ACRE submission to Zero Carbon bill

What ACRE is about:
ACRE – (Agricultural Communities Respecting the Environment) is initiated and driven by a cross-sector group of farmers in the Horizons region as a community of stakeholders, to pursue excellence and promote solutions in our landscape.

There are three key pillars to the ACRE Group:

1. Engagement
2. Science
3. Influence

What ACRE is doing:
ACRE has been working to get farmers together, regardless of age, stage of farming, or primary sector engagement, to look at environmental management in the context of the whole farm business and create opportunities for farmer to farmer learning, discussion & support with technical expertise sought where relevant to group needs.

- Generate farmer confidence to engage constructively with other farmers, regulators, policy makers, school groups, urban community and environmental groups.
- Collect facts and stats from the projects that farmers are doing on farm (supported by scientists)
- Analysis of project work will include considerations of environmental, economic and social implications.
- Building credibility from the proven work farmers are doing (with the numbers) and leverage off this to be influencers and thought leaders.

ACRE is funded by its members, but also supported by AgFirst Consulting, DairyNZ, Beef and Lamb NZ, NZ Landcare Trust, and Horizons Regional Council.

ACRE’s submission on the proposed Zero Carbon Act

Supporting the 2nd option of the proposal

ACRE supports a “split gas” approach – the 2nd option outlined in the proposal Net zero long-lived gases and stabilised short-term gases by 2050 – would reduce emissions of long-lived gases (carbon dioxide and nitrous oxide) to net zero by 2050 while stabilising emissions of short-lived gases (including methane).

This should target and dis incentivise fossil fuel consumption, but support retaining a livestock industry and incentivise the planting of production and non-production forests. Because livestock both create emissions and consume emission absorbing pastures, this makes their emission profile cyclical and part of a renewable system. At this stage we are not supportive of including livestock emissions in the Net Zero Carbon Bill whilst there is no feasible solution to reduce methane emissions. With scientific and technological advances, it is hoped that we can reduce the methane emissions profile from farming livestock and play a part in reducing New Zealand’s emissions profile.
ACRE believes that the emissions of a greater national and global concern are the ones based on the release of ancient carbon from oil, coal and drilled gas. This should be the primary focus and target of New Zealand’s emission reductions. Even with this approach there will be considerable negative economic impacts on primary industry businesses and this must be fully understood across New Zealand.

Counting carbon sinks

ACRE supports a fairer and more comprehensive approach to counting carbon sinks. Rural landowners around New Zealand already have considerable native or other forestry blocks on their properties – some of these regenerating or established native blocks are not currently accounted for and in our view should be. We see scope for further planting of trees in appropriate places, where such planting also adds value to the whole farm system including areas for riparian, shade & shelter and retirement zones – especially where these plantings can increase native biodiversity, add to economic productivity, and social health & wellbeing of the farming business(es) and wider community.

One of the big challenges is recognising the value of plantings properly both from a carbon sequestering perspective, but also considering maintaining and enhancing biodiversity. The Zero Carbon Bill should incentivise further planting and reward those who are currently being penalised under the existing legislative and regulatory frameworks. This includes the forests or regenerating native bush areas existing prior to 1990, plantings that do not fit the size criteria of the existing regulation or plantings that do not meet the height requirements when fully grown.

The current approach discounts significant areas of carbon sequestering and biodiversity rich areas that should be included and should be remunerated under the new bill – including the Department of Conservation estate. Given the advances in mapping, remote sensing and artificial intelligence, New Zealand should be able to accurately measure all areas of vegetation that people would like to include into their carbon accounting and which should give us a better picture of both New Zealand’s carbon balance and also add to our knowledge of the state of the environment.

ACRE welcomes the government’s plans to undertake further research into the potential sequestration of carbon soil. The issue of soil carbon, and pasture sequestration, and their potential to be included as a mitigation or carbon sink is one that is often raised by farmers, but one we are growing awareness may create significant risk to farm businesses. At present the science around both soil carbon is sparse and complex. Because of the lack of detailed science on the movement of carbon into and out of soils, it is not possible to credibly include estimates of carbon stored in soils at this moment in time.

ACRE recently held a field day on a sand country dairy farm which highlighted the ability to grow significant soil carbon in soils devoid of organic carbon under irrigation. This is a unique situation in New Zealand and probably not replicable everywhere. More research is required to better understand the relationship between geology, climate and system type and its impact on building or losing soil carbon.

Any carbon accounting system that includes soil carbon storage as a mitigation would also record soil carbon losses. This could just as easily result in a significant financial liability for the farmer, rather than a credit. There is significant gap in soil carbon science, which needs to be filled. As a sector significantly affected by soil carbon processes, we want to see a greater effort to understand this in a whole systems context.
Value proposition for rural landowners

If the policy framework is intent on reducing emissions, ACRE believes that the framework needs to ensure that the value of reducing or offsetting emissions goes directly back to the individuals or businesses that undertook this work.

This will enable rural landowners / businesses to reduce the burden of carbon emissions costs will place their businesses. These businesses face increased uncertainty around viability into the future thanks to largely forced to a price-taker or commodity trading industry structure, climate and weather extremes, increased compliance costs and greater expectations of environmental stewardship from the wider national and international community. The suggestion that the market will pay a premium for reduced emissions products is an assumption. Such assumptions increase considerable risk and unintended consequences when not fully understood.

Any regulatory framework must be designed to provide the right incentives and disincentives to enable a reduction in emissions. An effective regulatory framework must focus on encouraging behavioural change. It must encourage people to do things that reduce or offset emissions whilst retaining business viability and confidence. One way of doing this is to build a framework that allows farmers and industry to undertake science trials, studies or test ideas for solutions to mitigation of emissions without undue restrictions or red tape.

For example, a simplistic application of a charge to cover carbon mitigation costs that is incorporated into the prices at the meat processor/dairy company would see the same charge being imposed on each kilogram of product, with no recognition that a farmer/food producer may be already net carbon neutral or have other offsets. This penalises leaders, innovators, and enables others who do not contribute to the reduction (or offset) to benefit.

To effectively reduce net emissions, a regulatory scheme must incentivise absolute emissions reductions as well as fairly recognise the offsetting (or sequestering) of emissions. On that basis, emissions should be measured at the farm level to support farmer change.

Conclusion:
All of the positions discussed above lead to this point. A system designed to account for carbon fairly has to:

- Recognise current science (or lack thereof) on the relative contribution of different gases to climate change.
- Deeply understand at various systems contexts (environmental, social and economic) as to the consequences (including unintended consequences) of the rules, system, framework that will be established.
- Ensure that the framework and rules allow farmers and industry to innovate, create and undertake science trials, studies or test ideas for solutions to mitigation of emissions without undue restrictions or red tape.
- Fairly account for carbon sequestration; and
- Place both incentives and disincentives directly onto the people whose decisions will contribute to, or mitigate climate change, including the consumer.

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