

The WTO Case Against the EU Will Backfire on the US

Dr. Thomas J. Hoban
Professor of Sociology
and Food Science
NC State University



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The Timing of the WTO Case Could not Have Been Worse

- World opinion about the US is already very negative so the WTO move only makes matters worse.
- This challenge was under consideration for years.
- Following so close after the Iraq war, the WTO case was perceived as retaliation against France and others for not supporting Bush administration.
- The situation in the EU had actually improved significantly in the last couple years.
- The WTO case has forced the EU to impose their strict labeling and traceability regulations.

The WTO Case is Seen as Arrogant and Self-serving

- The Bush administration is perceived as using the problem of African starvation to promote US interests in biotechnology.
- Bush administration has a poor environmental record and no credibility on environmental and food issues
- This case is seen as hypocritical because the US has only three percent of the world's people, but we consume 25 percent of the world's oil.
- High rates of US obesity and our “fast-food culture” means Americans have little credibility with the EU or others when it comes to issues associated with food
- As the global industry leader, US-based Monsanto is perceived to be the primary beneficiary of the WTO case and hence driving US government policy.

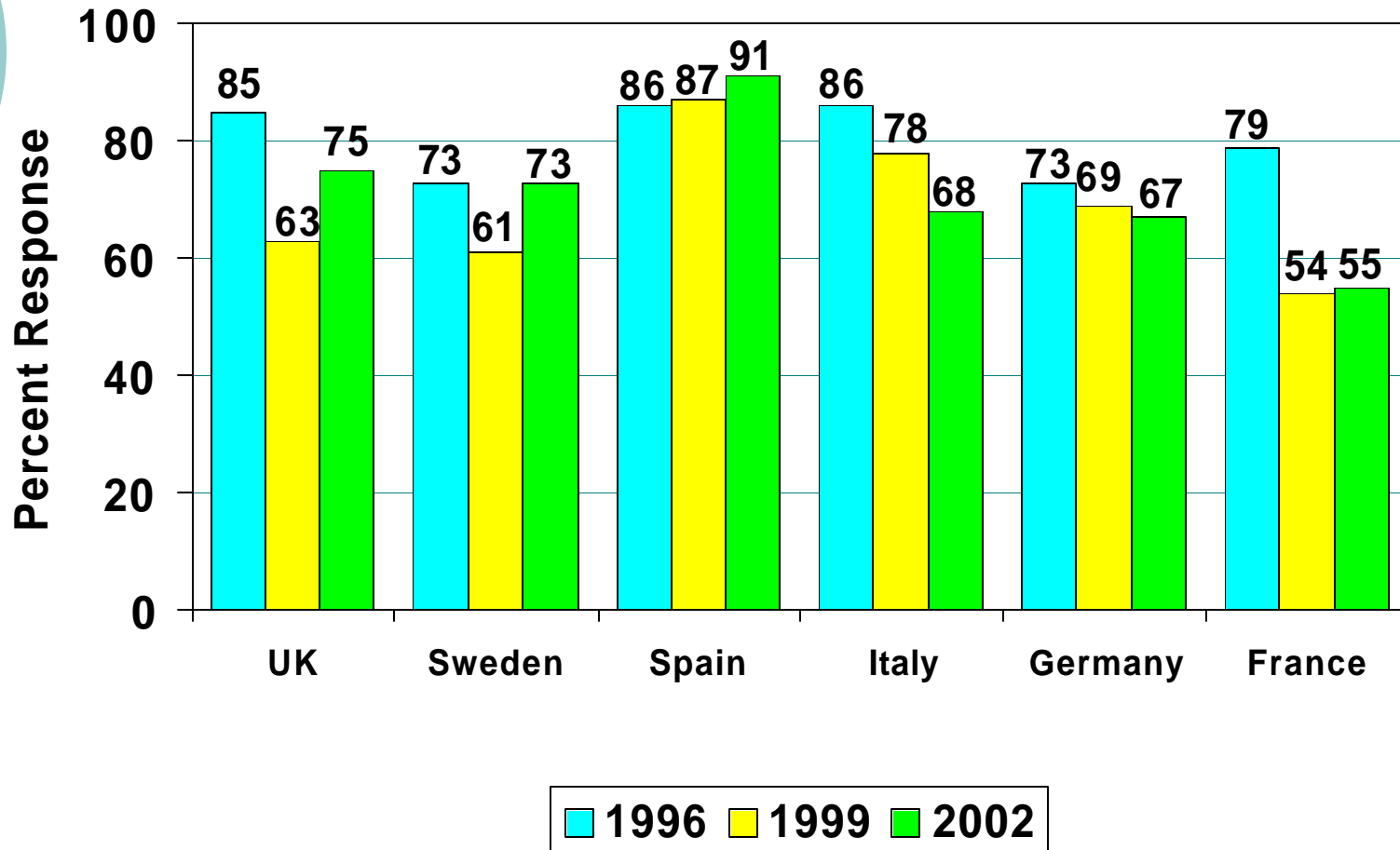


EU Perspectives

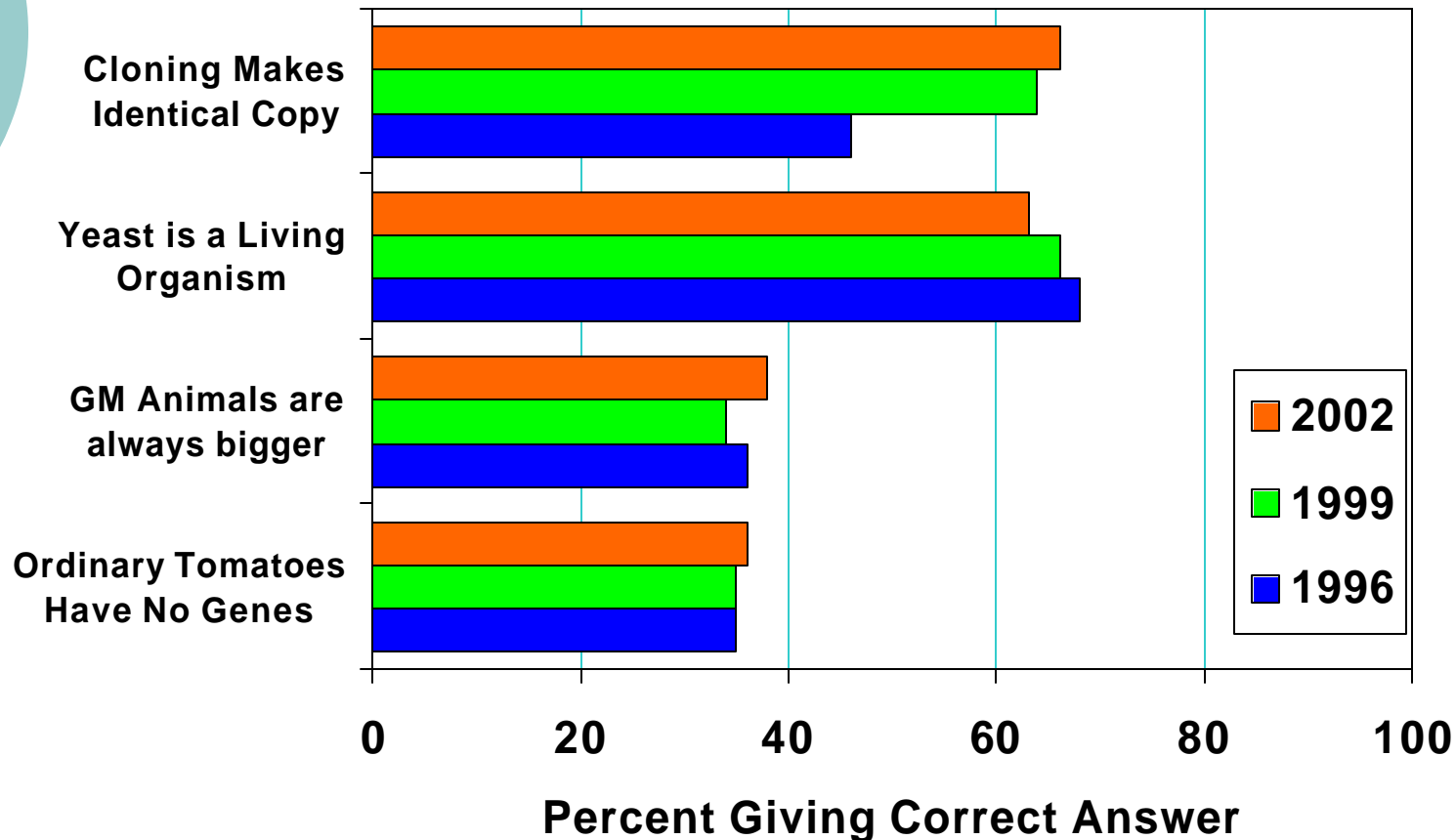
The GMO Controversy had Started to Settle in the EU

- Relatively few stories had been appearing in the European media and the issue was fading from the public radar screen.
- Survey results and expert opinion confirm that consumer concerns had been dropping in some EU markets over the past few years
- The EU government and industry had instituted a number of “confidence-building” initiatives
- The WTO case has thrown the issue back into the media and provided renewed legitimacy and visibility to public concerns about GMOs

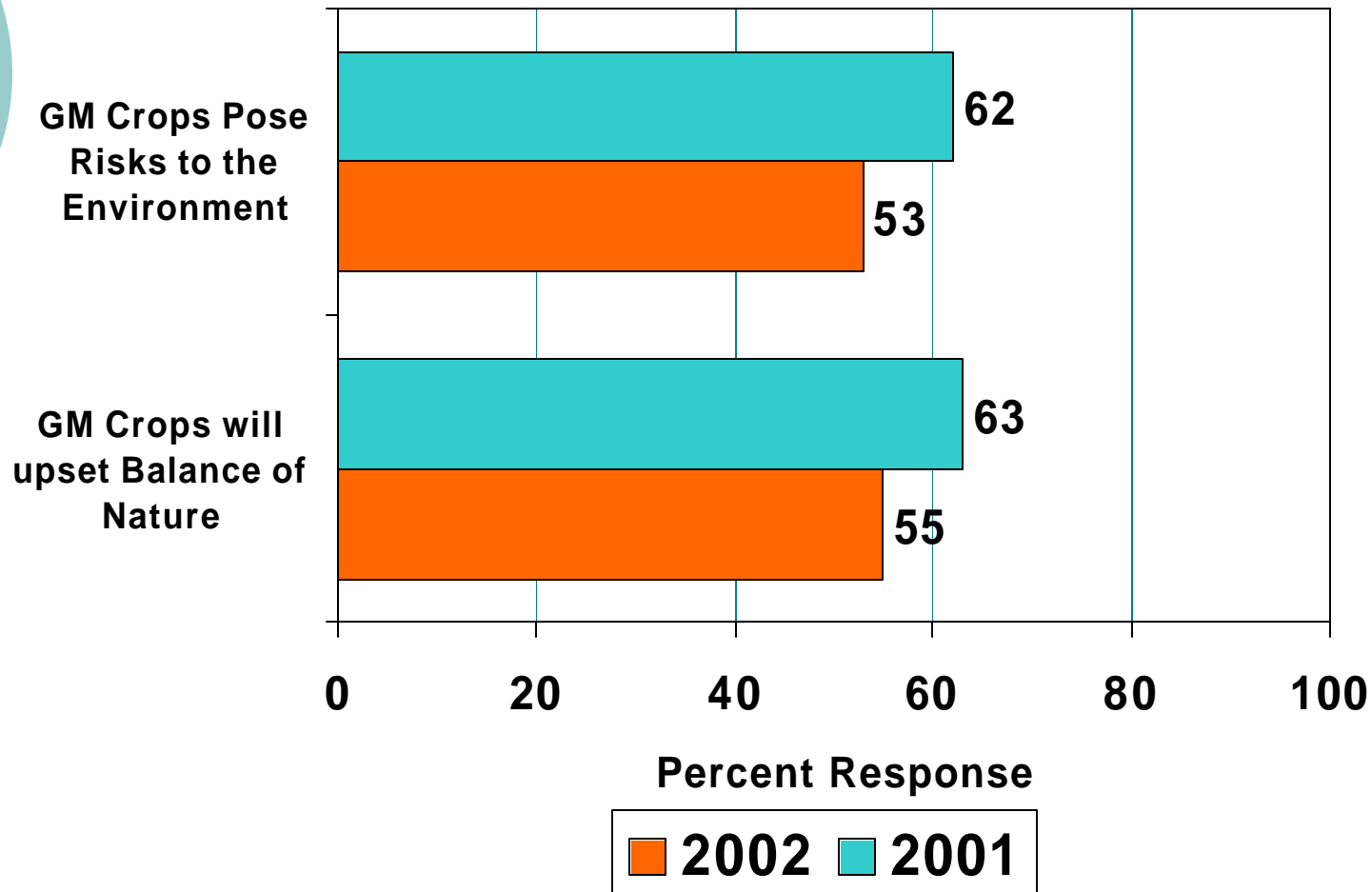
Trends in Europeans' Support for Genetically Modified Crops



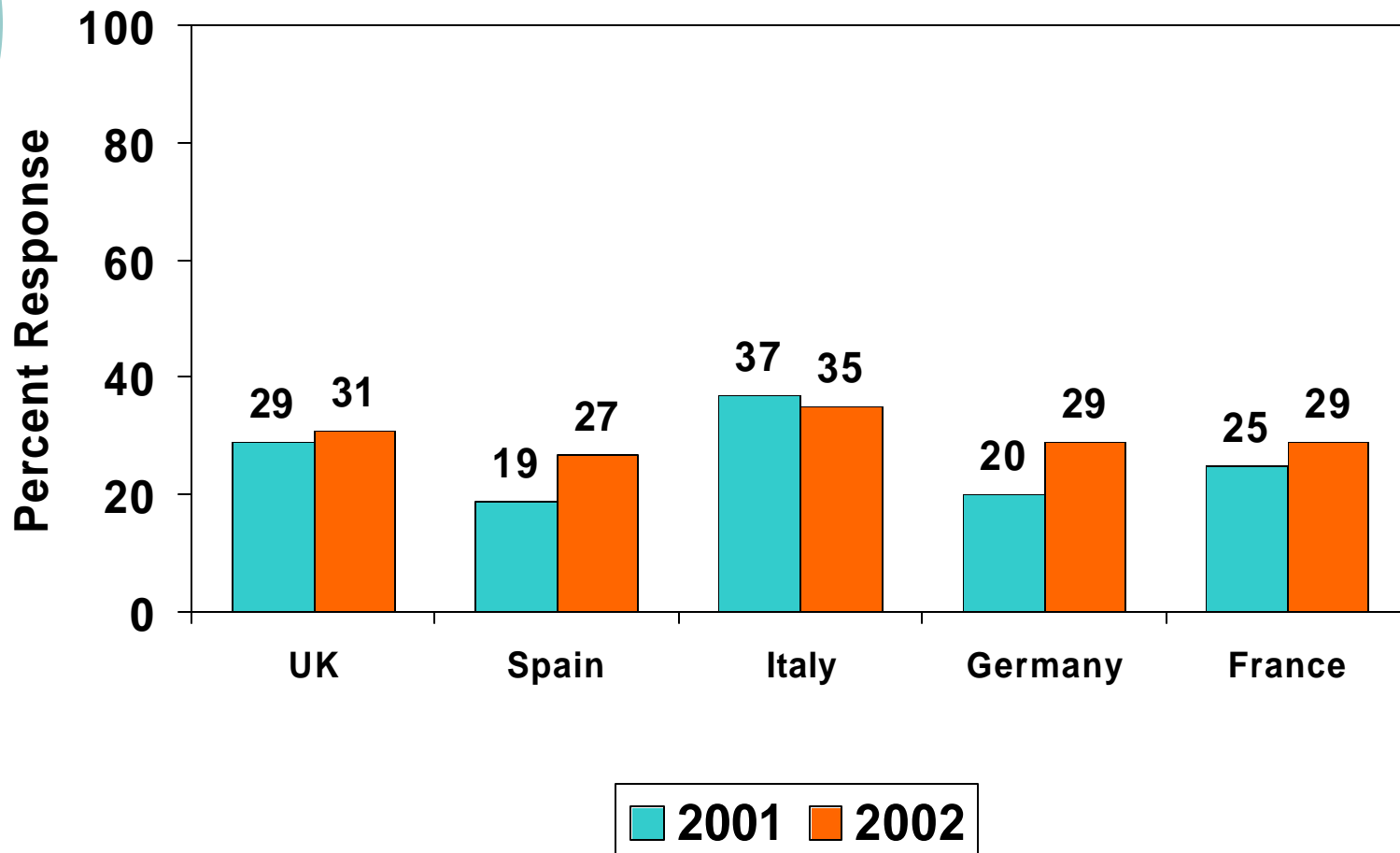
Little Change in Europeans' Knowledge about Biotechnology



European Views on GM Crop Impacts on Environment (Five Countries)



Europeans Who Report they are Mostly Hearing Both Sides has Increased





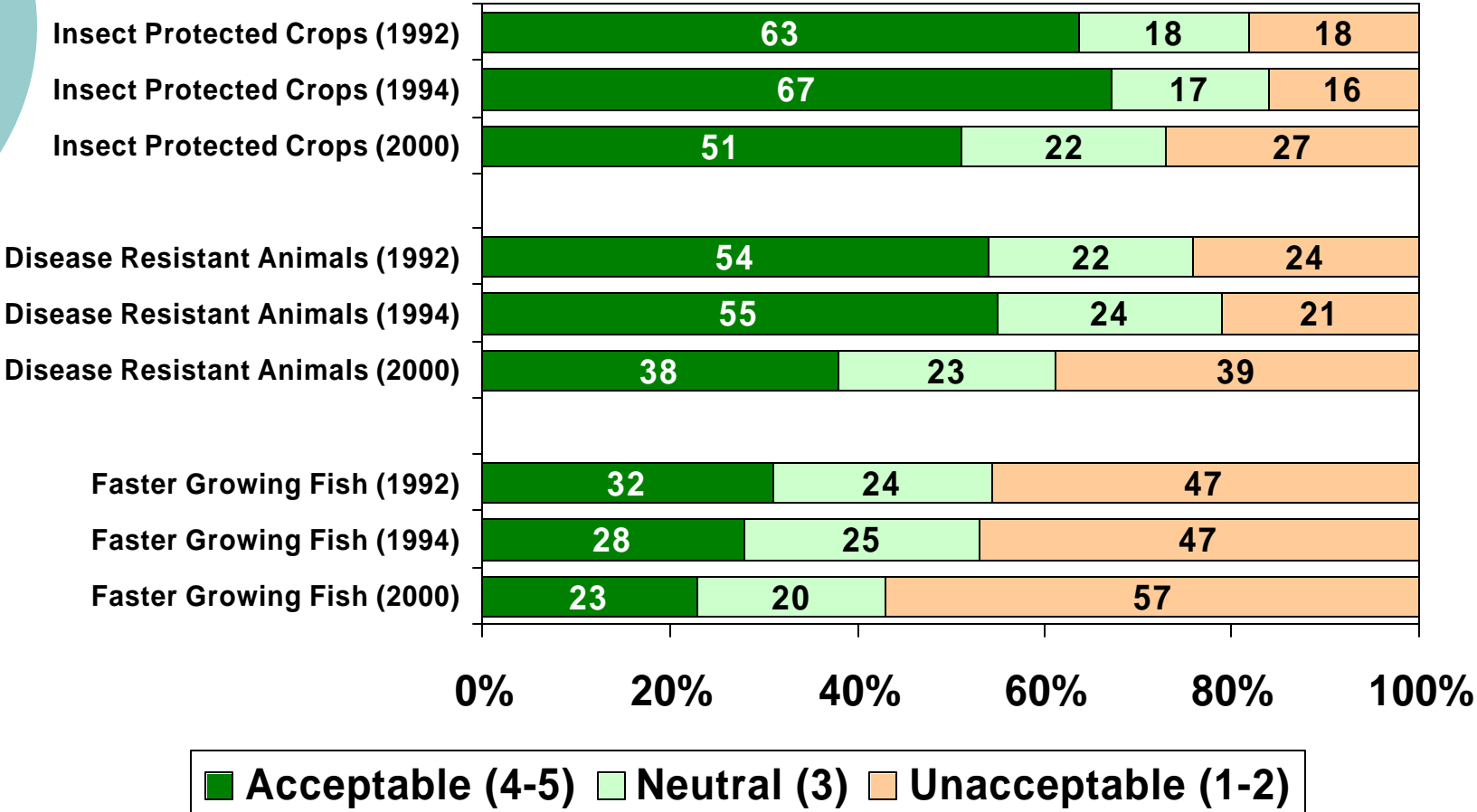
Europeans Have Valid Reasons for Slow GMO Acceptance

- Biotechnology arrived on the EU market on the heels of mad-cow disease and other food safety scares
- Questions remain about the long-term safety of GM foods for the environment and human health
- The EU consumers recognize no benefits from the first generation of GMOs
- Given no real benefits and concern over risks the EU position seems rational – at least to their consumers
- Europeans resent Americanization in all its forms, but particularly when it comes to food



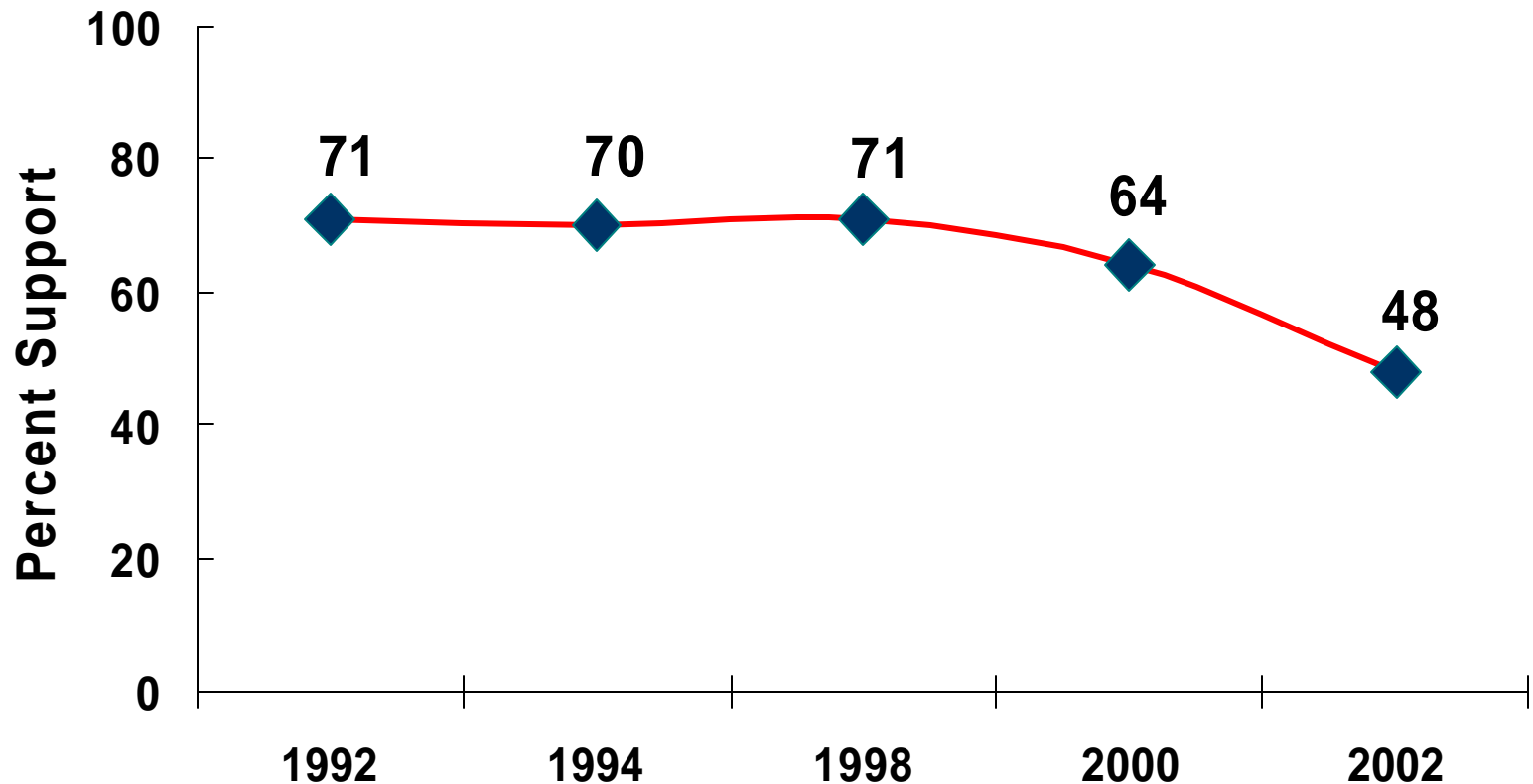
US Acceptance of Biotech is Trending Toward the EU

US Acceptance of Biotechnology has Dropped – Especially for Animals



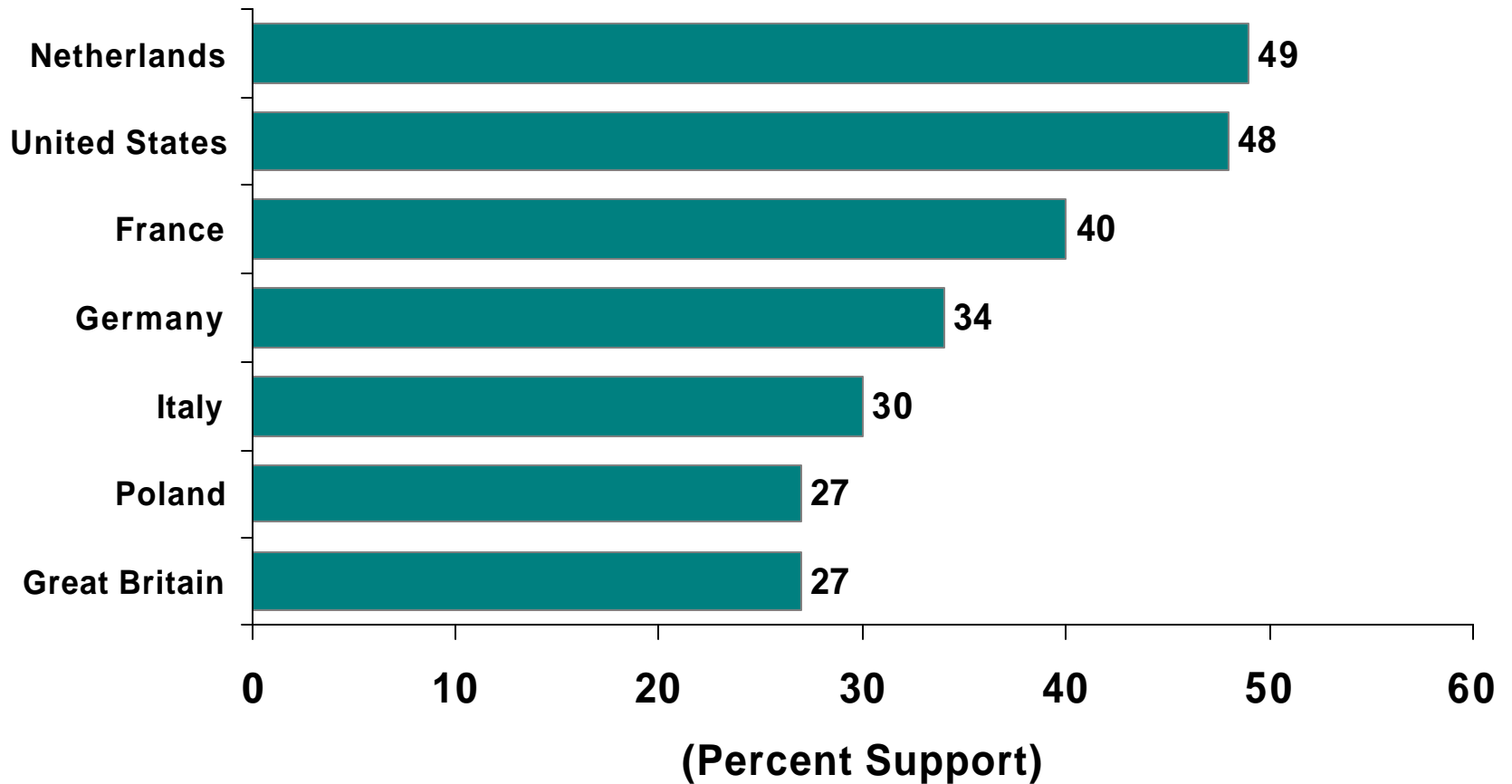
(Hoban, 1992-2000)

American Consumer Support for Ag Biotech has Dropped Recently

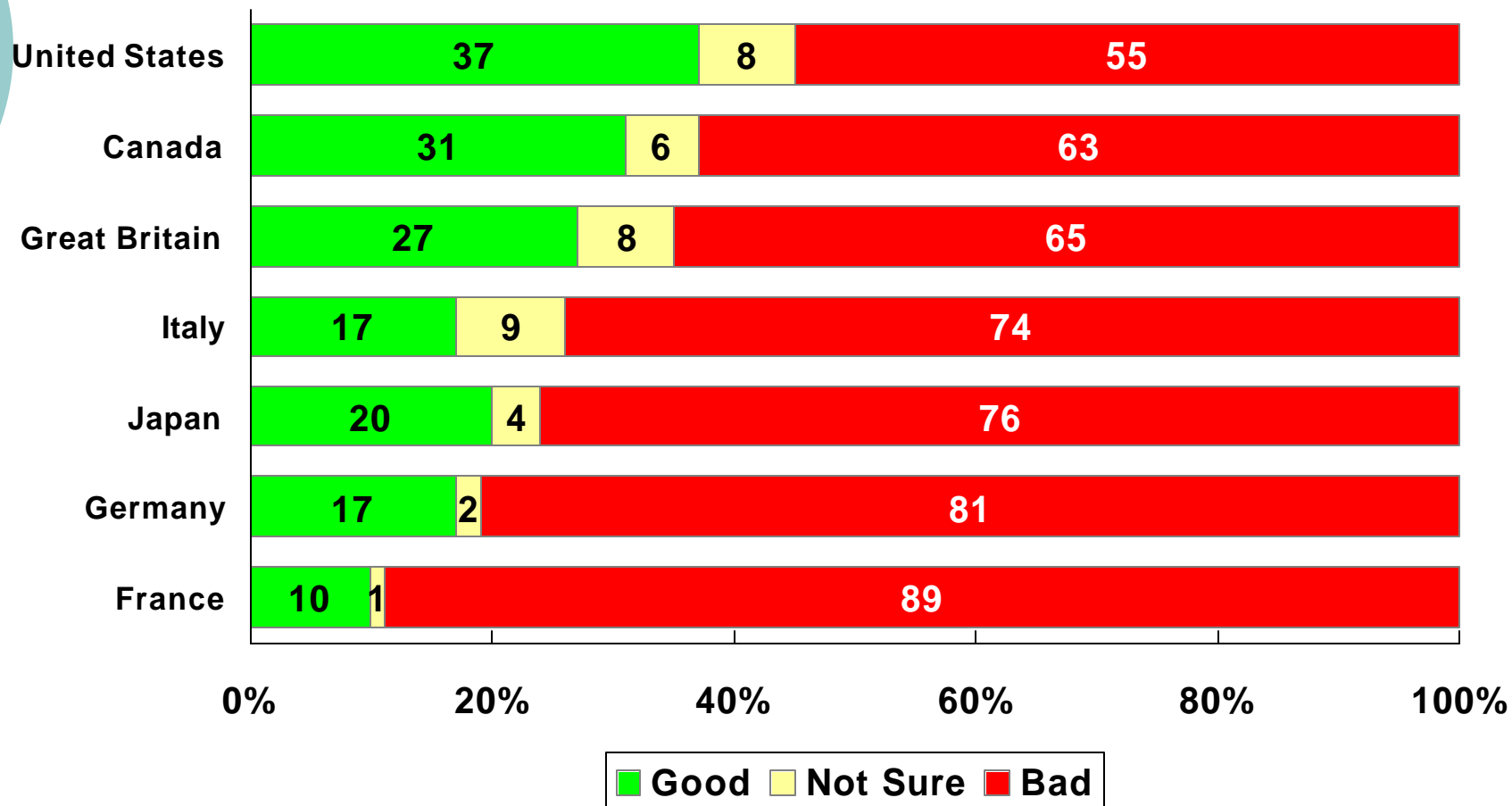


(Hoban and Others)

American Support for Ag Biotech is Still Higher than in Most of Europe



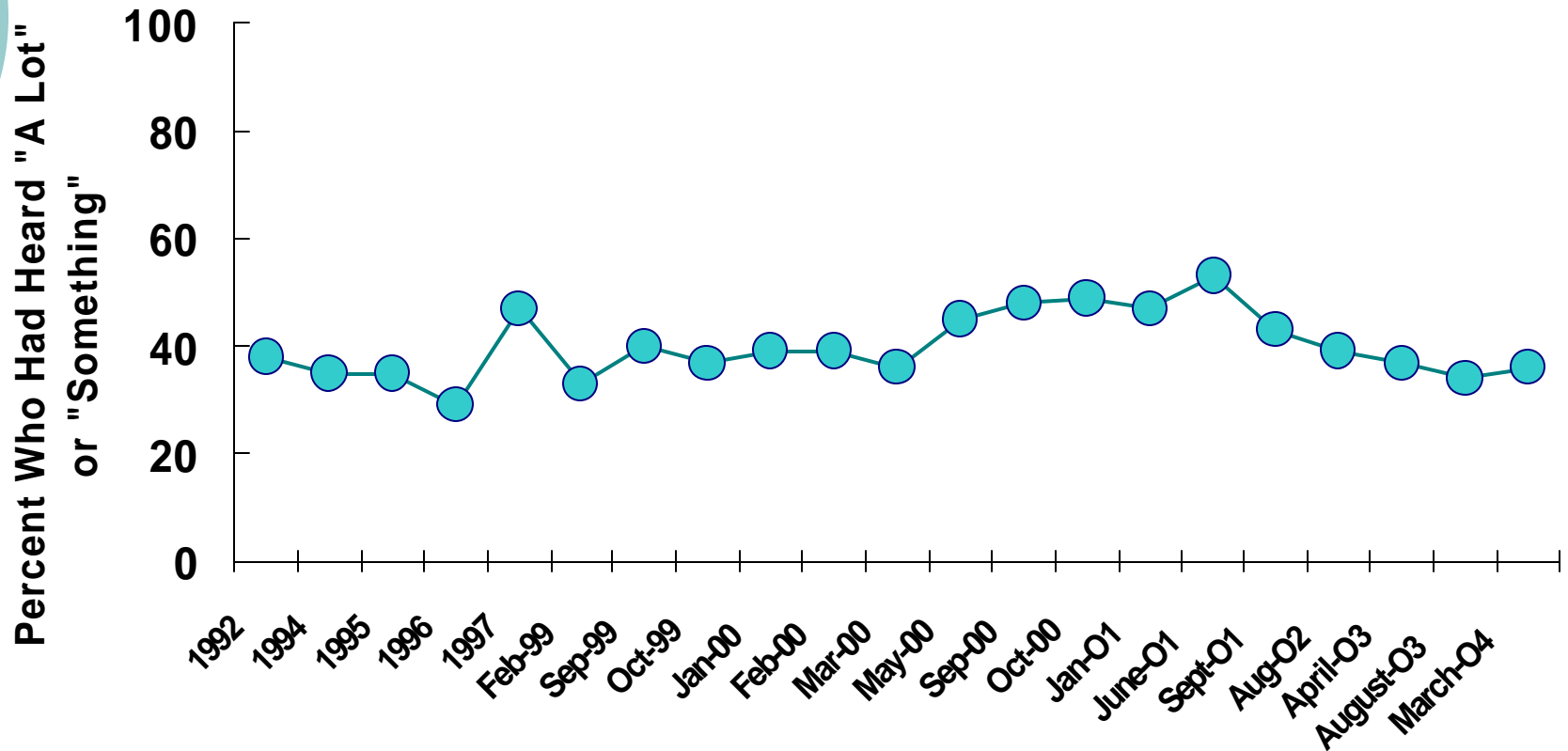
Is it good to scientifically alter fruits and vegetables because it increases yields to feed more people and is good for the environment; Or is it bad because it could hurt human health and the environment.





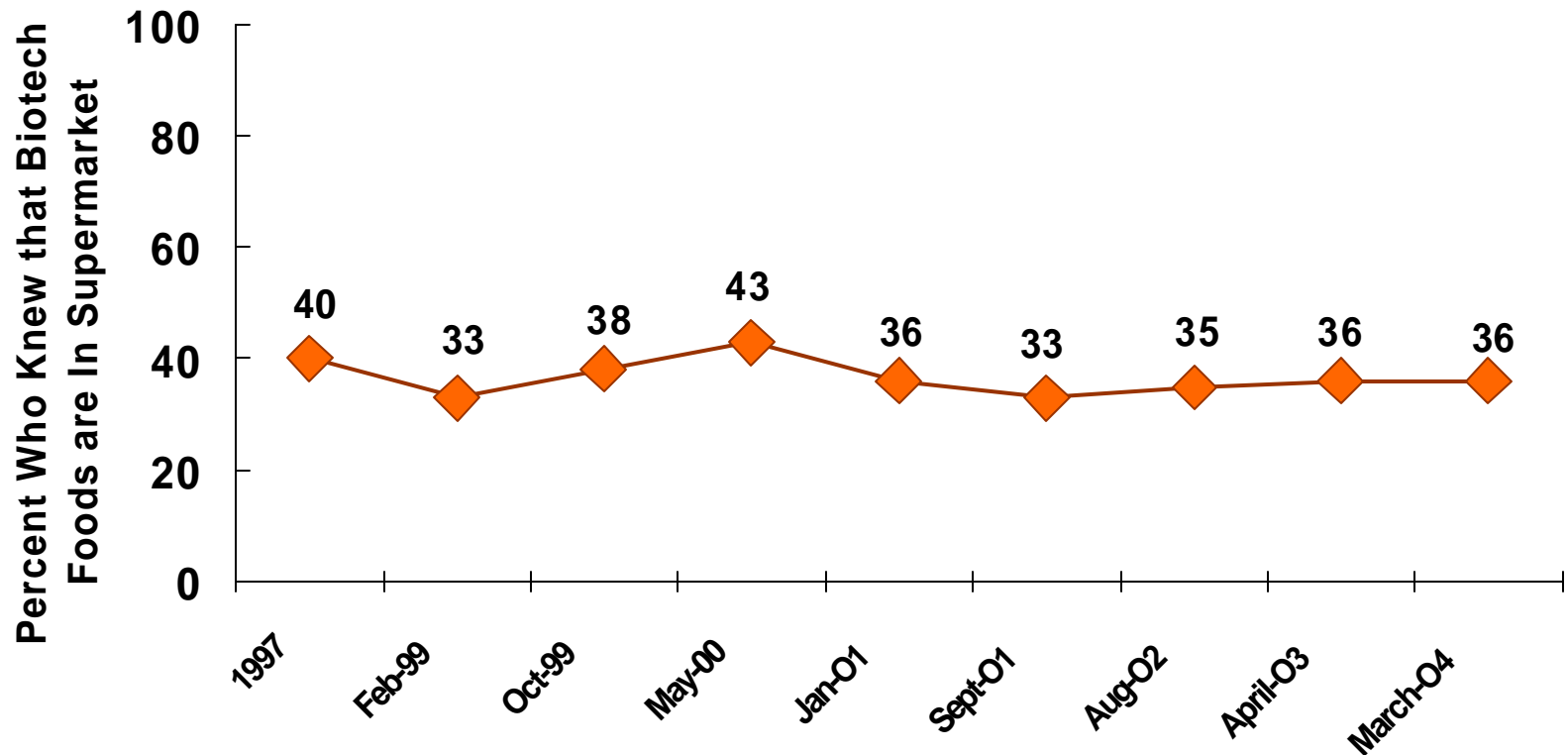
US Consumers: *Low Awareness Should Not Be Considered Bliss*

Trends in U.S. Consumers' Awareness of Biotechnology

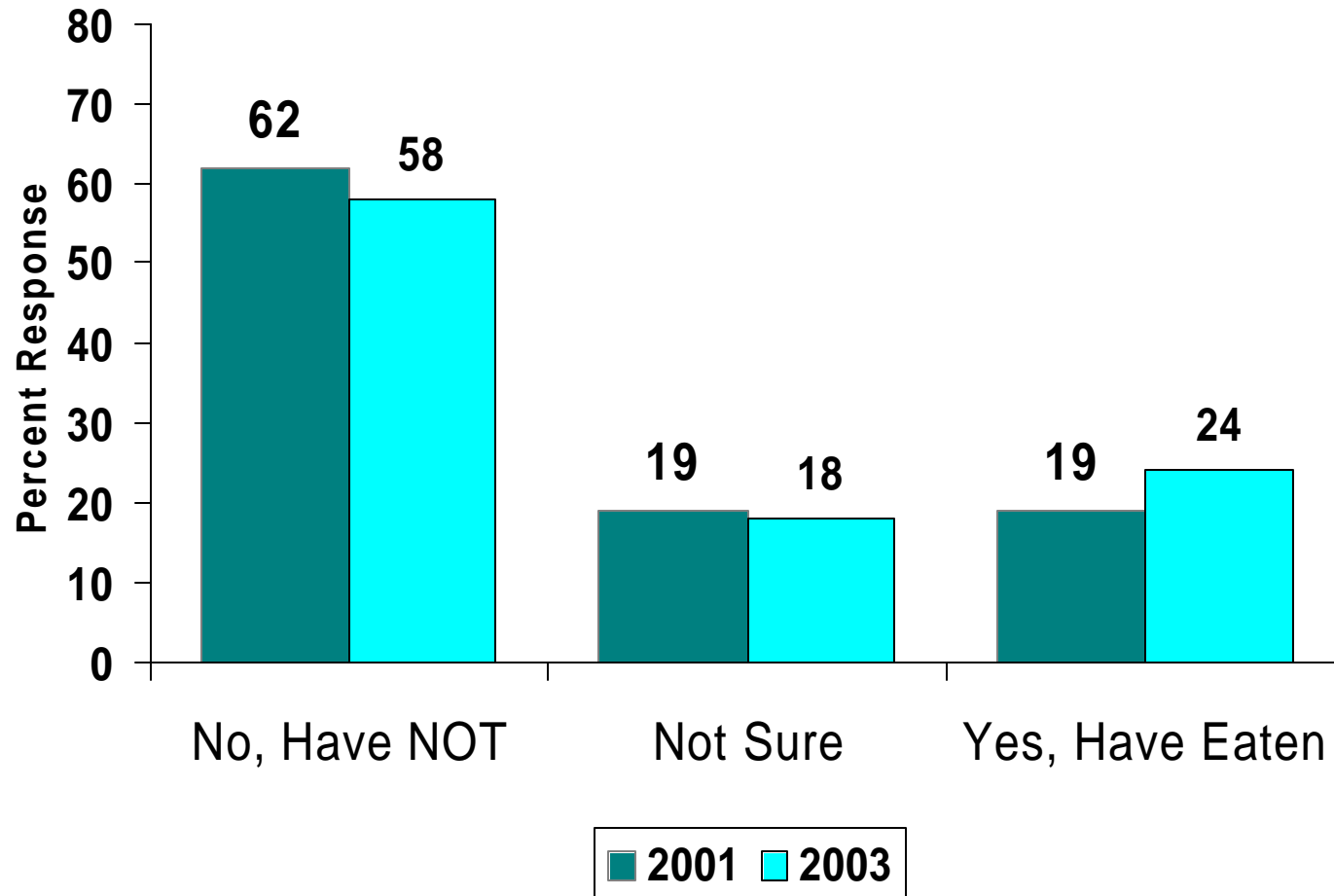


(Various Sources)

Most American Consumers Still Do Not Know that Foods Produced with Biotechnology are Already in Stores



Most US Consumers' Still Do Not Realize That They Already are Eating GM Foods





Conclusions and Implications



US Biotech Policy has Lost Credibility Relative to the EU

- The Bush administration may win this trade war but lose the hearts, minds, and stomachs of consumers in the EU, as well as in the US and elsewhere.
- Recent news that FDA will not seek to have mandatory review of GM foods sends a very negative signal to consumers and the food chain
- The FDA review will need to be much stronger when foods are no longer substantially equivalent (but are functionally non-equivalent)
- The federal government is unprepared for the arrival of cloned or genetically modified animals (which will be met with considerable consumer opposition).

US Consumer Concern May Grow as Result of WTO Case

- Most American consumers do not think they are currently eating any GM crops (ignorance is bliss)
- The WTO-case will likely cause more people in the US to question whether they have been consuming such foods
- As they become aware some US consumers now resent the fact that GM ingredients have been added to the food supply without consent
- Concerns are growing over the use of food crops for pharmaceuticals and industrial materials (especially among the food industry)
- Recent moves by the Bush administration signal a weakening of the US regulatory system which could significantly erode consumer acceptance.

For More Information:

<http://hoban.ncsu.edu>

