

BEFORE THE Commissioners Appointed

IN THE MATTER OF Healthy Rivers PC1

STATEMENT OF Reon Verry

Date: 21ST MAY 2019

BLOCK 2

Reon Verry

027 278 8678

verryfarming@gmail.com

PERSONAL

Chairman King Country River Care

Farmers 4 Positive Change executive

Meat and Wool Delegate Federated Farmers Waitomo Branch

KCRC

King Country River Care is now an Incorporated Society operating in 7 sub-catchments covering the entire Mokau River and Awakino River. KCRC is a community group. KCRC is set up as an umbrella organisation to co-ordinate sub-catchment activity. The committee is comprised of representatives from each sub-catchment.

We have two primary objectives that are interconnected. To promote “on-farm good practice” of sustainable land management principles. This includes identifying good management practice already being done on farms and highlighting this to external stakeholders. Secondly to ensure our regions farmers have a voice and representation in the development of policy.

Initial sub-catchment meetings late last year were attended by 190 out of 250 landowners in these catchments. We have employed a co-ordinator to ensure that momentum is maintained. Over 50 membership forms have been returned, these collect a lot of baseline physical property data so to have this many come back at our busiest time of year is fantastic. We have prepared a strategic plan and an action plan. Education and encouraging FEPs that identify Critical Source Areas are the main focus currently. We have held a Risk and Mitigation workshop in conjunction with WRC in the West Coast area and plan to more as resources are available. We are passionate about protecting our communities, improving water quality.

FARM

I am farming 1370 ha of Sheep and Beef 9km south of Te Kuiti. Our family owns half of a 750 cow dairy farm 5 km north of Otorohanga which has a share-milker on it. Of the Sheep and Beef land:

1200 ha is effective area

45 ha is production forestry

125ha is bush/wetland/riparian areas

420ha of the farm is in the PC1 area, the remainder outside of it in the Mokau River catchment.

I am supportive of freshwater restoration and now have over 16km of fenced waterways after completion of a further 2.2km this summer. I have concentrated this fencing in areas where we run cattle more intensively.

I farm 6000 sheep and 1500 cattle. This equates to 9 s.u. per ha. 55% of the stock units are cattle. We tweak our stock policy according to season and markets.

A winter/summer cropping programme is in place to facilitate the removal of beef cows from more vulnerable hill country during the winter months. This allows better management of any sediment run-off risk over the wetter months. It is also part of a pasture improvement programme. The summer crop is a filler as spring re-grassing has proven less reliable over the past decade.

Introduce other speakers

NRP

I do not consider Overseer to be a suitable regulatory tool as it was designed to test scenarios.

Grandparenting rewards the highest current emitter, and doesn't recognise those that have been operating sustainable to date.

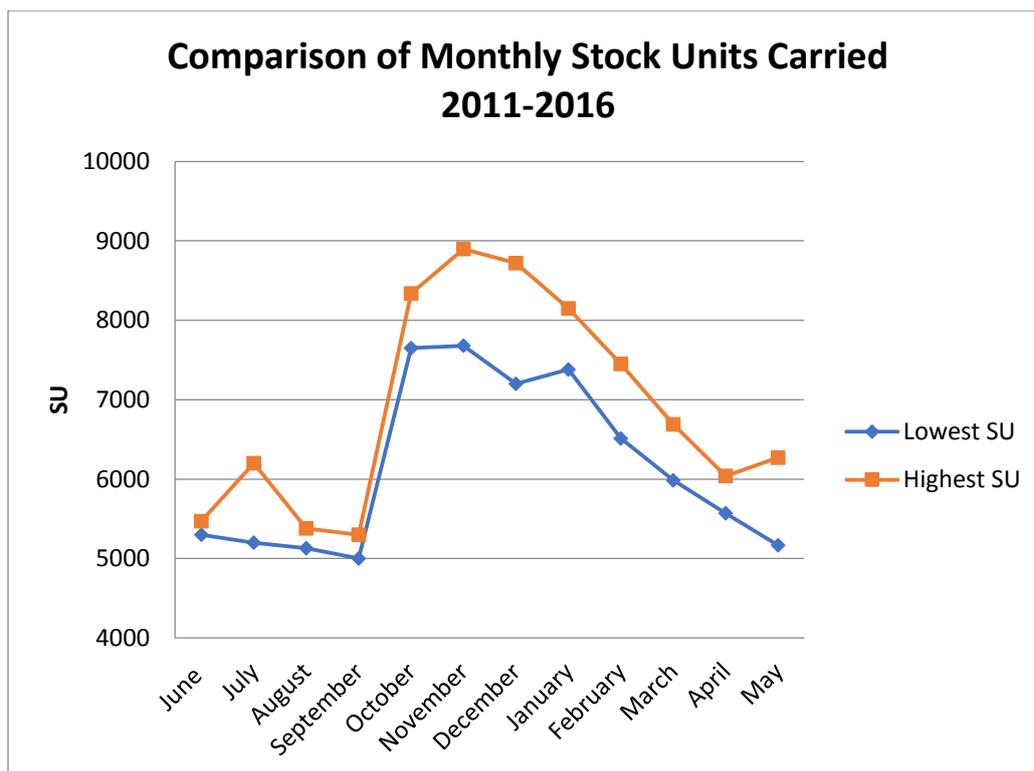
When trying to establish an NRP, there is information that can no longer be easily obtained due to changes in circumstance before knowing PC1's requirements

e.g. Having a sharemilker leave at the end of the 15/16 season. They own all the stock and supplement records needed for an overseer file. Once the sharemilker has moved on to a new job they have no obligation to trawl back through 5-year-old records to find info for an ex employer. This will probably not be an uncommon occurrence given how historical the reference years are.

e.g. We purchased 60ha in 2018 knowing the requirements of PC1. We obtained an NRP from a certified Ballance Farm Nutrient Planner and as much of the supplementary information as exists. In this case the farmer had his own truck which he used to transport stock between his dairy farm and this run off, he also had all his own cultivation equipment. We have no reason to doubt the veracity of the information supplied, the problem being invoices needed in the event of an audit to prove stock movements and cropping never did and never will exist.

There needs to be some flexibility and logic applied to situations such as these which PC1 doesn't seem to provide for. The default NRP where there are incomplete records heavily penalises people in such situations.

We have not completed an NRP for our sheep and beef enterprise. Our neighbour has done and since the reference year has managed to lower his Nitrogen leaching from 24kgN/ha/yr to 21kgN/ha/yr. He has achieved this by upgrading to the latest version of Overseer which cut the nitrogen losses of his cropping program in half. Cropping was 1.5% of the total farm area. This highlights a concern that expensive mitigations planned for a specific version of Overseer may, with a version change, no longer be as effective. This makes planning and implementing any costly nitrogen mitigations like buying a lotto ticket, farmers do not like this type of uncertainty and moving goal posts.



This graph shows the highest and lowest stock units carried per month on 540ha of our farm between 2011-2016 as illustrated by the gap between the two lines. This highlights the range of stock numbers that were carried to meet the natural grass growth curve within those five seasons. December had the most variation in stocking rate with a difference of 1500 stock units. This equates to an extra 1500 ewes on the property or 2.8 extra ewes on every hectare for that month. Large variations occur throughout summer and over the autumn. It looks like we are fairly pedantic about our June opening stock, this being the first month of our financial year. The blip in July was a year we stepped up our re-grassing program, had extra winter crop and grazed some dairy cows for 6 weeks. Flexibility in stocking rate is needed when farming closely to the natural grass growth curve as we do. Grass growth is dependent on seasonal climatic conditions. If we are to use stock units as a proxy for Nitrogen loss, then this graph shows why low emitters are asking for a bit of flexibility. Adjusting stock numbers to fit the pasture growth curve is important for maintaining feed quality when there is high growth and ensuring stock are looked after when grass growing conditions are not as favourable. Opportunities for saving feed by making hay or silage are limited on a lot of hill country properties due to a lack of suitable contour.

PC1 has the potential to create a bureaucratic behemoth at WRC just with the consenting required. I don't wish to see a situation arising where we have to complete an Overseer file for every year from here on in. This would be expensive both in time and resources. Compliance costs add nothing to the bottom line of any business, we need to make sure that the money spent is on improving the environment not shuffling paper.

STOCK EXCLUSION

I am not a great fan of seeing stock in water ways. On our farms we have excluded stock from most of the Mokau and Mangaokewa River, a project that has taken over 20 years to date, targeting the more intensively farmed areas first. We have progressively excluded stock from other waterways areas where we intensively farm cattle namely bulls and dairy grazers. We have a plan in place to continue excluding stock based on spending money to get the best results for water quality as we understand it. Our farms have had water systems in place for many years which have also helped in keeping stock out of the waterways, this has been added to many times and now covers 95% of paddocks. We have waterways which could be classified as requiring fencing but impact of stock in some of these waterways would be negligible due to the inaccessibility and reticulated water being available. The impact of fencing off steeper land with the tracking etc.. required will in some cases cause more adverse effects with sediment to achieve questionable benefits to water quality at low stocking rates. Fencers these days like to have a nice line to drive a tractor around and fencers are not easy to find. We have had a fencer on our farm for approximately 3 months a year for the last two years, he is in great demand. His rate is \$40/hr and \$30/hr for his worker, as far as fencing rates go this is at the lower end of the scale. They have done a mixture of new fencing, replacing and repairing old fences and environmental fencing at a cost of \$75,000 in wages alone. The cost of materials and ground preparation is in addition to this. This is a significant cost to our business.

I farm on the boundary of the Waipa catchment. We have many swamps which may require stock exclusion under the proposed rules, definitely if the intermittent waterway rule comes into being and slope rules are not relaxed. The picture below shows a typical shot of a swamp in the lower intensity part of the farm we live on. This is in a larger paddock grazed mainly with sheep, occasionally with cattle. Fencing off this swamp would achieve nothing in my inexpert opinion. We can see from the Raupo and Carex (cutty grass, rautahi) growing in and on the margins of this swamp that it is already in a natural state and good management practices will keep it this way. Overgrazing of areas like this would result in the destruction of the rushes in the foreground, the Carex and even the Raupo if overgrazed often enough. As it is I believe this area is currently behaving as a nutrient filter. There is more than one area such as this on our home farm where fencing would be costly and achieve little. The Farm Environment Plan process and the hapless FEP consultant required to execute it, should be able to have the discretion to identify areas such as this, as not requiring fencing.



It would cost \$3200 to fence 614m around this swamp with a single wire electric fence using WRC costing of \$5.20/m which allows for groundwork, materials and labour. Total area fenced 0.4ha. A lot of money for no environmental gain. WRC have suggested to me making these sheep only paddocks. This is an option but a sheep and beef farm relies on the complementary grazing synergies between different species to optimise production. e.g. animal health benefits and sward quality control.



Good results, low expense

We would like the fencing rules to take into account the amount of fencing required of a business and be realistic when setting timeframes for completion. We would also ask that the amount of water reticulation required is also taken into account. The cost of setting up a water system in our hill country is \$500/ha. We think there should be an intensity threshold before fencing is required, we'd suggest 18su/ha in the traditional sense for this plan change and only Dairy Accord waterways. If there has to be a slope rule 15 degrees should be the maximum. We also favour mitigating Critical Source Areas as a priority wherever they are on the farm, which may or may not involve fencing.

With the approach of Government stock exclusion guidelines, reference in PC1 to afforestation and the Billion Trees Program there is lack of certainty about any stock exclusion fencing other than on a farms best land. As shown even minimal fences are expensive and could become redundant due to the above. It would be preferable to have less stringent rules, achieving the biggest impact, now and revisit stock exclusion in the next Plan Change when the dust has settled.

MAORI LAND

I would like to briefly comment further on provisions for Treaty settlement and Maori owned land. If there were a significant increase in contaminant discharges within a sub-catchment as a result of changing land use due to this provision then it may be appropriate to revise water quality tables so that other land users don't have to provide for the increase.

POINT SOURCE DISCHARGE

I am not entirely comfortable with the seemingly softer touch given to point source discharges. I am not a great fan of off-setting but if it were allowable for point source discharge at least make it in the same sub-catchment so others within that sub-catchment don't have to carry the can for increases in discharges. Increasing population in urban areas around Hamilton, Cambridge and Te Awamutu are going to be a big challenge facing our environment and for councils and industry dealing with waste water and point source discharges. We would like to see stronger wording in Policy 11 which makes it clear that offsets should be proposed and they can only be allowed in the same sub-catchment. The adverse effects of being able to offset anywhere are that hill country gets planted and their rural communities decline. For example Waimiha.

SECTION 42A REPORT

The more I read of the sec42A report the more saddened I feel about the waste of time and money the CSG process was as another piece of PC1 gets shown the blade by the reporting officer. Unfortunately from my perspective this chap seems determined to double down on some of my least favourite PC1 highlights, namely stock exclusion and nitrogen.

We do not agree with the WRC asking for a reduction in Nitrogen discharge between the 50th and 75th percentiles, PC1 was written to achieve to a 10% reduction over ten years, why the sudden hurry to accelerate changes that will have significant detrimental effects on rural businesses and communities. This approach is still grandparenting and we do not agree with this form of allocation that rewards higher emitters.

Stock exclusion provisions were already over the top before the Section 42A report made them more ridiculous, although I guess the impossible is still only the slightly more impossible when you are including intermittent waterways as well. We are hoping we do not have any council drains on our property and we are supportive of the WRC's own submissions which point out that this would amount to even more of a private land grab. We, like the WRC, do not see any good reason nor justification for a 10m set back from these drains.

We share the WRC concerns around their lack of ability to process consents in the number that will be required within a limited timeframe. We also agree they will struggle to build the competency of their staff in time. We have little sympathy that they may have to refund some of their consent fees to hard working farmers in the certain event they are not able to process consents in time. Our experience with Variation 6 does not instil a lot of confidence and indeed renders almost unbelievable the thought that they would raise the stakes by attempting the Everest of consenting efforts even before the Section 42A report scuttles certified industry schemes and further complicates consent processing. We are pleased someone in the WRC implementation crew is thinking about the cost burden PC1 will incur on its target audience. It is with a small sense of irony that I see Mr Sinclair referring to the possibility of a catchment by catchment based approach to the rollout of the consent process, it is an idea that has merit in my mind along with a sub-catchment based approach to many other issues.

WRC ACCURACY OF DATA

This is a map of the property we live on, this hatched area is the area WRC have identified as prone to moderate or severe soil erosion risk. If this is the quality of the data WRC have been basing any decisions about PC1 on then there is cause for concern. More than 50% of that hatched area is in my opinion the least erosion prone land on this property and contains the majority of our best finishing country.

