

THE COSTS OF GENETICALLY MODIFIED WHEAT: NATIONAL FARMERS UNION FACT SHEET

Monsanto wants to introduce genetically-modified (GM) wheat. Monsanto has inserted a gene so that the wheat crop can be sprayed with Monsanto's weed spray Roundup: killing other plants but not the wheat. Nearly every analysis of GM wheat has shown that its costs will far exceed its benefits. Here is an overview of some of those costs.

1. Loss of markets: According to a Canadian Wheat Board (CWB) survey, the international customers that buy **87%** of our wheat crop say that they will stop buying if Canada introduces GM wheat. One very conservative estimate is that this market loss would mean an 81¢/bushel decrease in the price of wheat.¹ This would mean total losses to wheat farmers of **over \$423 million/year**.

2. Increased agronomic costs: Some farmers now grow GM Roundup Ready (RR) canola. Spray that canola with Roundup, and the other plants and weeds die but the canola is left standing. But if Monsanto introduces GM Roundup Ready wheat, the equation changes. Farmers will need additional chemicals to control volunteer Roundup Ready wheat in their RR canola and to control volunteer RR canola in their RR wheat. University of Manitoba plant scientist Rene Van Acker estimates the additional weed control costs at as much as **\$400 million annually**.²

These two costs alone—market loss and increased agronomic costs—total \$823 million/year. The loss of \$823 million would be a far larger blow to farmers than the loss of the Crow Benefit—a blow that western farmers have yet to recover from.

\$823 million per year far exceeds farmers' total profits from growing wheat!

3. Fusarium: Agriculture Canada scientists have demonstrated an unequivocal correlation between the use of glyphosate formulations (like Monsanto's Roundup) and increased fusarium disease in wheat.³ Losses from fusarium already total hundreds of millions per year.⁴ The spread and intensification of fusarium as a result of GM wheat and increased glyphosate use could increase fusarium losses by **hundreds of millions of dollars**.

4. Damage to organic agriculture: GM wheat will erode the viability of organic agriculture in much of Canada. GM canola has made it nearly impossible for organic farmers to grow that crop: seed supply contamination and pollen drift mean that organic farmers cannot be sure that their canola will be free of GM seeds. The introduction of GM wheat and subsequent GM crops will leave organic farmers fewer and fewer crops to grow. Organic crop production will become extremely difficult and risky and Canadians will face reduced access to locally-grown, organic food.

The costs that would result from the introduction of GM wheat—market loss, agronomic costs, fusarium losses, and the loss of organic options—would almost certainly exceed \$1 billion per year. This amount is nearly equal to total federal government spending on farm support programs. By licensing GM wheat, the federal government would take away from farmers an amount equal to all federal taxpayer-funded farm support.

*These losses would accrue to **all** wheat farmers, even those who chose not to grow GM wheat. And these losses would be triggered even if only a small number of farmers chose to use GM seed.*

5. Seed and technology costs: For its GM wheat, Monsanto would probably charge farmers a \$15 Technology Use Fee—as it does for its GM canola. The cost of seed would also increase. And, as Percy Schmeiser found out, farmers would be barred from re-using their own seed, and would have to pay for new seed each year. GM wheat could add \$20/acre to farmers' seed and technology costs. With 17 million acres of wheat planted each year in Canada, this could add hundreds of millions of dollars per year to farmers' costs.

Benefits: GM wheat offers few benefits to offset these staggering costs. Managing weeds in wheat is relatively straightforward. And farmers have access to a wide range of chemical herbicides to kill those weeds. Also, it is also unlikely that GM wheat would yield any better than non-GM.

Conclusion: GM wheat would financially devastate Canada's family farm wheat producers. The vast majority of farmers want the government to stop the introduction of GM wheat. It would be unconscionable for the Canadian government to licence this destructive technology.

¹ Furtan, Gray, Holzman, "Regulatory Approval Decisions in the Presence of Market Externalities: The Case of Genetically Modified Wheat," (Page 27)

² Ed White, "Researchers place dollar value on GM contamination," *Western Producer*, November 14, 2002.

³ Research by Dr. Myriam Fernandez presented at the Manitoba Agronomists Conference, December 10, 2003.

⁴ Ian Bell, "Fusarium," Special Report, *Western Producer*, April 11, 2002, page 24.