**Level 3: Future Proofing Strategies**

**Understanding the realities of Tariffs**

**Teacher Note:**This worksheet provides an example of political future proofing influence based on tariffs. The students need to read the article “Realities of Dairy Tariffs”.

**Discussion Questions**: These are designed to stimulate discussion and deepen understanding tariffs, and the impacts they have on an agribusiness

**Resource**

PDF “Realities of Dairy Tariffs”

The level 2 worksheet “**Understanding the realities of Tariffs”** can be used for prior learning before doing this worksheet.

**Discussion Questions**

1. How can New Zealand build resilience in the food and fibre sector amongst increasing global trade uncertainty?
2. How should the dairy industry respond to increasing environmental expectations from overseas markets?
3. What strategies can New Zealand use to maintain a credible sustainability story in the face of growing scrutiny?
4. How can New Zealand influence future global trade rules to better reflect its environmental and agricultural values?
5. How can New Zealand stay competitive in a world where subsidies and tariffs are rising again?
6. How can New Zealand dairy access hard-to-penetrate markets like India in the future?
7. How important is domestic policy alignment (e.g. emissions targets, freshwater plans) to trade credibility and market access?

**Discussion Question Answers**

1. How can New Zealand build resilience in the food and fibre sector amid increasing global trade uncertainty?

New Zealand can build resilience by:

* Expanding and protecting Free Trade Agreements (FTAs) to reduce reliance on a small number of markets.
* Diversifying export markets to spread risk and avoid overexposure to any one region.
* Investing in sustainability and innovation, ensuring New Zealand products remain attractive and competitive even under stricter environmental rules.
* Telling a credible story about New Zealand’s environmental performance to meet global expectations.
* Improving domestic infrastructure, such as ports and supply chains, to reduce vulnerability to global disruptions.

1. How should the dairy industry respond to increasing environmental expectations from overseas markets?

The dairy industry should:

* Invest in emissions-reducing technology (e.g. methane vaccines, feed additives).
* Implement farm-level environmental reporting tools to monitor and improve performance.
* Proactively tell its sustainability story, with data to back up claims.
* Meet or exceed international standards on emissions, animal welfare, and nutrient management.
* Collaborate with government and exporters to align messaging and strategy in trade negotiations.

1. What strategies can New Zealand use to maintain a credible sustainability story in the face of growing scrutiny?

* Be transparent by publicly sharing credible, verified data on emissions, land use, and water quality.
* Ensure government policy and industry practices are aligned with environmental goals.
* Invest in research to continuously improve sustainability.
* Use third-party verified labels to prove sustainability claims.
* Involve Indigenous Māori knowledge, community groups, and farmers in environmental stewardship.

1. How can New Zealand influence future global trade rules to better reflect its environmental and agricultural values?

* Actively participate in WTO and multilateral forums, advocating for fair, science-based rules.
* Lead by example with credible sustainability practices, showing it is possible to balance trade and environment.
* Form coalitions with like-minded countries (e.g. Australia, EU, UK, Canada) to push shared priorities.
* Embed environmental commitments in FTAs to set benchmarks for both sides.
* Use diplomacy to challenge unfair subsidies or green protectionism disguised as environmental regulation.

1. How can New Zealand stay competitive in a world where subsidies and tariffs are rising again?

* Maximize FTAs to avoid tariff costs.
* Focus on efficiency and quality to compete on value, not price.
* Leverage brand reputation as a clean, green food producer.
* Push back diplomatically against unfair subsidies or protectionism.
* Support farmers through innovation funding and transition incentives, not direct subsidies.

1. How can New Zealand dairy access hard-to-penetrate markets like India in the future?

* Invest in long-term relationship building, including cultural, political, and economic diplomacy.
* Identify niche opportunities, such as specialty products or value-added dairy.
* Work with Indian stakeholders to develop joint ventures or supply chain partnerships.
* Address concerns head-on — including India's fear of being undercut by New Zealand’s efficient farmers.
* Push for incremental access through technical cooperation and smaller trade deals, rather than all-at-once liberalisation.

1. How important is domestic policy alignment (e.g. emissions targets, freshwater plans) to trade credibility and market access?

It is critical.

* Trading partners increasingly scrutinize domestic policies to ensure imports meet their environmental expectations.
* If New Zealand's domestic policies lag behind, other countries may impose trade barriers or restrictions.
* Strong, credible domestic regulation helps answer tough questions in FTA negotiations.
* It reinforces New Zealand’s global reputation as a responsible, future-focused exporter.
* Without alignment, New Zealand risks losing both credibility and competitive edge.