



News Release  
ETC Group  
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## **Monsanto Announces Takeover of Delta & Pine Land and Terminator Seed Technology (again)**

In a quest to expand its corporate seed empire – Monsanto, the world’s largest seed enterprise – announced yesterday that it will buy the world’s biggest cotton seed company, Mississippi-based (USA) Delta & Pine Land, for US\$1.5 billion. Monsanto and Delta & Pine Land (D&PL) together account for over 57% of the US cotton seed market. With D&PL subsidiaries in 13 countries – including major markets such as China, India, Brazil, Mexico, Turkey and Pakistan – the takeover means that Monsanto will command a dominant position in one of the world’s most important agricultural trade commodities and that millions of cotton farmers will be under increased pressure to accept genetically modified (GM) cottonseed.

“This merger,” says Ibrahim Coulibaly, President of the National Coordination of Peasants’ Organizations of Mali, “guarantees an intensification of the already immense political pressure on West African governments to accept genetically modified seeds. Delta & Pine Land couldn’t exercise the kind of clout Monsanto can. This deal is a major threat to our farmers and food sovereignty. African farmers’ groups and civil society organizations need international support to resist the pressure of multinational corporations and USAID on African governments to adopt GMOs.”

**Sterile Cotton Bolls:** Delta & Pine Land is notorious for its early development, with the US Department of Agriculture, of Terminator technology – plants that are genetically modified to produce sterile seeds at harvest. Despite massive opposition from farmers, civil society and many governments, Delta & Pine Land has repeatedly vowed to commercialize the technology and declared that their primary market would be in Africa, Asia and Latin America. The company claims that it is already growing genetically modified cotton and tobacco containing Terminator genes in greenhouses.

Over 500 organizations worldwide have called for a global ban on Terminator Technology, asserting that sterile seeds will destroy the livelihoods and cultures of the 1.4 billion people who depend on farm-saved seed. In March 2006, governments at the biennial meeting of the UN Convention on Biological Diversity [unanimously re-affirmed and strengthened](#) the international moratorium on field testing and commercialization of Terminator seeds.

“With the takeover of Delta & Pine Land, Monsanto acquires a research program devoted to commercializing Terminator seeds, as well as US, European and Canadian patents on genetic seed sterilization technology,” said Hope Shand of ETC Group. “We demand that Monsanto make a public commitment to shut down the Terminator research program it will acquire from D&PL and abandon its Terminator patents once and for all,” said Shand.

**Monsanto’s Boll Weasel:** Monsanto’s 1998 bid to buy Delta & Pine Land for \$1.8 billion collapsed in 1999 amid global controversy over Terminator technology. In response to massive opposition, Monsanto’s former CEO, Robert Shapiro, publicly pledged in 1999 that his company would not

commercialize sterile-seed technology. But the company's revised 2005 pledge states that the company will not "commercialise sterile-seed technologies in food crops" – suggesting that it would use Terminator seeds in non-food crops (e.g. cotton?) and does not rule out other uses of Terminator in the future.

In an email communication to ETC Group today, Monsanto spokesperson, Lori Fisher wrote that Monsanto does not intend to use technologies that render seeds sterile, and stands by its 2005 pledge "not to commercialize sterile-seed technologies in food crops." [\[available here\]](#). The pledge also states that "Monsanto people constantly reevaluate this stance as technology develops."

ETC Group notes that the company's pledge leaves the door open and does not rule out future development of the technology.<sup>1</sup> Monsanto's pledge allows the company to change its position on any aspect of its pledge at any time. Cotton is one of the world's most lucrative non-food commercial crops. Will it become Monsanto's first target crop for Terminator genes?

**Feeding Frenzy:** Monsanto's acquisition of D&PL is just the latest in a decade-long series of seed company takeovers. Monsanto became the world's largest vegetable seed company with its January 2005 takeover of Seminis. In April 2005 Monsanto acquired Emergent Genetics (including Stoneville) – the 3<sup>rd</sup> largest US cotton seed company. Over the past year Monsanto took control of more than a dozen US-based corn and soybean seed companies. Just three months ago, D&PL acquired Syngenta's global cotton seed business – including operations in India, Brazil, Europe and some cotton germplasm in the US.

**Global Cotton King:** With the takeover of Delta & Pine Land, Monsanto aims to insert biotech traits into cotton germplasm worldwide. Despite growing resistance in West Africa, D&PL initiated tests on GM cotton in Burkina Faso, Mali and Egypt in 2004.<sup>2</sup> Monsanto and D&PL already control an estimated one-third of the Indian hybrid cotton seed market. According to Monsanto, D&PL now controls one-third of the Brazilian cotton seed market, and almost one-fourth of the Australian market.

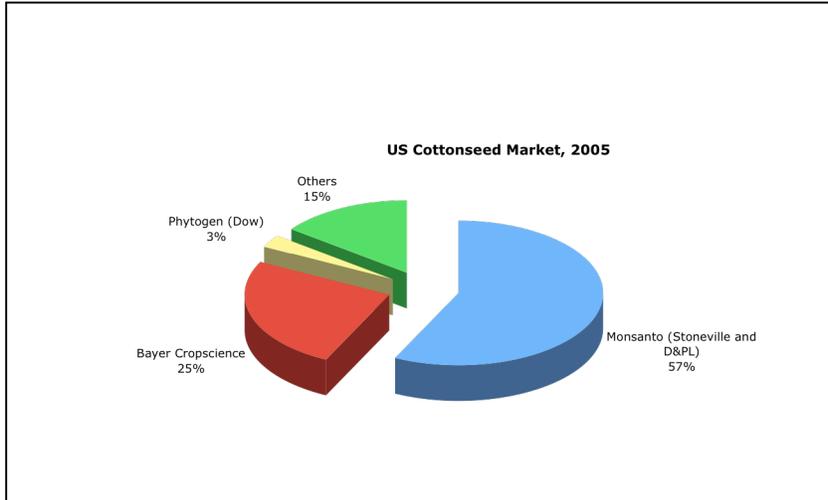
Monsanto's bid for D&PL comes on the heels of the collapse of the Doha Round in Geneva on July 24. West African cotton exporting states, in particular, were banking on the World Trade Organization (WTO) negotiations to rollback cotton subsidies in the USA and on increased market access in the EU for finished cotton goods. With the WTO failure, the \$4 billion US cotton subsidy remains in place and prospects for African and Asian cotton growers look dim. This is bad news for D&PL which lacks Monsanto's deep pockets and long-term market opportunities. Monsanto is buying its major cotton competitor for \$1.5 billion – one third less than it offered in 1998<sup>3</sup> before the WTO trade talks began. From Monsanto's perspective, it's inevitable that the US will have to drop its subsidy to large US cotton operations and, when it does, the cotton seed business in the US will all but disappear with the market shifting to Africa and Asia. Monsanto can afford to wait – as long as it is the cotton seed provider and all the seed available uses the company's genetically modified traits.

**Monopoly challenge:** With control of almost 60% of the US cotton seed market after the buyout, Monsanto anticipates anti-trust scrutiny in the US, and the company's president says it will divest its US cotton seed company Stoneville, which controls about 14% of the US market. "If the EU is serious about helping Africa's cotton farmers and improving Africa's cotton export earnings, it can begin by rejecting the Monsanto/D&PL merger in Brussels as an attack on anti-competition policy," said Pat Mooney of ETC Group. "The merger of these two US companies will make the removal of cotton subsidies much more difficult and will keep cotton and cotton clothing prices unnaturally high for European consumers. A barrier thrown up in Brussels will even be seen inside the Beltway in Washington, DC. The boll is in the EU's court!" said Mooney.

### US Cotton Seed Market 2005

Company	% Market Share
Delta & Pine Land (to be acquired by Monsanto)	43.37
Stoneville (Monsanto)	13.93
Bayer Cropscience	25.32
Phytogen (Dow AgroSciences)	2.64
Others	14.74

Source: USDA; figures are for upland cotton.



If the buyout is approved, Monsanto's Stoneville and Delta & Pine Land will together account for more than 57% of the total US cotton market. According to the USDA 83% of the cotton acreage planted in the US in 2005 was transgenic.

Delta & Pine Land has subsidiaries in 13 countries, including companies in North, South and Central America, Europe, China, South Africa, Turkey and India.

#### Delta & Pine Land Subsidiaries (as of November 2005)

ATLED  
D&M INTERNATIONAL, LLC  
D&M PARTNERS  
D&PL ARGENTINA, INC.  
D&PL CHINA, INC.  
D&PL CHINA PTE, LTD.  
D&PL INVESTING CORP.  
D&PL INVESTMENTS, INC.  
DELTAPINE PARAGUAY, INC.  
D&PL SOUTH AFRICA, INC.  
D&PL INTERNATIONAL TECHNOLOGY CORP.  
DELTA PINE DE MEXICO S. DE R.L. DE C.V.  
DELTAPINE AUSTRALIA PTY. LIMITED  
GREENFIELD SEED COMPANY, LLC  
HEBEI JI DAI COTTONSEED TECHNOLOGY COMPANY, LTD. (CHINA)  
PAYMASTER TECHNOLOGY CORP.  
TURK DELTAPINE, INC. (TURKEY)  
D&PL SEMILLAS LTDA. (COSTA RICA)  
CDM MANDIYU S.R.L. (ARGENTINA)  
DELTA AND PINE LAND HELLAS MONOPROSOPI, E.P.E. (GREECE)  
D&PL BRASIL, LTDA.  
ANHUI AN DAI COTTONSEED TECHNOLOGY COMPANY, LTD. (CHINA)  
D&PL TECHNOLOGY HOLDING COMPANY LLC.  
D&M BRASIL ALGODAO, LTDA

MDM SEMENTES DE ALGODAO LTDA (BRAZIL)  
SURE GROW, LLC  
D&PL INDIA, LLC  
DELTAPINE INDIA SEED PRIVATE LTD. (INDIA)  
D&PL MAURITIUS LIMITED

Source: Delta & Pine Land, SEC Filing 10-K, November 14, 2005

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<sup>1</sup> In February 2006 the international Ban Terminator Campaign ([www.banterminator.org](http://www.banterminator.org)) revealed that Monsanto's revised pledge no longer rejected commercialization of Terminator technology in all food crops. [\[see correspondence here\]](#). In response, Monsanto's Director of Public Policy, Diane Herndon, wrote: *"We apologize for any confusion caused by the added language "in food crops" that appeared in the discussion of Genetic Use Restriction Technologies (GURTs) in our last Pledge Report. We stand by our commitment to not use genetic engineering methods that result in sterile seeds. Period."*

Monsanto's Herndon also wrote: *"we are in the process of reworking our Web site and will be able to remove the confusing language as part of the redesign."* But a half-year later, Monsanto has not corrected or removed the confusing language.

<sup>2</sup> Monsanto, "Delta and Pine Land Acquisition: Investor Conference Call," August 15, 2006. [www.monsanto.com](http://www.monsanto.com)

<sup>3</sup> Accounting for inflation, Monsanto's 1998 offer of \$1.8 billion converts to \$2.25 billion in 2006. Monsanto's current offer of \$1.5 billion for D&PL is, therefore, in 2006 terms, \$750 million below its 1998 offer. (US Bureau of Labor Statistics: [www.BLS.GO/CPI](http://www.BLS.GO/CPI) .)