Dear Sir/Madam,

Submission by Craigmore Sustainables on the:

- **DRAFT NATIONAL POLICY STATEMENT FOR FRESHWATER MANAGEMENT**
- **PROPOSED NATIONAL ENVIRONMENTAL STANDARDS FOR FRESHWATER**
- **DRAFT STOCK EXCLUSION REGULATIONS**

Craigmore Sustainables is an investment company which owns and has interests in a range of dairy, sheep & beef, forestry and horticultural properties throughout New Zealand. This includes 22 dairy farms in the South Island from central Otago through to North Canterbury. For this submission we are focusing on the dairy side of the business.

At Craigmore farming sustainably is one of the most important aspects of our business. Some of the actions that Craigmore has undertaken to help manage our environmental impact on farm;

- All streams and rivers are fenced.
- Installed a nutrient capture pond which then gets applied to the land to reduce runoff risk.
- Riparian planting is underway and continues to develop across the group.
- All farms have soil moisture and temperature readers in place to ensure irrigation, effluent and fertiliser is applied at appropriate times.
- Fertiliser is applied in variable rates with lower levels used on areas where effluent is applied.
- All farms conduct annual soils tests to optimise fertiliser usage.
- All farms are farming within their consented nitrogen limits.
- Every farm has a Farm Environment Plan in place which is used to plan for and drive positive environmental outcomes.
- Feed pads have been installed on some of the farms and one of the farms is in the process of building a composting barn to continue to improve the management of nutrients.

We are supportive of the Action for Healthy Waterways document’s intent to improve water quality.

We support strategies and actions towards achieving swimmable waterways and the government’s work to protect drinking water for communities.

We support proposals to limit future intensification in overall catchments in the interim.

Below are some points that we feel need more clarification, consideration or modification to ensure practicality and desired outcomes.
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<th>Submission point</th>
<th>Recommendation</th>
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| DIN and DRP limits     | We support policies that protect ecosystem health. However, we do not support the proposed ecosystem health nitrogen (DIN) and phosphorus (DRP) attributes. The science used to come up with these numbers is too simplistic and fails to account for current scientific understanding of the complexity of stream health.  
We have the concern that existing nitrogen in the system hasn’t been accounted for in this proposal. Nitrogen takes time to travel from below the root zone and into freshwater bodies where it can be measured.  
We are concerned that the proposal could have significant socio-economic impact on all land users and the wider communities. We are concerned that these socio-economic effects haven’t been quantified. Given these socio-economic implications, the Government needs to be certain that there are no alternative DIN and DRP limits, or other measures to monitor ecosystem health, (e.g. ecological health) that would also achieve healthy waterways.  
We consider that limits adopted should be based on robust science, rather than modelling. The proposal also needs to clarify appropriate times for measurements to take place.                                                                 | - Amend the freshwater proposal to consider how nutrients already in the system are to be accounted for.  
- Reconsider whether higher nutrient limits, or other measures to monitor ecosystem health, can achieve healthy waterways, while also balancing socio-economic wellbeing.  
- Ensure that any limits adopted are based on robust science, rather than modelling.                                                                 |
| Restricting future intensification of rural areas | We support the principle of interim measures, until Regional Councils have implemented the NPS-FM and Freshwater NES. Where there are already region-specific rules in place these should be used to control intensification, not a nationwide approach.  
Craigmour believes that the nationwide interim measures do not recognise that in some cases there can be advantages to intensification. The proposed changes will provide barriers within our farming systems to ensure the best environmental, and biosecurity outcomes on farm. A few examples of this below.  
A. Following the Mycoplasma Bovis outbreak, we are constantly looking at ways of reducing our biosecurity risk, one option is to change | - Delete ‘national approach’ and adopt an effects-based approach which applies to over-allocated catchments.  
- Amend intensification rules to recognise that some intensification can result in increased efficiencies  
- Recognise that not all intensification and farm systems changes will have a negative impact on water quality.  
- Provide exemptions where a Regional Council |
farming systems. Moving to an enclosed system where cows are wintered on-farm, rather than wintered off, reducing the risk of exposure. Wintering cows on-farm usually requires a reduction in stock numbers, as some of the milking platform is taken out of rotation for winter crop. Therefore, there is a reduced intensification in cow numbers, but an increased intensification in winter grazing area.

B. We are continuously looking to improve our water use and irrigation efficiency, some of the irrigation infrastructure on farm is aging and less efficient. A resource consent often authorises the same use of water volume over a larger area, when irrigation infrastructure is upgraded to more efficient methods (e.g. new center-pivots).

The discussion document refers to a baseline of 2013 – 2018. For those regions where an alternative baseline period already exists (such as 2009 – 2013 in Canterbury), then that baseline should apply. This would remove the need for those Regional Council’s to amend this aspect of their Regional Plans, and farmers from having to obtain another baseline figure (and associated time and cost).

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<th align="left">5 – meter setback</th>
<th align="left">We support the exclusion of stock from water ways on low slope and high stocking rate areas. Craigmore has ensured that all streams are fenced off to exclude stock. We support the ‘averaging’ width set-back approach to stock exclusion and that current fencing remains in place where fencing is already excluding stock from entering waterways. We question the 5m average setback as the principle of the regulations is stock exclusion, and this is achieved at a lesser width. We see there is limited benefit to be achieved by refencing the same length of stream. Our view is that the exemption for existing fencing, where it meets the 1m minimum, should apply until 2035. On the basis that the stock exclusion is also for other water quality issues, more specific considerations are required than a blanket setback. Craigmore suggests</th>
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<td align="left">has region-specific rules controlling intensification (and resulting nutrient loss).</td>
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<td align="left">- Delete 5m average setback and replace with a requirement to determine the average setback through FW-FP based on a risk assessment, of soil type, slope and land use.</td>
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<td align="left">- Allow exemptions to average fencing requirement until 2035, where existing fencing meets the 1m minimum setback</td>
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<td align="left">- Stock Regulations to clarify where setback is measured from. Setback to apply from the normal wet edge, or from defined channel in the case of waterways which are regularly dry.</td>
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| Mandatory Freshwater Farm Plans | We support farmers having tailored land and environment plans, FW-FP to help guide best practice and planning for environmental and water quality improvements over time. We have some concerns about practicality and logistics undertaking this task.  

Craigmore are concerned that it will be a resource-intensive regulatory framework and slow to implement given current capacity and capability constraints meaning measures to stop decline would be compromised.  

A certified FW-FP template could remove the need to certify each FW-FP. This could be provided by the industry, at government level, or by individual regional councils. Synlait have done this with their FEP’s which have been audited and certified by ECAN this works well for our 3 Synlait farms. This should also mean that FW-FP’s should be able to be implemented faster as farmers will not have to wait for a certified person.  

All the Craigmore farms have existing FEP’s which meet, or nearly meets, the requirements of the Freshwater NES. Leeway should be given to those already with a FEP, so that the focus and resources in the short-term can be used to ensure that all required properties have a FEP.  

It is important that plans are flexible enough to allow for adaptability and innovation. |

- Provide for FW-FP templates to be certified.  
- Government to invest in capability training to support delivery within the proposed timeframes.  
- Initially focus on properties with no FEP. Provide existing FEP holders leeway to update their FEPs in line with the Freshwater NES, to ensure that resources (farm consultants, auditors etc) can focus on those farms without an FEP in the shortterm.  
- Implement mandatory FW-FPs as a standard of a permitted activity  
- That Government works with the sector on integrated farm planning, certification and implementation to ensure practicality for farmers and so policy achieves intended outcomes
| Intensive winter grazing | We support option 2 to follow industry-set standards to help manage intensive winter grazing and the inclusion of winter management in the FW-FP’s. We believe that by following good management practice principles the risks associated with intensive winter grazing can be mitigated. The industry-set standards are practical, easy to understand, measure and follow.

We agree that 30cm pugging depth is high, but that setting pugging depth as a standard would be hard to implement, measure and regulate and should instead be managed through FW-FP’s and applying industry best practice recommendations.

We support the use of DairyNZ guidance to be used as it is easily interpreted, and our farmers are already familiar with its contents. We support the use of fetlock as an indicator of pugging depth as it can easily be visually assessed by our farmers. |
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| Reducing pollution from stock holding areas | We support the permitted activities rules for managing stock holding areas, rather than the need for consent. We support sacrifice paddocks being a permitted activity if they meet the criteria.

We feel there needs to be further clarification around “Stock holding area” as the current definition would capture calf rearing sheds. |
| Other Comments | We support the funding of innovation, research and development into technologies which will help to manage water quality on farm. These findings need to be feed into modelling systems like Overseer quickly so that farmers can see and understand the benefits of implementing new technologies on their farms.

Real time actual monitoring to show progress across catchments will be vital to engaging farmers in the process. This will show seasonal changes, fluctuations and improvements over time, in real time. This information must be transparent, easy to access and interpret. |
| | - Intensive winter grazing to be managed through FW-FP’s and by following industry best practice recommendations.
- Delete the pugging depth and rely on other permitted activity standards and existing Dairy NZ guidance.
- “Stockholding Area” needs to be defined. As the current wording would capture calf-rearing sheds.
- Clear, defined set of requirements are best managed through FW-FPs
- Increase funding for Overseer to ensure the most up to date science is included in the modeling.
- Real time monitoring of key sites across catchments |