DEPARTMENT OF
PRIMARY INDUSTRIES

Submission Cover Sheet

Review of the Moratorium on GM Canola

Submission Number: 6

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Date Received: 20 August 2007

Number of Pages: 2

Attachments Submitted with this Submission:

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Graingrowers in Victoria and across the nation have had an international reputation for early adoption of new technologies. Genetically modified canola is a technology farmers would also like to adopt, but the debate surrounding it have made producers and all participants in the supply chain look more closely than ever before. At the time of the announcement of the moratorium on the growing of GM crops many agricultural organizations were hesitating mainly because they needed more information about the market implications. Since then the dairy industry have made it patently clear they support the commercialisation of GM crops. The AWB and ABB and in fact all major farm organizations believe GM canola must be given a path to market. At a grower level the Birchip Cropping Group, in their annual survey of grower members, asked the question – Are you in favour of biotechnology crops becoming part of your farming system? 69.36% were in favour, 8.06 were against and the balance were unsure.

These results seem to gel with recent findings of the Biotechnology Australia survey where 76% of consumers were accepting the genetic modification of crops, up from 48% two years ago. In some way these outcomes are not surprising as worldwide, the attitude to GM crops by consumers and policy makers is evolving to a more practical less reactionary or religious stance.

The fear of GM crops was nowhere more evident than in Europe over the past decade. Yet even here the attitude is becoming more science based and more harmonious to ensure trade with the international community is not jeopardized. In his speech to the European Biotechnology Open day in Brussels, EU Trade Commissioner Peter Mandelson called biotechnology “the coal face of applied science in the twenty first century” he concluded “we must be under no illusion that Europe’s interests are served by being outside a global market that is steadily working its way through the issues raised by GM food. They are not”. Today the EU is one of the world’s biggest customers for GM produce, importing over $1 billion worth of GM soymeal. In March 06 they have made the importation of GM canola possible. Because of mandated biofuel requirements in the EU, the demand for canola as feedstock for biodiesal is expected to rise significantly.

Furthermore, scientists from New Zealand have investigated consumer attitudes towards genetically modified foods, locally and in several European countries. The acceptance of GM foods was quite significant when they were cheaper than organic or conventionally produced foods. According to the scientists, these findings are in line with the Eurobarometer report of 2006. In this survey around one third of surveyed Europeans expressed a willingness to buy GM products if they contain less pesticide or if they provide an additional price advantage in comparison with conventional products.

This trend towards greater acceptance of GM technologies should continue as they become more a part of every day life. So the review of the State Government’s
Moratorium on the planting of GM crops in Victoria is timely and essential.

When you talk to farmers about the issue, they say GM crops are just one more tile in the mosaic of options he has to use. It is clear from these discussions they are nervous that productivity gains in recent decades may be reversed if we do not have access to new GM technologies. Our farming counterparts in Canada, the USA, Brazil, Argentina, in fact 22 countries around the world, involving 10.3 million farmers, grew over 100 million hectares last year. Even the French (the most famous food producers in the world) have quadrupled their production of GM corn, from 5,000 hectares in 06, to over 20,000 in 07. Agriculture is a global business and we must have a global perspective. A modern farming business is one that creates value through productivity. But, today the business is not just about money. We must also optimize resources available to ensure a low impact farming system. To do this we must incorporate the best technologies available. The last decade has proven GM crops to be both profitable and successful at lowering pesticide use.

A UK based biotechnology consultancy firm, PG Economics claim that the use of genetically modified seeds could increase farmer’s incomes by between 6 and 15%. Although transgenic seeds cost more – they are around 15 to 20% more expensive than conventional seeds; farmers will be able to earn more as they will benefit from lower pesticide use. They said the US had reaped an economic windfall of some US$12.9 billion between 1996-05 as a result of the use of biotechnology.

Farmers do recognize that there will be obligations and responsibilities associated with the use of this technology. Different farming systems have different needs and hence take different steps to minimize

conflicts. Co-existance of these systems is about choice for the farmer and the customer and every-one between them. The key to achieve this is having adventitious presence (AP) levels (unavoidable, naturally occurring presence of foreign material) for both conventional and organic systems. Recently the EU harmonized AP levels of GM content on the production and labeling of organic products and conventional products. The identical threshold of 0.9% ensures continuity right through the supply chain allowing business to plan and conduct trade more effectively. If the panel were to recommend additional measures to the lifting of the moratorium, I believe this strategy by the EU to have the same thresholds for AP of GM content to be an excellent recommendation.

In summary, the growth in adoption of GM crops around the world and the acceptance of GM produce by the international trade leaves Victorian farmers in no doubt that isolating ourselves from this trade is not a viable option for them. The market signals indicate we should be investing in these technologies. Independent research by ABARE supports this view. Australia's chief scientist, Mr Jim Peacock, recently remarked, "This new knowledge should be put to the best possible use". Our competitors overseas couldn't agree more. Why shouldn't we?