



CONSEIL DES GRAINS DU CANADA

July 17, 2017

Comments submitted electronically to: U.S. Department of Agriculture Agricultural Marketing Service GMOlabeling@ams.usda.gov

Re: USDA Request for Input in Developing a Proposed Bioengineered Food Disclosure Rule

The Canada Grains Council (CGC) is a national umbrella organization representing Canadian grain, oilseed, pulse and special crop industries (hereafter grains). The CGC's mission is to lead, facilitate and support policy development and implementation on cross commodity issues and opportunities. CGC membership includes representatives from all segments of the value chain (producers, grain handlers/exporters, input suppliers, and processors) and all major Canadian commodity organizations.

CGC members support the use of biotechnology and plant-breeding innovation to help meet the global demand for safe and affordable food, and to deliver economic and social benefits along the value chain.

The overwhelming scientific consensus is that the foods derived from biotechnology are safe. A US National Academy of Sciences 2016 <u>report</u> concluded that the genetically-engineered (GE) crops on the market today are just as safe as their non-GE counterparts.

Given that the proposed bioengineered food disclosure rule is not intended to address food safety concerns, its design and implementation should minimize compliance costs wherever it is reasonable to do so. In particular, it is essential that any new requirements resulting from this rule are clear and achievable in the context of North America's integrated bulk grain handling system.

This will help ensure that consumers continue to have access to an abundant supply of affordable food and that potential negative impacts on the competitiveness of the North American agri-food sector are minimized. Clear, consistent and efficient regulations are at the core of these objectives.

Thank you for the opportunity to comment.

Comments on Questions 1, 2, 3 and 5: Need for Clear and Consistent Regulatory Requirements for Plant Breeding Innovation (PBI)

The National Bioengineered Food Disclosure Standard Law, enacted in 2016, specifies that the term "bioengineering" will apply to any food developed with the use of in vitro rDNA techniques. Currently, there is no clear rationale to include any other breeding technique within the scope of the proposed rule.

Other US regulatory agencies including the FDA and UDAS-APHIS have recently sought feedback from stakeholders about how, if and when the products of new breeding methods (e.g., genome editing) should be regulated. To our knowledge, these agencies are continuing to consider the feedback received and to weigh options for future regulatory directions for PBI. Canada and other countries are similarly considering how to clarify regulatory requirements in light of the advances in plant breeding methodologies of the last two decades.

An important aspect of these discussions relates to the use of product-based, rather than process-based regulation, e.g., whether it is possible to regulate new crop varieties in a tiered approach, based on the familiarity and potential risk of an introduced trait, rather than on the process used to introduce it. A strictly process-based approach presents a number of challenges. For example, some modern plant breeding techniques offer enormous flexibility and may be used to both to produce modifications that are commonly seen in "traditional" breeding as well as those that are less common or have not been achieved. Traceability is another challenge, given that some modern breeding techniques produce products that are virtually indistinguishable from conventional methods.

For these reasons, we suggest that, at this time, the scope of the rule be limited to food developed using in vitro rDNA techniques. The inclusion of other breeding techniques within the rule carries the potential to create unnecessary inconsistencies and confusion in the marketplace.

New plant breeding techniques offer enormous potential benefits for farmers, consumers and the rest of the agri-food sector, however the ability of the sector to adopt innovation hinges on a clear, predictable and consistent regulatory environment both in domestic and export markets.

We suggest there is value for US regulators to continue working bilaterally with Canada and in international forums to harmonize terminology and to develop global regulatory approaches for PBI that are risk-based, consistent and achievable.

Comments on Question 4: Products that are Essentially Free of DNA and Protein should not Require Disclosure

Refined oils have undergone processing that effectively removes DNA and protein, making oil derived from bioengineered crops virtually indistinguishable from oil derived from conventional crops. Other jurisdictions with mandatory regimes for GM food labelling (e.g., Australia) have chosen to exempt refined oil from labelling requirements on this basis.

Any consumer interest in having disclosure requirements for refined oil should be weighed against the potential to create confusion in the marketplace (i.e., the misperception that labelled and unlabelled

products will be different compositionally) and the increased costs that would be incurred along the value chain, ultimately including consumers, to achieve compliance with the rule.

Comments on Question 8: Labelling Requirements must be Achievable within a Bulk Handling System for Grain

Food manufacturers striving to comply with a new bioengineered food disclosure rule will, in many cases, be sourcing grain transported through a bulk handling system that cannot guarantee zero presence of bioengineered material.

The vast majority of grain is traded in bulk form, with shipments often comprised of 60,000 metric tonnes or more. Central to the affordable, efficient movement of grain is a "fungible" grain supply, meaning that all grain in the system is treated as interchangeable. This facilitates the delivery of grain from multiple points in an exporting country to multiple points in an importing country for a variety of end uses. Ultimately, this bulk handling system helps to keep the cost of grain, and the food derived from it, affordable.

Decades of experience with the issue of low level presence (LLP) of biotech plant material in the grain handling system can provide valuable lessons and insights when considering a labelling threshold for bioengineered food.

The grain industry has consistently recommended at least a 5 per cent threshold for LLP in order to avoid significant cost increases to the system. This threshold acknowledges that there is an amount of biotech plant material that can reasonably be expected to be present in non-biotech bulk grain shipments, consistent with current production practices and industry standards. Any labelling regime for bioengineered food should not result in the need for a more stringent standard than this in the bulk handling system.

Comments on Question 30: Imports of Bulk Grain into the US are Exempt from the Rule

The National Bioengineered Food Disclosure Standard Law applies to food which is "subject to the labelling requirements under the Food, Drug and Cosmetic Act (21 U.S.C. 301 et seq.)." Consequently, our understanding is that bulk grain imports into the US will be out of scope of the Law and the proposed rule. This is appropriate, and allows US food manufacturers the flexibility to enter into agreements with Canadian grain exporters that will best meet their needs.