31 October 2019

Dear Sir/Madam

**ANZCO Foods’ submission – Essential Freshwater: Actions for healthy waterways**

Thank you for the opportunity to provide feedback on the Essential Freshwater: Action for healthy waterways which includes the four components:

- Initiatives for freshwater management in New Zealand set out in the Action for healthy waterways discussion document
- The draft National Policy Statement for Freshwater Management
- The draft National Environmental Standard: Freshwater
- The proposed updates to S360 stock exclusion regulation

ANZCO’s submission on the Essential Freshwater package is attached. Where ANZCO has feedback, it is organised under various relevant headings.

ANZCO is one of New Zealand’s largest red meat processors, with a turnover of $1.65b and employing 3,000 people around the country. As part of our business, we run a feedlot and have farms. Our submission is also made in support of New Zealand’s wider sheep and beef industry.

ANZCO is generally supportive of the proposal to ensure that freshwater systems are safe for people to swim in and gather food. However, we have some specific concerns relating to our business and the wider industry. As it stands, the proposal will have a significant impact on New Zealand’s sheep and beef farmers. This sector is a significant contributor to New Zealand’s economy. The industry exported $8.75b in 2018/19 which is 13.5% of the country’s total exports.

We would be happy to engage further with the Ministry for the Environment and other relevant parties to address the challenges identified in the submission and to help develop practical solutions to the management of freshwater. For all inquiries please contact:

Yours faithfully

[Signature]

[Personal details removed]
ANZCO Foods’ Submission – Essential Freshwater: Action for healthy waterways

**General response to the proposals**

Overall ANZCO supports the objective of having healthy freshwater. We support clear, science-based environmental bottom lines that protect human and ecological health, and frameworks that empower farmers and communities to work together to achieve these. We support the need to address issues such as sediment, E-coli and winter grazing.

However, we have concerns about the proposed frameworks, rules, and standards that will lock-in current levels of discharge into our waterways and lock-in existing land uses. This approach effectively rewards high intensity, high discharging systems (particularly high N leaching systems), while penalising low intensity, low input, and low discharge systems that work within the physical environment of the farm.

Constraining low intensity farm systems will limit farmers’ capability to achieve the goals of the proposal and meet the additional costs of compliance. This would significantly disadvantage responsible farmers and proactive custodians of the land who have already sought out and achieved environmental innovations.

This blanket approach will put low input systems under significant financial strain.

We support a fair approach where each farmer is expected to do their bit in proportion to their impacts, in an effective and workable way.

We request that the government re-think its approach to restrictions on land-use change and to the grandparenting provisions in the freshwater module and hill country cropping. We’d support recognition of low N leaching farms where some flexibility is provided for them.

We agree that sheep and beef farms need to address their contribution to water quality issues but believe the mitigations that a farmer undertakes should be in direct proportion to their contribution to the issues, rather than a broad-brush approach taken across all farms within a catchment.

ANZCO supports the requirements to implement the national policy statement as soon as possible but we do not necessarily support the requirements to notify decisions on freshwater plans by 2025. None of the capabilities and infrastructure will be in place to manage this. We need to balance the urgency with capability – otherwise we risk poorer outcomes rather than better.

ANZCO would also like clarity on how the proposed reforms align with existing responsibilities under the RMA.

**Nitrogen, phosphorus and sediment attributes**

New Zealand has a range of unique ecosystems that should be factored in when developing the goals of freshwater management. Freshwater attributes should provide for freshwater ecosystem health which reflect the characteristics of the waterbody in its catchment context, and account for natural variation and conditions such as erosion, nutrient levels, geology, geomorphology, and land type and cover. These attributes should be based on the best available science, and where
uncertainty exists, should be precautionary, both environmentally, and how they are applied and 
mandated by these proposals.

ANZCO questions the science around setting national bottom lines for dissolved inorganic N and 
dissolved reactive P. In addition, we ask for clarity around the rationale for these base lines. The 
components used to derive the measurements for this include multiple factors including water flow, 
nutrient concentration or physical habitat. The way these factors interact are area specific and don’t 
lend themselves to national standards.

We acknowledge that eutrophication is an eco-system health driver that needs to be managed; 
however, that it is different in each river adds weight to the fact that it makes it difficult to set limits 
across the whole country.

In addition, consideration needs to be given to how to manage the eutrophication effects in 
different systems, for example spring-fed systems where nitrogen is managed via the nitrate toxicity 
attribute. We would question whether improvement is possible or practical and whether it was 
more about maintaining the current state.

We are happy with the reference to suspended fine sediment although we note a wording change 
from suspended fine sediment to turbidity. Our concern here is around the measurement of 
turbidity which is sensitive to the instrument used in measurement.

**Restricting further intensification**

The proposals to restrict any land use change, regardless of existing levels of discharge, will 
effectively lock-in current land uses. This is essentially a form of grandparenting which will reward 
high intensity, high discharge systems, while penalising low input, low discharge systems. High 
intensity systems will be rewarded with the greatest flexibility and choice in how to adapt their 
farming systems, while low intensity systems will be given virtually none.

The average nitrate leaching for a sheep and beef farm is 17kgN/ha/yr, while more intensive farming 
systems leaching can average 50kg/ha/yr or even significantly more. Under the current proposals, 
those leaching at the higher end of the scale while be allowed to remain at these extremely high 
rates while adjusting to the new regulations, while low input systems will be restricted on the ability 
to adapt to newly created costs of implementing the proposal.

Any changes to nitrate leaching needs to be in relation to an individual farm’s nitrate leaching 
intensity, with allowances made within the broader context of other proposed changes, so that low 
input farming systems can afford to achieve the goals of the proposal.

**Farm plans**

We understand the requirements audited farm plans to manage farm practices but seek clarification 
on the repercussions of a failed farm plan audit. The standard essentially says you need to complete 
an audit and notify the regional council of the result, but there is no requirement for a regional 
council to pass it on.

We agree that in time, farm audit programmes should be driven by market and consumer demands 
for higher environmental standards - not regional councils and regulations.
Immediate actions to reduce nitrogen loss

ANZCO supports option one for a nitrogen cap and high discharging land uses being required to reduce to this cap. However, the actual threshold should be proportionate to the level of overallocation of nitrogen. High intensity systems that have high nitrate leaching rates should be required to make more of a reduction while low intensity systems should be given flexibility within the cap to offset increased costs.

We support and encourage exemption for hill country pastoral farms.

Waterways

ANZCO believes a more positive framework around activities to enhance wetlands would encourage people to improve. Additional regulations are likely to discourage people from completing enhancement activities like earthworks and vegetation clearance as well as redirecting investment into getting consent rather than doing the actual enhancements.

We question the requirements to fence extensively, particularly on hill country properties: as well as health and safety issues, the fencing is prohibitively expensive because of the terrain, the length of fencing required, and significant maintenance costs because of extreme weather conditions.

We oppose the 5m fencing set back and the requirement to move existing fences because of the loss of productive land and the cost implications. We would like to view the science that exists for the 5m requirement.

Winter grazing

ANZCO supports the establishment of standards based on Industry Good Management Practice Principles, such as the application of ‘strategic grazing principles’.

We struggle to understand the reference and treatment of low slope and other land in relation to winter grazing – that is where winter grazing is permitted on forage crops on low sloped land but requires consent for land that is above 10-15 degrees of slope. Environmental risk is more to do with the intensity of the operation and proximity to waterways.

We are at a complete loss to understand the science around pugging standards. As interpreted, it would effectively render most winter grazing activities non-compliant regardless of the soil health or loss, or animal welfare.

Feedlots and stock holding areas

By way of context ANZCO runs New Zealand’s only commercial feedlot.

ANZCO understands the rules for stock holdings but we do not think it is reasonable or justifiable to move existing infrastructure that already meets building consents back 50m from waterways. This requirement could be for new or replacement structures. Additionally, we would like to understand more about the science the 50m is based on. And, ANZCO would like further information that supports the science behind the reference of minimum permeability standard of 10-9 m/s.

We oppose the definitions related to sacrifice paddocks and other stock holding areas as they are too loosely defined and could capture farming systems not intended to be covered by the definition.