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Leading representatives of the food retail industry: Proposed EU legislation on new genomic techniques must not jeopardize consumer choice, organic farming, and food price stability.

On 5 July 2023, the European Commission published a proposal for a new EU regulation "on plants obtained by certain new genomic techniques and their food and feed" (2023/0226 (COD), "New Genomic Techniques Regulation" or "**NGT Regulation Proposal**"). As the draft report of the Committee on Environment, Public Health and Food Safety ("**ENVI Committee**") provides for further deregulation steps compared to the NGT Regulation proposal, we, as leading food trading companies headquartered in Germany or Austria, would like to comment on this in order to point out some risks in this context:

First of all, to clarify: The undersigned companies generally support the use of the latest scientific knowledge in food production. At the same time, the following is very important to them in the interest of consumers:

- The **freedom of choice** for consumers must be preserved.
- Organic farming should continue to be promoted and not threatened.
- Particularly important in times of high inflation: the **price stability of food** must not be jeopardized by new regulatory measures, thereby fuelling inflation once again.
- The unclear legal situation with regard to **patentability** should be comprehensively examined in advance in an impact assessment before such a far-reaching legal act becomes European law.

Food retailers have a direct relationship with consumers. According to numerous national and pan-European market surveys, a significant number of consumers are very opposed to genetically modified crops in their food.

We want to continue to give these consumers full freedom of choice. To ensure this, EU regulations must guarantee **full traceability and labeling of NGTs throughout the supply chain** to ensure the continued existence of NGT-free and organic agriculture and food production. **Binding coexistence measures**, such as set-back requirements and notification obligations to neighbors for the cultivation of genetically modified plants, are also essential to this end.

If, on the other hand, the polluter pays principle were to be abolished and the responsibility for ensuring an NGT-free production chain were to be placed solely on the NGT-free and organic food chain, this would **entail significant costs along the entire value chain**. These costs would have to be passed on in the production chain and would most likely lead to price increases, some of which would ultimately have to be borne by consumers. Such an additional financial burden should not be imposed on consumers, especially in times of significant high inflation.

At the same time, we suggest that the European Commission, before adopting the proposed NGT Regulation, should consider the impact that **patents** on NGT plants and varieties would have on the seed market, including their use throughout the value chain. The **potential of patents as a price driver** in food production needs to be taken very seriously. In our view, an ex-post analysis, as envisaged by the European Commission for the year 2026, does not do justice to this challenge.

Out of a sense of responsibility to our customers, we ask for the following

- Changes to the EU regulatory framework must not jeopardize freedom of choice, organic farming, and price stability in food production. Clear and workable rules on transparency and traceability are needed so that NGT-free foods can continue to be produced, labeled and sold as such.

- Prior to any new regulation of genetic engineering law, the consequences, in particular the effects on costs and prices, of patents on genetically modified seeds and plants must be analyzed and discussed in the context of a thorough impact assessment. Where appropriate, legal adjustments to patent law are desirable.

Signed:



For further information:

Heike Moldenhauer
ENGA AISBL
 Rue du Monastère 10-12
 1000 Bruxelles
 Tel: +32 (0) 493 33 5491
h.moldenhauer@enga.org

Florian Faber
ARGE Gentechnik-frei
 Wiesingerstraße 6/14
 1010 Vienna
 Tel: +43 (0) 664 3819502
f.faber@gentechnikfrei.at

