

Press Release from the Institute for Agriculture and Trade Policy

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New Survey Indicates Strong Grain Elevator Concern Over GE Wheat

Ninety-eight percent of North Dakota grain elevator operators responding to a survey said they were either very concerned (82%) or somewhat concerned (16%) about the proposed introduction of Monsanto's genetically engineered (GE) "Roundup Ready" wheat. Additionally, 78% of the operators supported an expanded public review of GE wheat compared to what the United States Department of Agriculture (USDA) has previously required for approval of GE crops, the survey found.

The Minneapolis-based Institute for Agriculture and Trade Policy sent the survey to 317 North Dakota grain elevators. Fifty-two elevators responded. The survey targeted North Dakota because it is the number-one state in Hard Red Spring Wheat production, and spring wheat is the first GE wheat variety slated for commercial release. The Institute is surveying elevators in other major wheat producing states, and will release those results as they are compiled.

"The world wide consumer must have confidence with the credibility of the U.S. farmer and government dealers, which will have no control should Monsanto be in control of wheat releases," said one elevator operator. "Where is the demand for Roundup Ready wheat? Not one consumer group wants it!"

"Release [of genetically engineered wheat] before customer acceptance could be death to the US spring wheat market," said another North Dakota elevator operator. "It's impossible to have a segregation system with zero tolerance."

"This survey reflects serious concern among North Dakota wheat elevator operators about the potential adverse economic impacts of GE wheat," said Dennis Olson, Senior Associate at the Institute. "It also shows strong support for a more comprehensive public review of GE wheat introduction than USDA has previously required for other crops."

In other survey results, the elevators ranked loss of export markets as their greatest concern related to GE wheat commercialization. This was followed by the feasibility of creating a workable segregation system; consumer rejection in importing countries; liability risks to their businesses; and consumer rejection in the U.S. All elevators said their customers were concerned about GE wheat deregulation, with 77 percent characterizing their customers' concern over GE wheat to be either very high (54%) or high (23%). The complete survey—with graphics—can be viewed at: www.iatp.org.

Monsanto petitioned USDA's Animal Health & Inspection Service for approval of its GE wheat variety on December 19, 2002. Based on USDA's reviews of previous GE crops, Monsanto's petition could be legally approved by the 2004 spring planting season. Major wheat importing countries prohibit or require labeling of GE crops. Some have said that they will not buy any U.S. wheat if GE wheat is approved, because there is currently no segregation system in place to prevent genetic contamination of conventional wheat. Monsanto's GE wheat petition has sparked an intense debate within the wheat industry over the wisdom of commercializing GE wheat because of the potential loss of export markets, liability risks, anti-trust implications and other issues.

In February, wheat growers filed a petition with USDA arguing that the agency is legally required to conduct a comprehensive Environmental Impact Statement (EIS) prior to approving Monsanto's GE wheat petition. An EIS would require a thorough analysis of the socio-economic impacts of GE wheat introduction, and more time for public comment. "Those wanting a more comprehensive review of GE wheat will have to demand it of the USDA, which has been reluctant to conduct such reviews with other GE crops," Olson said.

A recent economic study by Dr. Robert Wisner of Iowa State University projected that the price of spring wheat could drop by about one-third if a genetically engineered (GM) variety is introduced commercially in the next two to six years. Wisner noted that other wheat-exporting countries have ample non-GM wheat supplies for concerned buyers. Wisner's study can be viewed at: www.worc.org.

The Institute for Agriculture and Trade Policy promotes resilient family farms, rural communities and ecosystems around the world through research and education, science and technology, and advocacy.

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March 19, 2003

Dear Elevator Manager,

Monsanto has applied to deregulate its newly developed strain of genetically engineered (GE) Roundup Ready wheat in both the United States and Canada. Government approval of these applications would clear the way for the company to introduce its Roundup Ready wheat on a commercial level in North America as early as 2005.

Given United States' recent experiences with loss of export markets in other crops caused by consumer rejection of genetically engineered foods, many wheat farmers and distributors have become increasingly concerned with the potential loss of additional export markets that could result from the deregulation of GE wheat.

According to Dr. Robert Wisner, University Professor of Economics at Iowa State University, "In the past four years the U.S. has lost over a billion dollars of corn and soybean meal exports because of foreign GMO concerns." According to Wisner, the risk of loss is higher with wheat since more of it is exported, and more of it will be labeled. Wisner also noted that other wheat-exporting countries have non-GE wheat supplies to sell buyers who don't want U.S. GE wheat.

Although the National Grain Growers Association recently announced a joint effort with Monsanto to convince skeptical producers to accept GE wheat, there nevertheless appears to be a growing consensus among all segments of the wheat industry that sensible precautions must be taken to prevent the loss of wheat export markets prior to commercial introduction of GE wheat.

According to Wisner, "Consumer attitudes are the driving force in markets, regardless of whether or not they are scientifically valid." He noted that foreign government approval does not assure consumer acceptance of GM wheat. To view a summary of Dr. Wisner's report, go to: <<http://www.worc.org>>

Additionally, the widely publicized cases of StarLink corn being found in human food products has damaged the credibility of the U.S. federal agencies charged with regulated genetically engineered crops—both at home and abroad. The StarLink examples call into question the feasibility of segregation, and heighten the concern of farmers and distributors over their increased liability risks resulting from deregulation of GE crops.

According to Dr. Wisner, "Concerns of foreign consumers center around food and environmental safety questions, and perceived inadequacy of U.S. GM testing and approval processes."

Moreover, there appears to be widespread agreement that farmers, elevators and other distributors should not face increased liability risks from the commercial introduction of GE Wheat.

It is in this context that the Institute for Agriculture and Trade Policy undertakes this short four-question survey of grain elevators in order to gauge the views of grain elevator operators on this important issue. Please consider filling out this short survey and either email (just hit "reply"), fax or mail it to me using the contact information below.

At the bottom we ask for your name and contact information, but you may also remain anonymous if you so choose.

Thank you for your consideration. If you have any questions, please feel free to contact me.

Sincerely,

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Elevator Survey on Deregulation of Genetically Engineered Wheat

1) How concerned are you about the pending U.S. Department of Agriculture decision to deregulate genetically engineered wheat?

Very Concerned Somewhat Concerned
 Not concerned Not sure

Comments:

2) Please rank on a scale from 1-5—with 1 being your highest concern—which of the following issues related to the deregulation of genetically engineered wheat is of the most concern to you.

Potential for increased liability risk for your business that could result from the commercial introduction of GE Wheat.

Feasibility of segregating genetically engineered wheat from conventional or organic wheat.

Potential loss of wheat export markets.

Consumer rejection of genetically engineered foods in importing countries.

Consumer rejection of genetically engineered foods in the United States.

Other: _____

Comments:

3) What is the level of concern among your customers about issues related to the commercial introduction of GE Wheat?

Very High High Moderate Low Non-existent

Comments:

4) The US Department of Agriculture has approved deregulation of other varieties of genetically engineered crops like corn and soybeans with limited public comment and review. Do you think that the public comment and review should be expanded for the upcoming decision?

Yes No Not Sure Need more information

5) Other comments:

[OPTIONAL]

YOUR NAME:

COMPANY:

TOWN STATE ZIP:

PHONE:

FAX:

EMAIL:

Thank you again!

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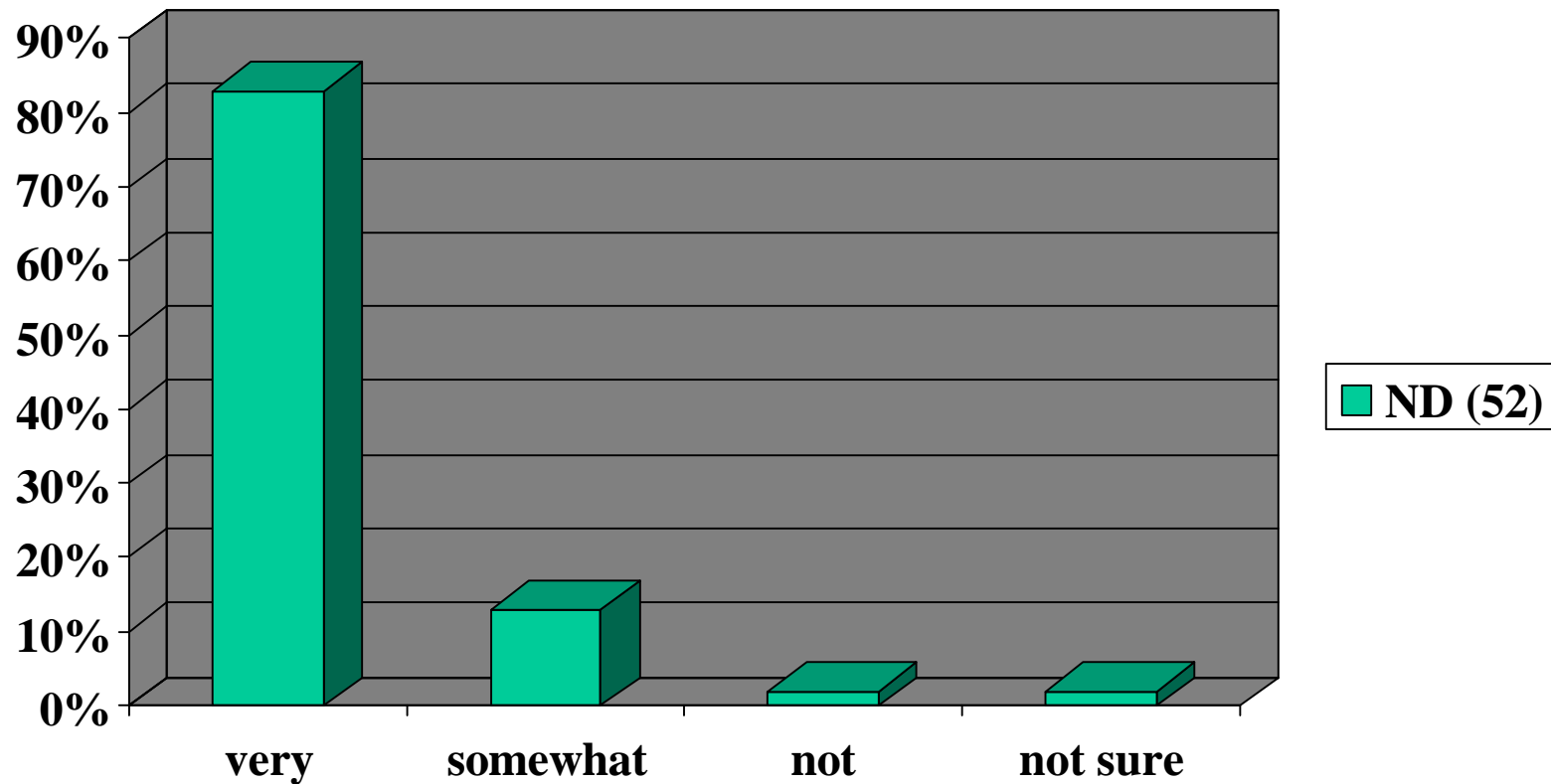
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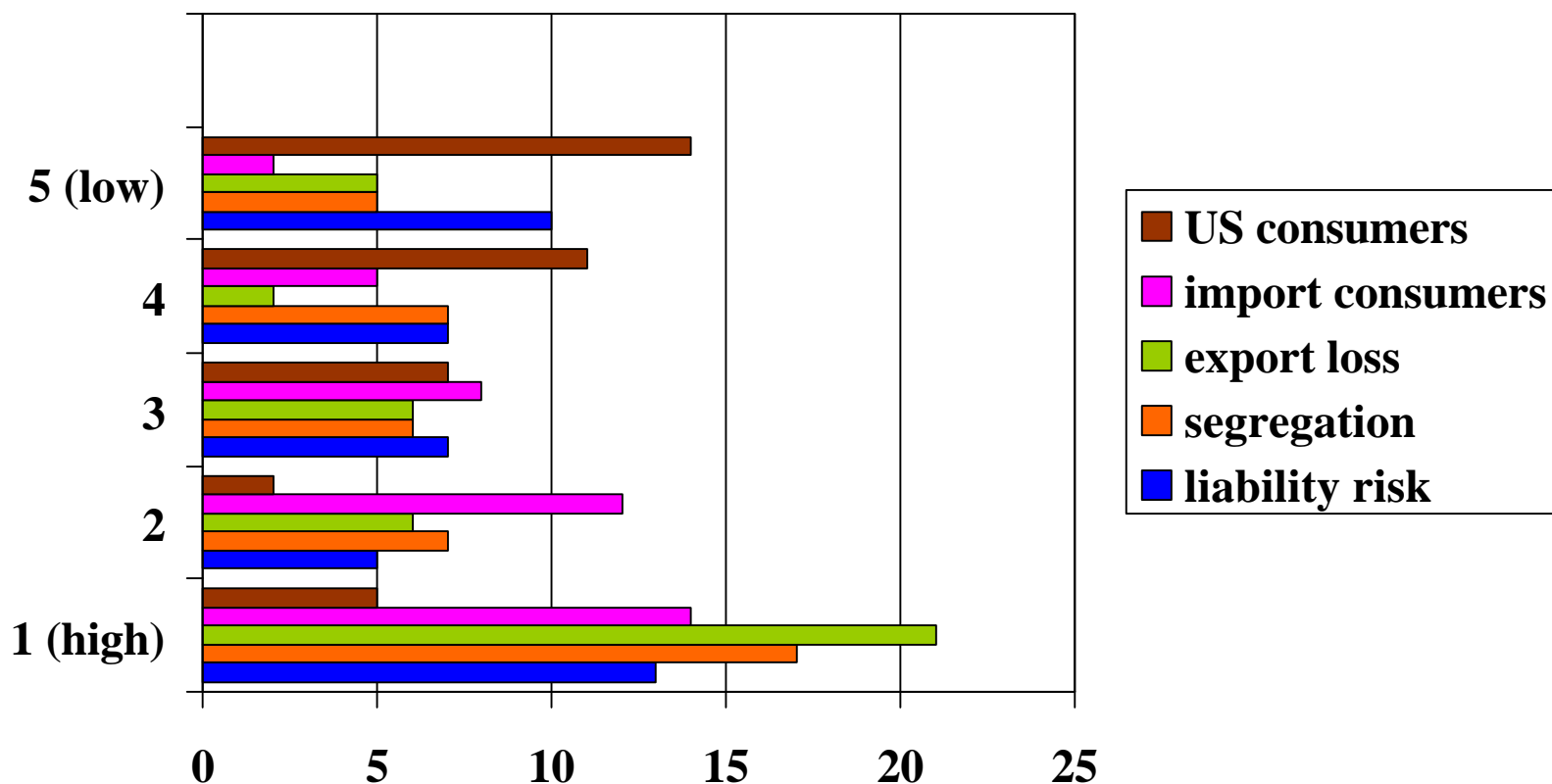
North Dakota Elevator Managers' Miscellaneous Comments From IATP Survey

1. *I think we should be careful that one company doesn't adversely affect the entire US wheat supply.*
2. *[Genetically engineered wheat] should not be introduced without world acceptance.*
3. *I think there should be more restrictions put on companies and farmers that would try and pass it off as not genetically engineered wheat.*
4. *[Genetically engineered wheat] could destroy our country. We do not need it!*
5. *With the current pesticides available for wheat, I can think of NO reason to allow Roundup Ready wheat other than to add to Monsanto's pockets. We have Roundup Ready corn and Roundup Ready soybeans already. Standard agricultural practices call for a different chemistry of pesticides to prevent problems. Three Roundup Ready crops would just compound the problem; not to mention the fact that it could hamper exports to countries that do not want them. Right now the European countries are the only area that has cash to buy our products anyway. The fact that crosses would not happen or segregation of products would prevent this is stupid. No seed company that provides seed to organic soybean producers can guarantee that the seed is not contaminated with GMO seed.*
6. *Release [of genetically engineered wheat] before customer acceptance could be death to the US spring wheat market. Need for tolerance, regulation, testing before early release. Both domestic milling companies export majority of our wheat goes to Japan. It's impossible to have a segregation system with zero tolerances.*
7. *The world wide consumer must have confidence with the credibility of the US farmer and government dealers, which will have no control should Monsanto be in control of wheat releases. Where is the demand for Roundup Ready wheat? Not one consumer group wants it!*
8. *Most farmers fear acceptance of genetically engineered wheat.*
9. *All of the ABOVE!!! [Referring to the issues of highest concern over genetically engineered wheat on the survey.]*
10. *Wheat is much more complex than any other.*
11. *Any release of GMO wheat now will have very negative effects to our domestic and export markets.*
12. *If GE wheat is introduced I will quit handling wheat. It would be literally impossible to segregate GM wheat. I think it's about time we hold responsible the companies developing products, which ruin our market*
13. *Expense of testing for GMO, difficulty of guaranteeing GMO free.*

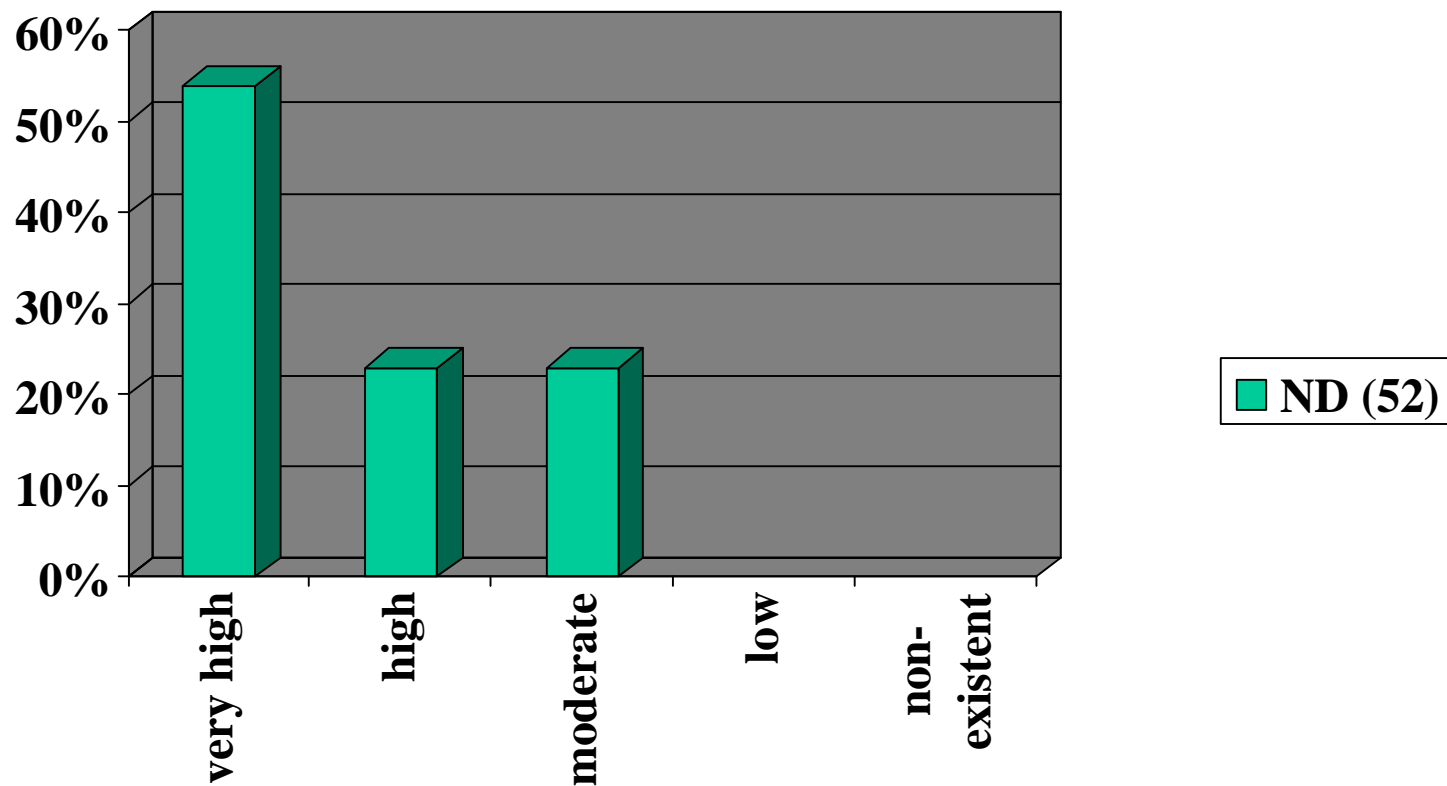
Grain Elevator Operators' Level of Concern Over Deregulation of Genetically Engineered Wheat



Issues of Highest Concern Related to Deregulation of GE Wheat to ND Elevator Managers



ND Grain Elevator Operators' Assessments of Their Customers' Concerns Over GE Wheat



Elevator Operators' Support of Expanded Public Comment/Review of USDA Decision to Deregulate GE Wheat

