

Submission

To

House of Representatives Standing Committee on Primary Industries and Regional Services

Inquiry into Primary Producer Access to Gene Technology.

Introduction

Queensland Fruit & Vegetable Growers is the organisation representing the interests of some seven thousand fruit and vegetable producers in Queensland.

Growers benefit from the QFVG umbrella which provides a co-ordinated approach to product, promotions, research, development and industry lobbying.

The value of fruit and vegetables produced in Queensland is close to \$1 billion in a national industry worth \$3.5 billion.

The organisation is grower funded and run through a network of regional grower committees, statewide commodity committees, and a board of directors.

Appendix 1 gives a summary of the value of the different crops that are grown in Queensland.

The majority of fruit and vegetables produced in Queensland is sent to southern markets with 10 to 15% sent to export markets.

Future growth in the industry will be a mixture of expanding the domestic market for some commodities and increasing export sales particularly to Asia.

The long term vision for industry is to be a globally competitive, respected and cohesive industry driven by satisfying customer and marketing needs.

The development and application of gene technology is considered to have potential benefits for industry, however to date the development of policy and level of industry driven debate in the area has been somewhat limited. Industry sees this current review as a catalyst to generate industry debate and to take issues forward for clear for clear policy position.

- ***The future value and importance of genetically modified varieties***

There is significant potential for genetically modified varieties. These include environmental benefits such as improved water use efficiency, increased yield potential, pest resistance and reduced chemical usage. Consumer and market related benefits such as longer shelf life, improved flavour and increased convenience could also be available.

Producers have seen the economic benefits of GM crops (in North America and China mainly) with the phenomenal uptake of the technology – growing from 2.8 million hectares in 1996 to an estimated 60 million hectare in 2000 (ABARE). These benefits have been reduced production costs and therefore greater profitability, as well as environmental benefits from using fewer chemicals. Most industries seem to accept that they won't remain competitive unless they use this technology.

The value and importance of these, to a certain extent, will be driven by consumer or community acceptance and it may well be the choice of the consumer that proves the success or otherwise of this technology. The current feeling is that many consumers are wary of these products as there is presently no direct benefit to them as the modifications to the products currently on the market are input traits that benefit only the producer and multinational life science companies. It is thought consumers will be far more accepting when output traits are incorporated into products (enhanced nutritional qualities such as modified oils, proteins, antioxidants, vitamins, vaccines; better colour, flavour, shape; enhanced storage and transporting qualities).

If the technology is accepted, then primary producers need open and equitable access to it to allow them to compete in the market place. This competition could be driven by lower per unit costs of production or driven by better quality benefits to the consumer.

There may be other unknown benefits at this stage such as development of pharmaceutical products administered through fruit and vegetable products that would in effect be a value adding process and new market opportunities for growers. It would be important that these be available on the same basis of equity.

- ***The ability for producers to compete using traditionally available varieties***

It is considered that the ability of producers to compete using traditionally available varieties would depend initially on consumer and market place acceptance of genetically modified products. If there was consumer acceptance, there may be market niches for traditional varieties in the short term however it is doubtful whether significant numbers of producers would be able to compete using traditional varieties in the long term.

Producers must have access to genetically modified organisms to make business decisions based on the demands of the market place.

- ***The commercialisation and marketing of agricultural and livestock production varieties***

There are a number of issues arising from the commercialisation and marketing of varieties that appear to have a complex interaction.

It appears from press articles describing the trends in gene technology, that the major life science companies are establishing a very strong foothold in this market place and it is likely that in the short term it will be dominated by a handful of players. Producers are concerned that this domination by a small number of companies would limit access to varieties.

There would be even greater concern if the companies with access to the varieties linked with major supermarket chains to provide a limited number of producer's opportunities to grow those particular varieties.

- ***Cost to producers of new varieties***

Industry has a general concern on the increased costs of this technology if it is owned by a handful of major companies. This would be an even more difficult position if a specific technology or benefit was in the hands of one major company and excessive margins were placed on producer access to that technology.

This could for example be a fruit fly resistance tomato variety which would have significant benefits for market access. As a result, excessively high prices could be charged for access to that particular variety. There are examples of that occurring already where the Australian cotton industry is paying up to two times the US price for genetically modified cotton seed.

- ***Other impediments to the utilisation of new varieties by small producers***

Marketing alliances between major retail chains and life science companies could limit producer access to certain varieties.

Access to the benefits of genetically modified organisms may also be limited to horticultural crops because they are not the major crops grown in the world. The products of cotton, grain, soya beans etc have got a much greater market potential for investment than to the horticultural industries. This could leave the horticultural industries lagging behind the adoption of the technology compared to broad acre crops.

- ***Assistance to small producers to develop new varieties and the protection of the rights of independent breeders, in relation to genetically modified organisms.***

At this stage it would appear unlikely that small producers would develop varieties for genetic modification as they would not have access to the appropriate technology and costs would be prohibitive.

- ***The appropriateness of current variety protection rights, administrative arrangements and legislation, in relation to genetically modified organisms***

There currently is a dire need for a regulatory system to allow trialing of the technology and full scale commercialisation of the technology in Australia. This will provide transparency to the process and also act to give consumer and community confidence in the technology itself. The system developed needs to take into account a responsible approach based on scientific evidence available. There may well be a need for the system to vary for different classes of gene modification eg; within species, between genuses, animal to plant etc.

There would need to be obvious links to the plant varieties rights process to protect the genetic property and these mechanisms need to be resolved quickly.

- ***Opportunities to educate the community of the benefits of gene technology***

This is an absolutely critical area where further attention is needed. To date most of the debate has been led by scientific community and consumer groups that are not in favour of the technology.

Consumer education is absolutely critical for the future acceptance of gene technology. It must be transparent with simple messages identifying the benefits and the possible negative components of gene technology. There is a role for government and producer organisations to get involved in the debate and lift the level of understanding throughout the broader cross section of community.