

Agriculture sector

Planned policies are insufficient to deliver the required emissions reductions: further action beyond market incentives is needed to achieve the reductions the Government aims for in agriculture.

Agricultural emissions are mostly methane (CH₄) from ruminant livestock digestion and farm manure, nitrous oxide (N₂O) from soils and fertilisers, and some carbon dioxide (CO₂) from urea and lime use. Agriculture emissions amount to more than half of the country's emissions and can be reduced by adjusting on-farm practices, adopting new technologies and changing to lower-emissions land uses. Cutting methane emissions from agriculture is essential to meet the 2030 biogenic methane target, which coincides with the end of the second emissions budget period.

Agriculture also generates CO₂ emissions captured under other sectors. These can be reduced through electrification and solar on farms. See *Chapter 7: Energy, industry and buildings* and *Chapter 8: Transport* of the full report for more.

Snapshot of emissions

Total sector emissions	Percentage of projected net reductions (2026–2030)
40.3 MtCO ₂ e (2023)	13.7%
40.1 MtCO ₂ e (2024)	
Percentage of country's gross emissions	Change in emissions between 2023 and 2024
53.0%	+1.1% emissions from dairy cattle
	–2.0% emissions from sheep and beef
	–0.1% emissions from soils, fertiliser and lime

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 2025 assessment.

– No change in risk since 2025 ↑ Increased risk since 2025

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

Insufficient policy Significant risks

Key findings



Changes in emissions

- Reductions in agricultural emissions show a marked slow-down, down just 0.3% in 2024 and is expected to flatline in 2025. Government projections have worsened and now show Aotearoa New Zealand well off-track for the 2030 biogenic methane target.
- There has been some progress with mitigation technology such as EcoPond being trialled on commercial farms and included in the methodology for New Zealand’s Greenhouse Gas Inventory. There have also been some setbacks, with other key technologies being delayed.



Policy changes in the last year

- In the past year there have been two major changes in agricultural emissions policy: removal of the intention to set agricultural emissions pricing by 2030 and a lower 2050 methane target range. This has limited incentives to cut emissions.
- There are limited new measures to drive agricultural emissions reductions. Other policy changes include the ongoing Resource Management Act 1991 (RMA) reforms, the Primary Sector Growth Fund, a Grass Fed certification scheme, voluntary nature credit pilot schemes, and free trade agreements.
- In June 2026, after our assessment period ended, the Government announced the AgriZeroNZ Early Adoption Accelerator. This is a promising step to encourage adoption of and build confidence in agricultural mitigation technology. Its effect will depend on industry contributions and the technologies available.



Risks to achieving planned emissions reductions

- There are significant risks to achieving the planned emissions reductions from farming in the second emissions budget period, and current policies are insufficient for the third emissions budget. The overall risk has increased since our last monitoring report.
- There is significant uncertainty as to whether market drivers and industry incentives can deliver absolute emissions reductions at the scale required. The second emissions reduction plan relies heavily on the uptake of uncertain technologies, and the limited transition to low-emissions land uses expected is also at significant risk.



Areas for attention

- Planned policies will not meet the 2030 biogenic methane target and action must accelerate. The current projections fall short of the target of a 10% reduction by 2030, with projections for agricultural methane indicating only a 6.6% emissions reduction and limited time to respond.
- Market factors alone are unlikely to reduce absolute emissions significantly. The Government needs to ensure positive work from industry can align with national targets to reduce total agricultural emissions.
- The risk of over-reliance on technological solutions with high uncertainty can be addressed by strengthening the transition to high value, low emissions land uses and other mitigation options.
- Supporting extension and advisory services for farmers through clearer government signals and a more coordinated national approach could support uptake of emissions-reducing practices and technologies.
- Incentivising the uptake of new farming practices and technology, including clearer value propositions for novel mitigation technology to support early adoption.

Overall findings of the 2026 report

- Greenhouse gas emissions are gradually falling, but the pace needs to more than double.
- The risks to meeting the country's emissions goals have increased. If additional action does not occur in the next one to two years, it will no longer be feasible to meet the 2030 biogenic methane target or the third emissions budget.
- Climate disruption and economic impacts in Aotearoa New Zealand are growing, and greater and more durable emissions reductions are needed to manage these risks.
- Acting earlier to reduce emissions can strengthen resilience, reduce exposure to shocks, and lower costs for households, businesses and the country.

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.

This is our third annual report. It tracks emissions reductions overall, as well as the government's progress towards meeting the second and third emissions budgets and the 2050 target.

New Zealand's Greenhouse Gas Inventory provides emissions data up until the end of 2024; 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 forestry sectors, as well as on progress, risks and further opportunities centred on iwi/Māori.

These summaries and the full report – along with the executive summary and a one-page summary of our findings – are on the Commission's website: climatecommission.govt.nz/ERM-2026.