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Hundreds of farmers in the lower North Island are up in arms over a radical new approach to environmental regulation that they are labelling 'licence to farm'. Yet the Horizons Regional Council is proud of its still-evolving One Plan and the promise it holds for the environment of the future.

Consent-to-farm regards all intensive farmers as "guilty until they can likely prove they are innocent", argues Manawatu/Rangitikei provincial president, Gordon McKellar. He sees it as an expensive and highly offensive concept that could cost farmers thousands. Money that could be spent on environmental improvement will instead be "wasted on a great expansion of a bureaucratic RMA gravy train", he says.

Horizons says the cost of the programme up to the end of the hearings process is \$5.5 million but will be about \$9 million over the project's life. It estimated existing plans would have cost \$18-\$20 million over the same period if done separately.

The One Plan approach is being watched with interest by other regional councils. The four big issues are water quality, water quantity, biodiversity and sustainable land use. For farmers, that directly impacts farm practice and potentially, their property rights. The One Plan looks to control everything from nutrient run-off through to water demand. One Plan will also look to control what it deems 'unsustainable' pasture management on 300,000 hectares of hill country. It also includes that old chestnut, biodiversity.

Kate Rivett-Taylor asks, is the potentially precedent setting One Plan the death of farming, a monetary black hole for bureaucracy or what the environment really needs?

McKellar agrees that the council needs to balance environmental enhancement with economics. The 'but', he says, is its "totally unbalanced One Plan". He claims it will put some farmers out of business and force others to de-stock in order to meet targets.

Yet Horizons' group manager regional planning and regulatory, Greg Carlyon, says only about 45 of the 970 farms in the region will be "challenged" by the One Plan. He argues something had to be done because 213 applications were lodged in 2008/09 to increase herd size. The volume of effluent being discharged on a per farm basis has already increased almost five-fold since 1992. "Dairy farming is here to stay. We want to make it grow. But it's got to be sustainable."

The initial review of the region's resource management documents and policy statement began in 2004. Hearings have been held for the biodiversity and coastal sections of the One Plan, with water-related hearings now underway. The Hearings Committee is expected to announce its findings in June, with the regional council adopting the plan in July. An almost inevitable appeals process will certainly follow.

At the heart of the One Plan is the introduction of a Farmer Applied Resource Management strategy or "FARM strategy". The strategy encompasses other parts of the farming operation that require consent such as water takes and discharges and replaces multiple consents with one. This is raising farmers' hackles in a process that has been nicknamed 'consent to farm', 'licence to farm' or even, 'a right to pollute'. Intensive farms in certain catchments will have to fill out a FARM strategy in order to obtain resource consent. The aim is to reduce the amount of nutrients being lost off farms that pollute water.

There is also a nitrogen cap based on Land Use Capability (LUC) that farmers must not exceed if they are to continue farming. If they exceed their cap, there are a number of mitigation options including feed pads, removing stock access to waterways and off-farm grazing over winter. Initiating mitigations will reduce nitrogen loss but it all depends on how many farmers can realistically deploy these options. Some farms simply don't have much room to improve while still remaining economically viable.

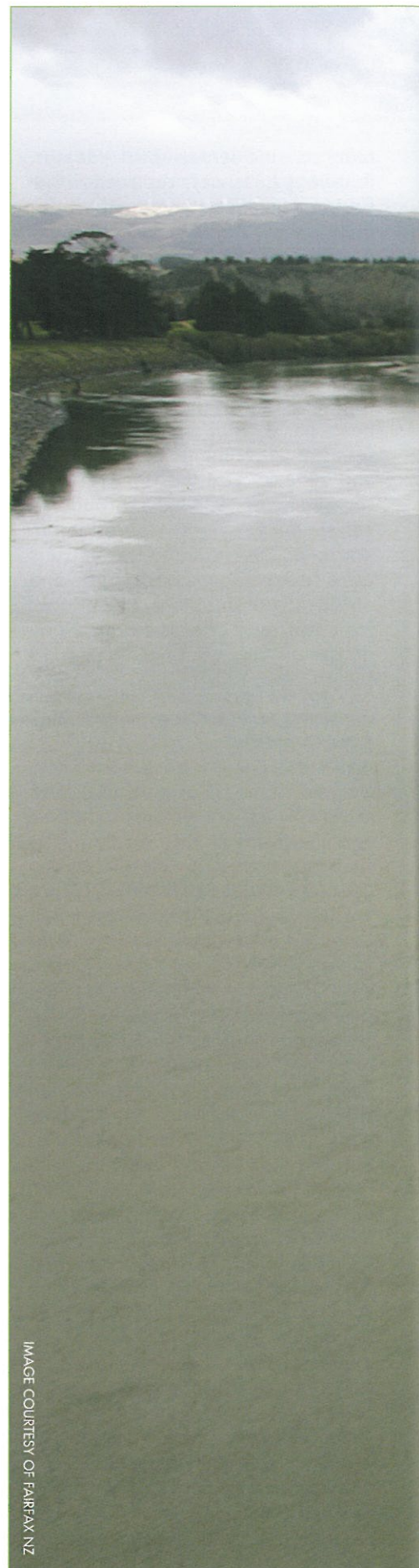


IMAGE COURTESY OF FAIRFAX NZ



One Plan to rule them all

A tale of three regions

Is this tense relationship between farmers and the **Horizons Regional Council** replicated in neighbouring authorities?

Federated Farmers Taranaki provincial president, Peter Adamski, gives high marks to **Taranaki Regional Council** for being proactive and not reactive, to the environment. A large reason seems to be the culture of its staff and the leadership provided by its chief executive, chairperson and councillors. "It's good with ongoing monitoring, setting rules that are realistic and enforceable and works closely with the community," Adamski says. "It helps to only have three district councils to work with." It is constructive that the Federation works with the council rather than against it, Adamski adds. "Federated Farmers has a person sitting on one of its committees so we're up to play with what's happening. If it's making changes, they're based on science not hearsay and it has a good understanding of issues to start with. We're a smaller, isolated region. Everyone knows each other and council staff know the people, the issues and the land around Taranaki." Federated Farmers Taranaki Dairy chairperson, Derek Gibson, agrees. "We have a good working relationship with our regional council. There is help available for those who require it. Except in individual circumstances, the council is working alongside farmers rather than bulldozing them into things."

The logic behind regional councils and farmers working together has been vindicated this season by a spectacular improvement in dairy farm compliance in the **Greater Wellington Regional Council** area. Dairy farm non-compliance has been cut in half from 26 percent to 13 percent. Federated Farmers Wairarapa Dairy chairperson,

Graeme Stuart, says his farmers now wish to set targets that will see them beating the averages reported for other consent holders. "We're optimistic we can get there because the goodwill of farmers is being matched by a regional council that views us as part of the solution and not the problem. "This is a very good farming story. It shows how a cooperative, not adversarial, approach gets results," he says.

The **Hawke's Bay Regional Council** also has a constructive relationship with farmers and seems happy to educate for better environmental behaviour rather than to regulate, says Federated Farmers Hawke's Bay provincial president, Kevin Mitchell. "The council has always advocated for this approach because you get better buy-in using a carrot rather than a stick. This attitude also creates a positive feeling among farmers who seem happy to approach the council over issues," he says. The council has recently set up a dairy liaison group to improve communication between farmers and council staff at the beginning of any process to make changes. Councillors and staff recently visited a member of the group's farm, who shared with them some of the daily consequences of council decisions. These decisions sometimes require a working knowledge of farm systems. The flow of that coal-face information is one of the reasons the council has set up the dairy liaison group, according to its land management advisor (dairy), Brendan Powell. The group has a core membership of farmers representing geographic areas of the region, but any dairy farmer is welcome to attend or receive the minutes/decisions. It also involves industry stakeholders such as Fonterra, DairyNZ and, of course, Federated Farmers.

But the general view of farmers is that this is overly optimistic and cannot be met with current technologies. It's not a case of not wanting to, but not being able to. One dairy farm in Tararua was unable to meet 20-year limits using any form of mitigation. Only the radical methods, like conversion or destocking, worked. Many farms on sand country or in high rainfall areas would likely be in the same boat.

Gordon McKellar says great improvements have been made with dairy effluent in the past decade and over 98 percent of the region's dairy farmers are recycling effluent back to land. But nitrogen loss, largely from livestock urine, is new territory.

"The first thing Horizons want to do is regulate," he says. Instead, McKellar argues, the vast majority of farmers wanted to see the council working with them on affordable and practical options to limit nitrogen loss. Nitrogen is expensive so converting it into

protein and fibre made economic sense.

He says land use capability, or LUC, wasn't designed as a regulatory tool but Horizons had used it as such. Introduced in 1952 to categorise land by soil type, LUC has been used as a guideline in farm development, alongside the limitations of wetness, soil and climate. Trying to adapt it as a nutrient management tool, he says, doesn't allow for changes in soil types at the micro scale.

"Any inference about leaching can be over, or underestimated, for any land class by some margin. Add to that the variation in rainfall and the variation in Overseer [AgResearch's nutrient budget model], then it becomes dubious that you are going to gain any real control over the problem," McKellar says.

Yet a focus on nitrogen may be a mirage, McKellar believes. If, in 20 years, the supposed nutrient problem in the Manawatu has been controlled, it

won't mean anything if our rivers and landscapes have gone further downhill. "You will merely have a smaller nutrient problem. If the LUC was used for the reasons it was designed for, it would help mitigate more issues. The problem is so much more than just nitrogen."

Dr Tessa Mills is a policy analyst for Federated Farmers in Manawatu with 20 years experience as a research scientist.

The shift in focus, she says, from effluent management and fertiliser use to nitrogen arising from dung and urine patches will have huge implications.

"That doesn't necessarily mean it's wrong but the timeframe is. They haven't tried a non-regulatory approach. Farmers are ill prepared for this new hurdle that wasn't on the cards." Although she agreed the science was sound, it also has a measure of guesswork. She was critical that policy rules are being developed with

absolute certainty on something that wasn't absolute. "It is a rule that is difficult for our guys to even try and achieve as there's insufficient preparation time."

Mills says Horizons is encountering resistance because its policy changes and timeframe were unrealistic and unreasonable. Farmers may also point to the 50-year, 'step-wise' timeframe Horizons is giving local councils and industry to create infrastructure decisions for 'future long term gains' related to urban water quality. The main culprits behind degradation of the Rangitikei River's water quality are the towns on its tributaries.

"Even if farmers are able to comply with nitrogen loss values, the absolute water quality targets Horizons has specified will not be reached," Mills adds.

She pointed to expert evidence requested by the council that showed expected on-farm mitigation costs. "For farmers not within the limits set in the proposed plan, mitigation could cost 'as little' as \$41,000 but as much as \$450,000, depending on where you are starting and what target you must meet, based on your land use capability.

"Some farmers may be at best practice now so the only option may be to destock. Some have a long way to go but, by in large, a lot are operating really well. To meet this level of compliance it will be a hell of a road to stay viable."

Farmers want to take ownership of past problems but one generation can't fix it all, Mills says. "It has to be done in a way that doesn't put people out of business. For those who flaunt the law, yes, prosecution is required. But let's not make our farmers non-compliant just because Horizons is making unrealistic rules."

Federated Farmers Dairy executive member, Andrew Hoggard of Feilding, says the FARM strategy will take away the required flexibility in farming. If, for example, a FARM strategy had off-farm winter grazing but adverse events forced stock back onto the farm, the farmer would either have to pay to vary their consent or face prosecution. For those in a target catchment, everything they do has a bearing on Overseer that underpins a FARM strategy.

"Farming is such a variable thing – we're dealing with the weather, market forces and animals," Hoggard says. The weakness is what he describes as a 'farming by numbers' approach.

Changing where effluent was spread, the herd profile or even the amount of crops grown, changes the number at the bottom. "I'm not certain how it's going to work in practice."

It will make farming in Horizons less attractive, potentially affecting land prices, according to Hoggard. "If this was to come in here, I would seriously look at whether I would carry on improving the farm. My gut reaction would be to look for opportunities elsewhere."

He claims Horizons' approach is emotional rather than scientific and analytical. However, Greg Carlyon, of Horizons, says the science behind the One Plan is robust.

"We've had seven Crown Research Institutes working for us on this – all of which we've said we'd make available to Federated Farmers and others as they wanted it."

He says the council completed 21 FARM strategies and sought advice from the industry itself. Farmers can complete the FARM strategy workbook themselves or pay someone to do it for

them. That's the rub for farmers – either increased compliance time or cost.

But Carlyon argues that it's "just like getting your tax done – just like a normal consent application, in actual fact". If it is done by a certified consultant, the consent should pass through the council process without any further review, he says. The question of cost was also put to the research agencies during the process.

"They said, at the basic level, which is 90 percent of the farmers in our region, it would be about \$1,500." Yet the cost of the strategy ignores what could be substantial costs for on-farm mitigation. Complexity is further reinforced by Carlyon's other comments. He warns farmers about treating this as a tick box exercise. "There's a tradition of getting farm plans and chucking them in the drawer and ignoring them... This is not that kind of exercise."

The council says it will share the cost of standard variations to the FARM strategy and consents. When done by a certified consultant, this cost will be "\$500 or less", Carlyon claims. The cost



Federated Farmers meeting on One Plan at Rongotea Memorial Hall, November 2009.

of variations to that consent, if a farm is under its nutrient regulated amount, will be zero. If the farm is over its nutrient allocation, however, there is likely to be dollars involved. Farmers will still have to pay for the services of this 'certified consultant'. Even a zero council fee won't mean zero application cost.

On a positive note, Carlyon says the council "has to be reasonable" and accepted that adverse events are out of farmers' control. If that forced farms over a target at short notice, such as having to bring stock back on farm if off-farm grazing is affected, Horizons would not penalise them with more costs. "That scenario is very likely to happen. You can't account for it. You can't plan for it. We know that." Getting that written in policy seems an important thing to do.

He further disputes the notion that the council hasn't communicated well, but a common response when talking to people about Horizons is the "big stick".

One such person is Manawatu/Rangitikei Federated Farmers dairy chairperson, Robert Irvine, who farms on the banks of the Manawatu River near Opiki. "They've got the big stick out and created a huge amount of distrust. People will be dragged kicking and screaming. The best forms of regulation come naturally, where people understand the reasons, accept it and go forward."

He freely recognised the dairy industry has an environmental effect, but then again, everything humans do does. Something has to be done but it's the way it is being done that he's not happy with.

"Come to me with decent science and decent solutions and I'll buy into that. Come to me with a load of bullshit and I'll fight you all the way... because I need to."

These are fighting words but Irvine isn't alone in his sentiments. Dr Tessa Mills says the fight isn't necessarily against the theory or innovation represented by the One Plan, but the way Horizons has gone about it.

"There's real merit in the way Horizons has tried to devise the plan," she says. "But so much of it is experimental science. We'd love the council to partner us and make it a constructive relationship going forward. Horizons' argument has been that farmers won't do what's required, but they haven't even tested a non regulatory way."

Gordon McKellar says most farmers don't need the big stick. "Horizons must develop a new attitude or risk losing the vast majority who take their environmental responsibility seriously," McKellar says. "Building a massive bureaucratic empire to service the One Plan is like sucking money into a black hole."

President of Tararua Federated Farmers and sheep and beef farmer, Andrew Day, encourages farmers to be less scared of the One Plan.

"There are bits I don't agree with and need modification, but the main thrust, in essence, is what's required. Farmers don't like someone telling them how to run their business but at the same time, it's a necessary requirement of the regional councils to do that, given the information they have on the off-farm effects of farming."

inappropriate, argues Day. "Allocating pollution rights on land class is better than giving a windfall gain to the guys currently causing the problems. But, as I said, that's difficult when someone's business might be at stake."

Another issue is that only the dairy sector is being strongly represented at the hearings. He warns other farmers that they, sooner or later, will have to face a similar approach.

"They're allocating to all land in a catchment but only enforcing it on dairy. Other farmers need to be aware of this now for it could impact on them in the future. We have only one group of farmers thinking they're in the gun but all landowners should be treated equally. The decisions that all farmers make contribute to the problem and all farmers can be part of the solution," Day says.

"Horizons must develop a new attitude or risk losing the vast majority who take their environmental responsibility seriously," McKellar says.

"We've got problems and we have to address them. We need the push, for if we don't have the deadline or the requirement, it tends not to happen." Day says the One Plan is complex and there are varying levels of understanding about what the council's intentions are.

"A fundamental part is the allocation of a scarce resource. Some call it 'consent to farm', but it is also the right to pollute. The overall aim is for farmers to make better informed decisions about what they're doing – to look at the regional costs of some decisions they make on farm."

Nutrient loss is the most contentious part of the plan for most Tararua farmers.

"We're used to talking about nutrient loss but when you add it up...and put it in the rivers, it is a pollution allowance. How do you allocate that in a region in a fair manner? That it doesn't overly reward the polluters or penalise the ones who aren't causing the problem, while keeping people in business."

While land use capability is being used out of context, it didn't make it

Despite widespread ill feeling from farmers towards the One Plan, Greg Carlyon is proud of the One Plan process. He strongly disputes that it has been a public relations nightmare. Yet he indicates the council is bending to urban demand. "There's another huge sector of the community who are saying the exact opposite to what the cockies are saying," he says. He points to parts of the community calling for action as the Manawatu River has supposedly deteriorated to the point where it's no longer safe to swim in.

Yet given Horizons also admits that urban and industrial pollution has a major, if underreported and underappreciated effect on water quality in the public's mind, Federated Farmers message is clear. It's not what's being fixed, it is how it's being fixed. The fight's clearly not over and could well come to a regional council near you.



Kate Rivett-Taylor
Is a freelance writer on agricultural issues