

SUBMISSION BY
STOCK FEED MANUFACTURERS' COUNCIL
OF AUSTRALIA
&
STOCK FEED MANUFACTURERS'
ASSOCIATION OF NEW SOUTH WALES



TO THE
NEW SOUTH WALES REVIEW OF THE
GENE TECHNOLOGY ACT

AUGUST 2007

EXECUTIVE SUMMARY

The Stock Feed Manufacturers' Council of Australia and the Stock Feed Manufacturers' Association of NSW make the following points in relation to the NSW GM crop moratorium.

- The stockfeed industry is a major user of GM raw materials.
- GM raw materials in use include soybean meal, canola meal (from imported canola seed crushed in Australia), cottonseed meal, cotton hulls, whole cottonseed. Additionally various vitamins, enzymes and feed additives are derived from fermentation processes using either GM micro-organisms or GM substrate raw materials.
- The industry has been managing livestock industry requirements in terms of supplying feeds containing GM raw materials. This includes use of vendor declarations relating to GM content within feeds.
- The NSW GM crop moratorium is restricting research into GM crops and resulting in overseas competitors gaining crop production advantages at the expense of Australia's farmers.
- Allowing the GM crop moratorium to expire would allow NSW farmers to have choice in whether they do or do not wish to grow GM crops.
- The moratorium preventing the cultivation of GM crops does not prevent the importation of large volumes of GM products such as soybean meal and canola seed.

The SFMCA and SFMA NSW strongly supports the option of allowing the Gene Technology Act (2003) to expire.

SUBMISSION BY THE STOCK FEED MANUFACTURERS' COUNCIL OF AUSTRALIA AND THE STOCK FEED MANUFACTURERS' ASSOCIATION OF NEW SOUTH WALES TO THE NEW SOUTH WALES REVIEW OF THE GENE TECHNOLOGY ACT

IDENTIFICATION

This submission is presented by the Stock Feed Manufacturers' Council of Australia (SFMCA) and the Stock Feed Manufacturers' Association of NSW.

SFMCA is the Federal Council body representing the State stock feed manufacturers' associations. Individual companies involved in stock feed manufacture belong to their relevant State association. SFMCA members manufacture in excess of 90% of commercial feeds sold within Australia. Within NSW the vast majority of feed manufacturers are members of the Stock Feed Manufacturers' Association of NSW.

SFMCA member companies manufacture over 4,600,000 tonnes of animal feeds annually across Australia, the major ingredients of which are cereal grains, together with vegetable and animal derived protein meals, oils and other raw materials. The value of commercial stockfeed sold within Australia exceeds \$1,600M.

The Australian stockfeed industry is responsible for the manufacture and supply of animal feeds to Australia's livestock producers. As such the industry adds value to primary raw materials produced within Australia, these being converted into meat, milk and eggs. Lesser quantities of feed are manufactured for animals involved in leisure and hobby activities.

Commercial feed manufacturers are located in all States and supply to livestock producers feeds for poultry, pigs, cattle, sheep, horses, aquaculture and various other animal species.

SUBMISSION

Raw Material Sources

The stockfeed industry acts as a service provider which links together the supply of primary raw materials which are blended into stock feed for supply to NSW's livestock industries. The stock feed industry thus value adds NSW raw materials as they are converted into stock feed and then supplied to dairy, pig, poultry, beef, sheep and horse owners for the production of meat, milk, eggs, fibre and racing outcomes.

The industry presently uses both non-GM and GM raw materials. The GM derived raw materials used in stockfeed manufacture are identified below:

GM Raw Materials

Soybean meal imported from the USA and South America is recognised as being derived from GM soybeans. Due to increased feed demand due to the drought, it is estimated that almost 400,000 tonnes of GM soybean meal will be imported into Australia this year.

Cotton grown within Australia is largely from GM varieties. This crop supplies **whole cottonseed, cottonseed meal and cotton hulls** which are used in livestock feeding within Australia.

Canola meal resulting from the importation of canola seed from Canada, this seed has been crushed in Australia with oil being used for human food uses and meal being used in animal feeding.

Micro Ingredients and Feed Additives, these including materials such as feed enzymes, amino acids and vitamins that are imported into Australia. An increasing number of these ingredients are derived from microbial fermentation which either use GM raw materials as their fermentation substrate or use genetically modified microbial organisms as part of the fermentation process.

These GM raw materials are used in animal feeds across Australia, with feeds being supplied to meat chickens, laying hens, beef cattle, dairy cattle, sheep, horses, aquaculture and other species.

It should be recognised that the Australian stockfeed industry already manages GM raw materials, with segregation from non GM raw materials. This management of GM and non-GM raw materials is completed to the satisfaction of the domestic end users of animal feeds. The availability of locally grown GM canola crops will be managed in the same manner as currently applies for imported GM raw materials.

GM Raw Material Use and Meat, Milk and Eggs

The SFMCA supports the scientific view that DNA found within food consumed by animals is not incorporated into the animals own genetic make up and that there is no risk to human or animal health through the feeding of GM ingredients to animals. This view being supported through the risk assessments completed through the Office of the Gene Technology Regulator prior to the approved commercial release of GM canola in 2003. Since 2003, numerous studies have been completed looking at utilisation of GM crop feed ingredients in animal feeding. Together with the commercial utilisation of millions of tonnes of GM crops worldwide the safety of use is recognised.

GM Technology Support and Adoption

The SFMCA supports the release of GM crops within Australia. The most significant issue facing Australian livestock production is accessing reliable sources of grains and protein

meals. With increasing frequency of drought and reduced grain production Australia's production viability of animal proteins is declining. Other countries that have been more proactive in adopting GM crop technology are realising significant advantages in increasing crop production yields.

GM technology has the capacity to deliver new crop varieties which not only increase yield, but allow production on more marginal cropping areas or utilise lesser resources of soil moisture or fertiliser. Thus GM technology offers Australia the capacity to make significant advances in increasing crop production under the threat of changing climatic conditions.

The SFMCA supports the right of farmers to have choice in whether they do or do not grow GM crops.

GM Co-existence

The use of adventitious presence thresholds for GM grain provides the industry with a workable solution for the co-existence of GM and non-GM grains. The SFMCA believes that the grains industry has capacity to maintain GM grain segregation which will meet the needs of end use industries such as stockfeed manufacturers' and livestock producers.

The level of co-existence needs to apply beyond grain accumulation, this being significant in the following areas:

- Access to grain – with the marketing of both GM and non-GM grains to end users such as stockfeed manufacturers.
- Access to vegetable meals - with oilseed processing and supply of both GM and non-GM protein meals.

The stockfeed industry recognises the need for commercial contractual arrangements within the supply chain which can operate with the use of defined adventitious presence levels of 0.5% for seed and 0.9% for grain. The SFMCA whilst supporting the co-existence of GM and Non-GM crops, through the use of defined adventitious presence limits, does not support contractual arrangements based upon GM free canola specifications.

Whilst it is uncertain what demand there will be for the segregation of GM from non-GM crops, the SFMCA supports the position that the grains industries needs to be responsive to customer demands. In this case there needs to be a requirement for GM crop segregation where there are commercial market signals requiring this position.

Customer Demand

Stock feed manufacturers presently meet the demands of their customers, this varying from those that want non-GM feeds to those that place no restriction on GM inclusion. In particular the dairy milk processors define maximum levels of GM which can be included within dairy feeds supplied to their milk suppliers. This varies between processors, with some having no defined GM restriction whilst others define a 5% maximum inclusion level.

The dairy industry is responding to export market requirements, this resulting in the stockfeed manufacturers then having to meet this milk processor requirement. The stockfeed industry

needs to be responsive to the needs of the livestock industries in general and individual feed clients in particular. The industry utilises vendor declarations which identify the level of GM materials included within stockfeed. A copy of the SFMCA Stockfeed Vendor Declaration is shown in Appendix 1; this declaration carries statements relating to GM ingredient inclusion within stockfeed.

Specific comments relating to the commercial cultivation of GM canola in NSW

1. Impacts on marketing, trade and investment for NSW of:

a. Extending the Act and maintaining the moratorium on GM canola cultivation.

Access to GM canola varieties provides capacity for grain growers to increase crop yield as well as increasing the area sown to canola. This provides NSW with greater crop security for the supply of canola seed to domestic oilseed crushing plants and the resulting supply of canola meal. Australia imports large volumes of alternate protein meals such as soybean meal, copra meal and palm kernel meal as there are insufficient supplies of vegetable protein meals available within Australia. The removal of the moratorium on canola meal will result in increased canola breeding work, crop development and greater crop production. This will provide more domestically available protein meals and less importation of soybean meal derived from GM soybeans grown in North and South America.

Extending the moratorium is seen by the SFMCA as limiting the canola industries capacity to expand and compete with other countries already accessing GM technology.

b. Amending the Act and removing the moratorium on the cultivation of GM canola.

The SFMCA believes that this option is positive in allowing GM canola to be grown. It however places a barrier to other GM crops and the research work required for their development.

c. Allowing the Act to expire.

The SFMCA believes that allowing the moratorium to expire will be economically beneficial to the NSW economy, this benefit being realised through the supply chain from grain growers, bulk handlers, oilseed crushers, stockfeed manufacturers and food manufacturers. Adoption of GM technology will increase competitiveness for the production of canola seed and the products derived from canola seed.

2. Whether Government should allow the moratorium to expire or be extended?

The SFMCA recommends that the moratorium expire. The SFMCA argues that it is illogical that Australian grain growers cannot grow GM canola crops and yet GM canola seed is being imported from Canada into Australia and is being supplied after processing for animal feed and human food uses. The SFMCA questions why Australian grain growers are being denied access to biotechnology which is available in other competing countries.

3. Complementary policies and practices that are required to address the consequences of the moratorium ending?

The SFMCA supports the work undertaken by Single Vision Grains Australia in defining the industry's capacity to use GM canola and deliver market choice. This work has clearly defined the steps involved in retaining co-existence of both GM and non-GM canola crops within the document titled *Delivering Market Choice with GM Canola*.

It is the SFMCA's view that industry has the capacity to provide crop segregation which will cater for the needs of end use industries including stockfeed manufacturers. The SFMCA is not seeking any additional Government regulations or practices when the moratorium ends.

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Appendix 1



STOCK FEED MANUFACTURERS' COUNCIL OF AUSTRALIA

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 Vic 3807

STOCK FOOD SUPPLIER DECLARATION FORM

For use where a stock food is bought through a miller, agent, produce store or other trader

It is declared that the consignment of stock feed described as:

Supplied by:

FeedSafe® Certificate No.

To:

On: ___/___/20___, or during the period from ___/___/20___ to ___/___/20___

Meets the following requirements:

1. Any chemical treatment applied to any component of this consignment during storage on our premises or otherwise in our possession was as per a product label approved by the APVMA (Australian Pesticides and Veterinary Medicines Authority) and that the withholding period specified on that label has been observed.
2. In relation to the sourcing of raw materials:
 - a) the property on which the commodity was grown, or the storage facility in which the commodity has been stored carries accreditation under a recognised and independently audited QA programme, which includes chemical residue management provision; **OR**
 - b) has been purchased under a contract in which the supplier warrants that the commodity complies with all State and Federal laws and requirements relating to chemical and pesticide residues and specified Government designated maximum residue levels; **OR**
 - c) in relation to direct farm purchases that the supplier of the commodity has attested to the effect that any pesticides/insecticides used on the grain have been applied in accordance with the registered labels of these chemicals, at rates not exceeding the maximum rate set out on the label of these chemicals and the appropriate withholding periods have been observed.
3. Is otherwise fit for the purpose of feeding to the species of livestock indicated in the product description above.
4. Is free from Restricted Animal Material (RAM) as required by State legislation (DELETE THIS CLAUSE WHEN NOT RELEVANT PRIOR TO PRINTING FORM)
5. Is free from GMO's as defined by 99% GMO free **OR**
 Is free from GMO's as defined by 95% GMO free
 (DELETE THESE CLAUSES WHEN NOT RELEVANT PRIOR TO PRINTING FORM)
6. This feed has been manufactured at a FeedSafe® accredited site. FeedSafe® being the national QA Accreditation program of the Stock Feed Manufacturers' Council of Australia.

Vendor's Signature:

Date:

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