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Ricegrowers' Association of Australia Inc.

Submission to House of Representatives Standing Committee on Agriculture, Resources, Fisheries and Forestry

Inquiry into Agricultural and Veterinary Chemicals Legislation Amendment Bill 2012

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Introduction

The Ricegrowers' Association of Australia (RGA) welcomes this opportunity to provide comment on the Agricultural and Veterinary Chemicals Legislation Bill 2012.

Representing the end users of agricultural chemical products, the RGA is concerned that this bill will not improve the affordability of these products for farmers, nor will it improve the ability of agricultural industries to ensure that critical new safer and more effective chemicals are made available in the market. Our brief comments further below outline the basis for our concerns.

The RGA is a member of the National Farmers' Federation (NFF) and also supports the views contained in the NFF submission to this inquiry.

Ricegrowers' Association of Australia

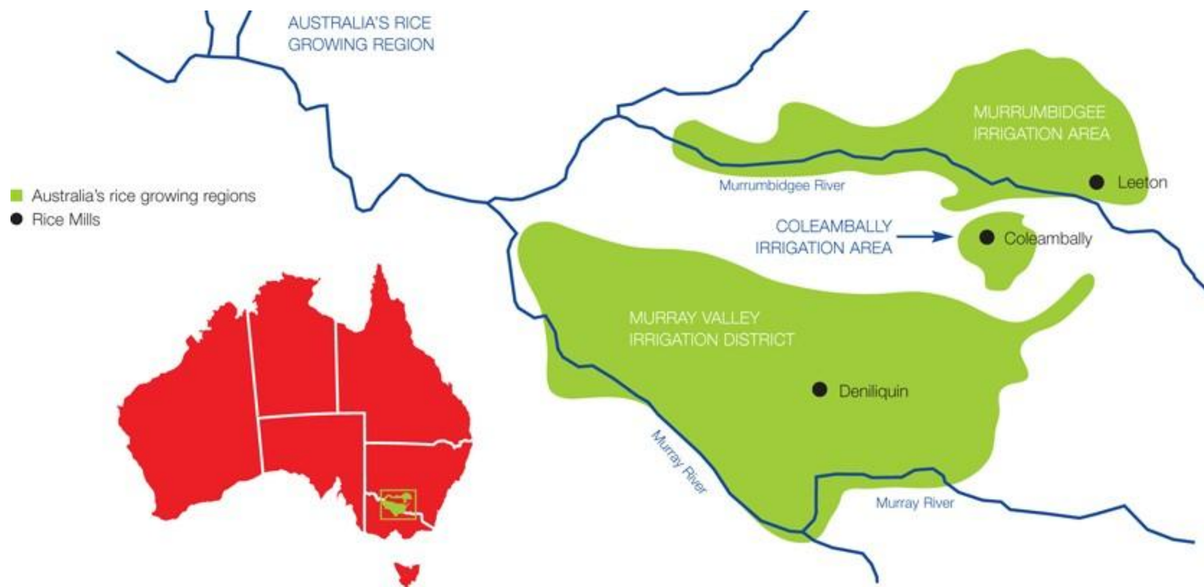
The RGA is the collective voice of rice growers in Australia, representing over 1500 voluntary members in NSW and Victoria on a wide range of issues.

As much of the Riverina region has been built upon rice growing, and rice is still the mainstay of many towns today, it is important that RGA members have strong and effective representation. RGA fulfils this role by representing and leading growers on issues affecting the viability of their businesses and communities.

A Central Executive committee, comprised of representatives elected by each Branch, manages the RGA. They are supported by a small secretariat based in Leeton, NSW consisting of an Executive Director, a Policy Officer, two Environmental Champions Program Regional Coordinators and an Office Manager.

Rice growing areas

Rice was first grown in Australia in the early 1920's - near the townships of Leeton and Griffith in the New South Wales' Riverina. Today the rice industry encompasses the Murray Valley of NSW and Victoria and the Murrumbidgee Valley of NSW. This season's rice crop, which will be harvested during autumn, covers around 100,000 hectares across the growing area. This has occurred in the context of full water allocations for irrigators in both valleys. Over time, the industry anticipates that an average of around 80,000 hectares of the Murray and Murrumbidgee valleys will be planted to rice each year.



Issues concerning the bill

Re-registration

The RGA does not support the proposal to implement a mandatory scheme for the periodic re-registration of chemical products. We consider that this will increase the workload of the APVMA, the cost of which will ultimately be passed on to chemical users. The RGA is also worried that chemical registrants may not see commercial value in meeting the costs of re-registration. Given that the rice industry is relatively small and already faces difficulties justifying the commercial benefits of supplying a limited number of growers with unseasonal demand, this is of significant concern.

To an outside observer, the proposal appears to betray the fact that APVMA does not have appropriate internal systems in place to maintain an orderly, risk-based system for chemical reviews. Instead of addressing systemic problems affecting the existing review arrangements, APVMA is seeking to impose the burden of its deficiencies on registrants by having every chemical submitted to an automatic process. The regulator is then relieved of the obligation to identify chemicals in need of review using a risk-based process; instead relying on the costly exercise of having each registered chemical pass across someone's desk in APVMA. This seems an expensive way to overcome systemic problems within APVMA; a cost that will be borne by chemical users.

Data protection

Another significant concern for the RGA relates to data protection and the disincentives for industries to facilitate the introduction of critically needed chemicals to the market where commercial operators have not alone been willing to do so.

In general, the RGA supports the government's efforts to improve the data protection provisions that apply to the agvet chemical registration process. We recognise that the bill provides for the protection of efficacy data so that another party may not use it to obtain a registration. We also understand that data provided as part of a permit application remains protected from direct use by another party, including where the same data forms part of a subsequent future registration application.

However, the difficulty with the system as it is proposed is as follows. Where an emergency minor use permit application is necessary while a registration application is being developed, the APVMA is still permitted to consider the data submitted as part of that application when assessing other permit applications. This doesn't yield the data to anyone else, but makes that applicant commercially uncompetitive against subsequent permit holders who do not bear the same cost of obtaining such data, and provides a massive disincentive to undertake the registration process in the first place.

Our view is informed by a recent experience trying to facilitate the urgent supply of copper sulphate products for the management of snails in rice, where there had been market failure and commercial suppliers had not been willing to exploit what had been a relatively small market opportunity. In this instance, the rice industry invested significant funds to produce the efficacy data required for a permit application, which APVMA only provided on the basis that we demonstrate the permit was an interim measure while the industry proceeded through the registration process. This required rigorous and costly scientific data to be generated as evidence of our intent. Unfortunately, once the permit had been approved, the APVMA was obliged to approve other permit applications on the basis of the efficacy information we provided to obtain it, though without actually divulging the data. This had significant consequences for the industry, as our differing cost base (which included the data costs) made it difficult to compete in the market, thereby restricting our ability to pay for the data required to obtain a registration.

This flaw is compounded by an unwillingness of APVMA officers to provide clear advice, written or otherwise, on the practical implementation of the regulatory system, in particular the 'free rider' opportunities that exist within the permit approval process.

The perverse outcomes are worth noting. If agricultural industries are deterred from facilitating the essential provision of safe and effective chemical treatments, then many farmers will turn to off-label solutions that may be unsafe to both users and the environment. This is an outcome both industry and the regulator do not want, as such behaviour affects community trust in the responsible use of chemical treatments in agriculture.

We understand that long periods of monopolistic market opportunity do not benefit agricultural chemical users, and competition among suppliers should be encouraged. However, this imperative

should be balanced against the likelihood that no supply will be forthcoming if significant market disincentives for first movers are in place.

RGA suggests that there be a period of 24 months during which the data provided as part of a permit application is not able to be considered by the APVMA when determining another permit application. This would give parties investing in required data the opportunity to recoup the costs of pursuing a product registration, without ‘free riders’ making the process a significant loss making exercise.