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1 May 2018

Hon Matthew Swinbourn MLC
Chair
Standing Committee on Environmental and Public Affairs
Legislative Council Committee Office
Parliament House
4 Harvest Terrace
WEST PERTH WA 6005
By email: env@parliament.wa.gov.au

Dear Mr Swinbourn

**INQUIRY INTO MECHANISMS FOR COMPENSATION FOR ECONOMIC LOSS TO FARMERS
IN WA CAUSED BY CONTAMINATION BY GENETICALLY MODIFIED MATERIAL**

I refer to the above inquiry and our appearance before the Standing Committee on Environmental and Public Affairs on Wednesday, 11 April 2018.

Transcript

Attached is an electronic copy of the transcript of the oral evidence we gave to the Committee which has been marked up in track changes identifying some minor typographical or transcription errors.

Questions on Notice

Our answers to the Questions on Notice from the transcript are set out below:

Question 1:

Hon COLIN HOLT: Just out of the opening statement, you say that over the last five harvests there is an average of 0.04 per cent of non-GM canola loads. Can you give us an actual number rather than a percentage?

Mr BIGNELL: I do not have that with me, I am afraid, but, once again, it is a very low number.

Hon COLIN HOLT: I am happy for you to take it on notice if you can supply us an actual number.

Mr BIGNELL: We certainly can take it on notice.

Answer 1:

Over the last 5 harvests, 61 truck loads of non-GM canola delivered into the CBH system have been found as having over the 0.9% low level presence limit for GM, from a total of 155,060 loads of non-GM canola delivered.

Question 2:

Hon Dr STEVE THOMAS: No, in canola. Of all the canola delivered, you test every receipt that comes in—every load. In what proportion of those loads would a detectable level of GM be picked up in your tests? You may need to provide that as additional information.

Mr BIGNELL: I think I would have to take that on notice.

Mr PATON: As Mr Bignell said, it is extremely rare—0.04 per cent.

Hon Dr STEVE THOMAS: But that is over the threshold.

Mr PATON: That is over the 0.9 per cent.

Hon Dr STEVE THOMAS: I am interested in that group of farmers who might effectively be farming without GM technology themselves. A proportion of those will come in with a very, very low level of adventitious contamination from neighbours et cetera. I am interested in what proportion of the receivals you have that come in with a detectable level of GMO.

Mr PATON: Sure. I am sorry; we do not have that information before us.

Mr BIGNELL: We will just take that on notice.

Hon Dr STEVE THOMAS: If we can ask for that on notice, that would be useful; thank you.

Answer 2:

Over the last 5 harvests, an average of 0.32% of non-GM canola loads have been found to contain $\geq 0.1\%$ of GM material.

Question 3:

Hon Dr STEVE THOMAS: Just a quick question. To your knowledge, has CBH ever been asked for a genetically modified-free product in terms of export? Is the marketplace coming to you asking for GM free? You sell non-GM and GM. Have you been asked for GM free?

Mr BIGNELL: Not to my knowledge, but certainly I can take that one on notice as well—not to my knowledge.

The CHAIRMAN: We will take that one on notice as well.

Hon Dr STEVE THOMAS: You might want to put a time frame on that because you do not want to go back forever—in recent years perhaps rather than —

Mr BIGNELL: We can only go back so far as there has been GM in the market, so —

Hon Dr STEVE THOMAS: That is still eight years. That might be a bit much, but anyway.

Answer 3:

From time to time we have received initial inquiries from some markets seeking GM free product; however none have progressed to a formal commercial request for a GM free product.

Question 4:

Hon Dr STEVE THOMAS: If there is no financial impact, effectively—we are just talking about your company, of course—on non-GM versus GM and the 0.9 per cent contamination level, would there be a significant impact on CBH if GM-free was instigated? If there was a compensation requirement for what might have been GM-free canola that would then be transferred to a non-GM, would you then have to develop a whole new sort of receival process for GM-free versus non-GM? What sort of impact would that have on the operations of CBH? If that is too big a question, we can have that on notice and maybe come back as well.

Mr BIGNELL: I probably would like to take it on notice, but I am happy to make a comment that whenever we have a new receival grade for anything—for a different barley variety or whatever it happens to be—there are just considerations we have to put in our supply chain. It is, essentially: can we receive that grain and classify it correctly and then maintain the integrity of that product through the supply chain? I guess it is a little bit hypothetical, but if there was a GM-free, certainly we would not be doing that today. We would have to look at what the considerations are for our supply chain to be able to give the market confidence that we could deliver that product.

Answer 4:

While it is difficult for CBH to accurately quantify the costs involved in introducing GM free product into the supply chain - as it depends on whether the GM free offering was small in scale (eg: limited sites, limited tonnages), or across the network - some of the issues we would need to consider regardless of scale include the cost of testing every grower load, additional testing requirements throughout the supply chain, the costs of segregation, the loss by division (of storage capacity), site hygiene, integrity of the product, and overall risk profile.

Question 5:

The CHAIRMAN: I have one more question. Do you have a list of traders and marketers for the sale of non-GM canola that you can provide to the committee? I want you to take that on notice because you will not have that with you today, so I am asking you for that now and we will put that to you on notice.

Mr BIGNELL: Certainly, we will take that on notice; yes.

Answer 5:

A list of the major traders and marketers in Western Australia is below:

- ADM
- Bunge
- Cargill
- CBH Marketing & Trading Pty Ltd
- COFCO
- Glencore
- Graincorp
- Independent Grain Handlers
- Morton Seed & Grain
- Plumgrove / Mitsui

Please contact me on 9237 9600 or david.paton@cbh.com.au if you require any further information.

Yours sincerely

For: Co-operative Bulk Handling Limited



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