



Canadians Contradict Government Assurances on GM

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Government assurances that export markets will not be affected by GM plantings in New Zealand are contradicted by a previously secret paper from a country that Government cites as proof of its claims.

A document on GM release intended to reassure Labour MPs paints a picture of no significant damage resulting to New Zealand's clean green brand and no impact on non-GM exports. It states "Canada and the US, despite having extensive GM plantings, continue to secure access for their non-GM products to GM sensitive markets such as the EU countries and Japan".

Yet the Canadian government is privately very concerned about the impact of GM production on export markets and damage to "Brand Canada". "Consumers are becoming more worried that they can't distinguish between GE and non-GE products," says a paper prepared in March by the Department of Agriculture and Agri-Food. "These concerns could precipitate a loss of confidence in the integrity of the Canadian food system, which could be very disruptive to the domestic system as well as Canada's ability to export to demanding markets."

The Canadian paper is marked secret but was recently declassified. It details in particular the problems Canada faces exporting non-GM canola. "The production of GE canola is currently adversely affecting the value of non-GE canola in some markets. The EU is effectively closed to all Canadian commodity canola" it states. Since 1998, Canada's annual sales of canola to Europe have dwindled to about \$1.9 million a year from \$230 million, the Canadian Department of Foreign Affairs and Trade calculates.

The canola experience has prompted other Canadian commodity/production sectors to block the introduction and cultivation of GM varieties. In 2000, GM flax was poised for commercial production. However, it was withdrawn from the market, after concerted pressure from the Canadian Flax Council. The council cited consumer resistance to GM foods in Europe, which accounts for 60% of all Canadian flax sales.

GM wheat, the newest GM variety proposed for market release, has been roundly rejected by Canadian growers. Their single desk seller, the Canadian Wheat Board, considers that GM wheat production would jeopardise the viability of non-GM wheat markets.

This experience is not unique to Canada. Non-GM growers in the US, the largest GM Food producing nation, have similarly suffered significant losses of export sales due to GM production. (See box below.)

These examples show that the growing of GM crops clearly damages the export of similar non-GM crops, contrary to Government's advice. As no systems for preventing GM crops from contaminating ordinary crops have yet been demonstrated, the lesson for New Zealand is to remain a GM Free Food Producer for at least the next five years.

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US Corn Market

The US lost almost its entire European Union corn export market in 1997, at a time when GM corn accounted for 10% of all corn production. US corn growers estimate this has cost them more than \$1 billion USD over a three-year period. (US Department of Agriculture (2001) "Fight for Corn Market Share in Europe Intensifies", International Agricultural Trade Report; National Corn Growers Association Letter to President Bush, January 2003)

Export markets in Asia have also suffered. The South Korean market, which was the second largest export market for U.S. corn in the late 90s, has been largely lost to China, which provides a non-GM corn source. (USDA Economic Research Service, Feed Yearbook 2003, p. 30).

The reputation of the US corn market was further harmed by the StarLink contamination incident of 2000, in which GM corn that had not been approved for human consumption entered the human food chain. The USDA notes that the zero tolerance for StarLink in Asian markets has disrupted corn shipments destined for these export markets. (USDA Feed Yearbook 2001, p. 46).

Note:

The Canadian Government paper was originally obtained by Ken Rubin, an Ottawa based researcher, under the Canadian Access to Information Act.