

As the push toward neoliberalism advances, and quantitative measures to protect local markets, such as tariffs and quotas, disappear, industrial powers are turning to qualitative measures such as food safety regulations to further skew trade in their favour. In the food safety arena, both the US and the EU are pressing their standards on other countries. For Washington, even though its own food safety system is widely criticised as too lax, this means getting countries to accept GMOs and US meat safety inspections. For Brussels, whose food safety standards have a much better reputation, it means imposing high standards on countries that cannot meet them. Bilateral free trade agreements (FTAs) have become a tool of choice to push through the changes.

Food safety

Rigging the game

GRAIN



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1 "US-Korea Understanding on Agricultural Biotechnology", March 2007. <http://tinyurl.com/4h34m2>

2 Soybean oil and soy sauce are deemed exempt from mandatory labelling requirements because their production processes are said to remove the GM proteins.

3 "Fears about GMOs", editorial, *Korea Times*, Seoul, 1 May 2008. <http://tinyurl.com/4nv8wz>

4 Monsanto comments to USTR on US-Thailand FTA, 8 April 2004. <http://tinyurl.com/3h58d6>

South Korea is one country that has recently been hit hard by the US strategy of using food safety policies to assert US corporate control where it can. In March 2007, a secret bilateral deal on genetically modified organisms (GMOs) was signed on the sidelines of the final round of US-Korea FTA negotiations.¹ This agreement considerably weakens Korea's scope to regulate the inflow of GMOs from the United States (see Box 1). Not surprisingly, it was immediately welcomed by the Washington-based Biotechnology Industry Organisation, which was probably the only group that had been consulted on the deal.

With the ink on the GM deal barely dry, transgenic crops from the US began to appear in Korea's food supply. Until then, Korea's GM laws, particularly the rules on labelling, had essentially shut GM imports out of the country, except for some used in animal feed, soybean oil and soy sauce.² But in late April 2008, just five months after Korea started

implementing the UN Biosafety Protocol, four local cornstarch manufacturers began to import GM maize, saying that they had no other option as the price of non-modified maize had risen astronomically on the world market. Amid protests from consumers, they said that they expected to purchase 1.2 million tonnes from the US during the year.³

Korea is not the first country to cede its sovereign right to set its own policy on biotech foods under bilateral pressure from the US. India and China both backed down from GM import restrictions after bilateral "discussions" with the US. Thailand pulled back from strict GM labelling legislation in 2004 when the US warned that the legislation would affect their FTA negotiations. After that, US companies pressed the US Trade Representative to use the proposed FTA with Thailand to get the Thais to authorise field testing of GMOs.⁴ A similar process has been under way in Malaysia where, as a prerequisite for the proposed US-Malaysia FTA,

Box 1: What the US–Korea GMO agreement does

1) It obliges Korea to restrict its risk assessment of imported GM products for food, feed or processing to their “intended” use. This means that the US companies providing the GM products will not be held liable for any “unintended” use of the material. This is precisely how Mexico’s indigenous maize crop got contaminated: by local farmers sowing US maize kernels that were “intended” for cooking. And that, too, was because of a free trade agreement (NAFTA) forcing open the Mexican market to US farm products.

2) It obliges Korea to refrain from testing “stacked traits” (GMOs with multiple transgenes) in a shipment of, say, GM seeds, if the traits have been individually cleared for use in the US. A large proportion – 35 per cent as of February 2008 – of applications for GM imports to Korea is precisely for “stacked trait” food and feed material.

3) It commits Korea to act on its GM labelling laws in a “predictable” manner. This means that Seoul must involve Washington in some way before announcing changes in policy. This is similar to the transparency clause of most US FTAs, under which partner countries must inform Washington of policy developments before deciding upon them.

4) It provides a frame for Korea’s implementation of the UN Biosafety Protocol (which the US refuses to sign) towards GM products from the US. As the result of an amendment pushed by Mexico on behalf of the NAFTA states, the Biosafety Protocol expressly rules now that its documentation requirements do not apply to trade between Parties and non-Parties that occurs within the scope of bilateral, multilateral or regional agreements or arrangements. This means that the Protocol’s documentation requirements for the entry of GM products will not apply to trade between Korea and the US.

US lobby groups have tried pushing the Malaysian government to abandon plans for mandatory labelling of GM products.⁵

However, GMOs are just one part of a larger corporate food safety agenda that is being advanced through behind-the-door bilateral channels. The strategy is codified in terms like “science-based”, “equivalence” and “harmonisation”. But what it really amounts to is economic and cultural imperialism. This is very clear in the case of Korea.

Into the corporate meat grinder

Like many countries around the world, the South Korean government imposed a complete ban on US beef imports in 2003, when a case of BSE (bovine spongiform encephalopathy, or mad cow disease) was detected in a cow in the US. The US beef industry was angry, as Korea was their third largest overseas market. In 2006, US trade officials forced the Korean government to agree to partially re-open its market to US beef as a precondition to the US–Korea FTA talks.

Ever since then, the US has pushed hard to regain valuable beef export markets in Korea and elsewhere through a twin process of setting up its own BSE inspection system, and then getting the rest of the world to accept this system as safe. Given that the US tests only 1 per cent of its cattle each year for BSE, Korea and other countries are highly sceptical of the efficacy of the US scheme.⁶ So the US looked for leverage elsewhere and found

it at the World Organisation for Animal Health (OIE), the international standard-setting body for animal health recognised by the World Trade Organisation. The Bush administration got the OIE to declare US beef trustworthy (see Box 2).

The OIE ruling did not oblige Korea to change its own regulations. But because the issue was so closely linked to the FTA, which at that point was about to be signed, Seoul gave in and reopened its markets to US beef. It did, however, add an important qualification: imported beef must be free of “specified risk material” for BSE, such as bone fragments. US beef corporations, it seems, find it difficult to comply with this fairly basic requirement. The first three shipments of US beef to Korea following the re-opening of the Korean market were rejected because of bone fragments.⁷ And in June 2007 Seoul decided to suspend all export permits to US suppliers because two shipments of beef products, originating from Cargill and Tyson, were exported to Korea without the necessary quarantine certificates.⁸ But rather than take steps to meet Korean standards, the US beef industry, backed by lawmakers in Washington for whom there will simply be no FTA without the full opening of the Korean market to US beef, insisted that Korea change its criteria and let in all US beef, bone fragments and all.

Social uproar

On 18 April 2008, with the FTA signed but still awaiting ratification by both countries’ parliaments, newly elected South Korean president Lee Myung-

5 Letter from the Biotechnology Industry Organisation to the US Trade Representative on the US–Malaysia FTA negotiations, dated 12 May 2006. <http://tinyurl.com/4xhym8> AMCHAM Malaysia/US Chamber of Commerce, Public Submission for the Proposed US–Malaysia Free Trade Agreement (USMFTA), 19 May 2006. <http://tinyurl.com/3n7s6h>

6 Food and Water Watch, “Food safety consequences of factory farms”, fact sheet, Washington DC, March 2007. <http://tinyurl.com/4mveol>

7 As well as bone fragments, the third shipment of meat also contained traces of dioxin exceeding approved levels.

8 “South Korea blocks US beef”, Associated Press, 5 June 2007.



Bak flew to Camp David to meet George Bush. On the sidelines, Korea's agriculture representative accepted the most detailed demands yet from the US government in order to resolve the beef blockages and clear the way for the FTA: a six-page set of beef importation requirements that basically secure everything the US wants, and more.⁹

The beef protocol opens the Korean market to virtually all forms of US beef and vastly reduces the controls and remedies that the Korean government can invoke in case of suspected problems. Coupled with a revision of US domestic rules on what should not be fed to farm animals (the so-called "enhanced feed ban"), which the protocol is bound to, the package deal seriously lowers food safety standards for Korean consumers.¹⁰ The head of R-CALF, a US cattlemen's advocacy group, describes the supply side bluntly: "This feed ban remains the weakest out of all the countries that are working to control BSE. The US is removing only two of the high-risk tissues", namely tonsils and eyes, from the cows' food supply.¹¹ Since BSE is spread by feeding cows the by-products of other (infected) cows, many contend that the US is really doing little to control the disease – and forcing Korea to accept the risks.

The beef protocol has caused turmoil in Korea, as Koreans simply don't want to be forced to

take these risks.¹² Nightly protests, some of them mobilising more than 100,000 people, have rocked the cities, and unionists are planning physically to stop the unloading of any US beef shipment. In a vain attempt to calm spirits, the two governments signed a further letter by which Washington affirms Seoul's right to stop imports of US beef – but only if a case of BSE is confirmed by the US. Suspected outbreaks shall not be reason to stop trade flows. While the Lee government squirms between the demands of Koreans to renegotiate the whole deal and the US's refusal to do so, the bottom line is that the US government is forcing another country to drop its precautions against possible health risks from a food industry plagued with them.

Beyond Korea

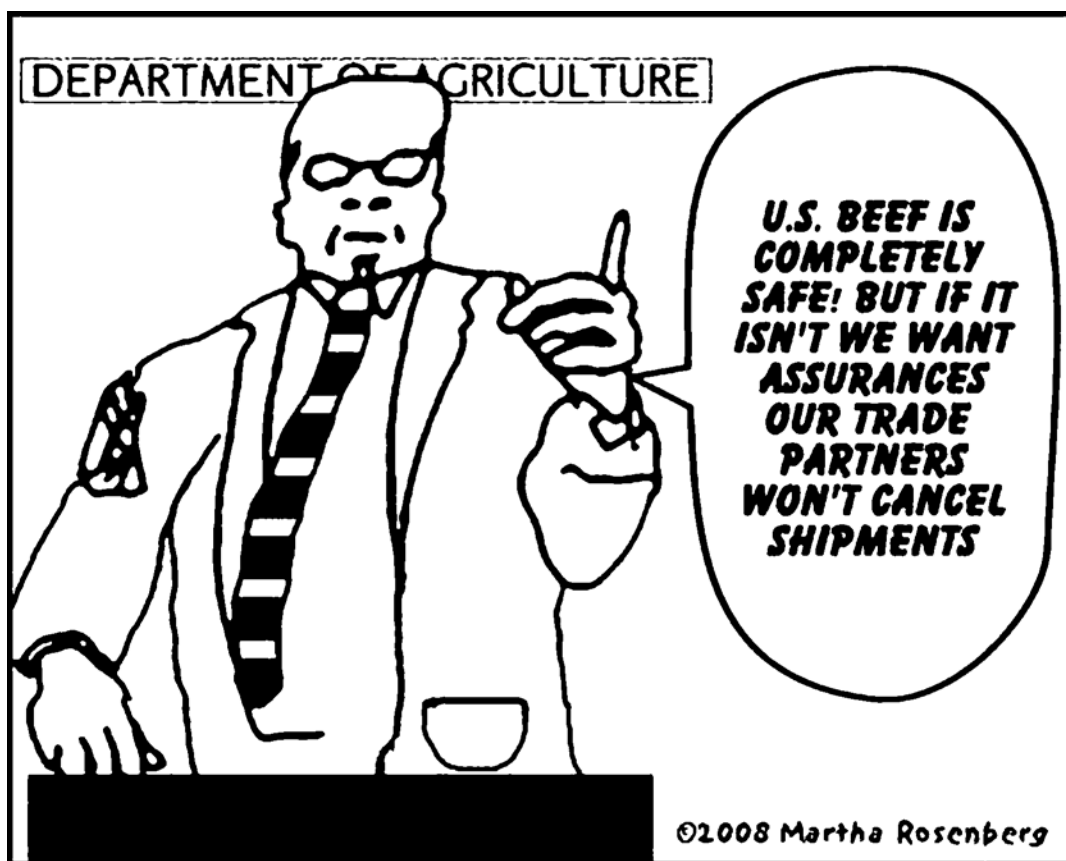
The Korean experience is not unique. A number of other countries have already succumbed to pressure and signed away their right to define their own food safety regulations for US meat imports, with respect not only to BSE but also to a range of food safety and animal health problems that afflict the US meat industry. As US meat corporations see it, the "market access" they expect from US FTAs is a twin process – requiring the removal of not only tariffs but also sanitary and phytosanitary (SPS) restrictions. US poultry companies have been particularly adamant on this point. Exports

9 US-Korea Beef Protocol (2008). <http://tinyurl.com/49u28v>

10 The scope of the US-Korea protocol is determined by the US feed ban, for the protocol states that once the enhanced feed ban is made public, Korea will import beef (except for the agreed few risk materials) from US cattle of any age rather than 30 months or younger. (Cattle older than 30 months are more prone to BSE infection.) The revised feed ban was published in the US Federal Register on 25 April 2008, one week after the protocol was signed: <http://tinyurl.com/3pm33s> It's uncanny that while the feed ban won't be implemented in the US for one year, as there is a 12-month period for the industry to adjust, it has immediate effect for Korea.

11 See Mateusz Perkowski, "FDA's new animal feed rules will hurt livestock-related industries", Capital Press, 29 April 2008. <http://tinyurl.com/57dnp3>

12 According to the latest polls, over 75 per cent of South Koreans are unwilling to buy US beef and over 80 per cent want the protocol renegotiated.



Cartoon by Martha Rosenberg



Box 2: What matters are the rules, not the disease

The US strategy at the OIE has been to change the guidelines covering trade from countries with BSE, so that a country's status is not based on the presence of BSE but on a "scientific risk assessment" of the safeguards that a country adopts to keep BSE out of exports. The US took a first step in this direction in 2003 by creating a new status of "minimal risk" within its own regulations for countries exporting beef to the US. It then successfully pushed for a resolution at the OIE, adopted in 2006, whereby the five original categories for classifying a country were abolished and three new categories – "negligible BSE risk", "controlled BSE risk" and "undetermined BSE risk" – were adopted. At the same time, it was decided that the OIE, which previously ruled only on a country's claim to be BSE-free, could now rule on whether or not a country should be considered a "controlled risk". If a country gains this classification, it can then more easily restart exports.

At its General Session in Paris in May 2007, with Korean protesters outside in the streets, the OIE issued its first list of "controlled risk" countries, with the US, not surprisingly, qualifying for entry. The US immediately took advantage of this ruling. "We will use this international validation to urge our trading partners to reopen export markets to the full spectrum of US cattle and beef products", Mike Johanns, US Secretary of Agriculture, declared. "We will use every means available to us to ensure that countries rapidly take steps to align their requirements with international standards."¹

1 Statement by the US Secretary of Agriculture, Mike Johanns, regarding US classification by OIE, 22 May 2007.

are important for them because domestic demand is largely for white meat, so they have a very large – and growing – surplus of dark meat, mainly chicken leg quarters. Exports are currently worth around US\$5 billion a year.¹³ But few countries will accept US chicken parts, owing to the level of hormones and antibiotic residues they contain, and reluctance to allow local chicken farmers to be driven out of business by imported chicken parts, which are sold at such ridiculously low prices that the scheme really amounts to dumping. So US poultry corporations, such as Tyson and Cargill, are banking on FTA processes to provide additional leverage to prise open these markets.

The US FTA with Morocco set an early precedent. Morocco drastically reduced tariffs and then agreed to accept export certificates from US inspectors "as the means for certifying compliance with standards on hormones, antibiotics, and other residues" for beef and poultry.¹⁴ Soon after, as part of the US–Panama FTA negotiations, Panama agreed to recognise the "equivalence" of US meat inspections and the US beef grading system and to allow in all US beef exports consistent with OIE standards.

The US–Central America FTA brought another important victory for US poultry corporations. Central America's poultry companies, which have traditionally been protected by tariff barriers, are strong, with powerful political connections. The US said it was concerned that the dismantling of the tariffs, agreed under the FTA, would spark "a movement among Central American poultry producers to block entry of US poultry and

products through the use of sanitary technical barriers."¹⁵ El Salvador, Honduras and Costa Rica have long taken a tough line on salmonella in imports, which means, in effect, banning imports of raw poultry from the US, where the bacterium is rife. To the annoyance of the US poultry industry, Honduras also has strict import regulations on avian flu. In the past, Central American countries have been able to ignore US complaints that these measures are "arbitrary" and "unscientific" because they have been self-sufficient in poultry. But the FTA negotiations changed the dynamic. By way of a parallel working group on sanitary standards, the US is able to force through such "difficult changes" and get all countries to agree to "recognise the equivalence of the US food safety and inspection system".¹⁶

In other countries, US meat corporations have used FTAs to achieve even more spectacular victories. The US–Peru FTA is a case in point. Sara Lilygren, Vice President for Federal Government Relations for Tyson Foods, called it "the best market access arrangements for poultry ever negotiated in a free trade agreement".¹⁷ Tyson and other US poultry corporations won not only tariff-free market access for chicken leg quarters, but also a specific commitment from Peru to accept the US system for determining a country's disease status. Even more remarkably, Peru agreed to adopt US sanitary standards for inspecting facilities for slaughtering and processing poultry.

What this means is that Peru and other countries that have signed similar agreements will allow the

13 USDA Economic Research Unit, "US Poultry Outlook Report – April 2007", US Department of Agriculture, Washington DC. <http://tinyurl.com/4pco2h>

14 US Trade Representative, "US–Morocco Free Trade Agreement Agriculture Provisions", USTR, Washington DC, 7 June 2004.

15 USDA, "Guatemala: Poultry and Products, Production and Consumption", GAIN Report, 30 August 2006. <http://tinyurl.com/3uhkc2>

16 US Embassy in Nicaragua, "Nicaragua: Country Commercial Guide, Chapter 5". <http://tinyurl.com/4sn4st>

17 Testimony Before the Full Committee of the House Committee on Ways and Means, 12 July 2006. <http://tinyurl.com/3oxe47>



Box 3: EU chicken ban

People may not be aware of it, but the European Union has banned US chicken imports since 1997, because of the US practice of sluicing chickens in chlorine before they're shipped out of the country. Instead of requiring too many hygiene controls, which are said to be expensive for the industry, US authorities simply mandate that chicken carcasses get nuked in chlorine before they are packed for overseas. Brussels is under tremendous bilateral pressure from Washington to lift this ban. "The United States can do what they want at home but European consumers have other demands", French Agriculture Minister Michel Barnier recently said to defend the ban. "They want checks all along the production chain and not a brutal disinfection at the end."

[Source: "EU farm ministers balk at moves to permit importation of chlorine-treated US poultry", *International Trade Daily*, BNA, 20 May 2008.]

18 Cargill Meats Central America.
<http://tinyurl.com/3vhejw>

19 USDA, "Eligible Foreign Meat and Poultry Establishments".
<http://tinyurl.com/4cewnv>
Mexico is approved to export only processed poultry products slaughtered under Federal inspection in the United States or in a country eligible to export slaughtered poultry to the United States.

20 "EU 'strongly committed' to Mediterranean agriculture", *Food Navigator Europe*, 8 December 2006.
<http://tinyurl.com/429ers>

21 Veena Jha, South Asia chapter of "Environmental regulation and food safety: Studies of protection and protectionism", IDRC, Ottawa, 2005.
<http://tinyurl.com/4y4524>

22 Arun S., "Govt asks EU to lift 'paranoid' health-related trade barriers", *Financial Express*, 10 May 2008.
<http://tinyurl.com/4qzs8>

23 Until recently, the EU-Chile FTA was the only instance where the EU brought its own animal welfare criteria into another country's sanitary norms as a condition for bilateral trade. Animal welfare now appears in the draft EU-Central America FTA, which may mean that it is becoming a regular demand on foreign partners, since the EU is currently negotiating a rash of new FTAs.

24 Centre for Disease Control, Washington DC.
<http://tinyurl.com/4fr7vx>
These statistics refers only to reported cases.

25 Compiled from USDA food recall statistics:
<http://tinyurl.com/4ddxxm>
One April 2008 recall involved over 400,000 pounds of frozen cattle heads with tonsils intact. Tonsils are a vector of BSE.

dumping of poor quality US meat into their markets. The impacts will be immediate and brutal for their local industries, especially for the small producers. Big US poultry companies are already using their new market access to buy up local producers and to integrate them directly into their transnational production chains, as Cargill did recently with the take-over of two important poultry companies in Honduras and Nicaragua.¹⁸ A few local companies may survive by consolidating and expanding their operations internationally. The Multi Inversiones poultry group of Guatemala, for instance, has expanded into neighbouring countries and into Brazil. But it is extremely unlikely that the such companies will be able to use the FTA to establish themselves in the US market. While FTAs may in theory give local poultry producers some access to US markets, the US inspection system tends in practice to block out all but the biggest. Only three poultry plants in Chile and two in Costa Rica are certified for export to the US. El Salvador, Honduras, Guatemala and Morocco have none at all. Poultry factories in Mexico – which is a large poultry producer, with an FTA with the US, sitting next door to the US market – can get approval to export processed poultry products to the US only if they are slaughtered under federal inspection *in the United States!*¹⁹

The European Union is even harsher in its requirements. With beef exports from its biggest supplier, Brazil, the EU not only requires the certification of slaughterhouses but also of farms. As of February 2008, only 106 farms in all of Brazil were authorised to export beef to the EU, which means that only Brazil's largest beef companies will have access to Europe's high-value market. Or take India. The Indian government is eagerly trying to negotiate an FTA with the European Union in order to boost its access to EU consumers. Yet Europe plays an extremely hard line on food safety. First, as a general rule, it maintains that its food safety standards are "non-negotiable", even in an

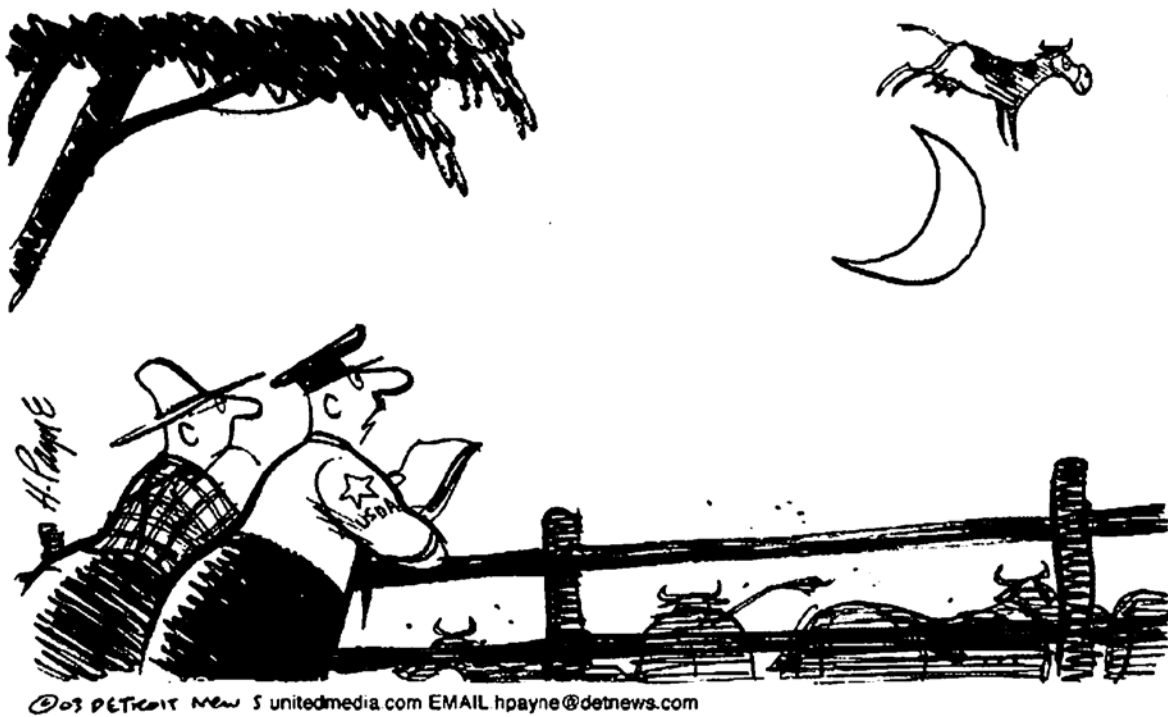
FTA "negotiation".²⁰ Second, it makes demands on foreign food producers and processors that border on the absurd. Ten years ago, the EU banned all fish products from India on grounds that its import requirements were not being met. These included washing the ceilings of the fish packing units with potable water!²¹ This in a country where some 40 per cent of the people lack access to potable water. Delhi calls this level of food safety standard "paranoia", but it will have a tough time getting its way.²² The EU is also starting to ratchet up its demands for animal welfare in food production through its FTAs.²³

Safety for whom?

The hypocrisy of this all is amazing. Each year, 76 million Americans – one in four – go down with food poisoning, and 5,000 die from it.²⁴ Over the last year alone, some 200 million pounds of beef have been recalled from the US food supply because it was unsafe.²⁵ In May 2008, the Bush administration aggressively – and illegally, some say – reversed a court decision that had allowed Creekstone Farms, a US meat packer that wants to market its products as BSE-free, to test all its animals for mad cow disease. Washington argues that such tests create "false assurances", but its real concern is to protect Big Beef from having to carry out such controls.²⁶ (And here's where it gets more complex. By the end of 2008, when the paperwork is done, the US beef packing industry is going to be dominated by one Brazilian firm, JBS. The cows will still be slaughtered in the US, but the command centre will be in São Paulo, making it less straightforward to talk about "US beef".)

In fact, many US and European food and retail corporations tacitly admit that governments' so-called "science-based" standards are inadequate. McDonald's and other fast-food chains enforce their own private inspection programmes for their meat suppliers. And major retailers, such as Wal-Mart





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"YUP. DEFINITELY MAD COW DISEASE."

Cartoon by H. Payne, Detroit News

and Costco, have their own private certification regimes, requiring distributors, processors, and even farmers to comply with detailed, onerous standards – starting with the choice of seeds that farmers sow (e.g., must conform with UPOV!).²⁷ The use of private standards to control what happens from the farm to the supermarket shelf is rising so forcefully, with Europeans taking the lead in imposing their norms as the international norms, that governments around the world are having a hard time juggling their public responsibilities (to protect public health) with the private agendas (food standards) at the heart of this system.²⁸

Just as the global food crisis has shown that the very notion of food security has been hijacked by a model that exists to make money, not to feed people, so too do today's food safety skirmishes show us that the industrial food system has nothing to do with health. Food safety should be about health and culture. And it should allow for diversity – from production to consumption, with space for citizens' concerns to be respected. Instead, we're being pushed into more and more uniformity about what constitutes safe food and acceptable risks. That uniformity, whether they call it harmonisation or integration, is driven primarily by the needs of global agribusiness and food retailers. The empty standards of the US, where regulations are tailored to suit corporate

lobbies, are a clear and present danger. But even in the case of the EU, with its economic agenda more discreetly hidden, the undercurrent of imperialism is disturbing. Tomorrow it may be so with rising food industry powers such as Brazil.

The challenge this poses for people's movements is truly important. Food safety rules have to be brought back into the realm of local concerns and needs, not those of the global food industry.

GOING FURTHER

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26 Sam Hananel, "Government asks court to block wider testing for mad cow", Associated Press, 9 May 2008.
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27 "In the absence of a good food-safety system run by the [US] government, we supplement with our own", says Jeff Lyons, Costco's senior vice president for fresh foods, quoted in Julie Schmit, "U.S. food imports outrun FDA resources", USA Today, 18 March 2007.
<http://tinyurl.com/34lh9m>
 UPOV protection, a kind of patent for plants, forms part of the EurepGAP, now GlobalGAP, standards. See <http://tinyurl.com/3n55b5>

28 In 2007, EurepGAP – the European private standards on Good Agricultural Practices for the production of food – became GlobalGAP. Developing countries are now benchmarking and setting their food production standards in reference to GlobalGAP.

