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LABELLING GM FOODS

No new GM foods have been approved in the EU since 1997. Recent European Commission proposals to extend the GM labelling regime could inadvertently result in this de facto moratorium being further extended. The Commission considers the moratorium illegal, and is concerned that it might be challenged through the World Trade Organisation (WTO). The new labelling proposals are intended to extend consumer choice, but the Government has expressed concerns that they might prove difficult to implement in practice. This briefing describes the background to the proposals and examines the options available.

Background

Approval of GM foods/feed

All GM products must be assessed for their likely health and environmental impacts before they can be approved for deliberate release into the environment (i.e. planted as GM crops, marketed as GM foods, etc.). The deliberate release directive that regulates this process was revised recently (the revised directive was adopted in March 2001), with the addition of new measures to refine safety assessment and enhance public confidence in the system. The Commission had also given an undertaking to introduce a more comprehensive labelling and traceability regime. Proposals outlining such a regime were published in July 2001.

GM foods, food ingredients and animal feed

There are several different types of GM food and feeds:

- Foods or ingredients produced directly from GM crops such as soybeans or maize. Most such products contain GM material (protein or DNA), but some (e.g. highly refined soybean oil) do not.
- Foods produced using GM processing aids (e.g. enzymes) that are not detectable in the final product.
- Animal feeds produced from GM crops. GM material can be detected in the feed, but not in products from animals reared on it.

Current and proposed GM labelling requirements

Food/feed	Labelling currently required?	Labelling required by new proposals?
Food produced from GM crops and containing GM material	√	√
Food produced from GM crops but not containing GM material	x	√
Food produced using GM organisms but not containing GM material	x	x
GM animal feed sold to livestock producers	x	√
Food from animals fed GM animal feeds	x	x
Non-GM foods containing <1% contamination with GM material	x	x

Current and proposed GM labelling regulations

Under current EU regulations, it is the detection of GM material that triggers labelling requirements. Any food or food ingredient produced from a GM crop which contains detectable levels of GM material has to be labelled. Under the Commission's new proposals the labelling regime would be extended to include all foods and animal feed *produced from* GM crops, irrespective of whether they contain detectable GM material (see table). The proposals would impose labelling requirements for two categories of GM products that currently do not have to be labelled: foods and ingredients produced from GM organisms but which contain no GM material (e.g. highly refined oil from GM soybeans), and GM animal feed.

Because the new labelling proposals would apply to some products that contain no detectable GM material, enforcement could no longer rely solely on sampling and testing for GM material in the laboratory. Instead, the Commission has proposed a new traceability regime, where operators at each point in the marketing chain – farm, storage, transport, processing, distribution and marketing - would have to record and pass on details of the genetic modifications present in each shipment/ product. The idea is to establish an 'audit trail' for GM organisms and the foods/feed derived from them.

Labelling options

The Commission considered four options for GM food labelling (a-d below). The Food Standards Agency (FSA) commissioned an evaluation[1] of the costs, benefits, risks and uncertainties of these along with a fifth option (c+):

- a) maintain the current labelling regime;
- b) maintain the current labelling regime and introduce a 'GM-free scheme';
- c) introduce labelling of all foods derived from GM material (the option proposed by the Commission);
- c+) introduce labelling of all foods derived from GM material and introduce a 'GM-free scheme';
- d) introduce labelling of all foods derived using GM material (including GM feed and GM enzymes).

Extending the labelling requirements

The current labelling regime allows consumers to choose whether or not to buy products *containing* GM material. Under the proposed new regime (option c above), this choice would be extended to allow consumers to identify food *derived from* GM material. In opting for this approach, the Commission recognised that some consumers may wish to avoid GM foods for reasons other than concern over avoiding exposure to GM material. However, the proposals have raised concerns. The FSA suggests they are inconsistent, in that they do not require labelling of all foods produced using GM technology (see table, page 1). It also sees potential problems in enforcing the proposed new regulations.

Some of the products (e.g. oil from GM soybeans) that would need to be labelled under the new proposals do not contain GM material. The GM status of such products cannot be verified by testing for GM material in the laboratory. Rather, verification will rely solely on the Commission's proposed 'audit trail'. Audit-based systems have been established for other foods (e.g. organic foods, fair trade tea/coffee and animal welfare-friendly meat) and enjoy high levels of consumer trust.

Since the proposals would apply only from the point of entry into the EU, some have questioned how the GM 'audit trail' would work in practice, particularly for imported bulk commodities such as GM soybeans and maize from North America and elsewhere. The American Soybean Association (ASA) suggests that it would not be possible to implement an 'audit trail' that allowed GM material to be traced back to the farm. This is because international trade in grains is based on a commodity flow system where no distinction is made between GM and non-GM crops. For instance, in the US distribution system, GM and non-GM varieties are assembled into successively bigger batches - a typical shipment arriving in the EU contains up to 50,000 tonnes of crops originating from thousands of farms. For an 'audit trail' starting at the point of entry into the EU, the importer would have to sample and test each shipment for its GM content. This information would be passed on to each operator in the chain and form the basis for verifying labelling requirements. ASA are concerned that such a system would be open to fraud (a concern shared by the FSA), and would incur considerable extra costs.

Introducing a 'GM-free' scheme

The FSA sees option b – maintaining the current labelling regime and introducing a 'GM-free' scheme - as representing the best balance between costs and benefits. Under this option, manufacturers could sell foods conforming to certain criteria as being 'GM-free'. Implicit in this is the need to carefully define what constitutes 'GM-free' (e.g. specifying measures to minimise contamination throughout the food chain and establishing a threshold for unavoidable contamination with GM material). The Government sees this option as having advantages over the Commission's proposals as the current labelling rules are practicable and enforceable, and the introduction of a 'GM-free' scheme would allow consumers to avoid GM technology if they so wish. US farmers also favour such an approach. They have been supplying identity preserved (IP) lines for years, including some IP 'non-GM' lines. These are generally in smaller quantities and are kept entirely separate from the usual bulk distribution system through all stages of harvesting, transport, processing, etc. IP lines command a high premium in the market to cover the additional costs incurred in maintaining integrity.

In general, consumer groups support option c+ - the Commission's proposal to extend labelling requirements to include all foods produced from GM sources backed up with a 'GM-free' scheme. Groups such as CEG[2] strongly support the separation of GM and non-GM foods throughout the marketing chain and back the idea of introducing measures to allow GM foods to be traced.

The wider picture

There has been a *de facto* moratorium on approvals of new GM products within the EU since 1997, pending revision of the deliberate release directive. This directive is due to be implemented in national laws by October 2002; the Commission had hoped this would signal the end of the moratorium, which it considers to be illegal. Several member states have suggested that the moratorium should not be lifted until the new traceability and labelling regime is implemented; this could extend the moratorium until mid 2003 and possibly into 2004. Any such extension could increase the likelihood of the EU facing action through the WTO. For instance, at a recent WTO meeting[3], the US complained about the lack of scientific justification for the *de facto* moratorium. It is also possible that the Commission's labelling and traceability proposals might themselves be the subject of action through the WTO. For instance, at the same WTO meeting, Canada suggested the Commission's proposals discriminate against products produced by GM technology, thus raising the question of whether they might be perceived as a barrier to trade.

Endnotes

1 http://www.food.gov.uk/multimedia/pdfs/gmlabelleg
2 Consumers in Europe Group
3 Sanitary and phytosanitary measures committee, 31/10/2001.

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