

GMO Seeds: 'MNCs Gaining Total Control Over Farming'

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Food security campaigners are now more concerned than ever that farmers are turning dependent on large multinational corporations (MNCs) for seeds, fertilisers, pesticides and other inputs while also becoming more vulnerable to pressures to produce genetically engineered crops.

Gathered here over the weekend, for the Pesticide Action Network (PAN)'s 25th anniversary, many expressed concern over the predatory nature of corporate agriculture and its attempts to corner the entire chain of food production from seeds to sales of food products.

PAN is a network of over 600 participating non-governmental organisations, institutions and individuals in over 90 countries working to replace the use of hazardous pesticides with ecologically sound and socially just alternatives.

Participants said agrichemical sales have become increasingly concentrated in a handful of large MNCs. Syngenta, Bayer, Monsanto, BASF, Dow and DuPont together control 85 percent of the annual pesticide market valued at 30 billion US dollars.

Three companies — Cargill, Archer Daniels and Bunge — control nearly 90 per cent of global grain trade while DuPont and Monsanto dominate the global seed market. Eleven firms account for about half the world sales of seeds, of which about a quarter are sales of genetically engineered seeds.

Genetically engineered seeds are now focussed on soybeans, maize, cotton and oilseed rape (canola).

Such concentration of market control in a few firms has been driven by large research-based firms fighting for market control and profits, higher research and development expenditure (roughly 10 percent of sales) and more demands for data for registration and re-registration of products.

Campaigners have to contend with more aggressive advertising tactics that promote the impression that pesticides are good and safe to use. Agrichemical lobbyists are trying to convince government officials that the industry is "science-based" and that pesticides are safe to use, said Barbara Dinham, an anti-pesticide campaigner from Britain.

Dinham pointed out that the global federation of agrichemical multinational corporations, CropLife International, is now touting itself as representing the 'plant science industry'.

"We are committed to the safe and responsible use of the industry's products in order to

provide safe and abundant food as well as other benefits back to the consumer,” CropLife claims on its website. “Through balancing environmental, economic and societal concerns the plant science industry also contributes significantly to promoting sustainable agriculture.”

CropLife’s annual report for 2007 even makes the breathtaking claim that pesticides are actually good for the environment for a host of reasons, including “lower carbon dioxide emissions associated with the switch to no-till/reduced tillage farming systems, and less frequent pesticide applications made possible by biotech crops fuel savings”. Among other claims, it states that increases in agriculture productivity have also protected biodiversity from the encroachment of agriculture.

There has been a growing recognition among campaigners that a broader view of the agrichemical and agribusiness challenge is necessary to take into consideration the new power structures in farming and more aggressive and assertive marketing techniques.

One of the biggest challenges facing campaigners is the corporate takeover of agriculture through a process of ‘vertical integration’. This involves the taking over of the entire food production cycle from the development of proprietary strains of DNA and the sales of seeds to farmers right down to the distribution and retail sales of food products in supermarkets and hypermarkets.

One activist who is deeply concerned over vertical integration and the concentration of market control in a handful of large multinational corporations is Javier Souza Casadinho of the Centre for Studies on Appropriate Technologies in Argentina.

Casadinho pointed to the ‘transnationalisation of capital’ and control of the market by a few large companies in Argentina as a worrying development. “The transnational corporations are buying up companies that have the potential to create added value,” he said.

“They are also entering into contracts with food producers (farmers) that will determine what is produced, how it is produced, for whom it is produced and at what price and quality,” he told IPS.

“Vertical integration (by the larger companies) thus determines what kind of technology is used in food production and it may be the same companies that are producing the inputs that farmer need,” he said, adding that it would also facilitate the adoption of genetically engineered seeds and crops.

Such integration is based on the law of efficiency similar to economies of scale, and is aided by globalisation, observes Antonio A Tujan, Jr, international director of the Ibon Foundation Inc, a research and educational institution based in Quezon City, Philippines, specialising in socio-economic issues.

Since the global economy as it currently stands favours the multinational corporations and big corporations, vertical integration enhances anti-people and immoral business practices, he pointed out. “Integration destroys the free market as it becomes increasingly dominated by the giants, which are able to dictate profits and what is produced,” he said.

This turns the market into a sellers’ market, and consumers and farmers have little or no choice. Farmers are forced to accept whatever they are asked to use such as seeds and

pesticides.

A democratic market, in contrast, is a consumers' market, said Tujan.

Vertical integration also restructures the production process and leads to a mono-culture. Self-sufficient family farms and individual livelihoods are integrated into corporations through production and market arrangements, giving rise to increasing dependency among farmers for inputs from the larger corporations.

"It sounds efficient, but it destroys democracy and is destructive of the genuine free market, which can be found in farmers' markets, hawker centres, and night markets (where everyone is on a level playing field)," Tujan told IPS.

Attempts at vertical integration can also be found in Malaysia, which has unveiled a Northern Corridor Economic Region, in which local multinational firm Sime Darby is seeking to wrest control of the entire food chain from seed production and sales right down to retail sales through British multinational supermarket chain Tesco. Sime Darby has a 30 percent stake in Tesco's Malaysian operations.

New strategies are now needed to counter these changing power structures, say activists. "Adapting sustainable/organic farming systems is necessary to stop the dependence on TNCs for inputs and regain control over the seeds and technology," said Rafael Mariano, the national chairperson of the Kilusang Magbubukid ng Pilipinas (KMP), a nationwide federation of Philippine organisations of peasants, small farmers and farm workers and subsistence fisherfolk.

Tujan, for his part, suggested that consumers should not just 'buy national' or even 'buy local', but 'buy small'. They could buy directly from farmers through farmers' markets, which are expanding in the Philippines and parts of Europe. "People should be sensitive about how foods are processed and consumers should make a choice."

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