JOINT INDUSTRY SUBMISSION

TO THE

MINISTRY FOR THE ENVIRONMENT

ON THE

ESSENTIAL FRESHWATER DISCUSSION PAPER

OCTOBER 2019

Jointly prepared by the:
New Zealand Grain and Seed Trade Association
New Zealand Plant Breeding and Research Association
Seed Quality Management Authority
PO Box 23143, Hornby, Christchurch
RESPONSE TO THE DISCUSSION PAPER

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SUBMISSION ON THE NATIONAL DIRECTION FOR OUR ESSENTIAL FRESHWATER DISCUSSION PAPER

ABOUT THE SUBMITTERS
The following is a joint submission from the Seed Industry Office, representing the New Zealand Grain and Seed Trade Association (NZGSTA), the New Zealand Plant Breeding and Research Association (NZPBRA) and the Seed Quality Management Authority (SQMA).

The NZGSTA represents members who produce, process and market the nation’s grain and seed outputs.

The NZPBRA represents members who are engaged in the development and marketing of plant intellectual property which underpins several vital New Zealand industry sectors.

The SQMA is a pan-industry body that manages the seed certification system on behalf of the wider seed industry.

The Seed Industry has a keen interest in following and contributing to the MfE review of freshwater quality to assist the future shape and policy direction. The organisations represented in this submission and the member companies would be willing to work with MfE in discussing aspects of the policy in relation to the arable industry.

PREFACE
As members and direct participants in the arable cropping industry\(^1\) we do care about the environment and freshwater quality and growers are committed to using water resources strategically and responsibly. We also welcome the discussion document and its ambition to protect freshwater quality. Against this background it is important for officials to acknowledge and to reflect that our sector has very little impact on water quality.

That said, the discussion paper’s proposals will have a direct effect on the arable sector\(^2\), which harvest crops off 180,000 hectares of land, supports $2.9 billion in expenditures, adds $863m to the country’s GDP, generates $214m in export revenue and supports 11,000 jobs mostly in regional NZ. It will also impact on the livestock farmers whose use of pastures and crops are critical to the success of the investment in the New Zealand seed industry.

We also believe that all the implications of the implementation of the proposed policy are not clearly understood and these need to be modelled to ensure there are no unintended consequences.

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\(^1\) The growing of a wide variety of crops including wheat, barley, grasses for seed (ryegrass, fescue), alternative pasture species for seed (plantain, chicory), vegetable seeds (radish, carrot, brassicas), oilseeds and legumes (clover, peas)

New Zealand needs to see an increase, not decrease of arable and seed production which helps safeguard and secure our food security. Increased self-sufficiency and greater domestic production will make our country less reliant of imports. Without a doubt this would have a positive impact for NZ and its economy.

We remain optimistic that a fit for purpose policy, pragmatic and science focused, can be enabled that protects the management of freshwater interests. Moreover, final policy determinations should provide the industry confidence and incentive to continue with long term arable farming activities to help increase the productivity, sustainability and profitability of the NZ agriculture sector, in line with the Government’s business and export growth agenda.

**JOINT INDUSTRY SUBMISSION**

The following joint industry submission provides overall comment on some selected proposals raised in MfE’s discussion paper and specifically on issues raised in Section 8 “Improving farm practices”.

### 8.2: Restricting further intensification

Production of consistent yields and high quality arable crops and seed crops occurs around NZ, predominately in mid-Canterbury and some lower North Island and Upper South Island regions. Production requires suitably level and sized areas of land, free of weeds, disease and pests and reliable irrigation.

The proposal to restrict further intensification for five years until regional councils produce their own plans for preserving freshwater policy could severely impact the diversification and commercial viability of various arable crops and seed production crops.

Extrapolating the proposal to restrict increased vegetable cropping area, which will have direct impacts for growers and NZers fresh vegetable consumption, there will also be similar impacts on the viability of vegetable seed production which generates significant export revenue each year.

For some specialist vegetable seed crops and their quality requirements they need sufficient isolation distances (as part of stringent certification standards) to prevent unwanted cross pollination to keep varieties true to type. This can range between 1-7km for cross-pollinating crops such as spinach, carrots, brassica and celery etc.

The consequences of less cultivation area will inevitably restrict where certain crops can be grown and there is a potential for some species not to be grown, especially for seed production/multiplication.

To be clear, less seed grown in NZ for seed production purposes will mean less options for local growers, seed processors, seed companies and other downstream suppliers of products and services. Moreover, local seed production for domestic consumption and or exports, because of various risks, could be lost to competitors in overseas markets. Seed exports, dominated by specialist vegetable and pasture seeds, earned for NZ $214m in 2018 and revenue is forecast by MPI (SOPI September 2019) to rise to $245m by 2021.

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3 More than 95% of NZ seed production is certified. Seed Certification is essential in the production of high quality seed and certification and minimum isolation distances (set under the Seed Crop Isolation Distance (SCID) scheme helps maintain physical seed purity.
The future viability of the NZ arable industry requires the further development of suitable cropping land, especially for the high value specialist seed and process vegetable production.

**8.3: Improving farm practices through farm planning**

We are not opposed to voluntary farm plans with a freshwater module.

In our view, farm plans do not need to take a blanket national approach. Instead, plans should be based on individual areas determined by their unique topography, soil type and or land use.

That said, we note that most responsible growers are already following self-regulatory strategies and have adopted voluntary farm environment plans into their normal daily operations. Operational industry initiatives include “Productionwise” and aspects of United Wheat Growers’ QA Grainz scheme.

**8.4: Reduce nitrogen loss in catchments**

We have some concerns on the proposed Nitrogen (N) limits.

Specifically, arable and seed growers need to be able to apply correct levels of nitrogen (N) fertiliser to ensure a productive and commercial crop.

The proposed reductions by more than 50% in much of Canterbury and by substantial amounts in other regions, could limit future options for the arable sector.

The proposal could affect the viability of crops such as milling wheat – a key ingredient in popular food items such as bread, pasta, cake mixes and biscuits - which is very sensitive to insufficient N and needs extra N to be applied to help grain fill and increase protein levels demanded by end users of the crops.

Another high nitrogen demanding crop example relates to ryegrass which is an important feed source for many livestock operations. N is necessary to assist good yields for both seed production and for growing quality feed for the country’s milk, red meat and fibre sectors. Soils with insufficient levels of N will show slow growth, allow weeds to grow and increase the risk of disease. The long term targets for nitrogen reduction could curtail pastoral farming.

NZ is very lucky to have large areas of pastoral and cropping land compared to other countries around the world, and we should be looking to increase the productivity of this land with the ability for NZ agriculture to be able grow a diverse amount of arable crops and mixed pasture swards. This will give NZ Agriculture the ability to increase soil organic matter and soil organic carbon which in-turn has the ability to sequester carbon in pastoral & arable land, allowing for soils to improve the ‘carbon budgets’ and lessen nitrogen leaching through improved farming practises, which in-turn will increase freshwater quality.
Concluding comments
The on-going and future viability of the NZ arable industry, including the seed and food production sectors, must be built on continuing access to suitable cropping land and availability of freshwater. It also requires a successful and sustainable pastoral (livestock) industry. In the alternative, there is a probability that local high value specialist seed production will be at risk and become potentially unfeasible and be forced to relocate off-shore. Moreover, any reduction in arable production will undermine our growers and likely cause damage to regional NZ and the wider economy.

Yours sincerely

General Manager
Seed Industry Office