



Agricultural emissions targets, strategies and policies

A 2026 update

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Executive summary

Beef + Lamb New Zealand (B+LNZ) commissioned a report in late 2024 to provide a New Zealand audience with a high-level snapshot of agricultural greenhouse gas (GHG) reduction targets, strategies and policies in a subset of international jurisdictions.

This report provides an update on developments since and is intended to support the discussion and decisions on the development of domestic policies to reduce agricultural GHG emissions.

Since the initial report's release, the most significant international developments have been less about new agriculture-specific targets and more about how jurisdictions are choosing to deliver emissions outcomes.

Across the jurisdictions reviewed, agriculture continues to be addressed primarily through economy-wide targets and enabling policy, with most governments relying on public funding, incentives and land-use integration rather than introducing new sectoral emissions obligations.

This pattern is consistent with the Organisation for Economic Co-operation and Development's (OECD) December 2024 review of over 1,500 agriculture, forestry, and land-use mitigation policies, which found that subsidies account for roughly 96 per cent of economic instruments used to reduce agricultural emissions and that no country applies an emissions price for agricultural methane or nitrous oxide.

While some larger jurisdictions, including the United States and European Union, are softening agricultural environmental policy, Denmark has continued to implement their policies. Other jurisdictions, including Canada and Australia, have increased the scale of public funding for accelerating on-farm emissions practice change and multi-benefit land-use change outcomes.

Most countries continue to pursue mitigation through incentives, technology adoption and land-sector measures, rather than pricing emissions at the farm level. The 'pricing agriculture' model remains rare, and where it has been attempted, it has been paired with very large subsidy and compensation packages for farmers that outweigh the costs.

Where explicit emissions-reduction targets exist for methane or the wider agricultural sector (notably in New Zealand, Ireland, Denmark, and California) they remain broadly stable. New Zealand, however, did change the 2050 emissions reduction target for methane to be aligned with the principle of achieving 'no additional warming' (the principle that, because methane is a short-lived gas, a stable or modestly declining level of biogenic methane emissions does not cause additional warming beyond current levels, unlike long-lived gases which accumulate in the atmosphere).

No other jurisdiction identified is pursuing large-scale conversion of pastoral land into exotic forestry as New Zealand has done in recent years. Land-use policy is more commonly delivered through targeted public funding, project-based land retirement or repurposing, and co-benefit framing (water, biodiversity, rural resilience). Although New Zealand has similar programmes delivered via central government or regional councils, the scale of land-use change driven by carbon forestry in the NZ Emissions Trading Scheme (ETS) is unique among its counterparts.

The overall picture is one of growing distance between climate commitments and implementation. Across the jurisdictions reviewed, fiscal and political constraints are

increasingly shaping how, and how fast, agricultural climate policy is delivered. For New Zealand, the central implication is that the competitive gap identified in the 2024 report is widening: major producing and exporting jurisdictions are directing large-scale public funding toward agricultural emissions reduction, while New Zealand's farmers are expected to adjust within a largely unsubsidised policy framework. This asymmetry, rather than the targets themselves, is emerging as the most significant feature of the international landscape.

Introduction

In November 2024, B+LNZ published a report titled *Comparing agricultural emissions reduction targets, strategies, and policies internationally*, which provided a New Zealand audience with a high-level snapshot of agricultural GHG reduction targets, strategies and policies across 16 international jurisdictions.¹ The report was intended to support discussions and decisions on developing domestic policies to reduce agricultural GHG emissions.

This report provides a short update to the 2024 report. While it has been only about 18 months since the original report was published, there have been many significant developments relevant to the New Zealand context. The update focuses on 10 jurisdictions where notable policy developments, implementation changes or significant political developments have occurred since late 2024: New Zealand, Australia, Canada, the US, the United Kingdom, the EU, Ireland, Denmark, and Brazil. It also includes California as a new sub-national addition, given its size, active regulation in this space and political contrast with the current federal administration.

The report does not attempt to state which agricultural GHG reduction policies should be adopted or to claim that any policies in any jurisdictions are best. It rather aims to highlight key examples of relevant GHG reduction policies to add nuance to a New Zealand-based discussion.

The report is structured as follows. The first section identifies key themes observed across the jurisdictions reviewed, including the continued reliance on economy-wide targets and the dominance of subsidy-led approaches. The second section summarises changes to Nationally Determined Contributions (NDCs) and agriculture-specific targets since the 2024 report. The third and largest section provides jurisdiction-by-jurisdiction profiles of strategies and policy developments since late 2024. A section on international and multilateral developments follows. The report concludes with an outlook section that considers the implications for New Zealand's agricultural sector and policy settings.

¹ Beef + Lamb New Zealand, *Comparing Agricultural Emissions Reduction Targets, Strategies, and Policies Internationally*, November 2024. Available at: <https://beeflambnz.com/ag-climate-policies>

Key themes

Targets remain economy-wide, with few agriculture-specific obligations

Across the jurisdictions reviewed, updated Nationally Determined Contributions (NDCs) have typically been expressed as economy-wide targets, with limited use of agriculture-specific sub-targets. All jurisdictions reviewed include agricultural emissions within their economy-wide NDC, but only New Zealand, Ireland, Denmark, and California have set domestic targets specifically relating to the agricultural sector. Explicit targets for biogenic methane remain rarer still: New Zealand is the only jurisdiction reviewed to have adopted, and subsequently revised, a standalone biogenic methane target.

Where agriculture-specific targets do exist, delivery has proved challenging. Ireland is projected to fall roughly 9 percentage points short of its 25 per cent agriculture reduction target by 2030. California is also likely to not achieve their methane reduction targets. Even Denmark, which is broadly on track against its economy-wide goal, faces implementation uncertainties around its feed additive mandate and land conversion programme. These patterns suggest that setting agriculture-specific targets has not, on its own, resolved the underlying difficulty of delivering measurable emissions reductions from the sector.

Delivery is overwhelmingly subsidy-led, with pricing of agricultural emissions essentially absent

Across all jurisdictions reviewed, agricultural emissions reduction is being pursued primarily through public funding, incentive programmes, land-use integration and technology deployment rather than through pricing emissions at the farm level. This is consistent with the OECD's December 2024 finding that subsidies account for roughly 96 per cent of economic instruments applied to the agriculture, forestry and other land use (AFOLU) sectors, and that no current emission tax applies the polluter-pays principle to agricultural methane or nitrous oxide.

Denmark's livestock emissions levy, which is intended to take effect from 2030, remains the sole exception, and even this is embedded within a much larger programme of publicly funded land conversion, buyouts and compensation worth several billion euros. No other jurisdiction reviewed has introduced, or signalled an intention to introduce, a comparable pricing mechanism for agricultural emissions.

Where policy effort has intensified since the 2024 report, it has generally taken the form of expanded subsidies (Canada, California, the UK), regulatory simplification (the EU), or political repositioning away from climate-branded programmes (the US), rather than new obligations or pricing for the agricultural sector.

The gap between commitment and delivery is widening

A recurring finding across this update is the growing distance between stated climate ambitions and on-the-ground implementation. Of the 10 jurisdictions reviewed, the majority are not on track to meet their stated targets. Ireland faces a material delivery gap against its 25 per cent agriculture target. Australia and Canada are projected to fall short of their 2030 NDCs under current policies. Brazil is not on track despite significant progress on deforestation. The US has withdrawn from the Paris Agreement entirely, and its NDC no longer operates as a binding commitment.

The jurisdictions that are broadly on track, notably Denmark and the UK, owe their progress to specific structural factors: in Denmark's case, a very large fiscal commitment and binding legislative framework; in the UK's case, rapid decarbonisation of the electricity sector rather than agricultural emissions reductions. The pattern across the update suggests that agriculture remains the sector where the gap between targets and delivery is most persistent, and where implementation challenges are most acute.

Political and fiscal constraints are increasingly shaping delivery

Across several jurisdictions, the political and fiscal costs of agricultural climate policy are proving harder to sustain than when the original targets were set. Canada removed its consumer carbon tax in early 2025, even under a government broadly supportive of climate action, illustrating the political sensitivity of carbon pricing when it touches households and the agricultural supply chain.

In the EU, systematic simplification of Green Deal-era agricultural requirements followed widespread farmer protests and growing political attention to farm competitiveness and food security. In the US, the freezing or cancellation of over US\$6 billion in agriculture-related climate funding signals that programme continuity is contingent on political conditions, potentially limiting the durability of subsidy-led mitigation.

Even in Denmark, the jurisdiction that has moved furthest, the Bovaer mandate has encountered serious animal welfare concerns that may force a reassessment of one of the programme's key mitigation components. These developments suggest that the binding constraint on agricultural climate policy is increasingly not the willingness to set targets, but the capacity to sustain implementation through successive political and fiscal cycles.

Land use is the preferred delivery mechanism, but approaches vary sharply

Across the jurisdictions reviewed, land-use policy is emerging as the most common vehicle for delivering agricultural climate outcomes. However, the specific mechanisms differ markedly. Denmark is pursuing large-scale, publicly funded land conversion (wetlands, afforestation) financed through the Green Acreage Fund. Brazil's pathway centres on pasture restoration, productivity gains and deforestation control. Australia is using carbon markets and voluntary land-sector projects to incentivise practice change. The UK is paying farmers directly for environmental land-management outcomes through its post-CAP incentive schemes.

New Zealand stands apart in this landscape. Rather than using targeted public spending or project-based programmes to drive land-use outcomes, New Zealand's primary mechanism has been an economy-wide ETS that has created sustained price incentives for large-scale conversion of pastoral land into exotic forestry.

No other jurisdiction reviewed is producing land-use outcomes through a comparable single-price mechanism, and the pattern of conversion this has generated in New Zealand, predominantly monocultural exotic afforestation rather than ecological restoration or diversified land retirement, has no close international parallel. New Zealand remains an outlier in the ease of access to carbon credits for large-scale forestry sequestration, despite introducing limits in 2025 on whole-farm conversions registered in the ETS.

Methane policy remains concentrated in oil and gas, not agriculture

Despite growing international attention to methane as a climate-forcing agent, policy action remains overwhelmingly focused on fossil methane rather than agricultural methane. Canada's headline methane target (a 75 per cent reduction below 2012 levels by 2030) set in late 2025 applies only to the oil and gas sector, despite Canada having a national cattle herd of approximately 11 million head, comparable in scale to New Zealand's 9.5 million.

The most prominent US methane regulatory activity in this period has been in oil and gas (EPA standards OOOOb/c). The Global Methane Pledge, while sector-agnostic in principle, has been implemented primarily through oil and gas measures, and ruminant enteric methane remains the source with the least policy coverage globally. At the sub-national level, California is an exception, with a quantified dairy and livestock methane target and active development of mandatory regulations, though even here the delivery model remains grant focused and subsidy led.

This pattern contextualises New Zealand's biogenic methane target as internationally unusual. Few jurisdictions have adopted quantified targets for agricultural methane, and fewer still have developed dedicated policy instruments to deliver reductions from ruminant livestock. New Zealand's revised 2050 biogenic methane target (14 to 24 per cent below 2017 levels), therefore, sits within a global landscape where most governments have chosen to address methane through fossil fuel regulation rather than agricultural sector obligations.

NDCs and targets

The 2024 report summarised each jurisdiction’s short-term NDCs (generally to 2030), long-term net-zero targets, and any agriculture- or methane-specific sub-targets relevant to a New Zealand audience. Since publication, the most material “targets” developments have come through the next NDC cycle, with several parties communicating 2035 targets.² In contrast, agriculture-specific targets have remained largely stable, with few new quantified agriculture or biogenic methane targets.

Many jurisdictions updated or submitted new NDCs ahead of COP30 because 2035 is the next milestone year under the Paris Agreement, and countries were expected to communicate updated targets showing how emissions will continue to fall beyond existing 2030 commitments. The updated NDCs also respond to the Global Stocktake completed at COP28, which called on countries to strengthen near- and medium-term climate targets before COP30.

However, relatively few countries met the original deadline for submitting updated NDCs in early 2025. The timeline was extended to allow additional submissions during the year, but a number of major emitters still had not published updated NDCs by the revised timeframe.³

The table below summarises changes to NDCs since publication of the original report in November 2024. The table, like the wider report, focuses on jurisdictions with recent material policy developments and does not cover all 16 jurisdictions included in the 2024 report.

Agriculture-specific targets have remained largely unchanged across the jurisdictions reviewed since the 2024 report. The only material revision was New Zealand’s biogenic methane 2050 target, which was adjusted from 24–47 per cent below 2017 levels to 14–24 per cent below 2017 levels following a statutory review process and independent review of methane science in December 2024.

Ireland’s 25 per cent agriculture reduction target (by 2030, relative to 2018), and Denmark’s 55–65 per cent target remain as reported in the 2024 report. No other jurisdiction reviewed has introduced a new agriculture- or methane-specific target since late 2024. Canada’s headline methane target activity, a 75 per cent reduction below 2012 levels by 2030, finalised in December 2025, applies to the oil and gas sector only and does not cover agricultural emissions.

² UNFCCC, *2025 NDC Synthesis Report*, 2025. Available at: <https://unfccc.int/process-and-meetings/the-paris-agreement/nationally-determined-contributions-ndcs/2025-ndc-synthesis-report>

³ UNFCCC, *Nationally Determined Contributions (NDCs)*, Paris Agreement. Available at: <https://unfccc.int/process-and-meetings/the-paris-agreement/nationally-determined-contributions-ndcs>

Table 1: NDC and agriculture-specific targets

Jurisdiction	NDC at time of 2024 report	Updated NDC since publication	Agriculture or GHG-specific targets	Notes	Change since late 2024
New Zealand	50% below gross 2005 by 2030 for all gases	51–55% below gross 2005 by 2035 (NDC2)	Domestic target: Biogenic methane 14–24% below 2017 by 2050 (revised from 24–47% in October 2025)	On track. NZ is the only jurisdiction reviewed to have revised an explicit biogenic methane target. This revision means that the country is on-track to meet its projected methane emissions reductions. ⁴ The revision followed advice from an independent panel review of methane science and targets. ⁵	Moderate. NZ has revised biogenic methane target and removed agricultural emissions pricing. It has also placed some limits on whole-farm afforestation.
Australia	43% below 2005 by 2030 for all gases	62–70% below 2005 by 2035	No agriculture-specific target in NDC or domestically	Not on track. 2035 target implemented via a multi-year emissions budget (2031–35). Current projections indicate Australia will not meet the budget without additional policy measures. ⁶	Limited. Finalisation of the Agriculture and Land Sector Plan, Continued implementation of the ACCU scheme, and additional public investment in carbon farming support
Canada	40–45% below 2005 by 2030 for all gases	45–50% below 2005 by 2035	No agriculture-specific target in NDC or domestically	Not on track. Latest projections show approximately 36% reduction by 2030, short of the 40–45% target.	Moderate. An additional \$300 million provided to support nitrogen management, cover cropping, and rotational grazing practices. Canada also finalised a 75% oil and gas methane

⁴ Ministry for the Environment. *New Zealand's projected greenhouse gas emissions to 2050*. April 2026. Available at: <https://environment.govt.nz/what-government-is-doing/areas-of-work/climate-change/emissions-reductions/emissions-reduction-targets/new-zealands-projected-greenhouse-gas-emissions-to-2050/#progress-towards-our-targets>

⁵ Ministry for the Environment, *Independent review of the methane science and targets*, December 2024. Available at: <https://environment.govt.nz/what-government-is-doing/areas-of-work/climate-change/independent-review-of-methane-science-and-targets/>

⁶ DCCEEW, Australia's Emissions Projections 2025. Available at <https://www.dcceew.gov.au/climate-change/publications/australias-emissions-projections-2025>

					reduction target (below 2012, by 2030) in December 2025; agricultural methane is not covered. ⁷
United States	50–52% below 2005 by 2030	61–66% below 2005 by 2035 (submitted Dec 2024)	No agriculture-specific target for NDC or domestically	Not on track. Projected 2030 reductions of 19–30% below 2005 levels (excluding LULUCF), well short of the 50–52% target. The current administration has frozen or cancelled major agriculture-related climate funding, withdrawn from the Paris Agreement, and reoriented federal priorities away from climate mitigation toward production and energy development.	Significant. Funding for programmes previously provided for on-farm carbon or crop management removed or politically uncertain.
California	40% below 1990 by 2030 and 85% below 1990 by 2045 (subnational target)	Sub-national jurisdiction with no recent change to targets	Livestock methane: 40% below 2013 levels by 2030	Broadly on track. The California Air Resources Board (CARB) analysis indicates current programmes will deliver roughly 6.6 Mt CO ₂ e of annual reductions by 2030, approximately three quarters of the 9 Mt CO ₂ e needed to meet the 40% dairy and livestock methane target. ⁸	Moderate. The California Air Resources Board has resolved to develop mandatory dairy and livestock methane regulations (board vote by 2028, regulations by 2030), the first move by a US jurisdiction toward direct regulation of agricultural methane. Mandatory measures would focus on subsidised technology deployment (digesters, feed additives), not emissions pricing or herd limits.

⁷Government of Canada, “Government of Canada delivers on Climate Competitiveness Strategy commitment to lower methane emissions from major sources,” 18 December 2025. Available at: <https://www.canada.ca/en/environment-climate-change/news/2025/12/government-of-canada-delivers-on-climate-competitiveness-strategy-commitment-to-lower-methane-emissions-from-major-sources.html>

⁸ CARB, *Analysis of Progress toward Achieving the 2030 Dairy and Livestock Sector Methane Emissions Target*, 2022. Available at: <https://www2.arb.ca.gov/resources/documents/dairy-livestock-sb1383-analysis>. See also CDFA, *Dairy Digester Research and Development Program*. Available at: <https://www.cdfa.ca.gov/oefi/ddrdp/>

					Digester funding and LCFS credits continue.
United Kingdom	68% below 1990 by 2030	At least 81% below 1990 by 2035	No agriculture-specific target for NDC or domestically	On track. The Climate Change Committee has indicated the 2030 target is achievable. Agriculture is addressed through post-CAP incentive schemes (Environmental Land Management) rather than a sectoral emissions target.	Limited. Since 2024, developments have largely focused on implementation, funding constraints, and refinement of existing schemes, rather than the introduction of new regulatory obligations for agricultural emissions.
European Union	At least 55% below 1990 by 2030	Indicative 66.25–72.5% below 1990 by 2035	No EU-wide agriculture-specific target	Broadly on track. The new 2040 framework (90% reduction) that now allows limited use of international credits from 2036, capped at 5% of 1990 net GHG emissions could be interpreted as a relaxation of the EU's overall domestic target.	Moderate. Agriculture remains addressed through CAP conditionality and member state programmes.
Ireland	51% below 2018 by 2030 (economy-wide)	No updated 2035 NDC identified	Domestic target: Agriculture: 25% reduction by 2030 (relative to 2018), set under Climate Action and Low Carbon Development Act via sectoral	Not on track. Ireland is not on track for either the economy-wide 51% target or the 25% agriculture target. EPA projections indicate current measures will deliver approximately 16% agriculture reduction, a material delivery gap of around 9 percentage points. ⁹	Limited. The target itself has not changed since the 2024 report, but the policy debate has increasingly shifted from target-setting to delivery realism, given the scale of the remaining gap to 2030.

⁹EPA Ireland, "EPA Projections show Ireland off track for 2030 climate targets," 2025. Available at: <https://www.epa.ie/news-releases/news-releases-2025/epa-projections-show-ireland-off-track-for-2030-climate-targets.php>

			emissions ceilings (2022)		
Denmark	70% below 1990 by 2030 (economy-wide)	No updated 2035 NDC identified	[Domestic target] Agriculture: 55–65% reduction by 2030 (AFOLU sector, relative to 1990), set under binding 2021 climate target for agriculture	On track. Projections indicate Denmark will achieve approximately 72% reduction by 2030, exceeding its 70% economy-wide target. Implementation of the agriculture target is being delivered through the June 2024 Green Tripartite Agreement, which includes a livestock emissions levy from 2030 and a large publicly funded land-use transformation programme.	Significant. Implementation of the Green Tripartite Agreement has resulted in very large additional subsidies and land conversion as the core policy instrument. There has also been mandated use of mitigation technologies (i.e. Bovaer) with (likely) negative impacts on animal health.
Brazil	50–53% below 2005 by 2030	59–67% below 2005 by 2035 (submitted Nov 2024)	No explicit livestock or agriculture emissions target	Not on track. Brazil is not on track to meet the 2030 NDC under current policies, though Amazon deforestation has declined significantly since 2023. The NDC includes a 12-million-hectare forest restoration target by 2030 but does not include an explicit zero-deforestation commitment. Agriculture and land use account for approximately 75% of national emissions. ¹⁰	Limited. Continued rollout and international positioning of the ABC+ Plan (2020–2030) as Brazil’s flagship low-carbon agriculture programme.

¹⁰ Government of Brazil, *Brazil's Second Nationally Determined Contribution*, November 2024. Available at: [https://unfccc.int/sites/default/files/2024-11/Brazil_Second%20Nationally%20Determined%20Contribution%20\(NDC\)_November2024.pdf](https://unfccc.int/sites/default/files/2024-11/Brazil_Second%20Nationally%20Determined%20Contribution%20(NDC)_November2024.pdf)

Strategies and policies

New Zealand

In New Zealand, the overall architecture described in the 2024 report has been retained (an economy-wide NDC supported by domestic carbon budgets, split-gas reduction targets, and an ETS). Since late 2024, several developments have clarified how agriculture and land use are expected to contribute, including the formal removal of agriculture from the ETS, changes to long-term biogenic methane settings, policy responses to ETS-driven land-use change, and emphasis on technology and practice adoption as the primary near-term mitigation pathway for pastoral farming.

Developments since 2024 include:

- Cancellation of the He Waka Eke Noa industry-government partnership and repeal of the legislation that would have brought agricultural processors into the NZ ETS from January 2025, with the Government ruling out pricing agricultural emissions in any form on the basis that no comparable exporter does so and that technology and practice change represent a more effective mitigation pathway.¹¹
- Submission of New Zealand's second NDC in January 2025 (51-55 per cent below gross 2005 levels by 2035), maintained as a single economy-wide target rather than adopting a split-gas structure, notwithstanding advocacy from parts of the agricultural sector, including B+LNZ.¹²
- Revision of the 2050 biogenic methane target range to 14-24 per cent below 2017 levels (replacing 24-47 per cent), following a statutory review process and independent review of methane science.¹³
- Introduction of restrictions on exotic forestry ETS registrations by LUC classification, including a moratorium on LUC classes 1-5 and a capped annual ballot for LUC class 6. LUC class 6 accounted for 57 per cent of forestry conversions between 2017 and 2023, and rose to 72 per cent in 2024.¹⁴
- Continued expansion of AgriZeroNZ's investment portfolio, with NZ\$48.8m invested across its venture portfolio as at 30 June 2025 (valued at NZ\$53.7m), including a NZ\$6.5m methane inhibitor programme and over NZ\$19m in vaccine development partnerships.¹⁵

¹¹ New Zealand Government, *Agriculture to Come Out of ETS*, Beehive press release. Available at: <https://www.beehive.govt.nz/release/agriculture-come-out-ets>

¹² New Zealand Government, *New Zealand's Second Nationally Determined Contribution*, January 2025. Available at: <https://unfccc.int/sites/default/files/2025-01/New%20Zealand's%20second%20Nationally%20Determined%20Contribution.pdf>

¹³ Ministry for the Environment, *Independent Panel Reports on Methane Science and Targets*, December 2024. Available at: <https://environment.govt.nz/news/independent-panel-reports-on-methane-science-and-targets/>

¹⁴ Ministry for Primary Industries, *Limits to Restrict Farm to Forest Conversions*, 2024. Available at: <https://www.mpi.govt.nz/forestry/forestry-in-the-emissions-trading-scheme/news-and-changes-to-the-ets/limits-to-restrict-farm-to-forest-conversions>; see also Beef + Lamb New Zealand, *Farm Conversions to Forestry Not Slowing Down, Increasing Sales of Productive Land*. Available at: <https://beeflambnz.com/news/farm-conversions-forestry-not-slowing-down-increasing-sales-productive-land>

¹⁵ AgriZeroNZ, *Year in Review 2024/25*, 2025. Available at: <https://www.agrzero.nz/progress>. See also AgriZeroNZ, *AgriZeroNZ Steps Up Support for 'Holy Grail' Methane Vaccine*, 2025. Available at: <https://www.agrzero.nz/news/agrizeronz-steps-up-support-for-holy-grail-methane-vaccine>

Of these developments, the ETS forestry restrictions deserve particular attention because they go to the credibility of New Zealand's broader policy positioning. The environmental rationale for incentivising carbon sequestration is not in question; what matters for trade policy purposes is the scale of the resulting distortion to land-use competition. The Emissions Trading Scheme issues tradeable carbon units to exotic forest owners as a reward for sequestration, whose monetary value is entirely determined by government regulation.¹⁶ Whether this revenue stream is labelled a “market signal” or a “transfer” is a question of terminology, not economics: if a government creates a regulatory framework that generates returns for one land use but not for the competing land use on the same land, and those returns are large enough to drive wholesale conversion from the latter to the former, the economic effect on land-use incentives is functionally equivalent to a per-hectare payment for conversion. The New Zealand Government’s own Regulatory Impact Statement for the Forestry Conversions Amendment Bill acknowledges that at carbon prices (NZUs) of around \$15, exotic forestry returns outperform some sheep and beef businesses; NZUs have traded at three to four times that level in recent years.¹⁷ Between 2017 and 2025 around 300,000 hectares of whole sheep and beef farms were purchased by forestry entities driven by carbon credits.

The Government’s subsequent decision to legislate restrictions on farm-to-forest conversions in 2025 is an acknowledgement that the ETS was producing unintended distortionary effects on land-use competition significant enough to warrant legislative intervention.

The restrictions on LUC class 1-5 registrations, along with restrictions on entering more than 25 per cent of LUC class 6 land within a farm system and a country-wide entry limit of 15,000ha, while leaving land classes 7 and 8 uncapped are the first type of ‘limit’ to forestry in the NZ ETS. There has been a slowdown in farm sales since these measures came into effect, but it is unclear at this stage how effective these measures will be in the long-term. It was however an important first step.

In this international context, New Zealand’s recent methane target revisions and its continued emphasis on non-price measures for agricultural mitigation sit within a broader global pattern in which few jurisdictions have adopted explicit biogenic methane targets, and most are relying on incentives and subsidies to drive change.

The removal of agriculture from the ETS is consistent with the broader international trend of jurisdictions pursuing agricultural mitigation through non-ETS instruments. In an international context where explicit agricultural methane targets remain uncommon and where most jurisdictions are increasingly using public funding and incentive programmes to drive mitigation, New Zealand’s recent methane target revision and continued emphasis on non-price measures are not unusual among comparable agricultural exporters.

Overall, New Zealand’s post-2024 developments can be characterised as continued reliance on a split-gas target domestic framework, an all-gas international framework, commitment to a technology-led mitigation approach, and a heavy reliance on land-use change.

¹⁶ Ministry for Primary Industries, *How the ETS Applies to Forestry*, New Zealand Government. Available at: <https://www.mpi.govt.nz/forestry/forestry-in-the-emissions-trading-scheme/about-forestry-in-the-emissions-trading-scheme-ets/how-the-ets-applies-to-forestry>

¹⁷ Ministry for Primary Industries and Ministry for the Environment. *Regulatory Impact Statement: Managing farm conversions to exotic forestry*. Available at: <https://www.regulation.govt.nz/our-work/regulatory-impact-statements/regulatory-impact-statement-climate-change-response-forestry-conversions-amendment-bill/>

Australia

In Australia, the overall direction of agricultural climate policy has remained broadly consistent since the publication of the 2024 report. Policy continues to emphasise integration of agriculture and land use, voluntary participation, and the use of carbon markets and public funding to support emissions reductions. Australia has not introduced an agricultural emissions price or sector-specific emissions reduction target.

Developments since 2024 include:

- Finalisation of the Agriculture and Land Sector Plan (released in October 2025), which sets out the Australian Government's strategy for reducing emissions from agriculture while maintaining food production and export competitiveness.¹⁸
- Continued expansion of the Australian Carbon Credit Unit (ACCU) market, including projects related to soil carbon, vegetation management and methane abatement from livestock and manure management.¹⁹
- Continued investment in methane-reducing technologies and practices, including feed additives, genetics and improved manure management, supported through government research and industry programmes.
- Ongoing implementation of voluntary environmental markets and private-sector carbon projects, allowing farmers to generate revenue from emissions reductions and carbon sequestration.

Additional public investment in carbon farming support, including A\$27.8 million over four years from 2024–25 to expand the Carbon Farming Outreach Program (announced in the 2024–25 federal budget, prior to the original report, but included here for completeness as implementation has since commenced), which includes A\$17.5 million in grants to upskill farm advisers and land managers. This support is largely aimed at integrating trees into farms, and Australia has a law that requires the Minister for Agriculture to approve any purchase of a whole farm for conversion to forestry. While Australia does not have a specific agriculture target, its *Land Sector Plan*, released in 2025 as part of Australia's announcement of its 2035 NDC, provided guidance on the contribution agriculture was being modelled to make towards Australia's economy-wide targets.

Australia is aiming to stabilise its agricultural emissions by 2030, improve emissions intensity by 2035, and, only from 2040, is aiming for gross reductions in emissions from agriculture, looking to achieve a total reduction in all agricultural emissions of 28 per cent by 2050, including energy use. This could be seen as less ambitious than New Zealand's target of a 10 per cent reduction in methane by 2030, though it is broadly comparable to New Zealand's 2050 objective of net zero for nitrous oxide and a 14-24 per cent reduction in methane. In 2025, the Australian Labor-led Government also stated that it was not intending to price agricultural emissions.

Overall, developments in Australia since 2024 reinforce a policy approach centred on incentives, carbon markets and land-sector integration, rather than regulatory limits or pricing of agricultural emissions. This approach continues to align closely with Australia's

¹⁸ Australian Government Department of Agriculture, Fisheries and Forestry, *Agriculture and Land Sector Plan*, 2025. Available at: <https://www.agriculture.gov.au/agriculture-land/farm-food-drought/climatechange/ag-and-land-sector-plan>

¹⁹ Australian Government Department of Climate Change, Energy, the Environment and Water, *Australian Carbon Credit Unit (ACCU) Scheme Methods*, 2024. Available at: <https://www.dcceew.gov.au/climate-change/emissions-reduction/accu-scheme/methods/current>

broader climate policy framework, which emphasises technology adoption and voluntary participation by farmers.

Canada

In Canada, since the 2024 report, agricultural emissions policy has remained broadly consistent; mitigation in agriculture is pursued mainly through incentives, cost-share programmes and technology support, rather than a sector-wide agricultural emissions target or pricing of farm emissions. However, the most significant political development in this period has been the removal of the consumer carbon tax and its implications for the broader carbon pricing framework.²⁰

Developments since 2024 include:

- Federal election (April 2025): Mark Carney's Liberal Party won the April 2025 federal election. The Liberal platform proposed increased support for efficient farm equipment, doubled AgriStability coverage from C\$3 million to C\$6 million per farm, and continued support for environmentally friendly farming practices.²¹ The election result provides continuity in the broad direction of agricultural climate policy, but the removal of the consumer carbon tax during the campaign period illustrates the political sensitivity of carbon pricing even under a government broadly supportive of climate action.
- Updated economy-wide NDC to 2035: Canada submitted a new NDC target of 45–50 per cent below 2005 by 2035, building on its 2030 target of 40–45 per cent below 2005.²²
- Fertiliser (nitrous oxide) target remains the key agriculture-specific target: Canada continues to pursue its goal to reduce nitrous oxide (N₂O) emissions associated with fertiliser application by 30 per cent below 2020 levels by 2030, framed as an emissions target rather than a mandated reduction in fertiliser use.²³
- Expansion of the On-Farm Climate Action Fund (OFCAF): In January 2025, the federal government announced an additional C\$300 million for OFCAF to support practice change (delivered via recipient organisations) over a further multi-year period.²⁴
- Methane policy developments remain concentrated in oil and gas (not agriculture): Canada continues to position its headline methane target around oil and gas methane (e.g., Canada's federal materials reference a 75 per cent reduction below 2012 levels by 2030), and has continued to tighten the regulatory framework for that sector. This is

²⁰ Government of Canada, *Removing the Consumer Carbon Price, Effective April 1, 2025*, Department of Finance, March 2025. Available at: <https://www.canada.ca/en/department-finance/news/2025/03/removing-the-consumer-carbon-price-effective-april-1-2025.html>

²¹ Liberal Party of Canada, *Our Platform: Canada Strong*, 2025 federal election platform. Available at: <https://liberal.ca/our-platform/>

²² Government of Canada, *Cutting Pollution and Building a Strong Economy for the Future: Canada's 2035 Commitment under the Paris Agreement*, Environment and Climate Change Canada, February 2025. Available at: <https://www.canada.ca/en/environment-climate-change/news/2025/02/cutting-pollution-and-building-a-strong-economy-for-the-future-canadas-2035-commitment-under-the-paris-agreement.html>

²³ Agriculture and Agri-Food Canada, *Reducing Emissions from Fertilizer*. Available at: <https://agriculture.canada.ca/en/environment/fertilizers-and-pesticides/reducing-emissions-fertilizer>

²⁴ Government of Canada, *Minister MacAulay Announces Funding to Help Farmers Lower Emissions and Build Resilience*, Agriculture and Agri-Food Canada press release, January 2025. Available at: <https://www.canada.ca/en/agriculture-agri-food/news/2025/01/minister-macaulay-announces-funding-to-help-farmers-lower-emissions-and-build-resilience.html>

relevant to Canada's overall methane profile, but it does not constitute a new agricultural methane target.

Overall, Canada remains best characterised as an incentive-led agriculture mitigation model, with its main agriculture-specific target continuing to be fertiliser-related N₂O reductions, and “methane target” activity primarily focused on the oil and gas sector rather than livestock. Additionally, offsets are able to be generated in their Federal Offset System through the use of feed additives and improved cattle management that reduces enteric fermentation levels. The removal of the consumer carbon tax (even while industrial pricing mechanisms remain in place) underscores that the political limits of carbon pricing are being tested even in jurisdictions with established frameworks.

The United States

In the US, agricultural emissions policy, since the 2024 report, has continued to rely primarily on incentives, cost-share programmes and technology deployment, rather than on sector-specific emissions targets or the pricing of farm emissions.

The most material change since publication has been political: the Trump administration's return in January 2025 has reshaped both the framing and delivery of federal “climate” programmes in agriculture, creating greater uncertainty over some funding streams and reorienting priorities toward production, energy and deregulation.

Developments since 2024 include:

- Cancellation of the Partnerships for Climate-Smart Commodities (PCSC) programme: In April 2025, the US Department of Agriculture (USDA) announced it had cancelled PCSC following an internal review, stating the programme would be wound down and that remaining resources would be reprioritised under new conditions (including higher shares of funding required to flow to producers).²⁵
- Substantial funding disruption affecting Inflation Reduction Act (IRA)-supported agriculture and conservation grants: In early 2025, USDA froze or delayed payments under some conservation and farm funding programmes while conducting an agency-wide review of spending. The scale of disruption has been significant: over US\$6 billion in IRA agricultural and conservation funding was frozen or cancelled, prompting litigation from farmers and NGOs alleging unlawful withholding of funds. In April 2025, a federal judge ordered the USDA to release billions of dollars to farmers and non-profits for already-awarded IRA funding.²⁶
- Shift in USDA climate framing and communications: Reporting in early 2025 indicated the administration directed USDA to remove or downplay climate-related webpages and messaging, signalling a broader repositioning away from “climate” branding even where some underlying land and conservation programmes continue. In March 2026, USDA settled a lawsuit and agreed to restore and share climate risk data with farmers.²⁷

²⁵ USDA, *USDA Cancels Biden-Era Climate Slush Fund, Reprioritizes Existing Funding for Farmers*, press release, 14 April 2025. Available at: <https://www.usda.gov/about-usda/news/press-releases/2025/04/14/usda-cancels-biden-era-climate-slush-fund-reprioritizes-existing-funding-farmers>

²⁶ DTN/Progressive Farmer, *Federal Judge Orders USDA and Other Departments to Release Frozen IRA Dollars*, 16 April 2025. Available at: <https://www.dtnpf.com/agriculture/web/ag/news/article/2025/04/16/federal-judge-orders-usda-release>

²⁷ Government Executive, *After a Lawsuit, USDA Agrees to Share Climate Risk Data with Farmers*, 4 March 2026. Available at: <https://www.govexec.com/management/2026/03/after-lawsuit-usda-agrees-share-climate-risk-data-farmers/411848/>

- Regulatory recalibration toward fossil methane rather than agricultural methane: The most prominent methane policy change in this period has been in the oil and gas sector, where EPA issued an interim final rule extending compliance deadlines for methane standards.

Overall, the US remains best characterised as a subsidy- and programme-delivery model for agricultural mitigation, but with greater policy and funding volatility since 2025. The practical implication for New Zealand is that the US still tends to accelerate adoption through public money and technology deployment, while the durability and “climate” branding of specific initiatives has become more contingent on federal political settings.

California

California is included in this update as a sub-national jurisdiction for three reasons: its economy, if ranked independently, would be the fifth largest in the world (with the largest dairy sector in the US); it is active in adopting agriculture-specific methane reduction targets and regulatory mechanisms; and its continued strengthening of state-level climate regulation stands in sharp political contrast with the federal retrenchment described in the US section above.

Senate Bill 1383 (SB 1383, 2016) established a highly ambitious dairy and livestock sector methane target of 40 per cent below 2013 levels by 2030. The legislation covers both dairy and non-dairy livestock. The practical focus to date has overwhelmingly been on dairy manure management, which accounts for approximately 25 per cent of California’s methane emissions because there were tools and technologies available to reduce their emissions. Looking forward, the focus is now on enteric methane from dairy production as technologies are becoming more available. Non-dairy livestock contributes approximately 10 per cent of California’s total methane emissions and has not been the focus given the limited technologies available to reduce emissions. The regulatory implications for pasture-based beef operations remain limited, as the mitigation mechanisms and rules under discussion (digesters, manure management, feed additives) are oriented toward confined dairy and feedlot systems rather than extensive pastoral grazing. This is because there are currently no tools, other than low-emissions genetics, available for pasture-based systems,

The legislation directed the California Air Resources Board (CARB) to prioritise voluntary and incentive-based measures, with mandatory regulation permitted on or after 1 January 2024 if voluntary measures proved insufficient.

To date, the primary delivery mechanism has been state-funded dairy digesters supported through California Department of Food and Agriculture (CDFA) grants and the Low Carbon Fuel Standard (LCFS) credit system.²⁸ These programmes have been very successful at both reducing emissions and gaining traction amongst farmers in the dairy sector.²⁹

Developments since 2024 include:

²⁸ CARB, *Analysis of Progress toward Achieving the 2030 Dairy and Livestock Sector Methane Emissions Target*, 2022. Available at: <https://www2.arb.ca.gov/resources/documents/dairy-livestock-sb1383-analysis>. See also CDFA, *Dairy Digester Research and Development Program*. Available at: <https://www.cdfa.ca.gov/oefi/ddrdp/>

²⁹ California Department of Food and Agriculture. *Dairy Digester Research & Development Program*, 2026. Available at: <https://www.cdfa.ca.gov/oars/ddrdp/>

- Significant progress has been made by the California dairy sector in reducing its methane emissions through a combination of grants to cover the cost of installing biodigesters, implementation of other manure management strategies, and the allocation of carbon credits for the production of bio-methane. It is likely to reduce its methane emissions by 30 per cent by 2030.³⁰ However, not as much progress has been made in reducing other ruminant methane emissions because there are fewer tools available to do so.
- CARB resolution directing mandatory methane rule-making (November 2024): CARB's board passed a resolution directing staff to develop mandatory livestock methane regulations, with rule-making commencing in 2025, a board vote by 2028, and regulations in effect by 2030. CARB opened a public solicitation³¹ for input on the regulatory design in January 2026. While the outcomes of this consultation are unclear at the time of writing, this is the first move by any US jurisdiction from an exclusively voluntary approach toward direct regulation of livestock methane.
- The shift toward mandatory regulation does not signal a move toward herd reduction or livestock number controls. There is also no talk of pricing methane from livestock in California. The regulatory options under discussion are focused on manure and emissions management: performance standards (requiring farms to reduce methane below a specified threshold, with flexibility in how), technology requirements (such as digesters or feed additives), and facility-level emissions caps. None of the options under consideration would impose caps on animal numbers or require reductions in herd size.
- California's existing incentive structure already provides financial support for these technologies. The state's Low Carbon Fuel Standard (LCFS) generates tradeable credits for dairy digesters that capture methane and produce renewable natural gas, and this programme has been a primary driver of digester adoption to date. The CARB 2024 amendments to the LCFS extended the programme and adjusted credit pathways. Any new mandatory regulations are expected to build on this credit-based approach, with compliance likely supported by continued access to LCFS credits, state grant funding through the Dairy Digester Research and Development Program, and potentially new incentive mechanisms for feed additives as they receive regulatory approval.
- Equally, public funding and incentives are not expected to be withdrawn. California has invested hundreds of millions of dollars in digester grants through the CDFA, and the LCFS credit system continues to generate substantial revenue for participating farms. A mandatory regime would most likely sit alongside continued subsidies, with regulations requiring adoption of technologies and practices that are already being supported through public funding. There is no serious consideration of greenhouse gas pricing for agriculture in California; the regulatory discussion is focused on performance standards and technology requirements, not on carbon taxes or emissions levies.

³⁰ CARB, *Dairy Sector Workshop Staff Presentation*, 22 August 2024, available

at: https://ww2.arb.ca.gov/sites/default/files/2024-08/CARB_Dairy_Sector_Workshop_Staff_Presentation_08-22-2024.pdf

³¹ CARB, Information Solicitation to Inform Implementation of the Dairy and Livestock Provisions of Senate Bill 1383. Available at: [https://ww2.arb.ca.gov/sites/default/files/2026-](https://ww2.arb.ca.gov/sites/default/files/2026-01/sb1383_informationsolicitation_1_28_2026_0.pdf?utm_medium=email&utm_source=govdelivery)

[01/sb1383_informationsolicitation_1_28_2026_0.pdf?utm_medium=email&utm_source=govdelivery](https://ww2.arb.ca.gov/sites/default/files/2026-01/sb1383_informationsolicitation_1_28_2026_0.pdf?utm_medium=email&utm_source=govdelivery)

- Delivery gap: CARB’s own assessment indicates current programmes will deliver approximately 6.6 Mt CO₂e in annual methane reductions by 2030, roughly three-quarters of the 9 Mt CO₂e needed to meet the 40 per cent target. This shortfall is the primary driver for the potential shift toward mandatory regulation.³²
- Cap-and-invest reauthorisation (September 2025): Governor Gavin Newsom signed Assembly Bill 1207 (AB 1207) and Senate Bill 840 (SB 840), extending California’s cap-and-trade programme through 2045, increasing the offset limit from 4 to 6 per cent of compliance obligations, and providing stable funding for the Sustainable Agricultural Lands Conservation (SALC) programme.³³
- Proposition 4 climate bond (November 2024): Voters approved a US\$10 billion climate bond, of which US\$300 million is allocated to agricultural projects, including land repurposing, soil health, carbon sequestration and farmer equipment-sharing cooperatives.³⁴
- Federal-state divergence: California’s continued strengthening of its climate framework contrasts sharply with the federal retrenchment described above. In April 2025, the Trump administration issued an executive order to limit state-level climate regulations. California has responded by reinforcing its regulatory independence.³⁵

Overall, California is one of the more active jurisdictions reviewed, with a quantified dairy and livestock methane target, clear identification of the behaviours and technologies it wants to incentivise, and ongoing development of mandatory regulations to close the delivery gap. However, even as it moves toward mandatory measures, the approach remains firmly rooted in subsidised technology deployment and manure management rather than emissions pricing or herd reduction. For beef cattle, and particularly extensive beef cattle on rangeland, the practical regulatory impact remains very limited.

For New Zealand, the California experience reinforces the broader international pattern. Even where mandatory regulation is being pursued, the delivery model remains subsidy or incentive-led, and governments continue to balance political feasibility with economic considerations. It is important to note that this model has been successful at achieving relatively ambitious methane emissions reduction goals.

The United Kingdom

In the UK, the overall direction of agricultural climate policy has remained broadly consistent since the 2024 report. The UK continues to rely primarily on devolved incentive-based land-management schemes rather than sector-specific emissions targets or pricing of agricultural emissions. Policy remains centred on the Environmental Land Management (ELM) framework and the gradual transition away from direct payments under the EU’s Common Agricultural Policy. Since 2024, developments have largely focused on implementation,

³²CARB, Analysis of Progress toward Achieving the 2030 Dairy and Livestock Sector Methane Emissions Target, 2022; updated delivery estimates from CARB 2024 workshop materials. Available at:

<https://ww2.arb.ca.gov/resources/documents/dairy-livestock-sb1383-analysis>

³³ AB 1207 and SB 840, signed September 2025. See ICAP, *California Extends Cap-and-Trade to 2045, Renames Program Cap-and-Invest*. Available at: <https://icapcarbonaction.com/en/news/california-extends-cap-and-trade-2045-renames-program-cap-and-invest>

³⁴California Proposition 4, approved November 2024. Bond allocations per the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, Available at: <https://lao.ca.gov/BallotAnalysis/Proposition?number=4&year=2024>

³⁵ The White House, Executive Order on Unleashing American Energy, January 2025. Available at: <https://www.whitehouse.gov/presidentialactions/2025/01/unleashing-american-energy/>

funding constraints, and refinement of existing schemes, rather than the introduction of new regulatory obligations for agricultural emissions.

Developments since 2024 include:

- The overall UK approach remains incentives-led, but the design and rollout of agricultural support continues to diverge across the four nations as schemes transition and are refined.
 - England: SFI redesign for 2026: Defra has confirmed that the 2026 Sustainable Farming Incentive (SFI26) will be streamlined to 71 actions, with a cap of £100,000 incentive payment per year/per farm business, one agreement per business, and three-year agreements (replacing the previous five-year standard), alongside the removal of the stand-alone management payment.
 - Wales: Sustainable Farming Scheme (SFS) redesign: Wales has removed the previously proposed minimum 10 per cent tree cover requirement at the individual farm level, replacing it with a scheme-wide tree ambition and a new Universal Action requiring a tree planting and hedgerow creation opportunity plan (i.e., a “trees and hedgerows plan” approach).
 - Scotland: Agricultural Reform Programme (ARP) transition: Scotland has continued to develop its multi-tier reform model (Tier 1 Base, Tier 2 Enhanced, Tier 3 Elective, Tier 4 Complementary). Near-term implementation steps emphasise a Whole Farm Plan and staged introduction of new conditions (including protections for peatlands/wetlands under cross-compliance), with additional “elective” measures (e.g., capital support) being introduced as the programme matures.
 - Northern Ireland: post-CAP transition measures: DAERA has progressed its new “Sustainable Agriculture Programme” scheme architecture, including the Farming with Nature Transition Scheme (Year 1 now closed) and plans for an expanded offer reopening in 2026, alongside the wider suite of evolving support measures.
- Increased Environmental Land Management (ELM) funding commitment: Following the 2025 Spending Review, the Government confirmed over £2.7 billion annually for sustainable farming and nature recovery for 2026–2029, with ELM funding increasing by 150 per cent over this period. The Defra farming budget was maintained at £2.4 billion for 2025/26, with £1.8 billion allocated to ELM schemes.³⁶
- Expansion of environmental data and measurement initiatives, including the AHDB Environment Baseline Pilot, which is measuring carbon stocks, emissions and environmental indicators across participating farms to provide more accurate farm-level data on emissions and sequestration.³⁷

Overall, developments in the UK since 2024 reflect policy implementation and adjustment rather than a major shift in direction. Agricultural climate policy continues to rely primarily on voluntary participation, public funding and emerging environmental markets to encourage emissions reductions and environmental improvements in the sector. Notably, agriculture

³⁶ Defra Farming Blog, *Spending Review 2025: A Commitment to Farming*, 16 June 2025. Available at: <https://defrafarming.blog.gov.uk/2025/06/16/spending-review-2025-a-commitment-to-farming/>

³⁷ AHDB, *Environment Baseline Pilot*. Available at: <https://ahdb.org.uk/baselining>

now exceeds electricity supply as a source of UK greenhouse gas emissions, and without accelerated mitigation, risks becoming the largest-emitting sector by the mid-2030s, adding pressure for future policy strengthening even within the current incentives-led framework. This, however, reflects the UK's success in decarbonising its broader economy, rather than a rise in emissions from agriculture.³⁸

The European Union

In the European Union (EU), “simplification” and competitiveness have become the defining themes of the new centre-right Commission. This shift is particularly evident in agriculture, where recent legislation has rolled back key aspects of the European Green Deal advanced by the previous Commission.

Developments since 2024 include:

- Relaxation of environmental conditionality under the Common Agricultural Policy (CAP) following the 2024 CAP simplification package, including exemptions for smaller farms and greater flexibility for member states in implementing environmental requirements. A further CAP simplification package was approved in December 2025 (effective January 2026), applying to over 9 million farmers and introducing streamlined procedures, reduced inspection frequency, and automatic compliance for organic farms on several GAEC requirements.³⁹
- Delay to the implementation of the EU Deforestation Regulation (EUDR) to December 2026 for large and medium operators and June 2027 for small and micro-enterprises. This distinction effectively makes the regulation much less burdensome for EU farmers than for farmers from third-party countries that export to the EU (such as those from New Zealand).
- The EU's developing 2040 climate target framework retains economy-wide targets, and does not introduce a sector-specific emissions reduction target for agriculture, despite earlier discussion of such an approach.
- Expansion of the Industrial and Livestock Rearing Emissions Directive: The revised Industrial Emissions Directive (August 2024) expanded its scope to additional large-scale pig and poultry farms. Significantly, the directive requires an assessment by the end of 2026 on whether to include cattle livestock emissions within the regulatory scope, a development that, if it proceeds, could represent the first EU-wide regulatory mechanism directly targeting ruminant emissions.⁴⁰ At the time of writing it is unclear what decision will be made.
- If cattle were included, large-scale operations above a defined threshold would likely be required to obtain environmental permits, implement best available techniques for emissions management (such as covered manure storage and low-emission

³⁸ Energy and Climate Intelligence Unit (ECIU), *Emissions from Agriculture Overtake Electricity for First Time*, press release, 2025. Available at: <https://eciu.net/media/press-releases/2025/emissions-from-agriculture-overtake-electricity-for-first-time-comment>

³⁹ Council of the European Union, *Council Signs Off Simplification of Common Agricultural Policy*, press release, 18 December 2025. Available at: <https://www.consilium.europa.eu/en/press/press-releases/2025/12/18/council-signs-off-simplification-of-common-agricultural-policy/>

⁴⁰ European Parliament and Council of the European Union, Directive (EU) 2024/1785 amending Directive 2010/75/EU on industrial emissions (integrated pollution prevention and control) and Directive 1999/31/EC on the landfill of waste, *Official Journal of the European Union*, 2024. Available at: <https://eur-lex.europa.eu/eli/dir/2024/1785/oj>

spreading), and report their emissions annually. The key practical question is where the threshold would be set: a high threshold would capture only the largest intensive feedlots, while a lower threshold could bring a significant number of beef and dairy farms into the regulatory framework for the first time.

The 2040 framework also introduces, for the first time, a role for international carbon credits in order to help meet the EU's headline climate target. Under the agreement reached between the Council and Parliament in December 2025 (with final Council adoption in March 2026), the EU's 90 per cent reduction target by 2040 (relative to 1990) comprises a domestic reduction requirement of at least 85 per cent, with the remaining contribution of up to 5 per cent of 1990 net greenhouse gas emissions permitted through high-quality international carbon credits compliant with Article 6 of the Paris Agreement. The practical rules governing credit eligibility, quality criteria and accounting are to be set out in delegated acts, and several observers have noted that the framework leaves significant design questions unresolved. International credits are not eligible for operators to use to meet their surrender obligations under the EU ETS. This could arguably be viewed as relaxation of the EU's climate change targets as it is allowing offsets to get to the 90 per cent target, when previously they required gross reductions.

Alongside reforms to the binding LULUCF accounting framework, the EU has progressed a separate, market-facing instrument: the Carbon Removals and Carbon Farming Certification Framework (CRCF) (sometimes referred to as the EU's "certification framework" for removals). The CRCF is designed to create an EU-wide, voluntary certification system for high-quality removals, with common monitoring, reporting and verification requirements and safeguards intended to reduce greenwashing and improve comparability across member states.

The CRCF covers three categories of activities:

- Permanent carbon removals (engineered or geologically stored removals intended to be long-lasting).
- Carbon farming (land-based practices that increase carbon stocks or reduce net land emissions, such as improved soil management, agroforestry, wetland/peatland restoration and related nature-based practices).
- Carbon storage in products (long-lived storage of biogenic carbon in products such as wood-based construction materials and other durable bio-based products).

The framework is implemented through delegated acts and methodologies that define what constitutes a certified unit, how it is quantified, how permanence and reversal risk are handled, and which sustainability criteria apply. In practice, the CRCF is intended to support the development of removal markets and investment signals, but it does not operate as an economy-wide pricing mechanism for land use and is separate from the EU's binding LULUCF compliance system.

In March 2026, the European Scientific Advisory Board on Climate Change (similar to the NZ Climate Change Commission) recommended the EU introduce a dedicated greenhouse gas

pricing system for agriculture, applying the polluter-pays principle. These recommendations have not been adopted by the European Commission.⁴¹

In general, since 2024, the EU has been moving in the opposite direction through successive simplification packages, emphasising reduced regulatory burden and greater implementation flexibility for member states. Even the Advisory Board itself pairs its pricing recommendation with calls for substantial public funding of emissions reductions and targeted transition support. This is consistent with the broader pattern identified in this report: agricultural emissions policy remains overwhelmingly subsidy-led, and where pricing has been contemplated, as in Denmark, it has invariably been accompanied by significant financial assistance.

Overall, there has been a significant shift in emphasis within EU agricultural policy since 2024. While the overall climate framework remains in place, recent reforms have focused on simplifying regulatory requirements and increasing implementation flexibility for farmers.

In practice, this means smaller farms are now exempt from some environmental conditionality requirements under the CAP, member states have greater discretion over how they implement biodiversity restoration and nature targets on agricultural land, inspection frequency has been reduced, and compliance timelines for supply-chain regulations (including the EUDR and CSDDD) have been extended. Several initiatives associated with the European Green Deal have been delayed, withdrawn, or modified, particularly where they were perceived as imposing significant compliance costs on the agricultural sector.

Commentators from environmental organisations and policy institutes have interpreted these developments as evidence of a partial recalibration of the Green Deal's agricultural agenda, following widespread farmer protests and growing political attention to farm competitiveness and food security. Rather than introducing new sector-specific climate obligations for agriculture, recent EU policy changes have largely focused on adjusting existing regulations and easing administrative burdens, while maintaining the EU's broader economy-wide emissions reduction trajectory.

Ireland

In Ireland, the overall policy direction identified in the 2024 report remains largely intact: Ireland continues to be one of the few major agricultural exporters with an explicit agriculture emissions reduction target, with delivery pursued through a mix of regulatory constraints (particularly nitrates rules), incentive schemes, and technology/practice adoption, rather than pricing farm emissions. Since late 2024, the key development has been growing certainty regarding how far Ireland remains from meeting its 2030 agriculture target.

Developments since 2024 include:

- Targets and carbon-budget architecture remain unchanged: Ireland's agriculture sector target is a 25 per cent reduction in agricultural emissions by 2030 (relative to 2018), aligned with national carbon budgets and sectoral emissions ceilings.
- Ireland remains materially off-track to meet the 25 per cent agriculture target: Recent policy analysis drawing on EPA projections indicates agriculture emissions are

⁴¹ European Scientific Advisory Board on Climate Change, *Climate Adaptation and Mitigation in the Agri-Food System: Recommendations for Coherent EU Policies*, March 2026. Available at: <https://climate-advisory-board.europa.eu/reports-and-publications/climate-adaptation-and-mitigation-in-the-agri-food-system-recommendations-for-coherent-eu-policies>

projected to fall by only around 16 per cent by 2030 (vs 2018) under current trajectories, leaving a gap of roughly 9 percentage points versus the sectoral target (and implying reliance on very rapid uptake of high-impact measures if the gap is to be closed).

- The Irish EPA has also noted that direct comparison of projected agricultural emissions outcomes against the sectoral ceiling has become more complex due to updates to Ireland’s agricultural emissions estimates and accounting methods; the direction of travel remains that agriculture is projected to fall short of the 2030 ambition.⁴²
- A nitrates “derogation” policy continues to be a central production-adjacent constraint on achieving emissions reductions: The nitrates derogation is effectively an exemption from needing to meet the standard EU Nitrates Directive stocking limit, allowing eligible farms to exceed the default 170kg livestock manure nitrogen/ha/year up to higher limits (historically up to 250kg, with conditions and area-specific restrictions). Compliance requirements under derogation rules, therefore, continue to drive system changes that affect emissions outcomes indirectly, through stocking intensity, fertiliser use, and nutrient efficiency.
- Ongoing tightening and conditionality around derogation and nitrogen management: Ireland has continued to tighten nitrates-related implementation settings (including differentiated rules by area and stricter conditions for higher-stocked farms), reflecting persistent water-quality pressures and the central role of agricultural nitrogen losses in EU compliance debates.
- Development of a carbon farming initiative: Ireland is developing national guiding principles for carbon farming, integrating carbon sequestration with biodiversity and water quality objectives. The framework aligns with the EU’s Carbon Removals and Carbon Farming Certification Framework (CRCF), with potential to formally include livestock emission reductions after July 2026.⁴³
- The framework is designed as a reward-based mechanism: farmers who achieve verified emission reductions or carbon removals would receive payments through public funding, supply chain insetting, or carbon credit markets. There is no proposal for greenhouse gas pricing or levies on livestock within the framework.

Overall, Ireland remains the clearest example of a targets-led agriculture framework: the target itself has not changed since the 2024 report, but the policy debate has increasingly shifted from target-setting to delivery realism, given the scale of the remaining gap to 2030.

Denmark

Denmark has moved further than any other major agricultural jurisdiction since the 2024 report, shifting from policy design into early implementation of its Green Tripartite package (the “Agreement on a Green Denmark”). While the livestock emissions levy has attracted the most international attention, the key policy in the Danish approach to reducing agricultural emissions is the very large public funding and land-use transformation programme, with the

⁴² Environmental Protection Agency (Ireland), *EPA Projections Show Ireland Off Track for 2030 Climate Targets*, press release, 2025. Available at: <https://www.epa.ie/news-releases/news-releases-2025/epa-projections-show-ireland-off-track-for-2030-climate-targets.php>

⁴³ Government of Ireland, *Carbon Farming*, policy information. Available at: <https://www.gov.ie/en/department-of-agriculture-food-and-the-marine/consultations/carbon-farming-framework-for-ireland/>

levy operating as a comparatively small, marginal incentive within a much larger subsidy- and buyout-led transition. The subsidies on offer significantly outweigh the possible overall cost of the livestock levy.

Key developments since 2024 include:

- Very large additional subsidies and land conversion as the core policy instrument: The agreement establishes a Green Acreage Fund of DKK 43 billion (approximately EUR 5.8 billion) to finance land acquisition, land consolidation and compensation for land retirement/repurposing, alongside delivery of large-scale nature, water and climate outcomes.⁴⁴
- The headline land-use goals remain central: 250,000 hectares of new forest and conversion of 140,000 hectares of lowland farmland (including carbon-rich soils) into wetlands/meadows and other natural areas.
- Implementation mechanisms are now being operationalised locally: Denmark has established 23 “local green tripartites” (municipalities, farming organisations and environmental interests) to decide, area-by-area, what land is converted and in what sequence. This is a major step from national agreement to implementation and delivery.
- EU approval of the financing architecture: The European Commission has now approved a major Danish state-aid scheme of EUR 1.04 billion (DKK 7.8 billion) to support landowners who voluntarily remove agricultural/forestry land from production for climate objectives.⁴⁵
- The Commission also approved a separate Danish state aid scheme worth EUR 626 million to support afforestation.⁴⁶
- The livestock emissions levy is going ahead, but it is a small component of the overall package. It has been widely described as a “world-first”, but its effective price is substantially reduced by design. Denmark’s policy design includes a standard 60 per cent deduction (so tax applies to emissions above a benchmark), with widely cited estimates that the effective cost faced by farmers is about DKK 120/tCO_{2e} in 2030, rising to about DKK 300/tCO_{2e} by 2035.⁴⁷ The additional subsidies contrast this levy sharply with the cancelled He Waka Eke Noa levy in New Zealand, which was designed to receive no additional funding and be revenue-neutral.
- Expected production impacts are framed as modest under the agreed design: Official and analytical commentary emphasises that the package is structured to deliver emissions and land-use outcomes (mainly through the use of new technologies) while limiting production contraction. OECD analysis cites

⁴⁴ Danish Ministry of Food, Agriculture and Fisheries, *The Agreement on a Green Transition of the Agricultural Sector*, 2024. Available at: <https://en.fvm.dk/news-and-contact/focus-on/the-agreement-on-a-green-transition-of-the-agricultural-sector>. See also the text of the Agreement (in Danish): <https://lf.dk/media/gqcacwvp/aftale-om-et-groent-danmark.pdf>

⁴⁵ European Commission, *Commission Approves €1.04 Billion Danish State Aid Scheme to Support Landowner Climate Projects*, press release, February 2026. Available at: https://ec.europa.eu/commission/presscorner/detail/en/ip_26_384

⁴⁶ European Commission, *Commission Approves €626 Million Danish State Aid Scheme to Support Planting Forests*, press release, August 2025. Available at: https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1971

⁴⁷ Danish Green Tax Reform Expert Group, *Green Tax Reform: Final Report*, 2024. Available at: <https://skm.dk/media/tngq1b4r/green-tax-reform-final-report.pdf>. See also Carbon Brief, Q&A: *How Denmark Plans to Tax Agriculture Emissions to Meet Climate Goals*, 2024. Available at: <https://www.carbonbrief.org/qa-how-denmark-plans-to-tax-agriculture-emissions-to-meet-climate-goals/>

modelling suggesting a decline of around 2 per cent in agricultural employment by 2035 under the package.⁴⁸

- Mandatory use of methane-reducing feed additives (Bovaer), the cost of which is subsidised by the Government: From January 2025, Denmark became the first country in the world to mandate the use of methane-reducing feed additives. The requirement applies to farms with 50 or more non-organic dairy cows, which must use Bovaer (3-NOP) or an alternative high-fat diet. Farmers can apply for government compensation for the associated costs, with payouts beginning in early 2026.⁴⁹
- Bovaer controversy and animal welfare concerns: Following the mandate's introduction, Denmark has experienced significant and widespread controversy over Bovaer, far beyond initial reports. Hundreds of Danish dairy farmers reported serious adverse effects in their herds, including sharp drops in milk production (reportedly up to 3kg/cow within days of introduction), diarrhoea, cows unable to stand within 10–12 days, and deaths within a month of starting the additive. The Danish Veterinary and Food Administration has publicly stated it is aware of the reports and that the causes will be investigated, with the Danish Agriculture and Food Council initiating a survey to collect relevant data from farmers, advisers and veterinarians. As a result, the Government temporarily allowed farmers to opt out of the Bovaer requirement while investigations into the reported welfare effects are undertaken.⁵⁰ Separately, Danish research institutions have initiated investigations into potential welfare effects (reflecting the seriousness of the issue in the Danish context).
- Implications for climate accounting: The Green Tripartite agreement projected approximately 400,000 tonnes CO_{2e} of emissions reductions from feed additives.⁵¹ If the mandate is significantly curtailed or withdrawn due to welfare concerns, this component of Denmark's mitigation pathway would need to be replaced by alternative measures. This controversy highlights the risks of relying on specific technologies within a legislated emissions-reduction framework. Reports indicate the experience has had a significant negative impact on farmer confidence in new technologies, particularly as it was mandated.

Overall implication (for New Zealand): Denmark demonstrates that “pricing agriculture” in practice is not a stand-alone instrument; it is politically and operationally nested within a much larger public investment and land-conversion programme. The livestock levy is best understood as a marginal signal sitting alongside extensive compensation, buyouts and land-system restructuring. The Bovaer experience further illustrates how implementation can be exposed to social licence and animal-health concerns when mitigation relies on specific technologies. It also highlights how mandating technologies ahead of full commercial and welfare assurance carries significant risk to both farmer trust and climate delivery.

⁴⁸ OECD, *Agricultural Policy Monitoring and Evaluation 2025*, OECD Publishing, 2025. Available at: <https://www.oecd.org/en/publications/agricultural-policy-monitoring-and-evaluation-2025.html>

⁴⁹ Volta Greentech, *Denmark Mandates Dairy Farmers to Use Feed Additives from January 2025 to Battle Global Warming*, 2025. Available at: <https://www.voltagreentech.com/news/denmark-mandates-dairy-farmers-to-use-feed-additives-from-january-2025-to-battle-global-warming>

⁵⁰ Undark Magazine, *In Denmark, Cows and Controversy over Bovaer*, 5 January 2026. Available at: <https://undark.org/2026/01/05/denmark-cows-bovaer/>

⁵¹ Danish Ministry of Food, Agriculture and Fisheries, *The Agreement on a Green Transition of the Agricultural Sector*, 2024. Available at: <https://en.fvm.dk/news-and-contact/focus-on/the-agreement-on-a-green-transition-of-the-agricultural-sector>

Brazil

In Brazil, the overarching approach described in the 2024 report remains largely unchanged: agricultural mitigation continues to be framed primarily through land-use outcomes (especially deforestation control), productivity gains, and pasture restoration, rather than through an explicit livestock emissions target or pricing of farm emissions. Since late 2024, the most material “targets” development has been Brazil’s updated NDC, while the most relevant policy detail for agriculture remains the continued rollout and international positioning of the ABC+ Plan (2020–2030) as Brazil’s flagship low-carbon agriculture programme.

Developments since 2024 include:

- Updated economy-wide NDC to 2035: Brazil’s Second NDC sets an economy-wide target to reduce net greenhouse gas emissions by 59–67 per cent below 2005 levels by 2035 (all gases, all sectors, including land use) compared to 53.1 per cent below 2005 levels by 2030.⁵²
- Continuation of the ABC+ Plan (2020–2030) as the central agriculture mitigation framework: ABC+ sets ambitious quantified adoption targets for low-carbon practices, including 30 million hectares of degraded pasture restoration, 20 million hectares of no-till farming, 5 million hectares of integrated crop-livestock-forestry systems, 7.5 million hectares of biological nitrogen fixation, 3 million hectares of planted forests, and 5.5 million m³ of animal waste treatment.
- Pasture restoration and productivity as the core “agriculture pathway”: Complementing ABC+, Brazil has continued to promote the recovery of large areas of degraded land to increase output without expanding the agricultural frontier. In COP30 communications around the RAIZ initiative, Brazil referenced that at least 40 million hectares of degraded areas have been identified as candidates for recovery through investment.⁵³
- Host of COP30 outcomes: no major agriculture-GHG breakthrough despite high expectations. Despite Brazil hosting COP30 in Belem, the summit did not produce a major new binding pledge or global “breakthrough” specifically on agricultural GHGs. The most visible agriculture-related outcomes were action-agenda style initiatives and declarations, such as the Belem Declaration on Fertilisers and announcements linked to land restoration and regenerative landscapes, rather than a new global commitment equivalent in scale to earlier methane or forest pledges.
- Continued progress on deforestation reduction: Amazon deforestation data through early 2026 shows the lowest rates in over a decade. This continues the sharp decline from the peaks of 2020–2022 and reflects the revival of enforcement programmes under the Lula government.⁵⁴
- Post-COP30 legislative developments: In late November 2025, shortly after COP30 concluded, the Brazilian Congress passed legislation that weakened protections for

⁵² Government of Brazil, *Brazil's Second Nationally Determined Contribution*, November 2024. Available at: [https://unfccc.int/sites/default/files/2024-11/Brazil_Second%20Nationally%20Determined%20Contribution%20\(NDC\)_November2024.pdf](https://unfccc.int/sites/default/files/2024-11/Brazil_Second%20Nationally%20Determined%20Contribution%20(NDC)_November2024.pdf)

⁵³ COP30 Brazil, *Brazil Launches Initiative to Restore Degraded Agricultural Areas in Different Regions of the Planet*, November 2025. Available at: <https://cop30.br/en/news-about-cop30/brazil-launches-initiative-to-restore-degraded-agricultural-areas-in-different-regions-of-the-planet>

⁵⁴ Mongabay, *Amazon Deforestation on Pace to Be the Lowest on Record, Says Brazil*, February 2026. Available at: <https://news.mongabay.com/2026/02/amazon-deforestation-on-pace-to-be-the-lowest-on-record-says-brazil/>

rivers, forests, and indigenous communities in the Amazon region. This development has raised concerns among environmental observers about the durability of deforestation progress and the extent to which legislative action may offset executive-branch enforcement gains.⁵⁵

- Biomethane incentive framework: Brazil's recently approved Fuel of the Future Act mandates the addition of waste biomethane to the natural gas supply, starting at 1 per cent in 2026 and potentially reaching 10 per cent. While not directly targeting agricultural emissions, this framework creates new economic incentives for managing animal waste and may indirectly support emissions reductions from livestock manure management.⁵⁶

Overall, Brazil continues to pursue land restoration and land intensification, with international messaging emphasising scalable practices rather than sectoral livestock emissions targets. The tension between strong executive-level deforestation enforcement and legislative weakening of environmental protections remains a key dynamic to watch.

International and multilateral developments

Alongside country-level developments, several international and multilateral trends since the 2024 report provide a broader context for New Zealand's agricultural climate policy positioning.

OECD Analysis of Agricultural Mitigation Policy

In December 2024, shortly after the publication of the original B+LNZ report, the OECD published an analysis of climate mitigation policy instruments in the agriculture, forestry and other land use (AFOLU) sectors, drawing on a review of over 1,500 mitigation policies across 53 countries. The analysis reaffirms the central finding of the 2024 report: that the dominant international approach to agricultural emissions mitigation is subsidy and incentive-led, and that direct pricing of on-farm biological emissions remains essentially absent globally. The OECD found that approximately two thirds of AFOLU mitigation policy instruments are economic instruments, of which subsidies account for roughly 96 per cent. Carbon tax policies account for only about one per cent of AFOLU policies in the inventory, and the OECD concluded that no current emission taxes apply the polluter-pays principle to the AFOLU sectors for major emission sources, including methane and nitrous oxide. Denmark's recently introduced levy remains the sole notable exception.⁵⁷

Global Methane Pledge and NDC integration

The Global Methane Pledge, launched at COP26, is a voluntary international commitment in which signatories collectively aim to reduce global methane emissions by 30 per cent below 2020 levels by 2030. Crucially, the pledge does not impose binding national targets on any individual signatory and countries retain full discretion over how, and how much, they contribute to the collective goal. While the pledge is sector-agnostic and does not explicitly exclude any methane source, its origins, framing, and implementation have centred squarely on oil and gas methane, where abatement opportunities are most readily available and cost-

⁵⁵ DeSmog, *COP30: Big Agribusiness, Agrizone, Deforestation and Anti-Conservation*, 10 November 2025. Available at: <https://www.desmog.com/2025/11/10/cop30-big-agribusiness-agrizona-deforestation-anticonservation/>

⁵⁶ Government of Brazil, *President Lula Signs Fuel of the Future Act*, October 2024. Available at: <https://www.gov.br/planalto/en/latest-news/2024/10/president-lula-signs-fuel-of-the-future-act>

⁵⁷ OECD, "Climate mitigation policy in the agriculture, forestry and other land use (AFOLU) sectors," OECD Food, Agriculture and Fisheries Papers No. 221, December 2024. Available at: <https://doi.org/10.1787/3b194c37-en>

effective. The pledge continues to grow in signatory count and influence on national policy design. As of mid-2025, 127 countries (65 per cent of Paris Agreement parties) included policies targeting major methane sources in their latest NDCs, a 38 per cent increase from pre-2020 NDCs. Progress has been most notable in animal waste management policies across Asia-Pacific, Europe, and North America.⁵⁸ However, ruminant enteric methane remains the least covered area, with few countries adopting regulations or quantified targets for this source. The United States, which co-launched the Global Methane Pledge with the EU at COP26, has effectively withdrawn from the pledge following its departure from the Paris Agreement in January 2026.

FAO Second Global Conference on Sustainable Livestock Transformation

The Food and Agriculture Organisation (FAO) held its second Global Conference on Sustainable Livestock Transformation in Rome from 29 September to 1 October 2025, bringing together over 1,000 participants including policymakers, farmers, industry, researchers and civil society. The conference theme was "Fostering Change, Scaling Innovations, Driving Solutions".⁵⁹ In his opening remarks, FAO Director-General QU Dongyu described livestock production as "a vital part of our agrifood systems, providing essential nutrients for all and enhanced livelihoods and economic opportunities for billions of people around the world". The conference emphasised the role of livestock in delivering what the FAO frames as the "Four Betters": better production, better nutrition, a better environment, and a better life for all. The livestock sector supports the livelihoods of approximately 1.3 billion people globally, accounts for roughly 40 per cent of the world's agricultural GDP, and provides approximately one-third of global protein intake through animal-source foods. The conference outcomes confirmed the FAO's institutional position that livestock systems can deliver on food security, nutrition, and environmental objectives simultaneously, and announced new institutional commitments including a Sustainable Livestock Transformation Innovation Hub and a Global Challenge Programme for Transboundary Animal Diseases. For New Zealand, the FAO's continued emphasis on sustainable transformation rather than production reduction is significant: it aligns with the approach taken by most of the jurisdictions reviewed in this report, and stands in contrast to policy approaches that frame livestock primarily as an emissions source to be constrained.

UNFCCC COP30 (Belem, November 2025)

COP30 was widely expected to elevate agriculture and food systems within the UNFCCC process. In practice, while food systems received greater visibility than at previous COPs, including through the FAO-supported action agenda and initiatives such as RAIZ and TERRA, agriculture did not advance significantly into the formal negotiating streams or produce a new binding pledge comparable to the Global Methane Pledge or the Forest Declaration. The summit did not adopt a formal roadmap to mainstream agrifood systems into future rounds of negotiations.⁶⁰ This outcome is consistent with broader patterns: international attention to agriculture and climate is growing, but binding commitments and enforceable targets remain concentrated in other sectors.

⁵⁸ Climate and Clean Air Coalition (CCAC), *Global Methane Status Report 2025*, 2025. Available at: <https://www.ccacoalition.org/content/global-methane-status-report-2025>

⁵⁹ FAO, *FAO Hosts Global Conference on Sustainable Livestock Transformation*, FAO Newsroom, September 2025. Available at: <https://www.fao.org/newsroom/detail/fao-hosts-global-conference-on-sustainable-livestock-transformation/en>

⁶⁰ FAO, *FAO at COP30*, 2025. Available at: <https://www.fao.org/cop30>

Strategic implications for New Zealand

Denmark's Green Tripartite package is now the most significant live experiment in agricultural emissions policy globally, and the developments reviewed in this update underscore both the scale of the undertaking and the uncertainties that remain. The Bovaer mandate (the first of its kind) has encountered serious animal welfare concerns that may undermine the roughly 400,000 tonnes CO₂e of mitigation attributed to feed additives in the agreement. The outcome of the Danish investigation, and any consequent changes to the mandate, will provide important evidence for all jurisdictions considering technology-mandated approaches to agricultural methane.

More broadly, the Danish experience demonstrates that pricing or regulating agricultural emissions has, in practice, required very large offsetting subsidies: the Green Acreage Fund alone amounts to approximately EUR 5.8 billion in land acquisition and compensation, and the European Commission has approved over EUR 1.6 billion in state aid to support the transition. New Zealand's now-cancelled He Waka Eke Noa farm-level pricing proposal was designed without comparable public funding or compensation. The Danish process will continue to offer lessons as it unfolds, not least on whether technology mandates, large-scale land conversion, and a modest emissions levy can collectively deliver the intended outcomes while maintaining sector viability.

California's shift from voluntary incentives toward mandatory dairy methane regulation offers a parallel case study, though one where the regulatory design remains at an early stage, and the approach continues to centre on subsidised technology deployment rather than emissions pricing or production constraints.

Beyond Denmark, this update suggests that the enthusiasm of earlier climate pledges and commitments will continue to encounter fiscal and political constraints as jurisdictions move from target-setting to implementation. Canada's removal of the consumer carbon tax in 2025, even under a government broadly supportive of climate policy, illustrates the political limits of carbon pricing when applied to households and the broader agricultural supply chain. In the EU, the systematic simplification of Green Deal-era agricultural requirements, including weakened CAP conditionality and delayed supply-chain regulations, reflects a recalibration driven by farmer protests and competitiveness concerns.

In the US, the freezing or cancellation of over US\$6 billion in agriculture-related climate funding, combined with proposed budget cuts to key conservation agencies, signals that programme continuity is contingent on political settings in ways that may limit the durability of subsidy-led agricultural mitigation. Ireland, meanwhile, remains materially off-track against its 25 per cent agriculture target, with projections suggesting a shortfall of roughly 9 percentage points by 2030, while continuing to secure carve-outs from EU nitrate rules to protect dairy production intensity. Taken together, these developments suggest that further substantial tightening of agricultural climate obligations is unlikely in the near term across most of the jurisdictions reviewed.

For New Zealand, the policy landscape that emerges from this update presents a particular challenge for unsubsidised, export-oriented agricultural economies. Across the jurisdictions reviewed, the dominant trend is toward publicly funded mitigation, including through Denmark's multi-billion euro land conversion, Canada's expanded On-Farm Climate Action

Fund, the EU's simplified but still subsidy-rich CAP, Australia's growing carbon farming programmes, or the UK's increased funding for measuring and incentivising on-farm emissions reduction and carbon sequestration.

New Zealand's decision to remove agriculture from the ETS places it broadly in line with the international mainstream: no other jurisdiction prices agricultural emissions through an ETS, and only Denmark (a wealthy, heavily subsidising EU member) has moved to price farm emissions at all, and only within the context of very large compensating transfers. No other country is expected to follow Denmark's approach in the near term.

Australia offers a useful comparison of how it is integrating land use and agriculture within a single policy framework, using carbon markets and public investment to incentivise practice change while maintaining production. In contrast, New Zealand's ETS-driven exotic-forestry policy, which incentivises the large-scale conversion of pastoral land into monocultural pine forests, remains a significant international outlier and could come under increased scrutiny in the future.

The central implication is that New Zealand's agricultural sector faces a competitive environment in which major producing and exporting jurisdictions are increasingly subsidising the transition to lower-emission farming, while New Zealand's farmers are expected to adjust within a largely unsubsidised policy framework. This asymmetry is not new; it was identified in the 2024 report, but the developments reviewed here suggest it is widening rather than narrowing.