Briefing Note

Market forces

Friends of the Earth

For the past four years as a response to customer demand the majority of UK food manufacturers, retailers and fast food outlets have not been using GM ingredients. Many have already removed ingredients derived from GM crops such as oil and lecithin. To achieve this companies have established 'identified preserved' food chains in which the source of the raw materials is known, and they are tracked from field to supermarket shelf. At present, soya and maize are the main GM crops for which alternative supplies have had to be sought because they are the only ones licensed for sale in the EU. The majority of processed foods contain soya, maize or their derivatives. The systems appear to be working well and most companies are operating to a 0.1 per cent threshold. Recent opinion polls indicate ongoing public opposition to the sale and growing of GM food and crops. It is clear that there continues to be no demand for GM food in the UK.

Market Forces at work

In 1997 the first GM foods began appearing in supermarkets. The first product was a tomato puree, sold by Sainsbury and Safeway, produced from a GM tomato with altered ripening characteristics. At the time consumer knowledge of GM was very low - less than 2 per cent of people were spontaneously aware of genetically modified foods[i]. However, other research[ii] found that despite the low level of awareness there was "considerable ambivalence in the UK towards GMO food products".

Iceland Frozen Foods was the first high street retailer to respond to consumer concerns, announcing in March 1998 their intention to remove GM ingredients from their own brand foods. Over the next 18 months, nearly all the major supermarkets, food manufacturers and caterers followed Iceland's lead. Since then many companies have taken their GM policies further to include animal feed, derivatives such as oil, and processing aids such as enzymes.

In 2002 the Consumer Association surveyed all the major food retailers, manufacturers and caterers[iii] to determine the extent to which these companies have successfully removed GM from their supply chains. Most companies have a blanket ban on ingredients and derivatives. Progress on animal products has been slower because of the lack of labelling of animal feed and segregation in this sector. Draft legislation on traceability and labelling (see briefing on the Regulatory Process) currently passing through the EU should make the labelling of animal feed mandatory.

The GM-Free Market

Despite the best efforts of the US Government, the US Soya Association and the biotechnology companies, UK food companies and many EU companies have been able to source GM-free ingredients from around the world. In doing so, they have had to abandon commodity trading in which crops from many different farms are bulked together in silos and ships before being transported to the EU. The systems developed to supply non-GM are based on identity preserved (IP) food chains. Under these systems ingredients for processed foods and animal feed are sourced from farmers known not to be growing GM crops. The movement of the harvested crop is documented all the way from the field to the processing factory and then to the food manufacturer. Companies ensure that their systems are GM-free by taking samples. Under EU law, any food

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containing more than 1 per cent of GM maize or soya (only GMOs which have EU approval can legally be imported into the EU) must be labelled. However, most companies are operating at a detection limit of 0.1 per cent and this is the level which the EU Science Committee on Plants has confirmed that GM presence can be accurately detected to[iv] - ten times less that the EU's 1 per cent threshold for labelling GM content.

The Future Market

The Consumer Association's survey of major food companies indicates that considerable investment has occurred in ensuring customers' demands for GM-free foods are met. This is being extended to animal feed, where the market for imported GM crops is strongest. If the EU passes legislation requiring labelling of food and feed including derivatives in the near future (final votes are expected in the European Parliament in spring 2003) then demand for non-GM raw materials will only grow.

At present there are five crops in the government sponsored Farm Scale Trials in Britain: spring and winter oilseed rape, fodder maize, fodder beet and sugar beet. Each one of these is used in some part in feeding livestock; fodder maize is fed whole and the rest following processing. The main human foods coming from these crops are vegetable oil (from oilseed rape) and sugar (from beet), but these are unlikely to find a market in the UK or the rest of the EU at present.

Indeed, such is the confidence of the biotechnology industry in their own products that they have withdrawn all but 12 of 51 applications for approval of GM seed for sale in the UK (DEFRA Plant Varieties and Seeds Office).

Since 1998 successive public opinion polls in the UK have shown that majority of people are not happy to buy GM food or allow it to be fed to animals. A poll by NOP World in October 2002[v] for Friends of the Earth found that 57 per cent of people were against commercial planting in the UK. This confirmed other recent poll results by the Consumer Association in which 58 per cent were opposed to commercial growing at present and 57 per cent[vi] had concerns about the use of GM in food. Another NOP World poll in September for Friends of the Earth found that 63 per cent[vii] of regular honey buyers did not want honey to contain GM pollen. And the December 2001 Eurobarometer poll found that 70 per cent of people did not want GM food, and 94 per cent wanted the right to choose[viii].

The prospects for any significant market for GM crops and food in the UK in the next few years are poor. There is time to evaluate all the options available for making the food chain sustainable.

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[i] Market Measures. 1997, Genetically Modified Food Research for Sainsbury's
[ii] Grove-White R et al. 1997, *Uncertain World Organisms Food and Public Attitudes in Britain*. Lancaster University
[iii] Consumer Association 2002. *GM Dilemmas – consumers and genetically modified foods*. Consumer Association 2002.
[iv] EC Scientific Committee on Plants, 7 March 2001
[v] NOP World field work 4-6 October 2001. *Question: Do you think the Government should allow GM crops to be commercially grown across the UK or not?*
[vi] Consumer Association 2002. op cit
[vii] NOP World field work 30 August to 1 September 2002 *Question: In your opinion, should honey contain pollen which has been collected from genetically modified plants or not?*
[viii] Eurobarometer 55.2 – *Europeans, Science and Society*. December 2001. http://europa.eu.int/comm/research/press/2001/pr0612en-report.pdf