

30 April 2025



Hon Todd McClay
Minister of Agriculture and Forestry

CC Hon Simon Watts
Minister for Climate Change

Dear Minister McClay,

B+LNZ welcomed the announcement in December of how the Government would limit carbon forestry in response to ongoing concerns about the amount of whole-farm sales for this purpose.

At the time it was stated that the new rules would apply from 4 December 2024, unless there was a clear intent for conversion before that date. We see it as only fair that that rules should not apply retrospectively to land use decisions made in good faith, and so support this principle.

Since the announcement, however, farmers have contacted us about whole sheep and beef farm sales to forestry entities continuing at significant pace, including in Hawke's Bay and especially in some areas in Southland.

They have noted the land was sold well **after** December's announcement and have very reasonably asked whether these areas of land should be able to enter the ETS. B+LNZ shares their concerns.

The Ministry for Primary Industries' recently released guidance on what constitutes 'intent' to plant an area of trees before 4 December 2024 is in our view flawed and will enable land to go into the ETS despite the Government's intended limits.

The two key flaws in the guidance relate to accepting receipts for ordering seedlings and accepting third party assessment of farmland for afforestation. Accepting these as proof of intent does not align with the intention of the limitations.

Seedlings can be planted anywhere and it is not uncommon to purchase seedlings and worry about where they would be planted later. In such cases there is no intent to enter any particular parcel of land into the ETS. Secondly, arguably almost all land in New Zealand has already been 'assessed' by a third party for suitability for afforestation. The lack of specificity around this as proof of intent further undermines the limits that were announced.

In effect, the guidance simply enables carbon forestry entities that own seedlings to continue to look for land on which to plant them despite the 4 December announcements.

We are seeking the removal of seedlings receipts and third party assessments from the guidelines as proof of intent.

To be clear, we believe those who had taken real action to afforest specific areas of versatile land and enter this into the NZ ETS before 4 December should be able to do so.

Further, B+LNZ supports action on climate change but urges a balanced approach that maintains critical food production alongside sustainable forestry.

We remain concerned by the number of conversions driven by short-term carbon gains at the expense of long-term land productivity, regional economies and biodiversity, and by fossil fuel emitters planting their way out of their emissions problems.

The Government has shown willingness to address this, but we are asking that it follows through and closes the loopholes in the guidance before too much more damage is done.

We would appreciate a chance to further discuss our concerns with you.

Regards,

A handwritten signature in blue ink, appearing to be 'KA' with a stylized flourish extending to the right.

Kate Acland
Chair
Beef + Lamb New Zealand Ltd