



Media Release

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ETS re-think urged by Meat & Wool New Zealand and Meat Industry Association

Including livestock emissions in an Emissions Trading scheme, especially while no other country does, places the sector at enormous risk, Meat & Wool New Zealand and the Meat Industry Association will tell the ETS Select Committee tomorrow.

The two organisations will appear before the select committee at lunchtime on Monday and will outline the implications of keeping the existing Climate Change Response Act. They say there will be significant financial, environmental and social impacts if the legislation doesn't change.

Meat & Wool New Zealand Chairman, Mike Petersen said two farmer case studies would be presented to the committee and they would highlight that the legislation as it stands, would reduce farm profitability significantly.

"The carbon costs in 2013 for these two farming families, Sarah and Sam Von Dardelszen of Hawkes Bay and Julie and David Marshall of Southland, would add a new stream of cost – similar to what they pay for rates and electricity now. And that's only in year one - things get much worse from there."

Mr Petersen said the current legislation would have a flow-on effect for New Zealand and for the many rural communities that rely on the sheep and beef sector for employment. Jobs were sure to disappear, he said.

"It would be bad for the economy and it wouldn't reduce emissions either because the current legislation will cause carbon leakage, which is the effect of no other country having an ETS imposed on agriculture."

Meat Industry Association Chairman, Bill Falconer, said that New Zealand's 15,000 commercial sheep and beef farmers and about 80 processing plants collectively generated export earnings of \$6.8 billion a year (year ending September 2008) and under current legislation this was in jeopardy.

"We urge the Government to rethink the approach to an ETS. If they are determined that livestock emissions be included in an ETS, then it needs to be quite different to what we have now.

"We could only contemplate an ETS for livestock if it properly incentivises farmers to use proven mitigation technologies but leaves them no worse off compared to their overseas competitors."

Mr Petersen added that any ETS would need to have an appropriately designed transitional period to incorporate livestock emissions with built-in safe-guards, and it would need to have a fully independent regulator to administer the scheme."

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