

Submission to Productivity Commission on Transition to a Low Carbon Economy:

I have been a sheep and beef/dairy-support farmer for the past 30 years. I have been interested in climate change for many years and over the past 3 years have become an ETS registered carbon farmer. I believe planting trees on our poorest farmland is the most logical response to NZ's Paris Accord commitments. I wish to make 2 points only.

- (1) Assuming a market price on carbon sufficient to make carbon forests a viable economic option for our poorer farmland, the greatest disincentive to creating permanent forest sinks is the risk of losing the forest to fire, wind or disease and therefore having to repay carbon credits on a rising market. If the government wore this risk for Permanent Forest Sink Initiative forests i.e effectively became the insurer of this risk (covering it with unallocated crown units) the uptake of this type of forestry would be greatly increased.
- (2) A new model for hill country farming should be explored using ETS qualifying exotic hardwood (poplars?) space planted over areas of the farm. Pastoral farming amongst space planted trees is feasible for example the ex-catchment board research farm, "Wharekiri". If a working model for this type of hill country farming was developed, it would have multiple benefits (soil erosion, animal welfare, nutrient loss, carbon emissions) and widespread appeal. Effectively a reduction in stocking rate would be compensated by carbon income. (I farmed Wharekiri, a 200Ha research farm near Gisborne, for 2 years after cyclone Bola. The whole farm was space planted in poplars and willow).

Yours, Alec Milne

Onekaka, Golden Bay. 10/05/2018