

CARBON BARGAINING:

Grazier's book plots future

A LEADING land management scientist has praised a Queensland grazer and consultant's book for the role it will play in helping to argue the case for soil-based carbon to be included in a future emissions trading scheme.

In launching Alan Lauder's book, *Carbon Grazing: The Missing Link*, in Brisbane on Monday, Wentworth Group scientist Dr John Williams described the work as a "revolution of thought".

"I think it is a revolution of thought in many ways, because it gives me immense confidence that we have got here an understanding of how we can manage carbon in a large part of the Australian landscape," Dr Williams said.

"And this is at a time when we can therefore confidently argue that we can sequester and store in the Australian landscape large amounts of carbon.

"We should make sure that our emissions trading system recognises soil carbon as part of the system, but you need the sort of work that Alan has done to show us that we know how to do it, so we can argue in Copenhagen that soil carbon needs to be in the emissions trading systems that we negotiate.

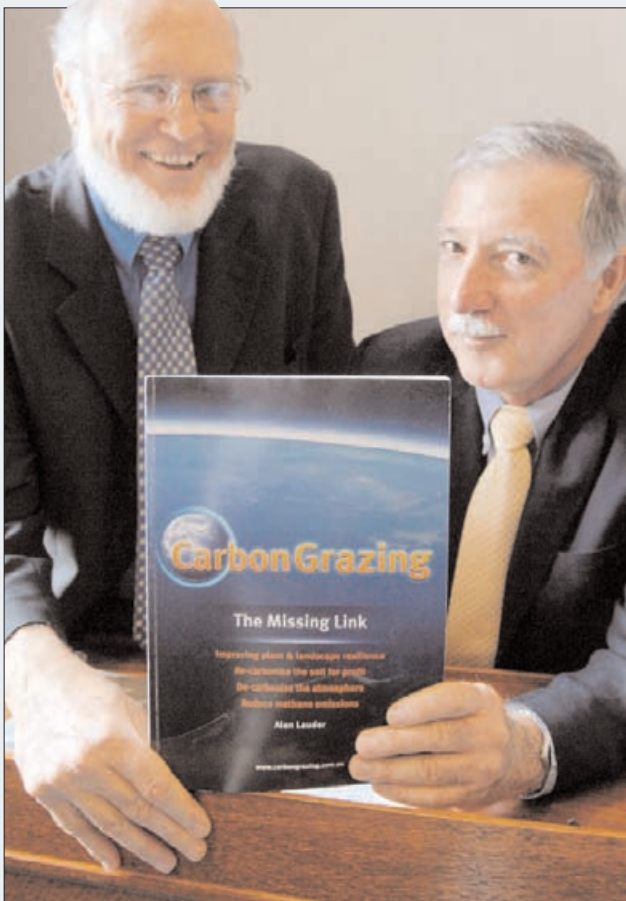
"Because Australia then can store carbon in a diversity of forms, not just in trees, but in a diversity of agriculture and forestry land uses so that we end up being able to get many combined benefits of storing carbon.

"And we will avoid some of the perverse outcomes of just having the whole place as forest, food shortages, impacts on water, and impacts on biodiversity."

Dr Williams described the book as a blend of observation and hypothesis and scientific inquiry that had fed back backwards and forwards between scientists and the grazing community over the past 15 years, and it has been put together and organised "in a way that just makes sense".

"Alan has been a system thinker and he has brought together many scientific disciplines.

"Scientists are trained to be disciplinary strong so they can



Dr John Williams and Alan Lauder at the launch of Mr Lauder's book, *Carbon Grazing: The Missing Link*.

get to the nub of things and that is really important, but it is not sufficient to be useful to our society.

"For knowledge to be useful to our society, it needs to be brought together and integrated, and Alan has brought together knowledge so that we can actually eat lamb knowing that lamb has been grown with minimum impact on the landscape. And that is what I think is so important."

While Mr Lauder's work has been described as a significant achievement in bringing together scientific and grazing industry knowledge into a book that provides a big picture understanding on how carbon functions in the landscape, it also represents a triumph in getting his knowledge recognised after years of trying to negotiate his way through a series of bureaucratic brick walls.

Not only has Alan Lauder

developed a unique understanding of how landscapes and farming systems function, his many years of trying to get his message heard at government level have also given him a unique understanding of how departmental processes work.

With this in mind, he said he wrote the book to unite all the various people, knowledge and processes that have been kept apart by existing funding and bureaucratic structures.

"We make the mistake of relying on governments to do this," he told the audience at the book launch.

"Unfortunately, Government functions in such a way, that all the necessary knowledge resides in separate processes.

"Furthermore, the processes usually do not share a common purpose.

"Worse still, they are often competing with each other for funds, so can't afford to share."

Fears on carbon forestry growth

By MATTHEW CAWOOD

AUSTRALIA should be having an urgent discussion about the potential of carbon trading to change land use, a leading agricultural analyst says, or the nation could find itself seriously short of water and food-producing capacity.

Mick Keogh, executive director of the Australian Farm Institute, has dissected some Federal Treasury modelling on the potential for carbon trading to encourage "carbon forestry" on agricultural land, and found that the modelling poses more questions than it answers.

When Treasury considered an upper-end scenario in which Australia aimed to reduce greenhouse gas emissions by 25 percent by 2020, it found that about 34 million hectares of agricultural land would be converted to carbon sink forests as carbon sequestration became more profitable than farming.

"To put this area of land in context, it is 30pc more than the total area of Australian farm land that is sown to crops each year," Mr Keogh said.

The implications of this potential change in land use is compounded by the fact that trees grow fastest – and sequester the most carbon – on good land with a high rainfall.

"The ABARE modelling identified that the farm land that

would be converted into forests would not be areas of low-value land in drier areas of the nation, but would in fact be highly productive land in high rainfall regions – especially in north-east NSW and South East Queensland.

"The reduction in farm output from this area would have a significant impact on food prices in Australia, as well as major socio-economic impacts on the regions in question."

Mr Keogh then considered how changing existing farmland to forest would affect available runoff. On available data, he calculated that 34 million hectares of trees would reduce runoff rainfall by 60 million megalitres of water a year.

"This is almost six times the total volume of water currently used for irrigation in Australia," he said.

"If even half of this occurred in the Murray-Darling Basin, it would mean that irrigation would need to be almost completely shut down."

"Alternatively, if this water had to be paid for by forestry developers, it would add an extra \$30 billion to the cost of reducing emissions – a cost not considered in the Treasury modelling."

Mr Keogh said that from Treasury's purely fiscal perspective, carbon sink forestry has the potential to significantly reduce the cost of the Carbon Pollution

Reduction Scheme to the Australian economy.

"Locking up carbon in trees is much less expensive than the assumed cost of directly reducing emissions from coal-fired electricity generators," he said.

"Issues like future global food security, rural and regional impacts, and even the ability of Australia to continue producing its own food or supplying water to towns and cities have been ignored in discussions about the CPRS, and are the dark underside of the glossy and optimistic conclusions that have been reached about its minimal potential costs."

And for those who don't think governments would allow this scenario to play out, Mr Keogh had some words of caution.

The States most likely to see an upsurge in carbon forestry are NSW and Queensland, "whose governments just happen to be Australia's biggest greenhouse emitters as a consequence of their ownership of coal-fired electricity generators, and which also harvest a flood of annual dividends from these generators and from the coal industry".

"Faced with the choice of either foregoing those dividends and cranking up electricity prices, or letting large areas of farm land be converted to carbon sink forests, it is a fairly safe bet which option these governments will take," Mr Keogh said.



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Tight supply, lower dollar cushion wool

By MARIUS CUMING

AS THE world financial turmoil continues, the wool market keeps on selling, even enjoying a lift last week.

It lifted 1.3 percent on the back of a slightly weaker Australian dollar, the Eastern Market Indicator (EMI) rising 10 cents for the week to 789c/kg clean.

Of the 48,000 bales offered for sale, 11pc was passed in.

The 17-micron indicator in the south gained 21c to 1293, 2c behind the northern indicator, while 19-micron wools in both markets gained to finish the week at 1040 and 1038 cents.

The 21-micron wools also rose slightly, up 16 in Sydney to 759, seven in Melbourne to 764 and eight in the west to 749.

Broader Merino microns also gained with a 22c rise in the

south to 735c. Overall, the market in US dollar terms lifted just three cents the EMI at US\$10c.

In contrast to the massive falls on the sharemarket this year, the wool market has performed admirably, but how long the grave uncertainty will last is the big question, according to NSW woolbroker Marty Moses.

"The lower dollar helped the market last week, and shipping orders and Christmas deadlines are helping the market a little at the moment, as people want to get wool on the water," he said.

"But China is slowing down, retail sales are slowing, and there doesn't appear to be a lot of demand.

"Thankfully, the lower supplies of wool are cushioning the fall to a certain extent.

"The way it is now, I can see this market sentiment continuing at least into January and

February, but it's just so hard to tell."

There had been some glimmers of hope for a higher market into the new year, as futures markets had been trading well above the spot prices in recent weeks. Unfortunately, the futures market fell away earlier this week.

"We have been using hedging and it has been working out pretty well, but I see now the prices have come into line with the spot market and may well be even trading below it before too long," Mr Moses said.

He said many of his clients had held over selling wool when the sharp falls came in October, but many who had to sell took the cash.

"Unfortunately, the fundamentals have not changed."

This week, 45,000 bales were rostered for sale across the three main centres.