**Email to** [**agemissionspricing@mfe.govt.nz**](mailto:agemissionspricing@mfe.govt.nz)

**Due 11:59pm Friday 18th November 2022**

**Submission on the Government consultation document for Pricing Agricultural Emissions**

# **Submitter details (All section on page 1 required)**

Submitter name:

Are you submitting as an individual or on behalf of an organisation?

Individual

Organisation

What is your contact email address?

What region are you in?

Please choose any you are associated with:

Academic or subject matter expert

Agricultural process or representative

Business

Farmer/grower

Iwi/Hapū

Local council

Local government

NGO

NZ ETS participant

Rural professional or farm advisor

Other

Not applicable

Do you consent to your submission being published on this website?

Yes

Yes, but without publication of Submitter name

No

If yes to the above, clearly state if there are parts of your submission that you do not want published.

# **Section 3: The Government’s proposed policy designs**

**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?**

Yes

No

I don’t want a lack of mitigations and/or access to sequestration to put my otherwise viable farming business out of business. The primacy of meeting gross emission targets in the context of no meaningful mitigation technologies runs large viability risks for my farm and the deer sector.

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

Yes

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

**3. Which option do you prefer for pricing agricultural emissions by 2025?**

A farm-level levy system including fertiliser

A Farm-level system and fertiliser in the New Zealand Emissions Trading Scheme (NZ ETS)

A processor-level NZ ETS

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.

**4. Do you support the proposed approach for reporting of emissions?**

Yes

No

I align with the He Waka Eke Noa submission not what the government proposed.

**5. Do you support the proposed approach to setting levy prices?**

Yes

No

I align with the He Waka Eke Noa submission. I oppose the Government’s proposals on price setting through the Climate Change Commission. In addition, the Climate Change Commission must have in its governance and appointment process people familiar with and knowledgeable of New Zealand agricultural systems who will understand the environmental, social and economic impact on rural communities of changes to government policy.

Price-setting should consider the availability and costs of mitigation options for sheep, beef and deer farmers and consider impacts on communities and the economy, as well as the environment.

I do not support linking the nitrous oxide price to the carbon price in the Emission Trading Scheme (ETS). The nitrous oxide price should also be no higher than needed to fund the system and linking it to the ETS would mean losing this control.

**6. Do you support the proposed approach to revenue recycling?**

Yes

No

However a priority will be to appropriately weight and accelerate R&D on mitigations for those farm systems/sectors that do not yet have a mitigation technology pathway. Any levy revenue must be ringfenced and only be used for the administration of the system, investment in R&D, or go back to farmers as incentives. Administration costs must be minimised. The levy price should only be sufficient to deliver on the scheme’s intended purpose.

**7. Do you support the proposed approach for incentive payments to encourage additional emissions reductions?**

Yes

No

I align with the He Waka Eke Noa submission.

**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?**

Yes, support short term

Yes, support long term

Yes, support both

No, none of the above

No. I align with the He Waka Eke Noa submission. I do not support the limited options available or the mechanisms in place regarding sequestration. There would be an unacceptable lack of opportunities to further mitigate emissions on my farm. Farmers who do not have access to mitigations or sequestration should be able to apply for transitional levy relief.

**9. Do you support the introduction of an interim processor-level levy in 2025 if the farm-level system is not ready?**

Yes

No

No. I align with the He Waka Eke Noa submission.

# **Section 4: Impacts**

**10. Do you think the proposed system for pricing agricultural emissions is equitable, both within the agriculture sector and across other sectors, and across Aotearoa New Zealand generally?**

Within the agriculture sector

Across other sectors

Across New Zealand generally

None of the above

**No, I do not agree that the proposal is equitable** within the agriculture sector or across New Zealand. The Government proposal offers a lack of mitigation options and will place an unfair burden on the deer sector. I am worried about current and future increases in plantation forestry, particularly for carbon-only farming.

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.

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

**11. In principle, do you think the agricultural sector should pay for any shortfall in its emissions reductions?**

Yes

No

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.

**12. What impacts or implications do you foresee as a result of each of the Government’s proposals in the short and the 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.

**13. What steps should the Crown be taking to protect relevant iwi and Māori interests, in line with Te Tiriti o Waitangi?**

He Waka Eke Noa built these considerations into the recommended system.

# **Section 6: Audit, verification and compliance**

**14. Do you support the proposed approach for verification, compliance and enforcement?**

Yes

No

I align with the He Waka Eke Noa submission.

# **Provide general feedback**

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

As a deer farmer **I do not accept the Government’s proposals for the pricing of agricultural emissions**. While I recognise that all New Zealanders have a role in reducing emissions, this proposal disproportionately puts deer farmers at risk and I am concerned about the impact this will have on my farm.

The impact of emissions pricing could be significant for my business. 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 impact the viability of my farm, my family and the land use options I have available.

As deer farmers we want to continue to be viable and grow the sector, while delivering better environmental outcomes and solving climate change. We will need the tools to do this and a key issue with emissions pricing of any nature for deer farmers is that there is likely to be limited mitigation options (beyond reducing stock and therefore profit) in the near future.

I 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.