

Inquiry into the Regulatory Burden on Farm Businesses
Productivity Commission
GPO Box 1428
Canberra ACT 2601

11 April 2016

Dear Commissioners,

Re: Submission Inquiry into the Regulatory Burden on Farm Businesses

The main point of my submission is that in the markets for GMOs vigilance is required, especially where the resolution of disputes leads of anti-competitive agreements and arrangements.

The markets for GMOs can conveniently be considered to be an innovation market for the discovery and development of novel and useful genetic traits, an innovation market for the discovery and development of novel and useful germplasm (plant breeding), a genetic traits market for the traits that can be placed into useful plant germplasm, a germplasm market for the germplasm that can have the traits inserted, and a traited seeds market for the GMOs that can be planted and grown. Market power in each of these markets and across these markets enables the firms exercising that power to foreclose competition slowing innovation, raising prices, affecting quality, affecting choice and dulling the benefits of competition for producers (such as farmers) and the ultimate consumers of agricultural outputs. This is particularly interesting because patents and plant breeder's rights protect these innovations and they directly challenge competition laws designed to foster beneficial competition. The recent United States litigation affecting the innovation markets for GMOs and the role of intellectual property in limiting the various GMO markets demonstrated there are competition concerns. These same concerns are relevant in Australia.

A more detailed explanation of this concern is set out in the attachment: "Competition in the Agricultural Seeds Sector: Patents and Competition at a Cross-roads?", in Charles Lawson and Berris Charnley (eds), *Intellectual Property and Genetically Modified Organisms: A Convergence in Laws* (Ashgate, 2015) pp 81- 102.

I look forward to reading your report.

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