

16 July 2015

Mr Steven Gray
Policy Officer - Productivity Unit - Research & Innovation Branch
Department of Agriculture
18 Marcus Clarke Street, Canberra ACT 2601 Australia
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RE: EU's proposed amendment to Regulation (EC) No 1829/2003 to allow EU Member States to adopt national decisions restricting or prohibiting the use in food or feed of GMOs, after they have been authorised at EU level.

Dear Mr Gray

On behalf of Grain Trade Australia I provide the submission in response to the *EU's proposed amendment to Regulation (EC) No 1829/2003 to allow EU Member States to adopt national decisions restricting or prohibiting the use in food or feed of GMOs, after they have been authorised at EU level.*

1. About Grain Trade Australia

Grain Trade Australia (GTA) is the focal point for the commercial grains industry within Australia. It facilitates trade and works to provide an efficient, equitable and open trading environment by providing leadership, advocacy and commercial services to the Australian grain value chain.

GTA members are responsible for over 95% of all grain storage and freight movements made each year in Australia. Over 95% of the grain contracts executed in Australia each year refer to GTA grain standards and/or trade rules.

GTA members are drawn from all sectors of the grain value chain from production to domestic end users and exporters. GTA members are involved in grain trading activities, grain storage, grain for the human consumption and stock feed milling industries.

GTA also attracts membership from organisations to the side of the value chain in related commercial activities such as financial (banking, stock exchanges etc.), communications, grain advisory services, and professional services (e.g. solicitors and accountants).

Within this context, GTA provides comment on the abovementioned document.

2. General Comments

On April 22nd, the European Commission adopted a legislative proposal which attempts to allow Member States to restrict or ban the "use" of genetically modified crops for feed and food use.

Grain Trade Australia strongly rejects this proposal for the following reasons:

1. Under the proposal, individual Member States will be allowed to ignore the scientific opinion of the European Food Safety Authority and the European Commission's decision to approve imports of GM products, creating tremendous uncertainty for EU trade in important agricultural commodities. This proposal essentially adds a third, unpredictable layer to the already lengthy European approval process.
2. Whilst Australia does not have a large grain export trade in GM grain at present, this should not preclude Australia from placing very firm views of the implications of the proposal. Trade policies, once established are not changed easily.

3. Grain trading companies operate in an environment of managing risks, be it production, price or shipping to name just a few. However, the risk of potential changes within a regulated approval process post approval of the GM event in question will add another substantial layer of risk. Companies will make their decisions to either:
 - 3.1. accept the additional unmanageable risks ,
 - 3.2. add a substantial risk premium to any trade or , and this has the greatest implications for Australian farmers
 - 3.3. not engage in the market at all.
4. The proposed regulations may have significant negative trade consequences for future GM crops that may be commercialised in Australia (for example, improved varieties of wheat and/or barley with environmental stress tolerances or nutritional improvements).
5. Australian public sector R&D could also be significantly affected by the proposed regulations, for example CSIRO is developing GM crops with the following traits, all of which could be blocked by individual EU member states should these regulations proceed:
 - DHA canola: CSIRO has developed canola plants which produce high quality oils rich in omega-3 DHA (docosahexaenoic acid). This nutrient is currently only found in beneficial quantities in ocean-based algae, and the fish that eat it. This product could break the world's reliance on fish stocks while meeting the increasing demand for these healthy long-chain omega-3 oils.
 - SOH Safflower: By engineering safflower to contain 94 per cent oleic acid, CSIRO have produced the world's highest source of oleic acid. This chemical can be used in lubricants, oleochemicals and transformer oil.
6. The Commission alleges that this proposal will not affect trade and is consistent with European law and consistent with its WTO obligations. However, the Commission has failed to articulate how restricting or prohibiting the "use" of GMO will be implemented in a way that is not arbitrary and does not affect the free flow of imports of a product into Member States.
7. The European Commission's proposal to amend EU law will require approval by the European Council and the European Parliament. The entire legislative process could take several years, unless the proposal is blocked by the Council or Parliament or the Commission withdraws.
8. Further, this proposal would require member states to initiate the opt-out proceedings on a product-by-product basis, which may be applied retroactively, i.e. to products that have been authorized for import for many years.
9. Ensuring that current legislation is properly implemented should be the main priority of the Commission instead of trying to change the present market authorisation procedure for political considerations.

Consequently, Grain Trade Australia would encourage the Australian Government to object to the proposed amendment.

Please do not hesitate to contact me, should you require clarification in respect to any aspect of this submission.

Yours sincerely,



Mr. Geoff Honey
Chief Executive Officer