National Grain and Feed Association (202) 289-0873
North American Export Grain Association (202) 682-4030
1250 I (Eye) St. N.W., Suite 1003, Washington, D.C., 20005

Joint Statement of National Grain and Feed Association and North American Export Grain Association at the Public Meeting on Modernizing the U.S. Regulatory System for Biotechnology Products

Oct. 30, 2015

The National Grain and Feed Association (NGFA) and North American Export Grain Association (NAEGA) appreciate the opportunity to present this joint statement at this public meeting on Modernizing the U.S. Regulatory System for Biotechnology Products.

I am Randall C. Gordon, president of NGFA, which 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.

I am pleased to also be presenting this joint statement on behalf of NAEGA, which 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 regulatory 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 review 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 crops that are marketable is integral to protecting and enhancing the U.S. agricultural economy. In turn, global food security is most closely tied to the bounty of 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.

The need for a broad and effective trade-facilitation effort has been made even more critical by two important developments.

First is the increasing lack of coherence in various nations' regulatory systems regarding safety reviews and approval of new biotech-enhanced events.

Second is 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 U.S. export customer access to U.S. crops has been disrupted or stopped entirely, resulting in significant downward pressure on prices paid to U.S. farmers and reducing the economic value of U.S. agricultural production. Thanks to the productive bounty of U.S. farmers, vast natural resources, and investment in storage, handing, processing and logistics, key U.S. grains and oilseeds and the value-added products derived therefrom have a distinct competitive advantage leading to strong economics of comparative advantage favoring the United States in the global marketplace. Are we really prepared to have the United States be relegated to being the world's residual provider of agricultural products like corn and soybeans? We cannot envision that is what the President's Export Council envisions, given its goal of doubling exports when the majority of our trade surplus is represented by agricultural commodity exports.

Market disruptions involving biotech-enhanced commodities point to the fact that, despite best efforts, it is commercially impossible to effectively manage the presence of genetically engineered events in commodity shipments to a zero tolerance or to non-detectable levels. This lack of global regulatory coherence and compatibility between regimes that address the entire life cycle of crop biotechnology not only results in negative impacts on the marketability and acceptance of all U.S. crops, but also adversely affects access to this 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 scrutinized and found to be safe by a competent government authority in 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 reviews by governments in different markets.

In addition, the review currently underway to modernize the U.S. regulatory system for biotech products needs to address the issue of appropriate government oversight of biotech-enhanced traits that have functionally different output characteristics that can affect the nutritional, compositional or other characteristics, thereby making their presence in the food or feed system inappropriate above certain threshold levels.

Further, we believe this review needs to anticipate and consider ways to address current and future innovation in agricultural biotechnology – including new breeding techniques, such as gene editing – and to do so in collaboration with international government entities, again with the objective of providing for a more coherent and compatible regulatory approach globally than has been the case with transgenic biotechnology.

In this regard, we wish to 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 the U.S. Department of Agriculture 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" exercise. 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.

NGFA and NAEGA appreciate your consideration of our views, and would be pleased to respond to any questions the interagency group may have. Thank you.