



USDA Foreign Agricultural Service

# GAIN Report

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## Australia

### Biotechnology

## ABARE Report Indicates GM Crops Will Provide Economic Benefits to Australia

### 2008

**Approved by:**

Kathleen Wainio, Agricultural Counselor  
U.S. Embassy

**Prepared by:**

Lindy Crothers, Agricultural Marketing Specialist

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**Report Highlights:**

In contrast to recent actions by the South Australian government extending the moratorium on biotech crop cultivation and disallowing from entry into South Australia any GM crop grown outside the state, the Australian Bureau of Agriculture & Resource Economics (ABARE) released a report projecting the positive economic impact of cultivating GM crops on state and regional economies. According to the report delaying the adoption of GM crops will lead to significant foregone benefits – estimated at around A\$97 million for Western Australia and A\$66 million for South Australia.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Annual Report  
Canberra [AS1]  
[AS]

## Background

The Victorian and New South Wales governments both announced on November 27, 2007 that they will lift their four-year moratoria on genetically-modified (GM) canola. Both states said the move will put farmers on a level playing field with overseas farmers such as in Canada and the United States, and noted that more than 22 countries and 10 million farmers around the world grow GM crops. The South Australian government recently decided to maintain the moratorium in that state following a review conducted in 2007. (See below for further details). No changes have been made to existing moratoria in Tasmania, Western Australia and the Australian Capital Territory.

## ABARE Report

The Australian Bureau of Agriculture and Resource Economics (ABARE) has released a report entitled "Economic Impacts of GM Crops in Australia". According to the report, GM crops can provide significant economic benefits to Australia's regional economies.

The potential economic impact of cultivating GM crops on state and regional economies is estimated for two scenarios - adopting GM canola and adopting GM canola alongside GM wheat, maize, soybeans and rice.

The results indicate New South Wales will benefit most from adopting GM crops. Significant economic benefits are also estimated for other major grain producing states, including Western Australia, Victoria, South Australia and Queensland.

Delaying the adoption of GM crops will lead to significant foregone benefits to Australia according to the report. For example, if the adoption of GM canola is delayed for five years, the cumulative foregone benefits are estimated to be around a total of A\$97 million for Western Australia and A\$66 million for South Australia, measured in 2006-07 dollars. These are two of the states which have extended their moratoria on planting GM crops.

Key points of the summary of the report are:

- Australia's commercial experience with GM field crops is limited to GM cotton and carnations. GM canola has been approved for commercial release by the Office of the Gene Technology Regulator (OGTR) and for commercial production by the New South Wales and Victorian governments from the 2008 season. Over the longer term, other broadacre GM crops may also be available for adoption by Australian farmers.
- In this report the nature of costs and benefits from GM crop adoption is first discussed. A quantitative assessment is then presented to examine the potential economic benefits of further GM crop adoption in Australia at the regional and state levels. Crops considered include canola, soybeans, maize, wheat and rice.

In addition, the benefits and costs of GM crop adoption are discussed, along with yield effects; pesticide and herbicide use; farm management and labor savings; environment and occupational health and safety, etc. The entire report can be found on the ABARE website at: [http://www.abare.gov.au/publications\\_html/news/news/news.html](http://www.abare.gov.au/publications_html/news/news/news.html).

## South Australian Legislation

Following are details of the recent changes to the legislation in South Australia:

The [Genetically Modified Crops Management Act 2004](#) provides for the designation of areas of South Australia for the purposes of preserving the identity of certain food

crops according to whether they are genetically modified crops or non-genetically modified crops.

A review of the *Genetically Modified Crops Management Act 2004* (the Act) was conducted during 2007. The Government considered the review report and other information and determined that the benefits of maintaining a prohibition on the cultivation of GM food crops outweighed the benefits of allowing it to lapse.

The [Genetically Modified Crops Management Regulations 2008](#), which designate the whole of South Australia as an area in which no GM food crops may be cultivated, come into effect on 28 April 2008.

Any plant or plant material that forms part of a GM food crop grown outside South Australia, including seed for planting, harvested seed for cleaning, harvested grain for processing or export, or hay, is not permitted to enter South Australia.

Persons found guilty of bringing into South Australia any plant or plant material that forms part of a GM food crop grown outside South Australia can be fined up to \$200,000.

### Recent Reports from FAS/Canberra

The reports listed below can all be downloaded from the FAS website at:

<http://www.fas.usda.gov/scripts/AttacheRep/default.asp>.

Report Number	Title of Report	Date
AS8020	Cotton Annual	05/01/08
AS8019	Draft IRA for Stone Fruit from the US Released for Comment	04/29/08
AS8017	Stone Fruit Annual	04/11/08
AS8016	Pork Safeguard: Productivity Commission Final Report	04/07/08
AS8015	Sugar Annual	04/08/08
AS8014	Grain & Feed Annual	03/28/08
AS8012	Livestock Semi-Annual	03/20/08
AS8011	Commencement of IRA for U.S. Apples Announced	03/19/08
AS8010	Wheat Industry Export Group Discussion Paper Released	03/18/08
AS8009	Call for Comments on Quarantine & Biosecurity Review	03/17/08
AS8008	Commencement of IRA for Stone Fruit Announced	03/14/08
AS8006	Draft Wheat Export Marketing Bill Released	03/06/08
AS8005	Wine Annual	02/26/08
AS8004	Government Announces Review of Australia's Quarantine & Biosecurity Processes	02/21/08
AS8002	Productivity Commission Invites Further Submissions to Pork Safeguards Inquiry	01/23/08
AS8001	Impact of Grain Prices on GOA Policy	01/11/08
AS7076	Productivity Commission Release Accelerated Report into Pigmeat Safeguards	12/21/07
AS7075	Bulk Wheat Export Applications	12/13/07
AS7074	Potato Report	12/11/07
AS7072	Ag Down Under Vol. 14	12/06/07
AS7071	GM Moratoria to be Lifted in Two States	11/29/07