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Abstract

The Costs of Regulatory Delays for Genetically Modified Crops

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The timely and efficient commercialization of innovation is one of industry's principal needs if it is to invest in research and development within a given jurisdiction. Increasing regulatory requirements are resulting in longer regulatory approval times, and in some cases where socio-economic considerations are now part of the regulatory approval process, the regulatory system has been put into gridlock, unable to approve new varieties. This increased regulatory approval time creates increased uncertainty for those that invest in agricultural research and development. If the regulatory approval uncertainty gets too high, further investment in agricultural innovation is jeopardized. Several regulatory delay scenarios are modeled, highlighting the investment risk that is established. The article concludes that future public sector investment in agricultural research and development is at risk, given the increase in regulatory approval times for GM crops.

Keywords: decision-making, food security, innovation, investment, uncertainty

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