

Submission Cover Sheet

Review of the Moratorium on GM Canola

Submission Number: 47

Name of Individual/Organisation: Original Foods®

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Attachments Submitted with this Submission:

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(03) 9658 4874 or (03) 9658 4871

GM Canola Review Panel Secretariat

Department of Primary Industries
Level 19, 1 Spring Street
GPO Box 4440
Melbourne VIC 3001

Friday 17 August 2007

To the Panel

RE: GM Canola Review – support for extended ban

Thank you for providing our business Original Foods® with the opportunity to present to the review panel in person in Melbourne and in written form in Victoria, South Australia, New South Wales and Tasmania. *Please note that this document is our official submission to the GM crop reviews being undertaken in all the above mentioned states.*

We support extending the ban on planting GM canola in Victoria.
We also support banning the planting of any GM food crops across Australia.

We believe our opinion is very significant in this review:

Firstly, because our business brand (Original Foods®) was designed to meet the growing demand for natural, GM-free food and planting of any GM food crops in Australia threatens our supply options.

Secondly, because our business reflects the views of the thousands of customers who choose to buy our food every week.

We hope that by presenting to this panel, the growing demand and excellent market opportunities Australia has for GM-free food will be better understood, and be well considered by the panel review committee.

Please direct any queries to jessica@originalfoods.com.au

Sincerely

Sam and Jessica Lynch
Original Foods®

Victoria

Victorian GM Canola Review Panel Secretariat, Department of Primary Industries, Gmcanola.Review@dpi.vic.gov.au

Cc Premier John Brumby, premier@dpc.vic.gov.au

Cc Andrew McIntosh, State Member for Kew East, Andrew.mcintosh@parliament.vic.gov.au

Cc Petro Georgiou, Federal Member for Kooyong, p.georgiou.mp@aph.gov.au



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Background on Original Foods®

Original Foods® is a well established small business, which commenced trading in 2003, co-founded by Sam and Jessica Lynch. We would qualify as one of Business Review Weekly's 2007 fastest growing businesses. We are achieving over 50% growth per annum and employ 12 staff.

Original Foods® is Melbourne's largest wholesaler of certified free-range, organic and biodynamic poultry, meats, game and eggs. We are also Melbourne's largest processor of free-range, organic and biodynamic value-added foods including catering services and ready-made meals direct to the public, to food service and to retailers.



We sell our range primarily in Melbourne, Sydney and Adelaide, with keen interest from other states including periodic sales into Hobart, Perth and Brisbane.

We were awarded a Federal Government grant in 2006 to investigate export opportunities for our popular GM-free food range. Export opportunities would service the demands of the Australian expatriate community in Asia which is demanding clean, green food from home.

Our integrated facility is located in Collingwood, inner Melbourne. It includes our head office, purpose built commercial kitchen, warehousing and distribution, and delivery fleet.

We maintain the highest food standards requirements possible. The facility is HACCP licensed and approved for food handling, ensuring quality and safety. We are audited by independent authority Australian Certified Organic (ACO) for organic food handling and production. The enterprise is a member of Austrade and ACO.

Clean, natural, GM-free food - a fast growing market

Our customer base has largely educated itself about how unnatural and contaminated our food supply chain has become. These people are actively seeking out the cleanest, most naturally grown and prepared food they can find. With education comes the demand for GM-free.

We were well aware of this growing trend when, in 2002, we spent almost 12 months researching business opportunities. Our research of trends, both locally and overseas, indicated the huge growth opportunity in this clean, green, GM-free food sector.

We decided to make a big shift from our previous careers as corporate professionals. We felt very comfortable moving into the clean food sector because this is what we, our peers and friends and their families are increasingly interested in eating.

Our customer base includes very different types of consumers from all income brackets, for example:

- **Corporations** who want to provide their staff with the tastiest, most nutritious, cleanest and environmentally sustainable food they can - as a way of rewarding their employees and getting the best out of them including morale and productivity, and reflecting their corporate commitment to empowerment and sustainability.



- **Parents of young children** who often have a very steep learning curve in determining the amount of foods on supermarket shelves which contain ingredients considered to be unnatural that they wish to avoid.
- **People who have a health concern** such as: cancer or a family history of it they wish to avoid; food allergies; behavioural problems; bowel and digestive problems to name a few. Many health practitioners advise these people to eat as clean and natural as possible including organic and free-range which means GM-free.
- **School canteens** which are getting increasing pressure from parents and governments to stock proven healthy, wholesome foods.
- **Food enthusiasts** who want the best food they can find which means tasty, from a reputable source, fresh, uncontaminated, unrefined and natural – which means GM-free.
- **Educators** including teachers who every day talk to their students about food choices and get them thinking about more than just where to buy food – including how natural and wholesome it is, how well the farmers are treated, how sustainable the farming and trade practices are. These students range from kindergarten children to tertiary students of nutrition.

Tight supply with increasing demand for clean food

Our business is constantly demanding greater supply of local GM-free produce, including oils, grains, nuts, fruits, vegetables, poultry, meats and dairy products. We have to use some imported ingredients to keep up with supply. This is a major challenge given consumers' growing enthusiasm for sourcing their food locally as concerns about food miles and climate change increase.

A young market requiring greater research, recognition and support

One of the key threats to our business is the clean food movement's youth. It is only just gaining momentum and there has been little national research into, recognition of, or support for, its growth potential and contribution to Australia's economy.

We need more time to have this analysis undertaken by the industry and the Australian State and Federal governments. This research needs to occur before growing GM food crops, including GM canola. As soon as GM food crops are grown in Australia, the growth of this emerging market, we believe, will be damaged

Inquiry's terms of reference too limited



Your inquiry says it is not considering the impact of introducing GM canola on human health, safety and the environment. This seems short sighted, given that a growing number of consumers do consider these issues every day. Clearly, their views on these issues do have an impact on how they are changing their food purchasing decisions – it is not just about price. This in turn does affect the economy which is one of your key areas of review.

Original Foods® responses to the terms of reference of the review:

Please note that our business is best positioned to contribute responses based on our day-to-day trading experiences, including sourcing, processing, handling, distribution of GM-free food.

1. Assess the economic impacts on Victoria of the moratorium on commercial genetically manipulated (GM) canola.

- Our chef knows that when sourcing vegetable oil for cooking or preserving, she must source product clearly labelled no GMOs, or GM-free. Currently, if the product is local and contains canola, we can use it as Australian canola is currently 100% no GMOs. (NB/ according to one Australian canola supplier a product cannot be called GM free if there are GM variants grown anywhere in the world, as is the case with canola). If the canola is imported and not clearly labelled no GMOs, we will not use it.
- We always need to make sure the supplier knows we want no GMOs and that they provide us with a written declaration stating as such each time we receive a delivery.
- This process is time consuming as we always call local suppliers. We cannot make such purchases without liaising directly with the supplier. We usually go through several people until we find the person who can provide a written declaration that their product has no GMOs.
- All suppliers have slightly different procedures. For example, a supplier may need to mark our request clearly on every order. Their team then checks to ensure we are getting canola with no GMOs. We then check it when it arrives. Other suppliers know they only use Australian canola, so they are our preference.
- We need to go to the highest source for reassurance as smaller suppliers may not know where their canola comes from, and any relabelling may fail to carry the original information indicating whether it is free of GMOs.



- Suppliers have indicated to us that they should be fine for supply of Australian canola oil until late 2007 when good harvests are anticipated following a good season after the drought.
- We can see good reason to stockpile vegetable oil containing canola free of GMOs and buy in bulk to minimise lack of supply, delays and risk of unreliable quality. Fortunately, we don't use a great deal of oil, so we can avoid this at present if the late 2007 harvest maintains supply. If supply of Australian canola free of GMOs ceases, we will simply stop using canola.
- Currently our kitchen does not use products preserved in vegetable oils including canola, such as antipasto mixes, sun dried tomatoes, or boutique feta cheeses bottled in oils. If we were to do so, we would have to invest significant time in determining if the suppliers of such items can guarantee their canola source. These products are becoming very popular in small sizes.

2. Assess the expected economic impacts of allowing the GM canola moratorium to expire

- We anticipate that companies and consumers with an aversion to GM foods will simply avoid buying products made with Australian canola. This includes oils and value-added products including many snack foods.
- If Australia starts growing GM canola, we will simply stop using Australian canola. This is because we don't believe suppliers will be able to ensure that canola free of GMOs is free of GM canola. Many challenges and costs associated with segregation of GM canola and canola free of GMOs include: avoiding (or paying a penalty for) potential cross contamination during growth, harvesting, processing and packaging. We would also be concerned about the labelling standards and compliance in place to ensure segregation.
- Concerns will vary on controls significantly down the line. For example, while a major supplier may be able to assure us of their supply source, smaller boutique providers (eg of small batches of sun dried tomatoes or other items preserved in oils) may not be aware of their canola oil source, or have the time or inclination to keep records of up-to-date declarations of non-GM canola content.



- Even if we did wish to purchase Australian canola labelled free of GM canola, we may find that its price has increased due to the impact of compliance costs stated above. If there were to be any subsidising of GM canola or canola free of GMOs to maintain price competitiveness, we would avoid the product.
- We are aware that study results have demonstrated contamination of subsequent grain crops planted in the same field at GM canola. We anticipate that consumer knowledge of this may result in them avoiding grain-based offerings sourced where GM canola has been grown, or a complete avoidance of grain-based offerings if consumers don't feel they can be assured of the source of grain. Whilst this may seem to be drawing a long bow, such views may gain popularity. It's a bit like the question: how do you know that free-range beef didn't eat GM grain?

3. Assess the expected economic impacts of extending the moratorium on commercial GM canola

- We will continue to use Australian canola products.
- We will promote our use of Australian canola products free of GMOs.
- We will avoid added complexity to the range of compliance requirements that already adds to our cost of doing business, particularly in sourcing, administration, filing of product sources, and fielding of queries and concerns from consumers.

4. Recommend whether Government should allow the moratorium on commercial GM canola to expire or be extended

- **We support extending the ban on planting GM canola in Victoria, at least until 2013.**
- **We also support banning the planting of any GM food crops across Australia, at least until 2013.**

5. Recommend any complementary policies and practices required to address the consequences of the moratorium on commercial GM canola ending

We believe research efforts need to be channelled into the following areas to ensure real empowerment and choice from 'farm-gate to plate':

- a) Map out Australia becoming a clean, green, GM-free food bowl commanding a premium price to world markets, with a premium only



- increasing over time, rather than competing in a totally price sensitive, commoditised, scale-based market
- b) Determine how best to protect the Australian standards of organic products which currently have zero tolerance for GM
 - c) Determine the real cost of compliance – throughout the supply chain - in ensuring GM content is avoided in the products we sell, as this will lead to higher prices and may stall the GM-free market
 - d) Implement better labelling laws to distinguish between organic, free-range, GM-free and GM inputs as each commands a different price point
 - e) Encourage and support farmers to increase farming, supply and range variation to local markets of the increasingly popular GM-free crops and those that are free of pesticides and other contaminants
 - f) Determine how best to educate, and then educate, all sections of the supply chain and customers in the differences, benefits and risks of GM-free versus GM
 - g) Better evaluate the anecdotal evidence that consumers want clean, green, GM-free food. A list of comments we have gathered may help when considering such research:
 - Transparent labelling is essential, or it's not a level playing field.
 - Why is GM in the fine print, not the break-out box to grab attention?
 - What companies actively promote their GM ingredients, and if not, why not?
 - When are we going to see the supermarkets set up sections dedicated to GM foods, next to the rapidly growing organic section?
 - GM-free brand loyalty is growing fast. Are those who support GM foods buying only GM and feeding it to their families because they believe it is the best food money can buy?
 - The enormous groundswell of commitment to farmers markets reflects the trend for reconnection and shared responsibility for quality and cost. Where are the GM markets, who will frequent them, and will the GM technologists stand behind their product and talk with the consumers direct?
 - Some key government policy makers, scientists and farmers are not considering the views of consumers ahead of the commercial interests of international GM seed suppliers, and the kudos for themselves by being associated with introducing new technologies.
 - There are too many unknowns with GM crops and too little information has been gathered and made publicly available by any independent body in GM's long term impacts on future generations.
 - There is grave concern about the unknown cascade effect of changing one gene.
 - More consumers are prepared to pay a premium for natural food.
 - The more informed people are, the more actively they avoid GM.



- There are already too many unnatural aspects of our food supply; avoiding GM is one more stress.
- Introducing GM crops does not empower or protect the consumer or farmer.

Conclusion

We hope that by presenting to this panel, the growing demand and excellent market opportunities Australia has for GM-free food will be better understood and be well considered by the panel review committee.

Sincerely

Sam and Jessica Lynch
Original Foods®

Biographies

Sam Lynch, co-founder and director of Original Foods®, drives strategic vision and day-to-day operations of the company. He manages all strategic initiatives, major contract negotiation, major supplier and customer relationships, as well as product development and market access.

Prior to co-founding Original Foods®, Sam held business development roles with local and international companies, primarily launching new products to niche markets. Sam completed a scholarship in the USA as part of his Master of Business Administration from Melbourne Business School. Previously, he completed a Bachelor double degree in industrial and computing engineering. Sam's extended family has traded in fine wine and spirits and run sizeable general stores in key trading hubs in Melbourne and across Victoria for three generations.

Jessica Lynch, co-founder of Original Foods®, provides communications expertise. She facilitated developing the brand essence, values and livery, and prepares communications materials. Jessica completed a Bachelor of Business Communication, majoring in public relations, as well as health science and marketing studies. Prior to the arrival of two children, she ran her own consultancy and has worked in health promotion, sustainable energy lobbying and energy education, corporate PR, community relations and international aid fundraising. She received a Public Relations Institute of Australia (PRIA) Award of Excellence for employee communications. Jessica has commenced studies in natural medicine with a key interest in food as medicine.

...End



Victoria

- Cc** **Victorian GM Canola Review Panel Secretariat**, Department of Primary Industries, Level 19, 1 Spring Street, GPO Box 4440, Melbourne VIC 3001, Gmcanola.Review@dpi.vic.gov.au
- Cc** **Premier John Brumby**, 1 Treasury Place, Melbourne Vic 3000, premier@dpc.vic.gov.au
- Cc** **Andrew McIntosh, State Member for Kew East**, Suite 1, 400 High St, Kew 3101, Andrew.mcintosh@parliament.vic.gov.au
- Cc** **Petro Georgiou, Federal Member for Kooyong**, 695 Burke Road, Hawthorn East 3123, p.georgiou.mp@aph.gov.au

NSW

- Cc** **NSW Review of GM Crops Ban**, GM Crop Moratorium Review Secretariat, NSW Department of Primary Industries, Locked Bag 21, Orange NSW 2800, gmcrops.review@dpi.nsw.gov.au
- Cc** **Premier Morris Iemma**, Level 40, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000, thepremier@www.nsw.gov.au

TAS

- Cc** **Tasmanian Review of GM Crops Ban**, Clerk of Committees, Legislative Council, Parliament House, Hobart TAS 7000, sue.mcleod@parliament.tas.gov.au
- Cc** **Premier Paul Lennon**, PO Box 123, Hobart TAS 7001, paul.lennon@parliament.tas.gov.au
- Cc** **David Llewellyn, Minister for Primary Industries**, Franklin Square Offices, Hobart TAS 7000, david.llewellyn@parliament.tas.gov.au

SA

- Cc** **South Australian Review**, Executive Officer, GM Crop Advisory Committee, gmcropsactreview@saugov.sa.gov.au
- Cc** **Premier Mike Rann**, GPO Box 2343, Adelaide SA 5000, premier@saugov.sa.gov.au