

# Cargill monopolizes French sunflower

by Christophe Laverhne and Marcia Merry

The story of the commercial sunflower in France is a tale of the thousand-and-one swindles of the Cargill grain cartel company. From U.S. beef, to Brazilian orange juice, to discount grain to the Soviets, and now sunflowers in France, Cargill has positioned itself to dominate production, trade, and supply. The same is done by the other cartel companies—Continental, Bunge, Louis Dreyfus, André/Garnac, Nestlé, Unilever, Archer Daniels Midland, and so forth. The issue is not “greed” or “bigness.” The issue is starvation versus economic health and progress. Here is the Cargill French sunflower story.

Certain varieties of sunflowers yield seeds rich in protein, and are economical for intensive cattle feed. The plant—of the genus *Helianthus*—originated in North America—and worldwide has today become the third most important source of vegetable oil, after soybeans and palm oil.

Kansas is known as the “sunflower” state. Since the 1970s, when improved varieties became available, U.S. sunflower seed output has grown. The largest world producer is the Soviet Union, which specialized in sunflower plant improvements. The sunflower head, which may grow over 17 inches wide, produces up to 1,000 seeds. A high-quality type is used for margarine and cooking oil. The familiar striped variety is used in birdfeed and snack food. The variety used for cattle feed produces small black seeds that are 50% oil.

In France, from 1975 to 1986, sunflower cropland rose from 100,000 hectares to 850,000 hectares. The impetus for this increase was the need for high-protein animal feed sources, to provide the rations for intensive beef cattle production. France had been heavily dependent on soybean feedstocks from the United States, and was hard-hit by the 1973 Soviet intervention to buy up U.S. stocks. Sunflowers offered a good alternative.

Sunflowers, along with leguminous crops, are suitable for French growing conditions; the idea was promoted by French and certain EC officials. However, the actions of Cargill to dominate sunflower production give evidence of the need to shut down Cargill and all other cartels’ privileges. The functioning of Cargill and other cartel interests in terms of any other nationally beneficial crop—for example, corn—is exactly the same.

In 1973, Cargill-France decided to invest in the sunflower market, to compete against soybeans. Cargill began by ex-

ploiting the work of the public information agency, the National Institute of Agronomy Research (INRA). This agency, collaborating with five farmer cooperatives—founders of the Union of the Club of Sunflower Seeds (UCST), developed hybrid sunflower types suitable for the European climate.

Cargill was the first to offer a gamut of sunflower types and rapidly took command of 51% of the sunflower seedstock market. This, in turn, gave Cargill a powerful position in AMSOL (Association of Obtainers and Breeders of Plant and Oil Seeds). Cargill had positioned itself so that whatever the size of the annual seedcrop harvest, the “Cargill boys” would absorb and control a sizable amount.

In addition to this, Cargill quickly arranged to acquire sunflower seeds from Hungary for seedcrop sales, amounting to 70% of Cargill’s total sales. The Hungarian seeds are lower in price and inferior in quality. Cargill would mix them with the superior French seeds, so the Cargill boys could “buy cheap and sell dear.” The French farmer is trapped into paying Cargill’s high price, for seeds that are inferior.

## The sunflower seed war

To further assure Cargill’s interests, the cartel boys have intervened to make sure that sunflower seeds are sold in bulk, by weight, instead of by count in thousands of seeds. If high-quality seeds could be sold at a premium price, for example, 20% more, farmers could avoid Cargill’s practice of mixing inferior Hungarian seeds with the high-quality French types. Moreover, superior French seeds could be sold on the international market, with benefits to all concerned in terms of yields and prices.

A battle has ensued over the mode of seed sales. In 1986, some of the UCST farmer cooperatives began marketing their seeds by count. Cargill retaliated.

The UCST farmers attempted to get AMSOL—to which some of them belong—to officially request that the government enforce seed sales by count. Cargill, the largest single buyer of seeds, threatened to boycott any grower who wanted seeds bought and sold by quality and count. One of the UCST farmer cooperatives, after trying to sell by count, lost 250 hectares worth of output, amounting to 11 million francs. The continued existence of the cooperative is now in jeopardy.

Cargill organized retribution against the UCST seed-growers within AMSOL, attempting to coerce other AMSOL members to align against the UCST position. The farmer is tied hand and foot by Cargill. Not only must he buy seed at the price and quality Cargill offers, but Cargill buys his harvest. If he bucks Cargill’s desires in AMSOL, he loses his sales contracts.

At a plenary meeting on Nov. 7, 1986, AMSOL officially rejected the proposal to ask the government to authorize the sale of sunflower seeds by the count instead of by bulk.

Not content with this, Cargill’s actions against UCST farmer cooperatives that try to market seeds by the count, extended to a dirty trick of requesting that all sacks of UCST

seeds be removed from farm suppliers' shelves, on the contrived grounds that they violated some conduct-of-advertising code, which prohibits any reference to a competitor without naming him. Fortunately, a court ruled that the UCST did not violate any such code, and that the reference to an "unnamed competitor" was permissible in this case because everyone knew Cargill was the dominant competitor in sunflower seed sales. So the UCST sacks stayed on the shelves.

However, the UCST has not been able to market its stocks by the count. Little by little, the farmer cooperatives stand to go under, and be replaced or bought out by persons directly or indirectly subservient to Cargill policies. Cargill is positioning its storage and shipping facilities exactly as it like.

There is growing sentiment among French farmers to end the "liberal" economic policies guiding the General Agreement on Tariffs and Trade nations domestically, and instead adopt programs of orderly internal market organization, and guarantees of parity prices. Internationally, there needs to be a new Marshall Plan—as proposed by French Agriculture Minister François Guillaume—to provide food aid and development assistance favoring food production for Third World countries.

As one grower who grudgingly works for Cargill put it, "If all the corn and sunflower producers knew what Cargill costs them, this multinational would be packing its bags right now."

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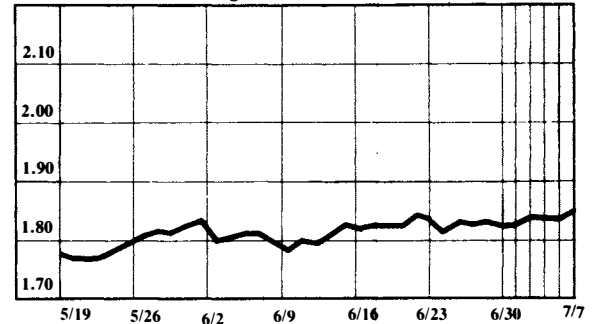
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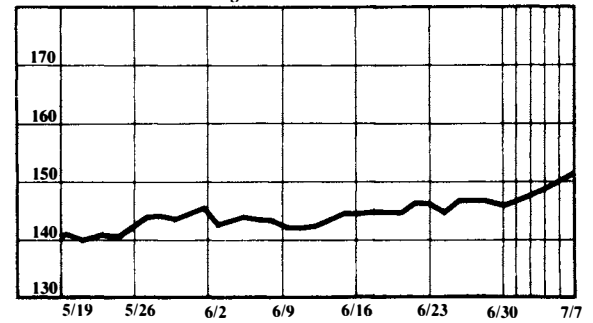
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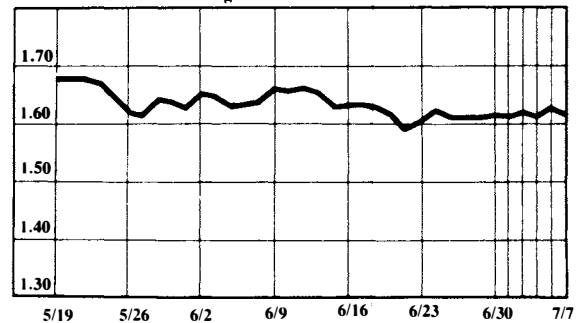
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