

The Australian 2014 Federal Agricultural Competitiveness Green Paper

Submission by

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This submission is informed by broad knowledge acquired in person over the last ten years of how farmers in many countries manage in terms of -

- Energy production and expansion of renewable energy production
- Diversification of enterprises
- Development of counter-cycling income sources including from livestock, timber, cropping and energy
- National farmer-owned cooperatives value-adding
- Development of national programs for decentralised energy production from biomass
- Regional and local support for energy from biomass
- How regional economies and innovative regional universities and other institutions can assist in development of cleantech clusters
- How regional local energy-from-biomass development stimulates local economy and retains population and permanent jobs in rural areas
- How investment in rail and road infrastructure keeps populations and industry more thoroughly dispersed
- How profitable and vibrant rural economy can result in greater national resource security, including energy self sufficiency

In the Green Paper it makes it clear that the subsequent White Paper will be a significant document that is to guide development of agriculture - 'one of the five pillars' of the Australian economy. This agriculture pillar produces \$54 billion worth of product and exports \$41 billion worth (though we import \$15 billion worth of processed foods and significant amounts of value-added product from primary industries of other countries).

The text in the early part of the Green Paper outlines the goal.

'The White Paper will deliver a clear strategy to improve the competitiveness and profitability of the agriculture sector, boosting its contribution to trade and economic growth, and building capacity to drive greater productivity through innovation.'

The Government has prioritised agriculture as one of the five pillars of the economy for good reason. Agriculture helped build Australia—it continues to put food on our tables and it underpins our national economy and rural communities. A stronger and more competitive agriculture sector will support job creation, growth and investment. The White Paper will be the Government's plan to support the future of agriculture. It must leave a legacy that attracts the next generation of farmers'.

However, this submission states categorically that this Green Paper is deficient in the following subject areas:

- A strategy for mitigation of risks of climate change, and so the possibility of reduced rainfall, higher temperatures and higher evaporation rates – for farmers and rural communities
- Dealing with how any increase in global warming will affect the economics of agricultural regions, rural communities and farming generally, as well as the national economy
- The need and issues of controlling dryland salinity, wind erosion and stock welfare including shade and shelter
- Reversing the long-term run-down of investment in R&D for agricultural and agroforestry issues
- Development of the option for decentralised energy from renewable sources (the term ‘energy’ here to include heat, electricity and transport fuels)
- Dealing with issues of domestic supply of fibre and timber (as well as food)
- Support for regional industry (including food processing) and value-adding
- Consideration of import replacement as well as stimulation of exports – of paper, newsprint and paperboard products and processed food
- Providing proper balance in investment into rail compared to road infrastructure (in this Green Paper rail is getting about \$1.3 billion versus about \$27 billion in road project spending)

While obviously there are many policy areas or steps included in this Green Paper that are worthy and sensible, it is of great concern that there are some particular glaring gaps – things which should be included but are not. Whether these areas are omitted for ideological or political reasons or because of ignorance, it is hard to say.

These particular areas are

- Climate change and risks of global warming
- Support for significant expansion of planting of commercial tree species on farms, integrated into the existing enterprises
- Use of biomass for energy production (heat, electricity and transport fuels)

The ignoring of climate change (or disguising it as ‘more frequent drought’)

Australian farming is characterised by extreme seasonal fluctuations—including recurring droughts. The Bureau of Meteorology and CSIRO have predicted that droughts are likely to become more frequent and severe in parts of Australia (Hennessy et al. 2008). [P70]

The Government is looking to assist farmers to become more profitable in the long term so they are better able to prepare financially and physically for drought. [P 70]

The ignoring of farm forestry/agroforestry which has the scope to deliver many of the benefits of landcare but is by design more commercially profitable, sequesters more carbon and is of be of far larger scale

Land managers are also encouraged to develop and trial innovative land management practices that may become the new industry standard in the future. The new programme will merge Caring for our Country and Landcare to deliver a simple, local

and long-term approach to national funding for the environment. It will also give Landcare a greater role in on-ground delivery and setting local and regional priorities. [P85]

The issue of utilising the very large amounts of biomass (presently annually wasted) for production of energy is simply totally ignored.

This biomass is produced as a by-product of farming and the forestry industries, as well as in regional industries and communities. Its use for energy production is normal and uses mature proven technologies and this is widespread around the world.

The amount of energy produced from this general source can be very significant. For example electricity from biogas alone in Germany provides about 5% of Germany's baseload electricity, plus heating, plus upgraded biogas is piped for cooking and transport fuel. Biomass provides over 34% of Sweden's final energy, more than from any other single source, including hydro or nuclear.

The omission of this option of biomass to energy in this Green Paper demonstrates deep ignorance in at least this aspect of agriculture in its formulation. When added to this is the omission of any reference to mitigation of impact of global warming, and of clear strategies for expanded farm plantings of commercial tree species in multi-purpose dispersed shelter belts designed to retain surface moisture and provide the whole array of economic, social and environmental benefits available from this – then it means that this Green Paper is deficient, and this must be corrected in the White Paper for this to be an adequate guide for the agricultural sector in Australia into the future..

It is incomprehensible that these three areas would be omitted to a national Green Paper or White Paper that presents itself as showing ‘*a clear strategy to improve the competitiveness and profitability of the agriculture sector, boosting its contribution to trade and economic growth, and building capacity to drive greater productivity through innovation*’.

There is a group of quite simple and cost-effective policies that if implemented across Australia will provide significant benefit for the following

1. Increased returns at the farm gate – by lifting profitability per ha
2. Keeping families on the land by adding to farm enterprise diversification and farm profitability, and greater resilience of farm income generate permanent jobs to help keep young people in rural and regional areas
3. make good use of the better infrastructure that is needed for regional Australia -specially of new investment in rail
4. offset agricultural greenhouse gas emissions
5. greater resilience of rural economies – due to more population, less export of ‘energy money’ and production of products that generate income
6. result in import replacement – of timber, fibre and food.

The policies include those that

- a) Stimulate and support planting of multi-purpose woodlots (as wide shelterbelts) covering up to 10% of the land and dispersed across farms to reduce speeds of prevailing winds.
- b) Use thinnings and harvest waste from these plantings for energy production in local energy plants, or for processing into densified forms for transport over greater distances
- c) utilise agribiomass for energy production where sustainable – including for production of transport biofuels
- d) process small and large diameter roundwood into higher value products for marketing into population centres
- e) recognise and pay for the ‘public good’ value of farm multi-purpose plantings for carbon sequestration (when properly managed and thinned), and for habitat and wildlife corridors, erosion reduction on stream banks and mitigation of dryland salinity.