Beef Cattle Herd Management Variation

Summary of key changes

The project proponent must specify at least one herd for the project in the section 22 application, and may specify other herds later (these do not extend the crediting period). (See sections 7, 8)

By allowing an additional herd into the project the change allows greater abatement to occur than would have been expected from the numbers specified in the original section 22 application. The option of amalgamating data by using transfers from multiple herds into one herd is no longer available. Each herd is now discrete (the separate business operation requirement particularly paragraph 9(3)(d) and paragraph 10(1)(e)), so that the actual numbers involved can be seen on the HM Calculator summary sheet for each individual project herd. Calculator data is more easily supported by herd level business records kept for business-as-usual management than when herd amalgamations occur.

To increase transparency and simplicity a herd is specified by specifying the business operation to which it is attached—the herd consists, at any particular time, of the cattle that are on the livestock inventory of the business operation at that time (subsection 8(1)).

The more complicated concept of an associated secondary business and its livestock inventory (non-inventory cattle) as part of the herd has been removed in definitions. The more rigorous concept of linkage between businesses based on defined business structures (see definition of linkage) is substituted, with a requirement for destination herds to be project herds (section 12), when considering if transfers are allowed between linked businesses. No transfers (transparent sales only) are allowed between non- linked, non-project herds. The effect is to increase the transparency of cattle numbers involved in projects by simplifying the project boundary.

The herds, or all herds but one, must have full historical data (subsection 11(1)). The baseline emissions of such a herd, having full historical data, are calculated using the data from that herd only (sections 21,21A).

One herd of the project may have only partial historical data. There is a limit on how large this herd can be. When calculating its baseline emissions, a cap is imposed that is equivalent to the historical data from the full data herds (section 21, 21B).

These two concepts are included to allow, under conservative assumptions, one limited data herd to enter the project either at the time of the section 22 application or after the section 22 application. The project must nevertheless have at least one existing full data herd (paragraph 11(3)(d)). The size of the new limited data herd may not be larger than the largest of the existing full data herds. The provision caters for mergers and acquisitions which provide less than 3 years historical data or are transactions after the section 22 application.

To comply with the methodology of this determination requires that, for each herd in the project:

(a) the business operation and its livestock inventory must be maintained separately from any others that are part of the project, and have continuity over time (subsection 9(1)); and

Keeping herd data separate, (including the use of a separate run of the HM calculator for each herd), increases transparency of numbers involved and ensures like for like comparisons of historical and crediting period emissions intensity of LWG.

(b) The herd must be managed and pastured separately from herds not in a project (subsection 13(1));

This provision ensures that non- project cattle cannot affect the emissions of project cattle by limiting their intake and thus emissions in situations where carrying capacity is limited.

(c) cattle cannot be transferred from the herd to a linked herd unless the linked herd is also in a project (subsection 12(1)).

This provision assures accurate accounting because the necessary records will be available for all herds whereas previously the records for a secondary herd owned by a loosely associated business may not have been.