BIOTECHNOLOGY
The Perspective of the U.S. Food Industry

American Society of Sugar Beet Technologists
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Grocery Manufs. Of America

GMA Member Companies

- Campbell's Soup
- Coca-cola Company
- ConAgra
- Del Monte
- General Mills
- H.J. Heinz
- Hershey Foods
- Kellogg's
- Kraft/Nabisco
- MARS
- McCormick & Co.
- Nestle/Ralston Purina
- PepsiCo/Frito-Lay
- Pillsbury Company
- Procter & Gamble
- S.C. Johnson
- Suissa
- Unilever-Bestfoods

Why Biotech Foods?

- Better Quality Foods
- Better Testing Foods
- Healthier Foods with Improved Nutritional Characteristics
- Greater Processing Yields

Future Benefits of Biotechnology

- High-yield Produce
- Low-cholesterol Margarine
- Single-serving Lettuce
- Ever-fresh Bread
- Flavored Snacks
- Vitamin A Rice
- Banana Vaccine
- Cancer-fighting?

Aging of America

- 60 million Americans at risk for Heart Disease
- 90 million Americans have High Cholesterol
- 40 million Americans have Arthritis
- 25 million Americans have Osteoporosis
- 10 million Americans have Cancer
- 4 million Americans have Alzheimer's

Grocery Manufs. Of America

- World's largest association of food, beverage and consumer product companies
- Led by Board of Directors of 44 CEOs
- Addresses public policy and business issues affecting the industry.

We are the Familiar Brand Name Products on your Local Grocery Store Shelf.
How Widespread Is Biotechnology?

- Canola: 100%
- Cotton: 61%
- Soybeans: 54%
- Corn: 25%
- Rice, Potatoes, Sugar beets, Wheat?

As much as 70 percent of products found on U.S. store shelves may contain biotech ingredients.

Current Benefits of Biotechnology

- Decreased Use of Water; Less Runoff and Erosion
- Higher Crop Yields On Existing Land
- Reduced Pesticide and Herbicide Use

Potential Benefits of Biotech Sugar Beets

Sugar beets
121,000 Record Yield (kilograms/hectare)
42,600 Average Yield (35%)
6,700 Disease Loss (6%)
6,700 Insects Loss (6%)
3,700 Weeds Loss (3%)
61,300 Losses due to Other Factors

U.S. Domestic Scene

- Activists attack well-known consumer brands
- Protests & publicity stunts have generated media attention
- Increased perception of food risk among consumers (Monarch Butterflies, Starlink)
- Labeling presented as a consumer choice, rather than a safety issue.
- Shareholder resolutions

GMA Biotech Objectives

- Achieve optimal public understanding of biotech foods.
  - Balance the debate
  - Respected, expert voices
- Maintain a science-based regulatory system for biotech foods.
  - Science-based Approvals & Labeling

Public Understanding: The Alliance for Better Foods

Some of Our 46 Members...

- American Farm Bureau Federation
- National Corn Growers Association
- American Soybean Association
- National Cotton Council
- Snack Food Association
- Fruit & Vegetable Association
- Food Marketing Institute
- National Restaurant Association
- Food Distributors International
- American Dietetic Association
Alliance Activities

• Video News Release
• Information Kits for Reporters
• Trained Expert Spokespersons
• Editorial Board Visits
• Web Site (www.betterfoods.org)
• Informational Brochures
• Media Briefings

www.betterfoods.org

Science-based Policies:
U.S. Labeling Policy

• Mandatory, based on Science, Safety & Product Quality
• Voluntary, based on Substantiation
• Individuals want different Information
• Recognition that consumers get information from a variety of sources
• Label can not become political encyclopedia

Labeling Realities

• Biotech products reviewed by U.S. Government to be safe.
• We sell safe foods.
• Biotech Label viewed as a Warning Label.
• Activists want to eliminate the technology, not label it.
• Companies look at consumer acceptance in each market.

FDA Proposed Voluntary Labeling Guidelines

• In Response to GMA Labeling Petition
• Basic Labeling Principles
  - Truthful, Nonmisleading
  - "Genetic Modification"
  - "GM-Free"
  - "GMO"
  - "GMO-Free Green beans"
  - GM-Free Soy/GM Corn

So, What do Consumers Think?
"How much have you heard or read about biotechnology?"
- 34% have heard at least some
- 28% have heard only a little
- 27% have heard nothing at all

"Do you support or oppose using biotechnology to genetically modify foods?"
- 46% Support
- 34% Neutral
- 20% Oppose

"What are you most concerned about when it comes to food safety?"
- Foodborne illness not tested
- Farming and crop safety
- Chemical contamination
- Genetic contamination
- Food safety
- Genetically engineered food
- Contaminant testing
- Biotechnology poses risk to environment
- Biotechnology poses risk to human health

"Greatest concerns in the wake of StarLink"
- Biotechnology is not regulated seriously enough
- Biotechnology has not been adequately tested
- Biotechnology poses risks to the environment
- Biotechnology poses risks to human health

"Labeling? No Spontaneous Demand"
- No, don't want anything added
- More on nutrition
- Add fat, color
- Add ingredients
- Whether genetically modified

"When Benefits are Real, Consumers Will Support Biotech"
- To develop crops that grow faster to supply more food and paper without harming existing forests
- To develop crops requiring fewer chemicals to protect them from weeds and pests
- To develop crops that use less land and water to grow the same amount of food
- To make foods more nutritious and rich in vitamins
- To develop foods that stay fresh longer without using additives
- To develop foods containing natural vitamins to protect against disease
Communicating with Consumers (IFIC)

Words to Use
- Agri/Food Biotech
- Nature
- Enhanced
- Farmer
- Field
- Nutrition
- Experience
- Concern

Words to Loosen
- GMO/GEO
- DNA
- Enhanced
- Experiment
- Scientist
- Laboratory
- Organism
- Patent
- Revolution

Federal Biotech Developments

- Kucinich/Boxer Labeling Bills
- FDA Voluntary Labeling Guidelines
- FDA Pre-market Notification
- USDA Marketing Role

State Biotech Developments

National Labeling Mandates

- 19 of Top 25 US Agri-food Markets
  - Labeling or Considering Labeling
  - 9 Following EU Directive
  - 4 Implementing: Japan, Korea, Aus/NZ, Saudi Arabia
  - 1 Pending Issuance: Brazil
  - 4 Considering: Mexico, Hong Kong, China, Philippines, UAE
- Others: Chile, Indonesia, Norway, Switz.

EC Novel Foods Directive (97/258)

- EU Labeling Regime Viewed as... Global Model
  - Fails objective to provide consumer information/choice
  - Unworkable, inconsistently applied
  - Broad Public Awareness & Understanding Lacking
  - Traceability Costs

National Labeling Mandates

- Timelines
  - April 1999: Europe (#1)*
  - April 2001: Japan (#2)*
  - July 2001: S. Korea (#5)
  - Dec 2001: Australia/New Zealand (#13)*
  - Dec 2001: Saudi Arabia (#18)*

* = Major Regional Force
European Outcome
- Biotech ingredients virtually eliminated
- No consumer choice in the marketplace
- Moratorium on ag biotechnology
- Environmental benefits foregone

National Labeling Mandates
- GMA Engagement
  - Canada
  - Mexico
  - Brazil
  - Saudi Arabia/UAE
  - Int’l Council of Grocery Manufs Assns (ICGMA)

Segregation: Supply Chain Realities
- Segregation: Special elevators, trucks, shipping containers, trucks
- Costly & time-consuming testing at each step
- Increased “holding,” cleaning time
- Significant costs; what benefits?
- Identity Preservation

Mandatory Biotech Labeling Costs
- EC Ag Directorate Report: 6-17% Price Increase
- ANZFA/KPMG Study: 0-6% Price Increase
- Univ of Guelph/KPMG Study: 9-10% (35-41% increase in producer costs)
- Who Pays? Handling Costs, Reformulation Costs...

Where Do We Go From Here?
- Speak openly about benefits and safety of biotech products
  -- Family, Neighbors
  -- Local, State Media
- Know the Consumer: Talk Beyond Your Customers to your Customers’ Customers and their Customers...

Where Do We Go From Here?
- Stay the Course! Engage!
- Know your Customer – the Consumer.
- Don’t Abandon Science.
- Let the Marketplace do its Job.
- Stand Together.
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