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## IPC urges Europe to look at broader implications of biotech stance

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The US-EU dispute over agricultural biotechnology risks erupting again as the extended deadline for the EU to come into compliance with a WTO panel ruling of September 2006 expired on January 11, 2008. IPC questions whether further legal challenges are constructive but urges Europe to stand up for science-based decision-making and to take food price considerations into account. "There are potential drawbacks to litigation," says Piet Bukman, IPC Chairman and former Minister of Agriculture, Trade and Development of the Netherlands, "but Europe really needs to consider the broader implications of its position."

The WTO's dispute settlement process is an important tool for addressing trade conflicts, and the US is certainly within its right to ask for a compliance panel and ultimately ask for authorization to retaliate against the EU. Yet considering that the initial ruling took three years and resulted in a panel finding of some 1050 pages, it is safe to say that further litigation will not lead to quick or straightforward results.

Despite the widespread acceptance of biotechnology for medicinal and industrial purposes, agricultural biotechnology is still viewed with suspicion by a number of European consumer and environmental organizations, which drowned out the voices of European scientists who speak to the technology's safety and of farmers who are quite keen to adopt the technology so as to increase their yields and reduce the use of pesticides.

The EU's new approval process, instituted in 2004, gives the Commission the authority to grant authorizations when member states fail to reach conclusive positions despite positive scientific reviews by the European Food Safety Agency. The Commission has exercised this authority but in recent months, there have been calls by French and German politicians for moratoria on new authorizations. A legal challenge from the US is likely to push the Commission into the role of defending member states, and may also contribute to an eroding consensus within the Commission.

The unwillingness of member states to revoke their safeguard measures and the intent voiced to invoke new ones – in light of clear findings by Europe's own food safety authority that these measures are not scientifically justified – is clearly problematic. "It is not just a matter of flouting WTO obligations, but also does not bode well for effective EU decision-making," warns M. Bukman. "The EU has established a comprehensive and rigorous biotech approval regime, where each application is examined through a central scientific risk assessment, but if those findings are ignored, the approval regime loses its credibility." IPC Vice Chair and former agricultural minister of Argentina Marcelo Regunaga adds "as future trade disputes will increasingly focus on standards rather than the more traditional areas of tariffs and subsidies, the EU is not well served by its position, which allows its trading partners to justify in turn their own non-science based measures."

WTO considerations aside, as European Commission research demonstrates, Europe's lagging rate of authorizations – relative to those in countries from which it imports a significant amount of animal feed – contributes significantly to a rise in feed and food prices. With the EU's major suppliers adopting GM varieties not yet authorized in Europe, it will become increasingly expensive to supply GM free ingredients for food production and feed shipments containing only EU approved varieties. There will always be producers keen to service the European market, but they will demand higher prices for their products, in particular given the context of increasing global demand for food and the increased costs involved in supplying the European market. "An increase in food prices is less problematic in the EU and other high-income countries than in low-income countries, where the poor can spend more than 50% of their income on food," explains IPC member Professor Robert Thompson of the University of Illinois at Urbana-Champaign and former Director of Rural Development at the World Bank, "but there is no doubt that it will also be felt in Europe."

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**About IPC** The International Food & Agricultural Trade Policy Council (IPC) promotes a more open and equitable global food system by pursuing pragmatic trade and development policies in food and agriculture to meet the world's growing needs. IPC convenes influential policymakers, agribusiness executives, farm leaders, and academics from developed and developing countries to clarify complex issues, build consensus, and advocate policies to decision-makers. More information on the organization and its membership can be found on our website: [www.agritrade.org](http://www.agritrade.org).