



Media release  
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### **Ballance opposes tax on fertiliser and subsidising inhibitors**

Ballance is strongly opposed to the options for a tax on fertiliser and the subsidising of nitrification inhibitors contained in the Ministry of Agriculture and Forestry's draft Sustainable Land Management and Climate Change Plan.

While in general agreement with the goals and objectives of the Plan, Ballance has raised concerns in its submission to the Ministry that adoption of some of the proposed options could have 'serious ongoing implications for the New Zealand economy'.

'These options will have a direct impact on our farming shareholders and their fertiliser use, so it was critical that we made comment,' says Chief Executive Larry Bilodeau.

'The majority of the agricultural proposals relate to a small proportion of the agricultural greenhouse gas contributions, without taking adequate account of the benefits a full management approach could achieve.

'We support a stronger focus on the full range of agricultural greenhouse gas contributors, such as nutrient emissions and livestock waste management, rather than just focusing on nitrogen inhibitors or fertiliser taxes.

'We also disagree with positioning fertilisers as an emission source, given they account for less than 7% of agricultural emissions and less than 3.5% of New Zealand's total emissions.'

Ballance opposes the tax on nitrogen fertiliser, as it believes that this option would not be effective in reducing emissions, and would essentially place an unnecessary cost on farmers.

Mr Bilodeau said a nitrogen charge only focused on one of the many inputs to agricultural land management, rather than the outputs, so is ineffective as a sustainable land use option.

'It actually discourages farmers from becoming environmentally proactive,' says Mr Bilodeau.

In its submission Ballance suggests an alternative solution to a nitrogen tax could be government recognition of the positive contribution farmers make towards reducing the impacts of their own farming practices on the environment.

The incentive for nitrification inhibitor products is opposed, as these comprise only one tool in a range of nutrient management options that could help farmers achieve reductions in emissions. Ballance is of the view that an incentive for inhibitors may not direct farmers to the most cost-effective option for their business or the one that would achieve the best overall environmental outcome.

Ballance supports the principles of voluntary emissions reporting, tradeable permits to reduce emissions and the offset of agricultural emissions through tree planting.

However, Ballance does not support RMA controls on greenhouse gases and charges on land use when converting from forestry to agriculture.

'We have proposed a number of alternative ideas we believe meet the needs of both farmers and the environment, and we look forward to working with the industry to find a solution that works for all involved,' says Mr Bilodeau.

**ENDS**