



# Cargill Fact Sheet

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**T**oday, the global food system is in the hands of alarmingly few corporations that can run roughshod over consumer health, the environment, and human rights. Cargill is one of these companies. While its name may not be on the package, Cargill produces many processed food ingredients consumers see in the fine print on food labels like high fructose corn syrup, hydrogenated vegetable oils, citric acid, lecithin and xanthan gum.<sup>1</sup> Cargill is probably the largest grain trader in the world, with hundreds of grain terminals worldwide, as well as a fleet of cargo ships that can connect their global network of storage facilities.<sup>2</sup> It's a top beef, pork, and turkey processor, and cattle feedlot operator.<sup>3</sup> Its European meat operations are the largest poultry supplier for McDonald's, supplying them with sandwich patties and Chicken McNuggets.<sup>4</sup> Cargill also lobbies in Brussels on the EU's the Common Agricultural Policy. Cargill has been a leading architect of an agricultural system in which it is both buyer and seller, and it has made a tidy profit doing it.

In 2009, Cargill had 160,000 workers in 67 countries, and was the largest private company in the United States.<sup>5</sup> Cargill has operations in 21 European countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Poland, Portugal, Romania, Russia, Spain, Sweden, Switzerland, Turkey, Ukraine and the United Kingdom. Even during the 2008 economic downturn, Cargill reported sales of over 83 billion Euros and record profits of over 2.5 billion Euros, its sixth straight year of record-breaking earnings.<sup>6</sup>



**Cargill Profited from 2008 Food Crisis:** Cargill's 2008 record earnings were driven by the high grain and fertilizer prices of that year. Generally the high prices were also responsible for pushing 130 million people around the world to the brink of starvation. As Cargill CEO Greg Page explained, "Cargill had an opportunity to make more money in this environment, and I think that is something that we need to be very forthright about."<sup>7</sup> High crop prices also drove up fertilizer prices. In 2008, Cargill's majority ownership in fertilizer giant Mosaic Company was the largest contributor to its high earnings, but this comes as a cost to both farmers and consumers.<sup>8</sup>

**Cargill's Global Grain & Oilseed Processing Expansions:** Cargill is one of the largest grain and oilseed processors in the U.S., and is making serious inroads into Europe.<sup>9</sup> In 2005, Cargill acquired Olpo Podari, Romania's largest sunflower oil maker.<sup>10</sup> The EU is the largest sunflower oil-producing region in the world.<sup>11</sup> In 2008, Cargill made major expansions to its wheat operations in both the UK and Poland in order to make sweeteners such as fructose and glucose for use in processed foods.<sup>12</sup>

**Cargill's Soya Bean Operation Clears Rainforest:** Cargill is a global soya purchaser and processor of soya beans, and the company has operations in Brazil that supply customers throughout the world. Cargill



ships the soya beans to Europe, where they are used to feed the chickens in Cargill's poultry operations, the primary supplier of chicken for McDonalds.<sup>13</sup> Cargill's activities in Brazil have been the source of considerable controversy, as soya operations in the region have been linked to a number of destructive environmental practices. In a 2006 Greenpeace exposé, Cargill was targeted for its contribution to rainforest destruction in the Santarem region, including an illegally built soya bean export terminal and providing financing for the conversion of rainforest to soya bean production.<sup>14</sup> Cargill built its terminal near a heavily forested area, which encouraged plantation owners to clear rainforests in order to easily access Cargill's port.<sup>15</sup> In 2007, the Brazilian government forced Cargill to close down its port,<sup>16</sup> and due to pressure and boycotts from both Greenpeace and European purchasers including McDonald's,<sup>17</sup> Cargill agreed to a moratorium against the purchasing of any soya beans from recently deforested land.<sup>18</sup> However, the moratorium is currently set to expire in July 2010, and no permanent solutions have been found to prevent further deforestation.<sup>19</sup>

#### **Cargill's Palm Oil Contributes to Deforestation:**

Palm oil is the most widely used vegetable oil in the world, and is used in food, biodiesel, soaps, toothpastes, and other products.<sup>20</sup> Cargill began its involvement in palm oil production in 1995 with a plantation in Indonesia, and greatly expanded its operations in 2005 by acquiring three large plantations and a processing facility Papua New Guinea.<sup>21</sup> In the Oro Province of Papua New Guinea, Cargill is the only palm oil buyer for 5,700 commercial palm oil operations.<sup>22</sup> Eighty percent of the world's palm oil is produced in Southeast Asia, and about half of the plantations are on land that was once a rainforest.<sup>23</sup> Palm oil plantations have used "slash and burn" methods of clearing rainforest, and because of this, Indonesia is now possibly the third largest carbon emitter in the world, behind the United States and China.<sup>24</sup>

#### **Cargill Promotes Genetically Modified Crops and Foods:**

Cargill has played a significant role in

introducing genetically modified crops and promoting genetically modified food to a skeptical public. Cargill has a joint venture with Monsanto, Renessen, which has released a genetically modified crop for use in animal feed, as well as a technology that processes high oil corn, often made from genetically modified corn, into biodiesel and animal feed.<sup>25</sup> Cargill's sheer size and role in so many parts of the food industry means that its acceptance of genetically modified products can influence the entire food chain.

#### **Cargill Cotton UK Operates in a Hotbed of Forced Child Labour:**

Cargill is a major presence in world cotton trade. Cargill Cotton UK has a branch office in Tashkent, Uzbekistan and Central Asia is a key source of its cotton.<sup>26</sup> Cargill does not directly own or pick cotton from Uzbekistan, but it buys between €35 and €42 million worth of Uzbek cotton each year, although it denies having anything to do with picking cotton in the country.<sup>27</sup> Forced child labour in Uzbek cotton production is widely known,<sup>28</sup> and in 2007, an estimated quarter million children toiled in cotton fields in Uzbekistan's two primary cotton-producing states.<sup>29</sup> While Cargill continues to operate an office in Uzbekistan's capital, retailers like Wal-Mart in the United States (who struggled in Germany, but own Asda in the UK and are reported to have opened an office recently in Russia<sup>30</sup>), British grocery chain Tesco, and British Debenhams' department stores have banned products made with Uzbek cotton to curb demand for forced child labour.<sup>31</sup>

#### **Cargill's Turns Blind Eye to Cocoa Slavery:**

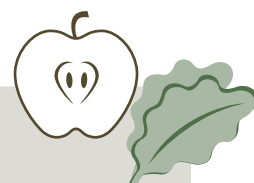
Cargill began cocoa operations in Côte d'Ivoire in 1998 and opened a processing facility there in 2000.<sup>32</sup> Cargill was sued in 2005 for ignoring prevailing labour abuses in the Côte d'Ivoire cocoa plantations,<sup>33</sup> including well-documented reports of child slavery.<sup>34</sup> The suit claimed that children toiled away on cocoa plantations and were beaten and forced to work 12 to 14 hour days with no pay.<sup>35</sup> As a major cocoa buyer in the region,<sup>36</sup> Cargill had the ability to prevent labour abuses but chose to ignore the conditions instead, according to the lawsuit.<sup>37</sup>

## Recommendations

- The EU must find ways to reduce the need for imported soya and maize in animal feed, starting with eliminating genetically modified ingredients and moving toward more sustainable, home-grown feeds.
- The EU must work to restore sensible oversight of commodity markets to prevent Cargill from profiting from the company's futures trading business while others starve.
- The EU must work to ensure that international laws, including those on slavery and child labour, are upheld, and that companies like Cargill cannot profit from the exploitation of others.
- The European Commission should enforce competition laws to ensure that companies like Cargill do not control an unfair proportion of markets, as well as ensure that new labeling laws allow consumers to know the origin of food products and whether foods contain genetically modified ingredients.
- Consumers should seek out local and regionally produced foods to avoid supporting the global model of agriculture promoted by Cargill.

## Endnotes

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