

THE THREE AGRIBUSINESS MEGA-MERGERS: GRIM REAPERS OF FARMERS' SOVEREIGNTY

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The ACB carries out research, analysis, capacity and movement building, and advocacy, and shares information to widen awareness and catalyze collective action and influence decisionmaking on issues of biosafety, agricultural biodiversity and farmer-managed seed systems in Africa. Its work both informs and amplifies the voices of social movements fighting for food sovereignty in Africa.



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The global agricultural system is increasingly being shaped by corporations in their own interests. In the past 40 years we have witnessed a significant shift in power from nation states to corporations as the drivers in the global agri-food system.¹ There are multiple dimensions to this change, including trade liberalization, privatization, deregulation and reregulation in favor of corporate interests, and corporate globalization. This has led to greater authority to corporations to dictate systems of governance and allocate risk in production and distribution systems, and has generated waves of mergers and acquisitions resulting in corporate concentration. Nation states continue to play a role, but not so much as mediators of power relations between capital and national populations. States are increasingly subordinated to the logic of capital accumulation, economies of scale and concentration of technical and financial expertise. This era has also expanded financialization of the system in numerous ways. Since the birth of capitalism, finance has been an integral feature of the system—the lubricant that animates processes of production and distribution. However, in the contemporary era, financial capital relies increasingly on financial engineering to create products (such as derivatives) that enable profit without investment in productive processes.²

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Photo

Activists resisting against Monsanto (Córdoba, Argentina, 2015). Photo by Pablo Ernesto Piovano.

- 1 McMichael, Philip. “Global development and the corporate food regime.” In *New directions in the sociology of global development*, edited by Frederick H. Buttel and Philip McMichael. Amsterdam: Elsevier, 2005.
- 2 Bryan, Dick and Michael Rafferty. “Deriving capital’s (and labour’s) future.” *Socialist Register* 47 (2010): 196-222. Bryan, Dick and Michael Rafferty. “Deriving capital’s (and labour’s) future.” *Socialist Register* 47 (2010): 196-223.
- 3 Einarsson, Peter. “Agricultural trade policy as if food security and ecological sustainability mattered: Review and analysis of alternative proposals for the renegotiation of the WTO Agreement on Agriculture.” *Globala Studier* 5 (2002).

It is well known that trade liberalization under the General Agreement on Trade and Tariffs (GATT) and then the World Trade Organization (WTO) from 1994 onwards exposed agricultural producers to the discipline of global ‘competition’, generating a relentless drive towards economies of scale. This distorted type of competition operates in a completely uneven playing field. The trade regime under the WTO is heavily rigged in favor of United States, European, Canadian and Japanese corporate interests.³ These advanced capitalist economies continue to provide enormous subsidies to corporations. This allows them to export surpluses below the cost of production, undermining productive activities by smaller producers around the world. The trade regime has forced the opening of trade even if this is not required through minimum market access agreements.⁴ Developing countries have been stripped of the tools that could allow them to build domestic production and protect strategic sectors (e.g. agriculture for food production); tools which the core capitalist economies used to protect and build their own industries in the face of global competitors in earlier eras.

The focus of this piece is on the three agribusiness mega-mergers taking place in agricultural biotechnology, seed and agrochemicals. These mergers are indicative of broader processes and the threats they pose to economic participation, social equity and ecological sustainability, as well as to food and seed sovereignty.

- 4 For more information on the impacts of the international 'free' trade regime on food governance, please see: Patnaik, Biraj. "Inequity Unlimited: Food on the WTO Table." *Right to Food and Nutrition Watch* (2015): 45-49. Available at: www.righttofoodandnutrition.org/node/40.
- 5 The ETC Group (2016) recently coined a new term to refer to this group: 'GenChem', from the combination of 'genomics' and 'chemical'.
- 6 Agrochemicals incorporates both crop protection and synthetic fertilizers, but in this paper we use the terms 'agrochemicals' and 'crop protection' interchangeably.
- 7 ETC. "Breaking Bad: Big Ag Mega-Mergers in Play Dow + DuPont in the Pocket? Next: Demonsanto?" *ETC Group Communiqué* 115. (December, 2015): 4. Available at: www.etcgroup.org/sites/www.etcgroup.org/files/files/etc_breakbad_23dec15.pdf.
- 8 FClapp, Jennifer. Bigger is not always better: Drivers and implications of the recent agribusiness megamergers. Waterloo: University of Waterloo, 2017. Available at: www.researchgate.net/publication/314206957_Bigger_is_Not_Always_Better_Drivers_and_Implications_of_the_Recent_Agribusiness_Megamergers
- 9 Peries, Sharmini. "Dangers of the proposed Bayer-Monsanto merger." *The Real News Network*, September 22, 2016. Available at: therealnews.com/t2/index.php?option=com_content&task=view&id=31&Itemid=74&jumival=17276.
- 10 For instance, the Competition Commission of India is currently assessing the impact on competition of the proposed merger of Dow and DuPont. The combined entity, if it goes through, could become the world's biggest chemical and materials company. For more information, please see: Bhutani, Shalini. "Why India's Competition Commission Must Stop the Dow and DuPont Merger." *The Wire*, April 13, 2017. Available at: thewire.in/122855/indias-competition-commission-must-stop-dow-dupont-merger/.
- 11 For example, the South African *Competition Act No 89* (1998) includes public interest objectives in the preamble, as well as in its purpose, and these are explicitly detailed in sections of the act dealing with the assessment of exemptions and the assessment of mergers. However, these public interest issues must arise directly from new restrictions in competition and choice resulting from a proposed merger. Otherwise they will not be considered by the Commission.
- 12 Howard, Philip H. "Intellectual property and consolidation in the seed industry." *Crop Science* 55(6): 2489-2495.
- 13 Frison, Emile A. *From uniformity to diversity: A paradigm shift from industrial agriculture to diversified agroecological systems*. IPES-FOOD, 2016. Available at: www.ipesfood.org/images/Reports/UniformityToDiversity_FullReport.pdf.
- 14 For more information on these legal regimes, please see: Monsalve Suárez, Sofía, Maryam Rahmanian and Antonio Onorati. "Seeds and Agricultural Biodiversity: The Neglected Backbone of the Right to Food and Nutrition." *Right to Food and Nutrition Watch* (2016): 19-22. Available at: www.righttofoodandnutrition.org/seedsand-agricultural-biodiversity.

MERGING PRIVATE INTERESTS FIRST, PUTTING PEOPLES' LIVES SECOND

The global commercial seed and agrochemical sector is dominated by the proverbial 'Big Six' seed and agrochemical giants: BASF, Bayer, Dow, DuPont, Monsanto and Syngenta.⁵ These behemoths currently control 75% of the global agrochemical market,⁶ 63% of the commercial seed market and over 75% of all private sector research and development (R&D) in these sectors.⁷ This oligopolistic situation, which has already resulted in loss of peasant autonomy, deepened structural inequalities and environmental damage, is about to get a lot worse with three mergers, which are going through competition authorities at the time of writing: US chemical giants Dow Chemical and DuPont are set to merge, China National Chemical Corporation (ChemChina) is set to acquire Syngenta, and Bayer to acquire Monsanto.⁸ The proposed Bayer-Monsanto merger will give control of 30% of the world's commercial seed market and 25% of the world's commercial pesticide and herbicide (agrochemical) markets to just one company.⁹

Competition authorities in 30 countries are evaluating these mergers.¹⁰ Antitrust and competition laws typically focus on narrow competition issues within segmented markets and consider the mergers on a 'first-come, first-served' basis. Competition authorities do not take into account public interest issues, unless these are directly linked to competition matters.¹¹ The authorities will look at areas where merging companies have overlapping assets or their combined market share in a specific segment of the market (e.g. broad spectrum herbicides used on maize). But they are unlikely to consider the extent to which the mergers exacerbate the social inequities and ecological problems caused by industrial farming. What will not bear on decision-making is the effect of the dominance of a cartel-like technological platform in biotechnology traits, seed production and patented agrochemicals that lock out competition from alternative technologies and production systems. Significant cross licensing reinforces the dominance of this platform,¹² which is constructed around genetically engineered and hybrid seeds, and integrated with particular chemicals that cannot be 'uncoupled'; the traits, seed and chemicals form indivisible packages. The mergers will entrench this platform, as future R&D will be structured to seek ways of taking advantage of new combinations of intellectual property (IP), seed and chemicals available in the enlarged technology pool of the merged entities.

This dominant technological pathway is strongly characterized by specialization, especially in terms of the food crops that are researched and developed,¹³ resulting in a focus on only a few commercial crops and providing limited alternatives. Such a regime removes innovation from peasants and other people working in rural areas and converts them into passive recipients of top-down innovations that favor private corporate interests. IP protection—either through patents or plant variety protection based on the International Convention for the Protection of New Varieties of Plants (UPOV)—plays a critical role in entrenching market control, through long term exclusive ownership and control of technologies, licensing and bundling of technologies. This locks farmers into an externally constructed seed system, both obliging them to use proprietary brands and prohibiting them from exercising their historical rights to save, use, exchange and sell farm-saved seed, despite these rights being recognized in the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA).¹⁴

- 15 For more information on the expansion and impact of glyphosate and other agrochemicals, please see Insight "A Fumigated and Undernourished Argentina Fights Back to Reclaim Food Sovereignty" in this issue of the *Right to Food and Nutrition Watch*. On the impact of glyphosate on human health, please see: African Centre for Biodiversity, Third World Network and GM Free Latin America. "What Next After a Ban on Glyphosate—More Toxic Chemicals and GM Crops? Or the Transformation of Global Food Systems?" June 30, 2015. Available at: acbio.org.za/what-next-after-a-ban-on-glyphosate-more-toxic-chemicals-and-gm-crops/.
- 16 For more information on peasants' struggles for recognition of their rights, please see: Kastler, Guy. "Peasants' Rights to their Seeds are at the Forefront of Human Rights." *Right to Food and Nutrition Watch* (2016): 24–25. Available at: www.righttofoodandnutrition.org/seeds-and-agricultural-biodiversity.
- 17 "AAI, FWW and NFU urge the U.S. Department of Justice to challenge the Dow-DuPont Merger. Pending biotech merger would harm consumers and small farmers." *Food and Water Watch*, May 31, 2016. Available at: www.foodandwaterwatch.org/news/aii-fww-and-nfu-urge-us-department-justice-challenge-dow-dupont-merger.
- 18 Alternative Information & Development Centre, supporters of the Southern Africa Campaign to Dismantle Corporate Power—Stop the Bayer/Monsanto merger! For more information, please visit: www.aicd.org.za; African Centre for Biodiversity's submission to the South African Competition Commission not to approve the Bayer/Monsanto merger. For more information, please visit: acbio.org.za/acb-submission-competitioncommission-bayer-monsanto-merger/.
- 19 "Marriage made in hell: Opposition rises to planned agriculture mega-mergers – major threat to our food and farms, says civil society." Friends of the Earth Europe, March 27, 2017. Available at: www.foeeurope.org/opposition-rises-planned-agriculture-mega-mergers-270317/.
- 20 Coupe, Stuart and Roger Lewins. *Negotiating the Seed Treaty*. Warwickshire: Practical Action Publishing, 2007. Available at: practicalaction.org/docs/advocacy/negotiatingseedtreatycoupe.pdf.
- 21 For more information on the role played by women in preserving seeds and biodiversity, please see: Pschorn- Strauss, Elfrieda. "African Food Sovereignty: Valuing Women and the Seed They Keep." *Right to Food and Nutrition Watch* (2016): 49–51. Available at: www.righttofoodandnutrition.org/african-food-sovereignty.
- 22 For more information on peasants' building resilience to climate change, please see the article "Faced with Climate Crisis, Look to Peoples' Solutions" in this issue of the *Right to Food and Nutrition Watch*.

The IP regime has permitted Monsanto to construct a dominant technological platform based on its own patented innovations, seed traits and agrochemicals. Of particular importance are its (now expired) patent on glyphosate herbicide,¹⁵ sold under its brand name 'Round Up', and thousands of patents on genetically modified (GM) traits, sequences and processes. Monsanto has been able to use licensing to control processes of innovation. All major seed companies produce on the basis of licensed technologies from Monsanto. Ironically, thus, despite the existence of global competition policies, all the merging companies are also locked into the technological platform built on Monsanto's patented biotechnology traits and agrochemical compounds built on the basis of a few core crops—maize, soybeans and cotton. The mergers will merely reinforce the stranglehold of this platform.

FIGHTING BACK THE MERGERS: PLANTING THE SEEDS OF A GLOBAL STRUGGLE

Civil society groups globally are contesting this consolidation of the hegemony of large-scale commercial farming and corporate agri-business within agricultural value chains. This is driven by a strong ethos of food and seed sovereignty, supporting the struggles of peasants around the world to build alternative food systems.¹⁶ In the United States, Food & Water Watch (FWW) and the National Farmers Union (NFU) have strongly challenged the merger between Dow and DuPont.¹⁷ Groups in South Africa have opposed the locking of agri-food systems into a high input technological pathway driven by corporate profitability and shareholder returns.¹⁸ In Europe, a coalition of groups representing millions of farmers and consumers oppose these mergers as 'a marriage made in hell', presenting major threats to Europe's food and farming systems.¹⁹

It is estimated that, globally, we have lost 90–95% of farmers' varieties over the last 100 years and that the rate of loss is 2% per year.²⁰ This has a huge impact on farmers' resilience and rights, and is ecologically unsustainable, because hybrid and genetically modified seed programs on offer by these merging entities are for a mere handful of commercial crops. In Africa, Asia and Latin America in particular, peasants and smallholder farmers—especially women—continue to play a central role in maintaining and enhancing agricultural biodiversity.²¹ However, corporate expansion into seed, soil health and crop protection is displacing this diversity. This poses serious threats to the long-term future of agricultural production linked to a natural base. Techno-utopian dreams, such as synthetic biology, to replace natural processes of food production will only widen the gap between the rich in their enclaves and those who are locked out of access to resources required to reproduce themselves and their communities. As long as control and access to technologies remain in the hands of private interests, each new technological wave will deepen social and ecological crises.

For peasants, the real challenge lies in increasing diversity and building resilience to climate change.²² What they need are holistic approaches to pest management and diverse, locally adapted varieties, which they can save and reuse without paying royalties. Peasants and consumers (and our ecosystems) also need a diversity of crops, both to diffuse risk in challenging farming conditions and to ensure a sound and diverse nutritional base.

The economic repercussions of concentration play out in an even more insidious manner for peasants and rural communities. As explained by the United

- 23 De Schutter, Olivier. "Addressing concentration in food supply chains: The role of competition law in tackling the abuse of buyer power." *Briefing Note* (2010). Available at: www.srfood.org/en/briefing-note-addressing-concentration-in-food-supply-chains.
- 24 Keith Fuglie *et al.*, "Rising concentration in agricultural input industries influences new farm technologies." *United States Department of Agriculture Economic Research Service*, December 3, 2012. Available at: www.ers.usda.gov/amber-waves/2012/december/rising-concentration-in-agricultural-input-industries-influences-new-technologies/.
- 25 ACB. "African Centre for Biodiversity's submission to the South African Competition Commission on Bayer-Monsanto merger." *ACB*, March 14, 2017. Available at: acb.io.org.za/acb-submission-competition-commission-bayer-monsanto-merger/.
- 26 For more information on the role played by peasants in preserving seeds and agricultural biodiversity, and how this should be linked to the right to adequate food and nutrition, please see: Monsalve Suárez, *supra* note 14.
- 27 **Marcos Ezequiel Filardi** is a lawyer who specializes in human rights and food sovereignty. He is the coordinator of the [Seminar on the Right to Adequate Food and Nutrition at the Law Faculty of the University of Buenos Aires \(UBA\)](#), lecturer at the Chair for Food Sovereignty at the UBA School of Nutrition and member of the Network of Lawyers for Peoples' Food Sovereignty. For more information, please visit: derechoalaalimentacion.org. Special thanks to Medardo Ávila Vazquez (University Network for the Environment and Health, Network of Doctors of Fumigated Towns), Alicia Alem (Agroecological Movement of Latin America and Caribbean, MAELA), Peter Clausing (Pesticide Action Network, PAN Germany), and Karine Peschard (Graduate Institute of International and Development Studies) for their support in reviewing this insight box.
- 28 Svampa, Mariabella and Enrique Viale. *Maldesarrollo. La Argentina del extractivismo y el despojo*. Buenos Aires: Katz Editores, 2014. Please also see: Aranda, Darío. *Tierra Arrasada. Petróleo, soja, pasteras y megaminería. Radiografía de la Argentina del Siglo XXI*. Buenos Aires: Editorial Sudamericana, 2015.
- 29 Eleisegui, Patricia. *Envenenados: una bomba química nos extermina en silencio*. Buenos Aires: Wu Wei, 2013. pp. 26-34.
- 30 Newell, Peter. "Bio-Hegemony: The Political Economy of Agricultural Biotechnology in Argentina". *Journal of Latin American Studies* 41:1 (2009): 27-57. Please also see: Motta, Renata. *Social Mobilization, Global Capitalism and Struggles over Food: A Comparative Study of Social Movements*. London and New York: Routledge, 2016. p.190.
- 31 For more information, please see the image on Syngenta's publicity in GRAIN. *La República Unida de la Soja Recargada*, June 12, 2013. Available in Spanish at: www.grain.org/es/article/entries/4739-la-republica-unida-de-la-soja-recargada.
- 32 For more information, please visit: www.agroindustria.gob.ar/sitio/areas/biotecnologia/oqm/.
- 33 Sáñez, Fernanda. *La Argentina Fumigada - Agroquímicos, enfermedad y alimentos en un país envenenado*. Buenos Aires: Grupo Planeta, 2016. p. 11.

Nations Special Rapporteur on the Right to Food, smallholder farmers produce 70% of the food consumed worldwide and yet are traditionally the least competitive players in the food value chain.²³ The stronger market power of a few firms and decline in public sector research—a consequence of neoliberal extractivist economic policies and concomitant concentration—means that peasants will pay higher prices for corporate seed, as the firms will carry over the cost of their R&D investments into the products that they sell.²⁴

Rising seed prices are also a result of stacked GM traits, with increasing technological fees and royalties on seed. These mergers will generate more of these stacked seeds at a high price for farmers. Seed prices are a significant share of input prices, especially for peasants and smallholder farmers. Their customers are more often the rural poor, and this constituency will, therefore, be hit the hardest by rises in seed and input prices in the form of higher food prices.²⁵

TIME TO RECLAIM PEASANTS' FOOD AND SEED SOVEREIGNTY

In a nutshell, these mergers will expose peasants to seed price shocks and limit the variety of seeds that they access, while also further undermining the contribution made by women—as seed custodians—to food and seed sovereignty. As fewer resources are made available for alternative, more context-appropriate seeds and crop protection methods, smaller farmers will simply fall by the wayside, unable to compete at the necessary scale to justify the expense of adopting the predominating technological packages.

Our demands must, thus, be that states take political decisions to stop these mergers. It is vital that states fulfill their human rights obligations by adopting policies and laws that recognize and protect peasants' rights, as currently discussed in the negotiations for a UN Declaration on the Rights of Peasants and Other People Working in Rural Areas.²⁶ States must ensure that peasants are at the center of programs that support and develop a diversity of resources and production methods appropriate for their conditions; and that support their own capacities to revive and use indigenous seed varieties and maintain and enhance agricultural biodiversity. Peasants are uniquely positioned to play this role.

INSIGHT 7.1 Fumigated and Undernourished: Argentina Fights Back to Reclaim Food Sovereignty *Marcos Ezequiel Filardi*²⁷

Since the dawn of the 19th Century, Argentina's dominant class has implemented an extractivist and export-oriented agriculture and livestock model that has fed on plunder. This has led to the loss of rights, as well as to the belittling and partial annihilation of the peasantry and of indigenous peoples. Over the last 20 years, the negative consequences of this model have been exacerbated by the 'commodity consensus', i.e. the expansion of industrial agriculture based on monocultures, genetically modified organisms and agrochemicals²⁸, as well as the export-oriented agribusiness and supermarket industry.

AN OPEN-AIR LABORATORY FOR GENETICALLY MODIFIED ORGANISMS AND AGROCHEMICALS

The glyphosate-resistant soybean was swiftly approved for use in Argentina: It took a mere three months over the summer of 1996, a 135-page dossier and a sole Monsanto corporation report.²⁹ With the exception of a few critical voices, the introduction of genetically modified organisms did not initially face major resistance. This is a clear example of the process known as 'bio-hegemony'.³⁰

Today, these soybeans cover 60% of the country's cultivated land, turning Argentina into a province defined by Syngenta as the 'United Republic of Soybeans'.³¹

Over the last 20 years, the National Commission on Biotechnology (CONABIA) has given commercial authorization to 41 varieties of genetically modified soybeans, maize, cotton and potatoes, 38 of which contain or are resistant or tolerant to different agrochemicals.³²

The intensive use of agrochemicals is not limited to genetically modified crops, but is used in almost all agricultural production. By December 2016, there were 4,727 authorized commercial formulations, 249 of which were approved during the previous year, leading to an annual turnover of more than \$US 3 billion.³³

Between 2003 and 2015, consumption of agrochemicals increased by 850%, going, in the case of glyphosate, from 3 kg per hectare per year in 2003 to 11.7 kg per hectare per year in 2015. During this period 360,000,000 kg of agrochemicals were spread over 30 million hectares of land.³⁴

As a result, between 12 and 15 million people are exposed to the fumigation of agrochemicals on a daily basis. In different locations across the entire country, areas have become known as the 'fumigated towns'.³⁵ Additionally, the use of agrochemicals has hit the entire population of Argentina (42 million) through the contamination of water, air, soil, breast milk, fruit, vegetables and highly processed foods, where pesticide residues are being detected at ever-higher levels.³⁶

Many human rights and environmental organizations, as well as academics and scientists undertaking 'dignified science', are increasingly reporting higher rates of genetic damage and chronic non-communicable diseases linked to exposure to agrochemicals in fumigated towns. Examples include: cancer, deformities, disruption of the endocrine system, neurodegenerative disorders, infertility, miscarriage, respiratory diseases and skin conditions.³⁷

A MODEL THAT VIOLATES HUMAN RIGHTS AND DESTROYS FOOD SOVEREIGNTY, NATURAL RESOURCES AND THE COMMONS

The agri-food system that is dominant in Argentina worsens forced displacement of peasants and indigenous peoples and increases land concentration, land grabs and the transfer to foreign ownership;³⁸ clearing and deforestation;³⁹ flooding;⁴⁰ soil erosion and desertification;⁴¹ destruction of wetlands and rainforests; and loss of biodiversity. It also increases carbon emissions that contribute to climate change.⁴²

This model impedes people from enjoying and exercising their human right to adequate food and nutrition and food sovereignty. Firstly, if the external commodities market is prioritized, then the internal *availability* of food is not guaranteed, and production for the local population is removed, displaced or marginalized. Secondly, *access* to food is hindered for large sectors of the population, who consequently suffer from hunger and malnutrition. This is due to a limited supply of local food coupled

34 For more information on statistics of the Argentine Chamber of Agricultural Health and Fertilizers (CASAFE), please see: www.casafe.org/publicaciones/estadisticas.

35 Rulli, Jorge E. *Pueblos Fumigados. Los efectos de los plaguicidas en las regiones sojeras*. Buenos Aires: Del Nuevo Extremo, 2009.

36 Barruti, Soledad. *Malcomidos: Cómo la industria alimentaria argentina nos está matando*. Buenos Aires: Grupo Planeta, 2013. Please also see: Yahdjian, Juan. *Somos Naturaleza. Misiones, salud y vida*. Eldorado: Th Barrios Rocha Ediciones, 2015; and Instituto Nacional de Tecnología Agropecuaria (INTA). *Los Plaguicidas agregados al suelo y su destino en el ambiente*. Buenos Aires: INTA Ediciones, 2015. Available in Spanish at: inta.gob.ar/sites/default/files/inta_plaguicidas_agregados_al_suelo_2015.pdf.

37 For more information, please see: Carrasco, Andres, Norma Sanchez and Liliana Tamagno. *Modelo agrícola e impacto socio-ambiental en la Argentina: monocultivo y agrogeneos*. La Plata: AUGM, 2012. Available in Spanish at: sedici.unlp.edu.ar/bitstream/handle/10915/24722/Documento_completo.pdf?sequence=5; Sarandón, Estanislao. "Externalidades sociales y ambientales de la producción de soja en Argentina: los costos ocultos del modelo". Thesis, University of Georgetown, Washington, 2015. Available in Spanish at: repository.library.georgetown.edu/handle/10822/1029909; Reports by Network of Doctors of Fumigated Towns. Available in Spanish at: reduas.com.ar/; Results of Medical Camps of Rosario University Institute of Socio-Environmental Health. Available in Spanish at: www.icm.unr.edu.ar/index.php/es/campamentos-sanitarios; Civil Society's Contribution to the Questionnaires Of The United Nations Special Rapporteur of The Right to Food and Special Rapporteur on The Implications for Human Rights of the Environmentally Sound Management and Disposal Of Hazardous Substances and Wastes. *Agrotóxicos, evaluación de riesgos, salud y alimentos en Argentina*. Available at: www.ohchr.org/Documents/Issues/ToxicWastes/PesticidesRtoFood/Argentina.pdf; and Studies by the Genetics and Environmental Mutagenesis Group (GEMA) at the University of Rio Cuarto (UNRC).

38 Over the last 20 years, there has been a loss of over 100,000 family farmers, peasant and indigenous farmers. Consequently, the 2010 census registered an urban population of 94% and an increase of informal settlements in the peripheries of large cities.

39 An FAO report places Argentina among the top ten countries in terms of deforestation over the last 25 years: 7.6 million hectares were lost—300,000 hectares per year. For more information, please see: Greenpeace. *Deforestación en el norte de Argentina: Informe Anual 2016*. Buenos Aires, January 2017. p. 3. Available in Spanish at: www.greenpeace.org/argentina/Global/argentina/2017/1/Deforestacion-norte-Argentina-Anual-2016.pdf.

- 40 As this article was being reviewed in April 2016, five provinces of Argentina were flooded. For more information on the link between the soybean industry and flooding, please see Behrends Kraemer, Filipe *et al.*, "Desplazamiento de la ganadería por la agricultura en una cuenca de La Pampa ondulada: efectos sobre el escurrimiento superficial y erosión hídrica". *Ciencia Suelo* 31(1) (2013): 83-92. Available in Spanish at: www.scielo.org.ar/scielo.php?script=sci_arttext&pid=S1850-20672015000100008. Please also see: Bertram, Nicolas and Sebastian Chiacchiera. *Ascenso de napas en la Región Pampeana: ¿consecuencia de los cambios en el uso de la tierra?* INTA EEA Marcos Juarez, 2013. Available in Spanish at: inta.gob.ar/sites/default/files/script-tmp-inta_napas_mjz_13.pdf.
- 41 Pengue, Walter A. *Cultivos Transgénicos, ¿hacia dónde fuimos? Veinte años después de la liberación de soja en la Argentina*. Buenos Aires: 2017. Available in Spanish at: www.biodiversidadla.org/Portada_Principal/Recomendamos/Cultivos_transgenicos_hacia_donde_fuimos_Veinte_anos_despues_de_la_liberacion_de_soja_en_la_Argentina.
- 42 GRAIN. *El Gran Robo del Clima. Por qué el sistema alimentario es motor de la crisis climática y qué podemos hacer al respecto*. GRAIN, 2016. Available in Spanish at: www.grain.org/es/articulo/entries/5408-el-gran-robo-del-clima-por-que-el-sistema-agroalimentario-es-motor-de-la-crisis-climatica-y-que-podemos-hacer-al-respecto.
- 43 The last Survey of Risk Factors revealed that 60% of the adult population of Argentina is overweight and 30% is obese, while 35% of children and adolescents are overweight.
- 44 For an analysis of relations between chemical companies and senior government officials, please see: Greenpeace. *Ley de Semillas: Del campo al plato, el lobby de las empresas químicas*, March, 2017. Available in Spanish at: www.greenpeace.org/argentina/Global/argentina/2017/3/INFORME-Ley-de-semillas-50-vinculos-entre-el-Gob-y-las-agroquimicas.pdf.
- 45 Amongst others, the National Peasant and Indigenous Movement (MNCI), La Via Campesina, and the Confederation of Workers of People's (CTEP). For more information, please visit: mnci.org.ar/; and ctepargentina.org/.
- 46 For more information, please visit: reduas.com.ar/.
- 47 For more information, please visit: abogaqdxpueblosfumigados.blogspot.com.ar/.
- 48 For more information, please visit: www.fcmm.unr.edu.ar/index.php/es/campanamentos-sanitarios.
- 49 The Network of Chairs for Food Sovereignty (CALISA) comprises over fifteen spaces in Argentinian public universities, which work as a network. They discuss the dominant food model and contribute to the collective construction of another model based on food sovereignty. For more information, please see: de Gorban, Miryam K., ed. *Seguridad y Soberanía Alimentaria*. Buenos Aires: Editorial Akadia, 2013; and, among others: calisanutricionuba.blogspot.com.ar/; catedralibredesoberaniaalimentaria.blogspot.com.ar/; www.unlp.edu.ar/articulo/2017/3/6/catedra-libre-de-soberania-alimentaria-cisa-unlp; and derechoalaalimentacion.org/.
- 50 Self-organized collectives of citizens who meet and collectively confront environmental problems that affect them. For more information, please visit: asambleasciudadanas.org.ar/.

with the high concentration of economic power across the entire agri-food chain, the high levels of unemployment, poverty and destitution and the lack of an integrated social security system. Thirdly, by offering cheap calories and expensive nutrients, and foods (including water) contaminated with agrochemicals and heavy metals, the *adequacy* of food is badly impacted. This is also linked to the intensification of other food production methods (such as animals fed with grain produced from genetically modified organisms with agrochemical, hormone and antibiotic residues), and to the oversupply of highly processed foodstuffs that are high in fats, sugars, salt and additives. As a result, this model does not only create hunger, but also leads to malnutrition, obesity and chronic non-communicable diseases that are linked to diet.⁴³ Finally, by destroying natural resources and the commons, food *sustainability* is affected, putting at risk the rights for present and future generations.

IMAGINING AND BUILDING OTHER POSSIBLE WORLDS TOGETHER

The state—at all levels—has been captured by the interests of those who support, benefit or legitimize the dominant agri-food system. These include cereal and seed corporations, producers and suppliers of agrochemicals, and the chemical, food, pharmaceutical, oil, transport, logistics, finance and supermarket industries.⁴⁴ The government is therefore failing to fulfill its obligations to respect, guarantee and adopt measures to ensure the Argentinian people's basic human rights to life, to adequate food and nutrition, to water, to health, to a healthy environment and to the rights of children.

However, the resistance movement against the dominant agri-food model is mounting and other possible worlds are being built collectively. There are numerous examples that show that people are waking up: the strengthening and organization of indigenous peoples, peasant and social movements;⁴⁵ the Network of Doctors of Fumigated Towns;⁴⁶ the Lawyers for Fumigated Towns;⁴⁷ the National University of Rosario socio-environmental camps,⁴⁸ the Network of Chairs for Food Sovereignty (CALISA) and related groups;⁴⁹ and socio-environmental assemblies.⁵⁰ There is a growing awareness about the consequences of the dominant model, leading for instance to the formation of a National Network of Municipalities and Communities that support Agroecology.⁵¹ Additionally, farm to plate festivals,⁵² farmers' and producers' markets, as well as cooperatives and fair trade partners have multiplied manifold,⁵³ whilst young neo-ruralists are spreading across the country. What is more, Argentina has witnessed a legal battle led by the Mothers of Ituzaingó Anexo;⁵⁴ the withdrawal of Monsanto from the Malvinas Argentinas municipality, in the province of Córdoba, as a result of social protest;⁵⁵ and ever-larger mobilizations taking to the streets to stand up for natural resources and the commons.⁵⁶ Furthermore, there is a strong presence of Argentinians and the inclusion of a chapter on Argentina in the International Monsanto Tribunal.⁵⁷ There was also a multidisciplinary action against the 'Monsanto Seed Law'.⁵⁸

These are just but a few examples that illustrate how the people of Argentina are rising up, joining forces and fighting back to reclaim food sovereignty and *buen vivir*.

- 51 There is a growing number of countries that embrace agroecology in its diverse forms. For more information, please see: www.pagina12.com.ar/22670-una-red-por-la-agroecologia.
- 52 For more information, please see: www.argentina.org.ar/pdf/LasferiasdeAgricultura.pdf.
- 53 For more information, please visit: ecoalimentate.org.ar/.
- 54 A group of mothers from Ituzaingó Anexo (province of Córdoba) who came together and successfully filed and promoted the first legal case regarding the use of agrochemicals in Argentina. For more information, please see: Broccoli, Ana. "The Other Mothers and the fight against GMOs in Argentina." In *Seed Sovereignty, Food Security: Women in the Vanguard of the Fight Against GMOs and Corporate Agriculture*, edited by Vandana Shiva. Berkeley: North Atlantic Books, 2016.
- 55 Monsanto was planning to build the largest sorting plant of corn seed in South America, with the support of national, provincial and municipal governments. The people of *Malvinas Argentinas* successfully organized and resisted until Monsanto finally abandoned its operations in this district and sold the building. This is a milestone in the socio-environmental struggle in Argentina.
- 56 Twenty thousand people joyfully congregated in the city of Córdoba to defend the province's remaining 3% of native forest.
- 57 For more information, please see: www.biodiversidadla.org/Principal/Coberturas/especiales/Tribunal_Internacional_Monsanto.
- 58 A group of organizations that met to resist the privatization of seeds in Argentina. For more information, please see: www.biodiversidadla.org/Autores/Multisectorial/contralaLeyMonsantoSemillas.
- 59 **Victor Pereira** is country facilitator of the milk division at **Confédération Paysanne**, a French member of the **European Coordination Via Campesina (ECVC)**. **Federica Sperti** works for **Centro Internazionale Crocevia**, and focuses on European campaigns and farming sectors linked to European and global markets. Special thanks to Mauro Conti, Antonio Onorati (Centro Internazionale Crocevia), Priscilla Claeys (Coventry University and FIAN Belgium), and Karine Peschard (Graduate Institute of International and Development Studies) for their support in reviewing this article.
- 60 Sukumar, Cr and Kumar, Arun, "Le Groupe Lactalis de France to purchase Tirumala Milk Products for \$275 mn". *The Economic Times*, January 8, 2014. Available in French at: economictimes.indiatimes.com/industry/consproducts/food/le-groupe-lactalis-of-france-to-purchase-tirumala-milk-products-for-275-mn/articleshow/28521819.cms?inttarget=no.
- 61 For more information, please see: www.lactalis.fr/le-groupe/chiffres-cles/; Mitrofanoff, Kira. "Comment Lactaliss' impose comme le n°1 mondial des produits laitiers devant Nestlé et Danone." *Challenges*, January 10, 2014. Available in French at: www.challenges.fr/entreprise/comment-le-francais-lactalis-s-impose-comme-le-n-1-mondial-des-produits-laitiers-devant-nestle-et-danone_123113.
- 62 Casalegno, Elsa and Laske, Karl. *Les cartels du lait : Comment ils remodelent l'agriculture et précipitent la crise*. Paris: Don Quichotte, 2016. p. 54–58.

INSIGHT 7.2 Lactalis, the Transnational Dairy Giant that Tramples on Peasants' Rights

*Victor Pereira and Federica Sperti*⁵⁹

In 2011, the French dairy products group Lactalis acquired the Italian dairy giant, Parmalat along with its 70,000 plus employees. In doing so, it positioned itself as a world leader in dairy products. Shortly after, in 2016, the conglomerate followed this up by launching a buyout offer for the remaining shares in Parmalat, another dairy global player. In the meantime, company buyouts are being pursued in all four corners of the globe (Tirumala Milk in India,⁶⁰ AK Gida in Turkey, Batavo and Elegê in Brasil, Emeraldal in Mexico and Lactalis in Eastern Europe).⁶¹ This article aims to bring to light the impacts of the activities undertaken by transnational corporations such as Lactalis on the lives of the men and women engaged in dairy production and peasants, especially in Italy and France.⁶²

In Italy alone, the Lactalis Group comprises five large companies (Parmalat, Locatelli, Invernizzi, Galbani and Cadernatori) and holds 33% of the traditional market for Italian milk, representing 34% of the mozzarella industry, 37% of fresh cheeses and 49.8% of cheeses like ricotta.⁶³ In France, Lactalis is the second largest firm in the agrifood sector (with 20% of the national market for fresh products, 18% of the market of milk for consumption and 15% of the butter sector), and its year on year growth continues. But this logic—based on profit and market expansion—succeeds only to the detriment of small local milk producers and not without impact on the quality of the final product consumed by the population.⁶⁴ In fact, the constant reduction of the price at the farm gate forces producers to industrialize their production methods and pushes cows to produce more than their natural potential, making production more artificial and degrading the natural qualities of the milk.

Lactalis has always pursued a supply policy with a strong dependence on producers that are positively 'engaged with the company's policies'. This is, in part, due to the provision of tankers and 'in-house' producer groups (i.e. producer organizations set up by the industrial buyer) under exclusive contract for the company. Aside from this exclusivity, Lactalis also keeps its farmer-suppliers under its control by using intimidation. The contracts implemented in 2012 with the European 'Milk Package'⁶⁵ have accentuated the enslavement of producers and their economic dependence on dairies. Lactalis, known for the harshness of its policy towards employees in its own factories, took this opportunity to include unfair clauses in contracts for the supply of milk, one of which bans farmers from inflicting damage on the company's image.⁶⁶

In Italy, the French group reduced the amount paid to milk suppliers, even though they had requested the price paid should at least cover production costs, which range from € 0.38 to € 0.41 per liter. During the journey from field to shelf, the price of milk can quadruple. The difference between the price paid by Italian consumers and that paid to milk producers is the highest in Europe.

In France, Lactalis recently notified five producers that it was terminating their collective contract on the basis of its own clauses, in particular the one relating to the protection of the company's image. The group reproached them for having testified about the company's practices⁶⁷ during a French television documentary, 'Special Envoy',⁶⁸ on the Lactalis empire and its CEO, Emmanuel Besnier. An 'explanatory' letter sent to one of the farmers reads: "You appear to disagree with

our milk supply policy, this nevertheless remains our responsibility and cannot in any case be subject to such denigration.”⁶⁹ Twelve months notice was given to the five producers concerned.⁷⁰

“What is the future for defending producers in this context?”, asks the French farmers’ union Confédération Paysanne, declaring that “it is time our demands for producer organizations that defend and truly protect peasants are finally heard.”⁷¹ The five producers have now found a solution themselves: they have joined up with the dairy *Laiterie Saint-Denis L’Hôtel* and are selling their milk under the brand ‘Who’s the boss?’. In Italy, faced with the near-monopoly of Lactalis, a small cooperative is producing and selling ‘Good, honest milk’ (*Latte buono e onesto*),⁷² offering a higher remuneration for producers. Beyond these actions, an overhaul in the system is needed to allow for a positive transition for all dairy producers, through government regulation of the market above all.

Moreover, the reduction in remuneration for producers and the breaking of contracts applied by Lactalis, as in the Italian and French cases described above, remain no less serious. According to the Italian trade union Coldiretti, the contractual imbalance between the parties makes abuse in the industry possible, with the imposition of unreasonably heavy demands on milk producers. It is worth remembering that the price paid by the group in 2016 was excessively low, negotiated down to the very last cent, in alignment with that of the ‘cooperative’ giant Sodial. This demonstrates the ineffectiveness of the actions carried out by the National Federation of Farmers’ Trade Unions (FNSEA, the largest agricultural union in France) at the end of the summer of 2016 against the Laval plant, where Lactalis is headquartered, during a conflict that ultimately led to an agreement on prices paid to producers. The FNSEA welcomed the outcome of the negotiations,⁷³ although this price was clearly too low.

The inequity of current dairy contracts is no longer in doubt: moral harassment, abuse of economic dependence, and interference with freedom of association among others. In the countryside, the harm has been done. Almost all of the producers supplying Lactalis no longer dare to express themselves. Without income or prospects for the future, they are more and more isolated, and now deprived of their freedom of speech and action. In 2016, in order to denounce this situation, the *Confédération Paysanne* filed complaints for extortion against several dairies, including Lactalis, in several French departments.

The lesson to be learned from the actions of Lactalis is the urgent need to reintroduce systems to regulate dairy markets and mechanisms to distribute wealth at all levels through renewed government involvement. It is, indeed, the latter’s disengagement which makes such abusive practices possible. The examples presented here also illustrate the importance of establishing producer groups independent from dairies to defend farmers and vulnerable producers because of the contracts imposed by agribusiness multinationals.⁷⁴ But it is important to recognize that the disengagement of public authorities is first and foremost the cause of these abusive practices. It is essential that governments monitor dairy companies and ensure that national and European rules are respected in order to protect workers, the public and, above all, our land’s productive resources. Any revision to the Common Agricultural Policy (CAP) must absolutely include the reintroduction of market management measures.

63 Coldiretti. “Latte Coldiretti, 1/3 mercato italiano in mano a francese Lactalis.” November 13, 2015. Available in Italian at: www.coldiretti.it/News/Pagine/824---13-Novembre-2015.aspx.

64 Lactalis (Group) was contacted with a request for a reaction on the information included in this article on July 10, 2017.

65 The ‘Milk Package’ is a European regulation which was designed with a view to allow farmers to form producer organizations, in order to negotiate a fair price for milk, following the removal of quota. For more information, please visit: ec.europa.eu/agriculture/milk/milk-package_fr.

66 The authors of this insight box possess copies of the contracts of milk farmers, containing the alleged unfair clauses. They have been reviewed when verifying the information contained in this article.

67 Confédération Paysanne. “Lactalis : Le seigneur et les paysans.” January 30, 2017. Available in French at: www.confederationpaysanne.fr/actu.php?id=5492.

68 France 2. “Lactalis: le lait, le beurre et l’argent du beurre.” Censored report, October 13, 2016. Available in French at: www.youtube.com/watch?v=jUE11PrGTdY.

69 This letter was sent by Lactalis on January 13, 2017 and it is in possession of its recipient. Upon request, the letter has also been shared by the authors when verifying the information contained in this article.

70 Monier, Jean-François. “Reportage sur France 2 : Lactalis rompt le contrat de producteurs de lait.” *Le Parisien*, January 27, 2017. Available in French at: www.leparisien.fr/flash-actualite-economie/opa-de-lactalis-sur-parmalatla-consob-rouvre-son-instruction-27-01-2017-6626796.php.

71 *Supra* note 67.

72 For more information, please visit: www.buonoonesto.it.

73 Following these actions, the FNSEA, the National Federation of Milk Producers (FNPL) and Young Producers (*Jeunes Agriculteurs*) stated in a press release that “the legitimate battle of milk producers has finally paid off.” For more information, please see: www.fnpl.fr/2016/08/fnplfnseaja-accord-lactalis-le-combat-legitime-desproducteurs-de-lait-a-fini-par-payer/.

74 For more information on resistance against agrifood transnationals in Somaliland, please see insight box 4.1 “The Milk Cooperative Movement in Somaliland: Pastoralists Reclaiming Food Sovereignty” in this issue of the *Right to Food and Nutrition Watch*.