CropLife AUSTRALIA

Economic Benefits of GM Crops

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GM crops increased farm incomes globally by A$12.9 billion during 2007 and have cumulatively placed $56.5 billion in farmer pockets since 1996.[1]

Soybean farmers in North and South America have extensively adopted GM crops and have received 40% of this income increase. This increased profitability has driven an expansion of more than 50% in the area planted to soybeans in the world's major soybean producing countries.

Australian farmers have had access to a limited range of GM crops to date and Australia only grows a tiny proportion of the world's GM crops.

GM Cotton

The Australian cotton industry has been growing GM insect-resistant cotton since 1996 and it comprised 86% of the Australian cotton crop in 2007. This technology increased Australian cotton farm incomes by $15 million in 2007 and by $244 million since 1996.

Around the world, since plantings started in 1996, cotton farmer incomes have increased $16.2 billion due to GM insect-resistant crops. GM cotton plantings saved 13.59 million litres of fuel in 2007 and 114.75 million litres has been saved globally since 1996. This is a reduction in CO_2 emissions of 315 million kg – a saving for the environment as well as farmer pockets.

GM Canola

In 2008, the NSW and Victorian Governments allowed the planting of Australia's first commercial GM canola crop. All GM canola farmers who were surveyed said they would plant it again. Even during a dry season, the results showed that GM canola increased yields and decreased farm costs[2].

Economic modelling studies have previously estimated that the adoption of GM canola in Australia could deliver an additional $157 million to Australian farmers annually[3].

In terms of international experience with GM canola, GM herbicide tolerant canola has increased Canadian farm incomes by a total of $1.65 billion since cultivation began in 1996. Average Canadian yields have increased by 40% in that time, while Australian (conventional) yields declined by 10%. The report also estimates significant environmental benefits including more than 220 million litres of fuel savings. This increased income and reduced environmental footprint led to 87% of Canadian canola farmers planting GM herbicide tolerant canola in 2007.

Looking Ahead

These results are compelling evidence of the economic benefits that result from two of the first commercial GM crops in Australia. Looking at the research pipeline, it is clear that future GM crops will provide even greater benefits to farmer incomes, to the community and to the environment.

Footnotes:

1 Brookes G. & Barfoot P. (2009) GM crops: global socio-economic and environmental impacts 1996-2007, PG Economics, Dorchester, UK. Available at http://www.pgeconomics.co.uk/pdf/2009globalimpactstudy.pdf

2 Monsanto (2009) Ripper Roundup Ready Results. Available at http://www.monsanto.com.au/layout/links_resources/media/current/04_06_2009.asp

3 Norton R. & Roush R. (2007) Canola and Australian Farming Systems 2003-2007. Available at http://www.jcci.unimelb.edu.au/canola2007.pdf

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