

NBI presents their preliminary findings on the just transition pathways for agriculture

On Tuesday, the National Business Initiative gave stakeholders a 'sneak-peak' into their preliminary findings on the just transition pathways for agriculture, forestry and other land uses. For those who may not be familiar with the term, the 'just transition' refers to the process whereby economic sectors within the global economy can reduce their greenhouse gas emissions to halt the advance of climate change. With the backdrop of COP 26 currently taking place in Edinburgh, there is a growing, global consensus that we need to transition towards a green economy. The 'just' element is key as there is an inherent risk that underdeveloped countries may be treated unfairly vis-à-vis developed countries who have the benefit of 150 years of carbon-intensive development. Likewise, not all sectors in the economy have the same mitigation potential and there must be an element of justice for employees working in carbon-intensive industries whose livelihoods may be at risk if appropriate plans are not put in place.

The work which the NBI is conducting, and into which Agbiz made inputs, attempts to map out the mitigation potential of major economic sectors, interventions that can feasibly be made as well as the investment that will be required to achieve the just transition. On Tuesday, the NBI presented their preliminary findings for the Agriculture, Forestry and Other Land Use Sector (AFOLU) as well as the gas sector.

The AFOLU sector is in a unique position it must address both mitigation as well as adaptation. The sector is an emitter of greenhouse gas emissions with AFOLU accounting for 10% of the economy's emissions, primarily split primarily between livestock (75%), fertilizer (18%) and fuel combustion (7%). The sector must therefore look at ways in which its greenhouse gas emissions can be reduced (mitigation). In addition, it is the sector that is likely to be hit the hardest by the effects of climate change. Although the estimates vary between different scenarios, the report indicates that the interior is likely to get hotter and drier as the semi-desert areas expand. In addition, the east coast is likely to become more tropical whilst the western cape could become drier in all scenarios. This will naturally impact on the agricultural practices in these areas and may well prompt land use changes over the long term. A large focus is therefore placed on ways and means by which the sector can adapt to the effects of climate change. The report also sets out the commodities that are likely to be most and least affected by climate change.

In line with the methodology of the research, it is recognized that not all sectors have an equal ability to reduce their carbon footprint. As far as agriculture is concerned, the biggest gains could be made through more targeted fertilizer application practices and manure management to unlock the energy potential within manure from livestock. Through better agricultural practices, the sector can at best reduce its greenhouse gas trajectory by 37% between now and 2050. If, however, dietary changes prompt land use changes that result in a reduced demand for livestock products, the sector could reach a mitigation goal of 71% reduction by 2050.

Naturally, this is based on the assumption that dietary preferences will change dramatically and there are a number of factors that could influence these projections. For example, the

Theo Boshoff

Head: Legal Intelligence
Tel: +27 12 807 6686
Email: theo@agbiz.co.za

www.agbiz.co.za

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dietary preferences in South Africa are largely driven by disposable income whilst export potential and a commodities' relative competitiveness in the global economy will also affect demand. The presentation hence captures the scientific potential well, but additional work on economic modelling may be needed to see where commodities are actually headed. These uncertainties aside, the presentation did an excellent job to quantify the risk and opportunities available to the sector. It should be noted that the report focused primarily on primary agriculture as other elements of the agri-food value chain are included under the reports that focus on transport and manufacturing.

The final report on the AFOLU sector is anticipated later this month and Agbiz eagerly anticipates the final findings. In the meantime, we have linked a presentation setting out the initial findings.