

# Cargill



## A Threat to Food and Farming



food&waterwatch





Cover photo by Fernando Weberich.

## About Food & Water Watch

Food & Water Watch is a nonprofit consumer organization that works to ensure clean water and safe food. We challenge the corporate control and abuse of our food and water resources by empowering people to take action and by transforming the public consciousness about what we eat and drink. Food & Water Watch works with grassroots organizations around the world to create an economically and environmentally viable future. Through research, public and policymaker education, media, and lobbying, we advocate policies that guarantee safe, wholesome food produced in a humane and sustainable manner, and public, rather than private, control of water resources including oceans, rivers, and groundwater.

**Food & Water Watch**  
1616 P St. NW, Suite 300  
Washington, DC 20036  
tel: (202) 683-2500  
fax: (202) 683-2501  
info@fwwatch.org  
www.foodandwaterwatch.org



Copyright © August 2008 by Food & Water Watch. All rights reserved. This report can be viewed or downloaded at [www.foodandwaterwatch.org](http://www.foodandwaterwatch.org).

# Cargill

## *A Threat to Food and Farming*

### Table of Contents

iv	Executive Summary
1	Introduction
1	Key Findings
1	Company History
2	Sectors of Business
4	Influence on Policy in the United States and Abroad
5	Labor Abuse
5	Environmental Injustice
6	Impacts on Producers
7	Threats to Consumer Health
8	Conclusions & Recommendations
9	Endnotes

## Executive Summary

Cargill is one of a relatively small number of powerful corporations that control the global agricultural system. The company describes itself as an “international provider of food, agricultural and risk management products and services. With 158,000 employees in 66 countries, the company is committed to using its knowledge and experience to collaborate with customers to help them succeed.”<sup>1</sup> Still in family hands, Cargill is the largest privately owned company in the world.<sup>2</sup> Its grain division is the number one source of grains and oilseeds in North America for domestic use, as well as exporting, and it is a major player in the beef and poultry industries.<sup>3</sup>

With so many business sectors, operating divisions and locations across the globe, keeping tabs on the specifics of Cargill is difficult. But in general, the Minneapolis-based company markets, processes, packs, distributes, transports and trades agricultural, food, industrial and other products and services. It is a leading grain processor and a top U.S. meat packer, but more importantly, it greatly influences — and some analysts would say it controls — both markets. Cargill deals with wheat, corn and oilseeds; meats, poultry and fish; industrial products such as biofuels, oils, lubricants and salts; health and pharmaceutical products; and agricultural services such as animal feed and fertilizers.

In short, Cargill sells farmers many of the inputs they need and buys much of their output for trading and processing.<sup>4</sup> As the creator of an agricultural system in which it is both buyer and seller, Cargill has earned record profits at the expense of consumers, the environment and sustainable agriculture.

Cargill threatens the environment in both the United States and abroad. It has spilled toxic waste into the San Francisco Bay,<sup>6</sup> violated the Clean Air Act with harmful emissions,<sup>7</sup> and deforested key habitats for endangered species in South America.<sup>8</sup>

And Cargill treats people no better than it does the environment. Its operations are known to pay workers low wages, expose them to dangerous pesticides and renege on critical promises made to the community by a corporation it acquired.<sup>9</sup> It is even alleged to force children to labor under hazardous conditions.<sup>10</sup> Cargill shortchanges American farmers by transferring food production overseas.

The company does not hesitate to use new and potentially dangerous food technologies if they may bring in revenue. Cargill pushes genetically modified products,<sup>11</sup> invests in irradiation<sup>12</sup> and lobbies for the right to use carbon monoxide to artificially imbue red meat with the look of freshness long past its expiration date.<sup>13</sup>

This report, *Cargill: A Threat to Food and Farming*, will show that Cargill’s vast influence on global agricultural trade threatens the health of consumers, family farmers, the environment and even entire economies.



## Introduction

Whether it's the meat on your table, the salt on your meat, the grain your meat was once fed or your morning orange juice, there's a good chance that Cargill has played a role in producing it. Since its founding in 1865, Cargill has transformed the worldwide agricultural system.<sup>14</sup> Agribusiness corporations such as Cargill, Archer Daniels Midland, Bunge and Monsanto have achieved political power and influence. Food distribution is no longer a simple transaction between producer and consumer. Instead, it is a web of interconnections among those who produce, consume, process, trade, transport, store and provide inputs for agriculture, and agribusiness is doing its best to give the interests of consumers and producers the least sway.

The food empire Cargill has created may be a testament to business ingenuity and strategy, but it has also become a threat to consumers who may not even know the company's name. The global food system is in the hands of an alarmingly few corporations whose intense concentration of power alleviates them from accountability to consumer health, the environment or human rights. Of these corporations, Cargill arguably has the most diverse and vast portfolio of influence.

## Key Findings

- Cargill has gained control over a large part of the world's agriculture processing, storage, transport and trade.
- The company has gained undue influence over our agriculture policy at the expense of American consumers and farmers.

- Cargill has caused environmental destruction, including spilling toxic chemicals into the San Francisco Bay and releasing volatile organic compounds into the air. It also bears responsibility for clearing South American rainforests.
- Cargill has exploited workers across the globe, including its alleged involvement in trafficking Malian children to work on cocoa farms.

## Company History

Sam and W.W. Cargill founded Cargill, Inc. in 1865. They built grain elevators, buildings where grain is stored for processing and shipment, in Minnesota and Wisconsin, took advantage of the low land prices in 1873 to buy cheap property and formed partnerships in order to begin trading wool, pigs, chickens and other commodities, in addition to grain. The brothers rapidly expanded their business to the north and northwest and established a central office in Minneapolis. Their company learned early on how to make strategic business changes. In the 1930s, when Midwestern grain fields were transformed into the Dust Bowl, Cargill bought all the corn futures on the Chicago Board of Trade.<sup>15</sup> This essentially gave the company great control over the nation's corn supply and prices.

Until that time, Cargill had focused its business on transporting and storing grain and other bulk commodities. After the 1930s, it began to move both upstream into feeds, seeds, and fertilizers, and downstream into processing and milling. To restructure the broadening company, it decided in 1992 to form a Corporate Center. The company left general management

to the offices of each “geography” (North America, like groups of other distant countries and regions, was considered a singular geography) to allow the new Center to focus on overall corporate strategy. At the same time the company created the Cargill Grain Division, which is now the primary source of grains and oilseeds in North America. It also brought together the marketing for all of its meat and fish products into one division.<sup>16</sup>

In 1994, Cargill launched a specialty plant products department, which supplies customers who have specific requests for the characteristics of their crops. Some of these plants are genetically engineered,<sup>17</sup> but others, such as those sold by InnovaSure, the specialty corn business it started in 2000, supply the market for non-genetically enhanced crops.<sup>18</sup>

The company is still controlled by descendants of Sam and W.W., and of Duncan MacMillan, who married into the Cargill family. In 1995, it was reported that 100 family heirs control 83 to 85 percent of the family stock. As a privately held firm it has less transparency because it does not have to do the same reporting as a publicly traded company.

*The company is still controlled by descendants of Sam and WW, and of Duncan MacMillan, who married into the Cargill family. In 1995, it was reported that 100 family heirs control 83 to 85 percent of the family stock. As a privately held firm it has less transparency because it does not have to do the same reporting as a publicly traded company.*



### Sectors of Business

Today, Cargill maintains countless subdivisions, operations, facilities, and subsidiaries.

#### **Processing of major commodity grain and oilseed crops: wheat, soybeans and corn**

Cargill deals worldwide in the trading and processing of oilseeds, corn and wheat.<sup>20</sup> (Oilseeds are used in the production of cooking oils and include soybeans, canola, flaxseed, safflower and sunflower seeds.) Because cooking oils are used in virtually every processed food item, they are of major significance in the industrial food chain. Soybean oil is found in a wide variety of cookies and snacks.<sup>21</sup>

#### **Meats: animal feed, factory farms and processing**

Cargill began a formulated animal feed business in the 1930s. By taking part in the feeding and slaughtering of animals (and in all the stages of producing the grains needed for feed), the company has been able to achieve great financial efficiency. Cargill began slaughtering and processing cattle, pigs and poultry in the 1960s.<sup>22</sup> By 1991 the company and its subsidiaries owned 31 meat and poultry-processing plants worldwide, spanning from Canada to the United Kingdom, Thailand, Australia, Taiwan, Mexico, Honduras and Argentina.<sup>23</sup> As of 2002, Cargill was the fifth largest pork producer and as of 2008 is the third-largest turkey company in the United States.<sup>24,25</sup> On March 31, 2008, Cargill announced that its Value Added Meats division had acquired assets of turkey processor Willow Brook Foods. Acquisitions included Willow Brook’s brands, as well as the company’s operations in Springfield, Missouri, and Albert Lea, Minnesota. The transaction included a plan for Cargill to shut down two of the facilities in Springfield, which will result in 780 layoffs.<sup>26</sup>

Cargill produces, processes, and markets fresh and frozen chicken through its subsidiary, Sun Valley Thailand, which provides McDonalds in the United Kingdom and most of

Western Europe with all of their nuggets and patties. Meanwhile, in the United States, Cargill also markets further-processed egg products, such as the liquid pasteurized eggs its sells to McDonalds, Pizza Hut, Burger King and school cafeterias.<sup>27</sup>

In addition, the global giant owns feedlots and factory farms that constitute one of the greatest threats to the well being of our environment and food system. As of 1996, Cargill's cattle feeding business, Caprock Industries, was the fourth largest in the United States. It could handle 285,000 head of cattle at any one time.<sup>28</sup> Cargill holds at least as much power in the Canadian beef industry as well. Its cattle feedlots in Alberta have drained cattle off small and diverse farms across Canada.<sup>29</sup>

Consumers find Cargill meats in grocery stores under the names AngusPride (beef), Excel (beef), Sterling Silver (beef and pork), HoneySuckle White (turkey), Shady Brook farms (turkey), Willow Brook Foods (turkey and chicken), Gourmet Recipe (turkey), Harvest Provisions (turkey, chicken, ham and pork) and Lifestyle (turkey, chicken, beef and ham).<sup>30,31,32,33</sup>

### Cotton

Cargill is a major presence in world cotton trade. It owns cotton operations across Africa and is said to handle 25 percent of China's cotton trade.<sup>34</sup> The Environmental Justice Foundation criticizes Cargill's cotton division for being a major purchaser of Uzbek cotton. Governmental control over the cotton industry in Uzbekistan has led to human rights abuse, ecological destruction and rampant poverty.<sup>35</sup>

### Peanuts

Cargill processes peanuts and makes peanut butter in the United States through Stevens Industries, which it sells to the federal school lunch program, and to Procter & Gamble to be marketed under one of its brand names.<sup>36</sup> Prior to June 2002, Procter & Gamble owned Jif, a very popular consumer peanut butter brand.<sup>37</sup> Cargill also deals in peanut oils, which it markets under the name Master Chef Oils.<sup>38</sup> Peanut oils are a significant ingredient in many prepared foods.

### Malting

Not to miss out on involvement in any food-related industry, Cargill purchased a majority share in Ladish Malting Co. in 1991. Combined with its malting operations in Belgium, France, Germany, the Netherlands and Spain, this acquisition made Cargill the number one malt producer in the world.<sup>39</sup>

### Transport and storage

Cargill has gained much of its economic efficiency by being able to store commodities until they are most lucrative and then transport them at will. It is able to store massive amounts of grains, oilseeds, salt, sugar, cottonseed, soybeans, fruit juice concentrate and other commodities until it determines where and when these will be most profitable to sell.<sup>40</sup>

In the context of trade and transport, Cargill exercises great influence over the U.S. government's food aid program. A report by the Institute for Agriculture and Trade Policy found that "[a]gribusiness companies bid on food aid contracts offered by the USDA Farm Service Agency (FSA). U.S. law requires that a minimum of 75 percent of U.S. food aid be sourced, fortified, processed and bagged in the U.S. Only a limited number of firms are qualified to bid on the procurement contracts and a few large corporations [are] dominant. In 2003, just two firms, Cargill and Archer-Daniels Midland (ADM), won the contracts to provide a third of all U.S. food aid shipments."<sup>41</sup>

"This approach usually results in costs well over [the] market rate for food, handling and transport."<sup>42</sup> In contrast, "most other major donors, particularly those in the European Union, give money instead of food. This frees agencies like the United Nations World Food Program to buy food from farmers near the affected country — farmers who are often very poor — and to send the food quickly where it is most needed."<sup>43</sup>

*Cargill has gone to great lengths to shape policy to its benefit, both in the United States and overseas. It funds academic and professional policy analysts to support its advocacy efforts, and it forms grass-roots organizations to lobby for its policy objectives.*

### Fertilizer

Cargill built a nitrogen fertilizer plant in Canada in 1989 with a \$305 million loan from the government. It mines for phosphate, a major component of fertilizer, in Florida, and in 1994 it became the second largest phosphate fertilizer producer in the world.<sup>44</sup> Cargill's involvement in the fertilizer industry contributes to damaged ecosystems around the globe and to the excessive consumption of fossil fuels: producing one kilogram of nitrogen fertilizer requires natural gas plus the energy equivalent of .37 to almost half a gallon of diesel fuel.<sup>45</sup>

It is commonly believed that phosphate fertilizers stimulate root growth in plants. In reality, this is only true if the natural phosphate levels of the soil were originally out of balance. When phosphate fertilizers are continually used in one region they damage beneficial soil organisms and accumulate in waterways causing algal blooms, increased bacterial activity, and the eventual death of fish and other aquatic animals.<sup>46</sup>

### Invisible commodities

Cargill deals not only with tangible goods and products, but with "invisible commodities," as well. It trades in futures, a practice which it refers to as "risk management," but is essentially speculation.<sup>47</sup> Futures are contracts that obligate parties to either buy or sell goods of a specific quality at a specific time in the future.<sup>48</sup> For farmers, dealing in futures has historically been a way to hedge their business against the unstable market. By selling their crops as futures, they lock themselves into a set profit, giving up the chance of benefiting from increases in prices, but avoiding the risk of being destroyed by low ones. For speculators like Cargill, trade in futures involves taking risk in order to cash in on expected increases in prices. It also adds further opaqueness to the corporation's guarded financial status and holdings. As author and Cargill expert Brewster Kneen put it, "By shifting expenses and profits from place to place, while also trading in both real non-existent commodities such as

futures and derivatives, Cargill, or any other transnational, can mystify even the best government auditors."<sup>49</sup>

### E-commerce

Conducting alliances and transactions over the Internet can be a way for corporations to evade the public eye while reaping profits. By selling directly to buyers via the Internet, Cargill is able avoid competition from smaller players, who are not as prevalent in the electronic marketplace. Over three months in 2000, Cargill announced eight projects in web-based exchanges for trading and selling crops, fertilizers, farm supplies, food manufacturing supplies, commodities transported via ship, meat, steel, cotton, grains, and oilseeds.<sup>50</sup>

## Influence on Policy in the United States and Abroad

Cargill has gone to great lengths to shape policy to its benefit, both in the United States and overseas. It funds academic and professional policy analysts to support its advocacy efforts, and it forms grass-roots organizations to lobby for its policy objectives. One of its campaigns, the Ohio Circle, defeated a statewide "right to know" initiative that would have given citizens more information about the toxic chemicals that it and other corporations used in the state. Cargill has used similar tactics to lobby for trade agreements that have promoted industrialized agriculture, such as the North American Free Trade Agreement (NAFTA). With the help of its employees at Cargill's 600 U.S. locations, the company estimates it sent 50,000 cards in favor of NAFTA to Congress. Cargill told its workers "NAFTA is important to Cargill because it clears the way for what we do."<sup>51</sup> As a result of NAFTA, Mexican farmers have been driven off the land as subsidized American corn has replaced locally produced corn.

Cargill also has executives in high places. A former Cargill vice-chairman took leave of his job in 1971 to take the position of deputy special representative for trade negotiations, which allowed him to set the tone for U.S. trade policy for decades to come. Another Cargill executive went on to become the U.S. Under-Secretary of Agriculture for International Affairs and Commodity Programs and president of the Commodity Credit Corporation.<sup>52</sup> The CCC administers government subsidy payments to U.S. farmers growing grains and cotton. This benefits Cargill because the payments make up for the low prices that the company pays to farmers for those crops.

In the 1990s, grain storage facilities were under construction in China, which has extremely fertile regions for soy and maize production. Cargill, as Kneen put it "was one of the biggest advocates of bringing China into the World Trade Organization."<sup>53</sup>





*Each year Uzbekistan's government conscripts 200,000 children to leave school and manually harvest cotton. Some of the children claim that they are not paid anything after deductions for food, transport, and supplies are taken.*

## Labor Abuse

Cargill has a record of paying low wages. When Cargill opened its massive beef-packing plant in Alberta in 1989, it paid workers about \$2.50 per hour less than workers at other western Canadian plants, thus setting a trend for wage rollbacks at other packinghouses. When it acquired a plant to further process the beef from Alberta, it signed the deal only after union members at the plant agreed to significant wage reductions under the threat of losing their jobs.<sup>54</sup> Workers at a fertilizer plant in Florida have reported similar practices. When Cargill purchased the plant they were immediately forced to sign resignation slips, and only some were then hired back, at reduced wages.<sup>55</sup>

The most shocking labor rights violations that have become public are their alleged involvements in forced child labor in Africa and Uzbekistan. In 2005 the Environmental Justice Foundation accused Cargill of abandoning corporate social responsibility by purchasing Uzbek cotton. Each year Uzbekistan's government conscripts 200,000 children to leave school and manually harvest cotton. Some of the children claim that they are not paid anything after deductions for food, transport, and supplies are taken. What's more, cotton production has decreased the volume of the Aral Sea to 15 percent of its original size. The drying of the sea has exposed pesticide laden salt residue and dust, which have caused widespread respiratory problems in the region of Karakalpakstan, which borders the sea.<sup>56</sup>

In the same year EJF made these accusations, the International Labor Rights Forum and an Alabama civil rights firm sued Cargill and other companies on behalf of a group of Malian children who were trafficked from Mali to the Ivory Coast and forced to work on cocoa farms.<sup>57</sup> Cargill markets chocolate and cocoa products under the names Progressive

Baker, Peter's Chocolate, Wilbur Chocolate, and Gergen's Cocoa.<sup>58</sup> The trafficked children were allegedly subjected to 12- to 14-hour days, little food and sleep, and frequent beatings. According to an ILRF attorney, Cargill was warned repeatedly that the farms they used were employing slave laborers, but they chose to look the other way.

## Environmental Injustice

Cargill has also looked the other way when it comes to environmental protection. It has many operations that pose threats to our air and water. Since 1999, Cargill has spilled toxic materials into the San Francisco Bay and surrounding marshes six times, putting enough bittern (a by-product of salt production) into the waters to fill 22 swimming pools. Because bittern is up to 10 times as salty as the ocean, it is lethal to aquatic life. These spills have been responsible for killing fish and plants in a nearby wildlife refuge.<sup>59</sup>

Cargill's processing plants release hazardous materials into the air. Its corn processing plants create smog and release volatile organic compounds and carbon monoxide.<sup>60</sup> VOCs irritate the eyes, nose, and throat; lead to headaches, loss of coordination, and nausea; damage the liver, kidneys, and central nervous system; and can even cause cancer.<sup>61</sup> Carbon monoxide inhibits oxygen delivery to tissues and organs, leading to fatigue at low concentrations, and impaired vision, angina, and reduced brain functioning at higher levels.<sup>62</sup> Cargill's oilseed plants also emit VOCs.

In 2002 the U.S. government initiated enforcement action against Cargill's air polluting practices by issuing notices of violation against two oilseed operations. In 2003 they extended notices to nine corn mill plants. The government finally made an agreement regarding these violations with the corporation in 2005, after the U.S. Department

*Since 1999, Cargill has spilled toxic materials into the San Francisco Bay and surrounding marshes six times, putting enough bittern (a by-product of salt production) into the waters to fill 22 swimming pools.*

of Justice filed a complaint against Cargill on behalf of the Environmental Protection Agency for significantly underestimating emissions from its operations in 13 states. Under the agreement, Cargill was required to spend an estimated \$130 million in order to meet the requirements of the consent degree by installing new air pollution control devices at its 27 corn and oilseed processing facilities. They were also expected to pay a civil penalty of \$1.6 million and spend \$3.5 million on environmental projects across the country.<sup>63</sup>

The company's environmental impact is global. As the global demand for industrial biofuels increases, Cargill has cleared precious forest areas to expand its production of soy and palm oil. Along with fellow transnational corporations Archer Daniel Midlands and Bunge, Cargill has destroyed rainforest acreage in Brazil, Paraguay, Indonesia, Malaysia and Papua New Guinea. These countries are home to the world's largest remaining rainforests, which include important endangered species such as orangutans and clouded leopards.<sup>64</sup>

In Paraguay the company is constructing a port complex on the outskirts of the capital city that consumer groups and scientists say will pollute the waters and threaten public health. The complex, which is expected to be operational in April 2008, will include a soybean processing plant and a port terminal for drying, storing, and processing soy. The port is only 500 meters away from the intake of the Paraguayan Sanitary Services Company (ESSAP), which provides drinking water to more than one million people. The port will be handling grains that are treated with toxic agrochemicals, which, along with diesel oil waste from barges and stirred up river sediment, will make its way to the entire drinking water supply. ESSAP lacks the technology to purify water contaminated by chemical wastes, and even if it came to acquire it, it would still not have a solution for dealing with the residues.<sup>65</sup>

### Producers Everywhere Suffer at the Hands of Cargill

Cargill's reach extends to farmers and local populations in many parts of the world. When it clears rainforests, Cargill takes land away from indigenous people, preventing them from growing food for their own consumption. This essentially forces them to work on Cargill-controlled plantations with conditions so dangerous and wages so low that some compare it to slave labor.<sup>66</sup>

When the Commonwealth Development Corporation (CDC), purchased by Cargill in 2006, decided in 2001 to start up palm production in Kararata, Papua New Guinea,

it made a deal with the local community: In exchange for a 20- to 30-year lease on the land and labor, the corporation would provide the community with a school, clinic, well and 50-50 profit shares. Before corporate plantations came into the picture, the community produced cassava, plantains and coconuts, and got water and fish out of a river. But now, after the deal, they work only to produce palm oil on plantations that pay them a mere \$5.40 a day. Neither the school nor the well was built and community members can no longer drink out of the river, which is now filled with dangerous pesticides. What's more, instead of dividing the profits 50-50 as CDC promised the community, Cargill has kept 90 percent of its acquired company's profits.<sup>67</sup>

American producers can be hurt by the expansion of production onto foreign turf, as well. When crops are cultivated in other countries (under conditions such as those in Kararata) they can undercut the prices that American farmers would need to stay above the cost of producing their crops. In 2004, South Dakota Senator Tom Daschle spoke out on behalf of his state's corn farmers against Cargill's plans to bring in South American imports.<sup>68</sup>

Livestock producers are not safe either. In 1989, 31 poultry growers, including Arthur Gaskin, president of the National Contract Poultry Growers Association, sued Cargill for allegedly under-weighting birds in order to pay the growers less than they deserved. In 1992 Cargill settled this dispute by agreeing to continue contracting with Gaskins and never to terminate a contract with any grower for participating in grower association activities, such as organized efforts to achieve fair payment.<sup>69</sup>





## Threats to Consumer Health

Cargill often fails to achieve consumer safety. It has promoted the use of various questionable new food technologies, including genetic engineering, irradiation, and using carbon monoxide to give meat the appearance of freshness.

Cargill has played a significant role in introducing genetically modified foods into the mainstream. Its most direct involvement with GM food is through Renessen, a joint venture with Monsanto that works to develop GM crops for use in animal feed. In 2007 Renessen released Extrax, a patented technology used to process GM corn seeds into ethanol and animal feed.<sup>70</sup> Monsanto has dedicated itself to convincing producers and the public that GM foods have the potential to boost food supplies and cut down on pesticides. In reality, GM crops engineered to be resistant to specific problematic pests have led to the increase of secondary pest populations. A Cornell study reported that cotton farmers in China have found themselves spraying crops of GM cotton with pesticides up to 20 times each year to protect against these pests.<sup>71</sup> By partnering with Monsanto, Cargill is aligning itself with a corporation that is notorious as the largest producer of both genetically engineered seeds and Roundup herbicide<sup>72</sup> and for devoting significant resources to prosecuting farmers, some of whom say they neither bought, wanted nor will use GMOs, for allegedly violating its patents on GM seeds.<sup>73</sup>

By outweighing the economic power of both suppliers and customers, Cargill has the ability to define what foods are available and acceptable.<sup>74</sup> To create public acceptance of genetically modified crops, Cargill has created NatureWorks LLC, which falsely markets materials made from GM corn as a sustainable solution to plastic and other materials used in everything from clothing to carpeting, upholstery, and plastic packaging.<sup>75</sup>

Cargill also uses the controversial technology of food irradiation. Excel Corp., a meat processor that operates irradiation facilities, is one of its subsidiaries. Irradiation is the practice of exposing food to intense doses of ionizing radiation. The practice creates chemical byproducts in the food, some of which are known carcinogens and some of which are unique to irradiated food and have been linked to tumor promotion and genetic damage. In scientific studies it has been shown to cause premature death, stillbirths, mutations, immune system failure, and stunted growth in animals.<sup>76,77,78,79</sup>

Unfortunately, Cargill's non-irradiated meat is not always safer: It has been responsible for multiple contamination problems and major recalls. In October 2007, the company recalled approximately 845,000 pounds of frozen hamburger patties because of possible contamination with *E. coli* O157:H7: the strain of *E. coli* most frequently linked with illness and death.<sup>80</sup> People in Minnesota, North Carolina, Tennessee and Wisconsin reported *E. coli* cases that were suspected to be from Cargill hamburgers.<sup>81</sup> Only one month later, Cargill recalled more than one million pounds of ground beef because of another possible *E. coli* O157:H7 contamination.<sup>82</sup> Cargill has been responsible for *Listeria* outbreaks as well. In 2000, it issued one of the largest meat recalls in U.S. history: 16.7 million pounds of ready-to-eat poultry products. 28 reports of food poisoning resulted from the outbreak, and it was suspected to be responsible for four deaths and three miscarriages.<sup>83</sup>

Cargill has also been one of the strongest advocates of carbon monoxide technology. Precept LLC, Cargill's joint venture with Hormel Food Corp., has worked to pioneer the practice of applying carbon monoxide gas to red meat to maintain a fresh, red look long after meat may have spoiled.<sup>84</sup> In January 2004, Precept submitted a notice to FDA claiming that using carbon monoxide in meat packaging is GRAS—generally recognized as safe.<sup>85</sup> Unfortunately, there is no data to show that GRAS processes are truly safe. Industry can file GRAS notices to the FDA concerning processes it intends to use and the FDA reviews these notices based on information the company files. There is no independent investigation of these processes or formal period for concerned parties to comment.

On November 13, 2007, Cargill's chief executive testified before Congress to defend the practice.<sup>86</sup> Food & Water Watch's Executive Director, Wenonah Hauter, testified on behalf of consumers at the same hearing. Food & Water Watch views the use of carbon monoxide in food packaging as consumer deception. It makes it impossible for customers to use visual cues alone to determine if meat is fresh. When refrigeration errors occur while meat is transported from processor to supermarket or the meat gets older,

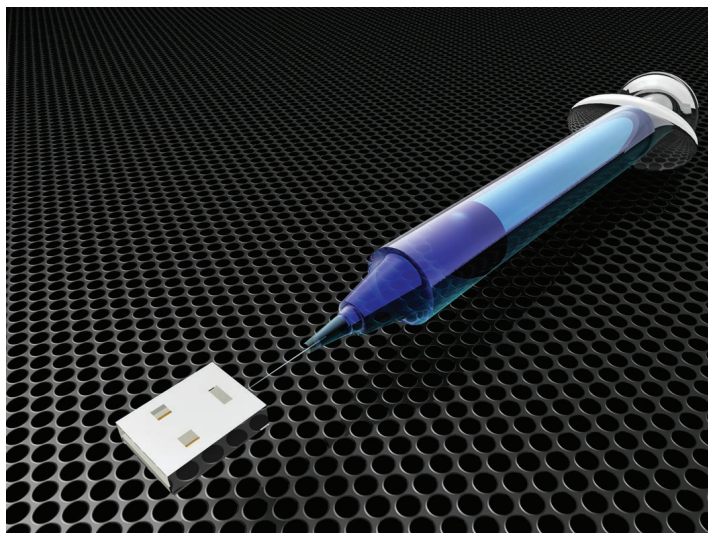
retailers and consumers can usually tell that meat is spoiled due to a change in color. With carbon monoxide treated meat, a fresh appearance will be maintained, and spoilage could go undetected. This practice might help companies like Cargill to sell more meat, but it threatens consumers, of whom 78 percent believe that treating meat with carbon monoxide is deceptive.<sup>87</sup>

### Conclusion

Cargill has let nothing — not consumers, farmers, workers, environmental fragility or governments — get in its way. Cargill’s presence in so many aspects of the food industry impacts the safety and sustainability of our entire food system. Regulators and policymakers at all levels should address the role agribusinesses like Cargill play in our food supply.

### Recommendations:

- The Department of Justice and USDA should enforce anti-trust laws to prevent Cargill from hampering competition in agricultural and food markets.
- State and federal environmental agencies must adequately regulate all of Cargill’s operations — processing plants, salt production factories and factory farms.
- Cargill must stop clearing rainforests, a practice that damages vital ecological habitats and takes away resources from indigenous peoples.
- Cargill should be forced to uphold any agreements that its corporate acquisitions had negotiated with workers or communities in the United States or elsewhere.
- Cargill and its subsidiaries must stop using carbon monoxide in meat packaging, and the Food and Drug Administration should ban this practice.
- The United States Department of Agriculture should enforce food safety rules so that contaminated meat never makes it to the marketplace.
- Consumers should stand up for themselves by avoiding genetically modified, irradiated and carbon monoxide treated foods. By shopping at farmers markets and purchasing local foods, consumers can wrestle away Cargill’s control over the food system. The Eat Well Guide provides consumers with a directory of sources for healthy, sustainable food: [www.eatwellguide.org](http://www.eatwellguide.org)



Endnotes

<sup>1</sup> Cargill. “About Us.” Accessed January 15, 2008. Available at: [www.cargill.com/about/index.htm](http://www.cargill.com/about/index.htm)

<sup>2</sup> Kneen, Brewster. *Invisible Giant: Cargill and its Transnational Strategies*. (Sterling, VA: Pluto Press, 2002), p. 28-29.

<sup>3</sup> Ibid, p. 23 and p. 41-58.

<sup>4</sup> Ibid, p. viii.

<sup>5</sup> “Fourth-quarter and fiscal 2007 Earnings.” *Business Wire*, Minneapolis, Aug. 21, 2007.

<sup>6</sup> Rogers, Paul. “Cargill reaches settlement on toxic spill.” *Oakland Tribune*, Nov. 7, 2007.

<sup>7</sup> “Federal, multi-state Clean Air Act settlement with Cargill, Inc., secures major pollution reductions—eighty-one percent of uncontrolled ethanol production capacity now under federal consent decrees.” EPA, Sept. 1, 2005. Available at: [yosemite.epa.gov/opa/admpress.nsf/d9bf8d9315e942578525701c005e573c/f36d6abac73ce5de8525706f006819d3!OpenDocument](http://yosemite.epa.gov/opa/admpress.nsf/d9bf8d9315e942578525701c005e573c/f36d6abac73ce5de8525706f006819d3!OpenDocument)

<sup>8</sup> “Rainforest Action Network hosts indigenous and environmental leaders opposing ADM, Bunge and Cargill.” Rainforest Action Network, Nov. 2, 2007. Available at: [http://ran.org/media\\_center/news\\_article/?uid=2436](http://ran.org/media_center/news_article/?uid=2436)

<sup>9</sup> “Karrarata mini estates: Cargill exchanges land for Lies.” Rainforest Agribusiness, Rainforest Action Network. Available at: [http://ran.org/what\\_we\\_do/rainforest\\_agribusiness/spotlight/case\\_studies/karrarata\\_mini\\_estates/](http://ran.org/what_we_do/rainforest_agribusiness/spotlight/case_studies/karrarata_mini_estates/)

<sup>10</sup> “Human rights watchdog and civil rights firm sue Nestle, ADM, Cargill, for using forced child labor.” International Labor Rights Fund, July 14, 2005. Available at: <http://laborrights.org/stop-child-labor/676>

<sup>11</sup> Price, Tom. “Cargill/Dow—from Frankencorn to Frankenfleece.” Corp-watch, Organic Consumers Association, April 22, 2002. Available at: [www.organicconsumers.org/corp/fleece042402.cfm](http://www.organicconsumers.org/corp/fleece042402.cfm)

<sup>12</sup> Merrill, Ann. “Meat matters; Irradiated ground beef is now available at thousands of supermarkets across the country. Now, fast food outlets, such as Dairy Queen, are testing the concept.” *Star Tribune*, Minneapolis, April 14, 2002.

<sup>13</sup> Diaz, Kevin. “Juicy debate: What is fresh meat’s true color?” *Star Tribune*, Minneapolis, November 14, 2007.

<sup>14</sup> Kneen, Brewster. *Invisible Giant: Cargill and its Transnational Strategies*. (Sterling, VA: Pluto Press, 2002), p. 20.

<sup>15</sup> Ibid, p. 20-21.

<sup>16</sup> Ibid, p. 22-24.

<sup>17</sup> Ibid, p. 25.

<sup>18</sup> Ibid, p. 26-27.

<sup>19</sup> Ibid, p. 28-29.

<sup>20</sup> Ibid, p. 65-79.

<sup>21</sup> “The Junk Food Hall of Shame.” Parents Against Junk Food, 2006. Available at: <http://parentsagainstjunkfood.org/JunkFoodHallofShame.htm> Accessed on: Feb. 21, 2008.

<sup>22</sup> Kneen, Brewster. Op. cit, p. 41.

<sup>23</sup> Ibid, p. 45.

<sup>24</sup> Ibid, p. 51.

<sup>25</sup> Smith, Rod. “Cargill acquires Willow Brook Foods.” *Feedstuffs* (Minnetonka, Minnesota), April 2, 2008.

<sup>26</sup> Karapetian, Alicia. “Cargill acquires turkey processor, will shutter two plants.” *Meatingplace.com*, April 1, 2008.

<sup>27</sup> Kneen, Brewster. Op. cit, pp. 55-56.

<sup>28</sup> Ibid, p. 43.

<sup>29</sup> Ibid, p. 47.

<sup>30</sup> “Meat and Poultry.” Products and Services, Cargill, 2007. Available at: [www.cargill.com/products/food/ps\\_meat.htm](http://www.cargill.com/products/food/ps_meat.htm). Accessed on: Feb. 21, 2008.

<sup>31</sup> “Ground Beef: Burgers you can build your reputation on!” Cargill Meat Solutions, Cargill Foodservice, 2004. Available at: [www.cargillfoodservice.com/beef\\_ground.html](http://www.cargillfoodservice.com/beef_ground.html) Accessed on: Feb. 26, 2008.

<sup>32</sup> Karapetian, Alicia. Op. cit.

<sup>33</sup> “Willow Brook Consumer Products.” Cargill Meat Solutions Corporation, 2008. Accessed on April 3, 2008. Available at: [www.wbfoods.com/consumer/cs\\_products.htm](http://www.wbfoods.com/consumer/cs_products.htm)

<sup>34</sup> Ibid, p. 59-63.

<sup>35</sup> “White Gold: The true cost of cotton, Uzbekistan, cotton and the crushing of a nation.” Environmental Justice Foundation, London, UK, 2005.

<sup>36</sup> Kneen, Brewster, Op. cit., pps. 63-64.

<sup>37</sup> “J.M. Smucker and Procter & Gamble Announce Close of Jif and Crisco Transaction.” Smucker’s, June 1, 2002. Available at: [www.smuckers.com/fc/newsroom/archive/jcirso62002.asp](http://www.smuckers.com/fc/newsroom/archive/jcirso62002.asp)

<sup>38</sup> “Ingredient Portfolio,” Cargill, March 8, 2007. Available at: [www.cargill.com/files/ingredient\\_portfolio.pdf](http://www.cargill.com/files/ingredient_portfolio.pdf)

<sup>39</sup> Kneen, Brewster. Op. cit, p. 64.

<sup>40</sup> Ibid, p. 94-103.

<sup>41</sup> “U.S. Food Aid: Time to Get It Right.” Institute for Agriculture and Trade Policy, Minneapolis, July 2005. Available at: [www.tradeobservatory.org/library.cfm?RefID=73512](http://www.tradeobservatory.org/library.cfm?RefID=73512)

<sup>42</sup> Ibid.

<sup>43</sup> Ibid.

<sup>44</sup> Kneen, Brewster. Op. cit, 110-115.

<sup>45</sup> Pfeiffer, Dale Allen. “Eating Fossil Fuels,” *The Wilderness Publications*, 2004. Available at: [www.fromthewilderness.com/free/ww3/100303\\_eating\\_oil.html](http://www.fromthewilderness.com/free/ww3/100303_eating_oil.html)

<sup>46</sup> Chalker-Scott, Linda. “The Myth of Phosphate Fertilizer: Phosphate fertilizers will stimulate root growth of transplanted trees and shrubs,” *Horticultural Myths*, Extension Urban Horticulture, Washington State University, Sep. 2007. Available at: [www.puyallup.wsu.edu/~Linda%20Chalker-Scott/Horticultural%20Myths\\_files/Myths/Phosphate.pdf](http://www.puyallup.wsu.edu/~Linda%20Chalker-Scott/Horticultural%20Myths_files/Myths/Phosphate.pdf)

<sup>47</sup> Kneen, Brewster. Op. cit, p. 80.

<sup>48</sup> Millman, Gregory J. “The Concise Encyclopedia of Economics” Available at: [www.econlib.org/library/Enc/FuturesandOptionsMarkets.html](http://www.econlib.org/library/Enc/FuturesandOptionsMarkets.html)

<sup>49</sup> Kneen, Brewster. Op.cit, p. 84.

<sup>50</sup> Ibid, p. 90-93.

<sup>51</sup> Ibid, p. 30-32.

<sup>52</sup> Ibid, p. 32-34.

<sup>53</sup> Ibid, p 40.

<sup>54</sup> Ibid, p. 45-46.

<sup>55</sup> Ibid, p. 113.

<sup>56</sup> “White Gold,” Op. cit.

<sup>57</sup> “Human rights watchdog and civil rights firm sue Nestle, ADM, Cargill, for using forced child labor.” Op. cit.

- <sup>58</sup> “Baking and Cereals.” Products and Services, Cargill, 2007. Available at: [www.cargill.com/products/food/ps\\_baking.htm](http://www.cargill.com/products/food/ps_baking.htm) Accessed on: Feb. 21, 2008.
- <sup>59</sup> Rogers, Paul. Op. cit.
- <sup>60</sup> “Federal, multi-state Clean Air Act settlement with Cargill, Inc., secures major pollution reductions—eighty-one percent of uncontrolled ethanol production capacity now under federal consent decrees.” Op. cit.
- <sup>61</sup> “Organic Gases (Volatile Organic Compounds-VOCs).” Indoor Air Quality, Environmental Protection Agency. Available at: <http://epa.gov/iaq/voc.html>
- <sup>62</sup> “Carbon Monoxide.” Indoor Air Quality, Environmental Protection Agency. Available at: <http://epa.gov/iaq/co.html>
- <sup>63</sup> “Federal, multi-state Clean Air Act settlement with Cargill, Inc., secures major pollution reductions—eighty-one percent of uncontrolled ethanol production capacity now under federal consent decrees.” Op. cit.
- <sup>64</sup> “Rainforest Action Network hosts indigenous and environmental leaders opposing ADM, Bunge and Cargill.” Op. cit.
- <sup>65</sup> Vargas, David. “Environmentalists Up in Arms Over Mega-Port.” *Inter Press Service News Agency*, Oct. 22, 2007. Available at: [ipsnews.net/news.asp?idnews=39754](http://ipsnews.net/news.asp?idnews=39754)
- <sup>66</sup> “Rainforest Action Network hosts indigenous and environmental leaders opposing ADM, Bunge and Cargill.” Op. cit.
- <sup>67</sup> “Kararata mini estates: Cargill exchanges land for Lies.” Op. cit.
- <sup>68</sup> Johnston, Julianne. “Sen. Daschle: Cargill import scheme threatens ethanol industry.” *Cropchoice.com*, July 26, 2004. Available at: [www.cropchoice.com/leadstrybe59.html?recid=2668](http://www.cropchoice.com/leadstrybe59.html?recid=2668)
- <sup>69</sup> Kneen, Brewster. Op. cit., p. 51.
- <sup>70</sup> “Technology,” *Reussen*. Available at: [www.reussen.com/en\\_technology.asp](http://www.reussen.com/en_technology.asp). Accessed: Feb. 6, 2008.
- <sup>71</sup> Lang, Susan. “Seven-year glitch: Cornell warns that Chinese GM cotton farmers are losing money due to ‘secondary’ pests.” *The Chronic Online*, Cornell University, July 25, 2006. Available at: [www.news.cornell.edu/stories/July06/Bt.cotton.China.ssl.html](http://www.news.cornell.edu/stories/July06/Bt.cotton.China.ssl.html)
- <sup>72</sup> “Some of the ‘Most Wanted’ Corporate Human Rights Violators.” *Global Exchange*, Dec. 2, 2007. Available at: [www.globalexchange.org/getInvolved/corporateHRviolators.html](http://www.globalexchange.org/getInvolved/corporateHRviolators.html)
- <sup>73</sup> “Monsanto Vs. U.S. Farmers Report.” *Center for Food Safety*, Washington, DC, 2004, p. 23 and 36. Available at: [www.centerforfoodsafety.org/Monsantovsusfarmersreport.cfm](http://www.centerforfoodsafety.org/Monsantovsusfarmersreport.cfm)
- <sup>74</sup> Muttitt, Greg. “Control Freaks—Cargill and Archer Daniels Midland, genetically modified crops.” *The Ecologist*, March 2001. Available at: [findarticles.com/p/articles/mi\\_m2465/is\\_2\\_31/ai\\_71634862/pg\\_1](http://findarticles.com/p/articles/mi_m2465/is_2_31/ai_71634862/pg_1)
- <sup>75</sup> Price, Tom. Op. cit.
- <sup>76</sup> Anderson, D. et. al. “Irradiated laboratory animal diets: Dominant lethal studies in the mouse.” *Mutation Research*, 80:333-354, 1981.
- <sup>77</sup> Vijayalaxmi and Rao, K. V. “Dominant lethal mutations in rats fed on irradiated wheat.” *Inter Journ Rad Biol*, 29:930-8, 1976.
- <sup>78</sup> Renner, H. W. et. al. “An investigation of the genetic toxicology of irradiated foodstuffs using short-term test systems. III- In vivo tests in small rodents and in *Drosophila melanogaster*,” *Food Chemistry and Toxicology*,” 20:867-878, 1982.
- <sup>79</sup> Spiher, A. T. “Food Irradiation: An FDA Report,” *FDA Papers*, Oct. 1968.
- <sup>80</sup> “Wisconsin Firm Recalls Ground Beef Products Due to Possible *E. coli* O157:H7 Contamination.” *Food Safety and Inspection Service, FSIS-RC-042-2007*, Oct. 6, 2007. Available at: [www.fsis.usda.gov/News/Recall\\_042\\_2007\\_Release/index.asp](http://www.fsis.usda.gov/News/Recall_042_2007_Release/index.asp)
- <sup>81</sup> “Cargill Recall Prompted by *E. coli* Infections.” *Food Poisoning Law Blog*, Pritzker and Ruohonen Law Firm, Oct. 15, 2007. Available at: <http://foodpoisoning.pritzkerlaw.com/archives/cat-recalls.html>
- <sup>82</sup> Barr, Alistair. “Cargill recalls one million pounds of ground beef: Meat may be contaminated with *E. coli* bacteria, company says,” *MarketWatch*, San Francisco, Nov. 3, 2007.
- <sup>83</sup> Kilman, Scott. “Listeria Outbreak in Cargill Turkey Poses Problems for Meat Industry,” *Wall Street Journal*, New York, Dec. 20, 2000.
- <sup>84</sup> Weiss, Rick. “FDA Is Urged to Ban Carbon-Monoxide-Treated Meat,” *Washington Post*, Feb. 20, 2006.
- <sup>85</sup> Kushner, Gary J. and Boeckman, Anne M. Agency Response Letter GRAS Notice No. GRN 000143, Center For Food Safety, U.S. Food and Drug Administration, Washington, D.C., July 29, 2004. Available at: [www.cfsan.fda.gov/~rdb/opa-g143.html](http://www.cfsan.fda.gov/~rdb/opa-g143.html)
- <sup>86</sup> Diaz, Kevin. Op. cit.
- <sup>87</sup> Hauter, Wenonah. Executive Director of Food & Water Watch, Testimony Before U.S. House of Representatives Subcommittee on Oversight and Investigations, Committee on Energy and Commerce, Hearing on Carbon Monoxide Meat, Nov. 13, 2007. Available at: [www.foodandwaterwatch.org/food/foodsafety/food-technologies/carbon-monoxide/house-hearing-carbon-monoxide-meat](http://www.foodandwaterwatch.org/food/foodsafety/food-technologies/carbon-monoxide/house-hearing-carbon-monoxide-meat)



---

**Food & Water Watch**  
1616 P St. NW, Suite 300  
Washington, DC 20036  
tel: (202) 683-2500  
fax: (202) 683-2501  
foodandwater@fwwatch.org  
www.foodandwaterwatch.org

