

House of Representatives

Standing Committee on Primary Industries and Regional Services

INQUIRY INTO PRIMARY PRODUCER ACCESS TO GENE TECHNOLOGY

Thank you for the opportunity to present this late submission, I became aware of the Inquiry on receiving the June edition of “Eyes on Potatoes” in late August.

Preamble

Although my comments are directed towards the potato industry, I believe that they would also be pertinent to the whole range of horticultural crops produced in Australia.

Executive Statement

This submission does not directly discuss the technology of gene manipulation, of which I am not qualified to discuss, but rather the broader ramification of maintaining and protecting the fundamental genetic base in order to protect not only the needs of individual and small producers, but also the greater community at large by providing a strong viable industry.

Background

As an exporter of approx. 5000 tonnes of potato in 1998/99, with sales increasing to 8,000 tonne in 1999/2000, I have a direct, (perhaps vested) interest in ensuring potato production remains viable and sustainable.

Because supply to fulfill these export orders are obtained from a diverse socioeconomic range of growers, and from different growing regions, I have the opportunity and privilege to view the industry’s needs and requirements from a broad perspective.

Realities

It is my submission that the WORLD AS WE KNOW IT TODAY WILL NOT BE THE SAME WORLD TOMORROW , however there are two realities of which we can be sure;

- Costs to grow will increase
- Prices paid for produce will fall in real terms.

The Challenges

To meet these realities and to achieve viability it will be a economic necessity that industry provides more for less.

This will require;

- greater production from the same land mass, which will cause;
- rotations between crops to be reduced, introducing higher levels of disease;
- yields will be adversely affected,
- further reducing income and bringing pressure to increase volume to remain economic. Thus the realities will become self evolving.
- The finite resource of arable land, which is already under pressure from population growth will be put under increasing demand.
- The cycle will continue unabated.

To reduce or slow the cyclical nature of these realities, we must use the only resource that is available to us, and the only resource that is renewable; the resource of knowledge.

The Knowledge Resource

1. The Export Experience

In our own business, the introduction of two new crisping varieties, targeted towards the export market. ⁽¹⁾ have provided growers the means towards which they can remain commercially viable and meet the challenges of tomorrow.

These varieties will enhance competitiveness of our growers through their higher yield, better tuber size and reduced seed costs.

However, if the characteristics of these new varieties were not available to small producers, then the industry's ability to penetrate and obtain sustained growth into export markets would have been jeopardised.

2. Domestic Experience

It has been reported ⁽²⁾, that 'supermarkets' will soon source virtually all their requirements through supply chain arrangements covering **genetic material** through to store.

3. NaPIES Review⁽³⁾

The National Potato Improvement and Evaluation Scheme is currently under review to determine the level of future funding by the industry, to determine when the ownership of a new variety/technology passes from "public purse" to "privately funded".

4. Because of the philosophical trend to base research/extension on a Fee for Service, the prognosis is that development work on Potato varieties will be “sold off” for commercial evaluation of the new seed.
5. With the growth of multi-national conglomerates controlling sales of fresh produce, the threat to the industry, both local and export orientated is immense.
6. I have the concern that varieties with potential to bring quantum benefits to the industry, and also indirectly to Australia’s trade balance, may be obtained and controlled by companies with the financial muscle and vested interest in ensuring industry does not have the opportunity to take advantage of that new technology. (I.e. varieties)
7. To ensure expenditure on their own marketing program’s bring benefit to their shareholders, new advances could be locked away, forbidding contribution towards (i) maintaining Australia’s environment; (ii) the best utilisation of our finite resources; (iii) providing increased revenue to the taxpayer’s of Australia, or (iv) establishing or maintaining the viability of the farming sector.
8. This concern relates to improvements achieved by “normal” research, and to improvements obtained through genetic technology. The only difference being the rapid advances that can take place with the new procedure’s of genetically modified cells.
9. THERE IS A DEFINITE NEED FOR IMPROVEMENT IN OUR GENETIC MATERIAL TO ACHIEVE PROGRESS.

10. THERE IS AN EQUAL NEED TO ENSURE THIS KNOWLEDGE
REMAINS AVAILABLE FOR THE BENEFIT OF ALL
AUSTRALIANS.

11. Comments and summary of individual points in Terms of Reference.

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

AS OUTLINED THE IMPORTANCE OF SUCH MATERIAL CANNOT BE UNDERSTATED.

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

THERE IS NO OPPORTUNITY TO COMPETE FROM BEHIND, THE ONLY WAY TO ACHIEVE
DOMINANCE IS TO LEAD FROM THE FRONT. AND WITHOUT DOMINANCE THEN THERE IS NO
NEED TO COMPETE.

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

THE MAJOR IMPEDIMENT TO THE COMMERCIALISATION OF VARIETIES IS NOT THE THREAT OF MINORITY OWNERSHIP, BUT THE OPPORTUNITY THAT BENEFICIAL ADVANCEMENTS TOWARDS AUSTRALIA'S WEALTH COULD BE RESTRICTED DUE TO MARKETING REQUIREMENTS OF INDIVIDUAL ORGANISATIONS AND THEIR WEALTH.

- *The cost to producers of new varieties*

THE ONLY COST IS THE COST OF **NOT** HAVING THE NEW VARIETIES.

- *Further points are all covered in my underlying concern that developments may be restricted from becoming commercial, so that private/public organisations maintain their perceived marketing positioning.*

1. (Refer 'Eyes on Potatoes' Vol. 7 - June 1999).