



RAFI

Rural Advancement Foundation International  
www.rafi.org | rafi@rafi.org

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## MONSANTO - Handled with CARE? ... or, CARE - Handled by MONSANTO?

MAJOR U.S. RELIEF AGENCY HOLDS TALKS WITH  
TROUBLED AGBIOTECH MULTINATIONAL -  
WHO'S HELPING WHO?

CARE, the high-profile U.S. food aid non-profit, is holding talks today with Monsanto Corporation at the company's world headquarters in St. Louis, Missouri (US). According to information received by RAFI, Monsanto's CEO Robert Shapiro contacted CARE's President, Peter Bell, inviting CARE officials to discuss ways in which Monsanto may be able to use its technologies for the benefit of food security in the South. Whether this is an attempt to resurrect Monsanto's scheme to provide micro-credit ("soft") loans to Third World farmers in order to market its proprietary pesticides and genetically-modified seeds remains to be seen.

Monsanto is one of the world's leading Gene Giants - dominant in both crop chemicals and seeds. The company's best known product, Roundup (glyphosate), is the world's top selling herbicide and a multi-billion dollar profit engine for Monsanto. The company's patents on Roundup are expiring, however, and Monsanto is looking for new ways to maintain its market share and to advance sales of its controversial transgenic (genetically-modified) soybean, maize, cotton, and potato varieties. Using genetic engineering, Monsanto has bred seeds that tolerate Roundup spraying. It is estimated that the contentious market strategy has won Monsanto at least 85% of the booming U.S. transgenic seed market, and experts suggest, a similar share of the global transgenic market.

Cash 'n CARE? In June 1998, Monsanto announced that it would develop a special microcredit programme with the Grameen Bank of Bangladesh that would have made it financially feasible for cash-starved farmers to take out loans to buy Monsanto's advanced technology products. The Grameen Bank has won international accolades for its championing of credit programmes to rural women who would not normally be seen as credit-worthy by conventional banks. Within a month of the Monsanto-Grameen announcement, however, the Bangladeshi institution cancelled the deal bowing to intense public pressure within South Asia and around the world.

Once More with Feeling? "At the time, we heard rumours that CARE and possibly some other development aid agencies were discussing similar deals with Monsanto," Pat Mooney, RAFI's executive director says, "but we were told that CARE backed away from the table when Grameen threw in the towel." "Now we are informed that an international team of CARE officials from their New York office, but also from some of their major regional offices, have gone to St. Louis to discuss a major initiative with Monsanto," Mooney adds, "This could be a real problem."

GMO's in Every Pot? Last year, more than 27.8 million hectares of farmland around the world was sown to genetically modified crops. Seventy seven percent of this land was sown to transgenic seeds designed to tolerate herbicide spraying. While the biggest market for biotech seed is in the USA and Canada, South countries such as Argentina, Mexico, South Africa, and China have also adopted the controversial seeds. Trials of Monsanto's transgenic seeds in India have led to mass demonstrations and intense debate in the media and in government. Similar debates are underway in Brazil. In Europe, environmentalists, farmers, and consumers have joined together to oppose the use of transgenic seeds.

GMO's Handled by CARE? Blocked in Europe, is Monsanto trying to use well-known aid agencies to win acceptance for its GMOs among farmers and consumers in the South? "Monsanto officials genuinely believe they have products that will solve the problem of food shortages in the next century," Hope Shand of RAFI says. "The company may not be acting cynically. They believe they can make money and solve hunger through GMOs at the same time," Shand explains, "If the meeting with CARE is to use the food aid agency to test and distribute their genetically-altered seeds among poor farmers, both CARE and Monsanto are making a terrible mistake." What exactly the goal is for the St. Louis talks? Are they to establish soft loan programmes tied to Monsanto products, or to use CARE's field offices to facilitate trials of genetically-engineered herbicide-tolerant seeds? "Either way," Pat Mooney concludes, "neither party has the credibility to pull this venture off. CARE will be lambasted for jeopardizing the food security of farmers and Monsanto will be accused of using CARE as 'cheap labour' for its commercial goals. Whatever their intent, this indeed will be the result. I've talked with CARE negotiators in New York and I'm hopeful that they understand the issues and will not let their good name be used to pressure farmers into adopting Monsanto's unsustainable approach to agriculture."

CARE Bears? Monsanto is transforming itself from being a traditional chemical company into a dominant player in the Life Industry. In recent years, Monsanto has spent more than \$8.5 billion in acquiring seed companies across the world. Many market analysts believe however, that Monsanto has over-extended itself and is now weighed under by a huge debt burden. In the midst of the world's longest running bull market, Monsanto is on some investor's bear lists. Last year, Monsanto announced that it would merge with American Home Products - another chemicals-turned-biotech corporation more than twice Monsanto's size. The deal was eventually called off. Last week, the *New York Times* reported that Monsanto was holding preliminary discussions with DuPont - a vastly larger multinational now attempting to extricate itself from energy subsidiaries in order to buy into the Life Industry. The message to many investors is that Monsanto is a company in trouble and looking for allies.

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**Monsanto**, headquarters in St. Louis, Missouri (US) has 32,000 employees, a market capitalization of \$28 billion and 1998 revenues of \$9 billion. The company is reportedly in merger discussions with DuPont.

**CARE**, headquarters in New York (US) is a major non-profit, international relief organization. In 1998, CARE delivered \$339 million in aid to over 35.3 million people in 51 countries.

**RAFI**, the Rural Advancement Foundation International, is an international civil society organization headquartered in Canada. RAFI is dedicated to the conservation and sustainable use of biodiversity, and to the socially responsible development of technologies useful to rural societies. RAFI is concerned about the loss of agricultural biodiversity, and the impact of intellectual property on farmers and food security.

For further information:

Pat Mooney  
Executive Director, RAFI  
Research, RAFI  
110 Osborne Street, Suite 202  
Service  
WINNIPEG MB R3L 1Y5  
CANADA  
Tel: (204) 453-5259  
17325  
Fax: (204) 925-8034  
E-mail: [rafi@rafi.org](mailto:rafi@rafi.org)  
337-6482

Hope Shand  
Director of  
Centre for Public  
Gettysburg College  
Box 2456  
GETTYSBURG PA  
USA  
Tel: (717)  
Fax: (717) 337-6499  
E-mail: [hope@rafi.org](mailto:hope@rafi.org)

On the internet, visit: <http://www.rafi.org>