

Syngenta settles US farmer lawsuits in China corn trade case

September 26 2017, by Steve Karnowski

Swiss agribusiness giant Syngenta said Tuesday it has agreed to settle tens of thousands of U.S. lawsuits by farmers over the company's rollout of a genetically engineered corn seed variety before China approved it for imports.

Terms weren't disclosed. Syngenta said in a statement that the settlement would establish a fund to pay claims by farmers who contracted to price corn or corn byproducts after Sept. 14, 2013. Details will be announced after the agreement is submitted for court approval later this year, it said.

Syngenta began selling Viptera to U.S. farmers for the 2011 growing season with U.S. government approval. But China didn't approve it until December 2014. The dispute escalated into lawsuits on behalf of tens of thousands of farmers in state and federal courts alleging that Syngenta's move wrecked China as an increasingly important export market for U.S. corn and resulted in price drops that hurt all producers.

Syngenta contended that larger market forces, not China's rejection of Viptera, drove corn prices down, and that China wasn't a big corn importer when it launched Viptera. The company also said China should not have effective veto power over the varieties U.S. farmers choose to plant.

The proposed settlement avoids the uncertainty of ongoing litigation and doesn't constitute an admission by either side over the merits of the cases, the statement said.

"Syngenta firmly maintains that its actions were appropriate and continues to believe that American farmers should have access to the latest U.S.-approved technologies to help them increase their productivity and crop yield," company spokesman Paul Minehart said.

The settlement does not include exporters such as Cargill and ADM that are also suing Syngenta, he said.

"Syngenta will continue to vigorously defend those cases," Minehart said.

The announcement came in the middle of a trial in Minnesota that was the second "bellwether" test case to go to trial. The first ended in June with a federal jury in Kansas awarding nearly \$218 million to more than 7,000 growers from that state. The two trials were meant to provide guidance to attorneys and the courts for how the complex web of litigation in state and federal courts could be resolved.

Syngenta, whose seed division is based in Minnesota, says it invested more than \$100 million and 15 years in developing Viptera, which has a trait called MIR162 that protects against pests such as earworms, cutworms, armyworms and corn borers. The litigation also involved a newer variety called Duracade, which adds corn rootworm protection. It got Chinese approval this year.

Most of the farmers suing Syngenta didn't grow Viptera or Duracade, but China rejected millions of tons of their grain because elevators and shippers typically mix grain from large numbers of suppliers, making it difficult to source corn free of the trait.

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