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“Oversight of the Feed the Future Initiative”
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Good afternoon, Chairman Carnahan, Chairman Payne, Ranking Member Rohrabacher, Ranking Member Smith and Members of the Committees. Thank you for inviting me to testify today on a vital new initiative, Feed the Future, which provides a framework for addressing one of our planet's great needs, and great opportunities – the use of more productive and sustainable agricultural development to reduce hunger and poverty.

I work at Monsanto, a company 100 percent focused on agriculture. We are based in St. Louis, at the heart of America's most productive farmland, but our operations reach around the globe. I represent more than 21,000 men and women, and they feel as passionately as I do about providing improved seeds and agronomic practices to growers so they can feed and clothe a growing population, in an environmentally responsible way.

Our company has made a three-pronged commitment to improve sustainable agriculture: We will do our part to help farmers double yields in our core crops of corn, cotton and soybeans between 2000 and 2030, while producing each bushel or bale with one-third fewer resources in aggregate (such as land, water and energy). And, just as importantly, in so doing we will help farmers to earn more and improve the lives of their families and rural communities.

We made this commitment in recognition that we are privileged to work in an amazing industry – agriculture – that is at the heart of some of our planet's biggest challenges, ranging from hunger, malnutrition and rural poverty to land degradation, water scarcity and climate change. And, most importantly, we made our pledge knowing that we cannot achieve it alone. Our cornerstone strategy is to actively engage and seek collaboration from a wide range of partners in the public sector, private sector, academia and civil society.

That's why I am so excited by Feed the Future and its inclusive approach to making measurable and sustainable progress in agricultural development. Monsanto, as one partner among many, stands ready and willing to contribute to this initiative. We want to do our part to help achieve the Millennium Development Goal of halving the proportion of people suffering from hunger and poverty with urgency.

USAID Administrator Dr. Rajiv Shah, when introducing Feed the Future to the Chicago Council Symposium on Agriculture and Security in May, asked for private-sector input. “Tell us what

countries and donors can do to reduce constraints on business operations,” he said. “And please explore with us whether our tools to encourage investment … would help you make the commitment to invest greater resources in these specific value chains and countries.”

I’d like to take this opportunity to share our experience and perspective.

Encouraging Investment

Feed the Future is exciting not least because it recognizes both the business imperatives by which Monsanto and other companies must operate, and the contributions that we can make once those imperatives are met. We want to do good in the world, while we also do well for our shareowners. We believe both must happen to make this sustainable. Our acts of social responsibility have to be part and parcel of our core business goals, or they risk becoming wishful thinking that has to be cast aside in tough times, like many of us are facing today.

At Monsanto, we develop improved seed through advanced breeding as well as biotechnology. We work with others to build cropping systems that help farmers to produce more bountiful harvests on each acre, with plants that can protect themselves from many pests. We enable weed control with conservation tillage techniques that reduce soil erosion, water loss and carbon emissions. We also offer seeds that make fruit and vegetables easier to grow, and that make them more affordable and appealing to consumers’ tastes, contributing to more diverse diets and improved nutrition.

Using these tools, American farmers reach unparalleled levels of productivity to feed and clothe more people with every acre. They are driving the U.S. economy, while helping to meet the demand for food, fuel and fiber that is increasing with global population and income levels.

The beauty of our technology – of a seed – is that it is portable and scale neutral. Cutting-edge science and technology is built into the seed itself, which can be planted by an African farmer using a hoe, or an American farmer using sophisticated machinery. The African farmer does not need to make a large capital investment to access the same benefits as her counterparts in developed countries. African farmers are growing hybrid or biotech seeds that yield more, resist disease and withstand environmental stress, making farming more rewarding and a little less risky. We are proud to provide these seeds to farmers in countries that welcome them, and we want to do more.

We want to help achieve global food security through the key determinants outlined by the Feed the Future program: Availability and access to food, reached through higher farm productivity, market development and equitable distribution; and utilization of food and stability by reducing farmers’ risks so they can reliably produce greater yields, resulting in higher incomes for feeding

their families. These require systems approaches that begin with improved seeds, access to fertilizer and extension training, and end with functioning markets.

What we need in order to effectively contribute – as noted in the Feed the Future Guide and implied in Dr. Shah’s question – are enabling business environments.

That includes policies that provide predictability, such as reliable, science-based regulatory systems, as well as laws that protect the fruits of our research and development and the ability to fairly compete in the marketplace. Monsanto has more than 5,000 men and women engaged in discovering and developing products that usually take a decade to reach the market. We need to know that when our sustained investment does result in innovations farmers want, it will be fairly rewarded. This means that farmers need to have access to new technologies and improved seeds, so they can gain experience using them and make informed choices as part of a functioning marketplace.

Functioning markets require farmer education, infrastructure and distribution mechanisms, along with a variety of local small- and medium-sized enterprises along the value chain. Most importantly, they require policy support and country-led prioritization of rural economic development.

I am encouraged by Feed the Future’s endorsement of business-enabling policies, and by its support for public-private partnerships. As the initiative recognizes, the private sector can bring to the table financial and technology resources, cutting-edge business practices, market access and in-country networks to support development. But these are most valuable when coupled with the resources of non-governmental organizations and the public sector.

Monsanto is engaged in a variety of public-private partnerships in markets around the world. For the sake of our discussion, I’d like to focus on examples in two areas: research and development, and market building.

Partnering for Research and Development

One of our partnerships, Water Efficient Maize for Africa, or WEMA, embodies several of the principles found in Feed the Future.

WEMA was formed two years ago to increase the drought tolerance of white maize in Eastern Africa, where it is a staple crop, through a combination of breeding and biotechnology techniques. The project is led by an African organization, the Kenya-based African Agricultural Technology Foundation, with partners including Monsanto, the International Maize and Wheat Improvement Center (CIMMYT) and agricultural research systems in Kenya, Mozambique,

South Africa, Tanzania and Uganda. It is funded by the Bill and Melinda Gates and Howard G. Buffett Foundations.

It is a groundbreaking effort for Monsanto, because it involves donating a gem of our technology pipeline – drought tolerance – along with our know-how in accelerated plant breeding. It represents a commitment to providing technology for the developing world at nearly the same time as in our major commercial markets. And we estimate it could result in new white maize varieties that yield between 20 percent and 35 percent more during moderate drought, enough to help many keep hunger at bay. This yield enhancement during moderate drought is projected to be enough to reduce risks so that farmers can invest in fertilizer. The combined use of improved seeds and fertilizer boost the harvest – and, therefore, farmers’ incomes.

WEMA also is helping to build R&D capacity in sub-Saharan Africa by involving more than 60 African scientists, who will carry the knowledge they gain well beyond this project. It is leveraging the unique strengths of each partner to achieve milestones, and sharing best practices across organizations and countries.

Partnerships are seldom easy, and each player in WEMA brings a different approach and perspective. But we are learning to work effectively together by focusing on the desired outcome – delivering a valuable tool to help farmers produce a desperately needed crop. In the end, WEMA aims to bring farmers seeds that will help them cope with water scarcity and climate change, which disproportionately affect sub-Saharan Africa.

We are excited about WEMA’s prospects, and we engaged in it because it leverages Monsanto’s strengths. Yet we recognize that there are many more needs and opportunities to improve sustainable agriculture.

With that in mind, we launched a separate program aimed at training plant breeders in wheat and rice, two staple crops that have lagged in innovation and investment. Monsanto’s Beachell-Borlaug International Scholars Program, a \$10 million commitment, provides full support for doctoral students from around the world. All of the students must receive cutting-edge laboratory training as well as real field experience in a developing country.

This program has an open-ended goal of building global plant-breeding capacity, particularly for the public sector, to help rice and wheat farmers in the developing world produce more on every acre under cultivation. It unleashes the creativity and talent of a new generation of scientists who are committed to helping combat global hunger.

Partnering to Build Markets

Research is one end of the spectrum of our work. Delivering tools to farmers is the other. And we are equally focused on public-private partnerships that help farmers access and use agricultural technology to produce more abundant crops, while using fewer resources.

One of these is Project Sunshine, a partnership with the government of the Indian state of Gujarat and local NGOs, which has helped thousands of subsistence farmers to increase corn yields and break the cycle of poverty.

Corn is India's third-largest cereal crop and its fastest growing, playing an increasing role in food security. Yet corn farmers' productivity there is less than half of the global average of two metric tons per acre, largely due to the lack of planting higher-yielding hybrid seeds. Farmers toil but often don't reap enough to feed their families, let alone a surplus to sell.

Monsanto and Gujarat's Tribal Development Department set out to change that. We began in 2007 with a small pilot program that reached 3,400 farmers with free hybrid seeds, other inputs, intensive training plus crop insurance. In 2010, we reached nearly 146,000 farmers – and, through planning, policies and investment, created a nascent but sustainable market.

Farmers who planted hybrids doubled, or even tripled their corn yield – and, as a result, doubled or tripled their income. Those who accepted free seed and inputs in 2008 were able to purchase them at minimal cost the following year. By 2010, Project Sunshine generated additional farm income of \$27 million, improving living standards and increasing spending power so that families can afford to educate their children. At the same time, it gradually builds these farmers' ability to purchase inputs on a sustainable basis. The market has attracted attention from various end-user companies in the starch and poultry industries, who are exploring investment opportunities in the area made possible by the more reliable, higher yielding corn crop.

This is an example of a project that encompasses a system solution, from training and farmer education to market building. The hybrid seeds that Monsanto contributes are an enabling tool, but not a silver bullet. This success would not have been possible without the policy support and leadership of the local government, and the grass-roots networks of NGOs. Each partner contributed its greatest strength to economic development.

On the Right Path

That brings me back to Dr. Shah's question: What can countries and donors do to reduce constraints on business operations, and to encourage investment? I say they can realize the vision outlined in Feed the Future, by following its bold framework for putting all of our resources to bear in combating poverty and hunger.

We can make a difference when we start with country-owned and country-led plans, with a focus on results and accountability. We can build on existing processes and partnerships to leverage best practices, while using our creativity and open minds to come together in new and unexpected ways. And we can always keep the best interests of farmers and families in mind, as we focus on using our tools for agricultural economic development that meets global demand and truly improves lives.

I am proud of the work that Monsanto is doing in this area, and we look forward to doing more.

Thank you, Chairman Carnahan, Chairman Payne, Ranking Member Rohrabacher, Ranking Member Smith and Members of the Committees for your time and attention today. I look forward to answering your questions.