

Food Trade Wars

**Chamber Weekly CEO/Business Leader Poll
by COMPAS in the *Financial Post*
for Publication July 21, 2003**



**COMPAS Inc.
Public Opinion and Customer Research**

1.0 Introduction

This week's webpanel survey shows that business leaders are substantially confident in GMO foods and enthusiastic about the quality of Canadian beef. Given their confidence in GMO's, one might expect business to perceive the food trade sanctions imposed by Europe as largely driven by protectionist considerations rather than concerns about health, and they do. They likewise perceive the Japanese ban on Canadian beef as driven by trade interests. These are the key findings from the Financial Post/COMPAS survey.

2.0 Positive Feelings Towards Genetically Modified Foods

Canadian business leaders generally appear to view genetically modified foods in a positive light. Most respondents (59%) believe that the genetic modification of foods is a beneficial development for mankind, as shown in Table 2.1. There is a nonetheless sizeable minority of respondents (37%) who tend to believe that genetically modified foods are not yet proven safe and should be more heavily regulated.

Table 2.1: (Q1) Which of the following opinions about genetically modified foods is closer to your own?

	%
Genetic modification of foods is beneficial to mankind by using science to improve the shelf life, quantity, and value of food	59
Genetically modified foods should be heavily regulated or prohibited because the risks of changing the nature of food are too great and unknown	37
DNK/REFUSED	4

An observation by one respondent:

Too much of the GMO food debate is based on emotion rather than science. There is little or no scientific evidence that GMO foods are more dangerous than conventional foods. In fact, they are much more heavily tested and therefore safer.

3.0 Confidence in the Safety of Canadian Beef Compared to U.S. Beef

Not only do Canadian business leaders appear to express confidence in the safety of genetically modified foods, they also display a propensity to believe that Canadian



beef is as safe as or safer than U.S. beef. Almost all respondents (96%) seem to be of the opinion that Canadian beef is as safe or safer than U.S. beef, as shown in Table 3.1. A slight majority of respondents (55%) tend to believe that Canadian beef and U.S. beef are equally safe.

Table 3.1: (Q2) Do you think Canadian beef is...
[ROTATE POLES]

	%
A lot safer than US Beef	23
Somewhat safer	18
About the same	55
Somewhat less safe	1
A lot less safe	0
DNK/REF	2

An observation by one respondent:

Currently Canadian beef is the safest anywhere because of the BSE scare. We now have tighter controls than the U.S.A.

4.0 Trade Sanctions Have More to do With Economics Than Food Safety

Given their apparent confidence in the safety of Canadian beef and genetically modified foods, it is not surprising that Canadian business leaders appear doubtful of the legitimacy of European and Japanese food-safety trade sanctions. Respondents tend to agree (mean 5.1) that Japan's ban on Canadian beef is not the result of Mad Cow Disease fears; rather it is being used as a means to promote Japan's domestic beef interests (65% agree vs. 18% disagree). Similarly, Canadian business leaders tend to agree (mean 5.1) that the European Union's ban on genetically modified foods is not based upon public safety concerns, but instead represents a protectionist agenda towards domestic agriculture (65% agree vs. 20% disagree).

In keeping with their perception of the protectionist character of Europe's and Japan's food trade agenda, Canadian business leaders are hesitant (mean 3.0) about changing existing Canadian farming practices to move in line with European and Japanese standards. Those who tend to disagree with this suggestion outnumber those who agree by a margin of 3:1 (59% versus 21%; table 4).

Those who view genetically modified foods positively are significantly more apt to agree that Europe's ban on genetically modified foods is driven by protectionism than those who view these genetically modified foods negatively (mean 5.9 vs. mean 3.6). Furthermore, those who view genetically modified foods positively are significantly less



likely to agree with the notion that Canada should change its agricultural practices than those who view genetically modified foods negatively (mean 2.5 vs. mean 3.7).¹

As some respondents said;

The federal government should be doing more to convince the Japanese to lift their ban. It is a shame that our government is not fighting this.

Table 4.1: (Q3) As you many know, there are a number of international food and agricultural trade disputes. Please rate each of the following statements using a 7 point scale where 7 means strongly agree and 1, the opposite.

	Mean	7	6	5	4	3	2	1	DNK
Japan's refusal to open its borders to Canadian beef is part of a strategy to limit consumption of foreign beef in Japan and has little to do with fear of Mad Cow Disease.	5.1	26	20	19	11	7	4	7	7
The European Union's ban on genetically modified foods is part of a protectionist strategy to help their heavily subsidized agricultural industry and has little basis in science or health fact	5.1	25	25	15	8	6	7	7	7
Europe and Asian are wise to be concerned with North American farming practices, for reasons like GMO or BSE, and Canada should change its agricultural practices to keep in line with EU or Japanese standards.	3.0	4	7	10	7	15	22	22	12

5.0 Methodology

The *National Post*/COMPAS web-survey of CEOs and leaders of small, medium, and large corporations and among executives of the local and national Chambers of Commerce was conducted July 15 – July 17 2003. Respondents constitute an essentially hand-picked panel.

¹ ANOVA comparison of means Q1 * Q3



*Chamber CEO/Business Leader Poll by COMPAS in the Financial Post
for Publication July 21, 2003*

Because medium and small companies are more numerous in the economy and hence among Chamber membership, the actual respondents in this consultative panel are drawn more from these strata than from the stratum of the largest companies. Because of the small population of CEOs and business leaders from which the sample was drawn, the study can be considered more accurate than comparably sized general public studies. In studies of the general public, surveys of n=139 are deemed accurate to within approximately 9 percentage points 19 times out of 20. The principal and co-investigator on this study are Conrad Winn, Ph.D and Tamara Gottlieb.

