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## *Trade and Markets*

### Q&A

MODERATOR: DAVE ABLER

**R. Welch, Syracuse University:** I will be speaking later and I was worried you were going to steal my thunder. You did steal some of it, but hopefully I can add something. I used to work for the Foreign Agriculture Service in 1989–91, and we were definitely talking about STS and biotech. It was coming down the pike, and the general consensus was STS was going to be a very useful tool against you. Everybody thought so. It was definitely on the radar and my question is if regulatory regimes aren't more than just trade barriers? Aren't they also ways for people who want to organize their societies and address their problems? So is it impossible to harmonize regulatory regimes across different cultures and societies?

**Kerr:** I think it is probably difficult, but I agree with you. I think we have to explore this because I do think over the long run the cost of not having some kind of organization is very high.

**Schechtman:** I will add two quick things: one is that the goal of harmonization with the EU is something that maybe we were doing less specifically bilaterally on biotech, certainly back in the years you were talking about. We were also not working with the expectation that we could harmonize with the EU on this subject. The other is that maybe a center for cooperation meant to reach these agreements is not the only venue, there is also this whole idea that two countries can agree to the same level of protection. Though we have a lot of trouble with the EU on biotech issues, we were able to reach an organic equivalency, which doesn't mean that we necessarily follow exactly the same route, but that we are reaching the same place.

**R. Roush, Penn State:** The overarching impression I have of the whole panel is that while we may break out of this log jam, at least some of us in the audience are aware that various anti-GM activists are traveling through the developing world offering biosafety training

sessions which are a thinly veiled opportunity for them to make GM crops sound as dangerous as possible. Hundreds of studies have been done in the United States on impacts, and repeated in those countries to make sure there couldn't be any possible differences. This is happening all the time in an effort to stir the pot. I came away from listening to all three talks asking, what do we really need to do to get international approval? I can appreciate what you offer. It is difficult, but something has to be done outside the box to try to break this log jam. I am wondering if there are any ideas about this out there.

**Giroux:** I think more than in the industrial world, in developing countries consumers hear positive messages about biotechnology, so it is easier for folks to embrace that technology. The negative comments on biotechnology are all flowing in the same direction, they use those negative comments to influence the discussion. Maybe they haven't really figured it all out. If 1 in 1,000 safety studies says it may not be safe, we in this room as scientists recognize that that means nothing, right? The weight of evidence of the other 999 studies has not been disproved by a single study. The average consumer doesn't understand that. They don't understand the scientific process. So how do we make sure that the overwhelming messages going to consumers and national governments are positive messages about biotechnology? We need to find ways to minimize negative messages or the perception that there is a lot of infighting going on.

**R. Roush:** To follow that logic would be a bit like going on the *Daily Show*, so when they say that we need to show scientific balance on climate change, we follow two climate change skeptics with 98 climate change supporters. You are suggesting that ultimately it is still a media battle.

**Kerr:** Just to follow that up, agriculture and many consumers are actually very willing to accept the science.

**T. Shelton, Cornell University:** I have a specific question for Randall. You mentioned biotech traits in the United States in soybeans would cut off trade options elsewhere. You are probably aware that Brazil right now is contemplating the release of soybeans that have insect resistance, particularly to the soybean looper. Now a lot of people at the entomological meeting think this is a very dubious undertaking. There is a question about whether Brazilians will be able to manage the resistance potential well by establishing refuges and whether the trait is even actually needed to increase production of soybeans in Brazil. If they do succeed in adopting this in Brazil, would it mean they will be faced with a nontariff trade barrier in Europe the United States won't have, or will that be the loss of the European market?

**R. Giroux:** First of all it is interesting that a number of our trade partners or trade competitors also require a market impact assessment ahead of that commercialization as part of their biotech approval process. I can't give you any response, I'm just not an expert in that area. What I do know is that the Brazilian government and Brazilian agriculture are very keen on market access. They are very clear that market access is their number one priority. Building Brazilian agriculture, building infrastructure, finding export markets

for what is one of their key industries, and so we should anticipate the decisions to make sure that those markets remain open for Brazilian farmers.

**T. Shelton:** We have been talking about what the US is doing to try to prevent these damaging situations to US agriculture. You mentioned other countries like Brazil or Chile: Are they handling things any differently? Maybe you touched on it by saying they look for more premarket approval, but is there a working group with the US and Brazil and Argentina and the other GM-producing countries that can work together to try and solve this dilemma, or are we just going to have a lot of individual preferential trade agreements?

**Giroux:** There are two that I am aware of. There is the International Soy Growers Alliance, which represents 95% of the exportable soybeans of the world. Members are the US, Canada, Brazil, Argentina, and Uruguay. And they have declared that there be no commercialization ahead of key markets. So they are very much aware that in the Western Hemisphere market access for soybeans is critical. They don't accept grain channeling as a solution. I understand that therefore they will not commercialize ahead of key markets. What is the key market for soybeans? China. So, regardless of how difficult China is as a customer, they are THE most important customer for soybeans in the world, and you should take advantage of that. There is also a group of maize organizations called Maizol which is a collection of corn grower associations, and they struggle with the same issue. How do we enable market access for US corn? So there are organizations that are looking specifically at this issue of market access. So do we just try to outnumber the EU after a while? Vietnam is now producing corn. Indonesia and Malaysia were mentioned. Basically just try to get a lot of other countries producing it and then outnumber the EU?

**T. Shelton:** So do we just try to outnumber the EU after a while? Vietnam is now producing corn. Indonesia and Malaysia were mentioned. Should we basically just try to get a lot of other countries to produce so as to outnumber the EU?

**Giroux:** I don't think about it that way. I think we just have a collection of customers who have specific attributes that they want and we are going to serve those customers. And so customers we can serve will become preferential destinations for products. If we have predictability, reasonable regulatory expectations, and can move those grains and oil seeds, those countries will be preferred over others that are more difficult. And generally if they are difficult you are going to have to pay more for what you want.