



CATTLE COUNCIL OF AUSTRALIA

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ABARE reports further evidence that CPRS will cost the beef industry

The value of farm production in the beef industry could decline by between 13 and 22 per cent, depending on the per cent cost-pass-through from processors to farmers, if agriculture is covered under the Federal Government's Carbon Pollution Reduction Scheme (CPRS).

This is according to ABARE's recent report on the effects of the CPRS on the economic value of farm production.

"These findings provide yet another example of why the CPRS is not an appropriate mechanism for beef producers to manage their emissions," said Greg Brown, President of the Cattle Council of Australia.

"A CPRS will deteriorate Australia's capacity to produce food.

"The reason Cattle Council is on the front foot, fighting for beef producers and involved in the climate change debate, is to prevent climate change policy imposing costs on the beef cattle industry that reduces our productivity and profitability.

The Federal Government has ratified the Kyoto agreement, an international agreement to reduce greenhouse gas emissions, and therefore has committed itself to taking action.

The Government's policy statement indicates that agriculture will face an equivalent carbon cost imposed by the CPRS, even if it is not included in the scheme.

"We as beef producers must unite and be proactive in lobbying for alternative options that demonstrates our positive contribution on-farm with market incentives as the driver behind managing emissions," said Mr Brown.

"Beef producers will be stung by elevated input costs, such as electricity, fuel and freight, when the CPRS is introduced, regardless of whether agriculture is covered.

"The Government must not only acknowledge this hurdle but take action to ensure that the beef industry is not crippled by the rising costs of inputs that are heavily relied upon to sustain a profitable business.

"We are beef producers, stewards of our land and we have the capacity to play a central role in securing food for a rapidly expanding global population," concluded Mr Brown.

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