

**FOR IMMEDIATE RELEASE:** January 27, 2010

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## **Genetically modified wheat resistance still strong in foreign markets Growers would face lower prices**

Billings, Mont. – Introduction of genetically modified (GM) wheat would drastically drop the price of wheat for farmers in the United States, according to a report released today by the Western Organization of Resource Councils (WORC).

*A Review of the Potential Market Impacts of Commercializing GM Wheat in the U.S.* concludes that wheat buyers in Europe, Japan, and other Asian countries are likely to switch to GM-free wheat from other countries if GM wheat is introduced in this country. As a result, the price of U.S. hard red spring wheat would fall 40%, and the price of durum wheat would drop 57%.

“Introduction of genetically modified wheat in the United States is a risky proposition,” said Dr. Neal Blue, author of the report.

Dr. Blue analyzed the likely reaction of foreign customers if any GM wheat variety is approved and grown in the United States.

“Consumer attitudes in the European Union and Japan are not ready for GM wheat,” according to Dr. Blue’s report. “In addition, Asian countries such as South Korea and Taiwan are leery about importing GM wheat. Major customers of U.S. wheat, particularly the EU and Japan, have labeling and traceability requirements that make it difficult to sell GM wheat.”

In 2004, Monsanto withdrew its application to introduce GM hard red spring wheat because of strong consumer resistance by foreign consumers to genetically modified organisms.

Despite that consumer resistance, a coalition of some wheat industry stakeholders in Australia, Canada, and the United States agreed in 2009 to pursue commercialization of wheat with GM traits. The coalition includes some wheat grower groups, the National Association of Millers, and technology providers.

“Some in the wheat industry seem intent on pushing genetically modified wheat, said Todd Leake, a member of the Dakota Resource Council, who grows wheat, soybeans, and edible beans south of Emerado, N.D. “This report strongly suggests they should be very cautious and listen to the customer.”

Dr. Blue's report is the latest update of an October 2003 report, *Market Risks of Genetically Modified Wheat*, by Iowa State University Economics Professor Dr. Robert Wisner. In 2006, Dr. Wisner updated his original report and found that introduction of GM wheat would not reverse the declining market share of U.S wheat exports, nor would it reverse the downward trend of wheat acres planted.

Dr. Wisner's 2006 update and Dr. Blue's report both found that crop acreage is declining because of changing U.S. agricultural policy and increased production of crops suitable for ethanol and biodiesel production (corn and soybeans).

Among the other key findings of Dr. Blue's report are:

- 58% of Europeans are opposed to genetically modified organisms, while 21% support their use.
- The wheat export shares for the former Soviet Union (Russia and Ukraine) have gone up from 10% in 2001 to almost 30% in 2008. If the United States approves GM wheat, the EU would buy more wheat from the former Soviet Union.
- In 2007/09, 55% of U.S. hard red spring wheat was exported, mostly to countries that label GM food and where consumers can refuse to buy food containing GM ingredients. Only 28% of U.S. exports go to countries that do not label GM products.
- In 2007/08, U.S. durum wheat exports to Japan, Taiwan, the EU, and North Africa were 75% of total U.S. durum exports. The high export shares of hard red spring and durum wheat to countries likely to reject or curtail import of GM wheat place these exports at risk.
- No GM wheat is near commercial release. Monsanto shelved plans to GM wheat in 2004, and Syngenta recently announced the company was not pursuing GM wheat because of consumer resistance.

A grain market consultant and former research economist at Ohio State University, Dr. Blue is President of Neal Blue Consulting in Columbus, Ohio.

Based in Billings, Montana, WORC is a network representing farmers and ranchers in Colorado, Idaho, Montana, North Dakota, Oregon, South Dakota, and Wyoming.

The report is available on WORC's website, [www.worc.org](http://www.worc.org). A printed copy may be requested by calling 406-252-9672.