The risks

16-3-05
Agri Nation

Earthwatch

Farmers facing drought and bad prices could lose markets if Monsanto's wheat is allowed

On December 23, while most Canadians were distracted by holiday revelry, Monsanto quietly submitted an application to a government agency for genetically modified wheat.

If all requirements are met, Canada could become the first country to allow the large-scale production and sale of Monsanto's GM wheat. While the long-standing concerns of environmentalists and consumers regarding the health and environmental risks of such crops remain, GM wheat poses a whole other set of risks that has even the most biotech friendly farmer in a panic: the potential to virtually kill Canada's wheat export markets.

At around $3 billion annually, wheat is Canada's leading agricultural product. Canada exports a full 75 per cent of its wheat. The Canadian Wheat Board estimates that customers [illegible] per cent of western red spring wheat, the main type of wheat grown in Canada, do not want to buy GM wheat.

Monsanto, which has tried to present itself as willing to listen to and address these concerns, broke that promise and rushed its application forward at a time when few would be watching.

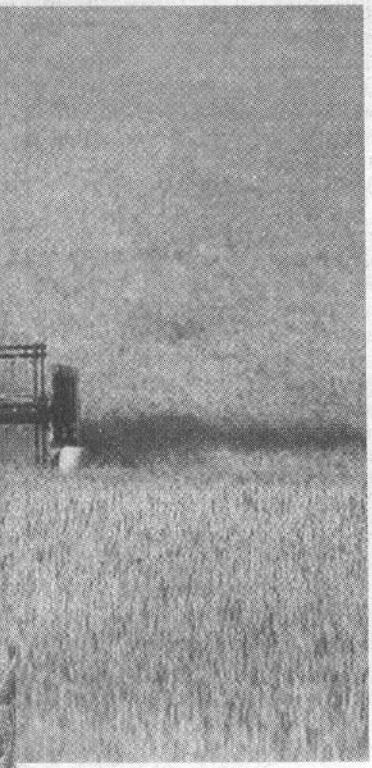
To make its new wheat, Monsanto inserted foreign genes into the DNA of western red spring wheat, the wheat used to make flour and bread. The change makes the wheat able to withstand sprays of Monsanto's powerful herbicide Roundup. The result is something that looks like wheat, but is actually a laboratory invention. Consumers the world over have, when given a choice, rejected GM products, and many companies and countries simply refuse to buy GM crops. Worse, many buyers of Canadian wheat have said they will buy no wheat from a country where the GM variety is grown.

That's why the wheat board has joined with groups such as Greenpeace and the Council of Canadians - two organizations it has clashed with in the past - to present a united front opposing GM wheat. In a series of town hall forums across the prairies, beginning in Winnipeg this week, farmers will get a chance to voice their concerns.

Fear of contamination (through cross-pollination or through accidental mixing of grains) means that even a small amount of GM wheat grown in Canada could sabotage large portions of our market. For Canadian farmers, the result would be devastating. As a spokesperson for Rank Hovis, Britain's biggest flour mill, has said, "If you do grow genetically modified wheat, we will not be able to buy any of your wheat - neither the GM nor the conventional. This has nothing to do with principle, or with

'GM wheat poses has even the mo panic: the pote whe

odified wheat



- many say impossible - undertaking to segregate GM wheat from traditional varieties. Even Monsanto has acknowledged that it will be impossible to ensure 100 per cent purity once GM varieties are introduced.

A University of Saskatchewan study concluded that segregation isn't feasible, and GM wheat genetics will contaminate non-GM fields and shipments. All farmers, both those growing GM wheat and those who don't, will be worse off, to the tune of $45.8 million and more than $32.3 million respectively, the study found.

set of risks that
dly farmer in a
y kill Canada's
ets'

The only party that can expect to make money, the study found, is Monsanto, which would generate about $157 million in net returns. So after much effort and expense, much of our market will still be lost since most of our highest paying customers have little interest in buying wheat with even 1 per cent GM contamination. The bottom line is, Monsanto will make the money while farmers pay the price.

For Monsanto, this application is all about economics. The company has been hemorrhaging money - a $1.69 billion (U.S.) loss last year compared with profits of $295 million in the same period a year earlier. The poor financial performance led to the abrupt departure in December of the company's chief executive.

Sales of Monsanto's Roundup herbicide are down. The patent has expired, allowing competitors into the market, and the company's biotech strategy has so far proven to be a loser. Roundup Ready wheat would boost herbicide sales at a time when Monsanto is surely desperate to return to profitability.

Underlying the economic concerns is the credibility problem of the approval process for GM crops. A year ago, the Royal Society of Canada raised numerous concerns with the system's ability to ensure health and environmental safety. In addition, the approval process has no mechanism for considering the societal or economic impacts of GM crops. Farmers have no meaningful input. Those whose livelihoods are most directly affected are frozen out of the decision.

GM wheat could be the final blow for many of Canada's farmers, already struggling with drought and adverse economics. It also puts our reputation as the world's breadbasket at risk.

But there is a potential silver lining here. Some believe that at least one of the big exporting countries will refrain from allowing GM wheat in order to increase market share. This has already happened with canola, with Australia refusing to grow it, and soybeans, with Brazil refusing to grow it.

Instead of being the first country in the world to commercialize GM wheat, Canada could remain free of the controversial crop, with attendant market advantages. Prime Minister Jean Chrétien could position Canada for this role by nipping GM wheat in the bud - protecting human health and the environment, and raising grain prices in the bargain.

Monsanto shouldn't be setting public policy and determining when it's okay to grow GM wheat.■