

15 August 2008

ERMA New Zealand
PO Box 131
Wellington

Submission on: Proposed Changes to Regulation of GM Crop Management

Agcarm welcomes the opportunity to comment on proposed regulations for the management of conditionally released GM organisms, particularly crops.

Agcarm is an industry association of companies which manufacture, distribute and sell veterinary medicines and agricultural compounds. Member companies are committed to ensuring that these products are used safely, effectively and sustainably. Agcarm represents 30 member companies ranging from global enterprises to small New Zealand owned companies.

Some Agcarm members are highly active in the fields of biotechnology and genetic modification, but this work is done offshore. New Zealand is a small market for biotechnology products, there is little incentive to carry out GM research and development here, and New Zealand's regulatory regime is seen as onerous, especially when compared with the potential commercial returns.

Agcarm would like to make the following points:

1. Poor process

“Public consultation should occur as widely as possible, given the circumstances, in the policy development process. A well-designed and implemented consultation programme can contribute to better quality regulations, identification of the more effective alternatives, lower costs to business and administration, ensure better compliance, and promote faster regulatory responses to changing conditions.”

The above quote comes from 'The Generic Policy Development Process', available from the Ministry for Economic Development.ⁱ

Agcarm supports good policy development in all areas, but especially in areas where there is a wide range of opinions, difficult-to-understand leading-edge science, and great importance to the New Zealand economy over the long term. Genetic modification or biotechnology is one such area.

A two-week (or 10 working day) consultation period for these changes is an unsatisfactory process which will be reflected in the quality of submissions. One can only imagine the outcry from some quarters if the government decided to *loosen* GM regulations, and set a two-week consultation window.

The policy process on the GM regulations lends weight to the argument that New Zealand has been forced to forgo the real and significant opportunities that GM technologies offer, and that are being embraced by most major agricultural economies in the world.

That said, Agcarm appreciates that these proposed GM controls are driven by the need to give effect to the Labour-led government's co-operation agreement with the Green Party, which has been seeking greater differentiation between GM and non-GM products.

2. General Comments

New Zealand has one of the most robust regulatory regimes for genetically modified organisms in the world. Agcarm members already feel there is little incentive to invest in researching and developing a GM product, and launching that product in New Zealand. More regulation will erect another hurdle in a marathon of hurdles.

It is telling that the amount of field test applications has decreased since 2003, and that there have been no conditional releases of genetically modified crops in that time.

Of the field test applications since 2003, all have been from the government sector. The private sector as represented by Agcarm members has abandoned research and innovation in GM crops in New Zealand.

Meanwhile, GM crop innovation is accelerating overseas, especially in the areas of canola, cotton, maize, soybean, rice and wheat.

Genetic engineering is cited as one solution to increasing food supply. The Food & Agriculture Organization of the United Nations says food production has to be doubled by 2025 owing to increasing population. GM technology is particularly useful in leading to productive solutions for combating diseases and pests, and drought.ⁱⁱ

Since 1996, biotech crop adoption has contributed to reducing the release of greenhouse gas emissions from agriculture, decreased pesticide spraying and significantly boosted farmers' incomes.ⁱⁱⁱ

But these advantages are being lost to New Zealand. In 2003 the Royal Commission into Genetic Modification said that New Zealand should proceed with caution while preserving opportunities. The subsequent level of regulation has emphasised caution but has not preserved the opportunities.

New Zealand continues to have many advantages over other agricultural exporting countries, but the day may come when GM products offshore (eg fast-growing pasture grasses) will put New Zealand agriculture at a disadvantage.

3. GM Open Register

Agcarm does not support an open public register of the conditional releases of GM crops.

In addition to the reasons mentioned above, Agcarm believes that an open register would lead to heightened risk of vandalism or personal intimidation.

In the EU, there have been examples of intentional damage which has resulted in consideration being given to removing the register from the public domain.

Recently it was reported that a trial of genetically modified potatoes that could help protect billions of pounds worth of crops from disease was abandoned after scientists admitted it was futile to conduct such research on crops in the UK. Sabotage by environmental protesters has made it too expensive to conduct GM crop trials in the UK under current regulations, which require the exact location of each trial to be made public.^{iv}

4. Minister's Powers to Direct ERMA

Agcarm does not support an amendment to the Methodology Order which would give the Minister for the Environment the power to prescribe requirements for conditionally released GMOs, particularly for segregation of GM crops.

To meet customer requirements, crop segregation should already occur. In other countries where GM crops are being grown, the necessary segregation is occurring under normal commercial production arrangements without incident. We question why New Zealand believes it has to regulate and prescribe segregation requirements.

ERMA is the body established to assess the use of GMOs and is charged with setting controls to mitigate risk on a case-by-case basis. Controls are imposed to adequately and appropriately manage the risks associated with a specific new organism. These controls without the need for prescriptive regulations could be used to manage segregation and tracability on a crop-by-crop basis, as the segregation requirements will be crop specific.

ERMA takes a cautionary approach and bases its decisions on sound science free from, even the perception of, political influence. This must continue if the wider community is to maintain faith in ERMA's integrity, impartiality, and independence.

5. Segregation

The current proposal for mandatory segregation is an example of the imposition of unnecessary costs on producers. If there is a genuine customer demand for segregation of GM crops from non-GM, then commercial drivers in the form of price premiums will cover the cost of segregation. Experience in other countries is that the cost of segregation is borne by the producers obtaining the benefit.

If segregation is required, then a code of practice would be established through consultation across the supply chain and including GM and non-GM crop producers.

It may be acceptable to have regulations that require the applicant to demonstrate that they have consulted with the supply chain over the need for segregation and/or traceability. If such a need is necessary then a code of practice approved by ERMA will be required as part of the approval.

6. GM Concern

Finally, widespread public concern about the safety of GM crops has greatly evaporated. Seven academies of science, and a number of independent enquiries and reviews have found no evidence of risks to human health.^v

Thank you for the opportunity to comment on the GM proposals. IF you require further information, please contact Agcarm chief executive Graeme Peters at the above numbers.

ⁱ Ministry for Economic Development,
http://www.med.govt.nz/templates/MultipageDocumentTOC_9285.aspx

ⁱⁱ As quoted in Financial Express, India. <http://www.financialexpress.com/news/Food-production-needs-to-be-doubled-by-2025--says-FAO/341817/>

ⁱⁱⁱ PG Economics, Britain.
http://www.pgeconomics.co.uk/gm_crop_economic_environmental_impact.htm

^{iv} GM crop trial halted after crop destruction. 29 July, Daily Telegraph, Britain.
<http://www.telegraph.co.uk/earth/main.i.html?xml=/earth/2008/07/29/scigm129.xml>

^v Green genes. August 4, The Economist, Britain,
http://www.economist.com/world/international/displaystory.cfm?story_id=11871937