Sustainability and climate

Farming relies on a healthy environment and farmers play an important role as environmental stewards. Australia's sheep and cattle farmers are custodians of 47% of Australia's landmass and are committed to sustainable and ethical production.

Farmers are passionate about the environment in which they raise their livestock. They care for it through good land management practices such as crop and pasture rotation, choosing pastures that require less fertiliser, stocking strategies and protecting natural assets - aiming to leave the land and waterways in a better condition for future generations.

Farmers also have a strong and vested interest in a low-emissions future because they work in the frontline of Australia's increasingly variable climate and are experiencing more extreme weather events. At an industry level, stakeholder and customer expectations about Australia's environmental credentials and Australia's commitment to the Paris Agreement make sustainability and climate high priorities as well.

The global challenge

Australian agriculture has a role to play in meeting climate responsibilities and moving towards an economy-wide net zero emissions goal by 2050 under the Paris Agreement, whilst maintaining productivity and profitability.

The Australian sheep industry is committed to positive environmental outcomes, including reducing greenhouse gas emissions. In meeting this goal, our industry recognises the need for a collaborative and coordinated approach with government, our broader supply chain and customers.

This commitment to environmental responsibility is demonstrated by our industry's dedicated efforts towards emissions reduction and abatement. Analysis suggests that the sheep industry will likely achieve the government's 43% emission reduction target by 2030, largely due to improved flock productivity, improved land management and historical declines in sheep numbers.

Achieving further emissions reductions beyond 2030 will not be possible without technological breakthroughs, reduced barriers to implementation and cost. Our industry has and will persist in substantial investments for research and development aimed at reducing greenhouse gases.

A key challenge is that 80% of emissions are attributed to methane from sheep. Right now, there's no single solution to significantly reduce how much methane sheep produce, making emissions reduction hard to address. Current research into methane reduction initiatives spans genetics, forages and feed supplements to reduce methane emissions.

Across the agriculture sector as a whole, significant progress is being made to help reduce emissions with assistance provided to farmers via the Emissions Reduction Fund (ERF) and methodologies under the Carbon Farming Initiative. Australian farmers make up over half the projects and carbon credits delivered through the ERF. Renewable energy technologies have also reduced in price over the past decade resulting in significant uptake on farms.

Meat and Livestock Australia's investment into the Carbon Neutral by 2030 Roadmap aims to enable and empower the red meat industry to achieve the target, reducing operating emissions while maintaining productivity gains.

Sheep Sustainability framework

Sustainability is not just about climate and the environment. It is also about health and welfare, customer expectations, access to domestic and international markets, profitability and giving back to the community.

People want to feel confident the food and fibre they purchase has been responsibly produced. Demonstrating sustainability performance is increasingly important to local and international markets for Australia's quality sheep meat and premium wool.

As the peak bodies for the sector, Sheep Producers Australia and WoolProducers Australia (WPA) demonstrated leadership by working proactively and collaboratively on a holistic approach to sheep sustainability. Together, we led the development of a framework that helps industry better understand its opportunities, challenges and impacts in key areas such as animal care, the environment, economic resilience, and people and community.

This was achieved via funding, strategic advice and secretariat support from Meat & Livestock Australia (MLA) and the Australian Wool Innovation (AWI) and an independent Sustainability Steering Group appointed by and WPA made up of representatives from across the value chain with diverse areas of skills and expertise.

The Sheep Sustainability Framework was launched in April 2021 following extensive consultation with industry, stakeholders, peak industry councils and state farming organisations as well as a materiality review.

The Framework defines sustainable sheep production in Australia, prioritises industry issues and measures industry performance against relevant indicators to:

- demonstrate sustainable practices
- identify areas of improvement, and
- better communicate these with stakeholders and consumers via an annual report.

Sheep Producers Australia and WPA continue to lead the framework through their membership on the Sheep Sustainability Framework Board. They monitor Sheep Sustainability Framework outputs and use them as supporting evidence to set relevant industry policy.

Demonstrating sustainability performance

The Framework builds trust and confidence in the industry, by demonstrating sustainability performance.

The Sheep Sustainability Framework monitors and measures industry performance against priorities aligned with the four themes: 1/ Caring for our sheep, 2/ Enhancing the environment and climate, 3/ Looking after our people, our customers and the community and 4/ Ensuring a financially resilient industry.

Data and trends which tell how the industry is tracking against industry agreed sustainability targets are provided via an annual report as well as a digital dashboard on the Sheep Sustainability Framework website. In addition, three annual reports have been released so far.

In the spirit of continuous improvement, the Framework is evaluated and evolved every year to ensure it captures contemporary and emerging trends in sustainability. Advancements in best practice, scientific findings, changes in measurement and reporting, evolution of customer needs and consumer expectations, are updated and consistently monitored.

Advocating for sheep producers with Government

Sheep Producers Australia is working closely with government to advocate for sheep producers and guide consideration of agriculture's role in emissions and the development of an agriculture sector emissions reduction plan based on eight principles:

1. A formalised consultation mechanism be established between industry and government to co-design a clearly defined, efficient and least cost pathway for the sector which will allow producers to practically adjust their farming systems within realistic timeframes and minimise the risk of disrupting vulnerable rural communities.

2. The Australian sheep industry is an important part of Australia's rural economies and is comprised of highly diverse production systems and scales of production that necessitates rigorous ground truthing of policy design and efficacy to safeguard the industry, rural economies and communities.

3. Adjusting sheep production businesses to reduce emissions will be difficult without substantial investment to support producers with a suite of education, tools and access to consistent methodologies that allow them to determine their emissions profile and meet reporting requirements for carbon incentive programs easily and consistently. Government must play a role in providing confidence to this growing market through an accessible verification or quality assurance process.

4. A common approach for GHG accounting across agricultural sectors is essential to enhance consistency, transparency and confidence in sector-level GHG reporting.

5. To align with the Paris Agreement, methane emissions do not need to be reduced to zero, therefore future emission reduction targets related to the sheep industry need

to reflect a different emission reduction pathway, and a non-zero methane endpoint at 2050.

6. Emissions reduction from enteric methane in the sheep industry will not be achieved without technological breakthroughs and significantly increased investment, however this requires realistic timeframes for development, commercialisation and adoption.

7. Additionally, producers require suitable incentives to support emission reduction practices while maintaining business sustainability. Currently there are limited incentives available to producers, which are often complex, poorly understood and potentially unviable.

8. Agriculture requires a suite of ACCU scheme methods that better manage landholder requirements to increase carbon removals while maintaining productive grazing enterprises. Clarification of the business carbon liabilities is essential to ensure sheep producers do not sell assets they may require in the future for market access, or access to finance.