

CEE Bankwatch Network Press Release

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Monsanto Should Not Expand Relying on Public Money

London -- Monsanto, the world's largest seed producer and one of the most prominent promoters of GMO crops worldwide, is set to receive 40 million US dollars of public financial support via the European Bank for Reconstruction and Development.

The EBRD has provisionally approved a 40 million US dollars financial guarantee to cover Monsanto in case farming companies cannot pay for seeds or agrochemical products they committed to buy from the corporation. The support is to be offered by the EBRD for contracts made by Monsanto with medium and large farmers and distributors in Bulgaria, Hungary, Russia, Serbia, Turkey, and Ukraine. (1)

US corporation Monsanto is the world's largest seed producer, the fourth largest agrochemical company worldwide and a Fortune 500 company.

„It is absolutely outrageous that the EBRD plans to use public money to support a giant that already dominates the global seeds and agrochemicals markets,” comments Ionut Apostol, CEE Bankwatch Network's EBRD coordinator. „The EBRD has as a stated goal to promote the private sector and competition in transition countries; how could giving money to one of the world's richest corporations possibly count as fulfilling this mission?”

„Even more troubling is that the EBRD claims to enhance food security by supporting Monsanto expansion in our region,” adds Apostol. „But the farming model promoted for decades by this corporation, centred on chemicals, mono-cultures, genetically modified organisms* and the marginalisation of the smallest producers is precisely what diminishes food security in an era of increasingly unstable climactic conditions.” (2)

CEE Bankwatch, together with 156 NGOs from all over the world, are this week sending a letter to the management of the EBRD (3) arguing against the approval of this financial aid package for Monsanto and also calling on the bank to reassess its approach to food security, from a focus on promoting large-scale industrial farming to encouraging more sustainable, biodiversity friendly and smaller scale farms.(4)

The financial assistance for Monsanto has already passed some internal procedures at the EBRD and is set to be fully confirmed in April 2013. The final approval of this loan entails a vote by representatives of countries that are stakeholders of the bank, including the United States, Australia, European countries and the EU itself.

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