



### **The Carbon Pollution Reduction Scheme (CPRS) in its current form is not an appropriate mechanism for the Australian beef industry.**

However, Cattle Council of Australia recognises the need to work with Government to develop an appropriate policy setting that enables beef producers to make a contribution to managing their greenhouse gas emissions. This mechanism must not jeopardize the **profitability** and **international competitiveness** of Australia's beef cattle producers.

The Australian beef industry exports beef and beef products to more than 100 countries and is valued at \$15 billion. Cattle Council is concerned that the CPRS Bill in its current form will have a **negative impact** on cattle producers' ability to compete in global markets.

### **What do other countries think?**

Attending the International Federation of Agricultural Producers climate change conference in Copenhagen on 27 May 2009, Cattle Council learnt that other countries are:

- ⇒ Surprised that Australia and NZ are considering capping agriculture emissions, as this would exert pressure on food production; and
- ⇒ Aware that the Kyoto accounting rules do not recognise the positive contribution that can be made by beef producers on-farm, particularly with regard to soil carbon sequestration.

### **Cattle Council is encouraged by some of the strong messages coming out of the Senate Select Committee's final report on Climate Policy, for example:**

- ⇒ The need for complementary policy measures for greenhouse gas abatement and mitigation in the agricultural sector;
- ⇒ The need to link carbon mitigation and agricultural productivity, while promoting the testing, development and rollout of soil carbon technologies and schemes; and
- ⇒ Intensifying efforts to amend the international carbon accounting rules.

### **Under a scenario where:**

- ⇒ **meat processors are included in the CPRS from July 2010 and are not eligible for free permits; and**
- ⇒ **agriculture is included in the CPRS in 2015 and is not eligible for free permits, the following will occur\*:**

- by 2030, meat production will be 12.4 per cent below business as usual (BAU) levels for grass-fed beef, 7.3 per cent for grain-fed beef

- meat exports will fall by 13.7 per cent below the BAU level in 2030 for grass-fed beef and 12.4 per cent below BAU level for grain-fed beef

- producers gross operating surplus would be 62 per cent below the BAU level by 2030 for grass-fed beef and 28 per cent for grain-fed beef

- **The beef industry deserves a fair and level international playing field**

- **There is a need to avoid perverse outcomes for the agriculture and food processing sectors.**

- **Changes to international accounting rules must reflect the entire carbon cycle and allow distinction between anthropogenic and non-anthropogenic emissions**

- **The Senate must take into account the international competitiveness of the Australian beef industry when considering the CPRS Bill.**



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\* Independent research undertaken by the Centre for Economic Research (CIE) entitled Possible impacts of the CPRS on the Australian red meat and livestock industry