Outline

• Introduction: The context in which I farm
• Overview of the Lake Taupo Protection
• Some thoughts on funding biodiversity services
Nitrogen Leached

- Tussock, Native Forest - 3kgs/ha
- Plantation Forest 3kgs/ha
- Sheep Beef and Deer Farms 17kgs/ha
- Dairy Farms 45kgs+/ha

- Farming emits 93% of the manageable Nitrogen entering the Lake
- 4 Dairy farms - 101 extensive sheep, beef and deer farms – now 75 farms
A Nitrogen Cap – The realities

- Is a cap on stock urine
- Essentially a cap on stocking rate
- A production cap is an income cap under existing commodity regimes
- Capped @ 2004 stock levels - costs increased by 48%
- 22% of my farm is in conservation/riparian planting
Do consumers pay a premium for beef produced under a catchment management plan that protects Lake Taupo?
Taupo Beef Certification

Environmental Standards
Protecting Lake Taupo

Waikato Regional Council
Te Kaunihera a Rohe o Waikato
TAUPO BEEF – The Results

- Consumers have paid a significant premium
- Outstanding feedback from chefs
- Demand exceeds our ability to supply
- Is it possible to build an nationwide ecosystem services brand as other catchments roll out?
Remove 20% of leached N

- Lake Taupo Protection Trust
- 170 tonnes annually
- $84 million fund
- Primary tool – conversion to forestry-ETS
- Brokered carbon deals @ $25/tonne
- Does forestry have a capital value of $5,600/ha from a water quality perspective?
Ecosystems Services: The consumer’s challenge

• Do you actively seek out food that is produced in a manner that protects water quality and ecosystems?
• Do you know where to source such food?
• What premium are you prepared to pay for that food?
• Is this the real test of how much you value ecosystems?
• Eating is the final agricultural act!
Thoughts...

- We cannot continue to occupy the commodity agricultural/forestry market place and mandate catchment nutrient caps and biodiversity protection.

_How do we establish brand values that facilitate and fund the achievement of these environmental goals and maintain farm/forestry profitability?_
Using Science to Profile our Food

• Profile our agricultural produce from a water quality/biodiversity perspective?
• Verifiable brand standards that resonate globally?
• Establish premiums that fund new opportunities?
• Sell our food at its real/true price which includes emissions, biodiversity and soil impact values?
Questions?