

Climate, Cash and Cows

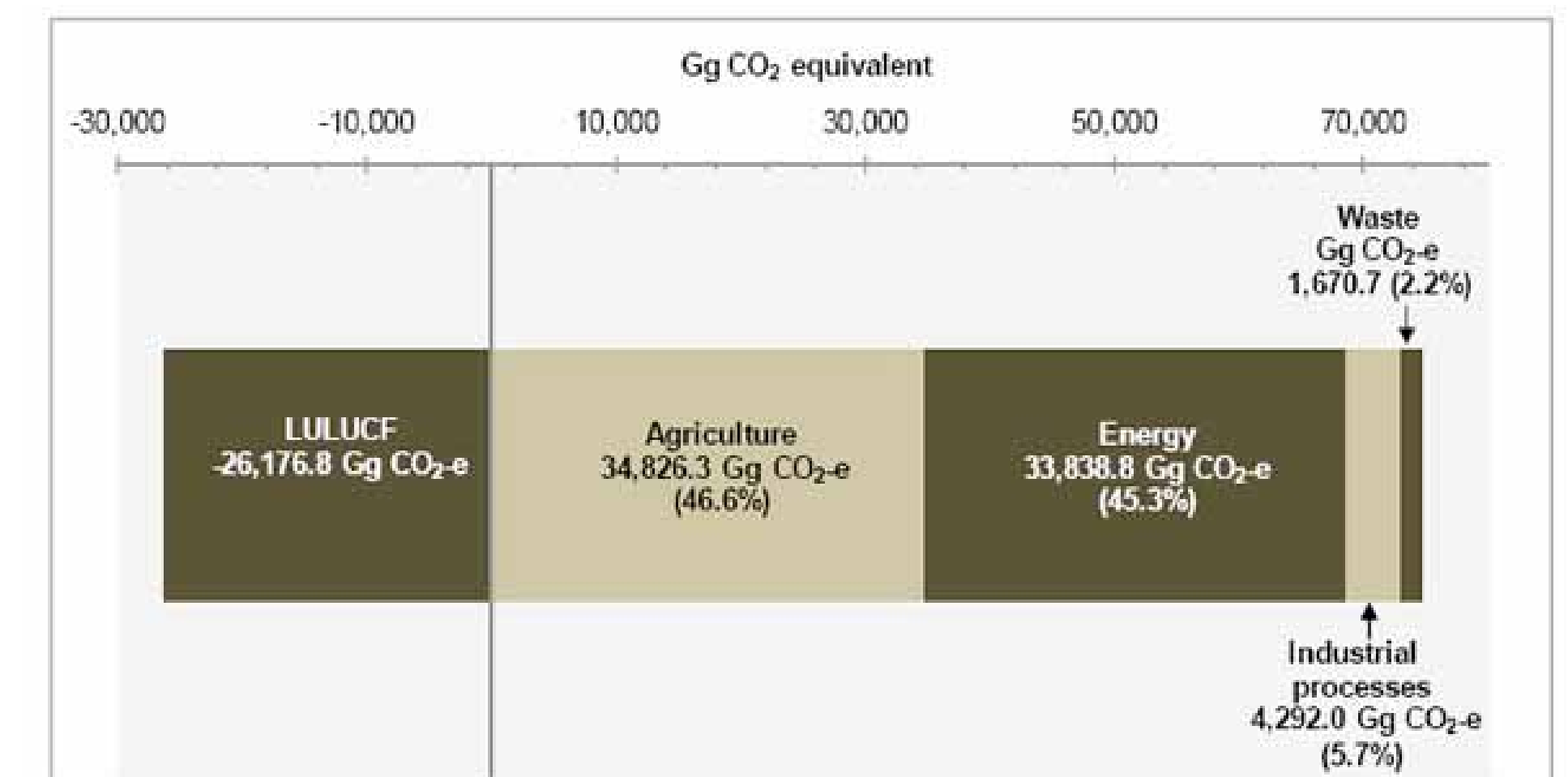
Examining agriculture industry perspectives of climate change and the emissions trading scheme in New Zealand.

THIS PROJECT EXAMINES ongoing research of agricultural industry perspectives related to the New Zealand emissions trading scheme (ETS), the first and only in the world to include agriculture. Beginning in 2015, farmers will have to start paying for their greenhouse gas (GHG) emissions. Agricultural processors are responsible for obtaining and trading permits and making decisions about how to pass on costs to farmers and consumers. Emissions trading schemes establish prices for GHG credits, which can be traded in a market. Nearly half of New Zealand's GHG emissions are from agriculture, which present unique challenges to mitigation and adaptation.

Semi-structured interviews with a variety of agricultural processors—meat-slaughtering facilities, dairy processors, and nitrogen fertilizer companies, among others—were conducted in August 2010. Interviews focused on climate

change perceptions, impacts and perspectives of mandatory policies, mitigation options, international trading consequences, and marketing potential.

The results suggest that agricultural businesses may be an ally in creating effective climate policies and can provide valuable feedback to market-based policies, though the agricultural industry remains skeptical of mitigation options and potential economic impacts. Major findings include: 1) Most processors believed individual farmers should be responsible for emissions reportings and trading; 2) Many processors believe there are limited mitigation options; and 3) Most processors think there will be economic impacts to their industry from the ETS. This research serves as a case study for implementing emission reductions in agriculture and the importance of considering industry perspectives.



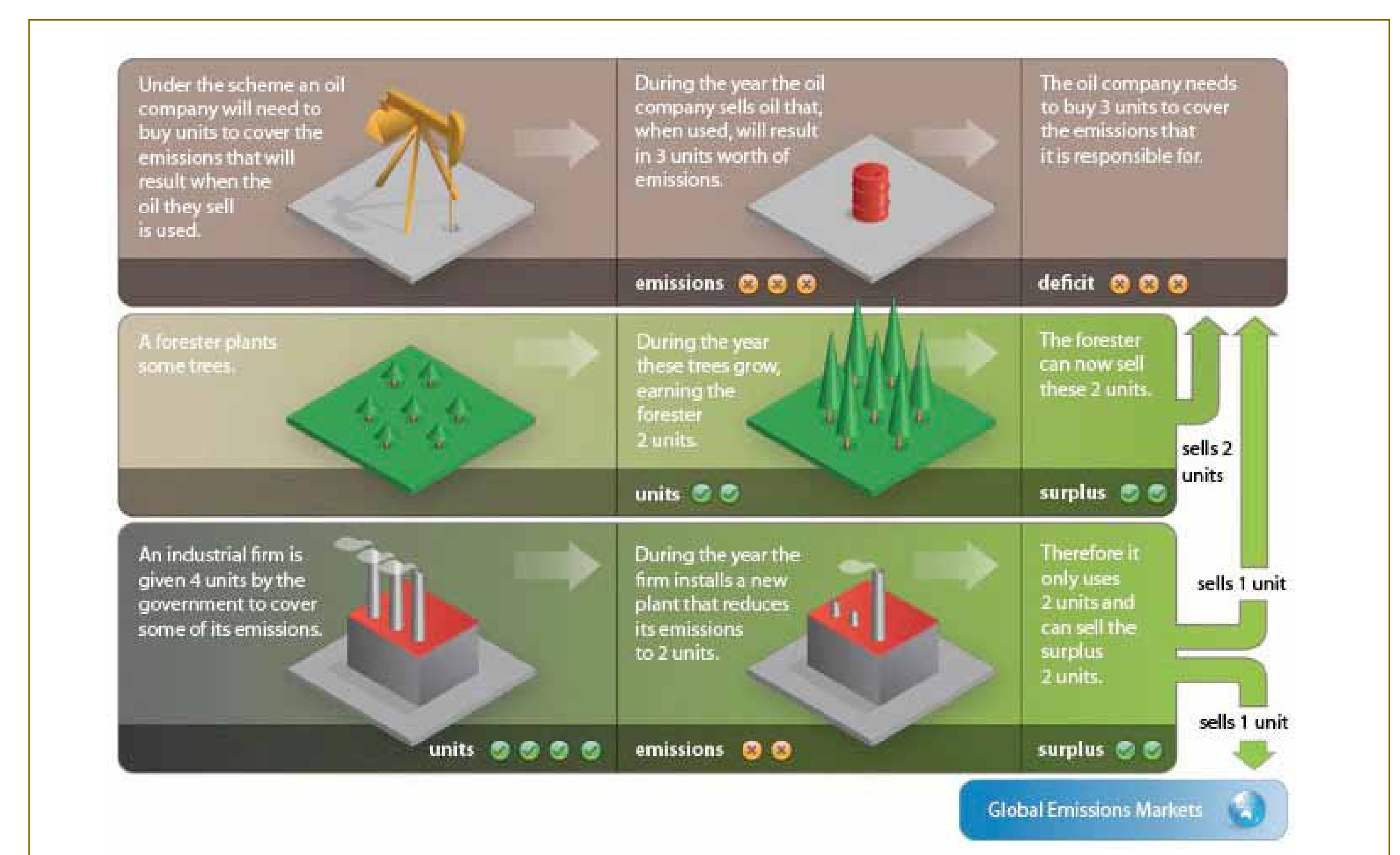
New Zealand's Greenhouse Gas Profile. Agriculture is the largest source of emissions in New Zealand. This is different than other developed countries and presents challenges to mitigation. (Source: New Zealand Ministry for the Environment 2008)



Soil sampling to assess nitrogen content on pastures following nitrification inhibitor use. Nitrification inhibitors can reduce nitrous oxide emissions and are a potential mitigation option, though many processors expressed skepticism of their affordability.



Beef cattle on a Maori farm in West Lake Taupo, New Zealand. Beef farmers may be impacted by the emissions trading scheme because of rising costs and a perceived inability to mitigate emissions.



General Outline of an Emissions Trading Scheme. Emissions trading schemes establish prices for greenhouse gas credits and allow those credits to be traded in a market. In New Zealand one credit, called an NZU, is equivalent to one ton of greenhouse gases. (Source New Zealand Government 2008.)

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