WEEKLY NEWS ARTICLE UPDATE

Prepared by John C. Baize and Associates | 7319 Brad Street | Falls Church, VA 22042 TEL: 703-698-5908 | FAX: 703-698-7109 | E-mail: <u>jbaize@attglobal.net</u>

May 18, 2015

Articles in This Edition

- Export Sales Highlights
- The GMO Controversy Misses the Point
- Cofco Hires ADM Executive to Head Noble Agri
- U.S. Soy Stocks to Rise as Exports Slip Due to Competition-USDA
- Oilseed Highlights from USDA WASDE Report
- Monsanto Chief Admits 'Hubris' is to Blame for Public Fears Over GM
- USDA Develops First Government Label for GMO-Free Products
- Brazil Soy Expansion on Hold as Prices Drop for \$31 Billion Crop
- German States Call for Ban on Household Pesticide

Export Sales Highlights

This summary is based on reports from exporters for the period May 1-7, 2015.

Soybeans: Net sales of 136,600 MT for 2014/2015 were down 60 percent from the previous week and 54 percent from the prior 4-week average. Increases were reported for Mexico (89,200 MT), the Netherlands (18,700 MT, including 18,000 MT switched from unknown destinations), unknown destinations (12,900 MT), Colombia (9,100 MT, including 8,000 MT switched from unknown destinations and decreases of 400 MT), and Costa Rica (5,000 MT). Decreases were reported for China (5,000 MT), Japan (1,100 MT), and Pakistan (500 MT). Net sales of 88,000 MT for 2015/2016 were reported for unknown destinations (82,000 MT), Thailand (4,000 MT), and Taiwan (2,000 MT). Exports of 250,100 MT were up 34 percent from the previous week, but down 15 percent from the prior 4-week average. The primary destinations were Mexico (78,500 MT), Pakistan (65,500 MT), Japan (32,500 MT), Colombia (24,700 MT), and the Netherlands (18,700 MT).

Optional Origin Sales: For 2014/2015, outstanding optional origin sales total 475,000 MT, all China. For 2015/2016, outstanding optional origin sales total 173,000 MT, all China.

Exports for Own Account: The current exports for own account balance is 1,900 MT, all Canada.

Soybean Cake and Meal: Net sales of 45,200 MT for 2014/2015 were down 67 percent from the previous week and 65 percent from the prior 4-week average. Increases were

reported for Colombia (54,000 MT, including 25,000 MT switched from Panama, 25,000 MT switched from unknown destinations, and decreases of 1,500 MT), Mexico (14,400 MT), Guatemala (13,800 MT, including 14,500 MT switched from unknown destinations, 200 MT switched from El Salvador, and decreases of 1,100 MT), Saudi Arabia (9,800 MT, including 9,500 MT switched from unknown destinations), Canada (9,600 MT), and the Dominican Republic (8,300 MT). Decreases were reported for unknown destinations (57,200 MT), Panama (20,900 MT), and New Guinea (3,900 MT). Net sales of 22,000 MT for 2015/2016 were reported for Morocco (12,000 MT), the Dominican Republic (6,000 MT), New Guinea (3,600 MT), and Canada (400 MT). Exports of 201,800 MT were down 14 percent from the previous week and 15 percent from the prior 4-week average. The primary destinations were Colombia (77,200 MT), the Dominican Republic (26,500 MT), Mexico (25,300 MT), Guatemala (16,100 MT), Canada (14,900 MT), and Saudi Arabia (11,300 MT).

Exports for Own Account: New exports for own account totaling 4,100 MT were reported to Colombia. The current exports for own account balance is 4,100 MT, all Colombia.

Soybean Oil: Net sales of 7,300 MT for 2014/2015 were down 53 percent from the previous week and 8 percent from the prior 4-week average. Increases were reported for Mexico (7,000 MT) and Canada (200 MT). Exports of 3,600 MT were down 81 percent from the previous week and 69 percent from the prior 4-week average. The primary destinations were Mexico (3,100 MT), Canada (300 MT), and Trinidad (100 MT).

The GMO Controversy Misses the Point

Time Magazine

Getting farm animals off medically important antibiotics is a good idea. Every time we deploy antibiotics, germs evolve, and resistance spreads. We're rapidly running out of ways to kill these antibiotic-resistant bugs. The germs that make people sick are different from the germs that make farm animals sick, but bacteria can trade the genetic code for antibiotic-resistance across species. Now companies such as McDonald's, Perdue, and Tyson are taking significant steps to reduce antibiotic use.

When you try to weigh the effects of the rest of these menu changes, things get pretty muddy pretty fast. The food coloring that makes macaroni and cheese that neon orange is potentially connected to various health issues. But there are more studies suggesting they are safe than those suggesting these colors have any risk.

The evidence on aspartame is similar: There are studies that suggest a troubling connection to cancer, and then there are others that show no association with cancer. Pepsi is replacing aspartame with another artificial sweetener, sucralose, which simply hasn't been studied as much.

Panera is basically removing every ingredient with a science-y sounding name. Some of these are potentially bad (again, things like food-coloring), but others are almost certainly benign. For instance, Panera is cutting caffeine (what were they adding caffeine to anyway?), and vanillin—the chemical that grows in vanilla beans and gives them their distinctive scent.

Chipotle's GMO ban is also fairly superficial. Most of the sane debate (and believe me, there's plenty of insane debate) on GMOs is not about health hazards, but about the high-tech farming practices associated with genetically engineered seed. Chipotle is ditching GMO seed, but keeping the industrial farming. Chipotle's corn will be sprayed with less of the herbicide glyphosate, but more of the herbicide atrazine. Instead of repelling pests with corn genetically engineered to resist insects, Chipotle's farmers will be more likely to use other insecticides. Instead of getting oil from soybeans *genetically engineered* to tolerate being sprayed with herbicides.

In the public debate, the term GMO is a symbol that stands in for heavy pesticide use and environmentally dubious farming practices. Chipotle is just changing the symbol, not the things it symbolizes.

Instead of improving transparency, public-relations moves generally make the food system more opaque. Chipotle's PR move is a bad deal for the public if it makes an idealistic young person think that by eating GMO-free burritos, they are fixing agriculture. Panera's PR move is truly insidious if it convinces a single overweight dad that his high-calorie panini lunch is healthy.

Food makers have a long history of using insubstantial health claims to sell food. Wonder Bread was the progenitor ("Builds strong bodies"), and that's led to gluten-free Cocoa Pebbles, and POM promising its sugar water will help you "cheat death." The trick is to provide eaters with an icon that seems to indicate health and quality, while actually doing almost nothing.

We tend to worry about the wrong things—Ebola, airplane crashes, and chemicals in food—while ignoring real dangers—car crashes, obesity, and climate change. Food companies capitalize on our risk blindness. It's cheaper to make a superficial shift. As a Chipotle executive noted, the cost of eliminating GMOs was *"de minimis."* Real change, like eliminating antibiotics, affects the bottom line. If consumers can't differentiate between real and token changes, which do you think companies will choose?

Cofco Hires ADM Executive to Head Noble Agri

Facebook Twitter Instagram Youtube

by Javier Blas<u>Shruti Date Singh</u> May 11, 2015

Cofco Corp., China's largest food company, poached a senior executive from U.S. competitor Archer-Daniels-Midland Co. to lead its push into global agricultural trading.

The Beijing-based group hired Matthew Jansen as chief executive officer of Noble Agri Ltd., the venture Cofco formed after buying the agricultural arm of Hong Kong-based Noble Group Ltd., Noble Agri said Tuesday in a statement.

Cofco spent \$3.5 billion last year to build a worldwide grain-trading business, acquiring 51 percent stakes in the Noble unit and Dutch trader Nidera BV. Both have large operations in Latin America and eastern Europe, two key exporting regions for wheat, corn and soybeans.

The Noble Agri venture will allow state-run Cofco to compete with the biggest grain traders -- Archer-Daniels-Midland, or ADM, Bunge Ltd., Cargill Inc. and Louis Dreyfus Commodities BV -- as rising incomes drive up food demand in China. Swiss rival Glencore Plc is also expanding into buying and selling cereals.

ADM said Tuesday that Jansen left to "pursue an opportunity with another company." The 48-year-old executive, who holds a degree in agricultural economics, had responsibility for ADM's global oilseeds unit, one of the largest in the world. He was also the trading house's chief risk officer and a corporate vice president, according to Noble Agri's statement.

Drive Growth

"Matt brings with him the depth of knowledge and broad business experience gained through his years' career in the highly competitive global agribusiness," Frank Ning, chairman of Cofco and Noble Agri, said in the statement. "He is ideally suited to drive the future growth of Noble Agri."

The hiring will allow Yusuf Alireza, Noble Group's chief executive officer, to focus on his primary role after spending more than a year running the agricultural trading unit. His company has come under attack in recent months from short-sellers and researchers who questioned its accounting. Noble has rejected all allegations of impropriety.

Jansen is at least the second senior executive from a U.S. grain trader to join an agricultural commodity company in the Asia-Pacific region in the past year. Mark Palmquist, who was with co-operative CHS Inc., became CEO of Australia's Graincorp Ltd. in October.

U.S. Soy Stocks to Rise as Exports Slip Due to Competition-USDA

12-May-2015 12:01

By Mark Weinraub

WASHINGTON, May 12 (Reuters) - U.S. soybean supplies were expected to balloon 43 percent in the 2015/16 marketing year despite a drop in production due to increased competition on the export market, the U.S. government said on Tuesday.

In its first estimate of the supply situation for the 2015/16 marketing year, the U.S. Agriculture Department projected U.S. soybean ending stocks at 500 million bushels, up from 350 million bushels in the 2014/15 crop year.

That topped analysts' expectations for soybean ending stocks of 443 million in the 2015/16 crop year.

USDA forecast soybean production in 2015/16 at 3.850 billion bushels, down from 3.969 billion in 2014/15 due to average yield dropping to 46.0 bushels per acre from 47.8.

U.S. soybean exports were seen falling to 1.775 billion bushels from 1.800 billion due to increased shipments from major South American producers Brazil and Argentina. Brazil exports were seen rising to 49.75 million tonnes from 45.65 million and Argentina exports were seen rising to 8.50 million tonnes from 8.00 million.

USDA also said in its monthly supply and demand report that domestic corn ending stocks for 2015/16 would be 1.746 billion, down from 1.851 billion in 2014/15. Analysts had been expecting 2015/16 corn ending stocks of 1.752 billion, according to the average of estimates in a Reuters poll.

U.S. wheat ending stocks for 2015/16 were pegged at a bigger-than-expected 793 million bushels, up from 709 million bushels in 2014/15. USDA said U.S. wheat production would be 2.087 billion bushels, smaller than trade expectations for 2.096 billion.

U.S. winter wheat production was seen at 1.472 billion bushels, up from 1.378 billion a year ago and just 2 million bushels above trade expectations.

World ending stocks of soybeans for 2015/16 were seen at 96.22 million tonnes, up from 85.54 million in 2014/15. World corn ending stocks were seen falling to 191.94 million tonnes from 192.50 million tonnes and world wheat ending stocks were projected to rise to 203.32 million tonnes from 200.97 million tonnes.

Oilseed Highlights from USDA WASDE Report

USDA today released its May 2015 supply and distribution report that includes the first estimates for the 2015/16 marketing year. There undoubtedly will be a lot of changes to the 2015/16 forecasts over the next several months, but they always are instructive as what

may occur. The following are the items that I have identified of significance in the report with respect to the oilseeds sector.

2014/15 Marketing Year

- U.S. domestic soybean crush was increased by 10 million bushels to 1.805 billion bushels.
- U.S. soybean exports were increased by 10 million bushels to 1.8 billion bushels.
- U.S. ending stocks of soybeans were reduced by 20 million bushels to 350 million bushels.
- USDA now estimates the average farm price for U.S. soybeans in 2014/15 at \$10.05/bushel. That is 5 cents per bushel below the mid-point forecast in April.
- U.S. soyoil consumption was increased by 200 million pounds to 20.75 billion pounds (9.412 MMT). Both food use and biodiesel use of soyoil as increased by 100 million pounds. Ending soyoil stock estimate was reduced by 140 million pounds to 1.24 billion pounds (562,460 MT).
- U.S. soymeal consumption was increased by 400,000 short tons to 30.9 million short tons (28.03 MMT).
- The forecasts for Argentina's 2015 soybean crop was raised to 58.5 MMT from 57 MMT. The forecast for the Brazilian and Paraguayan soybean crops were left unchanged at 94.5 MMT and 8.5 MMT respectively
- The forecast for China's imports of soybeans was reduced by 0.5 MMT to 73.5 MMT.
- Global soybean ending stocks on August 31 2015 were reduced from 89.53 MMT to 85.54 MMT as a result of global consumption being increased from 288.92 MMT to 291.76 MMT.
- The forecast for India's soymeal exports was reduced from 1.45 MMT to1.35 MMT while the forecast for Indian soymeal consumption as increased by 10,000 MT to 4.46 MMT.

2015/16 Marketing Year

- U.S. soybean production in 2015 is forecasted at 3.85 billion bushels (104.78 MMT) based on a planted area of 84.6 million acres, a harvested area of 83.7 million acres and an average yield of 46 bushels/acre. If the harvested area forecast is correct and if last year's average yield were to be achieved the 2015 crop would reach 4 billion bushels.
- The average farm price for soybeans is forecasted to decline to a range of \$8.25 to \$9.75 per bushels with a mid-point of \$9/bushel. I think that is a very optimist price forecast considering the outlook for excessive supplies.
- U.S. soybean crush is forecasted at 1.825 billion bushels, 20 million bushels higher than in 2014/15.
- U.S. soybean exports are forecasted at 1.775 billion bushels, 25 million bushels less than is forecasted for 29014/15.
- Ending U.S. soybean stocks on August 31, 2016 are forecasted at 500 million bushels. That would be an increase of 150 million bushels over a year earlier and equal to 13.4 percent stocks to use ratio.

- U.S. soymeal exports are forecasted at 10.66 MMT, down from 11.61 MMT in 2014/15.
- Argentina's 2016 soybean crop is forecasted at 57 MMT, down from 58.5 MMT this year. Brazil's 2016 soybean crop is forecasted at 97 MMT, up from 94.5 MMT in 2015.
- China's soybean imports are forecasted at 77.5 MMT, 4 MMT greater than in 2014/15. That would equal 64.8 percent of total global imports of 119.63 MMT and 73 percent of the year-to-year increase in global imports. China's 2016 soybean crop is forecasted to decline to 11.5 MMT from 12.35 MMT in 2015.
- Global soybean crush volume is forecasted to be 266.223 MMT, an increase of 4.6 percent from 254.482 MMT in 2014/15.
- Global soymeal exports are forecasted 66.81 MMT, an increase of 4.3 percent over 2014/15. Global soyoil exports are forecasted at 10.63 MMT, 8.8 percent higher than exports of 9.77 MMT in 2014/15.
- India's consumption of soymeal is forecasted at 5.11 MMT, 14.6 percent greater than in 2014/15. Its soymeal exports are forecasted at 2.4 MMT versus 1.35 MMT in 2014/15.

USDA this month made significant adjustments to its estimates of Argentine soybean stocks. It indicated that "significant quantities of soybeans may be disappearing in the domestic market, lost through spoilage or through other marketing channels". This month it made significant revisions to its estimates of stocks beginning in 2011/12. USDA is now forecasting Argentina's April 2015 soybean stocks at 10.6 MMT, about 3 MMT below its estimate last month. It is now forecasting ending stocks a year from now at 15.5 MMT. That is still a lot of soybeans!

Monsanto Chief Admits 'Hubris' is to Blame for Public Fears Over GM

<u> Oliver Wright 🗉</u>

Monday 23 March 2015

The American company that produced the world's first genetically modified crop has admitted for the first time that its "hubris" in promoting the technology contributed to a consumer backlash against genetically modified food.

Speaking to The Independent, the chief executive of Monsanto conceded that the company had failed to appreciate public concerns over GM technology when it was introduced nearly 20 years ago.

And he also said that the company had suffered by making "the wrong call" when it failed to rebrand itself in the aftermath of the botched launch of GM in Europe.

But Hugh Grant claimed that unless public attitudes towards biotechnology changed it would be impossible to feed the world's growing population and called for a more nuanced debate on the potential uses for GM technology in the developing world.

"There never had been a lot of trust in companies, particularly not big companies and certainly not big American companies," he said.

"[But] we were so far removed from that supermarket shelf, that was never something we gave a lot of thought to. We never thought about our place in the food chain."

"I think as an agricultural community in general – and Monsanto in particular – there is so much more to do to explain where food comes from and how it is produced and how much more we're going to have to make."

The Independent visited Monsanto to speak to its senior executives as part of a series on GM food.

Asked how the company had dealt with public concerns over the introduction of the first GM varieties 20 years ago, Mr Grant replied: "Hubris and naivety. They are sort of opposite sides of the same coin. We did really cool science and we worked within global regulatory requirements. From where we were the conversation with consumers was an abstract."

But he claimed that companies like Monsanto would be needed if the world was to feed a growing population. "If you look at (farming) growth in the last 15 years, about 70 per cent came from new land cultivation. When you go from six to nine billion over the next 30/40 years there is no new land. Can you do it without biotech? I don't think so."

Mr Grant hoped some form of consensus could be found between environmentalists and big biotech companies. "There is a middle ground in all this and if the shrill noise could die down my hope is there is an opportunity to engage in this. Maybe this is optimism but I think there is a chance that we are going to look back fondly and say, 'God – some of those arguments. They were intellectually interesting but practically ridiculous'."

Addressing European anti-GM activists who have long targeted Monsanto as the face of the biotech industry, Mr Grant said they had to explain how the world could be fed without such technologies. "I would say (to them), if you step back from your daily life – and Tesco or Waitrose or Sainsbury's – and you think about your kids and your grandchildren, then if not this, then what? How are we going to crack this thing? If Monsanto and this entire industry did not exist then what would the alternative would look like."

Mr Grant added that he was also frustrated that the anti-GM lobby had failed to adequately answer the question of how to feed more people with finite land without using new technology. "The thing that often frustrates me in the debate is that there is never an alternative... The other side of this is still pretty empty."

USDA Develops First Government Label for GMO-Free Products

14-May-2015

WASHINGTON (AP) - The U.S. Agriculture Department has developed the first government certification and labeling for foods that are free of genetically modified ingredients.

USDA's move comes as some consumer groups push for mandatory labeling of genetically modified organisms, or GMOs.

Certification would be voluntary - and companies would have to pay for it. If approved, the foods would be able to carry a "USDA Process Verified" label along with a claim that they are free of GMOs.

Agriculture Secretary Tom Vilsack outlined the department's plan in a May 1 letter to employees, saying the certification was being done at the request of a "leading global company," which he did not identify. A copy of the letter was obtained by The Associated Press.

Right now, there are no government labels that certify a food as GMO-free. Many companies use a private label developed by a nonprofit called the Non-GMO Project.

Vilsack said the USDA certification is being created through the department's Agriculture Marketing Service, which works with interested companies to certify the accuracy of the claims they are making on food packages - think "humanely raised" or "no antibiotics ever." Companies pay the Agricultural Marketing Service to verify a claim, and if approved they can market the foods with the USDA label.

"Recently, a leading global company asked AMS to help verify that the corn and soybeans it uses in its products are not genetically engineered so that the company could label the products as such," Vilsack wrote in the letter. "AMS worked with the company to develop testing and verification processes to verify the non-GE claim."

<u>A USDA spokesman confirmed that Vilsack sent the letter but declined to comment on the</u> <u>certification program. Vilsack said in the letter that the certification "will be announced</u> <u>soon, and other companies are already lining up to take advantage of this service."</u>

The USDA label is similar to what is proposed in a Republican House of Representatives bill introduced earlier this year that is designed to block mandatory GMO labeling efforts around the country. The bill provides for USDA certification but would not make it mandatory. The bill also would override any state laws that require the labeling.

The food industry, which backs Pompeo's bill, has strongly opposed individual state efforts to require labeling, saying labels would be misleading because GMOs are safe.

Vermont became the first state to require the labeling in 2014, and that law will go into effect next year if it survives a legal challenge from the food industry.

Genetically modified seeds are engineered in laboratories to have certain traits, like resistance to herbicides. The majority of the country's corn and soybean crop is now genetically modified, with much of that going to animal feed. GMO corn and soybeans are also made into popular processed food ingredients like high-fructose corn syrup and soybean oil.

The FDA says GMOs on the market now are safe. Consumer advocates pushing for the labeling say shoppers still have a right to know what is in their food, arguing that not enough is known about the effects of the technology. They have supported several state efforts to require labeling, with the eventual goal of having a federal standard.

Brazil Soy Expansion on Hold as Prices Drop for \$31 Billion Crop

by Gerson Freitas Jr

May 14, 2015

Combines harvest soybeans at the Morro Azul farm near Tangara da Serra, Brazil. Brazil, the world's second-biggest soybean producer and exporter, after the U.S., will harvest a record 95 million tons of soy this year, according to the government forecaster Conab. Photographer: Paulo Fridman/Bloomberg

After increasing soybean acreage for eight straight years, Brazilian farmers are putting their expansion plans for next year on hold as prices plunge and costs climb for the country's most important crop.

The international price of soy, used in everything from animal feed to fruit beverages, is down 35 percent in the past 12 months after farmers in the U.S., Brazil and Argentina, oversupplied buyers in a race for market dominance, boosting inventories to an all-time high.

Agriculture and related activities account for about a fifth of Brazil's GDP, and the 93 billionreal (\$31 billion) soy crop has been an important mainstay in the struggling economy. That's now threatened by the rising cost of credit and the sliding value of the local currency.

"Prices don't justify the expansion into remote areas anymore," said Anderson Galvao, director of the Uberlandia, Minas Gerais-based crop forecaster Celeres. "The locomotive is stopping."

Brazil, the world's second-biggest soybean producer and exporter, after the U.S., will harvest a record 95 million tons of soy this year, according to the government forecaster

Conab. With export demand slowing, that's pushed domestic inventories to record levels, a key factor in falling prices.

At the same time, the cost of imported fertilizer and pesticides has been on the rise.

Booming prices and easy credit helped Rodrigo Borghetti, a 35-year-old soy farmer in Mato Grosso state, expand his fields every year since 2007. Now he sees "a hard year" ahead.

'Farmers Afraid'

"Most farmers are afraid," according to Borghetti. "Margins are going to be much smaller," he said. "It's not the time to take on risk."

Since 2006, farmers have expanded the planted area by 11 million hectares, led by surging prices and record-low interest rates. That's the most among major producing countries and almost four times more than the U.S. Soybean shipments including meal and edible oils rose 56 percent over the past decade to become Brazil's main export item, accounting for about 14 percent of the country's export revenues. Soybeans in Chicago have fallen 1.7 percent this week to \$9.595 a bushel.

Now, surging borrowing costs are discouraging investment as Brazil struggles with the highest inflation rate in 12 years. Banks may reduce loans to farmers by about 20 percent this year, according to the crop forecaster Agroconsult.

"Farmers will have less credit than necessary to expand planting next crop," said Andre Pessoa, head of Agroconsult. "They will have to spend their own savings, reduce area or use less technology."

'Banks Cautious'

Farmers are struggling to get loans for the next season, said Igor Biancon, a 28-year-old farmer from Lucas do Rio Verde, Mato Grosso. "Banks are reducing credit limits, and seem to be getting more cautious."

With less investment from farmers, sales of tractors and harvesters declined 23 percent in the first four months of the year, following a 17 percent drop in 2014, according to data compiled by the manufacturers' association Anfavea.

Vanguarda Agro SA, Brazil's second-biggest publicly traded soybean producer, is putting expansion plans on hold, along with investments in new farming equipment, according to Chief Executive Officer Arlindo Moura.

"It's not the moment for seeking growth," Moura said by phone from Sao Paulo. "The challenge is to keep the area and increase productivity."

German States Call for Ban on Household Pesticide (Roundup)

15-May-2015

Germany's state consumer protection ministers are calling for an EU-wide ban on the leading global pesticide Glyphosate, after it was categorised as carcinogenic by the WHO. However, the federal government sees no need for action. EurActiv Germany reports.

After reevaluating the most widely used pesticide in Germany and worldwide, the World Health Organization's (WHO) cancer researchers have categorised Glyphosate as "probably carcinogenic to humans ".

In a resolution on Friday (8 May), Germany's state ministers called for "the supply to and use by private persons to be banned for precautionary reasons". In addition, the politicians argue that Glyphosate should be prohibited for uses close to consumers.

"This pesticide should not be found in gardens, parks or on children's playgrounds. I also do not think use in private gardens is appropriate," explained Lower Saxony's Consumer Protection Minister Christian Meyer. He is the current chairman of the Consumer Protection Minister Conference.

Glyphosate is the most commonly used pesticide worldwide. It is used in agriculture, particularly in fruit and grain cultivation, but also in small garden plots.

The agricultural giant Monsanto distributes Glyphosate under the product name "Round-Up".

The market share of this herbicide could continue to grow in the future if the cultivation of genetically modified plants is approved in some EU member states.

Most genetically-modified plants like corn are designed to be resistant to Glyphosate. In this way, herbicides can be administered to fields, eradicating weeds and other plants without harming crops.

EU approval procedure in a critical phase

The state minister's resolution comes at a critical time: the EU's approval for Glyphosate will expire at the end of 2015. The European Commission is currently conducting a new approval procedure, including a risk analysis.

>> Read: UN cancer agency issues warning about five pesticides

Germany is a leading member state in this process. Still, at an expert hearing last summer, the Federal Institute for Risk Analysis (BfR) certified the herbicide as exhibiting relatively low toxicity.

The federal government's representative, State Secretary in the Agriculture Ministry Robert Kloos, deflated hopes that a ban could come soon. "At the moment, we are missing the legal basis needed for a ban," he said, for the time being we must wait on the EU's approval procedure.

BfR cannot understand WHO findings

Meanwhile, the BfR sees the WHO paper as "difficult to comprehend scientifically on the basis of the existing information and apparently only backed up by a few studies".

For the present, there is no reason to change its appraisal that the widely-used herbicide Glyphosate is not carcinogenic, the BfR responded.

WHO researchers assessed the substance's cancer risk by means of three epidemiological studies from the United States, Canada and Sweden. However, they failed to consider a large number of other studies that clearly failed to show an increased risk of cancer.

"The fact that various bodies evaluate things differently based on varying information and assessments of experimental data, is a common occurrence in risk analysis," the BfR indicated. For this reason, the WHO study will be thoroughly checked, they said.

State Agriculture Minister Meyer said he sees it as the politicians' duty to protect people's health.

His colleague in the Bundestag's Green Party faction, Harald Ebner, called the WHO's reevaluation of Glyphosate alarming and called for prompt consequences.

A public protest on the issue came just ahead of the state ministers' decision.

On Thursday (7 May) around 80 environmentalists demonstrated against the use of Glyphosate.

They presented Agriculture Minister Meyer with over 200,000 signatures collected in support of an immediate ban on commercial and private use.