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Joint Statement of NGFA and NAEGA at Public Meeting on Modernizing Regulatory System for Biotechnology Products

Presented by Randy Gordon, NGFA President
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- The National Grain and Feed Association and North American Export Grain Association appreciate the opportunity to present this joint statement at this public meeting on Modernizing the Regulatory System for Biotechnology Products.

- The NGFA, of which I serve as president, consists of more than 1,000 grain, feed, grain processing, export and other grain-related firms that operate more than 7,000 facilities and handle more than 70 percent of the U.S. grain and oilseed crop.

- NAEGA consists of private and publicly owned companies and farmer-owned cooperatives that are involved in and provide services to the bulk grain and oilseed exporting industry. NAEGA members ship and support the vast majority of the highly competitive, sustainable and fungible U.S. grain export supply.

- It is important to stress that our organizations strongly support utilization of biotechnology and other safe technologies and modern agricultural practices that enhance the production of safe, affordable and sustainable food and energy for U.S. and world consumers.

- But achieving the objective of preserving a fungible and affordable supply of grains and oilseeds to feed a growing world population also necessitates that the grain handling and marketing industry that our members represent be able to competitively, cost-effectively and seamlessly source and market U.S. agricultural products and provide for continued consumer choice in domestic and foreign markets.

- So, for our industry – and we would submit for the future competitiveness of U.S. agriculture and for the benefit of the entire value chain, including the world's consumers – the biggest challenge is not the competence of the objective, science-based U.S. coordinated framework that ensures the safety of biotech-enhanced products. We believe that safety of this technology is well proven, although the increased transparency and public understanding that hopefully will result from this process will assist in further demonstrating that fact.

- Rather, what is most concerning to us is the failure thus far through the Coordinated Framework or other government mechanisms to adequately address and facilitate the world's access to U.S. crops produced with modern biotechnology. Our regulatory system never has operated in a vacuum. And markets matter. Producing marketable crops is integral to protecting and improving the U.S. agricultural economy. In turn, global food security is most closely tied to the bounty represented by U.S. agriculture.

- To create a truly workable biotech regulatory framework for the future, NGFA and NAEGA believe this review must address the challenge of achieving regulatory coherence and compatibility in the global market. Export markets and market stakeholders need to be part of a broad trade-facilitation initiative that to our understanding the U.S. government regretfully does not currently plan to address as part of this review of the Coordinated Framework.

- A broad and effective trade-facilitation effort has been made even more essential by the increasing lack of coherence in various nations' regulatory systems regarding safety reviews and approval of new biotech-enhanced events – combined with the increasing practice of biotechnology owners to release into commerce new biotechnology-enhanced events before obtaining import approvals from governments in importing countries (as has occurred in several notable instances), as well as unknown conditions for retirement of these technologies. There is no shortage of documented cases in which access of U.S. crops to markets has been disrupted or stopped entirely, resulting in significant downward pressure on prices paid to farmers and reducing the economic value of U.S. agricultural production. Are we prepared to have the United States relegated to being the world's residual provider of agricultural products like corn and soybeans where we have a distinct comparative advantage? That certainly is not what the President's Export Council envisions with its goal of doubling exports when the majority of our trade surplus consists of agricultural commodities.

- Market disruptions point to the fact that, despite best efforts, it is commercially impossible to effectively manage the presence of GE events in commodity shipments to a zero tolerance or to non-detectable levels. This lack of global regulatory coherence and compatibility of regimes for addressing the life cycle of crop biotechnology not only results in negative impacts on the marketability and acceptance of all U.S. crops, but also affects access to important production technology.

- Specifically, the trade-facilitation effort of which we speak needs to encompass how the U.S. biotech regulatory system informs all stakeholders and interacts with counterpart regulatory systems in foreign countries to increase predictability and reduce the current disruptions in trade that result when biotech traits are approved in the country of export but not yet in the country of import. This encompasses, but is not limited to, developing a U.S. policy that addresses the low-level presence (LLP) of biotech-enhanced events that have been scientifically reviewed and approved as safe by a competent government authority of the country of export, but not yet by the importing country. We believe this is an essential component of a suite of policies

that would enhance the marketability of U.S. crops produced with or derived from safe technologies, but which are subject to trade impediments resulting from differences in regulation and the timing of regulatory consideration by governments in different markets.

➢ In addition, the review underway to modernize the U.S. regulatory system for biotech products also needs to address the issue of appropriate government oversight of biotech-enhanced traits that have functionally different output characteristics that make their presence in the food or feed system inappropriate above certain threshold levels.

➢ Further, it needs to anticipate and address current and future innovation in agricultural biotechnology – including new breeding techniques – and how they will be addressed by U.S. and international government entities – again with an objective to provide for coherent, compatible regulation globally.

➢ In this regard, let me pose a couple of questions that we believe should be considered in the context of this process. First, how can the notable achievement of the first-ever biotechnology section in a major trade agreement – as reportedly has been achieved in the TransPacific Partnership (TPP) agreement – be leveraged to bring about increased international coherence and compatibility when it comes to science-based systems for reviewing and approving biotech-enhanced traits? Second, how should the restructuring at USDA to create a new Undersecretary position focused on trade-related issues be integrated into a comprehensive approach to facilitate increased U.S. government communication and trade-facilitation efforts with foreign governments?

➢ In closing, NGFA and NAEGA believe this review needs to be much more than a "check-the-box" activity. Rather, it needs to encompass a robust review to address the marketability issues and trade facilitation policies that are essential to food security and the future economic growth of all sectors of U.S. agriculture. Failure to do so would be a missed opportunity.

Thank you.