

Concentration in the seed industry leads to less choice, higher prices for U.S. farmers

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American farmers are feeling the effects of a concentrated seed industry. Seed options are diminishing while prices increase at historic rates.

A new report, [*Out of hand: Farmers face the consequences of a consolidated seed industry*](#), examines these troubling trends, substantiating the U.S. Department of Justice's investigation into alleged anticompetitive conduct in the seed industry.

"Farmers are facing fewer choices and significantly higher prices in seed," says Kristina Hubbard, author of the report. "Seed options narrow when a handful of companies dominate the marketplace."

Discussions on seed industry concentration typically center on the dominant firm, the Monsanto Company, which achieved the No. 1 position by capturing the markets for most major crops through a series of acquisitions and mergers. Monsanto accounts for 60 percent of the corn and soybean seed market through direct seed sales and seed trait licensing agreements with other companies. Monsanto's biotechnology traits are planted on more than 90 percent of U.S. soybean acreage and more than 80 percent of U.S. corn acreage.

The report outlines events that led to extensive concentration, including weak antitrust law enforcement and Supreme Court decisions that allowed genetically engineered crops and other plant products to be patented. These factors have created unprecedented ownership and control over plant genetic resources in major field crops.

"We are encouraged that the U.S. Departments of Agriculture and Justice have launched a joint investigation into anticompetitive practices in agriculture," says Bill Wenzel, national director of the Farmer to Farmer Campaign on Genetic Engineering. "We believe this report will shed light on the severe negative impacts that these practices have had on producers and provide insight on what changes in policy are necessary to protect farmers' rights and interests."

Out of Hand uses industry sources, government data, and personal interviews with farmers and seed industry representatives to document the consequences of concentration in the seed industry. One important finding is a general fear in agricultural communities that simply talking about problems in the seed industry will result in backlash from industry leaders, namely Monsanto.

Paul Rozwadowski, a farmer in Chippewa County, Wisconsin, says he has seen his seed options rapidly decrease in the last five years.

“Seed corn varieties that I once relied on are difficult if not impossible to locate,” Rozwadowski says. “And the prices of seed available have skyrocketed these last two growing seasons.”

“The trend in seed corn is for the largest firms to stack as many traits as possible into single varieties,” Rozwadowski says. “Not only are conventional varieties more difficult to locate, farmers have a hard time finding biotechnology varieties with just one or two traits.”

Todd Leake, a farmer in Grand Forks County, North Dakota, says he is concerned about the lack of breeding programs focused on bringing conventional soybean seed to the marketplace.

“Most of the conventional, non-GE varieties that I can find are ten to twelve years old,” Leake says. “Their disease resistance and yield have fallen well behind the Roundup Ready varieties. The disease package and yield come from conventional soybean breeding, not from any GE trait.”

“Public breeding programs historically met the diverse needs of farmers, including conventional varieties with good genetics for yield and disease resistance,” Leake adds. “But the focus of these programs has changed in the face of increased biotechnology industry funding. For the last ten years, many public breeding programs and private firms have only been interested in offering the newest genetics in seed with expensive biotechnology traits.”

The report also examines the role patent law has played in encouraging concentration. Over the course of decades, Congress has visited intellectual property protection for breeders of living organisms and consistently argued that patents on sexually reproducing plants would curtail innovation, threaten the free exchange of genetic resources, and increase market concentration. These problems are now being realized.

The report recommends that the U.S. Department of Justice closely examine anticompetitive conduct in the industry, enforce antitrust law, and engage the public in assessments of proposed and pending mergers. Other recommendations include revamping patent law as it pertains to crops because such patents are reducing farmer choice and researcher access, and directly contribute to the concentration of power over

plant genetic resources. The U.S. Department of Agriculture should also reinvigorate public breeding and cultivar development programs to ensure that the needs of farmers and the general public are met and that research is conducted in an open and honest way.

“Competition in the seed industry is crucial to the success of American farmers,” Hubbard says. “Farmers deserve an open and fair marketplace that encourages innovation and provides a variety of seed options at competitive prices.”

The full report can be downloaded at www.farmertofarmercampaign.org.

The Farmer to Farmer Campaign on a Genetic Engineering is a national network of farm organizations that serve as a voice for family farmers on agricultural biotechnology issues. Farmer to Farmer seeks to build a farmer driven campaign focused on concerns around agricultural biotechnology and to provide a national forum for farmers on these issues.

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