



He Waka Eke Noa

Primary Sector Climate Action Partnership

Our role

He Waka Eke Noa –
we are all in this together

Primary sector, Māori and Government shoulder to
shoulder on the path to reduce emissions

A partnership approach



Our goal

To equip farmers and growers to report, manage and reduce agricultural emissions and adapt to a changing climate...

while continuing to sustainably produce quality food and fibre products for domestic and international markets.

Our goal

- By 2025 all farmers and growers are:
 - including climate change mitigation and adaptation in their farm business and environment plans;
 - calculating their net greenhouse gas emissions and being incentivised to take action on climate change through a price on emissions.

Milestones

Farm Planning

- Guidance for GHG in farms plans by Jan 2021
- 25% of farmers with GHG in farm plans by 2022
- 100% of farmers with GHG in farm plans by 2025

Emissions Reporting

- 25% of famers know their GHG number by 2021.
- 100% of famers know their GHG number by 2022.
- A system for farm level accounting and reporting of emissions in place by 2025

Broader action

Support for Maori
Agribusiness

Integrated farm
plans

Recognising carbon
on farm

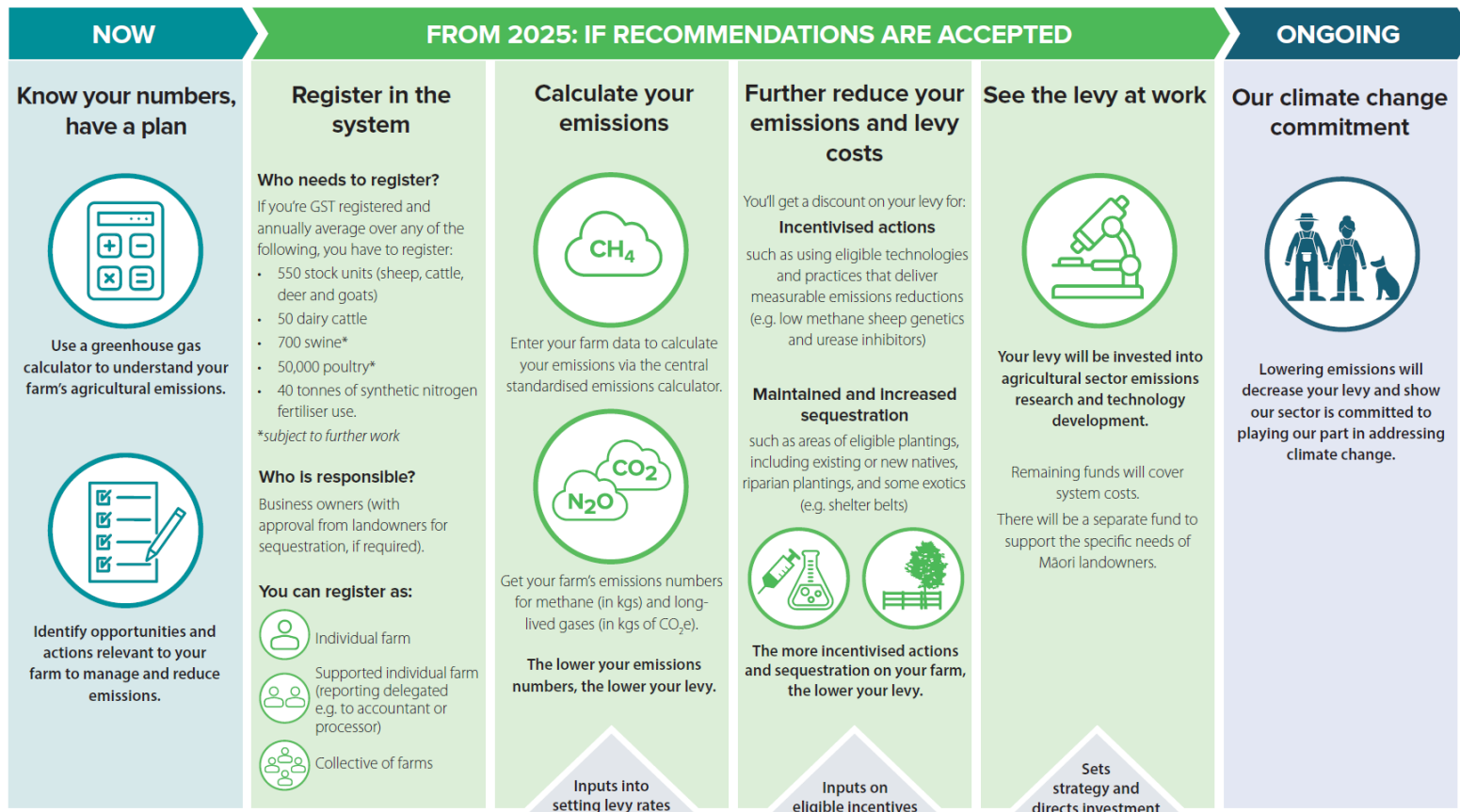
Support for
Innovation and
uptake

Increased farm
advisory capacity
and capability

Recognising early
adopters

What He Waka Eke Noa is recommending

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



A PARTNERSHIP APPROACH

A System Oversight body, with primary sector and Māori agribusiness representatives

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Counterfactual

Climate Change Response Act 2002

- Climate Change Commission to make recommendations on progress to the Climate Change and Agriculture Ministers by June 2022
- Climate Change Minister can bring agriculture into the ETS by Order in Council:
 - at processor level from July 2022; or
 - at farm level from 1 January 2024.
- Allocation for agriculture under the ETS is set at 95% of national benchmark emissions calculated per unit of milk or meat in year 1 of emissions pricing. This decreases by 1% year on year

Basis behind the recommendations

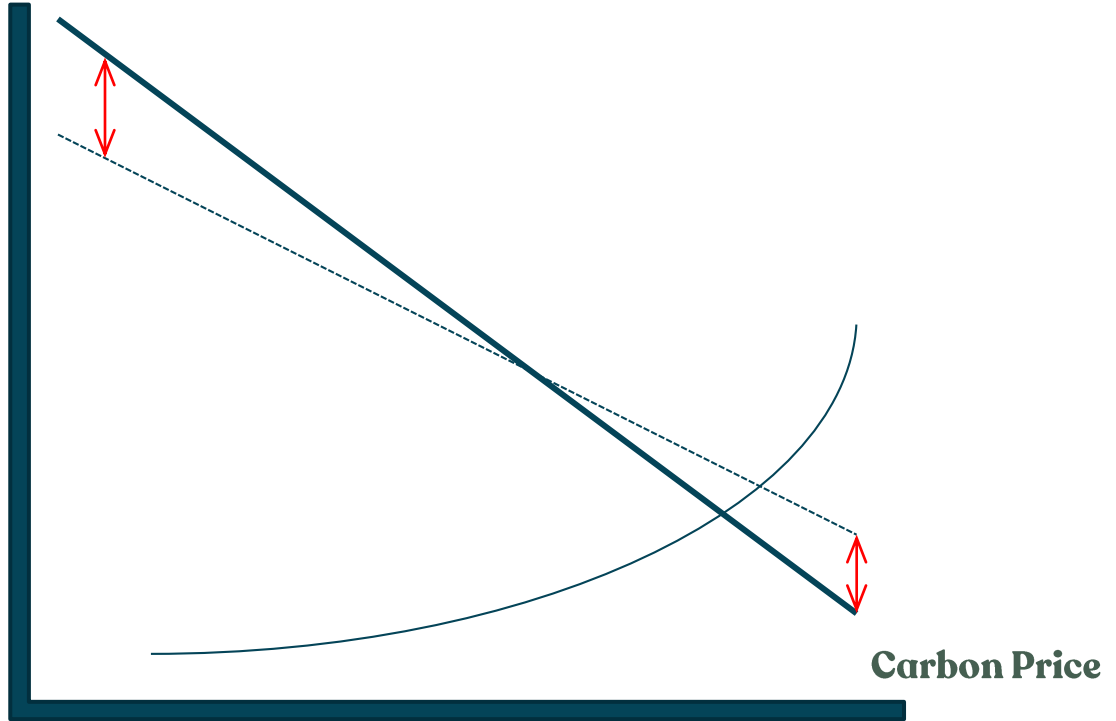
- The recommended system will be more effective in achieving emissions reductions than including agriculture in the New Zealand Emissions Trading Scheme (NZ ETS). It will also have lower impacts on production and farm profit than the ETS.
- The farm-level system would enable each farmer and grower to clearly see the direct impact of their on-farm decisions and would give them incentives for using new technologies and practices as they become available, and sequestering carbon on farm.
- The recommended system recognises the different impact of methane on the atmosphere, by adopting a split-gas approach which is separate from the long-lived gases. It applies a separate price and levy on methane that recognises that, as a short-lived gas, it does not need to be reduced to zero, rather only reduced and stabilised.
- Modelling estimates that a farm-level split- gas levy will result in a fall in production of milk of 1.4% which is additional to the 4.4% baseline reduction.
- The modelled impact on average farm profit varies from zero up to 7.2%, but there is significant variation across farm systems and some farms may be impacted significantly more than this.

Managing an environmental factor with a price

A price means that farmers have choices and pathways that are unique to them;

- Pay or reduce
- Cost of mitigation versus cost to implement

EBIT

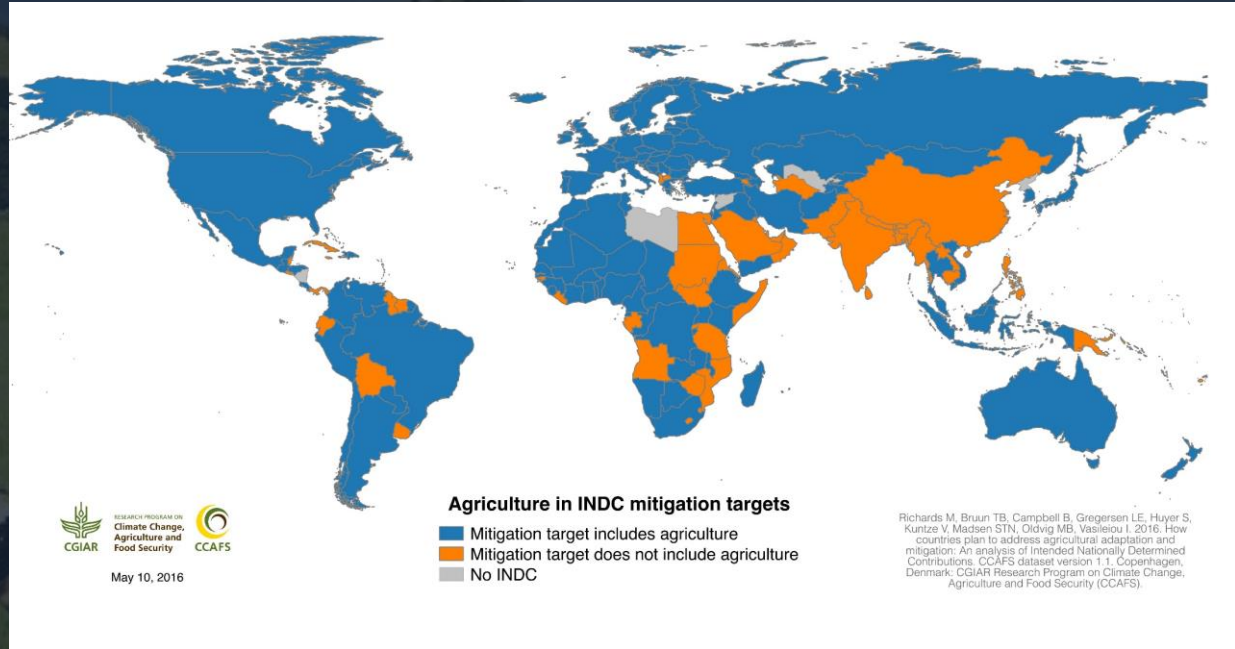


Government Forward Process

- Ministers are expected to consult on legislative policy proposals by September / October – these proposals may align with the sector recommendations, modify them, or propose something quite different.
- Cabinet is expected to make final decisions on the legislative proposals by 31 December 2022
- Legislation is expected to be introduced in the first half of 2023.

Agriculture is part of what countries say they want to reduce emissions

48 developing countries explicitly include livestock in their mitigation goals



Companies are setting ambitious targets despite uncertainties



Ambition	Aspiration to be Net Zero 2050.	Working together towards carbon net zero dairy in 2050.	Working toward a net zero or net negative carbon footprint.	On the way to climate neutral dairy no later than 2050.	Pure Food + Pure Planet to achieve net zero carbon emissions by 2050.
Scope 1&2 Targets (absolute)	<ul style="list-style-type: none"> 30% by 2030 from 2018 base year. 	<ul style="list-style-type: none"> 63% from 2015 base year. 	<ul style="list-style-type: none"> 30% from 2018 base year. 	<ul style="list-style-type: none"> 63% from 2015 base year. 	<ul style="list-style-type: none"> 31% from a 2018 base year.
Scope 3 Target (intensity)	XX%	30% by 2030	30% by 2030	37.5%* by 2030	25% by 2030
2021 CO₂e/kgMS	10.78	14.95 ²	13.1 ⁴	16.09 ³	Not publicly reported
Targeted 2030 CO₂e/kgMS⁵	XX	11.3	9.9	12	-