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A media release from



Barley Australia Opposes the Proposed Carbon Tax

CARBON TAX WILL HURT AUSTRALIAN FARMERS.

Barley Australia Ltd, Australia's peak body for barley, has expressed its concern at the Labor Government's intention to impose a carbon tax on the agricultural industry.

This tax will hurt Australia's agriculture overall, which is one of the country's key industry sectors. A carbon tax will have real and significant impact on the barley industry in particular, along with the all other areas of agricultural production.

The Australian barley industry accounts for around 8 million tonnes of grain in a normal year, of which some 4 million tonnes are exported. The malting barley segment in particular is a major "value-adding" industry in Australia, with around 1,000,000 tonnes of malting barley converted to malt. Of this, around 600,000 tonnes of malt is exported into the Asian regions, with earnings of approximately \$300,000,000.

Malting barley and energy are the major cost inputs in the production of malt, so any tax which raises these costs substantially threatens our ability to compete with malt supplied into Asia from Europe, China, and Canada.

A carbon tax will impact on farm inputs, especially energy, with the resultant increases in farm costs affecting the export value of malt, with knock-on effects on jobs, the demand for malt and the demand for barley.

The government has in part acknowledged the problems that such a tax will have on agricultural production and has amended its Carbon Farming Initiative, but the government must now address the broader issues of the carbon tax on the farming community generally.

Australia's farmers are world-renowned as leaders in high quality, efficient and sustainable food and fibre production. The Australia barley and malting industry has worked extremely hard over the past decades to establish itself as a reliable and competitive supplier of barley to a range of key markets from the Middle East to all countries of Asia.

A punitive tax on carbon emissions, which will not be imposed on our competitors in China, Europe and North America, will definitely have an adverse effect on the market dynamics of this commodity and place Australian exports at risk.

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