**GENETICALLY MODIFIED CROPS MANAGEMENT REGULATIONS (POSTPONEMENT OF EXPIRY) BILL 2017**

**Legislative Assembly, 28 November 2017, pages 122 274-6**

Second Reading

**The Hon. L.W.K. BIGNELL (Mawson—Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Tourism, Minister for Recreation and Sport, Minister for Racing) :**I move:

That this bill be now read a second time.

I seek leave to insert the second reading explanation in *Hansard* without my reading it.

Leave granted.

Overview

* South Australia is one of the few jurisdictions in the world to be phylloxera free, fruit fly free and have a moratorium on growing genetically-modified (GM) food crops.
* These credentials give the State's primary producers and food and beverage manufacturers a competitive marketing advantage in the global marketplace.
* South Australia is the only remaining mainland state in Australia to prohibit the commercial cultivation of GM food crops.
* Our non-GM status is one of the elements underpinning our global reputation as a supplier of premium products, and supporting the Government's *Premium Food and Wine Produced in our Clean Environment and Exported to the World* economic priority.
* Through the *Genetically Modified Crops Management Act 2004* and Regulations, a moratorium on the commercial cultivation of genetically-modified food crops is in place until 1 September 2019.
* On 18 October 2017, my colleague in the other place, Greens State Parliamentary Leader, introduced a Bill which would extend these Regulations until 2025.
* He has stated the intent of the Bill is to ensure there is parliamentary debate before the Regulations expire in 2019.
* I congratulate the Member in the other place for bringing this matter to the attention of the Parliament for early consideration before this expiry occurs.
* The Bill aligns with Government policy and brings forward consideration of whether the current legislation should be retained, extended or removed prior to 1 September 2019.
* Extending the prohibition on growing GM food crops would provide greater certainty to our trading partners and industry, enable South Australia to maintain its market position as a producer of premium, non-GM food, and respond to the expected increase in global demand.

Costs and benefits

* When it comes to the GM prohibition in South Australia, canola is really the only GM food we are talking about.
* But the benefits—now and into the future—of being able to market South Australia as non-GM, fruit fly free and phylloxera free apply across our whole state and to all our agribusiness industries.
* There is a clear premium for non-GM canola over GM canola.

Domestically, a review of prices for commodity non-GM and GM canola in March 2016 found price premiums of between 10% and 17% ($45 to $69 a tonne) for non-GM canola at Victorian, New South Wales and Western Australian grain receival sites.

* There will be seasonal variation but the premium remains, with the latest information for the upcoming season putting the premium at between $20 and $35 a tonne.
* On 22 November 2017, the price difference between non-GM and GM canola in Victoria was $40 per tonne.
* South Australian non-GM canola gains an equivalent price. It is also effectively worth more to the producer as there are no costs for separating GM and non-GM grain through the supply chain and they are not paying the higher GM seed costs or GM variety royalties.
* The benefits of South Australia's non-GM status extend beyond a single crop and are available to the whole agricultural, food and beverage sector, which generated a record $19.97 billion in revenue in 2016-17.

Report by the University of Adelaide

* A 2016 report by the University of Adelaide investigated global trends for packaged, non-GM, natural and organic food and beverages.
* The report, commissioned by the State Government, indicates the global market for non-GMO labelled foods and beverages will reach $US 949 billion by 2018 from a base of $US 521 billion in 2014, creating export market opportunities for South Australia.
* Findings indicate the United States is a complex market but one where there is strong demand growth for non-GM labelled food. China is also identified as a market willing to pay a price premium for foods they trust. These are our largest and fastest growing markets for SA food and wine.
* While not intended to address the South Australian legislative framework prohibiting commercial cultivation of GM food crops, the report does identify the State's GM moratorium as one of several current assets available to capitalise on non-GM food export market opportunities.
* Since the report's release:

 A communications and engagement strategy has been developed

 Four key market strategies (UK, US, Japan, China) are being developed based on the work of the report

 French and EU non GM policy and opportunities have been investigated during the Great Wine Capitals meeting

 Round 3 of the Credentials Program has completed, which targeted non- GM certification for businesses. Grant recipients were:

 AJ and VJ McTaggart's, Bultarra Australian Certified Organic Saltbush Lamb and Yeltacowie Pastoral's application to become Non-GMO certified; and

 Tucker's Natural's application to support non-GM and safe quality food certification.

* The pilot non-GM food sector Statement of Recognition Program has recently been offered to the South Australian food and beverage sector with three successful recipients, including Tucker's Natural, Greenwheat Freekeh and Kangaroo Island Pure Grain.
* I have approached US supermarket chain Wholefoods to explore how South Australia could capitalise on Wholefoods' GM-free commitment.
* PIRSA is also investigating opportunities to work with interested businesses to further capitalise on and market South Australia's non-GM status.
* South Australia's non-GM status has been, and continues to be, promoted in a food and wine industry toolkit video which is on the PIRSA website and is shown on inbound and outbound trade missions including the most recent trade mission to North East Asia (Japan, South Korea and Taiwan).
* PIRSA continues work to further capitalise on SA's non-GM status, including:
* Analysing domestic and export market legislative requirements and certification processes
* Assessing the full advantages of not having to segregate crops
* Assessing the current impacts of SA's moratorium on the cultivation of GM food crops on primary producers and the field crops supply chain, and
* Consultation and participation in the Commonwealth's review of gene technology regulation.

Industry views

* I know industry opinions are mixed on this—and I received the industry petition from Grain Producers SA in August 2016 with 221 signatories (out of a total 5,800 grain growers) calling for the moratorium to be lifted but I am approached by farmers all around the state, including grain growers, who tell me they support the moratorium.
* A number of South Australian businesses are using their non-GM status and the state's GM food crop prohibition to access new markets and grow sales.
* Our non-GM status was critical in developing export markets for Kangaroo Island Pure Grain, attracting international investment and acting as a strong drawcard for Japan based Hirata Industries who have come to South Australia to import non-GM canola from Kangaroo Island.
* The University of Adelaide report highlights a number of other South Australian food exporters promoting their non-GM status including: Tuckers Natural, San Remo, Fleurieu Milk and Yoghurt Co and B-D Farms Paris Creek.
* Sam Densley from QualityWise Oats has told me he gets a premium price from access non-GM markets for his specially labelled oat products.
* I have spoken with Mark Harvey—Chairman, S&W Seed Company, who publicly supports our policy on behalf of his industry because it brings them many benefits and market access.
* The State Government is committed to realising the market opportunities for our agribusiness industries by maintaining the moratorium through an ongoing legislative prohibition.