en

News | 22.08.2017

Bayer/Monsanto merger

The Commission recognises that the Bayer/Monsanto merger would be highly problematic

In September 2016, German drugs and chemicals group Bayer and US company Monsanto, owner of the glyphosate-based herbicide Roundup and of the only GM plant currently authorised for cultivation in the EU (Mon 810 Maize), announced their intention to merge. The European Commission's DG competition, whose validation is necessary to seal the deal, just released their preliminary review on the issue. This review identifies an impressive list of risks and problems associated with the potential merger, already opposed by hundreds of thousands of citizens.

It would, in their own words, "*create the world's largest integrated pesticides and seeds company. It would combine two competitors with leading portfolios in non-selective herbicides, seeds and traits, and digital agriculture... Moreover, the transaction would take place in industries that are already globally concentrated, as illustrated by the recent mergers of Dow and Dupont and Syngenta and ChemChina*". Indeed, the last two "mega mergers" in the farming input sector have already aggravated significantly a very bad situation for the farmers.

The seed market in the EU is ridiculously concentrated. It is a common misconception that seeds are mainly produced by a multitude of thousands of SMEs in the EU, as these are in most cases owned totally or partially by the same few very big stakeholders. In 2014, only four companies were already controlling close to 95% of the vegetable seed market, two of these companies being Bayer and Monsanto (1). The Commission flags this down as a major problem, citing also the case of oilseed rape seeds.

Moreover, the Commission also highlights that Monsanto and Bayer are marketing the two most popular herbicides in the EU: glyphosate and glufosinate ammonium, respectively. The apparition of herbicide resistant weeds is partially linked to the small number of solutions available for farmers. The Commission seems to fear that this merger would make the situation worse in this respect.

This would only add to an already impossible situation in the farming sector. Total input costs for EU farmers climbed on average by almost 40% between 2000 and 2010, while farm gate prices increased on average by less than 25%, according to Eurostat: almost 80% for synthetic fertilisers and soil improvers, almost 30% for seeds and planting stock and nearly 13% for pesticides (as revealed in a European Parliament report from 2011 which cited Eurostat).

Greens/EFA MEP Molly Scott-Cato who sits on both the ECON committee responsible for fair

competition and the AGRI committee, declared:

"It is clear from the Commission judgement on the potential merger that they share our concerns, as Greens, about risks of further consolidation in the market for seeds and pesticides. What is surprising is that this has not led them to reject the proposed merger at this stage. We are convinced that giving more power to agribusiness will only impoverish EU farmers further. Someone is making a huge amount of money from this and it's certainly not the farmers, who are already squeezed between non-remunerative prices for their produce and being locked into rising input costs, cash-cows in an input dependent system."

She continued:

"We need to be limiting the precariousness of farmers' situations by encouraging more autonomy and input independence. It is the EU's responsibility to protect its farmers against the power of the agro-chemical companies, and only a rejection of the merger can achieve this. This merger can only further undermine the livelihoods of Europe's farmers and we call on the Commission will act follow the logic of their own review and refuse to grant permission for the merger."

That merger might also be a bad move for Bayer: Monsanto is accused in an ongoing trial of being responsible for cancers such as non-Hodgkinson lymphoma in hundreds of US farmers; this unearthed a string of scandalous discoveries concerning the shady actions of the corporation in order to mask the potential risks of its products.

---

(1) See « Concentration of market power in the EU seed market », by Ivan Mammana

Recommended

News

European Parliament Building Strasbourg © European Union 2017 - Source : EP



Debriefing of the February I plenary session

09.02.2024

News

European Union



Plenary Flash 5 - 8 February 2024

02.02.2024

Event

©adrian-infernus



GMO-Free Europe Conference '23

07.09.2023

Study

chuttersnap



[The possible deregulation of certain GMOS in the EU: w…]

03.07.2023

Contact person



Juliette Leroux

Advisor on Agriculture and Rural Development

Please share

- E-Mail