

29 August 2007

GM Crop Moratorium Review Secretariat  
NSW Department of primary Industries  
Locked Bag 21  
ORANGE NSW 2800

Dear GM Crop Moratorium Review Secretariat

**GENETICALLY MODIFIED CROP MORATORIUM REVIEW**

It is with great pleasure that I present the NFF submission to the Review of the Gene Technology (GM Crop Moratorium) Act 2003 commissioned by the New South Wales Government. The National Farmers' Federation is the peak farm lobby group in Australia and represents producers of all major agricultural commodities. As such, we represent the largest group affected by the Review.

The NFF position aligns with submissions provided separately by NFF state-based member organisations and the grains industry.

I would like to thank you for your consultation on this matter to date and underscore our commitment to working with you to progress this important matter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'B. Fargher', written in a cursive style.

**BEN FARGHER**  
Chief Executive Officer



NFF Submission to the New South Wales Government Independent Review  
of the Gene Technology (GM Crop Moratorium) Act 2003

This submission to the New South Wales Government's independent review of the state moratorium on GM crops under the *Gene Technology (GM Crop Moratorium) Act 2003*, builds on the information supplied with the invitation to provide input to the review process.

The NFF understands that the GM moratorium review panel has comprehensive economic information and modelling at its disposal. Facts, research and other information available to the panel is understood to be established.

## Introduction

The National Farmers' Federation (NFF) is comprised of State farm organisations, national commodity councils and a range of associate and affiliate members. The NFF is the single voice for all Australian farmers.

As food producers, consumers and members of the Australian community, the issue of access to gene technology has widespread potential effects for farmers. Rural families' health and safety, their democratic right as consumers to choose products independently and free from the imposition of value-based judgements, and – in every respect - their livelihoods, are influenced by this question.

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.

It is important to note that farmers' associations have historically moved cautiously in the gene technology debate for the following reasons:

- The irrefutable necessity for food safety.
  - From a 'farmer as consumer' perspective this is non-negotiable.
  - From a 'farmer as producer' perspective, inadequate food safety measures (or even the perception of such) would have a detrimental impact on market share and therefore individual livelihoods and the Australian economy.
- The sustained integrity of organic and conventional food production.
  - The NFF is of the firm view that the production decisions of one farmer must not negatively affect other farmers' production decisions. Gene technology can potentially enhance production yields and quality, reduce costs and provide access to new markets, but it must not injure non-GM farmers.

The issue of gene technology has been a part of the Australian agricultural landscape since the 1990s. Farmers have long recognised its inherent potential benefits and associated risks, and have addressed the latter with a view to the coexistence of the organics, conventional and GM industries. This has been achieved through a network of government and industry-led initiatives and comprises legislation, policy, systems, education and infrastructure.

Australian agriculture now has the necessary safeguards and is well-placed to responsibly harness the opportunities offered by gene technology. A pertinent example of industry's readiness to build upon the strict GM regulatory framework implemented and overseen by government is the grains industry study, *'Delivering Market Choice with GM Canola'*, outlining the safeguards to support the introduction of GM canola. These measures will provide the necessary certainty and confidence to supply chain participants, consumers and governments that GM canola and its products will be managed to meet market and customer requirements. Importantly, these measures will also provide market choice.

## **Impact of GM moratorium**

While not straightforward to assess, global acceptance of GM canola suggests that the moratorium has had a negative economic impact in New South Wales. The Australian Bureau of Agricultural and Resource Economics (ABARE) has also concluded that a continuance of moratoria (and extension to other broadacre crops) is expected to result in an economic loss, especially as GM varieties gain an ever greater foothold in the global market.

Private enterprises, as well as State Government, have invested considerably in gene technology. The moratorium 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. This in turn will jeopardise Australia's future global competitiveness of agricultural sectors such as the oilseed industry. Australia will be disadvantaged when the next generation of GM products is introduced to the market. While (with the exception of cotton), this is believed to be several years away, failure to gain familiarity with producing and supplying GM products (in particular alongside conventional and organic produce) will limit our abilities (as well as the international perception of Australia as novice GM producers) to take up improved gene technologies.

## **Expected economic impacts of allowing moratorium to expire vs. extending moratorium**

Expiry of the moratorium would restore growers' right to choice, a concept that the NFF is strongly committed to. We consider that choice to cater to the market most suited to their business and preferred market is an elemental right that all primary producers and consumers should be granted.

There is good reason to believe an expiration of the moratorium would be beneficial for NSW's ability to diversify and strengthen its agricultural market share by giving farmers access to a product which has enjoyed considerable success in international markets, and acceptance by consumers. With an expired moratorium, farmers would be free to explore the positive commercial opportunities presented by approved GM canola varieties. This includes not only direct impacts such as greater weed control and higher canola crop yields, but also indirect advantages such as yield benefits in wheat crops following canola plantations (estimated to be about 20%).

If the moratorium is allowed to lapse, greater certainty for future research and development prospects is likely to encourage investment and bolster Australian-based innovation and scientific capacity.

Should the moratorium be extended, the advantages listed above would not be possible. Australia's oilseed industry would be obliged to absorb a range of immediate and future impacts. Depending on outcomes of other moratorium

reviews, Australia could potentially continue to miss out on attaining a share of the sizeable GM canola market. In the future, Australia would face the risk of being outstripped by our competitors due to the absence of improved varieties among our produce. Longer term impacts may include difficulty in accessing future generations of GM products with improved genetics relating to drought, frost and nutrition.

### **Recommendation to Government re: expiration/extension of moratorium**

Consistent with NFF's underlying principle of choice, we recommend that the NSW Government allow the moratorium to expire. The moratorium denies choice, both to producers and to consumers. Each branch of the agricultural sector, be it organic, conventional or GM, is well placed 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.

Should a lifting of restrictions on GM commercial planting permit the commercialisation of GM canola, industry will proactively adopt certain practices that will uphold the integrity of produce under these new circumstances.

Australian growers already cater to specific needs in various markets and employ safety measures and segregation to achieve these outcomes. The Australian grains industry is recognised for delivering products that meet specific customer requirements, and conventional and organic enterprises have achieved harmonious co-existence.