MLA Sustainability Update

CN30 – Australian Beef & Sheep Sustainability Frameworks

January 2024

As international markets and governments, central banks, investors, and customers escalate their climate change and biodiversity commitments, there is increasing expectation on countries and industries to demonstrate their sustainability commitments and material performance and progress.

As custodians to over half Australia's natural resource base, the Australian red meat & livestock industry has an important responsibility in continuing to provide highly nutritious food to an increasingly hungry world and play a major role in mitigating climate change.

The Australian red meat and livestock industry has taken strong leadership, in setting the ambitious target to be Carbon Neutral by 2030 (CN30) and in the delivery of the Australian Beef Sustainability Framework (ABSF) and the Sheep Sustainability Framework (SSF).

Carbon Neutral by 2030

The CN30 target means that by 2030, Australian beef, lamb and goat production and meat processing, will make no net release of greenhouse gas (GHG) emissions into the atmosphere.

The livestock industry's major GHG, enteric methane emissions, is part of the natural, biogenic carbon cycle. That means enteric methane once emitted into the atmosphere is converted into carbon dioxide (CO2) and water (H20) which are taken up by plants through photosynthesis, these plants are eaten by livestock and so the cycle continues.

To date, the industry has already lowered its net greenhouse gas (GHG) emissions by 64.8% since the 2005 baseline year. Current emissions total 51.3Mt CO2-e/year, down from 145.3Mt CO2-e/year in 2005. This means that industry's contributions to national emissions has dropped markedly from 22% in 2005 to 10.3% in 2020. This progress has been heavily reliant on vegetation regrowth on land associated with red meat production in northern Australia. Commercialisation and adoption of methane mitigating technology that directly lowers emissions will be critical over the decade.

The Australian industry's servicer provider, Meat & Livestock Australia (MLA) has invested heavily in research and development to reduce enteric methane emissions, increase storage of carbon in soils and vegetation and investigate the necessary training, practice change and integrated management services, to enable adoption of this work throughout the supply chain.

Key strategies, technologies and management practices aimed at boosting productivity and reducing emissions include:

- methane-reducing feed additives such as 3-NOP and *Asparagopsis,* (a red seaweed) are showing significant promise for their ability to reduce methane emissions while not negatively impacting on the nutritional quality or flavour of red meat.
- delivery mechanisms to direct supplements into grazing environments.
- animal genetics and husbandry practices to increase production efficiency and reduce methane emissions intensity.
- livestock supplements, pasture shrubs and legumes to improve livestock productivity and lower enteric methane emissions.
- trees and scrubs, legumes and pastures that build feedbase and carbon stocks and improve animal health and biodiversity.

- dung beetles to improve carbon storage, feedbase production and livestock productivity.
- equipment to capture and reuse methane from processing waste treatment.
- energy efficiency and renewable energy technology to reduce carbon dioxide emissions.
- equipment to reduce nitrous oxide and methane emissions from manure management in livestock grain feeding.
- savanna burning management methods to avoid emissions of nitrous oxide and methane resulting from 'hot' burns.

Ag consortium secures unprecedented $300M research fund for net zero transition.

In 2023, the industry welcomed the successful bid of the Net Zero Emissions Agriculture CRC, a nationwide fund with the goal to accelerate Australian agriculture's transition to net zero by 2050. Meat and Livestock Australia are a co-contributing partner, joined by major Ag and Agrifood enterprises, AgTech SMEs, producer groups with thousands of farmer members, farm retail businesses, 5 state and NT governments, and 10 universities. Livestock emissions are one of four priority investment streams, therefore the Net Zero CRC will leverage additional research and extension funding from the $300 million total funding over the next ten years. It is the largest CRC by funding dollars in the country.

Read: New research centres to tackle methane emissions and plastic pollution | Ministers for the Department of Industry, Science and Resources

Hewitt Foods partners to drive sustainable performance among suppliers.

Meat and Livestock Australia alongside Hewitt Pastoral launched Food for the Future**.** This project will engage hundreds of producers nationally to review current and emerging trends within the meat and livestock supply chain to implement future-driven, sustainable practices.

The study aims to deliver industry-wide emission reduction planning, enhanced biodiversity projects, improved natural capital outcomes, and expanded regenerative agriculture techniques. For Hewitt, this includes the potential for carbon and environmentally-branded red meat products. Importantly, it will also provide valuable, hands-on learning opportunities for Australian producers and farmers who are at the frontline of implementing climate-sensitive agricultural practices. Hewitt Foods has also recently expanded their carbon neutral product line, certifying all protein sold under the *Cleavers Organic* label with Carbon Reduction Institute.

Australian Beef and Sheep Sustainability Frameworks

The Australian Beef and Sheep Sustainability Frameworks (ABSF and SSF) were developed by industry to meet changing market expectations around sustainability and ensure industry's ongoing market advantage.

The frameworks are industry -led but customer and investor focused. They commit industry to a pathway of sustainable best practice, and track performance through independent evidence against key sustainability commitments.

These four commitments are:

- providing the best animal care
- enhancing our environment and climate
- ensuring the economic resilience of our industry
- looking after our people, customers, and community.

At the centre of the frameworks are their commitment to regular and rigorous materiality assessments. The assessments define the material topics or issues that are important to both industry and its customers and investors. These sustainability topics are those that industry commits to demonstrating performance and progress against annually, through a series of relevant indicators and metrics and the exhaustive collection of the best available relevant data. The SSF is currently undergoing its second materiality assessment and the ABSF will undergo its third materiality assessment next fiscal year.

In terms of current performance:

- **Best animal care:-** the industry is underpinned by the Australian Welfare Standards and Guidelines, regulated by the country's state and territory governments and wholeheartedly commits to a series of animal welfare assurance programs, including Livestock Producer Assurance (LPA) program; Exporter Supply Chain Assurance System (ESCAS); National Feedlot Accreditation Scheme (NFAS); and Australian Livestock Processing Industry Animal Welfare Certification System (AAWCS) In addition, the use of pain relief for necessary animal husbandry practices continues to increase exponentially, as does the number of sheep producers committing their fibre to product integrity schemes to market, while mortality rates of livestock during sea voyages continues at record low.

- **Environmental stewardship:** - in addition to industry's positive carbon neutral progress, the net change in national woody (forest and woodland) cover extent increased, while percentage of natural resource management regions achieving healthy ground cover thresholds remains strong at over 60% despite the challenges of severe drought conditions across many regions.

- **Economic resilience:** - Australia's red meat and livestock turnover grew by 7.7% to $75.4 billion (2020-21) while the export value of red meat and livestock also rose by 17% to $17.6 billion (2020-21). Australia remains free of all exotic diseases and enjoys access to over 100 export markets. With the Australian government's strict biosecurity and traceability regime, the National Livestock Identification Scheme (NLIS) increasingly important in today's climate in protecting against biosecurity threats and guaranteeing assurance.

- **Supporting our people, customers, and community:** - the sector continues to play a vital role in economic activity, particularly in regional communities, as evidenced by the strong sale figures as well as the sector employing a total of 433,000 people nationally. Consumers in Australia and around the world continue to place very high value on Australian red meat, due in no small part of industry's investment in world class meat grading program, Meat Standards Australia (MSA), which has firmly cemented our global reputation for reliably good eating quality red meat.

In demonstrating its commitment to sustainability, the Australian beef industry this fiscal year committed to four new goals in addition to Carbon Neutral by 2030. These are:

- the Australian beef industry is guided by the five domains of animal welfare – the industry provides all cattle with an environment in which they can thrive.
- by 2030, the Australian beef industry will demonstrate its net positive contributions to nature.
- the value of Australian beef industry products and services doubles from 2020 levels by 2030, resulting in a profitable and resilient industry.
- the Australian beef industry is trusted, attractive to a diverse workforce, a source of pride and belonging, and makes a positive contribution to the food security of Australian and international communities.

The next step will be to set targets to track progress towards achieving these five goals.

Supporting supply chain sustainability commitments

In acknowledging their importance, supply chain stakeholders, customers and investors are increasingly relying on the information and data provided by the Frameworks to support their own strategic planning and sustainability commitments.

In a commercial first, Australian beef processor Greenham has applied CN30 and ABSF to its grassfed supply chain. Greenham has applied the ABSF – principles, sustainability themes & priorities to the Greenham Beef Sustainability Standard (GBSS) accreditation to deliver a new product into the US market, that provides financial incentives to its producer suppliers and ecological benefits to the farm-gate.

Queensland based Stockyard Beef has also applied the ABSF principles, sustainability themes and priorities to securing Australian agriculture's first sustainability linked loan (SLL)with Commonwealth Bank of Australia (CBA) to its beef production and export business.

SustainaWOOL, the national product integrity scheme for wool has also been updated to align with the Sheep Sustainability Framework's principles and sustainability themes.

The frameworks are also proving valuable in international and national negotiations and diplomacy. Being able to refer to the Frameworks annual reports to demonstrate Australia's credentials, and even more critically, the data contained in them to prove these claims, is crucial to Australian agriculture's reputation and our future trade success.

As international markets and governments escalate their climate change and biodiversity commitments, there are increasing expectations on industries to demonstrate their sustainability commitments and material performance and progress through globally accepted agreements, sustainability standards and frameworks.

The United Nations Sustainable Development Goals (SDGs) provides an urgent call to action by all countries to work toward a shared blueprint for peace and prosperity for people and the planet, now and into the future. Industry is committed to the UN SDGs and the ABSF and SSF continue to align their key priorities with the relevant SDG goals.

The ABSF is a member of the Global Roundtable for Sustainable Beef (GRSB) working to a world where beef is a trusted part of a thriving food system to which the beef value chain is environmentally sound, socially responsible, and economically viable. The ABSF will sit on the GRSB Board of Directors for 2024 and 2025.

MLA is a member of the Sustainable Agriculture Initiative (SAI) Platform Australian Chapter, a member-based organisation committed to supporting the development of sustainable agriculture. The SAI platform draws its strength from these different corporations and sectors, coming together to solve problems, to improve the sustainability and productivity of agriculture.

Going forward, the ABSF and SSF will report in alignment with the Global Reporting Initiative (GRI). The GRI is recognised as the international sustainability reporting standard and enables sectors and organisations to report information about their most significant impacts on the economic, environment and society, including impacts of human rights and articulate how those impacts are managed to support market access and market opportunities.

More information:

Margaret Jewell
Program Manager
Environmental Sustainability, MLA
E: **mjewell@mla.com.au**

Edwina Clowes
Manager
Sustainability Frameworks & Stakeholders, MLA
E: **eclowes@mla.com.au**

Meat & Livestock Australia: mla.com.au

MLA's Sustainability Report: mla-sustainability-impact-report-23-web.pdf

CN30: mla.com.au/cn30

Australian Beef Sustainability Framework: sustainableaustralianbeef.com.au

Sheep Sustainability Framework: sheepsustainabilityframework.com.au