

To: Waikato Regional Council

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From Open Country Dairy

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Submission on:

Waikato Healthy Rivers Plan Change 1

Open Country Dairy (OCD) currently has Supply Contracts with 360 Waikato based Dairy farmers. We support the Waikato Dairy Leaders Group submission. We are concerned about a large segment of the catchment not being included in the plan. Below is some further concerns based more around the practical application of some of the rules.

1. Nitrogen Loss – OCD supports the aim to get 10% reduction in leached Nitrogen in ten years

Expectation that 14/15 and 15/16 nitrogen loss figure will be used to establish the Nitrogen loss reference point(NRP)

Issues:

- 1.1. Farmers (OCD and Suppliers to other processors) have not had these established in the way that is outlined in the proposed plan change. Any data that has been prepared by Fertiliser Coops and passed on by OCD to farmers has been to meet SDWA purposes only and never intended to be used in a regulatory framework. I understand some farmers with a nitrogen loss values are now questioning their figures with a looming regulatory framework,.
- 1.2. Plan is silent on how the 14/15 15/16 data point is established if ownership has changed. Clarify how this will be handled?
- 1.3. There does seem to be some confusion as to what “current version” of Overseer means in the Plan Change – does this mean current = now or current in September 2018 when data points need to be submitted. Need to Clarify.
- 1.4. Five year rolling average to be used going forward- this creates a commitment for annual Overseer for each farm. No change sort here but it will be critical that WRC develops internal IT structures to handle the required data.

- 1.5. With changing versions on Overseer, how will this be handled- will rolling 5 year average be based on historic correction (to base around today's reality) or be at face value. Relief Sort- need to clarify
 - 1.6. Farms above 75th percentile will be expected to reduce to below 75th percentile – this is expected to contribute to 6-7% of targeted gains. Appreciate the need for specific line to work to but it does seem a bit innocuous that a farm which is at 74th percentile has this as his 5 year level that he must keep below (appreciate the gains from Good Management Practices are expected as well). NRP will be important for farmers land purchase decisions. The higher the NRP the more flexibility the potential purchaser will have, therefore land may be higher value.
Relief Sort- should look at a more graduated stepped approach to NRP with variable time lines.
 - 1.7. Good management practice - farmers are expected to follow GMP. This is expected to contribute 3-4% of gains within the first 10 years. This locks all farms into a cap based on their current farming practice. 14/15 and 15/16 were relatively low payout seasons and farmer did take some significant changes to farming practises to survive financially. These are not good benchmark years for establishing NRP. Relief Sort: target benchmark seasons to include 16/17 season.
2. Farm Environment Plans (FEP) we support the need for FEP and see this as important part of the future.
 - 2.1. Permitted Activity
 - 2.1.1. The requirement for Certified Environment Planners will take some time for WRC to set up structure and have suitably qualified people available for this work. We think this will be a significant constraint.
Relief Sort: consideration should be given to a more farmer generated approach in the short term, moving to a Certified Plan at a determined point of time in the future. Appreciate this will not be fully adhered to but this would get farmers taking some ownership and some early steps (with guidance from DNZ etc) in the right direction earlier than the Plan change outlines
 - 2.2. Consent
 - 2.2.1. Consent process for farms not included in Industry scheme- farmers should have a no worse outcome than farmers within a scheme. There should be an option for farmers to follow a scheme but not a full Consent process with all the associated regulatory costs
Relief Sort: It is important that WRC set up in such a way to provide same outcome. WRC should consider outsourcing this process i.e. a suitable organisation should be contracted to set up a default scheme.

3. Land Use change

3.1. As I understand the rule, if cows were not on the property on 21 October 2016, then it is not deemed to be a Dairy Unit. Situation due to illness, farm sale, business restructure, family situations etc can mean that a long standing dairy operation is not milking cows at this point of time. Therefore, to return to normal practice (dairying) there would have to be a Consent sort and this would have to demonstrate that NRP did not increase from current (21/10/2016) practice. We feel this would create undue hardship.

Relief Sort: allow for a review by WRC (panel of experts) of individual cases to deem land use to be continuous farming activity.