

# IJGlobal ESG Innovation Award, APAC – Macquarie Asset Management, Agriculture

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Angus Leslie Melville

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The role of agriculture in infrastructure increasingly crops up across the globe and Macquarie Asset Management (MAM) secured the support of the independent panel of judges with its submission in this category.

One of the IJGlobal ESG Awards 2024 judges said: “This is a key area of needed investment and – as is evident – MAM is investing at needed scale.”

Another of the judges added: “While these awards should always focus primarily on core infrastructure and energy, there always needs to be some latitude to look beyond Core+ and this fits very much in that realm. What MAM Agriculture is doing here is pivotal for the agricultural asset class.”

MAM Agriculture is one of the largest diversified farmland investment managers, with A\$4.7 billion in assets under management, encompassing some 4.6 million hectares of farmland (as of 31 March 2024).

As part of MAM’s net zero commitment for its portfolio, its operating companies have developed business plans with detailed decarbonisation pathways supporting an objective to achieve Paris aligned net zero Scope 1 and 2 emissions by 2040.

As of 31 March 2024, more than 85% of MAM Agriculture’s assets under management had board-approved net zero plans in place.

The submission states: “Assisting in delivering upon MAM Agriculture’s decarbonisation objective across its operating assets is promoting the trialling and early adoption of technological innovations to determine potentially viable decarbonisation proof points to increase the uptake of climate solutions across the Australian row cropping and livestock sectors.”

Established in 2018, the Energy, Emissions and Efficiency Advisory Committee (3EAC) is a collaboration between:

- MAM Agriculture
- Clean Energy Finance Corporation (CEFC)
- Commonwealth Scientific and Industrial Research Organisation (CSIRO)

3EAC was established to support MAM Agriculture manage portfolio companies in line with reducing the energy and emissions intensity of their operations, and to promote the adoption of agricultural practices that seek to align with limiting the global temperature rise to 1.5 degrees Celsius.

Over the course of 2023, 3EAC met to discuss a range of matters across the MAM Agriculture portfolio.

In addition to discussing live decarbonisation initiatives across the Viridis and Paraway businesses, these matters included an assessment of major emissions sources and decarbonisation challenges that the 3EAC can address by leveraging the expertise of the CEFC and CSIRO.

The submission states: “Continuing our philosophy of sharing knowledge and practices with the broader agricultural industry, we were also pleased to share the decarbonisation learnings from our portfolio and support the acceleration of the industry’s transition to net zero through Paraway’s first 2 on-farm fields days.”

But on a more granular level, throughout the awards review period MAM Agriculture’s portfolio companies undertook projects that sought to trial and implement new technologies and practices to improve the sustainability and productivity of their agricultural operations.

These included trialling fertiliser management strategies to reduce the emission intensity of operations; utilising autonomous technology to optimise productivity and safety outcomes; and trialling a tracking platform to measure changes in soil carbon levels.

With some 70% of both Cubbie Ag and Viridis Ag’s absolute gross emissions attributable to fertiliser usage, both portfolio companies trialled several innovative fertiliser management strategies such as Utrisha N, Agri-Cal and altering the fertiliser application process with the aim of reducing the emissions intensity of its operations.

On the machinery efficiency and safety front, Viridis Ag in 2023 introduced AutoTrack Turn Automation (ATTA) and autopath software in select farm machinery at its Gindurra and Wiltoo farms to optimise productivity and safety outcomes. The use of this autonomous technology has the potential to reduce safety incidents and boost productivity, in addition to demonstrating fuel efficiency benefits.

And then, when it came to remote measurement of soil carbon, Viridis Ag trialled the Downforce Technologies soil carbon tracking platform across the Gindurra farm throughout the 2023 season. Valuable insights were gained from the trial including in relation to the potential for increased soil organic carbon stocks under MAM’s management.

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