



# Tasmania Feedlot Pty. Ltd.

A.B.N. 75 009 480 326

Registered Office – "ESKDALE", POWRANNA, TASMANIA, AUSTRALIA.  
P.O. BOX 58, PERTH 7300, TASMANIA, AUSTRALIA.

FEEDLOT OPERATORS & EXPORTERS, TASMANIA. --- PHONE (03) 6398 6244 -- 6398 6104  
FAX (03) 6398 6297

21st March, 2019

Hon Guy Barnett  
Minister for Primary Industries and Water  
GPO Box 123  
Hobart TAS 7001

Dear Minister,

We make this submission to indicate our strong objection to any amendment to the current moratorium on the use of Genetically modified (GM) material in food or non-food crops in Tasmania.

## **Tasmania Feedlot operation**

Our company operates the beef cattle feedlot at Powranna in Northern Tasmania which feeds Angus steers on a long fed-basis for our Japanese parent company. We have on feed between 7000 and 10000 head of cattle which are all bred and purchased in Tasmania and hence are free of hormone growth promotants (hgp's). This equates to an annual turnover of around 18000 to 20000 steers per annum. We feed entirely Tasmanian produced roughage (cereal straw, hay and Lucerne hay totalling approx. 10,000MT per annum) and usually purchase about one-third of our feed grain requirements from Tasmanian growers. We also feed substantial quantities of potato by-product which is derived entirely from Tasmanian grown crops.

## **Our market in Japan**

Our parent company (the Aeon Group which is now one of the largest retailers in Japan) who operate the AEON and Maxvalue supermarket stores together with many others in Japan, purchase all of our long-fed beef production to sell to Japanese customers. The Japanese customers are very particular about the quality of the beef but also the safe production of that beef. We produce our beef under two quality assured systems which are both audited annually. They are the National Feedlot Accreditation Scheme (NFAS) and Safe Quality Food (SQF 8<sup>th</sup> Edition). Also a certificate signed annually by the Tasmanian premier is displayed at every meat counter in more than 400 stores where our beef is sold in Japan. That certificate indicates that our production of that beef does not use hgp's, GM feeds, antibiotics nor animal proteins. The message indicated by that certificate and our QA systems that underpin it, together with the promotion of Tasmania's clean and green image are extremely important to our Japanese customers. Discussion with Aeon executives and meat buyers in Japan indicate that our business may be severely jeopardized by any amendment to the ban on the use of GM

crops in Tasmania. Our beef production and the brand “Tasmania” has a wonderful reputation in Japan and we strongly believe that reputation extends to other Tasmanian production including seafood, vegetables and fruit.

### **We need to remain GM free**

There are several factors which we think support a stand by Tasmania against the use of GM material eventhough that decision may oppose any National decision:

- 1) We understand that there may be some production efficiencies for some crops by using GM material , however the **scale** of cropping activities in Tasmania is relatively small compared to mainland Australia or other world producers so our production advantages would be limited. Tasmania has a limited capacity to produce large volumes of any product so we are probably better producing a unique product (i.e. GM free ) that our “niche”consumers desire.
- 2) There is some uncertainty relating to the science associated with GM products and that may create some uncertainty for our Japanese consumers as to the safety of our beef production system.
- 3) We have learnt over more than 40 years of dealing with the Japanese consumers that they regard as important the **perception** related to any aspect of the food production system rather than the actual technical or scientific impacts. Tasmania with its “island status” and clean and green image is regarded by Japan as a very safe producer of food. Therefore any introduction of GM crops into Tasmania, eventhough those crops may not be used directly by our operation, may be perceived by Japanese consumers as creating a risk to our food production system.
- 4) Our diverse spread of small industries in Tasmania including the tourism industry which all rely on Tasmania’s “**clean and green and safe**” image to market to discerning overseas customers may be jeopardized with any change to our current non GM status.
- 5) From experience in other parts of the world it seems very difficult to reverse the impact of any decision to allow GM products to be grown, if that decision is found later on to be unfavourable..
- 6) Being an **island state** with its natural barriers we have an ideal opportunity to differentiate our selves and our production from anywhere else in Australia or the rest of the world.

### **Important aspects of moratorium**

We suggest that the review process be established for at least a 5 year term as any lesser term may lead to some uncertainty in our market. We strive to supply our product of a consistent quality and assured safe nature but also on a steady, consistent longer term logistical basis. This may not be possible with certainty if the GM review process in Tasmania is occurring every 2 or 3 years.

Whilst our market undoubtedly relies on the clean and safe image of Tasmanian production and particularly the certified absence of HGP’s and GM inputs, it is very difficult to establish what any price premium may be for that status. The best judgement is probably to consider the alternative case and imagine what would then be our market opportunities and likely pricing. We don’t wish to test out that situation but would

strongly suggest that our opportunities and pricing would be significantly diminished. We would lose a competitive marketing advantage which we currently have over other countries whom cannot guarantee freedom from HGP's and GM inputs and which supply beef to Japan.

Important relationships exist between many of the different parts of the agricultural industry in Tasmania as very few farmers specialize solely in only one sector. So there is a crossover between the dairy sector and the beef sector and also the cropping sectors with the use of vegetable factory wastes to feed cattle (dairy and beef and feedlot) and grain and roughages fed to both dairy and beef cattle and sheep and lambs. Essentially if GM product was to be permitted in the state then the whole agricultural industry could be affected and no one industry sector can be isolated.

### **Conclusion**

Our Japanese meat buyers as representatives of our customers have indicated that they will have a lot of difficulty selling our beef in Japan if we are unable to continue to guarantee that the inputs to that beef are free of any GM material. The worst case scenario would be that our business may not even be able to operate in Tasmania with the consequential loss of direct jobs , indirect employment and export dollars into the Tasmanian economy.

Therefore our company very strongly opposes any relaxation of the current moratorium on the use of GM material in Tasmania and suggests that the moratorium be continued for another 5 year term.

Please contact the undersigned if there are any aspects of this submission you wish to discuss.

Yours Faithfully



Andrew Thompson  
Managing Director  
Tasmanian Feed Lot Pty Ltd