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Submission Number:

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Please indicate your sector(s)/interest(s)/type(s) of organisation:

description/type: Agriculture

The Egg Producers Federation of New Zealand represents the interests of the commercial egg producers within New Zealand.

Submission *on the*

Regulations for exemptions and thresholds, and methodologies for calculating
agricultural emissions – May 2010

23 June 2010

From the:

Egg Producers Federation of New Zealand Inc.



23 June 2010

Ministry of Agriculture and Forestry
Pastoral House
25 The Terrace
Wellington
New Zealand

Re: Consultation Documents on Regulations for Exemptions and Thresholds, and Methodologies for Calculating Agricultural Emissions

To Whom This May Concern,

The Egg Producers Federation of New Zealand (EPFNZ) welcomes the opportunity to make a submission on the consultation document entitled, "Regulations for Exemptions and Thresholds, and Methodologies for Calculating Agricultural Emissions". EPFNZ represents the interests of commercial egg producers in New Zealand. Membership is mandatory (for people farming over 100 layer hens) under the Commodity Levies (Eggs) Order 2005.

EPFNZ has strong concerns about the haste with which the Climate Change Response and the emission trading scheme (ETS) has proceeded through the legislation process. An emission trading scheme (ETS) is a complex process with major implications for the Agricultural sector. Progress towards adopting New Zealand specific legislation and the subsequential determination of regulations for exemptions and thresholds, and methodologies for calculating agricultural emissions should not risk compromising the sustainability of any New Zealand industry.

The EPFNZ wishes to make the following general submissions in addition to the specific issues raised in the consultation documents:

1. The current green house gas emission factors utilized for estimating the level of CO₂e emissions is based on the 1996 IPCC (Intergovernmental Panel on Climate Change) Guidelines for National Greenhouse Gas Inventories. The emission factors used in this document are scientifically outdated and do not accurately reflect the amount of emissions currently generated within the New Zealand commercial egg industry (both methane and the nitrous oxide emission factors).

2. EPFNZ would like to note that the current egg and flock inventory gathered by Statistics New Zealand is collected from farms with 25 or more birds. However the regulations as drafted only propose that egg farms with a risk management programme (RMP) are participants in the ETS.

Any egg producer who has more than 100 birds and sells their eggs is required to have a RMP. Defining an egg producer as a participant in the ETS based on an RMP will not cover those egg producers who have less than 100 birds. EPFNZ estimates that approximately 300,000 birds or up to 10% of the total layer hen flock may be in backyard or small semi-commercial flocks that will not meet the proposed criteria as a participant in the ETS. This is inequitable.

3. The manure from hens and how it is managed will determine the amount of emissions that it will

produce. The management of hen manure will be affected by the type of production system that the bird is housed in. The New Zealand egg industry consists of different production systems that produce eggs (i.e. cage, barn and free range systems). The amount of hen excreta is based on the hens feed intake which will vary depending on the type of production systems that the hen is housed in, but this is not measured under the proposed emissions factor. This is another complication that needs to be taken into consideration.

4. The total horse population in New Zealand produces a total of 0.1% of the total agricultural emissions which is much larger in proportion to the 0.008% of emissions estimated to be generated by the layer industry; yet, horses are excluded from the ETS all together. EPFNZ notes that the main goal of the ETS is to reduce the amount of greenhouse gas emissions across all sectors in New Zealand and excluding any species is inequitable. If horses are to be excluded, layer hens which produce a lower amount of emissions should also be excluded.

5. EPFNZ notes that the current egg industry produces a similar proportion of agricultural emissions relative to that of the alpaca and llama species in New Zealand (i.e. 0.008% versus 0.005%, respectively). Population statistics for both alpacas and llamas in New Zealand can be easily obtained through their respective associations (i.e. the Alpaca Association of New Zealand and the New Zealand Llama Association). Both organisations are able to report the number of alpacas and llamas in New Zealand. EPFNZ understands that their population amounts to a current total of 17,073 alpaca/llamas in New Zealand. MAF has advised us that obtaining population statistics for both alpacas and llamas and therefore determining their total amount of CO_{2-e} emissions is not practical and thus, exempt from the ETS. EPFNZ submit that practicality is not an issue and should not be a basis for exemption from the ETS for alpacas/llamas.

EPFNZ submit that according to the 1996 IPCC Guidelines for National Greenhouse Gas Inventories there are no factors in place for alpacas or llamas (to calculate enteric fermentation emission factors as well as methane and nitrogen emission factors to calculate emissions from the subsequent management of their manure). However, according to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories an enteric fermentation value is supplied as well as guidelines to utilize another species emission factor (i.e. sheep- a completely different species) to determine the emissions generated from alpaca/llama manure management (i.e. to calculate methane and nitrous oxide emissions). EPFNZ note that alpacas and llamas are also below the sector threshold of 5 Gg of emissions.

EPFNZ reiterate the fact that current emissions factors proposed for eggs (i.e. 0.033 tonnes of CO_{2-e} emissions per thousand eggs) is based off of IPCC 1996 data for poultry. EPFNZ submits that if it were to use IPCC 2006 data to determine the amount of emissions the egg industry produces, it will also be less than 5Gg, thus below the threshold. In light of this, EPFNZ submit that this selective use of emission factors applied to the alpaca and llama species is unbalanced and unfair to New Zealand's egg industry.

6. The use of eggs as a measurement tool is problematic. Egg production is based on the number of hens but does not measure the differences in stockmanship and the production system. An alternative is a measurement based on the number of hens, but this will not differentiate between eggs produced in different production systems. There is no fair measurement tool for all egg producers in our submission.

Therefore EPFNZ submit that egg producers should be excluded from the ETS.

Attached are the responses of EPFNZ to the issues covered in the consultation questions.

Yours sincerely,

Michael Brooks
Executive Director

Exemptions and Thresholds:

1. Are the proposed species level exemptions reasonable?
2. Are the proposed sector thresholds reasonable?

1. EPFNZ would like to reiterate that the total horse population in New Zealand generates 0.092% more emissions than the layer hen population in New Zealand. This means approximately 92% more emissions are generated by horses and yet horses are not included in the ETS.

Therefore EPFNZ believes that the layer hen industry should be exempt on the basis that the estimated total annual amount of emissions is less than the emissions generated from horses within New Zealand.

EPFNZ would like to note that the current egg and flock inventory gathered by Statistics New Zealand is collected from farms with 25 or more birds. However the regulations as drafted only propose that egg farms with a risk management programme (RMP), i.e. 100 birds or more, are participants in the ETS. Therefore a substantial number of hens, i.e. a current estimate of 300,000 hens are not captured by the ETS, yet the costs are imposed on those who are and this is inequitable.

EPFNZ notes that the current egg industry produces a similar proportion of agricultural emissions relative to that of the alpaca and llama species in New Zealand (i.e. 0.008% versus 0.005%, respectively). Population statistics for both alpacas and llamas in New Zealand can be easily obtained through their respective associations (i.e. the Alpaca Association of New Zealand and the New Zealand Llama Association). Both organisations are able to report the number of alpacas and llamas in New Zealand. EPFNZ understands that their population amounts to a current total of 17,073 alpaca/llamas in New Zealand. MAF has advised us that obtaining population statistics for both alpacas and llamas and therefore determining their total amount of CO_{2-e} emissions is not practical and thus, exempt from the ETS. EPFNZ submit that practicality is not an issue and should not be a basis for exemption from the ETS for alpacas/llamas.

2. EPFNZ submit that according to the 1996 IPCC Guidelines for National Greenhouse Gas Inventories there are no factors in place for alpacas or llamas (to calculate enteric fermentation emission factors as well as methane and nitrogen emission factors to calculate emissions from the subsequent management of their manure). However, according to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories an enteric fermentation value is supplied as well as guidelines to utilize another species emission factor (i.e. sheep- a completely different species) to determine the emissions generated from alpaca/llama manure management (i.e. to calculate methane and nitrous oxide emissions). EPFNZ note that alpacas and llamas are also below the sector threshold of 5 Gg of emissions.

EPFNZ reiterate the fact that current emissions factors proposed for eggs (i.e. 0.033 tonnes of CO_{2-e} emissions per thousand eggs) is based off of IPCC 1996 data for poultry. EPFNZ submits that if it were to use IPCC 2006 data to determine the amount of emissions the egg industry produces, it will also be less than 5Gg, thus below the threshold. In light of this, EPFNZ submit that this selective use of emission factors applied to the alpaca and llama species is unbalanced and unfair to New Zealand's egg industry. All species should be judged on the same criteria.

Fertilizer, Live Animal Exports and Egg Producers:

1. Is the approach for emission factors suitable for egg producers?

1. EPFNZ does not support the current methodology of placing the emissions factor on the total number of eggs sold by a farmer or the total number of layer hens on a farm. Both of these are problematic in that they can not reflect any changes made in production efficiency. Both of these indicators as measurement tools do not differentiate between a more efficient egg operation from one which is less efficient (thus, potentially penalizing a more efficient egg farm).

The emission factor (0.033 per thousand eggs and the equivalent of CO₂ equivalent emissions) utilized for egg producers is derived from data that is scientifically outdated as well as not specific to the New Zealand egg industry. The emission factors determined for methane and nitrous oxide are based on data in the 1996 IPCC report on greenhouse gases. EPFNZ submit that the current IPCC 2006 document contains emission factors (i.e. both methane and nitrous oxide emission factors) which are considerably less than the previous 1996 values. Data collected by EPFNZ also confirms this difference.

What Information will be Required for Applicants?:

1. Do you agree with the proposed information requirements?

1. EPFNZ submit that the current definition of an egg producer in the ETS is not sufficient enough to capture all of the egg producers that produce eggs for human consumption.

Other Comments:

EPFNZ submit that placing an emissions obligation on the egg farmer would be putting an unfair financial burden on this sector. The total contribution that the egg industry has towards generating emissions is one of the lowest amongst any of the agricultural sectors.