

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Voluntary - Public

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Australia

Post: Canberra

Australian Emissions Trading Scheme Excludes Agriculture

Report Categories:

National Plan

Policy and Program Announcements

Food Security

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Report Highlights:

The government of Australia agreed to exclude indefinitely agricultural greenhouse gas emissions from the carbon trading legislation. This move does not ensure that agricultural producers will permanently avoid some sort of payment on their emissions.

General Information:

On November 16, the government of Australia agreed to exclude indefinitely agricultural greenhouse gas emissions from the carbon trading legislation according to media reports and agricultural sources. Nonetheless, most sides agree that this move does not ensure that agricultural producers will permanently avoid some sort of payment on their emissions. Australia's Parliament still needs to finalize the decision through the legislative process.

The National Farmers Federation (NFF) and members of the opposition party in Parliament are quoted in the media as encouraging the government to compensate farmers for improvements that reduce greenhouse gas emissions. The Australian Minister for Climate Change has indicated that the government is looking at how this could be accomplished through either a system of rewards or some sort of payment for their emissions through regulations or taxes.

One local agricultural think tank, the Agricultural Farm Institute, has said that excluding agriculture from emissions trading means that agricultural producers will not need to purchase permits or report their emissions each year. And that means they will avoid emissions taxes altogether.

Some of the potential taxes being discussed reportedly include taxing livestock emissions through a tax on milk, dairy products, and meat initially paid for by the dairy or meat processor. Concerns have been expressed that in the end the producers and consumers would bear that end cost. Another possible tax being discussed is a tax on intensive nitrogen based fertilizers.

To date, the government has preferred that all emission reducing mechanisms be compliant with the Kyoto Protocol. The government is reportedly interested in changing the Kyoto Protocol carbon accounting rules to allow for carbon stored in soils, pastures, and crops. The NFF said the government should adopt regulations that will reward farmers for their efforts whether or not it is counted towards Australia meeting Protocol targets or not. In addition, the NFF is arguing that Australian farmers should be offered incentives similar to those that are finally agreed upon in the United States.

Composition of Greenhouse Gas Emissions from
The Australian Agricultural Sector (2006)
(Source: ABARE, Center for International Economics)

Stomach Gas Emissions	- 65%
Prescribed Field Burning	- 13%
Agric. Soils Cropping	- 12%
Agric. Soils Animal Prod.	- 5%
Manure Management	- 4%

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Report Number	Title of Report	Date
AS9039	Citrus Annual 2009	11/09/09
AS9038	Grain & Feed Lock-Up – November 2009	10/29/09
AS9037	Dairy and Products Annual 2009	10/20/09
AS9036	Ord River Irrigation Offers Huge Potential and Ongoing Challenges	10/13/09
AS9035	Sugar Semi-Annual 2009	09/30/09
AS9033	FAIRS Export Certificate Report	09/02/09
AS9032	Livestock and Products Annual	09/01/09
AS9031	Exporter Guide	08/31/09
AS9030	U.S. Distillers Grains Promoted at Australian Grains Conference	08/18/09
AS9029	Grain and Feed Quarterly Lock-up Report	07/31/09
AS9028	FAIRS Country Report	07/27/09
AS9027	Agricultural Biotechnology Report	06/14/09
AS9025	Australia Gains Improved Access for Citrus & Mangos to China	06/17/09
AS9024	Global Biosecurity Conference to be held in Australia: Call for Abstracts	06/11/09
AS9020	Dairy & Products Semi-Annual	05/15/09
AS9018	Cotton Annual	04/28/09
AS9016	Sugar Annual	04/02/09
AS9015	Grain and Feed Annual 2009	03/20/09
AS9014	Stone Fruit Annual 2009	03/13/09
AS9012	Agricultural Economy and Policy Report	03/12/09
AS9010	Livestock Semi-Annual	03/06/09
AS9009	Government Announces A\$32m Research into Soil Carbon & Emissions	03/06/09