

Industry Carbon Neutral Targets

Ag Ex Alliance



National
Farmers
Federation



Our Members

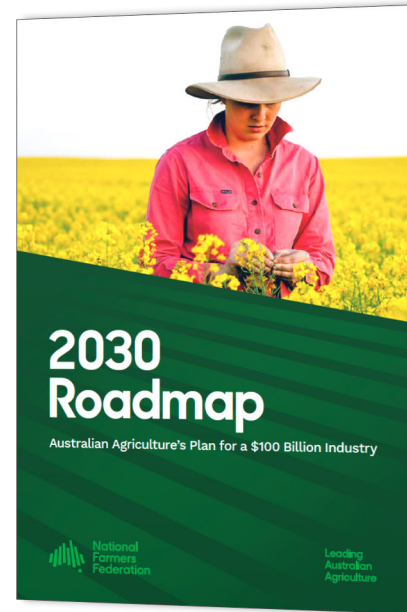


Roadmap Goals

Pillar 1. Customers and the Value Chain	Pillar 2. Growing Sustainably	Pillar 3. Unlocking Innovation	Pillar 4. People and Communities	Pillar 5. Capital and Risk Management
<ul style="list-style-type: none"> Agriculture is ranked Australia's most trusted industry. Australia's freight cost per tonne-kilometre is competitive with major agricultural exporting nations. An average tariff faced by agricultural exports of 5%. A 50% reduction in agriculture exports experiencing nontariff barriers each year. 	<ul style="list-style-type: none"> The net benefit for ecosystem services is equal to 5% of farm revenue. Australian agriculture is trending towards carbon neutrality by 2030. Halve food waste by 2030. A 20% increase in water use efficiency for irrigated agriculture by 2030. Maintain Australia's total farmed area at 2018 levels. 	<ul style="list-style-type: none"> Australia becomes a Top 20 nation for innovation efficiency. Every Australian farm has access to infrastructure and skills to connect to the Internet of things. Australia's farm energy sources are 50% renewable by 2030. 	<ul style="list-style-type: none"> Double the number of tertiary and vocational agriculture graduates. Increase the available work force by 25%. Achieve gender parity in the agricultural workforce, and double the number of women in management roles. A mean score of 5 for Physical Capital sub-measure in the Regional Wellbeing Survey. Zero farm fatalities. Close the gap between the psychological wellbeing of farmers and the broader community. 	<ul style="list-style-type: none"> 90% of family farms have documented business plans, including succession plans.* 90% of Australia's farmers employing multiple financial tools to manage risk. Year on year increase in equity investment in Australian farm businesses.

Climate Change policy

- We support an economy-wide net zero emissions target by 2050 with strict caveats. Our policy is designed to create and embrace opportunities for the sector to participate in carbon and natural capital markets and support adaptation to a changing climate without the burden of unnecessary costs.
- But there is a lot of work to do, we need significant investment in R&D to underpin our pathway to net zero emissions.
- There is a lot happening now.



Climate Change Policy

NFF supports an economy-wide target of net zero emissions by 2050 if:

- There are viable economic pathways; and
- Government policy is effective, equitable, advantageous and not a disincentive.

Key Issue

A transition to a low emissions economy will require transformation across a number of complementary sectors, especially electricity and transport.

Policy adjustment and investment in research and development will be crucial to meet this task. It is critical that policies that address climate change are fully examined to minimise the risk of perverse outcomes and that deliver equitable outcomes for Australian farmers.

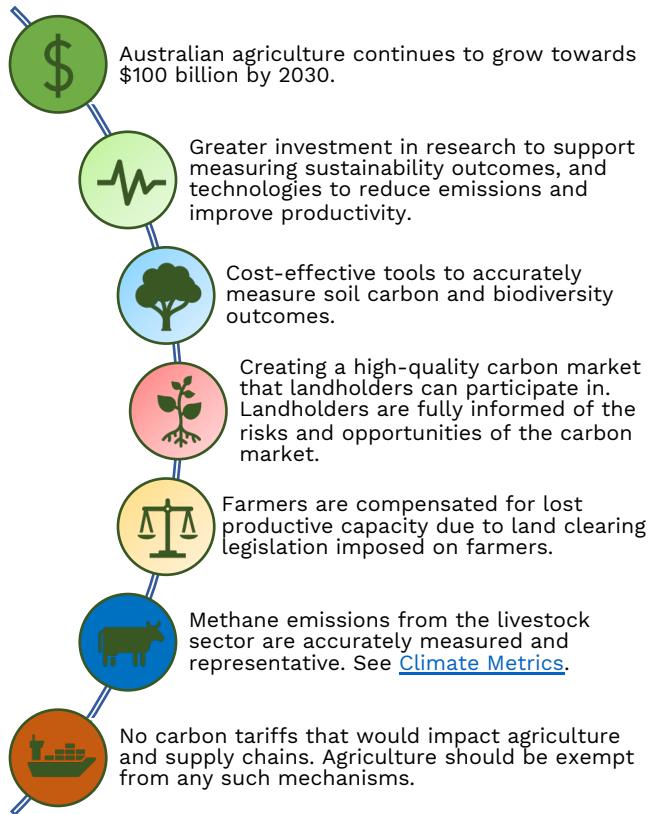
Key Definitions

CO₂-e – is the 'carbon dioxide equivalent', the standard unit for measuring greenhouse gas impacts. This expresses the impact of another greenhouse gas in terms of the amount of CO₂ that would be produced. See the glossary [here](#) (pg. 546)

Net Zero emissions – an overall balance between all greenhouse gas emissions produced and emissions removed from the atmosphere.

Carbon Neutral – Similar to net zero emissions but focuses only on CO₂.

Key Policy Outcomes



What industry's doing

Beef	Cattle	Dairy
Eggs	Forestry	Grains
Hort	Pork	Rice
Sheep	Sugar	

Policy programs and processes – NFF engagement in design / consultation

Research
Climate Initiative
CRSPI
Carbon Neutral 2030
AGMIN

Grants
Methane Emissions Reduction Livestock Program
Carbon + Biodiversity Program
National Soil Monitoring and Incentives Pilot Program

Government Initiatives
UN Food Systems Summit
National Soil Strategy
Emissions Reduction Fund + methodology reviews
Technology Investment Roadmap
Bioenergy Roadmap
Biodiversity Trading Platform

Related
Australian Agricultural Sustainability Framework
Australian Farm Biodiversity Certification Scheme
Agricultural Trade and Market Access Cooperation (ATMAC) Program

Climate Initiative

- R&D will underpin the pathway for agriculture.
- The 'Climate Initiative' is an agricultural investment plan jointly developed by all RDCs to address climate change.
- Agricultural Innovation Australia was recently formed and will lead this process. There are four key opportunities identified in the plan:
 1. **Grass Roots and Green Shoots** – developing collaborative and regional level solutions
 2. **Cent\$ and Sensibilities** – building capacity for the adviser community and extension specialists
 3. **Risk and Resilience** – aligning climate informing and key management decisions
 4. **Baselines and Beyond** – developing credible greenhouse accounts to support market value



Australian Agricultural Sustainability Framework



Australian Agricultural Sustainability Framework

Creating a standardised and efficient voluntary system to demonstrate sustainable farming outcomes, generate new commercial value and meet new and emerging market needs.



Australian Government
Department of Agriculture,
Water and the Environment



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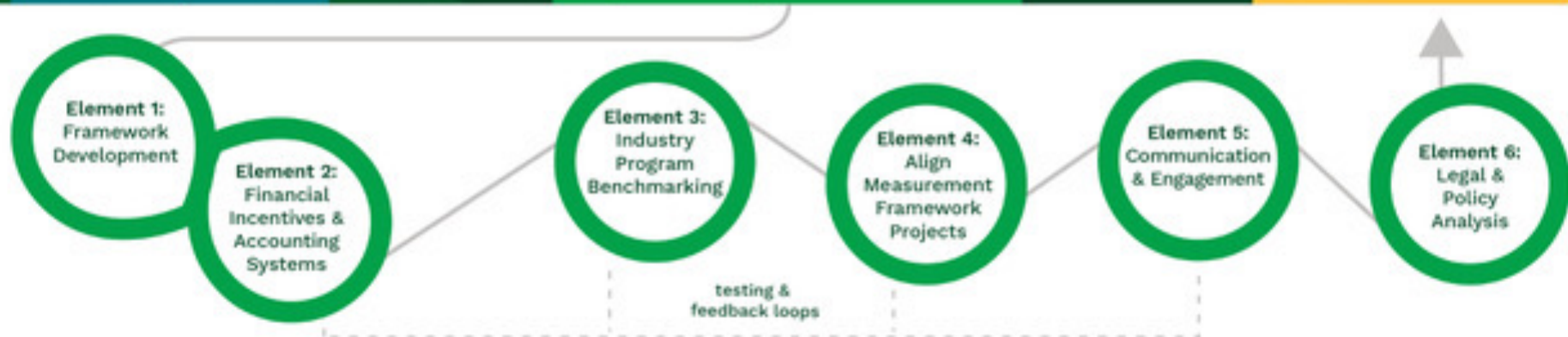
Phase 1: 2020
Discovery



Phase 2: 2021
Develop



Phase 3: 2022
Pilot



Expert reference panel & consultation are across all six elements

| 1

- Overarching framework for sustainability schemes
- Internationally aligned
- Synthesise schemes
- Governance

| 2

- Where is the capital
- What will it invest in
- Supply chain analysis
- Finance and accounting analysis

| 3

- Test overarching framework
- Verification options
- Test metrics and methodologies

| 4

- Facilitate collaboration of emerging schemes
- Assess data issues
- Broad engagement

| 5

- Communication to wider audience
- Producers
- Non farming agribusiness
- Small disposition surveys

| 6

- Policy review
- Tax treatment
- Valuation
- Privacy
- Income attribution
- Other legal issues

The tasks



- Deliver a meta-standard for agriculture sustainability including considering any legal, privacy or other (e.g. tax) implications in delivering the meta-standard or for industry and farmers to adopt the meta-standard.
- Work with agriculture related organisations such as rural research and development corporations, industry, private companies and not for profit organisations to incorporate and verify existing standards and schemes into and under a harmonised meta-standard.
- Determine data and information needs to underpin the meta-standard's success, including considering and addressing any gaps where applicable.
- Consider market opportunities and how the meta-standard could inform market-based decisions (e.g. the consumer at the supermarket shelf, trade opportunities, financing etc) to ensure the meta-standard can deliver positive outcomes for farmers (e.g. premiums, increased market access, favourable interest rates etc).
- Develop and deliver a communications plan to engage with farmers, the broader industry and other relevant stakeholders, including articulating a robust value proposition to encourage participation.

A common language. Interoperable tools. A locally and commercially relevant framework.

Ways the Australian Agricultural Sustainability Framework will meet identified needs

For farmers

- Mitigate emerging issues:
 - costs
 - complexity
 - market access
 - market options
 - capital
- Diversify income
- Resilience

Supply chains

- Market access
- Procurement
- Supply chain value
- Shifting demand
- Cost efficiency
- Brand credibility

The market

- Reporting of sustainability outcomes
- Sustainability performance
- Inform markets
- Assess systems approaches centrally

The public

- Confidence in sustainability of agriculture
- Highlight unique attributes of farms
- Demonstrate environmental outcomes
- Support informed purchasing choice

Government

- Demonstrate environmental outcomes
- International alignment
- Direct research and incentive systems
- Mitigate future market failures
- Efficient data utilisation

What are farmers doing now?

- Emissions Reduction Fund is the key mechanism for farmers to participate in the carbon market. Some limitations but lots of work happening to improve the carbon market.
 - King review provides a pathway to address some of the issues.
 - reviewing existing methodologies and creating methodologies to improve participation in the carbon market.
 - Improving soil carbon methodologies.
 - Small landholders need better pathways to participate.
- Clean energy also another way farmers are investing in to reduce emissions. In 2019, NFF co-authored a practical guide for lowering on-farm energy use and emissions.
https://www.cefc.com.au/media/402212/cefc_transform_aust_agriculture_w_clean_energy.pdf



Thank you

Fiona Simson



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