

The Institute for Agriculture and Trade Policy works globally to promote resilient family farms, rural communities and ecosystems through research and education, science and technology, and advocacy.

## Problems Plague Upcoming World Trade Organization Meeting

The World Trade Organization (WTO) has decided to go ahead with its scheduled Fourth Ministerial meeting on November 9-13, in Doha, Qatar, despite recent world events surrounding the September 11 terrorist attacks. Prior to the meeting, the WTO was having great difficulty in agreeing on an agenda. A number of serious disputes have broken out, particularly related to the so-called "Built-in Agenda," which includes rules surrounding agriculture, services and intellectual property rights.

The United States and European Union are pushing for a new round of talks that would expand the WTO agenda to include government procurement, investment liberalization, financial services and competition policy. IATP, coalition partners, and many member countries are resisting calls for a new round, arguing that the WTO needs to focus on reconciling existing disputes before expanding its scope.

Qatar is facing a number of logistical complications including severe space restrictions, which are placing strict limits on the size of government delegations, media, international agency staff as well as Non-Governmental Organizations (NGOs). Only accredited NGOs will be granted visas to enter the country, and each accredited NGO will only be allowed to send a single representative.

Under these conditions, it is very likely that the overall NGO delegation to the Ministerial will not be well balanced in terms of gender, geography, interest or perspective. IATP is helping to coordinate a delegate pool, which would more equitably allocate NGO representation around the world. The delegate pool has been written about in a number of publications including the *Chicago Tribune*.

IATP has set up an electronic newsletter called *Qatar Update* to track related events. To follow the latest events on the Qatar WTO Ministerial, or sign up for *Qatar Update*, go to: [www.wtowatch.org](http://www.wtowatch.org).

# Should We Patent Plants?

By Kristin Dawkins

On October 3, the Supreme Court heard arguments in a case that could change the face of agriculture worldwide. In this David-and-Goliath battle, Pioneer (now owned by DuPont) is charging JEM Ag Supply, a small Iowa seed and agricultural supply company, with unauthorized resale of the giant's patented seed corn. In its defense, JEM claims the patents were invalid as a matter of law, arguing that Congress never intended "products of nature" to be patented.

Three times over the years — in 1930, 1968 and 1970 — Congress specifically rejected the application of patents to new varieties of plants grown from seed. But in 1985, the US Patent and Trademark Office went ahead anyway and granted full patent rights to plants grown from seed. Since then, companies with plant patents have exercised their monopoly rights to build an immensely valuable portfolio of proprietary seed. Those able to afford it have gobbled up smaller companies, at times just to acquire access to the restricted germplasm. Of 1,500 seed companies in the world in 1995, 24 held a combined market share of more than 50%. By 2000, after years of merger-mania, the top ten controlled 33% of the \$23 billion seed market and 90% of the \$31 billion agrochemical market.

The Supreme Court's decision will rebound worldwide. Every country in the world that depends upon agriculture for its economic base and that includes the U.S. as well as most Third World nations — would benefit from a decision that disallows the patenting of plants. Such a decision would force a public debate about whether patents should be given for any life form. This perspective is consistent with the United Nations Universal Declaration of Human Rights, and recent resolutions of a UN Sub-Commission on Human Rights finding an "actual or potential conflict" between the World Trade Organization's intellectual property rights agreement and the rights to self-determination, food and health.

One of the least understood injustices arising from globalization is the extension of the United States' patent system to other countries via the World Trade Organization (WTO). The WTO's Trade Related Intellectual Property Rights (TRIPs) agreement privatizes the ownership of plants and seed, giving the agri-chemical and pharmaceutical industries monopoly rights over what nature distributes widely and freely.

As luminaries ranging from Thomas Jefferson to Lester Thurow have noted, intellectual property rights are intended to balance the interests of private inventors and society as a whole. The public needs access to useful innovations, while the inventors need an incentive to innovate. Unfortunately, today's patent system is not helping to balance the industry's gain with public welfare. To the contrary, more and more researchers are reporting that the drive to be first in line at the patent office means their bosses tell them NOT to publish their work, and NOT to confer with fellow scientists trying to cure the same horrific disease or to breed a more drought-resistant variety of wheat. Instead, if they keep their experimental data out of the public record, their company (or university) is more likely to get the full windfall when the research finally pays off.

Companies are now patenting plants, animals and even bacteria at a fever pitch. Thanks to industry lobbying during WTO negotiations, this highly profitable scheme to privatize plants and medicines now applies to most of the rest of the world. Not only does it ensure that sick people and farmers pay top dollar for the opportunity to buy proprietary drugs and seeds, it also sends billions of dollars from the developing world to wherever the pharma-agri-chemical companies do their banking. In the case of basmati rice, for example, India stands to lose \$500 million per year in exports due to the U.S. Patent and Trademark Office's decision that a Texas company can retain patent rights to three basmati lines bred outside India. Not only is the Indian economy a loser, but so too are India's basmati farmers.

All over the world, farmers and farm organizations are seeking to reverse TRIPs and other free trade deals with TRIPs provisions in them — like the proposed Free Trade Area of the Americas. At the WTO, African governments have proposed amending TRIPs to ban patents on all forms of life.

Perhaps Jonas Salk, inventor of the polio vaccine, understood the conflict between intellectual property rights and the public good best. When asked by television commentator Edward R. Murrow decades ago who would control this new pharmaceutical, Dr. Salk replied, "Well, the people, I would say. There is no patent. Could you patent the sun?"

*Kristin Dawkins is Vice President of International Programs at the Institute for Agriculture and Trade Policy.*

PAT NO 47009669

# Export Myth Sold to Farmers

By Mark Muller

Recently we've heard promises that farmers will see a \$2 billion increase in agriculture exports from recent trade agreements with China. Excuse farmers if they don't jump up and down — they've heard it before.

The U.S. Department of Agriculture projected in 1997, 1998, 1999 and 2000 that China would be importing large amounts of corn. The reality: China EXPORTED about 160 million bushels of corn in 1996, rising to about 400 million bushels in 1999.

The government's overly optimistic export projections extend far beyond China. IATP recently published a report by Iowa State University's Dr. C. Phillip Baumel which found that the USDA also over-estimated export trends in South Korea and Taiwan among others. These faulty export projections have driven failed farm policy in Washington, and a collapsing farm economy throughout rural America.

The two primary forecasting agencies for farmers and policy-makers, the USDA and the Food and Agriculture Policy Research Institute (FAPRI), have for years provided overly optimistic export projections for corn, wheat and soybeans. Dr. Baumel found that exports of these commodities were all projected by the USDA to have tremendous growth, yet for the past 20 years, corn and wheat exports have actually trended downward, and the trend for soybean exports has been flat.

These bad export projections have resulted in bad policy in many areas. For example, the U.S. Army Corps of Engineers is using the USDA's flawed export projections in its study of Mississippi River and Illinois Waterway navigation.

The Corps is pushing lock expansion projects on the errant assumption that large increases in grain exports will increase barge traffic on the Mississippi. This misguided project would spend up to \$1 billion in taxpayer money and cause ecological harm to the Mississippi River, without providing any real benefits to farmers.

Inaccurate export projections have been used to lobby Congress for

radical shifts in farm policy over the last 20 years, including the disastrous 1996 farm bill. In the past, farmers produced many different products, using diversification as a hedge against low prices and weather, while also providing many local food needs. Over the years, farmers have been promised huge markets in Russia, China and other developing countries. To meet that demand farmers have been told to abandon diversification in favor of monoculture and fence row to fence row production. Instead of selling many crops to several local buyers, farmers would be selling a single crop to a few large multinational corporations who control these global commodities markets.

But the export-driven salvation hasn't been realized. The false promise of export markets has led to over-production and commodity prices below the cost of production. It has driven many farmers out of business and continues to do so. Most remaining grain and oilseed farmers only stay in business thanks to billions of dollars of federal emergency payments and other supports.

Agriculture is in trouble. Several factors have contributed to this problem, from the enormous market power of global food conglomerates to the current mess associated with genetically modified crops. Our government and universities have contributed to this problem by touting highly inaccurate export projections. If producing reasonably accurate estimates of future exports is not possible, then projections should not be produced at all until corrections can be made.

The 1996 farm bill, Freedom to Farm, used the expansion of export markets to justify the gradual elimination of farm subsidies. This deeply flawed approach has resulted in record billion dollar emergency bailouts and the continued loss of the family farm. Many in Congress are pushing for a new farm bill that will plot a different course. Let's hope this time we have a farm bill that works for the farmer.

*Mark Muller is a Senior Associate at the Institute for Agriculture and Trade Policy.*



# Will Water Become Privatized?

You probably have never heard of the quasi-governmental International Organization for Standards (ISO). ISO sets international standards for consumer products like light bulbs, screws and batteries to help facilitate trade between nations — so light bulbs made in one country will fit in lamps made in another country. Now an ISO committee has approved a French proposal that will dramatically expand its scope to include the management of one of our most valued resources — water.

The French proposal, approved by an ISO committee in August, may lead to more control over public water supplies by global water corporations. Access to clean water is one of our greatest global threats. A staggering 1.3 billion people — one out of every five — do not have access to clean drinking water, and 2.6 billion people do not have access to water for basic sanitation needs such as bathing. The situation is likely to worsen, and spread to developed parts of the world if current patterns of water use continue.

In November, water services are likely to be included as one of the agenda items during the next WTO Ministerial Meeting in Qatar. The ISO is one of three standard-setting organizations recognized by the WTO. The ISO standard setting procedures will likely smooth the inclusion of water services in the WTO, and thus accelerate the privatization of water worldwide.

In July, IATP and coalition partners sent a letter to the U.S. ISO representative — the American National Standards Institute (ANSI) — calling on it to reject the French proposal. ANSI subsequently sent a letter to ISO criticizing the French proposal — one of only four countries to vote against the proposal.

IATP is involved in a number of international initiatives that support the fundamental right to clean drinking water. To read IATP's letter to ANSI and other information on water issues, go to: [www.waterobservatory.org](http://www.waterobservatory.org).

[www.waterobservatory.org](http://www.waterobservatory.org)

## Major Recent Meetings Attended

"House Mississippi River Caucus Hearing." Washington, D.C. October 2001.

"Summit for Finding Common Ground in Controlling Agricultural Nonpoint Sources of Nutrients." U.S. Department of Agriculture, Maryland Center for Environmental Science. College Park, Maryland. October 2001.

"Emissions Marketing Association Annual Meeting and International Conference." Hilton Head, South Carolina. September/October 2001.

"National Network of Forest Practitioners Annual Meeting." Hoopa, CA. September 2001.

"Liability and Redress: Cartagena Protocol on Biosafety." Grottaferrata, Italy. Meridian Institute/Rockefeller Foundation. September 2001.

"Living Forest Cooperative Field Day." Ashland, WI. September 2001.

"MN Society of American Foresters, Summer Meeting," Fairbault, MN. September 2001.

"World Forum on Food Sovereignty." Havana, Cuba. September 2001.

"Knowing Where It's Going: Bring Food to Market in the Age of Genetically Modified Crops." Economic Research Service, U.S. Department of Agriculture, Pew Initiative on Food and Biotechnology. September 2001.

"Energy/Environment Forum With Senator Wellstone." Association of Minnesota Counties. St. Paul, MN. August 2001.

"Computer Modeling and the Farm Bill." Institute For Agriculture and Trade Policy/World Resources Institute. Washington, D.C. July 2001

"Codex Alimentarius Commission." Geneva, Switzerland. July 2001.

"Traceability Study Tour in France." Northern Plains Institute. Northern France. July 2001.

"World Trade Organization Forum for Non-Governmental Organizations." World Trade Organization. Geneva, Switzerland. July 2001.

"Whole Foods and Food Alliance Eco-labeling Inspector Training." Whole Foods and the Food Alliance. Chicago, Illinois. July 2001.

"National Watershed Forum." Environmental Protection Agency. Arlington, VA. June 2001.

## Upcoming Events

November

5-9 NGO Forum of the World Food Summit. Rome, Italy.

8-9 "Working Landscapes in the Midwest Conference." Delavan, Wisconsin.

9-13 World Trade Organization Fourth Ministerial Meeting. Doha, Qatar.

## Recent Resources Available From IATP

*Renewing the Countryside.* A beautiful book full of color photography and 43 stories of individuals, families, and communities enhancing the beauty and vitality of Minnesota's countryside. October 2001.

*Minnesota's Forests and the Forest Stewardship Council: Pioneering Responsible Forestry and Forest Products for the Future.* Community Forestry Resource Center, Minnesota Department of Natural Resources. September 2001.

*How U.S. Grain Export Projections from Large Scale Agricultural Sector Models Compare with Reality.* By Dr. Phillip Baumel. May 2001.

*The Price We Pay for Corporate Hogs.* By Marlene Halverson. Reprint. March 2001.

# HELP US BUILD A SUSTAINABLE WORLD

## Contribute Today

Support the Institute for Agriculture and Trade Policy and our efforts to build just and democratic global institutions, fight for the environment, advocate for healthy food and protect family farmers. Simply fill out this form and send your tax-deductible contribution today. If you would like more information about our programs, or if you would like to discuss different contribution options, please contact Kate Hoff, Development Director, at [khoff@iatp.org](mailto:khoff@iatp.org) or 612-870-3404. We appreciate your interest in our work. Thank you for your support.

Name \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip, Country \_\_\_\_\_

Telephone \_\_\_\_\_

E-mail \_\_\_\_\_

Mail completed form to:  
Development Office  
IATP, 2105 First Avenue South, Minneapolis, MN 55404

I want to support IATP's work for social change. I have enclosed my tax-deductible contribution of:

\$50

\$100

\$500

\$1000+ Sustainer's Fund

\_\_\_\_\_ Other

Please contact me about including IATP in my estate or will.

Contribution Amount  Visa  MasterCard  Check

Card Number \_\_\_\_\_

Exp. Date \_\_\_\_\_

Card Holders Name \_\_\_\_\_

Signature \_\_\_\_\_



Minneapolis, MN 55404

2105 First Avenue South

TRADE POLICY

and

AGRICULTURE

for

INSTITUTE

