

President's address

I write this report as we get the welcome news that the latest Global Dairy Trade auction has seen prices paid for whole milk powder increase by 25.8 percent. Hopefully this is another of the talked about 'green shoots' signalling a much needed rise in payout. Unfortunately an almost immediate increase in the value of the New Zealand dollar makes life more difficult for all exporters, and is holding returns for meat and wool and other exports.



Your organisation continues to work with councils and lobby on your behalf. The Northland Regional Council (NRC) has, from July, introduced the stock exclusion rate

within the coastal marine areas. Assistance for fencing is available and farmers, if fencing these areas, should seek and make use of this from the NRC.

The recent dairy farmer news from the NRC signals a new dairy effluent monitoring round on farm. As can be seen from last year's results, we must be seen by the New Zealand public and indeed the world to be doing better. Federated Farmers and Fonterra are appealing some of the rules in an attempt to ensure disposal rules are as practical as possible. Hopefully we can agree and solve these problems in a timely and sensible fashion.

A recent letter from the NRC announcing increased charges stated that these were in line with charges, in other councils, highlighted the need for a national organisation working with all councils and government across New Zealand to control the costs and impositions to our businesses. Your continued support is appreciated in these difficult times.

**Denis Anderson -
Far North, Whangarei &
Kaipara Districts, President**



Whangarei District update

As the new season gets underway we are enjoying dryer, but colder conditions than last year. While pasture growth is well below average, feed utilisation has been good. I hope for a better season to come.

While sheep and beef are enjoying reasonable returns, many dairy farmers will be under more stress than usual this calving. It is a good time to remember to keep an eye out for your neighbours and how they are coping.

The new season is also seeing a new initiative to reinvigorate the effectiveness of our province. We are seeking feedback from people who want to be engaged with the direction our district and province takes, and who wish to have their voice heard locally and in Wellington. The more people who get behind us the more effective we can be.



In the meantime, many thanks to all of you who have continued to support the Federation and I know there have been significant wins we have achieved with the District Council that could not have happened without your support.

Matt Long - Whangarei District

Capital value kicked for touch



Federated Farmers put together a comprehensive submission on the, at times chaotic, capital value rating review. Far North District Council proposed capital value rating as part of the Long Term Plan, as well as removing ward rates and targeting roading rates.

Federated Farmers argued that this was two steps forward and one step back, and put up an argument to keep ward rates as a way of targeting urban amenity costs to the users.

Federated Farmers has supported moves to capital value around the country by many councils in recent years. Under a land value system the rating basis is severely tilted against less intensively developed land, such as that used for grazing and cropping land - capital value spreads the burden a little more evenly as buildings become part of the rating equation.

Far North District Council was besieged with submissions (1879 in all) most of them wanting to stay with land value. Our small chance of some rate decreases was lost as Council abandoned the whole proposal. Ward rates remain along with everything else in the current system and that would appear to be it for now.

This year Federated Farmers submitted on Long Term Plans all around New Zealand. Capital value proposals were also lost in Rotorua (while a special dairy farm rate of \$26-\$40 a hectare was defeated) and Thames, but in the Western Bay of Plenty capital value was partially introduced.

**Nigel Billings - Federated Farmers of NZ,
Senior Policy Advisor**

Alec Jack, Nuffield scholar and a member we are proud of



Whenever talking about New Zealand vs UK agriculture, subsidies are the “elephant in the room”. For that reason news of export subsidies being raised in the US is really disheartening. English farmers have become totally reliant on subsidies. I think they could out-compete much of Europe if their subsidies came off. It seems to me that the real pressure to keep EU agriculture on welfare is coming from countries like France. The talk out of the UK is more progressive on free trade.

The other elephant in the room is local agriculture’s simmering resentment of our long and successful history of feeding the UK with New Zealand lamb. In private conversations, farmers speak of coordination and cooperation of supply and in-market promotion as well as the benefits of seasonal supply from our respective hemispheres.

Publicly and collectively there seems little appetite for assisting increased supply of foreign lamb into their marketplace.

I suspect the management of seasonal supply will come when supermarkets compete to get their carbon footprint down and seek compromise between price and carbon (footprint) costs when sourcing their products. I don’t think a global ETS will be established at Copenhagen later this year and consumers will ultimately decide (via their supermarket gatekeepers) the balance between carbon and cost. We need to be very weary of what factors impact on our footprint now, because future footprint calculations will be done on past performance.

With carbon footprint data looking favourable for New Zealand lamb in England in a recent DEFRA (UK) report, the farmers I spoke too are keen to drop “food security” into conversation as often as possible. This looks like being the next food miles issue New Zealand will have to contend with. No doubt they will campaign to strengthen local UK agriculture by keeping out “cheap imports which undermine local food production capability”.

At a recent Animal Welfare seminar at New Zealand House I was asked if New Zealand farmers would want to have subsidies ... I said no; that would be a backward step. We are proud of what we were achieving without subsidies. My true feelings are stronger. In

New Zealand there is a stigma attached to being on welfare and EU agriculture has a welfare dependency problem. Farmers across the EU seem to expect a living to be assured to them by the government, regardless of how the world markets’ value their produce. Farmers on low incomes who get tax relief are embarrassed to take government support, yet don’t have a problem with the impact of subsidies (Single Farm Payment, export subsidies, tariffs) on world markets and the cost of food, which they all say is too low. They don’t see how their subsidies mask the true cost of food production globally and damage unprotected and developing agricultural economies.

At least the subsidies have been decoupled from production. Farmers are generously reimbursed for environmental efforts such as fencing off waterways, creating hedgerows, leaving small headland areas out of arable production, etc. In a small way, farmers’ property rights are acknowledged as the guardians of the landscape, and society rewards them for their efforts.



Although organics have faded during the recent downturn, products with sound animal welfare and fair trade credentials have done very well, we need to ensure that we walk the

Meat & Fibre report

I have recently been elected to be the Meat & Fibre representative for our province. The position was made vacant with James Parsons standing down from the role following his election on to the Meat and Wool Board of directors. So the following is a kind of introduction of myself and the reasons I have joined Federated Farmers.

I have been farming just out of Ohaeawai since 1995, managing the family farm. Originally just a beef block, in 1998 we started finishing lambs and in 2004 purchased Andrew Ludbrook’s composite flock.

The farm is 420ha, 280ha effective and we winter just under 5000SU. I am secretary for the Ohaeawai Rugby Club and Vice President of the Bay of Islands Show. I am married to Carol and we have three children, Alexandra, Henry and Finlay.

Prior to farming I finished my Masters in Biotechnology at Massey, before that I spent two years overseas working and having fun. I was also at Lincoln University where I completed my degree in Agri-marketing and business management.

I joined Federated Farmers about four years ago, I joined because I wanted to have a voice in Wellington, on my regional council and on my district council. By myself I could not be heard, but through Federated Farmers



I could. I am much more community focused than national, so it made perfect sense to take on this role, and having James Parsons as my VP and chair of the Far North District Committee, offered an easy transition into the role.

My goals are simple, I want to strengthen Federated Farmers role in Northland. Prior to the damage done by the breakaway group, Northland had over 1000 members now we are fewer than 300. By increasing our strength in Northland we can also increase our influence at district and regional levels. Councils and residents need to know farmers create wealth for our province, but wealth will not be created by constantly taking money off us and forcing us to subsidise the rest of our community.

I am looking forward to the coming 12 months and the challenges that they will bring, anyone who needs to contact me can do so on 09 405 9350.

Roger Ludbrook - Far North, Whangarei & Kaipara Districts Meat & Fibre Chair

Dairy compliance

At a recent provincial executive meeting we discussed the high level of noncompliance for dairy resource consents. We have asked Richard Gardner, Federated Farmers of NZ senior policy advisor, to look into this for us, his report follows.

The Northland Regional Council recently released its 2008–2009 Farm Dairy Effluent Monitoring report. Of the 697 farms which have resource consents to discharge treated effluent to water, about 40 percent were fully compliant and 24 percent were “significantly non-compliant”. 261 farms, which were discharging under the permitted activity rules were also inspected, of which some 35 percent met the permitted activity criteria, with another 35 percent significantly non-compliant. Overall, some 39 percent of dairy effluent systems are compliant, some 33 percent have minor noncompliance and some 28 percent are significantly non-compliant. Compared to last year, the proportion of compliant systems is down, from about 43 percent.

The major cause of noncompliance is seen to be poor management, combined in some cases with systems that are marginally adequate. Inadequate systems and direct discharges from pads accounted for most other problems.



The number of instances of formal enforcement taken by the Council is well up on previous years, with 198 abatement notices and 200 infringement notices being issued. One apparently successful prosecution action was bought before the courts.

Of the enforcement procedures available to the Council, an abatement notice requires farmers to cease doing something that contravenes a rule, or to do something to ensure compliance with a rule. An infringement notice is a \$750 “instant fine” for contravention of a rule. Prosecution is seen by the Council to be a last resort, and is taken only where consultation and the issue of abatement notices and/ or infringement notices have failed to achieve compliance, or where gross negligence is the cause.



The Council employed a Sustainable Dairy Advisor late last year, partly funded by the dairy industry itself. The advisor's major focus of work will be engaging with non-compliant farmers on operating procedures and training. “Role Model” farms prepared to host training days are being organised by the joint Council/ Dairy Industry Action Team.

Most of the resource consents for farm dairy effluent disposal are coming up for renewal in the next couple of years. About a year ago the Council set about revising its rules for animal effluent discharges.

The current rules are to be combined into a single permitted activity rule for discharges to land, and a discretionary activity rule for discharges of treated effluent to water. Federated Farmers made extensive submissions on the Council's proposals, generally seeking that the rules be more practical. The Council recently issued its decisions on those submissions, and addressed some of the concerns raised in the submissions. However, Federated Farmers considers that the rules do not take sufficient account of the practicalities of farming, and has appealed some points to the Environment Court.

Fonterra has also lodged an appeal.

But whatever the outcome of these appeals, it is clear that higher standards will need to be achieved if farmers are to comply with the new rules, particularly as regards their ability to store effluent over periods when the soil and/or weather conditions are unsuitable, including when the ground is waterlogged.

Richard Gardner - Federated Farmers of NZ, Senior Policy Advisor

NORTHLAND FARM DAIRY EFFLUENT MONITORING STATS 2003-2009

Consented Farms

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Full Consent Compliance	48	216	279	342	328	285
Minor Noncompliance	271	256	286	236	226	246
Significant Noncompliance	183	249	177	133	130	166
	502	721	742	711	684	697

Non-consented Farms (Permitted Activities)

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Permitted Activity Compliant	106	93	110	132	87	88
Minor Noncompliance	39	39	77	49	58	81
Significant Noncompliance	305	156	114	93	113	92
	450	288	301	274	258	261

MCO + MNC Combined Stats

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Full Compliance	154	309	389	474	415	373
Minor Noncompliance	310	295	363	285	284	327
Significant Non-Compliance	488	405	291	226	243	258
	952	1009	1043	985	942	958

Transport update

Transport regulations can be a real hassle for farmers. Fortunately, Federated Farmers has had a number of wins in this area recently which will save farmers time and money. There's also a few more wins potentially in the pipeline:

Work Time and Logbooks

Tractors and agricultural vehicles were finally exempted from the 2007 Work Time and Logbooks Rule when an amendment came into force on 15 January 2009. Work-time limits made it impossible for agricultural/harvest operations to be legally carried out during the high demand harvest period. As a result of the passage of the amendment, tractors and other agricultural vehicles of up to 18 tonnes (or 25 tonnes for a tractor-trailer combination) can now be driven on a class 1 (car) license, so long as they are driven at speeds not exceeding 30kph on road. **As the work time rules do not apply to vehicles driven on a class 1 license, the effect of this change is to exempt tractors and agricultural vehicles from the work-time and logbooks rules.**



Overdimension Vehicle Permits

The Federation has persuaded the government to scrap the requirement for overdimension agricultural vehicles to obtain a permit to drive on the road during weekends and public holidays. The requirement to get a permit to drive these vehicles over the Christmas/New Year period – in the middle of the busy harvest season – was a nuisance and an unnecessary compliance cost. This is especially true when you consider that pretty much every vehicle that has ever been presented to get a permit is able to meet the requirements, making the permit system a complete waste of time. All that remains now is for officials to draft up and pass the rule change, hopefully by the end of this year or the beginning of next.

Time license review

Another promising development is a review of the time license system and associated with this a review of registration requirements

for agricultural vehicles. Abolishing the time license system was one of the recommendations of the recently completed Road User Charges Review. What Federated Farmers and others are pushing for is for all agricultural vehicles (tractors, combine harvesters etc.) to be able to be registered EB (exempt from RUC), and hence pay for their road use through the existing Motor Vehicle Registration fee. This would allow for easier compliance for farmers and agricultural contractors. As part of the review, there is also a chance to simplify the rules around EB registration such as the limit of a 21km round trip.

CoF offsites

Federated Farmers met recently with the New Zealand Transport Agency to discuss Certificate of Fitness (CoF) offsites. Originally the NZTA had planned to shut down 54 offsites on 1 June 2009. The Federation has managed to persuade NZTA to keep 18 of those offsites open, so far, with the review process still underway and the decision on many sites still to be made. The 18 offsites that are confirmed to remain open are in Amberley, Clandeboye, Coromandel, Cromwell, D'Urville Island, Geraldine, Hokitika, Linton, Maramarua, Marton, Ngaruwahia, Opotiki, Otematata, Raetihi, Ranfurly, Waiouru, Waiuku, and Winton.

Heavier trucks

The Government, with the Federation's support, is also in the process of pushing through changes which will allow heavier trucks on permitted roads. Allowing trucks to have heavier payloads will reduce freight rates, increase economic efficiency, reduce the number of truck trips, improve safety on road and reduce emissions. The Ministry of Transport and New Zealand Transport Agency have known for years that bigger trucks bring these benefits.

Agricultural Vehicles Guide

Finally, the Agricultural Vehicles Guide is now available in hardcopy form. The Federation worked with LTNZ and others to put together this booklet, which contains all the rules and regulations farmers need to know to drive agricultural vehicles like tractors and combine harvesters on road. While Federated Farmers Grain & Seed members will receive a copy with the next Federated Farmers magazine, other members can order a copy by ringing 0800 FARMING or by visiting the Federation's website, www.fedfarm.org.nz.

If you would like to discuss transport rules, please contact William McGimpsey on 0800 FARMING (327 646).

Grazing the coastal foreshore

As at July 2009 it is prohibited to graze stock in the coastal marine area.

While we question the legality of the rule, until someone challenges it we have to assume that the council will be seeking to enforce it. We have met with the Northland Regional Council over this rule and discussed working with them and any affected landowners in a conciliatory way. We want to avoid compliance prosecutions.



If you have coastal land and think that you might be affected by this rule, please ring Richard Gardner, our Federated Farmers of NZ policy advisor on 0800 327 646, to discuss how you can protect yourself.

While we support the council making funds available for fencing off these areas, we want to ensure that a sensible and logical approach is taken.

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