

Policy – Friend or Foe?

As the discussion on climate and emissions policy intensifies within Australia, I am reminded of a research trip to Europe that I took last year with 45 Australian agricultural executives. I returned from my fortnight away with a learning that can be summarised in a single word, policy.

I arrived in The Netherlands the day The Dutch government announced their new approach to Agricultural Policy. They delivered a target to halve emissions of livestock led pollution by 2030. This target is expected to require a reduction in livestock numbers of 30%. It was met by many outside the sector with an acknowledgement of inevitability. Farmers however were irate and responded with tractor protests and the Agriculture Minister's home being blocked by the angry mob.

So, for a group of Australians passionate about agriculture looking to Europe for insights, our timing was impeccable. Whilst we were hoping to come back from the region with enthusiasm for a fresh approach, we returned home with many questions. Most notably, how will this play out? How can we learn from their experiences?

Against the backdrop of Sri Lanka's policy debacle with millions starving due to an enforced organic farming approach without laying the groundwork first, one couldn't help but feel there were some learnings staring Dutch policy makers in the face.

The Netherlands can feed themselves. Easily. For over 40 years, they have been on the podium as one of the world's largest exporters of food, for all but three years. Since the turn of the millennium, they were ranked number two every year until Brazil overtook them in 2019. Amazing for a small country of 18 million people with a footprint 4% the size of Australia's. Why is this important?

The Netherlands have played a key role over many decades supporting a caloric deficit elsewhere in the world. As the global population has expanded, The Netherlands has supported this through development of agricultural systems with a particular emphasis on

technology. What used to be the envy of the world, is now akin to a pariah. Changing their domestic policy is likely to have a negative impact on food production, leading to importing nations turning elsewhere for supply. Amplify this by the proposed changes across the whole of Europe, and you quickly conclude that food prices will make up an increasing portion of household budgets in the not-too-distant future.



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We are already seeing examples of this as the impact of the Ukrainian war highlights the imbalance that can quickly be created when Russia and Ukraine combined contribute 12% of total exported calories. This has led to inflation of more than 150% in countries such as Lebanon and caused a trade scramble for alternative sources of food.



So, what are the learnings for Australia? Do we take comfort from our discussions and debates on clean and green sources of world class protein? We consider ourselves to be the delicatessen of Asia. Is this an opportunity to increase market share? Well increasingly, Europe don't see us as a clean or green producer of anything. They see us as a region unable to read the tea leaves. Paralysed by successive governments that compromise climate for conversation. In contrast, Asia broadly remains supportive of us as a source of high-quality output with well-developed quality standards.



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If one was to criticise Europe's approach, it would be for a lack of stakeholder engagement. We need producer led change. System led change only happens with a sharing of the priority challenges and greatest opportunities. When a government invokes change with the stroke of a pen, it lacks buy-in, it struggles to engage the most important actors, and creates a prickly culture among those most crucial to the change. We are seeing this elsewhere in the world also.

Spain, Ireland, and New Zealand have all experienced demonstrations in recent years. The perception is that urban regions maintain transport, construction, infrastructure, energy consumption all whilst accessing reasonably priced food. However, the political engagement with the producer base hasn't acknowledged the positive contribution the system can make when working together. What a vital lesson to learn as we continue to better understand the role agriculture has in Australia's society.

All indications are that Europe will lead this change, and the intent is admirable. Do better. Improve practices. Reduce impact. Act in the interests of our environment over the long term. This is hard to disagree with as we learn from the mistakes of the past. Top-down policy doesn't start with the Netherlands but with the EU. It starts with the Green Deal flowing through to its agricultural pillar of Farm2Fork. Europe is actively pursuing a coordinated change of agricultural practices by 2030 that will lead to a greater reliance on developing new technologies, scaling up and achieving wide scale adoption faster than ever before. Ambitious, yes. Possible? Not without clever people and targeted investment.

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