

29 October 2018

Select Committee on Moratorium on the Cultivation
of Genetically Modified Crops in South Australia
Parliament House
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The National Farmers' Federation (NFF) welcomes the opportunity to make a submission to the Select Committee on moratorium on the cultivation of Genetically Modified (GM) food crops in South Australia.

The NFF recognises the potential of gene technology as a valuable tool within agricultural production systems. The responsible and strategic application of gene technology within Australian production systems thus far has resulted in significant benefits for Australian farmers, the environment, consumers and the Australian economy as a whole. As stated by the International Service for the Acquisition of Agri-biotech Applications (ISAAA) in its annual report, there has been a 110-fold increase in adoption rate of biotech crops globally in just 21 years of commercialisation – growing from 1.7 million hectares in 1996 to 185.1 million hectares in 2016¹.

The NFF believes that it is critical for the future development of food and fibre to make regulation flexible enough to enable innovation. Access to gene technology would allow farmers to analyse their production and marketing options and to determine whether organic, conventional or gene technology modes of production (or a combination of these methods) will best meet their business requirements.

The agricultural sector is in the midst of pervasive changes in terms of the approach and method in which farming is conducted. Technological and scientific developments have been increasingly pertinent to an industry facing harsher climatic conditions and striving to remain internationally competitive on global markets. Farmers globally are adopting gene technology due to the enormous advantages this technology offers, including improved productivity and profitability, as well as improving conservation efforts and outcomes (such as reducing use of pesticides and herbicides, maximising water efficiency, resilience in adverse growing conditions and boosting production yields).²

The NFF firmly advocates that farmers should retain the opportunity to adopt the method of production best suited to their business needs, be that utilising gene technology, conventional, organic or any combination of these methods of farming production. The NFF upholds the right of consumers, farmers and processors to freely choose what sort of products they use. This recognises the potential diversity in technology and market positions that may arise and the need for the markets to reasonably cater for such diversity and associated outcomes.

¹ *Global Status of Commercialized Biotech/GM Crops: 2016*, <https://www.abca.com.au/2017/05/int-latest-gm-crop-figures-released-3/> accessed on 12 September 2017.

² ISAAA reports that the adoption of biotech crops has reduced CO2 emissions equal to removing approximately 12 million cars from the road annually in recent years; conserved biodiversity by saving 19.4 million hectares of land from agriculture in 2015; and decreased the environmental impact with a 19% reduction in herbicide and insecticide use.1 Additionally, in developing countries, planting biotech crops has helped alleviate hunger by increasing the incomes for 18 million small farmers and their families, bringing improved financial stability to more than 65 million people.

The NFF has confidence in the readiness and capacity of the agricultural supply chain to provide an appropriate level of stewardship in the area of gene technology, in addition to the stewardship they already provide on many other fronts. This will ensure farmers that choose to utilise gene technology that has been approved by the Office of Gene Technology Regulator (OGTR) as safe for humans and the environment, will do so within a broader industry and market framework.

The integrity of the National Gene Technology Scheme must be based on scientific decisions and not be swayed by public sentiment. The NFF is satisfied appropriate Australian safeguards exist to ensure food safety and the sustained integrity of organic and conventional food production. Australian farmers are well-placed to responsibly harness the enormous opportunities gene technology offers and are positioned to conduct their enterprises in a harmonious way that will allow these industries to coexist and restore the basic right to choose to the community. The current State moratorium undermines the legitimacy of the scheme by calling into question the decisions of the Gene Technology Regulator and the scheme as a whole.

Private enterprises, as well as State Government, have invested considerably in gene technology. The moratorium that is in place, has direct consequences on these investments. A climate of uncertainty, with no clear path to market for approved GM products, and frustrations in exploring the commercial effects of R&D investment, all present convincing disincentives for further investment.

Currently the moratorium in place in a South Australia is affecting the opportunities that producers have to optimise the productivity, environmental and financial gains that GMO can facilitate. There is currently not a clear price or market signal for non GM product that is compensation for the loss of potential productivity for South Australian producers.³ Growers in all other grain producing states are successfully growing GM canola and benefiting from the herbicide resistance, increased drought tolerance and enhanced yields that GM technology delivers.

The NFF believe that the decision to implement a moratorium in South Australia is at odds with established science and economic modelling and was made, without any consultation with the farm sector as to the impacts a moratorium would have on their businesses.

Evidence suggests that the vast majority of farmers operating under moratorium are continuing to not see a price premium for their products. In 2007, an ABARES report stated there is ‘some very limited evidence of price premiums for organic and certified GM-free canola’ however markets for these canola types are still very much small niches. ABARES have further explored this issue and at a conference in 2010 stated that there was little evidence of Australian canola earning price premiums in the EU market because of its non-GM status.⁴

Most recently, an independent report by Mecuro in March 2018 noted:

‘overwhelmingly that the majority of farmers in South Australia do not receive a premium as a result of the moratorium.’

‘This analysis examined commodities which contribute 63% of the South Australian agricultural economy. The thorough pricing analysis in this report, outlined that the GM moratorium has not resulted in substantive premiums, or a trade and marketing advantage for the majority of primary producers in South Australia.’

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⁴ Evidence of price premiums for non-GM grains in world markets.2010. Conference Paper from the Australian Agriculture and Resource Economic Society Conference 2010:
http://adl.brs.gov.au/data/warehouse/pe_abarebrs99014390/AARES_4.pdf

‘GM moratorium removes the option of utilising innovative agronomic tools, licenced by the Gene Technology Regulator (GTR) as safe, with little in the way of trade and marketing benefit to the majority of agricultural producers in South Australia.’⁵

The current regulation is inflexible in that it prohibits farmers from choosing freely between all viable types of agri-enterprise. Cautious and careful regulation is beneficial; however the ban on GM food crops is detrimental and exists despite the presence of sound domestic regulation, industry readiness and global examples of the successful management of gene technology.

Australian farmers compete in international markets, and it is important that they have access to the tools which allow them to produce safe fresh produce in a cost effective manner; particularly when these productive tools are available to our international competitors.

Currently the South Australian moratorium decrees that the production of GM canola in that State is banned. This situation places South Australian producers at a distinct disadvantage to other domestic and international competitors. The interface of our policy and regulations with those of other countries is an important consideration when assessing the effect of moratoriums on market access.

Prohibitive regulations take away choice for farmers. Their farms are their own property, and the NFF strongly supports their right of choice between all forms of primary production. Gene technology is regulated by the *Gene Technology Act 2000*, so that only varieties which are safe for human use and the environment may be commercially grown. Therefore the current prohibitive approach taken by the Government of South Australia is no longer a credible option.

Consistent with upholding the rights of consumers, farmers and processors to choose to adopt approved GM crops, the NFF calls upon the Government of South Australia to end their GM moratoria. In light of Australia’s robust regulatory regime, and the Australian agricultural industry’s demonstrated capacity to meet customer requirements, these bans are unnecessary and are preventing choice.

The NFF would be available to expand on any of the issues referred to in this submission. In the first instance queries should be directed to:

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⁵ Whitelaw A, Dalglish M and Agar O (2018) ‘Analysis of price premiums under the South Australian GM moratorium’. Report independently produced by Mecardo, under commission from Grain Producers South Australia (GPSA) and the Agricultural Biotechnology Council of Australia (ABCA), March.