

USAID and GM Food Aid

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Introduction

In August 2002, Andrew Natsios of the United States Agency for International Development (USAID) accused environmental groups of endangering the lives of millions of people in southern Africa by encouraging local governments to reject genetically modified (GM) food aid. Mr. Natsios said, "They can play these games with Europeans, who have full stomachs, but it is revolting and despicable to see them do so when the lives of Africans are at stake."ⁱ He added, "The Bush administration is not going to sit there and let these groups kill millions of poor people in southern Africa through their ideological campaign."ⁱⁱ

In fact, the cynical manipulators of the famine in Africa are the US government, USAID and the GM industry. Despite claims by Mr. Natsios that President Bush has given USAID "instructions not to politicise food aid anywhere in the world,"ⁱⁱⁱ the USA is using the current situation to force the introduction of GM crops on countries desperate for food aid. There are numerous sources of non-GM aid available around the world, including the USA. Using these sources is the best way to both feed people and maintain their dignity, yet the US has made a clear policy decision to only supply GM contaminated aid from US suppliers. Aid agencies, the EU and UK Government all believe that best practice in emergency aid is to provide support to the United Nations World Food Programme (WFP) in the form of cash, so that it can buy grain from the quickest and most cost effective sources. The only organisation that thinks otherwise is USAID. US policy thus impedes aid from generating maximum benefit.

It is clear that the current program of aid donation is the latest twist in a crude 10-year marketing campaign, led by USAID, designed to facilitate the introduction of US-developed GM crops into Africa. At the same time this aid system effectively works as a huge covert subsidy for US farmers by selling US wheat reserves on behalf of aid recipients and then making these countries buy the most appropriate commodities from US companies. Thus the US wheat, maize and soyabean farmers have a guaranteed market.

The simple fact is that USAID has chosen to supply GM maize as food aid, even though there are numerous grain companies in the USA from whom they could supply certified non-GM grain. A survey by the American Corn Growers Association in 2001 showed that over 50% of US elevators (first stage grain handling facilities) said they segregated GM and non-GM grains.ⁱⁱⁱ A survey in 2000 by seed giant Pioneer Hi-bred found that nearly 20% of maize elevators were effectively dedicated to using only non-GM varieties.^{iv} In 1999 Archer Daniels Midland, the largest US exporter of soya and maize handling up to 30% of US exports, required its suppliers to segregate all GM from non-GM crops.^v Since the GM StarLink maize contamination incident during 2000/2001, in which a GM maize variety that was approved only as animal feed due to its potential allergenicity ended up in the food supply, the segregation of GM and non-GM maize has become common practise for many US exporters.

During negotiations on the Cartagena Biosafety Protocol, part of a UN sponsored international agreement to control the movement of GM crops around the world, African countries made it clear that they did not want to become a test site or dumping ground for unwanted GM food. Yet this now seems to be the case.

USA's general aid position

Since February 2002, the United States has delivered or pledged approximately 500,000 metric tons of emergency food assistance, valued at \$266 million, to the southern Africa region. This represents half of the humanitarian food requirements through December. USAID has become increasingly frustrated over countries not taking GM contaminated aid - a US official was quoted as saying, "beggars can't be choosers."^{vi} USAID clearly states, however, that among other things its role is to "integrate GM into local food systems" and "spread agricultural technology through regions of Africa."^{vii} US Secretary of State Colin Powell said in Johannesburg, "In the face of famine, several governments in southern Africa have prevented critical US food assistance from being distributed to the hungry by rejecting GM corn which has been eaten safely around the world since 1995."^{viii}

Part of the US strategy to respond to the situation in Africa has been to utilise the Bill Emerson Humanitarian Trust, created as an emergency reserve to allow the US to respond to unanticipated food crises and named after the late US Representative from Missouri, Bill Emerson. The trust was established under the Bill Emerson Humanitarian Trust Act of 1998 to meet emergency humanitarian food needs in developing countries and is administered under the authority of the Secretary of Agriculture. Up to 4 million metric tonnes of food can be held in the Trust, made up of any combination of wheat, rice, maize, or sorghum.^{ix} This will allow the US to release up to 300,000 tonnes of wheat controlled by the Trust, but on the specific proviso that "the wheat will be sold in exchange for an equivalent value of US commodities that are more typically consumed by the poor in southern Africa. These commodities will be shipped as emergency food."^x This translates to 190,000 tonnes of US GM-contaminated commodities, including maize and soybean oil, valued at \$86 million.^{xi}

The system means that US farmers are being paid twice at heavily subsidised prices for their products - firstly the wheat growers who sell to the Trust, then the soya and maize farmers, whom the Trust buys from with the money generated from the sale of the wheat stocks. This upshot of this system is to create a subsidised market for US farm products. It is no secret that markets for US maize and soyabean exports have evaporated due to concerns over GM contamination. Since the introduction of GM soya in the US, the volume of US soyabean exports to Europe has dropped from 8.3 million tonnes in 1996 to 6.4 million tonnes in 2000.^{xii} Since the introduction of GM maize in the US, the value of US maize exports to the EU dropped from US\$305 million in 1996 to \$2 million in 2001.^{xiii}

Interestingly, the US government has a law that limits the use of commodities in food aid. According to Public Law 480, "commodities will not be made available unless...the distribution will not interfere with domestic production or marketing."^{xiv} Does the introduction of unregulated GM varieties into Africa constitute interference with domestic production and marketing?

African states may be more willing to take GM aid if it came in milled form rather than seeds, because they are concerned some of those seeds will be planted and thus threaten the integrity of their seed stock. But USAID says that providing milled GM maize is not an option. They claim, "the UN said that governments can consider milling or heat treatments for corn processing to avoid the inadvertent introduction of a genetically modified seed; however, it is not a UN policy that this type of GM grain should necessarily require this processing."^{xv} In addition, WFP, the world's largest supplier of food aid, has said that milling will be too expensive.^{viii} According to the UK Government, "Milled maize costs an additional \$24 per metric tonne for handling and milling, but this allows WFP to fortify the milled grain (at another additional cost of \$8 per metric tonne) with micronutrients beneficial to the young, elderly and HIV/ Aids

sufferers. WFP is currently seeking extra funds for milling and fortification.^{"xvi} However, donations of milled maize are still as preferable as financial aid. Milling dramatically reduces the shelf life of maize from ten months to three, increases transport and handling costs, raises the risk of infestation and adds to delays.^{xvii}

Policies of major food donors

Besides the USA, three of the world's major donors of humanitarian aid are the WFP, the EU and UK. Whereas all USAID donations to southern Africa have been in the form of food aid, WFP, EU and UK maintain that the most effective form of aid is financial. Capital enables recipient countries to buy necessary food supplies locally, as well as helping to improve local infrastructure, supporting local economies and ending the reliance on food handouts from donor countries. Despite this, it remains USAID policy to provide aid in kind rather than cash. Richard Lee from WFP said, "All US aid to Southern Africa has been in kind while all other donations have been in the form of financial aid."^{xviii}

UN World Food Programme position

The WFP is clear that economic aid rather than food donations are the best method of dealing with the famine. WFP spokesman Richard Lee said, "We prefer cash donations as they offer us greater flexibility - with cash donations we can purchase locally, enjoy greater flexibility and also speed things up. We can get more for the money if we have cash. We can do the job faster as cash lets us buy the right food we need at the right time - sometimes with aid in kind we already have enough of that food in a country so financial aid lets us spend in different ways. We can look around to get better value for money with financial aid. For example we are buying peas from Malawi and are then able to distribute what is needed in the region quickly."^{xviii} WFP has purchased 155,000 tonnes of maize from South Africa, Tanzania and Mozambique and bought a further 55,000 tonnes of maize from outside South Africa. This includes 32,174 tonnes of US maize, 17,597 tonnes of Brazilian maize.^{xix}

It was recently discovered that the WFP has been delivering food contaminated with GM to developing countries since 1996 - without informing them.^{xx} The countries that received GM food aid include India, Colombia, Guatemala, and many African countries, despite the import of GM grain often being in breach of local regulations. However, WFP officials maintain that they are "under no obligation to alert authorities and have made no attempt to distinguish between GM and conventional cereals." If food aid meets the standards of the donor country the WFP maintain they do not need to warn recipient countries - they simply play the role of middleman. A WFP spokesman said, "We think the starving would rather eat GM grain than dirt."^{xx} Since 1996 most developing countries have made it very clear in negotiations on international biosafety rules for GM trade, that they want to be told in advance about GM imports. Despite this, WFP Executive Director James Morris said in August that, "There is no way that the WFP can provide the resources to save these starving people without using food that has some biotech content."^{xxi}

European Union position

Despite the EU Development Commissioner Poul Nielson saying that the EU has "been pushed around by the way the Americans have put pressure on this issue,"^{xxii} the EU Commission's position on food aid is quite clear. The Commission states that "Food aid in kind is not an appropriate instrument to create long term food security."^{xxiii} According to EuronAid, the EU has stipulated that food aid should, if possible, be sourced locally. Franco Viault said, "In the Southern African food crisis the EU has a clause in its contract with the WFP that the money should be used to purchase the food locally. The idea is that the WFP should try as hard as possible to buy food in southern Africa."^{xxiv} By July

2002 the EU, through EuronAid and the European Commission Humanitarian Aid Office (ECHO) had provided €88.5 million in aid for Zimbabwe, Malawi and Zambia, including 215,000 tonnes of food aid.^{xxiii} On 2nd October 2002, the European Commission announced it would be giving an extra €30 million in humanitarian aid to southern Africa. Poul Nielson, "stressed the important contribution the EU is making to the enhancement of long term food security in the region by explicitly ensuring that all food aid is procured regionally or in the neighbouring countries."^{xxv}

Roughly 60% of EU food aid donations are given through EuronAid, a Dutch based aid agency,^{xxvi} who in turn buy 90% of their food locally. The figure of 60% would be higher, but EU involvement with WFP means they have less control over the money given to WFP. The policy of local sourcing has been in place since 1996. The European Council Regulation (EC) 1292 / 96 on food aid policy states that the aim of aid donation is "to reduce dependence on food aid...to encourage them to be independent in food, either by increasing production, or by enhancing and increasing purchasing power."^{xxvii} Interestingly, it also mentions that, "the genetic potential and bio-diversity of food production must be safeguarded."

UK position

The UK Department for International Development (DfID) position on the famine in southern Africa is that direct donation of food aid will, "meet about one third of the overall food deficit. The rest would be met by national purchase and increased commercial operations."^{xxviii} Since September 2001, DfID has allocated over £68 million to humanitarian projects in southern Africa,^{xxix} \$28.4m of which has gone directly to the WFP to buy non-GM crops.^{xxx} Besides the WFP Regional Emergency Feeding Operation projects DfID has supported in the region, the UK has also financed projects including the rehabilitation of rail networks in Malawi and supplementary feeding and seed recovery programmes in Zimbabwe.^{xxix}

Alternative sources of food aid are available^{xxxi}

It is clear that alternative sources of non-GM food aid are available and that best practice is to source food locally using financial assistance, rather than relying on food handouts. The problem of GM maize in US food aid is partly due to the fact that the US government provides a considerable proportion of its food aid in the form of maize from US farms, which is then shipped to areas of need. By contrast, good practice in emergency aid is to provide support to the World Food Programme in the form of cash, so that it can buy grain from the quickest and most cost effective sources. This is DfID's stated policy. Often these sources will be from within the affected region, or even the affected country, and sourcing food aid locally can strengthen markets and agricultural development. Bringing large volumes of food into a region that does already have areas of surplus will have a negative effect. It can lead to a situation where there are food shortages in one part of a country, and locally produced food rotting in other parts - a potential danger that the World Food Programme is aware of.^{xxxii} It is for these reasons that Article XII of the 1999 Food Aid Convention, to which the USA is a signatory, recommends local purchasing.^{xxxiii,xxxiv} The Convention further stipulates that food aid should be given in such a way as to avoid harm to "normal patterns of production".^{xxxv}

The latest Food Supply and Crop Prospects Report^{xxxvi} indicates that there is a total of 1,160,000 metric tonnes of maize available in Kenya, Tanzania, Uganda and South Africa.

Table: Non- GM Maize Sources

Country	Exportable maize (Mt)
Kenya	10,000
Tanzania	50,000
South Africa	1,020,000
Uganda	80,000
Total available in Africa	1,160,000

The Food Outlook Report^{xxxvii} estimated that China maize output will increase to 120.2 million tonnes from 114.3 million tonnes. In the same region, India is projected to have 33 million tonnes of coarse grain (maize, millet and sorghum) and this is a 7% increase from last year. The report also projects that Europe will produce 106.7 million tonnes of coarse grain (principally maize), a decline of 2 million tonnes from the previous year. These figures confirm the fact that there is enough non- GM food in the world for those who have serious reservations about GM food. For the food crisis in southern Africa, it shows that the alternative to rejecting GM food aid is not starvation. The countries in southern Africa are still able to exercise their right to choice especially on food that even Europe has displayed serious concerns.

Donald Mavunduse of ActionAid, one of the UK's leading development agencies working in southern Africa, states that, "The WFP has been hamstrung by aid conditions imposed by the US Government. But if you look at the bigger picture there is enough non-GM maize on the world market. We have not yet got to the point where we should be saying to starving countries 'take GM or nothing'." In addition, WFP spokesman Richard Lee stated that purchasing aid from alternative sources, such as Brazil, is not problematic: "I have not heard of any purchasing problems or foreseeable problems, there is not a shortage of the food aid that we are after."^{xxxviii}

US beneficiaries of aid programmes

While the Bush Administration claims that its offer of food aid to Africa is motivated by altruism, the USAID website is a little more candid. It states: "The principal beneficiary of America's foreign assistance programs has always been the United States. Close to 80% of the USAID contracts and grants go directly to American firms. Foreign assistance programs have helped create major markets for agricultural goods, created new markets for American industrial exports and meant hundreds of thousands of jobs for Americans."^{xxxix}

Why does USAID buy GM commodities for Africa?

USAID links with GM corporations

USAID does not act like a conventional foreign development agency. Instead it is at the forefront of a US marketing campaign designed to introduce GM food into the developing world. USAID is a vehicle for the GM industry. Research reveals that:

1. USAID has launched various GM programmes designed to persuade developing countries to accept GM technology. These include a USAID funded organisation that has pushed African states to pass intellectual property legislation, clearing the way for US GM corporations to develop markets in Africa.
2. GM companies such as Pioneer Hi-Bred and Monsanto fund numerous USAID programmes, including operations in Southern Africa.

3. Corporations with an interest in GM crops, such as Cargill, sponsor the United Nations World Food Programme.
4. USAID is paying for US GM corporations to run research programs in Africa with local research institutes.

1) USAID GM programmes

In Johannesburg, the US delegation announced the launch of a 10 year \$100 million programme for the developing world^{xi}, the Collaborative Agriculture Biotechnology Initiative (CABIO). The US said that CABIO, "will help developing countries access and manage the tools of modern biotechnology."

CABIO will carry on the work of the Agricultural Biotechnology Support Project (ABSP), which was set up and funded by USAID. Part of its remit was to lobby for stricter intellectual property rights legislation and plant variety protection in developing countries.^{xii} USAID effectively admits it acts as a marketing arm of the US GM industry when it states on its website: "The training and awareness raised by ABSP... has given the private sector a better assurance allowing some companies such as DNA Plant Technology, ICI Seeds (Syngenta), Pioneer Hi-Bred and Monsanto to agree on technology transfer projects...An interesting feature of the programme, uncommon in donor funded projects, is the fact that ABSP has supported the filing of two patents during the development of research agreements."^{xii}

2) GM support for USAID programmes

In 2001 companies with significant interests in the development of biotechnology financially supported USAID.^{xiii} These companies included Monsanto. In addition, the Monsanto Fund has run a number of agricultural schemes in Africa. The Fund "is dedicated to providing more farmers around the world access to the improved techniques, knowledge and partnerships that will allow them to be more productive and profitable."^{xiii}

3) WFP corporate sponsors

The World Food Programme's Corporate Sponsors include:^{xiv}

- *Archer Daniels Midland* - the pro-GM grain company will provide \$3 million over three years for WFP humanitarian projects

4) USAID and GM research programmes

Over the last 10 years, USAID has paid for US GM corporations to run research programmes in the developing world with local research institutes.^{xiv} These include:

- *Monsanto and Kenyan Agricultural Research Institute* - to develop virus resistant sweet potatoes.
- *Garst Seeds and Central Institute for Food Crops Indonesia* - to develop tropical Bt maize. Garst Seeds (Advanta) are part owned by Syngenta.
- *Pioneer Hi Bred and Egyptian Agricultural Genetic Engineering Research Institute* - application of Bt technology to development of insect-resistant maize. Pioneer is the world's largest seed company and market leader in GM seeds.

USAID makes it clear that though "philanthropy and good public relations" is a factor in developing these partnerships, they have funded projects "that hold potential commercial value to the company."^{xlv} USAID admits that the US GM companies it funds in

Africa may "have longer-term interests in developing a market relationship with a particular country for other biotech products."^{xlv}

USAID also funds the International Service for the Acquisition of Agri-biotech Applications (ISAAA), an organisation that promotes the growth of GM in the developing world.^{xlvi} The ISAAA actively supports various GM projects in Africa and Asia looking to develop GM bananas, sweet potatoes, maize and papaya. Through the ISAAA, USAID funds African scientists to go to the USA to be trained in biotechnology. ISAAA is not funded solely by USAID – other donors include Bayer CropScience, Monsanto, Pioneer Hi-Bred, Syngenta, Cargill, Dow AgroSciences, KWS and the US Department of Agriculture.

5) USAID funded advisors

Professor CS Prakash – High-profile GM enthusiast Professor CS Prakash is an official USAID advisor.^{xlvii} Professor Prakash is the Director of the Centre for Plant Biotechnology at Tuskegee University, Alabama. The University has been funded to the tune of \$5.5 million by USAID. In addition, the US Department of Agriculture "recently signed an agreement with Sub Saharan African countries and Tuskegee University to facilitate technology transfer related to agricultural biotechnology."^{xlviii}

Professor Prakash also runs a pro-GM website, AgBioWorld. The AgBioWorld website is said to be hosted by the PR agency Bivings Woodell, whose clients include Monsanto.^{xlix} AgBioWorld was heavily involved in the criticism of two scientists who published an article in the journal Nature on the genetic contamination of conventional maize varieties in Mexico. The article by Dr. David Quist and Ignacio Chapela came under immediate attack in the form of e-mails published on the AgBioWorld website. Correspondents "Mary Murphy" and "Andura Smetacek" claimed that anti-GM conspirators wrote the research, although neither could be identified as bona fide contributors. Subsequent research has suggested that the internet servers used by "Mary Murphy" and "Andura Smetacek" belong to Bivings Woodell. GM journal Progressive Farmer named Professor Prakash Man of the Year 2002.¹

USAID relief programme

Finally, and tellingly, according to a USAID tendering document for institutions wishing to apply for contracts for USAID's GM-related work, it is illegal for USAID to supply aid that will help African farmers if that work results in developing countries being able to seriously compete with US GM corporations.^{xi} Specifically, countries cannot be given aid to produce "an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States" that might have "a significant impact on the export of agricultural commodities of the United States, or research activities intended primarily to benefit American producers."^{xi}

ⁱ *Greens accused of helping Africans starve*. Martin P & Itano N. Washington Times, 30th August 2002
<http://washingtontimes.com/world/20020830-2441442.htm>

ⁱⁱ *Oral Statement to the House International Relations Committee*. Andrew Natsios, USAID. 13th June 2002
http://www.usaid.gov/press/spe_test/testimony/2002/oty020613.html

ⁱⁱⁱ *Corn growers' third annual survey shows more elevators requiring GMO segregation*. American Corn Growers Association, 18th December 2001 <http://acga.org/news/2001/121801.htm>

^{iv} *Elevator biotech grain acceptance survey - 2000*. Pioneer Hi-Bred International, 2000
<http://www.pioneer.com/biotech/asta/accept%5Fsurvey.htm>

^v *ADM warns suppliers to begin crop segregation*. Reuters, 1999 <http://www.netlink.de/gen/Zeitung/1999/990904.htm>

^{xvii} http://www.agbioworld.org/biotech_info/articles/interviews/expert.html

^{xlviii} *Assistant Secretary of State Sandalow on biotechnology to fight hunger, poverty*. US Department of State, 13th July 2000

<http://usinfo.state.gov/topical/global/biotech/00071301.htm>

^{xlix} http://www.monbiot.com/dsp_article.cfm?article_id=511

^l *Progressive Farmer Names CS Prakash 'Man of Year'*. US Newswire, 4th February 2002

<http://www.usnewswire.com/topnews/temp/0204-139.html>