Submission

26TH NOVEMBER 2025

TO THE

MINISTRY FOR THE ENVIRONMENT

ON THE

PROPOSED AMENDMENT TO NEW ZEALAND'S SECOND EMISSIONS REDUCTION PLAN (2026 TO 2030)

BY

BEEF + LAMB NEW ZEALAND LIMITED

ADDRESS FOR SERVICE

Name	Position	Phone Number	Email Address
Beef + Lamb New Zealand Limited			
Madeline Hall	Climate Change Programme Manager	+64 27 572 4330	Madeline.hall@beeflambnz.com
Rowena Hume	GM Policy and Communications	+64 27 224 4535	Rowena.hume@beeflambnz.com

Introduction

Beef and Lamb New Zealand (B+LNZ) B+LNZ is an industry-good body funded under the Commodity Levies Act 1990, through a levy paid on all cattle and sheep slaughtered in New Zealand (except bobby calves). B+LNZ represents both Māori and Pākehā sheep and beef levy-payers and has the mandate to submit on their behalf on matters that affect them.

We thank you for the opportunity to provide feedback on the proposed amendment to New Zealand's second Emissions Reduction Plan covering 2026 until 2030 (ERP2). We support the removal of agricultural emissions pricing because it provides our farmers much needed certainty and clarity, is an unnecessary policy tool, and is out of step with our international competitors.

Welcomed certainty and clarity

One of the major concerns in recent years for our farmers has been the ongoing fear of emissions pricing. Farmers are already under pressure as shown by increased farm costs and decreasing stock numbers over recent decades. A price on on-farm emissions is only another layer of complexity and pressure to a farm business. Without options to reduce emissions without reducing stock numbers, emissions pricing is a price on production.

The Government's commitment to removing emissions pricing from the second emissions budget (EB2) is therefore a very welcome step forward. As confirmed by a peer-reviewed life cycle analysis (LCA), our farmers are some of the most productive and low emissions farmers in the world.[1]

Efforts should be made to support continued production of our grass-fed and low emissions meat products. The government's technology-led approach is a great start.

Removing an unnecessary policy tool

As a principle of fairness, emission reduction pricing as a tool should be used to incentivise feasible and practical changes within industries, changing behaviour and decision making where possible. Pricing is a poor choice of tool for the sheep and beef sector as there are currently limited mitigation tools available. Emissions pricing forces farmers to either pay a tax, destock, or convert land use to something else such as forestry. This is not fair, or a positive outcome for the country, nor the intended outcome of a cost-effective emissions reduction.

Additionally, a price on agricultural emissions is unnecessary as our emissions are already declining. Since 1990, gross emissions from sheep and beef production have

---

[1] https://beeflambnz.com/knowledge-hub/PDF/factsheet-and-faqs-carbon-footprint-new-zealand-sheepmeat-and-beef.pdf and https://www.sciencedirect.com/science/article/pii/S0195925522002128

decreased by more than 32 percent, with a significant proportion of remaining emissions being offset through sequestration from native and exotic trees on our farms[2].

As a result of increased afforestation, we have seen a decline of 2.6 million stock units between 2017 and 2025. This is the result of 292,800ha of sheep and beef farms being converted to forestry due to the NZ ETS. We are closely monitoring the recent implementation of the LUC limits to entry into the scheme to see what impact the policy changes will result in, and if they have gone far enough.

Bringing us in line with others

The majority of our farmers products are exported and must compete with others internationally in terms of quality and price.

An independent survey commissioned by B+LNZ in 2024 (using a randomised representative sample of farmers) showed that our farmers do not want emissions pricing to have a negative impact on food production and security.[3] As a fundamental priority of the Paris Agreement, all countries have committed to ensuring that emissions reduction actions do not threaten food security.

B+LNZ commissioned research[4] has found that majority of our trading partners don't intend to price agricultural emissions. Rather, they are looking to incentivise reductions through subsidies, land buy-outs, or reduction payments. The Government's decision to remove emissions pricing is thus bringing New Zealand more in line with what other countries are doing.

When assessed last year, no jurisdiction planned to price agricultural GHG in an ETS. Denmark and New Zealand were the only countries which planned to tax (or price) agricultural GHG outside of their schemes. Since then, Denmark has continued endeavouring to build a pricing scheme.

Although Officials are still building the implementation process, they have been clear that a 60% tax rebate on the cost of emissions reductions will be provided given the limited tools and technologies.[5] All funds generated through the scheme will also be going back towards the adoption of green technologies, nitrogen-reducing practices,

---

[2] https://environment.govt.nz/assets/Publications/Files/Net-emissions-and-removals-from-vegetation-and-soils-on-sheep-and-beef-farmland.pdf and https://beeflambnz.com/knowledge-hub/PDF/summary-study-carbon-footprint-new-zealand-sheepmeat-and-beef.pdf
[3] See pg 15. https://beeflambnz.com/knowledge-hub/PDF/farmer-insights-climate-change.pdf?utm_source=Dynamics%20365%20Customer%20Insights%20-%20Journeys&utm_medium=email&utm_term=N%2FA&utm_campaign=B%2BLNZ%20bottom%20lines%2015%20May%202025&utm_content=B%2BLNZ%E2%80%99s%20bottom%20lines%20on%20climate%20change%20policy#msdynmkt_trackingcontext=e52dc571-9a89-4b3d-b411-6f7861dc0100
[4] https://beeflambnz.com/knowledge-hub/PDF/comparing-agricultural-emissions-reduction-targets.pdf
[5] https://www.mfat.govt.nz/assets/Trade-General/Trade-Market-reports/A-Green-Denmark-First-country-to-tax-agricultural-emissions-November-2024.pdf

and infrastructure improvements. This would be on-top of the current subsidies for farming, especially 'sustainable' practices, that EU farmers receive through the Common Agricultural Policy (CAP). These subsidies are likely to change in after the conclusion of the 2027 budget and are intended to be "incentive-based system to encourage farmers to achieve environmental and social objectives."[6]

New Zealand's "competitors may be increasingly not directly subsidised for production but rather 'financially recognised' for providing environmental services and 'public goods.'"[7]

Mitigation opportunities

We support alternatives to emissions pricing which support market and technology-led approaches to encouraging farmers to reduce their agricultural emissions. This includes the continued support of AgriZero as well as the NZ GHG Research Centre.

We do not support any attempt to force farmers to use mitigation tools and technologies. Tools such as methane vaccines may be a useful choice for farmers given what some customers are looking for, and may even reward. However, it is critical that the proper processes are followed to ensure any tools used are safe from human, animal, and environmental health perspectives.

Just over half of farmers were interested in using tools or technologies to help manage on-farm emissions, with most agreeing this should be market-led rather than Government-mandated.[8]

We appreciate the opportunity to work with officials further on the technical assumptions included in the appendix.

---

[6] https://www.europarl.europa.eu/news/en/press-room/20250905IPR30180/parliament-adopts-its-position-on-the-future-of-eu-agriculture-policy

[7] See pg 10. https://beeflambnz.com/knowledge-hub/PDF/comparing-agricultural-emissions-reduction-targets.pdf

[8] See pg 11: https://beeflambnz.com/knowledge-hub/PDF/farmer-insights-climate-change.pdf?utm_source=Dynamics%20365%20Customer%20Insights%20-%20Journeys&utm_medium=email&utm_term=N%2FA&utm_campaign=B%2BLNZ%20bottom%20lines%2015%20May%202025&utm_content=B%2BLNZ%E2%80%99s%20bottom%20lines%20on%20climate%20change%20policy#msdynmkt_trackingcontext=e52dc571-9a89-4b3d-b411-6f7861dc0100

[8] https://beeflambnz.com/knowledge-hub/PDF/comparing-agricultural-emissions-reduction-targets.pdf

ABOUT BEEF AND LAMB NEW ZEALAND

Beef and Lamb New Zealand (B+LNZ) B+LNZ is an industry-good body funded under the Commodity Levies Act 1990, through a levy paid on all cattle and sheep slaughtered in New Zealand (except bobby calves). B+LNZ represents both Māori and Pākehā sheep and beef levy-payers and has the mandate to submit on their behalf on matters that affect them. B+LNZ is actively engaged in environmental management, with a particular emphasis on building farmers' capability and capacity to support an ethos of environmental stewardship. as part of a vibrant, resilient, and profitable sector based around thriving communities. Protecting and enhancing New Zealand's natural capital and economic opportunities and the ecosystem services they provide is fundamental to the sustainability of the sector and to New Zealand's wellbeing for current and future generations.

The sheep and beef sector is essential to maintaining rural communities and their cultural, societal, and environmental wellbeing, as well as contributing to New Zealand's economic wellbeing. For the year ending 31 December 2022 the red meat industry contributed $11.4 billion to New Zealand's export revenue. This making the sector New Zealand's second largest goods exporter. As New Zealand's largest manufacturing sector, it supports over 92,000 jobs, 35,700 directly and an additional 56,700 indirectly employed.

Just under a third of New Zealand's total land area is used for sheep and beef (mixed agriculture), comprising about three quarters of pastoral lands. Sheep and beef farmers manage approximately 2.8 million hectares of native habitat, including 1.4 million hectares of native forest. This is the second largest holding of native forest and native biodiversity in the country and represents almost 25 percent of New Zealand's remaining native vegetation. This leaves about 4.9 million hectares of the sheep and beef land area available for grassland. Our sheep and beef farmers as significant kaitiaki of New Zealand native vegetation.

The sheep and beef sector understands the importance of keeping temperature rise within prescribed limits as critical to the wellbeing of New Zealand and the world as we currently know it. As stewards of the land and the natural resources, sheep and beef farmers are at the forefront of the impacts of climate change. Farmers are already seeing those changes and are continually adapting their management practices in response and will continue to do so.

Sheep and beef farmers are playing their part in the actions needed to achieve the Paris Agreement with methane reductions declining approximately 1% annually since 1990.