SUBMISSION:

ACTION FOR HEALTHY WATERWAYS DISCUSSION DOCUMENT

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Background

Rural Equities Limited (REL) owns a portfolio of seventeen rural properties located in Waikato, Hawkes Bay, Manawatu, Canterbury and Southland covering 7,176 hectares. The farms are a mix of sheep and beef, forestry, dairy, deer, dairy support and arable farms. Contour across the farms ranges from flat land to steep hill country. The properties have been owned for over 30 years. Of note, there are six dairy farms comprising 1,430 hectares milking approximately 4,800 cows in Canterbury, Southland and Manawatu. There is one larger scale (2,510 hectare) hill country sheep and beef property with forestry running 15,000 stock units in the Waikato. The other ten farms are a mix of medium scale sheep, beef, deer and arable properties located in Hawkes Bay and Canterbury.

REL is a long-term landowner and takes pride in improved land stewardship and has been working towards greater sustainability and higher environmental performance for many years. Environmental related projects we have completed include:

- All waterways on our dairy farms have been fenced and have culvert and bridge crossings to exclude stock. We have been compliant in this regard with dairy company supply standards for at least 15 years.
• The effluent systems on four of the dairy farms have been upgraded, providing up to 90 days of effluent storage. A similar upgrade on a fifth farm will occur in this financial year. The cost for each farm exceeds $150,000.

• Irrigation technology such as soil moisture meters and variable rate irrigation have been installed to improve irrigation water efficiency and reduce water use.

• Five of the dairy farms now have concrete feed pads which are connected to the farm effluent systems. These are used strategically in the shoulders of the dairy season when soil conditions are wet to reduce treading damage to pastures and minimise nitrogen losses.

• Solids separation from effluent which can then be irrigated in a controlled manner.

• Best practice in all operations is encouraged on each farm. Three dairy farms supply milk to Synlait – two have Lead with Pride Gold Plus accreditation for best farm practice and the third farm is working towards this status.

• Farm Environment Plans are operational on some properties and will be developed in turn for all others. Overseer nutrient budgets are also used.

Two examples of our commitment to improved environmental outcomes are:

1. A Canterbury property in the Hinds catchment was converted from a dairy grazing, cropping and wintering unit to a milking platform in 2015 and now milks 1200 cows. Modern technology and additional costs were incurred during this project to ensure the environmental impact of this dairy farm is both reduced and minimised. Nitrogen losses on this farm, as measured by Overseer, have reduced by 65% from the pre-conversion baseline of 77 kg N loss / ha to 27 kg N / ha (three-year average since conversion).

2. The 2,510 ha Waikato hill country property running sheep and beef with a stocking rate of 8.6 stock units / effective ha:

   • 190 hectares of native bush has been fenced and permanently retired from grazing.
   • There is approx. 200 ha of radiata pine and native trees (manuka) which have been planted to retire low productive hill country from grazing and increase the biodiversity of the land.
   • Reticulated stock water has been provided in many parts of the farm where access to streams for drinking water is no longer available.
   • A major programme in conjunction with the Waikato Regional Council has seen stream bank and wetland fencing with riparian planting in a priority sub-catchment of the Waipa River over a three-year period. To date 17.5 kilometres of fencing has been erected and extensive riparian planting completed. The cost to date for all works in the plan exceeds $430,000. By June 2021 this programme will be complete meaning all waterways and significant wetlands in the priority catchment on this property will be fenced and planted. Total expenditure through this programme will then exceed $680,000.

All this work was done voluntarily and at considerable expense. Most importantly, these actions will lead to improved water quality and ecosystem health.
Submission

Overview

REL is supportive of the objectives and intent conveyed in the Action for Healthy Waterways Discussion Document (the Document) to improve water quality. We believe farmers and the rural sector have a role to play and share in the responsibility to stop further degradation of freshwater resources and help to reverse past damage, with an appropriate share of those responsibilities also being carried by others in the urban and industrial sectors.

REL supports:

- Te Mana o te Wai
- strategies that work towards achieving swimmable waterways and healthy drinking water nationwide
- policies to protect ecosystem health and taking an adaptive management approach where minimum levels and outcomes set for each catchment by that community are not being met.
- proposals to limit further overall intensification in overallocated catchments provided there is flexibility to alter low impact land use in those catchments.
- clear science based environmental bottom lines that protect the ecological health of our waterways and that encourage and require farmers and communities to work together to achieve common goals and outcomes.
- stock exclusion from waterways
- the averaging width set-back approach to stock exclusion and that current fencing is allowed to remain in place.
- the requirement for all farms to have an operative Farm Environment Plan
- the establishment of standards for winter grazing based on industry agreed Good Management Practice.
- the role that some primary sector processors are undertaking to encourage better freshwater outcomes and rewarding that good performance, specifically the Synlait Lead with Pride accreditation scheme.

Recognition should be given to those farmers that have voluntarily undertaken environmental initiatives which are already contributing towards improved environmental health.

REL does not support proposed frameworks, rules and standards which effectively lock in current levels of nutrient losses to waterways and which lock in existing land uses.

REL requests that all policies are practical, will work for farmers and that adequate resourcing has been considered. Specifically, that there are sufficient trained and qualified rural professionals in the country to support farmers prepare and implement Farm Environment Plans and Freshwater Modules.

Stock Exclusion

REL supports:

- the focus on freshwater bodies that are permanently flowing and greater than 1 meter wide on low sloping land.
- using a mean slope indicator of less than 7 degrees to determine low slope land.
- the exclusion of sheep from the definition of stock.
• the farm scale average carrying capacity of 14 stock units per hectare for land outside
  the low slope definition.
• the averaging width set-back approach which should be measured from the wet edge
  of the waterway and not the top of the bank.

REL opposes:
• the requirement to remove existing stream bank fences that do not meet the 5-metre
  set back rule. Removing existing fences would provide little, if any environmental
  gains, be a disincentive and heavy financial penalty, adding the cost of removing the
  existing fence and then rebuilding, on REL and others who have already voluntarily
  spent money to improve their own farm and wider freshwater quality outcomes.

REL requests:
• the paddock scale stocking intensity of 18 stock units per hectare be altered to apply
  to a grazing block, not to a paddock, to allow for normal rotational grazing.
• that waterways less than 1 metre wide, wetlands, drains and other critical source areas
  that are fenced as part of a Farm Environment Plan are included in calculating the
  average set-back distance applied to waterways greater than 1 metre wide. We
  support smaller waterways being managed to improve freshwater quality but do not
  support a mandatory average set-back approach for smaller waterways and drains.

Farm Environment Plans (FEPs)
REL supports farmers having a farm specific land and environment plan (FEP). This should
reflect local catchment and community environmental goals rather than blanket national
regulations.

Some elements contained in the Document would be better addressed through FEPs under
Permitted Activity rules rather than requiring a resource consent.

Immediate Action to Reduce Nitrogen Loss
There are three options for rapid reduction of excessive nutrient leaching:
1 Setting a cap in catchments with high nitrate nitrogen levels, so farms with
  excessive losses will have to reduce to come under the cap.
2 Setting a national nitrogen fertiliser cap.
3 Requiring farmers in catchments with high nitrate nitrogen levels to show in the
  freshwater module of their FEP how they will reduce nitrogen leaching and auditing
  their process.

REL has two dairy farms in the high priority catchments in Southland which will need to
reduce N leaching

REL supports option 1 for a nitrogen cap in the catchment with high discharging properties
above the 75th percentile required to reduce their N leaching in line with Overseer models
and their FEP. Under this option, higher N leaching properties are required to make more
of a reduction than lower intensity farmers. In addition, those farmers who leach less N
than others have, like REL, possibly have already taken voluntary steps to reduce their N losses. Option 1 effectively gives recognition for that work.

REL opposes options 2 and 3. The proposed fertiliser cap is arbitrary and does not encourage best farm practice to improve the efficiency of use of N fertilisers. It is also unlikely to achieve reductions in N leaching as farmers would use up to the maximum. Option 3 will have the effect of preserving current land uses without specifying reductions in N leaching which should be proportional to current contributions.

Restricting Further Intensification of Rural Land Use

*Intensification, including changing land-use system, irrigation development, and increases in winter grazing will require a consent and will only be allowed where it can be demonstrated there will be no increase in pollution caused by the activity.*

REL supports this proposal in part only. Changes in land use above 10 hectares from arable, deer, sheep and beef to dairy support or dairy effectively places a sinking lid on these land use activities. As some farmers change policy or sell their land, others are needed to replace them in order to provide the quantity of that type of grazing required in a district. The blanket catch-all proposal would prevent this substitution from occurring. Low intensity farmers should be given the flexibility to change their farming systems provided they continue to have a low environmental impact.

The grazing of dairy stock (dairy support), particularly replacement heifers, is environmentally the same as grazing beef cattle, is not an intensification, and should not be restricted under a catch-all proposal.

Stock Wintering

The wintering of stock is a necessary activity as part of the whole farming sector, particularly in the South Island, whether it be on- or off-farm or for dairy, sheep, beef or deer.

REL supports:

- the establishment of standards for winter grazing based on industry agreed Good Management Practice and opposes nationally set standards by regulation.
- the threshold area of a farm that can be used for winter grazing being at least 12% of the farm area. We consider this is the minimum area required to winter stock normally farmed on a property.

REL opposes:

- The pugging standard in the permitted activity rule for winter grazing on forage crops as the standard would effectively render most winter grazing activities non-compliant irrespective of the actual impact on soil health or animal welfare.
Feedlots and Stock Holding Areas

REL supports:

- the definition of feedlots and in general the identification and management of activities that can pose environmental risks when not properly managed.
- permitted activity rules for managing stock holding areas rather than the need for a consent.

Conclusion

The Action for Healthy Waterways Discussion Document sets out proposals to improve freshwater quality and to uphold Te Mana o te Wai which we support.

Healthy waterways are important to all New Zealanders, including farmers. REL wants to see improved waterway health work in tandem with successful and viable farming businesses and thriving rural communities. REL has already completed much work on many of its farms in support of this vision.

Improved waterway health can best be achieved by a measured, fair and practical approach, based on proper science, where all sectors of the community and economy play their appropriate and respective parts. The different work needed in the various catchments, particularly the specified priority catchments, is acknowledged and supported.

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