

PC1 Submission

Mark Harris, 743 Rotowaro Rd, RD1, Huntly

Presentation Outline

1. Overview of farming business and dependent families
2. Impact of PC1 on us
3. Review of key aspects of PC1 and desired changes

Harris Family Farm

- 38 ha in 1938. Growth by acquisition over 3 generations
- Dairy Farm now 213 ha
- 10% in trees
- All 0.3m deep water ways fenced
- Sediment traps in many gullies - Fenced



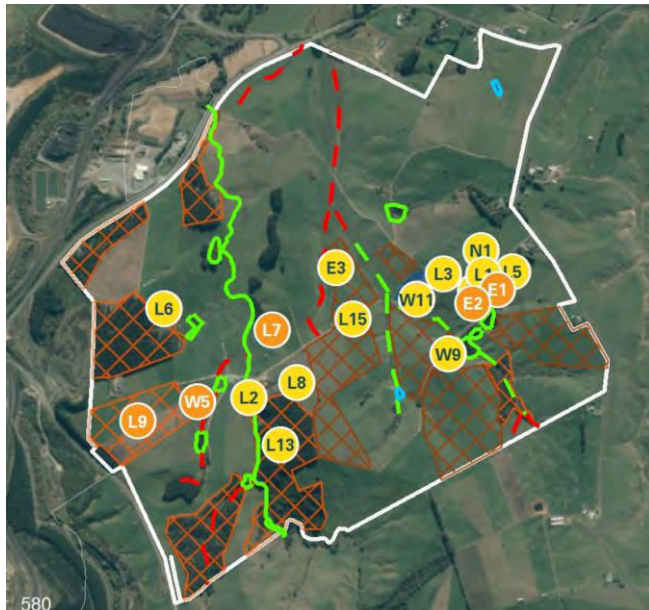
Harris Family Farm

- Low producing/low stocking rate – dry summers limiting productivity
- Not sustainable economically for next generation
- Autumn calving transition beginning 2016/17 – lower feed demand in summer – more days in milk
- Requires more maize/less turnips
- Feedpad/Standoff facilities & bunkers built \$200k
- 3 months effluent storage \$30k



Harris Family Farm

- FEP in place since Oct 2018
- All key water ways fenced
- On going work programme



Harris Family Farm

- Ginn road drystock block 62 ha purchased 2011
- Ex dairy farm – cowshed still there
- 0.3m deep streams fenced
- Maize grown for home farm



Families supported



Dairy Farm PC1 Impact

- Production History

09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19
114	128	140	109	118	106	121	126	150	180
			drought	drought	theileria	\$4 payout	25/75 sp/au	50/50 sp/au	65/35 sp/au
-\$78k	-\$10k	-\$61k	-\$62k	-\$49k	-\$76k	-\$30k	\$12k	\$115k	Est \$100k+

- N ref set in low production years
- New rules mean future potential limited
- Credit for significant environmental work prior to PC1 absorbed/not recognised (retired land - 10% trees, multiple sediment traps etc)
- Potentially 1 family will have to leave business
- Investment \$100k PA for 10 years wasted
- Next generation denied dairy farming option – exit via large lifestyle block subdivision required

Drystock Block PC1 impact

- Ideally added to dairy farm next door in future
- Land value as dairy \$25k/ha
- Land value as dry stock \$18k/ha
- PC1 impact \$7k x 62 ha = \$432k loss in capital value

1. Parts of Plan to Change

N Reference point

- ✓ Profiles range of potential discharges - useful for planning and identifying farms investment in would possibly yield best improvement
- ✗ Uses model for regulation not designed for that purpose
- ✗ Locks In reference year productivity – stifles growth - history shows farms who stay still eventually go out of business
- ✗ 2 farms on the same LUC and operation type but farmed differently, have different limits applied
- ✗ Massive distortion of capital value structure post PC1 implementation – 2 farms above currently similar value, post 30% drop possible/likely
- ✗ Only 1 contaminant to be regulated by model-based quantification – P and sediment much more important for water quality. Yet N limits restrict productive capacity and wealth generation for community (P 4.3 x more important than N for river. N determines our wealth generation for community)
- ✗ Cost – 1k to 2k per farm – \$6-12M, no environmental gain

1. Parts of Plan to Change

N Reference point – Option 1

- Use only to determine 75 percentile farms and profile catchment
- Use FEP as a means to ensure farms achieve best practice. N ref point not needed for regulation

Preferred

N Reference point - Option 2

- Benchmark representative farms properly – industry bodies can do
- Use to identify best practice and build a model of catchment
- Roll out min standards through requirements in FEP's in future

2. Parts of Plan to Change

Land Use Change Requires Resource Consent

- ✓ Provides a means to ensure new use fits with land use suitability
- ✗ Link to N ref point means land is unlikely to be developed
- ✗ Farms must become more productive to remain viable
- ✗ Severely penalises low N Ref point properties, even where the land is highly suitable for new intense usage, e.g. market gardening

2. Parts of Plan to Change

Land Use Change: Suggestion

- Develop land use suitability guide. Change land use if suitable and farmed to best practice via FEP

3. Parts of Plan to Change

Fencing Water Ways: Set backs

- ✓ On more intensive grazing properties maintains integrity of stream banks, reduces sediment/P run off and keeps cattle out of water
- ✗ Set back limit 3m overly restrictive – takes productive land out of service and reduces productivity. Research shows 70% of sediment capture is achieved with 1m setback



3. Parts of Plan to Change

Fencing Water Ways

- Minimum set back adjusted to 1 m
- Cultivation setback on land 15° to 25° 2m (from 5)

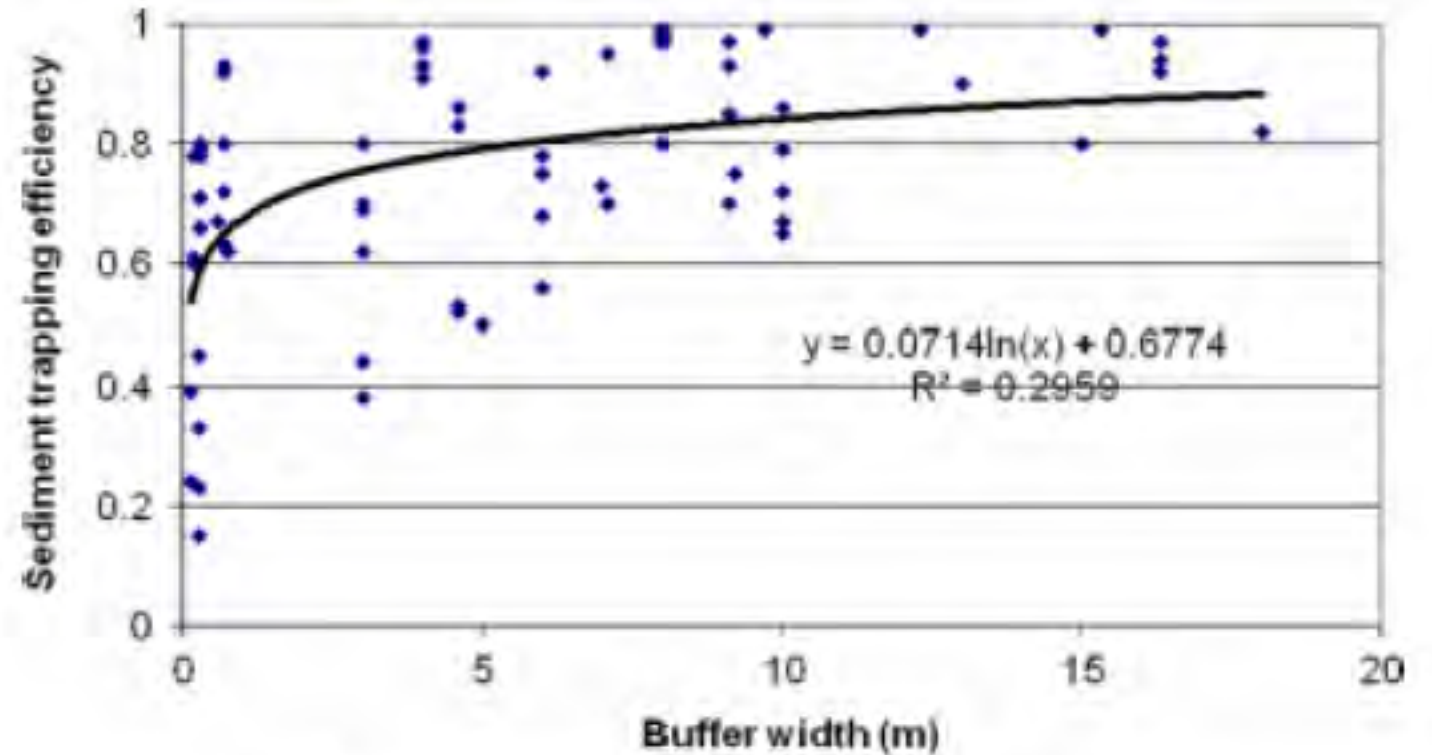


Figure 1. Buffer width and sediment trapping efficiency.

PC1 Impact on Our Business in Current Form



Summary of Changes Requested

- Drop N Ref point as means of regulation
 - Compromise:
 - Nref to profile catchment/ identify 75%ile farms for prioritisation
 - FEP to implement best N management practices
 - support original S42A proposalOr preferred as lower cost for community and more accurate
 - **Benchmark LU vs soil type/contour for monitor farms** (say 200 through catchment)
 - Devise limits on practice over time and implement via FEP
- Land Use Change
 - Define **acceptable Land Use Classification system based on production/unit discharge**
 - Allow Land use change to acceptable usages based on topography/soil type, with suitable FEP and monitoring programme
- Set Backs
 - Pasture 1m (from 3m)
 - Cultivated land 2m (from 5m)