



American Bakers
Association
Biotechnology
Position Statement

September 2001



American Bakers Association

Serving the Baking Industry Since 1897

September 2001

Dear ABA Member:

As you are aware, biotechnology is a complex and diverse issue. The American Bakers Association (ABA), through the outstanding work of its Biotechnology Subcommittee and Food Technical Regulatory Affairs Committee (FTRAC), have constructed a biotechnology policy position paper that has been well thought out, carefully researched and has been approved by the ABA Board of Directors. This document places the baking industry in the most favorable and positive position possible as the future of biotechnology unfolds. ABA believes that this policy position is in the best interest of our consumers and of our industry. ABA is confident that you will find this policy position to be one that you and your company can embrace and adopt as your own.

Once again on behalf of the ABA membership, I personally congratulate the work of the ABA FTRAC and its Biotechnology Subcommittee for their tremendous efforts in developing our industry's position statement. I also want to recognize the terrific leadership of FTRAC Chairman Rella Dwyer, The Long Company and Biotech Subcommittee Chairman André Biane, Sara Lee Bakery Group.

Sincerely,

Paul C. Abenante
ABA President & CEO



ABA Biotechnology Position Statement

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ABA's Role in Food Biotechnology

Background

The basic premise of the American food market is the law of supply and demand. Any company is free to develop and sell a new product in the market to determine whether there is demand for it. Consumers who don't like the new product are free not to buy it. That is the essence of the free market system.

Within the structure of a free market, the food industry is highly regulated to ensure that it delivers a safe and wholesome food supply, and consumers are protected.

For centuries, farmers have been trying to improve the quality and quantity of their crops. Plant breeding techniques have brought spectacular improvements, and wheat itself is a man-made product from the painstaking cross-breeding of varieties of grasses.

Until a decade ago, cross breeding was restricted to co-mingling of the genes of the same species. The public accepted, and even welcomed, such activities, recognizing the clear benefits of an abundance of good-tasting and reasonably-priced food.

Initially, when bio-geneticists were able to leap species barriers and physically insert genes from one species into another, the first benefits came in the pharmaceutical industry that produced a wide array of new life-saving medicines.

When the new technology was applied to grains, food regulators tended to maintain their essentially market-driven philosophy. Their focus remained, according to their mandate, on the resulting products, rather than on the new genetic process itself. They did, however, become more wary, and they did start to look more carefully at the breeding process to be absolutely sure that the new products would offer no harm to the public.

In Europe, mad cow disease and foot and mouth disease have caused some consumers to lose faith in the supervision of their food supply, but the American public has had no reason to doubt their regulators. The American food supply is among the most wholesome and safe in the world because U.S. regulators have sufficient power to recall unsafe products from the market. The system works well. The regulatory framework is essentially composed of three federal agencies who share monitoring responsibility:

United States Department of Agriculture

The Animal and Plant Health Inspection Agency (APHIS) of the USDA is, among other things, charged with regulating bio-engineered plant products. Its overall responsibility is to ensure that proposed new varieties pose no risk to the environment. It regulates inter-state movement, importation and field testing of, among other plants, those "produced through genetic engineering." As part of its requirements, it requires information about the plant, all new genes, their origin, the purpose of the test and precautions to be taken to prevent the escape of pollen, plants or plant parts from the field site. The USDA has the authority to prevent the introduction and dissemination of plant pests under the Federal Plant Pest Act and Plant Quarantine Act.¹

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Food and Drug Administration

The FDA is responsible for ensuring, among other matters, that the food supply is safe for human consumption. If a product undergoes certain transformation that renders it no longer substantially equivalent to the original, the FDA requires that the product be labeled. FDA can take regulatory action against foods that are adulterated or improperly labeled.¹

Environmental Protection Agency

The EPA approves bio-engineered pesticides and bio-engineered plants with pesticide characteristics prior to activities related to commercialization in order to protect humans and the environment. EPA also establishes tolerances for pesticide residues on crops.¹

While the majority of American consumers continue to trust the judgment of their regulatory authorities, an activist minority is concerned and agitated about the new technology. Their concern is not so much about the safety of the products of biotechnology — though some are worried about that too — as about the process itself.

At root, their concern is about the unknown consequences of tinkering with the gene patterns that have been created by nature. They worry that the new products may be bad for their long-term health, and they want the personal option of deciding whether to eat them or not. They worry that if the genetic experiment turns out badly, there will be no way back to the pristine state of nature. Such concerns may seem irrational, but a significant number of the baking industry's retail and food service customers and consumers hold them.

The issue facing the baking industry today is whether or not to use biotech wheat and other baking ingredients in the future to produce what most Americans consider to be the staff of life, their daily bread.

Until recently, bakers could reasonably have assumed that they would have the option, when the time comes, of buying biotech wheat or non-biotech wheat, according to their perception of customers' wishes and the dictates of the market. Recent events have indicated that assumption may not be correct, though rapid action by the industry might succeed in preserving a choice.

The Starlink incident has demonstrated only too clearly what could happen to bio-tech wheat if it is introduced into the current grain handling system. Currently, grain is moved as a commodity in the United States. It is physically impossible to segregate streams of grain without some co-mingling taking place. Minor amounts of co-mingling would normally be of little concern, but if tolerance for a biotech wheat is set at zero or close to zero, bakers may not have the option of buying non-biotech wheat, at least not at a level that is acceptable to its customers who want non-biotech products.

ABA also supports organic wheat production as a choice for its consumers, but the organic wheat industry is subject to the risk of co-mingling. Mills only certify that organic flour contains less than 5% non-organic wheat — not zero — and in any case, organic products are based on an honor and documentation system, not of scientific testing.

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This dilemma of how to handle biotech wheat is an American baking industry issue. In other countries, regulatory authorities have more power, and more inclination, to interfere with the workings of the free market. The Canadian Grain Commission and the Australian Wheat Board can refuse to authorize or buy and handle a particular grain. The Japanese Food Agency can refuse to import bio-engineered wheat. The European Union can roll out a host of regulatory inhibitors ranging from the precautionary principle, to compulsory labeling, to quotas, to impede the marketing of any product.

Such strong regulatory authority is not available within the American free market system; therefore, the American baking industry will have to face this issue on its own.

The following is the industry's proposed plan of action to influence or direct the future development and release of biotech crops and ingredients.

¹These agency descriptions are from: Richard L, Barnes: "Why the American Soybean Association supports transgenic soybeans." Pest Management Science 1526-498X/2000, P. 581

ABA's Biotechnology Mission Statement

Premise

Foods derived from biotechnology are of major interest to the wholesale baking industry. Biotechnology is becoming an important part of the overall effort to produce an abundant supply of better tasting and more nutritious foods. At the same time the wholesale baking industry is driven by the demands of each baker's consumer and customer base. The market place requires wholesale bakers to provide choices for their individual constituencies. Therefore, the ABA believes it is important that analytical methods are developed and validated for new ingredients derived from biotechnology. Testing permits individuals throughout the food chain to have continued confidence in the identity and safety of food products. ABA believes that the release of any biotech wheat variety should be done in a way that does not allow co-mingling with the entire wheat marketing channel system and that the public choice to consume non-biotech wheat is preserved. The ABA solidly supports the FDA's current biotechnology policy and believes it is well grounded in sound science with a proven record of success in its application for over eight years.

ABA's Food Biotechnology Mission

- Support the scientific approach to food safety and regulations through the USDA, FDA and EPA to assure that consumer choice is maintained.
- Facilitate the education process with all ABA stakeholders, including all sectors of the grain and processed cereal food industries.
- Understand consumer's perception and knowledge of biotechnology.
- Provide consumers with reliable fact based sources of knowledge about agriculture and food biotechnology.
- Influence technology developers as they apply biotechnology to wheat and other baking ingredients.

ABA's Biotechnology Position Statement

Technology

As a general policy, ABA endorses new technologies that enhance society. ABA realizes that biotechnology as a science offers great potential in improving crops for more environmentally friendly production, more efficient processing, greater food availability, and enhanced nutrition and health benefits. ABA also realizes that, as with the introduction of all revolutionary technologies, clear strategies need to be implemented to allow the affected industries and societies to adapt to the changes associated with these science based technologies. Developing and producing future biotech crops and ingredients will require a clearer strategy than has been followed to date to avoid further market disruptions, such as were created by the uncoordinated release of Starlink corn.

ABA believes that beginning now any new biotech wheat crop and ingredients must be developed and/or released using the following technology and marketing strategies:

The future development of biotech ingredients should be based around consumer beneficial traits of importance to the baking industry including: reducing or eliminating wheat allergenicity; adding vitamins, amino acids, fortifiers, nutritional components, reduction of calories and extending shelf-life. However, ABA feels that crop production and process improvement traits should continue to be developed and released under the following guidelines:

- All biotech crops and ingredients must be accompanied by an efficient, inexpensive trait identification system with the accuracy of detection to meet USDA/FDA/EPA and foreign customers labeling or purity requirements. These trait identification systems should include both protein and DNA detection methods. The systems should be applicable to each sector of the grain trade with minimal disruption or added cost of detection. Currently the grain trade and the cereal food industry are bearing the cost of detection and segregating corn products with unapproved traits for human consumption. Also, the current trait identification systems are either too slow, too complicated, or too expensive for routine and regular use in the grain trade.
- All future biotech crop and ingredient applications to be released must be accomplished in cooperation with all sectors of the grain and cereal food processing industry. ABA believes that they must be included in the verification of the value-added traits. Claims on process improvements and the effects of biotech crops and ingredients on baked product texture, flavor and consumer acceptance must also be tested and evaluated in agreement with the ABA. Nutritional and health beneficial traits should be proven with third party clinical data. ABA does not want a proliferation of biotech crops and ingredients introduced into the market with competing or marginal traits that will require special monitoring, segregation and/or labeling systems.

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Marketing and Trade

ABA is seriously committed to the principle that our customers' needs and preferences are the highest priority. We strongly support the ability of our customers to make purchases on the basis of specific traits and to accept or reject biotech products. ABA will work with all sectors of the grain and cereal foods processing industry to develop and assure that a viable segregation and testing program is instituted prior to commercialization of biotech products. We strongly advise technology providers to obtain international regulatory approval and to ensure customer acceptance prior to commercialization. Future biotech wheat varieties should only be released if they can be segregated in the normal market channels. Using the current GIPSA/FGIS wheat classification and marketing systems will not prevent cross contamination of biotech wheat. These wheat varieties should also have process traits typical for that class of wheat. ABA strongly believes that the cost of any release of a biotech crop or ingredient, requiring testing and segregation in the general commodity trade, should be the financial responsibility of the technology developer.

ABA believes that there should be no approval of new biotech varieties, unless it is approved for human consumption to avoid creating a situation similar to that of Starlink corn. ABA strongly encourages USDA, FDA and EPA to closely coordinate their efforts to assure that cross-contamination of the type that has recently happened will not occur again and that all future releases be marketed in a way to preserve the choice for the public to consumer non-biotech wheat.

ABA has always supported a profitable wheat production, processing, and export market. ABA is concerned that future releases of biotech crops and ingredients used in baking, and specifically the release of biotech wheat in the next several years, are done in concert with the entire grain industry following the above strategies. Not following the above strategies will severely impact the domestic and export markets for raw wheat and processed wheat products.

Therefore, ABA will only endorse the initiation or release of any biotech wheat variety that follow these strategies.

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Knowledge Building and Consumer Information

- **Understanding Consumer Opinions and Perception:**
The ABA will monitor consumer opinions and perceptions of baked goods derived from biotechnology. We will achieve this by funding scientific (jointly or self) studies, consumer surveys and monitoring published reports released by technology developers, consumer advocates, state and federal regulatory agencies, universities, and not for profit institutions. Information from these sources will be made available to the ABA membership through internal and external press releases, posting on the web site, and conference presentations.

- **Understanding Technology Developments:**
The ABA will participate in industry and company specific advisory committees and presentations for the purpose of:
 - Learning about current and future applications of biotechnology and
 - Where necessary providing influence to the technology developers to assure that the applications have beneficial consumer and processing attributes.Information obtained from these sessions will be shared with the ABA membership at large.

- **Understanding the Consumer & Environmental Advocate:**
The ABA will participate in conferences and encourage specific presentations by credible consumer and environmental advocates to develop a greater appreciation of their concerns and, in turn, educate the ABA membership with their issues and concerns.

- **Understanding Product Implications:**
ABA will sponsor both scientific and consumer research to determine the possible effects of biotech ingredients in bakery products. These results will be made available to the ABA membership. The biotech subcommittee will ask the technology developers to work with the American Institute of Baking to understand the implications of future biotech ingredients on the baking process; issues of labeling; traceability and product quality attributes. The findings and conclusions of these studies will be released for publication and used in consumer education and survey materials.

- **Educating stakeholders:**
ABA expects technology developers to fund and support scientists and independent third party experts/ organizations to initiate the educational process regarding consumer benefits, consumer understanding of agriculture and food biotechnology, quantifying and publishing environmental impact studies, and continuing to build public confidence with the regulatory process as it relates to food and public safety. ABA will make available studies, findings, communications that come from third parties, FDA, CBI, GMA, et al, as indicated in Attachment I.

ATTACHMENT 1

Biotechnology Information Websites

AgBioForum
<http://agbioforum.org/>

AgBiotechNet
www.agbiotechnet.com

AgBioWorld
www.agbioworld.org

The Alliance For Better Foods
www.betterfoods.org/index.htm

Alliance For Bio-Integrity
www.bio-integrity.org/

American Crop Protection
Association (ACPA)
www.acpa.org

American Dietetic Association
(ADA)
www.eatright.org/abiotechnology.html

American Seed Trade Association
(ASTA)
www.amseed.com

Bio Online
www.bio.com

BIOTECanada
www.biotech.ca

Biotechnology Industry Organization (BIO)
www.bio.org/food&ag/foodwelcome.html

Biotechnology Knowledge Center
www.biotechknowledge.com

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Biotechnology Research & Education Initiative
www.ca.uky.edu/brei/

Canadian Food Inspection Agency
www.cfia-acia.agr.ca

Canadian Wheat Board
www.cwb.ca

Center for Science in the Public Interest
http://cspinet.org/new/labeling_gefoods.html

Center for Food Safety and Applied Nutrition
<http://vm.cfsan.fda.gov/~lrd/biotechm.html>

Center for International Development at Harvard University/Biotechnology and Globalization
www.cid.harvard.edu/cidbiotech/index.html

Colorado State University- Transgenic Crops: An Introduction and Resource Guide
www.colostate.edu/programs/lifesciences/TransgenicCrops/

Consortium to Address Social, Economic, and Ethical Aspects of Biotechnology
www.biotech.iastate.edu/publications/IFAFS/default.html

Council for Agricultural Science and Technology (CAST)
www.cast-science.org

Council for Biotechnology Information
www.whybiotech.com/

Crop Protection Institute of Canada
www.cropro.org

C.S. Prakash, Director, Center for Plant Biotechnology at
Tuskegee University
www.agbioworld.com

Environment Canada
www.ec.gc.ca

U.S. Environmental Protection Agency (EPA)
www.epa.gov

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Florida Education Initiative on Agricultural Biotechnology, The University of Florida
www.geocities.com/ufbiotech/

Food Biotechnology Communications Network (Canada)
www.forbiotech.org

Food Marketing Institute (FMI)
www.fmi.org/media/bg/biotech.html

Greenpeace True Food Campaign
www.truefoodnow.org

The Great Plains Plant
Biotechnology Consortium
www.oznet.ksu.edu/dp_path/GPCBC

Health Canada
www.hc-sc.gc.ca/english

Hudson Institute: The Center for Global Food Issues
www.cgfi.com

Information Systems for Biotechnology (ISB)
www.nbiap.vt.edu

Institute of Food Technologist
www.ift.org/resource/policy/biotechreport.shtml

International Food Information Council (IFIC)
<http://ificinfor.health.org>

International Food Policy
Research Institute
www.cgiar.org/ifpri

KSU Plant Biotechnology
www.oznet.ksu.edu/pr_biotech

National Academy of Sciences
www.nas.edu/subjectindex/agr.html

National Agricultural Biotechnology Center
www.cals.cornell.edu/extension/nabc

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Northern Light
<http://special.northernlight.com/gmfoods>

Public Perception Issues in Biotechnology
<http://fbox.vt.edu:10021/cals/cses/chagedor/index.html>

Sierra Club
www.sierraclub.org/biotech/

United Nations Food and Agriculture Organization (FAO)
www.fao.org

USDA-ARS Center for Bioinformatics and Comparative Genomics, Cornell University
<http://ars-genome.cornell.edu>

U.S. Department of Agriculture Biotechnology
www.aphis.usda.gov/biotechnology/

U.S. Department of Agriculture
(USDA) National Agricultural Library
www.nal.usda.gov/bic

U.S. Department of Agriculture Regulatory Oversight in Biotechnology
www.aphis.usda.gov/biotech/OECD/usregs.htm

U.S. Department of State Key Contacts and Internet Sites About Biotechnology
<http://usinfo.state.gov/topical/global/biotech/>

U.S. Food and Drug
Administration (FDA) Center for Food Safety and Applied Nutrition
vm.cfsc.fda.gov/-ird/biotechm.html

University of California
<http://ucbiotech.org>

University of California at Davis
ccr.ucdavis.edu/biot/index.html

University of California at
Berkeley
plantbio.berkeley.edu/outreach/OUTREACH.HTM

University of Nebraska
<http://www.agbiosafety.unl.edu>