

# **AWB Limited submission: State Moratoriums on Genetically Modified Crops**

## **1.0 AWB Policy on the application of biotechnology (June 2007)**

*AWB supports the development of agricultural biotechnology under controlled conditions because of the potential benefits to farmers and the community.*

*We will provide appropriate stewardship services to farmers to help them in the application of agricultural biotechnology.*

*AWB will provide a range of products and services to meet the needs of all its customers in Australia and overseas.*

*To enable this, we support supply chain improvements to enable effective segregation of genetically modified (GM) and non-GM product.*

*We will provide non-GM and GM products to commercial customers in Australia and overseas to meet their requirements.*

*We will comply with all labelling requirements where GM material is present in any product to enable informed consumer choice.*

## **2.0 AWB background**

AWB Limited (AWB), through its subsidiary AWB (International) Limited, is the manager and marketer of all Australian bulk wheat exports through what is known as the Single Desk. The company markets wheat into more than 50 countries, with Australian wheat exports worth up to \$5 billion per year (volume & market price dependant). The Australian Government has determined that the Single Desk will transfer to a new, independent, grower-owned and controlled body during 2008.

AWB markets and trades a range of other grains both domestically and internationally. It exports in containers and in bulk, directly chartering a significant portion of the bulk shipping it uses for wheat. Land transport, along with grain storage and handling services, are predominantly contracted to independent service providers. AWB owns a small network of country-based grain storages and has a 50% share in the Melbourne grain export terminal.

In addition to its grain business, AWB is heavily involved in the supply of rural services through its subsidiary Landmark. Servicing over 110,000 clients across Australia, Landmark operates from around 400 branches and has over 2000 employees. The business spans farm inputs such as fertiliser and agricultural chemicals, agricultural seeds (incorporating AWB Seeds), agronomy services, wool and livestock marketing, real estate, rural finance and insurance.

## **3.0 Introduction of GM crops**

AWB is not opposed to the lifting of the current moratorium on GM canola and the commercial release of “InVigor” or “Roundup Ready” canola because of the potential benefits to farmers and the community.

Our major focus is on managing the adventitious presence (AP) of GM canola in wheat so that we can meet customer requirements.

There is already a small level of adventitious presence of canola in wheat, so it could be expected that this would eventually occur with GM canola. Generally, even the maximum likely level of adventitious presence of GM canola in wheat will cause no regulatory or labelling issues where those GM varieties have been approved by the importing country. We note that key Asian markets such as China, Japan and South Korea have already approved the canola varieties “InVigor” and “Roundup Ready”.

When GM canola was introduced in Canada in 1996 the industry focused on maintaining the purity of the conventional canola by placing strict identity preservation requirements on the GM canola. Canada also specifies a maximum threshold of 0.05% of AP GM canola in wheat and has sold wheat to virtually all countries that Australia sells wheat to, so this limit seems to have market acceptance.

In these circumstances, AWB supports an identity preservation framework that allows Australian wheat exports to meet customer requirements and be competitively neutral with other major wheat exporters such as Canada.

This would require a GM AP limit 0.9% in canola and 0.05% in wheat. These threshold levels should be possible within the current supply chain without additional costs.

#### **4.0 Market Framework**

The grains industry has adopted a set of principles and protocols to ensure the introduction of GM canola can be managed safely and without adverse market consequences including:

- Australian safety and environment clearance (Office of the Gene Technology Regulator (OGTR), Food Standards Australia & New Zealand (FSANZ)).
- Market requirements should be identified, including any needs for segregation to meet the various needs of domestic and international customers.
- Confirmation of approval for food and feed importation and consumption in customer countries.
- Establishment of thresholds within Australia and in importing countries (if required) for contractual or labelling purposes related to the adventitious presence (AP) of the GM crop in non-GM varieties of that crop, or adventitious presence of the GM crop in other crops (eg GM canola in wheat or barley).
- Ability of the whole supply chain (including seed and farm practices) to provide product traceability, verification and contingency plans as the market requires.

The introduction of any new GM crops should be subject to this framework and be assessed on a case by case basis. In these circumstances, AWB is comfortable that it can protect its commercial position through legally binding contractual arrangements with suppliers and customers.