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Greenhouse emissions trading is coming – How should Australian agriculture respond?

The Australian Government has committed to a national emissions trading scheme (ETS) by 2010, but the role agriculture will play in emissions trading hasn't been confirmed. Yesterday, Minister for Climate Change and Water, Senator Penny Wong, announced a timeline for the introduction of the ETS, and gave a commitment to begin discussions with agriculture leaders soon.

But what role does Australian agriculture want to play in the ETS?

Representatives from across the agriculture sector will gather in Queensland next month to discuss the implications of an ETS for Australian agriculture, with a view to developing a clear position on what needs to happen for agriculture to respond to what is probably the most critical issue facing the sector over the next decade.

“The biggest issue for Australian agriculture in the immediate future will be adjustment to climate change policy, rather than to climate change itself,” said Mick Keogh, Executive Director of the Australian Farm Institute.

“Climate change policies are likely to result in significant increases in farm costs, but Australian farmers cannot simply put up their prices to recover these extra costs. In addition, many developing nation agricultural exporters will not face the same cost increases, reducing Australian agriculture's competitiveness.

“There is a lot of uncertainty about the best approach for agriculture in response to an ETS. A crucial question is whether farm businesses should be direct participants, or remain outside the ETS, with the potential to sell offsets to ETS participants. The industry needs to decide how it can harness the opportunities and avoid the threats posed by an ETS now, before this decision gets taken away,” said Mr Keogh.

The Agriculture and Emissions Trading Summit will take place on the 21st and 22nd of April in Queensland. The full list of speakers can be found on the Australian Farm Institute website www.farminstitute.org.au

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