



17 September 2019

Emerging Gene Technology - Update

Over the past three months, Australian Organic has engaged key stakeholders across government departments, industry bodies and broader agricultural organisations on the proposed amendments to the current Gene Technology regulations, more specifically the decision to deregulate the gene editing method: SDN-1.

The exclusion of organisms derived from SDN-1 from the scope of the Gene Technology regulations is inconsistent with regulation in important export markets, and this could lead to significant loss of trade with these markets - if this issue is not well managed.

The Certified Organic industry globally prohibits GMOs and their derivatives, including SDN-1 technology in organic products. The ability for Australian organic farmers and food manufacturers to access overseas markets in the EU and Japan, hinges upon Equivalency Agreements currently held with EU and Japanese governments. The maintenance of these agreements has been possible in part due to the strong regulation of Gene Technology in Australia. Export market regulators, and indeed consumers, have been comfortable that Australia can guarantee the absence of GMO materials in Certified Organic produce, through the rigorous Organic Certification process, in conjunction with our Gene Technology Regulations.

In line with international Organic regulations, the Australian National Standard for Organic and Bio-dynamic Produce allows up to 5% of ingredients from conventional agriculture for "Organic" labelled products, and up to 30% in "Made with Organic" labelled products (if organic equivalent ingredients are not available). These conventional (non-organic) ingredients have to be warranted and tested to be free from GMOs (including SDN-1). Due to Australia's strong regulation of Gene Technology, our industry has been able to verify and demonstrate that such non-organic ingredients are indeed not derived from GMOs.

Deregulation of the SDN-1 method, for which laboratory testing methods are not available, will create a situation where the market is not able to guarantee that ingredients are not derived from organisms produced using SDN-1. Without knowledge of the existence of such organisms in production, or being able to detect through testing, the integrity of the entire organic domestic and export markets are at risk.

Since our last update, AOL has continued an ongoing dialogue with the Agriculture Minister's office and Department, met with the Shadow Trade Minister and spoken with representatives from the Trade Minister's office to discuss the key implications to the Certified Organic Industry, should this deregulation be passed and implemented on 8th of October.



The following comment came from our conversations with the Commonwealth:

Organic exporters regularly manage trade between jurisdictions with differing regulatory and market requirements for a range of factors.

It is possible that even in countries that are not regulating SDN-1 organisms as GMOs, organic standards will treat SDN-1 organisms as GMOs.

Exporters use a range of non-regulatory mechanisms to meet trade and regulatory requirements and these measures can be implemented by the organics industry to manage these risks once importing country requirements are known.

The department has been monitoring how trading partners are approaching the regulation of SDN-1 organisms and there have been discussions on new gene editing techniques at forums such as the APEC high level dialogue on agricultural biotechnology. We are not aware of any countries having raised concerns about the proposed changes.

As always, the department will continue to monitor developments and talk with trading partners to clarify their requirements as issues arise. The department will also work with key industry stakeholders, such as Australian Organic Ltd, to minimise impacts on trade for the organics industry and to protect the high value opportunities the certified organic industry provides to Australian agriculture.

Despite ongoing request, the Department of Agriculture however have been unable or unwilling to answer the below clear and concise questions:

- How would a business identify SDN-1 in product for importing country requirements?
- What would the allowance of SDN-1 in Agriculture affect organic equivalency agreement between Australia – EU and Australia – Japan?
- How would the allowance of SDN-1 in Agriculture hinder the potential for organic trade negotiations with valuable markets such as China, US, Korea, and Singapore?
- How would prevention of cross pollination or co-mingling be best managed?
- What testing methods will be developed to support the traceability of SDN-1?



AOL has formalised our dissatisfaction with the Commonwealth's lack of response and disregard for the commercial interests of our growing industry. We plan on lobbying the Department of Agriculture on a renewed approach from the Organic Program, so it is truly an advocate and an ambassador for our industry.

AOL is committed to the ongoing support of the Certified Organic industry. We already have several working groups formed for the most affected sectors. Their original purpose was to identify and quantify the potential risks of this emerging technology. These groups' new Charter will be to create systems that protect our industry and our exports in this new legislative landscape.

It is important to note that although the legislation governing this technology will change in October, there are no commercially available crops or organisms using this technology in the Australian market. We do therefore have some time to prepare.

We will continue to keep you updated and encourage you to get involved if you are commercially at risk with these changes.

Regards,

A handwritten signature in black ink, appearing to read "Niki Ford".

Niki Ford

Chief Executive Officer

Australian Organic Ltd