

Media Release

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More research needed for climate change.

The NSW Farmers' Association acknowledges the Federal Government's \$46.2 million announcement to help farmers better adapt to climate change but says that a far greater research and development effort is needed.

"This \$46.2 million appears to be part of the \$130 million package previously announced. There is no doubt that there will be a need for further investment to be directed to ensure development of appropriate mitigation measures for agricultural industries," Jock Laurie said

As Professor Garnaut has highlighted, the farm sector will bear the brunt of massive price hikes caused by the ETS of up to half of its cost base.

Australian Bureau of Agriculture and Resource Economics (ABARE) data reveals that for sectors like cropping, 45% of their input costs are energy dependent – including fuel, electricity and other energy-dependent costs, such as freight, fertilisers and crop contracting.

"Unfortunately, agriculture does not have the ability to pass on these added costs and will need to be borne by the individual agricultural businesses. As a consequence, there will be increased costs on carbon emitting operations that may well have an impact on essential food prices," Mr Laurie said.

"The result will be that producers may question their current enterprise mix and regrettably a consequence of that may result in Australia's efficient home grown food and fibre replaced by cheap imports from countries with lower environmental standards.

"We need a major R&D effort to ensure that we have proven technology in place to reduce our dependency on energy intensive inputs and enable us to continue to produce food and fibre at affordable prices.

"Equally, this R&D is needed to enable our \$30 billion-a-year agricultural export market to remain price competitive with countries that do not have an ETS or its cost pressures and are not subject to our high quality assurance processes," Mr Laurie concluded.

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