

# Delaying the agriculture sector's entry to the ETS is wise, writes David Anderson

**D**espite claims to the contrary made in the *Herald's* editorial (September 20), the Government has actually gone for commonsense rather than potential economic suicide by deferring the agriculture sector's entry into the controversial Emission Trading Scheme (ETS).

While the recent review of the ETS called for a slowdown of its implementation, it left unchanged controversial plans to introduce agriculture into the scheme from 2015. The review panel, chaired by former Finance Minister David Caygill, recommended the agricultural gases methane and nitrous oxide be brought into the scheme in 2015, as the current legislation requires.

In the panel's model, farmers would be accountable for those emissions, which make up nearly half of New Zealand's total greenhouse gases — which in turn make up less than 0.2 per cent of the world's total.

Why would we want to unfairly penalise New Zealand's agriculture sector — and one of the few sectors with the ability to help the country out of the current economic hole — by imposing taxes when our international competitors are not doing the same? I don't see how handicapping our

main economic driver will reduce international greenhouse gases. Surely all that will do is shift the production of these agricultural greenhouse gases from New Zealand to another country? Climate Change Minister Nick Smith has made a sensible decision in deciding that agricultural emissions will only be included if practical technologies are available to enable farmers to reduce their emissions and more progress is made by our trading partners to reduce their agricultural emissions. Federated Farmers is understandably delighted with the Government's move.



It has always argued that it's crazy for New Zealand farmers to be hit with the costs of an ETS when they had no way of mitigating these and when other farmers around the world were not being penalised accordingly.

Meanwhile, critics and environmental doomayers are not so happy and making claims about farmers being subsidised.

Now there are unfair claims being made that New Zealand farmers are getting a free ride, but again this is selective reporting.

It is also disingenuous of the *Herald*, and others, to claim that

current high export commodity prices are proof that farmers can afford to pay any costs imposed by agriculture's introduction into an ETS.

The fickle nature of commodity markets means prices are likely to drop sooner rather than later.

When this happens, will the *Herald* then demand that farmers be excused from ETS costs due to low prices?

Highly unlikely! Smith has said the Government's primary objective with the ETS is to drive investment into more efficient production. "We are not interested in simply including agriculture in the ETS to impose a cost

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really good opportunities."

There is already evidence — which is also noted by Caygill's Review Panel — that the agriculture sector is reducing its greenhouse gases.

Emissions per unit of product from agriculture have fallen by about 1.3 per cent a year over the past 20 years — due to improved management, animal genetics, pasture and crop genetics and technological changes.

Opportunities for further

reductions included the use of forestry on marginal or erosion-prone land, nitrification inhibitors, and "good

practices" management practices and "good

increase productivity. The Government won't support the introduction of agricultural emission until practical technologies are available to enable New Zealand farmers to reduce their emissions. More progress is made by our trading partners on measures to reduce their emissions is smart, so economically prudent

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