## Accountants who know Agri business

Hello there - as you are likely aware, on farm emissions reporting and management will be a requirement for all farmers soon and the government imposed target of $25 \%$ of farms "knowing their number" by $31^{\text {st }}$ December 2021 is fast approaching. Like many rural professionals, we believe it is in the industry's best interest to meet this deadline to position the sector to have a stronger voice in what comes next and help avoid a "one size fits all" approach.

## On Farm Emissions Reporting

## Know your number

NZ is bound by the 2015 Paris Agreement with a target to reduce greenhouse gas emissions to $30 \%$ of 2005 levels by 2030. For farmers the hard timelines are to have:

- calculated their net on-farm emissions by 31 December 2022, and
- a farm emissions management \& reduction plan by January 2025.

The immediate expectation is that $25 \%$ of farmers will have calculated their greenhouse gas (GHG) emissions number and have a written emissions management plan in place by December 2021. The incentive to meet this expectation is the Government statement that if this target is not met it will look to include all farmers in the Emissions Trading Scheme (ETS) at the processor level. Most commentators consider that this would be a materially worse outcome for farmers as the definition of on-farm emission reductions is stricter under the ETS and the scheme will not differentiate between good and bad performers, instead result in an output based tax/levy deducted from meat, wool \& milk proceeds.

## Who does this apply to?

Farmers who have a:

- farm of $80 h a$ or more, or
- dairy supply number, or
- cattle feedlot - as defined in the freshwater national policy statement (NPS)
are those affected. The responsibility rests with the person in charge of on-farm management, for example the sharemilker, contract milker or lessee. Dairy farmers may find that their first step in this process is in hand as we understand that $95 \%$ of dairy farmers have been provided with emission reports from their milk company.


## What is included in the calculation?

Kilograms of greenhouse gasses emitted:

- Carbon Dioxide $\left(\mathrm{CO}_{2}\right)$
- Methane $\left(\mathrm{CH}_{4}\right)$
- Nitrous Oxide ( $\mathrm{N}_{2} \mathrm{O}$ )
from livestock movements, fertiliser/lime application and deforestation, offset by carbon sequestration from:
- Exotic Forestation unless post 1989 and already in the ETS (note the definition of forestry is broader than that used for ETS purposes)
- Indigenous Forestation (> 5 metres in height at maturity)
- Indigenous Shrub land (< 5 metres in height at maturity)
This can include riparian planting and shelterbelts but excludes tussock grasslands, wetlands or gorse and post 1989 plantings already registered in the ETS scheme. He Waka Eke Doa is looking at carbon sequestered in soil but this is unlikely to be recognised in the first stages of implementation.


## How do I do this?

There are a number of options for assistance with both the net emissions calculation and the farm emissions management plan. Compass Agri provide a wraparound service and is a good choice for those who wish to start to address more than the immediate requirements. Sheep and beef farmers more focused on the closer "know your number" timeline can currently consider using:

- the Beef \& Lamb NZ free GHG online calculator available on the Beef \& Lamb website;
- Farmax or Overseer - both packages include this functionality; best suited to those already using these programmes;
- an agri professional to help with the Beef \& Lamb calculator - most information needed comes from your annual financial statements and fertiliser summary.


## He Waka Eke Noa "We are all in this canoe together"

This partnership is a collaboration of 13 stakeholders including industry bodies (BLNZ, DairyNZ, Fed Famers), MPI and ME whose mission is to implement a framework to measure and reduce GHG emissions and build the sector's resilience to climate change. They have put together a farmer's toolkit that provides guidance on how to comply with the coming legislative requirements and is available on their website.

## Find out more

Further information is available at the following website links:

- https://hewakaekenoa.nz/faqs/
- https://hewakaekenoa.nz/about/
- https://beeflambnz.com/ghg-calculator-info
- https://beeflambnz.com/node/12362

If you would like our help with calculating your GHG emissions number, please complete and return the attached form which asks for information about fertiliser application and estimates of woody vegetation cover.

## On Farm Emissions Reporting

## Supplementary Information

## Land Area \& Type

- Total area: $\qquad$ ha
- Effective (grazed) area: $\qquad$ ha

■ Hill Country | Breeding \& Finishing | Finishing please highlight or circle

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Vegetation Cover (at year end)

- Exotic forest: $\qquad$ ha
(excluding post 1989 forests already in the ETS scheme)
- Indigenous forest: $\qquad$ ha
(forest means > 5 m height when mature)
- Indigenous shrub land: $\qquad$ ha
(shrub land means $<5 \mathrm{~m}$ height at maturity)


## Nitrogen fertiliser, lime and dolomite applied

Please attach your Ballance | Ravensdown | Superior Minerals summary report for year ended 31 May 2021 and advise lime and dolomite kgs applied:

- Lime: $\qquad$ kg
Dolomite: $\qquad$ kg

If you cannot access a summary, please complete Table 1.

## Grazing (on farm)

| Stock Type \& Class | No | Date <br> Arrived | Date <br> Returned |
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## Gre Grazing (off farm)

| Stock Type \& Class | No | Date <br> Departed | Date <br> Returned |
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The information in Table 1 is only needed if you cannot access your annual fertiliser summary.

Table 1: Nitrogen Fertiliser Summary

| a. Urea WITHOUT urease |  |  |  |
| :---: | :---: | :---: | :---: |
| Type | $\begin{aligned} & \text { Amount } \\ & \text { (kg) } \end{aligned}$ | Nitrogen content (\%) | Amount of N applied |
| Eg Urea | 21,000 | 46\% | 9,660 |
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| Total Nitrogen in Urea without urease |  |  |  |
| b. Urea WITH urease |  |  |  |
| Type | Amount (kg) | Nitrogen content (\%) | Amount of N applied |
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| Total Nitrogen in Urea with urease |  |  |  |
| c. NON-UREA Nitrogen Fertiliser |  |  |  |
| Type | $\begin{aligned} & \text { Amount } \\ & (\mathrm{kg}) \end{aligned}$ | Nitrogen content (\%) | Amount of N applied |
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| Total Nitrogen in Non-Urea Nitrogen Fertiliser |  |  |  |

NB: Kgs are total kgs for the farm, not kgs per hectare

## Authority:

Please calculate my farm GHG emissions using this information:

Owner | Director | Partner | Trustee

