

Busy first few months

I have now been in the job as your president for four months and it's certainly been busy, particularly over the first two months. This year both Southland District Council (SDC) and Environment Southland (ES) put together their triennial Long Term Council Community Plans (LTCCP). The Federation, on your behalf, made strong representations to both councils on their plans.



Firstly, we questioned SDC on the fairness of its roading charges. We believe the farming community is subsidising the rest of the community for roading and we even engaged well respected consultant, Alan Kenaird, to review the plan. He agreed with us and we had him on speaker phone when we made our representations to council. We are still communicating with council on the subject and are working to reduce your roading rates by lobbying Government to release more funds for local roads.

It was a different story with ES. We were able, with a lot of support from individual farmers, to reduce the special general rate on dairy farmers, keep the regional funding going for TB control and get the water take charge abolished.

We are still working with ES and hopefully we will be able to reduce some compliance costs. Unfortunately, I believe we lost one aspect of the fight, as we felt there was no compelling reason for any increase in rates.

Changing fortunes

It is amazing to see the turn around in farming fortunes over the past 18 months. Back then the sheep industry struggled to get \$60 per lamb and the dairy industry was

riding a commodity wave along with the arable sector. Since then both dairy and arable have had significant downturns and the sheep industry is receiving lamb prices the likes of which they could only dream about a couple of years ago. According to the processors, the outlook for the sheep industry is looking good for next year. But the beef industry is still just bouncing along, even though last spring the experts were predicting an up turn in prices.

It is interesting to note the current price for dairy milk solids would have been quite acceptable three years ago. But with input prices going up and farmers' expectations, I suspect this payout seems like the pits.

Ravensdown's latest newsletter says farmers have been putting less than average maintenance fertiliser on over the past two to three years. Many dairy farmers will be in this position this year. In fact, this is the first year in my farming career that we will not be putting at least maintenance fertiliser on over the whole property.

I have been farming long enough to know that things go in cycles and underlying factors such as the global food shortage have not gone away, even though the world has fallen apart. It was good to see a 26 percent increase in the average price of milk solids in the latest Fonterra auction. You might ask, is this sustainable? Well that's anyone's guess, but I have also read that the Americans have also just had a lift in their milk powder prices. Hopefully they are also reaching the end of their dairy cow cull and this may result in a lift in beef prices.

The general mood in many parts of the world seems more up beat than it was a couple of months ago and I see the price of oil has started to rise. If only our dollar would



start to head in the other direction things may improve a little more quickly.

Anyway, this is a survival year and I am sure many lessons will be learnt and for us older ones, re-learned. One thing I have learnt in the past is that the experts have a 50/50 chance of being right and the best judge of what is happening is often you. So make sure you are open to listening to all the views and take notice of the pointers

**Rod Pemberton -
Southland President**



INVESTING IN RURAL COMMUNITIES

The Rural Communities Trust recognises that living in a rural community can also mean facing barriers to education, health and other services.

Each year the Rural Communities Trust approves grants to individuals, families and community groups with a diverse range of needs who live in rural areas.

WE WANT TO HELP YOU!

Find out more about our funding criteria, grant applications or how to support our work by visiting

www.ruralcommunitiestrust.org.nz
or phone 0800 327 646

Next funding round closes
31 October 2009

Spring looking promising

After a forgettable May and a very cold winter we seem to have a wonderful early spring. I am conscious however, that you can always speak too soon in the south. We certainly needed it with average covers being down 200-300kg/ha at the start of calving, but it is certainly growing now and the quality is excellent.

Stock trucking issues seem to be much improved after last year's blow up. It is good to see some sense about transitioning cows to dry feed prior to transport, rather than holding heavily pregnant animals off feed for 12 hours.

The forecast payout is putting budgets under pressure and we all need to focus on maintaining production as much as possible, while also cutting costs. On the positive side, every cost we manage to eliminate without cutting production is a saving we can take into the future. I would urge farmers to keep in contact with your bankers and not to order inputs or work that you can't afford.

We all need to be careful when handling bobby calves this year, particularly when euthanising calves not going to sale. Check DairyNZ's website www.dairynz.co.nz for the recommended methods (.22 rifle or bolt gun preferably).

Animal rights groups are always looking for an opportunity to portray someone in a bad light, so let's not give them the opportunity.

At the national level our Dairy Executive, led by Lachlan McKenzie, is still pushing for an evaluation of whether Fonterra's milk auction is working in the best interests of New Zealand dairy farmers. I look forward to this with interest.

As far as Fonterra's capital structure goes, I have heard nothing, which I suppose could be seen as a good thing as nothing has leaked out of discussions with the Shareholders Council. We can only wait and I assume we will hear something before the AGM.



I hope many of you took the time to vote in the Meat and Wool levy referendum. We certainly pay a decent whack at \$3.60/hd, with a proposed increase to \$4.60 over time. Not an insignificant amount on a Southland dairy farm that isn't making any money this year.

Lastly, I want to thank all of you who either supported us or made your own submissions to Environment Southland (ES) and the district councils over planned rates rises and water charges. While we had a measure of success with ES, it is deeply concerning that Southland District Council (SDC) took no notice of an exceptionally well considered and supported submission. This is costing us all thousands of dollars each year and in

my view it is totally unjustified. You will hear more about a plan of action over this later in the season.

We are currently working closely with ES to progress their new discharge plan, which critically affects all of us with effluent consents. I have been pleased by the forward looking attitude of staff and we are making good progress. While I understand the frustration many dairy farmers feel towards the moving feast of changing rules and bad experiences with compliance, I have put to both council and staff that we actually share the same objective - clean waterways. If we recognise that someone has to monitor compliance - unpleasant as that may be - and they are prepared to work with us to rationalise its efficiency and cost, then hopefully we are heading in the right direction.

Your president Rod Pemberton and I accompanied ES staff on their fly over inspections this month which, while leaving room for improvement, certainly signalled an improvement in keeping dairy cows out of water ways around winter crop.

We want to try and get a farmer representative up on each flight this year, so let me know if you are interested.

If we keep things simple and just make the effort to keep soil and cow effluent out of water ways where ever possible, then we will end up with streams and rivers we can all take pride in.

Good luck for the spring.

**Vaughan Templeton -
Southland Dairy Chair**



September an important month of the farm

Spring is now upon us and the August weather was generally very favourable. We do hope the good weather will continue well into September, as it is such an important month for sheep and beef farmers.



The results of the Meat and Wool New Zealand vote on its Commodity Levy are now available and it looks as if we will continue with levies and expenditure on sheep meat and beef. However, all expenditure on wool will stop as of April next year, which means

no work on wool research, shearing and wool handling training.

It is possible someone could put together a proposal, but it appears you would be "on a hiding to nothing" so we may well see a further demise of the wool industry. This is very sad for a product that is environmentally a great creation and fire safe to boot.

For Silver Fern Farm suppliers we have a decision to make. Are we going to reach into our pockets over the next three years and support the new concept of 'Plate to Pasture' with commitment to the company? Or do we hope competition will deliver the rewards that we need? The past model, it is worth remembering, has given us some very mixed results to date.

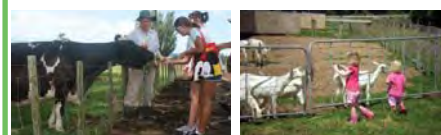
**Martin Hall - Southland
Meat & Fibre Chair**



Federated Farmers Farm Day 2010

is set down for
SUNDAY, 28 MARCH

Please mark this date in
your diaries as we would
appreciate members support.



Farmers leading biodiversity protection

A recent publication by the NZ Landcare Trust and the Biodiversity Southland forum showcases a number of farmers protecting areas of biodiversity in Southland and the benefits this has brought to their farming operations. Janet Gregory, regional coordinator for NZ Landcare Trust, said, "one of the key aims of the forum is to help farmers protect these significant areas of biodiversity on private land and gaining funding assistance from the Biofunds has helped greatly. Landowners have also gained knowledge about the different plant species and help with weed and animal pest control that impacts on these areas and the farm so there is a win-win situation". Costs have been shared by the landowner and the Biofunds and where there is long term protection, by the QEII National Trust.

"We have gained funding of \$500,000 in the last six years to undertake 30 such projects including wetlands, shrub vegetation and riparian areas along streams and forest areas throughout the region," Ms Gregory said.

Recent funding for two major projects to be undertaken over the next three years will also aid this work.

\$20,000 per year, along with \$15,000 over the next three years from the Southland District Council and Environment Southland, will be used to undertake an inventory of High Value Areas on private land. This funding will be used to employ ecologists to prepare vegetation reports on areas of biodiversity on farms and make recommendations for management. This is on a voluntary basis with landowners so anyone that has an area of

native vegetation on their property and wants to know more about the area and possibly apply for some funding assistance to protect it are welcome to contact Janet Gregory at janet.gregory@landcare.org.nz



The second major project is an integrated weed project where we have gained funding from the Biofunds to employ two contractors for three seasons to undertake weed control on protected areas of biodiversity on farms. Many weed species such as holly, Darwin's barberry, Chilean flame creeper and sycamore are found in these areas and can change the make-up of the forest, which then affects the bird life and insects that inhabit these areas. They are often hard to control, with many species spread by birds. Ms Gregory said, "in the past, we have found it hard to get contractors to undertake individual projects. That's why we have combined them and have funding to employ two people to work over the summer months on this weed control, when it is most effective".

NZ Landcare Trust

Southland Regional Policy Statement & District Plan

Environment Southland and Southland District Council are in a combined process of reviewing their respective Regional Policy Statement and District Plan. As a part of this review, both councils went through a preliminary consultation phase that ended on 31 July 2009.



These documents define council's regulation of farming. Poor regulation in either document can have a huge impact on your right to farm, so it is very important that the Federation has

a say on your behalf. We read through the hundreds of pages of discussion documents and supporting information to pick out the potential problems. We have submitted our comments, with our final submission coming in at nearly 12,500 words. Councils are hoping to publicly release the Community Debrief during the week of 19 October 2009.

To inform our response, we received invaluable feedback from the Southland Executive and also from individual members, the value of which cannot be overstated. It was also great to hear that the meetings held by both councils around the province were well attended by the farming community. It is important that farmers take any chance they can to deliver a reasoned defence of the right to farm.

The review of both plans is ongoing and will continue into next year.

**David Cooper - Federated Farmers of NZ,
Policy Advisor**

Introducing your new president

In this article I will introduce myself.

Paddy Ann and I farm in both Southland and Central Otago with my two sons. Jon (whom we are bringing in as a partner to the company) runs the dairy farm at Matura, where we are milking 800 cows on 300ha. Chris helps on the support farm of 500ha at Millers Flat.

Paddy and I have a toy farm of 11ha about 16km away from the Millers Flat farm. We have two daughters; Gemma who has a planning business in Queenstown and Holly who is a hair dresser and lives in Roxburgh with her son Bede.

I have enjoyed my first few months as president, although it has been busy and challenging at times. It has been good to be able to leave the farm work to my sons for many weeks.

I would also like to thank David Rose for the effort he put in to Southland Federated Farmers over his four year term as president. David always went the extra mile during some very challenging times, particularly during the sheep meat debate.

Due to the Federation being short staffed at that time, he also partly did the job of policy advisor. I often wondered how he managed to run his farm at that time. I am sure Helen and his family are enjoying seeing more of him now and thanks must also go to Helen for her support to him over this period. At the 'One Event' conference in Auckland at the end of June, David was elected to the National Board and we all congratulate him on his appointment.

This has so far been the spring we have all been waiting several years for. We can only hope that it continues much the same. It has been good to enjoy a lift in temperatures after what seems like a very long winter.

We can only hope Fonterra follows suit with its payout.

**Rod Pemberton
Southland
President**



Long Term Council Community Plan (LTCCP) submissions

This year, councils released their LTCCPs for comment. These define the major expenditure for councils over the next 10 years. Federated Farmers submitted on your behalf to three of the four councils in Southland on their LTCCPs. Here is a brief breakdown of what we submitted and how the councils responded:



Environment Southland (ES)

We submitted:

- Proposed rates increases and further staff levels were far too high.
- Strongly opposed to the proposed dairy differential.
- Opposed to the proposed new water charges.
- Asked that ES continue to fund the local share of the regional TbFree programme.
- That any possum control programme should be voluntary and that funding be changed to a flat targeted rate across the region.
- Encouraged ES to work closely with the river liaison committees in the Te Anau catchment and source more funding from the Crown and other agencies.

Council response:

- Cut back on some spending, reduced the proposed number of new staff.
- Substantially reduced, but did not eliminate, the dairy differential.
- Deferred the implementation of proposed water charges for at least a year.
- Continued to fund the TbFree programme, albeit at a slightly reduced level.

Southland District Council

We submitted:

- Rates increase of 6.93 percent per annum is far too high.
- Strongly encouraged council to maintain the Uniform Annual General Charge (UAGC) at the current level of around 29 percent. The UAGC is the best available tool for addressing "per person" expenditure.
- Make better use of targeted rates, especially for development and promotions.
- Disagreed with the use of the Morrison Low model as a basis for allocating roading expenditure. Submitting an independent peer review of the model, the Kennaird

report, which concluded that the Morrison Low model does not identify users or beneficiaries in a recognised technical manner.

- Failing a model change, made further suggestions about how the current model could be refined to result in a more equitable outcome for farmers.

Council response:

- Added \$12.66 to the UAGC for all ratepayers to pay. This cost would otherwise have been based on land value, punishing farmers.
- No other changes made as a result of submissions.

Gore District Council (GDC)

We submitted:

- Despite keeping rates increases relatively low, still scope for further reductions.
- That new staff roles be offset by reduced expenditure and/or increased efficiency in council activities.
- Introduction of a targeted rate for arts and heritage and district promotion.
- Roading maintenance is not meeting our member's expectations. Sought that maintenance of gravel roads should be reviewed with the possibility of the work being undertaken in-house.
- Adopt a Targeted Ward Based Rate differentiated on distance from the service for funding district pools and libraries and a Targeted Ward Rate for parks and reserves.



- Federated Farmers strongly encouraged GDC to fund district promotion from targeted rates, which capture the direct beneficiaries of this promotion.
- Better consultation with rural ratepayers.

Council response:

- No changes were made as a result of the submission.

These are just summaries of the submissions we made on your behalf. If you would like more detailed information on what was in the LTCCP and what we submitted please contact me at dcooper@fedfarm.org.nz

David Cooper - Federated Farmers, Policy Advisor



PROVINCIAL CONTACT LIST



PRESIDENT

Rob Pemberton 03 446 6666

DAIRY CHAIR

Vaughan Templeton 03 234 8463

SHAREMILKERS' SECTION

Matthew Richards 03 206 6321

SHAREMILKER EMPLOYERS' SECTION

Peter Mann 03 202 5221

GRAIN & SEED

John Gardyne 03 207 2723

MEAT & FIBRE CHAIR

Martin Hall 03 231 3530

INVERCARGILL OFFICE

Manager

Helen Lang 03 218 2869

Building & Financial Manager

Terry Wright 03 216 8460

Southland Recruitment Agent

Paddy Ann Pemberton 03 446 6666



Federated Farmers members have the opportunity to influence the safety, visibility and comfort of children waiting on local bus routes thanks to an exciting new initiative.

Every year, farm building company Totalspan donates bus shelters to rural communities through their Undercover Kids Programme. This year, with the support of Federated Farmers, they are extending Undercover Kids to include three additional shelters.

Federated Farmers members (who can nominate local bus routes or schools they believe would benefit) will determine the location of these shelters. Nominations close on October 31st, and application forms can be downloaded from fedfarm.org.nz/our-work/undercoverkids

Each of these new shelters will have a plaque acknowledging Federated Farmers' involvement.

