

**Show Transcript**  
**Deconstructing Dinner**  
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**Title: Agri-Business Exposé II (Cargill II)**

**Producer/Host: Jon Steinman**  
**Transcript: Pat Yama**

*anonymous:* When we think about food, we think about it in a fairly narrow way. If we take apart and analyze our food, we might then start to recognize the value of food in our lives.

*Jon Steinman:* And welcome to another broadcast of Deconstructing Dinner, a syndicated weekly one-hour program, produced at Kootenay Co-op Radio in Nelson, British Columbia, and also heard on radio stations across Canada, including CKUW Winnipeg, Manitoba. I'm Jon Steinman.

Today's broadcast marks the second of a new ongoing series here on Deconstructing Dinner titled, "Agri-Business Exposé," a series where we will explore the largest agricultural corporations in the world. Those corporations who have a significant amount of influence over what you and I eat.

Part I of the series launched a two-part exposé on what is perhaps the most powerful and elusive of all agri-businesses - the Minnesota-based Cargill. A company that almost without a doubt has somewhere along the line, either handled your food or has had a considerable impact on how your food arrived on your dinner plate.

As we continue on with this Part II of the Cargill Exposé, this broadcast will delve even deeper into some of the most startling moral and ethical questions that could ever be placed before a company.

Lending their voice to today's broadcast will be Brian Campbell, a staff attorney for the Washington D.C.-based International Labor Rights Fund. An organization who has been raising awareness of Cargill's sourcing of cocoa from farms that use either child slave labour or what is known as the worst forms of child labour.

We will hear once again from Brewster Kneen, the author of the most current and comprehensive analysis of this company and that book is titled "Invisible Giant." Brewster was also featured on Part I of this Cargill Exposé.

And rounding off today's broadcast we will hear from Cam Ostercamp, a farmer from Blackie, Alberta, and the President of an organization called the Beef Initiative Group.

And Cam will add further insight into this American company that controls 50% of Canada's beef.

### **increase music and fade out**

If you missed Part I of this Cargill Exposé, that broadcast has been archived on our website, as will this one. And that website is [cjly.net/deconstructingdinner](http://cjly.net/deconstructingdinner).

And also if you have any comments, suggestions, or ideas about this program, you can also send us an e-mail at [deconstructingdinner@cjly.net](mailto:deconstructingdinner@cjly.net).

As was made clear in Part I of this Cargill Exposé, almost all Canadians at one point in the day, will have probably, unknowingly placed some money into the pockets of this company that can be found in almost every sector of the food system. And today's Part II of the Cargill Exposé will look past any introduction to this company, and now raise some of the most serious moral and ethical concerns that one could perhaps every place onto a corporation and the people running that corporation.

And it's on today's broadcast that we will explore Cargill's role in sourcing cocoa from farms using child slave labour and some of the worst forms of child labour. Cargill is one of the largest traders, processors, and manufacturers of cocoa, and chocolate products throughout the world. And as the information that will be presented to you will suggest, Cargill has knowingly supported such practices.

But the second question to raise on today's broadcast is one that will ask what involvement Cargill has had and continues to have, in contributing to the diabetes and obesity epidemic sweeping across the planet. It's not very often such a serious question can be pointed towards an individual company. But the information uncovered during the research for this broadcast, I know for myself, suggests that this company is knowingly deteriorating the health of, in our case, Canada's children, and the population as a whole. And I strongly encourage you to stay tuned and take a listen to that segment coming up on today's broadcast.

### **soundbite**

Before we dive in to today's broadcast, I want to first provide a recap of Part I of the Cargill Exposé for any of you who haven't yet heard that broadcast. We rounded off the show hearing from John Sauven of Greenpeace as he described the role that Cargill has played in the deforestation of the Amazon for the production of soya. We also heard from Ottawa's Brewster Kneen, who authored the comprehensive book titled, "Invisible Giant." And we will hear from him again on today's broadcast.

But we did take an in-depth look at the operations that this company has set up here in Canada. And in doing so discovered the dominance that this company has in producing, trading, and providing Canadians with beef, chicken, grains, malted barley, canola oils,

corn syrup, sucrose, nitrogen fertilizers, salt, egg products, flour, and even natural gas, electricity, and coal.

The sophistication of this company was evident as we traced the control that it has throughout the entire Canadian supply of food. They trade the natural gas that ends up in their nitrogen fertilizers which gets applied onto farmers' fields growing crops such as corn. That corn gets purchased by Cargill and ends up in the company's line of animal feed products which then, end up in the chickens that Cargill hatches, raises, slaughters, packages, and then distributes to companies that may then have a recognizable brand. And within the packaged chicken products that *do* have a brand, you may also find Cargill's salt, oils, and other preservatives the company produces. The only part of the process the company is not involved in, well at least as of yet, is sitting in front of you with a spoon and placing the food in your mouth.

But this is just the company's role here in Canada. And as a company that operates in 63 countries, the food and ingredients that are imported into Canada are also in many cases, passing through the hands of Cargill.

Providing you with just a few examples of operations outside of Canada, Cargill operates a division called Cargill Dressings, Sauces and Oils. Now you'd never see the Cargill name on any of these products in Canada, because the only products that they produce, is for the food service industry or for companies using these products in the production of processed foods. Adding to their dressings and sauces, this division of the company refines vegetable, and tropical oils, and animal fat. They make shortenings, frying oils, and mayonnaise. And this division operates eight refineries in the U.S. and one in Mexico.

And are you still thinking of those turkey dinners from last Christmas? Well, while Cargill is not in the turkey business here in Canada (at least that we know of), they are a major player in the turkey industry in the U.S. And here in Canada we do import turkey from across the border. Cargill's presence in this industry became well-known when back in 2000, tainted meat from their turkey products led to 28 reported instances of listeriosis, three miscarriages, and four deaths. At the time of that incident, the resulting recall was the largest meat recall in North American history.

### **soundbite**

To take a look at one more of Cargill's divisions before we hear from my first guest, it's their division called Cargill Acidulants. Now this doesn't quite sound like a food company, but this division produces citric acid, sodium citrate, potassium citrate, and dietary supplements. Pick up most foods that contain a list of ingredients and chances are, one of these if not all of them will be listed on the package. And this connects to my first guest on today's broadcast as many of these citrates produced by Cargill, are designed for use in products like chocolate; another industry of which Cargill is a dominant presence.

As will be the focus of this segment, Cargill is currently facing a lawsuit in a California court that alleges the company is involved in the trafficking, torture, and forced labour of children who cultivate and harvest cocoa beans which the company then imports from Africa. The lawsuit also implicates Archer Daniels Midland, another major agricultural and food corporation, and the well-known, Nestle.

The organization that filed the lawsuit is the Washington D.C.-based International Labor Rights Fund or ILRF. The ILRF is an advocacy organization dedicated to achieving just and humane treatment for workers worldwide. And as the staff attorney of the organization, Brian Campbell spoke to me over the phone and provided a concise background on Cargill's involvement in the cocoa industry.

*Brian Campbell:* Well I can tell you that Cargill is one of the largest producers of cocoa for export to the U.S. and European market along with Archer Daniels Midland Company and Barry Callebaut. And as a result, they actually trade in a significant portion of the cocoa that is sold in the U.S. market whether under other brand names or even under labels such as Peter's Chocolate, Wilbur Chocolate, or Gerkens Cocoa. Generally, in speaking in the industry, Cargill operates in Côte d'Ivoire. They operate a purchasing station and they have a processing plant in Côte d'Ivoire itself that produces a significant portion of their cocoa. Cargill then will sell their produced cocoa, meaning that they'll produce it into oil, into cocoa butter, or they'll produce it into cocoa powder and then they'll sell that to other companies which will then produce the chocolate bars that the consumers eat.

*JS:* As mentioned on Part I of this Cargill Exposé, Cargill operates a Wilbur Chocolate division here in Canada, and that is located in Burlington, Ontario.

I took a visit to the Cargill website and as the company indicates they have joined other members of the global chocolate and cocoa industry to promote efforts to improve growing and production practices, and to work towards the elimination of abusive or enforced child labour in cocoa production. And Brian Campbell of ILRF describes how, in the past six years, this has become such an issue in the public spotlight.

*BC:* In 2001, the British Broadcasting Company went down to Côte d'Ivoire. They did an exposé on the conditions of labour in the cocoa industry. And what they found was that there was a huge use of child traffic slave labour as well as child labour on farms in Côte d'Ivoire. And the majority of that cocoa, which is being produced for export was being purchased by western companies. So, around this time there's a big public outcry, both in the United States with the use of child labour in the cocoa supply chain which then led to efforts by our own Congress to eliminate the child labour in the cocoa supply chain.

*JS:* One bit of clarification to help unravel some of the wording surrounding the idea of "child labour," is the importance of differentiating between what is known as child work. That is lending a hand on the family farm versus child labour, which consists of either enforced slave labour or what is known as the worst forms of child labour. And these can include unjust penalties associated with the work and/or dangerous conditions such as

those found within the cocoa industry, where children are applying chemical pesticides without protection, and are using sharp machetes to harvest the cocoa beans. And Brian Campbell helps clarify what is meant by child labour.

*BC:* Now what leads to child labour is complex. Many of these children actually work on family farms and they work to augment the family income, to support the family and the extended family. In those cases, poverty is the single leading factor to the use of child labour.

Now in other instances, the children who have been found to work have been forced into child labour. And many of them were trafficked from neighbouring countries such as Mali into Cote d'Ivoire, where they were then sold by the middle-men to a farmer and then forced to work on a farm for a period of years. Those children entered into the trafficking market basically for the same reasons - to alleviate the poverty in their family. And many of the children would even say that they felt that they wanted to contribute and they felt that this might be the best way. But that they were deceived into thinking that they would be going for a job in which they would receive wages, which they could then send back to their families in Mali. And in actual fact they received little to no wages and were unable to return to their families.

*JS:* While it's understandably difficult to place a number on the frequency with which such child labour conditions are used in the cocoa industry, recent studies have claimed that there were at least and are at least 284,000 children trapped in forced labour in the West African cocoa industry. The majority of these children can be found in Cote d'Ivoire, also known as the Ivory Coast, where over 40% of the global supply of cocoa is grown. Many of these child labourers were discovered to have been trafficked from places like Mali, Burkina Faso, and Togo.

As Brian Campbell indicated earlier, the labour conditions that were first made known back in 2001 by the BBC, led to action taken on a political level in the United States. And Brian further explains.

*BC:* Well, the industry didn't step up to take a stance until they received pressure from the United States Congress and in particular, Representative Engel and Senator Harkins here in the United States. And when the issue arose and it became clear that there was a real problem in West Africa with the use of child labour on the cocoa farms, Representative Engel submitted a bill in Congress that essentially required that the cocoa that's imported in the United States be labelled as being child-labour free, which would require a certification monitoring program.

Well, this would have changed the way the industry ran its supply chain so, therefore there was a big backlash to that. So, as a sort of mediated settlement, I would say, there was Representative Engel and Senator Harkin agreed to a protocol called the Harkin-Engel Protocol, which forced the industry to admit that there was a problem within their supply chain. And then gave them the opportunity to alleviate and to eliminate that problem over a period of four years.

And at that time, the industry started to make public statements recognizing that there was a significant problem in their supply chain. And when Cargill got involved in that, I am not exactly sure, other than to say that they were involved from the beginning and they were involved through their representatives – The Chocolate Associations here in Washington, but also as an individual organization.

*JS:* As this issue was first raised back in 2001, the Harkin-Engel Protocol placed the responsibility on industry to take action towards the elimination of these exploitive labour practices in West Africa. The deadline was set for July 2005, and after asking Brian if Cargill met the deadline, he further describes the certification process that the company was looking to create; a process that the general public may not quite recognize as being certification.

*BC:* Well the July 2005 deadline was missed, entirely. They did not meet the obligations under the protocol and that was recognized by all parties involved, including the cocoa companies. Now, we've been very critical of the cocoa companies since the beginning of the protocol because we've always felt that they were dragging their feet. That they were able to delay the public pressure by signing a protocol and then saying, "look we've signed a protocol, we're doing something about child labour in West Africa." And then the level of their commitment is what we've called into question every since. And when they missed their deadline in July 2005, it became clear that their commitment was limited.

Since then, it has become more clear as to what the certification process is going to be. And when you talk about certification, you imagine that you're going to have a product; that each product is going to be able to be certified as child-labour free. That the program will look into the farms that are sourcing and the farms that are producing and the farms of which the companies have access to.

In reality, what the certification is intended to do is really more of a baseline study. The certification program is intended to sort of show whether or not conditions are improving for child labourers in West Africa, Cote d'Ivoire, and Ghana. Not whether or not the goods you're buying are actually being produced by child labour. And so in a sense it's almost like taking a census on trying to determine how many children are working, whether that's more than the last time that they've taken this certification program, or whether or not conditions generally are improving.

*JS:* And you're tuned in to Deconstructing Dinner as we listen to clips from my conversation with Brian Campbell of the Washington D.C.-based International Labor Rights Fund. Today's broadcast marks Part II of the Cargill Exposé here on Deconstructing Dinner that falls under our ongoing series titled, "Agri-Business Exposé." Cargill is one of the most influential and powerful agricultural and food corporations in the world. And a better understanding of this company is a better understanding of our meals.

As was the focus for my interview with Brian Campbell of the ILRF, the International Labor Rights Fund, his organization has filed a lawsuit against the company following their inability and seeming lack of interest to respond to these labour conditions in West Africa. As the model in which Cargill operates is one where they often remain behind the scenes, they argue that because they don't control the farms themselves, they cannot be implicated in the conditions found on the farms.

But a mention on Cargill's website seems to suggest otherwise, and the paragraph reads the following, "Cargill requires that all of our direct suppliers of cocoa beans in West Africa, both licensed buyers and cooperatives, sign a statement acknowledging that they understand that Cargill is committed to the elimination of abusive child labor practices in the cocoa supply chain and that their supplier contract is subject to termination if we find they are employing abusive child labor practices." I asked Brian if he knows of any instances where Cargill has terminated contracts.

*BC:* As far as we know, I mean we do not have access to that information and we don't know whether or not they have terminated contracts based on this. But it would be very surprising if they terminated any contracts. Because after they failed to meet the protocol conditions, we filed a lawsuit against them, under a law in the United States - the Alien Torte Claims Act, which makes it illegal for a company to provide logistical support, or to aid and abet a violation of international law. And in this case, the violation is slavery and the use of forced child labour. Of course we're focused on the forced child labour act of the problem in Cote d'Ivoire. And from the beginning, since we filed the lawsuit, the companies that we have sued which are Cargill, Archer Daniels Midland Company, and Nestle, have been pretty clear in their position that they do not have access to the farms that we suggest they do.

But this provision that you have found in the Cargill contracts, sort of called that into question, whether or not they actually do know what's going on on the ground and whether or not they do have a commitment to inspect and to monitor. We've always believed that they do have an obligation. That within their contracts to their suppliers they have a corporate code of conduct and that code of conduct requires that their suppliers not use forced child labour and that that is a binding agreement. It is a contract clause whereby they are required to look into and to investigate whether or not child labour is used. And we have no indication that they've ever done that.

And it's surprising to see that they would actually have a provision like this considering that they have always claimed that they are arms length purchasers of cocoa and they are not involved directly in the production of cocoa in Cote d'Ivoire.

*JS:* It's become rather standard practice within the global world of business that major corporations tend to only take action on poor environmental or unethical practices when the public raises the concern. But in the case of cocoa, the real ethical question is this - did Cargill knowingly support such labour conditions in West Africa, prior to this becoming a public issue back in 2001? And Brian Campbell refers to the recently released book, "Bitter Chocolate," researched and authored by CBC journalist, Carol Off.

*BC:* Well in a book, an interesting book by Carol Off called, “Bitter Chocolate,” she notes at one point through her investigations that the Cote d’Ivorian government at one point wanted to do an investigation into the cocoa supply chain to figure out how they could reform it. And that they had hired HSBC to engage in the investigation of the supply chain as a whole and to see how it could be reformed. And Carol Off states in her book that Cargill, being a client of HSBC, convinced HSBC to withdraw from the program and to not conduct a survey or an investigation into the supply chain. And that raises the question again as to what the commitment of Cargill is towards reforming the supply chain in order to eliminate child labour in its supply chain.

*JS:* In wrapping up my conversation with Brian Campbell of the International Labor Rights Fund, we spoke on the role of the public in either supporting or not supporting such poor and exploitive labour conditions in the cocoa industry. As Cargill suggests that *their* involvement in supporting such conditions is limited given they do not operate the farms themselves, essentially that argument could be used by you and I, and *our* lack of involvement on the farms when purchasing products that contain any cocoa or chocolate ingredient. This idea received some recent attention when just last week, a Dutch journalist, asked an Amsterdam court to convict him for eating chocolate, saying that by doing so, he was benefiting from child slavery on cocoa farms in Ivory Coast.

As The Netherlands is the biggest importer and processor of cocoa beans in the European Union, accounting for 40 % of global cocoa processing, this is a story holding quite a bit of weight there.

And Brian Campbell speaks about the role of the consumer in addressing this ethical issue surrounding our food.

*BC:* Well, consumer awareness is certainly something that’s very important on an issue such as this; on an issue of child labour in the supply chain of any commodity or any goods, period. And I think one of the roles of the ILRF plays is that we try to raise consumer awareness as well as pressure industry to change its ways.

And so, one thing that we’ve always suggested and we’ve always sort of put in our demands to the industry for change, is that they take a closer look at the use of fair trade as an alternative business model. As a model whereby you are bringing in the farmer, you’re bringing in the co-operatives, or the co-operatives of farmers as owners in the supply chain. Currently they just are producers – they grow crops sometimes based on future contracts. You know, sometimes they just hope that they’re going to be able to sell their products.

But what I can say is that there are other business models whereby the farmers themselves become a owner in the companies in which they are supplying to. And one example, which is a great example, is the Divine Chocolate Company, which is a company that is part-owned by co-operative farmers in Ghana and part-owned by investors in England. And I don’t know if Divine Chocolate works in Canada or if they

sell any products in Canada but they just actually today, launched their new business called Divine Chocolate United States. And so they will now be entering into the U.S. market.

But fair trade generally, it's never a guarantee that child labour is being used. Because as I've said before, it's very difficult to monitor whether child labour is used on a daily basis. But it's a pretty good assurance that the child labour is not being used because in order to be certified you have to open up your business for monitoring and certification. And labour issues are one of the many other issues involved in fair trade.

So I would encourage any of your listeners to go out and look for the fair trade label on chocolate bars and that is one way of assuring that there's no child labour used in the production of cocoa.

*JS:* And that was Brian Campbell, the staff attorney of the Washington, D.C.-based International Labor Rights Fund or ILRF. And the organization's website is [www.ilrf.org](http://www.ilrf.org), where there is some resources on how to find more ethically-sourced cocoa and chocolate products. Another great organization who is heavily involved in this issue from here in Canada is Save the Children, and their website is [savethechildren.ca](http://savethechildren.ca).

### **soundbite**

And again you're tuned in to Deconstructing Dinner, a weekly program and podcast produced at Kootenay Co-op Radio in Nelson, British Columbia. A reminder that you can find more information about the program and today's broadcast on our website at [cjly.net/deconstructingdinner](http://cjly.net/deconstructingdinner).

Today's broadcast is Part II of our ongoing series here on the program titled, "Agri-Business Exposé" - a series that will explore the largest agricultural corporations in the world, and how they influence and create the food that Canadians eat. Today is Part II of an exposé on the Minnesota based Cargill, a company that depending on the year, sits as either the largest or second-largest private company on the planet.

Looking past Cargill's involvement in chocolate and cocoa, another of Cargill's interests lies in corn. And the story behind corn in general is fascinating, given the crop is now used in almost every part of the North American food chain. To the point where I wouldn't be so quick to dismiss the idea that corn may secretly be taking over the planet.

One of the most recent authors that has literally deconstructed corn, was Michael Pollan in his recent book titled, "The Omnivore's Dilemma." And I would highly recommend picking up a copy if you enjoy the content of Deconstructing Dinner, because the book is essentially this radio program in book form. And a New York Times review on Pollan's book was in fact titled, "Deconstructing Dinner."

To introduce Cargill's dominance in the global supply, trade, and processing of corn and corn products, I want to first highlight some interesting facts that are found within

Michael Pollan's book, where he traces the evolution of how corn has become such a pervasive ingredient in the North American diet. And he first looks to when obesity became a recognizable condition and that was back in the 1970s. And he connects the introduction of widespread obesity to another event that took place in that same decade. And that was when the United States created a cheap food farm policy that effectively dismantled any protections that were in place to ensure no overproduction would occur.

And Cargill for one, was a company that certainly benefited heavily from such a shift as two of the major ingredients in processed food, are corn and soy. And the prices for these commodities rapidly declined in that decade.

### **soundbite**

Now among the many products derived from corn, we find high fructose corn syrup or HFCS, an ingredient that since 2004 has been receiving a notable amount of media attention. But it was in 1980 when this ingredient first began its presence in the Canadian food supply. As Michael Pollan points out, the annual consumption of HFCS has gone from 44 pounds per person in 1985 to 66 pounds today. Now the ingredient ends up in countless foods, but where we find it's the most prevalent is in soft drinks. And as approximately half of the North American crop of corn is now genetically modified, our soft drinks are now too, genetically modified.

Michael Pollan also points to the year 1984 when Coca Cola and PepsiCo switched all of their soft drinks from using sugar, and replaced it with high fructose corn syrup. Why? Because it was cheaper. And because it was so cheap, Pollan suggests that this led to the decision made by these companies to begin offering beverage sizes that far exceeded those that were previously available. For Canadians, perhaps many of us can remember the switch from those small cans and bottles, to the supersize portions we see today.

But how have these agricultural policies creating cheap corn for Cargill and cheap high fructose corn syrup for food manufacturers affected our health? My interview with Brewster Kneen, of which segments were heard on Part I of last week's broadcast, explored this question. Brewster Kneen is the author of the book, "Invisible Giant: Cargill and its Transnational Strategies." Brewster spoke to me on the phone from his home in Ottawa. And his description of how corn is now deconstructed *and reconstructed* also addresses the problem with food being managed under the model of capitalism, given food equals health.

*Brewster Kneen:* I think that only from the question of global sourcing but the construction of food, let me put it that way, because Cargill is, whether its corn or oils or soy or whatever, and again it's fascinating to go to the website and look at what it's dealing in. Because what it's doing is deconstructing what was once a commodity that it was quite aptly just shipping as a whole commodity, whether it was in grains, to something that's simply a source for maybe 60, 70, 80 component parts. And as you move up the refining process, each one of those component parts becomes more expensive. So if you look at that from a nutritional standpoint, you have to ask if maybe

the food that really tastes good or is fresh and local, is actually much more nutritious than these concoctions that Cargill will come up with, which are much more profitable for the company but maybe not for our stomachs.

*JS:* And that was Brewster Kneen, author of the book, “Invisible Giant” and we’ll hear more from him later on today’s broadcast. But continuing on this topic of nutrition and health and how Cargill’s high fructose corn syrup is heavily pushed into the food supply of Canadians, we arrive at obesity and diabetes, and whether Cargill and its strategies have played a role in these global health epidemics.

So how does Cargill come into this picture? Well there’s certainly no denying that the North American diet has become laden with processed foods and fast foods. Understandable given they are cheap and are designed to take advantage of the human instinct of craving energy dense foods in large quantities. And how has this happened? Well, for one, and as mentioned earlier, it’s a result of aggressive tactics by company’s like Cargill to bring down the cost of crops like corn, which thereby allow for cheap production of these strategically constructed processed foods, which Cargill likes to refer to though, as solutions.

Now while critics of such an argument would suggest that the consumer can choose what to eat and thereby construct their own diet, this is far from being easy as it’s the power and influence of company’s *like* Cargill and their customers like Coca-Cola, PepsiCo, General Mills, and so on, that have effectively pushed the small family farms and producers out of business. And have through aggressive lobbying to create industrial food friendly regulations, created barriers to entry for any small-scale newcomers. And so from this perspective, Cargill has played a major role in helping create a whole new diet and lifestyle for Canadians; a diet and lifestyle that is now the leading cause of obesity and diabetes.

### **soundbite**

Continuing on this topic, I consider some of this information I’m about to present to you of critical importance. Cargill is a smart company. They’re smart because there is little to no visible connection between the public and the company itself. The connection between our food and a company is left up to the brand names that fill our supermarket shelves and the restaurants that serve us food.

And here’s a recent event that just took place in January of this year 2007, and it involves what could very well be Cargill customers. But regardless, this event indicates the deceptive strategies used by the companies controlling our food; strategies that encourage us, as consumers to consume their products.

On January 8<sup>th</sup>, a public watchdog organization known as the Center for Science in the Public Interest, sued Kraft Foods and Cadbury Schweppes for claiming that their drinks were natural - suggesting that high fructose corn syrup is a natural ingredient.

Now HFCS, high fructose corn syrup, is far from natural, which is best illustrated by looking at the amount of energy required to produce this ingredient. And here's a startling statistic. The production of high fructose corn syrup uses 15% of all the energy used in the food industry in the United States – 15%. And that is because high fructose corn syrup is created by a complex industrial process using items I've never hear of - centrifuges, hydro-clones, ion-exchange columns, backed-bed reactors, and other high-tech equipment. Essentially, starch is extracted from corn and then converted by acids or enzymes to glucose. Then, some of the glucose is further converted by enzymes into fructose. And *this*, Kraft and Cadbury Schweppes claimed was natural.

Following the announcement of the lawsuit, Kraft immediately announced that it was completely getting rid of the “natural” claim. And then on January 12<sup>th</sup>, Cadbury Schweppes announced that it too, would stop calling HFCS-filled 7UP - “all natural.”

### **soundbite**

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And so if the strategies and efforts of Cargill have had a hand in creating a North American diet that contains rapidly increasing rates of obesity and a diet where one in three children born today run the risk of contracting diabetes in their lifetime, then how does the company respond to such allegations - allegations that really received steam following the publication in 2004 of some convincing scientific studies on the relationship between high fructose corn syrup and obesity and diabetes.

Well Cargill is a member of the Corn Refiners Association in the United States, an industry funded trade organization representing the wet-milling industry of which high fructose corn syrup is a product. And linking from that website is another website created by the association titled, “HFCS Facts” a resource to respond to much of this criticism that this ingredient has been receiving.

And this is where the research that went into this broadcast gets rather frightening, and I'll tell you why by going through segments of their website. And if you are by a computer right now you can follow along by visiting [www.hfcsfacts.com](http://www.hfcsfacts.com).

So located along the left panel of the website are questions and answers about high fructose corn syrup. And one of them relates to the recent lawsuit that I was just describing. And the question is this - “Is HFCS a natural sweetener?” And their response - “Yes.”

But moving down the list of questions and answers is another heading that links to a report that concluded this, “Current research published in the scientific literature does not

support a cause-effect relationship between HFCS consumption and overweight/obesity rates.” Now the question is, who authored this study that the Cargill supported website refers to. Well it’s a group known as CERES or the Centre for Food and Nutrition Policy – a group that is now located at the University of Maryland. And here’s the interesting bit. CERES receives funding from the Grocery Manufacturers Association. And who is a member of the association ... but Cargill.

### **soundbite**

But if dismissing claims that high fructose corn syrup does not contribute to obesity requires referring to research that was funded by the very companies producing HFCS, it certainly raises the question of whether companies like Cargill know all too well that their company is contributing to the obesity epidemic.

And here’s some more from the Cargill-funded HFCS Facts website. And it’s located under the section titled, “HFCS and Obesity.” And it received a considerable amount of space on their website as it responds to studies that have suggested that the body’s ability to produce insulin is reduced upon consuming HFCS versus sucrose or sugar. And the heading reads this, “Researchers Find HFCS and Sucrose Affect Blood Glucose, Insulin, Leptin and Ghrelin Similarly.”

Now the page refers to a recent study conducted by a team of researchers, one of whom is James Rippe, of the Rippe Lifestyle Institute. Now this business has become well-known because of his affiliations with groups like Weight Watchers, Novartis and GlaxoSmithKline. But the Institute is also well-known for the many corporations that are either clients and/or partners of his business. And as the cereal industry is one of the leading users of high fructose corn syrup, it wasn’t surprising to find that among the list of institute’s clients and partners are General Mills, The Kellogg Company, Nabisco, Danone, ConAgra Foods, and major corn syrup user, McDonald’s.

### **soundbite**

And if you’re just tuning, this is Deconstructing Dinner and today’s Part II of the exposé on the company, Cargill. We’re currently exploring the website that is in part funded by Cargill called, “HFCS Facts” or High Fructose Corn Syrup Facts, a resource designed to dismiss allegations that HFCS leads to obesity and diabetes.

And here’s what I consider the most frightening of resources provided on the website. And that is the heading that refers to an article found in a publication titled, “Nutrition Today.” And it reads this, “Nutrition Today Articles Bring Much-Needed Perspective to High Fructose Corn Syrup in the Obesity Debate.” And the article goes on to suggest that HFCS cannot be pinpointed as a culprit of obesity.

And I’ll say this before I tell you who authored this article, that if this is how companies like Cargill are trying to cover the impacts that their products have on a *major* health epidemic, then I do take back my previous reference of Cargill being a smart company.

Because the author of this article is Marilyn Schorin – and who is Marilyn Schorin? She is the Chief Nutritional and Regulatory Officer for YUM!Brands. Now you may not recognize the name of this company because it was created as a spin-off of PepsiCo not long ago, and is now is a separate company. Yum!Brands is the parent company of A&W, KFC, Pizza Hut, and Taco Bell; perhaps four of the largest users of high fructose corn syrup, all of whom retain close ties to PepsiCo.

Now not only was it the author of this article an employee of this company, the publication, Nutrition Today, is published at Tufts University and the editor of the publication is Johanne Dwyer. And Johanne Dwyer is for one, the Public Trustee of the International Life Sciences Institute, or more understandably known as the institute representing genetically modified crops and foods. And as you can imagine, who is one of the principal members of the Institute, but Cargill. Johanne Dwyer also works with the United States National Institute of Health as a Senior Nutrition Scientist, and works very closely with the U.S. Department of Agriculture on helping form nutrition policy.

### **soundbite**

Now all of this information I've been providing you comes from a website created by an American organization and funded by American corporations such as Cargill. Now given the food and company in question is a global ingredient and a global company, this information is of course just as relevant to Canadians as it is to Americans.

But is there an industry-funded organization in Canada that addresses this same issue? And yes there is. It's a group known as Refreshments Canada, who obviously represent the beverage industry. And so I took a browse through their website at refreshments.ca and on it they respond to concerns over high fructose corn syrup. And where do they direct their visitors to, but of course, the HFCS Facts website just previously referred to. And also located on the website is a link right from the main page titled, "Facts About Fructose and Obesity." And who is the author of the article but Guy H. Johnson, Vice President of Nutrition for Kellogg Corporation; a company whose breakfast cereals are marketed heavily to children and contain plenty of high fructose corn syrup.

### **soundbite**

You're tuned in to Deconstructing Dinner, produced at Kootenay Co-op Radio in Nelson, British Columbia. I'm Jon Steinman. A reminder that should you want to learn more about today's topic and find the links to many of the sources referred to today, you can visit our website at [cjly.net/deconstructingdinner](http://cjly.net/deconstructingdinner) and look under the February 15<sup>th</sup> 2007 broadcast.

Moving away from how companies like Cargill respond to the obesity and diabetes epidemic, we can now learn about a whole new side of Cargill - the side that profits from diabetes.

Looking at recent statistics, the total cost of diabetes in the U.S. is over \$132 billion. In Canada, and according to a report issued by the Canadian Journal of Diabetes in 2004, Canada's diabetes costs are expected to jump from \$4.7 billion in the year 2000, to 8.14 billion in 2016. And that's not adjusting for inflation.

And so how does Cargill profit off of diabetes. Well they do so through a division of the company called Cargill Health and Food Technologies. Back in June of 2006, Cargill issued a press release announcing that a product of theirs was to be presented at the American Diabetes Association's 66<sup>th</sup> Scientific Sessions. And this product is called Barliv, which is extracted barley beta-glucan that the findings of a study indicate that when added to an individual's diet can significantly improve multiple cardio-vascular disease risk markers, and after-meal metabolism among individuals with the metabolic syndrome. Now metabolic syndrome is a group of risk factors that when at least three are present within an individual, is associated with an increased risk of Type-2 diabetes.

But on the positive side, the company does provide generous donations to organizations that deal with the diabetes epidemic. And as was announced by Cargill in November of 2006, they donated a whopping \$5,000 to a camp for children and young adults with diabetes.

### **soundbite**

In rounding off today's broadcast of Deconstructing Dinner, we will as promised, look more closely at Cargill's role in the Canadian beef industry. It was just recently that the Canadian Food Inspection Agency announced the ninth confirmed case of a BSE infected animal in Alberta. As Cargill controls 50% of the slaughter capacity for beef here in Canada and hence control 50% of Canadian beef, it's important to note that while the health of Canadians is costing taxpayers billions of dollars, Cargill actually received \$9,000,000 following the 2003 BSE crisis. One that saw the U.S. border close its doors to Canadian beef. As Canadian farmers went into serious debt, Cargill in fact saw profits soar following the crisis. And to better understand how Cargill operates their beef divisions here in Canada, I spoke over the phone with Cam Ostercamp.

Cam is a cow-calf producer in Blackie Alberta, and is also the president of an organization called the Beef Initiative Group. The organization was created in 2004 as a voice for Canada's primary beef producers. Some of the organizations major concerns are the barriers farmers face, which chief among them, is a drastic lack of Canadian-owned infrastructure in the meat packing industry.

And Cam first describes how Cargill situates itself within Canadian beef.

*Cam Ostercamp:* They live everywhere but they live nowhere as the saying goes. They operate wherever there's a buck to be made and they are excellent business people. They are very controlling.

Once again, three prerequisites for multinational processor's success are mass production, complete control over the producer - the supplier, and maximum possible ownership of slaughter capacity.

Now in Canada we have two multinationals operating on Canadian soil – American-based. Between the two, they own at least 85% of the national slaughter capacity. There is complete control over supplier; they can create shortages in gluts of beef, at very short notice. They can tell without illegal conversation between each other exactly and precisely when sellers - producers, are in a weak position. They exploit that immensely.

In terms of the control over the industry, Cargill has quite a large elephant-sized foot that they can stomp down on top of anyone who tries to get into the slaughter business and compete with them. They are so big and their marketing network is so huge, they can literally undersell a competitor any time they choose. So it makes it very difficult with odds like that stacked against them, it makes it very difficult for Canadian ownership in slaughter industry to get going and keep going.

*JS:* As Cam himself is a farmer, he describes the relationship that Cargill creates with Canadian farmers and how they use their business model to their advantage.

*CO:* Cargill has so much control over both the Canadian processing industry and the Canadian cattle industry. Farmers are forced, pretty much to knuckle under to the pressure that both of these multinationals exert over them. And in market conditions I'm referring to, through various nifty tools like packer-ownership of cattle, nobody knows on any given day how many thousand or tens of thousands of head Cargill owns standing in a feedlot.

The producer that operates the feedlot is competing with Cargill, in Cargill controlled feedlots feeding thousands of their own cattle. And one of the ways that they can control the market is when they feel that the market gets just a little too steamy, the cash market to the feedlot producers on the live cattle, they simply drop the bids to the producer and kill for days on end on their own cattle. The plant never shuts down, it hums along. The guy in the feedlot can pass this week and he can possibly pass next week, but week three he cannot pass because his cattle are quickly getting to the size where the carcass is heavily discounted for being overweight. So Cargill has them and they know it.

*JS:* As Cam describes one way that Cargill exerts control, he describes yet another tactic used to control Canadian farmers and Canadian beef. And he refers to Cargill's slaughter facility in High River, Alberta, a facility that slaughters 4,000 head of cattle every day.

*CO:* The other control mechanism that they have of course today, is Cargill when they came to Canada up until a year and a half ago, did not kill cows. They only killed fat beef, fed beef, young stuff out of feedlots.

Today, they have a cow line as well as the, we call it OTM and UTM. OTM is over 30 month-aged cattle – slaughter cattle. UTM is under 30 months. And Cargill was forever a

UTM plant. They are now both. They can now very effectively lever one class of slaughter cattle with the other. And what I mean by that is, they will buy up an excess of cows for two or three weeks - they'll stockpile cows. And while they are doing that they'll be killing young beef. When they get enough of these cows bought they will simply switch to a day or two, or three, a week, to killing cows. And while they're killing cows they will drop the lever, and pressure down the price on young-fed cow. A tactic that is very effective.

The plant is never slowing down, it's always humming along. But while they're killing one, they're leveraging the other.

*JS:* Cargill's presence in the Canadian beef industry is relatively new as they only arrived on the scene in 1989. And given this system of control that Cargill has created here in this country, I couldn't help but ask how Canadians and Canadian farmers allowed such a company to come into Canada and how the industry has changed since they first arrived.

*CO:* Well, it's changed immensely. There are people in this country that argue that there's no such thing as a Canadian cattle industry. We're just a subsidiary of the American industry and political manipulation holds us down up here, puts us on the ropes and keeps us there. The American beef herd is small now, shrunk to the point that the United States does not produce enough beef to feed itself; they must import beef. And that is only exaggerated at times when they have an export market. Right now they have a dismal export market because of their BSC as well.

But they still need, they still even with no exports do not produce enough beef to feed themselves. So that's no mystery why the border reopened in September '03. They needed our beef. The way that Canada has changed in the years since Cargill's arrival and more explicitly since '94 when Tyson joined the scene here in Brooks, Alberta.

I should back up. At the time all that was happening, we as producers sucked in to the belief that these two multinational packers here were going to create a vacuum for, such a market vacuum for cattle that we would never be able to keep up, and that good times were here. It did not take too long to learn what oligopoly meant and it did not take very long to learn what living under an oligopoly meant. This phenomena of feedlot industry – factory feedlot industry that's sprung up primarily in Alberta, we didn't have a shadow of a feedlot industry prior to '89 that we do today. And that feedlot industry only was developed because Cargill came and Tyson followed them.

*JS:* Following the creation of the Cam Ostercamp's organization in 2004, the Canadian beef industry was dealt another blow, when Cargill purchased Guelph Ontario's Better Beef, a facility that was referred to in Part I of this two-part exposé on Cargill. And Cam further describes this acquisition, and how it was allowed to happen.

*CO:* Well, I tell you one way that Cargill has acquired a lot more control. The Canadian government allowed Cargill to take over the only other major slaughter plant in Canada that was truly Canadian-owned was Better Beef in Guelph, Ontario. Better Beef was a

plant capable of about 2,200 head-a-day capacity. Cargill just out of the blue in early '05 announced their intention to buy Better Beef.

Much against the better wisdom of a lot of producers, we recognized immediately that that would take Cargill from owning about 33% of Canada's slaughter capacity to well over 50%. The way that they were allowed to take over Better Beef, was that the federal government assigned the competition bureau to investigate. Unfortunately, the only question that the competition bureau were allowed to investigate is, would this create an unfair competitive advantage for Cargill in beef trade east versus west? And the answer to that is obviously, "no" because that thumb of great Canadian Shield that dips down between Manitoba and lower Ontario assures that very few cattle trade east and west. And thus, Cargill were given the green light to go ahead.

Now on the other hand, had they been mandated to investigate whether or not Cargill acquiring Better Beef and bumping them up to over 50% of Canada's slaughter capacity would prevent, honest to God, Canadian slaughter industry from developing, the answer to that one equally would have been a resounding "yes." But they were not allowed to ask that question.

*JS:* And that was Cam Ostercamp, a cow-calf producer in Blackie, Alberta, and the President of the Beef Initiative Group.

And in closing out today's broadcast of Deconstructing Dinner, we'll hear once again from Brewster Kneen, the author of the book, "Invisible Giant – Cargill and its Transnational Strategies."

*BK:* Let's look at the issue of meat in Canada and certainly all over the place, the question of small scale meat production and processing. I think in terms of standards, which are supposedly health standards that are being imposed by the Canadian Food Inspection Agency, these have very little to do with health. They have much more to do with, if you can look at it really in almost a cynical way say, let's sweep the table clean for Cargill. Let them produce all the beef in a few major plants. We'll truck it all over the place and we'll put them in charge, Cargill in charge of inspection as well. Because after all Cargill doesn't want to put out rotten beef, that would hurt its business.

But the public sector, the government doesn't want to end the companies. The government really is shying away from any responsibility or accountability or liability. And we're seeing this is area after area. And so instead of saying, what kind of system can we construct for local agricultural processing, whether its vegetables or meat, how can we establish good standards, good practices, that are economically reasonable and satisfy the community. And that would take a lot of work. Much easier to just consolidate – have one standards for export and impose that in everything and wipe all the little guys out and don't be bothered. And I think that's where we are.

*anonymous:* Deconstructing Dinner is made possible by the generous support of Ryerson University's Centre for Studies and Food Security, and New Society Publishers. More information on our supporters can be found on the Deconstructing Dinner website at [cjly.net/deconstructingdinner](http://cjly.net/deconstructingdinner).

### **ending theme**

*JS:* That was this week's edition of Deconstructing Dinner, produced and recorded at Nelson, British Columbia's Kootenay Co-op Radio. I've been your host, Jon Steinman. I thank my technical assistant Dianne Matenko.

The theme music for Deconstructing Dinner is courtesy of Nelson-area resident, Adham Shaikh.

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