BEFORE THE

Waikato Regional Council

IN THE MATTER OF

Healthy Rivers Wai Ora Plan Change 1 and Variation 1A

STATEMENT OF

Kate & Aaron Reese
Kainui Ranges Limited

23 June 2019

Contact for Service

Name: Kate Reese
Phone: 021 217 0646
Email: kate@teamreese.co.nz

Scope of Statement

Kainui Ranges is a hill country sheep and beef farm located in Onewhero, North Waikato. Our farm is situated in the Opuatia Subcatchment of the Lower Waikato Freshwater Management Unit, assigned Priority 1.

The farm is 310ha effective, split fairly evenly either side of Ponganui Road. The Opuatia Stream flows through the North half of the farm. The Poporo Stream flows through the South half of the farm, joining the Opuatia Stream further down Ponganui Road.

Our ethos is to farm sustainably and to the environmental capability of the land, minimising sediment runoff and erosion, encouraging biodiversity in and around our waterways, and making improvements when finances allow.

The focus of our first three years of farm ownership has been to:

- Improve soil fertility (low pH and Olsen P).
- Install water reticulation.
- Subdivide paddocks to enable a change in cattle policy.
- Split ewes into maternal / terminal mobs (and lamb terminals earlier).
- Fence off the Poporo Stream to prevent cattle access (sheep still graze the riparian areas).
- Plant poplars in erosion-prone areas and willows and native plants along the riparian strips.

We aim to run a profitable and sustainable business. To achieve this, we need to retain a large degree of flexibility as the weather and environment influences our level of production and the demands of the consumer and international trade relations influence the price we get for our product. Health Rivers Wai Ora Plan Change 1 needs to allow for flexibility at a farm level while retaining its purpose and intent.

Specifically, I will focus on:

1. Nitrogen Reference Point – Schedule B
2. Stock Exclusion – Schedule C
3. Farm Environment Plans – Provisions 3.11.5.3, 3.11.5.4
4. Subcatchment Mitigation Planning, Coordination and Funding – Provision 3.11.3

Introduction

1. My full name is Kate Lesley Reese.
2. I married Aaron in 2000. We have two children, Emily and Hayden, who both attend Onewhero Area School, Year 11 and Year 9 respectively.
3. Together with my husband, Aaron, we are Directors of Kainui Ranges Limited, a sheep and beef farm located in Onewhero.
4. I was raised on the farm and went to Onewhero Area School, then Hamilton Girls' High School for my final two years of school. I spent three years studying towards a Bachelor of Engineering at Auckland University before a head injury caused me to reconsider my career path. I have since worked in administration, marketing and digital media.
5. Aaron was a Chartered Accountant and finished his corporate career managing the Investment Operations and Insurance areas of ANZ.
6. In 2013, my father started talking about the possibility of selling the farm and retiring. We were living in Mt Eden, Auckland at the time and after lengthy discussions and a great deal of thought, we decided that we would like to give farming a go. (We had unsuccessfully tendered on a farm in the same area 10 years earlier and moved to the city to earn and save more.)
7. My parents had already been living off farm since 2006 and rented the farmhouse out. My father drove 20 minutes to work on the farm, 5-6 days a week. He started farming conservatively as lifestyle became more important and the farm was freehold.
8. We sold our Mt Eden property and moved onto the farm at the beginning of 2015 for a 'trial' year of rural experience and learning.
9. It wasn't difficult to decide to continue and we took over the farming business on 1 July 2016.
10. As we had three of my siblings to consider, everything was valued at market rates. The process was communicated clearly to the extended family and there was plenty of opportunity for discussion. We were lucky that no one else was seriously interested in the farm, which made succession much simpler.
11. My parents have left a significant sum of money in the farm, for which we pay an interest rate in between the market rate for term deposits and lending, benefiting all involved. This loan is reviewed annually.
12. Aaron manages and works on the farm full time, while I help out as and when I'm needed. I also freelance part-time in design and web development to assist with living costs.
13. I am in the early stages of setting up a subcatchment group, having consulted Don Harford (WRC), Merrin Whatley (Catchment Coordinator & Principal Ecologist, Adaptive Environmental Consulting) and Jeremy Leigh (Upper Maire Subcatchment Group) on the process.
14. We are part of a RMPP Action Network Group (North Waikato) that meets regularly on member farms to review and discuss performance and potential improvements.
15. We maintained my father's stock policies for the first year of farm ownership while we became familiar with farm management. He farmed breeding ewes and trading cattle (steers) in a 60:40 ratio, wintering 8.5 SU/ha. Lambs were finished on farm and most cattle were finished, with some being sold as store cattle. The cattle were used to clean up pasture around the farm, so were kept on farm up to three winters.
16. We decided to change our stocking policies to farm a lighter class of stock as the heavier cattle were causing too much damage to pasture over winter and not gaining weight.

17. We now farm 130 Friesian bulls, purchasing them from a private supplier as weaners and selling them to other farms for finishing as yearlings. We also farm 100 beef steers (of various ages) and will finish these before their third winter on farm.
18. We farm to the grass curve. We do not import feed or supplements but make hay on farm.
19. Nitrogen is applied strategically, with the quantity determined by soil tests and the application timed with the weather. We also apply some Nitrogen to the ewe multiples' paddocks prior to lambing.
20. While we have not finalised our farm environment plan, we have assigned particular areas of the farm to be exclusively grazed by sheep (steeps slopes and next to a waterway).
21. We passed our inaugural AsureQuality Farm Assurance audit in April 2019.
22. Cyclone Debbie (April 2017) was a significant event for our farm, receiving 156mm of rain in 24 hours. Forty-eight fenced paddocks were reduced to 24 when multiple slips destroyed many fences. Repairs and clean up has placed stress on our finances and wellbeing. However, we recognise a more urgent need to migitate soil erosion and sediment runoff in order to preserve our environment.
23. We use the Opuatia Stream for recreational purposes (camping and swimming).
24. I am happy to answer any questions from the Hearing Panel.

Specific parts of the Plan that I am commenting on…

Nitrogen Reference Point

25. We oppose the proposed methods used to calculate the Nitrogen Reference Point (NRP).
26. We think this because the NRP will be based on recent farm management practices rather than the land's natural capabilities. The methods of calculation are not fair and equitable across farms of similar soil type, climate and topography.
27. New farm owners are at an immediate disadvantage as they 'inherit' the NRP from the previous owner.
28. We took over the farming business from my parents on 1 July 2016.
29. My father had been farming conservatively as he lived off farm, did not need to service any debt (the farm was freehold) and lifestyle became more important. He wintered 8.5 SU/ha.
30. We have increased our stocking rate to winter 9.5 SU/ha through farming a lighter class of stock and better pasture management.
31. My father contracted Quantum Laboratories (now known as QLabs) to undertake soil tests and make fertiliser recommendations. QLabs uses the Albrecht Ratio Theory, which focuses on calcium (Ca), magnesium (Mg) and potassium (K), only three of 16 nutrients needed for plant growth.
32. We did not agree with the Albrecht Ratio Theory approach to soil fertility, so contracted Ravensdown to undertake soil tests and make fertiliser recommendations, focusing on soil pH, phosphorus (P), potassium (K) and sulphur (S).
33. Ca and Mg levels were found to be excessive, while soil pH and Olsen P were well below the recommended levels for optimum plant growth.
34. For the first two years, we applied 500kg/ha of superphosphate (capital) on rolling/medium country and 300-350kg/ha on the hills. 3t/ha of lime was applied on rolling/medium country with low pH.
35. Soil tests in October 2018 confirmed the improvement of soil pH and Olsen P across the farm.

36. Fertiliser is now applied at maintenance levels – 350kg/ha on good country and 250kg/ha on the hills. Nitrogen is applied pre-lambing on the multiples' paddocks, spread by bike and at a maximum of 25kg/ha.
37. We would like to see the methods of calculating the NRP change to take into consideration the *topography* and *land use classification* of individual properties. We think neighbouring farms of similar soil type, climate, *topography* and *land use classification* should have the same NRP/ha.
38. Does the calculation of the NRP take into account the natural attenuation of nitrogen, and do the experts agree on the science surrounding this?
39. Sediment run-off is the biggest issue for the Opuatia Subcatchment, not nitrogen leaching.
40. Mitigating nitrogen losses is unjustified for hill country sheep and beef farms as our contribution to N loss is less when compared with other pastoral uses, e.g. dairy.

Stock Exclusion

41. We oppose the rules and timelines set by Schedule C. The reasons we think this are:
42. We have two *named* rivers and eight *unnamed* rivers on our 315ha hill-country property (according to the WRC Water Classification map at http://giswrcmaps.waikatoregion.govt.nz/WRCMaps/Full.aspx?variant=Water-Classification). The named rivers measure a minimum distance of 3.0km. The unnamed rivers measure a minimum distance of 3.5km. In addition to these, we have several smaller tributaries, and numerous swamps and constructed dams/ponds. To ask us to exclude cattle, horses, deer and pigs from *all* of these water bodies, and by 1 July 2023 is extraordinary and unrealistic.
43. The farm is divided into 48 paddocks of various sizes and contour, a small number of which have water reticulation. All of the defined water bodies are sources of water for our stock. We have installed water reticulation to 14 paddocks in the last two years at significant cost. We still have a large number of troughs to install and will do so as we can afford it.
44. We have been profitable in our first three years of farming, but are still servicing sizeable debt. The cost of excluding stock from the defined water bodies *and* of installing water reticulation in the paddocks from which the stock's water source has been removed, would be crippling. Especially if it all had to implemented by 1 July 2023.
45. The exclusion of stock from *all* defined water bodies is extreme, and not logistically and financially viable on hill country farms.
46. Soil conservation on the steeper slopes of our farm is a greater priority for us.
47. We are concerned there is not enough scientific evidence to support the exclusion of stock from *all* defined water bodies.
48. We would like the rules and timelines to be amended as follows:
49. Cattle, horses, deer and pigs should be excluded from water bodies with a continual flow of surface water wider than 1m on average, rather than *all* of the defined water bodies.
50. There should be more focus on installing water reticulation, than on stock exclusion. Access to a clean supply of water would reduce the likelihood of stock trampling wet areas. Stock would prefer to drink from a trough, than from a swamp or small stream.
51. Installing water reticulation not only improves water quality, but increases the productive potential of the farm (see https://www.mpi.govt.nz/document-vault/15478). This would be an attractive alternative for farmers.
52. The timeline for change needs to be realistic and should be covered in the property's Farm Environment Plan. As hill country farmers, we face extra challenges posed by the

size and contours of our land. Fencing and water reticulation will need to cover significant distances over difficult terrain, and will cost hundreds of thousands of dollars.

53. Partial funding by the WRC or central Government would show a willingness to work *with* landowners, rather than just creating rules and regulations. We have recently purchased subsidised native plants through the WRC; an excellent opportunity to progress our riparian planting. The WRC are also sourcing poplars and willows, which we expect to plant this winter to help mitigate erosion on farm.

Farm Environment Plans

53. We oppose the timelines and restrictive nature of the Plan.
54. We are located in a Priority 1 sub-catchment (Opuatia, sub-catchment number 11). Our limited financial resources will struggle to cover the cost of installing water reticulation, fencing off waterways, preparation of a Farm Environment Plan (FEP) and the cost of resource consents.
55. The Farm Environment Plan should outline mitigation timelines specific to the property. This includes the *current* level of risk and land capabilities and actions that will be taken to reduce the risks going forward. The timelines need to be achievable at a property level and take into account the financial position of the farm.
56. Farmers are working towards achieving more than one environmental outcome at a property level (e.g. erosion control, minimising N leaching, biodiversity, etc.) as finances permit.
57. Farm Environment Plans should not be prescriptive otherwise farmers are likely to provide the bare minimum of required information.
58. Farm Environment Plans should be flexible to encourage innovation.
59. Farm Environment Plans should be dynamic to allow for external influences on the farming system, e.g. Mycoplasma Bovis, severe weather events etc.

Subcatchment Mitigation Planning, Coordination and Funding

60. We feel Policy 9 could also include research and development of new mitigation methods and technologies. There may be water quality mitigation actions that exist in other parts of the world that may work in the Waikato/Waipa environment.
61. Support and encouragement should be provided for on-land research into new cost-effective methods and technologies to improve water quality, including the provision of funding (or a pathway) for on-land research that will benefit the greater Waikato region.
62. I am in the early stages of setting up a subcatchment group, having consulted Don Harford (WRC), Merrin Whatley (Catchment Coordinator & Principal Ecologist, Adaptive Environmental Consulting) and Jeremy Leigh (Upper Maire Subcatchment Group) on the process.
63. Apparently, a subcatchment group has more opportunities for funding. This pathway needs to be communicated by the WRC.
64. I have had discussions with our neighbour about setting up a pilot site to test the effectiveness of planting vetiver grass to mitigate erosion, remove excess nutrients and retain soil moisture. I believe this could be a biological asset for hill country farms in the Waikato.

Conclusion

The proposed Plan casts uncertainty on our farming future with the 'one size fits all' approach. Differences in land use and land classification makes it illogical to apply the same rules to everyone. We disagree with how the Nitrogen Reference Point (NRP) is calculated and its relevance for hill country farmers, where sediment run-off is a greater issue for our waterways. As new farm owners, we're at the mercy of how our predecessor farmed, and we also feel the proposed method favours businesses that have a high environmental impact. The costs of excluding stock from waterways, to the extent proposed by the Plan, is prohibitive for hill country farms. Farm Environment Plans should not be prescriptive, but a flexible and dynamic record of a farm's methodology and approach to improving our environment. Support and encouragement should be given for innovative solutions to improving the quality of our waterways.

Thank you for your consideration.