

## **James Bailey Block One Hearings – Objectives**

### **Presentation Notes for Slides**

#### **Slide One: Introduction**

Morena, thank you for having me to speak in front you for the second time this week. If it is ok with you all I will take my submission and evidence as read. I have put together a simple slide show of pictures from our farm and farm planning processes. I endeavor to relate this presentation to the objectives in the plan highlighted in my evidence in the hope that this might help you better understand my position.

I also want to just acknowledge that when we started our farm planning process we had some significant environmental issues to remedy, and we still do, the work is ongoing. But I believe we are going in the right direction.

#### **Slide 2: LUC Map**

The first step in our farm planning process was the development of a EPA with our Land Management Officer. One of the key tools in this process was the LUC mapping which we had done at paddock scale. This has informed our farm system design ever since.

I would just like to take a moment to acknowledge the LUC discussion in these hearings. I have picked up that some sectors are saying a lot about what LUC isn't, with particular reference to Nitrogen allocation. Perhaps we should acknowledge what it is. This system has been used in **New Zealand** to help achieve sustainable land **development** and management on individual farms, in whole catchments, and at the district, region, and the national level since 1952. It has a considerable amount of science behind it, further science is currently being developed, and it should be an integral part of all farm planning processes.

With regards to using it in terms of N allocation, I fully understand that it was not developed for such a task, much in the same way that Overseer was not developed as a regulatory tool. But like overseer, it is the best tool we have. Both LUC and Overseer need to be further developed through innovative science and spatial mapping to help inform our resource management in the future. In short, these tools are a starting point.

In relation to the objective of the Staged Approach, PC1's first stage is basically grand parenting, i.e. do what we have always done. I'm pretty sure Einstein had something to say about doing the same thing over and over again and expecting a different result. PC1 kicks the can down the road and does not put pressure on our authorities and science community to innovate and further develop these important tools.

It is my opinion that intensive farming sectors are rashly turning away from the LUC system entirely. simply because of the misplaced fear that if the tool was associated with N allocation it may cause them to rethink some farming systems. You will not find any LUC consideration in Sustainable Milk Plans. This is like throwing the baby out with the bath water. I will politely decline Fonterra's offer of joining their Industry scheme, as I believe that farm plans need to more than just a box ticking exercise.

A farm planning process and allocation system based on Natural Capital and Land Use Suitability transcends PC1's staged approach and provides a platform for adaptive management which fosters innovation, I will attempt to explain this through the following slides.

#### **Slide 3: 2019 Farm Map**

This map shows the fencing we have done as at today. Through the LUC approach, we have created land management units to be managed differently with suitable stock classes throughout farming calendar. I will acknowledge that each farm system is different, not all will approach it the way we have. It depends of the stock carried, for example we have big breeding cows that we manage and take records from during the winter, we also have sheep which we can use around our steeper country. In more extensive systems there is less risk and less need for differentiation. But LUC gives us a basis to develop a system that will minimize the contaminant loss to the receiving environment.

**Slide 4: B15**

Let's examine a small part of my farm to give a practical example

**Slide 5: B15 with PC1**

The Staged approach of PC1 is basically telling me stand still and rush to get riparian fencing up. Standing still because of the lack of guidance and investment certainty due to Grand parenting. While rushing broad stroke fencing, taking resources away from a considered farm plan that focuses on Critical Source Areas's which would give a better bang for our buck.

I would like to note that I have had experience in rushed broad stroke riparian fencing on our dairy farms through the clean streams accord, I am not knocking the good intentions of this initiative but I can tell you that I am now about to embark on pulling most of these fences out and redoing them because they were misplaced and do not fit into the overall farm plan.

**Slide 6: We took a more considered approach**

**Slide 7: Firstly, QE2 Blocks**

Creation of QE2 covenants, there is more to farm planning than just water quality, biodiversity needs to be considered.

**Slide 8: Secondly, Subdivision as Per LUC**

Development of Land Management Units so we can manage appropriate stock class to land class easily. This also develops efficiencies in pasture utilization

**Slide 9: Then, Water Reticulation**

Water reticulation is often an afterthought to any stock exclusion rule policy discussion and while it is a mitigation tool itself, it is also very expensive and careful planning is needed. Sometimes it is just not cost effective in hard hill country.

**Slide 10: Photo – Matching Stock Class to land class**

The LUC approach Identifies and isolates sensitive areas that can be managed differently in high risk times of the year. This photo shows a typical winter situation on our farm with the breeding cattle up on the terraces and sheep on the sidling's.

**Slide 11: Critical Source Areas**

Our approach Identifies Critical Source Areas where risk of contaminant loss is greatest. Fencing to LUC then develops opportunities for edge of field mitigation.

### **Slide 12: Photo Critical Source Areas**

This photo depicts a wide riparian margin around a sensitive wetland/spring area. Please note another afterthought to riparian fencing is the maintenance cost. All these fences must be maintained, a consideration for planning and budgeting.

### **Slide 13: Photo Land Use Change**

Finally in certain areas of the farm we have decided to embark on large scale, staged restoration projects.....

### **Slide 14: LIBS - AGINFORM**

As described in my evidence we have undertaken an innovative pilot project under the Local Indigenous Biodiversity Strategy (LIBS) alongside WRC, SWDC, AG Research, WRA and WCEET.

This project involved putting our farm system through the AGINFORM Optimization Model and a report on this study is now published in the "Science of the Total Environment" journal. This process identified areas for restoration reducing effective hectares (in the traditional sense) while retaining profitability.

Modelled results included 15% reduction in P loss, 20% reduction in erosion and run off, significant increase in Biodiversity with 42 ha to be planted in Manuka, Totara, and Wetland Species. Overall N loss would reduce, but not as acknowledged by Overseer. Overseer models an increase from 17 kgN/ha/yr to 18. Despite being in a Priority 3 sub catchment, PC1 has rendered WRC unable to grant a resource consent to farm as per this proposal due to the slight lift in the NRP. So much for fostering innovation, or does the innovation part come in the next stage of the staged approach?

Evidently though, there is the ability under PC1 for high leaching dairy farm operations to gain a consent to purchase neighboring low leaching dry stock properties and spread the N leaching across the two properties as was the case for Taumata farms ltd who have been granted such a consent.

So, from what I can see as a farmer, under a staged approach based on grand parenting, PC1 is basically telling me that if I have high N leaching I will be rewarded with more flexibility in the future and hence greater land value. If I have reduced my N leaching prior to PC1 then I have devalued my farm and I can be bought out by my neighbor to help spread out their N loss.

We have two dairy units in the Waihou Catchment. I can only assume that the grandparenting nature of the staged approach will be rolled out into this part of the Waikato Region also. How should we as a farming business that supports 12 families across our different farms prepare for this staged approach? Should we ramp up our N loss to gain some farm value?

### **Slide 15: Subcatchment Approach**

Some questions that I often hear... *"what actually is the Subcatchment approach"* and *"how do you envisage it ever working?"*

Well, we are too late because it is already working. No doubt some of the proliferation of these subcatchment groups in the Waikato have sprung up because of the tension caused

by PC1, but it has been working in other parts of NZ and internationally for a long time and achieving meaningful improvement to water quality. And basically, it's about working together. All, being in the same Waka and paddling in the same direction. You may not be able to write policy for that. However, you can write policy that will support it by providing for and incentivising the Subcatchment approach, developing the ability for group and global consents, measure all attributes at the subcatchment level not just at the main stem, highlight the importance of Natural capital and land use suitability considerations in subcatchment plans and farm plans, and finally do away with grandparenting so we can get on with the job.

Finally, I just wanted to leave you with this photo of my son. Koura had not been seen on this farm for years. I thought Jakes first cray was going to be of the salt water variety, but I'm even more delighted that it was from one of our streams.....and he did put it back by the way.

Thank you for listening to me today, I hope that I have been able to convey some of the information from my submission and evidence that related to the objectives of Plan Change One in a constructive manner.