

## Carbon tax another blow for nation's cattle producers

The Government's announcement that petrol will be excluded from the proposed carbon tax has offered little relief for Australian cattle growers, with a lack of clarity about whether agricultural fuel will be taxed.

If fuel used in agricultural production is included, the tax will slug beef producers with an extra \$7,000 in costs every year, the latest independent research released today by Cattle Council of Australia and the National Farmers' Federation (NFF) has shown.

"The announcement that petrol will be excluded from the proposed carbon tax may be good news for families, but it is not yet clear what impact the decision will have for farmers," NFF President Jock Laurie said.

"Today's independent research confirms again that fuel is one of the major input costs for these farmers but we are yet to see any clarification from the Government that fuel used in agriculture and by related industries such as freight transport companies will be excluded from the tax.

"At a time when Australia's beef producers are already facing major challenges, this modelling shows that they could now be stung by a tax that will cost them anywhere from \$4,200 for beef producers in Victoria to \$9,200 for graziers in Queensland," Mr Laurie said.

Under a carbon tax price of \$35 per tonne, an average Australian beef producer would lose 11.7 percent of their net farm income five years after the introduction of a carbon tax. Graziers in Queensland would have a fall in income of 9.5 percent, while those in Victoria a fall of 10.7 percent, the study shows.

Acting President of Cattle Council of Australia, Andrew Ogilvie, said the tax will hurt Australian beef producers already struggling to face a multitude of challenges.

"There's no doubt that things are difficult for beef producers right now, with the Government's suspension of trade to Indonesia already cutting deep into the lives of many within industry, a high Australian dollar contributing to export pressure, and recovery efforts underway for cattle businesses impacted by prolonged drought and severe floods," Mr Ogilvie said.

"The increase in costs and reduction in income that we're facing is serious – especially when you consider that the average Australian beef producer only has a farm cash income of around \$42,000 a year.

"Australian beef producers are essential to food production in this country and around the globe. A carbon tax will risk our ability to remain sustainable in beef production and compete in world protein markets.

"We contribute over \$7 billion a year to the Australian economy and employ over 120,000 people. Our industry is vital, yet we are being slugged with a tax that could potentially destroy us. We, like the NFF, are against the introduction of the carbon tax," Mr Ogilvie said.

The fourth research paper in the series developed by the Australian Farm Institute, *The impact of a carbon price on Australian farm businesses: beef production* is available via the NFF website: [www.nff.org.au](http://www.nff.org.au).

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