

Externalisation of GMO costs must end

Commission report on socio-economic impacts of GMO cultivation is a compilation of missed opportunities

Brussels, 15/04/2011 – The Commission published today a report on socio-economic implications of GMO cultivation. The IFOAM EU Group expresses its disappointment that the EU missed a chance for a serious assessment of socio-economic impacts on the whole food chain.

“The Commission report on the socio-economic impacts of GMO cultivation in the member states suffers a lack of meaningfulness,” states Christopher Stopes, President of the IFOAM EU Group¹. “The Environment Council asked member states and the Commission in 2008² to exchange relevant information on socio-economic implications of the placing on the market of GMO's. While we appreciate that socio-economic aspects are for the first time acknowledged by policy makers in GMO policies, this report neither delivers a sufficient analysis of costs already faced by the GMO-free food sector, nor a serious cost scenario for the case that more GMO would be grown in the EU.”

“As consumers want to exert their right to choose GMO free food, the food sector responds to this demand. The main burden of costs to remain GMO free is currently to be carried by the GMO-free producers, which is an intolerable situation. Fortunately, GMO cultivation is still the exception in the EU. Costs would explode **if more GMO would be grown in the EU**, and this would put **many jobs and the economic existence of many small and medium enterprises at risk**. Therefore the EU has finally to take its responsibility and set up a legally binding framework to protect the GMO free sector”, adds Marco Schlüter, Director of the IFOAM EU Group.

“Cases of GMO commingling in GMO-free products have already cost millions, paid by farmers, food industry and taxpayers³. Many Spanish organic farmers had to give up growing maize due to GMO contamination and consequently losing their organic certificate for maize, in contrary to what is claimed in the Spanish chapter of the Commission working document, “adds Jose Luis García Melgarejo, Spanish executive board member of the IFOAM EU Group. “The IFOAM EU Group demands a **legislation that ensures** the polluter pays principle in GMO policies: **Companies that place GMO on the market must be made fully liable for the costs** caused to the GMO-free food sector, such as testing and segregation measures on the fields, in transport, storage, processing, as well as compensation for loss of premium prices for GMO free/organic products or the withdrawal of contaminated products.”

As long as the assessment of socio-economic impacts of a GMO is not considered in GMO risk management, and as long as effective liability rules are not in place, a European **wide moratorium on GMO** approvals and cultivation of GMOs in the EU must be implemented.

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NOTES:

- (1) The **IFOAM EU Group** represents more than 300 member organisations of IFOAM (International Federation of Organic Agriculture Movements) in the EU-27, the EU accession countries and EFTA. Member organisations include: consumer, farmer and processor associations; research, education and advisory organisations; certification bodies and commercial organic companies.
- (2) Council Conclusions on Genetically Modified Organisms (GMOs), 2912nd Environment Council meeting, Brussels, 4 December 2008, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/envir/104509.pdf
- (3) Some extracts of publications about economic costs of GMO contamination and prevention in the food sector:
 - Six case studies of **small and medium sized food and feed processors** for the prevention of GMO contaminations reveal costs between **48 000 and 876 800 Euro per year**: Economic impacts of labelling thresholds for the adventitious presence of genetically engineered organisms in conventional and organic seed, study published by IFOAM EU Group 2009: http://www.ifoam.org/about_ifoam/around_world/eu_groupnew/positions/publications/pdf/IFOAMEU_GMO-freeSeedStudy.pdf
 - A baby food producer (90% organic, 10% conventional) spends per year 5000 Euro for testing/sampling plus analysis; 40 000 Euro for reporting (traceability), 35 000 Euro for staff training, 50 000 Euro for audit of commodity suppliers and has moreover to cover 770 000 Euro of additional costs for raw materials, that result from higher costs of the raw material suppliers. Source: Schadensbericht Gentechnik, Bund Ökologische Lebensmittelwirtschaft (Hrsg.) 2009: http://www.boelw.de/uploads/media/BOELW_Schadensbericht_Gentechnik090318.pdf
 - The overall costs the contamination with L601 rice has caused in 2007 throughout the food chain are estimated between 741 Million und 1.285 Billion US \$. Source: NEAL BLUE, E. (2007): Risky Business. Economic and regulatory impacts from the unintended release of genetically engineered rice varieties into the rice merchandising system of the US. Greenpeace International (Amsterdam). <http://www.greenpeace.org/raw/content/international/press/reports/risky-business.pdf>
 - In 2007, the disqualification of his harvest for sale on the organic market forced organic farmer Felipe Agustín Esteve to sell in the conventional market at 10 cents/kg less, and he lost the organic farming subsidy (CAP) of €300 per hectare. Source: Testimonies of Contamination, published by Greenpeace 2009: <http://www.greenpeace.org/raw/content/international/press/reports/testimonies-of-contamination.pdf>
 - Already between 1998 and 2006, 9 organic maize contamination cases have been report by 3 different EU organic certification bodies in Navarra, Aragón and Cataluña. Source: Bello A; Porcuna JL; González V; Fabeiro C. 2007. Organic Farming integrity in maize cultivation in Spain. In: Stein AJ & Rodríguez-Cerezo E (2007). Third International Conference on Coexistence between Genetically Modified (GM) and non-GM based Agricultural Supply Chains. Seville 20-21st of November 2007 (Book of abstracts) 373-374pp. Edited by IPTS-JRC European Commission; http://www.agroecologia.net/recursos/posicionamientos/transgenicos/034-Bello-Organic_as1.pdf
- (4) IFOAM EU Group calls for a moratorium on the cultivation of GMO (see: Malta declaration http://www.ifoam.org/about_ifoam/around_world/eu_group-new/workareas/policy/pdf/100319-Malta-GMfree-declarationFINAL.pdf)