Office of the Minister of Finance

Office of the Minister of Agriculture

Office of the Minister for State Owned Enterprises

Chair, Cabinet Economic Development Committee

Report back on the Centre for Climate Action on Agricultural Emissions, investigation into an Early Adopters Fund and investigation to reduce emissions on Pāmu farms

Proposal

1 This paper provides a progress update on three actions from the Agriculture chapter of the Emissions Reduction Plan (ERP): the establishment of the Centre for Climate Action on Agricultural Emissions (the Centre); investigation of a potential *Early Adopters Fund* to incentivise the adoption of available mitigation technologies; and investigation of how the Government could support Landcorp Farming Limited (trading as "Pāmu") to further reduce its gross emissions.

Relation to government priorities

2 This paper directly relates to the Government's priority of "laying the foundations for the future" through addressing the key issue of climate change. The report back includes a key action in the Government's first ERP and will help deliver on the greenhouse gas targets set out in the Climate Change Response Act 2002.

Executive Summary

3 In March 2022, the Cabinet Economic Development Committee (DEV) invited me to report back with advice on the establishment of the Centre, which is a key action in the Government's ERP.

4 DEV also invited me to report back on investigating an *Early Adopters Fund*, and to report back jointly with Pāmu's shareholding Ministers on how the Government could support Landcorp Farming Limited (trading as "Pāmu") to further reduce its gross emissions [DEV-22-MIN-0059 refers].

Centre for Climate Action on Agricultural Emissions

5 The Centre will accelerate the development of tools and practices to reduce biological emissions on farm. Establishing the Centre is ambitious, pioneering, and necessary to support both the continued success of our agricultural sector and emissions reductions at home and offshore.

6 The Centre includes a new public-private joint venture (JV) to drive product development and commercialisation of tools that can be used on farm, and an enhanced New Zealand Agricultural Greenhouse Gas Research Centre (NZAGRC) focused on more fundamental research, wider biological emissions reduction research and development (R&D) and supporting the JV.

7 Establishment of the Centre is progressing well, including negotiations with industry on the 50:50 public private JV. Officials are undertaking JV negotiations based on the decisions of Delegated Ministers (the Prime Minister, Deputy Prime Minister, the Minister of Agriculture, and the Minister of Research, Science, and Innovation) [Cab-22-MIN-0105 refers]. On this basis the JV is expected to take the form of a limited liability company and to be led by a skills-based board. The Centre, and the new JV, are intended to be officially launched in November, at Fieldays 2022.

8 Standing up the JV by the end of 2022 will help keep us on track towards achieving our 2030 greenhouse gas emissions targets. Indicative commitment would see $172 million invested over the first four years (split evenly between industry and the Crown). Industry partners can appoint their board members in line with this timeline, and so I will be driving for the prompt appointment of the inaugural Crown-appointees to the Board as quickly as possible, and no later than in December 2022.

9 To gain momentum, the Minister of Agriculture is supporting early investments being made ahead of the formal establishment of the Centre. This includes investments in greenhouse gas measurement infrastructure, and priority research and commercialisation opportunities.

Investigation into an Early Adopters Fund

10 Officials were tasked with investigating an *Early Adopters Fund* to incentivise the adoption of available mitigation technologies, which reflects our desire to support the sector to transition to operating in a priced environment. However, I am keenly aware that current mitigation options are very limited, particularly for the sheep, beef, and deer sectors, and this means there are risks of some sectors being differentially impacted by the emissions pricing mechanism due to the lack of solutions available for their systems.

11 This means there is acute need for a more comprehensive approach than simply setting up an *Early Adopters Fund* – as such a fund would not have our desired level of impact, given the lack of available tools and technologies.

12 9(2)(f)(iv) [redacted]

13 9(2)(f)(iv) [redacted] A prime example of this is the investment we are already making, that will be announced at Fieldays, to accelerate the availability and uptake of low methane sheep genetics.

Investigation into support for Pāmu

14 Officials expect Pāmu to further develop proposals for its emission reduction initiatives and seek co-funding from appropriate Ministry for Primary Industry (MPI) contestable funds. This process will allow Pāmu and MPI to assess the commercial and public costs and benefits of initiatives. Pāmu, like other farmers and stakeholders will also be considered as a potential partner for other activities related to the Centre where appropriate.

Background

15 In March 2022, the Cabinet Economic Development Committee (DEV) invited me to report back in June 2022 with advice on the establishment of the Centre for Climate Action on Agricultural Emissions (Centre)[1], and also authorised the Prime Minister, Minister of Finance, Minister of Agriculture and Minister of Research, Science and Innovation (Delegated Ministers) to negotiate and enter into an agreement with industry on a JV as part of the Centre [DEV-22-MIN-0059 refers]. Officials have been progressing negotiations on the basis of decisions of Delegated Ministers.

16 Also included within the ERP was investigation of an *Early Adopters Fund* to incentivise the adoption of available agricultural mitigation technologies, and an investigation of how the government could support Pāmu to reduce gross emissions further. DEV invited me to report back by September 2022 on a potential *Early Adopters Fund*, and to report back jointly with Pāmu's shareholding Ministers regarding the Pāmu investigation [DEV-22-MIN-0059 refers].

Establishing the Centre for Climate Action on Agricultural Emissions

17 Establishing the Centre is a key action in the ERP to achieve New Zealand's climate change goals. Accelerating the development of greenhouse gas mitigations – alongside pricing agricultural emissions by 2025, supporting producers to make changes, transitioning farming systems, and enabling Māori-led solutions – will enable us to reduce greenhouse gas emissions from agriculture while building the sector's resilience. The package of agriculture actions in the ERP will support progress in meeting our domestic and international greenhouse gas targets[2].

18 Through the Climate Emergency Response Fund in Budget 2022, $338.8 million over four years was allocated to drive a step change in investment to get new greenhouse gas mitigation technologies and tools into the hands of farmers. This will rise to an annual Crown investment of $122 million – a significant amount of which will be matched by industry through the JV – in support of a comprehensive suite of actions. This will accelerate research and development (R&D) programmes, expand research infrastructure, grow capability, and streamline regulatory paths to market. This approach to reducing agricultural emissions is pioneering and will set New Zealand apart from the rest of the world.

[1] Previously referred to as a Centre of Excellence.
[2] Net zero emissions of all greenhouse gases other than biogenic methane by 2050; 24 to 47 percent reduction below 2017 of biogenic methane emissions by 2050; 10 percent reduction below 2017 of biogenic methane emissions by 2030; Nationally Determined Contribution to reduce emissions by 50 percent below 2005 levels by 2030.

19 Ensuring new greenhouse gas mitigations are available and accessible to farmers – including those from all sectors; Māori farmers, landowners, and agribusinesses; and farm types – is crucial to support the agricultural sector in responding to pricing in an effective manner. The Centre will be the focus for these efforts, and will accelerate the research, development, and commercialisation of tools and practices to reduce biological emissions on farm.

20 The Centre will include a new public-private JV to drive product development and commercialisation, and an enhanced NZAGRC [3] focused on earlier-stage fundamental research and wider biological emissions reduction R&D [Figure 1] as well as supporting the JV. Work is also underway on the functions required to complete the Centre and ensure investment is well-aligned across its parts and the wider system, and that progress is being clearly demonstrated.

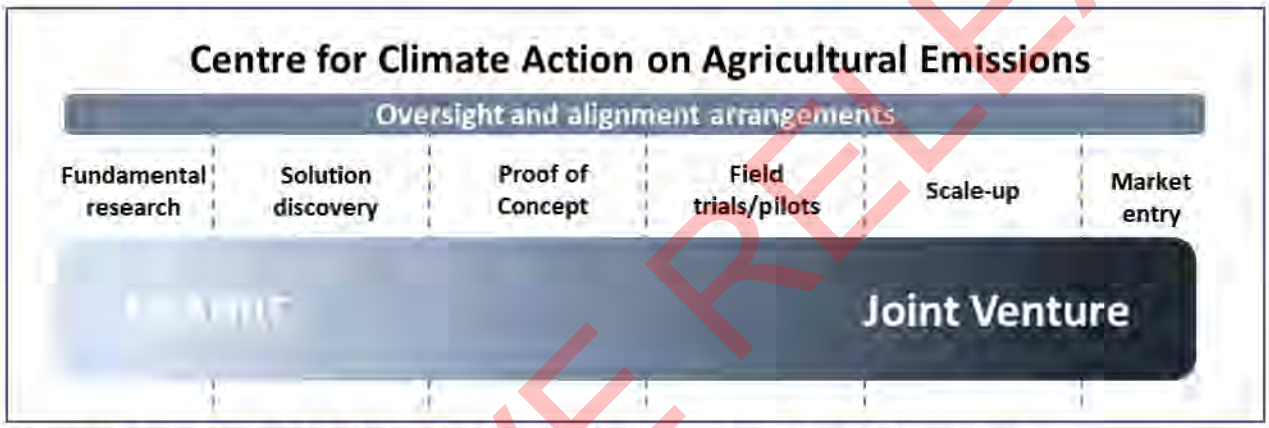

Figure 1. Overview of the Centre for Climate Action on Agricultural Emissions

21 The Centre will be a significant shift in how New Zealand resources and delivers biological emissions R&D and mitigations. It will have a stronger commercial focus and acumen; deliver a step change in investment from both government and industry, with industry commitment upfront; take a whole of pipeline approach from knowledge generation to on-farm impact, and most importantly operate with a greater sense of pace and urgency.

A strong commercial partnership with industry will leverage our investment and effort

22 The JV will accelerate the development and commercialisation of effective and affordable mitigations for on farm use to significantly reduce biogenic methane and nitrous oxide emissions. It will be a 50:50 public private partnership, with industry signalling a long-term commitment to match government funding up to $50 million per year over time. The current industry partners are connected to approximately 70 percent of New Zealand farmers.

[3] The NZAGRC is an existing government-funded partnership between New Zealand's leading research providers working to reduce agricultural greenhouse gas emissions. Hosted by AgResearch, it operates as a virtual Centre (research is carried out by scientists working across Crown Research Institutes and Universities). It has nine members: AgResearch, Manaaki Whenua, Landcare Research, Massey University, Lincoln University, NIWA, Plant and Food Research, Scion, DairyNZ, and the PGgRC.

23 Work on the JV is well underway, including an agreed Memorandum of Understanding (MOU) between all parties[4] that sets out the purpose, form and functions of the JV, as agreed to by Delegated Ministers. The MOU is guiding final negotiations and the establishment of the JV by the end of 2022 **(Appendix One)**.

24 Under the MOU industry partners have already made an indicative commitment rising to around $35 million per annum over four years, which we will match. This would see around $172 million invested over the next four years to develop and commercialise practical tools and technologies for farmers **(Appendix Two)**, with further investment beyond that in what is seen as at least a ten-year commitment.

25 The JV is expected to take the form of a limited liability company and to be governed by a skills-based board (it will not have shareholder representatives). The Crown's rights and interests, and the need for appropriate transparency and accountability consistent with the Public Finance Act (1989) and Crown Entities Act (2004), will be secured through incorporation in the shareholders agreement and reservations in the Company constitution.

26 To build momentum towards meeting our 2030 greenhouse gas emissions targets, the partners intend to have the JV up and running by the end of 2022, including the appointment of the inaugural board to oversee and direct early actions. We intend to launch the JV in November, at Fieldays 2022.

27 Reflecting shareholding, the Crown will be responsible for appointing half of the directors of the JV, though it is expected that all shareholders will collaborate to identify candidates for the directors. All shareholders are similarly expected to work together to agree a candidate for the independent chair, who will be put forward for Ministerial approval.

28 Industry partners have indicated they will be able to appoint their directors by the end of 2022. Similarly, I will be seeking the prompt appointment of the Crown-appointees to the Board through the Cabinet Appointments and Honours Committee to support early action to get the JV operational and to match the ambition of our industry partners. I expect to do this in December.

29 On the recommendation of the JV partners, and with the endorsement of the JV Delegated Ministers, Sir Brian Roche has agreed to be Independent Chair. The recruitment process for appointment of Directors is also underway.

[4] In alphabetical order: ANZCO, Fonterra, Ngāi Tahu Holdings, Ravensdown, Silver Fern Farms and Synlait.

30 JV partners have been developing an interim JV strategy so that the incoming Board has a strong platform to operate from. This includes development of an ambition for the JV – which is:

"To ensure all farmers in Aotearoa have equitable access to affordable, effective solutions to reduce biogenic methane and nitrous oxide emissions, with a goal of supporting a 30 percent reduction by 2030 and enabling development and adoption of solutions to drive towards 'near zero' by 2040.

Through this we will enhance the value and competitiveness of the agriculture industry in NZ on the global stage, while recognising the importance of intergenerational stewardship, and kaitiakitanga of the land".

Working with a strengthened research partnership

31 We will also enhance the NZAGRC to provide a strong science platform alongside the strong commercial platform on the JV. The enhanced NZAGRC will both strengthen the pipeline for the JV, as well as invest in New Zealand's biological emissions R&D efforts more broadly.

32 While the JV is intended to have a narrow commercially focussed portfolio of methane and nitrous oxide mitigations, the NZAGRC will have a wider complementary focus. This will include work for example on soil carbon, farm systems, fundamental research such as on the rumen microbiome, early-stage R&D for new mitigations, mātauranga and Māori-led research, research to support regulatory settings, and research under the Global Research Alliance on Agricultural Greenhouse Gases[5].

33 Enhancements will include investment to strengthen and future-proof access to best teams, and to scale up its research contracting activity and infrastructure, as well as ensuring it has strong governance and a clearer-outcomes focus. This will ensure the NZAGRC has the capability and capacity to deliver on our increased biological emissions reduction ambition, as well as a continued international reputation for science excellence.

Shared strategic direction and oversight

34 Strategic oversight and coordination of efforts, both within and beyond the Centre will be crucial. I am mindful that the significant investment made through the JV and Enhanced NZAGRC needs to be well-aligned, with a clear pathway to reduce emissions on-farm. Officials are investigating how a clear view of progress can be achieved through the innovation pipeline and how any barriers to the swift progress of mitigation solutions can be addressed. An overarching R&D investment plan to guide each entity's investments is also being investigated. I expect to receive further advice on this in coming months.

[5] The Global Research Alliance on Agricultural Greenhouse Gases (GRA) is an alliance of 66 member countries from all regions of the world, and 27 multinational research, development and funding organisations. Members represent two thirds of global agricultural emissions. The GRA aims to bring countries together to find ways to grow more food without growing greenhouse gas emissions. New Zealand is a founding member and plays a key role in the leadership of the GRA.

Early investments to build momentum

35 To better position New Zealand to meet our emissions targets, strengthen the foundations of the system, and gain momentum, early investments are being made by the Ministry for Primary Industries ahead of the establishment of the Centre. These include investments in priority mitigation projects, expanding greenhouse gas measurement infrastructure, and capability development.

36 An Early Investment Advisory Panel (the Panel)[6] has been established to advise on these investments, and the first funding decisions have already been made. These investments, which will be announced at Fieldays 2022, are:

36.1 $7.8 million towards a partnership programme with Ruminant Biotech to develop a rumen bolus methane mitigation tool. This programme aims to develop a commercially viable bolus that delivers at least a 70 percent reduction in methane while active. The programme will initially focus on large cattle (300 kilogram or more), which are the highest emitters of methane, followed by smaller cattle and sheep.

36.2 Approximately $2.3 million to accelerate the reduction of methane emissions in our national sheep flock, through accelerating the availability and potential uptake of low methane rams. Addressing the current supply constraints of these low methane rams is critical for driving adoption, and ensuring our sheep farmers have mitigation options. More information on this project is provided in paragraph 40, as part of my report back on an investigation of a potential *Early Adopters Fund* to incentivise adoption of available mitigation technologies.

36.3 Approximately $6.3 million in infrastructure. This is a priority as, to date, New Zealand has under-invested in greenhouse gas measurement infrastructure. If unaddressed, there is a very serious risk that this lack of access to equipment will be a major constraint to the timely development of mitigation tools and approaches. This is why we are investing in the development of a national greenhouse gas measurement infrastructure plan, to ensure that New Zealand takes a co-ordinated approach to such investment going forwards, and investing immediately in greenhouse gas measurement equipment to meet critical needs.

Report back on investigating an Early Adopters Fund

37 The investigation of an *Early Adopters Fund* action in the ERP was included to understand whether we could support the adoption of available mitigation technologies prior to the introduction of agriculture pricing from 2025. It was intended to help drive uptake of mitigation technologies within the first emissions budget (2022-2025).

[6] This panel has expertise across many domains, including climate and agricultural science, farm systems, and Māori agribusiness.

38 I consider that support for uptake and driving early adoption is important – however, I am keenly aware that current mitigation options are very limited, particularly for the sheep, beef, and deer sectors. This is of particular concern because it means these sectors[7] are at risk of being differentially impacted by the emissions pricing mechanism, under which farmers will receive an incentive discount for using approved practices and technologies. I am firmly of the view that this speaks to the need for a more comprehensive approach than simply setting up an *Early Adopters Fund* – as such a fund would not have much impact given the lack of available tools and technologies.

39 9(2)(f)(iv) [redacted]

40 I expect that these options will include and leverage the opportunities available through the Centre. 9(2)(b)(ii) [redacted] 9(2)(b)(ii) [redacted] 9(2)(b)(ii) [redacted] And funding of approximately $2.3 million is also being made available to co-fund a Beef + Lamb New Zealand led programme (approximate total value: $4.3 million) to remove barriers to on-farm uptake of low methane sheep genetics by:

40.1 supporting the breeding sector to select rams for hereditable low methane genes;

40.2 increasing the pool of low methane genetics (rams) available;

40.3 developing communications and engagement systems to inform commercial farmers of the opportunities and benefits low methane sheep provide;

40.4 ensuring that the impact of low methane rams can be accurately recorded in on farm greenhouse gas calculators, and ultimately New Zealand's greenhouse gas inventory.

[7] Contributing to this concern is the concentration of Māori assets in sheep and beef farming (estimates suggest Māori operate up to 25 percent of New Zealand's sheep and beef farmland).

[8] For example, to fill the knowledge and data gaps that currently exist about the effect of different climate and dairy farm effluent management conditions, as occur across New Zealand.

9(2)(b)(ii) [redacted] 9(2)(b)(ii) [redacted] This equates to less than 1/10 of the annual gap agriculture faces to meet its sub-sector target during the first emissions budget period (2022-2025). Further work is also needed to understand whether this technology would be adopted by farmers if government co-funded the upfront cost of the technology

41 Supporting early adoption through the Centre, including via the JV, means that it will occur within the broader context of making mitigation tools available. This approach also does not preclude the option of providing direct support to incentivise adoption where this is appropriate. 9(2)(f)(iv)
9(2)(f)(iv)

Report back on the investigation of emissions reduction opportunities on Pāmu farms

42 DEV agreed that the Treasury and MPI officials would work with Pāmu to investigate options to further reduce its gross emissions beyond those currently planned by Pāmu.

43 Pāmu's Board has agreed to investigate a short list of emission reduction initiatives that could have spill over benefits for the wider sector. Pāmu considers the most effective role it can play in supporting emissions reduction across the sector, is to validate and pilot implementation pathways for technologies, practices, and system changes from the pre-commercialisation to commercialisation stages.

44 Playing a validation and piloting role would take advantage of the variety of farm systems, farm sizes and geographic locations Pāmu operates across, as well as its large administrative infrastructure. These attributes make Pāmu well placed to partner with research entities, and oversee, monitor, and promote pilots and trials that are widely applicable.

45 Also, of relevance is that MPI's *Agriculture Emissions Reduction - Accelerating Development of Greenhouse Gas Mitigations* initiative includes support for demonstration farms. This work is at an early stage, however, MPI anticipates partnering to deliver this. Pāmu's potential role as a partner in this work will be considered alongside all other potential partners, and not on a preferential basis.

46 Once Pāmu has sufficiently developed proposals for its emission reduction initiatives, it could go through the application process for existing MPI contestable funding mechanisms, such as the Sustainable Food and Fibres Future fund. Any consideration of an application would be in line with normal processes.

47 Pāmu's ability to leverage co-funding from MPI will depend on whether it can support the balance of project costs and the ongoing operational expenses with its principal objective under State-Owned Enterprises Act 1986 (SOE Act). Relying on co-funding from existing, contestable MPI sources minimises the risk of creating an unintended expectation that other farmers should be given further direct financial assistance to reduce emissions.

Other approaches considered for Pāmu

Entering into an agreement with Pāmu to retire land used for livestock production

48 Officials identified the option of paying Pāmu directly to undertake specific actions that reduce emissions within the first emissions budget (2022-2025) such as retiring land used for livestock production. Section seven of the SOE Act allows Pāmu to take these actions in exchange for payment by the Crown. This option could be utilised at any time, subject to Budget processes.

49 Officials discounted this option as it would not necessarily model an emissions reduction pathway that could be replicated by the wider sector. It could also create an expectation of providing payments in exchange for emissions reduction across the sector.

Next steps

50 My officials and their counterparts in partner agencies will continue to progress negotiations with industry on the establishment of the JV and wider Centre, with the official launch for the JV to occur at Fieldays 2022.

51 I will be seeking to engage with you on progressing director candidates through the Cabinet Appointments and Honours Committee as soon as possible and no later than early December 2022.

52 9(2)(f)(iv) [redacted]

53 Over the next six months, officials expect Pāmu to further refine emissions reduction initiatives and move through contestable funding application processes. This process will allow Pāmu and MPI to assess the commercial and public costs and benefits of initiatives. The shareholding Ministers of Pāmu will report back to DEV in the first half of 2023 to update Ministers on progress of Pāmu's funding applications.

Financial Implications

54 The Centre will be funded from the $338.8 million over four years allocated to the *Agriculture Emissions Reduction – Accelerating Development of Greenhouse Gas Mitigations* initiative as part of the Climate Emergency Response Fund in Budget 2022. Outyear funding of $122 million per annum has also been allocated. It is expected that approximately two-thirds of the funding will be invested through the Centre. The JV is expected to be a 50:50 public private partnership, with industry signalling a commitment to match government funding up to $50 million per year. This funding will support biological emissions reduction research, development, and commercialisation. Some of this funding may also support early adoption of mitigations.

55 We expect that any funding to support early adoption or emissions-pricing transition related activities would be drawn from the $338.8 million in funding for *Agriculture Emissions Reduction – Accelerating Development of Greenhouse Gas Mitigations*, 9(2)(f)(iv) [redacted]

56 Any co-funding for successful Pāmu-developed emissions reduction initiatives is anticipated to be provided from publicly available contestable funds run by MPI, such as the Sustainable Food and Fibre Futures fund. If Pāmu was identified as an appropriate demonstration farms partner, any support for this would be provided from the *Agriculture Emissions Reduction – Accelerating Development of Greenhouse Gas Mitigations* funding.

Legislative Implications

57 There are no legislative implications of the proposal.

Impact Analysis

Regulatory Impact Statement

58 There are no regulatory proposals in this paper, and therefore Cabinet's impact analysis requirements do not apply.

Climate Implications of Policy Assessment

59 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply at this stage as no decisions are being sought. As proposals are developed further, emissions implications will be assessed and disclosed as appropriate.

Population Implications

60 The Centre will support getting mitigations into the hands of farmers, including whenua Māori entities, to support a just transition. New mitigations are also intended to enable options to reduce emissions without significant economic trade-offs or land-use change that directly impacts the wellbeing and social cohesion of our rural communities.

Human Rights

61 There are no inconsistencies between these proposals and the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993.

Te Tiriti o Waitangi Implications

62 The Crown, through the Centre, will give effect to Te Tiriti o Waitangi principles of partnership, active protection, equity and options. The Centre will provide equitable support for mātauranga research and Māori-led innovation and develop a breadth of mitigation options to ensure that Māori landowners, farmers and agribusinesses maintain their Mana Motuhake over their affairs and are able to operate and reduce emissions in a way they see is successful and aligns with their worldview. It is also expected that Māori will be direct partners in governance and monitoring of the Centre, in addition to partners at several levels of the Centre.

Consultation

63 The following government departments and agencies have been consulted on this Cabinet paper: Department of the Prime Minister and Cabinet, Treasury, Public Service Commission, Ministry of Business, Innovation and Employment, Department of Conservation, Ministry of Foreign Affairs and Trade, Ministry for the Environment, and the Office for Māori Crown Relations – Te Arawhiti

64 9(2)(h) [redacted]

65 Representatives of the following companies have been significantly involved in discussions on the JV: ANZCO Foods Limited; Fonterra Co-operative Group Limited; Livestock Improvement Corporation; Ngāi Tahu Holdings Corporation Limited; Ravensdown Limited; Silver Fern Farms Limited; Synlait Milk Limited. Other companies who have indicated interest in the JV's purpose have also been engaged. AgResearch Limited has been involved in discussions on the Centre. A wider range of other stakeholders have informed the design of the Centre. Pāmu has been engaged on matters related to reducing its emissions.

Communications

66 No specific communications are intended for this paper. The JV will be launched in November at Fieldays 2022, within the context of the Centre. The Ministry for Primary Industries is developing a communications plan in support of this and establishment of the Centre more broadly.

Proactive Release

67 I propose that this paper is proactively released on the Ministry for Primary Industries website after the Centre is launched in 2022, subject to redactions in keeping with the principles of the Official Information Act 1982.

Recommendations

The Minister of Agriculture recommends that the Committee:

The Centre for Climate Action on Agricultural Emissions

1 **Note** that in March 2022, Cabinet Economic Development Committee invited me to report back with advice on the establishment of the Centre for Climate Action on Agricultural Emissions [DEV-22-MIN-0059];

2 **Note** that the Centre for Climate Action on Agricultural Emissions is a key action under the Emissions Reduction Plan to achieve New Zealand's climate change goals;

3 **Note** that establishment of the Centre for Climate Action on Agricultural Emissions, including negotiations with industry on a joint venture, is progressing well;

4 **Note** that the indicative commitment from current joint venture partners would see $172 million invested by partners over the first four years of the joint venture's operation;

5 **Note** that having the joint venture of the Centre for Climate Action on Agricultural Emissions established by the end of 2022 will help build early momentum towards meeting our greenhouse gas emissions targets and demonstrate visible progress;

6 **Note** that the Crown will be responsible for appointing half of the directors of the joint venture of the Centre for Climate Action on Agricultural Emissions, though all shareholders are expected to work together to identify candidates for the board and independent chair;

7 **Note** that I will be seeking prompt appointment of the Crown-appointees to the Board of the joint venture of the Centre for Climate Action on Agricultural Emissions to support early action to get the JV operational and to match the ambition of our industry partners;

8 **Note** that the joint venture will be launched in November at Fieldays 2022 at Mystery Creek, as part of wider Centre for Climate Action on Agricultural Emissions announcements;

9 **Note** that I will be receiving further advice on the design of the Centre for Climate Action on Agricultural Emissions as a whole, including in relation to how best to ensure that there is strategic oversight and coordination of mitigation development efforts, both within and beyond the Centre;

Investigation into an Early Adopters Fund

10 **Note** in March 2022 DEV invited me to report back on investigations related to an *Early Adopters Fund* to incentivise the adoption of available mitigation technologies [DEV-22-MIN-0059];

11 9(2)(f)(iv) [redacted]

12 [redacted]

13 **Note** that the Minister of Climate Change will be kept informed of further progress on the Centre for Climate Action on Agricultural Emissions and related considerations of early adoption support as appropriate;

Investigation into support for Pāmu to reduce its emissions

The Minister of Finance, the Minister of Agriculture, and the Minister for State Owned Enterprises recommend that the Committee:

14 **Note** in March 2022 DEV invited me to report back on how the government could support Pāmu to reduce gross emissions further [DEV-22-MIN-0059];

15 **Note** that Pāmu's Board has agreed to investigate a short list of emission reduction initiatives that could have spill over benefits for the wider sector, and that once sufficiently developed these may be eligible to be considered for co-funding support from existing contestable funds, such as Sustainable Food and Fibre Futures;

16 **Invite** shareholding Ministers and the Minister of Agriculture to report back to DEV in the first half of 2023 on the progress of Pāmu's emissions funding applications.

Authorised for lodgement

Hon Grant Robertson
Minister of Finance

Hon Damien O'Connor
Minister of Agriculture

Hon David Clark
Minister for State Owned Enterprises