



Agriculture: Redefining what it means to be world-leading



The news is good for New Zealand's Agri-Food sector in KPMG International's Net Zero Readiness Index. The industry is ranked first out of the 32 countries surveyed in relation to decarbonisation preparedness in respect to Agriculture, Land Use and Forestry. The report is telling us that the work that has been, and continues to be, done across the industry through initiatives like the New Zealand Agricultural Greenhouse Gas Research Centre and He Waka Eka Noa is positioning our industry to be a global leader in climate-aligned food and fibre production.

The journey towards achieving zero carbon is a marathon rather than a sprint, so I think this result should be viewed as the timing split at the end of the first kilometre. The journey has only just started and we're tracking well with some well-resourced countries close behind us. But if we are truly global leaders in Agri-Food, we should be setting the standard higher. Our current aim is to stop generating a negative environmental impact. For most emitting industries, such as transport or energy, this is as usually far as they can go. Agri-Food, however, has the inherent possibility of being one of the few industries that can have a positive climate impact. Rather than just minimising further damage, the industry can take a lead in shifting the conversation towards creating new opportunities for food producers while reversing the historic damage that has been done. Digging into the data in more detail shows that we are not leading in any of the three key categories on which the Index has been

built (decarbonisation status ranked 8th, government action 3rd and delivery capability 2nd), but we are recording consistently good rankings. We recognise that there are multiple elements to decarbonising our economy which need to be progressed in parallel. Investment in relevant research and development must

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be matched with appropriate policies to: promote sustainable forestry activities; active efforts to lift food upcycling; and introduce price signals that encourage people to make more conscious choices about the food they eat. As we dedicate resources and skills to these initiatives, we should be exploring if we can take them further, looking at net zero as a milestone rather than the end. We noted in this year's KPMG Agribusiness Agenda the importance of incorporating blue into our pursuit of a green, decarbonised future. Oceans make up 93% of New Zealand's exclusive economic area and offer the opportunity to effectively sequester carbon and simultaneously grow protein in a manner which could transform New Zealand's food and

fibre systems in the future. Yet as it stands, the Climate Change Commission has taken little account so far of the impact our oceans can have on our track to decarbonisation. This is an area that needs to come into sharper focus if we are to retain this leading position and guide the Agri-Food industry into the future. Consumer preferences are constantly changing and there is likely to be increased demand for certified zero carbon products. This may incentivise some organisations to accelerate the decarbonisation of traditional production activities while for others it will see them explore new, emerging modern food segments including cellular, fermented and plant-based food products. Both tracks are equally valid as there is no 'right' way to create a climate-aligned future food business. Our policy responses need to be sufficiently broad to enable organisations to set their own pace in the race, while ensuring we are all heading towards the same, ambitious finishing line. Having our most important economic sector ranked first in this global survey is exciting. However, we need to accelerate our efforts to have a truly positive impact on our planet. We need to work harder, faster and more collaboratively. So, let's use this good result to fuel our efforts to build on the platform we have already built, one that today is broader and better than anybody else has built to date. Let's use this recognition of our industry-leading work to show the world what we can really achieve and aspire to create the world's most climate positive food system.



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