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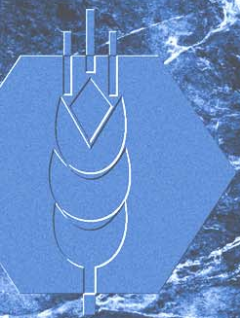
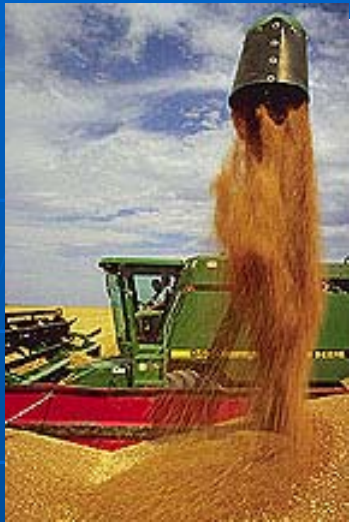
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**U.S Department of Agriculture**  
**Agricultural Outlook Forum 2004**  
**February 19 & 20, 2004**

**WHAT IS THE BIOSAFETY PROTOCOL AND HOW CAN IT AFFECT  
TRADE?**

Gary C. Martin  
President  
North American Export  
Grain Association



# **What Is the Biosafety Protocol and How Can It Affect Trade?**

**Gary C. Martin  
President,  
North American Export  
Grain Association**

# Outline

1. What is the Protocol?
2. From a grain trade perspective
  - Ratification status
  - Protocol milestones
  - Bilateral agreements
  - Critical issues
    - Documentation
    - Liability

# Cartagena Protocol on Biosafety

Adopted by the Conference of the Parties to the United Nations Convention on Biological Diversity in Montreal on January 29, 2000.

- 105 countries have signed
- 82 have ratified, including Mexico
- Protocol came into effect on September 11, 2003 (90 days after ratification by the 50th country)
- Brazil only major exporter – Canada ???  
Others not expected to ratify soon

# Biosafety Protocol Objective

“to contribute to .....

the safe transfer, handling and use of  
living modified organisms (LMOs)  
resulting from modern biotechnology  
that may have adverse effects on the  
conservation and sustainable use of  
biological diversity

taking also into account risks to human  
health and specifically focusing on  
transboundary movements”

# Issue

The Biosafety Protocol may have a significant *potential* impact on international trade in grains, oilseeds, pulses and special crops

# World Bulk Grain Systems Summary

- i. Most transboundary movement of grain used for food, feed or for processing is shipped by bulk
- ii. Characterized by high volumes, low cost
- iii. Impossible to keep varieties totally separate in bulk handling system
- iv. Commingling may occur in each link of chain
- v. Adventitious quantities of LMOs may occur in all transboundary shipments of all commodities shipped from countries having LMOs in commercial production

# First Sentence Requirements

## Article 18.2(a)

All transboundary shipments of LMOs intended or for processing must have documentation that:

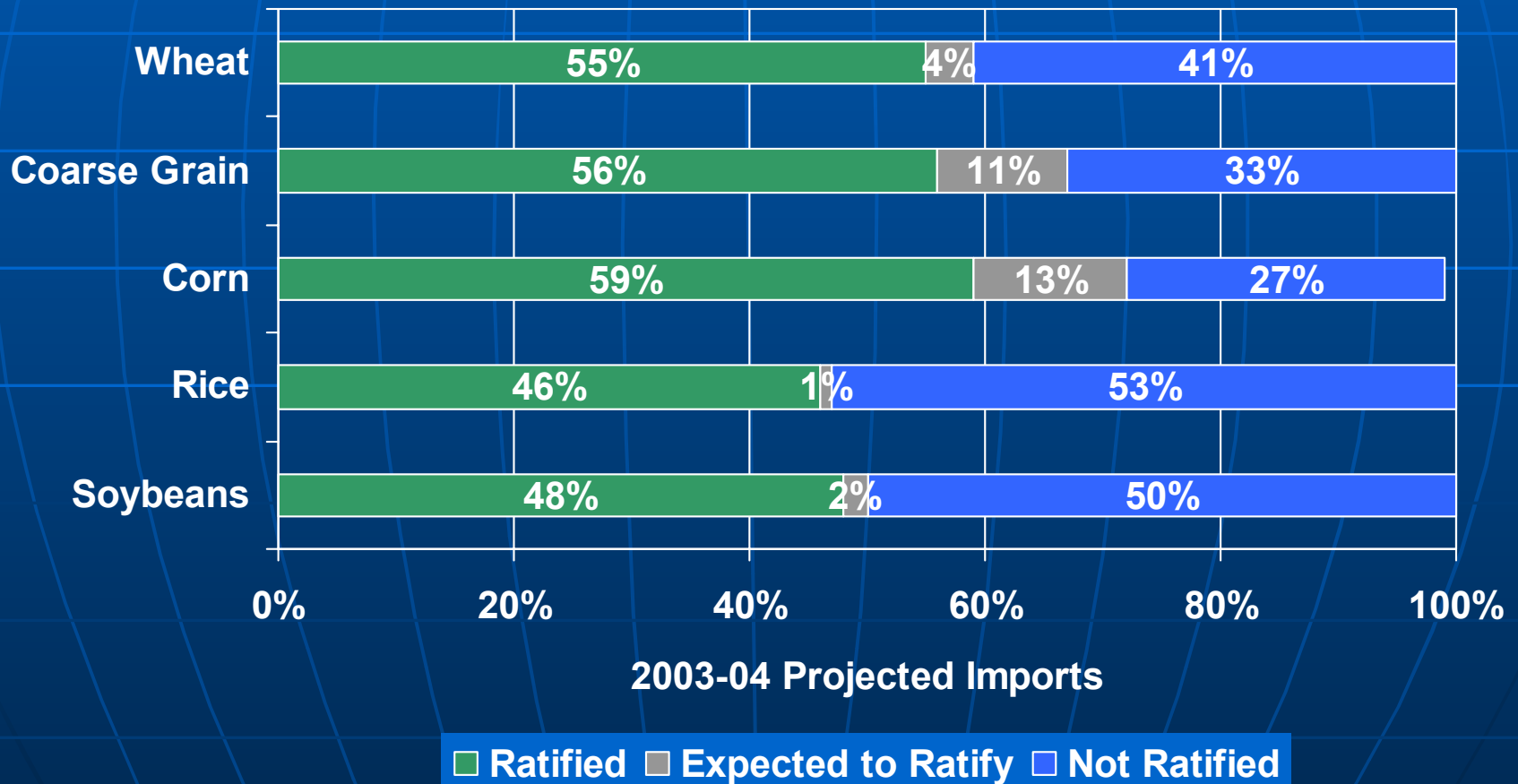
- i. Clearly identifies the shipment "may contain" LMOs
- ii. Indicates the LMOs present in the shipment are not intended for intentional introduction into the environment
- iii. Provides a contact point for further information

# Milestones

<b>January 29, 2000</b>	<b>Protocol adopted by the Parties to the Convention on Biological Diversity</b>
<b>2000 to 2003</b>	<b>ICCP preparations for first meeting of the Parties</b>
<b>June 25-26, 2001</b>	<b>Biotechnology grain trade strategy session</b>
<b>Sept. 11, 2003</b>	<b>Protocol entered into force</b>
<b>October 2003</b>	<b>Canada-US-Mexico trilateral agreement signed</b>
<b>Feb. 23-27, 2004</b>	<b>First meeting of the Parties to the Protocol</b>

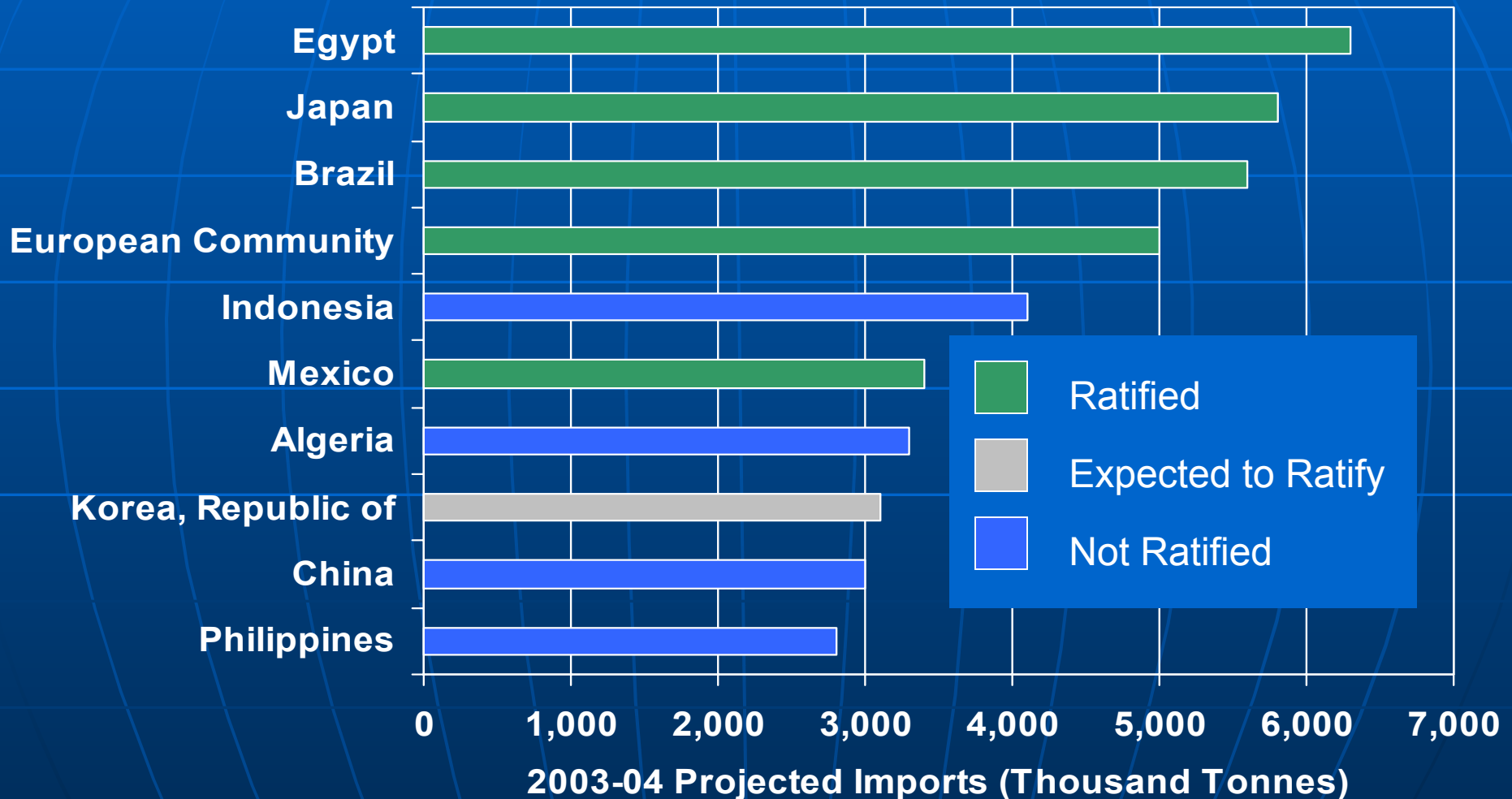
# Current Status

As of January 21, 2004, 82 Parties (including the European Community) had ratified the Cartagena Protocol on Biosafety



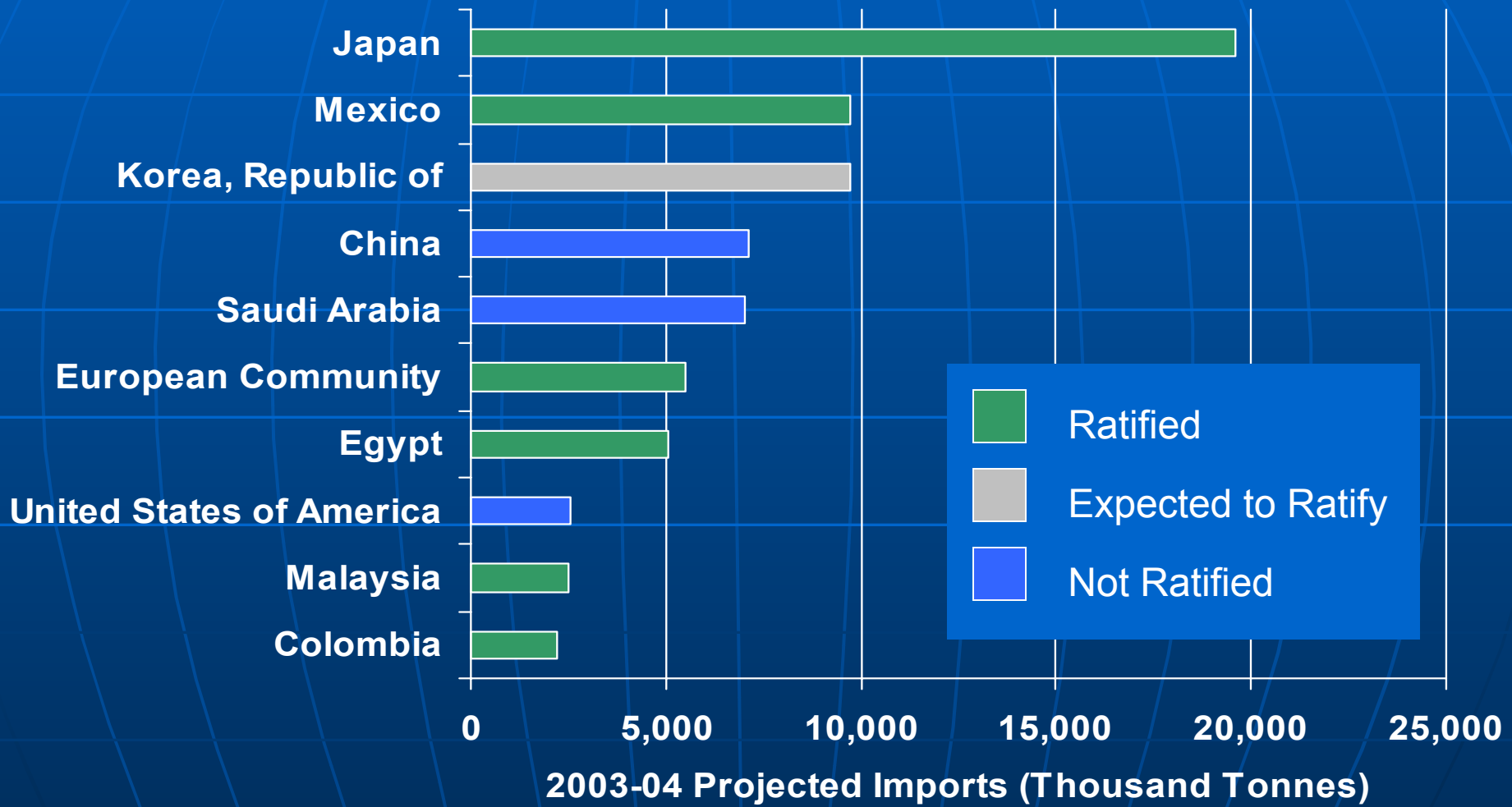
Source: USDA

# Major Wheat Importers



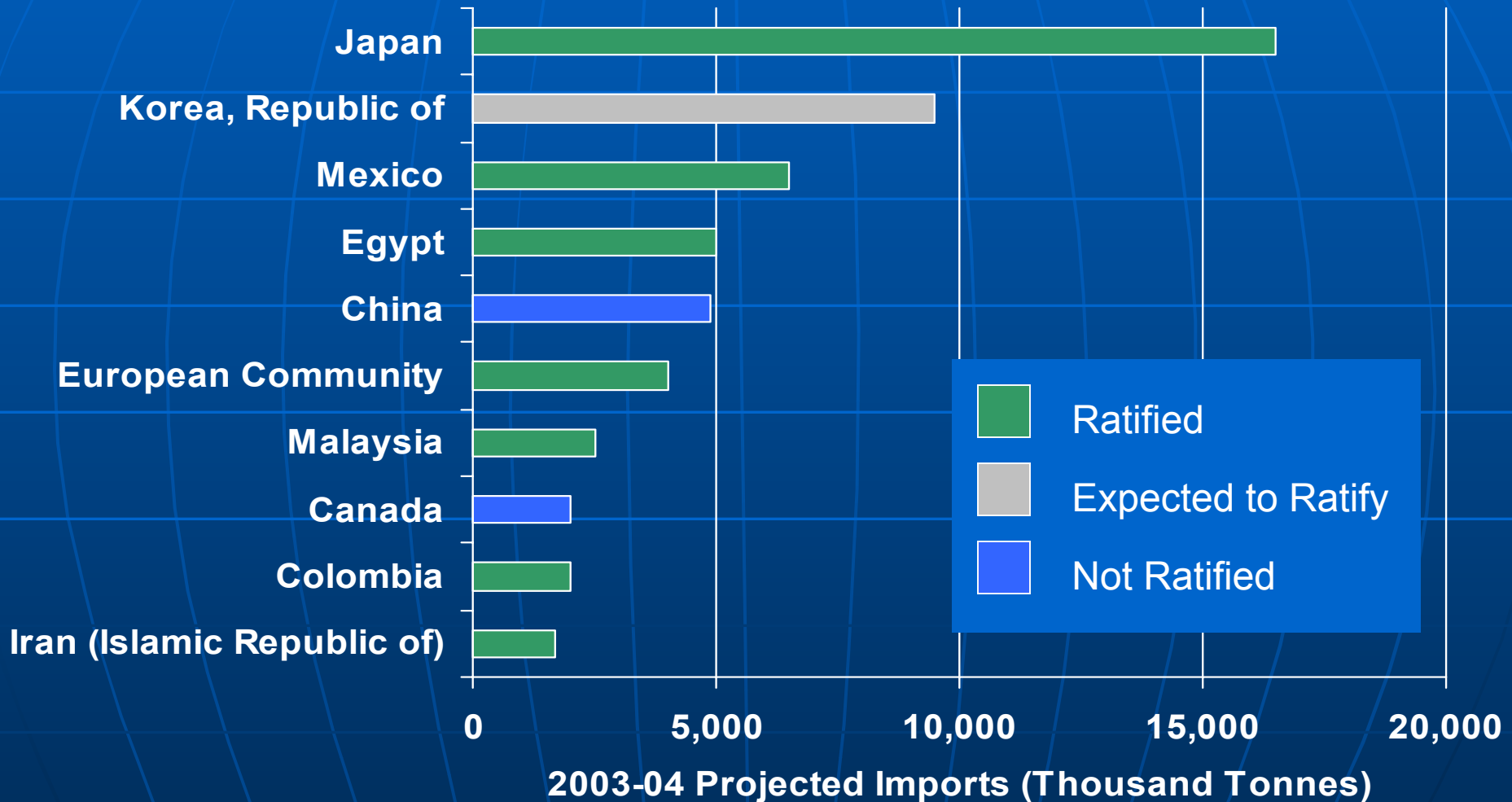
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# Major Coarse Grain Importers



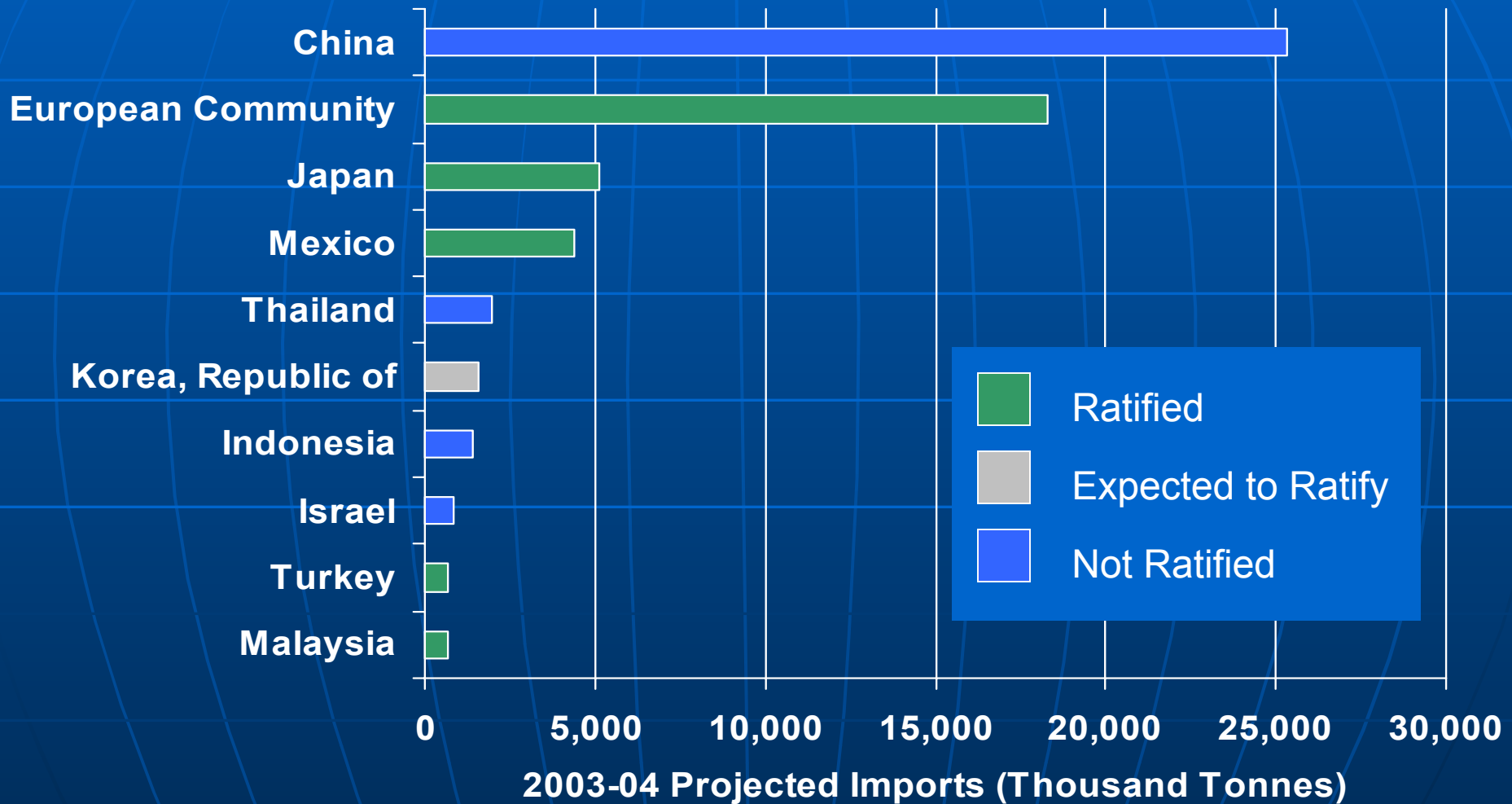
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# Major Corn Importers

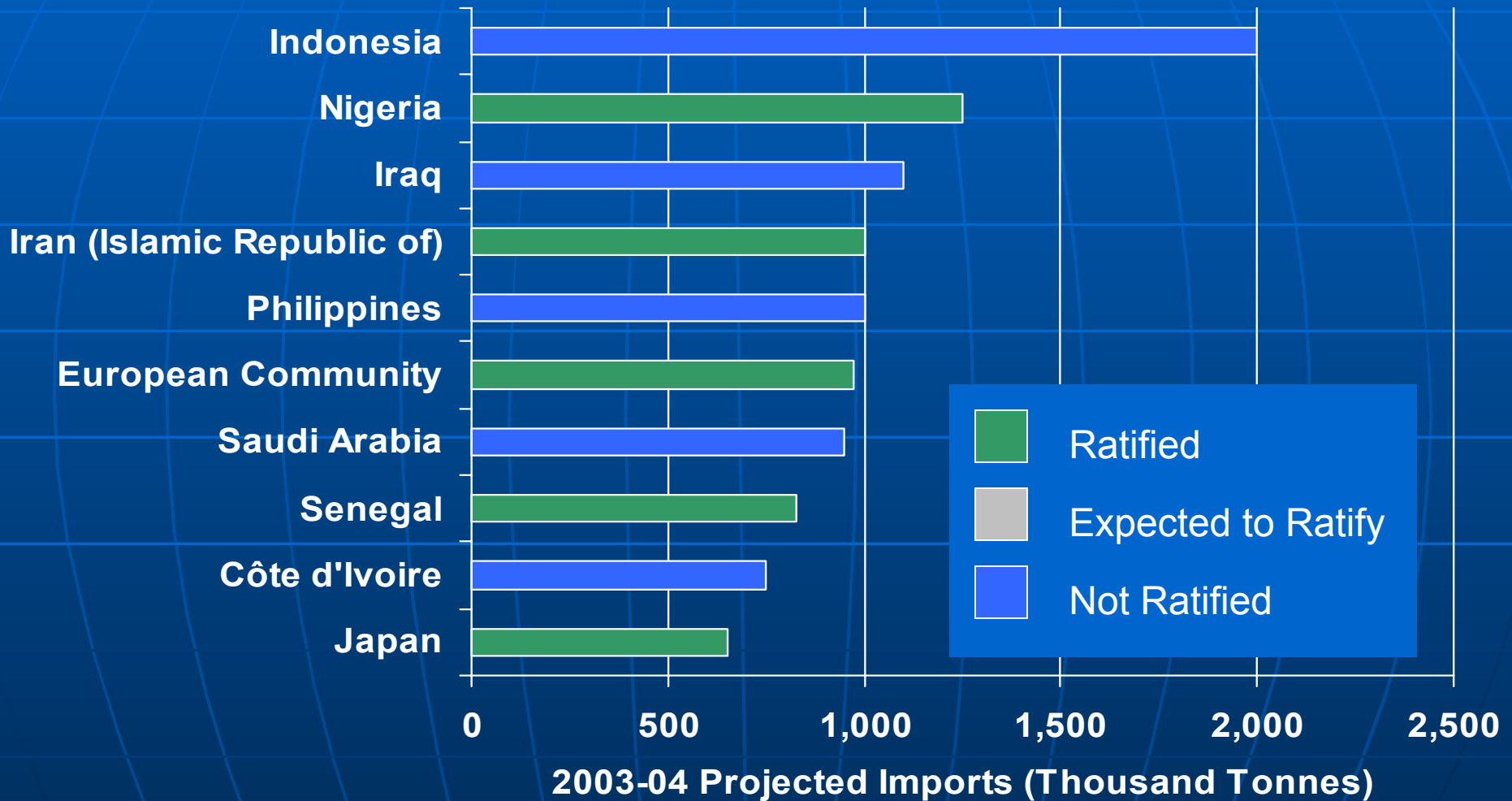


Source: USDA

# Major Soybeans Importers



# Major Rice Importers



Source: USDA

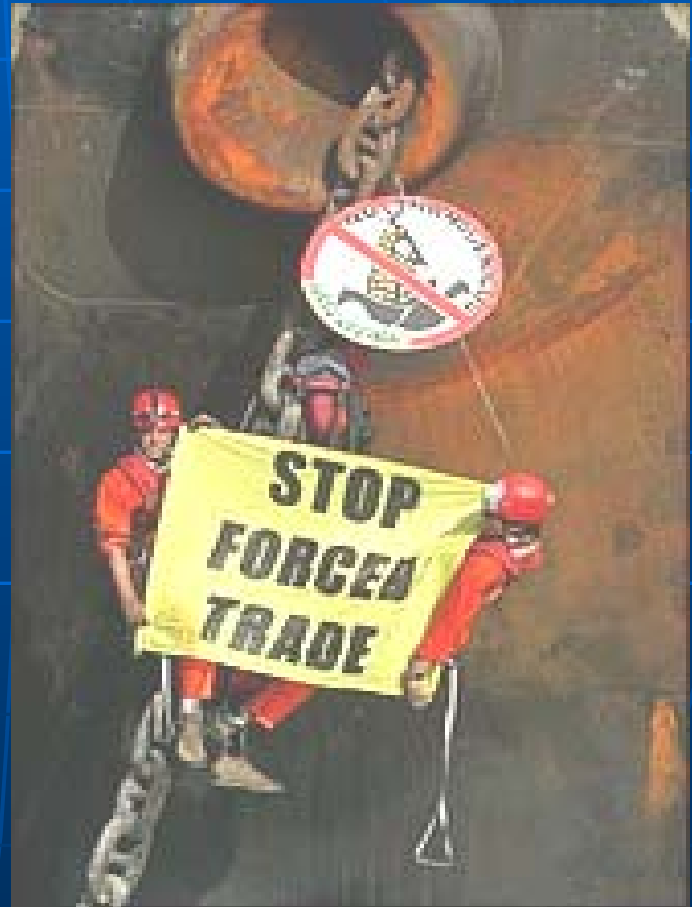
# **“Greenpeace Turns Back U.S. Forced Trade from Mexico”**

**September 13, 2003**

**Veracruz, Mexico**

**“The first attempt to undermine the Biosafety Protocol ... appeared to have failed today as the Captain of a ship carrying GE contaminated US maize bound for the Mexican port of Veracruz, turned back to the US after a 13 hour Greenpeace protest.”**

**Greenpeace news releases**



# Documentation Trigger

- “May contain” will be used for all FFP’s where an LMO of that commodity species is authorized or sold from a country export except:
  - Shipments for which the exporting country does not have in commerce any LMO of that species; or
  - When the exporter and importer have contractually defined a “non-LMO” shipment provided that such a shipment achieves a minimum of 95% non-LMO content.
- Adventitious presence of LMOs in a non-LMO shipment should not be considered a trigger for the “may contain” documentation.

# Liability

## ■Article 27: Liability and redress

COP-MOP shall, at its first meeting,  
adopt a process with respect to the appropriate elaboration  
of international rules and procedures in the field of  
liability and redress for  
damage resulting from transboundary movements of LMOs,  
analyzing and taking due account of the  
ongoing process in international law on these matters, and  
shall endeavor to complete this process within four years.

# Liability

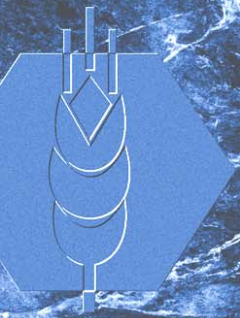
- From a grain trade perspective
  - Should be limited to the time period during which the exporter or importer had control over the LMOs
  - Should be limited to situations in which the negligence of the exporter or importer caused the damage
- COP-MOP position - working group to
  - Analyze potential damage scenarios
  - Analyze related Protocol provisions, including role of importer and valuation of damage to biodiversity
  - Analyze the types of available rules and procedures
  - Progress reports and then recommendation to COP-MOP

# Observations

- These commodities are intended for direct use as food or feed, or for processing
- These commodities are not intended for intentional introduction into the environment
- Documentation should be clear; to notify importers that shipment may contain LMOs
- Notification gives importers opportunity to ensure LMOs are not introduced into environment

# Conclusions:

1. Complex issue
2. Most of the world's trade in grains, oilseeds, pulses and special crops will be impacted
- 3 Impacts importers and exporters alike
- 4 Ultimate solutions need to protect world's biodiversity while being affordable to importers and exporters alike
- 5 Lower the threshold, less supply, higher the cost
6. ?? Liability and Consumer impact ??



# Thank You

Working together to keep  
trade moving.

