

Labelling Demands, Coexistence and the Challenges for Trade



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GMCC logic



- Co-existence is at root not about safety—the RAF deals with measurable, known risks
- Co-existence is instead “about protecting farmers and all stakeholders in the supply chain from the possible economic consequences of accidental mixing of GM and non-GM crops or derived products”
- Strategies are mix of science-based technical measures, economically-feasible organizations, litigation and **regulation/policy**—the focus of this session

Context



- GM technologies in 20th year of commercial production, extending to ~30 countries, every continent
- GMOs in three main food crops (maize, canola and soybeans) largely concentrated in leading producers and exporters and traded widely (50-95% of global trade)
- Markets segmented between GM intolerant and GM indifferent by a mix of domestic measures

EU co-existence policy and practice

- Reg 2003/556/EC: co-existence of GM, conventional and organic crops, AFTER reg. approval, guidelines for national strategies:
 - efficient & cost-effective (to meet EU labeling threshold)
 - specific to different crops (based on probability of admixture)
 - reflect local and regional variables
- 2009 practice:
 - 15+ Member States have legislation
 - Wide deviations: larger isolation distances than required
- Dir 2015/412 would allow regional bans: at least 8 countries and some sub-regions imposing bans, effectively negating need for co-existence in the landscape but still requiring in commercial channels

Co-existence elsewhere

- Canada-US: once food-safe products approved for release, no restrictions on cultivation
 - Organic and non-GM producers manage own buffers and isolation; some deals among neighbours
 - Some GM and novel trait producers manage buffers to assure quality levels in own crop
 - Onus on producers of industrial grade crops to segregate
- ROW has mix of strategies, ranging from bans to production limits
- Nature of end market determines intensive of effort

It starts with consumers (Lusk et al '05)

- > 85% of citizens prefer GM labels BUT
 - Place a higher value on non-GM relative to GM foods, ranging from 42% to 23%
 - EU consumers place a higher value on non-GM food than North Americans
 - The actual shopper required a 72% lower premium than non-shoppers
 - GM meat premiums need to be 49% higher than GM oils
 - Added benefits decreased premiums by 28% to 49%
- So no convergence on common preferences

Labelling and Co-existence

- Labelling rules core part of WTO system that predates GMOs:
 - Legitimate objective
 - SPS rules require scientific risk assessment
 - TBT rules required proportionality, MFN and transparency
 - Draws on standards in Codex, IPPC, OIE and elsewhere
- Labelling often a national reaction to an inadequate international regulatory response
 - One standard; many thresholds and rules; no consensus
 - Diversity is a reflection of the distrust in expert systems and experts more generally

GMO Labelling

- Governments and industry heavily engaged in labels
 - require weights, ingredients and for many nutritional info
 - truth in labelling requires claims be accurate/not misleading
 - brands differentiate many goods
 - standards define production methods (Kosher, Halal, organic, green or ethical)
- All countries agree GMO changes in nutrition, composition or allergens require labels (to address what we call ‘risk to some’)
- Little other agreement

Differing labeling systems

Type

Countries

Mandatory

64 nations, including: ANZ, China, EU, Ecuador, Indonesia, Japan, Norway, Peru, Russia, Saudi Arabia, S. Korea, Switz., Taiwan

Voluntary

Argentina, Chile, Canada, HK, Singapore, USA

Centre for Food Safety

Most with different rules

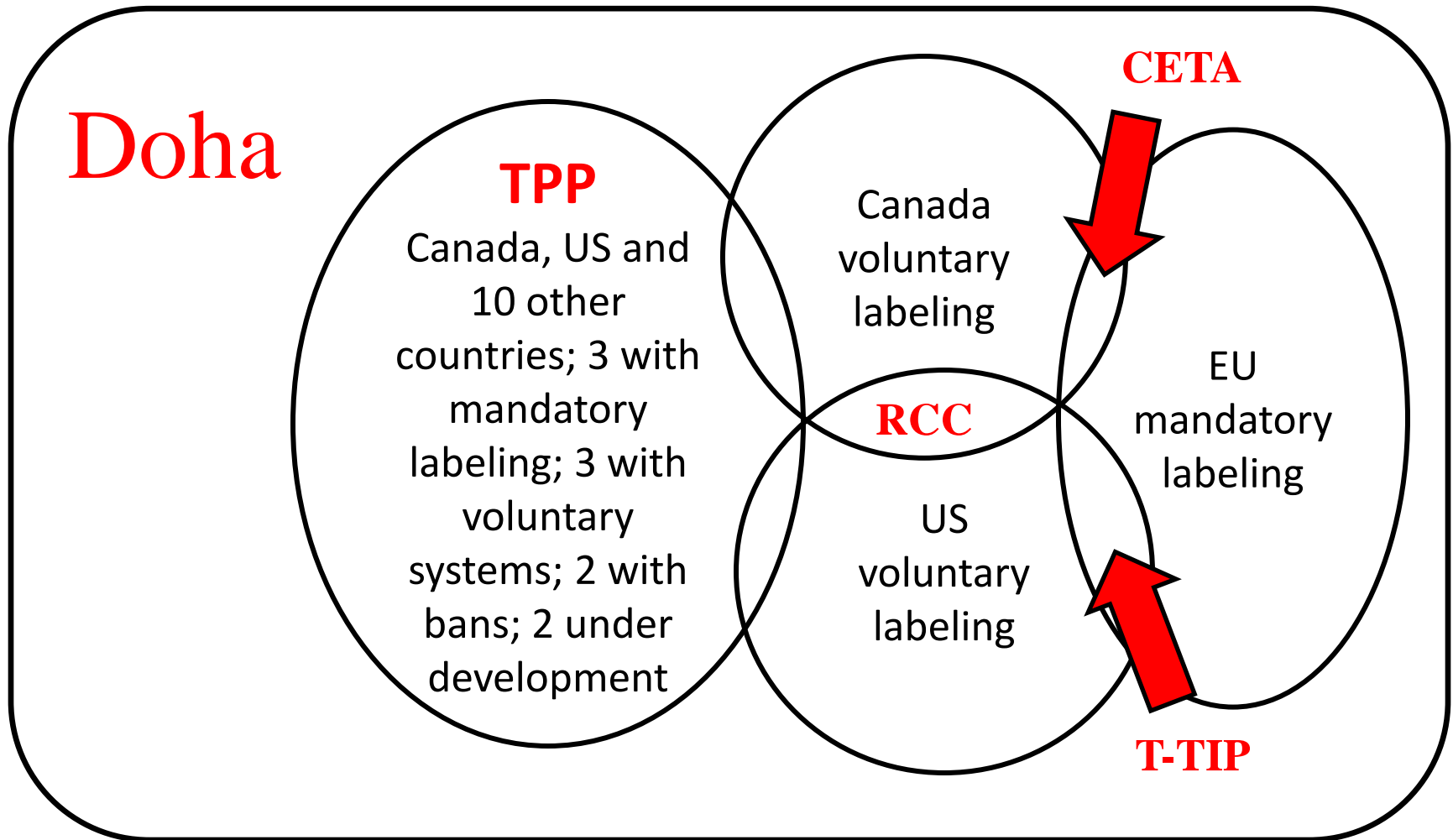
Labeling divergences

- Mandatory: range from 0.9% to 5% with varying exemptions and divergences
- Voluntary: range from:
 - Canadian National Standard for Voluntary Labeling, 2004, unsuccessfully challenged by provincial and federal bills
 - US draft guidance on voluntary labeling (2001), challenged by a series of state-initiatives for mandatory labeling
 - Other countries rely on basic food labeling laws

International negotiations

- All structured on assumption that only producers will rent-sseek; pressures now from consumers
- WTO: Doha Round 1999-?
- Negotiations with GMOs on agenda:
 - Canada-EU Comprehensive Economic and Trade Agreement (CETA), 2009-14
 - Trans Pacific Partnership (TPP), 2008-15
 - US-EU Transatlantic Trade and Investment Partnership (T-TIP), 2013-?

Overlapping opportunities



Results to date

- WTO: uncertain prospects for Doha but neither GMOs nor SPS and TBT are on agenda; no new litigation since DS 291-93 in 2006-09
- CETA, 2014, had GMOs on agenda but formal forum set up for biotechnology issues, but no end point
- TPP, 2015, had GMOs on agenda but while country of origin, labeling and organics were included, silent on GMOs; not obvious side-process to continue dialogue
- T-TIP, just started and uncertain

Conclusions

Since 2013 situation deteriorated

- GMO diffusion continuing, further integrating markets and creating potential conflict
- EU enabled local/regional/national bans
- US, Canada and others challenged by local referenda
- WTO not effective fora
- CETA and TPP ducked GMOs and parked/ignored issue
- T-TIP pending

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