

7 February 2020

Hon David Parker  
Minister for the Environment  
Parliament Buildings  
WELLINGTON

Hon Damien O'Connor  
Minister for Agriculture  
Parliament Buildings  
WELLINGTON

Dear Ministers

### **FARM PLANS AND THE ESSENTIAL FRESHWATER REFORM PACKAGE**

On 19 December 2019 your officials offered regional councils and primary sectors the opportunity to provide advice on *“their shared views on the principles and criteria that Industry Assurance Programmes (IAP) would need to meet if it were to be used as a pathway to deliver upon the government’s goals for Essential Freshwater and be seen as trusted and credible by iwi and other stakeholders”*.

The regional sector and primary industry parties have taken that opportunity and worked, with the guidance of officials, on a response. This letter sets out that response as well as providing a broader collective opinion on the value of farm plans and a possible future framework for a farm planning regime as it applies to managing impacts on freshwater.

#### **A shared vision for freshwater**

The regional sector and industry are committed to seeing a material step change in freshwater quality and share a common vision where the impacts of primary production on water quality is a central consideration in all farm management decisions. To achieve this most, if not all farmers, throughout the country and across all production systems, will need to do some things differently than they have in the past. They will need to reassess their production systems, practices and on-farm infrastructure and invest time, effort and/or money both short and long term in ways that deliver a lower contaminant loss footprint.

We believe that meaningful contaminant loss reductions from pastoral agriculture, arable cropping and horticulture can be made within five years through the adoption of good farming practices, and that improvement in water quality will follow. We anticipate an initial step change benefit through the first iteration of farm plans and the huge

commitment to practice changes we expect them to contain. However, we also share an understanding that we are not just talking about a one-off shift but rather a process of continuous improvement as science, technology and good farming practices continue to develop and evolve, giving farmers and growers more, and more effective, options.

Importantly, we want to see farmers, growers, catchment groups and their communities make these changes, not through fear of punitive sanction but because they understand and accept the challenge and support the change required on their properties and in the wider catchments of which they are a part. We want to grow awareness and commitment, not denial and resistance. We believe that is necessary for measurable and sustained progress and at the same time support the resilience of our rural communities to be ready for future challenges associated with climate. We also want each dollar spent on-farm to improve environmental performance to be well spent and achieve meaningful (albeit cumulative) results for water quality.

### **Importance of farm plans**

We consider that farm plans are essential to achieving the above vision. Farm plans can achieve much more than regulation alone can achieve. The process of preparing farm plans can engage farmers and raise their awareness of environmental risks. Practices and actions identified as being necessary can be more diverse, “farm-relevant” and effective than can regulation (which inevitably requires a much more broad-brush approach). By enabling industry assurance programmes (IAPs) to be part of the farm planning system the power of commercial drivers can be harnessed to enhance the resources, incentives and sanctions to help drive an effective change management approach.

The regional sector sees considerable benefit in farm plans and IAPs in making tractable what is an enormous challenge and in helping farmers and growers to both meet, and indeed go beyond, environmental bottom lines under the RMA and NPS-FM.

To that end we agree that:

- All farmers should have a freshwater farm plan (FW-FP). (With exceptions only for smaller non-commercial ‘lifestyle block’ properties – which may need to be subject to separate methods).
- A FW-FP should be mandatory. They should include, as a minimum, good farming practice standards along with tailored commitments to actions and practices that shift farms to good farming practice (GFP) (noting this this will occur over time and that actions may need to be prioritised).
- The FW-FP should derive from national regulation and exist and be enforceable independent of regional plans or the activity status of the land use under the RMA
- The FW-FP design needs to include process standards, GFP performance standards<sup>1</sup>, audit and reporting standards.

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<sup>1</sup> By this we mean outcome-based statements or objectives the achievement which are auditable using a ‘level of confidence’ approach.

- Minimum content of FW-FPs should be established and mandated nationally to support consistency. This should include some minimum regulated requirements (i.e. national standards) although they may not necessarily apply equally to all parts of New Zealand).
- Regional councils (through regional plans) should require that FW-FPs go beyond GFP (and any national standards) where that is necessary to achieve catchment objectives.
- FW-FPs should include the identification of farm-specific risks to water quality and actions to address those risks. Those actions must be timebound (noting that not all will be able to be in the same time period) and auditable.
- FW-FPs must be prepared in a manner that demonstrates integrity in delivering on GFP objectives rather than purely personal or commercial interest (noting that there will often be co-benefits for freshwater and for the farm business). One means of ensuring that is to require FW-FP approval by independent certified persons.
- Regional councils may choose to integrate the FW-FP into a consenting framework (i.e. require additions or modifications to any pre-existing or newly proposed FW-FPs as part of a resource consent).
- Farmers' and growers' performance in undertaking the actions specified in their FW-FPs must be subject to audit by an independent third party (either as contracted by an individual farmer or through a certified IAP).
- The regional sector has a key role as the regulator (including monitoring compliance with farm plans - drawing on audit reports and other sources - and enforcement). Regional plans should continue to be able to regulate *any* resource use or practice a council considers necessary to regulate to achieve freshwater outcomes, even where the risk is purported to be managed by farm plans.
- Industry has a key role in leading uptake of farm plans, by farmers and growers, and supporting farmers through the farm planning obligations as well as lifting the overall robustness and efficiency of their IAPs to build public confidence in implementation.
- There are capacity and capability issues that will need to be resolved to allow an FW-FP approach consistent with the above to be delivered.

This vision builds off the Good Framing Practice Water Quality Action Plan, developed in a partnership between the primary sector, regional councils and central government in 2018.

### **Our proposal**

We jointly propose that the Government regulate to achieve the following.

1. Require all farms to prepare FW-FPs with the following content (largely consistent with the draft NES):
  - Farm map identifying water ways, critical source areas, highly erosion prone areas, and other risks to freshwater ecosystems
  - Farm-specific risk assessment across specific activities including irrigation, application of nutrients, effluent application, winter grazing, stock holding areas and ofal pits, for all four critical contaminants (nitrogen, phosphorus, E. coli and

sediment) and in accordance with the Good Farming Practice Water Quality Action Plan principles.

- Reference to any applicable national standards
  - Reference to any applicable regional plan rules/standards
  - Schedule of time-bound actions to manage the identified features and address identified risks of on-farm contaminant losses and comply with regulated requirements (if not already in compliance).
2. Enable qualifying IAPs to support the implementation of the FW-FP regime where they:
    - Provide a robust method to ensure credible and effective farm plans are prepared
    - Support farmers to implement farm plans
    - Arrange independent third-party audit of farm-scale implementation that assigns an audit grade based on a 'level of confidence assessment' and schedules the future audit frequency according to the audit grade
    - Report to the council and, where applicable private sector organisations, on audit results
    - Follow up on any actions agreed through procedures to ensure that a high-level of confidence is maintained that the GFP performance standards are being achieved
    - Ensure any regulatory non-compliance is referred to the council for appropriate action. (Noting the FW-FP may include voluntary or commercially required actions that would not be enforceable by the council)
  3. Ensure that IAPs undertaking the above roles are made subject to appropriate performance measures (including audit of IAP performance in undertaking its roles).
  4. Provide a route for those farmers who are not part of an IAP (this should include preparation of a farm plan by a certified farm planner and independent third-party auditing of performance in implementing the farm plan).
  5. Provide for regional plans to:
    - Rely on those FW-FPs or regulate over the top of those FW-FPs as necessary to meet catchment objectives (subject to normal section 32 evaluation as required under the RMA)
    - Add to the required content of FW-FPs as required to address catchment issues and objectives
    - When applying standards or deciding activity status, differentiate between FW-FPs prepared under different IAPs (based on an assessment of the reliability of the IAP to generate effective FW-FPs – as required by RMA s32).
  6. Prescribe national standards that are to be given effect to through FW-FPs. We see these include some fundamental obligations (such as stock exclusion) along with defined discretionary considerations that are to be applied at the farm scale (such as the appropriate fencing setbacks where stock are to be excluded). We discuss this further, and provide an example of what it might look like, in **Attachment 1** to this letter. Further work will be required to finalise the detail.

Addressing stock exclusion, wetland protection and high-risk farming activities within farm plans (albeit with some residual national standards) will remove the need for many of the comprehensive and detailed regulations proposed for the NES.

How the IAP might work within this regime is depicted in **Attachment 2**. Again, further work is required to refine this model to ensure it fully reflects the position set out in this letter.

### **The bigger picture: our commitment to New Zealand**

To get the best value from the farm plan proposal outlined above we make the following commitments.

- A. We will provide industry and regional sector leadership by instituting a national farm planning forum. This will include the regional sector and key agricultural and horticultural organisations as well as representation from government, Maori and environmental NGOs. The role of the forum will be to provide oversight of the regime performance and further develop aspects of the regime as required. One area of interest will be to continue to develop good practice implementation resources (including industry agreed standards and guidelines) to bring greater effectiveness and consistency in the actions required by FW-FPs.
- B. We will set *targets for farm plan preparation* and commit to 100% roll out of FW-FPs by the end of 2025 for all sectors. Interim targets for FW-FP coverage by sector are as follows (see **Attachment 3** for further detail):
  - Dairy - 40% of all dairy farms by 2023
  - Sheep, beef and arable - 40% of all sheep and beef farms by 2023
  - Horticulture - 50% of all commercial growing entities by 2023
- C. Industry will review and further develop its IAPs to ensure there a range of programmes that meet required standards to provide the best possible mechanism and strongest incentives for shifting farmer behaviour and commitment to continuous improvement within the GFP framework.
- D. We will champion transparency in what we do and will collectively seek to engage with Maori and other stakeholders on the implementation of the farm-planning regime, share insights into the IAP's plan development and auditing processes, encouraging dialogue on performance, monitoring information and on-going initiatives to further develop and improve processes and tools. We propose this to be facilitated through advisory groups that interact with the national farm planning forum.
- E. We commit to a continuous effort to improve reporting and accountability to the New Zealand public and our peers so that that is a much greater level of understanding of the efforts and progress being made and Forum members can be directly held to account to the public for their actions. This will include us working with Government

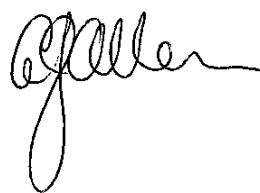
as part of the National Environmental Monitoring Framework to develop data and reporting standards at all levels to monitor improvements over time.

In conclusion, we reiterate that we strongly support a farm-scale risk-based approach to addressing contaminant losses from farming systems where industry plays a key role in supporting implementation. We see this regime as complementary to any national, regional and catchment requirements. We share a belief that that is the best, fastest and most efficient way to support the Government's – and our own sectors' – goal to improve freshwater quality. We acknowledge that there is a balance to be struck with the benefits to be derived from regional, and some core nationally regulated, standards. Accordingly, we would welcome the opportunity to continue to work on defining how that balance is struck.

Yours sincerely



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**For the Regional Sector**



Chris Allen  
**Federated Farmers of NZ**



David Burger  
**DairyNZ**



Dave Harrison  
**Beef + Lamb NZ**



Mike Chapman  
**Horticulture NZ**



Lindsay Fung  
**Deer Industry NZ**

## Place of national standards

We agree that:

- Minimum standards for known environmental risks are required to ensure effective delivery on water quality outcomes and provide trust and confidence that a FW-FP approach will work;
- The matters for which we support the development of minimum standards are those that are currently proposed in the NES or 360 regulations and for which there is existing evidence that implementation will lead to water quality improvements. Key areas include stock exclusion, wintering animals, stock holding areas, wetlands and nitrogen management.
- We note that the standards are intended as a minimum and more specific actions related to implementation should be tailored at a regional and farm-level based on specific environmental risk.
- We would welcome to opportunity to further develop these minimum standards and how they may be tailored at regional and farm-level.

As an example of how we see this approach could work:

### **GFP Standard for Waterbodies (wetlands, riparian areas, drains, rivers, lakes)**

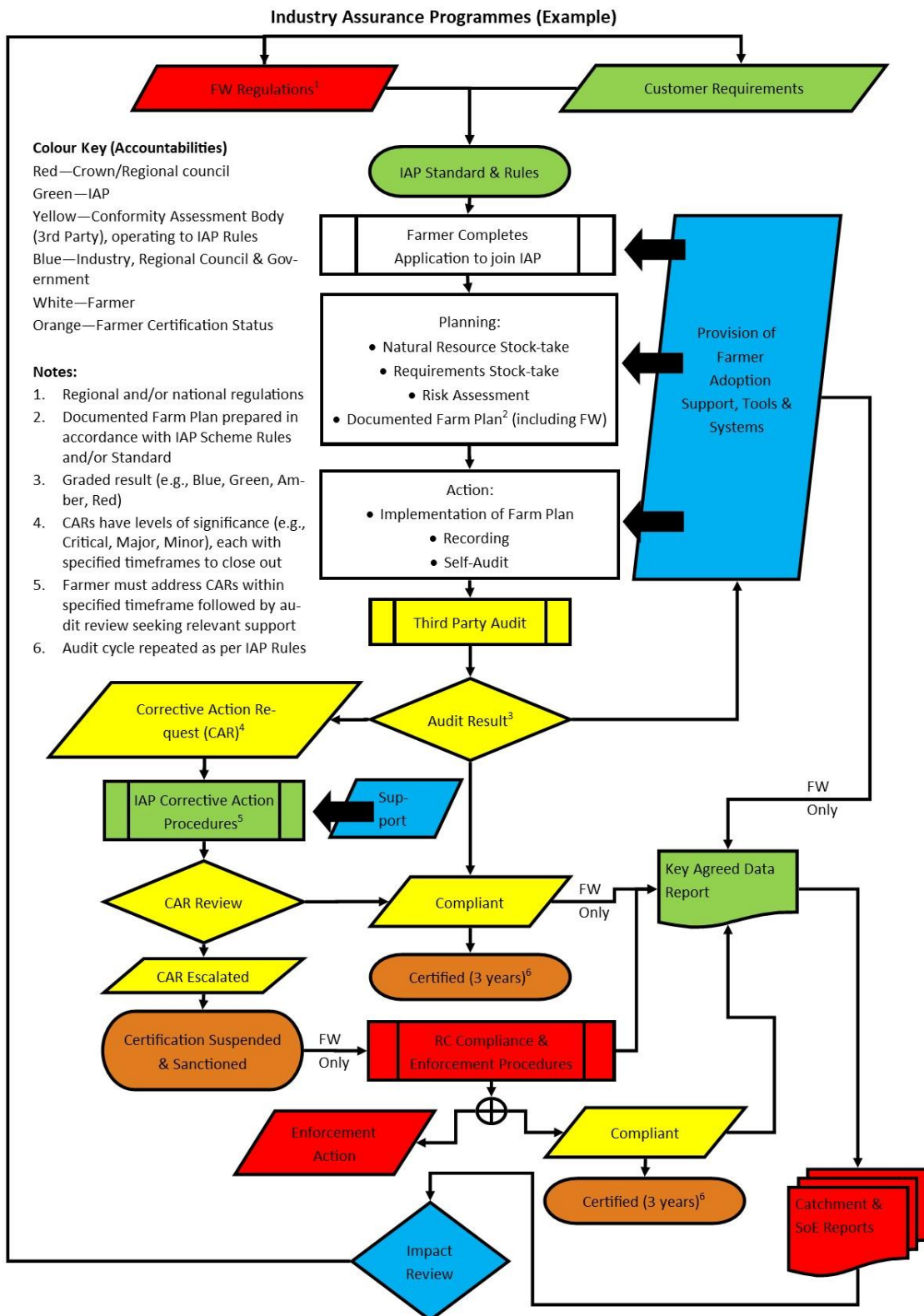
Wetlands, riparian areas and the margins of surface waterbodies are managed to avoid damage to the bed and margins of the water body, and to avoid the direct input of nutrients, sediment, and microbial pathogens.

#### ***Minimum requirements:***

1. Stock are excluded from waterbodies in accordance with regional council rules or any granted resource consent.
2. Vegetated riparian margins of sufficient width are maintained to minimise nutrient, sediment and microbial pathogen losses to waterbodies.
3. Farm tracks, gateways, water troughs, self-feeding areas, stock camps wallows and other farming activities that are potential sources of sediment, nutrient and microbial loss are located so as to minimise the risks to surface water quality.

#### **Farm level**

Matters for tailoring at a farm level include setback locations, fencing requirements, wetland areas fenced off or excluded from stock, management of small streams, critical source areas and slopes of more than 5 degrees slope, up to 15 degrees





## Attachment 3 - Milestones

### DRAFT IAP Red Meat Vision / Milestones<sup>2</sup>

Year ending	Milestones
2020	<ul style="list-style-type: none"> <li>- Red meat sector will have a single IAP (NZFAP Plus) accredited by JAS-ANZ with third party audit process and aligned to ISO 14001. The IAP will be operational and will include modules on freshwater and land management, indigenous biodiversity, greenhouse gases, people and through integration with NZFAP, animal welfare, food safety and traceability</li> <li>- IAP will work together with Maori to ensure a <a href="#">Matauranga Maori</a> perspective is incorporated and that Maori understand how IAP will work to deliver wellbeing outcomes</li> <li>- Through the formation of a consultation group and the undertaking of a materiality study NGOs will understand how the IAP will work to ensure the IAP is viewed as being credible and trustworthy</li> <li>- The delivery of a Catchment Community Group Programme to support farmers to deliver on catchment and landscape outcomes</li> <li>- Guidance provided to farmers on how to implement farm plans through the IAP</li> </ul>
2021	<ul style="list-style-type: none"> <li>- Adoption support programme including tools and extension activities/support in place in conjunction with regional councils and central government</li> <li>- The establishment of a network of farmer led 'Champion Catchments'</li> <li>- KPIs and agreed data confirmed with Maori, regional councils, government and industry</li> <li>- Data sharing infrastructure is in place for sharing key agreed data with government/RCs and referrals/exception reporting</li> <li>- 20% of all farmers have documented and commenced implementation of a FW-FP as part of the IAP</li> </ul>
2022	<ul style="list-style-type: none"> <li>- 20% of all farmers will have completed an audit as part of the IAP</li> <li>- 40% of all farmers have documented and commenced implementation of a farm plans as part of the IAP</li> <li>- Industry IAP report on progress with respect to freshwater outcomes</li> </ul>
2023	<ul style="list-style-type: none"> <li>- 40% of all farmers will have completed an audit as part of the IAP</li> <li>- 60% of all farmers have documented and commenced implementation of a farm plans as part of the IAP</li> <li>- Industry IAP report on progress with respect to freshwater outcomes</li> </ul>
2024	<ul style="list-style-type: none"> <li>- 60% of all farmers will have completed an audit as part of the IAP</li> <li>- 80% of all farmers have documented and commenced implementation of a farm plans as part of the IAP</li> </ul>

<sup>2</sup> (subject to further scoping and consultation with industry stakeholders)

	<ul style="list-style-type: none"> <li>- Industry IAP report on progress with respect to freshwater objectives</li> </ul>
2025	<ul style="list-style-type: none"> <li>- 80% of all farmers will have completed an audit as part of the IAP</li> <li>- All farmers have documented and commenced implementation of a farm plans as part of the IAP</li> <li>- 95% of all audited farmers working within the IAP are achieving their farm plans accountabilities</li> <li>- Industry IAP report on progress with respect to freshwater objectives</li> </ul>

## Draft Horticulture New Zealand IAP/FW-FP Milestones

Year ending	Milestones *IAP(s) in this table refers to Horticulture’s Good Agricultural Practice (GAP) programmes.
2020	<ul style="list-style-type: none"> <li>- 100% of IAPs operate within ISO accredited assurance framework.</li> <li>- 90% of commercial growing entities have had their farm planning process audited by an IAP.</li> <li>- EMS module has been developed to meet (local and national) regulatory requirements and includes assessments for water, soil, climate and biodiversity.</li> <li>- IAPs will work together with Maori to ensure a <a href="#">Matauranga Maori</a> perspective is incorporated and that Maori understand how IAP will work to deliver water outcomes.</li> <li>- Through the formation of a consultation group and case studies, NGOs will understand how IAPs works to ensure that IAPs are viewed as being credible and trustworthy.</li> <li>- Guidance provided to growers on how to implement FW-FP through IAPs.</li> </ul>
2021	<ul style="list-style-type: none"> <li>- Adoption support including tools and extension programmes in place in conjunction with regional councils, central government, and established local grower groups (&gt;50 established grower associations and &gt;20 crop product groups).</li> <li>- KPIs and agreed data confirmed with Maori, regional councils, government and industry.</li> <li>- Data sharing system is agreed and in place for sharing key agreed data with government, regional councils, and referrals/exception reporting.</li> <li>- 20% of all commercial growing entities have documented and commenced implementation of a FW-FP as part of an IAP.</li> <li>- 10% of all commercial growing entities have been audited as part of an IAP.</li> </ul>
2022	<ul style="list-style-type: none"> <li>- 20% of all commercial growing entities have been audited as part of an IAP.</li> <li>- 5% of FW-FP developed under an IAP are reviewed by a certified farm planner.</li> <li>- Industry IAP report on progress with respect to freshwater outcomes.</li> </ul>
2023	<ul style="list-style-type: none"> <li>- 100% of IAP EMS modules operate within ISO accredited assurance framework.</li> <li>- 50% of all commercial growing entities have been audited as part of an IAP.</li> <li>- 10% of FW-FP developed under an IAP are reviewed by a certified farm planner.</li> </ul>
2024	<ul style="list-style-type: none"> <li>- 90% of all commercial growing entities have documented and commenced implementation of a FW-FP as part of an IAP.</li> <li>- 20% of FW-FP developed under an IAP are reviewed by a certified farm planner.</li> <li>- Industry IAP report on progress with respect to freshwater outcomes.</li> </ul>
2025	<ul style="list-style-type: none"> <li>- 90% of all commercial growing entities FW-FP have been audited as part of an IAP.</li> <li>- 95% of all audited commercial growing entities working within the IAP are achieving their FW-FP accountabilities.</li> <li>- 100% of IAP EMS modules have a certified farm planning process.</li> <li>- 25% of FW-FP have been reviewed by a certified farm planner.</li> <li>- Industry IAP report on progress with respect to freshwater outcomes.</li> <li>- 100% of commercial growing entities have FW-FP.</li> </ul>

## Draft Dairy IAP/FW-FP Milestones

Within the dairy sector there will not be a single industry wide IAP, as dairy companies already have – or are establishing – their own programmes. Through the dairy tomorrow partnership, the sector is developing common standards and content that will form the foundation of all dairy farm FW-FPs.

Year ending	Milestones
2020	<ul style="list-style-type: none"> <li>- Identification of at-risk dairy catchments and priorities for management in collaboration with regional councils and central government</li> <li>- Guidance on good farming practice actions and FW-FP implementation developed and provided to farmers</li> <li>- Development of a catchment accounting framework to estimate dairying’s nutrient footprint at farm, catchment and national scales.</li> <li>- Reporting on state, trends and drivers of water quality and ecosystem health in catchments where dairy represents more than 50% of catchment land area to dairy farmers</li> <li>- Review feasibility and performance of possible tools and interventions for on-farm and catchment water quality improvement and develop guidance material to support adoption by farmers and policy makers (see page wetlands, constructed wetlands, bioreactors, detainment bunds, in-situ P filters).</li> <li>- Establish monitoring and reporting metrics to assess and demonstrate environmental improvement including annual assessment and reporting of progress</li> <li>- Preliminary constructed wetland and targeted riparian guidelines for a range of pastoral landscapes developed and communicated in partnership with NIWA</li> </ul>
2021	<ul style="list-style-type: none"> <li>- Reporting on three farmer-led, catchment-scale environmental change projects to show demonstrable progress towards improving environmental outcomes at pace and scale while ensuring farm businesses remain profitable and resilient.</li> <li>- Development of a framework to quantify the impact of FEP uptake on water quality outcomes in collaboration with regional councils</li> <li>- 20% of all dairy farmers have documented and commenced implementation of a FW-FP</li> </ul>
2022	<ul style="list-style-type: none"> <li>- 40% of all dairy farmers have documented and commenced implementation of a FW-FP</li> <li>- 20% of all dairy farmers will have completed an audit</li> <li>- Dairy sector report on progress with respect to freshwater outcomes</li> </ul>
2023	<ul style="list-style-type: none"> <li>- 60% of all dairy farmers have documented and commenced implementation of a FW-FP</li> <li>- 40% of all dairy farmers will have completed an audit</li> <li>- Dairy sector report on progress with respect to freshwater outcomes</li> </ul>

2024	<ul style="list-style-type: none"> <li>- 80% of all dairy farmers have documented and commenced implementation of a FW-FP</li> <li>- 60% of all dairy farmers will have completed an audit</li> <li>- Dairy sector report on progress with respect to freshwater outcomes</li> </ul>
2025	<ul style="list-style-type: none"> <li>- All dairy farmers have documented and commenced implementation of a FW-FP</li> <li>- 80% of all dairy farmers will have completed an audit as part of the IAPs</li> <li>- 95% of all audited farmers working within IAPs are achieving their FW-FP accountabilities</li> <li>- Dairy sector report on progress with respect to freshwater outcomes</li> </ul>