He Pou a Rangi
Climate Change Commission

Agriculture sector

This summary gives a snapshot of greenhouse gas emissions from two areas: reducing emissions from farming, and moving to land uses with lower emissions.

Overall findings of the 2025 report

- Aotearoa New Zealand is making progress on reducing greenhouse gas emissions – net emissions fell by 2% between 2022 and 2023.
- Emissions are on track for the first budget (for 2022–2025) but will need more work – urgently – to set up for future budgets and the 2050 target.
- Action across a wide range of sectors can strengthen the country's resilience to changing global conditions. There are many viable opportunities for further reductions that could reduce risk for the economy and return other benefits to the country. Read more about further reductions in the agriculture sector in the 'Opportunities for further reductions' section below.

Snapshot of agriculture sector emissions

Total sector emissions
41.5 $MtCO_2e$ (2022)
40.6 $MtCO_2e$ (2023)

Percentage of country's gross emissions
53% (2023)

Change in emissions between 2022 and 2023
–2.2% in total agriculture emissions
–2.1% in methane emissions from agriculture

Policy scorecard

Scorecards assess the adequacy of current policy and plans for reducing emissions in each sector, and determine if the risk has increased, decreased or remained the same as in our 2024 assessment.

– No change in risk since 2024 ↓ Decreased risk since 2024

Policy area	Overall risk assessment	
	EB2	EB3
Reduce emissions from farming	↓	–
Transition to low-emissions land uses	–	–

Moderate risks Significant risks

Key sector findings

Changes in emissions

- Between its peak in 2014 and 2023, emissions in this sector have shrunk 6.0%.
- The decline in emissions is mainly due to fewer dairy, sheep and beef animals. However, declines in dairy and livestock numbers have slowed, and sheep and beef livestock units are 2.2% greater in 2024 than modelled by the Government for the second emissions reduction plan, which may point towards slowing emissions reductions.
- A drop in nitrogen fertiliser use in 2023 contributed to a 1.3% decrease in nitrous oxide emissions between 2022 and 2023. However, provisional data shows an 1.9% increase in nitrogen fertiliser use in 2024.
- Producers are increasing efficiency: milk quality, herd reproductive performance and genetic merit have improved in the most recent dairy statistics; these changes set the sector up for improved emissions intensity of milk.

Policy changes in the last year

- The Government has delayed implementing an emissions pricing system for agriculture until 2030.
- Agricultural and Horticultural Products Regulatory Review recommendations being adopted may make it faster and less expensive to get greenhouse gas mitigation technology to farmers.
- A bill to enable the safe use of gene technology could expand the science and technology tool kit but the effect that it would have on overall emissions is unclear.
- The Ministry for Primary Industries has released its standard on-farm emissions methodology, which will allow farmers to see the impact of changing practices and new technology on their emissions.

Challenges to achieving planned emissions reductions

- The policy tools – accelerating commercialisation of technology, supporting on-farm changes, and pricing emissions – are credible. However, while some technologies may be commercialised soon, uncertainties remain, and there is no contingency if they fail or aren't adopted.

- Although there are options to reduce emissions now, incentives are currently limited and a focus on technology may delay action on current on-farm practices.
- While emissions pricing of agricultural emissions is planned by 2030, its design and effectiveness remain uncertain.
- Current policies do not incentivise or enable shifts to high-value, low-emissions land uses like horticulture.

Areas for attention

- The second emissions reduction plan is heavily weighted towards technological solutions.
- There is a gap in services to support producers to understand where the emissions are generated in their systems and which mitigations will help reduce them.
- There is little incentive for producers to act on agricultural emissions before 2030. Facilitating earlier action could help realise the benefits of the Government's research and development investments through the Ag Emissions Centre and AgriZero, and maximise the country's competitive advantages.
- Māori collective land ownership structures and governance can limit the ability of these landowners to raise capital for on-farm practice changes or to change land use.

Opportunities for further reductions

- New technology is on the cusp of commercial availability to farmers, including a methane-reducing bolus from Ruminant Biotech, Ecopond, and low-methane dairy genetics.
- The Fonterra Cooperative Difference scheme has been upgraded to offer additional payments and services to farms with the lowest emissions footprint for their milk.
- Greater adoption of lower emission farming practices and technology and shifts to lower-emission land uses could lead to an additional 8.2 $MtCO_2e$ of emissions reductions for the third emissions budget.

About emissions reduction monitoring

Each year, He Pou a Rangi Climate Change Commission (the Commission) independently monitors Aotearoa New Zealand's progress on reducing greenhouse gas emissions. These reports form a picture over time, showing how the country is tracking towards its climate change goals.

The 2025 report tracks emissions reductions overall, as well as the government's progress towards meeting the first, second and third emissions budgets, which cover 2022–2025, 2026–2030 and 2031–2035 respectively. These emissions budgets are the stepping stones towards the country's 2050 target.

New Zealand's Greenhouse Gas Inventory provides emissions data up until the end of 2023; Stats NZ estimates and Government projections supplement this to provide a more up-to-date picture.

Want to read more?

There are also summaries of the transport; waste and fluorinated gases; energy, industry and buildings; and removals sectors, as well as on progress, risks and further opportunities centred on iwi/Māori. The summaries and full report – along with an 'At a glance' overview and a one-page summary of our findings – are on the Commission's website: climatecommission.govt.nz/ERM-2025.