

2007 Norman E. Borlaug/World Food Prize International Symposium
Biofuels and Biofoods: The Global Challenges of Emerging Technologies
October 18-19, 2007- Des Moines, Iowa

SESSION II. INDUSTRY, POLICY, AND SUSTAINABILITY

October 18, 2007 – 2:00 – 4:30 p.m.

Moderator: Gregory Geoffroy

Speaker: Daniel Sullivan

Ambassador Kenneth Quinn

President - World Food Prize Foundation

That was a terrific morning session. It really has got us launched, and I think you're going to find the afternoon session will match what we had this morning and is going to add a whole other dimension to our discussions as part of the Borlaug Dialogue.

My job is to introduce the individual who we are fortunate to have as the moderator this afternoon. That is a member of our Council of Advisors and someone I consider a very special personal friend, Dr. Greg Geoffroy, the president of Iowa State University. Now, I know Dr. Geoffroy in a couple of ways. But one is, he and I have a University of Maryland connection. He was the provost, and I was a struggling graduate student, but we still have equal affection for that institution.

I know him as a distinguished, effective and wonderful leader of one of America's premier agricultural research universities. And he and I came back to Iowa about the same time, and I have just been so taken by the leadership that he provides and the way that Iowa State is developing and expanding and enhancing its reputation.

But what I didn't know and hadn't focused on as much is what a distinguished scientist he is in chemistry – that you've published 200 articles and given that many distinguished lectures and involved with so many boards. I mean, I'm a political scientist – I probably wouldn't understand the lectures or the papers, but this is very impressive.

So let me introduce at this time our moderator for this afternoon, Dr. Greg Geoffroy.

Gregory Geoffroy

President, Iowa State University

World Food Prize Council of Advisors

Well, thanks very much, Ken, and good afternoon, everyone. In this afternoon session we will hear how leaders in the public and private sectors are confronting the question of the long-term sustainability of biorenewable energy. Our speakers represent a wealth of experience and authority and offer a very diverse perspective on how biofuels development will relate to international trade, commodity markets, food security, biotechnology and balancing biofuels with food and feed and fiber production in global agriculture and commerce.

After all four speakers have presented, there will be time for conversation among them as well as questions from the audience.

Our first speaker is the Honorable Daniel Sullivan, Assistant Secretary in the U.S. Department of State. Mr. Sullivan leads the State Department's Bureau of Economic Energy and Business Affairs in formulating and carrying out U.S. foreign economic policy. Under his direction, the Bureau negotiates agreements with foreign governments, related to trade, international finance and development, biotechnology and energy security. The offices and divisions that he oversees bear responsibility for coordinating and implementing U.S. international trade policy and, together with the Department of Energy, represents the United States at all meetings of the International Energy Agency.

Prior to being named Assistant Secretary, Mr. Sullivan served on the staff of the National Security Council and National Economic Council at the White House and the International Economic Directorate. His responsibilities included representing the United States in international meetings including those of the G-8, APEC and Summit of the Americas.

Before joining the Bush Administration, Mr. Sullivan practiced business and corporate law. He also served as the judicial law clerk to Honorable Andrew Kleinfeld, the United States Court of Appeals for the Ninth Circuit, and Chief Justice Warren Matthews of the Alaska Supreme Court.

Mr. Sullivan graduated from Harvard University with a bachelor's degree in economics and from Georgetown University with a joint law degree and Master of Science in Foreign Service.

Please join me in welcoming to the podium Mr. Sullivan.

Hon. Daniel Sullivan

U.S. Assistant Secretary of State, Bureau of Economic, Energy and Business Affairs

Thank you, Dr. Geoffroy. It's great to be in Iowa. Thank you very much. And it's an honor for me to be speaking here today. It was an honor for me also to see the Acting Secretary of Agriculture, Chuck Conner, with whom I served at the White House during the first term, here. I agree with what Ambassador Quinn said – couldn't have a better Secretary of Agriculture representing the United States.

I also want to congratulate Dr. Nelson. I had, a few months back, the distinct honor to host at the State Department the ceremony that actually made the announcement for the recipient, for Dr. Nelson, as the winner of the World Food Prize. This was an extremely, extremely moving event for me. There was a fantastic turnout at the State Department, several hundred people, a great group, and then as Ambassador Quinn mentioned earlier this morning, I was able to host the lunch after with Dr. Borlaug, several congressmen including Senator Lugar. Nina Fedoroff was there. And we spent two hours discussing these issues, and it was just a tremendous event for me. I do not claim any expertise in these areas, and I learned so much.

One of the things, when I came away from that evening I was talking to my wife. I have three little daughters. I was talking about the day, and I said, "You know, it just made me so proud to be an American, discussing all these issues where we have had such an impact."

But I must say, after listening to the sessions this morning and meeting with many of you already here in Iowa, I think that the pride that I just mentioned was a bit misplaced and perhaps a bit parochial. Because what this really is about – this group, this gathering, this Prize – is American officials, government, farmers, nongovernment organizations, partnering with people all over the world and people represented here who have dedicated you entire lives through science, through agriculture, through farming, in terms of fighting hunger and working on this goal of fighting global hunger.

And so I just want to say on behalf of the United States Government, on behalf of the State Department, on behalf of Secretary Rice, that we very much want to thank you. And I think that the audience here and the participants here really are the people that deserve the most round of applause, so I want to start that.

So as I mentioned, what I want to do today is to discuss a few areas in the area of agriculture, biotechnology and biofuels that the administration is focusing on. And in particular what I want to do is discuss three areas: our work on the international side in terms of agriculture and biotechnology; open trade, the second area, is an important tool to ensure these technologies are available throughout the world; and in some of the work internationally that we are doing with regard to biofuels as a critical, emerging technology both at home and abroad.

So first in the area of agricultural biotechnology. We are all very familiar with the tremendous impact biotechnology has had in enabling farmers to increase crop yields while decreasing pesticide and water use and to help prevent soil depletion.

The administration is playing an active role in promoting the use of biotechnology to address the global needs for sustainable increases in crop production, particularly in the developing world. And while the United States is the global leader in biotech products, in all,

nearly two dozen countries are growing biotech crops on more than a hundred million hectares and in an area nearly equivalent to all the cultivated land in China.

The State Department engages actively in international forums which play a critical role in the international regulation and trade of these biotech products. My team at the Bureau that I lead at the State Department provides support to our diplomatic posts abroad to help government understand the importance of biotechnology products, specifically by organizing workshops and funding speakers' programs. These programs facilitate trade in these products by promoting acceptance of the technology and encouraging adoption of fair, transparent, and science-based policies and practices in other countries, which are critical for attracting investments by biotechnology companies.

Now, as I mentioned from here, our approach has typically been to work in partnership with other countries, encouraging cooperation in expanding markets and expanding acceptance for these types of products. But as you also know, we feel that these issues are important enough, at very, very senior levels within the administration, that when cooperation has not always worked, we've also taken other action.

As you know, there was a very big decision by the administration to join with Canada and Argentina with regard to a WTO case that was brought against the EU's moratorium on improving biotech products. Now, what that resulted in was a WTO decision that we thought was favorable. So right now we are working very closely with the Commission of the European Union to address biotech trade barriers that discourage developing countries from adopting these technologies for fear of losing access to an important export market.

EU member states have their own obligations to ensure Europe's product approval system is based on science and not subject to unnecessary delays. So that is continuing work. We think it's going well, and it's a very high-level focus of the Administration right now.

Now, the second area that I wanted to mention this afternoon was in the work that we're doing with regard to opening markets. We think that open markets and free trade are a powerful policy tool to help ensure the benefits of these new technologies be made available globally.

And so we are working hard, as many others are, many countries represented here in the room, on the Doha negotiations. Actually, we believe that we are in an important phase of the Doha negotiations as we speak. And we are also working hard through the Bush Administration's very ambitious initiatives through our Free Trade Agreement.

We had two Free Trade Agreements when the Administration started. We now have – I believe the number is at 12, covering 17 countries, with 4 more very important ones pending, that will be pending before Congress – the Free Trade Agreements we have with Korea, Colombia, Panama and Peru. We think that these will have important benefits, both to American farmers and exporters, to enable our countries to establish secure and predictable legal frameworks and provide strong protections for investment in intellectual property, which is also very important with regard to biotechnology products.

We also think, more parochially, that these Free Trade Agreements will have very, very significant benefits for Iowa farmers and workers and businesses.

And there's another element to these that's been discussed a lot lately. Secretary Rice gave a major address at the Organization of American States last week. And the President just gave a speech two days ago on these Free Trade Agreements, the ones that are pending. But there is also a very critical development and foreign policy reason that we see these agreements very much in the national interest of both the United States and the partner countries with which we are partnering in these Free Trade Agreements.

The third area that I wanted to mention and that Secretary Conner covered so eloquently over lunch was in the area of biofuels and what we are doing with regard to international cooperation in biofuels.

We very much believe that sustainable biofuels production holds the potential to reducing our dependence on foreign oil, which, as the Secretary mentioned, everybody in the United States is very focused on; improving environmental quality especially with regard to the challenges that we face globally with regard to climate change; and increasing farmers' income, both in developed and developing countries.

In fact, we believe that few other technologies offer such promise within our lifetime. And I think that you see here in Iowa there's a large focus on that with a similar enthusiasm.

So the United States now is the global leader in biofuel production, and we have developed many incentives to encourage a wide diversity of biofuel feedstocks to reach the President's goal that, again, was mentioned by Secretary Conner – of 35 billion gallons of biofuels by 2017 – recognizing that no single production method or technology will allow us to meet all of our energy needs.

But internationally, there has also been an explosive growth in biofuel production that is rippling through the global economy, increasing demand for corn in the Midwest, sugar cane in Brazil, and palm oil in places like Malaysia. The demand for biofuels will lead to, and in many cases has already resulted in, expanded crop production, more investment in rural biofuel refineries, and greater rural economic activity and diversity in biofuel production regions.

And so we are working to ensure that this production is done in a sustainable fashion. Now, this morning Mr. Hugh Grant in his opening remarks focused very much with regard to the issue of partnerships and how important these are. And he posed one of the questions – How do we build them? That was one of the questions he posed this morning.

One strategic partnership that I wanted to highlight is the United States' recent strategic partnership that we have been focused on with regard to biofuels in the Western Hemisphere with Brazil. And anyone that heard Minister Rodrigues' comments this morning understands the importance and the enthusiasm with which our neighbors in South America are addressing this issue.

So the biofuels partnership that was launched by Secretary Rice and Foreign Minister Amorim focuses really in three areas: a focus on cooperating on R&D together, Brazil and the United States; third-country cooperation – right now there are teams from Brazil and the United States focusing on third-country interests in domestic production of biofuels, particularly in Central America; and then multilaterally working through such international forums as the International Biofuels Forum, which includes Brazil, China, the European Union, and South Africa, to work on issues such as standards and different regulatory approaches to biofuels internationally.

As with the introduction of any new transformative technology, there will obviously be short-term challenges as the global economy adjusts to the biofuels revolution. And again Secretary Conner did an excellent job in mentioning some of these this morning in that adjustment process. But we believe that the agriculture biotechnology will play an increasingly important role in delivering higher crop yields and better plant varieties for sustainable ethanol production.

And finally, I wanted to just in closing also mention again from Mr. Grant's discussions this morning on the issue of partnership and his focus on Africa. And I think it was a very appropriate focus, and what I wanted to mention briefly was that you do see, with regard to a focus there, a coming together of a partnership that will enable a more concerted, I think, and again different stakeholders' help in addressing some of the issues that he mentioned.

So the United States government, the Bush Administration, remains focused on increasing agricultural productivity in Africa through such programs as the President's Initiative to End Hunger in Africa. But what you're also seeing is a focus elsewhere. I just was in Seattle, had a discussion with the Gates Foundation, and they have included biotechnology as a critical component of what they're calling their Alliance for a Second Green Revolution that is focused on Africa.

And then you also see in the form of the leadership of the new president of the World Bank, Robert Zoellick, who is someone who is very – from when he was a Cabinet member of the United States government – focused on Africa. And in his hundred-day remarks, on his hundredth day as the World Bank president, he talked about the need for a 21st century Green Revolution in Africa and some of the programs that the World Bank would look to undertake.

I think you see a coming together, and I thought it was a very interesting point that Mr. Grant mentioned this morning and something that I wanted to share with everybody here.

So again, I appreciate your patience this morning. We think that gaining acceptance of many of the emerging technologies that have been talked about here and truly putting them to work will require an international effort that ensures that the benefits of these technologies are widely shared across the globe.

We look forward at the State Department and throughout the U.S. Government to continue to work with all of you on these issues. And again I want to thank you personally for the leadership that people in this group have provided. Thank you very much.