Volume 56 Issue 2

May 2005

union farmer monthly

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Printed at St. Peter's Press, Muenster, SK

Controlling seeds:

International delegation comes to Canada

"*My name is Melina Hernández. I am Zapoteca from Oaxaca Mexico. Our corn has been contaminated*" —So began a presentation by Mexican farm leader and social justice activist Melina Hernández Sosa. ("Oaxaca" is pronounced wa ha' ka.)

Sosa was speaking to over 120 people in Saskatoon on March 7—one stop on a week-long series of public forums and political meetings across Canada. The events were designed to help citizens and policy-makers understand the costs and risks of the genetically-modified (GM) crops that the Canadian government is aggressively promoting around the world. In addition to Sosa, farmers and scientists from India, Ethiopia, and Canada addressed the meetings.

Sosa's state of Oaxaca rolls up from the Pacific coast into the mountains of south-central Mexico. The state contains a rich diversity of corn varieties—both ancient and relatively-modern. Mexico is the place where corn was developed as a food crop for humans. Sosa told of how, over the past 10,000 years, the women and men who live in the area we now call Mexico worked to create many, many varieties of corn: corn varieties tailored for Mexican climate and geography, including corn varieties designed to be planted at sea level, and other varieties designed to be planted above 3,000 metres.

Sosa told of widespread contamination of Mexican corn by GM varieties marketed by Monsanto and other transnational seed and gene corporations. She said that she and many Mexican activists and farmers had long called on that country's government to test corn to determine the extent of contamination. The government refused. So environmental and civil society organizations undertook the tests themselves in 11 Mexican states; they found widespread contamination in 9. They also found that some corn plants contained more than one modified gene. In extreme cases, an individual plant would contain three separate modified genes: a gene for resistance to the chemical glyphosate (commonly called the "Roundup Ready" gene), a gene that causes the plant to produce its own biological insecticide (the "Bt" gene); and a gene referred to as "Starlink." Starlink corn is genetically engineered to produce a variant of the Bt insecticide, but because the Starlink variant has a dramatically-increased potential to trigger allergic reactions in humans, Starlink corn was approved in the U.S. for use in animal feed, but not for human consumption. Sosa said that widespread contamination by GM Starlink corn, in Mexico and Canada alike, is a clear human health risk.

The Canadian government is aggressively promoting GM crops around the world—billing them as a savior for suffering farmers. The international delegation wanted to tell Canadians that their government had not conferred with those most affected by Canadian promotion of GM crops: the farmers in the recipient nations. Small farmers in these nations see GM crops as a threat because the proliferation of such crops threatens to destroy the biodiversity and knowledge built up over thousands of years. This knowledge and biodiversity forms the base of agriculture in developing nations, and also in countries such as Canada. The delegation said that agro-biodiversity is a proven and valuable alternative to input-intensive, industrial

(continued on page 2…)

Inside this issue:

(Controlling seeds, from page 1)
agriculture but that the two systems are in conflict, with the latter—through genetic contamination and corporate takeover of the seed system—doing great damage to the former.

Ironically, in promoting GM seeds and input-intensive agriculture as a replacement for agriculture based on self-sufficiency and diversity, Canada is seeking to replace one of the most profitable forms of agriculture with one of the least. Based on market returns (before subsidies are added in), Canadian farmers lose, on average, nearly $100 on every acre. Most farmers in India, Mexico, and Ethiopia earn small but positive returns. While many peasants feed their children by farming 1 to 10 acres, most Canadian farmers —without off-farm paycheques and government subsidies—couldn't feed their children by farming 1,000 acres. Ironically, Canada is seeking to export and proliferate the world's least-profitable model of agriculture.

Research around the world confirms the superior profitability of traditional agriculture based on agronomic self-sufficiency and diversity. P. V. Satheesh, a delegation member from India, cited figures for exhaustive studies that compared Indian farmers' net returns on genetically-modified cotton compared to traditional varieties of cotton. Farmers utilizing traditional seeds and practices had far higher net returns.

Control

Over and over, throughout the meetings across Canada, the theme of control came up. But the issue of control has an ironic twist: on the one hand, gene and seed transnationals are failing to control the spread of contamination from GM seeds; but on the other hand, these companies are using mergers, patents, and Plant Breeders' Rights (PBR) legislation to gain *tighter control* of the world's seed supply and to suppress competition. Even as they are losing control of their genes, they are working to tighten their control over their profits and over farmers.

In addressing the Saskatoon meeting, NFU President Stewart Wells thanked the international delegation and pointed toward Canada's promotion of Terminator Technology on the world stage. Terminator Technology uses genetic modification to make seeds sterile after one generation. Farmers can buy the seeds and plant them and grow a crop, but they cannot save and re-use the seed because it is sterile. Terminator is seen by some as a technical fix for GM seed contamination, as a way of controlling wayward genes. Canada recently promoted Terminator at an international meeting in Thailand.

Wells picked up on the theme of Canada's promotion of Terminator Technology at home and abroad and linked it to new efforts by the government to bring in Draconian Plant Breeders' Rights (PBR) legislation, calling the proposed Canadian amendments "Terminator legislation."

Wells said that the Canadian government's picture of the future is one based on Terminator Technology that creates seeds that won't grow, and on Terminator legislation that creates seeds that farmers can't plant. "It's crazy to base our food system on seeds that won't grow," said Wells, "and equally crazy to strip citizens of their age-old right to save and re-use seed and to confer that right onto a foreign transnational notorious for punishing farmers."

Wells, Sosa, and the other international experts were unanimous in their criticism of the Canadian government's decision to promote GM seed and Terminator Technologies and to attempt to proliferate the failed vision of input-intensive agriculture that has proven so economically and environmentally unsustainable in Canada.

In addition to the public forum in Saskatoon on March 7, there was also a strategy session in that city where activists discussed the international resistance to the spread of GM crop technologies. On the same day, there were meetings and a public forum in Montreal. On March 8, the international delegation and Canadian organizations met with the Senate Committee on Foreign Affairs in Ottawa. On March 9, they met with 25 government officials in Ottawa and held a public forum in that city attended by over 600 people. The delegation had breakfast with MPs on Thursday.

The meetings and events were made possible by the generous support and participation of Canadian Organic Growers, Council of Canadians, Development and Peace, ETC Group, Friends of the Earth, Inter Pares, OPIRG Carleton, OPIRG Ottawa, Polaris Institute, Sierra Club of Canada Social Justice Committee, United Church of Canada, USC Canada, and the National Farmers Union. NFU Vice President Terry Boehm represented the NFU on the Planning Committee for these events. Anna Paskal of Inter Pares accompanied the international delegation to Saskatoon. The NFU would like to acknowledge the Saskatchewan Council for International Co-operation (SCIC) for helping support the NFU's work on these issues. —nfu—

GM dirt

The following is the latest from the NFU's satire centre.

Recent opinion polls show that while 76% of North Americans like rain, approximately the same portion dislike mud. Responding to what appears to be an overwhelming consumer preference, Monsanto Corporation has announced its intention to test-market genetically-modified dirt. The dirt has been modified with a duck gene so that it sheds water. Hence, rain without mud.

Monsanto says that while initial sales projections are positive, some technical hurdles remain. One problem being that nothing will grow in the water-shedding GM dirt. Other studies indicate that the gene for water resistance might transfer to surrounding dirt, making that dirt sterile as well. Monsanto spokespeople state, however, that they are working hard on the problem that their product may threaten to end life on earth. "The sales potential is huge," said a Monsanto rep, "and while there may be a few flies in the genetically-modified ointment, we are confident we can solve any niggling biocide effects."

One promising solution to the global sterility challenge is to genetically-modify the rain and air to work with Monsanto's GM dirt. No information about the technology use fees on this air and water are available at this time. Also, it is not clear whether citizens will have to buy new air, dirt, and water each year, or whether Monsanto will simply create a licensing agreement.

Speculation is that Monsanto may offer farmers and other citizens a complete package—dirt, water, air, seeds, fertilizer, and chemicals—all designed to work together. Bayer and Syngenta are researching GM sunshine designed to work with the Monsanto system. Rumours are that the GM sunshine will be available 24 hours per day, but only to subscribers.

"Farmers may have some uneasiness about the prospect of paying for every conceivable input, but I think that they will soon agree that these products are necessary if we are to remain efficient and globally competitive," said a Monsanto spokesperson.

Continuing his neo-Luddite agitations, Percy Schmeiser is raising the possibility that the patented air, water, and soil might land on his farm, triggering another lawsuit. He also says that having to pay a fee for GM sunshine is outrageous and threatens his future as a farmer. A Syngenta spokesperson called Schmeiser's statements "unscientific fearmongering." The spokesperson said: "Our product is merely an *option* for farmers. Farmers who don't want to purchase our GM sunshine products have other options—mushroom farming, for instance." Lending credence to Schmeiser's concerns, however, are reports that Monsanto and Syngenta may be setting up a "snitch line" where farmers could report neighbours exposing their crops to patented sun or rain without first paying Technology Use Fees.

Although the adventitious presence of GM sun and rain and air could pose a problem, all companies are optimistic about segregation systems for their GM elements. "We have no doubt that GM- and non-GM air and water and light can be segregated and can co-exist," said a Monsanto rep. Farmers and citizens, however, fear that they may be forced to pay the costs of segregation systems—systems that include a proposed dam down the center of the Atlantic Ocean, separate GM- and non-GM eavestroughs for each of the world's one billion homes, and a number of new rivers. "Some costs will have to be passed down to producers and citizens," said Monsanto, "but, as with GM seeds, we are confident that the benefits will far outweigh the costs." There is no word yet about who might pay the costs of the increased cloud cover needed to deliver the GM rain.

Notorious organic farmer and GM spoilsport Marc Loiselle has asked how organic farmers will protect themselves from GM earth, wind, and water. The GM companies say that organic standards will simply have to be altered to allow for some low level of contamination. "Planet Earth will soon be a genetically-modified organism. While this may pose some challenges to those farmers who insist on trying to farm organically, we can't let this small minority stand in the way of progress," said Monsanto.

Yet-unnamed farm building, lighting, and irrigation companies are said to be forming a consortium to offer complete environmental enclosures for non-GM farmers. Monsanto commented that this is exactly the kind of spin-off economic activity that GM products can create.

(continued on page 4…)

(GM dirt, from page 3)

The Canadian government is considering new legislation on Dirt Breeders' Rights (DBR) that would be compliant with the UPOV 2005 agreement. Monsanto dismissed National Farmers Union Vice-President Terry Boehm's concerns that farmers and citizens might lose their age-old right to save and re-use dirt, air, and water. Monsanto said that while legislation may give their company the exclusive rights to use these products, farmers and other citizens will retain a privilege.

It is probable that Monsanto will use patents, rather than any *DBR Act*, to protect its intellectual property. The company has filed 21 patents on its dirt. There is no word whether God is listed as a contributor on the patent. Newly-installed Pope Ratzinger said, from the Vatican, that Genesis 1:1 provides clear documentary evidence of God's role in creating the Earth.

Monsanto says that it does not envision any problems with the Canadian regulatory system. "We know Canadian regulators well and we are confident that they will not hesitate to approve our products," said Monsanto. Despite there being no independent, peer-reviewed studies yet on the human health or environmental effects of water-proof GM dirt, Monsanto says that its product is "substantially equivalent" to normal dirt. Canadian scientists who questioned whether such claims constitute "sound science" have been suspended by the Canadian government.

Monsanto stock is up 13% on the news of GM air, water, and soil. Rubber boot maker Wellington has filed for bankruptcy protection. And the price of corn and wheat dropped 7% on the prospect of increased supply. — nfu —

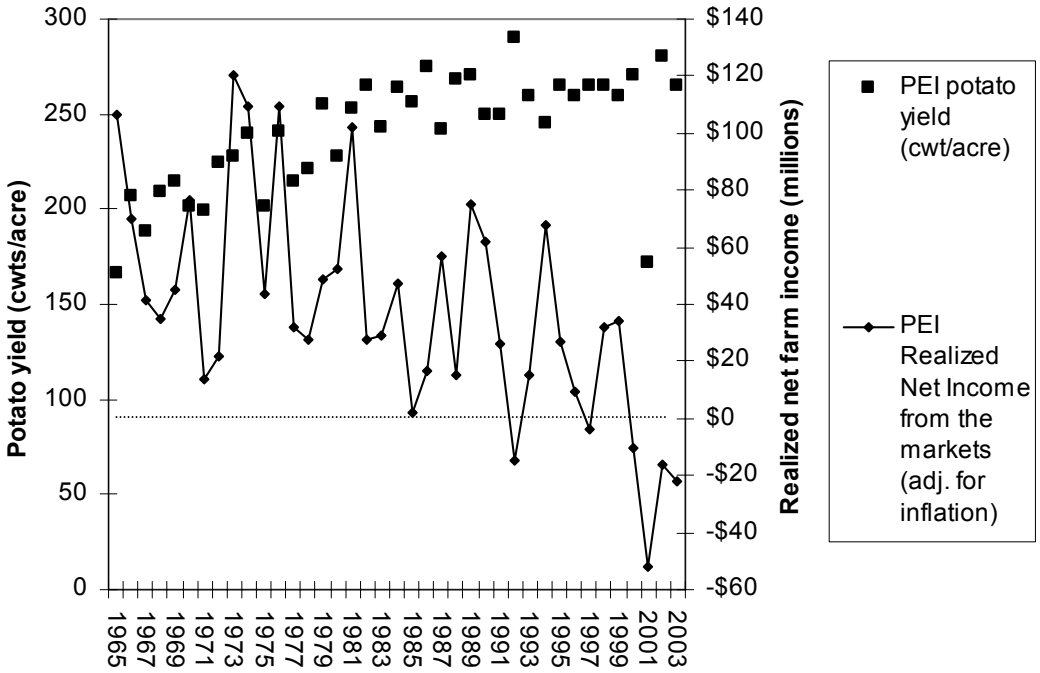
PEI potatoes reprised

Oops! The following graph ran in the previous issue of the Union Farmer but, thanks to the vagaries of modern technology (or its operators), only one line appeared on the graph; the potato yield data was invisible. Here it is again. Sorry for any confusion.

By the time you receive this newsletter, the NFU will have completed its brief to the PEI government regarding a proposal to designate PEI free of genetically-modified (GM) crops. That brief examines the alleged benefits of GM crops. One benefit claimed by GM-crop boosters is that better-performing GM seeds will lower farmers' costs and raise their yields, thereby increasing net farm income.

The graph below shows that PEI potato yields have gone up steadily for years—as a result of better potato seed varieties and of increased use of inputs. But while yield has gone up, net farm income from the markets has gone the opposite direction—spending 5 of the past 7 years in negative territory.

Better seeds and technology may drive gross farm revenue up, but fewer, larger, less-competitively-disciplined, and more powerful seed companies will interact with similarly-ascendant corporations in other agri-food sectors to drive net farm income down. The federal government's failure to distinguish between policy effects on gross revenue versus the effects on net income—and the simplistic and unempirical assumption that these two financial measures will move in parallel—is a spinal cause of our farm income crisis. While gross farm revenue may be affected by seed yield or performance, net farm income is determined by market power. — nfu —



Resistance continues to corporate-controlled seed system

The National Farmers Union strongly recommends that:

- ***The government of Canada abandon its proposed amendments to our current Plant Breeders' Rights Act;***
- ***Canada renew and expand its excellent system of publicly-funded plant breeding and variety development; and***
- ***Canadian legislators enshrine, in stand-alone legislation, farmers' rights to save, re-use, exchange, and sell seeds.***

These are the recommendations the NFU made to the Canadian Food Inspection Agency's (CFIA) consultation process on proposed changes to Canada's Plant Breeders' Rights (PBR) Act. Consultations closed March 8.

In a 22-page report to the CFIA, the NFU analyzed the proposed amendments and concluded that they amounted to a seed-company wish list of new enforcement and royalty-collection powers. The amendments would give seed companies the same powers to pursue and punish farmers who allegedly infringed Plant Breeders' Rights as these companies now have to pursue and punish farmers who infringe on gene patents.

In some cases, proposed PBR Act amendments would multiply 100-fold the amount that a farmer might be required to pay if accused of illegitimately possessing PBR-protected seeds. And the amendments would tightly restrict seed cleaners—raising costs and probably requiring cleaners to help enforce PBR regulations. Finally, the proposed amendments would transfer the right to save and re-use seed, from farmers to transnational seed companies.

The NFU's analysis of proposed PBR Act amendments is available from the National Office or online at www.nfu.ca

In addition to the NFU's own submission to the CFIA, the work of NFU members and officials across Canada played a significant role in helping spur citizens to send in hundreds of responses to the CFIA critical of the corporate-friendly amendments. And the NFU has collected tens-of-thousands of names on petitions that will soon be presented in Parliament.

Thanks to the work of NFU members and the close co-operation between our organization and other organizations and citizens, we are making significant gains in our struggle to stop the corporate takeover of our seed supply and plant development systems. We urge members to continue contributing to this work in any way they can.

The following is excerpted from the NFU's March 8 brief to the CFIA:

Key to evaluating the proposed amendments is understanding that their primary effect would be to provide a broad range of powerful tools to Plant Breeders' Rights-holders—sharp-edged tools that these corporations and agencies could use to collect royalties from farmers, to realize higher prices for their seeds, to pursue and punish financially those farmers alleged to have contravened Plant Breeders' Rights, and to extinguish farmers' right to save and re-use seeds. These proposed changes would multiply the number of farm families threatened with farm-destroying lawsuits, forced into court, and/or forced into damaging confidential settlements. The proposed amendments would greatly increase the power of some of the most powerful, profitable, and aggressive corporations in the agri-food chain, and would dramatically increase the risks, costs, and liabilities that farmers face.

Specifically, the proposed UPOV-'91-compliant *PBR Act* amendments would:

- ***Multiply potential liabilities.*** Proposed *PBR Act* amendments would make a farmer liable not only for seed that he or she allegedly procured illegitimately, but for all seed subsequently propagated and used by that farmer in future years. This change would dramatically multiply a farmer's liability and, thus, it would multiply the power of seed companies and other rights-holders to force a farmer to bargain and to settle, even if the farmer is innocent.

- ***Extend the time in which seed companies can claim damages.*** Currently, seed companies and other rights-holders must assert their rights at the time of a seed sale and collect royalties from the seller. Under the proposed amendments, seed companies would be able to pursue payment from farmers years, even decades, into the future.

(continued on page 6…)

Concentration of agricultural markets in the United States

A high level of "corporate concentration" means that a sector or market is dominated by a small number of large corporations that face little or no real competition. A study on corporate concentration of agricultural markets in the United States was released recently. The study was conducted by Professors Mary Hendrickson and William Heffernan of the Department of Sociology, University of Missouri and is available at www.foodcircles.missouri.edu/consol.htm

Many of the major corporations which dominate food and agriculture in the United States also dominate in Canada. And, as the trend toward US-Canada economic integration and harmonization continues, the economic power of these agribusiness giants will increase.

Here is how the situation stacks up now. The "CR4" is a percentage equal to the market share of the top four firms in a sector. Until recently, economists widely recognized that a CR4 level above 40% signalled insufficient competition and excessive market power.

(continued on page 7…)

(Resistance continued..., from page 5)

- ***Extend royalty collection periods.*** An amended *PBR Act* would increase the royalty protection period from the current 18 years; a 25-year protection period is likely.

- ***Permit rights-holders to collect royalties from grain companies, processors, and other customers.*** If a rights-holder did not have sufficient opportunity to collect royalties at the time of sale, that rights-holder could demand those royalties from a downstream user. This power is called "cascade rights."

- ***Force farmers to reveal names of seed suppliers and customers.*** Under proposed *PBR Act* amendments, the ultimate forum for dispute resolution would be the courtroom. In such a process, seed companies would be able to compel farmers to turn over tax records, sales records, and the names of their customers and suppliers.

- ***Give seed companies the power to seize crops.*** The proposed *PBR Act* amendments and their cascade rights would give seed companies, under a wide range of circumstances, the power to seize farmers' crops.

- ***Create a reverse onus.*** The proposed amendments would place the onus on farmers to prove lawful possession of protected varieties, to prove that the varieties they possess are not the varieties alleged by a rights-holder, or to prove contamination or inadvertent possession. The alternative is a costly court battle.

- ***"Criminalize" possession.*** Farmers would not need to plant a given variety in order to be found in violation of the *Act*. Simply possessing grain that a company claims is "seed" becomes an infraction.

- ***Create uncertainty and liability for seed cleaners.*** The proposed amendments, coupled with amendments in Bills such as C-27, create huge potential liabilities for seed cleaners. This would create a "chill" among seed cleaners, making it harder for farmers to get their seed cleaned and, thus, harder for farmers to save and re-use seed.

- ***Force seed cleaners into an enforcement role.*** Proposed amendments would make it illegal for seed cleaners to clean seed—rights-holders would have that exclusive right. Thus, in order for seed cleaners to get authorization to conduct their business—in other words, to get permission to clean seed—it is very likely that they would have to agree to collect and report information regarding their farmer customers and to collect and retain samples of the grain they clean.

UPOV '91 and the proposed changes to Canada's *PBR Act* represent a completely unnecessary gift of power and profitability to seed companies, a completely unnecessary and illegitimate seizure of farmers' powers and profits, and a completely unnecessary and unprecedented move to extinguish farmers' inalienable right to save and re-use seeds. The proposed changes are outrageous and damaging, and should be rejected by all farmers, citizens, democratically-elected legislators, and public servants. — nfu —

(Concentration of agr markets, from page 6)

Beef Packers [CR4 = 83.5%]
1. Tyson (formerly IBP Inc.)
2. Cargill (Excel)
3. Swift & Co.
4. National Beef Packing Co.

The concentration ratio has risen steadily over the past fifteen years. The historical CR4 figures for beef packing are: 1990 (72%), 1995 (76%), 1998 (79%), 2000 (81%)

Beef Feedlots
1. Cactus Feeders Inc (500,000 one-time capacity)
2. ContiBeef LLC (450,000 one-time capacity)
3. ConAgra Cattle Feeding Co. (440,000 one-time capacity)
4. Caprock Cattle Feeders (290,000 one-time capacity)

Pork Packers [CR4 = 64%]
1. Smithfield Foods
2. Tyson (formerly IBP Inc)
3. Swift & Co.
4. Hormel Foods

The historical CR4 figures are: 1987 (37%), 1989 (34%), 1990 (40%), 1992 (44%), 2001 (59%)

Pork Production [CR4 = 49%]
1. Smithfield Foods (825,000 sows)
2. Premium Standard Farms (225,000 sows)
3. Seaboard Corporation (213,000 sows)
4. Prestage Farms (129,000 sows)

Broiler Chickens [CR4 = 56%]
1. Tyson Foods
2. Pilgrim's Pride
3. Gold Kist
4. Perdue

Historical CR4 values: 1986 (35%), 1990 (44%), 1994 (46%), 1998 (49%), 2001 (50%)

Animal Feed Plants [CR4 = 34%]
1. Land O'Lakes LLC/Purina Mills (12.5 million tons annual capacity)
2. Cargill Animal Nutrition (Nutrena) (9.0 million tons annual capacity)
3. ADM Alliance Nutrition (3.2 million tons annual capacity)
4. J.D. Heiskell & Co. (2.8 million tons annual capacity)

Flour Milling [CR4 = 63%]
1. Cargill/CHS (Horizon Milling) (293,000 cwts)
2. ADM (288,800 cwts)
3. ConAgra (250,100 cwts)
4. Cereal Food Processors (93,100 cwts)

Historical CR4 values: 1982 (40%), 1987 (44%), 1990 (61%)

Soybean Crushing [CR3 = 71%. CR4 is unknown]
1. ADM
2. Bunge
3. Cargill
4. Ag Processing Inc.

Historical CR4 values: 1977 (54%), 1982 (61%), 1987 (71%)

Ethanol Production [CR4 = 41%]
1. ADM (1070 million gallons US/year)
2. Cargill (128 million gallons US/year)
3. Aventine Renewable Energy Inc. (100 million gallons US/year)
4. VeraSun Energy Corporation (100 million gallons US/year)

Historical CR4 values: 1987 (73%), 1995 (73%), 1999 (67%), 2002 (49%)

Dairy Processors
1. Dean Foods ($8.26 billion annual sales)
2. Kraft Foods (Philip Morris) ($4.3 billion annual sales)
3. Land O'Lakes ($2.969 billion annual sales)
4. Schreiber Foods ($2.2 billion annual sales)

Saputo Inc. actually is listed as the number 4 processors in North America, but over 70% of its plants are in Canada.

Top Food Processing Companies
1. Kraft Foods Inc ($21,907 million US annual sales)
2. Tyson Foods Inc ($21,894 million US annual sales)
3. Pepsico Inc. ($18,293 million US annual sales)
4. ConAgra Foods Inc ($16,927 million US annual sales)
5. Nestle (USA/Canada) ($13,798 million US annual sales)
6. Anheuser-Busch ($10,984 million US annual sales)
7. Mars Inc. ($10,000 million US annual sales)
8. Sara Lee Corp ($9,778 million US annual sales)
9. General Mills ($9,520 million US annual sales)
10. Dean Foods Co. ($9,185 million US annual sales)

Food Retailing [CR5 = 46%]
1. Wal-Mart Stores ($66.465 billion US annual sales)
2. Kroger Co. ($46.315 billion US annual sales)
3. Albertsons, Inc ($31.962 billion US annual sales)
4. Safeway Inc. ($29.572 billion US annual sales)
5. Ahold USA Inc. ($25.105 billion US annual sales)

Historical CR5 values: 1997 (24%), 2001 (38%) — nfu —

Publication Agreement No. 40063391
Postage Paid at Muenster, Saskatchewan

See page 4 for a corrected version of last month's graph of PEI income and potato yield.

The income crisis in Ontario

In Ontario, between 1940 and 1980, never once did Realized Net Income from the markets (Market RNI) on an average farm drop below $10,000; it oscillated between $10,000 and $25,000. (All figures adjusted for inflation.)

From 1980 to '88, Market RNI found a new channel; it oscillated between $6,000 and $16,000. (White squares, below.)

Since 1989, however, Market RNI has fallen sharply; it has rarely topped $5,000 per farm. And, in the most recent three years, it has remained submerged near *negative* $10,000 per farm.

The NFU continues to work with provincial and federal policy-makers to help them understand this crisis. Most recently, we made presentations to Parliamentary Secretary Wayne Easter's farm income consultations. The NFU's message: The farm crisis is global and *it's more than 20 years old*. Its causes do not lie in recent droughts, border closures, or price downturns. Nor do its causes lie in policies, regulations, or phenomenon confined to Ontario or Canada. Our farm income crisis is a manifestation of a long-term, global market failure caused by ferocious corporate power unrestrained by proper government policies. It is the result of the corporations that dominate the other links in the agri-food chain "eating farmers' lunches." To be effective, solutions must take into account the real causes of the crisis.

Ontario per-farm Realized Net Income from the markets alone: 1926-2005