

Statement by NFF President Mr David Crombie

Amendments to the CPRS Legislation as they relate to agriculture

The NFF Members' Council has convened to consider the amendments to the CPRS legislation as they relate specifically to the treatment of agriculture.

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

The announcement by the Government, following weeks of CPRS negotiations with the Opposition, has picked up on these key NFF concerns and is a positive outcome in many respects.

Having said this, significant details remain to be clarified and NFF will work with Government regarding these aspects of the announcement – technicalities on the food processing provisions being one example.

The positive decision to include agricultural offsets now heightens the imperative that the Kyoto carbon accounting rules are changed. NFF is committed to working to change these rules to acknowledge the positive carbon management undertaken daily by the world's farmers – particularly in the sequestration and storage of carbon in soils and vegetation.

NFF seeks to be centrally engaged in developing the detail around the proposed market-based instruments that reward positive, verifiable, carbon mitigation practices by Australian farmers. These market-based instruments should allow for the voluntary engagement by Australian farmers and provide tangible encouragement for innovation and adoption of improved carbon management practices.

Notwithstanding any amendments, agriculture has extreme exposure to international markets and will still be affected by the CPRS. NFF has worked to minimise these risks and position agriculture as part of the emissions solution.

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 give the NFF some confidence that, if we get the detail right Australian agriculture will continue to be able to engage competitively in the global marketplace and contribute to world food and fibre security.

NFF and its member organisations will continue to work through the detail and maintain its constructive approach on the issue on behalf of the Australian farm sector.

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