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Positive role for Agriculture in carbon pollution reduction

A new independent study has revealed primary producers could be winners and major contributors to climate change strategy if the farm sector is positioned as a carbon trading offset provider, NSW Minister for Primary Industries Ian Macdonald said today.

The study 'Agriculture and greenhouse gas mitigation policy: options in addition to the CPRS' was commissioned by the NSW and Victorian Governments and prepared by ACIL Tasman.

"This is an exciting study which reveals agriculture could be a major player in reducing the cost of Australia meeting its emission reduction targets and farmers could earn valuable income and credits from carbon trading," Mr Macdonald said.

"This report is a useful body of work that will help inform the position that Australia's negotiators take to international negotiations in Copenhagen and beyond.

"Domestically, the report proposes an adaptive policy approach, which develops the sector's capability and capacity.

"The report is not a NSW Government policy statement, but rather is part of the process of coming to a national negotiating position on the role of agriculture in the world's low carbon future.

"As a first step the report proposes the development of a voluntary domestic carbon offset market, which would provide the agriculture sector with early experience and opportunities in developing carbon trading technologies and practices, and provide a source of alternative farm income at a time when sector is under pressure from drought and other issues."

"Agriculture has substantial potential to abate and sequester greenhouse gases, often at a cost lower than elsewhere in the economy and therefore could play a role in contributing to our national abatement targets.

"A Chicago Climate Exchange style entity could be established in Australia as a nursery platform for trialling greenhouse gas measurement and trading arrangements.

"The report suggests adoption of modern statistical portfolio analysis techniques would allow participating farmers to receive 'credits' for scientifically credible estimates of abatement or sequestration from activities such as direct drill cropping.

"Further opportunities for abatement and sequestration lie with genetics, feeding practices and manure management to reduce methane, fertiliser treatments and practices to reduce nitrous oxide emissions and forestry and permanent pastures to sequester carbon.

"We are eager to work closely with the Commonwealth to further develop the study findings and a policy framework that gets the right balance for agriculture and the broader economy.

“I will be taking this matter up with my colleagues at the next Primary Industries Ministerial Council Meeting in November, to ensure early consideration of the potential to establish a voluntary market.”

The study was jointly funded by Industry and Investment NSW and the Victorian Department of Primary Industries and is available on the website of Industry and Investment NSW:

<http://www.dpi.nsw.gov.au/agriculture/resources/climate-and-weather/climate-change/low-carbon-future>

Key findings:

- Agriculture could be positioned through international negotiations as a key player in Australia’s overall climate response strategy.
 - Positioning the sector as an offset provider has the potential to significantly reduce the overall costs of Australia’s abatement targets.
 - A voluntary carbon market could be established initially.
 - Given the current risks and uncertainties around international rules and abatement and sequestration opportunities, an adaptive policy position should be adopted for Australian agriculture.
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