

**“The Impact of New Biotechnologies on  
the Agribusiness Value Chain - Prospects,  
Risks & Management”**

**Mitchell H Hooke  
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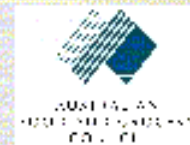


A market conducive to innovation  
and independent commercial  
decisions - a function of:

- an efficient and effective regulatory system
- meeting the needs and expectations of consumers



## The AFGC's membership:



- in excess of 175 business entities
- complexity of businesses and diversity of products
- comprising in the order of 85% gross dollar value
- Australia's largest manufacturing sector
- employs 1 in 5 of manufacturing workforce
- accounts for 2 thirds of total agri-food sector exports
- around half or in excess of \$5 billion are highly processed



*Biotechnology* any technique that uses living organisms - *gene technology*:

- range of techniques for controlled or selective modification
- extension of man's intervention
- enhances precision in genetic improvement
- choose specific genes, incorporating beneficial traits
- process of trait transfer faster, more exact, cheaper and less likely to fail
- develop new varieties more rapidly





*Prima facie*, potential in meeting society's challenges:

- managing the environment
- sustainable food production
- increasing food demand
- increased consumer demands for products and services



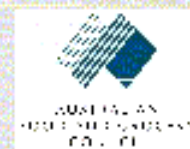
## Products in the pipeline:

- oils developed to contain more stearate
- peas to remain sweeter
- delayed ripening qualities
- peanuts with improved protein balance
- fungus resistant bananas
- tomatoes with higher antioxidants
- potatoes with higher solid content
- fruits and vegetables fortified with vitamins
- garlic cloves to lower cholesterol levels
- higher-protein rice
- strawberries containing a natural-cancer fighting agent



## Fundamental thesis:

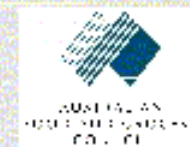
- there is simply an inevitability of gene technology, but there is a real risk Australia will not be well-positioned to realise the potential and capture the benefits



First take home message:

- we run a real risk of the technology “push” far exceeding the market “pull”





## Second take home message:

- consumer confidence in the safety and integrity of products produced using modern biotechnologies is fundamental to investment in its development and the commercialisation of its products



## Key focus of antagonists:

- capability and accountability of the regulatory system
- legitimacy of the science
- integrity of scientists
- humans' inconsistent attitudes to risk
- motives of business
- consumers' right to choice

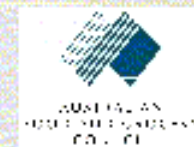




Third take home message:

- food and drink producers simply will not put their products and their brands on the line if consumers do not have the confidence in the product's safety and integrity

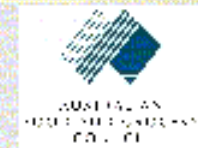
## Fourth take home message - the surrounds to the Ministers' decision:



- decision was not a matter of safety, but of information and the right to choice
- food and drink industry's commitment to a comprehensive labelling regime and information
- recognition of the industry's commitment to shouldering responsibility for the delivery of information over and above regulation
- technology is not the issue, rather how to deliver a practical cost effective meaningful labelling regime



Fourth take home message (cont) the surrounds to the Ministers' decision:



- recognition of the technical restraints of delivering against the mutual objectives of comprehensive mandatory labelling
- consideration of following the European path of determining threshold levels
- recognition that costs are an issue
- extending mandatory labelling to unpackaged foods
- implications of World Trade Organisation Agreements
- media coverage shifted markedly



Fifth take home message:

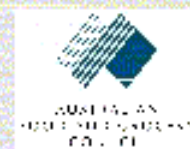
- Ministers sought to redress the imbalance between the technology “push” and the market “pull”





## Final take home message:

- those who consider they have a vested interest ... would do well to appreciate the dictates of the market and recognise their role and responsibility in influencing the market and serving it



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