

## Midwest Producer

### Non-GMO crops: hurdles and premium prices



JANUARY 21, 2015 9:20 AM • BY CHAD SMITH, MIDWEST PRODUCER

The commercial sale of genetically modified organisms (GMO) has been around since 1994. Farmers have grown GMO crops at a steadily increasing rate as well. USDA's website ([usda.gov](http://usda.gov)) said as recently as 2012, 88 percent of all planted corn was GMO, as well as 94 percent of the soybeans.

While non-GMO crops are a small percentage of the total number grown, there is still a market overseas for those commodities. It takes a little more effort and a lot of homework to grow those crops. However, there are some premium prices if a farmer is willing to go the extra mile.

"While more than 90 percent of corn grown in the U.S. is GMO, we are moving a small amount of non-GMO crops overseas," said Tommy Hamamoto, U.S. Grains Council (USGC) director in Japan. "However, the challenge of maintaining the identity of non-GMO crops from the farm to the customer requires segregation through the entire channel. That segregation is called Identity Preservation (IP)."

Andrew Conner, manager of Global Biotechnology for USGC, describes the overseas market for non-GMO product as steady.

"There is a steady, though limited, demand for non-GMO corn overseas," Conner said. "There are limited exports of non-GMO to many countries, including Japan, but the volume is very small compared to GMO."

Said Hamamoto, "Japan typically imports about 2 million metric tons (mmt) of IP non-GMO. That's compared to the roughly 12 mmt of GMO imports that mostly go to animal feed."

The challenges of growing and moving non-GMO crops are many.

"They are more complex to move, and therefore, more expensive to move," said Hamamoto. "IP segregation requires separating farm fields, cleaning planters and harvesters thoroughly, designating trucks and elevator bins and cleaning them, and sacrificing the flexibility and efficiency of the regular infrastructure."

Despite the challenges of growing non-GMO crops, there are farmers who are setting aside some fields to give it a try. Mike McDonald, of Palmyra, Neb., is one of the farmers who've begun to look into non-GMO commodities.

"It's much easier to grow regular, Roundup Ready soybeans," McDonald said. "You have to have everything separated. You have to almost sterilize your combine. You also have to use different herbicides, so my cost went up 30 percent, too. My sprayer has to be completely cleansed and bleached."

"When you ship your beans, they get tested to make sure there's no crossover," he said. "I had some Roundup Ready soybeans in my shipment, so I didn't get the same quality rating for one field that I got in the other."

He's not the only one experiencing frustration. "Another neighbor is doing non-GMO, and I don't know if he will get a premium price, because he had so much Roundup Ready soybeans that co-mingled with his non-GMO."

McDonald said he was counting on a \$2-to-\$3 premium per bushel for his non-GMO beans. "I may wind up getting docked because the non-GMO beans, which are smaller than the regular beans, cracked as they went through the auger."

McDonald expects the non-GMO acreage to increase in the coming years.

"It's (non-GMO) not going away anytime soon," said McDonald. "It's going to keep getting bigger, especially with profit margins shrinking as they have in recent months."

Overseas markets may also play a role in increasing the amount of non-GMO acres in the U.S.

USGC's Conner said, "Given that most corn and soybean exports are going to animal feed, overseas clients typically aren't picky about GMO versus non-GMO. They want a low cost, high quality product."

Conner said there are exceptions. "There are some cases where food manufacturers try to avoid putting a GMO label on their products, so they source non-GMO ingredients."

McDonald said U.S. farmers can't hide from non-GMO labeling of products for much longer. "The EU is already labeling non-GMO products. Canada is labeling them, too. We're behind because we have so many lobbyists trying to control the debate."