

NAEGA STATEMENT ON CROP BIOTECHNOLOGY



INTRODUCTION

The North American Export Grain Association is comprised of grain and oilseed exporters and interested parties whose purpose is to promote and sustain the development of commercial export grain and oilseed trade from the United States.

The introduction and rapid expansion of agricultural crops produced via modern biotechnology has created new opportunities and challenges that impact US grain and oilseed trade.

NAEGA is working with its members, their customers, counterpart organizations around the world, government officials and other stakeholders here and abroad to address the commercial and regulatory challenges created by the rapid introduction and expansion of biotechnology.

BACKGROUND

Producers have rapidly adopted crops produced from modern biotechnology. The rapid expansion of the use of biotechnology in crops has been primarily due to the extremely favorable agronomic attributes of the new biotechnology-derived soybean and corn seeds. Genetically modified wheat appears to be on the horizon for commercialization. New varieties of crops being developed and, in many cases, field tested will contain enhanced pharmaceutical, nutritional and industrial properties, potentially providing benefits to others in the food and fiber chain.

The debacle in 2000 caused by the commingling in the general food supply of one variety of corn that was not approved for human consumption had a significant financial impact on the entire US food chain. It also provided empirical evidence that so-called “channeling” schemes cannot deliver against zero tolerance requirements. NAEGA has consistently stated on public record that meeting zero tolerance requirements imposed by some customers and regulatory regimes is not possible.

Many commercial companies, including NAEGA members, utilize so-called “Identity Preserved” or “IP” systems to meet specific customer needs to isolate value-added or undesirable attributes from other commodities. Successful IP handling systems require extraordinary efforts and typically incur additional costs, which are often passed to the customer or the prior suppliers. Such additional handling costs can detract from US competitiveness. Replacement of the existing high volume, low-cost handling system with a mandatory, completely traceable system not based on commercial terms would likely lead to lower US exports, reduced farm income and increased burden on US exporters.

In the US, consumers and the Government remain open and generally accept products of modern biotechnology as “substantially equivalent” to their non-biotech counterparts. Consumers and governments in other parts of the world, however, are not necessarily so inclined. In fact, many governments have imposed major obstacles to trade in commodities derived from modern biotechnology, often grounded in principles the US argues are not based on sound science. The European Union in particular is implementing legislation and regulations that discriminate against US exports of biotechnology-derived products and may make their export to Europe impossible. The EU is also working aggressively in many international organizations and on a bilateral basis to promote their anti-biotechnology labeling and regulatory philosophy, seriously threatening large volume, low-cost trade of bulk commodities.

While no one can predict the future, it is clear that controversy surrounding the production, marketing and consumption of products derived from modern biotechnology is not likely to subside. It has become necessary for NAEGA to maintain a set of precepts to guide the organization in addressing the many challenges that lie ahead. These precepts are reviewed and updated periodically to reflect new market conditions. The ultimate purpose of the precepts is to increase market stability and efficiency.

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PRINCIPLES - With regard to all NAEGA policy, the following principles apply:

1. NAEGA believes that Commercial solutions are the most effective and preferable means to meet customer needs for unique commodities, including those intended to be free of any genetically modified products or that have requirements related to biotech content. We seek to minimize government interference with commercial activity related to meeting customer needs.
2. NAEGA believes that it is important to utilize, and for the US grain export industry to participate in, appropriate, relevant, and effective national and international proceedings where policies and regulatory action affecting the industry will be negotiated or discussed.

PRECEPTS - To specifically address biotechnology:

- I. The US Government and other regulatory procedures and statutory authority need to be thoroughly reviewed and updated on an ongoing basis to ensure that regulatory decisions reflect sound science, foster increased consumer confidence, and support a competitive commercial response to changing market conditions.
- II. The best way to overcome global controversy and trade disruption in bulk commodity shipments due to products derived from modern biotechnology is the adoption of a comprehensive, harmonized, global regulatory approval process that addresses key issues like Adventitious Presence (AP). Until such a process is in place, commercialization of new biotech products without prior approval by the governments in the major international markets for such products should be avoided.
- III. All modifications to crops commercially used for food or feed must have regulatory approval that recognizes their exposure to food and feed. Such regulatory approval must include a sound science based approach to the potential adventitious presence of such modification in the supply destined for food and feed use. In the absence of a comprehensive regulatory structure to manage AP, all modifications to crops commercially used for food or feed must have complete regulatory approval for use as food and feed.
- IV. The US Government should provide leadership in appropriate national and international fora in the development of workable threshold levels that address the many complex issues related to the adventitious presence of products derived from modern biotechnology in commodities where they are not intended to be present.
- V. The global trading system, foreign governments and international organizations must recognize the reality that any and all bulk commodity shipments “may contain” some coincidental amounts of commodities derived from modern biotechnology. Hence, policies and customer demands that include zero tolerance for GMO events in commercial production are impossible to meet.
- VI. Labeling of products should provide useful information and be credible and only mandatory when health and safety concerns warrant such information. Mandatory process based labeling is not appropriate. In no case should governments impose mandatory traceability requirements on the production and marketing process simply to gather information that may, or may not, be used for labeling purposes.
- VII. Additional mandatory sampling and testing of commercial grains and oilseeds for genetic content unnecessarily increases costs, decreases competitiveness, and restricts liquidity of US origin production in global commodity markets and should be avoided. If foreign governments dictate that such testing occur, then the US government should use federally appropriated funding to develop and gain international acceptance for sampling and testing procedures that do not impede commercial grain and oilseed export operations.
- VIII. It is the primary responsibility of the life science industry to undertake a comprehensive educational effort to inform the public of the benefits and risks, if any, of modern biotechnology. NAEGA will continue to provide fair and balanced information to domestic and foreign audiences.

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