

Bayer Settles Genetic Rice Lawsuits For \$750M

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LITTLE ROCK, Arkansas (AP) -- German conglomerate Bayer CropScience agreed Friday to pay up to \$750 million to settle several lawsuits with U.S. farmers who claimed a strain of the company's unapproved genetically modified rice contaminated the food supply and hurt their crop prices.

The litigation goes back to 2006, when Bayer disclosed that an experimental strain of genetically altered rice was found in U.S. food supplies. No human health problems have been associated with the contamination, but that wasn't known at the time.

"Back in 2006, this rice had not been approved for human consumption," said Don Downing, a St. Louis-based attorney who represents some of the farmers who sued.

The fear that the rice was unsafe, along with the notion that genetically altered rice was somehow impure, quashed sales in major markets including the European Union, which has tight restrictions on genetically modified crops.

So, farmers from Arkansas, which produces about half of the nation's rice, Louisiana, Mississippi, Missouri and Texas, sued Bayer, saying the accident closed off critical export markets and caused the price of rice to drop.

The settlement reached Friday will extend to all U.S. farmers who planted long-grain rice between 2006 and 2010.

Downing, who has represented farmers in the case since 2006, said the agreement was likely the largest settlement in the history of genetically altered crops.

"I don't think there's any settlement involving genetically modified seed that approaches the size of this," he said.

Rice growers have between 90 and 150 days to submit their claims, depending on which types of compensation they're seeking. But, farmers who represent 85 percent of the average acres planted from 2006 to 2009 don't sign up, Bayer can walk away.

"Although Bayer CropScience believes it acted responsibly in the handling of its biotech rice, the company considers it important to resolve the litigation so that it can move forward focused on its fundamental mission of providing innovative solutions to modern agriculture," Bayer spokesman Greg Coffey said in a written statement.

If a farmer planted 500 acres of rice for every year from 2006 to 2010, he'd collect \$155,000 at \$310 per acre. Plus, farmers can collect more money if the

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contaminated rice forced them to plant another crop like wheat or soybeans that didn't pay as well.

The settlement applies to long-grain rice, the kind used in pilaf or typically mixed with beans. It doesn't affect farmers who planted medium-grain rice, which is often used in sushi, or short-grain rice, which is often used to make cereal.

Genetically modified or altered rice is, as Downing put it, "not the way God made it."

Some of the farmers who sued have no problem eating genetically modified rice, but whether its rice or any other crop, genetically modified food doesn't sit well with some consumers, especially overseas.

"We may think it's all right to eat genetically modified rice ... but the customer's always right," Downing said.

Agribusiness Writer Christopher Leonard contributed to this report from St. Louis.

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