Meeting Minutes: He Waka Eke Noa Steering Group

Date: Thursday 19 November 2020, 8:30am – 9.30pm

Location: 9(2)(a)

Steering Group Attendees: Michael Ahie (Chair), Bruce Thorrold, Ruth Fairhall, Charlotte Rutherford, Jeremy Baker, Karen Williams, Tanira Kingi, Vaughan Payne, Martin Workman, Michelle Sands, Kelly Forster (Programme Director), Terri Anderson (Comms and Engagement), Kate Thompson (Programme Support/Policy Officer)

9(2)(a)

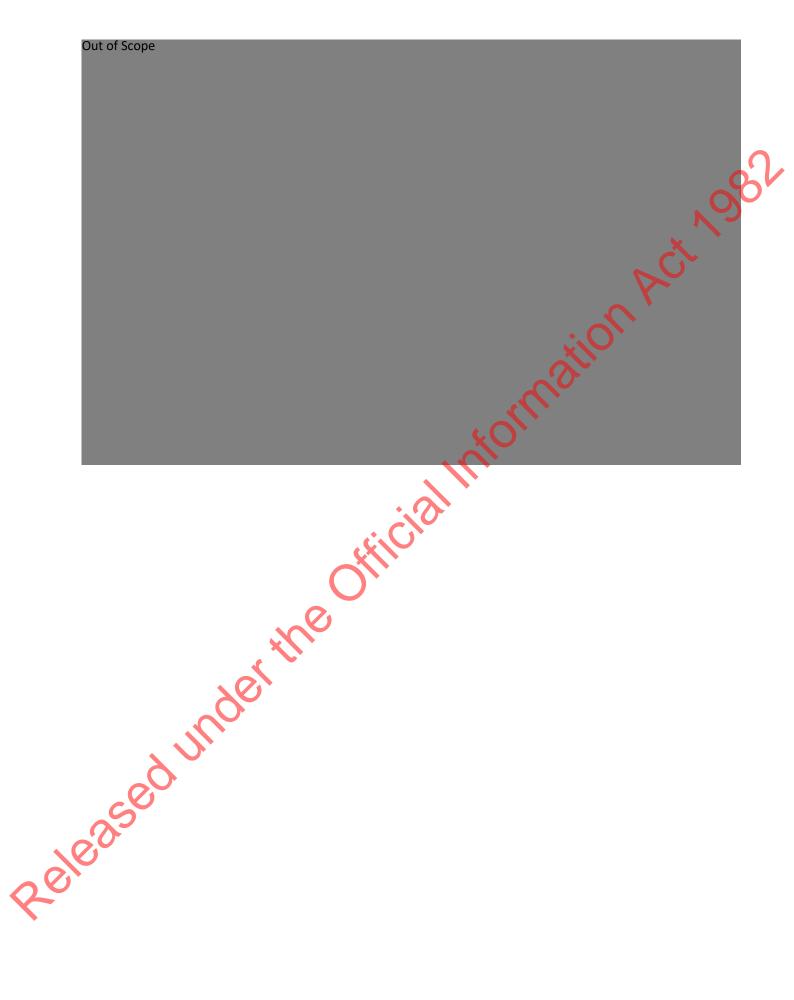
Apologies: 9(2)(a)

Key Messages [for distribution to He Waka Eke Noa partners]

- The Steering Group met on 19 November 9(2)(a)
- The Steering Group visited three farms over the course of the day: 9(2)(a) (arable/mixed), 9(2)(a) (dairy) and 9(2)(a) (sheep and beef).
- Discussions highlighted the anxiety farmers and growers feel due to the pressures they are
 under, and stress of uncertainty around farm-level emissions pricing mechanism and costs.
 While they look for opportunities to innovate from growing awareness through "knowing their
 numbers" they do not currently see easy pathways for them to reduce emissions significantly,
 and there is concern for the impacts on farm businesses and families. The stewardship role
 and care they hold as farmers and landowners was clear.
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He Waka Eke Noa

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Climate Change Commission content requests – December 2021



Māori Farm Case Studies

He Waka Eke Noa conducted 15 farm case studies to show the financial impacts of the agricultural greenhouse gas levy on a range of different farm systems. Included in this study were 8 Māori agribusinesses, 5 of which were dairy farms and 3 sheep and beef farms. The data used for each study is based on a real farm.

The other farms in the study were 3 dairy farms from a range of different locations, 3 sheep and beef farms showing a range of farm types, 1 deer and 1 mixed cropping farm. These are not real farms but are instead models constructed in Farmax based on the B+LNZ Economic Service data for the sheep and beef farms and Dairy Statistics for the dairy farms. They are designed to represent the average farm for that farm type. The exception is the mixed cropping farm, which, due to complications modelling crop production, is a real farm.

Analysis of these farms explores the potential for emissions reductions for each case study through on-farm efficiency gains; the analysis does not apply current mitigations such as land use change or future mitigations. Each case study has been used to show the on-farm impacts of the pricing systems options proposed by He Waka Eke Noa, including the Farm-level system and the Processor-Level Hybrid, alongside the Processor-level NZ ETS 'backstop' option. A range of free allocation rates and rebates were applied. The Māori farm case studies were exposed to the same range of prices as all other farm case studies to enable direct comparison of impacts.

He Waka Eke Noa

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The case study modelling also considered the impacts of rewards for sequestration placed in the He Waka Eke Noa system. Vegetation categories modelled were pre-1990 regenerating native and riparian. Exotic vegetation was excluded from this modelling as it was assumed to be too old.

The case study modelling will be publicly available from 31 January. We can share it with you once it is in its final form.



Out of Scope

Emissions Pricing Options Shortlist – working papers

At the December 2020 Steering Group meeting, the On-Farm Emissions Pricing workstream (now known as the Pricing Working Group) presented a shortlist of options for how to approach a pricing system to meet the objectives of He Waka Eke Noa. Five options were proposed: Split-gas levy; Baseline and credit levy; Single market cap and trade scheme; Split market cap and trade scheme; and Good Management Practises (GMP) based levy. A multicriteria analysis narrowed this list down to 3 options to take forward to the detailed design stage: Split-gas levy; Baseline and credit levy; and GMP-based levy.

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