GM Crops Put More Than $56 billion in Farmer Pockets!

GM crops increased farm incomes globally by A$12.9 billion during 2007 and by $56.5 billion since 1996. That is the finding in the latest report by agricultural economists Brookes and Barfoot.

Approximately 40% of the total farm income increase has been delivered to soybean farmers in North and South America. This increased profitability has driven an increase of more than 50% in the area planted to soybeans in the world’s major soybean producing countries.

There have also been a range of environmental benefits from GM crops including a massive reduction in fuel use, made possible by the reduced need for ploughing and insecticide sprays. Between 1996 and 2007, the cultivation of GM crops saved 2,578 million litres of fuel, which meant 7 billion kg less carbon dioxide in our atmosphere.

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.

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 they have increased $244 million since 1996.

Around the world, cotton farmer incomes were $16.2 billion higher 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 CO₂ emissions of 315 million kg.

In 2008, the NSW and Victorian Governments allowed the planting of Australia’s first commercial GM canola crop. Brookes and Barfoot only report results to 2007 so there is no data on the benefits of Australian GM canola in the report. In order to understand the likely impact of GM canola in Australia it is useful to consider the Canadian experience where planting of similar varieties began in 1996.

The report estimates that GM herbicide tolerant canola has increased Canadian farm incomes by a total of $1.65 billion since 1996. 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.

These results are compelling further evidence of the environmental and economic benefits of the first GM crops. 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.

1 Brookes and Barfoot (2009) GM crops: global socio-economic and environmental impacts 1996-2007. Brookes and Barfoot give their results in US$. These have been converted into Australian dollars at the rate of 78 US cents to each Australian dollar.

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