



Australian Government

Department of Agriculture, Water and the Environment
ABARES



2020
OUTLOOK
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Agricultural trade in a low emission global economy

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Australian Bureau of Agricultural
and Resource Economics and Sciences

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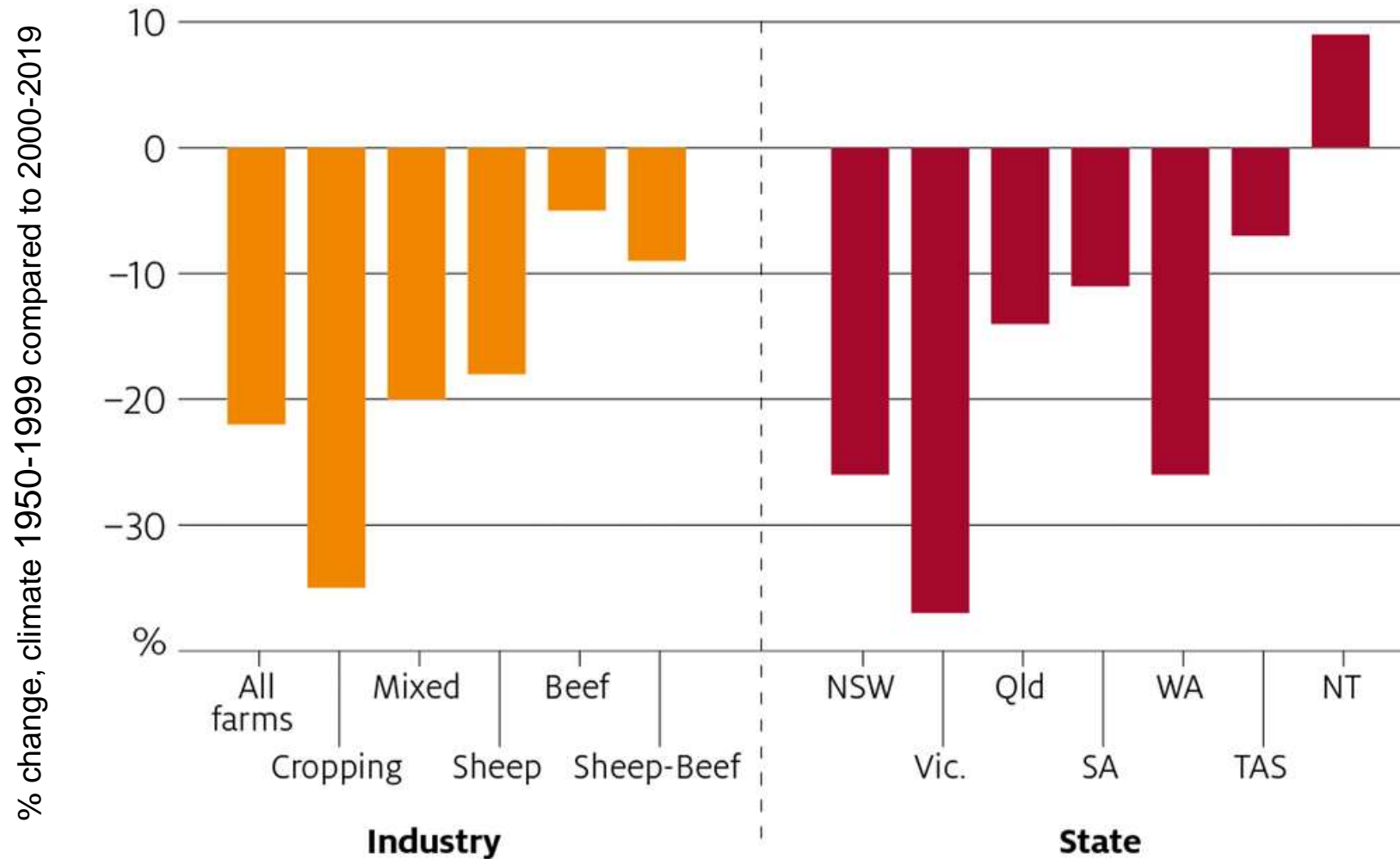
Research by the
Australian Bureau of Agricultural and Resource Economics and Sciences

Outline



- Motivation for action
- What others are doing
- Implications of recent developments
- Potential next steps

Climate conditions are impacting farm business profit



Effect of post-2000 climate on average annual farm business profits (relative to 1950-1999 climate), holding non-climate factors constant

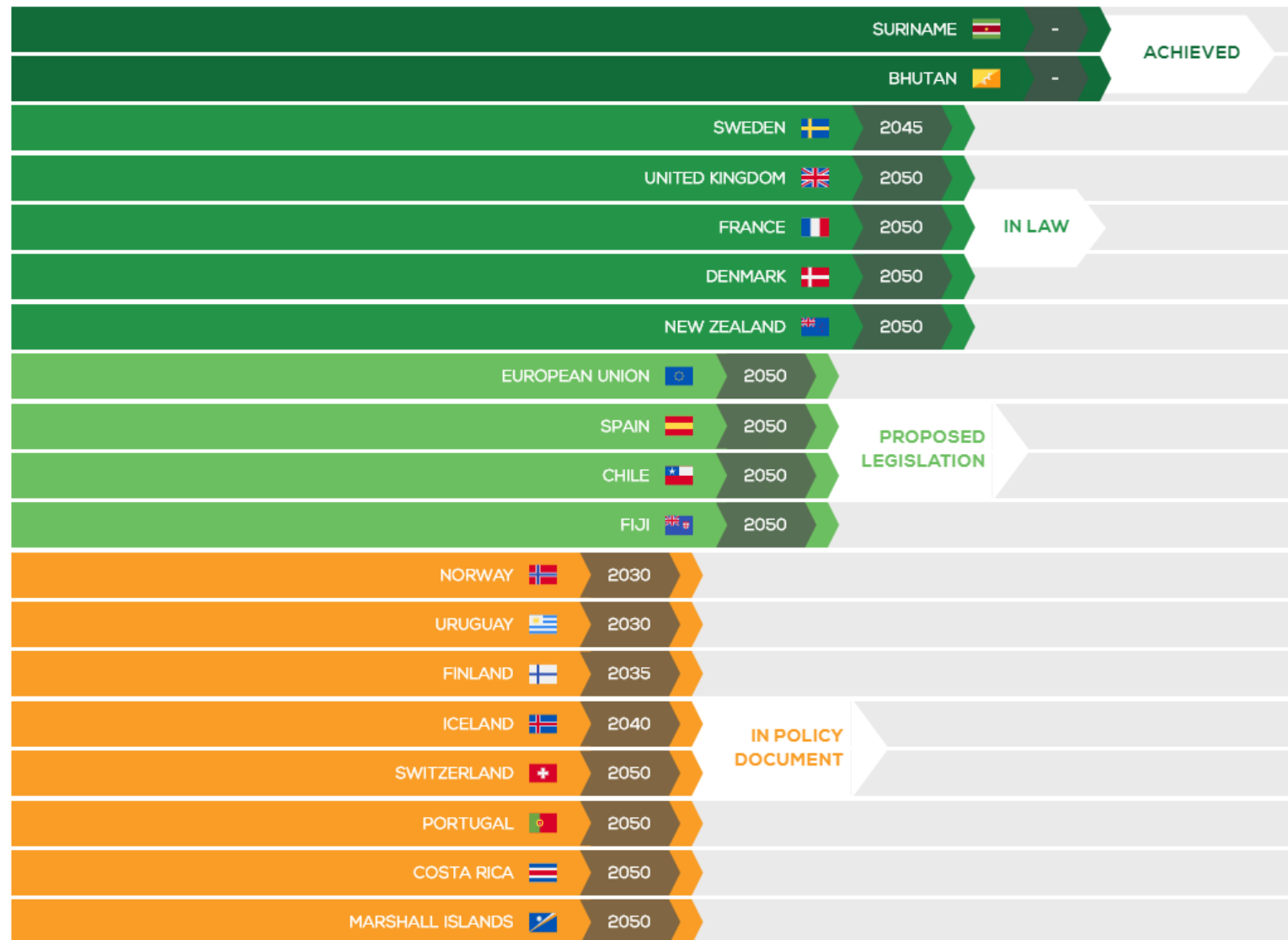
Source: ABARES *farmpredict*

Global goals, country level policy



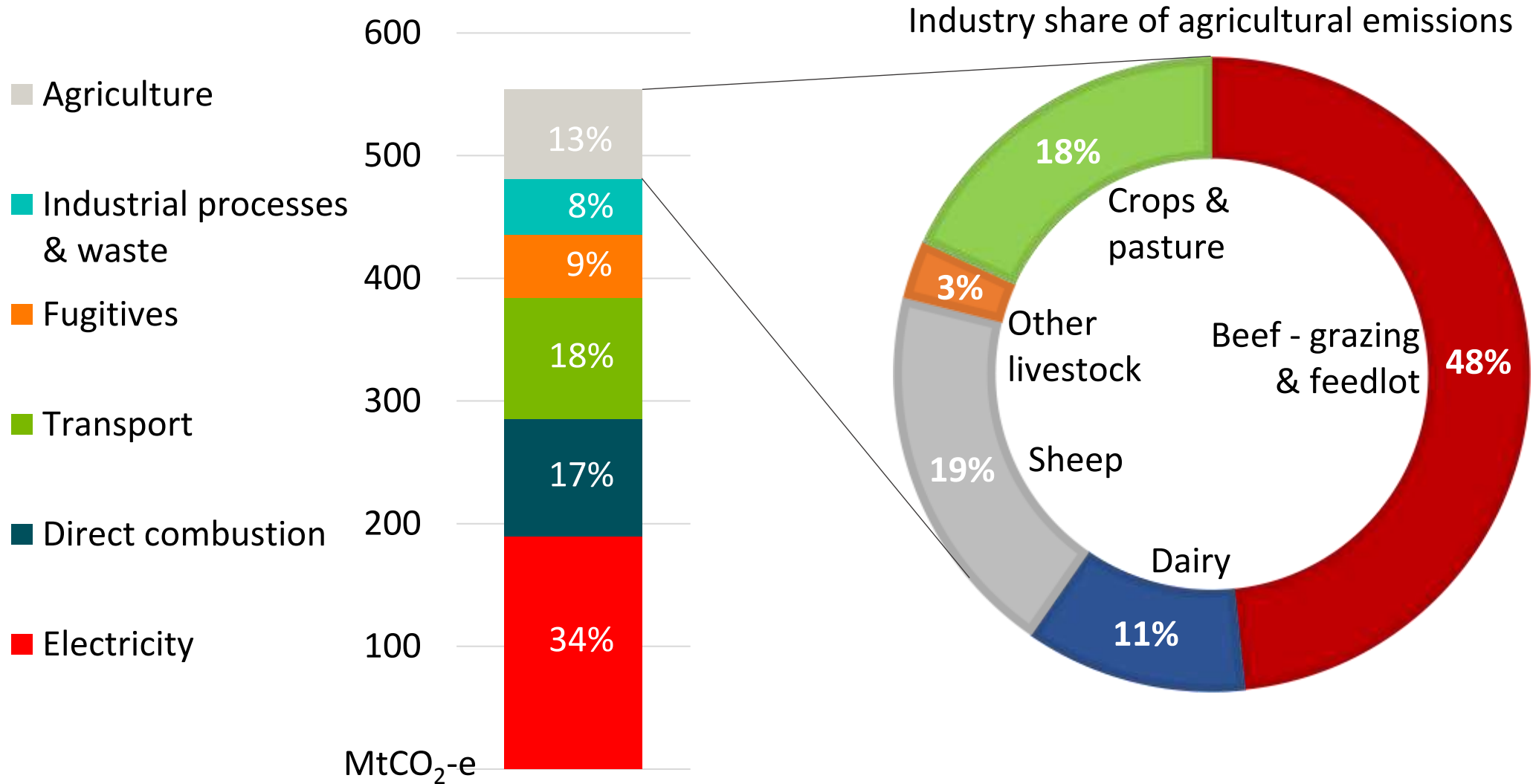
- Global temperature goals
- ‘Net zero’ emissions in second half of the century
- Country-level action
- Increasing levels of ambition

Some are starting the transition to lower emissions



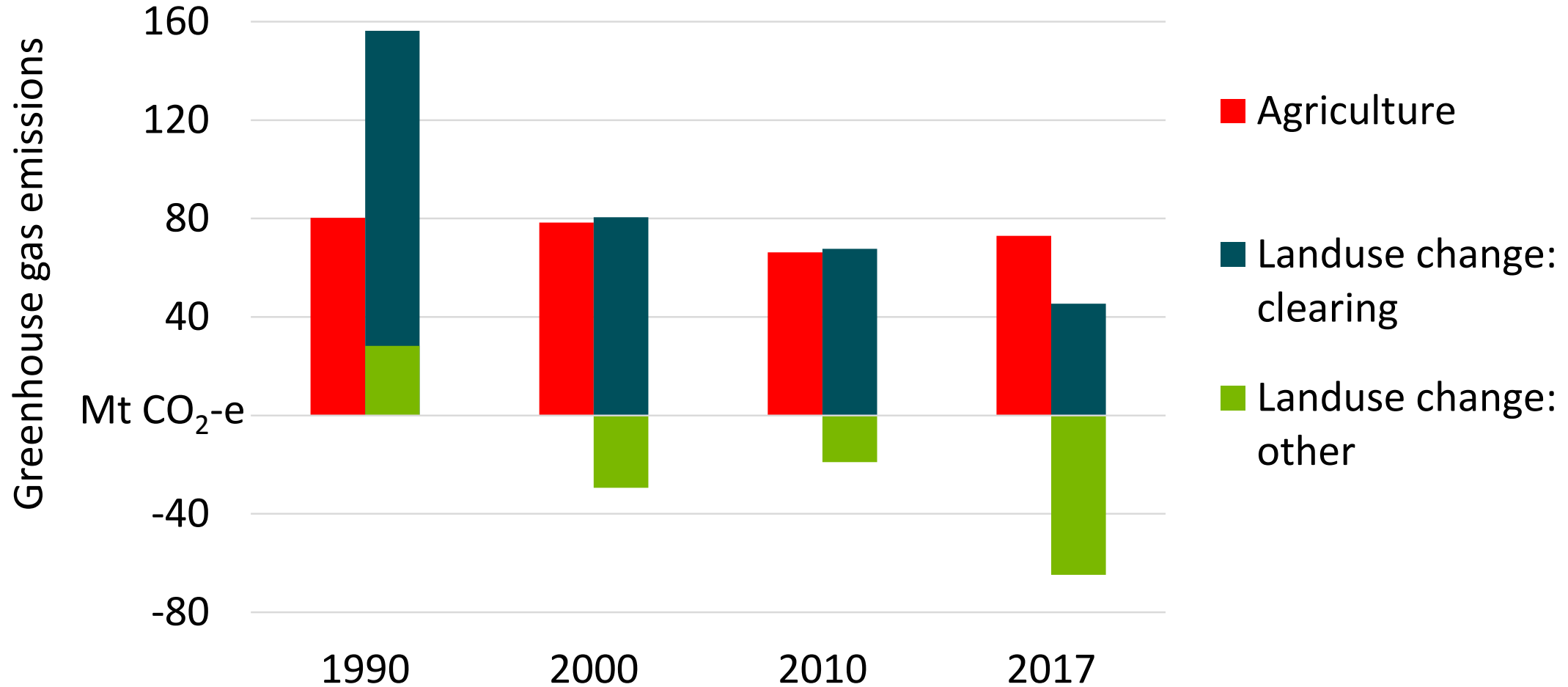
Source: Energy & Climate Intelligence Unit 2020

Australia's greenhouse gas emissions, 2017



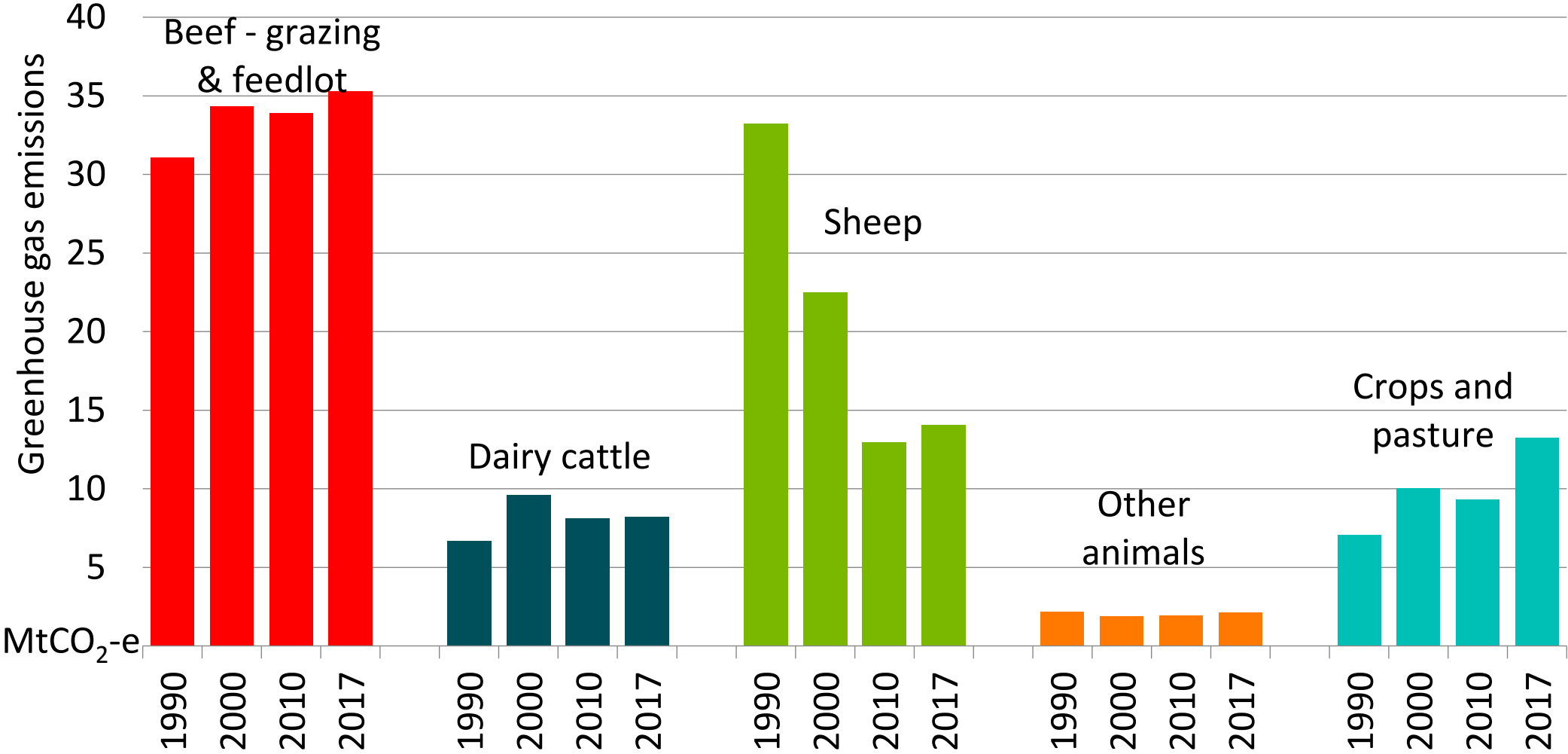
Note: Excludes landuse change. Source: Australian Greenhouse Emissions Information System (AGEIS)

Emission trends: Agriculture and landuse



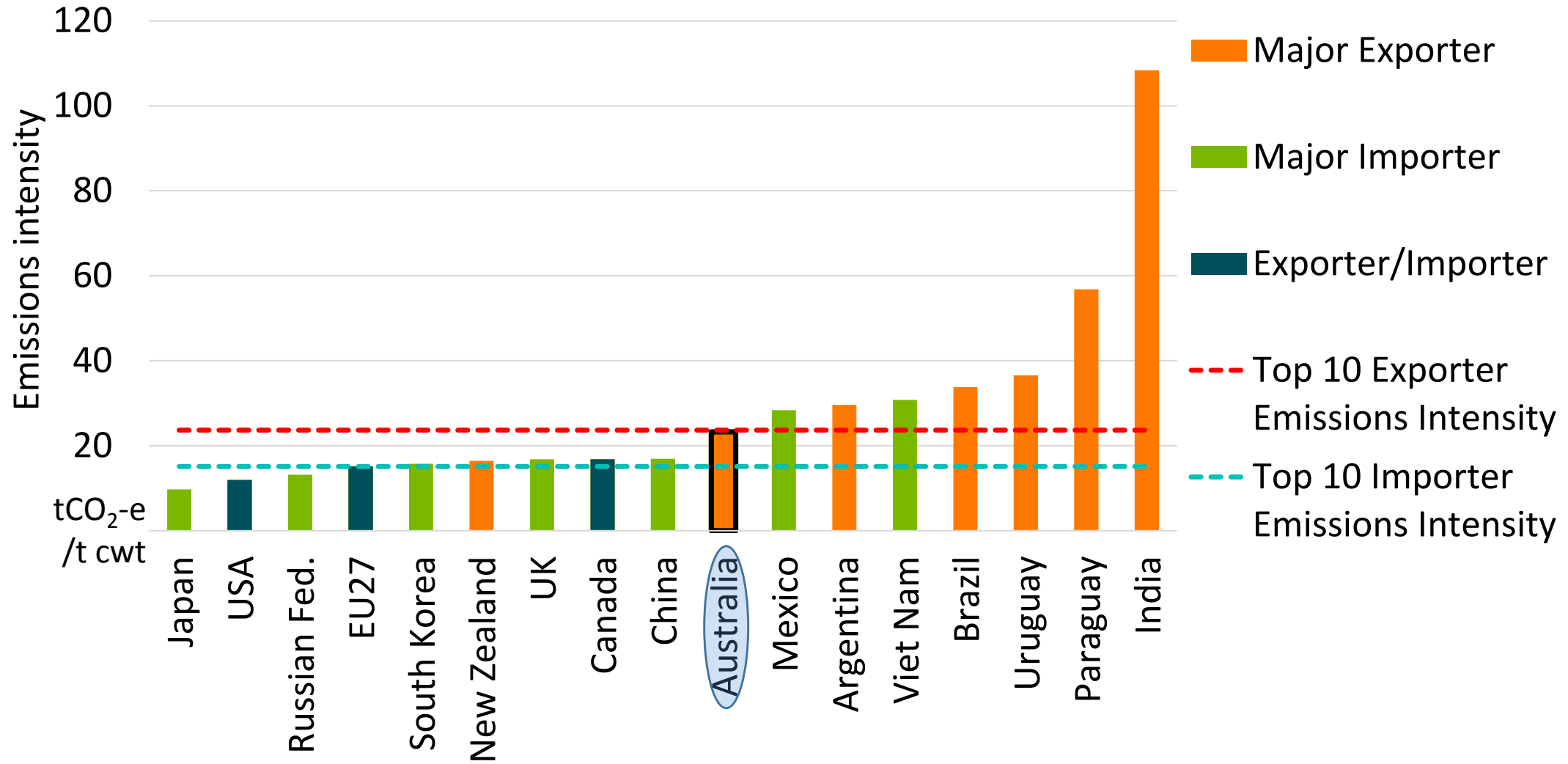
Source: Australian Greenhouse Emissions Information System (AGEIS), UNFCCC definitions

Emission trends: agriculture by industry



Source: Australian Greenhouse Emissions Information System (AGEIS)

Beef cattle emissions intensity, 2007-16



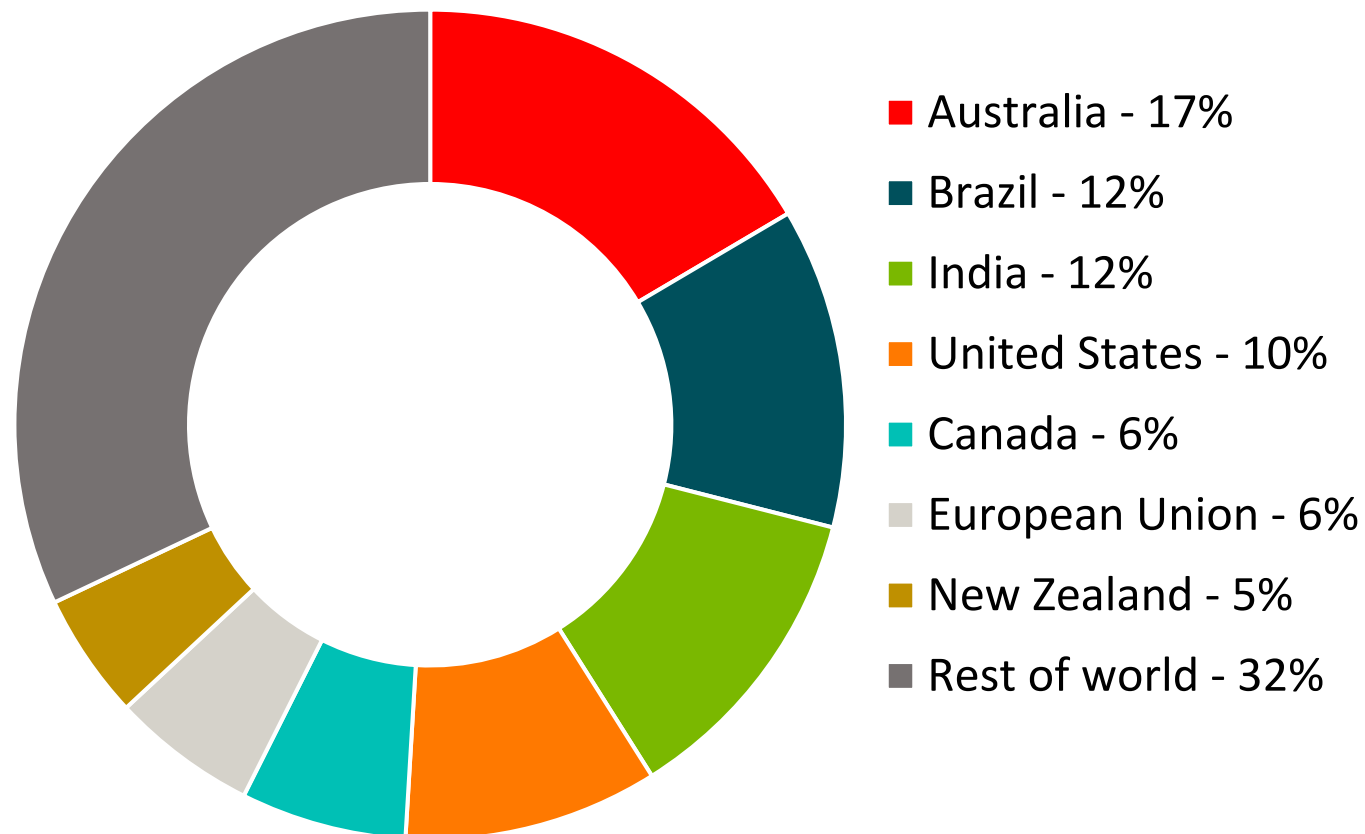
Source: FAOSTAT

Influence rules and standards

Exporter driven standards that
suit our production systems

or

Importers take the initiative and
set their own standards



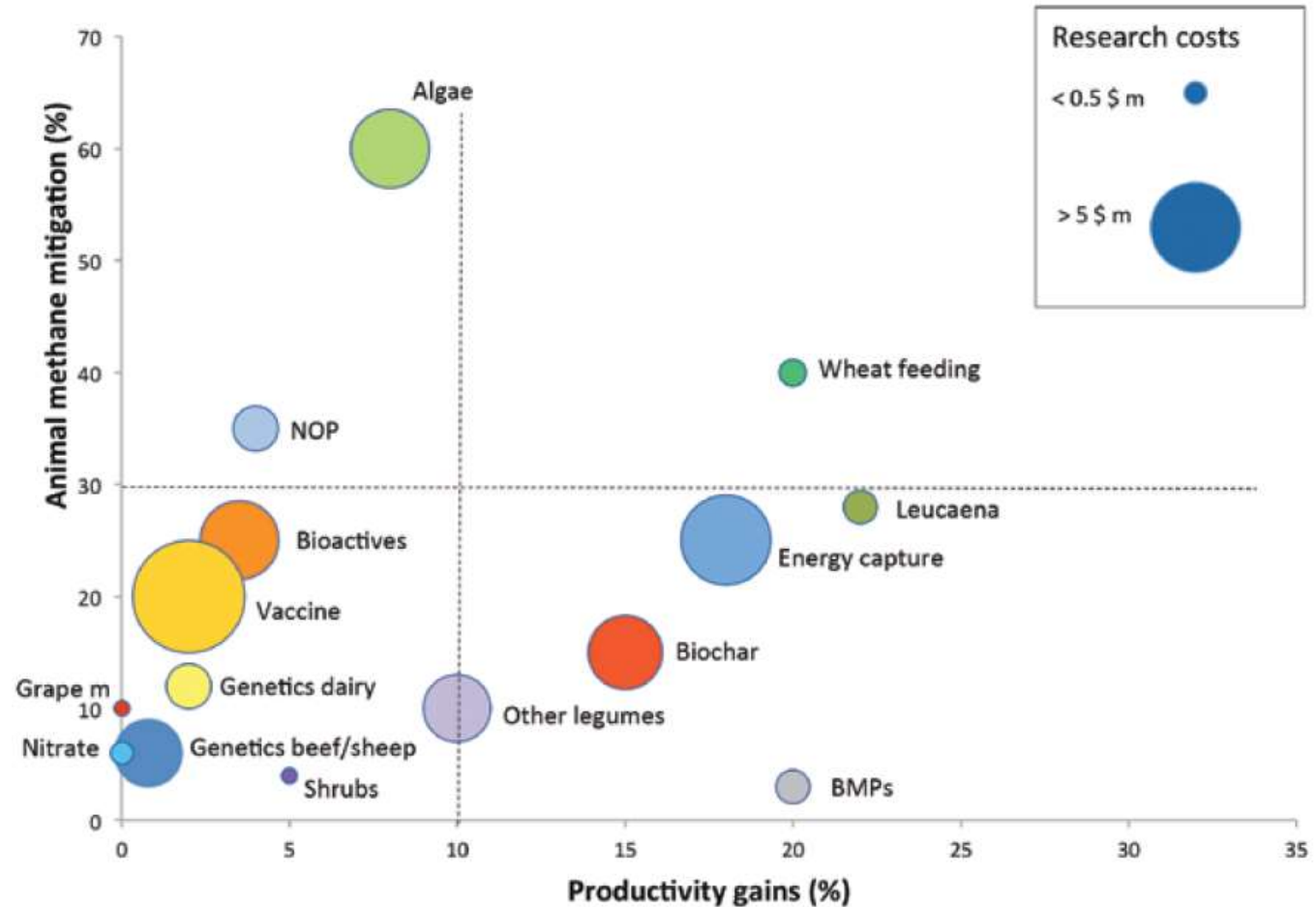
Share of global exports of beef and veal
major countries by volume, 2008-2017

Source: OECD-FAO 2019 Agricultural Outlook 2019-2028

Improve emissions intensity

More work needed to decouple emissions from production

Global challenge, but cannot be left to others



Source: MLA and Australian Government, 2015

Summing up

- Global action reduces future climate risk for the sector
- Country level policies will be important – competitors and importers
- Opportunities in leading: on rules and emissions intensity



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