but better than the 0.9% average in the years prior to the pandemic. The International Monetary Fund sees growth at 2.7% in 2025, which would be well above the recent trend and — if it comes true — a welcome sign the region has shifted into a new, if still not overwhelmingly fast, gear.

Politics have, as always, been a mixed bag. For all the concerns among investors about leftist leaders such as Gustavo Petro in Colombia or Luiz Inácio Lula da Silva in Brazil, both have seen their reform agendas held in check by Congress, while showing relative discipline on the fiscal front. More business-friendly figures such as Luis Abinader in the Dominican Republic, Luis Lacalle Pou in Uruguay and Santiago Peña in Paraguay have had success with their economies and generally healthy approval ratings as well.

Javier Milei in Argentina remains the wild card; 2025 will likely be the year that establishes him as a success or failure, depending on whether he can follow his success on the fiscal front with a wholesale recovery in economic growth.

The biggest challenge — the main reason to keep using the word “relatively” — seems to be Mexico.

In our cover story, we highlighted not only the

promise but the reality of nearshoring. A year later, that star appears to have dimmed quite a bit. Instead of a flood of foreign companies investing in new factories, recent data shows FDI in Mexico at its lowest level in more than a decade as a percentage of GDP. The culprit is mostly politics: The question now is whether new President Claudia Sheinbaum can address concerns about organized crime and inconsistent electricity supply in areas where nearshoring potential is high — while belatedly embracing the country’s clear potential for solar, wind and other clean energy. Investors have serious doubts.

Two structural threats to Latin America’s prosperity also seemed to grow stronger in the past year. The first was organized crime, which erupted into a major crisis in January in Ecuador and has only extended its shadow over the course of 2024. Worries about drug money penetrating politics and elected positions throughout the hemisphere continue to grow. The other big worry, while not new, is climate: This year saw the devastation of Porto Alegre, Brazil, a metro area of 4 million people, due to floods — as well as droughts that caused water rationing and blackouts throughout the hemisphere, while slashing traffic through the Panama Canal. It is time to think of climate change as a major, and constant, risk to political and economic stability.

Two steps forward, one step back. It’s been a pattern for years, but the strides forward are getting slightly longer. **AQ**

Winter is *AQ*’s editor-in-chief

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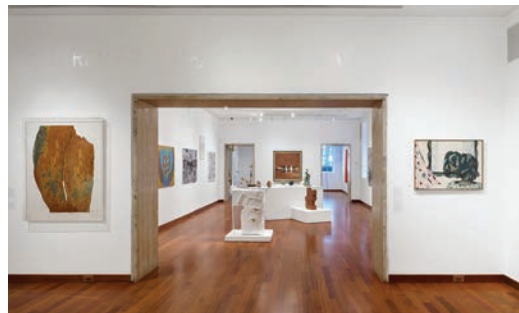
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Performance Series: Dictée/Exilée by Suwon Lee

November 20, 6 pm



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Momenta Festival 2

October 24, 7 pm

Alejandro Escuer

October 25, 7 pm

Coro Acardenchado

November 23, 7 pm



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CULTURA



In *Reinas*, sisters Lucía and Aurora prepare to leave a Peru caught in the chaos of the early 1990s.

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by director Klaudia Reynicke

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Luiza Franco reviews an exhibition
by Tadaskía at the MoMA

Books

Nonfiction

A veteran journalist inspects the political uses and abuses of Latin America's long and rich cultural history.

Reviewed by Andrea Moncada

THE NOVELIST WILLIAM FAULKNER once wrote, “The past is never dead. It’s not even past.” In other words, the past haunts the present in ways that are sometimes deliberate, and sometimes not. In *Patria*, a retelling of the history of Latin America since its pre-Columbian period, Laurence Blair gives this phrase a different spin. Nostalgia for the past can be “one hell of a drug,” he writes.

Blair is referring to how the memory of Francisco Solano López, Paraguay’s president during the devastating Paraguayan War that took place between 1862 and 1870 and killed around two-thirds of the population, has fed popular beliefs about what Paraguay could have been had it not been defeated. This dream, Blair says, has been used by the Colorado Party to solidify its rule for 70 years. The past is an opiate that keeps Paraguayans distracted while their political leaders plunder the country.

To achieve a more nuanced view of Latin America, Blair argues, we need to pay attention to the way historical narratives are constructed. Out of the centuries-long debate that Latin Americans have conducted over their history, Blair highlights two clashing extremes. On the one side, there are the anti-colonialists, like decolonial Argentine academic Walter Migolo, who mourn the cultures erased from the map after colonization. On the other, pro-Hispanists like Peruvian novelist Mario Vargas Llosa argue that Latin America is better off having been conquered.

Blair rightly points out that both views are incomplete. “Either approach — dwelling endlessly on past trauma, or launching into a headlong fight to forget — is likely to yield similar results,” he writes. Through rich storytelling, *Patria* demonstrates that the way we remember cultures from long ago — the Inca empire in Peru, the escaped slaves of Palmares in Brazil, the Diaguita in Argentina, to name a few — still very much influences how each country is building its present. And we must be mindful of what we choose to remember.

Seeking to revive the past can have terrible consequences for the present, says Blair. Hugo Chávez’s use of the memory of Simón Bolívar is perhaps the ultimate example. Chávez’s proposal of a Bolivarian republic,



Patria

Laurence Blair

Bodley Head

Hardcover

448 pages

inspired by Bolívar’s dream of a pan-American nation freed from imperial interference, promised Venezuelans equality and freedom from an oppressive political class. But under his successor, Nicolás Maduro, Venezuela has become a run-of-the-mill dictatorship, spawning arguably the worst humanitarian crisis in the modern history of the region.

Other memories would be well worth revisiting, but from a more critical perspective. Blair brings to life the crucial role that Indigenous communities and former African slaves had fighting in the battles for independence from Spain; it wasn’t just an elite-driven process, as the history books say. To recognize their importance is to acknowledge that the promise of equality is a dream still so out of reach for many Latin Americans.

On the flip side, to ignore the past, or to want to

eliminate it altogether, can lead to destruction. As president of Brazil, Jair Bolsonaro employed the idea of the Amazon as an untamed wilderness to advance his agenda of expanding agribusiness in Brazil’s Amazonian regions, leading to a major uptick in deforestation that has only recently begun to recede.

Blair argues that connecting the past to the present will give Latin Americans a clearer sense of how to build their future. But is that enough? Many countries in the region are currently gripped by political polarization, social exclusion, violence and crime. It may be too optimistic to hope that what it takes to fix these problems is a closer look at how we got here. **MQ**

Moncada is a Latin America and Caribbean research analyst at the Economist Intelligence Unit

Fiction

Benito Juárez’s years of exile in New Orleans, a blank spot in the life of this Mexican national hero, are brought to piquant, picaresque life in a new novel.

Reviewed by Alejandra Oliva



Season of the Swamp

Yuri Herrera
Translated by Lisa Dillman
Graywolf Press
Hardcover
160 pages

IN HIS MEMOIRS, THE iconic Mexican President Benito Juárez sums up his time living in exile in New Orleans in two terse sentences, primarily outlining the length of his stay (18 months). Accounts from contemporaries give us a few details: a job rolling cigars, meetings with other revolutionaries. But those months, from December 1853 to June 1855, are, for the most part, a lacuna in Juárez’s otherwise well-documented life. Into that lacuna steps Yuri Herrera, one of Mexico’s most venerated writers, with his new novel, *Season of the Swamp*.

Juárez’s rise from orphan child from a Zapotec family in Oaxaca, to law student, to progressive reformer politician is the stuff of Mexican national myth. It’s akin to the log-splitting origins of his contemporary, Abraham Lincoln — but Juárez has the added distinction of being Mexico’s first and, to this day, only Indigenous president. Herrera’s Juárez is far from a bootstrapping hero — instead, he’s an overwhelmed exile, in shock at his abrupt departure from the country he had been working to liberate from conservative usurpers.

Film

Drama

A father is drawn back into his daughters' lives as they prepare to leave a Peru caught in the chaos of the early 1990s.

Reviewed by Ena Alvarado



Reinas

Directed by
Klaudia Reynicke

Screenplay by
Klaudia Reynicke
and Diego Vega

Distributed by
Penny Black Media

Starring Luana Vega, Abril
Gjurinovic, Jimena Lindo
and Gonzalo Molina

Peru, Spain, Switzerland

FOR MOST PERUVIANS OLD enough to remember, the early 1990s still conjure up vivid nightmares. Hyperinflation, food shortages, mass unemployment, car bombs — these were the years of intense economic turmoil, coupled with armed conflict between the government and guerilla groups like the Shining Path. This unfolding chaos underpins Klaudia Reynicke’s *Reinas*, a family drama ultimately concerned with the emotional repercussions that unexpectedly stem from national crises.

In the summer of 1992, sisters Aurora and Lucía start preparing to leave Lima and move to Minnesota, where their mother Elena has found a job. Crucially, to fly abroad with a single parent, as minors they need signed and notarized permission from their distant father, Carlos. This task propels the film’s narrative, as Elena ushers her ex-husband back into their daughters’ lives in an effort to secure the required travel document.

Aurora and Lucía are initially reluctant to spend any time with Carlos. For starters, his life remains shrouded in mystery: They have no idea what he does for a living, where he resides, or how he spends his long spells away from the city. He initially seems like nothing but a stranger, yet little by little, a bond begins to form. Carlos makes possible much-needed release from the confines of the house, taking the girls to the beach and off-roading a truck across a sand dune, inspiring childish joy. For his part, a newfound stake in his daughters’ well-being awakens a previously dormant sense of paternal responsibility.

All the while, the clock ticks, bringing the girls’ day of separation from Peru closer and closer. In a recent interview, Reynicke spoke about how “the intensity of a moment” — which, in this case, “is the one of almost departure” — can bring to the surface all kinds of new and surprising feelings. The political and economic troubles that compel Elena to relocate also provoke changes in her family. After years of estrangement, Aurora and Lucía give their dad another chance. Carlos, in turn, realizes how much he wants to be more involved in taking care of his daughters.

Music

AQ's Fall Playlist

AQ's music columnist gathers new and old releases that combine electronic, atmospheric sounds with traditional Latin American music.

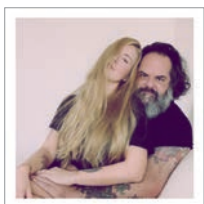
by **Sebastián Zubieta**

THIS LAST MUSICAL ROUNDUP of the year features music by Venezuelans living in Colombia, Colombians living in Italy and Argentina, and Brazilians living in the Netherlands, among other migrations. Many of these songs are from albums recently released by the Argentine label zzk Records, which has developed an interesting and eclectic roster of musicians that straddles the electronic/traditional divide.

Mito y Comadre is a Venezuelan duo (Guillermo Lares and Shanna Hernández) formed in Bogotá in 2019. Lares is the son of renowned musicologist Oswaldo Lares, who recorded traditional music in the Caracas region for decades, and they have collaborated in the preservation of the repertoire. It is natural that the family's research would influence Guillermo Lares' music. The melancholy "Siento una pena," the first single from *Guajirando*, was composed in Santa Marta as the duo remembered their hometowns and their respective sounds. Traditional-sounding guitar, drum, and marimba set the stage for Hernández's voice as she reflects on her sorrow, alternating with a guitar reminiscent of the Amazonian cumbia band Los Mirlos.

Composer and singer **Luiza Lian** started her career in São Paulo's independent music scene and has seen her profile rise over the last decade, releasing her fourth album (again on zzk Records) in 2023. The electronic sounds in the longing "Homenagem" take over the instruments and the singer's voice as the song progresses through a series of hypnotic repetitions.

Mateo Kingman grew up in the Ecuadorian Amazon before moving to Quito in 2012. The melody in "Lúmina," from his 2019 album *Astro*, spins so breathlessly to deliver a surreal tale of intergalactic travel. The composer creates moments of rhythmic repose — one in the middle and one at the end — that allow us



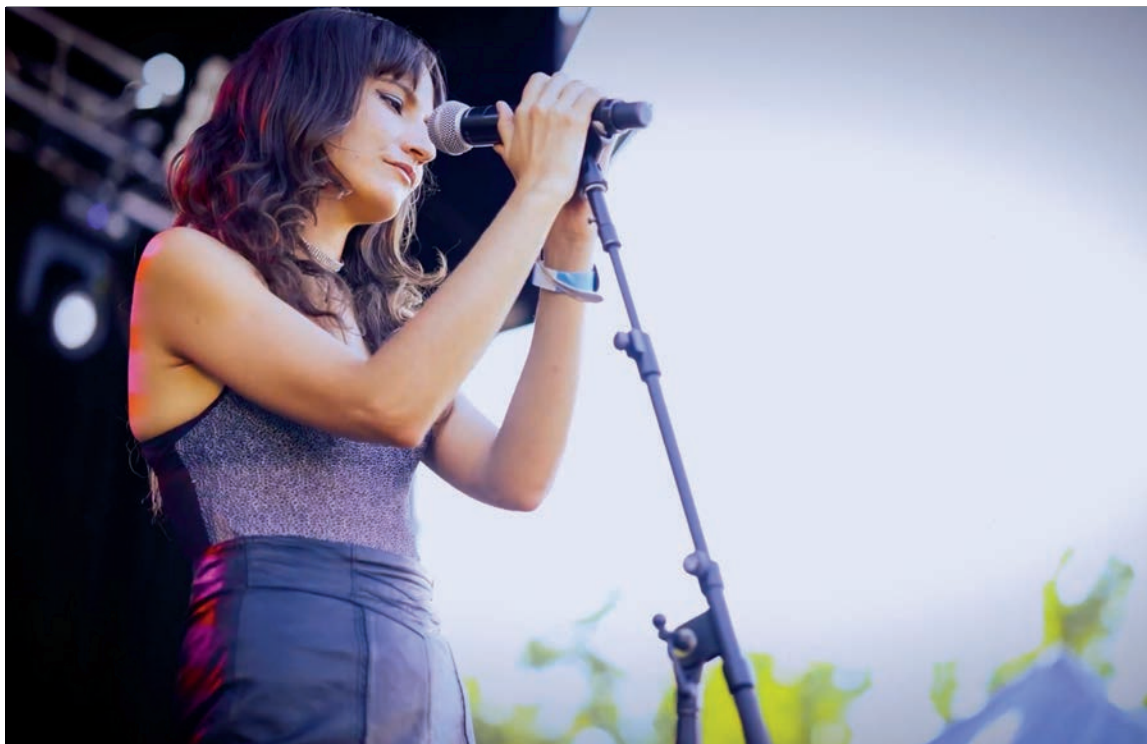
Guajirando
by Mito y Comadre

Homenagem
by Luiza Lian

Astro
by Mateo Kingman

Silencio
by Karen y
Los Remedios

Gaia
by João Erbetta
and Koosje



Ana Karen Barajas performs as part of Karen y Los Remedios in 2022 in New York.

to breathe and take in the carefully crafted musical details woven into the texture. The interaction of the solo voice with sampled choir creates a call and response texture not unlike that of traditional group-singing in this formally original song that takes us on a journey, breaking the customary mold that often stifles pop songs.

“Plexo lunar,” a heartbreak cumbia by the Mexican group **Karen y Los Remedios**, justifies the band’s claim that their music blends that genre with existentialism. Karen’s sorrowful overdubbed voices hover painfully over a sad and evocatively melodic bass line in this cumbia that is so slow that we fear it might disintegrate at any moment. The subtle use of percussion and a simple accordion line seem to be all that tethers us to the reality of the dance floor, where the protagonist cannot bring herself to completely let go of a lost love.

Sunnier, even cheerful songs by Brazilian guitarist and composer **João Erbetta** with Dutch singer **Koosje** remind us that hopeful, even romantic songs also exist. Erbetta is a guitarist and producer whose early projects have ranged from the neo-punk band Los Pirata in the 2000s to instrumental surf rock. His latest work on the soundtrack of the Netflix show *Girls from Ipanema* (*Coisa mais linda* is the much more evocative original Portuguese title) seems to have brought him closer to bossa nova, as we can hear in the sweet “Aprendizado de verão,” from their joint album *Gaia*, which one can imagine as the soundtrack for a walk alongside Rio de Janeiro’s Lagoa Rodrigo de Freitas, even though Erbetta is from São Paulo. **AQ**

.....
Zubieta is music director at Americas Society

▶ **LISTEN TO OUR PLAYLIST NOW!
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Visual Arts

Museum Exhibition

A multidisciplinary artist explores communal bonds, transformation and Brazil's rich spiritual complexity at MoMA.

by Luiza Franco

Projects: *Tadáskia*

Tadáskia

On view at the Museum of Modern Art in New York through October 14

AS YOU WALK INTO the ground-floor gallery at New York's Museum of Modern Art, with its high ceilings, your eyes travel upward. A monumental drawing of a black, bird-like figure stares down at you, its colorful wings surrounded by other colorful, winged creatures. Is it one bird, or many? Is it moving, or is it still?

This is Brazilian artist Tadáskia's exhibition, entitled *Projects: Tadáskia*, and it's a good introduction to her creative world, full of ambivalence, movement and change.

MoMA invited her to paint these walls, the first time the museum has ever allowed an artist to do so, after acquiring one of her pieces, also on display here, *ave preta mística mystical black-bird*. The unbound illustrated book, its pages displayed around the exhibition room's walls, reads like an unrhymed poem, where a black bird evokes its "winged transformation" and celebrates her community of "Mystical Black Birds."

Tadáskia, a Black trans woman from a poor neighborhood of Rio de Janeiro, started making art at the public school she attended and through social projects. Those communal experiences are palpable in *ave preta mística mystical black bird*.

She attended the State University of Rio de Janeiro through a government scholarship for Black and low-income people, a legacy of the era of high social mobility in the 2000s under Workers' Party (PT) rule. But she sees the PT's political



Tadáskia, 31, stands before a collaborative wall project, made with fellow Rio de Janeiro artist Ana Cláudia Almeida, at the Nevada Museum of Art.



Tadáskia's *ave preta mística mystical black bird* (2022) is an unbound storybook that tells a hopeful tale inspired by Black feminist intellectuals.

LATIN AMERICA AT A GLANCE

Foreign direct investment (FDI) in Latin America and the Caribbean reached \$193 billion last year, down 1.4% compared to 2022. Demand for commodities and critical minerals drove foreign investment in 2023, according to an UNCTAD report.



GDP GROWTH

2024 (projected)	-4.0%	2.2%	2.4%	1.6%	4.9%	0.3%	3.5%	1.5%	2.8%	4.5%
2025 (projected)	3.0%	2.0%	2.3%	2.6%	5.0%	1.7%	3.7%	1.5%	2.8%	2.9%
2026 (projected)	2.5%	2.0%	2.3%	3.0%	4.8%	2.2%	3.5%	2.0%	3.0%	N/A

PROJECTIONS CURRENT AS OF SEPTEMBER 2024

ECONOMIC INDICATORS

2024 Inflation (projected)	223.5%	4.2%	4.1%	6.7%	3.8%	2.2%	3.9%	4.7%	2.5%	100.0%
2024 Unemployment rate (projected)	8.5%	7.2%	8.5%	10.5%	6.0%	4.2%	N/A	2.9%	6.9%	N/A
2024 Govt. deficit as % of GDP (projected)	-1.0%	-7.4%	-2.4%	-5.6%	-3.1%	-3.1%	-0.6%	-5.3%	-2.9%	N/A

PROJECTIONS CURRENT AS OF SEPTEMBER 2024

FOREIGN DIRECT INVESTMENT

2023 FDI inflows (billions USD)	22.9	65.9	21	17.4	4.4	0.4	1.6	36.1	3.3	0.7
% change from 2022	48.7%	-10.2%	24.6%	1.5%	7.1%	-57.7%	7.6%	-0.7%	-72.3%	-58.3%

PRESIDENTIAL APPROVAL RATINGS

President										
Approval	46%	54%	34%	29%	66%	51%	54%	N/A	6%	N/A

SOURCES: GDP growth forecasts, inflation rate, unemployment rate, government deficit as percentage of GDP: Bloomberg (September); Dominican Republic unemployment and Venezuela inflation: IMF World Economic Outlook Database (April); UNCTAD World Investment Report 2024 (June). NOTE: Figures rounded to nearest decimal.

PRESIDENTIAL APPROVAL: Argentina: Encuesta de Satisfacción Política y Opinión - Universidad de San Andrés (September); Brazil: Genial/Quaest (July); Chile, Plaza Pública Cadem (September); Colombia, Invamer (August); Dominican Republic, CID Gallup (May); Ecuador, Cedatos (August); Guatemala, CID Gallup (May); Peru, Ipsos (August). NOTE: Figures rounded to nearest percentage.

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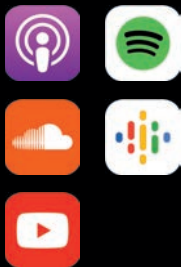


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