

MEDIA RELEASE

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Will certification pay for Australian farmers?

Australian farmers are likely to gain significant benefits from voluntarily implementing on-farm environmental accreditation systems – even though it is unlikely a majority of consumers will ever pay a premium for products produced by environmentally-accredited farms.

This is the conclusion reached by several authors writing in the latest edition of the *Farm Policy Journal*, released this week by the Australian Farm Institute. The Journal examines issues surrounding the development and implementation of environmental accreditation systems on farms, commonly referred to as environmental management systems (EMSs).

'EMSs are essentially quality assurance systems used to manage the environment on a farm. They involve a formalised review of farm environmental issues; the planning and implementation of remedial actions where necessary; and long-term monitoring of environmental changes', explained Mick Keogh, Executive Director of the Australian Farm Institute.

'Full implementation of an EMS also involves regular third-party audits, to ensure the system is effective and is being properly implemented.'

'It has long been hoped that farms with environmental accreditation, such as an EMS, would receive higher prices for their farm produce. However, the complexities of marketing supply chains, and the reluctance of consumers to pay premiums for produce from environmentally accredited farms means that producers are unlikely to receive a direct financial benefit from such accreditation.'

'On the other hand, trials of EMSs in Australia and internationally show that farmers who implement these systems are improving their management skills as a result. In one case, a participating farmer was able to reduce some farm chemical inputs by 95%, greatly reducing farm input costs and the impact of farm operations on the environment.'

'Another important aspect of EMS adoption is the message it sends to the wider community – that farmers care for the environment. The farm sector has received a lot of criticism over recent decades about its environmental impact, much of it unwarranted. It is very difficult to respond to such criticism in the absence of concrete evidence of farmers' environmental stewardship. EMSs provide a tangible way for farmers to demonstrate their environmental credentials to the wider community.'

'For EMSs to become more widely adopted and to become the preferred tool for improving on-farm environmental management, governments will need to promote their adoption, and establish standards to ensure that EMSs retain their integrity', Mr Keogh concluded.

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(Abstracts of Journal Papers Follow)

What Could EMSs Offer Land Management in Rural Australia?

Tony Gleeson, Executive Director, Australian Landcare Management System Ltd

Genevieve Carruthers, Environmental Systems Specialist, NSW Department of Primary Industries

Environmental management systems (EMSs) are systematic processes used by organisations to document and improve their impacts on the environment. The effective use of EMSs in land management in rural Australia requires the acceptance of three principles. First, that there is a need to improve environmental outcomes. Second, that improving impact on the environment is a useful performance criterion for improving environmental outcomes. Third, that improving environmental management needs to be certified so as to strengthen public and private sector drivers for improved environmental outcomes. Given these principles, EMSs should be designed so that they focus on the causes of environmental impacts in ways that account for ecological interactions and interdependencies – that is, they should apply to all the activities of the land manager across the whole land unit irrespective of the mix of land uses and they should account for the spatial dimensions of environmental impacts. Additionally, EMSs should be well-informed and be efficiently developed, applied and credibly audited. Through application of these principles and design features, EMSs could empower land managers and strengthen their motivation to improve environmental outcomes. EMSs potentially offer: ecological and organisational integration; improved effectiveness and efficiency of public sector programs; strengthened product differentiation; and improved information and knowledge management. Industry and government leaders, however, have yet to put in place the building blocks to enable land managers to access national credible whole-of-farm catchment-linked EMSs. Unless this happens, it is likely that EMSs will not contribute usefully to improving environmental outcomes in rural Australia.

Environmental Stewardship Requirements for Australian Broadacre Farmers

Mimi Han, Australian Wool Innovation

Russell Pattinson, Miracle Dog Pty Ltd

Alan Umbers, Grains Council of Australia

Malcolm Sedgwick, Meat and Livestock Australia

Research was conducted to define more clearly the minimum information requirements for broadacre producers to demonstrate environmental stewardship to a broad range of target audiences in Australia – both now and in the future. Findings indicate the focus of environmental stewardship lies not in seeking legislative compliance, but on the expectation that the broadacre industry will develop, implement and monitor industry-wide standards.

An American Experience with EMSs on Livestock and Poultry Operations

Dr Mark Risse, Professor of Biological and Agricultural Engineering, University of Georgia

Dr Bill Bland, Professor of Soil Science, University of Wisconsin-Madison

Dr Rick Koelsch, Professor of Biological Systems Engineering and Animal Science, University of Nebraska-Lincoln

Elizabeth Bird, Coordinator, Peaks to Prairies Center, Montana State University

Thomas Bass, Public Service Representative, University of Georgia

A five-year effort to study the potential roles of and limitations to implementing environmental management systems (EMSs) on diverse livestock operations in the United States (US) revealed obstacles and unanticipated outcomes. Pilot projects in nine states targeted poultry, beef, and dairy operations. Interest in, and the impacts of, the pilot projects depended significantly on the local regulatory context, which is quite diverse in the US. Most producers found the very name a challenge because of discomfort with the word 'environment' and because the process nature of 'system' was a substantial departure from the more familiar practice of public sector educators specifying and teaching about best management practices. Producers who adopted an EMS embraced it as the management tool that it is, rather than a new regulatory expectation. Wider adoption of EMS by US agricultural producers faces the same aversion to paperwork and planning that limit improvement in all aspects of management, as well as a lack of clearly identifiable benefits. Evolving regulatory requirements placed on agriculture may make EMS more attractive to certain producer sectors in the future.

Outcomes of EMS Implementation on Australian Farms

Genevieve Carruthers, Environmental Systems Specialist, NSW Department of Primary Industries

Although the adoption and implementation of environmental management systems (EMSs) is often promoted from a marketing perspective, there is growing evidence that other outcomes are important, more common, and provide ongoing encouragement for users to continue good management practices. Outcomes from recently completed EMS Pilot Projects and other research suggest that a suite of environmental, economic and social benefits arise from the use of EMSs. Increased awareness of regulatory expectations has assisted in enhanced compliance, thereby reducing liabilities and risks. A greater focus on priorities through risk assessment and enhanced business management, use of emergency response procedures, enhanced uptake of best management practices and

associated monitoring has allowed costs savings to be identified in conjunction with a range of environmental outcomes. EMSs also provide demonstration of, and support for, stewardship; improved communication and relationships with stakeholders; and assist with marketplace and supply-chain expectations. This paper discusses some of the benefits that are being achieved both on- and off-farm as a result of EMS implementation by land managers.

Potential Customer Requirements and Demand for 'Ethical Wool'

Russell Pattinson, Miracle Dog Pty Ltd

Lester Pahl, QLD Dept of Primary Industries & Fisheries

Mimi Han, Australian Wool Innovation

Demand for ethical wool apparel is currently estimated to be small (ie a niche market) and predicted to remain so in the foreseeable future, although growth in such product is expected to increase by up to six-fold over the next five years from its present modest base. Whilst, throughout the wool pipeline, increasing importance is placed on issues of on-farm environmental sustainability, chemical residues, and animal welfare; social justice and humanitarian issues remain priority concerns at the retail level. Limited premiums currently exist for ethical attributes, yet growth in demand is contingent on the product continuing to meet consumers' expectations for quality, functionality and comfort. In the case of Australian ethical wool products, an agreed standard or protocol with assurances is likely to become more important to retailers in the future.

EMS – Social Licence or Regulatory Burden?

Ralph Leutton, Program Manager – Policy and Legislation, Cotton Australia

This paper explores the focus that has been placed on the management of farming for environmental outcomes. While confusion is present in the minds of the landholders and land managers as to what it all means, comment is given as to why consideration of environmental management systems implemented voluntarily by industry may provide longer term security.