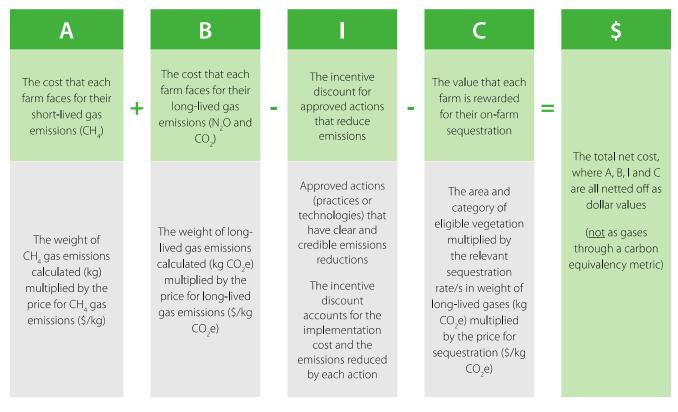


Key recommendation

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

NOW

FROM 2025: IF RECOMMENDATIONS ARE ACCEPTED

ONGOING

Know your numbers, have a plan



Use a greenhouse gas calculator to understand your farm's agricultural emissions.



Identify opportunities and actions relevant to your farm to manage and reduce emissions.

Register in the system

Who needs to register?

If you're GST registered and annually average over any of the following, you have to register:

- 550 stock units (sheep, cattle, deer and goats)
- 50 dairy cattle
- 700 swine*
- 50,000 poultry*
- 40 tonnes of synthetic nitrogen fertiliser use.

*subject to further work

Who is responsible?

Business owners (with approval from landowners for sequestration, if required).

You can register as:



Individual farm



Supported individual farm (reporting delegated e.g. to accountant or processor)



Calculate your emissions



Enter your farm data to calculate your emissions via the central standardised emissions calculator.



Get your farm's emissions numbers for methane (in kgs) and longlived gases (in kgs of CO.e).

The lower your emissions numbers, the lower your levy cost.

> Inputs into setting levy rates

emissions and levy costs

You'll get recognition for:

Incentivised actions

such as using eligible technologies and practices that deliver measurable emissions reductions (e.g. low methane sheep genetics and urease inhibitors)

Maintained and increased sequestration

such as areas of eligible vegetation, including existing or new natives, riparian plantings, and some exotics (e.g. shelter belts)



The more incentivised actions and sequestration on your farm, the lower your levy cost.

> Inputs on eligible incentives

Further reduce your See the levy at work Our climate change



Your levy will be invested into agricultural sector emissions research and technology development.

Remaining funds will cover system costs.

There will be a separate fund to support the specific needs of Māori landowners.

commitment



Lowering emissions will decrease your levy and show our sector is committed to playing our part in addressing climate change.

Sets strategy and

directs investment

A PARTNERSHIP APPROACH A System Oversight Board, with primary sector and Māori agribusiness representatives

He Waka Eke Noa Primary Sector Climate Action Partnership

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

	A (011	A /11
	\$/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 ($ N_20 + CO_2 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

Business & family goals

Base resources & constraints

What is your number and what drives it?

Options to respond

Response

Implement, adapt and review



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)



