INTELLIGENCE PAPER · No. 24

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Why the Binding Constraint in Agricultural Genetics Is No Longer the Laboratory

≈$10-15M vs ≈$116-136M
Cost to bring a gene-edited vs. a transgenic trait to market

4-6 yrs vs 16.5 yrs
Corresponding time to market

$2.8bn
2025 agricultural-CRISPR market (agri. subset), ~15%CAGR

3 years
The window the U.S.'s own commission says it has before China's lead sticks

Thesis

In agricultural genetics the decisive variable is no longer whether a trait can be engineered. It almost always can. The decisive variable is how a regulator *classifies* the result. A change to a plant or animal read as “GMO” carries roughly an order of magnitude more cost and more than a decade more time than an outcome that could also have been achieved through conventional breeding but read as “conventional.” That single classification fork now determines which traits reach the field, which companies can afford to play, and which countries set the pace. The editing tools are increasingly accessible; the regulatory system is not. This is where the money, the controversy, and the geopolitics now sit.

> **Key Finding.** The competitive and geopolitical map of genetics is being redrawn by a regulatory question, not a scientific one. Jurisdictions that treat transgene-free edits as conventional (US, China, Japan, Argentina, Canada, and now England) compress development to ~4–6 years and ~$10–15M per trait and open the field to startups and public institutes. Jurisdictions that retained process-based GMO rules kept cost and time at transgenic levels (~$116–136M, ~16.5 years) and effectively reserved the field for the four majors. The EU has now moved: both the Council (21 April 2026) and the European Parliament (17 June 2026) have adopted the New Genomic Techniques regulation — removing the last major holdout among Western agricultural economies. The open questions are now *how fast it bites* (application expected mid-2028) and *how much divergence with the UK and US persists in the meantime.*

1. Why genetics turned hot — and why this paper is not Paper No. 23

Paper No. 23 covered agrochemicals, biologicals and precision formulation — the *inputs* applied to a crop. This paper covers the *crop and the animal themselves*: the genome as the product. The two connect (a disease-resistant plant needs fewer fungicides; an edited pig needs fewer antibiotics) but the controversy profile differs in kind. Agrochemicals are argued over on toxicology and residues. Genetics is argued over on something more primal — the legitimacy of altering the hereditary material of the food supply, who owns that material, and who is allowed to decide.

Four forces moved genetics from a slow-burn research topic to a board-level and policy-level priority in roughly three years:

Climate volatility made resilience traits commercially urgent.

Drought, heat, salinity and flooding now destroy yield reliably enough that tolerance traits have a clear, repeatable payback. Gene editing reaches them far faster than conventional breeding. (*Frontiers in Genome Editing*, June 2025.)

Gene editing escaped the GMO frame — legally.

Transgene-free edits introduce no foreign DNA and produce changes that can be indistinguishable from natural mutation or conventional mutagenesis. A widening set of regulators have concluded these should not carry the GMO regulatory load. That reclassification, more than any lab advance, is what unlocked commercial activity. (*National Science Review*, April 2022; *Frontiers in Bioengineering*, May 2025.)

Food security became national-security language.

China imports ~100 million tonnes of soybean a year and has made domestic-production resilience a state priority; the US has reframed biotechnology as a strategic competition. The vocabulary around crop and livestock genetics is now sovereignty, not just agronomy. (*National Science Review*, April 2022; NSCEB final report, April 2025.)

The first products actually shipped.

This is no longer promissory. Gene-edited high-oleic soybean oil (Calyxt, US, 2019, via TALENs), waxy corn (Corteva), GABA tomatoes (Sanatech, Japan, on sale since 2021), longer-shelf-life salad greens (Pairwise/GreenVenus, US), and — the landmark — an FDA-approved disease-resistant pig (Genus/PIC, April 2025) are on the market. Others are in late trials: the UK vitamin-D ("Sunshine") tomato (John Innes Centre) is field-trial/clinical-trial stage, not yet on shelves. The debate has moved from "if" to "under what rules." (Genetic Literacy Project; *DigiComply*, July 2025; FDA/Genus, April 2025.)

> ***[Flagged]*** *"Controversial" is used precisely here. Among plant scientists the safety of transgene-free editing is close to settled — the European Academies' Science Advisory Council argued as early as 2013 that risk attaches to the trait's function, not the method of its introduction. The live controversy is over governance, consumer consent, corporate concentration and dual-use — not over whether a SNP-level edit is dangerous per se.*

2. The players — who matters, and Hendrix specifically

The sector reads best as five layers, because the value (and the risk) sits in different places at each.

2.1 Crop majors — the incumbents with the IP

Corteva Agriscience is structurally dominant because it holds one of the broadest commercial agricultural CRISPR licensing positions, sublicensed from the foundational Broad Institute / University of California estate, and runs dedicated editing centres (Iowa, California) on staple crops. (CRISPR IP is fragmented; Corteva does not "control" agricultural CRISPR — but its position is broad enough that commercial-scale editing often runs through it, which is why the patent fight below matters.)

Bayer (Crop Science), **Syngenta Group** (China-owned via ChemChina/Sinochem), **BASF (Agricultural Solutions)** and the European seed houses **KWS** and **Limagrain** form the second tier — deep germplasm, global distribution, heavy CRISPR R&D, increasingly AI-driven trait discovery. Syngenta notably runs editing facilities inside China aimed at Asian climate-resilience and yield traits, and a Syngenta subsidiary (China National Seed Group) appears in China's approved gene-edited list.

2.2 Crop pure-plays — the trait specialists

Cheap editing created a startup layer that did not exist in the transgenic era:

- **Inari Agriculture** — AI-guided multiplex editing of corn, soy, wheat; ~$720M raised and ~$2.17bn valuation (as of early 2026); now the defendant in Corteva's patent suit.
- **Pairwise** — CRISPR/base-editing fruit and vegetables; already commercial (Conscious greens); holds ~21 US regulatory exemptions as of 2025 (APHIS exemptions are rising quickly).
- **Cibus** (merged with **Calyxt** in 2023) — oligonucleotide-directed editing; >1,000 issued/pending patents (as of 2025); refocused on rapeseed/canola traits after its early oil products failed to scale.
- **Tropic Biosciences** (Norwich, UK) — RNA/gene editing for banana, coffee, rice; its non-browning banana made *TIME*'s Best Inventions 2025.

- **Elo Life Systems** — editing Cavendish bananas for resistance to Tropical Race 4 (the fungus threatening the global banana).
- **Yield10, Phytoform, Plantae/KeyGene** and others fill out the field.

> ***[Flagged] Cautionary data point.*** *Benson Hill filed for bankruptcy in March 2025. Capital raised is not a validated business model. The pure-play layer is real but financially fragile; consolidation into the majors is the base case for most of it.*

2.3 Livestock genetics — and the Hendrix question, answered directly

Is Hendrix Genetics one of "those" players? Yes — but not in the sense the brief implies, and that distinction is the most useful thing in this section.

Hendrix Genetics (Boxmeer, Netherlands) is a genuine global heavyweight in *animal breeding* — laying hens, turkeys, traditional poultry, swine, salmon, trout and shrimp. But its toolkit is **quantitative and genomic breeding (marker-assisted selection, genomic prediction), not CRISPR gene editing.** It improves animals by *selecting* existing genetic variation faster and more accurately, not by *rewriting* the genome. Its recent news flow is corporate and conventional, not editorial: a swine merger (Hypor + Danish Genetics → Hendrix Genetics Swine, completed late 2024 / January 2025), continued multi-species expansion, FAO recognition for sustainable breeding, and an ownership reset in which **Paine Schwartz Partners (with Mitsui and Rabo Investments) holds ~50%** alongside the founding family. It also weathered a hard 2022–24 (avian influenza, African swine fever, feed and energy costs) that forced a full refinancing in 2024.

The actual livestock **gene-editing** frontrunner is a different company:

Genus plc (UK), through its swine division **PIC (Pig Improvement Company)**, secured the landmark on **30 April 2025: the first FDA approval of a gene edit for commercial livestock in the US food supply** — a CRISPR edit (a small deletion in the **CD163** gene, the receptor the virus uses to enter cells) that makes pigs resistant to **PRRS**, a disease costing the global industry ~$2bn a year (industry estimates range ~$1.8–2.5bn) and driving a >200% increase in antibiotic need in affected herds. The underlying science came from the **Roslin Institute (Edinburgh)** and the **University of Missouri**. Critically, Genus is holding back broad US commercialisation until key export markets (Mexico, Canada, Japan, China) also clear it.

> **"The science is done; the gating factor is multi-jurisdiction classification."**
>
> *The Genus/PIC PRRS pig is the thesis in a single case: an approved, validated edit held out of its largest market not by biology but by the patchwork of national rules it must still satisfy.*

The rest of the livestock layer — **EW Group / Aviagen** (broilers), **Cobb-Vantress** (Tyson; broilers), **Topigs Norsvin** (swine) and the genomics-services player **Neogen** — remains, like Hendrix, predominantly breeding-and-genomics rather than editing. **The positioning takeaway: "animal genetics" splits cleanly into a large, mature breeding industry and a tiny, regulation-gated editing frontier currently led by one company.**

2.4 Bio-manufacturing / metabolic engineering — the chemicals adjacency

This is the layer that touches IMP's specialty-chemicals core most directly. The pitch: engineer microbes into "micro-factories" that ferment sugars into resins, intermediates and specialty molecules, displacing fossil feedstock.

- **Ginkgo Bioworks** is the horizontal platform — cell-programming "Foundry + Codebase," spanning food/ag, pharma and industrial/specialty chemicals; equity stakes in **Genomatica, Motif, Allonnia** and others; a long-running nitrogen-fixation partnership with Bayer.
- **Genomatica** (bio-based BDO, nylon intermediates), **LanzaTech** (gas fermentation to chemicals/fuels), **Solugen, Conagen** round out the credible names.

> ***[Flagged] Reality check, stated plainly.*** *This layer has over-promised. Amyris went bankrupt in 2023; Ginkgo spent 2024–25 executing ~$250M of annualised operating-expense reductions and is only targeting adjusted-EBITDA breakeven by end-2026. The chemistry works at bench and pilot; the economics at fossil-competitive scale frequently do not. For a chemicals audience the honest framing: bio-manufacturing is a real, slow-maturing option on specific high-value molecules, not an imminent replacement for the cracker. Treat vendor scale-up claims with the skepticism applied to any pre-profit platform.*

2.5 The toolmakers and the IP chokepoint

Beneath everyone sits the patent estate. The foundational CRISPR-Cas9 patents are held by the **Broad Institute** and the **University of California**, with **ERS Genomics** (Charpentier-derived) and **Caribou Biosciences** licensing broadly. In agriculture, **Corteva holds a key sublicensing position** — which is why **Corteva v. Inari** is the first true product-stage patent war in the field, not a dispute over promises. Licence control is a major gate to market entry — alongside germplasm access, breeding know-how and distribution. This is the concentration risk in concrete form.

3. The three themes from the brief — calibrated to maturity

Climate-resilient phenotypes (commercially live). Drought-, salinity- and flood-tolerance and disease resistance are the most investable traits because the climate payback is repeatable. Concrete examples already moving: salt-tolerant rice field trials (Alora, UK, from 2023); Cibus salt-tolerance and pod-shatter canola; powdery-mildew-resistant wheat (Caixia Gao, Chinese Academy of Sciences); flood/heat work across the majors and Inari. This theme has the clearest near-term revenue.

Next-gen bio-manufacturing (real but over-hyped). Covered in 2.4. The trait is genuine; the timeline and unit economics are the open questions. **[Flagged]** Recommend the paper resist the "microbes replace fossil chemistry" framing and position it instead as selective, molecule-by-molecule substitution where bio has a structural cost or sustainability edge.

Epigenetic regulation (frontier / mostly pre-commercial). The least mature of the three; flagged as such. The science is well-established as *research*: DNA methylation, histone modification, chromatin remodelling and non-coding RNAs regulate gene *expression* without altering the DNA sequence, and correlate with muscle/meat quality, fertility, heat-stress adaptation and disease resistance in cattle, swine, poultry and sheep. Tools (whole-genome bisulfite sequencing, CUT&RUN/CUT&TAG, single-cell ATAC-seq) and "epigenome editing" (dCas9 fused to methylation writers/erasers; CRISPRa/CRISPRi) are advancing fast.

> ***[Flagged]*** *The honest status: epigenetic information is not yet routinely integrated into commercial breeding because high-throughput, robust, cost-effective methylation assays do not yet exist at production scale for livestock breeding programmes (they exist in research). And durable, heritable, controllable epigenetic editing of livestock remains largely experimental. The brief's framing ("optimise livestock health and yield without permanently altering DNA") is the correct direction of travel but not today's commercial reality. (Frontiers in Genetics / Animal Science, 2020–2026; Animal Frontiers, 2021.)*

4. Benefits — the upside case, sourced

• **Speed and cost.** ~4–6 years and ~$10–15M for an edited trait where it is not regulated as a GMO, vs. ~16.5 years and ~$116–136M for a transgenic trait. (Phillips McDougall / AgbioInvestor for CropLife, 2022; *ScienceDirect*, Feb 2026.)

• **Democratised access.** Lower cost lets universities, public institutes and startups develop traits — breaking the four-major monopoly of the transgenic era.

• **Antibiotic and chemical reduction.** PRRS resistance alone could cut a >200% antibiotic burden in affected herds in severe outbreaks, per veterinary field data; disease- and pest-resistant crops cut fungicide/insecticide use.

• **Nutrition and waste.** Vitamin-D tomatoes, low-acrylamide wheat (TaASN2 knockout, Rothamsted), non-browning produce (food-waste reduction), healthier oil profiles.

• **Climate adaptation and emissions.** Drought/salinity tolerance maintains yield under stress; high-lipid forage barley aims to cut ruminant methane. (ISAAA, March 2026.)

5. Risks — stated without euphemism

• **Off-target edits.** CRISPR can cut at unintended loci. In product-based regimes, exempt edits may receive no molecular off-target analysis — if the final plant looks conventional, unintended effects can go unstudied. *The counter, stated precisely:* product-based systems are not characterization-free — FDA's animal pathway and USDA-APHIS's review still require phenotypic characterization and evidence that the edit introduces no novel hazards. But APHIS exemptions for SDN-1 edits that could have occurred naturally do not mandate molecular off-target assays. The gap is one of degree and consistency across jurisdictions, not total absence.

• **Gene drives.** Self-propagating edits that override Mendelian inheritance can in principle alter or crash whole wild populations — dual-use by definition. Real-world friction is here: Burkina Faso terminated all Target Malaria activity in August 2025. To date, no self-sustaining agricultural gene drive has been commercially deployed — the risk is structural and forward-looking, not an imminent product.

• **Corporate and genetic concentration.** Patent control (Broad/UC → Corteva) plus the risk that a few edited "super-varieties" displace local cultivars erodes both market competition and biodiversity.

• **Dual-use / biosecurity.** The UN has warned that editing pathogens could raise lethality or transmissibility; "democratisation" lowers the barrier for malicious use; AI-×-bio convergence sharpens it. This is the risk that pulls genetics into defence and arms-control policy. (Carnegie Endowment, 2024.)

• **Traceability and enforcement.** Transgene-free edits are, by construction, indistinguishable from natural mutations — so labelling and post-market enforcement are technically hard wherever still required.

• **Consent and trust.** See Section 6 — even where edits are safe, the right to know and to choose is a legitimacy question that "the science is settled" does not answer.

6. Consumer acceptance — the hidden reason classification matters

Consumer perception is not a soft footnote to this paper; it is *upstream* of the classification fork that drives everything else. Regulators choose process- vs product-based rules partly on what their publics will tolerate, and retailers can gate a technically-legal product out of the market regardless of the statute. The first GMO era is the cautionary case: transgenic crops were scientifically cleared yet commercially blocked in Europe by consumer and retailer rejection, not by the lab.

Three patterns matter for positioning:

Gene editing polls materially better than transgenics — but not uniformly. Consumers consistently view gene-edited foods more favourably than GMOs, especially on perceived safety and "naturalness," because edits that mimic natural mutation feel categorically different from inserting foreign DNA. (*Frontiers*, 2025; Bearth et al. 2022; Yang & Hobbs 2020.) Defra's own 2022 YouGov polling found a majority of UK respondents (57%) considered gene editing in food crops acceptable, 27% unacceptable, 16% undecided. That gap is precisely what makes a separate "precision-bred" legal category politically possible where a "GMO" label would not be.

Europe and the US still diverge — and that divergence is structural, not transient. US consumers have lived with unlabelled GM ingredients for two decades and the edited-vs-transgenic distinction lands easily. European publics carry a deeper precautionary reflex and a stronger "right-to-know" expectation; this is exactly why the EU's NGT regulation keeps labelling of NGT-1 *seeds and reproductive material* and a public NGT register, even while dropping final-product labelling — a political accommodation to consumer-choice advocates and organic/GM-free supply chains. Member-state objections at the April 2026 Council vote (Austria explicitly cited consumers' right to information and the precautionary principle; Germany abstained) show the perception question is unresolved even among governments.

Retailers and the organic/GM-free sector are the swing actors. A product can be deregulated and still fail if major grocers decline to stock it or if the organic sector — which the EU and UK both keep gene editing *out of* — successfully frames edited food as "GM by another name." The labelling debate is therefore not really about a sticker; it is about whether the GM-free supply chain can audit itself, which is technically hard precisely because edits are undetectable.

The strategic read: classification determines what is *legal*; consumer and retailer acceptance determines what is *sold*. A jurisdiction can deregulate and still see slow uptake (the likely EU path) or, conversely, fast uptake where trust is higher (US, parts of Asia). For anyone positioning in this market, consumer sentiment is the second gate behind the regulatory one — and the two are causally linked.

7. Guardrails — what exists, and what they should be

What *exists* is a patchwork (Section 9). What the responsible-governance literature converges on as the right design:

- **Product-based, trait-focused oversight** — regulate the resulting trait's function and novelty, not the technique, in proportionate tiers (cf. UK Tier 1/Tier 2; EU NGT-1/NGT-2). (EASAC; *Frontiers*, 2025.)
- **Tighter, separate control of gene drives and pathogen-relevant editing** — categorically different from a SNP in a tomato; deserve dedicated international oversight, a strengthened Biological Weapons Convention, and DNA-synthesis screening. (Carnegie, 2024.)
- **A patent-transparency layer** — mandatory public databases of edited-trait patents (as the EU now requires for NGT-1) to keep the IP chokepoint visible and contestable.

• **Preserved consumer choice** — a credible traceability/disclosure option distinct from a fear-based GMO label, to protect legitimacy (Section 6).

• **Off-target and ecological monitoring as a condition of deregulation** — light-touch is not no-touch; some characterisation should survive even in product-based systems.

8. Who's investing, who's pushing hardest — and is the US still leading?

Short answer: the US still leads in commercialisation and foundational IP, but its own bipartisan commission says that lead is slipping.

The **National Security Commission on Emerging Biotechnology (NSCEB)**, reporting to Congress in **April 2025** (primary: biotech.senate.gov), was blunt: the US has historically led biotechnology but is "dangerously close to falling behind China," which has treated biotech as a 20-year strategic priority. The Commission's claims — and these are *the Commission's assessments*, hawkish and using definitions that vary by analyst, so attribute them rather than state them as settled fact:

• **The NSCEB argues** China now outspends the US in *total* biotech R&D (not agriculture specifically) and already leads in synthetic biology.

• It cites China's biopharma R&D growing ~400-fold and biotech-firm market value ~100-fold (2016–2021), to a collective ~$300bn (figures as summarised by CSIS).

• Chinese scientists now publish more crop-genomics and plant-editing papers than any other country (peer-reviewed: *National Science Review*, 2022 — this one is not contested).

• The Commission recommended ≥$15bn in new US federal funding over five years plus measures to slow China (outbound-investment controls, data protection, the BIOSECURE Act). A December 2025 NSCEB follow-up found the gap widening in parts of biopharma. (NSCEB, April & Dec 2025; CSIS, 2025; STAT, April 2025.)

Where each leads, concretely:

• **US** — leads commercial gene-edited livestock (first FDA approval), product-based crop deregulation (USDA-APHIS SECURE), the foundational IP, and the deepest private-capital market.

• **China** — leads state-directed scale, research output and synthetic biology, and has fused a fast-track regulatory pathway (Section 9) with a food-security mandate. The most aggressive policy push in the world.

• **UK** — punches above its weight via the Roslin Institute, John Innes Centre and Rothamsted, plus the most decisive deregulatory move in Europe (Section 9); in February 2026 the UK government committed £21.5M to 15 precision-breeding projects.

• **EU** — the long-time laggard by choice, now decisively in transition (Section 9): world-class science, and as of June 2026 an adopted NGT framework — but one that will not apply until ~mid-2028.

Investment scale. The agricultural-CRISPR market (agricultural subset) was ~$2.8bn in 2025, growing ~15% CAGR; specialised crop-editing firms invest an estimated $400–600M/year collectively; livestock-breeding applications were ~$793M of that in 2025.

> ***[Flagged]*** *These market-sizing figures come from commercial research houses (Dataintelo and peers), vary by definition (broader CRISPR markets run several times larger), and should be treated as directional, not audited.*

9. Development cycles and the cost of entry

The whole sector turns on two numbers and one fork.

	Transgenic GM trait	Gene-edited trait (where not regulated as GMO)
Time to market	~16.5 years (up from 13.1)	~4–6 years (simple SDN-1 edits can clear in ~2–3 years in the US)
Cost per trait	~$116–136M	~$10–15M
Who can afford it	Effectively the four majors	Majors + startups + public institutes

Sources: AgbioInvestor / Phillips McDougall for CropLife (2022, primary report); *ScienceDirect* (Feb 2026, peer-reviewed); cost breakdown ~74% upstream R&D / ~25% regulatory (PMC / *GM Crops & Food*, 2019, peer-reviewed).

The regulatory fork *is* the cost driver. China makes this explicit: under its 2022 framework, a gene-edited crop biosafety certificate takes ~1–2 years vs. ~6 years for a GM crop, because lab and small-scale data suffice instead of mandatory large-scale field trials. (Underlying: *Nature* news / *National Science Review*, 2022.)

> ***[Flagged]*** *The bio-manufacturing layer has a different cost structure — capex-heavy fermentation scale-up, not regulatory dossiers — and should not be folded into the trait numbers above. Its binding constraint is unit economics at scale, not approval time.*

10. Regulation by jurisdiction — the map as of mid-2026

> ***[Flagged — time-sensitive.]*** *As of drafting (18 June 2026), the EU's NGT regulation has been adopted by both the Council (21 April 2026) and the European Parliament (17 June 2026); final entry into force awaits publication in the Official Journal, after which a 24-month transition applies. All EU references below assume the adopted text. Verify Official Journal publication and any late corrigenda against Consilium, the European Parliament Legislative Train and EUR-Lex immediately before publication.*

- **United States** — *product-based.* USDA-APHIS (SECURE rule) exempts transgene-free edits that could occur naturally; FDA handles animals (approved the Genus/PIC pig, 30 Apr 2025); EPA covers pesticidal traits. Edited products already on market (waxy corn, anti-browning mushroom, high-oleic soy oil). (Primary: USDA-APHIS; FDA.)

- **China** — MARA's Guidelines for Safety Evaluation of Gene Edited Plants (Jan 2022); first certificate Apr 2023 (high-oleic soybean); a Dec 2024 tranche of 17 varieties (5 gene-edited: soy ×2, wheat, corn, rice; + GM), certificates valid five years; animal editing for food not yet certified. (Primary: USDA FAS GAIN report CH2025-0224; MARA.)

- **United Kingdom (England only)** — Genetic Technology (Precision Breeding) Act 2023; enabling Regulations in force 13 Nov 2025; first major European economy to allow commercial precision-bred plants; two-tier Defra/FSA system; products expected on shelves late 2026; animals deferred. Complication: a May 2025 UK-EU SPS "dynamic alignment" deal could constrain divergence. (Primary: legislation.gov.uk, SI 2025/581; Defra/FSA.)

- **European Union** — New Genomic Techniques (NGT) regulation, now adopted: provisional Council–Parliament deal 4 Dec 2025; ENVI committee 28 Jan 2026 (47–31); Council adoption 21 April 2026 (Croatia, Hungary, Austria, Romania, Slovenia, Slovakia against; Germany, Belgium, Bulgaria abstaining.

European Parliament final approval 17 June 2026. Entry into force is 20 days after Official Journal publication, with most provisions applying after a 24-month transition — expected from mid-2028. NGT-1 plants (≤20 modified nucleotides, equivalent to conventional) are exempt from GMO rules — no risk assessment, authorisation or final-product labelling — but subject to labelling of seeds/reproductive material, a public NGT register, and patent-transparency declarations. NGT-2 stays under GMO rules; member states may opt out of cultivating NGT-2; herbicide-tolerance and insecticidal traits are excluded from NGT-1 (auto-classified NGT-2); all NGT plants barred from organic production. (Primary: Council of the EU / Consilium; European Parliament; 17 June adoption confirmed by Renew Europe; ISAAA, 17 June 2026.)

- **Japan** — treats SDN-1 edits as non-GMO after notification; GABA tomato (2021), CRISPR red sea bream and tiger puffer (2022), Corteva waxy corn cleared. (Note: these Japanese fish are *gene-edited*; AquaBounty's faster-growing salmon is transgenic, not gene-edited — a distinction worth keeping for any reader who conflates the two.)
- **Others aligned to product-based / precision** — Canada, Argentina, Brazil, Australia, and (recently) New Zealand.

> ***[Flagged]*** *The global centre of gravity has shifted decisively toward product-based regulation; with the EU's adoption, the last major Western holdout has now moved — though its rules will not bite until ~mid-2028.*

11. Who loses — the disruption map

A product-based regulatory world does not only create winners. The same reclassification that compresses cost and time strands several incumbents — worth naming, because the strategic value of this paper is partly in who is *exposed*:

- **Legacy GMO regulatory-affairs consultancies and dossier/CRO specialists** whose business is navigating the ~$100M-plus transgenic approval gauntlet. That gauntlet is precisely what is removed for NGT-1 / SDN-1 edits. Their addressable market shrinks as classification shifts.
- **Conventional-breeding-only niches** where slow marker-assisted improvement was the only route — now undercut on speed by editing. (Elite germplasm access still protects the majors; the squeeze falls on the un-edited middle.)
- **Small and regional seed companies without editing capability or licence access** — they face the majors' edited varieties with neither the IP nor the lab to respond. Consolidation pressure is the likely outcome.
- **High-cost-approval jurisdictions** that keep process-based GMO rules — they export trait development, field trials and investment to permissive jurisdictions. The EU's own seed industry warned of exactly this before June 2026; the risk now shifts to whoever does *not* follow.
- **The organic / GM-free certification model** — its premium depends on auditability, which undetectable edits quietly erode. A slow, structural pressure rather than an acute one.

> ***[Flagged]*** *These are directional disruption vectors, not predictions of failure. Incumbents with germplasm, distribution and capital can adapt. The point is that "product-based" regulation is not neutral — it redistributes rents from the regulatory-navigation layer to the trait-and-IP layer.*

12. Synthesis — what to do with this

For a chemicals/agri-adjacent intelligence audience, the operational reading:

- **The EU has decided — now track implementation.** With Council and Parliament adoption complete, the binding variables are the mid-2028 application date, the labelling/patent-transparency layer, and how much the UK-EU SPS deal creates cross-border friction. The “whether” is settled; the “how fast and how cleanly” is not.
- **In livestock, separate “breeding” from “editing.”** Hendrix, Aviagen, Topigs, Cobb are breeding-scale players; Genus/PIC is the editing call option. Don’t conflate them.
- **In bio-manufacturing, underwrite molecules, not platforms.** Economics, not biology, decide.
- **Treat IP (Corteva v. Inari) as a major moat war.** Trait announcements are noise; licence control is signal.
- **Read consumer/retailer acceptance as the second gate.** Deregulation makes a product legal; trust makes it sold. The two are linked, and Europe will likely show the gap.
- **Read the US–China dynamic as the secular backdrop.** Genetics now sits with the technologies governed as much by industrial policy and national security as by agronomy.

> **Key Finding.** Claims to watch (12-month horizon): EU NGT — confirm Official Journal publication and the start of the 24-month clock; watch first NGT-1 notifications. Genus/PIC export-market clearances (Mexico, Canada, Japan, China) — the gate to PRRS-pig revenue. First commercial CRISPR soybean in the US (expected late-2026 / early-2027). Whether the UK-EU SPS deal pauses England’s precision-breeding rollout. Whether the UK’s £21.5M / 15-project push yields first PBO marketing notices in 2026. Whether NSCEB funding recommendations turn into appropriated US dollars.

Sources & methodology

Drafting standard: all figures from public sources; claims sourced inline; assumptions and time-sensitive items marked [Flagged]; geopolitical assessments attributed to their source rather than stated as fact; numerical claims time-stamped; market-sizing figures from commercial research houses treated as directional. Not investment advice. Sections 8–10 are anchored to primary regulatory and filing sources wherever available (tiered below); secondary trade sources are used only where they aggregate or confirm primary material.

Primary / authoritative

EU NGT — Council of the EU / Consilium (21 Apr 2026 Council adoption); European Parliament (final approval 17 Jun 2026); EP Legislative Train (file 2023/0226(COD)); to confirm: EUR-Lex / Official Journal publication.

UK — Genetic Technology (Precision Breeding) Regulations 2025 (legislation.gov.uk, SI 2025/581); Genetic Technology (Precision Breeding) Act 2023; Defra/FSA.

US — USDA-APHIS SECURE rule; FDA approval, Genus/PIC PRRS-resistant pig (Apr 2025).

China — USDA FAS GAIN report CH2025-0224; MARA guidelines (2022).

NSCEB final report (Apr 2025) and Dec 2025 follow-up (biotech.senate.gov); Congress.gov CRS.

Ginkgo Bioworks — SEC filings (10-Q/8-K, FY2025).

Peer-reviewed — National Science Review (Zhu, Apr 2022); Frontiers in Genome Editing / Bioengineering / Genetics / Animal Science (2020–2026); GM Crops & Food / PMC (Lassoued et al., 2019); Animal Frontiers (2021); ScienceDirect CRISPR disease-resistance review (Feb 2026).

Industry primary — AgbioInvestor / Phillips McDougall for CropLife, Time and Cost to Develop a New GM Trait (2022).

Secondary / aggregating (used where they summarise or confirm primary material)

EU 17 June adoption confirmation — Renew Europe; ISAAA Crop Biotech Update (17 Jun 2026); Seed World (COMENVI, 16 Jun 2026).

CSIS analysis of the NSCEB report (2025); STAT News (Apr 2025).

Genetic Literacy Project Global Gene Editing Regulation Tracker; ISAAA blog (2022–2026, incl. UK £21.5M / 15 projects).

Trade press — C&EN (Cibus); Feed Strategy / World Grain (China Dec 2024 tranche); AGDAILY / National Hog Farmer / AVMA / University of Edinburgh (Genus/PIC); Morrison Foerster / Exponent / Rothamsted (UK); Osborne Clarke / Mewburn / Science|Business / AGENCE EUROPE (EU NGT history); startupbusiness.it (Corteva v. Inari); DigiComply (commercial CRISPR products); Hendrix Genetics / Paine Schwartz / Orchard Finance (Hendrix).

Market sizing [directional] — Dataintelo; Coherent Market Insights.

Risk/governance — Carnegie Endowment (2024); Biosecurity Handbook (2025); PMC dual-use literature.

Consumer perception — Defra/YouGov polling (2022); Bearth et al. (2022); Yang & Hobbs (2020).

