Canterbury Merino Association Incorporated

**Information on Submitter:**

The Canterbury Merino Association has a membership in excess of 30 farmers who are spread from North Canterbury to Mid Canterbury covering extensive high-country operations to irrigated intensive systems. Our remit is to promote the Merino breed and is a forum for sharing knowledge and best practice related to farming Merino Sheep.

**High Level response to Freshwater Proposal.**

The Canterbury Merino Association supports the aspiration that New Zealanders should be able to swim, fish, and enjoy freshwater. We support the Government’s objectives to **Stop further degradation** of New Zealand’s freshwater resources and start making improvements. **Healthy waterways are essential** for supporting productive, sustainable land use, generating economic wealth and promoting social wellbeing for all New Zealanders.

In designing an approach to achieve these objectives we believe it is important to ensure the following principles are applied; **Environmental, social, cultural and economic interests should be aligned wherever possible.**

Significant environmental improvements can be achieved while maintaining or even improving economic performance. The current proposal has become incumbent on farmers to meet blanket standards where they may be already meeting desired outcomes and further fencing and bureaucracy will not improve freshwater standards.

**We are committed to improving water quality, but it will take time.** Our membership have already taken steps to improve water quality. Building the knowledge and capacity to apply this information to most farms unique context will take time. If targets do not allow for this transition, there is a risk that farmers will receive incomplete or erroneous advice not applicable to their catchment. To avoid pollution swapping, this advice needs to be integrated across wider environmental issues, not just water.

**The Government should maintain flexibility in targets and recognise individual catchment conditions as we work a thorough understanding of environmental, social, cultural and economic impacts** – Waterways and farms are complex systems. Our current understanding of these systems is incomplete, so it is important that the Government remains flexible about targets for individual catchments while remaining committed to action.

We believe that such improvements should be outcomes-focused, provide greater clarity for farmers and this will enable us to take a more integrated, risk-based approach to farm management recognising that each individual farm situation is unique.

**Dynamic and diverse future proof farming systems:**

**We believe that the future of farming will likely see more mixed land use and diversification.** These land uses would be based on the suitability of the land for each land use. Therefore, we believe the regulation
needs to be future proofed and that any land use change restrictions should allow for greater diversity of land use within a property, where it is suitable.

We are concerned that the proposal provides a high level of flexibility and opportunity to high intensity systems, while harshly limiting low intensity farming systems. While hill country headwaters would be ecologically healthy, further downstream the same problems would persist with no meaningful improvement to freshwater health. Extensive farm businesses would be decimated, and rural communities would be isolated and socially impoverished.

Proposed grandparenting provisions put in place a de facto allocation system that will have long term impacts beyond those recognised by the Government’s analysis so far. These include changing land values based on the allocation of nitrate leaching, reducing the viability of extensive sheep and beef farming systems – as well as other low intensity systems. They will remove their ability to innovate and adapt their farming systems to match the natural capital of the land.

Limiting operations to a current baseline average will reduce the ability of low intensity sheep and beef farmers to improve production, profitability and restrict their ability to diversify their operations; as compared with high intensity systems. This penalises historical good stewardship which has grown with good management practice.

Farming businesses are radically different to what they were 10 years ago and in some cases five years ago. We have become more receptive to consumer requirements as can be seen in the uptake of on Farm accreditation schemes. Farmers are upskilling in a range of ways including Farm Environment plans, voluntary water monitoring, collaborating with regional councils and NGOs such as Fish and Game in fencing waterways and identifying risk weed species through Landcare groups. If the regulatory system aligns with the existing tools and relationships, it will make it significantly easier for farmers to earn an economic reward for their environmental performance.

Key areas of specific Feedback:

Slope of land for wintering:

We support the establishment of standards based on Industry Good Management Practice Principles, such as the application of ‘strategic grazing principles’. In relation to land above 10 or 15 degrees slope, the risk to the environment is not greater than on flat land, and should be able to be managed through a permitted activity consent. We also oppose grandparenting standards such as “no greater than 2013/14 to 2018/19 years” through consent, as the additional and significant costs required to get resource consent will lock in existing land uses and not allow for the flexibility required in farming systems to meet the other additional costs from these policies.

Excluding stock from waterways:

We oppose requirements to fence extensively farmed animals out of waterbodies, particularly on hill country properties where fencing is prohibitively expensive due to the terrain, length of fencing required, and significant maintenance costs due to extreme weather conditions.

We oppose the blanket 5m setback and the requirement to move existing fences due to the significant loss of productive land on our farms, and the sizeable costs of moving all fences to comply.

For more extensive farming systems like sheep and beef farms on more diverse landscapes, the risk to freshwater health is from the overland flow of contaminants into a waterbody, not livestock directly being in the waterbody due to the lower stocking rates. In these situations, fences would do nothing to stop overland flows. In these circumstances, the identification and management of critical source areas and overland flow are a more efficient and effective way to manage the risk, rather than blanket fencing and blanket riparian setback distances.

Fencing will create an ongoing liability of maintenance and weed control that serves no benefit to freshwater systems, it would be much more effective to better understand what ongoing base line
monitoring can be done, and drive innovation in technology which could readily be more effective at achieving positive environment outcomes. An example of this could be virtual fencing, hyperspectral imaging and precision placement of nutrients with time release capability.

**Light grazing and active land management in the high country supports the control of animal and plant pests.** In many situations, this would be preferable to the alternative of land being left unmanaged. We are concerned that the proposed regulations (fencing, setbacks, consents, farm plans etc.) will place a considerable cost burden relative to net profit on sheep and beef operations.

**Farm Environment Plans**

The aim should be for all farmers to have tailored land and environment plans, but we do not support this being used as a regulatory tool or sitting within national regulations.

The timelines placed on growers getting these plans does not encourage quality plans. In addition, there are not enough suitably qualified consultants available to assist growers.

Having a compulsory freshwater module in compulsory farm plans, with the associated support structures, will create expensive overheads for farmers which will distract and **detract from on the ground environmental activities.** Essentially, a tool that enables farmers to set and achieve to goals based on needs tailored to their farm business becomes an expensive process that emphasises on bureaucracy, losing focus on, and commitment to, achieving an intended environmental goal. Freshwater module farm plans will grandparent emissions to historic levels, without regard to impact or contribution to the state of the freshwater system, then seek reductions from this state. This is **inefficient and likely to be ineffective at addressing specific freshwater issues** that relate to the farm.

We would like to see the Government provide additional support for industry-led farm assurance schemes or their Land and Environment Plans and activities to support catchment initiatives. **The transition for most farms will require good extension and advisory services.** We believe that the Government should consider paying for 10 hours of advice from certified advisors to help them to identify win-win changes to farm practices by addressing farm system losses. Farmers with existing Farm Environment Plans (FEPs) should still be able to access this funding to get additional advice, potentially focused on integrated farm planning.

**In summary, we propose that:**

The government focuses on enhancing and building upon existing industry stewardship and certification schemes. It is important to avoid duplicate or conflicting quality assurance and certification systems.

Land use change that is likely to improve ecosystem health and should remain a permitted activity, provided farmers achieve GMP for this new land use.

A universal input cap does not consider the nature of the local receiving environment and does not encourage innovation in farm systems to reduce system losses.

An output-based control would consider all sources of nutrient and the potential for adverse effects. An input control would not.

A thorough and robust assessment of the economic and social impacts of proposed controls must be undertaken.

**Blanket requirement to fence may be easy to measure but has the significant potential to divert resources away from activities that would achieve a greater environmental benefit (e.g., erosion control).**

The policy as it stands will reduce innovation. There should be a focus on how we can investigate and invest in areas such as the establishment of companion plants to capture the nitrogen that is concentrated in stock
urine at grazing. Further-more assistance with the development grazing standards that would work both for the environment and be beneficial and practical for farmers.

We would like to see more incentivisation to achieve the goals we all aspire in restoring our water quality rather than resorting to regulation and penalty.

We ask that Government support is given to research around disentangling long-term climate signals (e.g. climate oscillations) from management actions in trend analysis. This will allow greater confidence in setting action plans when declining trends are found. Whilst the ambition of the proposal is commendable some recommendations are ahead of the science available.

The objective should not to be world leading but to have world’s most progressive and dynamic approach to localised commitments that is owned by farmers and communities with respect to engagement and outcomes of their catchments.

As the worlds consumers continue to become more discerning about environmental impacts they will see the benefits of adaptive and dynamic systems that we can evolve.

Farmers need high quality advice and support to market their world leading farm practices and data to demonstrate change underway.

New Zealand Farms have become world leading customer focused businesses and the proposal as it exists does not recognise the progressive nature of our businesses and would stifle our ability to innovate beyond Number 8 wire. It is the people on farm every day who have the strongest connection to their environment. We believe that the solutions are at this catchment and local level.

Thank you for the opportunity to contribute to this important proposal.