

Before The Waikato Regional Council

In the matter of Healthy Rivers Wai Ora Plan Change 1 and Variation 1A

**Statement of Steven John Parrott & Sandra Sipkje Alida
Parrott, Alexander Bruce Parrott & Ulrika Maree Parrott**

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Contact for service:

Name: Steve Parrott

Phone: 07 8254531

Email: steve2sandra@gmail.com

Steve Parrott and Alex Parrott

Scope of Statement

1. This statement:
 - a. Introduces our farming business, and the ways that we farm to the natural capability of our property
 - b. Specifically, we will focus on:
 - Long term land use
 - Nitrogen Reference Point – Provisions
 - Stock Exclusion – Provisions
 - Restricting Land Use Change - Provisions
 - Sub-catchment approach – provisions

Introduction

Thank you for the opportunity to submit on the Waikato Regional Council's proposed Plan Change 1.

Our names are Steve and Alex Parrott. With our families we are third and fourth generation farmers at Matira and Te Uku. Both properties are part of the Western Catchment but we have submitted for Plan Change 1 because we are deeply concerned at its implications for our farm and those of all dry stock farmers in the Waikato Region.

We farm sheep, beef, dairy support, trading systems and horses on approx. 800ha of beautiful rolling hill country. In addition to our farming operation we have a polo horse business. We have a variety of contours on our farms that suit lots of different land uses and farm management practices. Over the approximately 80 years that our family has been farming this land, we have relied heavily on being able to change our farm management and stocking practices to respond to market conditions. This has been critical in making our farms sustainable businesses over that time.

Over the last 10-15 years, we have been fencing off our waterways and have retired approximately 5 hectares of native bush + approximately 25 hectares of pine plantations, with more planned in coming years. In addition, we have spent some time planting natives along our fenced off waterways. In fencing off our waterways, our varied contour means that some waterways have been easy to fence and the fences and plantings will be easier to establish and maintain in these places. On some parts of our farm, the contour is far more difficult, some of it is prone to seasonal flooding with few options for placement of fences that won't get washed away in the next flood. Another consequence of fencing in these areas is the growth of unwanted weeds such as blackberry etc.

We have a good nutrient plan in place to minimize the adverse effect of fertilizer on land and water ways. We are careful to only apply maintenance levels of fertiliser and are actively trying to cut out the application of nitrogenous fertiliser entirely. At present, we do one application per year of between 20 and 30 units of Nitrogen per hectare. This is a very mid-level application of Nitrogen, it is not excessive and eventually we would like to stop this entirely. Your average dairy farmer would apply a lot more than that and may apply it 2-3 times per year for example.

Approximately 3 years ago, Alex attended a Beef + Lamb New Zealand Land Environment Plan workshop at Te Uku, so we are in the process of developing a Land Environment Plan for our farms in addition to the on-farm work we are doing.

Our other industry involvement has included being a Beef + Lamb New Zealand Demonstration farm during a 3 year study we completed on facial excema in cattle. As well as the 3 year study, this involved sharing our results with the wider farming community.

On our Te Uku property we were encouraged to enter the Ballance Farm Environment Awards for the first time in 218 as the result of the environmental work we have done there already. We entered as a learning experience.

One of the comments in our report from the judges was that we could further intensify our farming operation on our Te Uku farm – so we took that as a sign we are farming well within acceptable environmental limits. We have good reasons for farming as we do on this property at the moment – and they are around the age of our father who is the main day-to-day labour unit on this property. At 81 years old, he needs a lighter workload and intensity of farming, however it may be important for our family succession planning to have the option of intensifying how we farm in the future.

All in all, we are farmers who consider our environment and work hard to have a light footprint on our land. We belong to a close knit and vibrant community of people who care about their land and regularly get together to discuss best farming practice. Our farm is more than just our livelihood, it is our home and where we spend so much of our time as a family. Our vision is to leave our 7 children with a productive farming operation which they can continue and be proud of. We have worked extremely hard for nearly 4 generations to develop and improve this land in a very responsible, environmentally safe way.

Specific parts of the plan I am commenting on

Long Term Land Use Objectives: 1,3 and 4 Policy 5 and 7 Rules 3.11.5.3 to 3.11.5.5
Schedule 1

We oppose these parts on Plan Change 1 because this creates too much uncertainty as we don't know how much land potentially has to go into forestry/native bush in the future.

Sheep and beef farmers have always relied on being able to have flexibility in their farming systems – this has been critical for the drystock industry to respond to market conditions and change their farming and stocking policies so that they can be sustainable businesses.

In our farming operation, we are traders, this means by definition we are flexible in our approach. For example, our stocking policies have changed in the relatively short time since we made our submission on Plan Change 1. So we stand before you today farming differently to how we did just 2 years ago.

If our farm is restricted to one historical reference point of land use, we lose an inherent part of our approach to farming. Drystock farming is traditionally less profitable than dairy farming. Losing this flexibility could have a hugely detrimental affect on whether our farm is sustainable.

Our farms support 3 separate families and carry a significant amount of debt because we have invested in keeping farms in the family after our grandparents' deaths, as well as attempting to grow a business that can support 3 families. We simply can't afford to earn less and remain in business.

In the short term, a restriction on land use may negatively affect our profitability. In the long term, it has the potential to affect sustainability and also our land values. At the moment,

our equity levels and farm values are a critical part of our business being sustainable because we have a significant debt to service.

Because Plan Change 1 restricts land use and creates a huge amount of uncertainty for the future, this has the potential to significantly decrease our land values. Obviously, this could make our business unsustainable, not to mention nullifying the life's work of several generations.

We are committed to environmental practices and deeply committed to staying in farming, but why would we invest the hundreds of thousands of dollars required to fulfil the content of Plan Change 1 if we are going to lose choice in what we do, and if our farms are going to become unsustainable and decrease in value to the point of us possibly going out of business?

With specific reference to areas of farming land going into forestry, this also seems very unsuitable for our farm. We have some steeper hillsides on our farms, but we also have a large proportion of excellent contour, flat to rolling country.

This is prime, highly productive pastoral farming land, that produces exceptional quality food for domestic and export consumption. If we consider the government's recently released Climate Change Bill, it seems to indicate that huge proportions of high quality farming land such as ours would be required to be planted in trees. It also seems that Plan Change 1 has a similar underlying intent.

It would be a huge waste for this land to be required to go into forestry – pine trees don't feed people. We urge Waikato Regional Council to look beyond the short to medium term and really consider the long term consequences of this plan – consigning our high quality productive land to forestry is not a total answer. It would be a heartbreaking outcome for our family and community and we do not believe it is the best solution for the Waikato Region either.

[Nitrogen Reference Point Objectives: 1 and 4 Policy 2 and 7 Rules 3.11.5.3 to 3.11.5.7 Schedule 1](#)

We oppose these sections of the plan because using a Nitrogen Reference Point is a form of grandparenting. Grandparenting is simply a poor choice as a system for nutrient allocation. Grandparenting is not the best method for managing nutrient allocation: there are much better systems that give a more fair outcome and which allow individual farmers the ability to be flexible in their farming business. Flexibility in farming system has always been important for drystock farmers to allow them to change farming policy based on market prices. This has been integral to their survival and will continue to be in the future. The natural capital approach along with a sub-catchment approach is a much better method of managing nutrient allocation.

As drystock farmers, who have already made significant environmental improvements on our farms and in our farming practices, we are already low emitters. Using a Nitrogen

Reference Point does not support those people who have done the right thing by the environment already. Rather, it penalizes them and rewards those who are already high emitters. This is totally unfair.

Using Nitrogen Reference Points as the method for governing future farming practices uses an arbitrary historical method to control the future. This is not the best approach and properties/individuals should not be held to an historical measure into the future. In our view, using a Nitrogen Reference Point is a short-sighted short-term measure that traps us in a version of the past and removes our ability to be flexible. It makes no allowance for the technological farming advances that may occur in the future and which will help us meet environmental outcomes.

[Stock Exclusion Rules 3.11.5.3 to 3.11.5.4](#)

The National Water Accord only recommends that slopes up to 15 degrees be fenced, and this should apply for Plan Change 1, rather than the current 25 degree slope that has been suggested. Also, the National Water Accord recommends a different definition of a water body which we are more comfortable with.

The cost of fencing hill country farms is prohibitive as demonstrated by the Federated Farmers study. On our farm, we have some very complex waterways, that regularly flood. We have included a photo to show one creek we have fenced on our property.

The immediate terrain may not look very steep in this picture, but the waterway is at the bottom of a valley with steeper hills on either side and this waterway regularly floods. Some places we have already fenced at least 4 times, repairing after flooding.

This photo is also an example of what grows in fenced off areas when there is no riparian planting in place – blackberries and other weeds that can be hugely problematic. So we gain water quality, but often gain additional problems and costs as well that then need to be managed. Do we introduce more chemicals to the waterway in order to keep weeds under control? If so, where does the time and resource come from to complete this work?



We ask that Waikato Regional Council consider their decision making for Plan Change 1 in tandem with thinking about the funding that will be made available for cost subsidies for fencing and planting programmes. From what we can see, there is no future indication on what will be made available to help achieve the required environmental outcomes. Our question would be, do you have an adequate understanding of what the costs of self-funding these changes will do to the sustainability of farming businesses? It seems to us from the contents of the plan that Waikato Regional Council does not.

We need time and we would suggest, assistance to achieve what is required.

Here are some other photos of the planting and fencing we have completed already on our farm.





We seek that this provision is **amended** and re-notified only when there are clear indications of what land use is required on our farms with any consequential amendments arising from the submission process. We believe that the Plan should reflect the recommendations made by the National Policy Statement on Fresh Water – ie a 15 degree slope. This is a much more practical and workable solution. With the costs of fencing and complex contour involved, we also believe the timelines should be extended to allow better decision making and for farmers to have adequate time to sustainably execute the requirements. The timing is unachievable for us in a priority 1 catchment. We require more time to plan and prepare in order to do a proper job. Fencing can cost up to \$25,000 per kilometre, and many kilometres of fencing will be required. It's unlikely that the industry would even be able to source the labour required to meet these deadlines as a collective!

[Restricting Land Use Change Pages 15 – 16 Policy 6 Rule 3.11.5.7](#)

The impact of this section of the plan is huge for the drystock farming sector. These Policies and rules would have a likely impact of significantly devaluing our land – nullifying the work of generations of our family, and creating huge instability and uncertainty for us in the future.

Restricting land use change on our land is the absolute opposite of the way we currently farm. As trading farmers, we rely on responding to market and environmental conditions in

order to sustainably run our businesses. This is a traditional approach for drystock farmers – it is very different to dairy farming for example where dairy farmers milk cows and engage in one activity. We rely on being able to change our farming policies and practices based on conditions such as seasonal weather patterns or the international markets. Restricting our ability to respond to changes in the market or to climatic changes or adverse weather conditions is far too prohibitive – we believe we can retain this flexibility and still achieve the environmental outcomes we need to remain sustainable.

If you look at drystock farming practices over the last few decades, you will see an enormous growth in the efficiency of the drystock industry. We are actively investing in technology and farming practices that make our farms perform very efficiently and this translates to better environmental footprints – for example with our reduction in the application of Nitrogenous fertilisers (we are looking to stop this practice entirely eventually). The sheep meat industry has also significantly increased its efficiency – while total sheep numbers in New Zealand have dropped significantly in recent years, our amount of sheep meat produced has stayed almost the same.

Another relevant example for our family that has proven a useful innovation is starting to farm Wagyu beef cattle. These cattle are typically smaller than dairy cattle for example, and as we have built a herd of wagyu cattle we have been able to decrease the number of dairy cattle we graze on our property. Wagyu beef is an example of a high-value market that has been created in recent years and we need the flexibility to be able to respond to these opportunities. Having the ability to shift our farming practice to these cattle allows us to access a more profitable market than – for example – the bull beef (hamburger) market. Ultimately, this allows us to shift towards lighter stocking rates, environmental improvements, or simply paying back debt and becoming a more sustainable farming operation.

We urge you to become more informed about the average profitability of a sheep and beef farmer. In most cases, our life's work, value of our assets and ability to sustain ourselves throughout our lives, lies in the value of our land. In the case of my parents – in their early 80's and late 70's, there are no other investments, no other source of income. There is no retirement plan or income – only the value of their farm and the income they earn from it.

Our farms directly support 3 families. In turn, those 3 families are involved in contributing a huge amount of voluntary work to a lot of different community groups – schools, sports clubs, industry bodies, churches, the elderly and the ill. If Plan Change 1 devalues our land to the point of making our businesses unsustainable, what does Waikato Regional Council propose will support our families? And who will replace the work we do in our communities?

[Sub-catchment Management Policy: 9 Implementation method: 3.11.4.1 and 3.11.4.5](#)

The last specific section of the Plan we would like to comment on is the subcatchment approach. We believe that a sub-catchment approach would be a very effective approach to bringing about the required environmental outcomes in our Region.

In our community, we are hugely accustomed to getting together as a community and solving whatever the issues of the day are. This includes farming in an environmentally sustainable way, running and funding our schools, contributing to our industries, taking care of the members of our communities in good times and bad. Our community is full of people who help out: whether by driving another family's son the 120km round trip so that talented boy could get to rep practice. Or by nursing our friend and neighbor as he's dying because he had no family there to help him. We are a vibrant community of contributors – in your Region, the Waikato Region.

And yet, we feel that Plan Change 1 has totally forsaken our community. We feel that it has totally failed to address the valuable role we have to play, our rights as New Zealand citizens to determine our own destiny and have choice in doing so. It has failed to address the ability we have as drystock farmers to be a part of the solution. Instead the current plan specifies a pathway that will ultimately destroy us, without even achieving the environmental outcomes it is required to achieve.

Being a farmer is not an ordinary job. Many of the jobs a farmer does are unpleasant, unpalatable and difficult. We're not people to shy away from a challenge or from hard work. We're not asking for an easy road. We understand that change is required to meet this Region's environmental outcomes and we are prepared to do our part. But we ask that in creating Plan Change 1, Waikato Regional Council reconsiders its recommendations, so that we have choice, flexibility, empowerment and the ability to be a positive part of the solution, rather than the casualties of a failed attempt.

In schools today, we're teaching our children about the need to collaborate and innovate. We're teaching kids that change is the only constant, that they will need life skills of flexibility and resilience to thrive in the modern world. Those are the skills we need to be employing ourselves to solve our environmental issues.

At this stage, Plan Change 1 is the opposite of all these things – it's a top-down highly regulated approach utilizing ad-hoc historical benchmarks to limit future activities. To our minds, Waikato Regional Council should be taking a much more modern, leadership-oriented approach to formulating Plan Change 1. They should be encouraging community involvement, ownership and leadership, rather than creating a structure that alienates communities, discourages collaboration and puts families at risk.

The sheep and beef industry has a critically important place in delivering environmental outcomes for this country. Please reconsider the provisions of this plan so we can contribute.

Thank you.