

Member Update

Title: IGTC Notice to Trade No. 9

Update No.: 34 of 10

Date of Issue: 25 November 2010

Distribution

- GTA Members – primary contact list. Please circulate to all appropriate internal parties

1 Purpose of this notice

To brief members on the European Commission's draft regulation on the methods of sampling and analysis of GM events authorised in one or more countries but not yet in the European Union, commonly known as the "Technical Solution".

2 Background to IGTC

The International Grain Trade Coalition (IGTC) is an unincorporated coalition of 23 national and international non-profit grain trade associations and councils involving more than 8000 members whose purpose is to convene significant expertise and representation to provide advice to governments from a global perspective on the commercial requirements and economics of the world's food, feed and processing industries.

The IGTC recognizes its existence is based on the goal of avoiding risks to global food security by minimizing disruptions in the international trade of grain, oilseeds, pulses and derived products. To do so the IGTC endeavors to provide for the establishment of policies to provide for a regulatory environment supportive of such international trade.

3 Background to the Notice *notes supplied by Dennis Stephens, Canada Grain Council*

IGTC Notice to Trade #9 concerns the adverse impact on trade of a change in policy by the European Commission on Discontinued Products in a draft regulation on the methods of sampling and analysis of genetically modified crops that was introduced for approval on Monday 15th November 2010 to the Standing Committee on the Food Chain and Animal Health.

Clause 8 of the proposed regulation, commonly known as the "Technical Solution", applies to five specific GM events (three canola and two corn) which have been previously approved by the EU. These events are currently approved for food, feed and other uses at a level not exceeding 0.9% for a five year period ending April 2012.

The new regulation stipulates that after April 2012, authorization of these events will be included as part of the Technical Solution. Therefore the level will be reduced from 0.9% to 0.1% and the scope of authorisation reduced from full approval for food, feed and other uses, to just feed.

There is no rationale to reduce the scope of authorizations of these events to only feed. But such a reduction in scope will have an immediate and negative impact on trade.

The discontinuation of products is a normal part of an event's life cycle as new events carrying superior qualities are developed to replace older events. However discontinued events remain in the grain supply at decreasing levels, rarely totally disappearing.

The IGTC urges the European Commission and Member States to make immediate amendments to Clause 8 to maintain full food, feed and other uses authorisation for discontinued events.

The IGTC is concerned that unless countries are able to adopt appropriate risk management policies for the inevitable and unavoidable minute traces of discontinued events in international commodity shipments, the presence of such events could become a significant threat to global food security.

4 Potential implications for Australia

The attached Notice to Trade relates to the change in status for specific GM events that have been discontinued, i.e. the seed has been withdrawn from commercial sale. The EU has changed the status of use for these discontinued lines from food, feed and processing to feed only. The issue is that if there was an amount of one of these GM events found in a food shipment then the cargo will be rejected. Hence, the need to continuation of their current full authorisation for food, feed and processing/other uses.

Although these events have not been grown in Australia, if there were trace amounts of any of them in a ship (or container) that subsequently transported an Australian cargo to Europe then there is the potential for a problem. Also, many other countries take their lead from the policies of the EU and hence where a policy has a detrimental effect on trade then it needs to be challenged.

GTA will approach the Australian Government and make these issues known as they could have significant impact on trade.

5 Reference

Refer attached IGTC Notice to Trade No 9.



INTERNATIONAL GRAIN TRADE COALITION

8th November 2010

ANIAME
(Mexico)

APPAMEX
(Mexico)

Associação
Brasileira das
Indústrias de
Óleos Vegetais

Associação
Nacional dos
Exportadores de
Cereais (Brazil)

Australian Grain
Exporters
Association

Canada Grains
Council

Centro de
Exportadores
de Cereals
(Argentina)

China Chamber of
Commerce of
Import and Export
of Foodstuffs,
Native Produce &
Animal By-
Products

China National
Association of
Grain Sector

COCERAL
(Europe)

Corn Refiners
Association Inc.
(United States)

Notice to Trade #9

Re: The European Commission's draft regulation on the methods of sampling and analysis of GM events authorised in one or more countries but not yet in the European Union, commonly known as the "Technical Solution".

The International Grain Trade Coalition (IGTC) is an unincorporated coalition of 23 national and international non-profit grain trade associations and councils involving more than 8000 members whose purpose is to convene significant expertise and representation to provide advice to governments from a global perspective on the commercial requirements and economics of the world's food, feed and processing industries. The IGTC recognizes its existence is based on the goal of avoiding risks to global food security by minimizing disruptions in the international trade of grain, oilseeds, pulses and derived products. To do so the IGTC endeavors to provide for the establishment of policies to provide for a regulatory environment supportive of such international trade.

While the IGTC congratulates the European Commission for taking a significant step forward in minimizing potential trade disruptions caused by the detection of unavoidable and unintentional presence of genetically modified material authorized in one or more countries but not yet in the European Union, the IGTC has concerns that certain provisions within the proposed new regulation may disrupt the international trade of grain, oilseeds, pulses and derived products.

Introduction

The European Commission has released a draft version of a regulation laying down the methods of sampling and analysis for the official control of feed as regards the presence of genetically modified material for which an authorisation procedure is pending or the authorisation of which has expired.

Grain and Feed
Trade Association
(Worldwide)

Grain Trade
Australia

Hungarian
Grain and Feed
Association

National
Grain and Feed
Association (USA)

National
Corn Growers
Association (USA)

North American
Export Grain
Association

Paraguayan
Chamber of
Cereals &
Oilseeds
Exporters
(CAPECO)

Russian Grain
Union

Solvent
Extractors'
Association
of India

Soybean
Processors
Association
of India

US Grains Council

US Wheat
Associates

The draft regulation is expected to be introduced for approval at the Standing Committee on the Food Chain and Animal Health (SCFCAH) on November 15, 2010.

Commonly referred to as a 'technical solution', the regulation will establish a common EU standard for the measurement of Genetically Modified (GM) materials in products for feed use for which EU authorization is pending or authorization has expired. The draft regulation will have the effect of permitting the trade of these products under the following circumstances:

- For feed use only: the regulation does not apply to authorization of food and 'other uses';
- Products contain less than 0.1% GM materials (plus a factor for measurement uncertainty);
- The product has a detected methodology validated by the EU Joint Research Centre;
- The GM event has a valid application for authorization submitted to the European Food Safety Authority (EFSA)

The introduction of regulatory instruments to accommodate the presence of minute traces of unauthorized GM materials in limited and specific circumstances is welcome and will reduce the threat of unnecessary trade disruption within the feed industry.

However the International Grain Trade Coalition urges amendments to the regulation where the potential for unnecessary and economically damaging trade disruption is made more likely by limitations in the scope of authorization.

Events for which authorization has expired

The IGTC is concerned about Clause 8 of the draft regulation that applies to specific GM events which have been previously approved by the EU but for which current approvals will expire in April 2012. The events are:

- Ms1 x Rf1 canola
- Ms1 x Rf2 canola
- Topas 19/s canola
- Bt 176 corn
- GA21 x Mon810 corn

These events are currently approved for food, feed and other use at a level not exceeding 0.9% for a five year period, expiring April 12, 2012.

However, clause 8 of the directive stipulates that, after April 2012, authorization of these events would be reduced in scope from full approval for food, feed and other uses, to just feed.

The IGTC is concerned that this reduction in authorization scope unnecessarily increases the potential of trade disruption. The IGTC recommends to the European Commission that this clause be amended to authorize these events for full scope approval and subject to the other generally applicable criteria of the directive (i.e. testing threshold, detection methodology).

Considerations

- The GM events in question have been subject to full regulatory review by European scientific and regulatory authorities and have full scope approval currently. In this regard, they are markedly different from the GM events for which authorization is pending to which this regulation also applies. For this reason, these events should be treated uniquely.
- There is no rationale to limit the scope of GM events that are already approved. On the other hand, limiting the scope increases the potential for trade disruption.
- Discontinued events remain in the grain supply following discontinuation at decreasing to minute levels, rarely totally disappearing. Therefore, a change in authorization scope will have an immediate and negative impact on trade.
- These events have been discontinued by the seed developer and withdrawn from the market. Continued full scope approval will ensure their withdrawal from the grain supply continues without their presence disrupting trade.
- The IGTC supports the European Commission's move toward full scope approvals on all new GM event authorizations as a way of reducing the potential for detection in unauthorized applications. For the same reason, this policy should apply to products being subject to low level approval following the termination of their original authorizations.

Conclusion

The IGTC welcomes the European Commission's introduction of new regulatory mechanisms to keep pace with the realities of today's global trade environment. The regulation is an important step forward.

However, the IGTC urges immediate amendments to clause 8 to enable the maintenance of full food, feed and other uses authorization for discontinued events.

These proposed changes will minimize unwarranted trade disruptions resulting from minute traces of unauthorized events in international commodity shipments while providing minimum risk to human and animal health and to the environment.