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January 2024

Department of Agriculture, Fisheries and Forestry

To Whom it May Concern,

We write regarding the Agriculture and Land Sectoral Plan Discussion Paper open for public consultation. Grain Producers SA (GPSA) appreciates the opportunity to provide a submission through this process.

Grain Producers SA is the peak industry body representing the 4,500 grain farming businesses in South Australia. South Australian growers plant more than 4 million hectares of cereals, pulses, and oilseeds annually. SA produces an average of 7.9 million tonnes of grain each year, which contributes more than \$4 billion to Australia's gross food revenue. This is made possible by grain growing businesses and farming communities across the state.

GPSA acknowledges the tangible impact of a changing climate on Australia's producers and the environment. We know that emissions play a core role in sustainability in agriculture, including grain.

While there are opportunities, the barriers to implementing emission reduction and carbon storage actions in agriculture loom large. These include financial constraints due to initial investment costs, limited information and education on effective practices, policy and regulatory challenges related to carbon pricing and land use, technical limitations in certain regions or farming systems, and market uncertainty regarding incentives and carbon credit markets.

For the first time in 2022, grain producers in South Australia were surveyed specifically on environmental sustainability credentials and attitudes at a farmgate level to better understand baseline data on environmental sustainability in South Australia's grain sector.

This initial survey which was approximately 20 to 30 minutes long was completed by more than 120 grain producers. We believe the survey is an important step in better understanding how South Australian grain growers are delivering on sustainability.

The South Australian grain industry has several natural advantages when it comes to sustainability, most notably our freight routes being close to major ports meaning less transport carbon emissions from farm. While there are accreditation schemes available for growers wanting access to the European canola and barley market, GPSA is using this data to baseline South Australian grain producers on initiatives such as emission reductions, inputs such as fertiliser and pesticides, and more.

Consumers, financiers, and markets through the global supply chain are increasingly demanding more sustainable grain. South Australian grain producers face several ongoing challenges to meet the changing expectations and needs of international markets, consumers, communities and other key stakeholders while remaining productive.

The need for higher ambition

While there is often talk about hydrogen tractors or battery powered headers as the answer to reducing emissions on farms, in reality, removing diesel run machinery will have nowhere near the impact some other measures could and many of these new technologies are either currently not affordable or not scalable. Arguably the biggest opportunity to reduce emissions in the grain sector is the establishment of green fertiliser production in Australia. According to the Federal Government's Department of Agriculture, fertiliser production and use accounted for almost 60 per cent of the Australian wheat crop's greenhouse gas footprint between 2017 and 2022. There are options to reduce this number but many of the technologies, such as microbial biotechnology for cropping systems and seed coatings, are still being developed and the uptake isn't on a large enough scale to reduce cost.

There are many barriers to building carbon stores and reducing emissions for grain producers currently, including the costs of soil testing for carbon and availability of 'green' fertiliser. A 2022 GPSA survey found that when it comes to practical farm management, over half of grain producers consider extreme weather in their planning and 44% consider access to GM crops to be important in achieving their sustainability objectives. The survey found there is interest, but much more uncertainty, around carbon farming.

One area that continues to be understated when it comes to adapting to a changing climate is investment in Research, Development and Extension. Unfortunately, many RD&E investments are longer term and final results are not seen for years after the initial investment.

There are also plenty of targets from Government, industry, commercial businesses and so on, aiming for net zero emissions by a certain date. Much of that pressure to deliver on these targets will go to farmers, often without the additional financial incentive or support.

There are opportunities for Australia, and South Australia in particular, to capitalise on our reputation for being a "clean-green" food producer in international markets. By adapting early initiatives and leading the agriculture industry on emissions reduction projects, without comprising food production, there may be market advantages.

Building on existing effort and knowledge

GPSA's Sustainability Survey in 2022 identified a gap in knowledge and understanding, particularly when it came to carbon farming. In the South Australian grain industry, we need to put efforts into better understanding our emissions baseline at a farm-gate level and then working with the supply chain and growers on opportunities for improvement.

As the peak industry body for grain producers in South Australia, GPSA has been very active in trying to understand where we can add value for growers on the sustainability journey. Over 18 months a Sustainability Taskforce was set up within GPSA, calling on experts to contribute on key topics and policy discussions.

GPSA also organised 10 grain producers to take part in a project with FlintPro for Farms, measuring greenhouse emissions through a tailored grain tool. We've also been active in traceability, taking part in a paddock to plate barley traceability project and having our grain producers also involved in soil sampling to measure carbon through the National Soils Innovation Challenge.

Opportunities to reduce emissions

In the discussion paper there is reference to circular economy waste. GPSA is currently undertaking a project to look at affordable ways to recycle or reuse grain silo bags. There is no viable pathway to rid of grain silo bags and this may provide serious challenges for Government with targets of net zero. The issue of a lack of recycling and reuse options for grain silo bags is not just a South Australia issue but a national challenge.

To advance emission reduction efforts while fostering resilience and adaptation to a changing climate, there are a number of areas being considered by grain producers and other industry players. These include:

1. **Renewable Energy Transition:** There is a push towards accelerating the transition to renewable energy sources like wind, solar, hydrogen and hydro power to reduce reliance on fossil fuels, thereby curbing emissions while ensuring a more resilient energy system less susceptible to climate impacts. The challenge GPSA sees with this is in getting the balance right. In South Australia, a new piece of legislation has passed Parliament that makes it easier for proponents of renewable energy, particularly hydrogen, to undertake infrastructure projects. Where we must be careful as a state is not locking up our most productive grain and agricultural land for alternative developments. If there are less or non-productive areas of a farm, then it makes sense to value add. The grain sector is growing food to feed the world

and yet our most productive land is being overtaken by projects such as renewable energy or being converted into housing.

2. **Nature-Based Solutions:** Experts in this field often point towards nature-based solutions as the opportunity to reduce emissions. Again, the problem is that planting large amounts of trees on productive land impacts the future of the primary production sector in South Australia as it takes that land out of food production for a lengthy period. There has been some success in habitat restoration, and ecosystem conservation to sequester carbon, enhance biodiversity, and bolster resilience to climate-related risks like floods, droughts, and extreme weather events in Australian agriculture.
3. **Soil Health:** Many farmers aim to improve their soil health for several reasons, including reducing emissions, storing carbon and enhancing crop resilience.

Supporting and enabling change

In the dynamic landscape of the grain industry, the interplay of market access, quality assurance, supply chain transparency, and environmental sustainability takes centre stage. Market access is contingent upon not only the quality of the grains but also the industry's commitment to transparent and sustainable practices. Aligning with this, the equitable distribution of additional costs across the supply chain becomes paramount, urging collaboration among stakeholders to collectively enhance the industry's resilience.

However, the risk of greenwashing, deceptive environmental claims, underscores the necessity for clear and regulated labelling that communicates the genuine sustainability efforts of grain producers. As the industry embraces carbon capture in data management to offset its digital footprint, it aligns with broader sustainability initiatives. To further bolster credibility, a calculative tool for crediting is required.

One of the main challenges with the Australian grain sector is there is not one consistent tool that has been adopted. A consistent greenhouse emission measuring tool would provide a transparent and verifiable approach to sustainability, bolstering the grain industry's reputation for quality, environmental responsibility, and integrity in the eyes of consumers and stakeholders alike.

The critical balance we must strike is between addressing carbon emissions in other industrial sectors and ensuring global food security, particularly in the long-term. While the reduction of carbon emissions is an imperative aspect of sustainable development, it is essential to consider the potential repercussions on the grain industry, a cornerstone of food security.

It is also crucial to anticipate and address potential challenges, including changes in the quality of grain, which could have cascading effects on markets and other industries. By proactively addressing these issues, we can pave the way for a sustainable and resilient grain sector that contributes positively to both local and global food security.

Given the multitude of national plans targeting greenhouse gas reductions and agricultural strategies, the Australian Government could consider consolidating existing efforts and new initiatives into a cohesive plan

by establishing an integrated policy framework that aligns various sectors like energy, agriculture, transport, industry, and land use with global commitments.

Clear, measurable objectives for emission reduction, adaptation, and resilience-building efforts may be set, ensuring they are achievable and regularly reviewed for progress. Most importantly, any objectives/targets/goals must be set by the industry or in conjunction with industry.

Thank you once again for the opportunity to provide a submission to this important plan.

GRAIN PRODUCERS SA