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### **Biotech soy in Brazil: Politicians up in arms**

Media nfo by *TraceConsult*<sup>TM</sup>:

This is the second time we are delighted to offer particularly to journalists another analytical summary of the latest developments from the agro-biotech sector in Brazil.

Again, the contribution comes from Daniel Coelho Barbosa, an agri-business analyst working in Germany and in Brazil.

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### **Genetic engineering and soy cultivation in Brazil: Senators demand a change in market conditions**

by Daniel Coelho Barbosa – 15 May 2012

*Carrying on the analysis published here on 18 April, today's focus lies on the further legal development, but also on the sharp reaction from the ranks of senior politicians.*

**Geneva / Stuttgart - 15 May 2012** – At first, there were only a handful of farmers from Rio Grande do Sul who had filed a lawsuit in 2009 against the existing royalties collection method used by Monsanto. These proceedings have now reached the Supremo Tribunal de Justiça, the Brazilian Supreme Court. On 4 April 2012 the Court of the First Instance, in the summary proceedings, decided in favor of the soybean producers. The U.S. biotech company was temporarily barred from collecting royalties – but the joy of the soy producers lasted only a short while.

As was to be expected, the attorneys of Monsanto appealed against the temporary injunction and sought to continue the payments until the decision of the main proceedings. Regardless of the legal developments, however, the debate on the royalties has now arrived at the federal government level in the capital Brasilia where it is has caused some clear responses.

#### **Senate hearing in Brasilia**

On 10 May a first public hearing by the Senate Commission for Agrarian Reform and Agriculture, involving the most relevant players in the Brazilian soy industry, was conducted in Brasilia after a proposal by Senators Blairo Maggi, who is the former Governor of the State of Mato Grosso, and Ana Amélia Lemos.

Invited were, among others, the director of the Federation of Agriculture of Brazil (CNA), Senator Kátia Abreu, Felipe Teixeira as a representative of EMBRAPA, the national research institute for agricultural

development, Glauber Silveira da Silva as a representative of APROSOJA, the National Association of soybean producers, Pierre Marie Patriat Jean, Director of APROMAT, the association of seed growers of the State of Mato Grosso and César Borges de Sousa, president of ABRANGE, the Brazilian Association of Producers of non-GM crops.

Senator Blairo Maggi reminded everyone that the seed market in Brazil is not free, a fact that was emphasized also by APROSOJA's Silveira da Silva and APROMAT's Patriat underlined. Silveira da Silva declared that the seed producers would be forced by the seed breeders to plant primarily certain seed varieties – namely the varieties that deliver the greatest profit margins for the seed companies.

### **Putting the fox in charge of the henhouse?**

At the end of the hearing the senators made it clear that the agricultural sector must be protected from adverse market developments. This imbalance, said Senator Blairo Maggi, leads to a form of dependence that results in turning soybean farmers into "hostages" of biotechnology costs and of the royalties system. Senator Kátia Abreu confirmed that the problem is not the royalties payment in itself, but the greed with which such a situation is exploited without any restraint.

The biotech multinationals not only determine the amount collected in license fees, they are virtually allowed to dictate what seed varieties are to be propagated. They themselves get to police the payment of license fees at the moment when farmers purchase soybean seeds as well as when they deliver their crop. As an end result, the director of APROSOJA explained, in effect, the goods are also confiscated proportionately. All these aspects are increasingly running into resistance that is supported by a growing number of parliamentarians.

### **EMBRAPA offers more efficient alternatives**

Alternatively, the senators demanded that the research budget is increased and that EMBRAPA is given a stronger role. "A country that does not have enough know-how of its own tends to become more and more antiquated. We need a strong research sector able to achieve good results at our own conditions", said Senator Kátia Abreu to the applause of their colleagues Casildo Maldaner, Blairo Maggi and other Senators present at the meeting.

In fact, EMBRAPA already has non-GMO varieties, which can provide over 20 percent higher yield than the known genetically modified soybeans. They may sometimes be more expensive to procure than GMO seeds, but at the bottom line their production costs less than for conventional varieties because there are no royalties to be paid.

If skillful cultivation is assured there are many conventional soybean varieties that are not inferior in any way to their GMO varieties.

### **Conclusion**

According to EMBRAPA director Felipe Teixeira the expansion of germplasm reserves in order to ensure sufficient food for the world is indispensable.

On the situation of the seed producers under pressure, Senator Blairo Maggi said, "Here lies the source of danger. This is a clear case of monopoly, this behavior is a crime against the nation's sovereignty that should be prosecuted. "

The proportion of GMO soy in Brazil has increased dramatically from 25 percent in 2005 to 82 percent in the last season. In this context, ABRANGE President César Borges de Sousa recalls that in the past the farmers already had to endure a shortage of non-GMO seed. "Brazil is the world's largest exporter of so-called non-GMO soybean meal. 50 percent of the exported soya meal is made from genetically modified soybeans," Borges added.

This first debate in Brasilia shows that the resolve of many politicians, institutions and agricultural organizations is growing nationwide and could soon turn the tide against the systems of production and royalties that exercise a tight control over one of the most important agricultural commodities and staple foods of the world.

### Open Questions

It must be left unanswered whether the generally available value of 82 percent, which is the alleged level of genetic engineering in the Brazilian soybean production today, is in fact accurate or, for lack of official and widely accepted statistics, is way too high, as it has been every year since the legalization of Roundup Ready soy. After all, there still are regions where "by coincidence" one can discover 0.8 or even 1.0 million tons of conventional soybeans that had simply not been recognized as conventional GMO-free crops.

In any case, the question arises, when the Brazilian soybean producers and processors will finally take notice that there are already efforts under way to dilute their *de facto* monopoly position with regard to non-GMO soy. There are clear and tangible efforts in the European market – after all, the only one prepared to pay fat premia in Rotterdam for certified GMO-free material – to look elsewhere for non-GMO soy in order to provide to European consumers what they so clearly prefer.

#### Sources:

*Agência Estado*

*Agência Senado*

[www.blairomaggi.com.br](http://www.blairomaggi.com.br)

*Glauber Silveira da Silva / APROSOJA*

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