

Tasmanian Agricultural Productivity Group Ltd

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The Project Team – Review of the moratorium on GMOs in Tasmania (2013)

Department of Primary Industry, Parks, Water & Environment

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Submission in Response to Issues Paper

Introduction

TAPG directly represents the industry processing and related agri-business service providers. It is registered with ASIC as a not for profit company and is governed by an elected Board who volunteer their service. The Articles of Association require that members of the Board represent the various sectors that comprise the overall agricultural industry. This requirement ensures that the Board consistently takes a “whole of supply chain” approach when considering the matters before it.

Accordingly the composition of the Board requires Directors as follows:

- Vegetable Processing (2)
- Plantation Forestry
- Other Crop Processing
- Fresh Vegetables
- Dairy Processing
- Rural Banking
- Regulatory Affairs
- Agribusiness Services
- Primary Production (2)
- Marketing

No other representative group in Tasmania attempts to maintain this breadth of view when considering policy and practice in the agricultural environment.

Current representation within these categories ranges from large multi-national companies through wholly Tasmanian companies to individual farming business owners. All Directors are required to represent their “sector” rather than the specific interests/policies of the company for whom they work.

This elaboration of the governance structure for the reader is important in understanding the breadth, quality and overall neutrality of consideration that the Board have provided when discussing the issue of GMO in the Tasmanian context.

Review Process

The Board recognises that the GMO question is both complex and important at this point in the industry’s development.

Initially, the Board participated in the Macquarie Franklin review of the impact of the GMO Moratorium in Tasmania.

Over the past several months the Board has sought to hear a range of expert opinion on the topic.

To this end a representative from Croplife Australia has been received at a Board Meeting where comparison data with other Australian States was presented along with research findings from across the world. Several of the TAPG Directors and our Executive Officer sit on the Food Industries Advisory Committee that reports to the Minister for Economic Development. This group has held numerous meetings exploring the complexities of the GMO issue. TAPG representatives have reported on these wide ranging discussions at each of our subsequent Board Meetings.

Most recently, in September, a closed Board Members only discussion continued the dialogue to bring together all the various inputs/opinions that had been received.

Recommendations

- **Pharmaceutical crops should be exempt from any future moratorium.** The Board has received advice that, under the existing moratorium, poppy crops could be planted that contained GM seed. Poppy industry representatives have maintained that the procedures around these exemption provisions were ambiguous at best and did not allow the companies involved to undertake these plantings without fear of adverse reaction from various quarters. A clear cut and public exemption from any future moratorium would allow this critical crop in Tasmania to both maintain and improve its position as a world leading cultivation. A further benefit to be derived from such an exemption would be to better cement Tasmania's place as the preferred poppy growing location within Australia and New Zealand given that all possible variants of this crop could be planted as required by the industry. The economic value of this critical crop to the over-all success of the Irrigation Scheme initiatives cannot be over-emphasised. The Board also believe that the public perception of "pharmaceutical products" acknowledges the "manufactured" nature of most pain relief and subsequent acceptance of this fact.

- **Consideration of exemption should be given to other non-food crops.** The Board heard evidence that the competitiveness of Tasmanian milk production will almost certainly be negatively impacted by Tasmanian dairy farmer's inability to grow improved pasture species or grains. At a time when a concerted campaign to "Fill the Factories" is being conducted the lack of access to dramatically improved feed will undoubtedly restrict the ability of the Dairy Industry to meet forecast milk demand. Tasmanian milk producers will be placed at a competitive disadvantage to mainland producers who will have access to seed approved by the Gene Technology Regulator. It is worth noting that very little of this industry's product is "badged" as Tasmanian in its final market form.

- **Any new Moratorium should be for a maximum of three years.** Universal disquiet from all consultations undertaken by the Board surrounded the question of an appropriate length for any future moratorium. There is a clear understanding that we are in an era of market driven change that is driving time frames. The fact that this is now a global market place only further complicates our consideration. The nomination of 3 years is based on our current experience of industry consultation in that the review process has commenced in the final year of the moratorium therefore suggesting that after two years of a future moratorium all stakeholders would be re-engaged in the debate with an additional body of evidence and data at their disposal.

- **Regulations resulting from any future Moratorium should have built in “trigger” points.** Allied with the previous point is this concept of a trigger that will allow immediate review and timely response to any new product or development that can pass the test of “public good”. It is widely accepted that advances in this field are occurring at an amazing rate with research and trials occurring concurrently with our own review. New announcements unknown to reviewers may be imminent and, recognising this, it is prudent to build in what must be regarded as a “safety” clause. Examples of such new revelations could be in areas of human health or economical advantage.

- **Ongoing Research and Review.** Regardless of the final decisions made with respect to the current issue of Tasmania’s Moratorium, an appropriately credentialed and resourced committee be established to continue the accumulation of science based data pertinent to the topic. This committee should place particular emphasis on understanding and reporting on Herbicide Resistant Traits and their impact on agriculture.

Conclusion:

The TAPG Board commends the Government's decision to commission the Macquarie Franklin report (2012) that investigated the market, economic, social and environmental issues relating to Tasmania's GMO free status.

However, the report found:

- The non-GM canola seed industry is the only industry that has achieved quantifiable benefits from the current moratorium. It can be argued that the prices currently being paid are intended to encourage the re-emergence of the industry that has been in decline and may not be sustainable in the future
- Price premiums in world markets for non-GM canola are either small or non-existent and almost totally off-set by cost recovery and transport costs.
- Market disadvantage of the current moratorium is currently estimated at around \$4 million per annum at farm gate. This represents \$40 million over the past 10 years of moratorium.
- The Japanese markets that require the GM-free products are relatively small and inconsistent in its demand.
- Less than 5% of the food and agricultural sector actually use Tasmania's GMO-free status to promote their products and there is no evidence that they derive a tangible benefit from this.
- The current market advantage that can be gained from the specific promotion of Tasmania's GMO-free status is likely to be very limited.

The report went on to assess the moratorium against the four goals of Tasmania's Economic Development Plan:

1. To support and grow businesses in Tasmania
2. To maximise Tasmania's economic potential in key areas
3. To improve the social and environmental sustainability of the economy
4. To support and grow communities within regions

The Report again showed no discernible advantage across all of these goals with Goal 1 showing a net negative impact on business!

Critically, the report showed that currently 80% of food products from Tasmania are sold within an Australian market that is not focussed on GMO issues. Until Tasmania's freight logistics issues are solved to an extent that allows our products into some of these more sensitive world markets the State's Moratorium on GMO can be regarded as another of the "input" costs that are crippling our competitive edge.

Jim Wilson

Chairperson

Tasmanian Agricultural Productivity Group

11 October, 2013