

Submission on the proposed Waikato Regional Plan Change 1 from Ian and Helen Bell

We would like to present our submissions orally.

Introduction - Bellvue Farm

Helen and I own with our family of 4, a 383ha dairy and forestry farm on State Highway 5, Reporoa. This farm was purchased and converted from sheep and deer in 1991. Initially, we milked 600 cows and quickly moved to milking 900 cows through a 40 aside shed. In this initial period, we also planted 65 ha of forestry over various parts of the farm that were too steep to graze. In 2001, we built a 60-bail rotary cowshed with GEA automation and put in feed pads and feed storage sheds. We have since installed an inshed feeding system. At this point in time, the farm transitioned to a system 5 operation and for two years 1050 cows were milked, producing over 500000 kg/ms. With only 270ha effective for dairy farming, a large amount of supplement was used. In subsequent years, the price of feed became unpredictable and expensive due to an increasing number of dairy farmers supplementing their cows. As such, we decreased cow numbers to 900 cows and have over time decreased further to 700-750 cows.

We are now running a system 3-5 depending on payout. Presently we are milking 700 cows, with 200 of those being winter milkers. We also rear 80% of calves born on the farm for sale and herd replacements. We have a manager and 3 other permanent staff and a calf rearer when required.

We have in the past season spent \$400,000 on a new effluent system. We now have a 60 meter weeping wall, a 10 million litre lined pond, one travelling rain irrigator, a new pumping system and a green water wash system for the cow yard and feed pads.

We have 124 hectares set up to apply a non solid effluent through a rain gun applicator

Over the past 5 years, we have been pursuing more of a self contained cropping and pasture system. Urea is applied as a liquid with Progibb from late autumn to early spring. This allows us to apply nitrogen at half the rates per hectare compared to solid urea. Little phosphate and potash has been used over the past 10 years except for crops. As we are keen to build and maintain a healthy microbial soil, we have been reluctant to use acidic fertilizer. Also for the past 5 years, we have been gradually changing our breed of cows from big Holstein Friesians to a smaller Kiwi bred Friesian and Friesian cross cow that are more efficient converters of pasture

We support the following submission that has been lodged by Federated Farmers. They are as follows:

- The significant negative effect on rural communities
- The cost and practicality of the rules
- The effect that the Nitrogen Reference Point will have on my business and my economic wellbeing.

- The Farm environment plan requirements leading to the unnecessary and costly regulation of inputs, outputs, normal farming activity and business information.
- The costs and practicality of the rules and requirements for stock exclusion, the Nitrogen Reference point and the Farm Environmental Plan
- The timeframes for complying with the Nitrogen Reference Point rules which are too short and unachievable
- The plan significantly exceeding the 10 year targets in many attributes and areas.
- The lack of science and monitoring at the sub catchment levels.

We are concerned about the implications all of this will have for our property and for our current activity as described above. We set out my concerns more specifically below.

Submission Point: Schedule B – Nitrogen Reference Point

Helen and I are opposed to this Nitrogen Reference Point (NRP) rule for the following reasons

- 1) The two reference/grand-parenting years promoted being 2014/2015 and 2015/16 are too narrow a time frame to make a fair reference point. In these chosen years, dairy farmers experienced the lowest payout in recent times. A great proportion of farmers were farming at a loss. To mitigate the low payout, most farmers de-stocked cow numbers and /or stocking rate to cut costs. As such, the nitrogen usage was lower than normal. This then makes the NRP assigned and the subsequent stocking rate applied unreasonable and unfair.

Bellvue Farm fell into this scenario. In late May, 2014, 160 of our Friesian replacement heifers were sold for good money We planned to replace them with a different breed of mixed age Friesian cross cows. Unfortunately, by July when we had planned on buying them, the forecast payout was dropping rapidly. This meant that with the forecasted low payout, farmers were de-stocking and selling their low producing cows to reduce their overall costs. As a consequence the price of quality cows that we had hoped to buy were in short supply and therefore too expensive. We did not buy any cows at all during this time, and ended up milking only 485 cows. This 2014/15 year now been benchmarked with an historic low N usage and cow number given our 8-year average of over 700 -750 cows.

To be profitable with many dynamics at play such as weather and market prices farmers are continually changing their situation, week to week and year to year What this narrow time frame did to us, is serve us a curve ball, that we didn't plan for or see coming. Is this right or fair !

- 2) Overseer computer model used to make these NRP on farms is largely inaccurate. As such the Overseer model is not indicative of the real-life farming practices. It only portrays a limited simulation and the modelled estimate has a large margin of error.
- 3) Reducing the high dairy farmer users of nitrogen to 75% NRP and capping all other dairy farmer users at current levels is not a fair outcome for many dairy farmers. High dairy farmer users of nitrogen with a reduction of 75% are not likely to meet the average NRP. As such they are benefiting from bad farming practices because they

will now have a higher NRP compared to others in similar situations. It also puts a cap and sinking lid on farmers who already have low NRP rates due good farming practices.

Bellvue Farm is a case in point. Bellvue farm and 20 other local dairy farmers in the Reporoa area formed the Tomorrow Farms Today group (TFT) lead by Dr Alison Dewes. The aim of this TFT group was to front foot envisaged N usage restrictions as we were told and believed, that if we did so and could prove it was profitable and sustainable, we could set the pathway for other farmers to follow . We all took part in the project for 4 years We now find our positive efforts in reducing nitrogen levels will be limiting us in the future. Good farming practices have been punished rather than rewarded.

- 4) The proposed NRP capping policy will have a direct effect on the value of farms. Those dairy farmers who have a low NRP due to the reference years or good farming practice, means that these farmers have no room to further the farms economic potential. Nitrogen levels and land value are intrinsically entwined. Any policy needs to be carefully considered and the science used needs to be well founded or there will be adverse affects on farming families, farm values and succession planning

Solution: Schedule B – Nitrogen Reference Point

- 1) Nitrogen reference should be a range band not a specific number.

It could be calculated in the following ways:

*as a six year average of the of the farms nitrogen usage.

*as a calculation based on the average of like farms in the catchment over say four years

*a range calculated as part of your FEP relevant to your farm

This will remove extremes and anomalies. Farming policy makers need to understand that Overseers present NRP calculations should be used as a guide given the associated range of errors. The Overseers model should not be the basis of regulations being imposed on the farming community.

- 2) The NRP range must at a level which supports pasture growth leaches less N and enables farms to be economically sustainable This then will support land values and maintain viable rural farming communities .

Submission Point: Schedule C – Stock Exclusion

The fencing of streams we agree with, although there are sometimes anomalies as on our farm. The Kawahanui Stream that meanders for 2kms through our farm is almost entirely

fenced off with riparian planting. A proper concrete culvert/ bridge gives us access to the other side. However, in one part the stream cuts off some 9ha leaving it on its own with no other alternate access. The stream has a large catchment and flood levels can be several metres above normal. The cost of any bridge structure that would cope with this could be \$80,000 to \$100,000 or more. We have been mitigating this problem with a cut and carry crops of lucern silage and pasture silage. Even so there are times that we still need to cross it and graze with stock.

Solution: Schedule C – Stock Exclusion

Allow farmers to continue the current policy which enables cows to cross the river once per month. Farmers under special circumstances may appeal this.

Submission Point: Rule 3.11.5.2 – Permitted Activity Rule

The choice of 15 degrees as the maximum slope allowable for full cultivation is impractical. Most of the dairy farms are on land that is generally 15 degrees or over. Nature does not come in straight lines. A single paddock will have a range of slopes. Do you take the average? Leave parts of the paddock uncultivated?

Solution: Rule 3.11.5.2 – Permitted Activity Rule

It would be more practical to choose a steeper slope of 25 - 30 degrees. Another plan could involve using your FEP as some of your areas will be more at risk than others.

Submission Point: Rule 3.11.5.7 – Non-Complying Activity Rule – Land Use Change

The concept of ring fencing existing land use and not enabling farmers to be more flexible in their land use, is very restrictive. The opportunity to grow your business is what drives every business. For many farmers that may be adding some adjacent land. For some families that have left converting their farms for various reasons and now may wish to do so to enable family members to come on board will now be unable to. In addition, the future is unpredictable and as such, restrictive rules will have adverse effects on the New Zealand agriculture sector. To be locked in to one type of land use type may in time become an issue. By this I mean the loss of flexibility to change in the face of economic roadblocks that may necessitate a complete or part change to your system of farming. This we know from personal experience as we had to change from sheep farming to dairying in the mid 1980s as sheep became uneconomic. This land use change goes far beyond the scope of Healthy Rivers.

Solution: Rule 3.11.5.7 – Non-Complying Activity Rule – Land Use Change

We oppose the land use change rule.

Overall Proposal

There needs to be an avenue for farmers to work through in circumstances where PC1 have forced unfair restrictions on their business. Farmers need to be able to present their case and have rules modified if they are unfair or unsustainable.

Conclusion

In conclusion PC1 has gone far beyond what we understood would happen at the collaborate stakeholder meetings. If not modified it will have a huge effect on our business, our ability to include family members on our farm and land values.

Much research also needs to be done on a sub catchment basis identifying issues and how they affect the water. A concern is that decisions are being made in some instances without proper scientific founding Farmers could be forced into actions that make no difference to water quality. Issues and solutions outlined on a sub catchment level will create more buy in from farmers as it is more relevant to them.

The activity status of a farm is also of concern. Where a resource consent is required farming should under a controlled activity .(a consent must be granted if all criteria are met) Councils have huge powers and are often run by people with little or no understanding of farming. We are concerned that rules could be imposed on us that have no scientific basis and are unworkable and expensive.

Urban areas also need to look at their storm water and sewage issues. Many have long running resource consents and are unable or unwilling to upgrade their infrastructure. Contamination points along waterways need to be identified and farmers and urban communities given assistance to deal with these.The Hydro dams in the Upper Karapiro catchment and their negative effect on the Waikato River are a problem that has yet to be acknowledged

- A/ Failure to allow the river to flow naturally increasing weed and algal bloom
- B/ Continually raising and lowering the Waikato river so that slumpage of river banks occurs frequently
- C/ In the Reporoa Valley the Waiotapu stream and adjacent low lying farms are often after heavy rains flooded for days if not weeks because the river is being held at high levels.

As farmers we are concerned about the environment.We live and work in it ,and with it, on a daily and lifetime basis. We have through successive generations created from scrub and bush and infertile land all that we now cherish and prosper from as New Zealanders. We wish to pass on to successive generations, farms that are sustainable, both economically and environmentally with thriving supportive communities along side of us.

Thank you for your consideration.
