

*Disturbing evidence has come to light which suggests that US taxpayer dollars are being used through foreign assistance programs to subsidize the export of genetically engineered (GE) foods to the Third World and to finance GE research. This raises very serious ethical questions about our foreign aid dollars.*

## **FOOD AID IN THE NEW MILLENNIUM**

### **Genetically Engineered Food and Foreign Assistance**

Public concern about the presence of genetically engineered (GE) foods in the consumer marketplace is rising, as a number of serious health and environmental questions remain unanswered.<sup>1</sup>

The US food industry is facing increasing problems in trying to export products containing genetically modified organisms (GMOs), as with the case of the European Union's (EU) limitation on imports of GE foods.<sup>2</sup> In this light it is disturbing that taxpayer dollars are being used to turn countries in the South into alternative markets for GE products, particularly through foreign assistance food aid programs.<sup>3</sup> Our investigation has revealed that yearly, over two million tons of GMOs are sent directly by US foreign assistance to developing countries, while the World Food Program (WFP) distributes another one and a half million tons of transgenic crops donated by the US government.<sup>4</sup> The food is typically sent with no labeling indicating its transgenic nature. Channeling GMOs into developing countries through food aid programs is problematic on three levels:

#### **Corporate Welfare**

The US government is subsidizing agribusiness by buying surplus GMO crops and distributing them through foreign aid programs. This helps large corporations to penetrate new markets abroad. Funds intended to assist the poor instead wind up in corporate coffers.

#### **Denial of the Right to Information**

The US government has chosen not to enact a policy requiring that transgenic products be labeled. As a result, not only is GE food legally produced and consumed in the US without public knowledge, but

foods, both for domestic consumption and for export markets, until they have been proven by regulatory boards to be risk-free.

#### *Improve regulatory process.*

US governmental regulatory boards currently favor big businesses when it comes to making conclusions about the safety of GE foods. They are pressured to make quick determinations about the risks of GMOs so that the private sector does not lose valuable time reaping the benefits of investments in biotech on the open market. These time constraints eliminate the opportunity to investigate the real long term effects GMOs may have on health and the environment. In addition, revolving door employment patterns between agribusiness giants and government policy making agencies assure that high level decisions regarding restrictions placed on the marketing of GMOs favor agribusiness giants.

There must be an immediate and complete separation between private industry and government regulatory agencies overseeing GE crops and foods, in order to guarantee objectivity and the public interest. Further, regulatory boards should be expected to develop a process of tracking and labeling of all food products so that consumers know the contents of food on the market and are aware of the risks posed by GMOs. Finally, governments of developing nations should be encouraged to refine their own regulatory boards to assure that unwanted GE food products are neither imported into nor grown in their countries.

#### *Foreign aid, not corporate assistance.*

The US government needs to overhaul its existing foreign aid system. Foreign aid should reflect the real needs of the people receiving it; not the needs perceived by donor countries, which are influenced by economic or military interests. Aid programs should be based on a dia-

logue between recipients and donors, rather than US government and agribusiness agendas. It is unacceptable that public funds designated for foreign assistance are used to help US businesses develop and market a product that is untested and unregulated, while citizens of developing countries bear the negative social, economic, and environmental consequences. Funds would be better spent on unconditional debt relief for poor countries.

We cannot allow our government to continue to use public funds to support transnational corporations profit-driven dumping of unsafe foods into developing countries. We must insist that GE foods be adequately regulated and labeled so that consumers can make safe and informed decisions about their food.

For further information please visit the biotechnology section of our web site at:

[www.foodfirst.org/progs/global/biotech/](http://www.foodfirst.org/progs/global/biotech/)

1. See "Leading Scientists Debate the Merits of Biotechnology" at [www.foodfirst.org/media/news/2000/biotechdebate.html](http://www.foodfirst.org/media/news/2000/biotechdebate.html), and also Peter Rosset, "Anatomy of a 'Gene Spill': Do We Really Need Genetically Engineered Food?" *Food First Backgrounder* Fall 2000, vol. 6, no. 4, at [www.foodfirst.org/pubs/backgrdrs/2000/f00v6n4.html](http://www.foodfirst.org/pubs/backgrdrs/2000/f00v6n4.html).
2. The EU enforced a moratorium on the importation of GMOs on June 24, 1999.
3. For information about the negative effects of foreign aid on recipient countries' economies and social structures, see "New Food Aid: Same as the Old Food Aid?" *Food First Backgrounder* Winter 1995.

4. Good Food Campaign, memorandum sent by Research Foundation for Science Technology and Ecology. [www.vshiva.org](http://www.vshiva.org)
5. "Leading Scientists," op cit.
6. Ibid., and Peter Rosset, "Genetic Engineering of Food Crops for the Third World: An Appropriate Response to Poverty, Hunger, and Lagging Productivity?" at [www.foodfirst.org/progs/global/biotech](http://www.foodfirst.org/progs/global/biotech)
7. Specifically, the Foreign Assistance Act of 1961 and the Support for Eastern European Democracy (SEED) Act of 1989.
8. 2001 US budget appropriation bills S2522 and S2382. See [www.senate.gov](http://www.senate.gov)
9. Press release sent by MASIPAG, a Philippine based activist organization.
10. "US Debate Over Biotech Food Ignores its Humanitarian Potential," *The Associated Press*, July 17, 2000.
11. Ibid.
12. Good Food Campaign memorandum sent by RFSTE, June 23, 2000.
13. Memos sent by Accion Ecologica and RIAD, June 2000.
14. See [www.fsa.usda.gov/excredits/quarterly/2000/june-sum.html#Foreign](http://www.fsa.usda.gov/excredits/quarterly/2000/june-sum.html#Foreign)
15. Telephone interview with staff at Kansas City branch of CCC.
16. To view invitations, see [www.fsa.usda.gov/daco/kccotran.htm](http://www.fsa.usda.gov/daco/kccotran.htm)
17. Telephone interview with Jim Firth, Chief of Export Operations Branch, USDA, August 2, 2000.
18. Telephone interview with Austin Merrick, Kansas City Branch of CCC, August 2, 2000.
19. Firth interview.
20. A list of all the companies that trade with the USDA is available on request to Export Operations Division, Kansas City Commodity Office, Farm Agency, USDA, 6501 Beacon Drive, Mail Stop 8738, Kansas City, MI 64133-4676.
21. Food First spoke to representatives from World Share, Food for the Hungry, and Feed the Children. CARE and CRS declined to respond.
22. "US Debate Over Biotech Food."

For more information or to join

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GMOs are exported as food aid, without the recipient governments' knowledge.

### **Inappropriate Response to Hunger**

Biotech proponents argue that genetic engineering can provide a solution to world hunger. GMO crops, they say, not only produce higher yields and therefore feed more people, but can also be modified to include vitamins and nutrients that are severely lacking in the diets of poor people.<sup>5</sup>

There are problems with these arguments. First, there is no evidence that hunger today is caused by insufficient food, nor that it would be alleviated by producing more. Careful research shows that is the inability of the poor to access abundant food supplies that is the leading cause of hunger.

Furthermore, were more food needed, there are better ways to produce it than through genetic engineering, as has been shown by the work of Food First, while the risks associated with GMOs may well overshadow any potential benefits.<sup>6</sup>

### **US Policy Favors Biotech Industry**

The proposed 2001 United States Government budget allocations for research and development of genetic engineering in agriculture, as well as a recent policy push in the Philippines, and statements made by USDA Secretary Dan Glickman all indicate that the US intends to support the development and expansion of the biotech market, particularly through foreign aid outlets.

#### **2001 US Government Budget**

The 2001 budget, which passed in the House and Senate on October 25, 2000, allocates a great deal of

money in support of the biotech industry. Under the title of Development Assistance,<sup>7</sup> allocations of \$310 million have been stipulated for agriculture and rural development programs, \$30 million of which are specifically designated for the development and research of biotechnology designed to help solve environmental, humanitarian, and health concerns in the developing world.<sup>8</sup>

A total of \$3 million of the above mentioned funds have been allotted for biotech research programs at University of California Davis, University of Missouri, and Tuskegee University. All three of these universities have connections to the agribusiness giant Monsanto, making it appear that not only is the US allocating money intended for use abroad to support domestic research efforts, it is also using public funds to support private interests of biotech corporations.

#### **US Steps Up GE Campaign in Philippines**

On June 30, 2000, Philippine Agriculture Secretary Edgardo Angara and US Ambassador to the Philippines Thomas Hubbard signed the Philippine Agriculture and Fisheries Biotechnology Program, approving a \$7 million dollar loan designed to help win public acceptance of biotechnology. The program will be overseen by the US Department of Agriculture (USDA), and will focus on the research, development, promotion and commercialization of biotechnology, including GMO experimentation and production.<sup>9</sup>

#### **USDA Secretary Vocalizes Government Support of Biotech Industry Expansion**

In a speech made on July 17, 2000, US Secretary of Agriculture Dan Glickman dismissed concern voiced by Asian and European scientists and consumers over the impact of

transgenic foods on health and the environment, calling it a "loud, contentious, trans-Atlantic food-fight." Glickman expressed his belief in the potential for GMO to ease hunger in the developing world.<sup>10</sup>

However, Glickman later stated the agenda behind the donation of GE foods in foreign aid programs. He encouraged multinational agribusinesses to donate transgenic food through food aid programs, stating, "If they took the longer view they might see the benefit of focusing on the developing world not just as a gesture of corporate citizenship, but because such an investment will ultimately pay dividends as developing countries mature into reliable customers."<sup>11</sup>

#### **Growing Resistance**

US dumping of GE food has been met with resistance in recipient countries. After a cyclone hit Orissa, India, activists associated with the Research Foundation for Science, Technology, and Ecology (RFSTE) sent samples of relief food donated by US Agency for International Development (USAID) and the WFP to Genetic ID, a US-based laboratory that tests for genetically engineered products. The samples contained GMOs.<sup>12</sup> RFSTE activists are outraged that the GE food was unlabeled and that the Indian government was not informed of the import of GMOs.

Food sent as emergency relief aid to Guayaquil, Ecuador also tested positive for presence of GMOs.<sup>13</sup> Activists associated with Accion Ecologica, and Red Internacional de Agricultura y Democracia (RIAD) are concerned that the emergency donations of GE food are a warning of future distribution of GMOs through non-emergency, long term foreign assistance.

## How Does US Foreign Food Aid Work?

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Governmental programs and the majority of non-governmental food aid programs rely on a branch of the USDA to purchase the food they distribute through foreign food aid programs. The branch, called the Commodity Credit Corporation (CCC),<sup>14</sup> buys food from the private agriculture sector through an invitation system.

The amount to be purchased is determined in two ways. First, the Washington branch of the CCC establishes that there is a surplus of a certain commodity being produced by farmers, and decides to buy a certain quantity to remove the surplus from the market. Second, aid agencies like USAID, the WFP, and private volunteer organizations (PVO) place orders with the CCC, who run the requests through a complicated approval process.<sup>15</sup> Both types of orders are then posted by the CCC as invitations for US-based farms and corporations to bid on.

The contract for purchase of the posted amount of agricultural goods is awarded to the lowest bidder; in case of a tie, the CCC is under mandate to purchase from small farmers before large corporations. The CCC also places invitations to bid for contracts to ship commodities from US ports to their destination countries. Again, contracts are awarded to the lowest bidder.<sup>16</sup> When food reaches the destination country, it is distributed by the PVOs or government agencies that purchased it.

### A Search for Accountability

Based on interviews conducted with members of government agencies, PVOs, and the private sector, we found that no one at any stage in the US food aid chain feels a responsibility to label GMOs or to regulate against the distribution of

GE products through food aid programs:

- ◆ Jim Firth, Chief of the Export Operations Branch of the USDA in Washington, DC, said that the official USDA policy regarding the purchase and distribution of GE foods by the CCC was that they cannot assure the absence of GE foods, but that all foods purchased by the CCC for aid programs meet FDA standards.<sup>17</sup>
- ◆ Austin Merrick of the Kansas City branch of the CCC confirmed Firth's statement, saying that the CCC's stance regarding GE foods was neutral, and that purchasing patterns were determined by price alone.<sup>18</sup>

Neither Firth nor Merrick felt that the USDA could successfully initiate a GE labeling mandate, first because GE and non-GE foods get mixed together in storage houses, and secondly, on a more technical note, because all food, including organic food, risks the chance of contamination by GE pollen.<sup>19</sup>

In the absence of governmental agency policy restricting the production or requiring the labeling of GE foods, agribusiness feels no need to impose such measures upon themselves.<sup>20</sup>

Similarly, PVOs lack policies regarding GMOs. Of the PVOs we contacted,<sup>21</sup> most said that because they received funding from the government, they made sure that the food they purchased met FDA standards, but didn't investigate as to whether the food was GMO or not. Nobody we spoke to felt that it was necessary to impose stricter standards regarding the use of GE foods than the government had established.

## Conclusion

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The US food aid system appears to

disregard the rights and concerns of recipient citizens in order to assure profits for US agribusiness giants. It is a system that allows for the mis-spending of public funds in ways that benefit the private sector; a system that takes advantage of the lack of regulation concerning the genetic engineering of food; and a system that undermines democratic decision making about food consumption.

USDA secretary Glickman made a telling statement during a speech proclaiming GE food to be the solution to world hunger. He says, "Many of the opponents [of GE food], frankly, can afford the luxury of their opposition; they don't have to worry about food insecurity since they live in prosperous, agriculturally abundant societies."<sup>22</sup> Glickman's words reflect the patronizing and dismissive view towards citizens of developing countries that guides so much of the US foreign policy decision-making. Not only is the voice of aid recipients hushed in favor of the decisions of more "knowledgeable" (read: wealthy and powerful) aid donors; the wisdom of these decisions is not allowed to be questioned either by citizens of developed society or of the Third World.

The ability to make informed choices about the food we consume should not continue to be a privilege enjoyed by citizens of prosperous societies, but rather a right exercised by every citizen of every country. Food First proposes the following measures in efforts to restore citizens' right to a choice about food sources:

*Immediate moratorium on all sales and production of GE food.*

Regulatory boards have not had the time or the funding to thoroughly and critically investigate the negative affects of GMOs on human health and the earth's biodiversity that preliminary tests suggest. Food First calls for a moratorium on production of transgenic