

REGULATING AGRI-FOOD PRODUCTION IN THE US AND THE EU

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There are a large number of issues that need to be clarified across the European Union (EU) and United States (US) on policies affecting agricultural production and food safety. While both the US and EU aim to meet similar objectives, their regulatory approaches often differ. The US focuses on regulating the end product, the EU has the tendency to regulate the whole production process. At some point it will be important for these regulatory processes to find some equilibrium that will satisfy consumers and regulators. Respecting and understanding current differences appears to be the only way to arrive at an equilibrium that allows the full potential of biotechnology to be utilized.

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Key differences exist in the way the United States and the European Union regulate agricultural and food production. In general, US policies tend to be more supply-driven, while EU policies are demand-driven, dominated by consumer concerns. Thus, efficiency of production is the presiding goal in the US, where farm policy changes encourage production flexibility and export. In the EU, on the other hand, the orientation of agricultural policy reform provides incentives for lower output, and emphasis on quality aspects, both of products and of production methods. In addition, EU policies were recently dominated by a complete rethinking of food safety policy in the aftermath of the BSE crisis that resulted in regulatory changes whose basic aim was to build up consumer confidence in food safety.

These US-EU differences, however, do not imply differences in the underlying objectives of both sides, which are fundamentally the same – how to guarantee the highest level of consumer safety. Rather, differences in regulatory measures reflect reactions to different market forces.

Three important cases of food policy issues can be compared and contrasted in the United States and the European Union. In the case of BST (bovine somatotropin), the US government approved the hormone for use in order to boost milk production, citing few health concerns in the approval process. In the EU, BST was not approved as a result of a large amount of consumer resistance because of concerns mainly for animal health and welfare.

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On the issue of genetically modified organisms (GMOs) the development of output-enhancing and/or cost-reducing GMOs on crops expected to exhibit strong export demand growth in the US provided a strong push for their rapid development and commercial use. In the EU, consumer resistance, linked not only to concerns for food safety and environmental stewardship but also to the absence of identifiable benefits from GMOs, resulted in a slower approval process.

A third case involves the use of feed antibiotics. The situation on both sides was similar until recently. In the US, the desire to eliminate bacteria and other toxins from meat production, hence, providing efficiencies, still dominates concerns about the long-term impact from the use of antibiotics. But the EU has shifted towards a ban of most antibiotics used in animal production, driven by concerns about their long-term impact on human health.

Why Are EU Policies Different?

There are distinct differences in the perception of risk between US and EU consumers and citizens. These are not new, and schematically are often portrayed as follows. In general, the US consumer holds a great deal of confidence in the established governmental approval agencies such as the Food and Drug Administration (FDA) and the United States Department of Agriculture (USDA). On the other hand, the typical EU consumer is more risk-averse than the US consumer on food safety, and exhibits less trust in governments.

But differences have grown recently. The most important development affecting attitudes towards risk in the EU stemmed from the BSE crisis (“mad cow” disease), and affected consumer attitudes in the EU in a whole series of areas related to food safety. Not only was this crisis considered by EU consumers to be a failure of the regulatory system. More importantly, this crisis was also considered a failure of science, since the risks of transmission across species were not identified earlier.

As a result, concerns that are natural among consumers in the early stages of new technology applications, in terms of both food safety and environmental impacts, were exacerbated in the EU in the aftermath of the BSE crisis. To respond to these concerns, which extend to areas as diverse as GMOs, the use of antibiotics in animal feed, and the use of hormones as growth promoters in animals, a new approach to food safety regulation was introduced in the EU. This resulted in a complete overhaul of the food safety regulatory system both in the area of scientific evaluation and in that of consumer protection.

Thus, contrary to what many believe, EU disputes with the US in the food safety area are not linked to trade, but to consumer and societal concerns. European Union policies focus on helping the EU public to adapt to the post-BSE situation. In addition, a series of measures aim at increasing transparency along the supply chain and relaying on independent scientific evaluation by a trusted source. There is also a need for higher consumer protection and outlets for disapproval when that protection is not sufficient.

It is within this context that labeling issues grew in importance in the EU in the past decade. The main idea behind labeling food products according to ingredients and processes responds to the Amsterdam treaty idea of consumers’ “right to know.” This philosophy, coupled with the use of the “precautionary principle” in food safety regulation, leads to a long-term view of potential costs and benefits for each product before it is approved, thus, covering all potential consumer, social, and environmental risks.

Does this imply then that such a system introduces an approval process that is essentially political, and not based on science? This argument, often stressed on the US side, seems to oversimplify the

role of science in the decision-making process on issues related to food safety. Throughout the world scientists do not make decisions; this is simply not their role. They do, however, make a very significant contribution to the policy-making process; with the final word left to those whose role is exactly that – to “make” policy.

In this process, weighing risk factors on the basis of scientific evaluation is not done in a vacuum, but in the concrete environment of societies with specific preferences, and differences among societies are sometimes also reflected in different choices on the basis of the same scientific evidence. This is not a betrayal of science. It is, on the contrary, an indication of respect for what science really is, the provision of knowledge with a confidence interval, that is, with a degree of uncertainty. Treating science as a provider of the absolute truth (in essence, as a religion) is stretching its limits to an extent that undermines its essential role in policy making. If this point of view is taken into consideration, then regulatory steps taken in the EU will start being viewed as what they really are. Not as an attempt to impede trade, but as a necessary stage to restore consumer confidence in food safety.

Concluding Comments

There are a large number of issues that need to be clarified across the EU and US on policies affecting agricultural production and food safety. Although both sides aim to achieve similar objectives, their regulatory approach often differs. While the US tends to focus on meeting these objectives by regulating the end product, the EU has the tendency to regulate the whole production process. At some point these two regulatory processes need to converge to find some equilibrium that will satisfy both consumers and regulators. It will be important to deal with these policy-making process issues soon, as broader issues such as public versus private research on new technologies and intellectual property rights are important. Technology will be important in reaching world food needs. However, it will be necessary for the public and private sectors to come to some understanding about how technology should be appropriately diffused.

Thus, as we move ahead, focus needs to shift away from the current, often simplistic emphasis on presenting differences as an indication of potential conflict, towards a situation where we could look into these differences as sources of useful insight into how agricultural technologies can best advance by increasing their potential for benefits while at the same time safeguarding against potential risks.

Respecting and understanding present differences appears to be the only way to arrive at an equilibrium that allows the full potential of technology to be utilized, and the (often neglected) common objectives to come to the forefront.