

18th August 2016

Regulation of Australian Agriculture

Productivity Commission

Locked Bag 2, Collins St East PO

MELBOURNE VIC 8003

Via email: agriculture@pc.gov.au

Dear Productivity Commission,

RE: Tasmanian Red Meat Industry Council response to the draft report into the Regulation of Australian Agriculture

Thank you for the opportunity to contribute to the inquiry into the Regulation of Australian Agriculture. This submission is made by the Tasmanian Red Meat Industry Council (TRMIC) a not-for-profit organisation that represents the interests of the many stakeholders involved in the Tasmanian red meat industry.

Livestock production is one of the main agricultural sectors in Tasmania, contributing 56% of the state's Gross Value of Agricultural Production in 2012/13 according to the Australian Bureau of Statistics (ABS). Indeed, the ABARES conference in Devonport in March 2015 revealed in their figures for 2012/13 that both sheep meat and beef farmers were more profitable than their dairy industry counterparts. The recent economic downturn in the nations dairy industry since then further underlines the importance of red meat production in the state and provides farmers with a profitable alternative.

The Tasmanian Red Meat Industry has a significant influence on the lives of most people and communities across the state's farming sector. ABS data shows that there were 3,395 farms in Tasmania in 2012/13 and because of the highly diversified nature of the enterprises on our farms; hardly any would not run some form of livestock. That said, the majority of these farms 2,484 (64%) actually generate most of their annual production value from livestock enterprises.

Recently the Red Meat Industry in the state was identified as one of the key areas of opportunity for growth in the Tasmanian agribusiness sector (Rabobank). In 2009, Jonathon West (Australian Innovation Centre Director) claimed that it had potential to be a *billion-dollar* earner for the state.

This submission rather than addressing all questions raised in the draft report focuses on the key issue of maintaining Tasmania's right to declare a moratorium on the use of Genetically Modified Organisms (GMO's) which is of vital significance for the sustainability of the Tasmanian Red Meat Industry.

In particular the draft finding 6.1 which states:

“There is no economic or health and safety justification for banning the cultivation of genetically modified (GM) organisms.”

The TRMIC strongly supports the continuation of Tasmania's moratorium on GMO use because of the significant economic benefit it has generated from providing access to premium priced markets around the world.

The whole state of Tasmania was declared a GMO-free area in 2001 for marketing purposes. Tasmanian agriculture is unable to compete in terms of the large production scale volumes that are required in commodity markets. The GMO moratorium was intended to position the State in the global marketplace as a producer of food that is genuinely GMO-free. The Tasmanian government took a prudent stance in legislating a ban on the commercial growing of GMO's and this is the reason market access has been granted to a number of countries. The importance of retaining the GMO ban has been identified in the Tasmanian Red Meat Industry Strategic Plan. The plan has three key pillars, one of these is titled; *'Improved market access and profitability'* which contains this statement:

["Improving market access with continuing support for issues such as maintaining the ban on the use of HGP's and GMO's which act as a product point of difference."](#)

The Tasmanian red meat industry because of its size has long recognised that to be viable and sustainable it needs to be trading in the higher value markets rather than the commodity market. Multiple value chains have been developed which compete successfully in premium markets both domestically and internationally by highlighting our safe, natural, clean and green status. This success has been achieved because they have focused on supplying exactly what their customers value. There is a clear demand amongst consumers in Australia and our export markets for foods that do NOT contain GMO's. Regardless of counter arguments, we need to acknowledge the current consumer perceptions of GMO's being undesirable in food otherwise we will simply be producing food that nobody wants. The danger is that once we have travelled down the GMO track it will be difficult if not impossible to turn back once the GMO material has spread across the landscape.

We note that Dairy Australia included this statement in their initial response to the Regulation Review. *"The Australian dairy industry invests in bioscience through the Dairy Futures Cooperative Research Centre (CRC), this includes research to develop a genetically modified (GM) high energy ryegrass variety."* There is a significant risk that it would prove an impossible task to control the spread of such GMO material throughout the livestock farming environment once such a GMO grass species was utilised commercially. It would be extremely difficult to distinguish from other grasses, making eradication virtually impossible. Our Tasmanian red meat produce has a competitive marketing advantage because it is produced under a natural 'grass fed' grazing regime. This advantage would be permanently destroyed if the cultivation of GMO grasses was allowed in the state.

For your information I have also included a copy of a paper about Tasmanian GMO Free Beef Production that I submitted to the Tasmanian Government GMO review. We would appreciate the opportunity to discuss this submission with you further should you wish to seek clarification on any of the points raised, please feel free to contact me personally.

Yours sincerely,

Brett Hall

Chairman, TRMIC