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The Costs and Impacts of Mandatory Biotech Labeling Laws  
Committee on Agriculture  
U.S. House of Representatives

March 24, 2015

Chairman Conaway, Ranking Member Peterson, and members of the Committee, thank you for holding today's hearing on the costs and impacts of mandatory biotechnology labeling laws. I appreciate the opportunity to testify on this important issue. I am Chris Policinski, President and CEO of Land O' Lakes, Inc. I also serve as Chairman of the National Council of Farmer Cooperatives, am on the Board of the Grocery Manufacturers Association, and have over 30 years of experience in the food and agriculture industry.

### **Background on Land O'Lakes, Inc**

Land O' Lakes, Inc., based in Arden Hills, Minnesota, is a farmer cooperative, meaning it is owned, governed and controlled by farmers and local agricultural cooperatives. Land O'Lakes, Inc. touches more than 300,000 farmers across the country.

While Land O' Lakes is best known for our dairy business, we are also comprised of two other important business units: Winfield, one of the country's leading distributors of agricultural seed and crop protection products; and Purina Animal Nutrition LLC, which provides a valued portfolio of complete feeds, supplements and ingredients for animals and livestock.

Our company touches nearly every aspect of the food supply chain – from farmers, to seeds, to production, to handling, to food processing and distribution, to consumer foods sales and marketing. Within those sectors, we also represent a cross-section of preferences and products. For example, we sell biotech, conventional and organic products. This broad and diverse business model makes Land O'Lakes -well positioned to understand the benefits of biotechnology, and the impact of measures designed to mandate the labeling of GMO products.

### **Benefits of Biotechnology**

Biotech crops have been around for two decades, and provide extraordinary benefits to farmers and consumers. Higher crop yields per acre; less tilling of land; decreased use of natural resources such as water and land; reduced use of insecticide, better soil quality, and lower consumer prices are just some of the benefits GM crops provide.

As the head of a broad agricultural and food company and speaking on behalf of our farmer-owners, providing consumers with safe, nutritious, affordable food is our number one priority each and every day. That is why we have embraced biotechnology.

Our farmers and cooperatives don't just use biotechnology, they have adopted this technology very quickly. That's because the benefits that biotechnology provides across the board—for producers, the environment and to consumers—are substantial and have been well-established over decades.

Our farmers have also adopted this technology because they have confidence in the safety of biotechnology. Time and again, biotechnology and genetically modified ingredients have been proven safe by organizations such as the American Association for the Advancement of Science, the World Health Organization, the U.S. Food & Drug Administration, the American Medical Association, and more. Today, 70-80% of the foods we eat in the United States contain ingredients that have been genetically modified.

### **Options in the Market for Consumers**

We know that customers want accurate and consistent information about the food they are buying because we talk with them constantly. We also know that different customers prioritize information differently. Our cooperative's branded lines voluntarily offer many products to meet specific consumer preferences, such as organic, cage-free and low fat. The U.S. Department of Agriculture's Certified Organic program is a prime example of an effective system that informs consumers and certifies products which are available in most grocery stores across the US.

Consumers should, and do, have choices in the marketplace. Some choose to pay a premium for food that is produced by certain methods, such as organic, or that does not contain certain ingredients, such as those that are gluten-free. Others prioritize affordability, accessibility, convenience or taste. Voluntary labeling currently presents all of these choices in the marketplace, and that is the model that should exist for GMO labeling as well.

### **Mandatory, Varying Standards Creates Chaos**

Instead, some are pushing for a different approach. They are working in states to pass laws that would mandate the labeling of GMO foods.

Mandating GMO labeling runs contrary to the essential purpose of government-mandated labeling -- which is to provide consumers with accurate and relevant information regarding the safety of the food they eat.

Every major health and regulatory organization has found that GMOs are as safe as any other food and as such do not require any special labeling. This is what our own FDA has concluded and is further supported by a 2011 summary report from the European Commission covering a decade of publicly funded research, 130 research projects and 500 research groups, which concluded there is no scientific evidence of higher risks from GE crops.

Mandated GMO labeling is an effort to stigmatize a form of technology and attempt to drive it out of the marketplace. You don't have to take my word for it, two months ago, the Organic Consumers Association published an article admitting that the push to enact statewide GMO labeling laws is part of a larger effort to "drive GMOs... off the market."

In addition to stigmatizing biotechnology, a state-by-state patchwork of mandated food labeling laws would be a logistical nightmare, creating dozens of different standards, different definitions, and different exemptions.

Some say this approach is about a "consumer right to know," but knowledge depends on consistent, accurate information, and their approach fails this basic test. Under their patchwork approach, a product may require a GMO label in one state but not another.

Even within states an attempt to mandate GMO labeling will create confusion. For example, in the State of Vermont, which has enacted a mandatory GMO labeling law, a can of vegetable soup might be labeled as GMO, but a can of vegetable beef soup with roughly the same ingredients will not because meat is exempt from the GMO label. This approach doesn't inform consumers; it creates confusion.

Inequitable attempts to mandate GMO labeling have been defeated in a number of states. However, some groups continue to ignore the science and push a state-based agenda that could put our nation's efficient food supply system at risk. This year alone, there is some form of GMO labeling legislation pending in over half of our state legislatures. Vermont's GMO labeling mandate is scheduled to take effect next year.

While it's a small state in terms of population, Vermont's law will have a significant impact in the region and the nation. This law alone would require dozens if not hundreds of manufacturing, transportation and logistics changes not to mention thousands of labeling changes. A single food company may be forced to change its sourcing, its storage, its manufacturing, its labeling and its transportation. The companies least capable of making these adjustments are going to be the small, independent businesses that many customers want to support.

### **A National, Voluntary Non GMO Label is the Solution**

Fortunately, Congress has the authority and the responsibility to protect the free flow of goods across state lines. Uniformity in our nation's food labeling ensures consumers have consistent, accurate information on dairy, poultry, meat and other foods. As a result, Americans can go into a grocery store anywhere in the country and be confident that their food is subject to the same standards, certifications and labels.

Under federal preemption, Congress can create a voluntary, uniform national solution to the labeling of food products derived from ingredients using biotechnology. This approach supports efforts already underway in the marketplace, such as the USDA certified organic program. More importantly, it appropriately places trust in the intelligence of consumers to make choices best suited to their preferences.

The value to this approach is that it not only respects a consumer's right to choose, but also farmers' right to choose to use a safe, proven technology. As the members of this committee know, our nation's farmers are tasked with an awesome responsibility. Not only do they provide sustenance to our nation but to countries all over the world. At the same time, they face extraordinary challenges such as fluctuating commodity prices, uncertain weather patterns, and global competition.

Given the importance of agriculture, our government has been and is focused on ways to help farmers. I know this Committee agrees with that sentiment, and is committed to doing just that. But a patchwork approach of state labeling mandates will make a farmer's job more difficult, with problems that will extend to every part of our nation's food production and distribution system.

For farmers, a GMO labeling mandate will stigmatize GMO products driving down demand for GMO crops. As a result, our farmers will have fewer choices of what to plant, will see higher costs due to crop segregation, lower yields, a decline in productivity, and an increased environmental footprint.

For suppliers, mandates mean building new supply chains – one for GM crops and a separate for non-GM crops. New supply chains mean new warehouse and storage space.

For manufacturers, mandates will require separate production runs for individual states. New labels will need to be designed to comply with each state's unique laws. Production runs will then be interrupted for labels to be changed, creating idle equipment and idle workers.

For distributors, mandates will require new delivery routes. These new routes won't be based on efficiency as they are now, but will be based on borders.

And for consumers, each of these impacts imposes new costs. In October 2013, the Washington State Academy of Sciences published a report on the cost of mandatory labeling. This unbiased, scientific analysis concluded that mandatory labeling is likely to affect trade and will impose higher costs on production. Ultimately, this cost will be passed onto consumers of GM and non-GM products alike. Further, a recent study by Cornell University found that state-based GMO labeling mandates could increase a family's annual grocery costs by up to \$500.

Ensuring that farmers have a freedom of choice is not about convenience, it's about necessity. The world's population is estimated to grow from 7.2 billion to 9.6 billion by 2050. We will need to feed more people in the next 40 years than the last 10,000 years, combined. Already, we are falling short with one in eight people on earth not getting enough to eat.

If farmers are expected to meet the growing demand, then they must be able to utilize every tool available to them, especially biotechnology. This technology will allow us to grow more food using less land and fewer natural resources.

Stigmatizing safe, proven biotechnology through patchwork state labeling mandates or even mandatory federal labeling jeopardizes innovation and threatens future development and use of technology in agriculture. That's dangerous for everyone.

In conclusion, I strongly urge Congress to enact a common-sense law that will provide farmers and consumers with the clarity and certainty needed for meaningful, voluntary food labeling.

Last year, our company supported the Safe and Accurate Food Labeling Act, and we understand that similar legislation will be introduced soon. Updates to the bill from last year may include the creation of a voluntary, non-GMO certification program run by the U.S. Department of Agriculture. We would support such a provision which would ensure that consumers get accurate information while preserving the choices available to shoppers and farmers.

Thank you again for the opportunity to testify before this committee. I look forward to working with each of you this year to pass a common-sense solution that meets the demands and expectations of the American people.

I am pleased to answer any questions.