

## **Media Release from He Waka Eke Noa – Primary Sector Climate Action Partnership**

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### **He Waka Eke Noa Partners submit proposals to improve proposed pricing system**

He Waka Eke Noa Primary Sector and Māori Agribusiness Partners are calling on the Government to change key aspects of its proposal on agricultural emissions pricing.

A joint submission from 10 Partners recommends changes that would develop an emissions pricing system that creates incentives and opportunities to reduce agricultural emissions while maintaining the viability of the primary sector (see summary table below).

The submission recommends changes to price setting, governance and transitional arrangements that would see decision-making on emissions pricing balance the socio-economic impacts on the primary sector and wider economy with emissions reductions.

The submission notes that the Government proposals as they stand are not acceptable to the Partners or the farmers and growers they represent.

The submission says Partners remain committed to working in good faith with government and Māori to design a practical cost-effective farm level system for enabling the agricultural sector to play its part in responding to climate change. It makes recommendations intended to achieve an effective and enduring system that Partners can support.

The joint submission is from Apiculture New Zealand, Beef + Lamb New Zealand, Dairy NZ, Dairy Companies Association of New Zealand, Deer Industry New Zealand, Federation of Māori Authorities, Foundation for Arable Research, Horticulture New Zealand, Irrigation New Zealand and the Meat Industry Association. Federated Farmers of New Zealand has decided not to be part of the joint submission.

Independent Chair Sarah Paterson says Partners have worked hard to develop a shared view on issues raised by the Government proposals and it is disappointing Federated Farmers have chosen not to sign the joint submission.

“The Partnership came together because Partners could see that by working together they could achieve a better outcome for the primary sector as a whole than they could have done separately. We are much stronger as a sector when we all work together.”

“Partners will continue to work constructively and collectively in the spirit of partnership to explore common ground and solutions.”

#### **SUMMARY OF KEY POINTS**

The He Waka Eke Noa submission makes recommendations in a number of areas. In many cases Partners advise the Government to revert to the approach recommended by He Waka Eke Noa in

May. In some areas Partners recommend action in addition to the May recommendations, with the intent of further improving the practicality and effectiveness of the system.

The full submission is available here ([link](#)) and following is a summary of key points:

Area of concern	Key points from the Partners' submission
Price settings, governance and transitional arrangements	<p>The viability of the primary sector must be factored into decision making, in balance with emissions reductions.</p> <p>This requires:</p> <ul style="list-style-type: none"> <li>• A review of methane targets that is based on the latest science</li> <li>• A requirement to balance social, cultural and economic factors with emissions reductions</li> <li>• An oversight board with agriculture sector expertise provide advice to Ministers on levy rates (recognising Ministers will make the final decisions)</li> <li>• A levy rate for the first five years of no greater than 8 cents per kg of methane with an initial rate of 5 cents</li> <li>• The provision of levy relief on a case-by-case basis, as a transitional measure for farmers who do not have access to mitigations or sequestration, and where there is a severe impact on the viability of otherwise viable farming operations</li> <li>• Annual monitoring of emissions reductions at the subsector level</li> <li>• An urgent review of ETS forestry settings</li> </ul>
Price of nitrous oxide	Nitrous oxide should be priced only to the extent needed to drive the practice change wanted.
Sequestration	<p>All sequestration that can be measured and is additive should be counted.</p> <p>Partners recognise the need for an efficient solution for the recognition of sequestration and support a declaration based approach that is simple, trust based and supported by digital mapping.</p>
Nitrous Oxide slope	Slope makes a significant difference to the nitrous oxide emissions from livestock excreta, specifically urine and should be included in the methodology for calculating emissions.
Pricing fertiliser emissions	Synthetic-N fertiliser is included in the pricing calculation at the farm-level to make it easier for farmers to understand their total nitrous oxide emissions and how reducing synthetic N-fertiliser use can reduce these.

Organic fertiliser	External applications of organic-N fertiliser and lime continue to be excluded from the farm-level pricing system and considered separately to on-farm manure management.
Revenue recycling	Partners continue to recommend the revenue from the levy will be invested back into the primary sector and cover appropriate administration costs. Partners do not support the use of levy revenue to purchase credits offshore or repay Government investment in science and technology for mitigating emissions from agriculture.
Interim processor level-levy	A simplified farm-level system, delayed if necessary, will provide greater benefits and opportunities than starting with a processor-level system. Revert to the Partners' recommended start date of June 2025.
Collectives	All farmers and growers should be able to be part of a collective to report and pay for their emissions.
Establishment and Operation cost recovery	There are benefits to both government and farmers and growers from adopting a farm-level pricing system and this should be reflected in the cost recovery model.

ENDS

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