

# Stewarding New Technology to Market

Challenges for Food Animal Biotechnology

Mark Walton

Over the next **50 years**, the world's farmers and ranchers will be called upon to produce more food than has been produced in the past **10,000 years combined**, and to do so in environmentally sustainable ways.

-Jacques Diouf, FAO Director General, 2007

# VIAGEN

- IF OUR PRODUCTS:
  - Fill unmet needs
  - Work & are safe
- WE ASSUME:
  - Someone will buy them
  - Our business will succeed



# VIAGEN



Organic Consumers Association

*Campaigning for Health, Justice,  
Sustainability, Peace, and Democracy*



## Public Still In The Dark On Transgenic Salmon

Posted on September 3, 2010 by Heather

The Cloning Company

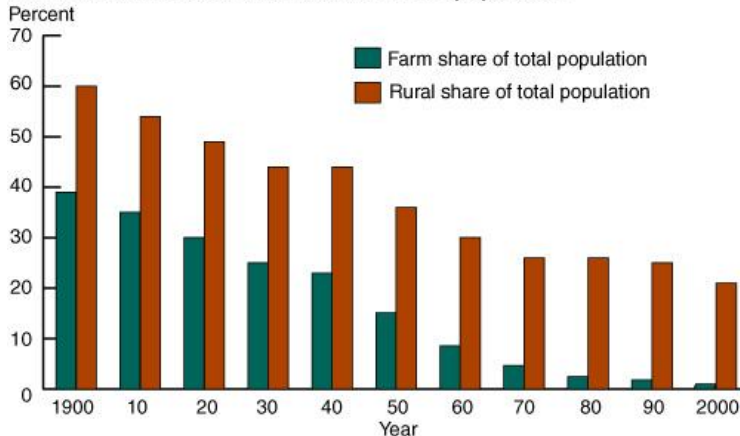
## Getting to Market Requires:

- Validating utility
- Gaining regulatory approval
- Convincing your customer to buy
- Convincing your customer's customer

## Market Environment

- Nascent regulatory system
- Consumers don't know food production
- Increasing concern about externalities

Figure 1  
**Both the U.S. farm population and rural population have dwindled as a share of the Nation's overall population**



Dimitri, Effland, and Conklin, 2005, *The 20<sup>th</sup> Century Transformation of U.S. Agriculture and Farm Policy*, Economic Research Service Economic Information Bulletin No. 3

## What's Up Down on the Farm?

Issues of Concern to Consumers:

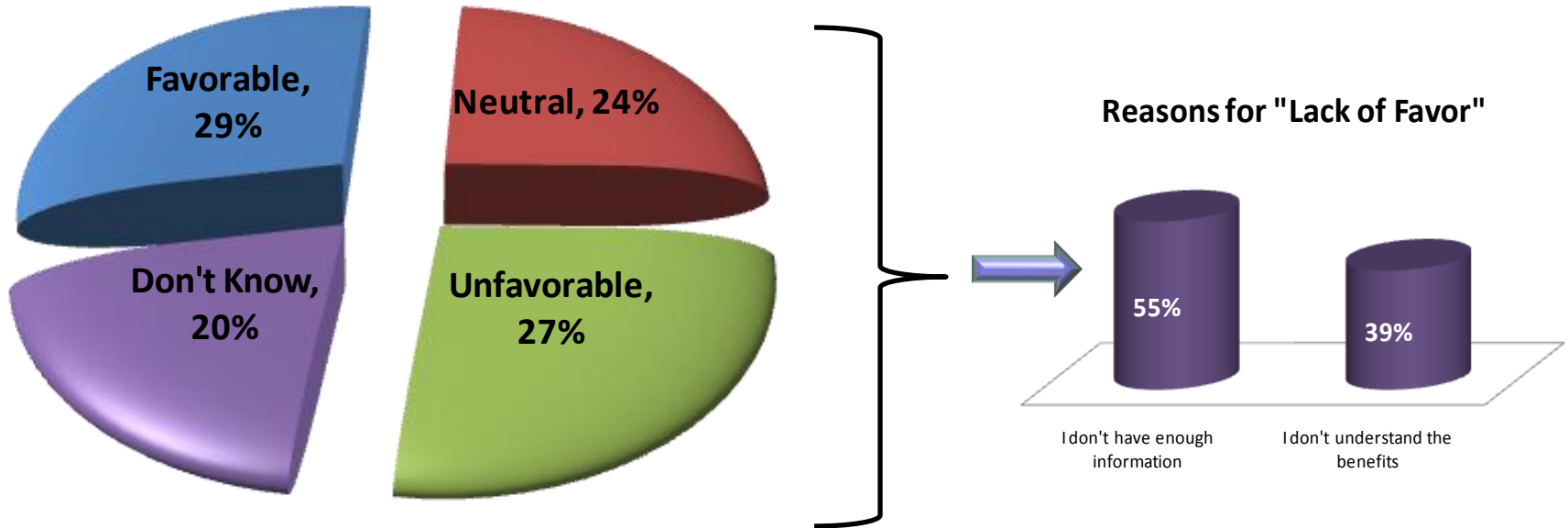
- Environmental degradation
- Fair treatment of employees
- Humane treatment of animals

## Why Are Consumers Anxious?

- Increasing dependence on technology
- BUT:
  - Not competent to judge technology
  - Don't know developers
  - Don't know our values
  - Will never meet us
  - Can't control us

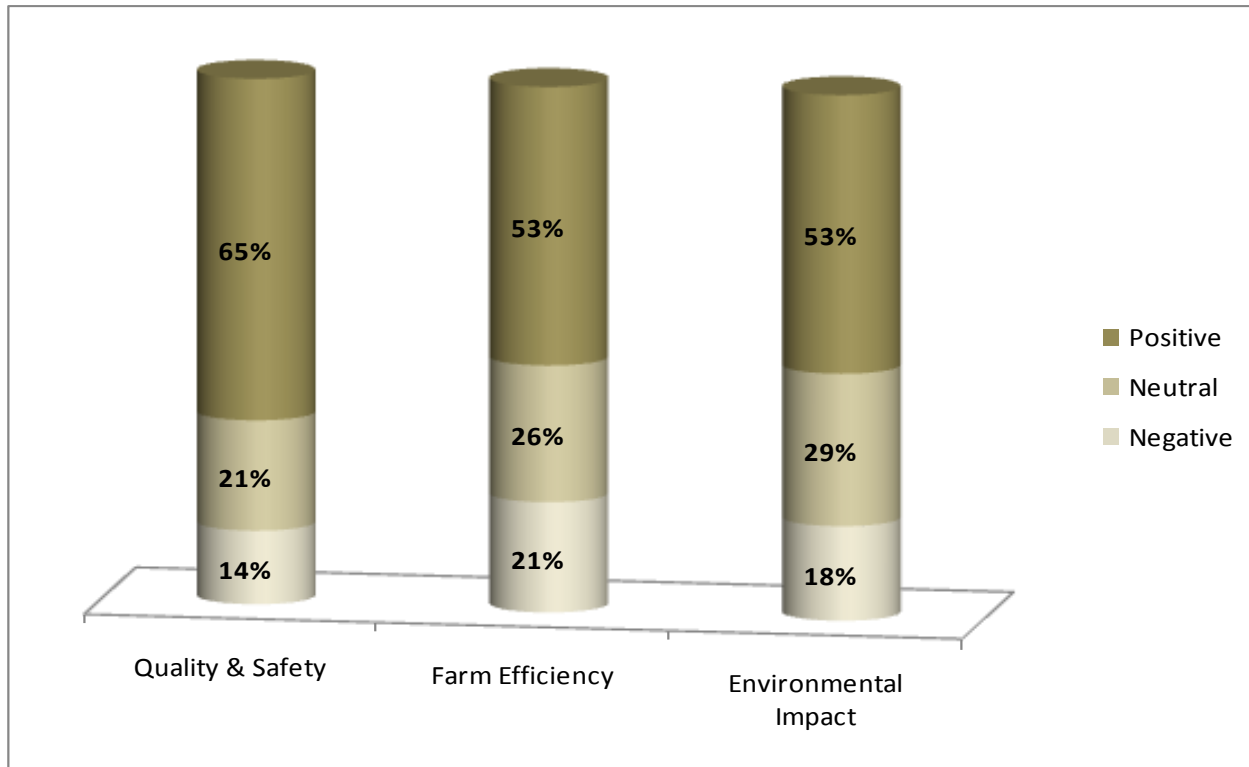


## Public Acceptance of Animal Biotechnology



2010 "Consumer Perceptions of Food Technology" Survey, International Food Information Council (IFIC, [www.foodinsight.org](http://www.foodinsight.org))

## Resonance of Animal Biotech Benefits



# Convincing the Consumer

## **Consumer Trust in the U.S. Food System: An Examination of the Recreancy Theorem**

Stephen G. Sapp, Charlie Arnot, James Fallon, Terry Fleck, David Soorholtz, Matt Sutton-Vermeulen, and Jannette J.H. Wilson

*Rural Sociology* 74(4), 2009, pp. 525-545

## Recreancy Theorem

**Trust** for the **Beholder** (Consumer)...

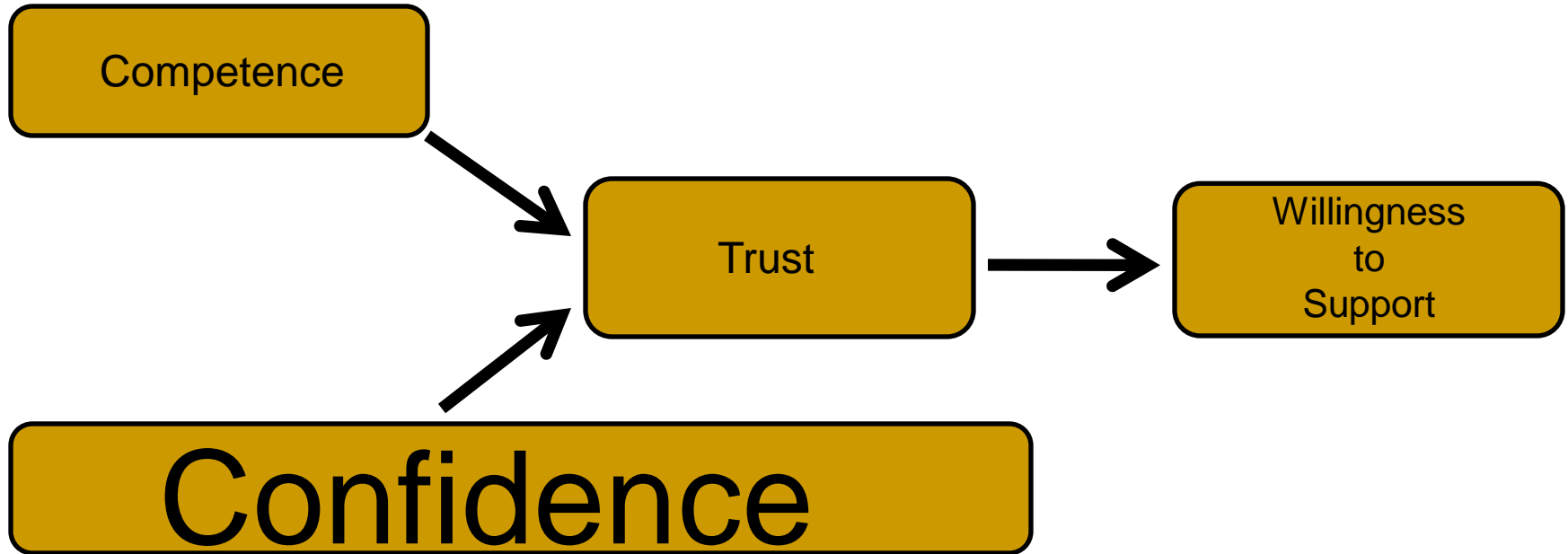
Depends on the **Agents Held Responsible**  
(You) for risk ...

Not on the **Quantitative Risk Assessors**, e.g.  
Regulators

## Competence + Confidence = Trust

- Competence: the skill & expertise to produce a safe and beneficial product
- Confidence: feels an obligation to act on the behalf of the trusting party, i.e. the consumer

“Confidence” = “3X Competence”

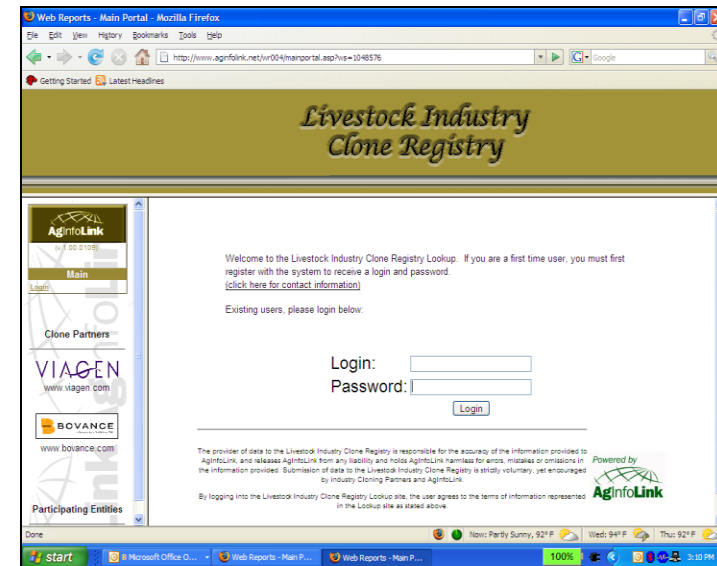


## Expectations

| Stakeholder | Competence   | Confidence   |
|-------------|--|--|
| Regulators  | <ul style="list-style-type: none"> <li>Sound Design</li> <li>Meaningful Data</li> <li>Credibility</li> </ul> | <ul style="list-style-type: none"> <li>Early Interaction</li> <li>Responsive</li> <li>Political Savvy</li> </ul>                       |
| Food Chain  | <ul style="list-style-type: none"> <li>Product Performance</li> <li>Business Savvy</li> </ul>                | <ul style="list-style-type: none"> <li>Their Competitors</li> <li>Market Presence</li> <li>Experience</li> <li>Reach</li> </ul>        |
| Consumers   | <ul style="list-style-type: none"> <li>Regulatory Approval</li> <li>Product Performance</li> </ul>           | <ul style="list-style-type: none"> <li>Industry Reputation</li> <li>Company Reputation</li> <li>“Reasonable Responsiveness”</li> </ul> |

## Getting to Market

- Advocate for science-based regulation
- Engage with industry stakeholders
- Consider global trade issues
- Be “reasonably responsive”



## Reasonable Responsiveness

- Industry communication
  - Keystone Group “Field to Market” Initiative
  - BIO Animal Stewardship Guidelines
  - BIO Food Animal Dialogs



## Building Trust

- Transparency
  - Product attributes
  - Evidence of safety
  - Value to consumers
- Build your brand
  - Share vision
  - Connect!

## Thank You and...

Sioux Falls, SD :: Sept 28-30, 2010



[www.bio.org/  
livestockbiotechsummit/](http://www.bio.org/livestockbiotechsummit/)



**Public Meetings on Genetically Engineered Atlantic Salmon  
September 20 (VMAC) and September 21 (Part 15)**

<http://www.fda.gov/NewsEvents/PublicHealthFocus/ucm224089.htm>