

# Monsanto, Pioneer, Cargill, Tiger Brands: GM Maize Cartels Gorge Profits on South Africa's Poor

By [Global Research News](#)

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*The African Centre for Biosafety (ACB) has today released its new research report titled 'GM Maize: Lessons For Africa-Cartels, Collusion And Control Of South Africa's Staple Food' showing how a select group of companies, including Tiger Brands, Pioneer and Premier Foods who have previously fixed the price of bread and maize meal, commandeer the entire maize value chain and continue to squeeze the poorest South Africans.*

*The ACB has recently shown that the entire maize meal market is saturated with GM maize.<sup>i</sup>*



[Download the publication.](#)

The report shows that the South African government, through the Public Investment Corporation (PIC) is the largest investor in Tiger Brands, and that over 50% of the company's shares are held outside South Africa. Pioneer Foods' largest shareholder is Zeder, the agribusiness investment arm of PSG Konsult Group, a private financial services company. Premier Foods is 80% owned by private equity firm Braite, listed on the Euro MTF market in Luxemburg but domiciled in Malta, both jurisdictions being notorious tax havens. 'These ownership patterns have increased the distance between food producers and consumers, and are lucrative avenues for capital accumulation by actors far removed from these firms' locales.' Said Mariam Mayet, Director of the ACB.

According to Gareth Jones, researcher at the ACB, 'It appears as if South Africa's major millers and retailers are making healthy profits from our staple food and certainly not passing falling maize prices onto consumers.' The report shows that from April 2007 to April 2013, the average cost of a 5 kg bag of maize meal increased by 43.7% in rural areas, and 51.8% in urban areas. 'These sharp price increases aggravate the already appalling conditions that millions of South Africans live under. This is particularly significant for the poor, who spend 41% of their income on an average "food basket" ' said Jones.

Further findings of the report include:

- Two companies Monsanto and Pioneer Hi-Bred control the maize seed market;
- Maize handling and storage is dominated by three companies Senwes, NWK and Afgri, all former co-ops;
- Louis Dreyfus and Cargill, international grain traders, dominate the maize trade on the Johannesburg Stock Exchange;

- A highly concentrated value chain feeds into an equally concentrated food retail sector, with four major retailers: Shoprite/Checkers, Pick n Pay, Spar and Woolworths dominating the market.

### **Rest of Continent at risk**

According to the report, Premier and Pioneer have all expanded their operations on the continent. Tiger Brands already operates in 22 countries on the continent and is a key player in establishing maize value chains in Southern Africa. 'Having already gorged their profit margins on the poorest of the poor in South Africa, these corporate giants are now glancing covetously to the vast African market north of the Limpopo. Experiences from South Africa should serve as stark warnings' said Mayet.

### **Urgent Change Needed**

The ACB report calls for an urgent reversal of this economic concentration and for mechanisms to be put in place to develop small players throughout the maize value chain, from farmers to millers and retailers. This should include the promotion of agro-ecological production methods, decentralised value chains and public maize breeding programmes that provide access to seed that can be freely shared and exchanged.

□i ACB (2013). [Food Fascism in South Africa: Tiger Brands, Pioneer and Premier Force Feeding the Nation Risky GM Maize](#)

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