

# AgForce Grains Ltd.

A commodity council of AgForce Queensland ABN: 212 416 791 71

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31 August 2007

GM Crop Moratorium Review Secretariat  
NSW DPI, Locked Bag 21,  
Orange, NSW 2800.

Dear Sir/Madam,

On behalf of AgForce Grains I am submitting this paper to the NSW moratorium on commercial planting of genetically modified (GM) food crops.

AgForce Grains has had a long held policy of giving farmers access to GM crops, but taking a balanced view which stipulates that those choosing **not** to take up the new GM technology should not be adversely affected by those who do. We believe this policy is now possible in the Australian grains industry.

The Queensland Government has not had a moratorium on GM crops in our state, but due to the implementation of moratoria in other Australian states, our small production area is not enough of an incentive for commercial introduction of GM varieties. There is a significant barrier to trade imposed on Queensland farmers by the imposition of the GM moratoria on food crops in NSW.

The lack of access to GM varieties in Australia is in our opinion reducing our long term international competitiveness, environmental sustainability and our ability to provide increased health benefits to our customers.

We believe the Australian grains industry is ready for the introduction of GM varieties of canola and that this introduction can be done without any adverse effects on non-GM canola producers.

A long term view is needed on this issue as many of the benefits of GM crops are still being developed, but without a pathway to market, development of these crops in Australia is being significantly restricted.

Yours Sincerely



Lyndon Pfeffer  
President  
AgForce Grains



**1. Assess the expected impacts on marketing, trade and investment for NSW of:**

- **extending the Gene Technology (GM Crop Moratorium) Act 2003 (the Act) and maintaining the moratorium orders on the cultivation of GM canola;**

Queensland is a major production area for GM cotton and many of our producers grow not only cotton, but also various grain crops. These producers have seen large gains in their economic, social and environmental sustainability of their cotton production enterprises and believe that GM grains should also be made available to them as soon as possible.

However, there are no legislative barriers beyond the stringent controls imposed by the Office of the Gene Technology Regulator (OGTR), on production of GM grains in Queensland so why then do we not have access to this global technology?

The grain production levels of Queensland are not a great enough commercial incentive for research and development, seed commercialisation and production of GM crops to be invested in by industry, government and commercially funded entities. Therefore despite the lack of moratoria there is no commercial incentive for the production of GM crops in Queensland and this situation will remain until the industry can see a pathway to market for this new technology for a majority of the Australian grain crop.

The maintenance of the GM moratoria in NSW and other states is a barrier to the competitiveness and sustainability of grain farmers in not only NSW, but also Queensland and will have long term negative effects on our industry.

The recently finalised report Delivering Market Choice with GM Canola shows that not only the correct scientific protocols are in place to manage the introduction of GM canola, the industry itself is ready to manage it from a logistical and marketing perspective.

The Delivering Market Choice with GM Canola is a comprehensive and widely industry accepted paper on the ability of the Australian grains industry to segregate and accept the introduction of GM canola. This report proves our policy is possible – access can be given to producers who wish to use GM technology and those who do not wish to produce GM crops will not be disadvantaged by those who do.

Market and production choice is an important consideration in this review. The national OGTR assessment system is considered the most rigorous in the world and there seems to be no scientific basis for preventing Australia's grains industry from having access to these technologies. In fact there is significant scientific evidence to show that Australian grain producers and the entire community is at a disadvantage through a lack of access to GM technology.

It is now clear the moratoria in southern Australia are preventing our nation from receiving the economic, environmental and social benefits that the introduction of GM crops can bring and the Victorian moratorium should be allowed to expire.

*AgForce Grains has the following policy on Genetically Modified Organisms:*

1. *AgForce Grains supports continued research into trialling and testing of individual agricultural products.*
2. *AgForce Grains supports the comprehensive and rigorous science-based assessment of genetically modified species and products.*
3. *AgForce Grains supports the Office of the Gene Technology Regulator in ensuring that responsibility of research trials be strictly contained within the legislated guidelines.*
4. *AgForce Grains supports grain growers having access to an affordable choice of the latest research technology that is best suited to their production needs.*

5. *AgForce Grains encourages further education and balance in information to the general public regarding their uses of gene technology.*
6. *AgForce Grains supports individual grain growers having the right to maintain their current farming and marketing practices in the event of the release of GMO crop varieties for commercial production.*

The economic impact of the moratorium on GM canola is definitely costing the state significantly in terms of canola production and also wheat and other crop production. ABARE concluded in September 2005 that, "A continuance of the current moratoriums, and extension to other transgenic broadacre crops, is expected to result in a loss of gross national product of \$3 billion, in net present value terms, over the next ten years".

In his report entitled *Conservation farming systems and canola* Dr Rob Norton of the University of Melbourne noted in 2003 that:

- Research in Australian has demonstrated that wheat following canola has a 20 per cent yield benefit over wheat following wheat.
- The introduction of two lines of GM canola with tolerance to either Roundup or glufosinate ammonium herbicides will give farmers additional weed control options.
- GM canola will allow farmers to sow earlier, achieve better weed control when compared to current conventional canola weed control systems and avoid the inherent yield and oil penalties associated with Triazine Tolerant (TT) canola.
- Based on a scenario of GM canola replacing 50 per cent of the TT canola and 40 per cent of the conventional canola, and with an additional 160,000 hectares of canola plantings because of the new technology, it could be estimated that:
  - An extra 200,000 hectares of canola would be grown under direct drilling or minimum tillage
  - 640 tonnes less triazine herbicide would be used each year
  - average Australian canola yields would increase from 1.27 tonnes per hectare to 1.38 tonnes per hectare, with an increase of canola production estimated at 295,000 tonnes annually
  - wheat production would increase by 64,000 tonnes on the additional canola area.

This increase in canola and wheat production would be worth \$135 million to the Australian grains industry.

It is clear from these figures that the GM moratoria is having a negative economic impact on NSW. Not only is this effect being felt in NSW, but also in Queensland where we do not have a moratorium on GM crops of any sort.

In Queensland our problem is not legislation, but a lack of market potential and pathway to market for seed producers and researchers. With moratoria in place across the rest of Australia our Queensland producers are being denied access to GM varieties. We do not have the market size or the research potential to get access to GM crops such as GM canola varieties suitable for production in our region.

This lack of a pathway to market is also restricting NSW and Australian research and development. New South Wales, through the Government and private companies, has a significant investment in this technology. The moratorium provides:

- Considerable future investment uncertainty
- no clear path to market for approved GM products
- no opportunity to explore the commercial outcomes of R&D investment
- uncertainty for the future global competitiveness of agricultural sectors, such as the Australian oilseeds industry.

Extending the moratoria will continue the limitations on the farm sector already being experienced, with continued flow on effects through the NSW and Australian economies.

- **Amending the Act and removing the moratorium orders on the cultivation of GM canola;**

Removing the moratorium on the cultivation of GM canola will go some way to alleviating the issues AgForce Grains has with the NSW GM food crop moratorium, by allowing access to the current and future technologies and benefits that will accrue to the economy, the environment and the social fabric of rural NSW. However, as stated in the introductory letter with this submission this move will not be taking a long term view of the positive benefits that can flow to all of Australia through access to GM crops.

The major issue facing the grains industry as a result of the GM moratorium is the lack of a pathway to market for GM crops which require many years of research and development before they are ready for commercialisation. If the moratoria on food crops other than canola was continued it will be many years before research can see benefit in investing in such technologies suitable for our unique climatic conditions. Currently grain varieties take between 7 and 14 years to develop to a stage where they can be commercialised. If the NSW moratorium on food crops other than canola was continued the Australian grains industry, of which NSW accounts for a very large percentage, will be restricted from getting access to such GM varieties for another decade.

- **Allowing the Act to expire.**

Allowing the moratorium to expire would create great benefits to the economy of NSW. We have already pointed out the fact that the economy is being restricted by the moratoria, but further to that is the lack of an international market premium for non-GM canola. In a market situation such as that seen in recent times, there has been a short fall in production of canola meaning non and GM Canola is being traded at a similar price. This is not likely to change in the near future with the demand for canola oil as a biofuel and sows that there should be no reason to continue the current moratorium.

Australian agriculture supports choice (see [http://www.afa.com.au/n\\_industry\\_policies\\_landing.asp](http://www.afa.com.au/n_industry_policies_landing.asp)) – which allows individuals (city or regionally-based consumers) to choose the production methods or products best suited to their needs. The government should allow the moratorium to expire to allow the community to choose. Currently, the moratorium denies choice.

**2. On the basis of the above assessments, make recommendations to Government on the most appropriate option to adopt; and**

The moratorium should be allowed to expire. The grains industry has shown it is ready for GM canola and the industry must have access to market security and a clear pathway to market for GM varieties if we are to remain sustainable and meet the rapidly growing demands placed on production from arable land. With the future of our food and energy resources becoming more closely tied to the grains industry we must have access to the best available technology to ensure we can meet the projected demand. The current NSW moratorium is the greatest impediment to the future sustainability of the grains industry at this time and it should be allowed to expire.

**3. In the event that the panel recommends extension of the legislation, recommend appropriate amendments to the legislation.**

The legislation should be allowed to expire and access to GM canola should be immediate.