



New Zealand **Carbon Farming**

GROWING TREES TO PRESERVE THE PLANET

JUNE 2024

A PLAN FOR THE FUTURE

The nature of New Zealand farming is changing – and the pace of that change is accelerating as new markets, new technology and new rules make the modern farming environment more complex. But one thing is unchanging for Kiwi farmers: respect for the land, and care in how it is used.

For more than a decade, we've been helping New Zealand landowners to make the most out of their investment in the land by helping them unlock profitability in areas that have traditionally yielded lower returns.

Our proven expertise in establishing trees under the Emission Trading Scheme (ETS), has paid real dividends for our partners – returning significant additional income to rural communities.

Our reputation is built on the quality and reliability of the work we do. But we also recognise that each landowner has a particular view of what they want to do with their land. We tailor our approach to those perspectives, and work together to achieve the objective – diversifying income, freeing up capital, or leaving a lasting legacy.

We know that trust is hard-won, especially when it comes to decisions on how land is used. This means we make a point of doing what we say we will – always, of being a good neighbour and an honest, straight-up business partner.

Like you, we have a firm focus on New Zealand's future. And on how we treat the land, support our communities, respect what we have, and protect what's important for the next generation.

LEARN MORE ABOUT OUR APPROACH AND THE SCIENCE BEHIND IT:





ABOUT NEW ZEALAND CARBON FARMING

New Zealand Carbon Farming owns the country's largest privately-owned conservation estate of permanent forests. We also manage around 45,000 hectares of trees planted under a range of lease arrangements with our land-owner partners.

We're a proud local business and the work we do contributes directly to our country's climate change efforts. Over the past decade, New Zealand Carbon Farming's trees have captured more than 28m tonnes of CO₂ – the equivalent of taking every car off New Zealand's roads for a whole year. Our trees currently store one tonne of carbon dioxide every 13 seconds.

For over a decade, our key philosophy has been planting the right tree in the right place. Over 95% of New Zealand Carbon Farming's 92m million trees under management are planted on marginal land (grade 6 and above) – often in steep or erosion-prone areas. We also subdivide and sell any of the better land that we buy, back to the community.

As well as providing extra income for thousands of Kiwi landowners through our forest leases, our work also has direct benefits for the local community. The active management required by our regeneration programme, pest control and forest management sees us work closely with local contractors and specialists across New Zealand, as well as hiring local people to work on land that previously generated few employment opportunities.

As a company that is involved for the long-term in the regions in which we plant, we also support a wide range of community activities, from sports and recreation, to education and training.



CHOOSING THE RIGHT LAND

Selecting the right places for planting means we're looking for the roughest country to plant on – grade 6 land and above that is often steep, erosion-prone, hard to get to, and difficult to maintain.

This makes our approach the ideal complement to other farming activities on more productive land. We work closely with you to get that mix right, and allow you to select the most appropriate land for planting – depending on your needs and the long-term plan for the forest. In most cases our planting programme provides a solid source of income from less productive land that can otherwise be a drain on resources.

We're also careful how we manage that land. We create a specific plan for each site, which not only involves thorough site preparation but also ongoing forest management and maintenance. This includes a pest control programme that helps protect the trees – and any native vegetation – as well as benefiting other parts of the farm.

This approach also means we're regularly reinvesting in local communities. We work with local nurseries, support local companies that provide planting services, and where possible employ local people to help manage and maintain the trees and the land we work on.



EARNING RETURNS FROM TREES

We've been working as part of the New Zealand ETS since its early establishment. So, we understand how to select the right land, and plant and manage the right trees – in the right places – to get the best returns for our land-owner partners.

We take care of all the complexities of the process, from identifying areas eligible for planting under the ETS, to managing annual measurements and returns. We also cover the costs of establishing, insuring and managing the forest in order to maximise its potential.

In return we either pay a share of Carbon Credits or an annual per hectare amount that usually offers a better economic return on marginal land than if it was being farmed – with fixed annual payments that are CPI adjusted to provide future income certainty.

You own the land throughout the process and at the end of the lease term, we return the forest to you. You can decide whether to harvest and replant in order to realise further capital, or to protect the trees for the future as a permanent, regenerating indigenous forest that continues to generate income through ETS-based dividends over the long-term*.

* Subject to Government policy and ETS regulations.



REGENERATING NATIVE ENVIRONMENTS

We're proud of our efforts to help preserve and protect the planet for future generations. New Zealand Carbon Farming is one of the largest contributors to our country's climate change efforts.

For our own permanent forest estate, we focus on the process of regeneration.

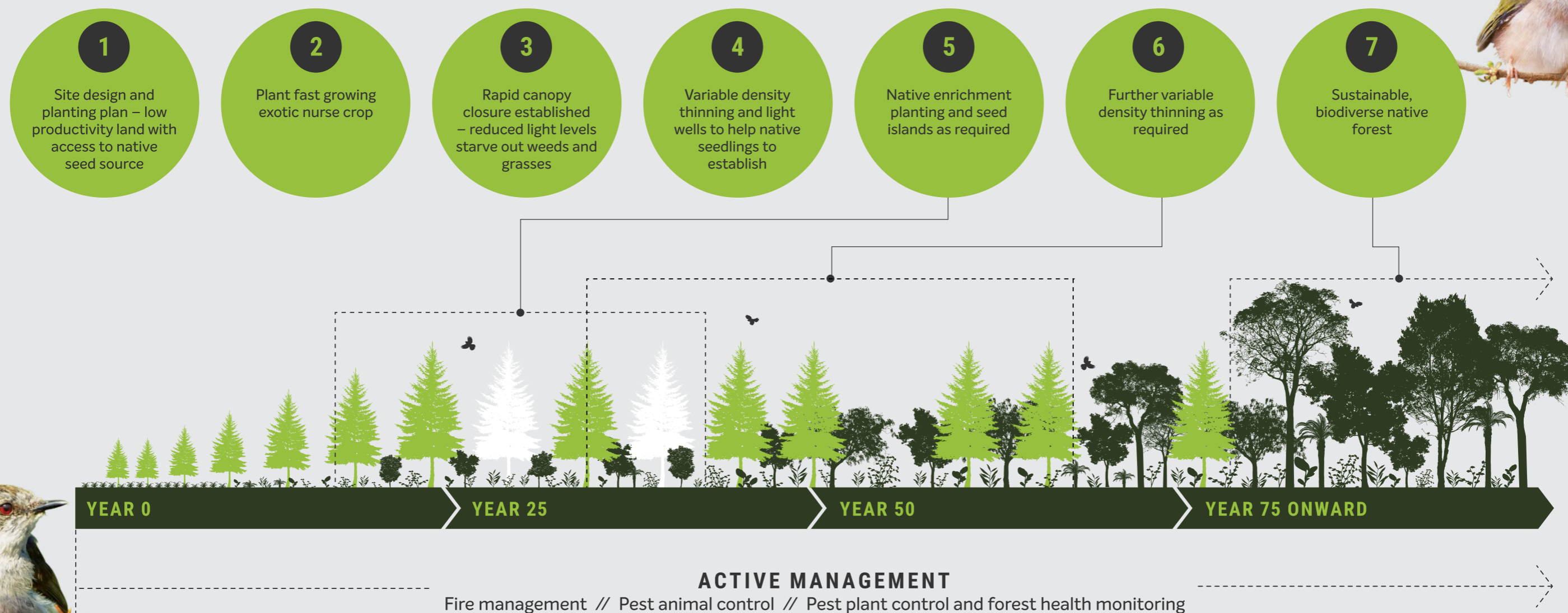
Regeneration is a naturally occurring process that will draw on existing seeds sources and forestry remnants, if present. To accelerate and support this process, New Zealand Carbon Farming uses a nurse crop of exotic trees and relies on adjacent native seeds sources – supplemented as required, as well as undertaking careful management and planned interventions to create the environment for the transition to a biodiverse native forest.

Each of the stages in New Zealand Carbon Farming's regeneration programme requires constant expert management. From pest and predator control operators to ecologists, and planters to planners, New Zealand Carbon Farming employs a wide range of local people year-round. This approach provides significant rural employment, with a recent study by PricewaterhouseCoopers Consulting – updating research previously completed for Te Uru Rākau – highlighting that the process of actively managed carbon forestry creates 25% more local jobs than sheep and beef farming on low productivity land.

While it has not been the focus of traditional forestry, there is a body of local scientific research spanning over 40 years that supports regeneration. New Zealand Carbon Farming has had an independent team of forest scientists working on its regeneration programme for the last 5 years. Their findings, and the wider research undertaken in a New Zealand setting, is guiding the implementation of regeneration actions across New Zealand Carbon Farming's estate.



LEARN MORE ABOUT OUR ACTIVE MANAGEMENT PROGRAMME:





SIGNIFICANT ENVIRONMENTAL BENEFITS

Each year, New Zealand Carbon Farming invests millions of dollars locally into the regeneration process. We do this to provide two distinct benefits for the local environment.

The fast-growing exotic trees planted as a nurse crop rapidly absorb carbon from the atmosphere – capturing between 5 and 10 times more carbon than a planted native forest would over the next 70 years. This is crucial if New Zealand is going to be able to meet its emissions targets. But with atmospheric CO₂ now 50% higher than in the pre-industrial age, sequestering the carbon already in the atmosphere is also vitally important.

Over the long-term, the regeneration process will also mean tens of thousands of hectares of new native forests will be established. For many generations to come, these forests will provide a wide range of benefits, in terms of biodiversity, erosion control and climate resilience.





MANAGING THE FOREST CANOPY

One of the keys to native regeneration is the role of and, where required, the management of the forest canopy and introduction of light to the forest floor.

To optimise our forest management in support of transitioning exotic plantations to native forest, we apply Variable Density Thinning (VDT) and the use of lightwells to manipulate the forest canopy. As part of our operational programme, we have established a series of lightwell gap optimisation studies within our own conservation estate.

Areas of applied research include determining the impact of the size of the gap, the method of thinning, site characteristics and distance from seed sources.



PEST AND PREDATOR CONTROL



From deer and goats, to possums, pests are a real threat to the establishment of native species, which are highly palatable for a range of browsing animals.

In order to create the right environment for native plants and trees to thrive, we operate an intensive pest eradication programme, which includes ongoing monitoring and control.

NZCF currently operates one of the largest private pest management operations in the country, investing more than \$1 million per annum to protect the health of the nurse crop and – critically – the growth and development of native species. This programme, which employs a number of locally-based professionals, has removed almost 65,000 pest animals in the last three years.

Protecting native wildlife is also important, particularly the native birds which act as an important dispersal agent for the native seeds. These help the spread of native trees from nearby stands or ‘seed islands’ – a key process in regeneration.

This means that alongside the carbon reduction contribution made by the plantations and the economic contribution in the form of jobs and leasing fees, New Zealand Carbon Farming also delivers significant local ecological and biodiversity benefits through predator reduction and support for native wildlife.

PUTAKI FENCE



Almost 9 kilometres in length and covering an area of 441 hectares, the 1.9 metre fence at our Putaki estate is designed to keep large browsing animals out of the newly planted area.

The fence uses fawn netting combined with three strands of electric wires to deter large pests. The fence will be assessed through monitoring trials on both sides of the enclosure, to understand the impact on both plants and native birds and wildlife at Putaki. A comprehensive predator control programme will also protect birds and native wildlife within the fenced area.

Surveys of flora and fauna at Putaki have already been completed by independent ecological consultants.

A TAILORED SOLUTION FOR YOUR NEEDS

We know that every farm is different. Like our approach to the land, we recognise the necessity of creating a tailored approach for each of our land-owner partners.

This means understanding what your objectives are, and how to help you maximise the economic potential of the property.

Our approach is an ideal way to diversify farm earnings with a steady, dependable source of additional long-term income. Whether you are planning for succession, looking to reinvest in your farm or to retire debt, we will work with you to shape the right approach.

DOING WHAT WE SAY WE WILL

Over more than a decade, New Zealand Carbon Farming has established a reputation for delivery. We stand by our work. And we recognise that being part of rural New Zealand over the long term means not only building lasting relationships, but also contributing to the ongoing needs of the community.

This means we're present in the regions in which we work – and engaged over the long-term. You'll work with one of our Regional Land Managers and forestry experts who will take direct responsibility for the ongoing management of the trees on your land. They're also backed by an expert team of land and mapping specialists, forest ecologists and ETS specialists who work to ensure your experience is seamless and hassle-free.





GET IN TOUCH

If you're thinking about your future, and what might be possible on your land; if you're looking to diversify, or to unlock another source of income – come and talk with us. We're always happy to share what we've learned from working with many landowners – like you – from all around New Zealand.

TALK TO YOUR LOCAL EXPERT



New Zealand **Carbon Farming**

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