

'Less choice for African farmers' after Bayer's Monsanto takeover

By [Wanjiru Eunice](#)

19 Sep 2016

A \$66 billion merger deal between German chemical giant Bayer and US seeds firm Monsanto could result into the world's largest agribusiness. But what does it mean for African farmers where Monsanto is also active?



©Marcin Balcerzak via [123RF](#)

Many experts say that Bayer's takeover of Monsanto may lead to a global monopoly in the production of agricultural supplies. Mariam Mayet, executive director of African Centre for Biodiversity, told DW that the merger could also have a negative impact on both farmers and consumers in Africa.

DW: What is your take on the merger between Bayer and Monsanto?

Mayet: I think that it will result in one of the largest agribusinesses on the planet because it will put together one company that will control almost 30 percent of the world's seeds and around a quarter of the world's pesticide market. But we must also remember that this merger is part of a bigger consolidation and concentration in the global agriculture input market. As we speak, the deal between ChemChina and Syngenta is being finalized, as well as the merger between Dow and DuPont.

What are the likely risks arising out of this merger and how will it affect farmers in Africa?

Mayet: I think the first thing to note is that Monsanto already controls much of the high breed maize seed market in Southern Africa, and in parts of West Africa. So in terms of further expansion into the seed market, I think that we will see a greater push into the GM (Genetically Modified) seed market, particularly GM cotton in west Africa.

We will see a bigger push in Southern Africa, where Monsanto controls a higher breed maize market, probably a strengthened push towards GMOs (Genetically Modified Organisms) and also a further push for the GM soya beans market. We anticipate that this renewed economic force and power in Africa, bringing together the seed and agrochemicals industry, will result in a bigger push for African governments to deploy GM technology and the greater use of agrochemicals in African agriculture particularly with maize, soya bean and cotton.

Do you foresee appropriate regulation by African policy makers?

Mayet: Let's wait and see what happens with the approval of the merger in the US and in Germany or at the European level. I think there will be quite a lot of resistance at national levels, at the competition commission levels, and at the antitrust levels. However, regulations will not be something to which African governments pay lots of attention.

Will Bayer attempt to clean Monsanto's track record in Africa?

Mayet: If you look at what happened in Burkina Faso after the failure of BT Cotton, Monsanto's Cotton, cotton seeds companies were more open to doing business with Bayer. Monsanto has a very tainted record in Africa. It has a very bad public relations image because of the way they dismissed consumer concerns. They just have an appalling track record and they are very much hated by consumers and environmentalists across the world. I think that Bayer will want to distance itself from that image but not the product. It's possible that they may give the seed and agriculture chemical component of this conglomerate a new name and a new branding.

How independent do you think an African farmer will be once these global giants penetrate the market?

Mayet: Greater consolidation means less choice for farmers and consumers. Less competition always means greater control by cartels to control the price of seed, high breed seeds and GM seeds. Small-scale farmers are predominant in Sub-Saharan Africa. These farmers operate on a very low-profit margin. So, a significant change in input cost will have a huge impact on farmers' ability to survive. I think it will also have a greater impact on the downstream market. An increase in the maize seed market will increase the cost of food at the supermarket.

What opportunities are there for Africa?

Mayet: Africa should curb out its own indigenous solutions to the problems besetting its agriculture systems. Looking outwards for external inputs will further impoverish Africa and marginalize small-scale farmers. It will also undermine Africa's raw genetic diversity and the strong systems that farmers have built to increase diversity and nutrition security.

For more, visit: <https://www.bizcommunity.com>