

Submission Cover Sheet

# Review of the Moratorium on GM Canola

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**FLOUR MILLERS COUNCIL OF AUSTRALIA**

**SUBMISSION**

**REVIEW OF THE MORATORIUM ON GM CANOLA**

**IN VICTORIA**

**August 2007**

## Industry Background

The Flour Millers Council of Australia (FMCA) is an industry association representing the interests of flour milling companies in Australia.

There are currently 27 flour mills in Australia spread across all States and situated in both metropolitan and country areas.

Australian flour millers produce 2.1m tonnes of flour per annum (2.081m tonnes 05/06 Source: ABS) up 26% from a decade ago. About 10% of this is exported.

Wheat is the obligatory raw material for the flour milling industry. Unlike other end user industries (stockfeed and energy), flour millers do not have the luxury of being able to substitute other grains. The flour milling industry therefore has a vital interest in the sustainability and profitability of Australian agriculture and the wheat supply.

Domestic use of our wheat crop accounts for 25% of the typical crop year in, year out.

On a regional basis, the domestic market is even more significant. Most of the Western Australia and South Australia wheat crop is exported, but in the other States domestic consumption is higher and the crop smaller. The domestic market requirement in an average crop year in the eastern states of Queensland, New South Wales and Victoria is 45% of the wheat crop, leaving 55% for export.

Of greater significance is the impact of drought when the domestic requirement can require all the available grain with supplementation from South & Western Australia plus foreign imports. Drought of some degree is experienced frequently in Australia.

Victoria already has a limited grain production capacity which is unable to meet existing grain user demand. Cereal grains are regularly brought into Victoria from other states. Victoria is a major food producer and has a major livestock industry, but with relatively small agricultural land area to provide grain to service the need. The industry in Victoria will be severely disadvantaged if sustainability and competitiveness in primary production does not enable growth in supply of a range of grains to meet processing requirements.

## Flour Milling Industry Position

Having established the background and special requirements for the procurement of wheat as the raw material for the flour milling industry we must indicate the relevance to the current 'Review of the Moratorium on GM Canola in Victoria'. An increase in availability of a range of grains in Victoria and a more productive and sustainable rural industry immediately benefits the flour miller by providing less competition for the available wheat crop. Additionally the protocols and procedures established by industry to assure that choice exists in the market for GM and non GM supply of Canola will serve other commodities into the future if they progress to adopt GM varieties. For these reasons the FMCA has worked with and supported the various industry initiatives to develop protocols and procedures to satisfy supply chain requirements for GM Canola before introduction of this available technology.

International experience has demonstrated benefits to the farm sector through introduction of GM varieties.

We support the view that GM technology can deliver new crop varieties which will increase yield and can provide more sustainable farming systems with less chemical use. This has been demonstrated in Australia in the cotton industry.

Other advantages such as resistance to disease, resistance to certain herbicides, increased tolerance to drought and frost, increased water use efficiency, as well as potential human and animal nutrition gains. All these provide gains for the Australian economy, a more sustainable agricultural sector and improved environmental outcomes.

Without the benefit of the productivity and other gains now available in many countries throughout the world Australian agriculture is threatened competitively. Delay by further maintenance of the GM Moratorium becomes increasingly detrimental to the Australian farm sector and therefore the food and intensive animal industries in Victoria.

The FMCA is a signatory to The Australian Grains Industry document 'Delivering Market Choice with GM Canola (July 2007), and the supporting technical document - 'Principles for Process Management of Grain within the Australian Supply Chain'.

The FMCA is satisfied that this canola document is consistent with its policy approach to GM Wheat (November 2006).

The FMCA also commends 'The Australian Academy of Technological Sciences & Engineering' (ATSE) statement on Gene Technology and GM plants that supports genetically modified plants for use in Australian agriculture and the lifting of state moratoria.

The FMCA believes that over the period of the moratorium a somewhat fragmented industry view has been consolidated in support of an environment where GM and non GM grain is marketed and that procedures and processes of assurance have been enhanced and adopted.

Extension of the moratorium in Victoria only serves to deny grain growers and processors of grains the benefits of the advances offered by GM technology and would increasingly put Victorian agricultural performance and downstream grain users at increasing competitive disadvantage compared to those countries who have already gained an early adoptor advantage in applying this technology.

The FMCA believes that there is no justification for extension of the GM Moratorium in Australia and that the industry and markets are well prepared for co-existence of GM and non GM throughout the supply chain.

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