18 November 2019

Submission from

Pernod Ricard Winemakers
to the

Ministry for the Environment

Action for Healthy Waterways Consultation
Executive Summary

1. Pernod Ricard Winemakers has a strong commitment to the environment and supports the objective to improve freshwater quality over time.

2. As a low emission, high value product with an industry-led sustainability management programme, wine supports the transition to a low carbon, high-value, export economy.

3. Viticulture is one of the most efficient branches of horticulture requiring less water on a per hectare basis than many other forms of primary production. Pernod Ricard Winemakers optimises water use through the latest technologies and is constantly looking to improve.

4. It is important that these unique characteristics of the wine industry are considered and neglecting to do so risks undermining the viability and future growth of the industry.

5. Sustainable Winegrowing New Zealand (“SWNZ”) should be used to deliver and verify all of the requirements for the Freshwater Module of Farm Plan. Further detail can be found in the New Zealand Winegrowers submission which is supported by Pernod Ricard Winemakers.

6. An increase in irrigated production area should be a permitted activity when water take is already authorised; and the expected nutrient loss is below levels that could contribute to water quality issues.

About Pernod Ricard Winemakers

1. In New Zealand, Pernod Ricard Winemakers has approximately 500 employees and our key local brands include Brancott Estate, Montana, Stoneleigh and Church Road. We are New Zealand’s largest domestic producer of wine. We also import Pernod Ricard’s premium international wine and spirits. The Pernod Ricard Group (‘Pernod Ricard’) is the world’s co-leader in spirits and wine, manufacturing and distributing high quality, high value premium products.

2. Pernod Ricard Winemakers owns a large portion of the vineyards we source our grapes from. As terroir is vital to the quality of our products, and our future, we take our responsibility to the land seriously. An example of our commitment is the nine-
hectare Kaituna Wetlands which Pernod Ricard has protected and restored over the past 10 years. This project is an example of one of the many environmental practices Pernod Ricard implement, recognised by the Cawthron Marlborough Environment Wine Industry Award, and the Ministry for the Environment’s Green Ribbon Biodiversity Finalist Award.

3. Pernod Ricard’s 2030 Sustainability & Responsibility Roadmap (“Roadmap”), Good Times from a Good Place, is aligned to the UN Sustainable Development Goals (“SDGs”) and is focused on the areas where we can make the biggest difference.

4. The Circular Making pillar of our Roadmap is aligned to SDGs number 12 and 14, Responsible Consumption and Production, and Life Below Water. Our commitment under this pillar is that we minimise waste at every step by imagining, producing and distributing our products in ways that optimise and help preserve natural resources.

5. Pernod Ricard is recognised as a Global Compact LEAD company for its active participation in helping to achieve the United Nations Sustainable Development Goals.

6. Pernod Ricard Winemakers’ main charity partner in New Zealand and Australia is Conservation Volunteers. This year on Responsib’All Day (our annual company volunteer day), our employees planted over 1,400 native trees with Conservation Volunteers, while last year when this was our main focus, we planted over 8,000 trees. Other projects undertaken included repurposing pallets into dining furniture, helping to make bags from billboards and collecting over 550 kilograms of rubbish from our natural environment.

7. Pernod Ricard Winemakers’ environmental plan, driven by both our Roadmap, ISO 14001 and SWNZ certification requirements, includes the protection and riparian planting of waterways on our land, monitoring of soil and water quality, the use of precision irrigation (remote live monitoring of soil moisture in the root zone against plant requirements) and partnering with Conservation Volunteers to improve environmental outcomes in our community.

8. Pernod Ricard Winemakers uses water efficiently, with micro irrigation through a dripline system. To optimise water use, Pernod Ricard invests in the latest technologies to monitor soil moisture levels and atmospheric transpiration rates of vines. As a result, our sustainable winegrowing programme delivers modest inputs of water and nutrients. Like other New Zealand winegrowers, we are focused on producing the highest quality of grapes possible, through minimal water and nutrient use, instead of large quantities which would result in poor quality grapes and excessive vegetative growth.
Feedback on Consultation Document

9. Pernod Ricard Winemakers fully supports the submission of New Zealand Winegrowers.

10. The New Zealand wine industry is a more than $1.83 billion a year export earner and wine is New Zealand’s sixth largest export good. Wine directly supports more than 7,300 jobs and indirectly another 13,000 jobs. It is vital that the wine industry be consulted in this process.

11. Wine is a low emission, high value product and 98 per cent of New Zealand’s vineyards are SWNZ certified. The SWNZ programme is built on adherence to standards that include but are not limited to the pillars of biodiversity, water, soil, air, energy, by-products, ethical business practices and continuous improvement. Annual scorecard submission is compulsory for certified members, and the certification is independently audited. The SWNZ programme enables the addition of FW-FP requirements into the programme requirements and the recognition of SWNZ auditors as verifiers.

12. Viticulture is one of the most efficient and lowest impact branches of horticulture. Our operations require less water on a per hectare basis than many other forms of primary production. For example, vineyards require about two to three times less water than pasture. In addition, nitrogen applications in viticulture are not commonly required for ongoing production and are usually only seen for young vine establishment. SWNZ requirements include avoidance potential for nitrogen leaching based on soil type, location, application rate, timing and weather. Nutrient loss modelling rather than mandating the use of Overseer could be provided by equivalent software provided through New Zealand Winegrowers.

13. As drafted, we are concerned that the proposals may impose disproportionate costs and compliance issues upon the wine industry and duplicate requirements already managed by SWNZ systems. Indeed, the requirements could be met by utilising these existing systems and neglecting this existing framework undermines this world-leading programme.

14. The National Environment Standard for Freshwater should recognise industry-led management programmes such as SWNZ to satisfy the requirement to have a certified and audited Freshwater Module of a Farm Plan. Programmes such as SWNZ should be allowed to fulfil auditing and reporting obligations.
15. The restrictions and regulatory requirements on expansion of vineyard area will not have a substantial benefit given the low risk that vineyards pose to water quality.

16. An increase in irrigated production area should be permitted as a controlled activity when:

   a. The take of water is already authorised, dripline or other precise application method is used; and
   b. The expected nutrient loss from the newly irrigated area is shown as less than 10kg N/ha/year, a level that could not be considered to contribute to water quality issues.