

COLES DAIRY CONFERENCE

# How is policy shaping our climate response?



# About the National Farmers' Federation

- **Founded in 1979** as the **peak advocacy organisation** for Australia's farm sector.
- Recognised as one of the **most trusted** advocacy organisations in Australia.
- Headquartered in Canberra with 33 staff.
- The NFF has been at the centre of many nation-shaping debates including those relating to **industrial relations**, the **environment**, **tax**, and **trade**



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Farmers  
Federation**

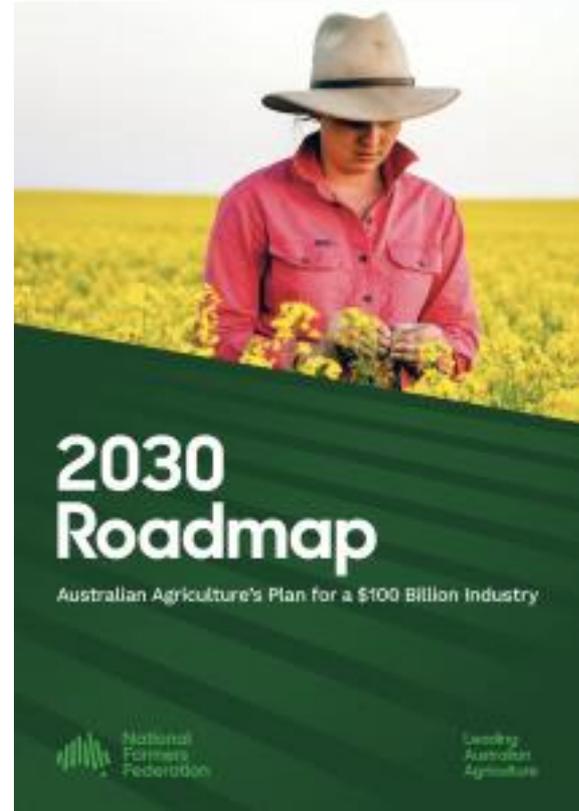


# Our Members



# Our 2030 Roadmap

- Puts a plan behind our vision to grow the farm sector to \$100 billion by 2030
- Product of detailed national consultation over 2017 – 2018.
- Has bipartisan support of both major parties Federally
- Now forms the basis of the Federal Government's Ag2030 Agenda.
- NFF provides annual report card on industry's progress



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# Our Roadmap aspirations



## Customers and the Value Chain

- 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 **non-tariff barriers** each year.



## Growing Sustainably

- The net benefit for **ecosystem services** is equal to 5% of farm revenue.
- Australian agriculture is trending towards **carbon neutrality** by 2030.
- A 20% increase in **water use efficiency** for irrigated agriculture by 2030.
- Maintain Australia's total **farmed area** at 2018 levels.
- Halve **food waste** by 2030.



## Unlocking Innovation

- 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.



## People and Communities

- 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.
- Zero **farm fatalities**.
- Close the **farmer wellbeing** gap.

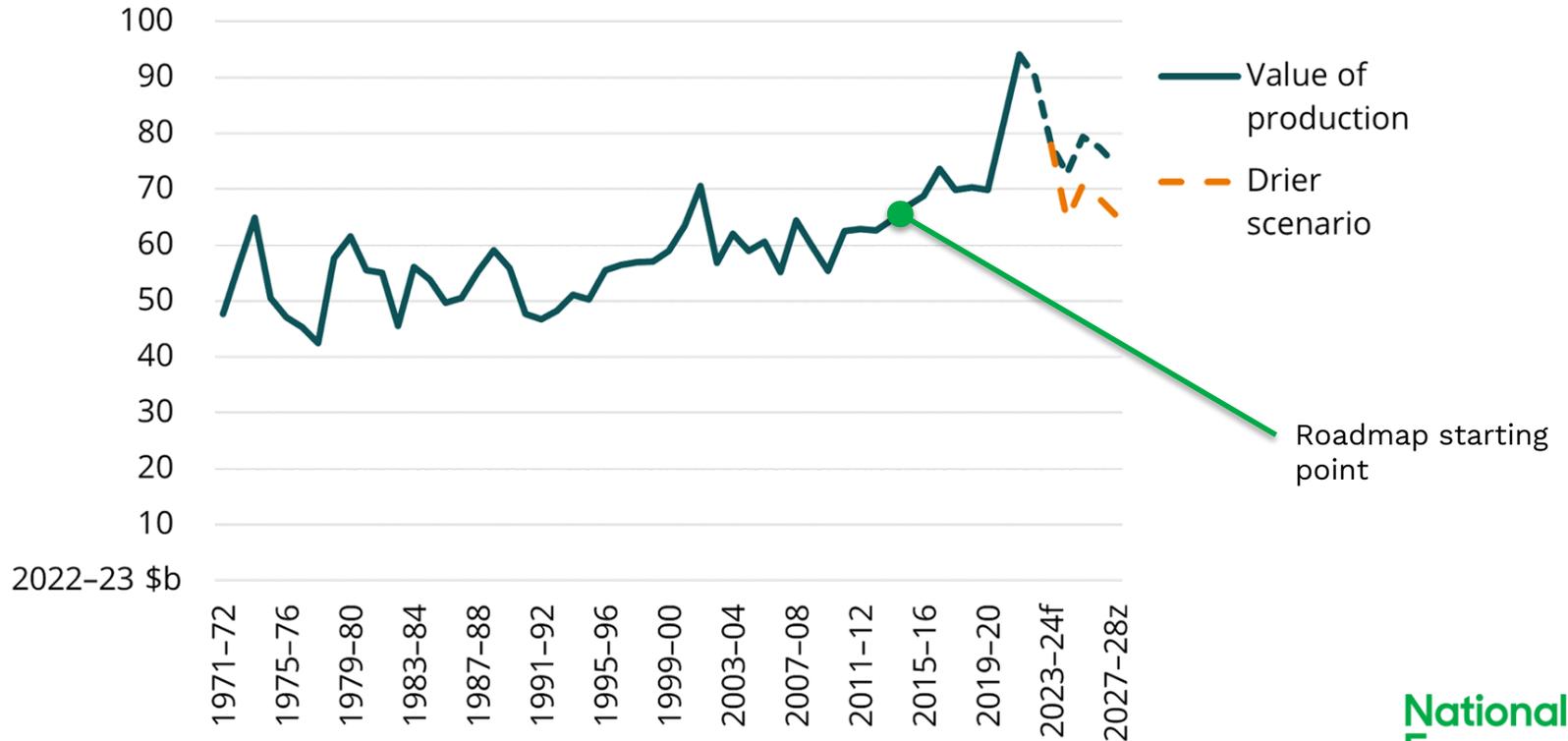


## Capital and Risk Management

- Year on year increase in **equity investment** in Australian farm businesses.
- 90% of Australia's farmers employing multiple financial tools to **manage risk**.
- 90% of family farms gave documented business plans, including **succession plans**.



# How're we tracking?



Source: ABARES 2023



# Tailwinds to \$100bn



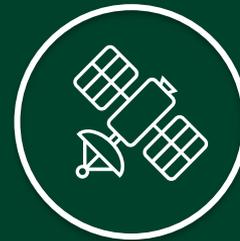
**La Nina**



**Commodity  
Prices**



**Land  
Values**



**Digital  
Connectivity**



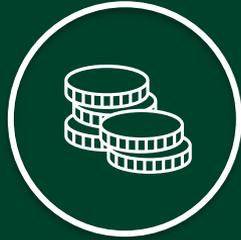
**Environmental  
Markets**



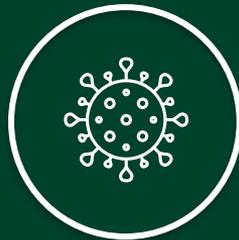
# Headwinds to \$100bn



**Labour Shortages**



**Input Prices / Supply**



**Biosecurity**



**Trade Uncertainty**



**Environmental Regulation**



# NFF 2023 priorities

## Biosecurity

- Securing sustainable funding to keep pests and diseases out of Australia.



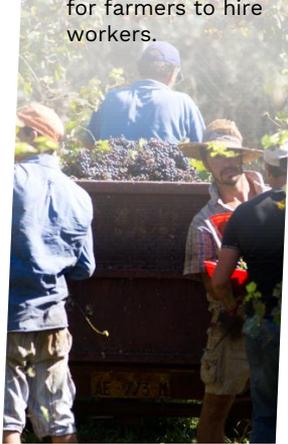
## Trade

- Better access to the EU via the EU FTA.
- Supporting improved relations with China.



## Workforce

- Increasing worker availability.
- Ensuring IR changes don't make it harder for farmers to hire workers.



## Sustainability

- Climate change
- EPBC Act
- Australian Agriculture Sustainability Framework
- Water



## Animal Welfare

- Supporting science-led animal welfare regulation.
- Working with the live export industry to oppose the live sheep phase-out.



## Competition

- Addressing supply chain concentration to ensure farmers receive a fair price.



# Climate policy context



# Global context

politics The Biden Presidency Facts First 2022 Midterms

## Biden announces new initiatives to curb methane during international climate meeting

By Ella Nilsen and Kate Sullivan, CNN  
Updated 9:59 AM EDT, Fri June 17, 2022



FINANCIAL POST

News / FP Energy / Commodities / Agriculture

## Canada wants to cut fertilizer emissions, but farmers say it could result in less food

Comes at a time when the world is scrambling for more supplies

Bloomberg News  
Jon Skerrett

Published Jul 27, 2022 • Last updated Jul 28, 2022 • 3 minute read

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Who is leaving  
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We stop data loss.

## Why Dutch farmers are protesting over emissions cuts

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Climate change



The Washington Post  
CLIMATE SOLUTIONS

## How New Zealand plans to tackle climate change: Taxing cow burps

## CBAM Can the EU achieve carbon adjustment beyond its borders?

HFW



HFW

European Union | February 21 2023

The EU's carbon border adjustment mechanism ("CBAM"), part of the bloc's "Fit for 55" package aimed at cutting emissions by 55% by 2030, will take effect from 1 October 2023. Importers of cement, iron, steel, aluminium, fertilisers, hydrogen and power will have to report on volumes of imports and corresponding emissions from that date, with payment obligations coming into effect in 2026.

Achieving consensus within the borders

After years of discussion, it was only in December 2022 that the European Commission, the Council of the EU and the European Parliament agreed on the terms of the CBAM Regulation. One of the last minute changes was the inclusion of energy production emissions within the scope of the tax, at the behest of the European



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# Australian context: targets

43%

reduction on 2005  
levels **by 2030**

Net Zero

**by 2050**

30%

reduction on 2020  
**methane** levels by 2030

(non-binding global aspiration)



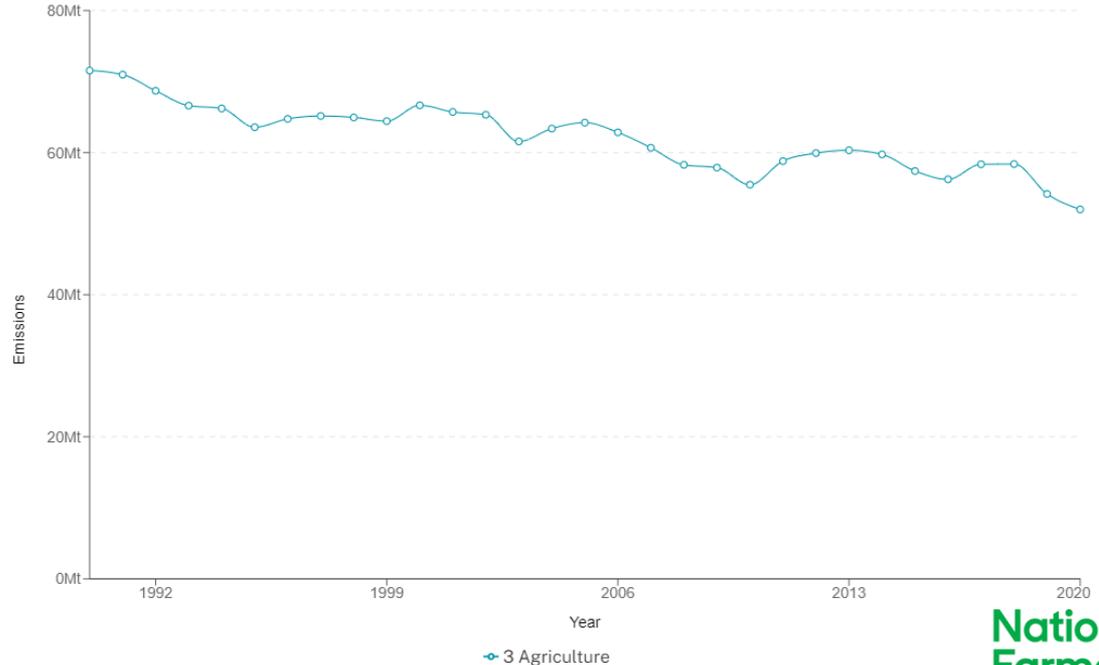
# Australian context: our emissions performance

53%

reduction in emissions  
on **2005 levels**  
(when read in conjunction  
with on-farm land use  
change)



**Agricultural emissions over time**  
(Excluding land use change)



# Australian context: government policy



Safeguard Mechanism



*Powering Australia* energy transition plan



National Reconstruction Fund investment in low-emissions farming technologies



# Our Advocacy



# Influencing the global agenda



WORLD FARMERS'  
ORGANISATION



Cairns Group  
Farm Leaders



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# Our current climate priorities

- Ensure offsetting on agricultural land is balanced with the need to produce food and fibre.
- Ensure farmers have the support & advice they need to make informed decisions on carbon market participation.
- Introduction of a mandatory code to reduce the impact of transmission lines & other energy infrastructure.
- Push the global discussion (inc. via upcoming trade deals) towards agreed outcomes, rather than prescriptive practices.
- Support increased investment in low-emissions farming & emissions measurement technologies.



# The Australian Agriculture Sustainability Framework



# The Australian Agricultural Sustainability Framework

AASF articulates the sustainability of Australian agriculture on a national basis.

- It differs from commodity-specific Industry Sustainability Frameworks (IFWs) which demonstrate on-farm best practices for that commodity.
- It reports the whole-of-agriculture's sustainability credentials, strengthening the detailed reporting provided by commodity-specific sustainability frameworks. Likewise, the AASF is strengthened by drawing on the efforts and progress made by the commodity-specific sustainability frameworks.

AASF is made up of:

- i. A Forum –the Community of Practice (COP) which supports the shared learning, collegiality, trust, and evolution of the AASF and IFWs to meet emerging issues.
- ii. A Framework – aligned to national and international sustainability requirements, supporting Australia's sustainability credentials on a national, cross-commodity basis.



# AASF Purpose

- ✓ Support Australian Agriculture to be sustainable: environmentally, socially, and economically.
- ✓ Prepare the sector and industries for a whole range of emerging international and domestic requirements and issues which impact across agriculture.
- ✓ Communicate the sustainability credentials of Australian Agriculture in a nationally consistent manner.



# AASF Value Proposition

AASF is the first country-specific tool to articulate and report the sustainability of the agriculture sector on a national basis.

- It communicates the sustainability credentials of Australian Agriculture in a nationally consistent manner.

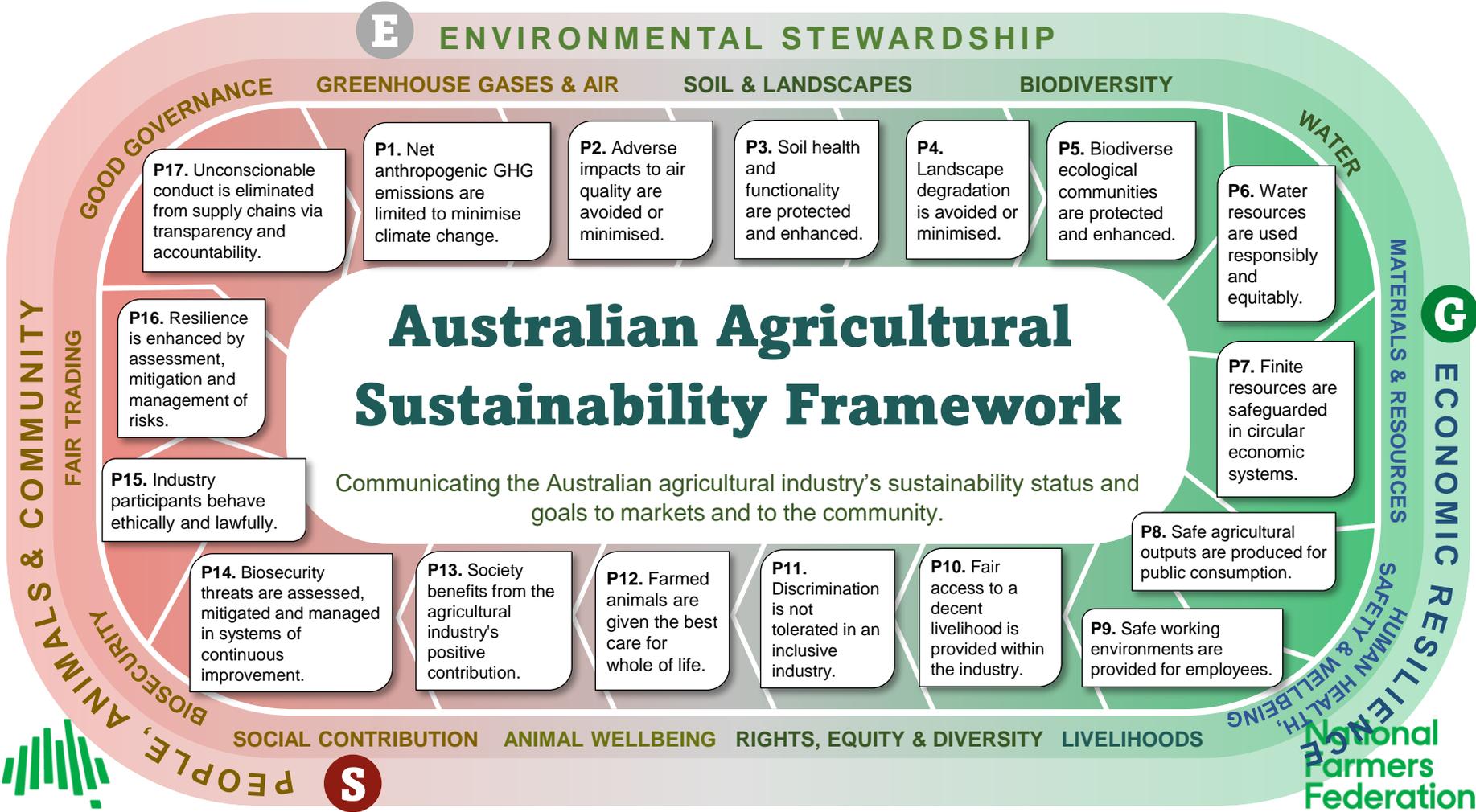
It has been developed and supported by industry, government, and commercial partners, the AASF supports Australian Agriculture to continue building its environmental, social, and economic sustainability credentials.

It is made up of a Forum (the CoP) and the Framework (19 Principles of Sustainability aligned to ESG).

**AASF – Australian Agriculture – we are stronger, working together, for a sustainable future.**



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**E ENVIRONMENTAL STEWARDSHIP**

GREENHOUSE GASES & AIR      SOIL & LANDSCAPES      BIODIVERSITY

**P17.** Unconscionable conduct is eliminated from supply chains via transparency and accountability.

**P1.** Net anthropogenic GHG emissions are limited to minimise climate change.

**P2.** Adverse impacts to air quality are avoided or minimised.

**P3.** Soil health and functionality are protected and enhanced.

**P4.** Landscape degradation is avoided or minimised.

**P5.** Biodiverse ecological communities are protected and enhanced.

**P6.** Water resources are used responsibly and equitably.

WATER

# Australian Agricultural Sustainability Framework

Communicating the Australian agricultural industry's sustainability status and goals to markets and to the community.

**P7.** Finite resources are safeguarded in circular economic systems.

MATERIALS & RESOURCES

**G ECONOMIC RESILIENCE**

**P8.** Safe agricultural outputs are produced for public consumption.

**P9.** Safe working environments are provided for employees.

HUMAN HEALTH, SAFETY & WELLBEING

SOCIAL CONTRIBUTION      ANIMAL WELLBEING      RIGHTS, EQUITY & DIVERSITY      LIVELIHOODS

**S**

PEOPLE, ANIMALS & COMMUNITY

FAIR TRADING

BIOSSECURITY



# 2023 AASF Activity

- Community of Practice to facilitate commodity Frameworks and Schemes working with AASF on consistency of national reporting on sustainability.
- Development of a proposal to operationalise AASF which will consider governance and structures. Through the COP this will be tested with industry.
- Preparation of version 4 of AASF to reflect stakeholder feedback during 2022.
- A proposal for how AASF might be piloted in supply chains and in finance.
- Engaging with DAFF around future funding of AASF



# Questions?



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