



Q: What is channeling and does it affect marketing of soybean grain?

A: Channeling does not have a definition recognized by all individuals involved with grain production and marketing. And, its legal implications are, as yet, unresolved. The word has been used by two large seed companies to describe their programs for directed marketing of grain that contains genetics not fully approved for world markets. New varieties produced through transgenics must be approved by several US government agencies before these varieties can be grown and marketed in the USA. Foreign governments must also approve these biotech varieties before grain produced by US farmers can be imported into their countries. This approval process often requires a considerable amount of time. In some instances, seed companies decide to release biotech varieties before full approval is received (either for all uses in USA or all potential importers).

When release of varieties without full approval happens grain that results from these varieties must not enter specific market channels. It is illegal for grain to be sold to unapproved markets, even if the marketing is unintentional. Small amounts of unapproved grain can contaminate whole grain lots and these grain lots may be destroyed or turned back at the market. Seed companies that release varieties not approved for all markets attempt to control the flow of grain into specific approved channels, thus the word channeling.

Growers that purchase varieties that are not fully approved take on some of the responsibility of making sure that the resulting grain is sold only to approved markets. Often, producers are asked to sign an agreement in which they promise to follow marketing recommendations made by the seed company.

Tracking and identifying grain resulting from unapproved varieties can be difficult for cross-pollinated crops such as corn. Pollen from biotech varieties carries genes that can produce unapproved grain. Isolation procedures may be necessary to prevent pollen contamination. Fortunately soybean is self-pollinated so the concern of contaminating neighboring fields is far less. In addition, soybean growers associations have successfully convinced seed companies not to broadly release unapproved varieties. So, channeling is usually not required for soybean producers.

You should not confuse channeling with identity preserved (IP) crop management. In most examples of IP, contracts are written that specify places for grain delivery and use. Concerns about the success of grain channeling should not be extended to identity preserved crop management.

Sometimes channeling and IP may overlap. For example the IP contract may relate to a specific trait that resulted from transgenic methods (e.g. modified fatty acid profile). In some instances, the grain with the IP trait may not be approved for all uses or import into all countries. This is not a problem as long as the grower meets all of the contract specifications. But, sometimes something goes wrong and the contract specifications are not met. If this happens, the entire grain lot may be rejected for IP use. The grower must

be careful into which market stream the rejected grain is placed. It is important to include these contingencies in the signed IP contract.

Growers should be aware that marketing decisions might be impacted by variety choice. They should read all agreements and company literature carefully – particularly if a signature is required. Growers assume the responsibility of marketing grain in appropriate places. This is particularly difficult with cross-pollinated species because of the potential of contaminating neighboring fields. Seed companies should be encouraged to delay variety release until approval for all uses and export venues is achieved.