UNITED STATES DEPARTMENT OF AGRICULTURE

WASHINGTON, D.C.

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ADVISORY COMMITTEE ON :

BIOTECHNOLOGY AND 21ST CENTURY :

AGRICULTURE :

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 A meeting in the above-entitled matter was held on May 29, 2012, commencing at 9:01 a.m. at the United States Access Board Conference Room, 1331 F Street, NW, Suite 800, Washington, D.C. 20004-1111.

 Russell C. Redding, Committee Chair

 Michael G. Schechtman, Executive Secretary

APPEARANCES

Russell Redding, Chair

Michael Schechtman, Executive Secretary

Tom Vilsack, Secretary of Agriculture, Guest Speaker

Kathleen Merrigan, Deputy Secretary, Guest Speaker

Donna Reed, Guest Speaker

Colin O’Neil, Guest Speaker

John Rigollizzo, Guest Speaker

Dick George

Committee Members:

Isaura Andaluz

Paul C. Anderson

Laura Batcha

Daryl D. Buss

Lynn E. Clarkson

Leon C. Corzine

Michael S. Funk

Melissa L. Hughes

Darrin Ihnen

Gregory A. Jaffe

David W. Johnson

Josephine (Josette) Lewis

Mary-Howell R. Martens

Marty D. Matlock

Angela M. Olsen

Jerome B. Slocum

Latresia A. Wilson

Charles Benbrook

Douglas Goehring

Barry Bushue

Alan Kemper

Ex officio Members:

Jack Bobo, Department of State

P R O C E E D I N G

UNIDENTIFIED MALE: Okay. Shall we kick off?

UNIDENTIFIED MALE: Yeah. Secretary’s going to be on time.

MR. SCHECHTMAN: Okay. Good morning. Here’s your one tag should you wish it. Good morning everyone. This is the fourth meeting of the U.S. Department of Agriculture’s advisement committee on biotechnology in 21st century agriculture or AC21, since the Secretary of Agriculture brought back the AC21 last summer, after a hiatus of about two and a half years. My name is Michael Schechtman, and I am the Executive Secretary and designated federal official for the AC21. I’d like to welcome you all to this meeting and to Washington D.C. if you’re here from out of town. I’d like to welcome our committee members, 22 out of the 23 of whom are here today, and, when they arrive, some of our ex officio members as well, from other federal departments and agencies. And, of course, to welcome all the members of the public who have come here today to listen to our proceedings and perhaps to provide some comments for the committee later this afternoon. I’d also like to welcome our chairman, Mr. Russell Redding, Dean of Agricultural and Environmental Sciences at Delaware Valley College, and former Pennsylvania Secretary of Agriculture from whom you will hear in a few minutes. I expect we’ll be having various senior officials from USDA coming through the meeting, as well I know we have Cindy Smith, former administrator of the Animal and Plant Health Inspection Service, that’s still working with them here and I haven’t had time to wander through the audience to see who else is here and I can’t quite see everyone.

For this meeting, we will have Dick George from USDA’s Animal and Plant Health Inspection Service here to help this process by taking notes throughout this meeting. Welcome back and thanks again, Dick.

Let me note to committee members and to members of the public that we have learned that Agriculture Secretary Tom Vilsack will be able to come to this meeting this morning in a very short while to speak to the committee about your efforts. Several members noted to both the Chair and to me that they thought his appearance would be very helpful to our process over the next two days. It has been difficult to predict in advance whether the Secretary would be able to attend, but I am glad that he will be here. All committee members should have a new agenda at your, that you picked up at the front and members of the public, please notice that the agenda that is at the front table is different from the version that was posted on the AC21’s web page. It’s available on the documents table at the back.

We will have a very full agenda, so we ask that when the committee meeting is in session, conversations need to be limited to those between members. The public will be invited to participate by providing comments to the committee and to USDA this afternoon between 3:15 and 5:00 p.m. I think we have a few individuals signed up to provide comments at this meeting. Members of the public who have pre-registered to provide comments, please be sure you have signed up on the comment list so that we can call you in order. We will be preparing the minutes of this meeting, and a computer transcript of the meeting will be available within a few weeks. We hope to get the minutes and all meeting announcements, as always, up on the web. The website address for the AC21 is pretty long, but the website can accessed by going to the main USDA website at www.usda.gov, clicking on biotechnology on the menu at left, then clicking on the committee name.

For members of the press, you are welcome to speak to whomever you wish during the breaks of our meeting and before or after the meeting itself. We ask that you not conduct any interviews or request comments from members while the AC21 is actually in session. Mr. Redding, our chair, and I will be available for questions and comments at the end of each day of the meeting.

I’d also like to request that all members of the AC21 as well as all members of the audience and the press, please shut off your cell phones and beepers while in the room. They interfere with the microphones and with our recording of the meeting in order to produce the publicly available transcript. Bathrooms are located on either side of the elevator outside.

 Another important matter, members and ex officio members, each of you has a tent card in front of your place. Please turn them on when you wish to be recognized. Also for the, for the transcript, please identify yourself when called upon to speak.

 Just inside the meeting room, as mentioned, there’s a table with documents. Please take only one copy of any of the documents. We don’t want to run out early. As I mentioned before, among the handouts is the detailed meeting agenda, and note that there are breaks scheduled this morning and afternoon. If there are going to be any additional documents provided by committee members, please be sure and provide me copies of those documents. And also, again, for each member of the public who speaks during the public comment period, I will need a hard copy of your remarks and an electronic copy so that we can post your remarks on the committee website. I’d like to repeat again, we’re planning for a period of up to one-and-three-quarters hours for public comments, from 3:15 to 5:00 p.m. We want to be responsive to the needs of the public and we’ll see as the meeting progresses, how we need to structure that time. Members of the public, please if you have pre-registered to make a comment and you have not already signed in already, please do so at the sign in table so that we can plan the comment period and have an order to call your names. You will have five timed minutes to provide your comments.

As has been true of all of the AC21 meetings in the past, we’ll have a very full agenda for this meeting over the next two days.

 Within the overall context of strengthening coexistence among agricultural production methods, the Secretary’s charge to this committee is to address the following questions: one, what types of compensation mechanisms, if any, would be appropriate to address economic losses by farmers in which the value of their crops is reduced by unintended presence of genetically engineered material? Second, what would be necessary to implement such mechanisms? That is, what would be the eligibility standard for a loss, and what tools and triggers, for example, tolerances or testing protocols, would be needed to verify and measure such losses and determine if claims are compensable? Three, in addition to the above, what other actions will be appropriate to bolster or facilitate coexistence among different agricultural production systems in the United States?

 The Secretary also asked that work on questions one and two should be completed before work was undertaken on item three. This charge is provided to the committee and the public on a document on the table in the back. In addition, we started early on a compiled list of what we call parked items to be addressed when we got to question three. That list was included within the meeting summary for the first plenary session last August near the end of that document. We don’t have a copy of that provided for everyone, but I should note that as AC21 discussions have proceeded, these topics have all come up repeatedly and it has become clear that the answers to the first and second elements of the charge are intertwined with the answers to the third. Both I and Mr. Redding will come back to this, as may Secretary Vilsack.

 Let me give members of the public a brief synopsis of the work of the AC21 over past year. At the first meeting, committee members discussed the, the Secretary’s charge in some detail, listened to several expert presentations, and in getting down to the business at hand, decided that four working groups should be established, to gather and organize materials for the committee to consider on four topics. First, size and scope of risks. Second, potential compensation mechanisms. Third, eligibility standards and tools and triggers. And fourth, who pays. The first two of these working groups started their discussions before the second plenary session, the other two after the second plenary. Each working group has, to date, met no less than four times. We’ll shortly hear report-outs from each group and meeting summaries from all the working group meetings that have taken place since the last plenary session are provided in the package at the door.

 I should mention that working groups are, as required by law, populated by individuals with a balanced range of perspectives. We have included both AC21 members and some outside individuals to achieve balance in these groups. A handout at the door lists the names of the individuals in each. There have also been several expert presentations to the AC21 on several topics, including past organized efforts relating to coexistence and on how farmers have managed unintended GE presence on their, in their on-farm production.

 At the last AC21 sessions, despite notes of agreement among members on several themes, including the importance of stewardship and of high quality seeds that meet farmers’ needs, it also became clear that no consensus yet exists around elements one and two of the Secretary’s charge, and specifically around support for establishing a compensation mechanism at all. We hope to explore how to move past this difficulty over the next two days.

 The AC21 is now at a critical point in its discussions. As I said, there have been three plenary sessions and each working group has met no less than four times. After this meeting, Mr. Redding and I will attempt to summarize the areas of agreement and disagreement and the committee’s recommendations in a draft report which will be provided to you as “Chair’s text” around the end of the summer. No, excuse me. Yes, around the end of the summer. We will talk more about our expectations for that process and our proposed timeline for it later on in this meeting. Note that we will be attempting to capture the sense of the AC21’s discussion and not to force conclusions on the committee. There may be points or recommendations made on which there is not complete consensus, but we will attempt to note where there are disagreements in order that we may capture all participants’ views within the report. Our aim is to produce a report to which all may sign on and no one will feel obliged to produce a minority report.

 Now, on to the documents provided for committee members and the public. To start off, we have the Federal Register Notice announcing this meeting and the updated version of the provisional meeting agenda. And I should apologize to note that the session on impacts of crops with functional traits lists the speaker as TBD, and that was an oversight on my part. It will be Lynn Clarkson from this committee. Also -- and we’ll go over the agenda in more detail in a little bit -- also, there are copies of the AC21 charter and the bylaws and operating procedures for the committee and a package of biographical information for each of the AC21 members. Information is provided as background and context to committee members and the public. We have, also, the statement of the charge that I read out a moment or two ago. We have a list of the members of each of the working groups. We have several meeting summaries: both the summary from the last, the third plenary session, and the summaries from all of the working group meetings that have taken place since that plenary session organized by working group in one large document package.

 Also, just as at previous meetings, we have prepared copies of an earlier paper on the subject of coexistence prepared by a previous iteration of this committee as background. The paper is entitled, What Issues Should USDA Consider Regarding Coexistence Among Diverse Agricultural Systems in a Dynamic, Evolving, and Complex Marketplace? As I have noted before, it was an analytical paper rather than one that gave much in the way of recommendations to USDA, but Secretary Vilsack has asked this committee to go further. The paper contained a working definition of coexistence which has been amended by this committee so that the new definition reads: coexistence refers to the concurrent cultivation of conventional, organic, and genetically engineered crops consistent with underlying consumer preferences and farmer choices.

 The committee also in considering that definition, realized that there was some problem for definition that would be best left to the Chair and I on defining what conventional means in our context. So, we will take that on, or at least describe the confusion around it, in, in our draft of the report.

 And, additionally, there are a few other documents. We have prepared and provided some documents for discussion to help frame the committee’s work and to establish the time sequence for completion of that work. Those documents are, first, a very -- a draft, a very rough outline for the sections the paper might contain. Second, a set of potential framing points or themes for the report, which the Chair and I have developed based on what we’ve heard from members in discussions here and in the working groups. We were not, in that framing document, attempting to capture everything we have heard. Certainly not everything related to potential compensation mechanisms, nor the tools and standards to make them work. The document is an attempt to provide some context for the rest of the report, sort of an, sort of at least part of an introduction. A portion of that document was based on contributions made at the last meeting by a couple of the committee members here, Greg Jaffe and Alan Kemper. We’ll discuss these a bit today, I expect, and more tomorrow. Finally, there is a proposed timeline to get us closer to the completion of the report, showing how we get to the next plenary session and meet some deadlines that we have to meet. We’ll talk about these documents again a bit later on.

 I should note to the committee that we had hoped to have some additional information to provide to you by this time relating to economic losses from unintended GE presence. Data either from Dr. Nicholas Kalaitzandonakes, who spoke to this committee a couple of meetings ago, or from our economic research service where Doctor Cathy Greene has been working on gathering some additional relevant information. Unfortunately, we have not gotten that information as yet.

 Now, from USDA’s perspective, there are three main objectives for this meeting. They are, first, to consider final reports from the four AC21 working groups on analyses relevant to the overall committee charge. Second, to discuss potential economic impacts on farmers from the escape of certain genetically engineered crops carrying functional traits and how economic losses might be accounted for under a potential compensation mechanism. And, finally, for the central theme of this meeting, to continue to explore committee members’ views related to the committee charge in order to identify areas of agreement, as well as differences, and to prepare for the development of a draft report.

 Let me mention a few things about the agenda. Again, it’s slightly revised to accommodate the Secretary’s appearance at, at 9:45. Throughout this morning until lunch, we will hear, after the Secretary’s remarks, reports from the working groups who have worked on organizing some thoughts for the full committee on a number of relevant specific issues. Please note to those who are reporting from the working groups, we have needed to shorten those sessions just a little to accommodate the Secretary’s remarks. As we wrap those discussions up from the working groups, just before lunch, AC21 members will have the opportunity to reflect on what has been said and also, importantly, to begin the dialogue on how we move forward from where we are. Solutions that advance the dialogue toward consensus will be the key. We’ll come back to this topic throughout the remainder of the meeting.

 After lunch, we will have a brief presentation by a member of the committee, Lynn Clarkson, about the general challenge posed by economic losses from the unintended presence of GE materials from crops with functional traits which may potentially affect all producers, GE, non-GE, organic and any others, and some thoughts about addressing those losses. We will then have public comments, as required by law. A significant portion of our meeting where we will hear from interested members of the public with their thoughts on the topics you’re deliberating on, and on the recommendations you will be making. We do not have, at this point, a large number of commenters signed up to speak. Therefore, for what remains of the day, we will return to our discussions around moving towards consensus. We will review the points on which there seemed to be agreement and disagreement at the March plenary session. But we may also look to new ideas, revisit some of the information provided by the working groups, talk about the outline and the framing pieces, et cetera.

 Then, on tomorrow’s agenda, we have several pieces. A specific discussion on the draft framing piece and examination of what we can say about compensation and how we will fold in new ideas, and element three of the Secretary’s charge. In my mind at least, these elements are pretty fluid. To tie the pieces together, we may need to be jumping back and forth on all of these topics and will do whatever we need to, to try and put together a clear picture for the Chair and me as we retire and try to capture your views and recommendations in the draft report. Now, once I finish up my introductory remarks, I will turn over the microphone to the Chair. And then after he has finished up, we’ll have a quick update from Mr. Rob Burk, the designated federal official responsible for the National Genetic Resources Advisory Council, or NGRAC, who will provide you with a brief update on that committee whose work is in some ways linked closely to this one.

 Now, before I turn the discussion over to the Chair, I’d like to say a couple of words about the work that’s gone on so far. First, let me congratulate all of our committee members for sticking through this process. It has been difficult. You were brought together very specifically because you represent important and very different interests and expertise. The charge the Secretary has brought you is a difficult one. It forces everyone on the committee to talk about some uncomfortable things. There have been unsuccessful attempts to talk about these things in the past. Your discussions have been difficult. Very few positions espoused by any member on the committee go unchallenged. But, these discussions have been done in a professional and collegial way and everyone around this table has brought a very serious approach to these discussions. And, we are operating on a very tight timeline. Our goal is to get a report to the Secretary’s Office by the end of this fiscal year, which is September 30th. USDA has been reaching out individually to committee members to see where we stand and what needs to happen to find common ground that will move coexistence forward. In those calls, we certainly heard some frustration, but we have also heard an increasing spirit of problem solving and acknowledgment of what needs to be done to get to the end game, and a willingness to maybe put some new ideas on the table and see where you all as a committee can go. So I am very encouraged that we will come out of this meeting with a clear path forward and marching orders for Russell and me to produce a report that will make recommendations to help USDA close some difficult gaps and strengthen our farming communities. With all of that said, it’s now my pleasure to turn the microphone over to AC21’s Chair, Russell Redding, Dean of the College of Agriculture and Environmental Sciences at Delaware Valley College and former Pennsylvania Commissioner of Agriculture. We are indeed lucky to have Russell here with you all are aware of his thoughts on this and his leadership in this process and he will take you through this over the next two days. Russell, your thoughts.

 MR. REDDING: Thank you. Good morning everybody. It’s good to see you. Welcome back. To the members of the public, thank you for coming back as well and being part of this meeting and discussion. Doctor Schechtman, thank you for the kind introduction and excellent work to facilitate our deliberations, organize the plenary sessions and work group discussions. I’m sure that I speak for all of us that we appreciate your dedication and skill to engage, lead and report, many times simultaneously, on the, the work and efforts of AC21.

 To each of the AC21 members, thank you for your continued service to agriculture. A special note, we understand that everybody was in transit yesterday on Memorial Day. So, thank you. I mean, I know what that means, to sort of step away from the family picnics and time at home to focus on this very important public issue. So, just a special note of thanks. Your work is certainly valued and appreciated. This has been reinforced for me over the last several months as we’ve delved deeper into the charge and the working group discussions. I echo Michael’s comments on the professionalism and the spirit of the exchange.

 As noted previously, I am impressed with the depth of knowledge, diversity of perspectives and the passion each of you bring to the committee. The range of views on topics underscores the diversity of agriculture and the need for us to find solutions to coexistence. Each conversation has helped me better understand the issue and a reminder that words are important. In preparing for this plenary session, I went back to the foundation documents of AC21. The bylaws, the regulations and the charge, to reestablish the basis of why we are here and to make sure our deliberations are in keeping with the intent of AC21. It’s easy sometimes to drift away from the issue and the topic, not intentionally, but simply by the course of deliberations. So, looking at the departmental regulation, and I, I read this because I think it’s, it’s one of those important statements that has a thread through our work of the past year, and certainly you find many of these words in the, the theme document that Michael sent out. But the department regulation states, the USDA encourages and supports the responsible development and utilization of beneficial, new agricultural products, including those produced through biotechnology, and assures the safety of new products with a science-based regulatory approach. USDA has complex and, and crucial roles in protecting public health and safety, the natural environment as a competitive, vibrant, diverse farm economy, ensuring the quality and availability of our food and fiber supply and contributing to long term global food needs, and maintaining a competitive position of American agricultural products in the international marketplace. These topics are complex and crucial concern in the conduct of agricultural biotechnology research, regulation and commercialization. Further, it says the USDA believes it’s important to maintain an intensive and regular dialogue to explore and understand the broad array of issues relating to expanding dimensions and importance of agricultural biotechnology. This sounds much like the framing comments advanced at our March meeting by several members and embedded in the potential framing points of themes for the report documents you received in advance. The purpose in the bylaws and operating procedures identifies a twofold purpose. One is to examine the long term impacts of biotechnology on U.S. food and agricultural system and USDA. And secondly, to provide guidance to the USDA on pressing individual issues identified by the Secretary related to the application of biotechnology in agriculture.

 Further, regarding decision making for AC21, we will seek to operate via consensus and there is value in articulating a range of views and reasons for differences. Final point, under the safeguards for parties, we agree to act in good faith in all aspects of deliberations.

 Michael has reviewed the three point charge from the Secretary, which is the third piece of guidance. You will recall from the Secretary’s comments back in August regarding coexistence among different agricultural systems, the need to find solutions. We expect that, that will again be part of his conversation with us today. But several of those key points stuck out for me. One is, he wants us to help find answers to the elusive questions the USDA has been grappling with for a while. That’s a quote. He stressed the importance and difficulty of the assignment, but stated that smart, sensible people could come up with solutions. The importance of not turning farmers against farmers. And that was a point that resonated when I read the initial comments and, of course, several times since. The order of our business one and two in the charge, followed by three. And a, and a point that I think is important to remember is that he stated very clearly not to worry about whether any proposals are allowed under current statute. That was his job and not ours. And finally, the country needs this committee to be successful. That tells me that the USDA clearly views this issue of coexistence as a problem. And his comments further amplify that. I share this background at this crucial juncture of our work to remind us all of the significance of our work, the intent of AC21 and to help us identify areas of consensus.

 I’m optimistic that we can live true to these guidance documents and expectations of the Secretary for many reasons, but most importantly that agriculture needs us to be successful. It will require us to push the envelope and look for solutions, not differences. As I have said before, this will not be easy, but it is necessary. For this meeting, we will hear a summary from the work groups which will conclude their work and provide a basis of our report to the Secretary. As each of the rapporteurs report out, I would again ask you to think about what it is you hear that is in the consensus column. What can we agree to? All right? I think we all understand, just looking at the meeting objectives, what we need to have by tomorrow close of business. This will not be easy. We’ve had enough conversations throughout the course of -- with the work groups and certainly the last nine months, to know that this is going to be a challenge. But I believe strongly, having looked at the record and listened to the conversations, very thoughtful exchanges to the work groups and plenary sessions, that we can in fact find solutions.

 So as each of you listen to those reports, please identify those areas you believe the committee has agreement on and where we need further discussion over the next couple days. We all need to keep our eyes on the end goal. And that is, constructive policy recommendations on coexistence, consistent with the charge and in the public interest. This is our collective challenge. It will not be easy, but I look forward to the next two days and the very thoughtful exchange and a productive meeting.

Now I’d like to introduce Rob Burk, the designated federal official for the National Genetic Resources Advisory Council. I ask Rob to give us a few words on the progress of the council that has been named and is underway. The work is ready. So, Rob, welcome.

MR. BURK: Morning.

MR. REDDING: It’s good to see you.

MR. BURK: You too. Okay. Thank you. Thanks for having me. So if, if it hasn’t been brought to your attention, which I believe the Chairman just noted, last month we officially announced to the public the appointments of the National Genetic Resource Advisory Council. If you haven’t seen the, if you haven’t seen the press release, there is one on the, on the back table there and I’ll make sure the people receive an electronic copy as well for distribution. It’s a very diverse and impressive group of individuals, much like yourselves, six scientific members and three members of the general public.

Aside from that, the committee has met once via conference call, mainly just planning. It was the reason for that planning for its first meeting. And the, the Chair who was appointed by the Secretary, Doctor Manjit Misra, from Iowa State, requested that the members of the committee supply a series of topics and issues for consideration of that group. I know that this group is very interested in, in the activities of the NGRAC, and I, I would go as far as to recommend that this group might also consider submitting some topics of interest that they would like considered. And I would suggest submitting those to Michael so that he can forward them on to me.

Aside from that, the, they are planning their first face-to-face meeting. It will be here in Washington. The date is not yet set, but a Federal Register Notice will be submitted and, and the public will be made aware and invited to attend. Other than that, the, the committee has made it very clear that they want to work hand-in-hand with this committee. And, and so I come here with good tidings and, you know, please consider us your, your colleagues and, and, and we look forward to working with you.

MR. REDDING: Rob, thank you. What, what is the timeline, I guess, for the council? Do you have a work plan?

MR. BURK: Very generally speaking, we have one internal procedure which relation to this committee is, is being housed within the National Agricultural Research Extension, Education and Economics Advisory Board. One slight alteration to the charge of the NAREEEA Board, as we call it, needs to be made before we can officially spend money on, on this committee. I don’t anticipate that taking more than one more month. And then outside of that, the Federal Register Notice process would require us to at least push about two months until that first meeting.

MR. REDDING: Very good. Thank you. Any questions or comments for Rob?

MR. SCHECHTMAN: Thank you, Rob. I’d also want to add, since you’ve made the recommendation about having thoughts from this committee about what you might do, I would suggest that rather than spending the time in this meeting, since we don’t have time budgeted for that at this point, that might be something that we might do via, via e-mail, gathering ideas after, after this meeting, unless some specific things come up that all of a sudden seem relevant there. If that’s okay?

MR. REDDING: There are a few things, I think, on our, sort of, parking lot list. Right? That we, we need to have in our transmittal to you?

MR. BURK: Great.

MR. REDDING: Okay?

MR. BURK: Thank you.

MR. REDDING: Great. Thank you. I’m sorry, Mary Howell?

MS. HOWELL: Have you been given a specific charge like we did for what you are supposed to accomplish?

MR. BURK: Yes. Yeah, and it, it’s very in keeping with the charter of the committee and, and that is available on, online and, again, I can make sure that Michael has the electronic copy of that as well. Yeah, it’s very, it’s very clear on, on what the committee will be addressing. And in this press release, it, it broadly outlines what that charge is, but it, it’s fairly straightforward.

MR. REDDING: Very good. Final questions or thoughts for Rob? Okay. Thank you.

MR. BURK: And thanks again.

MR. SCHECHTMAN: Do we want to go ahead?

MR. REDDING: When is the Secretary --

MR. SCHECHTMAN: I don’t think, I don’t think we can start another work group. Should we, do you want to just have some sort of a general chat now on something?

MR. REDDING: Yeah. Let’s, we’re waiting for the Secretary before we jump into the work group discussions. So, let us, why don’t we just open it up? I mean we, Michael and I, have given you some initial thoughts on this meeting and sort of expectations. If there are others you would like to sort of share, maybe their observations as well, I would welcome that and any, any initial comments that would help us achieve the objective here of finding some consensus on our charge. So, with that -- yes, Laura?

MS. BATCHA: Laura Batcha. I don’t have comments at this point, but I do have a clarifying question. And it, it may just be that I hadn’t noticed it before. In my mind, we’ve been working towards a recommendation for the Secretary and now I’m hearing consistently from both of you all language about the report. Is, is it a shift in choice of words? Is it meaningful? Is it not meaningful or am I just mistaken?

MR. REDDING: I, I don’t want to start the meeting saying you’re mistaken.

MS. BATCHA: Your choice.

MR. REDDING: Well, I don’t think, I, I think it is a report that will have recommendations. Okay?

MS. BATCHA: Of course.

MR. REDDING: So, report, view it as a, a more of a structure of the document with some recommendations in, included in it. Yes.

MS. BATCHA: Thank you.

MR. REDDING: Okay? Alan?

MR. KEMPER: Yeah? Mr. Chairman, in a follow-up question to that last. So the report, in your opinion, will deal with more concepts or more with details? Thank you.

MR. REDDING: And I’ll ask Michael to, to jump in here as well. I think the, you know, the, the objective here is to get to a report that is broad in theme. And I think in that theme document that we distributed earlier, it sort of gives you a sense of the, sort of the flavor of the report and the expectation would be it was built off of that. Within that larger themed document there would be a set of recommendations, appropriately. You know, if, if there are recommendations around stewardship, let’s say, or around the discussion of a compensation mechanism, we would embed those in that report. But, this report and, and Michael and I have spent some time thinking about it, just because the, the deadline is looming. Right? The summary is hot. There is work to do, but we want to deliver on our, our expectation to the Secretary. So, we want to frame this document that it’s ideally, as Michael mentioned, you know, inclusive of the committee’s thoughts. Ideally is a consensus report. You know? So, I, I say that. It’s always a longer answer than preferred, but I, I, I don’t want to miss the point that we want to deliver the best thinking out of this committee. All right? Per the charge. That is in keeping with the goal of the USDA on furthering coexistence. So if we need to have larger themed pieces in here to make sure that we were in agreement, we do that. If we can agree on some recommendations within a subset of that, we do it. Okay? Michael?

MR. SCHECHTMAN: Yeah, let, I’ll just, I’ll just add a little bit. There are sort of two forces that are at odds in trying to get a report out. The more you write, the more there is to disagree over. But you need some context to understand recommendations, but also importantly, where there isn’t agreement, you need to explain why that is the case. So, I think, you know, there will be things that I’m hopeful that people will agree to. There will be things that most people agree to. There will be places where we say, the committee is not sure and not of one mind. We want to, and you have to do a certain amount of writing to make sure that everyone feels that their, that their views are included in the report. So that’s what turns it from a report, from a, just recommendations into, into a report. By the same token, the Secretary wants recommendations and the people who look at whether our money is being effectively spent have a little checklist and they count the number of recommendations. So, I want to see recommendations. But, but it’s, it’s again this, this balancing act.

MR. REDDING: Thank you. Good question. It helped us focus on that, on the angle. Yeah. Chuck?

MR. BENBROOK: Chuck Benbrook. Having now read the summaries and, and thought about the process, I, I think it’s fair to say that the one thing that we’ve consistently agreed on is that we don’t agree on much. And I, I think that I would recommend that we try to focus on the, the -- there’s, I think, two or three core issues of public policy that have to be, really have to be resolved before serious work can be done on the nuts and bolts of setting up the compensation mechanism.

MR. SCHECHTMAN: Good morning, Secretary.

MR. REDDING: Mr. Secretary, welcome. Chuck, if we can come back to it?

MR. BENBROOK: Yeah, sure.

MR. REDDING: Mr. Secretary, welcome, welcome back. We were pleased that your schedule allowed us to spend some time with you, appreciate very much assembling this group and re-launching AC21. As we’ve shared in conversation, this, this group has hard at working on the charge that you set forth last August and now this is a critical meeting for us, just because we’re going to report out on our work groups that have, have been spending months sort of deliberating on different issues. And our angle, by tomorrow close of business, is to have the framing of the report, themes at least that Doctor Schechtman and I can work on over the summer and deliver to you. We appreciate very much you pulling this group together, an exceptional group of good thinkers, good leaders. They do represent all of American agriculture. So, we appreciate very much your leadership and what you’re going to the USDA with a strong voice for agriculture. Welcome.

MR. VILSACK: Mr. Chairman, thank you very much and thank you for your willingness to take on this responsibility and the leadership that you provided to, to the AC21 committee. I appreciate your willingness to tackle this very difficult set of issues and certainly want to express my thanks and appreciation to all of the people who have served on the AC21 committee. I note that we have challenged you with some very difficult, complex and unique set of circumstances to, to discuss, because agriculture is far more complex, far more complicated than most ordinary folks understand and appreciate. It may even be more complex and complicated than you thought it was before you started this committee’s work. But you’re finding out that there are strongly held views and feelings on a variety of issues and it’s complicated.

I asked for this opportunity to speak to encourage you to find a, a consensus position. I have not had the opportunity nor the privilege of sitting in on all of your meetings, nor had the opportunity to review all of the materials that you all have looked at. Nor do I come from the same backgrounds that each of you come from, that gives you a unique perspective. But I suspect that I have somewhat of a unique perspective as well, being the Secretary, and a Secretary of Agriculture at this point in time. At a time when we are seeing economic activity and economic viability in rural areas that we haven’t seen for a while, and providing some degree of hope and some degree of belief that there is really a terrific opportunity in an area of the country that has seen for far too long a decline of opportunity. An exodus of young people. We’re beginning to see a lot of young people wanting the opportunity to potentially be reconnected with the land. We’re seeing a record number of acres now enrolled in conservation practices, which is suggesting that there is a renewed interest in stewardship and a belief and appreciation for the fact that our natural resources are what give us this bounty, regardless of which agricultural system we think is the right system or the correct system or the most appropriate system.

And that’s giving us an opportunity to expand new business opportunities in, in outdoor recreation, which is an under-appreciated aspect of, of the rural economy. We’re seeing phenomenal developments and research being done and taking plant and crop and livestock material, waste material and turning it into virtually everything in an economy. I have been talking as I have traveled around the country of a recent visit to a facility in Ohio, a Sherwin-Williams facility that makes paints, that are now plant-based. I have been in Wisconsin at a facility that’s using corn cobs to replicate the molecules of plastic so those water bottles that you all have, someday in the very near future will be 100 percent plant-based, 100 percent renewable, 100 percent recyclable, and creating new opportunities because of the nature of the material that will create those products for refineries to be located throughout the rural landscape. So, this is an exciting time.

But as you all know, as this committee recognizes, there is this ongoing conversation in agricultural circles about methods of production. And I want to underscore that behind every method of production, behind every dispute you may have, behind every argument you may make, there are real people, real families involved. This came to light recently for me when I watched a safe product get disparaged in the media, and now I’m dealing with never, a number of my fellow Iowans who have lost their job, may lose their home, may lose their business, because a safe product in a relatively short period of time was created, an image was created for it that it just could not recover from. Behind every decision, behind every argument there are real people’s lives that get impacted and affected.

And what I wanted this committee to do was to try to provide some space where, if a real live family or real live group of folks were impacted negatively, that there would be a process that would ensure that they didn’t have to lose their farm or their livelihood. And that’s not just organic folks, that’s conventional and GMO folks. There’s stories and families behind every single one of those processes.

And the fear is that because people are so wedded to their particular position on, on these issues that compromise and consensus can’t be reached. How many of the people on this committee are satisfied with the way Congress is acting? Any, any pro-Congress people here? Why is that? Why are we so disenchanted with our political process? Is it, is it because nothing gets done? Is it because people feel that they’re right and the other side is wrong and the result is there’s no give and no take? Isn’t that the reason why we’re upset with folks?

UNIDENTIFIED FEMALE: No compromise.

MR. VILSACK: What happens if this group can’t reach a consensus? Can’t find that place where a problem could potentially be moved from a problem to a potential solution? What if the feelings are so strong and the passions are so strong and the beliefs are so strong that you can’t get there? How’s that any different than Congress?

Here’s the, here’s the deal. You got to risk here. Now, some people will say it’s not much of a risk and some people will say it’s a huge risk. Fair enough, but I don’t think anybody’s going to suggest there’s not some risk. So what do you do with risk? It seems to me there are essentially two things you do with risk. One is you try to mitigate it. And the other is you try to cover whatever losses result when the risk occurs. So it seems to me that as you’re talking about these issues, it ought to be focused on what can we do to mitigate it and what can we do to cover it?

And if you talk about what you can do to mitigate it, you’re probably talking about what people who grow genetically modified crops need to do, should do, ought to do or told to do, required to do, as good stewards, to mitigate the risk. Talk about the cover risk, stewardship, you’re probably covering some form, some method by which the Government helps all or part to provide a fund of some kind so that you’re not put in a position where neighbor is suing neighbor. Because that, that doesn’t provide for a healthy rural community.

So I know these issues are tough. And I, I, the reason I’m here is I’m a bit disturbed. I hear comments from folks. I hear a little scuttlebutt about well, we’re, we’re just having a hard and, and folks are pretty locked into their positions and, you know, it’s hard, it’s tough. Some people don’t think there’s a problem. Some people think there is a big problem. Some people like stewardship. Some people don’t like a compensation fund. Some people don’t know if they should have to bear the brunt of insurance. Jiminy Christmas, folks. There’s ways to figure all that stuff out, if you focus on reducing and mitigating the risk and covering the risk. And everybody comes to the table and gives a little bit. If you could do that, you walk out of this room having met your responsibility, which is a big deal. You walk out of this room sending a message to all of agriculture and all of rural America that there are ways in which reasonable people can sit around a table and reach some form of consensus and recognition and understanding. And that is a very powerful and important message to be sent. And maybe even send a message to the country that people who have very strong, passionate, philosophical and economic and environmental beliefs can actually, in this country, still reach a consensus. It’s pretty important work you got.

And I have been talking around the country about the 1862 Congress. It’s a group of people I, I, unfortunately I, I can’t name, name you a single person who was in that Congress and I should, because in that Congress they established the USDA. They created the Homestead Act that I suspect some of the people who are here could probably trace their land back to the homesteader. They created the Morrill Act, which is the Land Grant University system. I know for sure I can point to some people on this committee that have Land Grant connections. And I think they figured out how to fund the Intercontinental Railroad so that we became one nation, coast to coast. And they did that in the midst of the Civil War with a huge deficit.

So when people say things are tough, I think about how tough could they be. They can’t be any tougher than they were in 1862. But yet they had the capacity to see the potential of this country. And, before I take a few questions, I’m just going to, I’m going to tell you, I think there’s a powerful vision out there for rural America. And it is a powerful vision that takes advantage of all forms of agriculture. That sees a role for all aspects of agriculture. That welcomes the extraordinary productivity that allows us to not only feed our own people, but the world. That recognizes the entrepreneurship and the innovation, the creativity of the folks who are starting small who have a dream. The capacity of conservation to expand outdoor recreation and new opportunities for local and regional food systems that a bio-based economy, it is magnificent future giving people for the first time in a long time in those small towns, the ability to say to their kids, there’s a future here. There’s a future here.

That’s what your work is about here. It’s doing the things that people in this country have done throughout our history up to this point of always looking at a future vision of this country that is magnificent and powerful and inspiring.

So please, don’t tell me it’s too difficult. Please don’t tell me that folks are too locked in. The vision is to compelling. And the example is needed now more than ever. Twenty-one people very passionate about what they do and what they think can come to some conclusion to move that vision a bit forward. It’s a big job. Wouldn’t have asked you to do it if I didn’t think you could do it. So, questions, if there are any?

MR. REDDING: Mary Howell.

MS. HOWELL: I agree. I agree with you totally about the mitigation and the covering. I think that’s a very good way of looking at it. I think our problem here, at least partly, is a logic issue. Because the charges you gave us to begin with puts those two items in reverse order. You have us doing compensation for 1 and 2 and the mitigation for 3. And we’re not supposed to work on, we’re not, not supposed to work on 3 until we get completed with 1 and 2. I honestly think if we could look at in the order that you just mentioned, we’d have a lot less trouble coming to agreement.

MR. VILSACK: Well, maybe that’s true, but don’t use 3 as an excuse not to get to 1 and 2.

MS. HOWELL: Exactly.

MR. VILSACK: And that --

MS. HOWELL: But it’s a logic issue.

MR. VILSACK: -- and, and let me tell you, that’s been done before. That’s been done before, which is why I put it in the order I put it in. I, I can make it easier for you. But I, by making it easier, you could in theory say well, you know, the only thing that needs to be done here is, is stewardship. And honestly, you could have the greatest stewards in the world, but there’s still going to be a potential for a problem. And you’re still going to have some family, that’s what I’m trying to impress today, is behind every one of these issues there is a family. There are people whose lives will be impacted by this if we don’t do it right. So, you know, if you, if you need to structure this in a way that gives you greater flexibility to get to yes on 1 and 2, I’m all, all for that. But don’t come back to me and say well, we’ve done a great job of answering 3, but we just can’t get to 1 and 2. Because we need the whole, we, you know, if you go to 3, you’re basically talking about mitigating a risk. You’re not really talking about covering it. Because if it occurs, what do you do? What do you do if it occurs? It may be one in a thousand, one in a million, one in a trillion. I, I, the, the point of this is, as long as there is that risk, there is, there is this potential for extraordinary conflict between various types of agriculture and somebody has got to move that to a different place. Because right now it’s a war. And, and it’s, it, it and there are always casualties. And I’m trying to avoid that by coming up with a system that says, hey, we, there’s a risk here and some people may think it’s a huge risk and some people may think it’s a very small risk, but, but there’s no doubt that there is some risk here, so here’s what we’re going to do as people working together, wanting to live in one community. We’re going to mitigate the risk. We’re going to cover the risk. But don’t just give me the mitigation piece, because I, I can already do that.

MR. SCHECHTMAN: Commissioner?

MR. GOEHRING: Good morning, Mr. Secretary. Doug Goehring. How are you today? I appreciate --

MR. VILSACK: You don’t really want an answer to that question.

MR. GOEHRING: That’s probably true of all of us. I want to thank you for taking the time this morning to come and speak to us about this issue. To Mary’s, to Mary’s point, there is a situation though that exists across the United States of America with most people in production agriculture, and that is, being unaware of what’s going on in your surroundings. And I see the potential here for USDA and probably a lot of the agriculture departments across the state, probably all the respective AG organizations, probably even all of those in agribusiness, to play a role here, but USDA probably stepping up to be that, that entity that is going to showcase this issue, which is understanding and educating and doing outreach with respect to mitigating some of those risks. I remember the program that you guys had presented and talked about extensively, Know Your Farmer? Have a thought, some of the things and all the conversation that has went on around here with this group, maybe USDA could start a program which is, Know Your Neighbor, Know Your Risk and Know Your Contract. We have a lot of producers out there, IP producers which with respect to organic, those that are producing other food crops and those that are producing seed, would help them with respect to, these are some of the challenges that they’re trying to meet. This would be a great way of throwing that out there, getting everybody aware, because when farmers go to the field, last thing they’re thinking about is anybody else. This starts to open up that dialogue and that conversation. And since we really haven’t seen this ever take place before, this would be wonderful if USDA could showcase, you know, that portion of it, that piece. Move us off from dead center to get people thinking about it. Because right now there’s only a handful that think about it and it’s generally those that are producing seed, those that are producing IP crops and or organic industry. And I think it’s a wonderful platform from here forward if USDA would want to take that on. It’d be a challenge. But it’d be great. We’d all step in to, to help.

MR. VILSACK: Well, your report basically offers an opportunity to launch something like that. Because it, it will give us a focal point for, for doing this and, and explaining to people why this becomes important. You know, I think we are learning a lot about the use of technology in, in terms of informing people about what USDA is doing and I think your, your, your point is an interesting one in terms of using technology to make sure that the folks understand and appreciate what’s happening in their neighborhood and in their community. I think that’s a positive thing. It would be a massive undertaking, but it’s something we, we ought to be thinking about. But I, but I really need the report from this group to be able to act as a catalyst. The last thing I need is for the report to come in and say, sorry, Mr. Secretary, this was just too hard for us to figure out.

MR. KEMPER: I don’t know. Are you, you calling on people?

MR. REDDING: Alan?

MR. KEMPER: Good morning, Mr. Secretary.

MR. VILSACK: Good morning, Alan.

MR. KEMPER: Appreciate you coming over. It was somewhat like a halftime pep talk by a coach this morning, which I appreciated. And with all due respect, you are the most passionate, since 1984, of all Secretaries I have worked with for American agriculture and the diverse nature of it and I thank you for that.

MR. VILSACK: Thank you.

MR. KEMPER: I didn’t, I can’t say it as well as the commissioner just said it, and I think a lot of it comes back to education, not only education of the various production practices, whether organic, natural, conventional or GE, but even within each practice in the next decade or so, of all the different component possibilities of that. The different herbicide applications, different insect application, the Know Your Neighbor, Know Your Farmer part, farmer to farmer, it’s never going to be larger or needed more than that. I consider this an honor to be on this because I see us fine-tuning a very great agricultural system called U.S. Agriculture. There, there are small problems that some people think are large. But it is a fine tuning of the agriculture. It is not a massive, massive, massive problem. And so we look forward with that. So I think at the end of the day, between now and the 1st of September, you will see a very good document reached on compromise by this committee, on coexistence and other issues within agriculture with that. Because you see, I’m not really doing this for you, Mr. Secretary, even though you might think I am. Kemper Farms has been around since 1888. I’m doing this for all my children and grandchildren’s future. My son’s a partner in the operation and I know that the only way American agriculture can work together is to have more coexistence, more education and more information to that partner in my operation. Thank you, Mr. Secretary.

MR. VILSACK: Thanks, Alan.

MR. REDDING: Barry?

MR. BUSHUE: Thank you for coming, Mr. Secretary. I appreciate the opportunity. I, I too am one of those families that you talked about and as, as Alan is and Doug is, but I guess I’ve always had an appreciation for the value of agriculture and what it means to my family, but I’ve never assumed that it was not without risk. And I, I very much appreciate the way you laid out the difference between mitigating risk and covering it, but I -- part, part of an issue of farming is that you accept some of those risks and you try to figure out ways to deal with them on your own. Now, obviously, we have the Farm Bill. We have various types of support programs of which most of us in this room, I assume, are somewhat supportive, especially in terms of disaster, et cetera. But I, I, I, I guess I’d like some clarification, if possible, with, with, with respect that I, I, I guess I’m not sure if anybody in agriculture never get to a place where there is no risk, and where all risk has to be covered. I’m, I’m really troubled by that and I’d appreciate it if you could clarify that for me.

MR. VILSACK: Well, first of all, there’s an interesting debate taking place within the Congress today on what I like to refer to as the Food, Farm and Jobs Bill. I think, frankly, farmers make a big mistake referring to it as the Farm Bill. Because when you say that, you’re speaking to the two percent of the folks who farm and not the 98 percent of the folks who really need that legislation as much as the two percent.

And the debate is actually how you mitigate the consequences of actions that farmers have no control over. You mentioned disaster programs. What, what are, what are disaster programs? Well, they’re, they, they’re programs that provide assistance and help to those who, who farm. Who, through no fault of theirs, end up having significant damage to their crops. And as a result, suffer significant economic harm. And, unfortunately, today for some large scale operations, the cost of inputs is so great that one bad year could be enough to make it difficult for you to pass that farm on to your kids and grandkids. You, you just, you may not be able to get the credit that allows you to get through to the next year, absent some kind of assistance and help.

So, we come along as a, as a country and say, you know, our food security is important to us as a country. Our capacity to provide for most of our own needs and not have to rely on another country to feed us, is so important that we will create a system and put it in place that will provide some degree of coverage to that risk that you can’t control. It’s not necessarily 100 percent of the coverage, but it’s, but it is, it is significant enough to keep you in business. And then we say, in addition to that, we’re going to give you the capacity and the power to mitigate and cover the risk yourself by giving you a product, an insurance product, that you, that you can purchase that will provide you additional support and help. And here’s the deal. We recognize this is an additional cost and, you know, it’s so important to us that the Government will step up and be a partner with you and defray a portion of the cost. And in some cases, a fairly significant percentage of that cost. And we’ll structure it in such a way that the insurance company’s risk is also mitigated by providing some promise that if it’s really, really bad, the Government will step in and limit the exposure that the insurance company has. And that insurance company then provides re-insurance, and purchases, in a sense, re-insurance to protect it against risk. So, there’s a series of steps here that are designed not to necessarily eliminate it, but to minimize it to a point where it’s, it’s, it’s, you, you can survive. All right.

Now, in addition to that, we also create these series of programs, where in the past, where we’ve allowed you to go out and borrow money on the crop and if the price goes below what the loan rate is, you get, you know, you, you, there are just a whole series of issues. In addition to that, to minimize that risk of, of surpluses really creating havoc with the price, we come in with nutrition assistance programs that help moderate that surplus and use, you know, provide assistance and help for people to be able to pay at the grocery store so that 14 cents of every nutrition assistance dollar that goes out the door comes back in the hands and pocket of a farmer. So, I mean, there’s a whole comprehensive system that we put in place that is in that Food, Farm and Jobs Bill designed to provide and to mitigate the risk of a bad crop because of disaster that you have no control over or prices dropping that you frankly don’t have control over either, because it’s a market that is larger than an individual.

And we further go and provide new market opportunities, which is what this administration is focused on, in addition to supporting the export markets. New market opportunities to allow you to sell locally so maybe you don’t have to depend on that risky commodity market. It gives you another option. We also provide conservation opportunities for land that may not be as productive, to make it productive for a societal good. I mean, so it’s a whole series of things. So, put yourself in the position of an organic producer. Up until recently, crop insurance wasn’t really even thought of. And we’re now slowly but surely getting to that point. You’re a small operator and you’ve got a specialty crop you’re growing, not a whole lot of those commodity programs work for you.

You’ve got a disaster program that doesn’t really fit, so you do the, the, the NLP program and that, you know, you talk to the Upstate New York guys who that doesn’t work for them, because they’re growing fruits and vegetables and never thought a, a disaster could strike that far inland like it did last year. It didn’t work for them.

And now you’ve got a circumstance and, and I’m not going to get into the hassle and the argument you all are having about whether this is a risk or not a risk. I mean, the reality is, there is a chance of something happening in my field as an organic producer that is a result of somebody doing something else in another field, growing a different type of crop that takes the economic value of my crop, which is here, and reduces it here. That’s economic risk. So, to my way of thinking, if you’ve got that risk, there’s got to be a way in which the folks who potentially can reduce that risk from occurring, ought to be asked to consider those options and those, those practices. And then the producer himself has got to figure out, is there a way in which there’s a, there’s a compensation fund, there’s an insurance product -- it’s some, you know, is there some partnership between the Government and me so that at the end of the day I do not lose so much economic value that I can’t survive. Because if I can’t survive, that’s one more family that leaves rural America. One more family that doesn’t support the local school. One more family that doesn’t protect Main Street, the Main Street businesses. One more family that adds to the decline of rural America.

So, you know, I’m not, I don’t think we’re talking about eliminating risk. I think we’re getting it to the point where it’s manageable. That you survive. You live to plant another day. Just like we have in so many other aspects of agriculture. And, you know, we’re having a big fuss now, geographically, because the Senate AG, Agricultural Reform and Food and Jobs Bill doesn’t satisfy the peanut and rice guys and the cotton guys are a little anxious about it. They think the corn, soybean guys are constantly taking advantage of them and the corn, soybean guys are good people, I think. I know several of them here I like.

Now they think, well, Jiminy Christmas, assistance is pretty good, looks pretty good to us. Well, you know, it’s the point of this is, this extraordinary diversity we have in, in, America is something we should celebrate. It’s, it should, it should be something that brings us together, that doesn’t divide us. For whatever reason, diversity seems, in, in so many aspects of society, seems to divide us instead of the notion that this diversity is what’s made this country extraordinary and special and different than virtually any other place on Earth. The diversity of people. The diversity of ideas. The diversity of cultures. The diversity of political views. I mean, it’s, it’s, it’s what is a great thing about this country.

So, it’s a long answer to your question, but you know, it’s not about eliminating risk, it’s about managing it. Right? And that’s what we do in every other aspect of agriculture. So, we’ve got to be able to figure out how to do it here.

MR. REDDING: Josette and then Leon.

MS. LEWIS: Thank you. I appreciate your comments because I do think they help us better understand the priorities of the department. With every risk, though, there are also benefits and I think that’s actually one of the key things that has become a bit of a dividing line on the issue of a compensation mechanism. The example you give in your opening remarks about mitigating risk, is GE farmers mitigating the risk of gene flow or, or unintended consequences on their neighbors. Their neighbors, if they’re an organic producer or an IP producer of another type, are receiving a benefit. There is an economic benefit associated with the growing diversity in the marketplace and the fact that organic production does generally have a higher commodity, a higher price on those products. So, sharing risk in, has to go along with sharing benefit and if that’s the, the way in which you want to look at the question, I think that has been why the compensation mechanism becomes a divisive issue in the committee, is that we’re not sharing the benefit.

I fully agree with the department and, and laud the department’s efforts to embrace the diversity of U.S. agriculture. I think it’s a great thing that we’re seeing a rise in organic production. We’re seeing a rise in all sorts of specialty market segments, some of which were created by the advent of GE and those who don’t want GE, whether it’s, it’s conventional soybeans that’s, that obtain a price premium for the Japanese export market or the soy sauce that I purchase in my own home. Or if it’s the organic segment of the -- these are important opportunities. These are economic opportunities that agriculture is experiencing as it becomes more diverse. And so I think it’s equally important, as you, as the department thinks about the policy tools, that you think about the ways to optimize the benefit.

And I think that’s where some of us in the committee really think there’s a, a lot of scope for opportunity beyond a compensation mechanism, to think about how we can facilitate the growth of that diversity in the marketplace to facilitate producers, producer organizations and food processors to be able to function within that diversity.

I, I have had a career that has lived through the dark days of getting used to GE products in the marketplace. There are products that are, that, that were developed through biotechnology that are no longer on the market, because the market spoke. There is no GE wheat. There are no GE potatoes. These are things where the market signals eventually worked it to a point where, where companies and producers and different segments of that marketplace figured out how to function within that.

I think one of the things that’s always difficult, and you referred back to the 1860 Congress. When you’re in, on the battlefield or you’re in the trenches, which to some extent all the lawsuits must feel like being in the trenches, it’s very hard to envision the good side of it, the glass being half full. I think that the challenges that we’re facing right now are because there is growth in the diversity in the marketplace and there are some segments of that that need assistance to figure out how to rationalize those market signals. And that I have faith that the creativity of that marketplace is actually what will drive the, the growth and, and vitality of U.S. agriculture. So, again, I think there are a number of us who come to this really looking for this as an opportunity to facilitate, to provide recommendations on how we can grow that diversity in the marketplace without causing further divisiveness between different, different sides of that market.

MR. VILSACK: Well, here’s the, you know, the marketplace is terrific. But it’s not perfect. Witness lean, finely textured beef. Safe product. Been using it for 20 years. In a matter of weeks, people are losing their jobs because an image, not, not a reality, an image. All right? So, so the marketplace right now is compelling people to go into a courtroom to decide their dispute.

Now, as a former lawyer of 23 years in a small town, do you know, I have two, two sons who are lawyers. It could be hard for me to argue that, that’s not a good thing. But I will tell you, it’s not a good thing. And here’s why it’s not a good thing. Because you have thousands of different court systems and thousands of different Judges and you will get no consistency and you will not allow the marketplace the certainty that the marketplace needs to be able to make the decisions that provide the signals that people can rely on in making decisions. That’s the problem. There’s a degree of uncertainty.

And so, one thing this committee can do is it can create a structure and system where, which provides certainty. Now, I, I get the reward and the, the benefit, but it seems like, it seems like what we’re, what I’m asking you to figure out is where the balance is. How you balance responsibilities. It seems like, in my head, I, I actually have a construct here, but I, but I, I’m not going, you know, I, I’m not part of the committee. But don’t tell me we can’t figure out a way in which each side is required to do a little bit more or something different than they’ve done before and the Government can provide some degree of assistance and help in either educating folks about the importance of this or providing financial assistance on, on, on this side. But, you know, if you got a guy who’s got something that’s worth 10 bucks and something happens to it through no, no fault of his it becomes worth two bucks, he, he’s going to scratch his head and say why, why isn’t there a process, because my neighbor when the storm hit, and his crop was destroyed and he had something that was worth $100,000 and now he has something that’s worth nothing, someone’s going to come in and give him a check. In fact, he’s going to get two checks. He’s going to get one from the crop insurance guy and he’s going to get one from the Government. But I’m not, I’m not in that system, because there is no system for me. So you’re right. The diversity of agriculture is, is, is exploding. The creativity is wonderful. Lots of new opportunities, but what happens is, our regulatory systems and our, our, our Government is like a step and a half behind. I’m asking you to get a step ahead. Because if you get a step ahead, what’ll happen is that diversity will be allowed to have a set of rules that people will understand and it will, it will grow and flourish and we’ll continue to have enormous opportunities. And at the end of the day that’s what I am most interested in. If, if it is really about that, that father being able to say to his son and daughter, you don’t have to go to a big city to, to experience the American dream. It’s right here. They may decide to leave, but they won’t be forced to leave. So I, I think you can get there. That’s why I’m here this morning. To encourage you to get there.

UNIDENTIFIED MALE: Excuse me, sir. You only have time for two more questions.

MR. VILSACK: Thanks, Malcolm.

MR. REDDING: Leon?

MR. VILSACK: I’m sorry.

MR. CORZINE: Leon Corzine. Thank you very much, Mr. Secretary for giving, giving your time because I, I can only imagine the constraints that you have as far as time and, and on all the issues. A couple things I really liked that you said. For example, on, on the using the term the, the Food, Farm and Jobs Bill, because I think that part is really important. And then, I was going to go there where you mentioned as far as, real families being behind these decisions because I, like my counterpart, Mr. Kemper, have, I’m a fifth generation and my sixth generation has chosen to be on the farm. We actually started about 10 years ahead of Alan, be we’ll, we’ll compare notes on exact dates a little later.

We, we take a look and, traditionally, starting I think with my grandfather, looking at, at added value opportunities and, and increasing the price at the farm gate and organizationally, as you know, all of the commodity organizations look at those opportunities and encourage that and see what we can do to help that along. And, and I see the non-GM opportunity now was actually created by new technology. Right? Because now there are some that for whatever reason choose to not and, and then there’s the organic contracts is, is there as well. And, and, and where all are flourishing, I know there are risks and you’ve, you’ve talked about that and I don’t want to belabor that point. But as we look at contracts, my son and I now, we take a look at the risk and, and my concern and, and I, it is about balance, but my concern that if we mitigate risk, we, we also mitigate risk premium. Because there’s a premium in all those contracts and it has to do with the risk. We take a look at what opportunities are out there each year, whether it’s non-GM soy or corn. We do seed production. In the past we have done white corn, waxy corn, all of those kind of things and, and risk is part of it when we look at what’s in that contract. And I, I wonder if a good place for the department is actually what Doug mentioned, the Know Your, Know Your Neighbor, Know Your Risk, Know Your Contract. And if USDA has done a really good job in the past on developing modules or, or training modules. And, and I’m thinking not just for producers that are signing contracts, but the riders of contrast. I, I really think there are times when they don’t really know what they’re asking and, and there could be some help done in that area and what is possible. Because if it’s very high value, I’m going to try and achieve it but, you know, maybe my odds of hitting that are really, really poor. And if I hit it maybe three out of five years, maybe the three years that I hit it there is enough premium there to offset what, what that is, but maybe not. And, and I’m not sure where that balance is, how much I should be compensated or backstopped, if you will, because that premium is going to go away because the person who wrote that contract is going to know, hey, he doesn’t have the risk he used to have so there are going to be how, X number of others that are going to take a look at that as well.

And, and I guess one other thing in that I’d like your thought on that and is, you, you’ve mentioned it and you mentioned it before as far as a war out there and, and I don’t see the war. I see differences. I have three organic neighbors now. We worked through some issues. We generally do a temporal difference. I mean, I do everything I can to get out there and plant early. And they cannot plant early because of their particular systems. And we work through issues like that on, on the corn side. On the soy side it’s easier. We all know. But I, I guess I have a concern as the guy on the family farm, that my, my son and I don’t feel like we’re at war with anybody. But, and it seems like maybe it’s a little like Congress. I have a concern that whether it is because of our particular organizations and maybe all of them. I’m not pointing fingers at any of them. We create something that looks like a war when we’re not. Or we, we magnify the problem and, and or create, create a big, make it look like it’s a big problem and maybe it really isn’t. And it, it makes it easier for us to talk about if we can, if we can get to that. Thank you.

MR. VILSACK: You, you need to come to my office.

MR. CORZINE: Okay.

Mr. VILSACK: And we’ll, the first thing we’ll do is we’ll take you down to show you all the comments that come in on various petitions to deregulate this, that or anything. Hundreds of thousands of comments. Then we’ll take you up to our communication shop and you can take a tour of the blocks and there are a gazillion of them and you can look at the language that people use and the attitudes that they express. And then we’ll take you over to the Federal, we’ll take you over to the FDA and we’ll, we’ll show you some concerns that are being expressed there on, on various labeling issues. And then we’ll take you to a, to a court, shoot any court in the world to talk to you about the various lawsuits that are filed. That’s my world. I see all of that. You don’t see that. You see your neighbor that you get along with. I don’t know, you probably don’t spend a lot of time checking the blogs. God bless you for not doing that. Your, your mental health is much better off. Trust me, you don’t want to do that. But there is, there is absolutely, you, you aren’t going to editorial board meetings where people are confronting you with issues about food and food safety and like I am.

And, and there is, you all have put something, your finger on something that’s extremely important and that is education. You talked about it in a fairly narrow band of the importance of farmers understanding their responsibilities and USDA helping to understand a little bit what these contracts involve and why they’re important and so forth. There’s a much larger education effort that’s needed. People have to know where their food comes from. And candidly, whether you’re an organic producer or conventional producer or GE producer, if we real, if all of us as consumers knew exactly what went through every single aspect of, regardless of what kind of farming system you had to get whatever it is we consumer on a plate, I, my guess is we, you know, we’d stop eating everything. Right? I mean, we, you know, there’s some things you, there’s a process that’s involved here. And it, it, it’s, it’s there’s a lot of tension out there. And there’s tension in Congress about this.

I mean, there was just an issue about genetically modified salmon in the Congress that was hotly contested on a bill that, you know, it had to do with the FDA approvals about something. And it, it was a 51/47 vote. It was hotly contested. So, I mean, there, there, there’s a lot of tension here. Okay? And it’s like a pressure cooker. You’re going to have to let the pressure off or something is going to happen that, that will make it far less easier for that diversity to take place.

So that’s why I, I’m anxious for this committee to get resolution. And, and I, the education thing I think you’ve got a good point. But I, I think it’s got to be, you know, we started this the other day with the FFA and 4-H and, and the Department of Education. I think we’ve got to start young. We got to, we got to reintroduce the country to agriculture and understand the significance and importance of agriculture to the country. Understand, have an understanding of all the different types of production processes and methods. And, and without being judgmental about any of them, but just give kids a, a basic understanding of where food comes from and how it’s produced and the various differences, and how important rural America is to all of them. That just has not happened and it needs to happen. So we’re, we’ve started that process with the Department of Education.

But you raise some good issues here today. With your report I think we will be able to create a communication system and a messaging system that will, that will do a better job than we’ve done. We have the resources. We just have to direct them in the right way and we have REE, that’s got resources. We’ve got, you know, marketing resources. We, we, we can do this. It’s, but we need, we need a final product from you as sort of the launch, well, launching pad, if you will, for this effort. If we did it now, it could be a message that’s inconsistent with what you ultimately decide. It could be a message that is confusing to people, because they may not understand where it comes from. This committee basically gives you the capacity, this report gives me the capacity to, to say this is why I’m talking about this, because this committee has come back with this set of recommendations and here’s what we’re doing at USDA to carry those recommendations out.

So, it’s, I, I don’t think I can under, underestimate the importance and Josette’s point is well-taken that there is this enormous future and it’s dynamic, it’s dynamic. Right? And our systems are static. Our systems are static and we’re dealing with an extraordinarily dynamic world. And what I’m asking you to do is to, is to, is to allow our system to be more dynamic that it’s been, because if it is, that combination will, will, I think, enhance the, the dynamism that’s taking place in rural America and get back to the whole issue of new opportunities for kids and grandkids.

Alan, I’m sorry, I think that, it’s Charles, I don’t know, you didn’t get a chance to speak. Do you, just I can take your comments.

MR. BENBROOK: Thank you, Mr. Secretary. You know, I, I think there’s a surprising level of agreement on a lot of the nuts and bolts of how a compensation system might work and tools and triggers, if we could just deal with that outside of this bigger debate in which agriculture biotechnology is being, you know, pitted against other forms of agriculture. And with this greater diversity, there, there is new conflicts and I think that one of the things we need to struggle with more here in AC21 has been the, the fundamental question of rights and responsibilities. There’s three views. Some people think the technology providers bear responsibility. Some people think that each neighbor is an island onto themselves and if they’re going after a premium, it’s their job to protect themselves. And, and then there’s a group around the table that feel there should be more of a shared neighbor to neighbor responsibility. If we could settle that fundamental question, a lot of the nuts and bolts of dealing with a compensation mechanism would become clearer. So, that leads me to ask, ask you, do you think you could go to Congress sometime in the future and, and get Congress to help clarify some of these new rights and responsibilities that really need to become part of the framework of a modern institutional way to deal with these new, new challenges that agriculture is going to face?

MR. VILSACK: This happens to me every time I don’t listen to Malcolm.

UNIDENTIFIED MALE: My question was going to be easier than that.

MR. VILSACK: Let, let me say. Let, let me, let me seriously respond to that. The simple answer is, of course I can go to Congress, but the more serious question is can you actually get Congress to do something? And that is a much more complicated question. And it does, but you can’t get Congress to do something until you’ve laid the foundation of what the problem is and what the solution is and why Congress has to be part of it. I mean, these folks are having a hard time agreeing on what day of the week it is, much less something this, this, this significant. And, and I’m, I’m happy to try to do that. You know, the reality is, we need to get the Food, Farm and Jobs Bill out through the process. One would say, well, that’s an opportunity for you to inject this. It’s already too complicated. There are already too many divisions. We got to get that through the process so there’s some degree of clarity about what the general rules are going to be. And then I think that’s an opportunity for us to have a conversation. But it would take a lot of work and a lot of effort and, and, and it would have to be structured right, otherwise it could be, it could be a disaster. It could, it could create greater confusion and not, not clarity. So, it, it would have to be really, really carefully done. And, frankly, there would have to be enough people in agriculture, all segments of agriculture, that would be willing to look at where that middle ground is.

You know, I, I, when you were talking about the three camps here, I guess I just still have somewhat of a idyllic, naïve notion of rural America, and that is, if lightning strikes the barn, the place I come, the place I, my kids came from, the state I come from, I can’t imagine that the reaction would be tough luck, man, but we’ll watch you build it yourself. I can’t believe that the reaction would be, how can I help? Can I put the crop in while you’re building the barn? Can I take care of the kids while you’re trying to deal with this issue? I mean, I think there would be a communal reaction. And to me, that’s what’s been lost in this country for far too long is the sense of community. That community matters. And it’s not just your own little individual island that matters. Because you can’t do it alone. Nobody does it alone. Everybody gets help, you know. I, I hear these people go, you know, we, we want to do with, with, with less of this or that. We all get benefits from each other. So I, I’m a strong believer in community, strong believer. And I don’t see, you know, I, I, I think it’s threatened. And I’m, you know, I guess I’m as passionate about community as some people are about methods of production. It’s just too important to the country.

I mean, every time during every time I, every time we meet, we always, Darren and I have something in common. His son is in the, in, in, in the service and my nephew’s in the service. They both had experiences overseas in very dangerous places and we’re both thankful that they’re home safe and sound. What is that military service all about? That’s about community. That’s about a portion of our, of our country bearing a disproportionate load and, and now we as a, as a country are being asked to take care of these kids when they come home because they’re not whole, a lot of them. That’s community. We got to have a return in this country to community, in my view, so.

MR. REDDING: Thank you, Mr. Secretary, Deputy Secretary Merrigan, thank you for being here. You know, I listen to this exchange and, and just want to say thanks for trusting us. I, I hear the, you know, this reality check and that we’re close to agriculture and I think each of us are in that, but looking at it from coast to coast and around the globe, you bring a point to this today that really is important for us to remember. That we need to find that center that’s going to work for no matter what side of the table or what, what practice you want to apply. So, thank you. We’ll try to be the example.

MR. VILSACK: All right. Great.

MR. REDDING: Okay? Thank you. We look forward to it.

UNIDENTIFIED MALE: Thank you.

MR. REDDING: Do you want to take a quick break?

MR. SCHECHTMAN: Yeah. Should we just, should we take our break earlier?

MR. REDDING: Why don’t we do it now?

MR. SCHECHTMAN: Yeah.

MR. REDDING: Just do the --

MR. SCHECHTMAN: Yeah. I think we’re going to modify the agenda somewhat and take our break now. And we will not take the break later in the morning. So, let’s take 10 minutes, since we’ve, we have less time than we otherwise would have planned, so just at, at five of we will start again promptly. Thank you.

(Whereupon, at 10:44 a.m., a brief recess is taken).

MR. SCHECHTMAN: Could everyone take their seats please? I’d like to remind members and members of the public, please if you are using your cell phones to make calls, please, please don’t use the lobby to make your cell phone calls. There’s a room in the back over there where you can make those calls. There are other folks trying to work outside, so it would be better if you could just go into the, into the room in the back there if you need to use your phones. Thank you.

MR. REDDING: Great. Thank you, Michael. Let, let’s reconvene. You know what, I think given the time with the Secretary, which was incredibly helpful, I think just to get that sort of reality check of, of the complication of the issue, you know, how he views it, you know, and what he’s dealing with on a day-to-day basis. I mean I really appreciate his passion for being Secretary. I, I really do. I mean, I, I, you get a real sense from him of he enjoys that job. He’s very concerned about all the different aspects of agriculture and that certainly came through this morning. I think the, there, there’s benefit in us sort of talking a little time here to reflect on, you know, his comments and exchange with committee members. Just because I think by, by way of your question and responses it drew out, I think, some of the themes, certainly helped us reset that stage of where we started this conversation and the charge and his logic of the sequencing of the 1, 2, 3 I think was helpful. But also leaving us with that sense of it, it is about a community. Okay? That somehow we need to, you know, work through the different views and opinions at the table here and move, as, as he termed it, you know, the problem to a solution.

So, let, let’s take a little time now. I know everyone didn’t get a chance to ask the questions they were hoping to, but I would ask that, that the committee sort of agree to a reordering of this agenda a little bit. You can see we still need to get work group reports. Although they have been distributed and I know most of you have read those, but we’ll ask each of the rapporteurs to provide, sort of, an executive summary, if you will, the highlights of those reports. I really want to make sure we get a chance to exchange ideas and thoughts on just on the Secretary’s reflections. And, of course, we have some general committee discussion, which I think would get us to some of what we’ll hear, hear in terms of the Secretary’s, thoughts on the Secretary’s presentation. So all of that to be done by 12:40 so we can pick up a lunch and, of course, the afternoon then has, has its own agenda. Okay?

So, everybody in agreement with that? You’re okay with sort of reordering things here to allow some time to exchange and, and do the, to the rapporteurs? Thank you for agreeing.

So let’s open it up. I mean, chance to hear the Secretary add some of the clarity that Michael and I carry into the briefing with him back in March. Now he is certainly consistent. What you heard today was sort of what we heard in March. We, he has listened. I think he was understanding of diverse opinions and the challenges here, but also made it clear that there’s still an expectation of delivering.

So, let, let me stop there and let’s open it up for thoughts. Mary Howell?

MS. HOWELL: Okay. I, I’m still concerned about the logic and I, I understand now better why he ordered him the way they did, but I, I’m, what we’re running into, especially in our working group 3, with the tools and standards, the, the, by putting the compensation before the horse, we’re, we’re having a hard time, I think, that’s part of our stumbling block of getting to, to some sort of cohesiveness, because it’s really hard to not talk about mitigation processes. The, the, the procedures, the technical aspects of what is going to be required. I mean we’re, this is, this is not value judgment. This is the technical aspects of the tools and standards or have to be based in mitigation. And so, I, I guess I’m, I, I wanted to, I, I, I would have liked to be able to actually have a give and take kind of discussion with the Secretary about, not, not, not any kind of value judgment here but, you know, the, the technical aspects that have to be grounded somewheres, and the grounded has to be in mitigation.

MR. REDDING: Sorry. Laura?

MS. BATCHA: Thanks. I think my, one of my biggest takeaways and reflections on the Secretary’s remarks and the conversation is I really appreciated him reminding us that Government has a role and always has had a role in mitigating and covering risk in agriculture, or at least for quite some time. And that’s not a new notion. The specifics of what we’re talking about here is a new notion, but it’s not a new notion that the Government take a role in mitigating and covering risk in agriculture. And I think it’s really important to keep that in mind and that it’s about how does that framework need to evolve to meet the current and future needs of a diverse agricultural landscape in our country. And so I think from, from that context, a lot of what we’re talking about might not be as significant a departure from current systems that support agriculture than we might think. The details and the characters and the players are different, and the circumstances are different, but the idea and the intent and the, perhaps policy levers are not something that’s new and it’s not new for Government to take a role in this regard. And it’s something that is, as we see in the Farm Bill debate, well-embraced by most agriculture that the Government actually take this role in terms of mitigating risk and covering loss through programs that are in, that are currently in place or are being tweaked in the, in the Farm Bill discussions now.

So that was really an important reminder for me. I also thought he simplified the discussion about mitigating and covering losses. And, you know, and I will say I think it’s still challenging, as Mary Howell indicated, how do you deal with one before the other? Not being on the working group that is most challenged by that order, I’m willing to live with it and carry on, but that’s that. But I think that was the most important thing for, for me to hear. And that also the idea some discussion around mitigation also recognized that, that there are places where the Government does require things in order to participate at that support level in terms of mitigating risk and covering losses, that there are times when that comes with requirements. And I think that, that’s important to acknowledge as well.

So those were my big takeaways from hearing him speak and the conversation.

MR. REDDING: Good. Thank you. Michael?

MR. FUNK: Thank you. Michael Funk. I, I thought the Secretary did a great job. I love stories about, you know, lightning hitting your barn and things like that. I think it really, really helps. But one thing I think, Chuck verbalized the three, you know, positions that there are, one being that it’s all the technology provider’s responsibility, one being that every farm’s an island onto themselves and then one that it’s a shared responsibility. And it, it struck me as the idea of a shared responsibility, which I think he was, he was trying to verbalize there is one, it’s a concept I wonder if we have, you know, anything close to a consensus on. Because if we do, we’ve, we’ve made some progress and could perhaps it can help clear the way for, you know, future clarification of that. But maybe we should start there trying to agree on that.

MR. REDDING: Marty?

MR. MATLOCK: I think Michael’s absolutely right. And I think until we can determine where we are with regards to Chuck’s well-articulated three philosophies of risk, I don’t think we’ll be able to move to any further consensus.

MR. REDDING: Paul? I’m sorry. Did, did I miss? Doug and then Paul. Sorry.

MR. GOEHRING. Thank you. Something that I didn’t get a chance to ask the Secretary about, and it seems to be, or I’m perceiving it in his statements that he’s, he’s kind of identifying what appears to be maybe a, a crop insurance model and I wanted that opportunity to ask him more specifically -- because then there’s another issue that comes up in that whole discussion itself. And it’s maybe something we’ve never been able to clarify here. When you are looking at covering loss, are you looking at covering it in the traditional way which we already experience in production agriculture, which is you receive a percentage of your loss with respect to making one whole. Even with the disaster programs that exist right now within USDA, that plus your crop insurance, you still are not made whole. And in fact, I would, I would challenge and, and make this comment that 2011 was the only year in production agriculture where crop insurance actually covered your cost of production. It was the first year ever in all those years, probably for all producers. I’m making a broad statement there.

But I think those are some things that also come to the forefront we need to probably discuss is, what is the expectation when we’re looking at losses, if we’re going to go down that road, and talk about covering losses. Because whether it is a risk retention group or a crop insurance product, it is part of that whole structure.

MR. REDDING: Paul?

MR. ANDERSON: Just the observation. I thought it was really interesting that he, I thought he stated that he has a perspective and a framework for going forward, but he really needs a stimulus of some kind or a recommendation of some kind in order to put that into motion. And I was curious as to whether anybody had a more in-depth feeling about what he was talking about there, as what he, what he was considering to be his framework?

MR. REDDING: If you did, you wouldn’t say.

MR. SCHECHTMAN: I, I think the one thing we can say, I can’t put ideas in his mind, but I mean, or, or I can’t try to capture what’s in his mind, but he has repeatedly stressed the uncomfortable notion of leading from the middle. And, I don’t know what this committee’s idea, ultimately, will be of what that means. But I think he’s receptive to hearing where everyone on this group thinks is the closest they can get to that point. So, that’s not a really good answer.

MR. REDDING: Paul, my sense in his opening comments was around sort of the, this report would be sort of a focal point, you know. My, I don’t know if he has a plan or not, but I, I think he was, was looking for this committee to sort of, you know, what we put forth would become that focal point of discussion around the coexistence. That’s my take on. Other -- sorry, Darrin?

MR. IHNEN: Darrin Ihnen. I guess one comment that I would make, and I would disagree with Secretary, is that our report will eliminate the anti-GE bloggers and comments and lawsuits. I, I just don’t think that will ever end no matter what kind of report we come up with. And I would just want to be on the record I disagree with the Secretary on that notion.

MR. REDDING: Leon?

MR. CORZINE: Leon Corzine. Thank you, Mr. Chairman. I would second what Darrin said, because that was running through my mind that I don’t believe in the age of communications that we have today that you’re ever going to stop, no matter how hard you try, those kind of things occurring anytime there is, especially if there is an organization that agree, that disagrees with what might be happening. I mean, there are batteries of folks that have time or take time to, there is a blast, an e-mail blast sent out alerting people and boom, here they come. And there is nothing that is going to stop that. And not only now do they literally come from a particular region that is affected, it’ll come from all across the country or actually all across the world. So those things are still going to happen.

The other thing I wanted to mention that in regard to the Food, Farm and Jobs Bill, Doug touched on it as far as 2011 being the only year that crop insurance made them whole. It should be noted that, that is only if you choose a particular level. And that is still at the farmer choice. So, if a person took the base, basic crop insurance coverage, even in that year you would not be made whole. So, there are differences on what are on, on the folks that we farm with, for example, that in a crop share situation, it depends on the risk. My son is trying to establish himself. He has more risk because he’s paying for some land, he’s got, he just doesn’t have the resources or the base, if you will, so he requires a higher level of insurance. The landowners, that maybe are absentee, that we crop share with, they don’t need any insurance at all and don’t take any because they have other income. The farm income is just supplemental. In our case, it’s a hundred percent of our income so we need that. So, as we look at that and, and what type of, of mitigation, if you will, it whether it’s crop, and we’re talking about crop insurance, I think it’s important to have on the record how crop insurance really works in that regard. And it’s the farmer’s choices. And, by the way, the Government is stepping away from their support of these type of programs. They, we’ve seen them, the last two, three Farm Bills, and especially in the discussions around this one, that the, the amount of Government support for these programs, all of them, is going down and going down really rather dramatically.

MR. REDDING: I, I think the Secretary’s point in how he viewed the risk was, I found it very helpful. That there are sort of two parts to that. One is how, what, what do you do to mitigate that risk. Right? And, and that’s the stewardship. That’s the preventive activity. That’s the, you know, the, the, the discussion among neighbors. It’s, it’s all of that prerequisite stuff. Right? Then if that, you know, still leads you to a potential problem, you have, in his words, you know, a fund of some kind. Right? And, and then you, you, you deal with the losses that occur. I found that, you know, helpful. I mean, just to sort of look at it in two pieces. And we have spent a lot of time in the committee talking about stewardship. I put that in sort of the A part of that risk and, you know, the compensation mechanism is the B. So, I would ask us to sort of think about it in two parts as, as we, as we look at this work over the next day or so. Okay?

I think on, on the crop insurance piece, what since it’s come out as, as, as one of the mechanisms, I think the benefit is that there’s a structure there. And while everybody has to make a decision whether they participate in that, you at least have some comfort in knowing that there is a system in place to access. All right? At the end of the day if you chose not to, you know, that’s certainly a, a business decision that’s made and within that you can choose what level of coverage. To the point earlier, and I think there are some parallels between the systems that exist today and our current discussions around a mechanism. Don’t know if there, and when you do that, you inherit some of those issues that are in that system. I understand that. But at least you know that the system is there and is supported through, you know, a, a public and private structure. So, just I just want to put on the table it was helpful to have that description from the Secretary and, and risk being in two parts.

I have lost track of. Angela?

MS. OLSEN: Thank you. Is this on? Is it on now? Okay. Well, yes it is. As an AC21, we have been brought together to talk about coexistence and we were given three focused charge questions. As an AC21 group, I think it’s important for us to keep in mind any potential policy implications, both domestically and globally, with regards to any recommendations that we might have. Any recommendations that we have we want to make sure is based on actual fact, actual data, that’s, that’s scientifically sound and that is legally defensible. At the end of the day, it’s important for us a committee we, we come together with many diverse points and we want to make sure that we’re thinking about those policy implications as well.

And I agree with Mary Howell in terms of the logic as well. I think that we could get far, much further as a group if we could talk about mitigation, if we could talk about education. I think there’s a lot of energy to have these types of discussions as a group. I think that it’s something that we could get a lot further with if we were to reverse the, if we were to reverse addressing the questions in that order. So, I absolutely agree with Mary Howell on that one.

And I think any recommendations that we have we want to make sure doesn’t divide agriculture as we’ve heard and also doesn’t undermine acceptance of any form of agriculture, whether it’s organic, whether it’s other IP, whether it’s biotech. And, and, and I think that Josette’s point as well, that she raised earlier, about economic benefit is something that we don’t want to lose sight of. That is a, that is a, a great benefit for folks that grow identity preserved crops, whether it’s organic or white corn or, or whatever it might be. And, and I think that we really need to think, we need to make sure as a committee that we are thinking holistically about these issues, including policy, potential policy implications. We can’t think about these in a vacuum. I also don’t think that we can guard against any risk, you, you know, one in a trillion, is the USDA going to make, for example, a policy decision to guard against a one in a million or whatever the risk might be? And, and I think that’s something that we, we all need to take into account as we, as we write our report.

MR. REDDING: Thank you. Chuck? I’m sorry, Laura?

MS. BATCHA: Thank you. Laura Batcha. A, a couple of things. I think I would request that as a group we stop referring to economic benefit as something that falls only on one side of the equation as we look at this going forward. I think we must acknowledge that there’s economic benefit in any choice that you make in agriculture or you wouldn’t be making the choice. So I think we keep hearing this come back and back again about there’s this benefit here. And I, and it’s been recurring through all our meetings. So I would just say that if in fact the yield gains that are promised are delivered through biotechnology, then there’s an economic benefit to that. And there’s an economic benefit in terms of whatever operations efficiencies you gain by having resistance to herbicides or, or whatever it is that the crop is engineered for. So, I would just respectfully request that we not frame the economic benefit argument on one side of the ledger only, number one.

The second thing I would say is that I know Doug, certainly you and Leon know lifetimes more about crop insurance and risk management than I do, not being in commodity crop production as a, as a career or livelihood. But it, the support systems are more than just crop insurance that the farmers take out. And I know that in the Farm Bill discussion, there are discussions of, of reforms, but we do, do know that the House is back on the table with counter-cyclical payments and target pricing, so we can’t just narrow it down to a crop insurance product that’s taken out and certain coverage as we look at the mitigating risk, so to that.

And then I think my last comment is about how I interpreted the Secretary bringing up the context of not only the bloggers but the lawsuits and the labeling debate in Congress and within FDA, and in states across the country. For me, you know, what I take away from that context from what I heard from the Secretary, was a reminder that if a release valve needs to go off, there may be worse pills to swallow than what we’re discussing here in AC21. And that’s how I interpreted that, that perspective around context from the Secretary.

MR. REDDING: Thank you. Chuck?

MR. BENBROOK: Chuck Benbrook. I, I would agree with Darrin and, and Leon that, that we would be naïve to think that even if AC21 could work its way through these fundamental issues of rights and responsibilities and then come up and define a, a, or recommend a, a workable strategy to deal with economic losses, that even if we could do that, it isn’t going to shut down all the bloggers and, and that. But, but I think what the Secretary, what I heard him say is that there, there, there is already some bleeding going on in American agriculture because of this underlying tension and he sees, and I think correctly, that we’re possibly headed to a time when those conflicts will become more common and more serious. And, and I think he is hoping that AC21, through, through finding a way around the, the divisive issues will be a step in slowing the bleeding so that, you know, ultimately and iteratively, a, a real lasting solution can be put in place.

So, I mean, I don’t, I don’t think any of us should think that we’re going to solve all of this problem and, and, and end all of the conflict about ag biotech. But perhaps we can be the beginning of a, of a process of working through some aspects in, in a way other than, than how it’s gone in, in recent years. I, I think that we could, I, I would, I would really encourage us to try to wrestle with these, some of these fundamental issues of rights and responsibilities. Because I think the Secretary, he knows that there are some nutty, tough political issues embedded in resolving that and I don’t think he wants to go to Congress with sort of an unclear set of recommendations. So he’d like some kind of sense of a consensus or compromise from a mixed group like AC21 that, that might have a chance of garnering the kind of political support that it’ll take to, to actually get some, some important new legislation in place that ultimately I think we all realize is going to be required.

So, I, I’d, you know, I’m, I’m willing to, to, you know, return to those, those difficult issues and I, and I think there, there may well be a consensus in, in AC21 for some, some sort of statement about shared responsibility, as opposed to sort of unilateral, a unilateral solution. And, and if, if we can get there, I think it’ll, it will help, help us set the stage for all of the other nuts and bolts aspects of our, of our charge.

MR. REDDING: Chuck, and some of that is in the themes document that you have in front of you? I mean, we’ll, we’ll come back to that later this morning. Okay? Mary Howell?

MS. HOWELL: To tie a few ends together, including Chuck’s three categories and also the Secretary’s perspective on community.

There is a, there is a thought, a, a proposal floating around the organic community right now to aggressively plant blue corn on our 18 rows of buffers next to our neighbors’ GE crops. Just so that AP is a shared experience, because like we feel that there may not be a sense of community and a sense of understanding what we’re dealing with until there is that shared experience. I don’t necessarily think this is the right way, but it does put into perspective a lens to look at our deliberations under.

Leon, really what matters less that whether you think you’re a good neighbor is whether your neighbor thinks you’re being a good neighbor.

MR. REDDING: Thank you. Lynn?

MR. CLARKSON: Mr. Chairman, Lynn Clarkson. I’d like to walk through a couple points from the perspective of markets. Every one of the crops that’s mentioned here some way or other my company has a finger on. And we don’t really favor one or the other, but the Secretary pointed out that we’ve got a regulatory system that’s behind the ball. He’d like to get in front of it for a while. We have a regulatory system here that looks at new additions to our commercial gene pool from one aspect, safety. I think we’re agreed under my sense is agreement around this table that we’ve accepted that all the things in the commercial gene pool are safe if handled well. But, if handled well leads immediately to an economic discussion and market value.

So what I see us talking about are market issues and economic issues and that is the one thing that we’ve forbidden our regulatory system to address. That, I think, will be an increasing problem. The issues we’ve addressed to date are reasonably easy to solve. They can be handled by segregation issues that are quite minor. The scope and scale committee suggested $40 million.

We’re about to see another generation of technology come in that will multiply those numbers exponentially and lead us into potential losses that I cannot conceive of any easy way to cover within insurance or any other compensation system. The only way to address those, in my mind, is to stop them from happening. And we don’t have a regulatory system in place today that can stop that from happening.

The Secretary also mentioned the difficulty with lawsuits. And he hit it right on the head for those of us in business. Lawsuits leave everything up in the air. Any particular lawsuit could leave it up in the air for four for five years. Dozens of lawsuits leave the whole thing up in the air. We have to satisfy clients around the world. They want to know what the rules are.

In the organic world itself, up until sometime in the 1990s, there were dozens of different religious aspects about what “organic made” meant. Fussing and feuding and fighting within the community about how we defined organic. I didn’t know how the impact would come to the marketplace from a decision where the Government helped us define what organic meant. It brought a flowering to the industry. Finally, companies knew what organic meant. They felt comfortable putting a label on something. So, I really would look for guidance in policy from the U.S. Government and not leave this to class action lawsuits, not leave it to individual lawsuits, which I find extremely painful.

I also want to point out that GE crops or functional trade GE crops will come with premiums of their own. So, we flip this thing over so that we’ve been discussing premiums to people who are avoiding GE through either organic production or non-GE. Now you’ve got the GE community themselves receiving premiums for what they’ve got. I expect people will talk about sharing the value of that. But as Laura has pointed out, it’s very difficult to say there’s not value on any farmer’s decision because it seems reasonable that he’s trying to do the best thing for his farm, whatever decision he makes. It’s hardly surprising we get into conflicting decisions. But I think we’re going to have to have some regulatory changes as well. Thank you.

MR. REDDING: And I’ll, I’ll come back to that question of what those regulatory changes look like, but I, I’d appreciate some, thoughts. Daryl?

MR. BUSS: Daryl Buss. It, in our, all of our prior discussions about compensation, regardless of mechanisms or whatever, it’s always been in the context of loss, consequent non-inability to meet a reasonable contract. And we’ve also talked about the importance of stewardship and trying to incentivize stewardship. So it seems to me we ought to be thinking about compensation, perhaps in a dual sort of way. The first as we’ve already talked about. Should we be considering, in fact, compensation for the real costs of, at least in some circumstances, good stewardship? So if stewardship takes the form, or must take the form of buffer strips, for example, should there be a compensatory mechanism to offset the cost of that loss of production? That might be somehow tagged to value of the crop, whatever. But it seems to me that, that gets to the cost of stewardship, regardless of whether that stewardship is provided via conventional or GE or GMO. It really doesn’t matter.

MR. REDDING: Thank you. Isaura?

MS. ANDALUZ: No, I, I want to say that – oh, Isaura Andaluz -- that I, I agree with Lynn’s comments about, you know, the regulatory changes. You, you know, I know everyone here doesn’t want to talk about, about the rice incident, because it was a, a deregulated, it was not a, a deregulated crop. But the fact was that here you had something that was, that was not regulated, deregulated and somehow ended up in the rice supply and has cost us over billions of dollars losses to the farmers. So now, you know, you have something that’s been, been deregulated like this Amylase corn, whatever, that I think, you know, possibly in the summer you might even have some economic losses in that.

And I think the, the problem is here that, you know, if there’s even a perception in the international markets that this, that this is an issue, I think that suspicion could, could just, could just pull all of our farmers down. And that’s, in some ways that, I have had a problem with the way this committee was set up, because I don’t think it’s, you know, farmer versus farmer. Because that’s kind of like how like this committee was set up and that’s not it at all.

I think, you know, it’s the GE manufacturer who has to take some responsibility and this comes back to what you were saying. I mean that would help us at all, because, I mean, a, a GE farmer or organic farmer, I mean they can follow the best manufacturer practice that they, that they can, that they’ve been told to do.

For example, like, like the one with, with corn borer, the situation with the corn borer. I mean, those farmers that plant that GE corn, they did it year after year after year and they followed the rules they were supposed to be following. But now there’s a problem with the corn borer and maybe it’ll impact a, a neighboring farm. I mean, they did nothing wrong in that, in that situation. It was the product itself that, you know, caused this.

So, I mean, I, I’m very conservative about, about other parts that are coming down. I think in, industry’s concerned about this too, because of the, and people have been, have been talking about this. And I think that, you know, if at some point, I know this sounds really hard, but it’s like, maybe on some crops there needs to be like a moratorium and on passing anything else until some of these regulatory changes get put into effect.

And I don’t know, this is probably about the second part we’re supposed to be discussing about, but I think it’s, it’s going to be a crisis right now, pretty soon.

MR. REDDING: Thank you. Melissa? Missy, sorry.

MS. HUGHES: Missy Hughes or Melissa Hughes. Paul asked earlier if he, anyone had heard a framework from the Secretary and, and I feel like I heard something pretty clearly which was, again going back to this idea of mitigating the risk and then covering the losses. What I heard him say was on the one hand of mitigating the risks we have to consider stewardship practices and what those look like, and putting something in place around stewardship practices.

What I heard him say about covering losses was an insurance program that was Government funded to take away this pain of, of who is paying it. That there would be Government support for an insurance fund. There would insurance companies involved, but the Government would be supporting those insurance companies. So, it did not sound to me like the cost of the insurance would be borne completely by any producer. So for me, I guess, that seemed pretty straightforward to me and I think the challenge for the Secretary is getting, getting to that point. You know, it’s kind of like he identified a point across town and, and then he says, okay, now you people have to figure out how to get there together and then tell me how you got there. Because at the end of the day, he’s going to need to be able to show folks that we were able to get there together. Because otherwise he’s, he’s not going to be able to take that anywhere. So that’s the challenge, I think, and our report is showing how do you get to this place of the middle, which is a stewardship practices that folks can agree to and that there is some strength and backbone behind. And then an insurance fund that folks can trust that will cover the losses, but that are not borne by everyone on one side of the fence or the other. That’s shared responsibility.

So for me, I know where he wants us to go. And it’s just the challenge of, of getting there and getting there together. And I think it’s doable, because I think it’s a pretty reasonable place to go. It’s not someplace totally outside the box. It’s a, it’s a reasonable place. It seems pretty obvious to the Secretary where we need to go and he’s just like, okay folks, are you going to take the Metro, are you going to take a cab? I don’t know what you’re going to do, but this is where we need to go.

MR. REDDING: Thank you. We’ll, we’ll come back to that point. Let’s see. I think Alan? Alan then Josette.

UNIDENTIFIED FEMALE: That’s fine. Go ahead.

MR. REDDING: Okay. Pardon me?

MR. KEMPER: No, we’re fine, Mr. Chairman. That’s --

MR. REDDING: Please.

MR. KEMPER: Yeah, I wanted to make sure you were listening if I chatted, Mr. Chair. Thank you. I want to thank my colleague here to my right because she is keeping me stabilized. She has given me some calming tea in the background and I’m enjoying that. Mr. Chairman, I also think though that you did a good job, you and Michael, of putting together some framework and themes on your document. I think we need to kind of use as a guide also for our discussions today.

For some people at this table, the subject apparently is about property rights. I’m not here to talk about property rights. So if you want to grow blue corn next to your fence, that’s fine with me, because that’s your property. In the Constitution, you can do on your property what’s legal. And it’s not for me at this group to tell you what to do. As you frame the discussion over the next couple of days, and maybe for the next couple months, at least for Alan Kemper, a farmer from Indiana, you all have at least three legs to the stool. And we talk about them and we talk about coexistence and an educational component and that would deal with stewardship, and who the USDA and Land Grants are involved.

But also it needs to talk about the information and data component. Who could gather it? If it’s needed and -- which we think, I think most of us think there is more data needed -- and who should do it and how that gets done. The third component, like Leon and a lot of us are also thinking about, is an agricultural contract/marketing slack possibility of a revenue compensation self-funded or however you want to defined it. But, Mr. Chairman, I think we need to address, kind of, those three issues towards the next two or three months and I think we’ll end up with a consensus document. Thank you, Mr. Chairman.

MR. REDDING: Okay. Thank you. Again, I’m, I’m not responding on a couple of these points. I want to come back to them if we finish this sort of round of, of observations and discussion here. Okay?

MR. KEMPER: No problem.

MR. REDDING: Let’s see. Leon? Leon and then I think Josette. Sorry, I don’t --

MR. CORZINE: Josette was ahead of me.

MR. REDDING: All right. Okay. Go ahead, Josette.

MS. LEWIS: Not too concerned about order. I guess I’m a little bit concerned about the discussion of new regulatory measures from a number of different reasons. One, because I do firmly believe that, that regulations about insuring safety first and foremost, and it’s very difficult for governments to understand the marketplace and to predict the market considerations and I think it would be very likely that adding market-based considerations to, to regulations in, introduces a whole new set of problems.

I also think that in, when I have heard people bring up the idea of additional teeth and regulatory measures, it’s always in the context of requiring more stewardship and buffer zones on the conventional or GE side. There are Government standards on organics. The National Organic Standard speaks very clearly to responsibilities on the organic side to ensure buffer zones and measures to, to prevent unintended presence.

And I think it’s really important we understand that there’s an opportunity as well to strengthen and to strengthen the, the standard itself and or the ability of producers and processors and food companies to be able to meet those standards on the organic side. And to me, that’s the scope of a lot of positive action that can be taken. Whether it’s changing regulation or not, I, I’m not advocating that, but to really understand that there are sort of policies on the organic side that we are not recognizing may not also be keeping up with where the market is and that is a market standard. It is not a safety regulation. So that to me is an important area for us also to consider as we think about measures that USDA could take.

MR. REDDING: Thank you. Leon?

MR. CORZINE: Thank you, Mr. Chairman. Leon Corzine. Just a quick little bit of clarification and, and one actually Mr. Kemper addressed it for Mary Howell. If my neighbor I, and I have a neighbor plant some blue corn. I have neighbors plant white corn. That’s just fine. To intentionally do that just to create issues, I think there should be issues around that. And we work pretty hard, by the way, that, that I do think that my neighbors think I’m a good neighbor too. My wife actually checks up on that and has coffee with one of my organic neighbors twice a week to make sure we’re both staying on the right track. Okay? So, clarification for that one.

Also for Isaura, the issue she talked about, the resistance, and it wasn’t corn borer resistance, in fact. Even for someone that doesn’t choose to use a, a biotech control for corn borer, we have pretty much eliminated or mass dramatically reduced the need for even someone that does not use biotech control measure to have to treat for corn borer, because we’ve pretty much reduced the population.

Now there has been an issue with corn root worm. And we’re working through that with some new technology coming forward and actually being used. The multiple modes of action that, that we’re working through, so it is still kind of a learning process with some of these technologies. And we’re getting there and, and those instances and the corn borer issues, or I mean, and the root worm issue. See, Isaura, I even mess it up sometimes.

MS. ANDALUZ: I, I misspoke. I had, it was the wrong thing.

MR. CORZINE: They are really small. A couple places those have shown up. I’ve checked with my extension folks in my state and other places and it hasn’t been an issue. But even, be, before that or to prevent that, there are in most of the products that we’re using now, there are multiple modes that completely take care of that particular resistance issue.

So, I wanted to point those out and then also we, in, in the issue of crop insurance, it is still an, an individual decision and I think I already stated, but I’ll state again. I can buy wind insurance. I can buy hail insurance. I can buy whatever I think I need and they are not backed up by the Government. They are completely private contracts and still the decision that has to be made though is that you have to do it before the event, or there’s a time, time certain, a date certain that’s a standard. And that’s okay. And that, and, and even with the revenue insurance programs that the Government has, as I have already spoken the level, you do that beforehand. If something happens to affect that later, you’re out of luck if you haven’t bought the appropriate part.

And we have not talked much about the disaster assistance, but any of these disaster programs are too little, too late. They don’t make people whole and I think that’s important for people to understand that aspect of it and you can see actually with what’s being proposed in this Food, Farm and Jobs Bill. We’re moving away from, from the disaster type things, because they have not been successful. They have not done what, what the original intent was. Thank you.

MR. REDDING: Thank you. Laura?

MS. BATCHA: See if I can do this without coughing. I apologize to the group for my disruption. I want to comment on what I heard Missy articulate that she heard from the Secretary for a vision. And then, Alan, I think you reflected on that, on, on what you thought could produce a consensus document, so.

What I heard from Missy was that it was about stewardship, the mitigation and it was about covering the losses through some sort of crop insurance mechanism.

And then what I heard from Alan was a discussion around education as a foundation for coexistence and the idea of a self-funded mechanism. So, I just wanted to share with the group from my perspective and, and the stakeholders that I’m here to represent, I think that in order to find a way to get to that endpoint that Missy articulated as the vision for the Secretary, there’s a, there’s a number of things that, that would need to happen in order for that to make sense to me. And I think it would have to go beyond education and, and self-funded crop insurance mechanisms for, for a couple of reasons.

I think the discussion around stewardship measures from my perspective, we have to move beyond this, and I don’t, I don’t mean to, to sound sort of trite about it, but it’s more than just about neighbor to neighbor. That’s an important aspect of this, but, but it also has to be about expectations and requirements, and not just about neighbor to neighbor conversations. That’s not going to solve the problem, because I have to trust that, that’s actually happening in the countryside to a certain extent already and we’re here because we’ve identified, or, or the Secretary has identified for us, that there’s an issue. So, for me for that construct to work, the idea of stewardship and mitigation has to take a step beyond the status quo and it has to include either some kind of requirement or some sort of concrete incentive for those, those practices in some, in some way. I don’t know what specifically that looks like.

And then in terms of the idea of crop insurance being the mechanism, I think it comes down to compensation by definition is not self-funded. If you look at any reasonable dictionary for the definition of compensation, it, it, it doesn’t include paying yourself for your losses. So, I think we have to broaden the idea if we, if we’re going to seriously take a look at crop insurance and find out if there isn’t a way for everybody to be participating in the same sense that I know that auto insurance is certainly not crop insurance. But in auto insurance you have liability and you have collision. Right? So, if you are, are growing an IP crop and you’re carrying collision because you’re going to have a market loss, then you can claim on it. And the expectation is that the other drivers on the road carry liability insurance in case they have liability. And I know we don’t like to use that word, so don’t, it’s the word they use in auto insurance, so don’t overreact to that. And then at a certain point, it’s up for the two insurance companies to hash it out. Right? And the, the drivers get made not quite whole. Like you don’t get the full value of your car when you crash or whatever it is, but then the insurance companies work it out between them and the idea is that everybody is participating. So, I’d like to see if we couldn’t get our heads around whether or not we couldn’t be more creative with what we mean when we say crop insurance, as it relates to the vision that the Secretary put out.

MR. REDDING: Darrin?

MR. IHNEN: Darrin Ihnen. Just you mention the, the auto insurance. That is self-funded. And that does work. I guess I’ll use the example that if I’m driving down the road and you’re driving down the road and we don’t drive the same way, I’m not paying for your insurance. I’m not funding your insurance program. So just to put that in perspective, there, there is a lot of self-funded, just like Lynn mentioned earlier, hail insurance, wind insurance is self-funded as well, and so, you know, I, I think we’re on the right track, but we just need to figure out how to get there with the, with the insurance idea.

MR. REDDING: Thank you. Doug?

MR. GOEHRING: Thank you, Mr. Chairman. One thing, Laura, about crop insurance and the way it’s structured, it is structured now so that you could virtually say everybody is paying for it in some form, shape, manner, simply because it’s a public private partnership that the Federal Government underwrites and then the subsidy that is received is in the premium portion. So, each person takes out the coverage that they choose and then the Government, which is the public, then funds or subsidizes a portion of that, that premium for that coverage.

So in one respect, sort of what you’re talking about, probably fits with respect to everybody sharing, if that’s the road that this group chooses to go down. There are some, something fundamental flaws that exist within RMA that they won’t actually address that, so it would have to be something that Congress would have to change within the law. And that is, they have chosen to and, and with advice from their attorneys and from OIG, that they will not develop a product that looks at price or quality simply revenue being different from price, by the way, because under price, when you look at certain crops, there are quality issues and there are also price issues that are subjective. They’re arbitrary. And they come from the marketplace. And crop insurance was never developed that way, so if there is a thought or a movement of going down that road, that would be one thing that Congress would be charged with or having to deal with is Risk Management Agency would have to take a different look at how they’re going to develop a product.

I just throw that out just for everybody’s information, only because several years ago we tried developing a product that would look at the quality aspects of commodity crops and the Risk Management Agency wouldn’t touch it based on that. So, just to that point I wanted to make that comment. Thank you.

MR. REDDING: Thank you. Again, I’ve sort of lost track here. I think Mary Howell, Barry and then Laura?

MR. SCHECHTMAN: And then, and then --

MR. REDDING: Then we’re going to --

MR. SCHECHTMAN: -- switch, switch gears.

MR. REDDING: Yeah, we’re going to change gears a little bit. Again, we haven’t lost track, but I want to make sure everyone here has had a chance to sort of voice any comments about the Secretary’s framework or, or directive and get, get your major points out on the table, because we will hear from the work groups and then we’re going to back into, you know, trying to work through these major themes and how do we sort of organize what we’ve just heard here to, to meet the Secretary’s charge. Sorry. Yeah. So, we’ll, we’ll, we’ll do the, the roundup here, final comments, get to the work group readouts and, and as you see on the agenda, get back to these major points and themes put out in the last hour. Okay?

And we’ll talk about certain structure and, and, you know, how, how to organize, organize this work. Because I think there’s actually more commonality than, than we think. I do. Okay?

We, we’ve got certain words and certain structure, but I’m still optimistic that we can take what we’ve heard here and, and package that in a way that is in keeping with the Secretary’s directive generally, and certainly to his framework around how we’re viewing this and how he’s viewing this risk. This, this is where the Chair gets anxious in trying to sort through all of these points but, again, I mean, I think that comes with the territory and I, I think that we can look at this shared responsibility point that I know will probably come out in one of the work groups and the belief that, that wasn’t a guiding principle necessarily, but it was a general subheading for how we organize our work. We’re going to talk about that. So, anyhow, let, let’s do, do the final points here. Mary Howell, Barry and Laura. I’m sorry, and Jerry.

MS. HOWELL: I’ll be quick. I, I think using the lens of car insurance is probably not a bad one to kind of evaluate what’s going on here. I’ve been paying in car insurance for a lot of years. However, I’ve never had a claim, because I’ve just been lucky. I probably do pay at a lower level than some of my neighbors who haven’t been so lucky, but I still pay in and, and I, I always will because that’s a requirement for having a driver’s license, having a car.

Those of us who are farmers all pay in to the crop insurance, because it’s part of, it’s a requirement for being part of the FSA, the subsidy program. Well --

MR. KEMPER: No, it’s not.

MS. HOWELL: It’s not? Okay.

MR. KEMPER: No, not all. No.

MS. HOWELL: Okay. Well, we do anyway and we don’t, we don’t necessarily get claim, we don’t get rewarded with claims. But I do think that car insurance is a good way of looking at this. Those that are at higher risk may pay more, but we all pay. And that puts together a pot of money that can cover the costs. I think that, that wouldn’t be a bad idea to put into place here. It’s not that people who have accidents bear the whole burden of car insurance, and the rest of us who haven’t had accidents don’t pay anything.

MR. REDDING: Thank you. Barry?

MR. BUSHUE: Thank you. Is that on? Thank you. I, I did want to address a couple things the Secretary said and, and with regard to contracts and risk. I, I perhaps have almost everything I raise I sell directly to thousands of contractual arrangements with my neighbors, meaning the general public. We raise all kinds of diversity of products. We raise stuff that we keep separate. We raise stuff that we have to keep separate because of the risk that is inherent in us keeping good, high end, quality product that we sell to extremely discerning people. And the, if you’ve never dealt with the public before, it’s a tremendous eye opener. And it’s a risk we’re willing to accept because of the margins it does bring. And I did want to address something that, that Laura mentioned.

My issue in this is not about the risk that just organic people have and the premiums that they make. I’m talking about the contractual responsibility that I have with the people that I sell to and I make those choices based on premiums that I can gather and I can gauge by that direct marketing sales. It’s interesting the transparent way in which we deal with people. We, we are not organic. We are not certified organic. And yet we have a lot of products that we probably, if we wanted to go to the hassle of getting organic certification on some of the lands that we raise, we could probably go there if we wanted to do that. We have chosen for financial reasons, and frankly the hard work it entails, not to do that.

In terms of shared responsibility, I think there is a shared responsible for being a good and an educated neighbor. But I don’t believe that shared responsibility should go to the business decisions that neighbors make.

I’m in the nursery industry. I was interested to hear the, the Secretary talk about loss. I’m in the nursery industry, or I was until the economy went to hell. I had contracts with buyers that, that, that engaged with me to produce them with product and overnight those, those contracts were canceled. It wasn’t anybody else’s responsibility, except mine, for being fool enough to enter into those contracts with people I should have known better than. So, it has nothing to do with premiums for a specific quality or for, or specific methods of production, it has to do with everyday ordinary contractual business decisions. And I, I, I hope we keep that in mind so that we don’t keep hammering this issue of, of premium from one another. But the premiums we graze, we make those decisions and I, I fear that much of our, much of this debate is created by people who just aren’t able to get along with their neighbors.

And I do believe that the core of this is being a good neighbor. I think it doesn’t go much further than that. And we have, I, I think agriculture is better than this. I think agriculture is better than, than discussions of maybe punitive plantings to, to let your neighbors know what kind of risk and what kind of pain you feel. I, I, I, I’m, I’m concerned about that, frankly, in terms of being a member of an industry that represents a lot of people, we’re better than this.

And I think, I, I, I, I heard Daryl, and I don’t want to pick on him, but I heard him talk about perhaps having a compensation mechanism to pay for the offset of the buffers. Well, hell, why don’t we just have a compensation mechanism every time it rains or the fact that I farm on a sloping piece of ground or that my truck broke down on the way to farmer’s market and I was unable to get my product there. You can’t cover everything and every single risk. You have to accept a private and a personal responsibility for your actions someplace. And I think we can address that by having good neighbor policies, by having good education, by recognizing the need that I had, need to have a better, I know nothing about crop insurance. The only time I entered into it was the biggest financial disaster I ever did and I’ve never done it since, because hell they don’t care about brassicas and tomatoes. They, you know, it’s all about these corn and soybean guys, with all due respect to my friends. It’s, it’s not an issue that I understand or necessarily want to understand.

I, I guess maybe I’m too much of a laissez-faire capitalist, not a very successful one, but I, I, I just think that there’s a lot of personal responsibility that we’re trying to push off on, on somebody else, from all aspects of the industry. And we ought to be able to come to some coalescence and I think the way to start that is through this, through this discussion of, of having a better appreciation for the needs of what your neighbor faces in the personal decisions that they made and the personal responsibility and shared responsibility should in, should include that. But I, I, I bristle at discussions that the shared responsibility for bailing people out of personal decisions they make, I, I, I can’t go there. Thank you.

MR. REDDING: Thank you. Jerry?

MR. SLOCUM: Thank you, Mr. Chairman, and I, Missy, I think you and I heard the same framework. I think, the last time the Secretary visited us, he made a --

UNIDENTIFIED MALE: Here, Jerry, here.

MR. SLOCUM: -- I think Missy and I heard the same framework from the Secretary this morning. In fact, I think the last time the Secretary addressed us, in the meeting prior to this one, he talked not nearly as strongly about an insurance vehicle as being the compensation mechanism that might be most agreeable and the action might be most doable. But he did place that card into play and I thought he placing the card, that, that card into play very aggressively today. So, I, I think it’s pretty clear, it is to me at least, that he would like to have a, us to have a discussion around that, how it would involve all parties in agriculture, as well as all parties in the public. And it, it seems to me it’s probably the cleanest and most doable way forward if we can work out these issues about shared responsibility and shared liability. And, and I think the auto example is a good example. I’m not sure it’s, it’s exactly pertinent to what we’re trying to do, but it does speak to everyone having some skin in the game.

And the Secretary, I think, is, is very willing to take that sort of model. I think he’s willing to take it to the halls of Congress. I, I really think he would, Charles, and I think I don’t know what luck we would have there, but I don’t think it’s, I don’t think it’s nearly as untenable a solution as some of the others might be.

At the same time, I think he, he, he wants to hear our thoughts about better stewardship. And, and obviously, obviously it may have to go beyond neighbor to neighbor. I’m not in favor of more regulations and I’m not in favor of more concrete, but I am in favor of a clearer direction and a clearer discussion about that direction I think. So, I, I would concur with Missy. I think he, he gave us pretty clear direction and in fact he may be giving us a way out of some of these thornier discussions that we have wrestled with now for the better part of what, nine days or six days or eight days together and God know how many hours over the telephone. And I, I’m, I’m willing to, to take that hook quite honestly, Mr. Chairman. If he’s, if he wants to put on that one, then that’s, that’s a single hook, it’s not a treble hook. Thank you.

MR. REDDING: Good point. Barry, are you back up?

MR. BUSHUE: Oh, I’m sorry.

MR. REDDING: Okay. All right. Marty, you look like you’re going to say something.

MR. MATLOCK: I am. This is Marty Matlock. In response to Barry’s concerns, I think this is, goes to what Michael was addressing earlier. If the question is where do individual responsibilities merge into community responsibilities? And I think that’s what we’ve all been discussing and I think that what you articulated is a, is a common ethics around this table. That we all understand that personal responsibilities are the, are, are the hallmark of a good capitalist system. I don’t think anyone is trying to undermine that part. The question is, when you do everything you know to do that’s right and your neighbor does everything he or she knows to do that is right and bad things still happen, then what? And the bad things that happen are a direct responsibility, response to the choices that you or your neighbor made, then what? And everyone did, everyone was behaving in the best possible way and still bad things happened. It wasn’t because you were bad or your neighbor was bad, things just happened because of the, of the nature of our emerging complex agricultural system. If we want to keep that agricultural system emerging and keep it from getting cluttered up in the courts, how do we keep, how do we find that better solution? I think that’s the way in my simple mind I interpret this transition from individual responsibility and rights and community responsibility and rights. It’s when everyone is doing the right thing and still bad things happen. And it maybe one in a 100,000, one in a million, but still that one in a l00,000, one in a million events can change the way we do business.

I’m, I’m an agricultural engineer. I deal with water and waste water issues in agriculture. How many of you have MPDS permits on your farm for applying pesticides? Well, that’s, that’s an issue that’s emerging because of a court decision. That now we’re looking at statewide waste, or water and waste water pollution discharge permits for every farmer. That’s the sort of way, that’s the way the courts can clutter up all of these processes and undermine the most simple decision that we make on the land. And if we can find a better way than that, I think we’ve done a good thing.

MR. REDDING: Okay. Listen, let’s, it’s after 12:00. We’ll come back to this conversation, but I’d like to get sort of the work group thoughts on the table. Okay? So when we reconvene here right after lunch, we’re ready to just sort of jump back into this conversation and framework and agreement and --

MR. SCHECHTMAN: Lynn’s presentation.

MR. REDDING: Yeah, we’ve got Lynn’s presentation yet.

MR. SCHECHTMAN: Yeah.

MR. REDDING: But that’ll, the core of the afternoon is going to be getting back to the committee discussion on the progress. So, let’s, let, let’s pick up on who is reporting on, on the size and scope of risk? Okay, Josette. And, again, I would ask, we’ve got four of these work groups. I, I’d just do certain executive summary. If you can touch points that were made this morning, either the Secretary’s comments and or in the general framing, that would helpful. The object of this exercise is to, sort of, report out of the, the work groups work overall, not just at the last sort of plenary session. Right?

MR. SCHECHTMAN: Well, it’s, it’s from work groups except for yours have met more than once. So, so we need to get just sort of the very top level summary of what was discussed and we’re running out of time, unfortunately.

MS. LEWIS: I can be really brief, in that I don’t think we have anything very significant to add to what we’ve reported out in the past. We spent probably half of our call getting, talking the readout. Listening to the readout and asking for clarification and discussion of your meetings with the Secretary.

In terms of the question specifically around data, we talked again about issues that have already been mentioned here this morning. Whether we can get any additional date from Dr. Kalaitzandonakes, and that’s still sort of pending out there. There was a request for some information on some practices that are used in Brazil and Michael sent that around, I think to entire committee. Correct.

And then perhaps just the most substantive thing I can add is, Michael gave us the readout on some outreach that Doctor Greene from ERS is doing. If you recall, she was the woman who spoke to us the first meeting. She has been reaching out to companies that do testing for organic products to meet certain standards and getting data from that source. We don’t have it available to us yet. That did lead to a discussion about the fact that testing data is not the same as economic loss data. And we discussed the possibility of using farmer interviews to better get at that question of potential losses.

And then the only other thing I would add is we had a brief discussion about whether or not there was data at the seed level and what sort of practices and standards are used in, in defining what a non-GE seed was. And that’s actually something that refers back to this new National Genetic Resources Advisory Committee that is perhaps something that our working group thought that would be helpful if they, if they grappled with getting a clearer understanding of what the standards are and the practices used to achieve standards for the purity of seed as GE, non-GE and conventional.

So, I think really there’s not a whole lot new to add from our committee, but that’s, that was our discussion.

MR. REDDING: Thank you. Tools and standards?

UNIDENTIFIED MALE: Comments.

MS. BATCHA: Can we have a, can we have a quick question?

MR. REDDING: Yeah, sure.

MS. BATCHA: I just wanted, Laura Batcha, I’m not sure if, Josette, you’re aware of the group. I think, Michael, there was a results from a interview-based survey on at the seed level on economic loss that was provided to the committee from the Organic Seed Alliance.

MS. LEWIS: We just received that by e-mail --

MS. BATCHA: Yeah, so just, just --

MS. LEWIS: -- today.

MS. BATCHA: -- yeah, so just to make note of that because I noticed you guys were talking about using interviews at the seed level to determine that, and so I think that there is some qualitative data in there in regards to adventitious presence incidents of law and levels in terms of commerce around thresholds at the seed level.

MS. LEWIS: Yeah, that’s just an e-mail we received. I think all the committee members probably received that today.

MS. BATCHA: Yeah, I think so.

MS. LEWIS: So, we didn’t discuss that. Whether we’ll be asked to, to review that, I guess I’ll leave that question out there.

MR. REDDING: Okay. Thank you. Tools and standards. David?

MR. JOHNSON: I’m going to condense my five pages of notes down to a paragraph. Coming out of the last plenary session, the tools and standards to verify eligibility and losses working group had come up with four basic principles and I’ll read, read those to you.

Proof of intent to produce a particular crop or a crop for a particular market. Proof or use of adequate farm practices. Reasonableness of non-GE market requirements or contract requirements. And then four, proof of economic loss.

And where we ended up on those four bullet points in our recent meetings was to eliminate the words non-GE in bullet point three. Reasonableness of the market requirements or contract requirements. And we eliminated that based on results of discussions that we had around functional trades. And one of the take home messages I have by sharing this quick summary with you is that I think anywhere we can, in our documents, make this language related to crops versus the production methodology, we will find common agreement.

We also had a little discussion about not needing to define triggers to define a compensation mechanism. That, that would be maybe better left somewhere down the road. And so we didn’t spend a lot of time beating ourselves up over that. We talked about all the positive things that are happening on stewardship programs that are in place, the need for improvements to those stewardship programs, the need for education on those programs, the voluntary things that have been put in place, jeez, just in the last year, and the positive things that are coming on that. So I think we actually have a, a lot of consensus in our working group and it traces back to those four bullet points. But we did want to modify bullet point three by eliminating two little words, non-GE, from it to just read market requirements or contract requirements. And with that I will yield the floor.

MR. REDDING: Thank you. Any questions for David? The committee? I’m sorry, the work group. Okay. Potential compensation, Jerry, were you?

MR. BUSHUE: That’s me, Barry, it’s me.

MR. REDDING: Barry’s doing that one.

UNIDENTIFIED MALE: Yeah.

MR. REDDING: Got it.

MR. BUSHUE: The three main areas that we discussed were indemnity/compensation fund, a crop insurance and a risk retention fund. And there was discussion of hybrids, but that, those discussions never really gelled into any proposals. There was a lot of discussion, as you can well imagine, much of it passionate and lively, on the practicality, the philosophy and the structure and function of each of those. There was discussion about whether or not a compensation mechanism encourages coexistence or whether it merely reduces litigation and provides for risk management for farmers, depending upon the type that we discussed at, at the moment. There was the spirited debate about whether or not a compensation mechanism is needed. The scope and scale of risk, concerns over lack of hard data and evidence of loss. Who pays? What authority lies in establishing, managing and funding those mechanisms?

We talked about contracts, margins, acceptable risks and responsibility. And that we just already had that discussion, I won’t go into that. I think a discussion we just had in the last few minutes probably mirrors the, what the work group said.

The work group didn’t make any recommendation to this plenary for any specific compensation proposal. But I will tell you that I, I think anyway that each of the mechanisms was well-vetted. In the end, I think it’s fair to say that the indemnity/compensation fund seemed to have the least support. The risk retention fund and crop insurance were discussed individually and were inclusive of a discussion of hybrids.

For crop insurance, there were concerns about past experience with some organic growers and the need to make it a better fit for those producers. The cost of crop insurance to the taxpayers, I just lost my spot here. I tried to get this damn thing printed and couldn’t find any place to do it. For crop insurance there were concerns about past experiences. The need to make it a better fit. The cost of the crop insurance to the taxpayers, Congress and the Farm Bill, the authority to manage with the department RMA, all the things that, that most likely have been alluded to this morning already.

The risk retention fund was similarly discussed. Its advantages centered around its ease of implementation, the fact that it’s tailored to the individual farmers’ ability to match their rich, risk to benefit. It can be designed to cost little or no taxpayers’ dollars and leaves decisions, of whether or not potential loss is enough of a problem, up to the producer. It could be assessed by producers to cover GE traits, for organic, IP and other GE producers.

Its disadvantages, however, centered around organic and IP producers having to insure themselves against potential acts by their neighbors. It alleviates the broader spectrum of players in the industry from paying. And some believe it did little for coexistence because it didn’t change farmers’ behavior with respect to their neighbors.

There was discussion around the suggestion of a pilot program, as mentioned the last plenary meeting, without any proposal or agreement being really thought or really discussed out enough to make a recommendation.

There was considerable discussion around stewardship. And there was clearly widespread support for good stewardship and a better understanding of the needs of different production practices. I think all agreed that education and good neighbors play a key role in coexistence and it something that the entire industry can brace, can embrace. Pretty much it.

MR. REDDING: Thank you, Barry. Any, any questions for work group? Laura?

MS. BATCHA: Yep. Laura Batcha. I’m a member of the working group and thank you for the summary. I, I would, I would just like to, I think, state for the record that my understanding of the role of the working groups was not to put forward a preferred method.

UNIDENTIFIED MALE: That’s true.

MS. BATCHA: But rather to provide an analysis of the pros and cons of the, of the method. So, I’m taking a issue with your characterization of the discussion on the methods. But, but I, as a member of the working group, don’t agree that it’s fair to bring forward to the full committee that the indemnification fund had the least support at the working group level.

MR. REDDING: Thank you. And the, the who pays working group? I think that’s a, a team effort here with Leon and Missy.

MS. HUGHES: Yes, we’re going to tag team.

MR. REDDING: Okay.

MS. HUGHES: The who pays working group spent most of its time in the last two meetings trying to finalize the list of principles that it felt would address the features of any compensation mechanism that’s in place. And I’ll read to you those principles, but before you worry about writing them down, I can tell you that they’re on page 34 of the summaries that Michael prepared and distributed to us. The, the principles that the who pays group were able to agree to are clarity, autonomy and farmer choice, encouragement of good neighbor relations, fairness in treatment of different production practices without a preference for one practice over another.

Based on sound science, and the last two are, should be designed to minimize the need for but not access to compensation and should be designed to discourage fraud. So those are, those are the, the features of a compensation program. I’ll just give you a list of some of the things that we were not able to agree on. Equity, proportionality, flexibility, inclusiveness, shared responsibility and voluntary participation. And a lot of the discussion surrounding, well, a lot of the discussion surrounding all of the principles was what exactly they mean, and so those conversations were, were good to really get to the nut of what we agreed to on, on the principles we did agree to and, and some of the ones that I just read, like equity and proportionality, were just too vague for the committee to be comfortable, or the working group to be comfortable with including them in the final list of principles.

And now Leon’s going to take over the rest of our summary.

MR. CORZINE: Okay. Thank you very much. Missy did a good job of, of, of framing that up or, or covering that and I’m really glad to collaborate with her, because it’s been difficult for me to do it by myself because while we were having our working group call, I was actually on a tractor working ground, trying to stay ahead of my son who was hot on my heels with the soybean planter. So, I was distracted once or twice going around a couple poles and things like that.

UNIDENTIFIED MALE: Personal problems.

MR. CORZINE: Auto steer doesn’t take care of all those problems. I think the lack of agreement on some of the issues that I think both Missy and I thought would be easy ones, were frustration. For example, one of mine that the avoidance of policy on regulation that discourages innovation. And that’s listed here. It’s like, and, and that, and that cuts both ways. I think that even if, because it doesn’t just mean GE innovation. It also means innovation for, that helps us with stewardship practices, such as the, the GURTs technology for a biotech solution, the PuraMaize --

UNIDENTIFIED MALE: Yes.

MR. CORZINE: -- I think, is the title of a non-biotech solution. And we need those kind of things coming forward and there’s a real concern that in the principles that a mechanism would hamper or hinder that bringing forward of those kind of technologies that, that would help us out. But, but I think as we, we, as, as Missy mentioned, we, we really didn’t get, with this list, the meat of who pays and I think it’s, we found it impossible to separate from the, if any, types of size and scope, to separate who pays, because it’s all kind of one is dependent on the other, so that’s kind of was the overriding thing that, that added to our frustration.

We did talk about in, in that as, since we were trying to operate in our own worlds, it was, it was talked about that some of the, some of the things around a solution, we might be a, we might be working on a solution and then trying to find the problem was a concern that was stated in, in our, in our group. And I, and I think there’s some validity to that. We discussed that a little bit. And the, we did another thing that we did touch on, was that, that the global regulator watching our actions could cause some negative trade implications. And so we had a little discussion around that one.

And I thought it was interesting, another thing we talked briefly about in, in at the end of our meeting was that we reminded the working group members that our outcomes could affect future family farms. And so I thought it interesting the Secretary went right to family farms and, and the, and the implications around that and, and we discussed that in our working group as well. Thank you.

MR. REDDING: Thank you. Thank you. Chuck?

MR. BENBROOK: It’s, it’s okay to pose a question to the working group?

MR. REDDING: Sure.

MR. BENBROOK: So, Missy, you said that the working group discussed the concept of shared responsibility but it, it was one for which there wasn’t ample consensus to, to move, to move it into your agreed upon principle category. Could you, could you share some sense of the, the reasons why that was not a principle that garnered sufficient support in your working group?

MS. HUGHES: I would welcome anyone else on the working group to help me fill this out, but I would say that if you looked at the, and I would specifically say the organic side of the picture, there was a feeling that the responsibility currently held by organic farmers, like buffer zones, testing, you know, whatever the, the current practices in place are, would be one side of the responsibility costs. And for the GMO biotech folks, the cost that they are currently incurring of going through the regulatory process or developing the technology was, was part of the responsibility that they’re bearing right now and the risk that they’re taking bringing something to market that might be rejected or that won’t make it through process, are costs that they’re currently bearing. And so we, we got quickly into a conversation about what does that mean, that shared responsibility and how, what kind of costs are you going to include in that. So, that’s my recollection of, of why that, we, we kind went down a rabbit hole with that and pulled back and said, okay, everybody’s got real different opinions about what shared responsibility means. And, you know, I think, Chuck, that you probably keyed onto that because of this discussion of the three places folks can be. And I think the hard thing is that shared responsibility goes a lot to folks feeling like they’re already doing things towards coexistence, so what more can we do or is it fair to request more responsibility on one side or the other. And, and then you run into it. So, anybody else can add to that.

UNIDENTIFIED MALE: Chris?

MS. OLSEN: Angela Olsen. Just another quick point and, and, and Missy’s absolutely right. That’s kind of the, that’s the rabbit hole that we went down. We also had a lot of discussion about what growers do and the investment that they make in terms of shared responsibility and all of the clean outs of the combines and, and, you know, we heard about everything that the growers do on the grower level as well. So everybody felt on different levels that they were already contributing, you know, from the seed, from the biotech providers. You know, everything that we invest for seed purity, for example. Everybody felt that they were doing a lot, whether it’s on the grower level, whether it’s on the seed producer level, on the organic level. And so we quickly went down a rabbit hole, because it, it meant different things to, to --

MR. BENBROOK: So, so the problem wasn’t the concept of shared responsibility, but actually the nuts and bolts of what that meant and the equity in it?

MS. OLSEN: Yeah, and again, the definition. Going back to the definitions of what, what shared responsibility meant. Because everybody felt that they were contributing already.

MR. CORZINE: This is Leon. If I might add, Charles, this might help. There is the issue of in that shared responsibility, what does that mean because they’re somewhat goes back to what we said in our, in our report that what are we talking about? What kind, shared responsibility of what, you know? So you, what mechanism are we talking about? Kind of, you know, that really clouds the issue of what shared responsibility means. And another thing that has, that should be brought out is that we’re talking about all IP. In shared, is, is there, are there private contractual things that I could do or any producer could do that are my responsibility? I’m not sure there should be shared responsibility, you know. So, those were kind of maybe helps frame up, if that helps you with where our, our discussion went on that and why, one of the reasons we didn’t, or several reasons why we didn’t, weren’t able to include that in agreed upon principle.

MR. REDDING: Chuck, I would add that on page 31 of the work groups discussion, there is a couple of sentences there that talks about the inclusion of shared responsibility and saying that it, it was not, that no consensus on including it as a principle to help guide a who pays discussion or decision, but to include that as a general subheading for coexistence. I, I sense, so we don’t, we just couldn’t place it in the work group of who pays, but I think the work group didn’t want to lose sight of that as, as an area where, as we frame this document, we need to have some consideration of the shared responsibility. Okay?

I’m, I’m pleased to welcome Under Secretary Cathy Woteki has joined our meeting this morning. So, Under Secretary, thank you. Yeah, thank you. There you are. Good to see you. Thank you.

MS. WOTEKI: Thanks. I’m planning to come back tomorrow also to listen in on the discussion.

MR. REDDING: Perfect.

MR. SCHECHTMAN: Thank you.

MS. WOTEKI: So thanks.

MR. REDDING: Excellent. Thank you for being here. Okay. Any, any final comments, questions for work group? Josette?

MS. LEWIS: Actually, I found this, this work group report very helpful in the sense that, that it addressed one of the concerns I had earlier in our conversation when we were reflecting on the Secretary’s comments. And that is that you, clearly in your working group, talked about the risks and benefits, the responsibility issue across the entire value chain, so to speak of agriculture, from the seed and technology company side to the producers to the, the buyers and the shippers and the processors to the food side. And that’s, it’s a point I wanted to make earlier that the, there’s been, often we’ve heard some discussion of the risk as being solely risk and benefit at the farm level. And I understand the importance of that, not to undermine that, but if we’re going to make significant process on coexistence, it has to look at that entire set of players that go before and after the farm. Because a lot of the, the potential mitigating factors, a lot of the market forces that have driven us to have this question, are not driven at the farm level. It’s those other components of the system that have to be part of this discussion and maybe that’s part of why to me this compensation mechanism also becomes a difficult one to grapple with, because it’s really just dealing with the farm side of it and it’s not looking at those broader forces, both positive and negative, that have, have structured the coexistence issue. So, I think if we talk about communities, to use the language of the Secretary, I mean, the communities go beyond neighbor to neighbor. Those are really important, but they also go into the communities of producer organizations, I mean, the national, the California Rice Commission is a very important constituency for my company because we develop transgenic rice. And we have to have, we have a responsibility to have a lot of discussion with the California Rice Commission, so we don’t end up undermining the very important market opportunities that, that they are pursuing. So we have responsibility as a technology company. Grower associations, the organic trade association is an important player in this. So I think to me the idea of communities and shared responsibilities is so important to capture what this working group has said, which is that it’s a whole suit of, suite of players and that either we broaden our definition of a compensation mechanism or we recognize that, that way we’ve been discussing it isn’t incorporating those broader players.

MR. REDDING: Thank you. Lynn?

MR. CLARKSON: Lynn Clarkson. I think the focus on what happens among the farms of America and coming out with good advice, good recommend on coexistence will do a lot to help other communities in the value chain. Because right now they’re looking at a situation they don’t know what its shape is. They don’t know what its depth is. They don’t know what they’re supposed to do. So, with respect to some of the things that I’m going to be speaking about later today, you have differences of opinions among major seed companies. You have some saying damn the torpedoes, full speed ahead and you had some say, whoops, this looks like trouble, we will take a conservative approach on this. So, not knowing what the rules of play from the East Coast to the West Coast are, is, is and should be significantly troubling to those who have new technology to introduce. I would like to see that improved. I’m not opposed to functional traits, I’m not opposed to GE, I’m not opposed to organic, but I would like to see more stability in the systems that they feed.

UNIDENTIFIED MALE: Speaking of feed.

MR. REDDING: We’ll, we’ll feed soon. We’ve got a couple, couple of comments and we’ll do a quick wrap-up and, and break for lunch. Mary Howell?

MS. HOWELL: Real quick. I think listening to the four working groups has, has kind of crystallized something in my head that was starting to get going when, when Mr. Vilsack was here. And that is, that we’re trying to be a house without a foundation. We need the foundational logic of how we get to being able to keep the different kinds of agriculture sufficiently separate from each other so that we’re not impinging on each other, before we can build a compensation package. Because a compensation package rests sole, solely on the assumption that we know how to do this, and I’m not sure we do. Lynn has said earlier that one in 10 loads of organic corn coming in to his facility gets rejected on contamination, AP issues. That, that tells me that what we’re doing in the organic community may not be sufficient. And, and now that I’ve let the, the blue corn issue kind of filter down into the collective gasp here, there’s a reason I said that. Organic farmers are not mean-spirited. They’re frustrated. They’re frustrated that what is being presented as adequate is not. And so, we need to build our foundational assumptions around what is going to be, be able to produce non-GE crops that are non-GE. What is going to be able to produce functional trait crops that are functional trait, but that do not impinge on somebody else’s. That is, you know, what, what is going to be effective to reach our goal? Not, not, and apparently it’s not here yet. We don’t know that yet. But it’s really hard to build a compensation package when we don’t know what is adequate to achieve the goal.

MR. REDDING: Okay. Thank you. And again, to each of the work groups, I have tried to listen in, participate in, in many of those and I, I really appreciate the good exchange, the active exchange, the spirited exchanges and comments. And, and I’m sure, again speaking for everybody who was on those work groups, I mean, they are at times were, at times, a challenge to sort of listen to just because of comments made and, and you sort of, you wanted to respond to that or react to it. But, I think all of that discussion was incredibly helpful to helping to, to, you know, sort through this complicated question that we have before us. And while we couldn’t agree on, on all the principles that six months ago sounded like great principles, but as we’ve informed our own discussions and thoughts, you know, we came to a conclusion some belong and some don’t. But we appreciate the work groups sort of sorting through that. We’ll, we’ll borrow those outcomes and discussions for this afternoon and tomorrow’s debate and discussion, as well as our final report. So, to each of the work group members, thank you for participating, taking the time to participate and certainly I want to say thank you to Michael again for listening and recording and providing excellent transcripts almost of all of the exchange. And I, I found that very helpful. So, I don’t know who all you had behind you, around you, but when I read those reports, you know, they, they were very accurate reports. So, I want to say thanks to Michael and his team for, for doing that.

Before we break for lunch, I mean, I’m going to put on the table we’ve heard this sort of the Secretary’s comments and his sort of framework. At least from his perspective what, so he’s laid out to us this morning. So I would ask that as you have lunch, just to be thinking about that framework. The framework being, you know, the risk framework that you looked at mitigation and, and then looking in sort of the loss, covering some of those losses. So, the discussion we had this morning, just in your own mind, try to, to compartmentalize what you heard and your own beliefs in, into those two pieces. All right? On the mitigating side, what does that look like? Right? It’s about the personal shared responsibility. It’s about stewardship. It’s about education. You know, on, on the loss side, what does it look like? I mean, is it in fact what the Secretary laid out in terms of the crop insurance or as Barry has shared and the work group, is it some hybrid model? Don’t know. But, again, try to get this organized in a way that when we come back this afternoon, we’ve got some presentations, but we’ll obviously get right back into the conversation around the, the, the report and trying to find, excuse me, some consensus that we can build off of. We’ll also spend some time looking at those major themes that we advanced before the meeting. So, so, again, look, look at all your owns notes and try to slot them into, you know, the, the risk framework. And we’ll resume our discussions this afternoon. Okay? Michael?

MR. SCHECHTMAN: Okay. This is now off the record. It’s my usual question, right before we break for lunch, which is to get a count of the number of folks who would like to go to dinner this evening, so I can tell the restaurant. So if you’re planning to go to dinner, let me count. I need to get one more time. Thank you.

MR. REDDING: Did you get David? He put his hand up.

MR. SCHECHTMAN: I, I counted you. Okay.

MR. REDDING: What time do we need to be back?

MR. SCHECHTMAN: We need to be back here and ready to start again at 1:50. Yes, there is lots of places very nearby. There’s a food court across the street. There are several fast sorts of things here. You should be able to leave you stuff here. I’ll, Diane, you’ll be staying here, right? Yeah. So you can leave, you can leave your materials here.

(Whereupon, at 12:42 p.m., a luncheon recess was taken.).

MR. SCHECHTMAN: So, we are starting off again in the afternoon now and our first item of business will be a presentation from Lynn Clarkson. And he is going to be talking to us about the issue of crops with functional traits and how that relates to the charge that we have here today. It’s a subject that has come up a number of times, through rapid discussions of, of this committee. The Secretary has alluded to the issue that potentially all sorts of farmers may face issues from unintended GE presence of one sort or another. And this is a topic that I think is pretty timely for us to talk about today. So, I think without further ado I will just hand the microphone to Lynn.

MR. CLARKSON: Thank you, Michael. I would like to take you on a brief walk into the world of functional foods. Make two key points with you. It puts everybody at this table into the same boat. GE farmers and organic farmers alike are now going to be concerned about adventitious presence. Secondly, it, depending on your perspective, either raises the bar exponentially or it lowers it exponentially, because the level at which it interferes with other people’s markets drops to a tiny fraction of the .9 percent that we’ve been talking about. So your basic situation, next slide please, the basic situation is there are seed companies poised to introduce versions of traditional plants, engineered to provide altered functionality. For instance, to change the product or process characteristics for which grains, oil, seeds and other crops have been traditionally valued. We buy these crops for starches, proteins, oils, fiber. Okay? We’re now looking at different process characteristics and different end product characteristics of those fundamental blocks by which we value the crops we raise. These introductions will favor some users. They will be absolutely neutral with respect to some users. And they will damage others. The absolute treasure for one market will be an absolute disaster for another. So your good product could be my weed or vice versa. Unless well-managed, these distinctions will disrupt local as well as global markets. Next, please.

So the question is pretty much what the Secretary put to us. How do we manage the introduction of genetically engineered functional traits and you’ll find me reducing that to GEFTs, to optimize development, minimize market disruption, support producer buyer choice? Can we fashion an acceptable regulation or do we leave it to the market, to the courts and class action lawsuits? So, what can we do to provide peaceful coexistence here? I favor the peaceful kind of coexistence. By the way, the, the point of the, the photo at the bottom of that is to give you an indication of the diversity in the soybean world. There are 20 some thousand pure lines of soybeans out there and if we get into genetically altering things and for functional traits, we could see, within a few years, a hundred different corns, many of which would conflict with others out in the field. Next, please.

Michael asked me to focus on how we compensate farmers that might be damaged by these things. And I don’t know how to do that in looking, unless I look at the adventitious presence consequences. And I’ll have to look at that in consideration of scope, scale and the nature of the damage traced to genetically engineered functional traits. So on the scope side, adventitious presence from these crops will impact farmers producing the very same GE crop but with different trait profiles. They will impact farmers producing the same crops for non-GMO markets. Corn for corn, wheat for wheat. They will affect farmers producing the same crop for organic markets. And as the adventitious presence issues become more universal, this is no longer a niche consideration, but a commodity consideration. Why? Because of that market incompatibility which is both functional and cultural. I can easily, in my mind, plant a crop right next to Farmer Jones that will knock him out of raising anything on a 160 acre field for the markets he has traditionally been raising for. That’s a lot of power to give your neighbor. Next, please.

Scale. We’ve been talking about .9 percent damage. That’s sort of a socially engineered level that I want to point out is a compromise for the organic folks already, because the extreme end of that community says zero is right. Though most of us acknowledge a zero is an impossibility, so what can we achieve? The 0.9 is reasonably achievable. But, when you’re talking functionality, we can’t sit around as a committee and decide what’s the right level. Chemistry will decide it for us, whether it’s one part in 10, one part in a thousand, one part in a million. GE tolerances right now that I see out in the field today, are running for the tortilla industry, .18 percent. The .9 percent that we’ve talked about as a threshold for non-GE, GE, is 90 parts in 10,000. .18 is 18 parts in 10,000. And for the grit market, the guys who make your cereals and southern grits, it is .01. One part in 10,000. One kernel in 10,000 changes the process, characteristics of the product in a very bad fashion. I think market sensitivity is going to proliferate with the introduction of different traits and the different potencies of those traits. Next, please.

Farmer compensation. Somebody claims damage in this, how do we address the issue? The minor issue is the GE issue. I think that can be taken care of in a variety of ways. The major complicating issue is this functionality. It is much more difficult to control. So, in my mind, I break loss categories down into market rejections, a direct loss. When Leon delivers something to me and I reject it and send it home and say Leon it’s out of spec., he and I both understand what he just lost. Another direct loss in calculations would be what kind of buffer do we need so that Leon and I can enjoy my getting what satisfied market demand? But the third one, and I’ll draw your attention back to this later, is lost opportunities. Lost opportunities to the buyer due to the avoidance, excuse me, lost opportunities to the farmer due to the avoidance of buyers. If I’m having a risk coming out of a certain area, if I’m confident that everybody is following the rules, maybe I’ll buy a quarter mile away, a half a mile away, a mile away. But if I’m not confident that everybody is following the rules, I’m going to avoid the area entirely. So, you can find things going on in your county that would push buyers, like me, to not raise, not produce, not buy anything from you, because you’re too close to a farm. I want to avoid that risk. Next, please.

Cost calculating using European Union drift studies. I went to the Europeans because they have done extensive studies on what segregation barriers are needed to achieve different levels of adventitious presence. I’m not saying that any of these numbers are God-given or chiseled in stone. Other people can come up with them, but these are determinable numbers. So, if we take a look at corn and on the first line I’ve got the genetically engineered functional traits source. Let’s say one field. Field’s 160 acres. The yield is 180 bushels an acre. We’re looking at 28,800 bushels, potentially, from that crop. You will find, as you watch these markets, that the folks raising these genetically engineered functional traits will be paid a premium. The premium being offered for this one is 40 cents a bushel. So the premium value on that 160 acre field is $11,520. Now, that 160 acre field has four 160 acre neighbors. There are 640 acres, now you’re up to 115,000 bushels. And those are going to perhaps a genetically engineered food market with a 60 cent premium. But, it seems unfair to say, suggest there’s going to be a drift problem in all four fields, so let’s just say the prevailing winds are from the west and the south, so we’re looking at the north and the east as fields that might be damaged, so we’re down to two files at 160. So we’re at 320 acres down there at 180 bushels, 180 yield, 57,600. Again, a 60 cent premium. So the premium value that could be impacted here on the drift fields is about three times the entire premium value being paid for the genetically engineered functional trait. Now if the neighbor happened to be organic, drop down to the bottom line. Here you’ve got two fields, 160, 320, 180 bushel an acre yield and it is, if organic corn growers are close to a supply of manure, whether it comes from conventional or organic animals, you can find organic farmers coming up with 180 to 200 bushel yields. So how many bushels did they lose? Same number of bushels. But their premium was $6.00 a bushel, not 60 cents. So the loss there of premium would be $345,000. That’s based on a genetically engineered functional trait that’s offering a 160 acre grower a total premium of $11,000? Now we’re talking a 30 time factor here. Next, please.

Market tolerances. I have thrown in the numbers that come out of the EU’s work. For 0.9 percent, which is what we’ve been talking about here for some time, distinction between GE and non-GE, 100 feet will do it. A hundred feet of separation will do it in almost all cases. Now, if we’re dealing with one 160 acre field and two adjacent 160 acre fields, the face distance of those two 160 acre fields is a mile. It’s a half a, 160 acres is a half mile by half mile. So you had two half miles, you’ve got one mile. So, you can figure out how many square feet are involved in the buffer. That’s 12.12 acres, you’ve got 180 bushels per acre, so you’ve got a little over 2,000, the premium lost, 60 cents, $1,309. Not very much in the scope of things. The scope of American agriculture, next to nothing. Now let’s drop that to .5. .5 needs 150 feet and you can follow it along, you’ve still only got less than $2,000 involved. Now let’s drop it to .1. .1, 10 parts, I need 1,000 feet. Now we jumped to $13,000 in lost value. Now let’s drop it down to .01, which exists today. We’ve removed those from the conceptual to hypothetical. This is real. Now we drop it down to .01. I need a buffer of at least half a mile, 2,640 feet. Wow. I’m now down to, up to 34,560. And the issue is, I don’t know what the sensitivities are going to be to crops that are yet to be introduced, the versions that are yet to be introduced. So for the last line, I just put down Xs. What I do know is we don’t have a, a regulatory system to address this issue today.

MS. BATCHA: May I ask a clarifying question so I know I’m following what you’re -- your data?

MR. CLARKSON: Sure. Of course.

MS. BATCHA: These are the losses for the adjacent fields for maintaining the buffer for the functional trait that’s on their neighbor’s land?

MR. CLARKSON: It’s strictly the premium lost by the buffers required to meet those tolerance standards.

MS. BATCHA: By the, by the person who is not growing the functional trait?

MR. CLARKSON: Correct.

MS. BATCHA: The neighbor.

MR. CLARKSON: Correct.

MS. BATCHA: Thank you.

MR. CLARKSON: It could be a neighbor raising a different functional trait.

MS. BATCHA: Yeah, yeah.

MR. CLARKSON: Okay. If, and, and these numbers represent non-GMO corn. If the numbers were applied for organic corn, the premium goes back to the $6.00 a bushel, because today we’re buying organic corn anywhere from $12 to $14 a bushel, depending on where you are in the country. And for conventional corn in the Midwest, Leon you can remind me, but I think we’re someplace around $6.40, depending on how we’re feeling about oil and half a dozen other things. If it’s organic corn, with that $6.00 a bushel, now you’re looking at multiplying that lost value by a factor of 10 on whatever tolerance level you’re up. Now you’ve got, really got agriculture’s attention with this. Next, please.

Now, I put a, I put a photo down there of a, of a technology lady, because she follows me around. You’ll find her in other slides. She’s everywhere I go. She’s testing everything I do to see if I meet someone’s standards. So, this comes from a merchandiser’s perspective, that’s what I am. So I want you to know what my role is. My role is not to sell what a farmer wants to raise. My role is to please a client. My role is to deliver purity, homogeny, homogeneity at a competitive price. So that’s what I have to try and do. Now if I’m buying IP directly from farmers, I pretty much have a good feel for what I’m going to get. If I’m buying, and, and so, I’m willing to get closer to a risk if I know what’s going on, on the production farm. If I’m buying open market from a farmer, or I’m buying from a elevator that’s buying from open market farmers, my confidence in what I’m getting goes down and my distance that I want to stay away from a potential problem, goes up. Now, let me tell you how conversations on genetically engineered functional traits are going to happen between the patent holders and merchandisers. The patent holder is going to say to the merchandiser, why don’t we get along and you tell me where you’re going to grow and I’ll tell you where I’d like to plant and we’ll avoid each other. And I like that. I accept that. I will participate in that conversation. I want to point out to you who is not in the conversation. The farmer. The farmer is not being asked where the patent holder wants to grow it, where he’s going to grow it. The farmer’s not being asked by me where he wants me to agree. We’re maneuvering around him. And what I just described to you is going to happen in lots of different buying offices and it will be a private zoning plan that affects U.S. agriculture. So, this immediately raises concerns, if we put it on an institutional basis, we talking about a national land use planning program? What do we do with this? If you don’t do this well, you give some of the right not only to not buy from you, but if I’m not buying the right kind of crops from you, I reduce the value of your farm that you and the last four generations helped put together. And I would like to see standing stalwart another five generations in the future. Next, please.

Direct losses. Now these are the losses where I reject the load from somebody. Okay? If it’s coming from a functional trait, we don’t have a lot of competitors out there, we know pretty much who the provider in functional trait was. One way to do it would be go to that provider and say, okay, Farmer Jones just found this stuff in his farm and it cost him a load and here’s what he lost, so I expect to contribute a check. You can go to the patent holder or you could go to the farmer that raised it, or a combination of the two. I don’t believe farmers can escape responsibility for deciding what to plant. Another is you do it by an insurance program, which maybe we all contribute into, or some other insurance arrangement. Now, when we get into the losses that come from buyers avoiding you, because you’re close to a problem, that is such a difficult puzzle, I don’t know how to address it. I am totally puzzled by that one. I’d certainly accept suggestions. The only way I know how to address that one is to try to see the problem doesn’t happen. To mitigate the problem. And that leads to the private zoning, the national land use discussions, all those other things. It also leads, if done poorly, to the joy of class action lawsuits, which are not fun for anybody, and a loss of U.S. reputation as a reliable supplier. Out on the edges of U.S. marketing, we already have Japanese companies going to India to get non-GMO soybean meal. The Indians don’t allow any direct export of soybeans, except they allow non-GMO soybean meal to go out. They also allow exports of organic soybeans. But other than that, the Indians don’t allow export of anything. But you’ve got buyers that all of us benefit from having, as U.S. buyers, that are looking around the world to avoid problems. And if they think that we don’t know what we’re doing, that we’re allowing things to become blended and we can’t deliver purity, they look elsewhere. That’s a problem for me. I think it’s a problem for every farmer I know. Next, please.

Amylase is the first of many GE functional traits. It gives us an opportunity to learn and adjust. If this is the start of a new class of seed that we’re going to have, we need to look closely at the first introduction and see if we need to make modifications to our policies. How do we deal with this? I want to make some key points here. There’s no bad players. I said you had to play by the rules. The USDA played by the rules. Everybody played by the rules here. The product they’re bringing out is wonderful, for certain markets. It is okay for many markets and it’s terrible for a couple of markets. The issues that I have difficulty being comfortable with are the issues of containment, traceability and transparency. What’s the containment program? The containment program, the major part of the containment program is 12 rows of isolation, 12 rows of isolation is 30 feet. I showed you what the Europeans say is necessary to meet various standards. Can we improve on that? Or is that what we accept? Containment as it goes through the system, is there some marker that we could use? So, something if it gets lost in the system or if it gets past our filter systems, is there some way we can remove it from the system? Companies like mine use the latest generation optical scanners. So, those operated, if you believe their advertising, they operate at 99.8 percent efficiency. So, if Leon would make one dot on a, on a corn with a fine felt-tip pencil and two dots on another one, I’d be able to separate one from the other through an optical scanner. This is technology that’s very helpful. Is there a marker that we could use? The answer really is there isn’t. There is discussions of it, but there isn’t. Traceability, that really goes to the traceability of it. What can I do to trace this through the system. It would be nice to have, it would be absolutely delightful to have a traceability system. And transparency, if you’re licensed to put a seed into the commercial gene pool in the United States, I think there’s certain standards, and one of the standards would be that you provide samples to interested parties so they can test and work with. In this case, there’s been difficulty in making those arrangements. I don’t know why. I don’t want to say one guy was bad, one guy was good. But, we need those samples available to everybody in the system, so we’ve got, we’ve got a transparent system. Now the photo there is of some farmers that look like Alan’s relatives, my relatives, Leon’s relatives, it’s called the classic skeptical farmer about these issues. Next, please.

So the real question to those balancing conflicting values, encouraging innovation, protecting markets, protecting choice for the farmers and the buyers, because more functional traits are coming. And different versions of many different crops, each version fitting, thanks, fitting into different markets. Sensitivity levels are going to vary. There are differences of opinion inside the headquarters offices of major seed companies that we all know. Some of them are quite willing to take the risk and see their future as nothing but functional traits. And other very serious companies have looked at this and said, uh-oh, we don’t know how to address some of these problems yet. We don’t want to bring this out until we can address these problems. I have my version of which is the more responsible party on that. But, these are issues at play right now. And, we’re not offering a lot of guidance. Because with respect to Amylase corn it was approved without any limitations whatsoever. Everything that’s being done by the petitioner who succeeded is being done voluntarily. I might suggest it’s being done voluntarily with the prospect of suits and legal action of things don’t work out well. But it is voluntary on that company’s part. Next, please.

I don’t know how we escape trying to build a better fence around a commercial seed pool. And instituting good management practices for farmers who wish to participate in USDA ag programs. I think it’s reasonable to say, if you want to participate in our programs, then you’ve got to have good management practices. I think we need to consider the economic and market impact in new traits, before approving planting. Before we say, here’s the license, come on out and plant it, I think we should be asking, what’s your functionality study show? And, by the way, the functionality numbers I’m using, were developed by the petitioning company in this case. I think it should be absolutely a requirement that anybody wanting a new seed does that. I think that, that company should be responsible for showing what dispersion studies are, what buffers are needed to meet various tolerance levels. I think they should be held to a transparency standard and sharing their material for testing by others, and I think there should be some way of tracing the product through the system. Now in many cases, not necessary, but in some it’s going to be keenly necessary. So, this isn’t just an organic issue. It’s not a GMO issue. This really goes to the purity of what we as providers to the world market for food can offer. Next, please.

Now, questions, comments, perspectives, arguments? I put up there every organization that I have belonged to in the last several years so you’ll know whatever biases I might have, but you’ll notice that I have what I think are good and important contacts to me and my company with the organic world, the non-GMO world, the GMO world and buyers in several continents and around the United States. So, think you very much. Michael?

MR. FUNK: Hey, Lynn, can you give us an idea of the scale of Amylase currently and then maybe what’s projected in terms of acres planted?

MR. CLARKSON: Sure. In a nutshell, first year it came out was last year, about 11,000 acres raised in the western part of the United States. This year there will be roughly 24,000 acres. The goal is 2.5 million acres in the year 2019. The trait is currently, and the first year was in one hybrid, this year I believe it’s in three hybrids. The goal is to have it in 15 hybrids, 20 different hybrids. Different hybrids give you protection from weather. It gives you different latitude zones that you can grow in. Their corn will be absolutely wonderful for the ethanol industry that uses a drying, dry mill process on the front end of their ethanol plant. So if you took two and a half million acres and just roughly said 200 bushels an acre, you’ve got 500 million bushels of this. But this is a leveraged corn. An ethanol plant, to get optimal benefits does not need to use this corn purely. It can mix this corn with six to seven parts of conventional corn and achieve optimal benefit. So the 500 million bushels produced really work to cover 3.5 billion bushels of corn, a significant footprint. Yes, sir? Doug?

MR. GOEHRING: Thank you, Lynn. Couple questions. On the numbers that you had up there where you talked about tortilla chips and the grits, are those, were those numbers established using samples? Because you had mentioned that you couldn’t obtain any samples. Or are those numbers that are used with respect to if you had any foreign material that existed in that corn product, it would ruin or change the way that they are trying to develop something with respect to the food item that you’re talking about?

MR. CLARKSON: Good question and it provides me an opportunity to compliment the petitioner for the Amylase corn. This was developed by testing in some of the most respected ag engineers in the country, some at the University of Illinois, some at Texas A&M. And it was their determination that the numbers developed by scientists working for the petitioner that I’m using. I’m delighted that the petitioner was willing to develop that information and share it. But the tortilla industry really does come out at .18 and the grits world comes out a 0.1.

MR. GOEHRING: Did they show that over a, a certain type of process or, because you mentioned dried milling for this process, knowing that most Amylase, whether it’s added or whether it’s going to be present, is pH sensitive? Also temperature, moisture, plus they generally add a feed stock, ammonia for example, to manage the pH and to also provide a feed stock for the enzyme itself.

MR. CLARKSON: Doug, I didn’t ask the questions to go that deeply into it.

MR. GOEHRING: Oh.

MR. CLARKSON: I just used what they provided.

MR. SCHECHTMAN: Let, let me just make one point before we go on to more questions. I think there’s obviously some interest in specific details around the Amylase, but I think the point of the discussion is not the one particular product, but is, is the broad, the broad issue. And I think, I think we would do well to, to focus specifically on the general topic.

MR. GOEHRING: I, I do have a follow-up question. Maybe it’s more of a comment and I think it’s a, it’s a challenge that we experience in agriculture, anybody who is producing an IP crop. And I deal with this in my, my own state and region and you talked about buyer avoidance, and it’s very much felt with respect to those that are producing certain type of crops or seed for a certain market, because of climatic conditions, uncertainty in that respect. Certain processors, certain companies won’t allow a seed production or a certain food production to be grown in some areas simply because you can’t meet the quality or the risk of actually producing something based on where it’s located at geographically. So I, I know it’s a challenge, but I, I just wanted to point that out too. And thank you for the presentation.

MR. CLARKSON: Marty?

MR. MATLOCK: Thank you, Lynn for a, a very balanced presentation of, of this issue. And I agree that it’s, it’s not about alpha Amylase enriched corn. It’s about the traits themselves that we’re, we’re struggling with. Do you, three questions I’ll start with. Do you think that the protocol that Syngenta developed for mitigating risk for the grower and for the neighbors throughout the entire supply chain, from field all the way to processing, is a reasonable protocol for high level, high risk traits?

MR. CLARKSON: Good question. I think it’s reasonable for just the base GMO and the .9., I don’t think it’s reasonable for traits that have an impact at an extremely subtle level. We’re getting into the detail of the protocol, but I think a general answer to your question is, no. It doesn’t and it doesn’t allow us to take protection downstream. We might be able to detect, okay, we have a bunch of corn coming in, this guy must have been close to a problem, but it won’t allow us to take the problem out, because there’s no marker that travels with the material.

MR. MATLOCK: That answers the follow-up question too then. What you’re suggesting, though, is we need multiple tiers of, of risk mitigation, depending upon the characteristics we’re trying to, to manage?

MR. CLARKSON: I certainly think so.

MR. MATLOCK: All right. And then the, the final question goes to this issue of who’s responsible then for protecting the supply chain, and should this group be focusing on entire supply chains or just farm gate?

MR. CLARKSON: I understand the Secretary asked us to focus on the farm gate. And I think we’re dealing with some reasonably immense problems. It’s immense just at the farm gate. But at the farm gate, if we set the rules, then we tell companies in the supply chain, either downstream or upstream what they can expect or we expect of them. So, I think it’s appropriate to consider things at the farm gate, but this is going to be telling people throughout the chain what we expect of them and it will be telling our buyers what we’re going to try to be delivering over the next X number of years. Is that a reasonable answer to your question? It’s about as reasonable as I can get.

MR. MATLOCK. Yes. Yeah.

MR. CLARKSON: Thanks. Leon?

MR. CORZINE: Thanks. Thanks for the presentation, Lynn. As, as probably most of the folks know, you and I have talked quite a bit of this and been involved in some of the discussions with the provider. Being in agriculture, we’re caught in a little bit of a box here because one of the things we continually get beaten up for is, I still think I’m a conventional grower, even though I use GE products. Is that, a lot of people try to say that, well, you know what? GMOs haven’t lived up to their promise because they haven’t provided anything of benefit to the end user. It’s all about, you know, and, and we spend a lot of time talking about the environmental benefits and lowering our environmental footprint, chemical use, all those kind of things, and providing a higher quality product. But, still, there is the thing about people wanting or demanding that, that the industry come up with functional traits. So here we have it. Now, the first one, and there are going to be several. How quickly they come along, I’m not sure. And in corn, not that fast because there’s this one, might be something else, but there’s more in soy and some other things. The, some of the figures, I’m not sure in our discussions, Lynn, and that I agree with the impact because this particular product, part of the stewardship is that, for example, I will not be allowed to grow that, because of where my location is. I believe they said there was a 40 mile radius to the sensitive areas. And I’m glad you acknowledged that they talked about sharing data or location points, GPS points, of where a particular ethanol plant might be versus where one of your growers might be. Also, the buffers, now there is a difference of opinion on the buffers. I’m not sure I would trust the European data, because they don’t have a -- well, I won’t go there. But, all right? Their data that we both saw said that, that, the I, I suppose with the other end that the 30 feet next to the conventional corn actually brings it down below the levels that we’re talking about. Now I’ve grown white corn. You can see it, growing it right next in the same field and it gets dispersed. And, and also in the marketing, if you’re going to use some of these figures, you need to take a look at as they go through the system, there is a dispersion, as how many times it’s handled, if, if there is an adventitious presence of something, of, of this product, how it gets dispersed through there. Another issue is around the, and if you’re just talking about adventitious presence, it isn’t different, pollen drift is not any more or any less for this product than any other. So, if you are concerned about GM presence, it’s going to be the same for this trait as any other. Just like there’s some discussion around, well, we’re going to have new traits available and it’s just going to make things impossible and, and I certainly don’t subscribe to that, because we already have -- what is the percentage -- somewhere around 90 percent of the corn now is biotech?

MR. CLARKSON: Someplace --

MR. CORZINE: Right.

MR. CLARKSON: -- between 85 and 90. Yeah.

MR. CORZINE: Okay, 86. So, you know, you aren’t going to become, well, you come up with another trait that’s maybe going to be inserted to help with the resistance issues or whatever that we talked about, so there are two traits. That doesn’t mean that you’re going to have 160 percent of the corn that -- see, it’s not going to grow at all on the amount of that corn, as far as percentage. It may grow a little. It may recede. It depends on the value and the perceived value. But so, so I guess the challenge for the organic -- and actually I don’t consider it organic, because I call it organic plus. It is more a non-GMO contract, because I read through a good bit of the organic contract information that was, some were good enough to share with me. I did not find word one about GM in the end product. It’s what I call the organic plus. And some of that gets into the contracting thing that, you know, and this thing we talked about, Know Your, Know Your Neighbor, Know Your Risk, Know Your Contract. There needs to be an education piece I think on the people writing the contracts on expectations as well as producers signing it. But back to this, I, I, I know that they have done a very extensive job, and we both do, and, and is it voluntary? Yes. They call it a closed production system. Okay? Now you can argue over what the appropriate buffer may be. They have done testing and come up with this number. I would say the Europeans are at the other end of the extreme and I don’t think we should use it either. And, by the way, they are going to be doing the setback themselves. It’s a requirement by the producer. So it isn’t something that’s just thrown out there and released. I think also it should be noted that with these traits, I know early on in the bio, biotech corn years, we did a lot of things -- we, meaning the Corn Growers Association -- with the industry and holding them back and doing some things that maybe they didn’t necessarily like, to say this is what we need. There were some, there were some other, we didn’t classify them functional traits, but other traits, that we demanded were put in place. And here we’ve got a, depending on where you are on, on how good a, a, a, a closed production system we have. But, if each of the, the associations of the commodities, including the Organic Trade Association, if you’ve got requirements that you’re going to be impacting that crop, I think it, my experience is it’s been a very strong lever to use because they flat didn’t do it. Because, you, you know, and there are some things, negatives, a lot of negatives about lawsuits. But, the threat of the lawsuit, do they know what’s going to happen to them, I think does have some validity and I know you and I don’t completely agree on that, Lynn. But I, I do think there is that issue. We are, for example, the industry is working on a memorandum of understanding for the complete food chain, from one end to the other, so that we understand, everybody understands. That transparency thing that you talked about. What is coming forward and what is going to mean, and it gives you another avenue to work, work through those things when new traits come on. So, I, I guess a question is, if, I guess first, Lynn, other than the, maybe we need a risk assessment along here somewhere. Because, actually, in corn we talked about that at one point. So, does there need to be a risk assessment for a functional trait but, you know, I’m not sure what venue we do that in and I’m not, I don’t know that, I don’t know that any of us can figure that out. But that, that part if an aspect I think that, that needs to be included in this discussion and, and by our group. Thanks.

UNIDENTIFIED MALE: That’s okay.

MR. CLARKSON: Leon, every one of your points deserves serious discussion. You’re right. You and I don’t agree that the threat of a lawsuit gets people to exercise good behavior. When I look around to see how many executives and major Fortune 500 companies have been at the helm while frauds were committed, I lose some of my belief in lawsuits being able to control behavior. The intent of the petitioner in this case is to grow the corn in roughly a 40 mile radius around dry mill ethanol plants, which is good. Except if I happen to have a farm within that 40 mile radius where I was raising corn flakes corn, I just lost my market. If this were a totally closed system, I would love it. The problem is, I don’t believe it’s totally closed. As far as the dimensions for a buffer area, I’m not telling you that I know what they ought to be, but they’re discoverable. And they might vary from one part of the country to another. It might be a new workload for the Farm Service Administrations that are still in many of our counties. It may depend on wind currents, lots of things here. I’m perhaps not as skeptical as the Europeans as you are, but I’m willing to exercise some skepticism of that.

MR. CORZINE: Would you agree the, something like the GURTs technology -- and, and we had this discussion in our work group a little bit -- incorporated into these type of traits --

MR. CLARKSON: Uh-huh.

MR. CORZINE: -- would be a positive?

MR. CLARKSON: Absolutely. And there’s no reason why we shouldn’t be looking for all sorts of technical ways of holding down the adventitious presence. See, if the adventitious presence were less than the levels that I’m concerned about, I would be delighted. That might include raising sorghum sudangrass in a buffer area, rather than corn, because it’s taller than corn. I mean, there are a host of tools that we have out there. But the question remains, how do we achieve coexistence and various levels of adventitious presence? The functional traits seriously worry me, because the sensitivity that is measurable, not discussible by committees, but measurable, drops to such a small level compared to just the non-GMO, GMO distinction. As, as far as organic plus, the majority of organic buyers that I’m aware of are now, whether explicitly or implicitly, they are all requiring us to meet a GMO standard, that is not part of the legal definition, but is part of the reality of the marketplace and I have to deal with. Now the other suppliers have to deal with. But you and I can hassle that out at some other time.

MR. REDDING: Let’s take a, a couple more questions here. I think we have Alan, Laura and Chuck. And we’ll wrap up with Josette and then we’ll move on to the next piece of discussion. Okay? And, again, not, not to focus on the Amylase corn. I think it’s, it’s by example, sort of what that future looks like. Right? But, but look at, right, Lynn?

MR. CLARKSON: Yes.

MR. REDDING: This is what can happen, so would appreciate your questions sort of being in that context of our charge around the coexistence. Alan?

MR. KEMPER: Thank you, Mr. Chair. Better use the mic just in case. Thank you, Mr. Chair and Lynn. Appreciate your comments. It’s always harder to probably just speak to your peers right out here than, than others. A couple of things. One, one I think you and I and others will mingle, occasionally, sometimes, low level presence and adventitious presence. And, again, I’ll remind you, I think most of your rejections were low level presence of another specific crop in that. So in that light, a couple questions and a comment. The rejected loads, the rejected loads that you rejected, what happened to those loads after you rejected them?

MR. CLARKSON: We run a policy on rejections. If you were selling to me?

MR. KEMPER: Yeah.

MR. CLARKSON: I would do my best to get a hold of you if something was not in compliance sitting on a scale, but figuring paid for an independent trucker, there should be a time limit at which I make unilateral action if I can’t get in touch with you. So, we have set two hours. So, you’re going to be paying demurrage or I’m going to be paying demurrage. So, two, end, end of two hours I haven’t heard from you, it gets dumped into the commodity flow at either a barge site or a wet mill.

MR. KEMPER: Thank you. I appreciate that because what, what you led a lot of us possibly to believe is that you lost the whole value of the load by rejection, which you actually only lost the premium that was in your contract, to, to the rejection factor. Correct?

MR. CLARKSON: If I did that, I’m sorry I did that. Because I was only talking --

MR. KEMPER: No, that’s fine. I’m just trying to clarify.

MR. CLARKSON: -- about the premium values.

MR. KEMPER: Then, then just another question maybe for Laura or Mary or, or Josette. It’s my understanding that a minute or small amount of pollen into organic crops does not make the organic crop void or non-saleable as organic. There is tolerance within either the standards or that, to that pollen drift. Am I right?

MS. HOWELL: Do you want to answer that Laura? I, I can.

MS. BATCHA: I, I can answer it or you can answer it, Mary.

MS. HOWELL: You, you go ahead.

MS. BATCHA: So, we’ve been over this, Alan, I think half a dozen times.

MR. KEMPER: Well, refresh the farmer from Indiana --

MS. BATCHA: That’s fine.

MR. KEMPER: -- whose maybe a little --

MS. BATCHA: That’s fine.

MR. KEMPER: -- drowsy at this point.

MS. BATCHA: So, the organic standards are a practice-based standard.

MR. KEMPER: Right.

MS. BATCHA: And they require that the producer take steps to ensure that their crop doesn’t come into contact with excluded methods. So that involves sourcing seed appropriately. It involves maintaining buffers. It involves cleaning equipment and preventing co-mingling through the supply chain. So you’re accountable for the practice standard. There is not a threshold in place above which you automatically lose your certification like there is with pesticide residue. For example, if you exceed five percent of the EPA tolerance for a pesticide, the product cannot be sold as organic. That’s not the case automatically for adventitious presence. But that doesn’t mean that compliance action or decertification couldn’t happen if it’s deemed that the practice standards are not adequate to prevent contact with excluded methods. So I appreciate that, that’s a little subtle, but it, but it is what it is. And there’s also a expected final rule this year codifying the level of which analytical testing is going to be required to verify the practice standards are met, which is five percent of operations and testing for adventitious presence of GMOs will be included in that policy for five percent of operations across the country to, again, to determine if the practice standard is adequate to prevent contact with excluded methods.

MR. KEMPER: Okay. So, basically the answer is yes there is toleration and two, that it’s low level presence of an IP.

MS. HOWELL: Well, well, can I, can I just add one practical matter? It all also comes down to markets. Certification might not be lost --

UNIDENTIFIED FEMALE: Yeah, absolutely.

MS. HOWELL: -- but an organic market might be lost.

UNIDENTIFIED FEMALE: Absolutely.

MR. KEMPER: Right. Right.

MS. HOWELL: Because those two are, are integrally linked but separate to some degree.

MR. KEMPER: Thanks, Mary, I appreciate that. And just, just a follow-up comment, Mr. Chair, as Mr. Corzine pointed out, there is a memo of understanding not only with the National Corn Growers Association, the American Soybean Association, respective green trades, the exporters arms of others, including the buyers for international and domestic use of, of those commodities, but also biotech on, on the dialogue that happens several times a year and the ongoing consultation between those. Thank you.

MR. REDDING: Lynn, do you want to comment on the previous question organic or not?

MR. CLARKSON: No, except to confess that I did met, mix adventitious presence and low level.

UNIDENTIFIED MALE: It’s going to take all of us several reminders, you know. It’s a new term for me.

MS. HUGHES: Can, can, can you just remind me so I’m reminded?

UNIDENTIFIED MALE: Yeah, Alan give the explanation.

MS. HUGHES: What you want --

MR. KEMPER: Well, I deferred to Michael last time. He does it a little better, because it’s actually a codex definition that we’re talking about. And it deals with, and I’m really sensitive, because, because so much of the soybeans in this country are exported that I use the right words. Thank you. Or try to.

UNIDENTIFIED FEMALE: Could you remind us what the right words are?

MR. KEMPER: Michael’s going to do that.

UNIDENTIFIED FEMALE: That’s what Michael’s going to do.

MR. SCHECHTMAN: Okay. So low level presence and this is the current international meaning under codex, refers to products that are approved in one country but show up in a country where they have not yet been, been approved. That’s the, in, in fact the opposite of how we used the term initially when we talked about it in the policy statement from 10 years ago.

MS. HOWELL: Can I just clarify one thing? Is there any distinction made between low level presence as a transgenic event versus low level presence as a mixing event?

UNIDENTIFIED MALE: No.

MR. SCHECHTMAN: It, it only refers to presence of transgenic material. That’s the only context in which it was used.

MR. CLARKSON: And then adventitious presence means what?

MR. SCHECHTMAN: Well, we, in the U.S. we have not particularly chosen to use the, the term in any official documents because it was a term we thought way back when was confusing.

UNIDENTIFIED MALE: Right.

MR. SCHECHTMAN: These days, some do use that to mean the other stuff. Stuff --

MR. KEMPER: Right. Non-approved things.

MR. SCHECHTMAN: -- stuff that’s unapproved.

MR. KEMPER: Yeah.

MR. SCHECHTMAN: Yeah, generally unapproved.

UNIDENTIFIED FEMALE: Adventitious presence?

UNIDENTIFIED MALE: Yeah.

MR. SCHECHTMAN: Adventitious presence of --

MS. OLSEN: No --

MR. SCHECHTMAN: Sorry. Go, go ahead, please. Maybe I’m, maybe I’m getting tired in the late afternoon.

MS. OLSEN: How we generally -- oh, I’m sorry, how we generally refer to it as one refers to the presence in seed and the other in grain. So, one, the adventitious presence or a low level, so a lot of times we, we and, and Greg isn’t agreeing with me --

UNIDENTIFIED MALE: Obviously.

MR. CLARKSON: And, and, yeah, right, right.

UNIDENTIFIED MALE: No, he’s not.

UNIDENTIFIED FEMALE: Let’s move on.

MR. SCHECHTMAN: Let, let, let --

UNIDENTIFIED MALE: Let’s move on.

UNIDENTIFIED MALE: Just a --

MR. SCHECHTMAN: Let’s move on.

UNIDENTIFIED MALE: This is the third one.

MS. OLSEN: Where’s it an approved, an approved event that may not be approved in other countries but it’s approved here in the United States and to the extent it might show up in a different market. So, again, a lot of time we conflate the two as adventitious presence and low level presence. The way we refer to it is the presence in seed versus the presence in grain.

MR. CLARKSON: Yeah, well, that’s not how it is, but, anyway, let’s move on. We’re talking compensation --

MS. OLSEN: To can we be clear that we’re not insulting anybody by using the terms interchangeably.

MR. CLARKSON: No, no, no. Yeah, yeah, yeah, yeah.

MR. KEMPER: There are lots of confusion about, I, I’ve heard three --

UNIDENTIFIED FEMALE: I’m not insulted by that, by using AP/LP.

MR. KEMPER: -- three explanations.

MR. CLARKSON: We’re dealing mainly with compensation, let’s go with that.

MR. REDDING: Yes.

MR. SCHECHTMAN: We have --

MR. REDDING: Well, we’ve got, we’ve got Laura and Chuck.

MR. CLARKSON: Let me make one comment and then I’ll call the last two questions. But, Leon appropriately brought my attention back to dilution. There are lot of people that suggest that the solution to pollution is dilution. Heaven, heaven forbid that I refer to adventitious presence and pollution. But, there’s an issue here. If it’s going into the commodity chain with millions and millions and bushels, is it going in smoothly or is it going into lumps? If it goes into lumps, and it’s below a level of detection, which some of this is, it’s going to cause a problem and nobody’s even going to know it. Secondly, those of us who deal with IP really, really can’t be out blending. And there’s some buyers that buy only from companies that don’t blend, because they understand blending is a way of getting rid of something you don’t want. Thirdly, if my dealing is in the organic world, it is illegal for me to blend. If I know something’s got a GMO of anything in it, I cannot put it in something that I then call organic. As long as I don’t know, it’s okay. But if I know, I’m in trouble. That, that’s true, Laura?

MS. BATCHA: You can’t blend.

MR. CLARKSON: Chuck?

MR. BENBROOK: Thank you. Two, two questions. So in, in a, with a functional trait and we often we have been referring to these as IP, identity preserved, sort of by definition any grain grown from such a crop is going to be labeled as such as it moves through the system. Right? I mean, that’s, that’s a part of the transparency and the whole functioning of the market. Right?

MR. CLARKSON: Yeah. Yes.

MR. BENBROOK: Okay. The second question is, with a, a functional trait, what are the market, marketplace ramifications if the available tests that you, the grain trade, can use are not sensitive enough to pick up the trait at a level where it could undermine the value of the, of the commodity. What, what do you suppose would happen in that kind of a scenario?

MR. CLARKSON: That’s exactly the kind of scenario I’m looking at today, because I serve two major industries that are beneath the level of detection in what we call strip testing. Now, you can detect at minute levels, but I need a two to three day lab period someplace to get that done. In practical terms, out in the countryside, Alan is not going to want me to keep his truck for three days. He’s sitting on my scale and he’s calling me and raising hell. I need to get rid of it. The test kits that we have today put out by a number of companies are very good. They’ll detect down to, certainly to the .9 percent level that we’ve needed and we can do that in 10 to 15 minutes and have people on their way. We don’t interfere with the economic functioning of the marketplace. The lowest we can go with any test, test kits now that I’m aware of are .25. And we’ve got alkaline industries are being affected here at .18, beneath that. Now grits at .01. I can’t test for that. I won’t know that there’s a problem. I could be giving a client a problem without even knowing it. He won’t know it until he puts something either into his process or into his box on the grocery store shelves.

MR. BENBROOK: So somebody in Japan or Europe tests it and finds it and then all of a sudden all the buyers want certificates down to that level, but there’s no way to get them at this point. So that’s when we have a StarLink train wreck, possibly.

UNIDENTIFIED MALE: Yeah.

MR. CLARKSON: We, we possibly have something at a very minute level someplace in our system and I don’t, can’t remember how many years I, USDA people, are we still testing for StarLink? I don’t know.

UNIDENTIFIED MALE: Occasionally.

MR. CLARKSON: It’s been years. Occasionally.

UNIDENTIFIED MALE: Occasionally.

MR. CLARKSON: So, yeah, and the problem of passing along something that a buyer doesn’t want really shakes the confidence of the system.

MR. REDDING: Laura.

MS. BATCHA: Thanks. I do have a question, but I first want to just to confuse us all more, my understanding of llp and ap, my understanding of low level presence is what you described, Michael, the presence of a trait that’s approved in one market but not an approved in another market where it arrives. And that my understanding of adventitious presence was as we use it here in our documents for the committee, which is, the presence of genetically modified material in crop or seed that is not engineered for that trait. It is there either through gene flow or commingling. But that’s, that’s my understanding.

MR. SCHECHTMAN: I had been thinking that rather than use that term we would just use unintended GE presence and not confuse folks with which term is which.

MS. BATCHA: Fair enough. That’s fine for me. So my question is actually for Darrin and Alan, because I’m going back to what Russell, you as the Chair, asked us to reflect on in Lynn’s presentation, which is what happens when we opened the door to this idea that there will be gene flow between engineered crops and that there will be functional traits that sort of change the game about potential market disruption at levels lower than these levels that are set primarily through just preference, because of the presence of the functional traits? So, I’m just wondering, from your perspectives at your associations, to what degree is this conversation happening? How much concern is there about the future risk? Not just Amylase, but the idea that this could create a different dynamic for market disruption domestically and internationally. How much conversation is actually happening amongst your members?

MR. IHNEN: This is Darrin. I guess I can start. We’ve, we’ve had extensive discussions with the check providers on every kind of trait, this functionality traits, the traits we already are using today. I mean, as an association, we have very serious discussions with the tech providers. We help them with the systems to keep our export markets intact, our internal markets intact. We, and we have a whole committee that spends a lot of time working with that. In fact, I’ll just use the Amylase product. They have a committee put together between wet millers, dry millers themselves and corn growers that meets regularly to make sure this is a closed loop system and how they’ve worked it, how they developed it and we as an association have extensive input on how those, how those systems are put together. And if they, and we’ve, because we’ve been at it a long time, we’ve been able to mold and shape them and force them into the direction that not only protects our market, protects our growers, but it does allow new technologies to come forward.

MS. BATCHA: And then what about the scenario like Lynn identified where, you know, with the 40 mile radius. What if you were, in that 40 mile radius, historically growing for the corn flake market? How, how, how has that thinking been resolved within your membership’s discussion?

MR. IHNEN: I can’t answer that specific question, other than the fact that these companies have been very specific on where these fields are, where the setbacks are and, you know, I, I can expand on, I used to grow seed corn. And so I had a contract with the seed company, so with the help of the stewardship, the seed company would come out, they would pick my field based on who farmed around me. They would flag my buffers. They’d tell me when to plant and when to harvest to make sure there was no impact, not only on the seed I was growing for the company, but there was no impact on my neighbor. So, when we talk about a stewardship type plan or some kind of a plan going forward, maybe that should be written in the contract that whoever’s providing that contract comes out to the growers farm and helps them put it in the right spot so you don’t have issues or unintended issues.

MR. KEMPER: Soybeans are -- this is Alan Kemper. Now, you asked me the trade association, the Chairman of the American Soybean Association, asked me this question. The American Soybean Association had for over numerous years, have had a biotech working group that meets on a ongoing basis at least twice a year with biotech providers. We sign confidentiality statements with each provider. We do individual consultation with each of the companies we visit with and we also do a planetary session where we’ll address common issues with that. So, so we have that. We also deal with IP, make sure it’s a, a hard IP. If there’s a new product or a new seed coming into that you realize 57 percent of all soybeans are exported in this country. So we’re really nervous about it. Before the companies release a product into commercial channels, for us to endorse that concept, we have to have it approved in at least 10 of those countries, 10 of our major countries. And once we do that, if, if one of them, if one of the countries does not approve, then we have some real heartburn and really heavy consultation. Once, once they meet all 10, there’s no problem with it. In the last 12 months, as I mentioned earlier, there’s a memo of understanding between the National Grain and Feed Association, as well as the North American Exporters Grain and ASA and NCGA for at least twice a year consultation on how the whole food chain’s handling this. Back to the ASA biotech working group, there is procedure and protocol for hard IPs that companies have to meet, that the growers have to meet and that we work on in those consultations. Now, Alan Kemper the farmer, for a second, does IP soybeans which we also have a sign off protocol procedure not only for the everywhere from when the seed’s delivered to the farm to where the clean out of a planter is. It has to be witnessed from the planting of it, what location the buffer around it, then the combine harvesting, the truck clean out and when it’s delivered it gets signed off on each of those steps. So that’s basically it for soybeans, thank you.

UNIDENTIFIED MALE: Sounds like organic.

MS. BATCHA: I’m specifically asking about whether or not there’s a, a discussion about or the assumptions and rules or parameters that go to change if there are functional traits introduced in soybeans, like Amylase. That’s what I was trying to understand.

MR. KEMPER: Well, there is functional traits because right now we’re producing healthy oils. We have various ones. As a matter of fact, the soybean pipeline for a lot of you in the room that haven’t seen it, goes out, ten U.S. pipeline goes out to 2023 of the various products, including healthy oils and other initiatives of functional traits of the soybean that, that are coming out to the marketplace. We share that not only with our green trade, we also share it with our foreign customers, we also share it with the, the, the Kraft Foods and others around the country that those are coming out for the marketplace. Okay?

MR. CLARKSON: Let me make one comment for those of you who don’t live in the countryside. The Soybean Association done a nice job in addressing this, but soybeans are not a critical problem here --

UNIDENTIFIED MALE: Exactly.

MR. CLARKSON: -- because you give us 20 feet of separation.

UNIDENTIFIED MALE: Right.

MR. CLARKSON: And we’ve pretty much got purity.

UNIDENTIFIED MALE: That’s right.

MR. CLARKSON: Corn keeps coming to my attention because it’s cross-pollinated, wind blows everywhere at different speeds and the model of the seed industry is really very good. But we’re talking about sensitivities less than the sensitivities for seed here. And that’s something that’s radically new. And I think I have overstayed my time in asking for this whole topic. I think these gentlemen are a little nervous. So, I would like to end this. Anybody wants to continue the conversation later, I'd be happy to or maybe they can find more time.

MR. REDDING: Yeah, I, I promised Josette. Final comment and then we’ll pick up with the rest of the agenda. Thank you.

MS. LEWIS: I just wanted to respond to the proposal you made, Lynn, about potentially adding a regulatory requirement that looks at the market side of things. What we’ve heard from so many sides of this equation is the issue of risk and some predictability in the marketplace in which we operate. And I think if you add a market consideration onto regulatory approval, you introduce an unacceptable level of unpredictability to those of us, in my community, which is in the technology developer side. You, we already accept and operate in a world where there’s a high degree of risk, where the investments we make that take seven to 10 years to bring a product to the marketplace, we’re already guessing at what that market might accept. And there are numerous instances that show that the marketplace doesn’t like everything that the technology companies have put together. And, in fact, the companies then bear that risk privately, in the same way that they hope to gain the benefit privately. So there are lots of examples where the marketplace has sent strong signals and those products no longer are on the marketplace. It is, to put it mildly, ironic to someone who has been in the biotech world for a long time to hear a discussion in this committee about how gene restriction technologies would be a positive development. But from a market standpoint, you flash back more than 10 years ago when that was called the terminator technology, for those of you who might know what a gene restriction or GURT is. It was the terminator technology and it was certainly not acceptable in the marketplace. So the markets change. And to introduce a very subjective set of measures that will be difficult for a company to understand how the politics of the Department of Agriculture might be when they bring their product six, seven years down through the investment pipeline, is a huge disincentive to bring new technologies forward, unless they’re going to be really big hit, large numbers of acres types of products. And I think that’s not what we want in agriculture. We’ve heard time and time again, we want more opportunity for diversity. So, I would highly question that as a recommendation that I would move forward.

MR. CLARKSON: The comment to that, you’re right, the market has changed and people see things today they didn’t see earlier when the terminator technology was about. Secondly, right now the decisions are being made to force the issue on the agriculture community. Right now they’re coming from the private sector and the USDA has no authorities to even look into it. I would feel better being a party to the conversation. I’m not a party to the private conversations, so that’s why I would like. And you and I have talked about that sometime privately.

MS. LEWIS: I’m sorry, but we, out of due respect, we have listened to what I don’t consider a fully balanced presentation on the risk of functional traits. You are part to that conversation. USDA has built into the regulatory process an opportunity for public comment. USDA has loads of mechanisms to engage the agricultural community that go beyond just the regulatory tools that it has available to us. So I actually don’t think that you’re excluded from the conversation. You are part of the marketplace that will send very strong signals to those tech providers about the acceptability and the potential economic opportunity that their traits represent. So you have quite actually a really strong voice in that system.

MR. CLARKSON: And several of those strong voices were raised and I’m dissatisfied with the result on the first block, first one out of the blocks. And secondly, I want those functional traits. But I think I can get those functional traits with respect for coexistence and choice. Right now, that’s pretty iffy.

MR. CORZINE: Mr. Chairman, I would just like to add if you would pardon me, that as we look at functional traits in this section, I, I fear we’re going to focus on something that one particular product that is such a minute amount. That is not going to be the case of all functional traits. And, and so, I think it’s a misrepresentation that in this room or people that read our minutes, that we’re talking about a functional trait and this sensitivity. The sensitivities probably, I know of a lot of products that are not near this sensitive. So, I just caution as we look at things that, that we remember that aspect of it.

MR. REDDING: It’s a fair, fair point. I guess, Lynn?

MR. CLARKSON: No, that’s, that’s fair enough. There will be some traits that are universally accepted. My concern isn’t when everything works well. My concern is where something goes wrong.

MR. REDDING: Yeah, I, I think, you know, what, what the, my take away is, listen the, the future is incredibly complicated. Right? By acres, by hybrids, by this trait, that trait, you know, so a we think about the stewardship, as we think about compensation mechanisms, as we think about the regulatory environment, if they’re, they’re, to me it’s helpful to understand that the, what we have today is, is a snapshot, but this world is changing so rapidly that when we talk here about the future of American agriculture and these fence line issues and the interface issues, whether they be at home or they be around the world, is that we need to be aware that, you know, it’s, it’s going to continue to multiply, to cell divide in terms of its complexity. So as we make a recommendation to the Secretary in any form, whether it’s this charge or the next one, is that we need to be aware that the landscape is going to shift. Right? So, as, as we look down the road, we just need to be sort of a wide lens and not, not a, a narrow one. The, the regulatory environment, I’ve been, hopefully that is another charge. Right? Some, somewhere down the plank, because I don’t want to bring that conversation into this one at the moment. I think your point’s well made. Is that what we have is, you know, could maybe could be improved in some way, so. And there is room for debate around, you know, how transparent that is and, and such. But I don’t want to complicate or further complicate our charge now by introducing a regulatory, a requlatory authority discussion. So, fair?

UNIDENTIFIED FEMALE: We better speed it up.

MR. REDDING: Okay. All right. Lynn, thank you.

MR. CLARKSON: You’re welcome.

MR. REDDING: Thanks for the time and the great insight. Thank you. Michael?

MR. SCHECHTMAN: Okay. So the next topic on the agenda -- and we’re, of course, running late because that was a very spirited discussion we had there -- was a discussion of outcomes from working groups and review of level of consensus at the last plenary. I think what I’m going to do is just sort of go over quickly what items going back over the minutes of the meeting, I saw we had consensus on, to correct one slight inaccuracy in the minutes as well. And to point us presumably after the public comment, to go back to the areas where I thought I began to hear some, some areas of consensus this morning. So, sort of going through the minutes and looking at where there seem to be consensus coming out of our last meeting. So, consensus and not consensus. I, I think the, the significant point to raise though is the question that was asked sort of just as sort of a sense of the committee whether members of the committee felt there should be a compensation mechanism or not. And, that was reported in the minutes of the meeting as the committee sort of split roughly in two, that in fact, wasn’t perfectly accurate. Of the 22 members who were present, 12 were not in favor of that and I think we were a little too glib. There were two abstentions. So what would, what would be more appropriate to say in that regard is that more than half of the AC21 members present were not in favor of, of coexistence. Excuse me. It is, I do need that coffee. Yes, let’s not report that. Excuse me. We’re not in favor of establishing a compensation mechanism.

UNIDENTIFIED FEMALE: We’re that disagreeable, I can’t even --

MR. SCHECHTMAN: It was --

MS. BATCHA: Two abstains or one abstain and one not present?

MR. SCHECHTMAN: No, one, one other not present. There was one abstention and our Chair not voting.

MS. BATCHA: And, and Darrin wasn’t --

MR. SCHECHTMAN: Well, he wasn’t present so he doesn’t, he’s not included in any reports from the meeting, since he wasn’t at the meeting.

UNIDENTIFIED MALE: Goes to show where you’re at, doesn’t it Darrin?

MR. IHNEN: Yeah, I’m used to being excluded, so.

UNIDENTIFIED FEMALE: Darrin, how do you feel about that? You’re just LLP.

MR. SCHECHTMAN: On other topics where there was sense of the committee, some of these things were more explicitly voted on than others. But I, there was a general sense that if there were to be a compensation mechanism, one clear component of eligibility had to be use of, I don’t know if it’s good management practices or best management practices, but that was something that there did not seem to be objection to on the part of people in the room. There was support by most members of the committee around the statement that, and I’m paraphrasing the statement, if the burdens of a compensation mechanism are perceived as falling unfairly on one set of parties versus another, that will further fractionate agriculture. And this was a statement that was supported by most, but not everyone in the room. Questions were raised by whether, what’s in the contract affects how the burden is distributed. And was also contracted, contrasted with the fact that, or that last statement was contrasted with the fact that contracts are not necessarily used in all instances. So that was sort of a, a little of what the additional texture to the discussion around that. There was no objection voiced in, in discussions around the idea that to be eligible for compensation, if there’s a compensation mechanism, that there needed to be some idea of prior intent to produce the particular product. There was not actual agreement on the idea of whether or not one should set what is a reasonable contract, a, a standard for what a reasonable contract is. Some thought that contracts, that there should be contracts that wouldn’t be covered under whatever mechanism it was. Some thought that there should be different standards for contracts under different situations, which would include things possibly like the functional traits that were discussed. Some thought that no contractual standards, no eligibility standards for a contract should be set, because the, the actual idea of doing that would be a concept that would be misused in other circles. And some thought that the market should take care of this, figuring out if you want to do it at such a standard, and you wanted to be covered, maybe the cost of, of that coverage should vary according to what you wanted covered. So that was sort of a list of some of the things that I heard and that I was able to extract from the summary last time around, the things that I thought were agreed upon and not up to this point. I think the discussion has clearly evolved a good bit, starting this morning. And maybe some of those will be adjusted a little as these discussions go on.

MR. REDDING: Okay. Thank you, Michael. Did any, any, is, is that a, an accurate read of for those who were here?

UNIDENTIFIED MALE: Just kidding.

MR. REDDING: Of what transpired? Are we in agree and I not agree? Okay. When we broke at, at lunch, we were sort of talking about the Secretary’s framework and I think we walked away. Asked you to think about, you know, on the, the framework generally, but also the, the mitigation side of that and what, what would be discussed so far fit into that mitigation side. And then also sort of the loss. I mean, I, I, I guess I’m going to use, just for purposes of discussion, I mean, the Secretary’s sort of framework because, you know, at least it’s a place for us to start some of the conversation and work, work from. Several of you have commented that, that certainly is, it was clear in his comment that he had a, you know, the framework. So let’s, let’s use that. And then we can build around it or build off of it as we want to. So, so let’s do the, the mitigation side of that framework and then what all fits into, fits into the mitigation.

MS. OLSEN: Actually I have a clarifying question --

MR. REDDING: Yes.

MS. OLSEN: -- on a couple different instances, but one in particular was we, is this potential mechanism that the Secretary described this morning that, that Missy had, had, had also articulated based on what she heard from the Secretary, is this something that’s going to we, we, we heard that he’s interested in, in mitigating really, you know, one in a trillion risk, one in a million risk. We’ve also heard this isn’t about organic. So, is this framework, just so I understand the way this is, the thinking, the current thinking, is this open up to all products? In other words, not just organic, not just IP, not, you know, folks that maybe have, you know, biotech, maybe an event that’s approved in the United States, but isn’t approved in a, a particular country overseas. Is that included? Is this for any product, not just, not just organic, not just IP, but anybody would be able to opt in to this, this mechanism, that the Secretary was describing this morning. I just want to make sure I understand the framing, question one. And question two, did anybody have a sense whether he was talking about a voluntary opt in versus a mandatory? My sense is that it was voluntary, but I, I just wanted to make sure I understand as, as we’re thinking and framing these issues in our own minds.

MR. REDDING: Yeah, good point. On, on the first question, on, on the production practices, I mean I think this is production practice neutral. I mean, I don’t think there’s anything to do with the organic or GE. It’s all, you know, you know, in a very general way applies to all of production agriculture.

MS. OLSEN: So anybody could opt in? Colored flowers folks, white corn that, that, that Leon is involved in or has been involved in, again, biotech GE to GE. It’s, it’s, it’s anyone? Anybody could opt into this? Is that the current thinking?

MR. SCHECHTMAN: I, I think there are, that, that kind of mixes a few things together. There, what we are talking about mitigation and we’re talking about compensation. He was very specific that the compensation mechanism refers to compensation for GE-related presence. And that, and that could apply, I think to all kinds of farmers. If there’s, if there’s an issue related to that. The question of whether or not that would have to be expanded in some way to reach an agreement, I don’t, I, I think, I think you’re going to have to make a decision as to what this committee is going to say and we will have to go back and bring it to the Secretary. And if you find a mechanism to address the questions that he’s concerned with, we’ll take them, we will take that back with us. I don’t think he was as specific in the second instance in talking about the mitigation portion, because the, the element of the charge on that one is broader. It’s helping coexistence.

MS. OLSEN: And, thank you. And, and I should have been more focused in my question. I was referring to the, the actual compensation mechanism. I, I also want to make sure that as a committee we still have the same charge, looking at particularly the first, the first charge question, the if any. I want to make sure as a committee that we don’t lose sight of that. I wanted to make sure we’re not trying to force a round peg into a, a square hole, for example.

MR. SCHECHTMAN: Okay. Well, just sort of one, one addition, just my thinking on this is that I, I don’t think you would have the remit to talk about compensation to folks other than farmers. I think, I think that, that he was pretty clear on. Exactly how you structure who among farmers might be eligible for compensation, I think you’re going to have to, that’s a discussion that you have to have here. But I don’t think we can have the discussion about compensation going beyond, beyond farmers. He was pretty clear about, about that early on in these discussions.

MR. REDDING: Josette?

MS. LEWIS: That --

MR. REDDING: And then Barry.

MS. LEWIS: -- I’d like to reiterate that a point that I tried to make earlier, if I, and I accept that, that’s the charge the Secretary gave us, that for the compensation mechanism it’s only about compensating farmers. When we look at the risk mitigation side of it, I would like to see the variety of players in tea agriculture and food system at large play a role in looking at risk mitigation. Because I go back to what seems to have lighted the fire under the Secretary’s charge is the uncertainty in the organic marketplace has driven, or the, the organic marketplace now has a standard that goes beyond what the Government itself wrote. And that’s fine. I, you know, that’s the beauty of the marketplace. It evolves. The unpredictability of that and the ability to manage the risks and benefits within that marketplace is the source of the question around risk. So, to me it’s a variety of players that have to be involved in the question of risk mitigation, not just farmers talking to farmers, which I think is a central component, but not the only component. I think a variety of players have to be involved in that. So that’s a recommendation I would put out there as we talk about risk mitigation principles.

MR. REDDING: Why don’t, before we leave that, I mean, any, any comment on that, I mean, so you’re talking about the, the compensation mechanism being limited to farmers?

MS. LEWIS: Well, that’s what I’m hearing.

MR. REDDING: Yeah.

MS. LEWIS: I’m not advocating that. I’m saying, even if I accept that?

MR. REDDING: Yeah.

MS. LEWIS: When it comes to the mitigation side, I think to be successful in promoting best management practices and, and helping producers understand how to meet those standards, so they don’t face potential risks in the marketplace, more than farmers have to be involved in that conversation and take responsibility for being part of that conversation, so. For the risk mitigation, it certainly has to be broader.

MR. REDDING: Okay.

MS. BATCHA: I have a clarifying question --

MR. REDDING: Yes, please. Go ahead.

MS. BATCHA: -- for Josette if you don’t mind? Do you mind, Josette? So, I’m interested in what, this is Laura, and can you give me some examples of who those players may be, Josette, to give me a full range of what you’re thinking, because I think I’m hearing from you that it involves the organic supply chain in terms of taking responsibility. Give me examples of outside of the organic supply chain, how you see players participating in, in that just so that I, because I, I think I’m hearing one piece of it and I want to try to get the whole idea.

MS. LEWIS: So, I, I’m really trying to make a positive assertion about lots of people having responsibility to contribute to successful coexistence, and, and including my side of that equation, the biotech companies. So, for example, the, the, the types of examples I could cite outside of the organic side, so the National Corn Growers and the American Soybean Association have very actively reached out to the technology providers to engage them in discussions about what products are coming through their pipeline, so that they can have feedback to those companies to feed into business decisions, to better prepare their members for the opportunities and the risks associated with new products coming through. We’ve seen the stewardship program that was put together by the biotech industry around stewardship of new technology developments in the research pipeline. We’ve seen the American Seed Trade Association with an early set of documents that we received. The American Seed Trade Association had put together best management practices, collected data to inform those best management practices. The Department of Agriculture in our first meeting gave us examples of different efforts they have on research, both risk assessment research on the biological side, economic research. So I think there’s, I’m not trying to stigmatize any one player, really. There’s no mal intent there, because I think what I have seen of the, of what to me are some compelling cases where we’ve been able to make progress forward. It may not be yet complete, because there’s still a lot of uncomfortable people in the system, suggests to me that we’re not quite there yet. But, we’ve made a lot of progress on improving our ability to manage the complexity, whether it’s, you know, an individual Canadian canola company that instituted best management practices as a sort of relatively downstream member, reaching out to their growers. You know, we heard from several organic growers. You know, I, I feel like there are success stories to build upon and those successes have come from various stakeholders in that system all taking some responsibility part of that dialogue.

MR. REDDING: Good. Thank you. Barry?

MR. BUSHUE: Thank you. I just wanted to comment a couple of things. One, Michael, you talked about consensus. I think there’s also a tremendous consensus around this whole concept of education, neighbor, all that kind of thing. And we’ve dwelled on that far too long, but I just, I’m hoping some of that gets recorded, because I think that’s a basis, well, at least we can take a positive step forward. I would like to comment about the compensation mechanism and I, and what I’m extremely positive about our ability to move ahead and make good recommendations. I think those recommendations ought to be based on what’s good for agriculture and hope they help the Secretary. And I think there’s a, a subtle difference there between creating recommendations for the Secretary and creating recommendations for what’s the good of the industry and hopefully the two will match. And I think that the Secretary would like to see that, not speaking for him, of course. But, however, I don’t want to set us back but I, I, I really am struggling with the concept of, of a, of a compensation mechanism when we have struggled, other than for some load rejection data, without any knowledge of prior intent, to have any consistent or, you know, physical data of what this loss is. Who, which farmer it happened to, how much it cost him and I, I, I would be remiss if I didn’t at least ask that question again. I mean, we have had four of these meetings, several work group meetings, several scope and risk meetings. We’re apparently waiting for a couple of folks to bring up this information. I, I struggle with its lack. I, I’m, I don’t know if that means it’s not there. I don’t know if that means people don’t want to share it. But frankly, if I wanted to make a point about the compensation, this whole room would have been filled with a cardboard boxes full of evidence. It, it’s that I struggle with that. I struggle with that to ask USDA to expend, create agencies, spend dollars, do all that work with, with what I think is, is a, a relatively small, if any, amount of data which supports the necessity for it. I do have a question of the corn growers. I, I raise corn on my place, but I’m no corn grower. I raise ornamental corn, the colored corns. I raise sweet corn and I raise some field corn for a corn maze. Now my place is only, Where I raise all the corn and the vegetables, is only 14 acres and I manage to seem to be able to separate all those out without my yellow corn turning blue. And I was intrigued by Don Cameron when he was part of the panel and people asked him what his buffers were and he said 30 inches. Because he, you know, he plans his planting. He plans his pollination. He, he does all those things and I was intrigued by that. I was further intrigued by the panel that represented a pretty, pretty solid group of people with tremendous intellect and, and expertise in these processes and when asked, you know, what they wanted, none of them suggested they wanted compensation. So, I, I, I’d, I would ask that we, even though the -- I understand where the Secretary is coming from, I hope that if we do go down that path we do it with far more information than we have now, for its necessity. Thank you.

MR. REDDING: Let’s see, we’re, we’re, Alan, I think you’re up.

MR. KEMPER: Thank you, Mr. Chair. It’s hard to follow Barry’s comments with my comments, but we’ll, we’ll give it a try. With that, I, I’ve, I, I, I would suggest I agree with Barry and it’s given a lot of us heartburn that we haven’t seen any significant data in black and white. That’s why I, again, come back to there are at least three legs on my stool, talking about coexistence, educational component, information data component, which would be two, and then the agriculture contracts, marketing and compensation component. There, there’s the Secretary came in this morning and gave us a really good discussion on his thoughts. Whether they’re doable or not, they’re his thoughts. And I would suggest to you again that even though I don’t agree that compensation package is needed, if we did one though, Mr. Chairman, not only would the agricultural production practices have to be mutual, the compensation scheme to pay those producers have to be neutral. That means, Michael, it won’t work just for GE going into unintended and to an organic. That means like a conventional waxy corn coming into my corn, or my corn going into somebody else’s. Non-GE, GE, organic, traditional, natural, conventional ought to be, have a chance for an opt in to a compensation mechanism on a voluntary basis. With that said though, I think there is responsibility for those people who are opting in. Because if you’re going to use society’s money possibly to help pay for that. And, of course, they would have to pay for it as in most crop insurance plans. They would have to have some more in the game. They would really need to have some type of, my opinion, contractual agreement on best management practices they would put together to be able to participate in that, what I will call, revenue plus assurance plan. Because not only do all commission on all crops right now are basically covered under crop insurance, organic, traditional, whatever. But this will be a revenue plus. So for them to able to even voluntarily participate, they would have to sign off on some type of form and the Government has a lot of those, telling us, doing best management practices for them to apply. Thank you, Mr. Chair.

MR. REDDING: Okay. Thank you. Sounding absolutely radical.

MR. KEMPER: Oh, give me enough time, if I have the Potomac, I catch the fever.

MR. REDDING: Let’s, let’s we’ve, we’ve got, we’re a little overextended here on, on the published public comment time. We’ll, we’ll do the public comments and then we’ll resume with several of you who’ve got comments yet about the, about this discussion. Okay?

MR. SCHECHTMAN: Let’s just take 10 minutes, then come back. Can we take just a 10 minute break, come back for public comments and then we will take the comments that, that are still outstanding here and we’ll go on from there, if that’s okay with everyone? I want to make sure we have the time for the public comments and I want to give everyone a little bit of a break before we jump into that. (Whereupon, at 3:29 p.m., a brief recess is taken).

MR. SCHECHTMAN: Back in our seats for public comments. We are running 15 minutes late. Apologies to the folks who are waiting to give public comments. Just one comment for members of the public who are in the audience. If you have come into the meeting and you haven’t signed up at the door to just let us know that you’re here, so that we can have an accurate record of who has, who is attending the meeting, please do so. Thank you. Now let me turn the microphone back to Mr. Redding.

MR. REDDING: Greg, thank you. Now is the scheduled period of public comment as provided for under the Federal Advisory Committee Act on up front. Please provide Doctor Schechtman with an electronic copy of your remarks. We intend to post, as we’ve done previously, the text of your remarks on the committee website. I like to note just for the committee members benefit, that this is a time to receive comments from the public and, and not a dialogue with the comments. Okay? So, first up, Genna Reed, Food and Water Watch. Genna, welcome back.

UNIDENTIFIED MALE: Something included in water.

UNIDENTIFIED MALE: Water? I thought they said butter.

MS. REED: Good afternoon. My name is Genna Reed and I’m a researcher for Food and Water Watch, a non-profit consumer advocacy group that supports safe, accessible and affordable food for consumers and fair access to markets for farmers. As this AC21 committee begins to develop its draft report for Secretary Vilsack, I think it is important that members consider the following.

First, prevention is key. Mandated prevention of contamination if of paramount importance. Growers of GE crops should have mandatory stewardship practices, just like organic farmers. Containment should be the primary approach, far before compensation even comes into play. Companies should require these stewardship practices and the USDA should monitor that they’re being followed. The USDA Extension Service should also be involved in helping to educate GE, non-GE and organic farmers about this growing problem and how to best avoid contaminating or being contaminated by neighbors’ fields. But it is clear that despite education and good intentions, contamination can and will still occur. This committee should recommend that the USDA enact a moratorium on new GE crops until the agency develops a strong stance on contamination management in agriculture. The agency should take a break from the constant GE approvals and instead take time to develop a strategy for the feature of coexistence in agriculture. Crops currently in the USDA’s deregulation pipeline, like stacked herbicide resistant crops and crops with industrial and pharmaceutical purposes will likely raise new coexistence issues, which should be considered before their approval, not after.

The idea of insurance-based compensation mechanism funded by organic and non-GE farmers, in case they are contaminated, is not fair. These farmers are already spending on methods to prevent contamination that do not always work, as the GE seeds themselves are not contained, and will not be willing to incur additional costs of contamination insurance. The liable party for contamination should be the patent holder of the gene technology, not the farmer who grows its seed. The companies that profit from the technology should develop a fund from which contaminated farmers can be compensated. This should actually be an incentive for the companies to promote and monitor stewardship carefully so that incidences of contamination are less common.

One issue that the committee has run into several times is the lack of research on incidences of contamination, economic cost associated with contamination and types and costs of stewardship practices for each sector. Evidence of contamination has been dismissed as anecdotal and with only tangential USDA data to work with, the committee has been unable to use much independent hard science to work on the charge. This committee should recommend that the USDA resources are put into researching, tracking and analyzing these important research areas on a coexistence database so that more informed decisions can be made in the near future.

At the National Organic Standards Board meeting last week, organic stakeholders agreed to send a letter to Secretary Vilsack sharing the organic community’s concerns with regard to genetically engineered crops. There is consensus that organic farmers must no longer be held entirely responsible for protection against contamination and that patent holders of the GE technology should share the burden and help compensate farmers that have been economically harmed by genetic drift.

Contamination is a growing problem in the U.S. that will only get worse as time wears on. It is crucial that preventative measures are taken now to stop a problem in its tracks, rather than preserving a status quo at letting these problems continue. Coexistence as we know it depends on stopping GE contamination all together.

One of the things that this entire committee agreed upon at the last meeting is the importance of diversity in agriculture. However, all sectors of agriculture will be unable to comfortably coexist as long as there are no containment measures for genetically engineered crops. Thank you for your time and I genuinely appreciate all the hard work that this committee has been doing. It’s a difficult test surrounding a very significant issue in today’s world. Thanks.

MR. REDDING: Thank you. Colin O’Neil, Center for Food Safety. Every time.

MR. O’NEIL: Good afternoon.

MR. REDDING: Welcome back.

MR. O’NEIL: Good to see you guys again. I’ve got two copies for you guys right here.

MR. SCHECHTMAN: Did you send the electronic copy?

MR. O’NEIL: Yeah, I did. So, if, my name is Colin O’Neil, I’m the Regulatory Policy Analyst with the Center for Food Safety. This is the fourth time that I’ve got the honor to provide comments before you today representing CFS and our over 200,000 members nationwide. As I said to in my comments to you in August, your task is certainly no small one, and in the subsequent meetings, it has become apparent that this is in fact the case.

USDA has asked you to lay the tracks for what many feel is a runaway train and no matter how hard this committee tries, you cannot provide the recommendations needed for something as big, as unrestricted GE contamination continues to barrel down. Today’s agricultural landscape is changing rapidly. And any new GE crop introduction could tip the scale of contamination from bad to worse. Therefore, it is incumbent upon AC21 to first call on the USDA to immediately halt the approval and planting of any new GE crops. This will give the AC21 the respite it needs to logically and scientifically assess the issue of GE contamination and provide concrete recommendations on what needs to be done.

As the committee’s deliberations proceed, there are three things that have become increasingly clear. First, the USDA has failed to prevent GE contamination from occurring in crops it has already approved for commercial production. Therefore, as I mentioned, it is imperative that the USDA institute an immediate moratorium on the approval and planting of new GE crops, unless and until contamination of organic and non-GE conventional crops can be scientifically proven preventable.

Second, without USDA imposed measures and guidelines on GE technology, non-GE growers remain largely unprotected from contamination by GE crops that have been deregulated and commercially grown. Mandatory contamination prevention measures must be put in place to mitigate gene flow from GE crops. Enforcement of such measures must be the responsibility of the USDA. Preventing GE contamination must be the cornerstone of the AC21’s recommendations and should be the primary goal of the USDA’s biotechnology program.

As the Government-appointed and taxpayer funded enhancer of fair farming for all, the USDA is sorely failing in this role and all eyes are upon the agency to redeem itself in this regard. Mandatory contamination prevention measures are critical, not only to stopping gene flow, but also to preserving the future success of U.S. agriculture of all types.

Third, currently the entire burden for preventing and responding to GE contamination rests with those who neither use nor benefit from GE technologies. This system is fundamentally unfair. Patent holders must be held liable for the full range of agronomic, economic and social losses, including restitution costs that result from contamination. It is important to underscore that transgenic contamination is not merely an economic harm that can be wholly remedied with monetary damages. Transgenic contamination if a multi-faceted harm. It causes fundamental losses to farmers by limiting their right to sow and source the crops of their choice. A harm which is irreparable in nature.

AC21’s focus on identifying compensation mechanisms, instead of mandating contamination prevention, wrongly assumes that contamination is an acceptable cost of doing business for organic, IP and non-GE growers. Equally deceptive is the notion that those who stand to suffer the most from contamination should also bear the burden of financing a compensation mechanism.

CFS opposes any compensation mechanism that requires organic, IP and conventional non-GE growers to pay insurance or pay into a fund to compensate themselves for unwanted contamination. Such a scheme of penalizing the victim is fundamentally unfair. It threatens farmers’ economic viability and fails to address and prevent the root cause of the problem, GE contamination.

In conclusion, CFS supports an immediate moratorium on the approval and planting of new GE crops, the establishment of mandatory contamination prevention measures and the recognition of biotech hold their liability. Thank you.

MR. REDDING: Thank you. John Rigollizzo from Farmer and, Farmer and Board member, Truth About Trade & Technology. Welcome.

MR. RIGOLLIZZO: This chair’s -- thank you. Well, I’ll make my comments based on what I knew yesterday and I’ll make a final sentence or so based on what I’ve heard today. Okay. Anyway, my name is John Rigollizzo, Junior. I’m a fifth generation farmer in New Jersey. Yes, New Jersey, land of 10,000 farmers and 9 million neighbors. A few years ago, before kidney disease got me, I was raising 600 acres of vegetables, almost a thousand acres of corn and soybeans, a small amount of livestock and running around a large retail farm market. I had 36 different vegetable crops, including 200 acres of sweet corn, 300, 30 acres of tomatoes, 30 acres of peppers, squash, cabbage, bok choy, 70 acres of sweet potatoes and lord knows what else. Since my transplant 14 months ago, the farm is much smaller. Now it’s only myself and my 13-year-old son, and mostly him. I just can’t do much physical anything yet, so I volunteered to come here today.

Also, one of my other hats is a board member for Truth About Trade & Technology based in Des Moines, Iowa. I have four points to discuss and I’ll be very brief and I know that because I timed myself.

First, I have to ask, is this discussion organics versus GMOs? Is it seed purity versus high tech? Is it ideology and fear versus new ag practices? I recently read a report referring to the compensation package for farms claiming cross-pollination of, of various kinds with new seed varieties. I, I look at it another way. I have to ask, where is that money coming from and how deep is the treasure chest? The last time I checked, our country was going broke faster than a road mile on hot, hot asphalt. I can only guess the number of litigations to jump on that wagon.

Second, what will our trading partners think of all these discussions? For 20 plus years, we have been selling food safety, better crops, higher yields, less pesticides, less environmental impact, less hunger and poverty and better nutrition for third world countries. So, are we now admitting some kind of guilt? Greenpeace, Sierra Club, NRDC, et al. Were they all right all along? I never understood their reasoning and probably never will, but I truly hope the Foreign Ag Service and the U.S. Trade Representative has input on these discussions.

Third, why, after all these years of proven technology, are we still even entertaining the idea of GMOs versus the old way of growing crops, is beyond me. In my 50 years plus on the farm, I learned a few things and most of them the hard way. I can remember saving our own seed stocks because we thought we had something special, only to find out a few years later that sacred strain had gone a race anyhow. I can remember variety trials, hundreds of them, cross-pollinating parent stock with little paintbrushes. Trying to get a new hybrid tomato or a pepper or sweet corn and then waiting years to get a viable, marketable variety acceptable to mommies everywhere.

I also remember the years of hope of speeding up the process. Now we finally can build varieties with traits that not only sustain our agriculture but to continue to give us hope that there is a future for guys like me and my 13-year-old son.

Finally, I was raised to believe agriculture was a dynamic profession. It’s ever-changing, constantly evolving. When I had 60 men working on the farm, I knew I was feeding 60 families directly, plus my own. I can only imagine the number of people I fed each year who never gave me a thought. They say in 30 years another billion mouths will need to be fed. How are we, how am I supposed to feed them all? If we are forced to go backwards, back to the varieties and practices of 30, 40, 50 years ago, I can tell you my children and their children will always eat something and yours may not. And I thank you for your time.

Finally, let me just say, after listening to your discussions here today, it’s primarily corn and soybeans, and that’s basically right, and I had to base my comments based on what I was told. And a big discussion on the East Coast these days is some small growers in New York State are in conflict with Monsanto, Pioneer and some of the others over the same issues. And if states like Vermont that want to make things illegal for, I mean, make it illegal to raise any kind of GMO crop. So, on the East Coast it might be a little bit different than on the Midwest and in the West, but in the end, I think you’re talking corn and soybeans primarily and I’m telling you that these issues are going to be hitting the vegetable side, the fruit side, besides the grain side in the near future and you might want to take all that into consideration. This issue isn’t going to get smaller. It’s going to get a lot, lot bigger. Thank you for your time.

MR. REDDING: Good. Thank you. Thanks for being here.

MR. RIGOLLIZZO: Do you need this?

MR. SCHECHTMAN: Yes, please.

MR. REDDING: Any other public comments? They were the three that we had pre-registered. Okay. Thanks to each of you for being here. Appreciate your participation. Okay. I think we’ll be, we broke, we got a couple. And Alan was done. We have Missy, I think he, did you have your card up?

MS. HUGHES: I did.

MR. REDDING: I knew, I knew it was Greg, Missy and --

MR. SCHECHTMAN: Isaura.

MR. REDDING: -- Isaura. Right? The three and let’s catch you three and then we’ll pick up with the general conversation.

MS. HUGHES: I wanted to come back to the framework that you had asked about and this idea of mitigation on one side of the framework and loss on the other side of the framework. Josette had listed a number of all the players who are involved. I looked and she’s not there. Like, where did she go? All the players are that are involved and, and all the different pieces of the puzzle that I’m hearing are already in place as far as National Corn Growers efforts and American Soybean’s efforts, and where I start to wonder how we, how we can work together and, and make something in this framework start to look like a recommendation to the Secretary, is whether or not we can solidify some of those mitigation practices into the, a mandatory framework on one side of it and then on the other side of it, this compensation piece that would compensate farmers for any losses. Because we’ve talked about real restrictions on where those losses might be available, whether it’s, you have to have a reasonable contract, you can’t have an unreasonable threshold, it can only be in, in very limited circumstances. So I, I think that if you’re looking at the two sides of this framework, they need to be balanced and we need to really unpack this mitigation side of it and start to understand where these stewardship practices can come from. If they’re already in place, if they’re already working, then let’s put some teeth and some verification into them and then we can have an equally strict and legitimate compensation fund side of it where people are, are required to meet certain standards in order to be compensated. But let’s have that, those two sides of the puzzle be balanced.

MR. REDDING: Okay. Thank you. Greg?

MR. JAFFE: Sorry I didn’t say much this morning when we were talking about what I, what, what came out of the Secretary’s discussion. But to me, there were two things, two messages that I got very strongly from him. One was that he kept saying that he sees that there’s a risk here. That there’s some amount of risk. That, that, that, that is a conclusion that he has already made. And so, you know, he thought our goal was, therefore, how to figure out a mechanism to cover that loss when that risk occurs, whether it occurs once in 10,000 or once in a hundred or whatever that number is. And so, I mean, to me that sort of gets rid of the “if any” part of our first charge, to some extent, because I think he has already made that decision. And although I’d love to see more data and I think we all would like to see more data about the extent of the risk and how many economic losses and things like that, I think he is beyond that and so to me, although we had a, a subgroup who spent a lot of time on that issue, I think, you know, he’s not asking for a lot from that at this point in that, on that issue. And I think we, you know, at least, at least in my mind I feel like that he’s already answered that part for us.

And the second thing that he said that I took away was, you know, that he, he said something to the effect of, you know Government provides some assistance and it provides assistance to agriculture in lots of different ways. And, and I think he was more willing to say that Government’s going to provide this assistance. And I think he took away a lot of the “who pays” question at the same time, which I know we had another work group dealing with. At least in my mind, that’s what he did. And so, I think that’s why, that’s where he came back to. Okay. So, you know, what, what are the advantages and disadvantages of different compensation mechanisms to cover this, this, this risk here, which those are his words. This is the risk here. And, and how do we try to mitigate that risk. So, so anyway, that’s, that’s my take. I think we can still give advice about -- obviously, having more data would be beneficial. I think everybody would agree to that. I’d love to see Nick, Nick K’s data and other people’s data. I think that would help fashion a better compensation mechanism and, and figure out, you know, how to better also figure out how to better mitigate. Because we would know better which, which mechanisms that, you know, which kinds of risk management activities are working better in which areas, if we had more data. But, but I think in the short term we’re not going to have that and I think, you know, I feel an obligation to try to help the Secretary with what he sees as a problem. So, I, I don’t want to, I’m not going to let those kind of things prevent me from coming up with some ideas, although I understand that it’s always obviously better to have more data and more information. Thanks.

MR. REDDING: Thank you. Isaura?

MS. ANDALUZ: I just briefly on the, on the about, thing about information. I mean, there were a couple of people here in, in the group that, that presented information. Actually some people actually had market losses, you know, from presenting data. And, again, I come back to the issue that, you know, this is patented, you know, the -- and so, I know a lot of farmers who have tested positive, but they would never say that they had tested, just because of the patent law they are liable. They could be sued for having this in their possession. The other thing I want to talk about is that, you know, you hear about best management practices that would have to be, that would be standardized. And maybe I’m not understanding this correctly, but it sound like we’d be institutionalized somehow. The thing is that, you know, for example, in New Mexico and I am going to go back to our chilies, because in our native chilies is a crop that we’re known for in New Mexico. It’s grown all along the river. You know, the seeds from genetically engineered chilies that’s being developed right now could spread anywhere. We also water though ditches, acequia, and also our tracts of land are very small, you know, they, they go back to, so that they all reach the acequia, you know, they’re all buried in their own pieces of land. So to have, you know, buffers that would adequate against these genetically engineered chilies, you know, it’s going to be very difficult.

The other thing is that most of the farmers, the smaller farmers, especially a lot of the younger farmers, no one applies for these insurance programs, because they’re not registered. They don’t fill out, they don’t participate in the surveys, you know, and, and also I don’t think they would have sufficient money to be able to, to, to buy some, some of this insurance.

But I think what all, what, what kind of gets me is that, for example, some of these crops that are being developed, they’re being developed because they’re not, they’re, the, the best management practices really aren’t being followed. So, for example, the chili that’s being developed right now is to be phytopara resistant. And so what’s happened is that, you know, when I went and talked to the scientist and so they’ll have fields and there’ll be a phytopara that’s developed. It’s not just one kind of phytopara, it’s mutated to 1, 2, 3, 4, 5, 6, 7, 8, up to 10 varieties of phytopara in one field in one season. So when I look at this GE chili that’s being developed, I’m like which phytopara of all the 10 or 20 or whatever is it being resistant to? And so now I will have to implement some kind of best management practice on my native chilies, you know, that I’ve been growing, because this other genetic chili that has been introduced, you know, it’s supposed to be phytopara resistant. So that’s where I have a bit of issue that, you know, with best management practices. You know, if they had done rotation, you know, every, every farmer then that’s pesticide free or that’s organic doesn’t have this issue. So that’s where I think there’s a bit of a burden that’s going to fall upon some of the smaller farmers with some of these new crops that are being introduced like our last speaker talked about, with many crops. And we’re going to have to buy insurance for things that, that really there should be no need for.

And the last thing, I think, is I want to say too is I, I think, you know, I never did see any information, from the biotech side, of contamination, except for the, the Pew Trust, the Pew Trust, the Pew study that was done where Gamina (phonetic sp.), you know, had that chart about how the, the contamination would increase, you know, by, by certain acreage that, that was done. And I think, you know, maybe some of the, some of the companies do have information but it just hasn’t been shared with us. And I, and the thing that I think about first is when I, when there was, there were these, there were these, Monsanto used to post of their website states and, and counties and they would post like how many, how many, how many people that were investigated in each county for supposedly, you know, allegedly having the, the soybean seeds. So, I mean, there must be some, some way that they’re, they’re tracking some information. So, that’s all I have to say. Thank you.

MR. REDDING: Thank you. Latresia?

MS. WILSON: A woman of few words. One comment about the Secretary’s, his statement this morning, I agree with Misty in the sense that perhaps he did have something in mind like a back-up plan in terms of the insurance. But I think he was looking for our group to give credence to that. And if in a better situation or in the ideal situation, we would come up with a better plan than just the insurance mechanism. So I hope we keep that in mind that we should work just as hard to maybe come up with a better plan.

Second of all, he mentioned that there’s diversity in agriculture and I want, want us to keep in mind, although we are focusing on the, more of the commercial farmer, the bigger farmer, that the number one growing aspect of agriculture is the small farmers. And small, independent farmers with diverse agricultural products, and so we need to also remember that when we make our, you know, come up with our recommendations to keep them in mind also. Thank you.

MR. REDDING: Good. Thank you. Anybody else, a public comment or a comment? Who did we miss? They were the three that identified before we went to the other public comments, so. If not, let’s come back to where we were right before the break and that was on the risk mitigation. Again, using the Secretary’s framework, and I think Josette had, had raised this point about the compensation mechanism being sort of farmer focused and the risk mitigation being sort of the broader community of, of interest. Well, let’s, let’s talk about mitigation and, had asked before sort of what of our work on prevention and stewardship, what all would fit into that, into that area of risk mitigation. So, if we could talk about that a little bit and then pick up on Missy’s point around, you know, whether that is mandatory. I think that’s one of those conversations we really haven’t had. The assumption is that if you’re going to do certain things, we need to define sort of what those standards are. I think that’s going to be a separate conversation. Right? Because someone is going to have to define, particularly if you’re going to talk about it by crop, what of those best management practices or stewardship practices around a particular crop? But, then we’ll, we’ll talk about sort of the whether that’s voluntary or mandatory. I’d then like to get into the compensation mechanism conversation this afternoon. Sorry, I, I am, yeah, not using the microphone. Thanks Greg. So if we could, if we could spend some time looking at the risk mitigation, I guess knowing that, that was put out there as part of the, the, a framework for the Secretary, from the Secretary, so let’s just talk about what we’ve discussed to date that would fit in that, into that category of risk mitigation. And silence falls across the room. Okay, Laura and Alan, please.

MS. BATCHA: Thanks. Laura Batcha. For me when we think about mitigation, I think we have to in order to understand each other as we’re having the conversation, clarify whether we’re talking about mitigation in terms of reducing risk through containment or we’re talking about mitigation by reducing risk of market loss through erecting barriers, for lack of a better word. So, so there’s mitigation on the sides of both parties which, whichever way it is, whether it’s GEG or however, it is. So there’s mitigation and reduction of risk from gene flow outward. And then there’s mitigation to reduce the risk of gene flow coming towards an operation. So, I think in order to understand each other, I think we have to clarify when we’re talking about what. I think from my perspective at least, the stakeholders that I, that I represent for organic there’s practice standards for mitigation in place that are mandatory. And I think that if we’re going to, if, if we choose to operate from the set of assumptions that we think we’re hearing from the Secretary, as Greg identified, that he sees there’s risk. Right? So, and so there’s a role to mitigate the risk. That leads me to believe my next assumption is then that the status quo is inadequate to mitigate that risk or we wouldn’t be sitting here. So, I think fundamentally it comes down to mitigating the risk through containment has to have some, either mandatory requirement or very firm incentive for meeting those practice standards that’s built into the scheme overall. And I think in my mind I can’t get around any other scheme on that. I appreciate the, Alan’s call for education, as a leg of the stool and better data and contract transparency. I think that goes on both sides. I think it’s not just about contracts for identity preserved thresholds. It’s about contracts as a whole.

But none of those things replace taking the requirement up a level in terms of mitigating the risk through stewardship. So, I think those are, those are all nice to have. So, sure we could agree to that, but if that’s all we’re agreeing to, at least from my perspective, I can’t agree to that. I can’t agree to that unless there’s some confidence that there’s other things in place that get us beyond the status quo. And I don’t think that things like just education and data and discussions around mitigation and information exchange is going to get us there.

MR. REDDING: Alan, then David.

MR. KEMPER: Thank you, Mr. Chair. As you know, I’m from the Midwest and in the Midwest we keep it simple. I’m going to read a couple sentences instead of rambling. The U.S. notes agriculture reports to known, the U.S. ag is known for its diversity, however, most consumers do not know that local farmers, even local farmers don’t know they’re local farmers. And they know each other’s expertise in the agricultural arena. The USDA Land Grant University’s extension educators can and should play a vital role in the educational process on how the various agricultural practices differ and the needs of those practices. Programs can and should encompass voluntary best management practices for each agricultural practice. Hopefully, with help from agricultural trade association, conservation associations and other associations, those educational efforts can make a difference.

My point is, Mr. Chair, local farmers, local education, local education and outreach to society does make a difference. And I guess here today in the last minute and a half or three minutes, I have been really disappointed when I heard a colleague with the Organic Trade Association say they will not help us educate society and or farmers in how those practices differ and, and, and the unique circumstances to each. Thank you.

MR. BENBROOK: I don’t think everybody heard that Al. I, I didn’t hear that.

MR. KEMPER: I very clearly heard it from the partner to my left that they didn’t have any part in an educational component to agricultural producers. I will stand corrected if the, the chairperson will allow her to speak.

MR. REDDING: Yeah, I mean, if you want to respond. I mean, I guess what I heard was not Alan just said was, wasn’t the, it couldn’t the sole response.

MR. KEMPER: I didn’t even hear her even in the --

MR. REDDING: Okay. Laura, do you want to clarify?

MS. BATCHA: Yeah. I, I, I’m a little miffed honestly Alan, because I’m not even sure I, I can understand what it is you’re saying, because it would certainly not be in my hearing correctly that you’re thinking that I said that we would not educate agriculture about what organic requirements are?

MR. KEMPER: No, what I heard you actually say is, well, I thought I heard --

MS. BATCHA: Uh-huh.

MR. KEMPER: -- was whereas ASA, NCGA, National Association of Wheat Growers, Conservation Districts are doing outreach through stewardship programs to educate the farmers and educate each other. I heard you say you weren’t interested. The only thing you were interested in was other risk mitigation efforts. So please correct me.

MS. BATCHA: Yeah, thank you. I do understand what you’re saying now. Certainly, that, that’s not what I said. What I said was I don’t have confidence that a, a recommendation will get us where we need to go if it rests solely on education and outreach, Alan. And --

MR. KEMPER: But you still didn’t address my question. Will organics help be, help the educational effort?

MS. BATCHA: Of course. Of course. Yeah.

MR. KEMPER: Thank you. That was my answer. Okay.

MR. REDDING: Thank you. David?

MR. JOHNSON: So we’re on the subject of mitigation and so far some of the things I have heard is that a lot of people that promoted the voluntary processes that are in place that are ongoing and being learned and developed, and then, now the terms of mandatory, so it’s called, or codified best management practices. And, I guess that concerns me to a high degree when I am reminded of the farmer who was here on the panel last time who talked about what his best management practices were and how he used a 30 inch road distance and he used pollination timing. In the alfalfa industry we work with multiple bees, leaf cutter bees, honey bees, alkali bees, navy pollinators. They all have different distances. And one of the things that happens when a crop goes through the deregulation processes, is that a lot of things are, are done on small acreages. You have test blocks and then you’ve got small acres for seed production. You’ve got permits that are done with say maybe 10 acres. And then eventually, you know, when you have a full approval, you’re allowed to expand to a lot larger acreage base. And I don’t think, with all the new products potentially coming and all the crops that, for example, the gentleman from New Jersey identified to us, that you can codify or mandate what those best management practices are until you really understand what they are. Now the National Alfalfa Forage Alliance got together with the Secretary of Agriculture, and I applaud what the Secretary of Agriculture did in bringing us together to communicate, to promote coexistence. And that spurred in our industry for the first time, a tremendous amount of conversation among companies, suppliers, genetic suppliers, farmers, on the need for coexistence. I mean, you can take a potato leaf hopper resistant variety and traditionally-bred alfalfa that’s recessive based, and I plant it next to a, a conventionally-bred alfalfa that’s not leaf hopper resistance. And because it’s a recessive trait, I lose that trait when they’re, when they’re side by side and you’ve got pollen flow. So, I’m, I’m really nervous that we would want to move down the path of mandating best management practices and not allowing those best management practices to evolve over time, to be innovative and to let other people, you know, develop them. I mean, you know, once we start mandating, hey, this is the process, are we really going to improve on that? Are we really going to be able to bring new ideas to the table? I mean, I have learned so many things. I mean, I only knew two of you people when I came to this meeting. And I have learned so much from all of you on how to even think about these subjects, that I’m really nervous when, you know, I would only be, you know, willing to do this if we mandate the BMPs. I’m not convinced we all still know what the BMPs should be or are going to be going forward. And I get really nervous when I hear that they should be mandated. And so, I would just offer some caution in that area. One of the things that I can tell you is I visited with the Executive Secretary of the NAFA Association, Beth Nelson, recently and she was in conversation with me about, yes, we’re getting in touch with all of the breeding institutions that participate in NAFA, and there are four major suppliers that do that, about supplying their detect levels this year, you know, as that program was just implemented in the last year. So that data is just coming in. Now when they review that data, they will go back and say, okay, well, what, what was the result of, where were these fields? They know where they all were. Were the BMPs working? Were they not working? And, you know, I’ve heard from the, the Corn Growers Association and the Soybean Association and others about how they’re involved in working on these issues. So, for us to think that we should mandate those, I just throw a little caution to that. And rather go down this path of encouraging communication, encouraging this. I mean, you wouldn’t believe what that meeting that the Secretary had with the alfalfa group has done in our industry to foster communication and to move towards coexistence, even for a company like ours that still does not produce a GE product. And, and just want to offer that at this point.

MR. REDDING: Okay. Thank you. Doug?

MR. GOEHRING: Thank you, Mr. Chairman. To David’s point, I think he’s right. I would contend that as intelligent as our producers are, they are very committed to growing and producing a crop and sometimes in a vacuum.

Being a farmer myself, when I head to the field, a lot of the times I’m not thinking about what’s going on around me, I’m thinking about what I need to do on my specific farm. I think about things like at what time is my corn going to pollinate and I’ll pick hybrids and varieties based on whether one’s an early flowering and one’s a late flowering, just to take advantage of the climatic conditions that I’m going to have to probably deal with.

But with respect to that, at lot of producers just truly are not looking around and understand what’s going on in their backyard or even with respect to their harming anybody if that’s the case. So, raising awareness will bring a lot to the table. Just as David pointed out, he’s right, I heard more conversation and more dialogue in some of the coffee shops about the alfalfa issue, because they said, well, what’s the issue? When you start talking about some things, they, oh yeah, okay, I get that. But this doesn’t affect me or this may or may not affect what’s going on in my backyard. I think in general, if you’re looking at best management practices, I think you have to think about things such as geography, climate, growing season. You, you need to start identifying in your local community and working with extension and, and other agronomist, what species you’re going to be dealing with, what those buffers or distances may be, what those pollinating time lines are. And just by engaging and making our producers aware that there could potentially be an issue in the area that they’re affecting someone, you do a lot with respect to how you are going to create more coexistence, because quite frankly, they’re just not aware of it. Some of us are and some of us live in it every day, because we’re either organic producers, IP producers or seed producers. That’s just common. It’s a routine in, in our business. But I would contend that there’s a lot of producers that aren’t. They grow crops commercially. They don’t even think about it. So, I think it’s a great opportunity for USDA to step up and do something they have never done before, which is communicate at a national level about what is going on in your backyard, and know your neighbor, know those risks and even as has been suggested, you know, know some of the contracts. If you’re getting into a seed contract, an IP contract, organic contract, I’m sure most of the organic producers understand that and are aware. But we do need to make other people aware.

Away from that, that venue, what is going on, I think there’s a great opportunity and, and I envision many different stakeholders in that value chain, whether they’re Government agencies, such as the USDA, whether it’s state ag departments, agribusiness, the seed companies, we have the organizations, all the, the ag organizations in the state in this country that could really step up to the plate and also play in that role. If you have all these different factions coming together and communicating the same thing, I think we’ll be effective or raise awareness and we’ll do a lot to further coexistence. Thank you.

MR. REDDING: Thank you. Mary Howell?

MS. HOWELL: A few thoughts. I, I do feel that we need to consider mitigation as a conceptual kind of thing, not a specific kind of thing. Because certainly there, there are crop specific issues, there are location specific, there are market specific. Those things aren’t mandatable at this point. However, conceptually we can certainly put some things into place that will go a long ways to understanding this. One of the things that I kept thinking when Lynn was talking was, we have a certain set of assumptions about best management practices that may or may not be right. And the one thing that kept, I kept wanting to say was, yes, but what about sampling? Because we’re talking about best management field practices. We’re talking about testing procedures. But perhaps the sampling procedures that GIPSA recommends won’t be adequate in a, a situation like this. So, I think it’s very important to question our assumptions that we know enough to reach the right conclusions. It all comes down though, if we’re thinking conceptually, to three main categories of risk. One would be certainly pollen. One would certainly be equipment. But the third and probably the most important is seed. And we’ve kind of, we’ve talked a lot about that at the last meeting. We’ve not talked enough about it here. If there’s going to be any chance whatsoever of mitigating risk, it probably has to start before I’m talking to my neighbor Dave across the, the hedgerow. I’ve, I’ve got to make sure that what I’m planting isn’t carrying in some sort of contamination from Iowa, which is where we get our seed.

So, we need, USDA needs to perhaps put into play some real important seed purity characteristics that, that will carry into these BMPs. And, and maybe this would include grant programs to allow more development of testing procedures and varieties.

But to go back to something Josette said this morning about how, how, how amusing it is that the public has changed their perspective on GURT. I don’t think we necessarily have changed our perspective on the original terminator type gene GURT. That had an impact, that had a potential of negatively impacting our crops. What we’re seeing is that the whole genetic idea of limiting who and where the pollen can operate on is a, a way that genetics can be really powerful in containment. That these crops of, that Len was talking about, to use some sort of genetic tool to disallow that pollen from pollinating others would be a really powerful way of making sure that the, the genes are contained and aren’t getting out there. And that’s something that USDA could put real priority on funding projects to develop genetic tools to keep the pollen where it belongs and not allowing it to impact off site.

MR. REDDING: Thank you. Chuck?

MR. BENBROOK: I heard the Secretary imply pretty clearly that he sees a window of opportunity to explore and possibly put in place down the road as part of the broad-based reform of commodity programs and crop insurance a, a mechanism to cover some of these market losses. So, I, I’m not a creature of the crop insurance business, but just bear with me for a second. I, I liked Alan’s revenue plus concept, so we might think about an agriculture community revenue plus insurance plan. We build into the current crop revenue insurance concept that’s on the table that not only would market prices, disruption of income caused by market price decline is covered, but conceivably we could also cover a, a farm’s loss of revenue from loss of a premium, because of market disruption, without, without rendering any judgments on whether that’s, that was justified or not, but it, it, it’s not a huge stretch to include that risk in this broader concept of, of crop insurance.

Then imagine if the amount that farmers paid into the fund is in effect guaranteed to come to them in one form or another, either in paying legitimate claims that cover compensable risk factors if there are not major problems or not major costs or disruptions, that the farmers that paid into the, into the fund would, would receive an economic benefit in subsequent years, either through lower rates to get the same coverage, help with market promotion, whatever. And on the other hand, in areas where the claims the fund exceeded what was covered by the premium, then the Secretary or the, the structure that runs this program would be obligated to increase the premium to cover those added costs, thereby signaling the farmers that there is some risks that aren’t being deal with.

The, the thing that to me the most, if we could find a way to incentivize all parts of agriculture to work together to solve the kind of problems that we’ve been talking about, I, I think that it’s more likely we can solve this problem through that route than regulation, education or, or anything else that we’ve contemplated. So, I, I, I wonder if there’s any interest in, in, you know, among the members of AC21 to just think a little bit about sort of a, an out there crop insurance program that incentivizes stewardship and communication and problem solving so that the benefits of the program are greater to the, to the farmers paying into it. Thank you.

MR. REDDING: Leon?

MR. CORZINE: Leon Corzine. Charles, that’s an interesting concept and actually what you described is not that far --, I think Doug is a little more familiar than I, than -- than the parameters that were originally, that are set around the crop insurance, revenue insurance we have now. Because it supposed to be what producers pay in, holistically is what comes back out. And it’s nationwide and then there are different, and, and there are incentives because if you don’t collect, for example, your particular area becomes a less risk, a lot like other insurances, so your premium goes down. If you collect, a couple things happen to you on the negative side. One is your premium in your category, you’ll generally go up a little bit, but also in the establishment of your base yields, if you collect, generally it’s going to be because yields went down for some reason, so your base goes down as well. So, you, you cannot guarantee or get insurance on as high a level as you could before. So there are some incentives kind of there now as, as you described.

MR. BENBROOK: So, so, Leon, can, well what I’m asking, can we then stretch our minds to think, can we create a similar set of incentives to protect that premium that some farmers have found a way to get from the marketplace? Whether it’s selling Amylase corn to an ethanol plant or identity preserved soybeans to Japan. Now we’re talking about a market-based premium which is part of the value of that farm. The crop insurance industry and, and agriculture as a whole has never really wrapped its mind around what can we do institutionally to protect and nurture and grow that, that premium. And I think what the Secretary is so fearful at is that we’re creating a scenario in American agriculture where it is in the best interest of some parts of agriculture to go after other parts of agriculture and as a result, the strength of the whole agricultural system is, is, is under some risk.

MR. CORZINE: I’m saying the short answer is, yes, there’s the discussion could be had, not sure where it would end up, because there have been some discussions I think along the way within organizations when we look at implications of changing the system or, or making adjustments within, within the Food, Farm and Jobs Bill and as the RMA makes adjustments as those payouts do happen or do not happen. So, I think it is, might be, a worthy effort to take a look at that about what could be done.

Where I was going to go, though, I’ve got a concern that certainly no disrespect to the Secretary, but all of a sudden we’re trying to figure out and we have differences in opinion of what the Secretary is saying kind of almost in stealth, a little bit, or individually and what it means to this one, means something else to this one. So, and, and I don’t want to discount what he might have in mind. But, I’m not sure. I think we should take a look and one thing that I’m troubled that we have discounted, is that we had grower panel, we had across the spectrum, we had several organic growers and those panelists, when asked, they did talk about a pure seed issue. There was also presented the, what the company did with canola in Canada on a voluntary basis to, to reach some very good results. But no one on those panels said that they wanted or needed risk mitigation. They talked about seed purity and the things that they do.

Now, that’s a concern of mind and then the thing that has been mentioned a couple times on education and Doug said it very well, I don’t think it should be discounted because he’s right. There are a lot of producers and that, that in the, when you are in the crunch time of getting crops planted it’s difficult to think about other than getting that 40 acres planted. Okay? So, and getting it planted to the best of your ability, getting your refuge where it ought to be and all those kind of things, but if we had some way to raise that awareness and we did it with a refuge area, the USDA, that could be something that I think this committee should spend some time talking about and suggesting as an outcome there was good success with educational efforts when, when biotech corn first came out on what, what the rules were, what the refuge requirements are and, and it was a joint effort between trade associations, in this case commodity associations, the Corn Growers primarily, but soybeans were involved in that as well, and USDA. And Novecta and a couple others.

And why we would not want to do the same here and take a look at that, you know, the, the Know Your Neighbor is good. You need to know your risk and know your contract and I’ll go back to that because I think USDA could have a place not to write the specific contract, but to provide maybe some guidelines. And, you know, we talk, we talked about best management practices, good management practices, stewardship. It is not the same for each crop or geographically, but especially crop by crop. So, I can tell you also in the countryside, it will not get very much credence and if you want to drive a wedge in agriculture, you put some mandatory best management practices out there coming from USDA, from Washington, D.C., that doesn’t understand and they’re going to force my son to do some things that might be appropriate in the valley of California or somewhere, but don’t make a lick of sense to me or my son growing corn. You talk about driving wedges, there you’re going to be driving wedges and you’re going to hold back agriculture. You’re going to put up roadblocks. So --

UNIDENTIFIED MALE: I wanted --

MR. CORZINE: -- my thought is, why don’t you have a, we talk about a program that gives the, the associations of the various crops involved, because they know them better, because their also geographic, and then get your Land Grant Universities involved and USDA kind of heading up that deal. To me that is what is, is talked about and then come out with what individual management practices it takes to hit this particular contract. And, by the way, I don’t see why, then, in that model they suggested, and maybe if you signed the contract there you make it mandatory, because if you’re going to sign this contract to grow this, just like functional traits, this is what you’re going to do, bar none. I, I’ve done contracts on seed production and a couple of other products, very specific what I’m going to do and it’s there. But there needs to be that effort, I think not just from a, for the farmer education, but for the expectations of a product that somebody wants, they think. And they, they may not understand how difficult it is or what it would take to grow that product. And I think USDA could help on both sides of that equation.

And, Mr. Chairman, I would like to see us figure out a way to have some time talking about that and talking about some of the things that our producer panels ask for.

MR. REDDING: Thank you. Fair enough. Isaura, are you? You have a comment?

MS. ANDALUZ: No, no, oh, I’m sorry. I think I maybe, maybe confused people. I do not want to standardize best management practices. I was talking against that in case I was misunderstood on that. That’s not what I wanted. I was against that.

UNIDENTIFIED MALE: I don’t think anybody’s for that.

MS. ANDALUZ: Oh, okay. Okay. Just two things quickly. The first thing is that, you know, there are already companies that create hybrid seeds that, that won’t cross and so I think we can, can build on that experience of, of the existing, existing techniques so consequently, we didn’t ever existed or being used. And the other thing is I would like to see in this overall scheme that there be something, I don’t know what it is, but that would help, that would look at helping to reduce the amount of contamination that already exists that we know of, you know, that, that there be something that would help, help, help, I guess mitigate to, to lower, to lower the level.

MR. REDDING: Laura and then Daryl.

MS. BATCHA: Just very, very briefly. This is Laura Batcha, I want to clarify, in addition to Isaura clarifying as well, that my discussion around mandating stewardship practices is not the same as saying I want them prescribed and dictated at the farm level, one size fits all. We engage this discussion in organic standards all the time. We require things, but we, we know it’s never a good outcome when you prescribe them with that level of specificity all the way down to the farm level, given the regional geographic differences and circumstances. So, I want to clarify that because it seems to have created a flurry of conversation, so, what I had in mind there were some basic principles that could be applied and ways that these things can have some teeth to guarantee or encourage them to be followed. It’s not the same thing as prescribing every little specific action on every farm, assuming you can figure that out across all of America. So I just want to clarify that.

MR. REDDING: Thank you. Daryl.

MR. BUSS: I just wanted to encourage us to not think of these various points as somehow being mutually exclusive. Because I sense that’s sometimes sort of the context of the discussion. And so, for example, even getting back to the if any, it, it seems to me it would be fair in a report it might generate to begin with a comment that the committee has not received or been able to find persuasive data to illustrate the economic scope of an issue. And so it might well be that our first recommendation would be that any plan that might be forthcoming should be predicated on the Department’s being able to demonstrate a significant issue that would trigger the implementation of a program, regardless of whatever that program looked like.

Similarly with education, I, I don’t think there’s any disagreement about the importance of education, but, but sometimes it’s maybe the sense of discussion is being, it’s either that or this. And I, I don’t necessarily see it that way. It seems to me you really have a blend of different components to the overall issue, one of which is certainly education. But it may not be, by itself, an exclusion. Adequate, it seemed to me what I was hearing from the Secretary that, that was certainly the implication I was gathering that as valuable as education is, it may not be in itself adequate to address the, the issues. And also then going to stewardship and finding ways to incentivize stewardship, regardless of who may be engaged in the provision of that stewardship. In other words, a buffer strip, if that’s required from the particular crop, may be provided by the organic producer. And it could be provided by the GE or biotech producer adjacent, with some sort of compensation scheme picking up a bit on what the Secretary talked about in terms of conservation areas.

So, so I guess my point really was that we look at all of these as pieces, not each to exclusion.

MR. SCHECHTMAN: Can I, can I just get a, can I just get a clarification from you, from you, Daryl?

MR. BUSS: Possibly.

MR. SCHECHTMAN: I hope. So you’re suggesting that one way to address this issue of responsibility for dealing with buffer strips or whatever is that whoever put them in place could get compensation at some rate, conceivably if it were put in from the organic side or a neighbor who put in the buffer rows could get it if they put it in?

MR. BUSS: That was where I was going. Because --

MR. SCHECHTMAN: Actually, I understood.

MR. BUSS: -- if we’re trying to incentivize stewardship and if let’s assume for discussion that part of that stewardship is, are, are buffers. One of the points that has been raised in the past in our discussions is a lack of desire for one type of producer to be responsible for the stewardship buffer to suit a neighbor. But if the stewardship, if that part of the stewardship is a value we’re trying to incentivize it, to be crass, economics is a pretty good incentivizer. And it seems to me that any such program, the person seeking to enroll in it is going to have to define, much as the sub-committee or working group defined, an intent to grow a specific crop and there were several characteristics. It seems to me too then it’s going to be incumbent on that enrollee to define what, to define what stewardship practices are going to be in play to minimize the apparent risk. And me, those will be the characteristics that are important, not necessarily how those are achieved. So it’s a buffer. The organic producer, for example, could provide that buffer. In some cases that may not be practical, because the small land area, whatever. And if that can be achieved a different way with an incentive, with the economic incentive to provide it, then it seems to me your incentivizing the stewardship, regardless of who is providing that element of it.

MR. REDDING: Chuck?

MR. BENBROOK: On this important question of the documentation of the scope of the problem and the differing sense around the table of, you know, is the problem serious enough? Has it met the threshold for this committee to, to recommend a, a some sort of a, a mechanism to provide compensation. I, I, I plead with the group, I, I think there’s a high level of agreement around the table that the problem at the present time is not a huge one. I think there is a, a high level of agreement that the problem has the potential to grow. No one knows exactly how fast. Clearly there’s, there’s a, a few high risk scenarios that we’ve spent some time dealing with, but I, it, it’s my opinion and I think the, you know, the Secretary is sort of implying that we have a window now where this problem is manageable and I think from the perspective of public policy and for lots of reasons, it, it makes a lot of sense to try to put in place the, the mechanisms to, to deal with it now before it gets bigger and, and if and as it starts to get bigger, that’s going to inform us about where the risks are coming from. But at this point, hopefully, we’ll have some of the structure in, in place. So I, I, and, and I also want to, want to point out to people that market disruption and loss of income is largely driven by the reactions of buyers, both buyers in this country and buyers overseas. And those entities are impacted by and, and no doubt influenced to a certain degree by what they read and hear about what’s going on in, in American agriculture. And I am of the opinion that even a small breakthrough in our committee to proactively try to set a mechanism in place to deal with this small, uncertain size, but small problem would be perceived or at least possibly perceived by a lot of people that we are dealing with what we need to deal with. And it, it won’t, it’s not going to solve all of the problems that confront American agriculture as it tries to decide what to do with, you know, biotechnology and molecular biology. But it’s, it’s a little step forward in putting in place policies and mechanisms where we reduce the incentive to increase the market loss to justify changes in public policy, which is, you know, it’s a perverse and I think dangerous thing. And I, I, I’m quite sure that it’s one of the things that has the Secretary a, a little panic, because I think he, he sees this brinkmanship going on. And, you know, as he said, you know, he can take us to down to see the public comments, over to FDA, I mean the, the signs of this conflict brewing are, are partly amiss in my opinion and I, I think that they’re, they, they may well get worse if we don’t start to do some things as a community that, that redirects some of that tension in, in some way. So that’s, that’s I guess the basis of my plea, you know, even a small breakthrough in proactively dealing with this might begin to provide a relief valve for this pressure. But without that relief valve, I, I think that unfortunately there are incentives embedded in this overall system that are, are, are going to make it worse.

MR. REDDING: Mary Howell?

MS. HOWELL: Most of us in American agriculture in, as American farmers sign statements each year saying what we’re doing on our farms. It always amazes me. Maybe Barry doesn’t. Maybe he’s one who doesn’t. But it always amazes me how many agencies and entities out there have an opinion not only to know what we’re doing on our farms but to have an opinion on it. Now, it can be our organic certification, it’s the FSA, it’s the crop insurance and for the GE farmers, it’s your stewardship agreements. All of which do include the opportunity for building in a clause of stewardship and containment or the different best management practices, as part of that agreement. You know, it’s not that we’re, we’re not disclosing this information to quite a few different agencies, because we are. So, my feeling is, the, the vehicles already exist on ways that organic farmers can be required to take responsibility. We already are. But the GE farmers can be required to take their share of the responsibility through the companies and their stewardship agreements. And, and maybe FSA or crop insurance can do that same thing. But these, these are vehicles that can be used to put in place mandatory, yeah perhaps maybe. It may not be that, that, you know, it’s, it’s someone coming out to hammer you over the head, but, but at least it would be a structured, widely applicable way of, of making sure that the procedures are in place and verified, verifiable third party in a way that can be come back, can come back later and be checked on if need be.

MR. REDDING: Doug and Jerry. Sir.

MR. GOEHRING: Thank you, Mr. Chairman. I’ll be brief. I do have a question and it’s mainly for clarity, because I think it’s a point of contention. Laura, when you say mandates, what do you mean by mandate? And I, I guess Mary brought it up also, but could you clarify that? Because I think that is a real sticking point when we talk about mandates and especially given the size of agriculture, depending on what you’re requesting or asking, boy that’s, that’s a huge, huge charge.

MS. BATCHA: Are you asking the question right now, Doug?

MR. GOEHRING: Yes, could you clarify what do you mean by mandates?

MS. BATCHA: So, I’m not sure I’m going to be able to give you the, the clarification that you’re seeking at this point because it’s all about what the mechanism would be and how it would all play out, but I’ll try to give you a little bit more to help you understand what, what I’m thinking. So, and I’ll use what I’m familiar with, which is the organic requirements as a voluntary mandatory regulation. Right? So, because that’s, that’s what I have to live with on our farm. So, it’s voluntary. You don’t have to be organic, but if you choose to be organic, you must follow the rules, so it’s mandatory, voluntary mandatory. So what you have to do when you put together your organic systems plan as Mary Howell was discussing is you have to be able to demonstrate to whatever other party is, whether or not it be the technology provider that you’re entering a contract with or your organic certifier, whoever. That you have a plan in place to address certain issues. So, one of those issues could be buffers adequate to prevent the gene flow from contaminating your neighbor or from traveling to your neighbor’s crops and appearing as adventitious presence at the grain elevator. However you want to call it. Now that’s not the same as the Government prescribing 160 feet of buffer on your farm. That’s a requirement that you demonstrate you have a plan to take into account what your neighbor may be doing. Your plan may say, I want to notify my neighbors that I’m planting these crops on all my land abutting areas and work out agreements around planting, the way Leon talks about doing. It may say and maintain buffers that are adequate. So, it’s a mandate to address the management practices in your specific location that prevent the unwanted outcome and that it’s done with another party and that it has some ability to be checked or, or required or an incentive to hold you accountable to that plan. Does that give you, I’m kind of looking at you Mary Howell, because I’m building off of what you said. But does that give you a little bit more, Doug? It’s not, it could be a regulation, a federal regulation or it could not be. But it has to involve two parties. It has to be able to be confirmed and it has to be able to demonstrate that you’re putting plans in place to produce an outcome. If that helps.

MR. GOEHRING: It sounds like --

MR. REDDING: You want to add to this, Missy?

MS. HUGHES: Unless Doug has a, I just wanted to add to what Laura was saying, please.

MR. GOEHRING: Well, I was going to summarize it. So what you’re stating is, anybody that is planting a GE crop would be mandated to inform everybody around them or live by certain practices, whatever those best management practices would be in that, that particular region or area?

MS. BATCHA: I, I think, I think that, that’s grabbing a hold too much to an example that I gave, Doug. It was more intended to illustrate what it could include. I think that, that’s, that’s detailed it is not fully worked out and I’d love to hear Missy’s thoughts added to what I had to say.

MS. HUGHES: I think I’m actually the one who, who put this on the table. Laura gets the pressure for it. Where, where I come from in thinking about some kind of mandatory stewardship practices developed out of the conversation we had last year around alfalfa. And David had mentioned that the National Alfalfa Forage Alliance, thank you, had developed a set of standards. And so during the conversation about the deregulation of alfalfa, we looked at those and they’re well-developed. The challenge I had in looking at them were they were voluntary. So how in the, in the land of providing a contract or a delivery of non-GMO products, can a producer mitigate their risks if they’re basing on someone else saying, well, trust me, I’ll do what I can do to avoid you getting contaminated. So, if we’re talking in the terms of coexistence, again, we have to look at where we’re putting the finger on the scale in order to have things balanced. And if we’re, if we’re saying that there’s a rule for non-GMO agriculture in the United States, then we have to figure out how to balance this scale. And so all I’m saying in terms of mandatory stewardship practices, is that it, they are practices that are developed. And it sounds to me again and again like folks are saying, these practices are in place in a lot of different areas, whether it’s coming from the technology provider or whether it’s coming from the grower associations. These pieces of the puzzle are in place. And so what I’m saying is how do we provide some assurance in the land of mitigation of risk that these practices are being followed and, that, that’s it would, it would help to have some assurance that they are being followed, rather than my concern. And Doug you raised it. You know, when the farmer gets out on the field, they look at the field, they look at the conditions that are going on and they say, okay, I got to go. I’ve got 40 acres. I’ve got to get it planted today. So how do we ingrain in that farmer’s thinking that, no I have to do this and this, and I have to consider this, because I’m part of American agriculture and we’re embracing the diversity that American agriculture is.

MR. GOEHRING: With respect to that?

MS. HUGHES: Uh-huh.

MR. GOEHRING: When those producers go to the field, they already their plan in place and they’ve thought about it before they’ve ever gotten there. That was the reason that we’ve had this discussion and we’ve talked about, you know, stewardship in itself. How do we start thinking about it further beyond the borders of our own fields. That’s why I suggested an outreach and education program and I, I, I know it’s been suggested by many around here for quite a spell over the last couple of meetings. In fact, I believe even at the first meeting. I understand what you’re talking about now. I think to a greater degree, but you are still talking about a mandate. I think when you ask the question, if things are being done now, it’s because there is some type of incentive for those producers. If they’re raising a biotech crop, they agree to the terms based on their ability to utilize that technology that they derive some type of benefit from. They pay for it and they have to live by the terms of the agreement to actually utilize it and that’s why they, they do those types of things.

If we go beyond that, I’m not sure. That gets into some muddy water. So, when I hear the word mandate, that’s, that’s probably the point where most farmers across the U.S. are probably going to bristle. But if we can start with an outreach program and talk about education, talk about knowing your neighbor, knowing what’s going on in your backyard, because it’s your world, all of sudden is larger than just the boundaries of your field, we accomplish something that has never been accomplished before set out to do. Because status quo isn’t that right now, status quo is what our world is.

MR. REDDING: Thank you. Jerry?

MR. SLOCUM: I’ll be, I’ll be extremely brief.

MR. SCHECHTMAN: Microphone, Jerry, please?

MR. SLOCUM: Thank you, Mr. Chairman, Jerry Slocum and I’ll be extremely brief because it’s five minutes after the recess time. I think the last 10 minutes or so the discussion that we had, what Laura’s comments and Missy’s comments and Doug’s comments, I think are, are very helpful as we think about how to frame this thing tomorrow. Doctor Buss talked about giving incentives to GE/conventional farmers on their side of the fence to maybe do something on those border rows. American agriculture for a long, long, long time has responded very favorably to incentives. And I point to you the soil conservation programs in this country. Huge successes there. Grass waterways. That sort of thing. If you want to speak to the, the kind of people that, that there are soybean farmers and corn farmers and that practice GE and conventional, but not necessarily organic or not necessary non-GMO. You speak to them through a, a, a conversation that you incentivize with some form of payment. That’s what we do. We respond to that. Look at the CRP program. Look at the successes of conservation agriculture in this country. Look at the successes of no-till agriculture that really hadn’t been incentivized except, except through showing us the, the advantages of good stewardship. That’s how you speak to conventional/GE agriculture in this country. And if you have to do it with a little seed money up front to get these guys to plant two planter widths around the edge of a field, it’s a, it’s an awfully cheap investment that’ll be paid many, many, many times over. Thank you, Mr. Chairman.

MR. REDDING: Good point. Marty?

MR. MATLOCK: He said it better than I could.

MR. REDDING: Okay. Josette, Michael?

MS. LEWIS: The sort of react to some of the earlier comments and then build on that. I think you’re touching upon one of the big differences in how the national organic standard was written and how it works in practice, and that the idea of third party verification and the investment in those stewardship practices that are mandated under the national organic standard, are then rewarded in the marketplace with a price premium. And I know that’s a sensitive point. I just say that I think we’re unlikely to come to agreement on mandatory requirements on GE farmers, and I’d offer they’re not getting a financial incentive, unless we go to some more innovative ways to pay for third party verification, to pay for those buffer zones. So, I think if we’re going to move forward on the discussion of best management practices, stewardship and ways in which we can mitigate risk, we might best focus on what are sort of some of the key elements of good stewardship. How do we define it, whether it’s mandatory or optional? We may have to agree to disagree. We could also explore some innovative ways to, to look at ways to incentivize it. Because I think the sense on, of different players in the system is that the risks and rewards aren’t borne equally and that it is risk and reward, not just one side of that equation.

MR. REDDING: Thank you. Michael?

MR. FUNK: Only this is the last one, something we can all agree on. The USDA I think needs to put some money towards a, a research project because all this talk about BMPs and stewardship programs, what buffers are, what people are doing. We don’t know if they’re effective or not. I mean, I don’t think there’s any real comprehensive studies out there, other than what Lynn goes through when he gets a load rejected, you know, whether, you know, there’s comprehensive testing going on to see in various states and various communities, just how effective these best management practices are actually working. And that, that’s a research project that should be done if the goal is to promote diverse types of agriculture. We need to know, particularly with the open pollinated crops, what really is working out there and what prevents the cross-pollination in the first place? Thanks.

MR. REDDING: Isaura?

MS. ANDALUZ: Well, I just wanted to make, make a comment, because again we go back to the premium that, that organics get a premium. Actually, you know, as a organic producer, people I work with, I know, and they have a lot, they have a higher cost. And they employ a lot of, lot of people. And so, actually when you bring, at the end of the day, you know, probably they probably don’t make much more than the conventional or GE farmer. You know, it’s just a different method of farming and they have higher production costs.

MR. REDDING: Thanks. Chuck?

MR. BENBROOK: Thank you, Mr. Chairman. This member, I will strongly oppose mandates for any kind of specific practices. I think whenever we’ve tried to do that in any area of agriculture it’s been a big mistake. And I think history has shown that over and over. I think perhaps it might be useful for us to use some different terminology, as opposed to mandates, perhaps we should talk about shared commitments to common goals or universal goals or principles. And the one we, everyone seems to agree in is that U.S. agriculture should make a commitment to sustaining a pure and diverse seed supply. I think everyone is, feels that, that’s an important core commitment. And if we state it as a commitment to which we will do whatever it takes on an ongoing basis to achieve it, I think that is hopefully less scary to people than saying we’re going to mandate it and we’re going to put big penalties if you don’t achieve it. So, I, perhaps if we, if we start to think about commitments around good stewardship and, and sound practice to attain coexistence, we’ll get to a set of things that ought to happen. Like having everyone able to start with clean seed every year, because then the, the problem doesn’t compound itself from year to year. And, and it, it seems to me that the one thing that is obvious is that every farmer has a neighbor, and often more than one. And it’s really -- we need to incentivize, as Jerry said, the conversations across those fences. And in most cases, it’s not an issue. You know, the farmers are growing the same crops for essentially the same markets. It’s just not an issue. Not -- this coexistence problem is not an issue for most American corn and soybean farmers. It’s not. But, but there are some places where it is an issue and I, I, I can imagine us figuring out a way to incentivize that discussion and inform it with education and information and keep this a manageable problem. And, and if we do that, I think we can begin to limit the chance for this problem to metastasize into other problems, which it’s showing signs of, of doing. But, you know, I so maybe we need to think about using some different terminology.

MR. REDDING: Great point. I mean I, I, since I’ve listened to this conversation today, and particularly this afternoon, you know, get, getting, you know, farmers just to think about risk assessment. All right? I think this, you use this word awareness a lot. But I, I think that is really important is that there has to be some level of awareness of what’s going on around you. Right? So, when the Secretary speaks of the risk mitigation, I put sort of risk assessment above that. And then how do you mitigate that risk. Right? And then the third tier is actually how do you compensate for that --

UNIDENTIFIED MALE: When it doesn’t work.

MR. REDDING: -- when it doesn’t work. Right? So, it’s sort of a continuum that starts over here with making that initial assessment. And, and it may be things like, you know, the seed purity and, and some of that, those guidelines that are so critical before you really set the stage to even mitigate. So, I, I guess here’s the takeaway for tonight. I mean, think about the conversation today. Great conversation. But tomorrow all roads lead to, right? At the end of the day, no matter what your comment, we’ve got to leave here with some clear guidance through Michael and I, that captures the, the sense of this committee and Secretary’s charge. Okay? When you leave here, because in the next couple of months we’ll be writing and sorting through. That puts a lot of emphasis on the, the themes, you know, the themes documents. So that I would ask you to look at that tonight. In terms of this framing points and themes, but look at it not just for the words that are there, more importantly, what isn’t there that came out of today’s conversation. And it may be things around commitments. Right? And language. And, please, look at that piece, because I think that allows us then to sort of frame before. Frame tomorrow’s conversation and get us to, by tomorrow afternoon, time lines and opportunity piece. So, that, that’s my sense of today. I think these are great conversations. And we said it many times over, that every one of these conversations is helpful. To see a different perspective. To, to look at what’s worked and what hasn’t. Why things are the way they are. How has it worked where it’s not been meant? All of those pieces are so helpful to informing, I think the words ultimately that we will use to capture the work of the committee. But they will help us get to tomorrow’s conversation around the framing of the report.

MR. SCHECHTMAN: Can I add one thing?

MR. REDDING: Please.

MR. SCHECHTMAN: Let me just add one thing. To the extent that we get out of the meeting tomorrow with actual ideas for what the recommendations are, that’ll make our lives, it will be a lot less guesswork for us. Framing the, putting the rest of the report in is not nearly so hard when we know sort of what the recommendations are. Now, I’m convinced if people come in with recommendations, text language of recommendations, we will not have time to fine tune them. But if we at least have some sense of people’s reaction to ideas that other people may have on some sort of brief language on where recommendations may look like, that’ll help us a lot as we get into the summer and start writing things down.

MR. REDDING: I, I would just draw your attention to the, this, this data question. You know, we tried in the framing points and themes to sort of reflect sort of what the committee has wrestled with in that regard. So, please, Barry -- and then it was a point you have made several times today, I’d ask you to pay close attention to that one. And the point about the central role of seed quality is also in here, but may need to be strengthened in some way to reflect the conversations we’ve had today. Okay? Amy final details for tonight?

UNIDENTIFIED MALE: Yeah, where are we eating?

UNIDENTIFIED MALE: Yeah, the time and place.

MR. SCHECHTMAN: Okay. So, so actually let, let’s close the meeting and then I’ll talk about tonight.

MR. REDDING: Okay. Meeting adjourned.

MR. SCHECHTMAN: Okay. So thanks to everyone for really spirited participation and I think what was a really good discussion.

(Whereupon, at 5:19 p.m., the meeting was adjourned.)

 Digitally signed by Robin Conover

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 Robin Conover, Transcriber