

NFF Q&A CPRS Amendments as they relate to Agriculture

Is the NFF pleased with today's amendments?

Excluding the direct emissions from agriculture under the CPRS cap, providing assistance to some primary food processors, additional R&D for agricultural abatement and committing to a carbon offset mechanism that adopts a carrot rather than a stick approach to encouraging positive action from farmers have been key pillars of the NFF policy on the CPRS bill.

Today's announcement by the Government and Opposition, following weeks of CPRS negotiations, has picked up on these key NFF concerns in a clear acknowledgement that coverage under the CPRS is not an appropriate carbon mitigation option for agriculture and its integrated supply chain.

With these amendments, will Australian farmers now be unaffected by the CPRS?

Notwithstanding any amendments, agriculture has extreme exposure to international markets and will still be affected by the CPRS. The NFF has worked to minimise these risks and position agriculture as part of the greenhouse gas solution rather than a problem.

While on initial viewing appearing positive, uncertainty remains regarding the establishment of the offsets mechanism intended for agriculture. While today's language from the Government is promising, this is a vital element of the package for agriculture in ensuring that farmers have meaningful options before them on how they can be recognised for taking carbon out of the atmosphere and putting it into soils and vegetation where it belongs.

Does the NFF now support the CPRS bill?

The NFF does not believe that it is in a position to make comment on the CPRS bill in its entirety but feels it is only fair that we limit our comments to the proposed bill as it relates to agriculture.

In this regard, for some time the NFF has recognised the political reality of having a price on carbon in the near future and has been aware that this could be imposed on the economy in a number of ways – many of which would cripple our farmers and render them uncompetitive.

The amendments in front of us today give the NFF some confidence that, with the right offsets mechanism in place, Australian agriculture will continue to be able to engage competitively in the global marketplace and contribute to world food and fibre security.

Will excluding direct agricultural emissions from the CPRS cap make it more expensive for other sectors to meet their CPRS targets?

No – Agriculture remains committed to reducing greenhouse gas concentrations in the atmosphere and in so doing, reducing Australia's liabilities under the Kyoto Protocol. Mitigation efforts by agriculture through an offset mechanism will also reduce the cost of covered sectors in meeting the national mitigation targets.

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