

Applying Certification to Verify Quality, Social & Environmental Sustainability, Including Non-GMO



Non-GMO labels, quality production, and EU regional agriculture's strategies

Brussels, 3 & 4, Dec. 2009



Two Main Topics

- Role of certification in the global food system
- Availability of Non-GMO Animal Feed Components



Non-GMO
www.cert-id.com

Globalization creates the need for certification

**Globalization &
Industrialization
of the World's
Food System**

**Powerful
Demand for
Product
Verification
Systems**

**Loss of Traditional
Trust Relationship
between
Consumer & Producer**



Globalized Food Chain—Loss of Trust

Loss of the traditional trust relationship

■ Past:

- Direct connection between producer and eater
- **Grandma** bought broccoli directly from a **farmer** she **knew** and **trusted**.

■ Today:

- Typically 7 to 30 middlemen between eater and producer
- Products meet minimal commodity standards
- **Nobody makes any promises**

Globalized Food Chain—Loss of Trust

Loss of trust is exacerbated by:

- **Food Safety Crises**
 - Pathogenic: E. coli in spinach
 - Toxic: Melamine in pet food
 - Unapproved GMO contaminating US rice supply
 - Toxic: Dioxin crisis in EU
 - Toxic: Sudan Red adulteration of foods
- **Exposure of Serious Social/Environmental Problems**
 - Rainforest destruction to produce palm oil & soy
 - Slave labor used to produce cocoa, sugar, soy
 - Child labor
 - Exploitation of small farmers and indigenous people

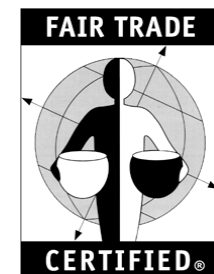
Certification—The Bridge of Trust

- Certification serves as a bridge of trust between consumer and producer
- Certification Programs achieve this using
 - Comprehensive Traceability
 - Rigorous Testing
 - Impartial Auditing



Product Characteristics Consumers Care About

- Absence of pesticides & hormones
- Non-GMO
- Regional quality & authenticity
- Absence of antibiotics
- Environmental responsibility
- Social responsibility
- Energy conservation & carbon accounting
- Food Safety
- Animal welfare



Cert ID Non-GMO and ProTerra Certifications were established in response to these needs.



Cert ID Non-GMO Certification

Operating globally since 1999

ProTerra Social & Environmental Certification

Operating globally since 2005

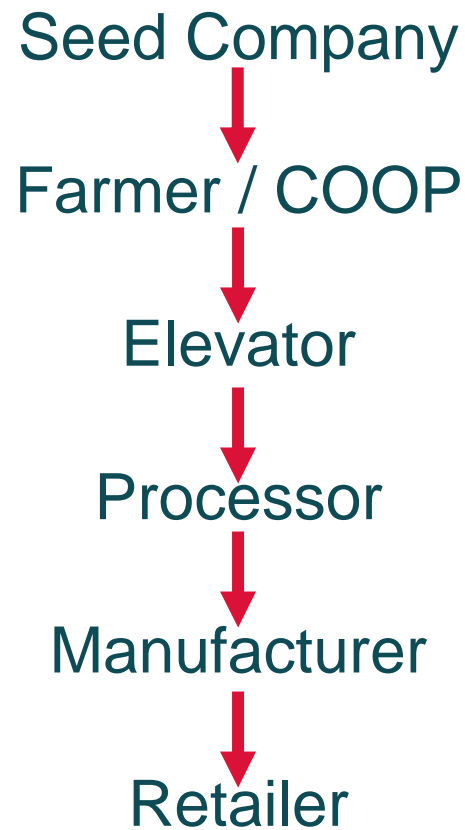
- Practical for Industry
- **Meaningful to Consumers**
- Respected Worldwide



Cert ID Certification: *From Seed To Shelf*

- Standards
- Sampling
- Testing
- Inspections
- Documentation
- Seal

GMO Threshold 0.1%
Full Traceabilitysm for
each batch/lot



Identity
preservation





ProTerra

Social & Environmental Certification



ProTerra

Third-party verification for:

- Sustainable production
 - Agronomic practices
 - Land, water, energy and pesticide use
- Worker welfare
 - Absence of child and slave labor
 - Fair wages
 - Worksite safety
- Fair Trade
 - Local community development
 - Premiums to farmers
- Ethical & Ecological Land Use
 - Compliance with local laws & international accords (e.g. Amazon biome)



ProTerra and Cert ID Non-GMO Dual Certification

Many cert clients now carry **dual certification:**

- Cert ID Non-GMO Certification
- ProTerra Social and Environmental Certification



Benefits of CERT ID to Industry

- **Marketing**
 - Demonstrates commitment to quality
 - Increases consumer confidence
 - Enhances credibility
 - Inspires customer good will
 - Differentiates the product in the marketplace
- **Regulatory compliance**
 - Assures traceability (required by EU regs) using centralized IT system
 - Verifies compliance with regulations
 - Reduces liability
 - Documents “All reasonable precaution and all due diligence”



Non-GMO
www.cert-id.com

Availability of Cert ID Non-GMO Soy Meal for Animal Feed



Core Message:

The tonnage of Cert ID-certified
Non-GMO soy
available from Brazil, India, & NA
is more than sufficient
to assure sustainable, long-term
and growing production
of *Non-GMO* animal feed.



Soy Meal from Brazil 2009

- Cert ID certified nearly **2.7 million MT**
- Another **2.5 million MT** was “certifiable” (available for certification depending on demand)
- **Total: 5.2 million MT**
- **15% of total EU soy meal usage**



All Soy Products from Brazil 2009

- All Cert ID certified and “certifiable” soy products
- **Total: Over 11.8 million MT**
 - Meal
 - Beans
 - Lecithin
 - Oil
 - Soy Protein Isolate and TVP



Non-GMO
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There are other certification programs.
If Cert ID certifies 15% of EU soy meal,
the others certify another 20% to 35%.

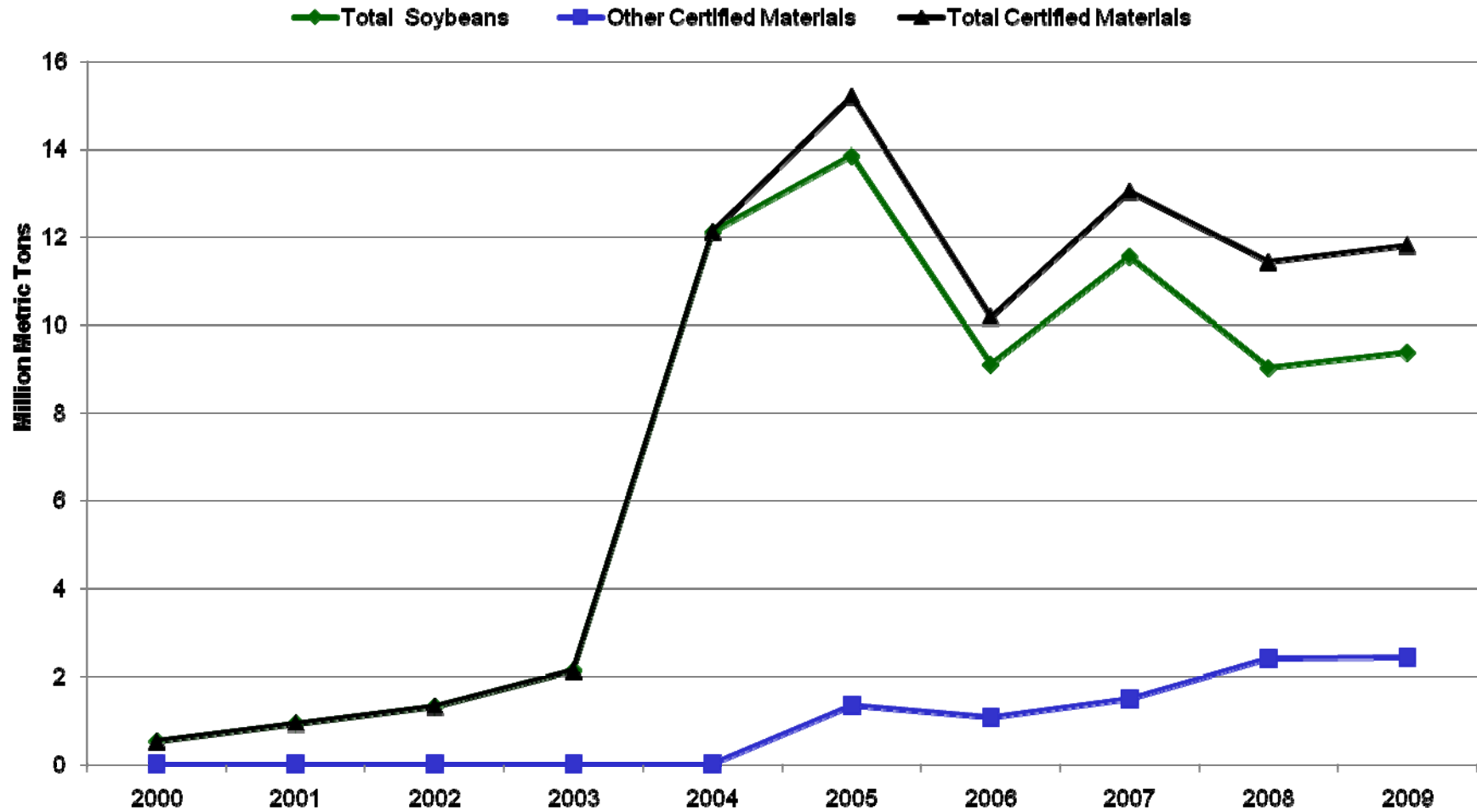
Total 35% to 50%.

Conclusion:

Non-GMO is not “niche!”



Historical Supply



There is Plenty of Non-GMO Soy.

- 50% of 2009 crop was Non-GMO (28.5 million MT).
- Total EU soy meal usage is around 36 million MT.
- Brazilian production alone is more than enough to meet EU needs.
- India, Ukraine, and specialized North American suppliers add their clout, as well.



GM soy production in Brazil

- **Substantial—around 50% of total**
- **Leveled off since 2007**
- **Due to:**
 - **Recognition of technical limitations of GM soy (sensitive to drought)**
 - **Premiums linked to non-GMO soy**



Level of GM soy production necessitates strong quality control

- **Strict non-GMO specifications**
 - Still highly feasible both operationally and economically
 - Necessary to
 - Increase stringency of IP procedures
 - Increase premiums to growers
- **Cost increase**
 - Not prohibitive
 - Well within the range of the typical fluctuations in commodity prices



What is needed to assure supply?

Communicate Your Needs!

- Not all non-GMO soy is automatically identity preserved.
- EU buyers need to indicate their requirements early in the year.
- Consistently, increased demand triggers expansion of Non-GMO certified soy volumes.



Thank You!



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