

ITP: **Argentina 2012**

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Paper Title: **GMO Soybean Growth in Argentina and Uruguay: An Analysis of Economics, Intellectual Property Laws, and its Impact on Small Farmers**

Abstract:

Argentina has become a power exporter of soybeans. Despite its rocky economy, Argentina has benefited drastically from its soybean export revenue. A large seed variety producer introduced genetically modified soybeans to Argentina, where intellectual property laws were lax and unenforced compared to the United States. Argentine farmers started planting these genetically modified seeds to accommodate the increased worldwide demand for soybeans. The seed variety producer had trouble obtaining the relevant protection for its genetically modified soybean, and thus farmers freely reused the seeds without paying royalties and sold them on the black market. Genetically modified soybeans became extremely prevalent in Argentina, and soon Argentina became the second largest soybean exporter in the world.

Uruguay has had similar success with genetically modified soybeans. Uruguay has become a lead soybean exporter, even though the country's size is minimal compared to that of Argentina or the United States. Uruguay has similar intellectual property laws as Argentina and yet has no black market for genetically modified soybeans. This difference may be because Uruguay is much more politically stable and because its farmer population is much smaller than Argentina's, making control of seed sales much easier. Uruguay serves as a positive contrast to Argentina and is helpful in gauging the soybean market's effect on Argentina.

The soybean boom has had mixed consequences on Argentina. On the positive side, the soybean boom helped carry Argentina's fragile economy. The soybean market has also created wealthy large farmers and has allowed them to acquire more land. However, the soybean market has also had negative effects on the country. Many small farmers have been illegally evicted from their lands, have become jobless, and have faced threats to their well-being.

The Argentine government currently provides little subsidies to farmers, imposes heavy taxes on soybeans, hardly enforces its intellectual property laws which are in themselves insufficient, and turns a blind eye to consumer awareness of genetic modification in food products. The government is even less willing to take action because the genetically modified soybeans—whether they are illegally sold or not—have generated substantial economic profits for the country. Genetic modification in food commodities is prevalent, and will continue to be prevalent, in Argentina unless drastic changes are made.