

# Transnational beer corporation creates water crisis in northern Mexico

Alex González  
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Hundreds of thousands of people in the northern Mexican states of Baja California and Coahuila are threatened by a water crisis fueled by beer-manufacturer Constellation Brands, a Fortune 500 company. The company set up large beer manufacturing plants in drought-prone areas, exacerbating water shortages in cities that do not have the necessary infrastructure for mass beer production.

Local workers and farmers have formed an independent water defense committee to fight against the corporation and the complicit state and federal governments.

Constellation Brands, the third largest beer manufacturer in the United States, owns the well-known Corona, Modelo Especial, and Negra Modelo brands. In 2015, the company invested over \$2 billion to expand its plant in the northern city of Zaragoza, Coahuila, and in 2016 began construction of a new multimillion-dollar plant in Mexicali, Baja California. The company set up production in northern Mexico due to the area's proximity to the United States, seeking to take advantage of the NAFTA agreement to export beer across the border without paying tariffs.

Mexicali and Zaragoza have dry, desert-like climates. Temperatures can reach 50 degrees Celsius (122 degrees Fahrenheit) during the summer. Mexicali—the drier of the two cities—receives less than 40 cubic millimeters of rain a year and relies almost entirely on the Colorado River, from where some 30 million people obtain their water. However, access to water from the Colorado River is increasingly precarious due to its status as one of the most overexploited rivers in the world. Only 7 percent of the river's flow reaches Mexico, and scientists estimate that the river's flow will decrease by 5 to 20 percent within the next 40 years due to climate change.

The manufacturing of beer is a water-intensive process, with 3 liters of water required to produce 1 liter of beer. In Mexicali, with a population of 1 million people, a single corporation is threatening to overwhelmingly dictate the city's water usage. According to data provided by Constellation Brands, the Mexicali plant would require 20,000 million liters of water per year. This is equivalent to the amount of water needed by a city of 750,000 people, or 75 percent of Mexicali.

Just in its initial phase, it is calculated that the plant will use 81 percent of the total water currently used by Mexicali's industries. If Constellation Brands is allowed to operate at full capacity, the company's Mexicali plant would consume more water than all industries in Mexicali and the neighboring city of Tijuana combined. The company has stated that it plans to stay in Mexicali for at least 50 years, with the plant's opening date set for 2019 or 2020.

The water situation in the municipality of Zaragoza, with a population of 8,000, has already reached crisis levels because of the company's operations. "We have no more water for human consumption," stated mayor Leoncio Martínez Sánchez. "We are worried because we are being affected by this extraction of 1,200 liters of water per second by this beer manufacturer. It does not make sense that while Constellation Brands has industrial amounts of water to make beer, the municipality does not even have 100 liters for people to drink or use in their homes."

Constellation Brands received sweetheart deals to set up the plants in northern Mexico, with the full support of the state and federal government. The company reportedly acquired land from the state for pennies on the dollar. According to media reports, the government sold the corporation land in Mexicali for just 11 pesos

per square meter (about 60 cents USD). Mexican President Enrique Peña Nieto personally received Constellations Brands president Robert Sands in 2015 to signal his support for the company.

Rather than using federal funds to improve Mexicali's water infrastructure system, the federal government approved a 500-million-peso project (about 2.6 million USD) to build a 47-kilometer (30 miles) pipeline to supply water directly to the Mexicali Constellation plant.

The events in Mexicali echo the irrational and profit-driven maneuver taken by city of Flint, Michigan to build the Karegnondi Water Authority (KWA) pipeline, which culminated with the switch of the city's water supply from Lake Huron to the polluted Flint River. The project was entirely redundant, running parallel and just 6 miles away from the existing pipeline.

The Mexicali pipeline project was put on hold earlier this year in the wake of massive social anger against the deal. On January 16, workers and peasants from *Mexicali Resiste* (also known as the Committee to Defend Water in Baja California) blocked access to the plant's construction site. The peaceful protests were greeted with over a hundred state police officers, resulting in at least 12 arrests and seven injuries.

In the aftermath of the protests, Baja California Governor Francisco Vega, a member of the right-wing Party for National Action (PAN), threatened to meet any future mobilizations with repression. Placing the rights of corporations above those of the working class, Vega stated: "Everyone in Baja California has a right to protest, but never by affecting the liberty and the rights of others," stated Vega. "Dialogue is open, but they have shown themselves to be violent."

The events in Mexicali follow protests by 40,000 people last January against the Baja California Water Law (Ley de Aguas de Baja California), which would have privatized water services, increased rates and cut off residents' water after 90 days of non-payment. The local legislature was forced to repeal the law just seven days after the demonstrations.

Politicians and pseudo-left groups have been quick to blame US consumers for the water crisis, claiming it is their supposedly backward need for beer that is responsible for the situation facing Mexican residents. This nationalist poison is aimed at dividing the working class in Mexico and the United States and deflecting

social anger away from the source of the crisis: the capitalist system.

The naked irrationality of the capitalist system is plain for all to see. Because of the economic benefit of manufacturing on one side of an invisible line versus another, a corporation found it profitable to set up beer manufacturing plants in the desert—all at the expense of over a million people. The water crisis in northern Mexico can only be addressed by replacing the profit system with a scientifically-planned economy, democratically controlled by the international working class.

Workers facing water crises in Flint, Puerto Rico, South Africa, Kentucky, Mexico and countless other areas around the world must unite to fight for socialism and the reallocation of the ill-gotten gains of the ruling elite to guarantee their social rights.



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