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How Monsanto's mind was changed

In spring the US giant was sure its GM technology was unbeatable. Then one man convinced the organisation that the game was up

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John Vidal
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[The Guardian](#)

On July 14 a group of powerful Americans met secretly at the Willard hotel near the White House to listen to an English academic who had spent much of his life working in developing countries with peasant farmers.

The nine members of the Monsanto board of directors have serious political clout. Apart from Robert Shapiro, the visionary head of the \$12bn a year corporation, and senior bankers and Harvard academics, it includes Mickey Kantor, former head of the US commerce department, and the former heads of the US social security department and the US environmental protection agency.

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They were there to meet Gordon Conway, the president of the Rockefeller Foundation in New York, whose remit is to help the world's disadvantaged. Mr Shapiro, who vows he is working for the world's poor with GM foods, had invited Professor Conway, formerly vice chancellor of Sussex university, to address the board as part of the corporation's commitment to consult more widely following the GM furore in Europe sparked by the so-called Terminator gene.

Because Rockefeller had put more than \$100m into public research into GM crops, Prof Conway was thought to be an ally; he was expected to make a friendly, gentlemanly speech, perhaps with some mild advice, that would go no further than the four walls of the Willard.

But privately, Prof Conway, along with increasing sections of the US intellectual community, deplored the corporation's style and global strategy.

Meltdown of confidence

In Europe it had alienated millions, he believed, and was threatening a trade war and long term damage to the prospects of the poor. The corporation with a reputation for arrogance and secrecy was seen to be responsible for a meltdown of confidence in science and big business and a backlash against US agriculture. Moreover, Monsanto's effective ownership of Terminator technology would allow the corporation, the second biggest agribusiness in the world, to develop plants that bore sterile seeds - a move that had angered farmers in the developing world.

Prof Conway had given Monsanto little warning, even when he had visited the company's St Louis HQ a few weeks earlier. But at the Willard he went straight for Monsanto's guts. For more than an hour, the professor lectured the board: change tack, or bring the wrath of the scientific, political, and global community down on them.

"Admit that you do not have all the answers," he said.
"Commit yourselves to prompt, full, and honest sharing of data. This is not the time for a new PR offensive but for a new relationship based on honesty, full disclosure, and a very uncertain shared future."

Prof Conway argued that the possible adverse consequences for billions of developing world farmers outweighed any social benefits in protecting the Terminator technology. What the Terminator gene did, he said, was effectively kill the process that let farmers sow their own seeds, and subsistence farmers were too poor to buy new seed. The possible consequences were terrible. In short, he told them, Monsanto was socially irresponsible and the public was alienated. He urged a "global public dialogue" that would air all sides of the issues.

Terse statement

The board were shocked. But they did not suspect that Prof Conway had warned the press what he intended to say. Within hours Rockefeller had issued seven challenges to Monsanto. "It was like a boil had been lanced, a milestone," said one person who was party to the talks. "Someone in authority had for the first time held this monolithic corporation up to public accountability." Monsanto was furious, and issued a terse statement: "The meeting was frank and productive. We will continue to reach out to people like Prof Conway to discuss the challenges and opportunities of biotechnology applications in agriculture."

The Conway meeting was seminal. Until then, about the only genuine "reaching out" the company had done was to its lawyers, publicists, lobbyists, and friends in governments. It had dismissed the social and ethical critiques of environment, church, and consumers groups, and in July was hoping to ride out the storm. Mr Shapiro was confident: for the six months of 1999, the company earned \$476m, up 5% on 1998, and its income had grown 28%. In particular, it had no intention of backing down on Terminator. Its only retreat was to admit it had misunderstood European sensibilities and been "naive" in trying to win fast approval.

Until the spring Monsanto had broad support in the US. Wall Street and the White House still favoured the company, whose shares were priced at \$47 each, and analysts were saying it was primed for success. Mr Shapiro could tell shareholders that the flooding of the US market with GM crops had been the most "successful launch of any technology ever, including the plough". He anticipated a 300% expansion in the two years to a staggering 183m acres. Nor was Europe a problem: "Eventually, scientific proof should win over reluctant and skeptical consumers," he said. But, since the spring, little had gone right. In April a manufacturer of veggie burgers stopped using GM soybeans. The Wall Street Journal then reported that the GM controversy was "beginning to be felt in the US". Some farmers started to avoid GM crops, and the powerful US grain industry was saying it had nearly stopped shipping to Europe - a \$200m market.

By the summer, the first GM crops were being destroyed by US activists and the press had begun to widely report global disillusionment. Europe was deteriorating even further, with supermarkets disavowing GM products and activists digging up crops. Meanwhile, the Clinton administration was reportedly "dreading starting a trade war over GM because public sentiment is so strongly against".

And in poor countries, Terminator was becoming a political issue. India and Zimbabwe had effectively banned the use of the technology, and the world's largest group of agricultural research organisations had condemned it. By May, observers noted a definite cooling by Dan Glickman, the US agriculture secretary, who was warning of "profound consequences" if the GM situation did not improve. For the first time, he encouraged US firms to voluntarily label products. Monsanto was reportedly furious.

Told to keep quiet

Mr Glickman then upped the stakes, warning GM could hurt small farmers. He reportedly said that Mr Shapiro should keep quiet "because every time he opens his mouth, US agriculture loses millions more bushels of agriculture exports".

By the summer, US corn exports to the EU were reported to have dropped 96% in a year. To Monsanto's horror, farmers were beginning to choose traditional seeds rather than risk the new. One giant processor announced it would pay extra for traditional soybeans. Within weeks, Monsanto was further exposed: the British AstraZeneca GM company said it would not commercialise its own Terminator-type technology.

By August Mr Shapiro was on the ropes. Mr Glickman said he would investigate whether the US agriculture department was too close to companies like Monsanto, and the message was picked up on Wall Street. Deutsche, the largest European bank, had in May recommended institutional investors to sell Monsanto shares - within days the price had dropped; when Deutsche repeated the advice in September, other analysts joined in. Monsanto stock had lost 35% of its value in a year, while Wall Street as a whole went up 30%.

The Conway message finally got through. After heated debate in the company, Monsanto's president, Hendrik Ver faillie, went 10 days ago to the US senate to say that it "would now act to meet concerns". He then travelled secretly to Britain to talk to the Soil Association and others, promising to help farmers with traditional cross-breeding.

On Monday, Mr Shapiro wrote to Prof Conway to say the company would no longer pursue research into the Terminator technology. On Tuesday he was due in Britain at the Greenpeace business conference but pulled out. But his interactive video link showed how much Mr Shapiro had changed. Instead of a beam and a twinkle, the screen showed a pale and drawn man: "We forgot to listen", he said. "We have irritated and antagonised more people than we have

persuaded our confidence in biotechnology has been widely seen as arrogance and condescension." He promised wide consultation and to listen carefully. The questions remain, but, said Prof Conway, "it's a start".

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