How Brazil stopped Monsanto's bullying

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Brazil, the world’s second largest user of genetically engineered (GE) seeds, just took Monsanto down a notch. The court focused on Monsanto’s harassment and exploitation of farmers — potentially causing huge financial losses to the company, and keeping their army of lawyers busy for a while. Meanwhile, we celebrate a rare commonsense legal decision.

Monsanto's RoundUp Ready soy seeds comprise 85% of all soy grown in Brazil, and the corporation has been making a tidy profit charging farmers a levy of 2% on top of the cost of seed. In April, a Brazilian court ruled this levy illegal.

Monsanto appealed the court’s decision, which has been suspended for now and is being reviewed by a judicial tribunal in the state of Rio Grande do Sul. Monsanto also appealed to the Brazilian Supreme Court to limit the tribunal’s ruling to the state of Rio Grande do Sul, but this appeal was denied. Whatever the Rio Grande do Sul tribunal rules could be applied to the whole country, potentially increasing Monsanto’s liabilities to pay farmers back.

Banditry, bullying & highway robbery

This is a first step in what we hope will be a victory for Brazilian farmers against harassment by Monsanto, a corporate giant that makes a sport out of threatening farmers’ livelihoods in the U.S. and around the world.

Monsanto’s overzealous protection of its "intellectual property" for GE seeds includes testing of non-GE farms to see if any traces of GE seeds are present on the farm. This policing exposes farmers to levies by Monsanto claiming intellectual property infringement, even in cases where farmers' crops were contaminated against their will and without their knowledge.

"Genetic drift" is an established reality for farmers who say it is almost impossible to prevent contamination of their fields by GE seeds from neighboring farms. This was one of the main arguments made by farmers against Monsanto in Brazil, where the company charged a levy of 3% of their crop sales on farmers on whose farms they found "illegal" GE soy seeds.

Previous to this ruling, if Brazilian farmers planted GE seeds "illegally," but admitted this to their local trader at point of sale, they were charged a penalty fee of 2.3% of their crop's value. If, however, they denied using Monsanto's seeds but on-site testing revealed genetic contamination of as little as 1% of their crop, they were then required to pay a higher penalty fee of 3% of their entire crop's value.

Contamination at the 1% level is virtually inevitable, because in Brazil most farmers must rent harvesting equipment and that equipment often has traces of GE seed from previous uses. Brazilian farmers we spoke with on a visit last fall reported that they felt trapped into falsely "admitting" illegally planting GE seed in order to pay the lower of the two fines.

In the U.S. we call this highway robbery. Nice to see Brazil take the bandits down a notch.

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