



23 August 2019

Emerging Gene Technology

The Australian Organic Industry, now worth \$2.6 Billion annually, is gravely concerned by the outcome of the Federal Government's Technical Review of the Gene Technology Regulations (2001), specifically, the decision to deregulate the genetic editing method: CRISPR SDN-1.

The exclusion of organisms derived from CRISPR-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.

Over the past two months Australian Organic Ltd (AOL) has been working with key stakeholders across government departments, industry bodies and broader agricultural organisations to gain a clear understanding of any environmental and trade implications should the deregulation of SDN1 be passed through legislation during September.

The Certified Organic industry globally prohibits GMOs and their derivatives, including CRISPR 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 CRISPR_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 CRISPR-SDN1 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 CRISPR 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.





In July 2019, AOL convened a working group to discuss this issue and its impact to the organic industry. The working group included a representative from four of the six Australian certification bodies, OISCC, NSsC and industry consultants. This group met twice, and AOL has since been focused on working with the stakeholders to ensure the research and further discussion continues on this pertinent issue.

AOL reached out to Minister and Shadow Minister's offices across Department of Agriculture, Industry, Trade and Health and has ongoing dialogue with Minister McKenzie's office.

AOL has had two meetings with Minister Andrews Senior Advisor and Mr Fitzgibbons Chief of Staff regarding these matters

On review of the submissions regarding the Gene Technology legislation during the public consultation period, November 2017 – February 2018, the National Farmers Federation (NFF) advocated for protecting the integrity of a farmer's decision and have been integral in supporting AOL to further understand the true impact potentials.

The NFF firmly advocates that farmers should retain the opportunity to adopt the method of production best suited to their business needs, be that GM, conventional, organic or any combination of these methods. In protecting the integrity of a farmer's decision, it is important that agricultural supply chains consider the implementation of plans to allow all producers to continue to meet the requirements of their chosen markets.

NFF have provided unlimited support in accessing key stakeholders within the Department of Agriculture, MLA, Dairy Australia & within NFF itself.

Accompanied by NFF, AOL met with the Assistant Secretary for Agricultural Policy who in consultation with the States and Territories provided detailed information into the market access challenges. This meeting identified that breeding companies would be responsible for clearly identifying any SDN-1 derived seed and their office was comfortable that this would be actioned based on Industry and Government's previous history with managing segregation. This understanding was echoed by Australian Seed Federation.

Ongoing dialogue with the Agriculture Minister's office and Department has ensured a very open and transparent discussion on the topic. AOL continues to lobby relevant stakeholders to ensure every possible outcome is reviewed.

We believe that due consideration may not have been made to the following issues and are seeking further discussion into these matters:

- EU organic equivalency agreement – at risk along with loss of all organic support to EU
- Japan organic equivalency agreement – at risk along with loss of all organic support to Japan



- Hindrance to potential for organic trade negotiations with valuable markets such as China, US, Korea, Singapore and any future equivalency agreements
- Potential for loss of conventional (non-organic) export markets with a preference for Non-GMO produce. Note in these countries' exporters are required to prove the absence of GMO. If this legislation is passed, then a GMO status could be levied on all Australian exports, this could also have serious trade implications for the conventional sector.
- If it is possible that export markets are maintained, we expect significant cost will be incurred by industry, on development of testing methods, or risk management methods to prevent cross pollination or co-mingling.

We are not proposing that these methods be outlawed, merely that we may have some mechanism to indicate which of these organisms have been developed using CRISPR-SDN-1 technology. It is our view that a comprehensive risk assessment has not been done and that this technology should not be deregulated, until all cause and effect scenarios have been thoroughly worked through.

Regards,

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Australian Organic Ltd