
TraceConsultT Special: Comments related to various scare figures of recent weeks (NOV / DEC 2009)

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Comment by TraceConsult™: It seems it is still necessary to put some recent news items into perspective so shortly before the Christmas holidays. Particularly from European industry subscribers we have received numerous inquiries as to what the situation in Brazil will be for the next season regarding the availability of Non-GMO soy and corn.

For many months now, the waves of the global (mis)information battle between biotech promoters and NGO opponents – actually mostly the huge remainder of European society – have reached new heights. With the planting season behind us, this seems to be the right time to deliver cast-in-stone statements and predictions, particularly regarding the crop to be expected in 2010 in the world's largest Non-GMO producing country, Brazil.

Without going too deeply into the topic, we would just like to do below what we said at the top: Put things into perspective. Nobody is able to make exact predictions at this time regarding the available tonnage of a given agricultural raw material. Ratios of GM vs. GM-free acreage are not identical to ratios of crop volume in a vast country such as Brazil with a host of different combinations of soil and climatic conditions. On top of that, there is still the factor generally referred to as "weather".

Corn/Maize:

Brazilian corn so far has not played any significant role for the European corn supply. This may or may not change in the future. At the moment the country produces for its own consumption and that's it! In addition, economic profits for farmers are significantly higher in the soy sector, so why should they bother planting corn for export to anywhere?

Unfortunately, corn imports to the EU may be subject to volume limits and import tariffs. These provisions can change at relatively short notice.

Industrial European corn consumers may very well need Non-GMO corn supplies from Brazil at some time. In such an event, GMO volumes are important. The current scare figures published, for instance, in the (second half of the) first article shown below tell only half the story. Biotech corn was approved for planting in Brazil only recently. In terms of percentile increase, any growth must seem explosive at this stage.

At the moment it is said in general in Brazil that more than 60% of the total planted area will be Bt corn for the summer crop 2009 / 2010. It so happens that Brazil knows three segments of Bt corn adoption – related to and divided by the level of technology and investments adopted. They are split as follows:

1 – HIGH INVESTMENT = 40% of the planted area, using 60% of Bt corn = 24% of the total planted area
2 – MEDIUM INVESTMENT = 30% of the planted area, using 12% of Bt corn = 3,6% of the total planted area
3 – LOW INVESTMENT = 30% of the planted area, using 2% of Bt corn = 0,6% of the total planted area

So we see that "60 percent" is correct – but it applies only to the high investment area that makes up only 24 percent of the total corn area. All three investment levels taken together account only for a total of 28.2 percent of the total planted area. – So where would that figure of 39 percent of GM corn come from that is predicted in the article from transgen.de (3)?

Relating to the initial notion in this corn comment, that Brazil has never produced significant volumes of corn for export, be it pointed out that so far no corn producer or processor has requested to be certified as Non-GMO. This means there has been no demand for corn brought from Europe to Brazil!

In short: Brazilian corn is currently not relevant to EU customers. However, as said above, this may change.

The twist in the terminology of allegedly neutral information platforms such as checkbiotech.org or transgen.de is clearly misleading. Transgen.de [item (2) below] opens a recent release with the statement that "Brazil's agriculture focuses more on green biotech." – This is sheer scaremongering because Brazilian farmers have been doing this since the year 1998 – at first illegally and later legally. And yet, in terms of tonnage – and that is what counts! – the GM soybean share in the 2008/2009 season was practically unchanged compared to the previous year. The percentage was around 55 percent. And not "two thirds", as the survey quoted by transgen.de wants to have it.

Soybeans and soy meal

Concretely speaking, the harvests in early 2008 and 2009 have shown almost identical ratios of GM soybeans versus conventional, GM-free soybeans. A continuously growing trend of annual increases of GM soybean planting came to a standstill. Meanwhile the volume of certified material kept growing, leading to the availability of 16.4 percent of the entire Brazilian 2009 soy crop as certified Non-GMO ("Hard IP") below 0.1 percent.

If the GM-planted areas should increase again this season this

would not come as a total surprise. But it permits only vague predictions for the harvested bean volume later on. The aforementioned factors do have a significant influence.

European industry and trade decide

As has been pointed out in many meetings and conferences, it is European buyers who determine, albeit with a small delay, the "planting behavior" of Brazilian farmers. Most of them are well prepared to sow conventional soybeans provided they are assured at the time of planting within a frame contract that appropriate premia will be paid. Sometime European major retailers have to tell their supply chain specifically what they prefer – and make a commitment.

We would like to thank ABRANGE for contributing some of the information used in the above Comment.

(1)

<http://greenbio.checkbiotech.org/news/brazilian_farmers_turn_gm_soybeans_bt_corn>
Brazilian farmers turn to GM soybeans, Bt corn
Friday, December 11, 2009
By Giovani Ferreira and José Rocher

The 2009–10 planting of genetically modified seeds exceeded the cultivation of conventional crops in Brazil, shows a country-wide survey conducted by RPC Crop Expedition PRC (a Brazilian media company). ...

(2) <<http://www.transgen.de/aktuell/1141.doku.html>>

Brasilien: Deutlich mehr gentechnisch veränderte Pflanzen

(14.12.2009) Die Landwirtschaft Brasiliens setzt zunehmend auf die Grüne Gentechnik. In der bevorstehenden Anbausaison 2009/10 werden mehr gentechnisch veränderte Pflanzen ausgesät als im Vorjahr. Besonders auffällig ist der Zuwachs bei Mais. Bei Soja entfallen zwei Drittel der Produktion auf gentechnisch veränderte Sorten. ...

(3)

<<http://www.aiz.info/?id=2500%2C%2C%2C2028%2C%2C%2C%2CY2lkPTEwODcwNDY%3D>>
Brasilien: Anteil von GV-Mais soll 39% erreichen

Zwei Drittel der Sojasorten sind gente[... sic]

Aachen, 17. Dezember 2009 (aiz.info). – Die Landwirtschaft Brasiliens setzt zunehmend auf gentechnisch veränderte Saaten. In der bevorstehenden Anbausaison 2009/10 soll der Anteil von GV-Mais an der Gesamterzeugung von bislang 5% auf 39% steigen, berichtet der Internetdienst Transgen, Aachen, unter Berufung

auf eine Umfrage des brasilianischen Medienunternehmens RPC Crop Expedition bei Landwirten. Allein im Bundesstaat Parana, auf den gut ein Drittel der Maiserzeugung des Landes entfällt, soll der GVO-Anteil demnach auf 41% steigen. ...

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