

## New Zealand to take next step on agriculture emissions reduction plan

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New Zealand Government has worked alongside farming leaders to adapt the proposed system for reducing agricultural emissions, which will protect future export growth, says Jacinda Ardern, Prime Minister of New Zealand.

A section 215 report released, outlines several changes to the proposed emissions pricing system that give greater certainty for farmers and better recognise on-farm sequestration.

“After listening to farmers and growers through our recent consultation, and engaging over recent months with industry leaders, we have taken the next steps in establishing a proposed farm-level emissions reduction system as an alternative to the ETS backstop,” Jacinda Ardern said.

“Our shared goal is supporting farmers to grow their exports, reduce emissions, and maintain our agricultural sector’s international competitive edge into the future. By continuing to work through our different positions together, we move closer to achieving long term consensus on a plan that works.

“The most important thing is getting an emission reduction system set up that lasts. We are working hard alongside the agriculture sector to strike the balance between building good levels of sector buy in, while also ensuring the system is robust and meets our emissions reduction goals.

“Tesco, the biggest buyer of New Zealand products in Britain, wants all their products to be environmentally accredited and reach net zero across their entire supply chain by 2050,” Jacinda Ardern said.

Damien O’Connor, Agriculture Minister said the Government understood the need for greater certainty for farmers and growers in their business planning.

“We have committed to a five-year price pathway for levy rates from 2025, giving farmers the price certainty they have asked for out to 2030.

“Oversight of the levy setting system will rest with the Climate Change Commission, but we are establishing a board with representatives from the agriculture sector and Māori to provide advice and act as an avenue for sector input.

“The farming sector will have input into the decisions around recycling income raised by the levy back out to the sector. That means farmers will have a say on the types of actions that will make the greatest impact on-farm to reduce emissions.

“The Government is also urgently working with the sector to develop a process to recognise on-farm carbon sequestration, which is a top priority for farmers. Sequestration needs to be recognised in a way that is fair, cost-effective, and scientifically robust.

“We will continue to support farmers and growers to lower agricultural emissions. Budget 2022 contained over \$380 million to support the sector, which includes a new Centre for Action on Agricultural Emissions,” Damien O’Connor said.

“We’re partnering with the sector to invest \$27 million into the Centre’s first three projects to bring down emissions which include developing a methane inhibiting bolus, increasing the supply of low methane rams, and investing in urgently needed greenhouse gas measurement equipment and infrastructure.

“We’ve set up a joint venture with key sector companies, including ANZCO Foods, Fonterra, Ravensdown, Silver Fern Farms, Synlait, and Rabobank to deliver emissions reduction tools to farmers sooner. Those companies see the importance of reducing emissions for our international markets and sustainability credentials,” Damien O’Connor said.

Final decisions on agricultural emissions pricing will be made by Cabinet in early 2023 with the aim to introduce legislation by the middle of the year.