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Australian agriculture should prepare for emissions trading

Over 100 participants from the agriculture sector have attended a summit convened by the Australian Farm Institute to discuss the role that Australian agriculture should play in the national emissions trading scheme (ETS) that will be implemented by the Australian Government in 2010.

Summit participants concluded that Australian governments and the agriculture sector should urgently undertake a range of actions to prepare for the potential future direct involvement by farmers in a national emissions trading scheme. A great deal of preparation will be required, because of the enormous complexities associated with this issue.

"Reconciling the task of reducing agricultural greenhouse emissions and responding to growing world demand for agricultural products will be a major future challenge for the agricultural sector and governments" said Mick Keogh, Executive Director of the Australian Farm Institute.

"Summit participants indicated that Australian agriculture is willing to make a further contribution to help reduce Australia's net greenhouse gas emissions, through eventual involvement with the ETS. This is in addition to the role agriculture has already played in reducing net Australian emissions, being the only sector of the economy to have substantially reduced net greenhouse emissions since 1990."

Australian governments, farmers, and the agriculture sector will need to jointly commit resources to prepare the sector for this change.

"A major challenge which arises as a consequence of Australia adopting greenhouse emission reduction policies in advance of all developing-nation agricultural exporters is the potential for these policies to result in leakage of both economic activity and greenhouse emissions to developing nation competitors, resulting in no net benefit to global greenhouse emission levels, and a loss of economic activity in Australia" said Mr Keogh.

"The agriculture sector needs assurance that the Government recognizes this risk, and will investigate ways to minimize the impact this leakage will have. Potential solutions include making incentives available for farmers to voluntarily undertake greenhouse mitigation or abatement actions in advance of agriculture's direct involvement in the ETS."

A copy of a communiqué arising from the summit is available from the Farm Institute on request.

Papers from the Summit will be available for purchase on the Australian Farm Institute website www.farminstitute.org.au

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Media contact: Mick Keogh – (02) 9690 1388 or 0418 256 066