

INTRODUCTORY STATEMENT

CBH, as a co-operative that is owned and controlled by its grain grower members, welcomes the opportunity to appear before this Committee and provide assistance in relation to its inquiry.

We provide this brief introductory statement – which we will table – to set out our position and, as far as possible, to respond in broad terms to those questions provided to us in advance by the Committee.

Firstly, as set out in our initial letter to the committee, we should note that CBH itself does not hold a position regarding the utilisation of GM technology by Western Australian growers. Instead, CBH's role as a grower-owned grain supply chain operator is to provide Western Australian growers with market choice by offering a robust and quality assured supply chain that is able to store, handle and market GM and non-GM grain.

To make the session today clearer we thought it would be useful to provide a high-level summary overview of our grain supply chain and how we manage both GM and non-GM canola.

A key part of that supply chain comprises the way trade standards are managed and also how receival standards are utilised to manage the quality of intake of grain at our receival sites and subsequent grading of that grain.

All grain delivered to a CBH receival site is sampled and tested against our receival standards to determine the grain's quality parameters - the grain is then allocated with a grade based on those parameters which determines the payment grade the grower is then paid for that grain.

Canola receival standards are typically based on trading standards set by the Grain Industry Association of WA (GIWA). The current trading standard for the unintended low level presence of GM canola in non GM canola is <0.9%, as approved by the Office of the Gene Technology Regulator (OGTR). This trading standard has been adopted by CBH as our receival standard.

CBH takes a sample from every load of non-GM canola that is delivered to any of our receival sites. Each of those samples is issued with a unique load number which is tracked in the CBH computer system and identifies details about the load, including where the load is stored.

For testing, a composite site sample is created which is comprised of a small subsample of every load sample of non GM canola.

When the composite site sample accounts for 1,000 tonnes of non-GM canola received at the site, the sample is sent to CBH's Australian Grain Centre (AGC) in Forrestfield – a National Association of Testing Authorities (NATA) accredited laboratory – which tests for the unintended low level presence of GM product in the composite site sample.

If an unintended low level presence of GM canola is detected, then each of the load samples that comprised the composite site sample are then tested individually in order to identify the source and location of the unintended low level presence of GM canola in the non GM stock.

If at any of those stages, testing confirms that a load of non-GM canola contains GM canola above the unintended low level presence limit, CBH notifies the relevant grower to ensure they can

investigate their relevant farm management practices. The most important information to note is that loads that exceed the tolerance for GM canola are extremely rare: over the last 5 harvests, an average of 0.04% of non GM canola loads have been found to contain unintended low level presence of GM canola above the 0.9% tolerance.

Further testing then occurs when the grain is transported and received at port. A sample is taken for every 500 tonnes received at the port and tested for the unintended presence of GM canola. If the test indicates the presence of GM canola, the grain is further tested to determine the quantitative level of GM canola. If found to be above the tolerance for unintended low level presence of GM canola the grain is isolated and regraded if required.

In CBH's view, the testing regime described is robust, sophisticated and has multiple safeguards to detect whether GM product exists in non-GM canola. As testament of this, CBH can confirm that no shipment of non GM canola from a CBH port has ever been rejected by an export market – whether domestic or international - due to the unintended presence of GM canola.