

The Minister for Primary Industries.

26th April 2019

Dear Minister,

I am writing regarding the impending review of our State's GMO free status.

I am writing to implore you to not entertain those who wish to have the current ban lifted.

My reason has nothing to do with production. Yes, arguably GMO crops may yield more heavily. My reason is about the economics.

The economic well-being of our State's primary producers, (and of course, to quite an extent, the economic well-being of our State as a whole), depends upon our primary producers being profitable. Importantly, this is not a measure of their gross incomes, but of their gross margins.

Please do not be distracted by those who plead it is our job to feed an increasing world population, hence more gross production is needed. Let this happen on mainland Australia where the economies of scale achievable there can assist in achieving additional efficient gross production if this is required.

Here in Tasmania we do not have the economies of scale possible elsewhere plus we are isolated from our main markets and as such carry a heavier freight cost.

Where our primary products are currently sold into commodity markets, the only thing that matters is price so there usually isn't a premium for our additional freight, meaning our gross margins are lower.

Also, if we allow GMO crops to be grown, there will be an additional player in the production chain, the owners of the gene technology. They will control the technology and where additional margins are possible, capture these to themselves as economic rents.

Our State's primary production is so small on the world stage I believe our primary producers' futures lie in doing the opposite to what the rest of the world is doing.

There will always be a segment of the world's markets that does NOT want GMO products – and they'll pay handsomely for non GMO produce.

This is the way I believe our State's primary producers can stand on their own feet, not be at the behest of gene technology owners and be able to sell at prices above commodity prices – because our products will have the additional value of being GMO free.

I believe that retaining our State's GMO free status is the very best marketing initiative our primary producers can have at their disposal.

Yours sincerely

John Lord

