

Proposed Waikato Regional Plan Change 1 – Waikato and Waipa River Catchments.

Submission form on publicly notified – Proposed Waikato Regional Plan Change 1 – Waikato and Waipa River Catchments.

FORM 5 Clause 6 of First Schedule, Resource Management Act 1991

SubForm	PC12016	COVER SHEET	
FOR OFFICE USE ONLY			
		Submission Number	
Entered		Initials	
File Ref		Sheet 1 of	

SUBMISSIONS CAN BE

Mailed to	Chief Executive, 401 Grey Street, Private Bag 3038, Waikato Mail Centre, Hamilton 3240
Delivered to	Waikato Regional Council, 401 Grey Street, Hamilton East, Hamilton
Faxed to	(07) 859 0998 <i>Please Note: if you fax your submission, please post or deliver a copy to one of the above addresses</i>
Emailed to	healthyivers@waikatoregion.govt.nz <i>Please Note: Submissions received my email must contain full contact details. We also request you send us a signed original by post or courier.</i>
Online at	www.waikatoregion.govt.nz/healthyivers
We need to receive your submission by 5pm, 8 March 2017.	

YOUR NAME AND CONTACT DETAILS

Full name	Drummond Dairy Holdings Ltd		
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		Fax	

ADDRESS FOR SERVICE OF SUBMITTER

Full name	Mary-Ann Mathis		
Address for service of person making submission	Cl- Graham Brown and Co PO Box 11 Tokoroa 3444		
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		Fax	

TRADE COMPETITION AND ADVERSE EFFECTS *(select appropriate)*

/ X I could not gain an advantage in trade competition through this submission.

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SUBMISSION POINTS: General comments

Drummond Dairy Holdings (Appendix 1) is a 443 ha equity owned dairy farm in the Upper Waikato Catchment, Little Waipa subcatchment, currently milking about 1000 cows. The farm was part of a forestry conversion in 2005-6. It has 26ha in pine trees which were left in susceptible areas when the land was cleared. The soil is Taupo sandy silt and the land is rolling with some steeper sidings. Four families reside and work on the farm and six owners also depend on the farm. Production is steadily increasing over time with a budgeted production of 480,000 to 500,000 milksolids. As pasture improves, the reliance on bought in feed has dropped. The stocking rate is annually reviewed as this occurs accounting for market returns and pasture utilisation.

The farm is operated as a conventional spring calving farm but with more intensification including a feedpad. The farm still requires a lot of development work, particularly in weed control. For this reason cropping and regrassing is part of its development. As part of the process of development, we may grow forage crops.

Our Nitrogen leaching level increased in the past two years from 45% kg/ha/year to 63 kg/ha/year largely as a response to growing maize on farm. The Nitrogen conversion efficiency went from 29% to 33% according to Fonterra's Overseer modelling. Soil tests are done biennially and fertiliser applied as recommended.

The effluent system was upgraded in 2014 at a cost of \$240,000. Effluent is spray-irrigated onto pasture. We are well-aware that waterways through the property contribute to the Little Waipa. All waterways are well fenced although this has created an on-going issue with weed and pest control.

We have an on-going tree planting programme growing many of our own trees and have planted areas subject to pugging in more robust pasture to minimise this.

The stocking rate of the farm has slowly been decreased slightly due to a low milk payment response to reduce costs. This is not sustainable financially and we intend to increase the stocking rate as more land becomes fully productive. Tying the farm to 2014-6 makes it impossible to develop the farm to its productive potential and will devalue the property.

In the future, we plan to continue to develop this farm using changes in technology and management practices to ensure the farm can pay off its high debt level. In order to continue to farm this land we need surety in consents and the rules imposed for a long period of time. We need to have flexibility in such things as stocking rates, growing crops for stock feed or sourcing outside feed when needed in order to cope with market demands and the vagaries of different seasons.

I am concerned about the following issues with PC1

- Timing of stocking rate limits. If either 2014-15 or 2015-16 are used these dates are not a fair representation of the long-term stocking of this property due to weather, market return, stock health issues and mating performance over those times or land development progress. I believe a fairer method to determine stocking rate would be a five year rolling average. There needs to be some flexibility to determine this level not to randomly pick two years. This farm would be particularly disadvantaged should the current proposal be accepted.

- Imposing extra costs on the property in terms of monitoring and reporting will affect our ability to be sustainable. For example, our current practice of soil tests biennially is effective as soil tests change very little over time. Being required to employ approved consultants will add another level of costly bureaucracy. We already gather much of the information required through Fonterra and this would be more realistic in practice.
- Setting N reference points and demanding a marked improvement over time is counterproductive when the property is already endeavouring to improve in this aspect given the financial resources we have. Nitrogen monitoring and targets are already part of our Fonterra compliance. A carrot and stick approach has always proven to be less successful in creating the changes desired than other methods.
- Setting a level for cultivation at 15° slope is impractical in rolling country.
- Demanding 5 wire fencing along waterways is expensive and impractical in terms of controlling weeds along the streambank. A better approach would be to follow the lead of the Dairy Accord with two wire fencing and its definition of what constitutes a waterway.
- Setting levels expected for improvement across the board is unrealistic. The property is continually working to improve performance but this is affected by many factors outside our control such as weather, market conditions and finance available.
- There needs to be a consistent policy platform across all contributors including the urban area.

I support the submission that has been lodged by Federated Farmers. I am particularly concerned about the following aspects of Plan Change 1:

- The significant negative effect on rural communities
- The cost and practicality of the rules.
- The effect that the Nitrogen Reference Point will have on my business and my economic wellbeing.
- The Farm Environment plan requirements leading to unnecessary and costly regulation of inputs, outputs, normal farming activity and business information
- The costs and practicality of the rules and requirements for stock exclusion, the Nitrogen Reference Point and the Farm Environment Plan.
- The timeframes for complying with the Nitrogen Reference Point rules which are too short and unachievable
- The plan significantly exceeding the 10 year targets in many attributes and areas
- The lack of science and monitoring at the sub catchments level

I am concerned about the implications all of this will have for my property and for my current activity as described above. I set out my concerns more specifically in the table below.

SUBMISSION POINTS: Specific comments

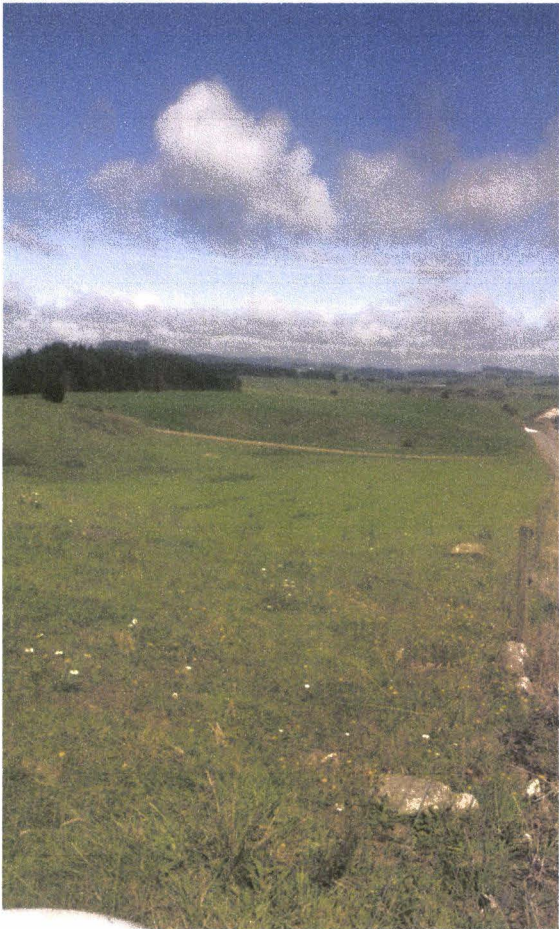
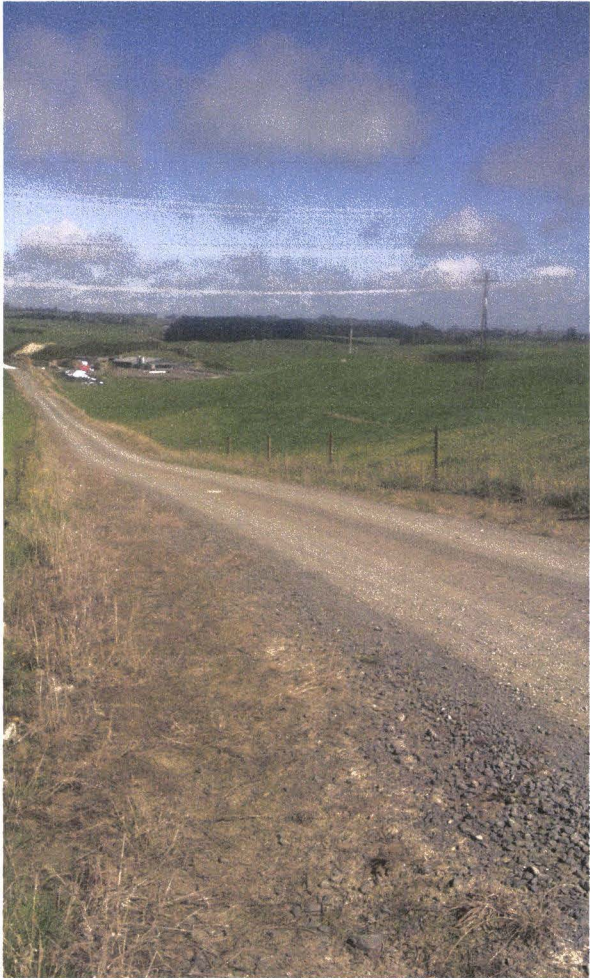
Page No	Reference (e.g. Policy, or Rule number)	Support or Oppose	Decision sought Say what changes to Plan Change 1 you would like	Give Reasons
40	Rule 3.11.5.2 Permitted Activity Rule – Other farming activities			
41	Rule 3.11.5.3 Permitted Activity Rule – Farming activities with a Farm Environment Plan under a Certified Industry Scheme	OPPOSE	<p>Amend 3.11.5.3 as requested by Federated Farmers in their submission.</p> <p>Combine FEP with current requirements of Fonterra to stop duplication of bureaucracy costs. FEP accepted on merit- may be drawn up by number of people including farmer</p> <p>Make dates for FEP acceptance longer to allow time to research and verify</p> <p>Give flexibility to N reduction- too restrictive</p>	<p>This proposal will impose significant costs on my farming activities including</p> <p>The tight timeframe to collect and verify data, especially if FEP needs to be modified</p> <p>Needs to be flexibility with Overseer- it is a model only. Needs to allow for adverse weather events, major market issues etc.</p> <p>Having only registered FEP experts creates a climate for price hiking.</p> <p>Time needs to be allowed to meet N leaching limits- better to create a process of improvement over time which most farmers try to do anyway than imposing arbitrary levels which may be impossible or uneconomic to meet especially in this area where many farms are still in an early development phase.</p> <p>The ability for Environment Waikato to make an ad hoc change to the model is also of concern.</p> <p>We are also concerned that this is not practical because we need certainty to be able to invest in the changes imposed on us and some flexibility to cope with weather events and other events such as market</p>

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				conditions. We need to be able to develop plans to accommodate new demands.
42	Rule 3.11.5.4 Controlled Activity Rule – Farming activities with a Farm Environment Plan not under a Certified Industry Scheme	OPPOSE	Amend 3.11.5.4 as requested by Federated Farmers in their submission.	<p>This proposal will impose significant costs on my farming activities including The tight timeframe to collect and verify data, especially if FEP needs to be modified</p> <p>Needs to be flexibility with Overseer- it is a model only. Needs to allow for adverse weather events, major market issues etc. Having only registered FEP experts creates a climate for price hiking.</p> <p>Time needs to be allowed to meet N leaching limits- better to create a process of improvement over time which most farmers try to do anyway than imposing arbitrary levels which may be impossible or uneconomic to meet especially in this area where many farms are still in an early development phase. The ability for Environment Waikato to make an ad hoc change to the model is also of concern.</p> <p>I am also concerned that this is not practical because we need certainty to be able to invest in the changes imposed on us and some flexibility to cope with weather events and other events such as stock health issues.</p>

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44	Rule 3.11.5.5 Controlled Activity Rule – Existing commercial vegetable production			
45	Rule 3.11.5.7 Non-Complying Activity Rule – Land Use Change	OPPOSE	Amend 3.11.5.7 as requested by Federated Farmers in their submission.	This proposal will impose significant costs on my farming activities including the inability to adapt my farm for changes in either market-driven activities eg from dairy to dairy beef. The opportunity cost to intensify or change land use is important especially as this is a developing and rougher-contoured property. As parts of the land are being developed we need to go through a process of clearance, cropping for weed control and contouring and then into permanent pasture.
46	Schedule A: Registration with Waikato Regional Council			
47	Schedule B: Nitrogen Reference point	OPPOSE	Amend Schedule B as requested by Federated Farmers in their submission. There should be some flexibility to the determination of the base years.	This proposal will impose significant costs on my farming activities including As outlined above 2014-5 and 2015-16 have been years when this property has not had a stock increase because of management issues, weather and market returns. Using these as a base for the NPR will have a significant financial impact. At a normal stocking rate

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			<p>Other influences need to be accounted for</p> <p>Other alternatives to Overseer need to be considered. It is a model and so provides a generalised understanding of systems but these are often found to be faulty in practice.</p>	<p>of 90 more cows a \$6 payout for milk would make a difference of \$270,000 a year return. The potential inability to farm at the current level would make this land decline in value. This could result in several million dollars of investment being lost. Being required to limit N also limits the funds available to reduce other losses.</p> <p>Farmers need to be able to illustrate their ability to improve environmentally using other science. As technologies improve so will the parameters used.</p>
50	Schedule C: Stock Exclusion	OPPOSE	<p>Amend Schedule C as requested by Federated Farmers in their submission.</p> <p>Fencing waterways has caused other environmental issues.</p>	<p>This proposal will impose significant costs on my farming activities including weed and pest control. We have issues with wild pigs, pukekos and possums damaging crops and trees. Requiring the fencing any intermittent waterways is not practical. It affects grazing management by limiting access to some areas for cows and also creates areas of rank vegetation and weeds, harbouring pests. It is also subject to the personal view of the agent concerned.</p>
51	Schedule 1: Requirements for Farm	OPPOSE	<p>Amend Schedule 1 as requested by Federated Farmers in their submission.</p>	<p>This proposal will impose significant costs on my farming activities including the duplication of monitoring which is already required by Fonterra.</p>

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	Environment Plans		Proposal requires a duplication of what is already being done	<p>The avoidance of cultivation on land over 15⁰ would make most of this land unfarmable. The value of the land would then plummet as would the productive return of the land.</p> <p>FEP requirements will add significant cost to my operation- estimated additional \$3000-\$10,000 based on advisors and farm management time. Nutrient budgets and nutrient management plans are things we have done for a number of years in conjunction with the fertiliser companies.</p>



Drummond Dairy Environmental Spending

	2010	2011	2012	2013	2014	2015	TOTAL
Effluent System	\$ 8,542.79	\$ 6,480.63	\$ 7,336.84	\$ 9,013.14	\$ 9,611.78	\$ 293,809.77	\$ 334,794.95
Planting Trees				\$ 12,244.00			\$ 12,244.00
TOTAL	<u>\$ 8,542.79</u>	<u>\$ 6,480.63</u>	<u>\$ 7,336.84</u>	<u>\$ 21,257.14</u>	<u>\$ 9,611.78</u>	<u>\$ 293,809.77</u>	<u>\$ 347,038.95</u>