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Brazil Approves Genetically Modified Soy

by LADB Staff

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On Sept. 25, the Brazilian government gave farmers the green light to plant genetically modified (GM) seeds for the 2003-2004 growing season. Vice President Jose Alencar, standing in for President Luiz Inacio Lula da Silva who was out of the country, signed a decree lifting an existing ban on such seeds, despite resistance from environmental advocates and their supporters in the government.

From the time Lula helped found the Partido dos Trabalhadores (PT) more than 20 years ago, environmentalists have been an important constituency and their programs part of the party's platform. The commitments to that constituency have now run up against political realities and Brazil's need to increase exports. The Lula administration has been deeply divided on the issue.

In June, Lula's Chief of Staff Jose Dirceu said that Brazil would not allow planting GM crops, also known as transgenic crops, which their opponents say present risks to health, the environment, and biodiversity. Agriculture Minister Roberto Rodrigues and members of Lula's economic team had advocated lifting the ban, but Environment Minister Marina Silva opposed it.

Court rulings overturned, then upheld the ban in recent months.

In the space of 36 hours, the government announced it would allow farmers to plant GM soybean seeds, then it reversed that decision before changing yet again, late on Sept. 25. Critics of the decision say the result is that Brazil, long a leader of global opposition to genetically modified organisms (GMOs), has given in.

Alencar made it clear that he was signing the measure on orders from Lula. "The technicians tell me there are no risks, the environmentalists tell me there are," Alencar said in Brasilia. "But really I must sign this decree." The vice president said the government had decided to accept "a fait accompli," given the wide use of contraband GM seed from Argentina and Paraguay.

The government said it was acting to avoid having to destroy the 6 million tons of GM soy expected at harvest time. In March, the government had authorized marketing the soy already harvested in Rio Grande do Sul, but it set a deadline of Jan. 31, 2004, for sales of the GM soy and maintained the ban on future plantings.

The new decree extends the earlier measure legalizing the GM soybean seed in time for the October planting, but it contains several restrictions. Farmers cannot plant GM soybeans near nature reserves and watersheds or transport the seeds across state lines. The measure is good for only one year; any GM soy not sold by the end of that period must be burned. Farmers who plant the GM soybeans will have to sign a waiver assuming responsibility for any harm the crop causes the environment or human health.

Even under ban, GM soy was widespread

Analysts estimate that 30% of Brazil's soy is grown from smuggled GM seeds, and in Rio Grande do Sul, which borders Argentina and where most of Brazil's transgenic soy has been planted, the figure is closer to 70%. The government is predicting that the next harvest will yield 51 million tons, 25% of the world yield. Last year, Brazil exported 36.7 million tons of soy and its derivatives to become the second- largest soy producer in the world, after the US and just ahead of Argentina. Soy production is a US\$12 billion a year business for Brazil.

Brazil has traditionally banned GM foodstuffs from stores and prohibited the use of GM animal feed and grain. Until last year, Brazil was one of the world's last main exporters of farm goods to ban planting or selling GM crops or foods. Since the mid-1990s, Greenpeace and other international and local consumer and environmental groups have been battling to prevent Brazil from following Argentina and other large agricultural producers that have legalized GM crops.

The government had upheld the ban partly because of pressure from environmentalists but also because of the opposition to GM products by the European Union (EU), a major importer of soy products. Now some growers fear EU importers may be reluctant to buy Brazilian soy if it becomes hard to distinguish between the GM and the unmodified soybeans.

Many interests wanted ban lifted

The government has also come under increasing pressure from farmers, agribusiness, and scientists interested in the new transgenic technology. In June, a group of scientists lobbied for continued research of GMOs.

In an open letter to President Lula and the legislature, they called for eliminating the ban on GMOs that they said had paralyzed research for the past several years. The scientists said they had to meet "impossible requirements" and deal with "an excessive bureaucracy" to pursue their research. The country cannot renounce technology that is "essential for the sustainability and competition of Brazil's agribusiness," and which would provide "social and economic benefits," their letter said.

More than a thousand experts signed the document, said Leila Oda, president of the Associacao Nacional de Biosseguranca (ANBIO) and a leading proponent of GMO research in Brazil. Powerful economic interests also have a stake in GM crops in Brazil, among them US-based Monsanto Company, which has become the main target of the Movimento dos Trabalhadores Sem Terra (MST) and other organizations opposed to the crops. Monsanto dominates the global market for transgenic seeds with its Roundup Ready (RR) soybeans, which are less sensitive to glyphosate, the active ingredient in the herbicide Roundup, also produced by Monsanto. RR soybeans have been planted since 1996 in the US, and by 2000 they accounted for 54% of the area planted in soybeans in the US, and 95% in Argentina.

Some analysts say GM crops are more expensive, since the royalties charged by Monsanto for its RR soybeans drive up the cost by around US\$50 dollars per hectare. But others say farmers have lower

production costs with these seeds. "GM seeds save US\$25 per ton of planted soy since they use less herbicide," said Fabio Trigueirinho, secretary-general of the Associacao Brasileira das Industrias de Oleos Vegetais (Abiove). He added that using less herbicide means less environmental damage, despite what environmentalists, such as Greenpeace, say.

"We found that we had lost 28% of our income by not planting transgenic seeds last year," said Amauri Miotto, treasurer of Rio Grande's family farmers federation. "That's about US\$1,500 a lot of money for a farmer like me." Peter Rosset, co-director of Food First, a US-based nongovernmental institute for food and development policy, said that planting herbicide-resistant soybeans makes little sense for small farmers, who tend to plant their soybeans alongside crops that are vulnerable to the chemical.

MST coordinator Roberto Baggio argues that GM crops are not needed in Brazil. An MST farm in the southern state of Parana produced a yield of 3.7 tons of soybeans per hectare, 50% above the average national productivity level, with conventional soybeans, he said.

In Brazil, GM crops represent "an agricultural model of conservative modernization," which "has increased the concentration of land ownership, leading to a rural exodus that has 'emptied' the countryside," said Baggio. That model, applied since the 1960s, has favored large monoculture producers of export crops and has sacrificed Brazil's "food sovereignty" by making the country dependent on seeds and other inputs produced by transnational corporations. Legalizing production of GM crops would make Brazil "a hostage of the transnational corporations," which will monopolize the market for seeds.

Groups like Via Campesina, an international farmers' organization, contends that seeds are part of humanity's heritage and should be freely available to farmers and not subject to the rules of the market.

Seed producers affected

Also affected by the controversy is Brazil's seed-producing industry. Sales have dropped and uncertainty "inhibits investment in the development of new varieties," even through conventional means, such as crossbreeding, says Joao Lenine Bonifacio, president of the Associacao Brasileira dos Produtores de Sementes (Abrasem).

The global seeds market is a US\$30 billion a year industry, estimates Rabobank International, a Dutch bank with close ties to agriculture. Annual seed sales in Brazil amount to around US\$1 billion. Trade in GM seeds is competing with traditional methods of growing, in which farmers hold onto part of their harvest for seeds, as well as with legally certified seeds. Sales of legally certified seeds produced by the 110 companies represented by Abrasem has plunged.

The government's decision to temporarily allow farmers to plant GM soy seed "is our death sentence," said Narciso Barison Neto, head of the seed-producers' association in Rio Grande do Sul. The seed industry is not opposed to GM crops, however, and even defends their widespread use if

the transgenic seed can be produced in Brazil and farmers are free to choose among seed varieties. But the seed producers are suffering from the confusion created by the lack of clearly defined policies on GM crops, the lawsuits pending in Brazilian courts, and the contraband of transgenic seeds from Argentina.

The Lula administration is nearing consensus on a GM-crop policy, and in October should finalize draft legislation, says Agriculture Minister Rodrigues, adding that once Congress approves, there will be no need for new provisional measures. Opposition also widespread Brazil's Instituto de Defesa do Consumidor (IDEC) attorney Andrea Salazar said a legitimate concern exists regarding the risk of disseminating genes from GMOs to other plants, as occurred with maize in the US.

"We are not opposed to GMOs, but we want more research done," and not just about their agricultural properties, because what is needed are studies to assess their impact on human health and the environment, Salazar said. "Society can't be the guinea pig."

The Brazilian chapter of Greenpeace accused the government of betraying its principles, selling out to big business, and breaking a commitment made during last year's presidential campaign. Greenpeace lawyers plan to seek a court injunction, as does Brazil's Green Party, which is filing a constitutional challenge that, if accepted, puts the matter immediately before the Supremo Tribunal Federal (STF).

A decision could come within a week, before many farmers begin planting. The federal judges association also said it would challenge the decision in the STF. They said the decree was unconstitutional because a 2000 court ruling remains in force, prohibiting the planting of GMOs without first conducting environmental-impact studies. That ruling can only be revoked by another court decision, not by this "provisional measure," they said.

Brazil's Attorney General Claudio Fonteles said he was also studying the possibility of appealing to the STF to annul the decree, and the Conferencia Nacional dos Bispos do Brasil (CNBB) warned of the environmental risks and social effects. Pedro Scherer, CNBB secretary-general, said lifting the ban could "strengthen the oligopolies even more," since small farmers lack the resources to buy the seeds.

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