

SUBMISSION TO  
THE MINISTRY FOR THE ENVIRONMENT  
AND MINISTRY FOR PRIMARY INDUSTRIES

on

***Pricing agricultural emissions***

New Zealand Deer Farmers Association



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## 1. Introduction

- 1.1 The New Zealand Deer Farmers Association (NZDFA) welcomes the opportunity to make a submission to The Ministry for the Environment (MfE) and Ministry for Primary Industries (MPI) in response to the consultation document "*Pricing agricultural emissions*".
- 1.2 As noted in the Deer Industry New Zealand (DINZ) and He Waka Eke Noa submissions government proposals for agricultural emissions pricing, as set out in the consultation document, are not acceptable to NZDFA or the farmers we represent.
- 1.3 NZDFA shares concerns with other pastoral-based farmer organisations but has particular affinity with sheep and beef (drystock) farmers as:
  - i. Deer farms tend to be multi-species.
  - ii. Products derived from deer farms are similar (venison alongside beef and lamb, annual velvet harvesting alongside wool).
  - iii. Deer farms occupy the same land classes, run similar production systems (breeding, venison finishing/velvet), and have similar levels of stocking rates and inputs.
- 1.4 This submission focuses on those areas of the He Waka Eke Noa recommendations and/or government proposals where NZDFA feels it would be useful to provide a specific deer farming perspective.
- 1.5 This submission focuses on two key areas of the proposed emissions pricing system:
  - Price settings and transitional arrangements.
  - Sequestration and biodiversity credits.

## 2. The New Zealand Deer Farmers Association and Our Industry

- 2.1 New Zealand is the world's largest producer of farmed deer. The main products marketed from deer are venison and deer antler velvet and approximately 95 % of products are exported. In the year ending 30 September 2021, deer products were worth around \$250 million in export receipts to New Zealand; the national herd was estimated at 840,000 deer.
- 2.2 The New Zealand Deer Farmers' Association (NZDFA) is a voluntary subscription based Incorporated Society (established in 1975) and acts as an industry-good body established to represent the interests of New Zealand deer farmers, families and staff and to promote and assist the development of the deer farming industry in New Zealand. The NZDFA has over 1000 subscription paying members, estimated to be 75 % of all deer farmers. It is nationally represented by a four-person Executive Committee (including the NZDFA Chairman) and regionally through 16 branches and special interest groups.
- 2.3 The industry is the youngest pastoral-based industry in New Zealand (the first deer farm licence was issued in 1970) but provides diversified markets and additional

revenue to and complementary land use with other pastoral farming industries. Indeed about 80 % of deer farmers also farm other livestock species and/or arable crops.

- 2.4 Due to different seasonal feeding requirements to sheep and beef cattle, deer farming can optimise pasture growth in certain parts of the country: in other words, deer are a perfect fit for some areas both from production and environmentally friendly perspectives.
- 2.5 It is also important to note that deer farming, like sheep and beef farming is overwhelmingly an *extensive* (not intensive) farming operation: Stocking rates typically range from 3 stock units per hectare to 19 stock units per hectare with imported feed supplements accounting for less than 5 % of the total feed budget. They are also generally low input systems (e.g. minimal use of irrigation and fertilisers) but are extremely sensitive to increased costs of production. By way of contrast, more intensive dairy milking platforms might start at 18 stock units per hectare and range up to 28 stock units per hectare.

### 3. Key points

- 3.1 Deer farming is a small but complementary land use that creates real added value and diversifies income streams that are then recycled back into New Zealand and the communities our deer farmers live in.
- 3.2 We want to continue to be viable and grow the sector, while being part of the answer to better environmental outcomes and solving climate change. Our industry offers diversified markets for venison, unique markets for velvet and a long, proud history of environmental stewardship and animal welfare.
- 3.3 A key consideration for deer farming to remain viable is **the limited mitigation options to reduce greenhouse gas emissions (beyond reducing stock and therefore profit)** in the near future. The pricing of these emissions and the pricing mechanism itself are therefore greatly important for deer farming. The deer sector may well be the last cab off the rank in terms of commercially available mitigations and it will be a priority for us to accelerate research and development in this area.
- 3.4 We note that there are already anecdotal reductions in deer herds and deer farms through land use change to forestry (carbon farming) and current environmental regulations. While we do not have access to any data to quantify the extent of these reductions, they do indicate that existing circumstances may obviate the need to impose additional or large levies on greenhouse gas emissions. This has also been noted in previous modelling of pricing scenarios (Denne, T. 2022. *Pricing agricultural GHG emissions: impacts on dairy, sheep & beef and horticulture industries*. Report for He Waka Eke Noa).
- 3.5 This is compounded for those properties where either regional rules or climatic conditions (e.g., in parts of the South Island) constrain or completely remove the availability to use genuine sequestration to lower the impact of the emissions levy. The resulting impact, particularly for hill country breeding operations (where revenue per unit of output is lower and which supply stock to the rest of the industry), is potentially large

impacts on Effective Farm Surplus (EFS). This is also likely to cause emissions leakage given NZ's efficient production systems.

- 3.6 The impact of the principle that the price of methane should be the same price per kg regardless of source and not be related to emissions per hectare or emissions per unit of product, is that some farm systems, like deer, face a higher methane cost per unit of output. The key give-and-take in the recommended He Waka Eke Noa system was that those sectors that had access to early mitigations would lead the way for the whole sector in achieving the required emissions reductions, and in recognition of strong existing pressures from ETS forestry on sheep, beef, and deer farms, and to reward genuine sequestration, recognition for sequestration would be a critical feature of the scheme.
- 3.7 We sincerely hope that mitigation technologies that are available in the short term for some parts of the sector are successful in reducing emissions sufficiently on behalf of the whole sector. But the timeframe in which this plays out is also critical. The deer sector will be contributing fully to the revenue of the scheme but will unlikely have access to early mitigations and many of our farmers will be constrained in their ability to access sequestration. In particular the Mackenzie basin, large areas of the South Island high country, Northland and parts of Hawkes Bay have regulatory restrictions while other parts have climatic limitations like central Otago where trees can be planted but establishment, growth rate and viability of planting trees is hard due to cost, rabbits, climate and soil type, or lack of soil. These constraints elevate the short to medium term viability risks for some of our farmers.
- 3.8 A key outcome for NZDFA is ensuring the agriculture emissions pricing system is able to effectively support otherwise viable farmers to transition to lower emissions systems in a way that allows them to remain profitable. We don't want a lack of mitigations and/or access to sequestration to put otherwise viable farmers out of business while good work takes place to create and implement solutions across the sector.
- 3.9 NZDFA believes this will require a number of elements:
- The development of more accurate emissions factors for deer.
  - A cautious approach to pricing e.g., starting with a lower methane price of around 5c/kg and maintain this price for a minimum of five years.
  - A requirement to balance the range of factors recommended by He Waka Eke Noa in setting levy rates.
  - Provision of levy relief on a case-by-case basis, as a transitional measure. We also think that further work is required to explore a mechanism that enables groups of farms to receive levy relief if they meet the agreed criteria and have similar characteristics e.g., location and climate, land type, farm type, species mix, regional rules.
  - Regular reporting of emissions reductions at the sub-sector level. This will be used to inform system improvements e.g., price settings, incentives, and transitional price relief.
  - That the same sequestration categories that were put forward in the He Waka Eke Noa Recommendations Report be eligible for payment from 2025.

- Biodiversity credits that provide a mechanism for farmers and growers to be rewarded for investing in on-farm indigenous vegetation restoration projects through helping to overcome the capital investment challenges associated with these projects.
- 3.10 NZDFA notes the argument that inclusion of sequestration payments will add administrative complexity and expense to the pricing system and that the government's proposed option of expanding ETS criteria for on farm sequestration could offer an alternative to the inclusion of sequestration payments to on-farm emissions levies. While this is not NZDFA's preferred position (see paragraph 5.3 below) as this removes the one option available to many deer farms to reduce the levy burden *and offset* emissions within the scheme, this approach may be considered concurrently with a review of the legislated emission reduction targets for methane and nitrous oxide. NZDFA has previously stated its support for reviews in its submission to the Climate Change Commission (28 March 2021):
- 3.11 *"We note that the legislated targets represent an aspiration based on political will and received advice at the time. That advice is likely to change over time as greater knowledge and understanding of impacts of various emissions is developed. We would support the Commission in raising the discussion on a regular and frequent basis around the knowledge used to inform these targets. An example could be a more robust analysis of the level of short-lived gases that helps achieve our international commitments."*
- NZDFA also supports a pricing system that has an end point and outcome, i.e. where a farm is operating to the optimum level of efficiency and utilising all available and appropriate mitigation measures, there is no levy on emissions (at least for methane). In contrast we note that lifestyle block owners are exempt from any levies but are estimated to contribute up to 6 % of (total) agricultural emissions, while deer are only 1.6 %.
- 3.12 Notwithstanding our support for a pricing mechanism for agricultural emissions with essential elements outlined in paragraph 3.9 above, we also note the small (and stable) contribution of farmed deer at 1.6% of agricultural emissions. Pricing that threatens the viability of an otherwise legitimate and sustainable land use for such a small impact on reduction of emissions level seems disproportionately harsh and excessive. A pricing differential for emissions that recognises the minor impact and generally low input and absence of mitigation options but otherwise contributes to revenue to develop mitigation technology for deer farming could contribute meaningful emissions reductions (when solutions are commercially available) while maintaining the valuable and complementary revenue and social contributions from our small and diversified industry.

## **4. Pricing setting and transitional arrangements**

- 4.1 NZDFA acknowledges that industry groups in the He Waka Eke Noa partnership have agreed on a single price for methane and single price for nitrous oxide that are agnostic of livestock species and intensity of the farming systems. NZDFA accepts that this represents a compromise between the groups but wishes to emphasise the following factors that uniform pricing will struggle to capture:

- 4.2 We have noted the difference in scale of intensity between (extensive) drystock and intensive dairy systems in paragraph 2.5 above. Additional differences include the complexity of multi-species and revenue streams on variable topography for drystock farms versus the single species, single product (milk) on uniform topography. Revenue cash flow differs greatly as well. In other words, there are two completely different production systems with completely different sets of drivers and levers. It is therefore of no surprise that a uniform pricing system will produce non-uniform impacts on these different production systems.
- 4.3 NZDFA also notes that since 1990 the contribution of farmed deer (methane) emissions to the total agriculture methane emissions has remained at around 1.3 % up to 2020 (the latest year published in the national inventory) and the actual amount is virtually unchanged between 2017 and 2020 (498 kt CO<sub>2</sub>-e). It therefore seems highly inequitable that all modelling of a uniform on-farm pricing approach show that the impact is most detrimental for deer (and sheep and beef) farms.
- 4.4 As noted in the He Waka Eke Noa submission all the modelling conducted to support analysis of emissions pricing (He Waka Eke Noa sectoral impacts, BLNZ modelling, DINZ Case Studies, and the government modelling) indicates that the impact of emissions pricing could fall relatively heavily on mainly sheep, beef, and deer farmers.
- 4.5 By removing key elements of the recommended He Waka Eke Noa system, the government proposals elevate the risk that a greater number of deer farms become unviable due to emissions pricing. To clarify: a viable farm is one that generates income that would provide for a reasonable living wage and return for the hours worked and investment made, as would be expected for any other work. This is in addition to covering business costs and includes other investments associated with environmental enhancement.
- 4.6 This would add to the strong existing pressure of current ETS forestry settings that incentivise blanket afforestation of productive sheep, beef, and deer farms with exotic and monoculture pine trees (in those areas of the country where this is allowed).
- 4.7 Additional DINZ analysis of 40 (mainly) deer farms, confirms that the burden falls more heavily on hill country breeding properties. The key characteristics of those deer farms likely to be more heavily impacted by emissions pricing are:
- Hill country properties – on Land Use Capability classes 5-7.
  - Greater area and relatively lightly stocked i.e., more extensive.
  - Breeding properties with a low focus on velvet (a focus on velvet helps improve returns).
  - In areas where regional rules and/or climatic conditions constrain access to sequestration.
- 4.8 As noted above a critical focus for NZDFA is ensuring the agriculture emissions pricing system is able to effectively support otherwise viable farmers to transition to lower emissions systems in a way that allows them to remain profitable (i.e. profit after fair pay is provided for all those who work on farm and allows ongoing

investment in the business). The sector is agreed that we don't want a lack of mitigations and/or access to sequestration to put otherwise viable farmers out of business through to a point where there are viable mitigation options.

- 4.9 NZDFA believes this will require a number of elements relating to price setting and transitional arrangements:

**A cautious approach to pricing.**

- 4.10 In line with the DINZ submission we support an initial levy rate range that is set for five years to provide certainty for farmers, with the methane rate being as low as necessary to generate funds to support research, development and uptake of mitigation tools for deer farming. The recommended starting range for methane would be no greater than 5c/kg methane.
- 4.11 Emissions pricing is not the primary driver of change in the He Waka Eke system. Pricing is primarily a means to fund the activities that will support incentives for farmers and growers to make the changes needed to reduce emissions and has been designed to work alongside other drivers of change e.g., signals from processors, banks etc.
- 4.12 This recommendation supports a cautious approach to pricing. It helps to avoid unintended consequences for rural communities, would fit within the system proposed by He Waka Eke Noa and the Government, and avoid additional administration costs or implementation complexity.

**A requirement to balance the range of factors recommended by He Waka Eke Noa in setting levy rates.**

- 4.13 We strongly support the He Waka Eke Noa submission.
- 4.14 This is critical as we cannot meet the objective of reducing emissions while maintaining a viable productive primary sector if meeting emissions reductions is the sole primary factor for consideration.
- 4.15 He Waka Eke Noa Partners recommended a broader set of criteria for levy setting because of concern that the targets may not be achievable in a way that is economically sustainable for the country, and/or in a way that lowers global agricultural emissions. These factors are:
- Trajectory of emissions reductions towards emissions targets
  - Availability and cost of (current and future) on-farm mitigations
  - Social, cultural, and economic impacts on farmers, regional communities, and Māori agribusiness
  - Best available scientific, mātauranga Māori, and economic information
  - Emissions leakage from production moving offshore, and impact on food security.

**Provision of levy relief on a case-by-case basis, as a transitional measure.**

- 4.16 While we support the He Waka Eke Noa submission we have concerns it does not go far enough.

- 4.17 This is an important backstop for those farms where access to sequestration is severely restricted by national and local body regulation or climatic limitations; where there is no access to effective mitigation technologies; and where emissions pricing is forecast to have a severe impact on the viability of otherwise viable farming operations.
- 4.18 As noted above we don't want a lack of mitigations and/or access to sequestration to put otherwise viable farmers out of business while good work takes place to create and implement solutions across the sector.
- 4.19 Our recommendation to start with a cautious approach to pricing, and to consider a broader range of factors in setting prices, stems from the significant uncertainty about the future effects of emissions pricing, including the emissions reductions that will be achieved and the impacts on farm profits. If the system operates well it will avoid the use of this mechanism.
- 4.20 This links closely with the following recommendation.

**Regular reporting of emissions reductions at the sub-sector level.**

- 4.21 We think regular reporting at the sub-sector level will be critical in implementing a system that is both effective and equitable. It will inform system improvements e.g., price settings, incentives, and transitional price relief.
- 4.22 He Waka Eke Noa modelling also indicated that each subsector would contribute broadly equally to reducing emissions (via land use change via existing ETS Forestry policy in the sheep, beef, and deer sector and through the use of early mitigations in the dairy sector). Government modelling shows emission reductions predominately arising from the sheep and beef sector. While we do not agree with key assumptions in the government modelling it has flagged a risk that the current proposals do not have appropriate safeguards to avoid all of the emissions reductions being achieved through land use change and stock reductions in particular sub-sectors.

## **5. Sequestration and biodiversity credits**

- 5.1 NZDFA supports the recommendations made in the He Waka Eke Noa submission, that the same sequestration categories that were put forward in the He Waka Eke Noa Recommendations Report be eligible for payment from 2025.
- 5.2 It is critical that if farmers are going to be charged for their livestock emissions, that all their areas of permanent and cyclical vegetation should also be acknowledged.
- 5.3 NZDFA further emphasises that sequestration payments are to be calculated and applied at the same time as emission levies, i.e. any sequestration payment is subtracted from the emissions levies at the farm gate. This is administratively efficient and is preferable to any later rebate system.
- 5.4 Not all farms, and particularly high-country stations that often also run deer, have the opportunity to sequester carbon due to climatic conditions or regional rules in the area they farm. We nevertheless think that recognition of sequestration is made available, so farmers that have invested considerably in planting woody vegetation on their farms can be recognised for this by offsetting it against their emissions cost.

- 5.5 As the He Waka Eke Noa submission notes, recent farm-scale modelling shows that the indigenous vegetation offset potential will make a considerable difference to the emissions cost faced for some farms, and that riparian vegetation also creates an opportunity to alleviate the impact of the emissions cost for many more. For example, a typical red meat farm may face an initial \$5,000 - \$8,000 emissions cost which could impact their Economic Farm Surplus by 4 - 15%; if they were to gain a reward for sequestration of between \$1,000 - \$2,000, which would be typical for many farms, this would be significant (providing between a 12% and 40% reduction to the total cost faced).
- 5.6 NZDFA is also strongly supportive of the recommendation in the He Waka Eke Noa submission that a biodiversity credit scheme should also be established to compliment the sequestration reward system. In combination these initiatives will help to alleviate the impacts of the emissions cost upon many farmers and growers, while reducing the socio-economic impacts of blanket afforestation.
- 5.7 Biodiversity credits provide a mechanism for farmers and growers to be rewarded for investing in on-farm indigenous vegetation restoration projects through helping to overcome the capital investment challenges associated with these projects. Farmers and growers provide a credit for the planting or management actions they will undertake. Developers wanting to offset their potential biodiversity impacts or companies wishing to show their customers they are committed to protecting and enhancing the environment can then purchase these credits through a market-based mechanism. Farmers and growers then undertake the planting or management actions and can then receive the sequestration reward for any areas of eligible indigenous vegetation.
- 5.8 Ministers have previously acknowledged the importance of enabling a biodiversity credit system as a pathway for enhancing biodiversity restoration alongside encouraging the planting of indigenous vegetation over exotic forestry for permanent carbon offsetting; action is now urgently required.
- 5.9 NZDFA also supports DINZ's statement that pricing greenhouse gas emissions in isolation is counterproductive to responsible stewardship of the country's land and that managing emissions reductions is best undertaken within a system that recognises the holistic nature of farming. That is, where emissions are managed alongside freshwater quality, indigenous biodiversity, animal health and welfare, social wellbeing and profitable food production. In other words, the holistic nature of farming.
- 5.10 We consider that the proposed approach is inconsistent with the government vision of Te Taiao – that the needs of the land, water, air and people need to be enhanced.

## Appendix 1: NZDFA response to consultation questions

**Question 1:** Do you think modifications are required to the proposed farm-level levy system to ensure it delivers sufficient reductions in gross emissions from the agriculture sector? Please explain.

Yes.

But not in relation to ensuring sufficient reductions in gross emissions. **Greater emphasis is required on balancing the objectives** we all say we want – reducing emissions **while maintaining a viable productive primary sector**. The primacy of meeting gross emission targets in the context of no meaningful mitigation technologies runs large viability risks for the deer sector.

**Question 2:** Are tradeable methane quotas an option the Government should consider further in the future? Why?

No.

A cap-and-trade system has a number of components that could be highly problematic for deer farmers – the strict cap to provide certainty for emissions reductions; auctioning where deer farmers would need to compete with dairy (and other) farmers for available units OR an allocation mechanism likely based on historical production (i.e., a grandparenting approach that disadvantages early adopters). A cap-and-trade system that had subsector allocations would help to resolve some but not all of these issues.

**Question 3:** Which option do you prefer for pricing agricultural emissions by 2025 and why? (a) (b) (c) A farm-level levy system including fertiliser? A farm-level levy system and fertiliser in the New Zealand Emissions Trading Scheme (NZ ETS) A processor-level NZ ETS?

(c) A farm-level levy system including fertiliser. On the basis that fertiliser is one of the only levers that deer farmers will have available in the short-term and it would be useful to have this captured in the central calculator.

**Question 4:** Do you support the proposed approach for reporting of emissions? Why, and what improvements should be considered?

NZDFA supports the DINZ submission.

**Question 5:** Do you support the proposed approach to setting levy prices? Why, and what improvements should be considered?

No. We support the DINZ submission.

Given the widespread ignorance of deer farming and the deer industry we would be very concerned if price setting was determined without meaningful and in-depth input from the deer industry. As a small industry, farming a unique and relatively novel ruminant, with a very small proportion of total agricultural emissions there is a real risk that “one-size-fits-all” pricing will

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disproportionately impact on deer farmers and industry scale and its effective functioning.

Until there are cost-effective mitigations and scientifically robust emission factors for deer, we remain concerned over any process for price setting that does not have an understanding of deer farming systems.

**Question 6:** Do you support the proposed approach to revenue recycling? Why, and what improvements should be considered?

Yes. But a priority for NZDFA will be to appropriately weight and accelerate research and development on mitigations for those farm systems/sectors that do not yet have a mitigation technology pathway.

Until there are cost-effective mitigations and scientifically robust emission factors for deer, we remain concerned over any process for price setting that does not have an understanding of deer farming systems. We also re-emphasise our preference for pricing with an end point and outcome as outlined in paragraph 3.12 above.

**Question 7:** Do you support the proposed approach for incentive payments to encourage additional emissions reductions? Why, and what improvements should be considered?

Yes. We support the DINZ submission.

However we re-iterate that an administratively efficient and practical approach is for as much sequestration and incentive payment to be calculated and subtracted from emissions levies at the same time. Analogous to this would be having as many rebates claimed in a tax return rather than filing a return and then subsequently having to claim any rebate.

**Question 8:** Do you support the proposed approach for recognising carbon sequestration from riparian plantings and management of indigenous vegetation, both in the short and long term? Why, and what improvements should be considered?

No. We support the DINZ submission.

We understand the rationale for the government's proposal and could consider accepting this approach if it was coupled with a concurrent review of the legislated emission reduction targets for methane and nitrous oxide and their impacts on warming.

**Question 9:** Do you support the introduction of an interim processor-level levy in 2025 if the farm-level system is not ready? If not, what alternative would you propose to ensure agricultural emissions pricing starts in 2025?

No. We support the DINZ submission.

**Question 10:** Do you think the proposed systems for pricing agricultural emissions is equitable, both within the agriculture sector, and across other sectors, and across New Zealand generally? Why and what changes to the system would be required to make it equitable?

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The outcome of the principle that the price of methane should be the same price per kg regardless of source and not be related to emissions per hectare or emissions per unit of product, is that some farm systems, like deer, face a higher methane cost per unit of output.

As discussed in this submission, this means that careful attention will be required to any unintended consequences, particularly where access to mitigation technologies and/or sequestration is limited.

This will require a package of 'safeguards' as outlined in Section 3.

Our view is that at some price point (depending on available mitigations), deer farmers will make one of three decisions:

1. Acquire more land and plant it in ETS eligible vegetation.
2. Exit farming and sell the land to carbon forestry interests.
3. Intensify production (i.e. bring in more animals, feed and fertiliser) to generate more revenue to offset the emissions levies.

We consider all of these options to be perverse outcomes and will in turn lead to unintended consequences.

We also note that landowners currently have choices for land use (depending on location) – faced with an administratively complex and cumbersome system of levies and incentive/sequestration payments, selling the land to carbon forestry interests may be a logical business and lifestyle choice.

**Question 11:** In principle, do you think the agricultural sector should pay for any shortfall in its emissions reductions? If so, do you think using levy revenue would be an appropriate mechanism for this?

No.

The primary role of agricultural emissions pricing is to fund the activities that will support farmers and growers to make the changes needed to reduce emissions. Purchasing offshore credits could increase levy costs to unaffordable levels and result in a transition pathway that is not economically sustainable for the country, and/or consistent with lowering global agricultural emissions.

**Question 12:** What impacts or implications do you foresee as a result of each of the Government's proposals in the short and long term?

The government proposals will lead to a larger number of farms – mainly sheep, beef, and deer farmers – becoming unviable due to emissions pricing. This would add to the strong existing pressure of current ETS forestry settings that incentivise blanket afforestation of productive sheep, beef, and deer farms with exotic and monoculture pine trees.

**Question 13:** What steps should the Crown be taking to protect relevant iwi and Māori interests, in line with Te Tiriti o Waitangi? How should the Crown support Māori landowners, farmers and growers in a pricing system?

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NZDFA notes that He Waka Eke Noa has built these considerations into the recommended system.

**Question 14:** Do you support the proposed approach for verification, compliance, and enforcement? Why, and what improvements should be considered?

We support the DINZ submission.

**Question 15:** Do you have any other priority issues that you would like to share on the Government's proposals for addressing agricultural emissions?

We reiterate our concerns that the impact of emissions pricing could be significant for some deer farmers. All of the modelling conducted to support analysis of emissions pricing indicates that the impact of emissions pricing could fall relatively heavily on mainly sheep, beef, and deer farmers. This will require careful navigation and a package of 'safeguards' as outlined in Section 3.

