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Biotechnology

Approval of Biotech Canola Provokes Debate

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Report Highlights:
Australia's Gene Technology Regulator has approved a biotech canola variety for commercial use, joining biotech cotton and carnations as the only other biotech crops so approved. The approval has precipitated debate on the potential impact of commercial biotech canola plantings and moves by Australia's states to limit or ban its commercial introduction. A recent government study refutes many of the allegations regarding the negative impact biotech canola would have on Australia's export markets.

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Summary: Australia's Gene Technology Regulator has approved a biotech canola variety for commercial use, joining biotech cotton and carnations as the only other biotech crops so approved. The approval has precipitated debate on the potential impact of commercial biotech canola plantings and moves by Australia's states to limit or ban its commercial introduction. A recent government study refutes many of the allegations regarding the negative impact biotech canola would have on Australia's export markets.

InVigor Canola Approved for Commercial Release

On July 25, 2003, Australia's Gene Technology Regulator gave its final approval for the commercial release of Bayer CropScience's InVigor hybrid canola. The Office of the Gene Technology Regulator's risk assessment for InVigor canola determined that the crop was safe for commercial release. InVigor canola has been grown in field trials in Australia since 1997; and it has been commercially grown in Canada since 1997. Australia's food regulator, Food Standards Australia New Zealand (FSANZ), has also approved the oil from InVigor canola for human consumption. Regulatory approval is still pending for another biotech canola variety – Roundup Ready canola (Monsanto).

InVigor canola is the first approved biotech food crop and now joins biotech cotton and carnations as the only other biotech crops approved for commercial release in Australia. There are, however, a number of other biotech crops that are currently in the approval process and are being grown experimentally.

Debate on Segregation and Impact on Export Markets

Biotech canola has caused considerable debate in Australia. Particular concerns have been expressed by certain agricultural interests regarding segregating biotech and non-biotech crops and on the potential negative impact of biotech canola on Australia's export markets. AWB Ltd., the Australian Barley Board (ABB) and some dairy interests have expressed opposition to the commercial release of InVigor over concern that their non-biotech export shipments could become "contaminated". In addition, other critics, among them environmental interests, argue that further studies need to be done and that the release of biotech crops will harm Australia's "green" image. Other major farm interests, including the National Farmers Federation and the Grains Council of Australia, have argued in favor of adoption of the technology.

Studies conducted by several Australian states have highlighted problems with "co-existence" and the difficulties of segregating biotech and non-biotech canola. A recent study by the Western Australian Parliament found that contamination of non-biotech crops by biotech crops is inevitable, segregation is not practical, and identity preservation can be achieved, but at significant cost. Other studies are being conducted on this topic, including one commissioned by the Ministry of Agriculture, Fisheries and Forestry Australia.

State Moratoriums will Slow Introduction

Most of the Australian states have moved to limit plantings of biotech canola, and in some cases other biotech crops, in their respective jurisdictions. Although the Commonwealth government has given the go-ahead for the commercial release of InVigor canola, the individual states and territories have legislative powers over land use that allows them to determine whether or where biotech crops can be grown. To date, Western Australia, South Australia, New South Wales, and Victoria have all passed or are considering legislation that would preclude commercial plantings of InVigor canola in the near-to-medium term. Victoria, with a one-year ban, could conceivably be the first state to allow commercial plantings to proceed. Climatic conditions in the State of Queensland, which is not considering restrictions, are not favorable for InVigor canola.

Study Refutes Impact on Exports

A recent study conducted by the Australian government refutes many of the allegations regarding the negative impact biotech canola would have on Australia's export markets. The study, by the Australian Bureau of Agriculture and Resource Economics (ABARE), finds that:

- a range of market access restrictions related to biotech products means that it is easier to trade non-biotech grains [including oilseeds] in the current market environment than it is to trade biotech grains;
- no country mandates labeling of livestock products using biotech feedstuffs;
- there is no strong evidence to suggest that biotech grains generally are not finding ready markets throughout the world;
- there is limited evidence of willingness by consumers to pay higher prices for products that are certified to not contain biotech materials; and
- there is little evidence that biotech producing countries are experiencing difficulties in gaining market access for their non-biotech crops.

The ABARE study: *Market Access Issues for GM Products: Implications for Australia* can be viewed at the following web site: www.abareconomics.com

For further information on canola in Australia please see GAIN Report#AS3017, dated 06/02/03.