Election Year Legislative and Regulatory Food Politics

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Corn Refiners Association

• Based in Washington, D.C., the Corn Refiners Association (CRA) is the national trade association representing the corn refining (wet milling) industry of the United States. CRA and its predecessors have served this important segment of American agribusiness since 1913. Corn refiners manufacture sweeteners, ethanol, starch, bioproducts, corn oil and feed products from corn components such as starch, oil, protein and fiber. To find out more visit www.corn.org
U.S. Corn Refining Industry – At A Glance

- Annual Corn Grind: 1.55 billion bushels
- Value-Added Manufacturing: 10.20 billion USD
- Collectively employ: 65,300 people
- Capital Investment: 18.18 billion USD
27 U.S. Plants in 11 States
THOUSANDS OF USES AND GROWING …

- Food and beverages
- Paste and adhesives
- Textiles
- Building materials
- Household needs
- Personal care
- Pharmaceuticals
- Mining/metallurgy
- Paper, paper-related products
- Animal feed products
- Industrial
Agenda

• Election Year Political Realities
• GMO Labeling
• Dietary Guidelines for Americans Reform
• Nutrition Facts Label Final Rule
• Taxes, Bans, & Warning Labels
• Questions
Election Year Political Realities: Congress

- Congress will do very little this year, aside from campaign.
- Good opportunity to educate Hill staff for major action in 2017 when new Congress is sworn in.
Election Year Political Realities: Regulatory Agencies

- Meanwhile regulatory agencies will be busy finalizing regulations before President Obama leaves office.
- From FDA alone, these are a few of the major final rules are slated for release:

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<th>HHS/FDA</th>
<th>Final Rule Stage</th>
<th>Food Labeling: Revision of the Nutrition and Supplement Facts Labels</th>
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<td>HHS/FDA</td>
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<td>Food Labeling: Serving Sizes of Foods That Can Reasonably Be Consumed At One Eating Occasion; Dual-Column Labeling; Updating, Modifying, and Establishing Certain RACCs</td>
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<td>HHS/FDA</td>
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<td>HHS/FDA</td>
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<td>Substances Generally Recognized as Safe</td>
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Congress vs. Executive Branch

- When they are in DC, Congressional leadership will likely focus passing appropriations bills and resolutions of disapproval for upcoming regulations slated for release. Supreme Court tensions will likely remain high.

- Under the Congressional Review Act, Congress is empowered to review new federal regulations, by passage of a joint resolution, to overrule a regulation. Congress is given 60 legislative days to disapprove, after which the rule will go into effect.

- For the regulation to be invalidated, the Congressional resolution of disapproval either must be signed by the President, or passed over the President's veto by 2/3 of both Chambers.

- While Presidential vetoes are likely if this occurs, Republicans will use this to draw a distinction between them and President Obama.
What does the 2016 Election Hold?

• **U.S. House**
  – will very likely keep its Republican majority given the strongly drawn districts. Current makeup: (234 R, 201 D)

• **U.S. Senate**
  – Senate Republican will have to work hard to retain their current (54 R-46 D) seat majority.
  – They have 24 seats up compared to Democrats' 10, including seven in states President Obama carried twice.
  – Senate Races Worth Watching in heavy food producing states: WI, IL, FL, NV, PA, NH, CO, NC, IN, OH
GMO Labeling: Vermont

- Vermont mandatory labeling law (Act 120) to take effect July 1, 2016.

- Mandates labels for food containing GMOs while exempting alcohol, animal products such as dairy and meat, medical foods and foods sold for immediate consumption (restaurant foods).

- Prohibits “natural” labels on GMO products.

- Significant manufacturer penalties (retailers not liable) for mislabeled product ($1,000 per SKU per day). Failure to keep updated records also results in similar penalties.

- Vermont law will significantly raise costs across the supply chain which will ultimately be passed down to consumers far beyond Vermont’s population of 625,000.

- Connecticut and Maine have mandatory GMO labeling laws on the books, but are not effective until surrounding state or population triggers hit.

- Northeast is a hotbed for state GMO action.

- Federal standard which includes preemption is urgently needed to avert a patchwork of costly and confusing state laws.
GMO Labeling: Congressional Fix?

• Congressional action must happen quickly given the election year politics at play.

• The U.S. House already acted in July 2015 and overwhelmingly passed a bipartisan federal GMO fix which would grant federal preemption.

• The U.S. Senate has yet to introduce a bill. While many Senate Republicans are ready to act, bill introduction has remained held up due to lack of bipartisan support.

• Senator Pat Roberts (R-KS) Chairman of the Senate Agriculture Committee and Agriculture Secretary Tom Vilsack are deeply committed to getting a GMO compromise through the Senate this year.
Dietary Guidelines for Americans (DGA)

- Released every 5 years jointly by USDA & HHS-informs policy for all federal feeding programs.

- 2015 DGA process most politically charged to date. Questions were raised on scope, transparency, and evidentiary value used in 2015 Dietary Guidelines Advisory Committee (DGAC) Report.

- Final DGA was significantly less controversial than initial DGAC recommendations.

- Biggest loser in 2015 DGA: “Added Sugars”.
Late last year, Congress mandated a National Academy of Medicine (NAM) review of the DGA through the omnibus:

6 SEC. 734. None of the funds made available by this or any other Act may be used to release or implement the final version of the eighth edition of the Dietary Guidelines for Americans, revised pursuant to section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341), unless the Secretary of Agriculture and the Secretary of Health and Human Services ensure that each revision to any nutritional or dietary information or guideline contained in the 2010 edition of the Dietary Guidelines for Americans and each new nutritional or dietary information or guideline to be included in the eighth edition of the Dietary Guidelines for Americans is based on significant scientific agreement; and is limited in scope to nutritional and dietary information.

23 SEC. 735. (a) Not later than 30 days after the date of the enactment of this Act, the Secretary of Agriculture shall engage the National Academy of Medicine to conduct a comprehensive study of the entire process used to establish the Advisory Committee for the Dietary Guidelines for Americans and the subsequent development of the Dietary Guidelines for Americans, most recently revised pursuant to section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341). The panel of the National Academy of Medicine selected to conduct the study shall include a balanced representation of individuals with broad experiences and viewpoints regarding nutritional and dietary information.

The study required by subsection (a) shall include the following:

- An analysis of each of the following: How the Dietary Guidelines for Americans can better prevent chronic disease, ensure nutritional sufficiency for all Americans, and accommodate a range of individual factors, including age, gender, and metabolic health.
- How the advisory committee selection process can be improved to provide more transparency, eliminate bias, and include committee members with a range of viewpoints.
- How the Nutrition Evidence Library is compiled and utilized, including whether Nutrition Evidence Library reviews and other systematic reviews and data analysis are conducted according to rigorous and objective scientific standards.
- How systematic reviews are conducted on longstanding Dietary Guidelines for Americans recommendations, including whether scientific studies are included from scientists with a range of viewpoints.
- Recommendations to improve the process used to establish the Dietary Guidelines for Americans and to ensure the Dietary Guidelines for Americans reflect balanced sound science.
DGA: Congressional

- Congressionally mandated NAM review ongoing
  - first listening session Feb 19

- Strong interest to enhance scientific integrity of DGA process

- Congressional action on DGA unlikely in 2016
  - Provides opportunity for scientific community, food industry, and other interested stakeholders to lay groundwork for potential future reforms.
Nutrition Facts Label (NFL)

– Final Rule Expected March 2016
– “Added Sugars” Disclosures coupled with 10% DV in current FDA proposal
  • FDA has not done consumer research on its current proposal-has only done research on “added sugars” labeling absent the DV.
  • IOM DRI review not conducted to set “Added Sugars” DV
  • No evidence to support a physiological or nutritional difference between added and naturally-occurring sugars
Potential Impacts of NFL Proposal

• Manufacturer reformulations

• Consumer confusion

• Additional recordkeeping and submission of proprietary formula information to FDA
NFL: Congressional

• Congress interested in additional research on FDA’s NFL proposal

• House Energy and Commerce Committee concerned with FDA’s expanded records access under FSMA and other proposals and its ability to keep food industry trade secrets and confidential information secure
  – Recent investigations show considerable data breaches have occurred at FDA
  – Congress continues to examine adequacy of FDA systems
Taxes, Bans, Warning Labels

• A City of Berkeley, CA voted via ballot initiative in November 2014 to place a tax on the distribution of high-calorie, sugary drinks
  – First in the U.S.

• New York City Board of Health unanimously approved salt shaker warning labels for chain restaurant food menu items that contain at least 2,300 milligrams of sodium effective December 2015
  – First in U.S. (Example shown top right)

• Warning labels on sugar sweetened beverages have been gaining traction in CA, NY, and MD, however none have passed. (Example shown top left.)

• Since Jan. 2016, over 30 bills have been introduced in state legislatures with some type of proposed tax, ban, or warning label on sugary products,

• State and local initiatives on nutrition issues are not going anywhere.
• Ballot initiatives increase during election year.
Questions?

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