

Book Review

Thwarting Consumer Choice: The Case Against Mandatory Labeling for Genetically Modified Foods

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THWARTING CONSUMER CHOICE: THE CASE AGAINST MANDATORY LABELING FOR GENETICALLY MODIFIED FOODS. By Gary E. Marchant, Guy A. Cardineau, and Thomas P. Redick. Washington, DC: American Enterprise Institute (AEI) Press, 2010, 108 pp. \$29.95 (hardcover). ISBN: 978-0-8447-4326-4.

This thin book—less than 70 pages of text—succinctly counters every argument made in favor of mandatory labeling of GM foods. Each of these arguments, including the ‘consumer’s right to know,’ enabling consumer choice, and public opinion is systematically analyzed and rebuked.

The “consumer’s right to know” argument seems most compelling as, superficially, it seems a truism that people should have a right to know what they are buying. This point appears so self evident that many regulators and politicians around the globe assume it *prima facie*. However, delving past the surface and more deeply investigating typical market practices shows that this “right” is not upheld in the case of many, if not most, consumer products. There are innumerable examples in the market where consumers are not given full information on a product, apart from a general product description and nutritional composition. This is particularly true for ‘no-name’ products or generic brands. Consumers enjoy a reduced price, with perhaps some reduced quality (but still safe and within certain quality thresholds) in choosing such products, even when the label may only say, for example, “sliced carrots” or “pickled beets.” How many consumers feel the need to know the named varieties of wheat that went into the loaf of bread they are buying? In actuality, even manufacturers cannot answer such a question, as the bread is undoubtedly a composite of dozens of different wheat varieties grown by many different farmers. Specialty breads baked using specific wheat cultivars might seem an exception, but they are segregated products to meet a certain market segment, and they are more expensive than regular bread (which lacks wheat-variety labels).

“Consumer choice” is another main argument of proponents, who reason that lack of labels removes the choice for consumers who wish to avoid GM foods. Marchant, Cardineau, and Redick skillfully show how labels have actually been used to reduce consumer choice, notably by having any labeled GM foods removed from markets under threats of boycott from

some of the very organizations that claim to promote consumer choice. Until opponents of GM foods cease hijacking the use of GM labels such that consumers who do wish to purchase GM foods are not able to, the use of the ‘consumer choice’ argument will continue to suffer from all the shortcomings pointed out by the book authors. And the authors correctly point out that consumers who do wish to avoid GM foods can do so readily, by supporting products from which GM foods and ingredients are verboten, such as organic foods.

Marchant, Cardineau, and Redick also analyze the cost of mandated labels, after noting that the public opinion surveys often used to motivate and justify mandatory labeling do not typically make such incremental costs a consideration of the proposed “choices.” Obviously, there is always a cost in implementing mandatory labels, and these are invariably passed on to consumers. The authors rightly note that when the predicted cost of labeling is included in the question, consumers overwhelmingly reject mandatory labels.

One point that relates to mandatory labeling which the book authors do not sufficiently address concerns the fundamental economic reality exemplified in the aphorism “he who pays the piper calls the tune,” and its corollary “he who calls the tune pays the piper.” In our market economy, consumers demanding certain products or services pay for the delivery of those products or services; the cost is not distributed across all of society. For example, Kosher, Halal, and organic foods are important segments in the food market, but their consumers pay the increased costs of supply in the form of higher prices. In the case of GM foods, the demands for mandatory labeling come mainly from those wishing to eschew the GM foods; thus, they attempt to offload the burden of cost onto those consumers indifferent to labeling. Getting the piper to play your favorite tunes while forcing someone else to pay through government fiat would appear an unfair and inefficient market outcome.

Another aspect not fully explored in the book is the definition of a GM food subject to the demanded label.

What constitutes “GM food” differs in the legal language of different countries; the United States, Canada, and the European Union all have different, sometimes conflicting definitions, so a food facing mandatory labels in one country or region may be exempt in another. For example, soybean oil produced from GM soybean plants carries only trace amounts of DNA or protein, so there is no reliable way to distinguish the oil squeezed out of GM soybeans and non-GM soybeans. As the presence of detectable transferred DNA or its associated protein is used as the trigger for labeling in some places, vegetable oils made from soybeans,

canola, corn, and cotton—not coincidentally the major GM crops currently grown worldwide—these tests present major problems in consistent application of the demanded labeling policy.

Despite these few limitations, the authors present a carefully crafted, comprehensive, and compelling argument against mandatory labeling of GMOs. Their arguments, in turn, support the current policy in the United States and Canada, where process-based food labeling is voluntary. Readers interested in the issues of consumer choice, proper market conduct, and GM labeling policies will find this book interesting and informative.