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What are Australian farmers already doing to mitigate greenhouse gas concentrations?

Australian farmers, like farmers across the globe, are in the business of mitigating against the threat of climate change.

Unlike some industries, this is not something that has just sprung up in the last few years since the threat of climate change has gathered momentum to take the world by storm. Actions that boost farm productivity and in doing so, mitigate carbon, have been entrenched in the psyche of farmers for generations as they engage in the biological process that is farming.

Through bio-sequestration (or the storage of carbon in soils and vegetation that occurs through the natural process of photosynthesis) farmers are constantly mitigating carbon emissions as part of their everyday practices. They do this by planting crops, encouraging pasture re-growth and sustainably managing vegetation on their properties to ensure their land is productive – both for today and future generations.

Farmers are acutely aware of, and have tapped into, building stocks of soil carbon, which can have positive food and fibre productivity spin-offs. These benefits include improving the water holding capacity of the soils and enhancing vegetation’s ability to utilise nutrients.

It is with this in mind that Australian farmers have pioneered new and improved ways of maximizing carbon storage through soil management.

For example, through the widespread adoption of minimum tillage practices, through planting deep rooted perennial pastures, and crop rotation strategies that reduce nitrous oxide emissions from fertilizer use. Such methods have vastly improved the carbon storing capacity of Australian soils.

¹ IFAP is the world farmers’ organisation representing over 600 million farm families grouped in 120 national organizations in 79 countries. It is a global network in which farmers from industrialised and developing countries exchange concerns and set common priorities. IFAP has advocated farmers interests at the international level since 1946 and has General Consultative Status with the Economic and Social Council of the United Nations.

Of course, it is not only through bio-sequestration that farmers in Australia and, for that matter farmers across the globe, already mitigate carbon emissions.

Livestock farmers are also fundamentally aware that their ability to improve efficiencies also help to mitigate greenhouse gas emissions.

Through improved grazing and feeding practices, the selection of more suitable breed varieties, feed supplementation advances and genetic enhancement programs, the livestock sector has devoted itself to management practices that reduce methane emissions from each animal.

Just as importantly, these practices also improve livestock productivity and have allowed Australian livestock producers to chart a profitable and sustainable future.

The problem we all face is that the full extent of the environmental benefits that come from these improved production methods too often goes unrecognized and unappreciated.

Yet these environmental gains, made off the back of farmers – do not stop there.

In Australia alone, farmers plant over 20 million trees each year for conservations purposes and spend \$3 billion Australian dollars on Natural Resource Management to prevent weed, pest, land and soil, native vegetation or water-related issues on their properties.

Overwhelmingly, this action is undertaken unilaterally by the farmers themselves, NOT driven by Government regulation.

Agriculture across the globe has an incredibly positive story to tell about what it is already doing to meet this global challenge. As an international farming community, we must, at every opportunity, reinforce this contribution.

This fundamental premise of being able to produce more food and fibre to meet growing human needs, while also meeting climatic challenges, is a reality.

It is for this reason that Australian farmers are so dismayed that agriculture has been vilified in some quarters as being a major climate vandal, despite the demonstrable positive contribution being made.

Indeed the international carbon accounting rules, under the Kyoto Protocol, foster this false perception. They do this by failing to fully recognise the mitigation efforts undertaken by farmers as I have outlined – but I will get to that in just a moment!

Australian climate change policy – the Carbon Pollution Reduction Scheme

So what is the Australian Government's policy response to dealing with the climate change challenge?

The central domestic policy mechanism by the Australian Government to combat climate change has been its commitment to implement an Emissions Trading Scheme, now known in Australia as the Carbon Pollution Reduction Scheme (CPRS).

Provided the CPRS survives its journey through Parliament, it will commence in 2011, with a cap being set for all direct emissions covered by the scheme.

However, unlike the European ETS and the current proposals for the US ETS, it is the Australian Government's intent for the CPRS to cap emissions across as many sectors of the national economy as possible, including agriculture.

That is, it is the Australian Government's intent that farmers initially will eventually be required to purchase permits to account for the direct emissions on-farm, such as the methane from livestock or the nitrous oxide emissions from fertilizer use.

The Government has thankfully acknowledged that the CPRS is currently inappropriate for agriculture and may never be.

This initial omission from the CPRS is due to a number of obstacles, most notably an inability to measure, monitor and verify emissions across all 150,000 Australian farms. Industry has also argued that covering agriculture within the CPRS at this time would lead to significant perverse outcomes and exorbitant costs with little environmental benefits.

Initial modeling has suggested that agriculture being covered by the CPRS would carve out around \$11 billion Australian dollars (about 6 billion Euros) off Australia's value of agricultural production by 2030.

That said, the Government remains intent on including Australian farmers within the CPRS by 2015 should the obstacles be overcome.

The only potential for farmers to partially offset the additional costs through the CPRS is through carbon sink forests. That is, planting trees and committing to them remaining in place for over 100 years.

This comes with serious risk to Australian agriculture. The Government's CPRS modelling suggests that as a result of the CPRS, between 5 and 40 million hectares of agricultural land (an area greater than the size of Germany) will be converted into forestry. This would have enormous potential implications on Australian farm output, regional communities, biodiversity and water runoff.

Therefore, should agriculture be covered by the scheme, then for most farmers, the only way that they will be able to reduce their liabilities is by slashing food and fibre production and replacing that land with forestry.

Such a prospect – and it is very real - is unacceptable to Australian farmers and should be concerning to farmers all over the world. In our rush to curb carbon emissions, we must be careful not to starve the world and ourselves in the process.

So the question must be asked – if farmers are making a positive contribution to climate change mitigation, then why are Governments such as Australia's only focusing on the emissions part of the story of agriculture and failing to recognise the positive things farmers can and are doing to mitigate carbon?

A large part of the answer lies within the international carbon accounting rules which dictate the obligations for countries who have ratified the Kyoto Protocol.

How do the international rules affect the world's farmers?

With one of the core aims of the Australian Government being to meet its Kyoto obligations, clearly there is pressure for Australian climate change policies to be underpinned by the carbon accounting rules within the treaty.

Indeed, policies adopted by Governments around the world to mitigate emissions will be influenced by these same Kyoto accounting rules - this poses a risk for farmers everywhere.

Australian farmers have already been exposed to the harsh reality of how the flawed Kyoto Protocol accounting construct can act against the interests of our farmers.

As an example, Article 3.7 of the Protocol is referred to as the 'Australia Clause' due to Australian negotiators pushing strongly for its provisions. This enabled the Australian Government to gain carbon credits for restrictions land clearing.

The subsequent bans on land clearing are the sole reason why Australia is now able to claim to be one of the few countries meeting its Kyoto Protocol commitments.

No compensation has ever been provided to Australian farmers affected by these bans despite it saving the Australian Government somewhere in the vicinity of \$3 - \$5 billion Australian dollars. At the same time it has severely restricted farmers' productive capacity.

This is a clear demonstration of how the rules affect the domestic policy settings that, in turn, can have major impact on farming communities.

So in broad terms, what are the major problems with the Kyoto carbon accounting rules and why are they so inappropriate for farmers around the world?

- Firstly, the Kyoto rules portray an inaccurate picture of agriculture's contribution to global warming.

Instead, these rules treat agricultural emissions in the same way as those from the fossil fuel sector. They do this by taking no account of the natural carbon cycle that occurs within agriculture.

That means there is no recognition of the carbon being stored – as a matter of course – in agricultural systems.

We would therefore argue that it is misleading to only report on agriculture's contribution of around 14% of total global carbon emissions.

Obviously, the only reasonable measure of agriculture's carbon footprint is emission minus sequestration.

The flawed and simplistic representation of agriculture as a major greenhouse polluter, on a par with coal-fired power stations, only serves to fuel the efforts of those fringe special interest groups who call for public opposition to consuming agricultural produce such as beef and sheepmeat.

The idea that meat could be, or should be, eliminated from diets is both dangerous and impractical. Meat is a necessary staple delivering vital protein - Rather than boycott meat, we should be focusing on producing it in the most efficient way possible.

We realize that it is very difficult to accurately calculate the carbon sequestration from agricultural production systems. But this is no excuse for grossly over-stating agriculture's contribution to global warming.

In reality, when it comes to agriculture, the general public is only being exposed to half the story.

- Global farmers should also be extremely concerned about Article 3.4 of the Kyoto Protocol that fails to appropriately recognize sequestration on farm.

As it stands, this provision makes it prohibitive for additional soil carbon stocks generated by farm activity to be appropriately acknowledged and rewarded.

As amazing as it seems, the fact is that under this article, farmers are held liable for natural events that emit carbon from the soil such as drought and bushfire - events beyond anyone's control.

As a consequence of the risks arising from these natural, or non-anthropogenic emissions, Australia, like most countries, did not elect any Article 3.4 activities. This in turn removed any

opportunity for our farmers to gain credit for the positive actions on-farm that help to build carbon stocks within their soils.

This issue goes against the core principle of why the Kyoto Protocol was developed. That is – to bring about a reduction in human induced climate change.

Why then, are farmers being penalised under this treaty for natural events that they cannot control?

- The Kyoto carbon accounting rules must be changed. While they remain as they are and farmers gain no recognition for their mitigation efforts, there will continue to be an undue emphasis on forestation as a rural and regional land use.

The role that planting trees plays in land systems should not be undervalued, but policy makers must ensure that an appropriate balance is achieved so that the perverse outcomes of driving down food production are avoided.

This should particularly be the case as food scarcity continues to be a growing problem for people around the globe.

This is not just an issue for developed countries who are parties to the Kyoto Protocol. It will also have an impact on regional land use in developing countries, which, through means such as the Clean Development Mechanism, may be subtly forced towards forestation and away from food production.

Others in the IFAP community will be well placed to provide insights into the potential social implications that this might lead to.

Perverse outcomes – debate is too narrowly focused

The world's farmers have been making great progress in mitigating against the threat of global warming. Farmers have done and will continue to do this by locking up carbon through the process of bio-sequestration and building efficiencies in their production systems.

Yet farmers can do so much more in this area.

One thing all parties – across nations and across interests, be it farming, industrial or environmental – agree on, is the absolute need for new research and development.

With the tools that R&D can provide, we recognize that the world's farmers can, and must, play a further role in mitigating greenhouse gas emissions. Arresting the decline in agricultural research and development investment across the world is therefore a major need for in order to ensure farmers have the tools to make a further contribution to climate change mitigation.

Australian farmers do not shy away from our responsibility to act. However, opportunities for emissions reductions in agriculture must be balanced against the potential for gains in productivity and sustainability, so that agriculture can meet the world's food and fibre needs under future climates.

As everyone in the IFAP community understands only too well – food is special, and policy makers must be wary when tampering with the systems that produce it.

As the flawed Kyoto carbon accounting rules demonstrate, it is very easy for the climate debate to take on a focus that is far too narrow. The potential to lead to unintended, environmental, social and economic outcomes is all too real.

It is time that a greater balance is brought to the international climate debate that provides the tools and framework by which farmers can positively contribute in a way that is complementary to their production systems.

What actions are needed from IFAP members?

While the international accounting framework fails to appropriately recognize the positive contribution by farmers to climate change mitigation, farmers the world over risk seeing domestic climate policies that hurt farmers and their communities.

Australian farmers are especially conscious of this threat, given the policy direction our Government is heading.

However, we know that Governments in other countries will be under similar pressure to adopt policies, many of which will have a direct impact on farmers – including how, and indeed, if they produce food.

This pressure will intensify following the Council of Parties meeting in Copenhagen this December.

The international farming community must act quickly and decisively to ensure that the Kyoto Protocol accounting framework is amended in December to ensure farmers can get on with the job of storing carbon through their farming systems, while delivering food to a hungrier world.

From our end, Australian farmers are working with our Government and pressing it to pressure other governments to change the carbon trading rules. We urge all of you to do the same.

Farmers collectively can make a further contribution to carbon mitigation, but we need fair and measured rules and policies to make it possible.