

**Testimony of Lynn Clarkson,**

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**U.S. House of Representatives Committee on Agriculture**

**Hearing on the examination on costs and impacts of mandatory biotechnology labeling laws**

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Chairman Conaway, Ranking Member Peterson, and other members of the Committee, thank you for inviting me here today to talk about the costs and impacts of mandatory biotech labeling laws. My name is Lynn Clarkson. I am the President of Clarkson Grain Company, Inc., located in Cerro Gordo, Illinois, a small rural community about three hours south of Chicago.

Clarkson Grain was founded in 1974 by the Clarkson family, which pioneered “Direct Delivery Marketing” to link farmers directly to end users. From that modest beginning, we have grown and evolved into a grain, oilseed, and ingredient supplier to the food manufacturing and animal-feed industries serving clients around the world. The company procures its raw materials – particularly corn and soy from farmers in the United States and Canada.

We operate our own commercial storage, cleaning and handling facilities as well as organic soy processing facilities, a barge station and rail sidings. Our products include corn and soy flours, masa, meal, refined soy oil, lechitin, whole grains, and organic and non-GMO grains and oilseeds.

United States farmers and its supply chain partners like us excel in delivering the lowest cost agricultural products within a grade standard acceptable to clients around the world. Since our inception, we have segregated corn and soy by variety and market distinction to realize greater value for our producers and end users. Buyers of these Identity Preserved (IP) grains are now asking for features that guarantee their access to particular markets such as GMO specific, non-GMO and organic.

Such buyers range from small family companies to the largest food manufacturers, starch and oil processors and feeders. Shipments range from small bags to 55,000 ton ocean vessels.

These market preferences are increasingly defining both our domestic and international markets. To secure corn and soy sought by these buyers, we contract with farmers before planting to secure particular varieties raised in accord with buyers’ wishes. We secure grower cooperation by paying premiums that justify continuing participation in IP programs year after year.

Our goal is simple; a happy client. We are not in business to win scientific or political arguments. We are in business to please clients seeking legitimate product distinctions. We don’t tell clients what they should want. We ask them what they want and help them find it.

In the early days of our business, our major challenge was to keep corn and soy types segregated by variety. Buyer, seller, and grower could visibly see the distinctions. That changed with the commercial introduction of GMO traits. Within a few years, GMO sensitive markets brought new distinctions into play. For example, in those early days, Japanese buyers for the soyfood industry worked with the Association of Official Seed Certifying Agencies to develop testing and segregation protocols.

As an IP merchant, Clarkson Grain is not at all opposed to the development and commercialization of GMO crops. Producers and their supply chain partners however must recognize that production and handling of any of any crop has to be conducted in a way so that preferred market access is recognized and honored. Neighboring farmers must have the ability to serve their preferred markets – whether GMO, non-GMO or organic. Market access and choice must be preserved. I believe that this respect and recognition can occur.

Wherever you fall on the pro or anti GMO spectrum, it is clear to me as an ingredient supplier that an increasingly significant percentage of consumers want additional transparency in labeling so that they may purchase the food types they and their families desire. These consumers what one might call, GMO sensitive, have certainly proved themselves to be a significant and vocal voice for increased transparency in food labeling.

The cost of disregarding this voice is increased social conflict, expensive political battles, and uncertainty provided by prolonged court cases. For my farmers in Illinois who use GMO's this process simply prolongs the difficulty for the biotech industry to bring traits responsibly into the market. Those concerned about GMOs however deserve to be respected even while the biotech industry continues its efforts to market its traits at the consumer level. Everyone would win if we could lower the temperature and manage the conflict over GMO technology.

I am convinced that one critical way to lower the temperature is through a rational uniform national standard for the labeling of food that is not produced using GMO traits. Such an action is in the fundamental interests of both consumers and farmers. Consumers have a right to exercise their choice to avoid GMOs. Farmers have a right to take advantage of this new market. The creation of a standard could be accomplished through a mandatory labeling scheme but it is my belief that a more appropriate approach is through a voluntary labeling program. I believe that such an approach would be less contentious, less adversarial and less expensive.

Here's why I have reached my conclusion. I believe we are at a similar place in the labeling of non-GMO products to that of the emerging organic market in the early 1990's

At that time differing State standards for organic products were beginning to emerge. The result was consumer confusion. With no uniform national organic standard, States were free to tout their differences. The private sector also got into the act. There were numerous private certifiers each claiming to be better than the other. Consumers didn't understand these differences but more

importantly they became put off by the sniping in the marketplace. As a result, the entire sector suffered.

Once the organic sector settled on a uniform national definition, responsibly overseen by the U.S. Department of Agriculture, consumer confidence returned and served as the fundamental rationale for the explosive growth we currently see within the sector. U.S. sales of organic products in 2013 were \$35.1 billion. This remarkable growth rests on one thing; A uniform national standard, responsibly, overseen by a Federal agency.

It is my belief the Non-GMO market would also grow if there were a uniform national standard, overseen, by USDA. USDA has world class expertise in managing process verified programs. It seems to me to be straightforward. Let Congress establish a uniform standard, let USDA oversee it, step back and let the marketplace work.

As I begin to sum up, I want to offer one more rationale for establishing a uniform standard or definition of a non-GMO label. Labeling drives other activities along the supply chain such as seed production. Many producers struggle with a lack of appropriate non-GMO corn and soy varieties to meet specific market needs.

I am convinced a national non-Gmo labeling program would send a clear single to input suppliers such as seed breeders that the Non-Gmo marketplace is here to stay. I do not believe that would be the case is we had a proliferation of State labeling programs. I believe non-GMO is a legitimate and growing market and that consumers deserve to know what that is in their food so can make their choices with their hard-earned dollars.

For that to occur within a reasonable time frame, farmers must have access to an adequate supply of high yielding non-GMO corn and soy varieties.

In closing I offer the following thoughts as you consider an appropriate role for Congress to take in this emerging marketplace:

1. I ask Congress to support a farmer's freedom to produce for his preferred markets without being dominated by his neighbor's production choices. As you can see this sword cuts both ways.
2. I ask Congress to support through adequate funding, research in non-GMO corn and soy varieties so that farmers might rapidly access this new market.
3. I ask Congress to support a farmers' choice of hybrids or quality attributes, GMO presence or absence, or organic or non-organic production methods.

4. And I ask Congress to help us in the countryside to always balance and respect a producer's production decisions as they provide a safe and abundant food supply for the world's needs.

Thank you for this opportunity. I am happy to answer any questions you might have.