

## **Report of Workshop II on “Impact of the WTO Ruling on the EU-US Trade Dispute on GM Crops”**

(Organized by Gene Campaign on 26- 27 July, 2007, Delhi University, New Delhi)

The second workshop was organized in collaboration with the Food, Trade and Nutrition Coalition- Asia at Delhi University. The participants at this meeting were largely those working on food security and international trade issues.

### **Session 1**

Mr N Narendra of Pairvi described the basic WTO process , the Agreement on Agriculture and the current state of the Doha Round Negotiations, saying that failure on the Doha Round can be attributed disputes around agriculture trade. He questioned whether it is possible or desirable to construct an agricultural subsidy system in the North that protects small farmers in both the North and South? Narendra felt that there was a role for protective tariffs for agriculture in the global south but the North vehemently opposed this.

During the discussions, many participants felt that agriculture should not be included in tariff reduction discussions at the WTO, others questioned whether this was advisable or even possible?

Dr Smita Sharma of Hyderabad University discussed the U.S. Farm Bill and its impact on the Agriculture negotiations. The Farm Bill, she described , was initiated as “a temporary solution to deal with an emergency” in 1933, as part of the New Deal program to help rural America recover from the Great Depression. Although the farm supports have been reformulated over the years, the programs still reflect the legacy of that era.

The current Farm Bill was enacted in 2002. It immediately became controversial—especially among WTO trading partners who viewed it as a major expansion of unfair subsidies promoting farm exports. Although the United States has very few “export subsidies” as defined by the WTO, the reality is that the Farm Bill helps to maintain the massive surpluses that are exported. Twenty five percent of U.S. farm production is exported. Farm subsidies that encourage increased production are, effectively, export subsidies.

Competing agricultural exporters, like Brazil and South Africa, are unhappy with U.S. farm subsidies, which they view as unfair competition. Agricultural importers are unhappy as well, since U.S. farm exports lower prices for their farmers and undermine rural livelihoods in developing countries.

For this reason, the U.S. farm policy although designed as a domestic policy, effectively is a trade policy. And since trade, especially agricultural trade should

contribute to poverty-reduction and development; the U.S. farm policy is a development thwarting policy.

Dr Suman Sahai introduced the issue of the WTO dispute between the US, Canada and Argentina on the one hand and the EU on the other, explaining that the WTO dispute was launched by the US and its allies against the EU, for the latter's refusal to import GM products. She explained that the EU-US dispute on GMOs marked a special development in the relationship between the provisions of the Cartagena Protocol on Biosafety and the international trade rules as practiced currently by the WTO.

After outlining the content of the dispute and the ruling delivered by the WTO Dispute Settlement Body, Dr Sahai analyzed why the dispute ruling was fairly limited and pertained to specific questions between the two parties , and that except for a very limited interpretation of the SPS measure, developing countries were largely untouched by the WTO ruling .

During the discussion, participants discussed strategies for campaign and advocacy programs, to take the interpretation of the WTO ruling to policy makers and to other Civil Society Organizations. It was decided to write up a simple document explaining the main issues of the WTO dispute, the WTO ruling and their implications for developing countries. Gene Campaign would prepare this document.

## **Session II**

In a second presentation, Dr. Sahai described the political economy of 'Coexistence', which was aiming to create space for both GM and non- GM crops in the same agricultural system. She pointed out that coexistence of GM crops requires a stringent system of segregation, identity preservation and traceability, labelling on a production process basis throughout the food supply chain, provision for imposing liability on GM crop growers and setting tolerance thresholds for the adventitious presence of GM material in non- GM crops. This was not thought to be feasible under developing country conditions because the additional costs could not be borne by the large majority of farmers in India and other developing countries.

Dr. Sahai explained the practice of Identity Preservation, which is central to the concept of coexistence. Identity preservation (IP) is a process or system of maintaining the segregation and documenting the identity of a product, which calls for strict growing and handling practices, segregation, inspections, and cleaning of equipment to prevent contamination. The key to an IP system is traceability, with products needing to be traceable from the store shelf back to the farmers' fields and every stage in between. This would require meticulous record keeping, far beyond the capacity of our farming communities.

Dr. Sahai stressed that IP is almost unachievable in India and if implemented would impose intolerable financial burdens. She also showed with illustrations how contamination will be unavoidable in the context of the farming and supply system in India, which includes: many small farmers, no separation between different farmers' fields, no fallow; common threshing in villages, either by hand or using hired machines which visit many different farms; open displays of harvest for inspection and procurement by government agencies; inadequate storage capacity for grain; open sacks in grocery stores and markets etc. Considering that the operational costs of IP systems are prohibitively high, developing countries could incur unaffordable costs and might actually put the food supply into jeopardy, were IP systems to be implemented. It seems clear that coexistence cannot be implemented in India and the only practical way forward is to choose to go either the GM route or the organic or conventional.

### **Session III**

Mr Bejon Misra of the Delhi based consumer organization VOICE, spoke on India's policy on Labelling of GMOs.

Mr. Misra, explained the main motivations behind the movement for labelling of genetically modified products in India carried out by consumer groups like VOICE, which are primarily to protect the rights of the consumers, to ensure full information to the consumers in order to provide them informed choice, to never compromise on the health and safety of the consumers and to bring transparency within science.

Mr Misra said that labelling of GM Food in India is governed under the general labelling regulations: the Prevention of Food Adulteration (PFA) Act 1954 (as amended in 1964, 1976 and 1986) and Rules 1955 and the coming into force of the 10<sup>th</sup> March 2006 GSR N. 152 (E) notification. He emphasized that consumers must get access to transparent and accurate information on all GM products and that standards for GM products must be set under BIS (Bureau of Indian Standards).

He also dwelt on the need to put in place tracking systems to counter violations as per existing laws and for recalling contaminated food as well as strict penalties on failures and non-compliance. In his recommendations, Mr. Mishra said that an amendment to Prevention of Food Adulteration Rules 1955 was needed to accommodate labeling; periodical training of farmers was required for segregating fields growing GMOs; separate transportation and storage facilities for GM food was necessary and infrastructure for testing of GM food needed to be put in place. He further added that mandatory GMO labelling must be implemented.

During the discussions, the current context of labeling was discussed and the fact that after the Indo- US treaty, there was pressure on India to abandon its

earlier position on mandatory labelling. The US opposes labelling saying that GM products are substantially equivalent to non-GM products and therefore there is no need to label them. The US offers the argument that coexistence would add to process costs and make GM products more expensive for consumers; hence there is neither need for coexistence nor for labeling.

On the need for testing GM products on the market, it is necessary to know the identity of unique identifiers. Once the identifiers are known, testing product for GMOS is possible even for a laboratory with minimum facilities. It was agreed that labelling is a minimum requirement for consumer choice but: labelling alone is not enough. In order to be informative, a lot of ground work and awareness generation needs to be done before a GM label has any meaning for consumers.