

DEEP DIVE



FARMERS FOR CLIMATE ACTION



Executive Summary	2
Giving Green's Research	3
Organisation Overview	3
Operational Context	4
History of Beyond Zero Emissions	7
Organisation Structure	7
Budget	7
Activities and Tactics	8
Achievements	12
Room for Additional Funding	14
Theory of Change	14
Inputs	14
Activities	15
Outputs	15
Outcomes	15
Impacts	15
Assumptions behind Theory of Change	15
Risks	17
Final Recommendation	18

[Farmers for Climate Action](#) (FCA) is a movement of farmers, agricultural leaders and rural Australians working to ensure they are a key part of the solution to climate change.

Agriculture is a cornerstone of the Australian economy. It has a significant impact on greenhouse gas emissions, and is also increasingly impacted by climate change. FCA's members are frustrated by the federal government's lack of response to their ongoing calls to strengthen Australia's climate targets and policies.¹ The National Party ('the Nationals') claims to represent Australian farming communities, but its efforts to exclude the sector from climate commitments is considered one of the biggest failures in nation-wide efforts to address climate change.

FCA's theory of change is grounded in the belief that if it organises farmers, graziers and agriculturalists to lead climate solutions on-farm and advocate together, it can influence the sector and the government to adopt climate policies that reduce emissions and benefit rural communities. Given the Nationals is one of the most significant barriers to climate action in Australia, FCA's influence in key Nationals-held constituencies will help achieve the policies needed for Australia to reduce emissions at the scale and speed necessary to avoid catastrophic temperature rise.

Officially founded in 2016, FCA is a relatively young organisation. FCA is likely to become the largest farmer-led organisation in Australia, and is the only farmer-led organisation focused solely on climate change in the Australian agricultural sector.² FCA is a registered charity,³ with over 45,000 supporters, of which more than 6,500 are farmers.⁴ It has grown significantly since being established, and has a budget of almost \$1.5 million for the 2021-2022 financial year. The FCA Board Directors are industry leaders, with more than 200 years of combined experience in agriculture.

Despite being a relatively new organisation, FCA has proven to have significant influence on the climate change policies that will help farmers reduce emissions. FCA played a key role in gaining bipartisan support for a net zero by 2050 target through its work with conservative politicians, the NFF, and its contribution to shifting the conversation about climate change across the agricultural sector. The experts we interviewed indicated FCA was instrumental in both the Nationals and the National Farmers' Federation's (NFF) decision to support an economy-wide net zero by 2050 target.

This is significant given the relationship between the NFF and the Nationals Party. FCA's advocacy efforts also saw Nationals MP Anne Webster announce that she would not uphold the National Party's line on coal.

¹ <https://farmersforclimateaction.org.au/our-story/>

² <https://farmersforclimateaction.org.au/what-we-do/>

³ <https://www.acnc.gov.au/charity/bebceb7c0986369732f5048a9980e4e4#overview>

⁴ https://farmersforclimateaction.org.au/wp-content/uploads/2021/11/FCA-Annual-Report-2020-2021_Fv3-1.pdf

FCA has also garnered significant support from the Victorian Nationals politicians, which has also started calling for stronger climate action.

In addition to FCA's policy-focused work, its education and training of farmers is helping farmers understand and implement climate smart practices that reduce agriculture and land use emissions. This work, among other communications and research initiatives, has helped position them as an evidence-based voice on climate change, with ongoing efforts to mobilise farmers to better engage with the public discourse as well.

We surveyed 52 experts in Australian climate change policy development and 11 of them cited FCA as one of the most influential organisations working on climate policy in Australia: this is the second highest of any of the organisations nominated. Based on FCA's achievements, strategic approach to addressing climate policy barriers, and the impact that additional funding would have, we recommend it as one of our top organisations for influencing federal government climate policy.

Giving Green's Research

The [Giving Green Australia: 2021 Research Process](#) details how we identified the highest impact organisations working to improve climate policy in Australia. The process involved expert interviews, an expert survey, focus groups, and desk research. We focused on organisations that are using the three key approaches our research determined are the highest priority for delivering policy change: 'insider advocacy', 'outsider advocacy', and 'changing the story'. FCA uses all three of these priority approaches. Furthermore, FCA was nominated 11 times by the 52 experts we surveyed, which was the second highest number of nominations of all organisations. For FCA's deep dive, we spoke with representatives from FCA, a lobbyist, a senior public servant, and two senior representatives from other climate advocacy organisations. We also reviewed publicly available information on FCA's work, including its website and policy reports, as well as media coverage of the organisation.

Organisation Overview

FCA is a movement of farmers, agricultural leaders and rural Australians working to ensure they are part of the solution to climate change. It is the only farmer-led organisation focused specifically on adapting to and mitigating climate change in the Australian agricultural sector.⁵ FCA is a registered charity,⁶ and now has over 45,000 supporters, of which over 6,500 are farmers.⁷

With four complementary workstreams, FCA's work directly aligns with what our research identified as key strategies for overcoming barriers to climate change policy in Australia: reframing the narrative around

⁵ <https://farmersforclimateaction.org.au/what-we-do/>

⁶ <https://www.acnc.gov.au/charity/bebceb7c0986369732f5048a9980e4e4#overview>

⁷ https://farmersforclimateaction.org.au/wp-content/uploads/2021/11/FCA-Annual-Report-2020-2021_Fv3-1.pdf

emissions reduction policies, insider advocacy to influence government policy, and outsider advocacy to pressure governments.

Operational Context

The agriculture sector is a cornerstone of the Australian economy. It accounts for 11 per cent of Australia's goods and services exports, contributes 1.9 per cent of Australia's GDP, and employs 2.6 per cent of the population.⁸ Over 50 per cent of Australia's land use is for agricultural activity (excluding timber production).⁹

Agriculture accounts for almost 15 per cent of Australia's greenhouse gas emissions. The majority of this is methane emissions from livestock.¹⁰ Other contributors include fertilizers, diesel use, and land management and clearing practices for pastures and grazing.¹¹

For many years, the agriculture sector opposed stronger climate targets and policies. The industry's peak body, the National Farmers Federation (NFF), consistently argued that emissions reduction targets and policies under the Kyoto Protocol unfairly impacted farmers and future commitments needed to include compensation to account for the role of agriculture in meeting targets to date.¹²

In recent years, however, the agriculture sector has become more supportive of efforts to reduce emissions. Farmers are now on the front lines of the climate crisis. They are experiencing prolonged droughts, flooding, bushfires, and intense and unseasonal temperature fluctuations. Research by the Grattan Institute shows a 23 per cent decline in profits across the sector as a result of changes in rainfall patterns over the last 20 years. New South Wales and Queensland cropping farm profits alone have fallen by 26 per cent on average.¹³ Research by the Australian Academy of Science shows that ongoing increases in temperature will have a significant impact on animal welfare. Livestock in Australia's north would suffer heat stress daily if the world were to reach 3 degrees Celsius above pre-industrial levels, which it projects the world would reach based on current commitments.¹⁴

Global efforts to address climate change make Australian agricultural products particularly vulnerable, with other countries considering import tariffs on emissions intensive goods as a way to protect domestic

⁸ <https://www.awe.gov.au/abares/products/insights/snapshot-of-australian-agriculture-2021>

⁹ Ibid.

¹⁰ <https://farmersforclimateaction.org.au/wp-content/uploads/2021/09/FCA-EY-FINAL-Report-Low-emissions-future-for-Agriculture.pdf> (see page 12); see also <https://grattan.edu.au/wp-content/uploads/2021/08/Towards-net-zero-Practical-policies-to-reduce-agricultural-emissions.pdf>

¹¹ <https://www.climatecouncil.org.au/resources/australia-agriculture-climate-change-emissions-methane/>

¹² https://www.abc.net.au/radionational/programs/breakfast/national-farmers-compensation-kyoto-land-clearing-net-zero/13579216?fbclid=IwAR1pNyexfaOaVjBzw45fzLa_keCio9yH0QAcc-4cCl9SaBb-plA6GStww; see also <https://independentaustalia.net/politics/politics-display/national-farmers-federation-needs-to-embrace-climate-adaption,15671>

¹³ <https://grattan.edu.au/wp-content/uploads/2021/08/Towards-net-zero-Practical-policies-to-reduce-agricultural-emissions.pdf> (see page 14)

¹⁴ <https://www.science.org.au/news-and-events/news-and-media-releases/risks-australia-warmer-world>

industries and promote climate action.¹⁵ While it is not clear if proposed tariffs will be applied to agricultural produce in the initial application,¹⁶ when considered alongside the impact of climate change domestically, farmers will have to deal with the most significant economic and environmental impacts of climate change. Farmers know that to remain competitive in a Paris-aligned world, they need to transition towards lower emissions farming practices, so they can continue to export Australia's produce around the world.

While herd reduction may be a significant way to reduce agriculture emissions, consumer demand for meat is still high. In 2019, only one per cent of Australians identified as vegan, and three per cent as vegetarian. Australians currently consume 100 kilograms of meat per capita per year, 35 kilograms of which is beef and lamb.¹⁷ Australia remains one of the world's top three beef exporters.¹⁸ At least in the short term, people will continue to buy meat so long as it is available. This is not to diminish the importance of making substantial emissions reductions in animal agriculture, but to highlight that there is a role for the continued existence of animal agriculture in a Paris-aligned world if done sustainably, humanely and with constant advancement in emissions reduction technologies. The agricultural sector has a leading role to play in this transition.¹⁹

The industry is coming to accept that it will not survive unless catastrophic temperature rise is avoided, and the agriculture industry must play a role in helping to reduce Australia's emissions and increasing sequestration. Recent Grattan Institute modelling indicates that the agriculture sector cannot be excluded if Australia is to achieve its net zero target.²⁰ Without urgent climate action, the agriculture sector's contribution to the economy will continue to decline, both in terms of domestic production and export opportunities, and with it, the lives and livelihoods of those employed in the sector.

The impact of agriculture on climate change, and vice-versa, combined with commercial risks in the global export market, have already prompted significant emissions reductions initiatives from the sector. In 2017, Meat and Livestock Australia (MLA) committed to achieving net zero emissions by 2030.²¹ Australian Pork Limited are working toward achieving net zero by 2025 or earlier. After years of resistance, even the NFF has backed an economy-wide target of net zero emissions by 2050.²² Alongside these industry commitments, the agriculture sector has made notable progress in emissions reductions through reduced land-clearing practices and reduced livestock numbers.

¹⁵ <https://www.theguardian.com/environment/2021/feb/13/carbon-tariffs-what-are-they-and-what-could-they-mean-for-australia>

¹⁶ The EU is exploring the implementation of Carbon Border Adjustment Mechanism (CBAM), however Agriculture is not likely to be included in the initial stages of implementation.

¹⁷ <https://www.awe.gov.au/abares/research-topics/agricultural-outlook/meat-consumption>

¹⁸ <https://www.mla.com.au/prices-markets/market-news/2021/value-of-australian-beef-exports-falls-in-2020/>

¹⁹ FCA promotes animal welfare in the context of climate action - their FAQ page states: Farmers are committed to the welfare and wellbeing of their animals, and no farmer wants to see an animal suffer. It's critical that we recognise the urgency of the climate situation, in order to maintain good animal welfare, and our sustainability during tough times.

²⁰ <https://grattan.edu.au/wp-content/uploads/2021/08/Towards-net-zero-Practical-policies-to-reduce-agricultural-emissions.pdf> (see page 21)

²¹ <https://www.mla.com.au/research-and-development/Environment-sustainability/carbon-neutral-2030-rd/cn30/>

²² <https://nff.org.au/media-release/nff-calls-for-net-carbon-zero-by-2050/>

Despite the agriculture industry's self-driven progress to reduce emissions, modelling suggests that emissions from the sector are likely to increase. To achieve net zero, experts suggest that the sector will need to adopt a combination of decarbonisation activities on farms through methane reduction, transitioning to clean transport and electricity, changes to and improved land management, and more intensive offsetting methods.²³

Research shows that the agriculture sector can significantly reduce emissions, however as NFF President Fiona Simson explained, achieving net zero by 2050 will require ongoing innovation and policy support. While innovation in the sector is gaining traction, there is limited policy support or market incentives for farmers to transition to cleaner agricultural practices while remaining profitable and sustainable.

Despite farmers' support for greater efforts to reduce emissions, the Government has been avoiding policies that would place a limit on agriculture emissions. The Liberal-National Coalition, in government since 2013, has framed emissions reduction commitments as bad for agriculture.²⁴ For example, at the UN Climate Conference in Glasgow in November 2021, the Government opted not to sign onto a global methane reduction pledge, arguing that it would be the end of the Australian agricultural industry.²⁵ Nationals Leader Barnaby Joyce reinforced the decision by suggesting that the only way to reduce methane emissions by the 30 per cent expected of signatories to the pledge would be to 'go grab a rifle (and) go out and start shooting your cattle'.²⁶

While the Nationals claim to represent Australian farming communities, its opposition to agriculture emissions reduction policies is increasingly at odds with what farmers now want for the sector. Rather, farmers have called it out as an effort to protect the fossil fuel industry.²⁷ The reality is that the fossil fuel industry gives the major parties millions of dollars in political donations, and it is lobbying hard to resist methane emissions reduction policies because of the large amounts of fugitive methane emissions produced from coal and gas extraction. The Government's resistance to methane emissions reduction policies is more realistically an effort to protect the fossil fuel industry, not farmers, as they claim.

It is against this political background that FCA was established. FCA and its members and supporters are key stakeholders in the climate response in Australia.

²³ <https://grattan.edu.au/wp-content/uploads/2021/08/Towards-net-zero-Practical-policies-to-reduce-agricultural-emissions.pdf>

²⁴ <https://australiainstitute.org.au/wp-content/uploads/2021/05/P1076-Banking-on-Australias-Emissions-Commitments-.pdf>

²⁵ <https://www.theguardian.com/australia-news/2021/oct/28/scott-morrison-rejects-barnaby-joyces-claim-nationals-secured-methane-exclusion-from-net-zero-target>

²⁶ Ibid.

²⁷ <https://www.theguardian.com/australia-news/2021/nov/04/farmers-split-on-australias-refusal-to-sign-up-to-global-methane-pledge-at-cop26>

History of Farmers for Climate Action

FCA was established following a meeting of farmers in the Blue Mountains region of New South Wales in 2015. The founders were frustrated by the federal government's lack of response to their ongoing calls to strengthen Australia's climate targets and policies.²⁸ In the same year, more than 100 farmers signed an open letter calling on the Government to set stronger climate targets, and a crowdfunding campaign was established to send two farmers - Joshua Gilbert and Anika Molesworth - to the UN climate talks in Paris. FCA was formally established in 2016. As its first formal advocacy effort, a delegation of farmers presented the findings of a nation-wide survey on farmers' attitudes towards climate change and renewable energy that supported calls for stronger climate action. In the five years since, FCA has helped farmers implement climate solutions, and influenced the Government to implement policies that support the reduction of agriculture emissions.²⁹ Today, FCA continues to build its influence and reach with its supporters growing by 40 per cent between January 2020 and June 2021.³⁰

Historically, rural and regional communities are thought to have aligned with The Nationals perspectives on climate change, with a significant proportion of key seats being held by Nationals politicians for the last 10 years. Recent industry commitments to climate change however, are in complete contrast to this narrative. FCA's work is focused on changing the perception that farmers and farming communities in rural and regional Australia are hesitant to take stronger climate action. In doing so, it can mobilise farmers across the country to advocate for national policies that will help farmers support, and benefit from the transition to a decarbonised economy. It has become increasingly clear that the Nationals Party is one of the most significant blockers to climate action at the sector and national level, which is why FCA is working to mobilise the constituents in rural and regional Australia.

Organisation Structure

FCA had 16 staff and five contractors across the 2020-2021 financial year, with the majority of staff part-time or casual. FCA Board Directors are industry leaders, with more than 200 years of combined experience in agriculture. FCA's staff have expertise in politics, advocacy, regional development, media and marketing, and they are supported by Australia's leading climate and agriculture researchers.

Budget

FCA's operating budget for the 2021-2022 financial year is \$1.49 million, and is projected to grow to \$1.7 million for the 2022-2023 period. Over 80 per cent of FCA's 2020-2021 funding came from donations and

²⁸ <https://farmersforclimateaction.org.au/our-story/>

²⁹ <https://farmersforclimateaction.org.au/what-we-do/>

³⁰ https://farmersforclimateaction.org.au/wp-content/uploads/2021/11/FCA-Annual-Report-2020-2021_Fv3-1.pdf

bequests, three per cent from government grants, and six per cent from other revenues.³¹ In 2019, FCA launched the 'Seeds of Change' giving circle, which seeks regular annual donations from within the FCA membership network. This has been a largely successful program, with funds enabling FCA's core strategic work. Farmers for Climate Action's monthly donor program, 'Cli-mates', has tripled this financial year, generating over \$100,000 in donations.

Activities and Tactics

FCA's [Strategic plan](#) 2018-2021 explains how the organisation is working to achieve its goals. It details how FCA is working to increase the uptake of climate smart agriculture across the supply chain, mobilising farmers to drive a clean energy transition, engaging politicians to champion climate action in rural and regional Australia, and building stronger agricultural voices that can also champion climate action. Broadly, FCA's work involves encouraging industry leaders and politicians to encourage stronger climate action and policies. This is supported through farmer capacity building initiatives and building strategic partnerships to conduct research.

At the time of writing, FCA were in the final stages of developing the next Strategic Plan, which will focus on getting stronger climate policies, and growing the number of farmers actively involved in FCA initiatives to strengthen their advocacy work.

Broadly, FCA's work has four key focus areas:

→ **Political and industry advocacy:** FCA representatives regularly meet with state and federal politicians to voice their concerns about the impacts of climate change and work with those that are already championing policies that support climate action.

FCA's advocacy includes media engagement, and social media campaigns in key rural and regional electorates. The education initiatives offered by FCA directly support its advocacy efforts (see below). By offering ongoing training and support to farmers, FCA has been able to diversify its spokespeople, which has enabled it to communicate to a wider audience and leverage local networks to challenge political narratives about the climate ambition of the sector.

→ **Farmer education and training:** FCA provides educational resources that help farmers reduce emissions on their farms, ranging from practices that help with methane reduction to better land and waste management. The education and training initiatives include a series of conferences, forums and workshops that showcase the latest in climate change and agricultural science,³² annual national and state fellowships and a suite of publications and toolkits on climate-smart agriculture. It has recently released the 'climate

³¹ <https://www.acnc.gov.au/charity/bebceb7c0986369732f5048a9980e4e4#overview>

³² <https://farmersforclimateaction.org.au/conferences-and-workshops/>

smart agriculture toolkit',³³ which offers tips and strategies for understanding, planning for, and implementing different solutions to climate change on farms. The toolkit provides resources on climate, farm planning, carbon storage, mitigation, water, horticulture and viticulture, livestock and climate risk and resilience.

The FCA conferences and workshops are delivered across the country on issues such as drought and climate change,³⁴ climate journeys and insights into local impacts of climate change,³⁵ and specific local forums on regenerative agriculture,³⁶ climate and bushfires,³⁷ and water availability and community resilience.³⁸ Recordings and information about the events are all available on the FCA website. The website also hosts the 'ask a scientist' platform, which is a public forum for members to post questions that are answered by leading climate scientists.³⁹ Within the next month FCA are partnering with Vets for Climate Action to run a webinar on the impacts of climate change on livestock, particularly relating to physiological impacts and the solutions available to alleviate this issue as much as possible.⁴⁰

FCA offers nationwide fellowships that are designed to help farmers with an interest in climate change, its impacts on agriculture, and how to build resilience. Fellows learn from leaders in the sector and develop plans to implement what they learn. Going forward, FCA is planning to launch a National Leadership Program with the aim of further strengthening the Fellows individual networks and their climate leadership. With Fellows across the country, the FCA are able to mobilise local representatives to engage with the media and local politicians, and help run campaigns on industry specific climate issues, such as climate change and drought resilience in Shepparton in the Goulburn Valley.⁴¹

→ **Building farmer networks:** FCA has been building formal and informal communities of practice and networks that share information and experiences about implementing climate solutions. These networks improve the resilience of farmers and rural Australians by bringing them together in local groups in their communities to build networks of support in the face of climate impacts.

→ **Industry Partnerships and research:** FCA works through a range of academic and industry partnerships to conduct research and education initiatives. FCA is an associate member of the National Farmers' Federation and a member of the Climate Action Network Australia. In 2019, it joined with the Red Meat Advisory Council, Greening Australia, and the Australian Forest Products Association to form the Climate Proofing Alliance. The Climate Proofing Alliance is an industry- and conservation-led network committed to

³³ <https://farmersforclimateaction.org.au/climate-smart-agriculture-toolkit/>

³⁴ <https://farmersforclimateaction.org.au/portfolio/drought-climate-roundtable/>

³⁵ <https://farmersforclimateaction.org.au/portfolio/climate-journeys-in-western-victoria/>

³⁶ <https://farmersforclimateaction.org.au/portfolio/bairnsdale-community-resilience-forum/>

³⁷ https://farmersforclimateaction.org.au/portfolio/bega_forum/

³⁸ <https://farmersforclimateaction.org.au/portfolio/shepparton-climate-change-water-availability-and-community-resilience-forum/>

³⁹ <https://farmersforclimateaction.org.au/farmers/resources/ask-a-scientist/>

⁴⁰ Farmers for Climate Action correspondence.

⁴¹ <https://farmersforclimateaction.org.au/media-release/new-forum-to-build-shepparton-and-goulbourn-valley-community-resilience/>

advancing the role of farming, forestry and conservation in improving Australia's land-based carbon sequestration and emissions reduction policy.⁴² They have established partnerships across the agricultural and climate sectors, with groups such as the Birchip Cropping Group.⁴³ They are currently finalising a memorandum of understanding with the National Landcare Network.

Most recently, FCA commissioned Ernst and Young to produce the report *'How can Australia's agricultural sector realise opportunity in a low emissions future,'*⁴⁴ which outlines how the sector can reduce greenhouse gas emissions while increasing productivity and profitability. FCA has partnerships with the University of Melbourne's Primary Industries Climate Challenges Centre and Australian National University. The partnerships with universities are designed to be mutually beneficial, however the collaboration initiatives are broadly more organic in nature. In some instances the FCA supports academics with access to farmers for their research on key issues. In others, academics from partner universities support FCA research. For example, recent research into why farmers engage in voluntary advocacy organisations or initiatives is due to be released as part of a collaboration between academics at the Australian National University and FCA, which will help FCA better understand their members and inform ongoing engagement initiatives.

⁴² <https://www.greeningaustralia.org.au/what-we-do/climate-proofing-australia/>

⁴³ <https://farmersforclimateaction.org.au/what-we-do/partnerships/>

⁴⁴ <https://farmersforclimateaction.org.au/wp-content/uploads/2021/09/FCA-EY-FINAL-Report-Low-emissions-future-for-Agriculture.pdf>

How can Australia's agriculture sector realise opportunity in a low emissions future?

FCA commissioned Ernst & Young to develop a pathway to a low emissions future for the agricultural sector.

The report provides a conservative approach based on adoption, abatement costs and technological availability, with the aim of not requiring extensive herd reductions.

Facilitating Australian farmers to build the industry for the future

Emissions reduction from on-farm technologies and practices

Methane reduction

- Feed supplements and forages
- Selective breeding
- Vaccination
- Reduced time to market
- Biogas capture and waste management

Transport and electricity

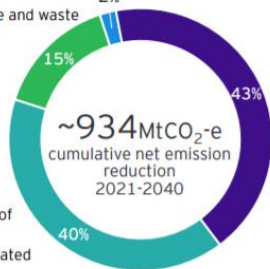
- Transition to electric vehicles on farm
- Adoption of renewable energy on farm

Improved land management

- Cropland carbon sequestration
- Degraded farmland restoration
- Improved pasture management
- Improved grassland management
- Savanna burning
- Stabilised fertilisers

Land use change

- Reforestation of marginal land
- Develop integrated shelterbelts



Income from carbon-related projects⁵

\$34.4bn - \$43bn by 2040.
Assuming average price of \$40 - \$50/tonne of carbon dioxide equivalent (tCO₂-e)

Supporting regional jobs⁵

23,350 - 46,700 supported jobs by 2040.
25 - 50 estimated supported jobs per million tonne of carbon dioxide equivalent (MtCO₂-e) abated³

Fig 2. Modelled emission reduction in Australian agriculture from 2019 to 2050. Income calculated using actions in line with current Emissions Reduction Fund requirements.

The Australian agricultural sector fundamentally supports the lives of Australians and our export partners across the globe by producing essential food, fibre and materials.

As a net exporter, the \$67 billion-a-year agriculture sector serves as a cornerstone of Australia's economy. It accounts for approximately 1.9% of Australia's value-added GDP and 2.6% of employment in 2019-20¹ with a \$100 billion-a-year aspiration by 2030.

As stewards of the land, farmers play a key role in helping Australia achieve its emissions reduction goals.

Australian agriculture constitutes:



The value of scarce natural resources and high-quality biodiverse land is becoming more recognised in the world's economic system with natural capital being valued and generating income streams. This presents increasing opportunities for farmers to diversify and grow their income from the land through mechanisms such as carbon farming and associated co-benefits.

The actions outlined in this report provide opportunities for farmers to grow their enterprises while helping Australia's fight against climate change by incentivising improvements to the quality and abundance of natural resources.

¹ Department of Agriculture, Water and the Environment (2021) Snapshot of Australian Agriculture 2021. These figures include Fisheries and Forestry which constitute approximately 8% of the overall value.

² EY modelling using Department of Industry, Science, Energy and Resources (2021) National Inventory Report.

³ Assumption based on Carbon Farming Industry Roadmap by the Carbon Market Institute

⁴ Australian Bureau of Statistics, Labour Force, Australia, 2019-20

⁵ Estimated income from carbon-related projects and supported jobs are based on MtCO₂-e abated in line with existing methodologies under the Emissions Reduction Fund (i.e. \$61 MtCO₂-e)



To achieve a low emissions future, the report highlights three key ways that the government would need to enhance its support for the sector:

1. Strong leadership, cohesion and coordination across the sector
2. Use of the economic system to incentivise and reward action that reduces emissions while also creating jobs and economic growth
3. Foster innovation through targeted investment to accelerate the update of low emission technologies and practices

The report argues that the proposed changes and government support would help income diversification, increase productivity and market access and long-term regional resilience.

The FCA annual reports detail progress against its strategic plan. It has a dynamic impact measurement framework to assess progress towards key goals monthly. FCA conducts annual surveys of the farmers and supporters to measure their satisfaction with the organisation's work and impact, and help inform new ideas for opportunities. FCA also conducts outreach to farmers, supporters and donors via an in-house call centre to provide updates on impact and seek feedback.

Despite the pandemic, FCA made significant progress against its theory of change and key focus areas. At the end of the financial year 2020-2021, the FCA evaluation demonstrated the strength of the movement, with:

- Over 6,000 farmers across the country working to implement emissions reduction initiatives on their farms, and 611 active volunteers that help deliver campaigns and events in communities.
- Over 7,600 individual campaign actions taken by farmers and 23 community groups were mobilised to support stronger climate policy.
- 42 meetings with rural politicians and eight federal rural politicians championing climate action.
- 1,132 farmers reported having greater knowledge of what they can do to reduce emissions on their farms after completing FCA training, with 86.7% reporting they have gained knowledge and skills.
- Over 130 farmers trained as media spokespeople, regularly engaging with the media and sharing their experiences on the frontline of climate change impacts, resulting in over 400 media items (not including syndication) featuring FCA or their farmers.

FCA played a key role in gaining bipartisan support for a net zero by 2050 target through its work with conservative politicians, the NFF, and its contribution to shifting the conversation about climate change across the agricultural sector. Prior to this, expert interviews pointed to the role they played in the NFF backing a net zero target. This was a significant policy achievement as the NFF is the nation's peak agriculture body and has a strong relationship with the Nationals. The NFF's shift in climate policy has contributed to the growing schism within the Nationals, which was made clear when Victorian Nationals politicians recently came out strongly in favour of stronger climate action.⁴⁵

In 2021 the FCA launched a roadshow in the electorate of Mallee and engaged over 60 farmers through events culminating in a forum where the local member, Anne Webster, announced she would not uphold the Nationals line on coal.⁴⁶ Similar shifts among Nationals MP was evident at the launch of the FCA and EY 'How can Australia's agriculture sector realise opportunity in a low emissions future?' report. The report was launched with National Farmers Federation (NFF) president, Fiona Simson and Victorian Nationals leader Peter Walsh. Coordinator for Australia's climate strategy for COP26, James Larsen, attended the

⁴⁵ <https://www.abc.net.au/news/2021-07-02/victorian-nationals-rift-with-federal-colleagues-barnaby-joyce/100263620>

⁴⁶ Giving Green – FCA Survey Response

launch and later sought advice from FCA on the Federal Government's commitment in the lead up to COP. The report also led to almost 700 media clips.

FCA's advocacy focused on policy changes that help farmers contribute to, and benefit from the transition to a clean economy have been successful. FCA advocated for bipartisan support for the establishment of the National Climate Change and Agriculture Work Program for state and federal agricultural ministers.⁴⁷ Adopted in 2019, this program focuses on four key priorities: the development and delivery of information and tools to improve on-farm decisions and risk management, research and innovation to support adaptation and mitigation technology, strengthening market opportunities for farming businesses and increasing biosecurity.⁴⁸ The newly formed Climate Change Task Group was then established to oversee the work program and report to the Agricultural Senior Officials Committee.

One expert noted that FCA played an integral role in recently approved changes to the Emissions Reduction Fund (ERF).⁴⁹ The ERF is a voluntary scheme that provides incentives for organisations and individuals to adopt new practices and technologies to reduce their emissions.⁵⁰ The changes introduced enhance farmers' access to the scheme. Changes included the addition of 'method stacking', which allows farmers to implement multiple ERF projects on the one property using multiple methods.⁵¹ In practice, this means that farmers can claim credits for implementing multiple sequestration methods (such as land regeneration) via the one application. Other policy wins include changes to the taxation of income generated through the sale of ACCU (Australian Carbon Credit Unit). Put simply, farmers are now taxed at a lower rate for income generated by off-set projects, such as increasing soil carbon, reducing livestock emissions, expanding opportunities for environmental and carbon sink plantings, and reforestation.⁵² The aim of this change is to incentivise further decarbonisation and offset initiatives. By facilitating further uptake of on-farm emissions reduction activities, farming communities are likely to be less resistant to increased national emissions reduction ambition.

The FCA has also played a significant role shifting the public discourse on climate policy and agriculture's contribution to net zero. Following the Government's announcement that it would not sign up to the Global Methane pledge launched at COP26 in November 2021, the FCA were one of the main industry bodies challenging the Nationals' party suggestion that this decision was to protect the agriculture sector.⁵³

⁴⁷ <https://www.agriculture.gov.au/ag-farm-food/climatechange/national-approach-agriculture>

⁴⁸ <https://djpr.vic.gov.au/about-us/news/national-climate-change-and-agriculture-plan-agreed>

⁴⁹ <https://www.minister.industry.gov.au/ministers/taylor/media-releases/new-erf-method-and-2022-priorities-announced>

⁵⁰ <http://www.cleanenergyregulator.gov.au/ERF/About-the-Emissions-Reduction-Fund>

⁵¹ <https://www.climatechangeauthority.gov.au/sites/default/files/2020-09/29%20-%20ERF%20Review%20Submissions%20-%20Farmers%20for%20Climate%20Action.pdf>

⁵² <http://www.cleanenergyregulator.gov.au/ERF/Choosing-a-project-type>

⁵³ <https://www.theguardian.com/australia-news/2021/nov/04/farmers-split-on-australias-refusal-to-sign-up-to-global-methane-pledge-at-cop26>

Room for Additional Funding

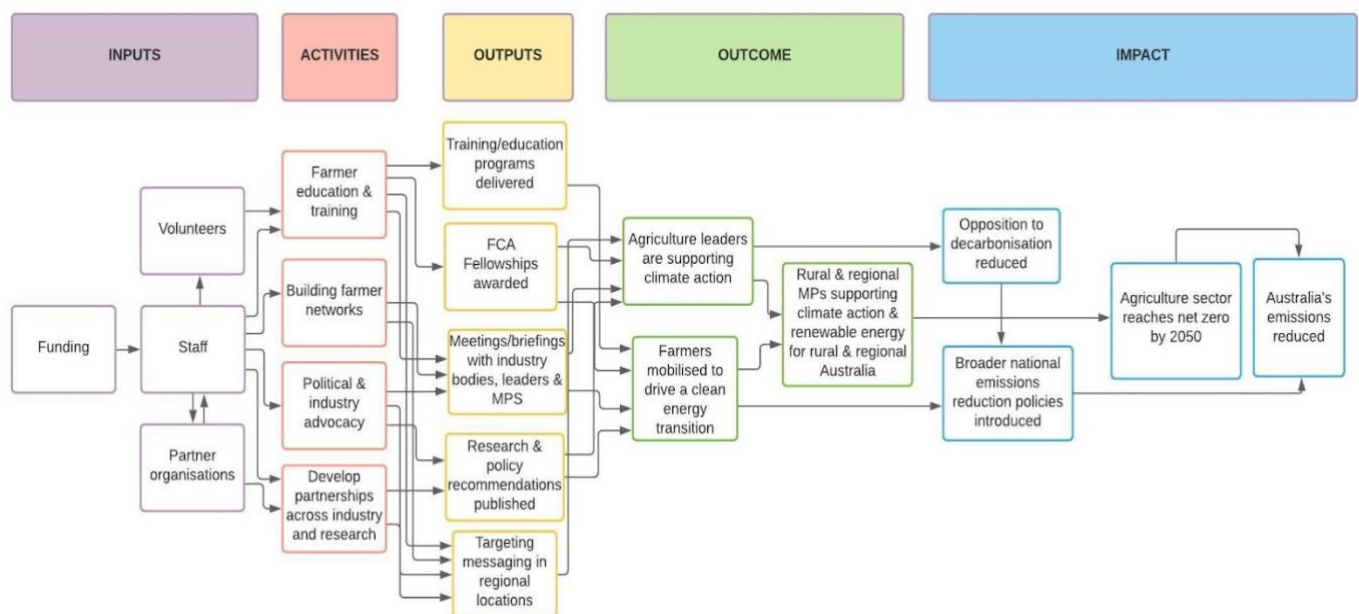
FCA is making a meaningful contribution to changing the narrative around climate action for key constituencies in the Australian political landscape. If they are successful, they could help shift The Nationals climate change policy and remove the main impediment to accelerating climate action at a federal level.

Immediate funding in the short-term would help FCA develop organising strategies for key electorates, and then establish member networks that would build local support for strong climate policy. This would include local campaigns and events to achieve politicians and candidate support for progressive climate policies. It would also involve ongoing training of farmers to build their engagement with media outlets to promote solutions and policy changes.

Ongoing marginal funding will help hire full-time professional staff needed to strengthen their policy acumen and build up the reach of their call centre. The latter will be important in supporting direct engagement with farmers across the country.

Theory of Change

FCA's theory of change is grounded in the belief that if it organises farmers, graziers and agriculturalists to lead climate solutions on-farm and advocate together, it can influence the sector and the government to adopt climate policies that reduce pollution and benefit rural communities.



Inputs

For the purpose of our assessment of FCA's Theory of Change and its ability to achieve the goals outlined, the primary input is funding. This funding is used to pay staff and support the delivery of their work streams. FCA campaigns and events are also supported by members and volunteers from across the country.

Activities

FCA uses its existing funding, members and networks to organise and train farmers, graziers and agriculturalists to both lead the development and implementation of climate solutions on their farms, and then use their collective voice to advocate for more progressive climate policies.

Outputs

By providing training and education initiatives for members, FCA helps farmers implement changes on farms that can reduce emissions, while at the same time position farmers as spokespeople for climate action in the agricultural sector. As a result, FCA is able to mobilise members and local community and industry networks to inform and drive advocacy efforts.

Outcomes

The combined outcome of FCA's work means that it can influence rural and regional politicians to drive and support policies that help reduce emissions, while at the same time help farmers capitalise on, and benefit from, the transition to a net zero economy.

Impacts

Emissions are reduced in the agricultural sector, while remaining profitable and sustainable. Resistance to accelerating climate action from rural and regional communities decreases, making deeper emissions cuts and more aggressive decarbonisation policies more politically feasible. Emissions in the broader economy are reduced, as is Australia's contribution to global warming. Ultimately, global temperature rise is limited to 1.5°C.

Assumptions behind Theory of Change

Below, we discuss and evaluate each of the assumptions related to the FCA theory of change. For each of the assumptions identified, we assess whether the assumption **most likely holds**, **may hold**, or is **unlikely to hold**. For each assumption, we assess whether the best available evidence, primary or secondary, suggests whether the assumption will plausibly hold or not.

1. FCA political and industry advocacy will influence current and/or incoming MPs to support stronger climate action and policies in rural and regional Australia (may hold)

Further analysis would be needed to assess the influence of FCA in key electorates to determine the potential impact on federal government policies. Despite being a relatively new organisation, there is early evidence of this type of influence. Experts have attributed FCAs industry advocacy efforts as being key in the NFF's shift to a net zero policy. This is hugely significant given the NFFs relationship to the Nationals. The State Nationals politicians support for the recent FCA report was also significant, with the event

attended by key federal Government climate policy makers. Going forward into the election year, FCA's significant growth and extensive local and political networks would enable them to be an influential voice in key seats.

Shifting the Nationals policy on climate change will also be contingent on FCAs ability to organise farmers in a way that can effectively counter the power of the fossil fuels sector.

2. The shift in rural and regional climate policies will contribute to/influence changes at the Federal level (may hold)

Regardless of whether the Coalition wins the next election, FCA's influence in key regional electorates has the potential to create a more bipartisan political environment conducive to stronger climate commitments and policies at the federal level. This assumption was supported by experts in the field, who highlighted their language in the public climate change discourse as being key to shifting the dial on Coalition climate policies.

3. There is a broader public understanding of the impact on climate change in Australia (most likely hold)

The FCA's recent positioning in the media and capability of their leadership team also lend support to this assumption, in that they are increasingly sought after spokespeople on the topic in both mainstream and conservative media outlets. A less direct, but related assumption is the role that this shift in public awareness and understanding could have on the federal election outcome.

4. FCA will be able to mobilise and train enough farmers in climate science and policy to equip them with the knowledge needed to implement decarbonising methods on their farms and enhances the Agricultural contribution to the net zero transition (Most likely holds)

It seems highly likely that FCA will become Australia's only farmer-led, and largest agricultural organisation focused on climate action in Australia in the next 12 months. Of the 45,000 active supporters, more than 6500 members are farmers. It is expected to grow to 8000 farmers at a minimum and is aiming for 10,000. The FCA's education initiatives provide access to information and expertise that meets the diversity of its members and is in the process of developing other programs, such as the national leadership program. Its past record in delivering training and assessment of farmers' efforts to then implement their skills and knowledge on farm suggests that this is likely to hold.

FCA is in a period of rapid growth and as noted by several experts, its ongoing impact will be reliant on the ability to expand the team in a way that caters to its growing supporter base, hones the targeted political and industry policy expertise required and achieves ongoing financial sustainability.

FCA has been able to achieve high impact in its short history with a very small staff team, but it is this limited capacity that poses the greatest challenge in realising its full potential. Hiring decisions will be key as FCA's work increasingly focuses on the policy space, with one expert noting the need for stronger policy experience on staff as key to mitigating this gap. While its funding has increased, it has been noted that further funding would be needed to secure the type of expertise required to capitalise on growing media and public presence and influence. There is a risk that without the strengthened in-house policy expertise the FCAs ability to shift Nationals policy may be limited.

As a comparatively young organisation, financial sustainability will be key to FCA having an ongoing impact. Recent internal fundraising efforts have been successful, with the Seed of Change campaign due to be re-launched and expanded in the coming months. One expert noted however, that FCA does not currently have the budget to capitalise on its growing media and policy influence. Developing ongoing and diversified income streams to support sustainable growth will also be vital.

Some may suggest that Australia cannot reach net zero emissions unless meat production is drastically reduced,⁵⁴ such that FCA's lack of a position on reducing herd sizes is inconsistent with effective action on climate change. Our view is that meat producers will continue to produce meat as long as consumers demand it (which 97 per cent of Australians still do)⁵⁵, and as long as it remains profitable. Neither a Liberal/National nor a Labor Government would ever consider a policy that would make meat production more expensive. It is more realistic to expect an Australian Government to consider policies that would incentivise alternative uses of farmland that help to reduce emissions (i.e. 'carrots' not 'sticks'): which Australia's Emissions Reduction Fund does. Moreover, there is high potential to reduce agriculture emissions using methane-reduction technologies that are in their infancy (such as feeding asparagopsis to cows)⁵⁶, and improved land-use methods (such as savannah burning)⁵⁷. Research and development support in the short-term could help farmers commercialise these solutions. FCA is well-placed to advocate for policies to incentivise this. We are therefore confident that recommending FCA for additional funding will have positive climate outcomes, especially because of FCA's influence in strategic Nationals-held electorates.

⁵⁴ <https://bze.org.au/wp-content/uploads/2021/02/Land-Use-report-2014-compressed.pdf>

⁵⁵ <https://www.abc.net.au/news/2019-10-26/vegans-comprise-just-1-per-cent-of-the-population-survey-finds/11635306>

⁵⁶ <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0247820>

⁵⁷ https://www.researchgate.net/publication/263932348_Fire_in_Australian_Savannas_from_leaf_to_landscape; see also <https://nph.onlinelibrary.wiley.com/doi/full/10.1111/nph.13130>

We believe that FCA is making a significant contribution to accelerating climate action in Australia. FCA are increasingly well positioned to play the role of both an insider and outsider advocate while at the same time helping change the story surrounding agriculture and climate change. Given the National Party, and the broader Coalition Government, is one of the most significant barriers to climate action in Australia, FCA's influence in key constituencies stands to make a significant contribution to Australia's transition to a net zero emissions economy. Additional marginal investment would help FCA scale their advocacy efforts and policy influence, including hiring a policy expert and expanding the call-centre team to enhance their farmer outreach efforts. Based on our research, we believe that FCA will make a significant contribution to accelerating climate action in Australia.