



CATTLE COUNCIL OF AUSTRALIA

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Garnaut Report a mixed bag for beef producers

Professor Ross Garnaut's Final Report reinforces key climate change issues facing beef producers, namely the potential for sequestering carbon, the need for increased research as well as recognition that transactions costs of full inclusion of agriculture in an emissions trading scheme would be high.

There is no doubt that beef producers around Australia remain anxious about what impact a Carbon Pollution Reduction Scheme will have on their business.

"The Garnaut Report estimates that if permits cost \$40/tonne, this would increase cost of production of beef by \$0.96c/kg or 6.2%. This may place beef production at a disadvantage relative to other industries," said Cattle Council President Bill Bray.

"Reference in the report to the potential for kangaroos to replace cattle and sheep for meat production in Australia's rangelands is quite simply not an option. This is a diversion from realistic ways of reducing emissions.

"The Australian beef industry exports around two-thirds of its production to more than 100 countries. Of course we are not opposed to kangaroo production; however, our global customers collectively purchase around \$120 million per week worth of beef and beef products. Any carbon 'leakage' from Australia toward countries that are not investing in research and development and improving productivity will ultimately detract from the goals of global emissions reduction.

"However, Cattle Council is buoyed by comments in the report that reinforce the need for more reliable and cost-effective ways to measure or estimate net emissions," added Mr Bray.

"We support Garnaut's recommendation that the Government, as a priority, must invest in helping agriculture develop better measures or estimation tools for emissions and develop more mitigation options for producers. The full carbon cycle must be recognised.

"Increased research will assist in developing these critically important tools for beef producers. Without reliable estimation, it is difficult to include the sector in an emissions trading scheme.

"The beef cattle industry has achieved a reduction in total emissions of 10% since 1990 (Source: Department of Climate Change – Australia's National Greenhouse Accounts & Meat and Livestock Australia). Our industry is becoming increasingly more productive; however, rising input costs continues to place significant pressure on many farming families," Mr Bray said.

"We look forward to the Government continuing to work alongside the beef industry, to continue investment into research and development and ensure that all measurement and mitigation options are fully explored.

"As stated in the Garnaut Report, the only effective mitigation is global," concluded Mr Bray.

Ends – For further information contact Bill Bray, President, Cattle Council of Australia on 0429 307 561 or David Inall, Executive Director, Cattle Council of Australia on 02 6273 3688 or 0418 165 340.

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