



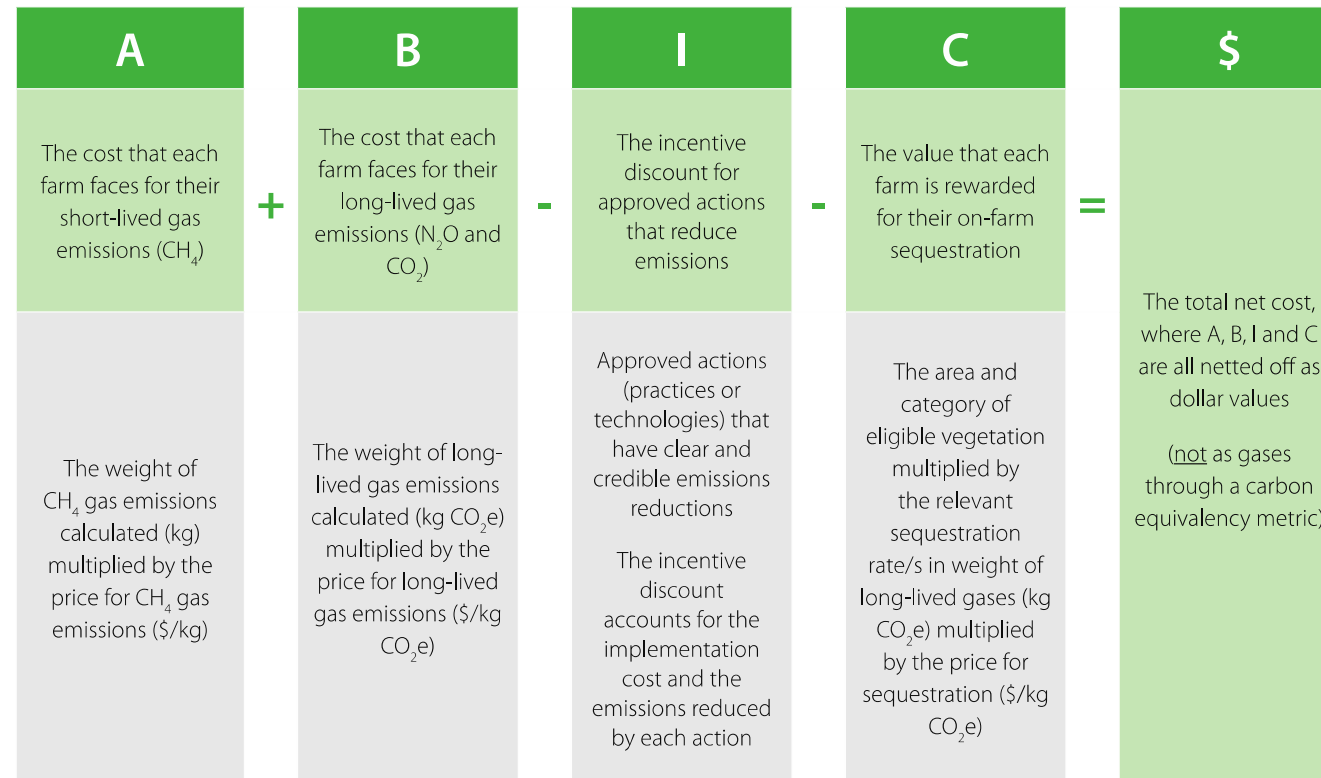
He Waka Eke Noa High Country context

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Key recommendation

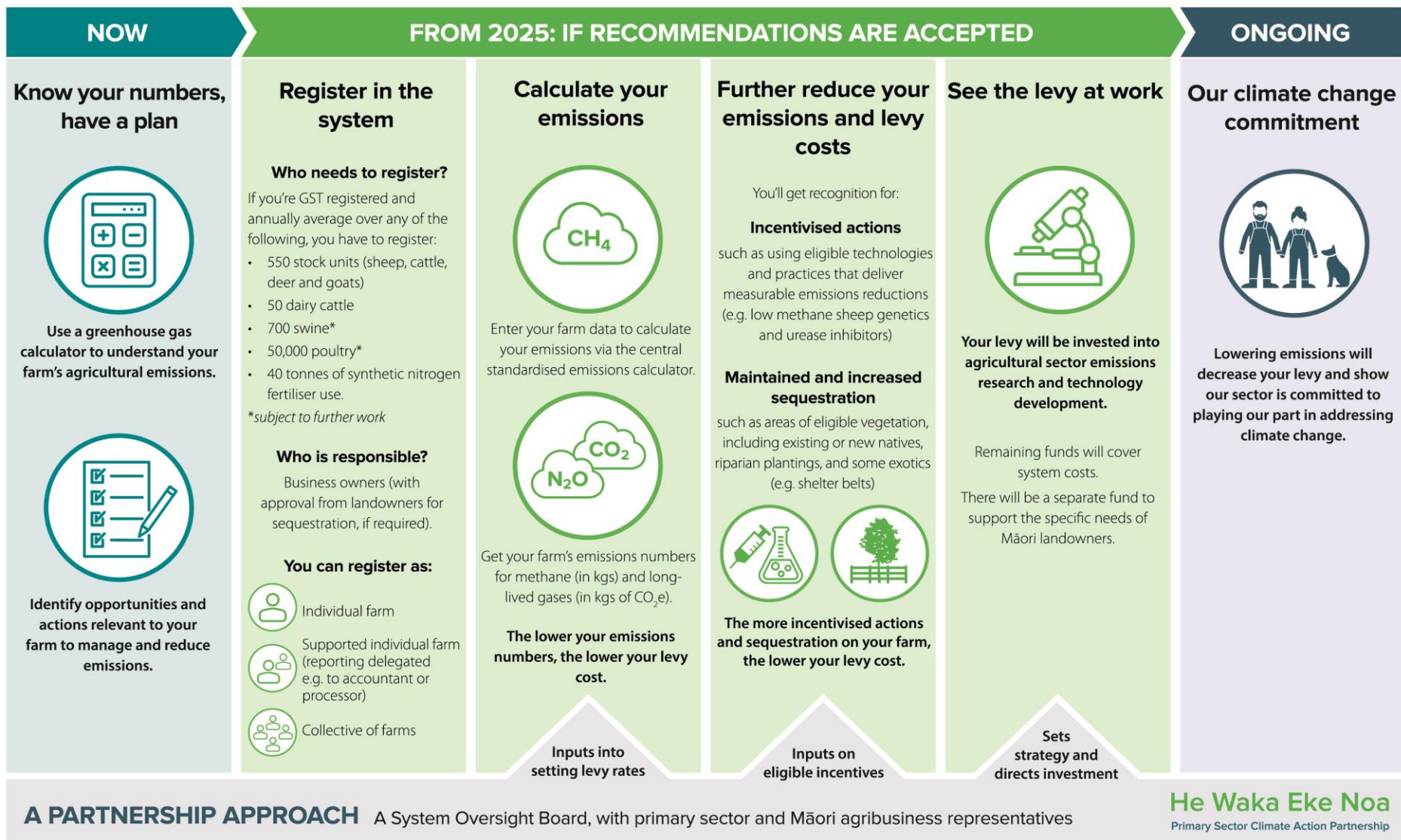
Establish a farm-level split-gas levy by 2025.



Different levy rates for short-lived and long-lived gas emissions.

What He Waka Eke Noa is recommending

How you would measure, manage and reduce on-farm emissions under a farm-level split-gas levy



He Waka Eke Noa: Reporting & Paying

- Business owners responsible for reporting emissions and paying the levy.
- Eligible sequestration included with landowner permission – challenge for CPL
- Any farm business can form a collective to work together to report and pay for emissions.



Sequestration

- Permanent (regenerating/planted indigenous, riparian)
 - Pre 2008 – receives additional sequestration from management (minimum of stock exclusion)
 - Post 2008 (or 1990 to 2008 with evidence) – receives total carbon stocks
- Cyclical vegetation (shelter belts, small woodlots, perennial cropland) excl. NZ ETS eligible cyclical.
 - Post 2008 (or 1990 and 2008 with evidence) – receives average carbon stocks



He Waka Eke Noa: Impacts

	2025 \$85/T @ 5%	2030 \$138/T @ 10%
Sheep meat/kg	\$0.10	\$0.30
Beef/kg	\$0.07	\$0.22
Venison/kg	\$0.15	\$0.46
Nitrogen Fert/kg	\$0.02	\$0.07

	\$/SU	\$/Ha
South Island Hill	\$0.49	\$3.10
South Island Deer	\$0.84	\$3.78
High Country (real-farm, no sequestration)	\$1.40	\$4.27

**Assumes CCRA allocation approach is applied*



He Waka Eke Noa: Implications

- ~23,000 participants
- Price yet to be set – as a starting point/back of the envelope:
 - \$0.11c/kg methane
 - \$4.25/ tonne CO₂e for nitrous oxide
 - \$70/tonne CO₂e eligible sequestration
 - A (\$ methane) + B (\$ N₂O + CO₂ from N fertiliser) - I (\$ innovation) - C (\$ sequestration) = \$ levy
- System response critical

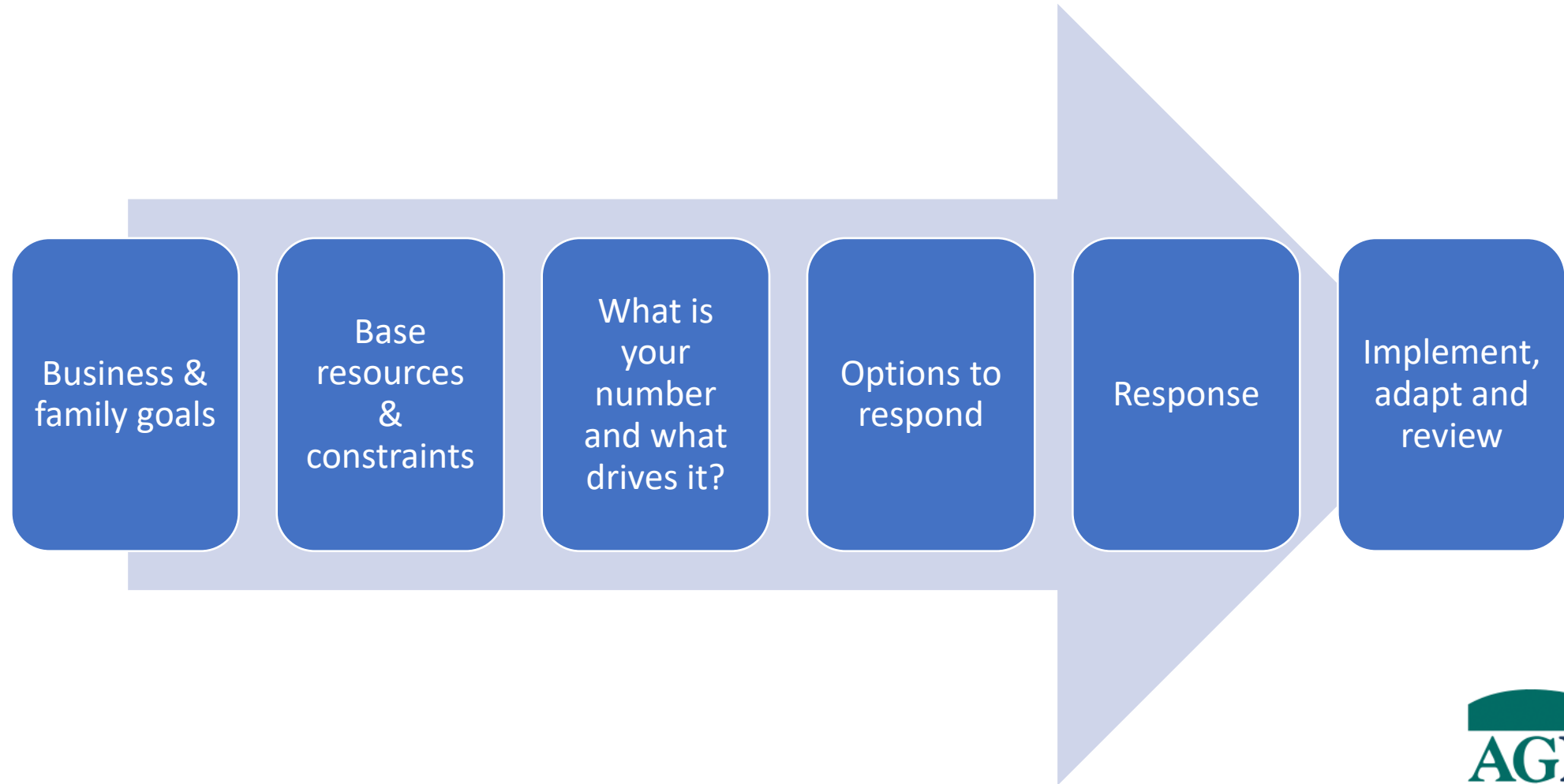


High country implications – Erica's view

- Challenging to mitigate emissions from a low starting point – but pricing will have a significant impact.
- Sequestration – some opportunities (if it survives), will need verified active management in place – not a bad thing.
- Big challenge as to who owns it.
- Sequestration outside – great once system good to go.
- Integrated approach – useful – will help with some of the pain. If we could get it at government level that would be even better.



Framework to respond



What drives emissions

Amount of dry matter eaten

Protein content of feed

Amount of nitrogen fertiliser used

Therefore, requires a farm system response



Knowing my number

- ~10 tools meet industry standard (established via He Waka Eke Noa).
- All use different approach to calculating emissions – so produce different numbers.
- There will be **one** central calculator for pricing.
- Farmers should use the same tool, track over-time.
- Understand what drives their numbers
- B+LNZ calculator, Farmax, Overseer, NZM (pending) + others



Options

- Efficiency – to a point
- Low emission feeds?
- Sheep genetics
- Sequestration
 - ETS
 - He Waka Eke Noa?
 - Voluntary – remember its not regulated...
- Land use diversification



Conclusion

- Still a way to go to get clarity
- Price impact will hurt
- Start planning for response now
- Advocate for Biodiversity Credits and system integration (freshwater farm plans, GHG, biodiversity, etc)



Questions/Discussion

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