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GATES FOUNDATION INVESTS IN MONSANTO  
Both will profit at expense of small-scale African farmers

Seattle, WA – Farmers and civil society organizations around the world are outraged by the recent discovery of further connections between the Bill and Melinda Gates Foundation and agribusiness titan Monsanto. Last week, a financial website published the Gates Foundation’s investment portfolio, including 500,000 shares of Monsanto stock with an estimated worth of $23.1 million purchased in the second quarter of 2010 (see the filing with the Securities and Exchange Commission). This marks a substantial increase from its previous holdings, valued at just over $360,000 (see the Foundation’s 2008 990 Form).

“The Foundation’s direct investment in Monsanto is problematic on two primary levels,” said Dr. Phil Bereano, University of Washington Professor Emeritus and recognized expert on genetic engineering. “First, Monsanto has a history of blatant disregard for the interests and well-being of small farmers around the world, as well as an appalling environmental track record. The strong connections to Monsanto cast serious doubt on the Foundation’s heavy funding of agricultural development in Africa and purported goal of alleviating poverty and hunger among small-scale farmers. Second, this investment represents an enormous conflict of interests.”

Monsanto has already negatively impacted agriculture in African countries. For example, in South Africa in 2009, Monsanto’s genetically modified maize failed to produce kernels and hundreds of farmers were devastated. According to Mariam Mayet, environmental attorney and director of the Africa Centre for Biosafety in Johannesburg, some farmers suffered up to an 80% crop failure. While Monsanto compensated the large-scale farmers to whom it directly sold the faulty product, it gave nothing to the small-scale farmers to whom it had handed out free sachets of seeds. “When the economic power of Gates is coupled with the irresponsibility of Monsanto, the outlook for African smallholders is not very promising,” said Mayet. Monsanto’s aggressive patenting practices have also monopolized control over seed in ways that deny farmers control over their own harvest, going so far as to sue—and bankrupt—farmers for “patent infringement.”

News of the Foundation’s recent Monsanto investment has confirmed the misgivings of many farmers and sustainable agriculture advocates in Africa, among them the Kenya Biodiversity Coalition, who commented, “We have long suspected that the founders of AGRA—the Bill and Melinda Gates Foundation—had a long and more intimate affair with Monsanto.” Indeed, according to Travis English, researcher with AGRA Watch, “The Foundation’s ownership of Monsanto stock is emblematic of a deeper, more long-standing involvement with the corporation, particularly in Africa.” In 2008, AGRA Watch, a project of the Seattle-based organization Community Alliance for Global Justice, uncovered many linkages between the Foundation’s grantees and Monsanto. For example, some grantees (in particular about 70% of grantees in Kenya) of the Alliance for a Green Revolution in Africa (AGRA)—considered by the Foundation to be its “African face”—work directly with Monsanto on agricultural
development projects. Other prominent links include high-level Foundation staff members who were once senior officials for Monsanto, such as Rob Horsch, formerly Monsanto Vice President of International Development Partnerships and current Senior Program Officer of the Gates Agricultural Development Program.

Transnational corporations like Monsanto have been key collaborators with the Foundation and AGRA’s grantees in promoting the spread of industrial agriculture on the continent. This model of production relies on expensive inputs such as chemical fertilizers, genetically modified seeds, and herbicides. Though this package represents enticing market development opportunities for the private sector, many civil society organizations contend it will lead to further displacement of farmers from the land, an actual increase in hunger, and migration to already swollen cities unable to provide employment opportunities. In the words of a representative from the Kenya Biodiversity Coalition, “AGRA is poison for our farming systems and livelihoods. Under the philanthropic banner of greening agriculture, AGRA will eventually eat away what little is left of sustainable small-scale farming in Africa.”

A 2008 report initiated by the World Bank and the UN, the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD), promotes alternative solutions to the problems of hunger and poverty that emphasize their social and economic roots. The IAASTD concluded that small-scale agroecological farming is more suitable for the third world than the industrial agricultural model favored by Gates and Monsanto. In a summary of the key findings of IAASTD, the Pesticide Action Network North America (PANNA) emphasizes the report’s warning that “continued reliance on simplistic technological fixes—including transgenic crops—will not reduce persistent hunger and poverty and could exacerbate environmental problems and worsen social inequity.” Furthermore, PANNA explains, “The Assessment’s 21 key findings suggest that small-scale agroecological farming may offer one of the best means to feed the hungry while protecting the planet.”

The Gates Foundation has been challenged in the past for its questionable investments; in 2007, the L.A. Times exposed the Foundation for investing in its own grantees and for its “holdings in many companies that have failed tests of social responsibility because of environmental lapses, employment discrimination, disregard for worker rights, or unethical practices.” The Times chastised the Foundation for what it called “blind-eye investing,” with at least 41% of its assets invested in “companies that countered the foundation’s charitable goals or socially-concerned philosophy.”

Although the Foundation announced it would reassess its practices, it decided to retain them. As reported by the L.A. Times, chief executive of the Foundation Patty Stonesifer defended their investments, stating, “It would be naïve...to think that changing the foundation’s investment policy could stop the human suffering blamed on the practices of companies in which it invests billions of dollars.” This decision is in direct contradiction to the Foundation’s official “Investment Philosophy”, which, according to its website, “defined areas in which the endowment will not invest, such as companies whose profit model is centrally tied to corporate activity that [Bill and Melinda] find egregious. This is why the endowment does not invest in tobacco stocks.”

More recently, the Foundation has come under fire in its own hometown. This week, 250 Seattle residents sent postcards expressing their concern that the Foundation’s approach to agricultural development, rather than reducing hunger as pledged, would instead “increase farmer debt, enrich agribusiness corporations like Monsanto and Syngenta, degrade the environment, and dispossess small farmers.” In addition to demanding that the Foundation instead fund “socially and ecologically appropriate practices determined locally by African farmers and scientists” and support African food sovereignty, they urged the Foundation to cut all ties to Monsanto and the biotechnology industry.

AGRA Watch, a program of Seattle-based Community Alliance for Global Justice, supports African initiatives and programs that foster farmers’ self-determination and food sovereignty. AGRA Watch also supports public engagement in fighting genetic engineering and exploitative agricultural policies, and demands transparency and accountability on the part of the Bill and Melinda Gates Foundation and AGRA.