

Good afternoon, Mr. Chairman and Members of the Committee. I am Ron Heck, a soybean and corn producer from Perry, Iowa. I serve as Chairman of the American Soybean Association. I am appearing today on behalf of the American Farm Bureau Federation, the National Corn Growers Association, and the National Cotton Council, as well as ASA. We thank you for the opportunity to testify before the Committee today.

As you know, 2005 marks the tenth anniversary of the introduction of biotech crops for commercial production. Our organizations recently recognized the planting of the billionth acre of biotech-enhanced agricultural commodities. Since 1986, and in each successive year, American agriculture has been the world leader in the adoption of agricultural biotechnology. In 2004, the United States accounted for 50 percent of the world's total plantings of biotech crops. U.S. plantings of the three major biotech crops continue to expand. For example in 2004:

? 86 percent of total soybean plantings were modified to be herbicide-resistant, up from 81 percent in 2003;

? 76 percent of upland cotton plantings were biotech cotton, up from 73 percent in 2003, and;

? 46 percent of corn plantings were biotech corn, up from 40 percent in 2003 (ASCI prospective planting report March 2004).

American farmers have seized the opportunity offered by biotechnology to improve their production efficiency. They have recognized that the adoption of new technologies, including biotechnology, is essential in maintaining a competitive advantage for U.S. agricultural exports on the world market. The advantages of biotech crops include the environmental benefits of lower pesticide usage and decreased soil erosion, increased yields, disease-resistance and fuel savings. The future of this technology is bright - new biotech plant varieties are being developed that will produce crops with enhanced nutrient and health profiles, as well as crops tolerant to drought, salty soil, cold, and disease.

Crop biotechnology has led to reduced tillage practices across all crops with biotech traits. These reduced tillage practices are saving one billion tons of topsoil annually, reducing by 309 million gallons the amount of fuels used by farmers, and decreasing greenhouse gas emissions by one billion pounds. Biotechnology has decreased pesticide applications by 46 million pounds and is saving U.S. consumers \$3.5 billion in water treatment and management costs.

American production of crops utilizing biotechnology is expected to continue to rise. The approval of new varieties of biotech crops will play an important part in this increase. New varieties of biotech corn, cotton and soybeans are being developed that address a wider range of production limiting factors. In the future, wheat, rice, sugar beets, alfalfa, apples, bananas, lettuce and strawberries can be expected to move into the biotech era. Currently, over 50 agricultural biotech products are on the market and many more are being developed. In addition, 63 developing countries are conducting plant biotech research across 57 different crops.

While the United States is the world leader in the production of agricultural crops enhanced through biotechnology, other countries are also expanding biotech crop production. In 2004,

global biotech crop acreage increased 20 percent to a total of 200 million acres - the ninth consecutive year of double-digit growth. In 2004, a total of 8.25 million farmers in 17 countries planted biotech crops, up from 7 million farmers in 2003. During the period from 1996 to 2004, a cumulative total of 951 million acres of biotech crops were planted globally. The global value of total crop production from biotech crops in 2003 was estimated at \$44 billion.

The increase in production of biotech crops in the United States and abroad has raised the importance of developing and maintaining markets, both domestically and internationally for products derived from biotechnology. Market development is dependent on public policy that:

1. Maintains an unbiased, science-based regulatory system that inspires consumer confidence;
2. Works to ensure market access for biotech crops and products domestically and internationally; and,
3. Creates an environment conducive to the development of new biotech crop varieties.

I would like to elaborate on each of these points.

1. Maintaining an unbiased, science-based regulatory system that inspires consumer confidence

Biotechnology in the United States is regulated by several federal agencies, including the Food and Drug Administration (FDA), the Department of Agriculture (USDA) and the Environmental Protection Agency (EPA). These government agencies play an important role in providing unbiased, science-based evaluations concerning the human, animal, and environmental safety of biotech commodities. The U.S. regulatory system does not require any specific labeling or traceability for biotech crops and ingredients that have been determined to be substantially equivalent in safety and nutrition to conventional crops. This science-based regulatory approach should continue.

Some countries have adopted or are considering regulatory regimes that stigmatize biotech crops by requiring mandatory labeling and traceability of foods containing ingredients derived from biotech commodities. These policies have the effect of nullifying the regulatory system in place. If the science-based regulatory system concludes that a product is safe for human consumption, it becomes unnecessary to label it as "genetically engineered" or "genetically modified."

If consumers, either domestically or internationally, demand products free from biotech ingredients, the market will respond by developing brands that meet this criterion, and make them available through a voluntary labeling system. Why should all consumers be forced to pay the cost of a mandatory traceability and labeling system when the biotech-enhanced product in question has been approved as safe for human consumption?

Unfortunately, countries with mandatory labeling and traceability laws for biotech commodities are trying to "internationalize" their systems by pushing for adoption of similar requirements by the Codex Alimentarius Commission. Codex is responsible for setting international food safety

guidelines based on sound scientific principles. The U.S. Government must continue its efforts to prevent adoption of non-science based and discriminatory standards on a worldwide basis.

## 2. Working to ensure market access for biotech crops and products

Biotechnology is so critical to U.S. agriculture as a production tool that ensuring open access to world markets is imperative. This is not possible unless science-based approvals and traceability and labeling requirements for biotech commodities are the international standard. The European Union's (EU) current approach to require the labeling and traceability of food and feed derived from biotech commodities is inconsistent with its own and other countries' exhaustive risk assessments undertaken on products of agricultural biotechnology. It is also inconsistent with the widespread practice by the EU's own food industry of using biotech-derived yeasts, enzymes, and other processing aids in the production of beer, cheeses, and other food products that are not required to be labeled.

The international acceptance of products derived through biotech enhancement, once they have been approved as safe for humans, animals, and the environment according to internationally accepted, scientific principles, must be a high priority of U.S. government policy. We must not allow non-scientific, discriminatory, and trade restricting laws and regulations to negatively affect U.S. commodity and food exports. Our organizations, along with 17 other major US agriculture and food organizations, support these principles, and have requested that the U.S. government file a WTO complaint against the European Union challenging non-scientific barriers to market access for biotech-derived crops. We also support the current WTO case against the EU's moratorium on approvals of new biotech commodities. While we appreciate that the focus of this hearing is on our experience with existing biotech crops and emerging technologies, we look forward to discussing these critical issues with the Committee in the near future.

## 3. Creating an environment conducive to the development of new biotech crop varieties

If U.S. agriculture is to maintain its place on the technology frontier, it is imperative that we foster an environment conducive to innovation and the adoption of new technologies. Government and private sector research centers must be assured that the United States is working to ensure that there will be a market, both domestically and internationally, for approved products derived from biotechnology.

There are many agricultural commodities which could benefit from this technology. Our organizations applaud the efforts of the Administration to establish an organization whose objective will be to facilitate the development of biotechnology-derived specialty crops.

American agriculture has now experienced first-hand the benefits of this technology for a decade. Today, 16 other countries have also had experience with biotechnology, but its full potential is yet to be realized. In developing countries, where agriculture is often a dominant sector, adoption of suitable biotechnology traits has the potential to deliver increased efficiency in agricultural production - a driver of economic growth. In addition, biotechnology is an important tool for tackling the problems of world hunger. The global population is expanding while the amount of arable land continues to shrink. Technologies like biotechnology offer an

opportunity for increasing yield and reducing crop losses.

In conclusion, American agriculture has enthusiastically embraced the benefits that biotechnology provides in enhancing production efficiency and the competitiveness of U.S. agricultural commodities on world markets. As we recognize this tenth year of commercial biotech production, we look forward to continuing our work with Congress to support this important agenda. U.S. farm organizations are committed to ensuring broader acceptance of these products internationally, and continued consumer confidence at home. We will work with Congress and the Administration to address unnecessary trade barriers implemented by other countries for commodities enhanced through biotechnology.

Thank you for this opportunity to testify on this important issue. I would be happy to answer any questions.