

**12 April 2010**

## **US and NZ farmers feeling edgy about climate change policies**

Australian farmers aren't the only ones concerned about what climate change policies may mean for their ability to feed the world. United States and New Zealand farm groups are also worried, and will be outlining how they intend to tackle the challenge at the Australian Farm Institute's Agriculture and Greenhouse Emissions Conference in May 2010.

"Many involved in agriculture production in the United States have significant concern regarding proposed legislation to assign a price to carbon emissions or to cap greenhouse gas emissions. Debate regarding the science aside, the law would without question lead to a reduction in the size of the industry," said Bob Young, Chief Economist for the American Farm Bureau.

The American Farm Bureau is an independent, non-governmental, voluntary organisation governed by and representing 6.2 million farm families at the local, county, state, national and international levels. Bob Young from the Bureau says the industry will certainly reduce in size because of two main factors.

"First, production costs must rise. The proposal after all will place a cost on what is now a ubiquitous gas emitted by every human being. Given the structure of our industry, much like that of Australia, it is very difficult for farmers in the United States to pass on costs," said Mr Young.

"Second, agriculture is being looked to as a significant source of offset credits, not from production practices that currently sequester carbon, but from shifts out of crop production into forestry. This afforestation is projected to take tens of millions of acres out of food production and move it into trees. Some estimates run as high as 70 million acres out of our current crop and pasture base of just over 300 million acres. This shrinkage of agriculture in the face of growing world food needs is a major concern for US agriculture."

In New Zealand, there's an emission trading scheme (ETS) on the horizon, and Donald Nicolson, President, Federated Farmers of New Zealand says the way it is currently designed it doesn't do a lot for farmers.

"From the farmgate, the ETS has the appearance of a bureaucratic juggernaut that will want to know everything that goes on behind the farm gate. Reporting requirements are set to kick in for farm emissions over the next year or so, and we're still working out what this means if the point of obligation stays at the meat and dairy processor and fertiliser company. The provision of farm information is costly enough in time lost that would otherwise be better spent on the farm, without the penalties that lie in the ETS legislation for non-compliance," said Mr Nicolson.

"Our competitive advantage as a country comes from the efficient production of food. The contribution to New Zealand from efficient food production is significant and needs to grow. Rather than handicapping efficient food producers whose food is needed by a growing population and whose emissions are a drop in the bucket of global emissions, perhaps a rethink is needed on the New Zealand ETS."

Hear Bob Young, Chief Economist for the American Farm Bureau and Donald Nicolson, President, Federated Farmers of New Zealand speak at the Agriculture and Greenhouse Emissions Conference on Tuesday 18 and Wednesday 19 May 2010 at the Adelaide Convention Centre.

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