

LOCAL VOICE

PROVINCIAL NEWSLETTER



HAWKE'S BAY

SEPTEMBER 2009

Drought committee meeting monthly

Since our annual general meeting (AGM) in early May, I have attended the Hawke's Bay Drought committee meetings each month. We have organised field days, ably run by Hamish Hewett and the sheep and beef council and helped the Government appointed Rural Support Coordinators, Mike Barham and Tom Goodger. Another purpose of this group is to keep service and support groups like the Ministry of Agriculture and Forestry (MAF) and Work and Income New Zealand informed on what's happening at the farm level.



On 2 June, Federated Farmers Hawke's Bay presented submissions to both Hastings District Council (HDC) and Hawke's Bay Regional Council (HBRC) Land Transport Programme. In the Hastings submission, we were mostly supportive of council's direction; especially the use of targeted rates and its user pays principle. The proposed change to the funding mechanism for Hawke's Bay INC was challenged and we are sure we have the council's support on this. We have also encouraged council to increase the use of its uniform annual general charge (UAGC) to the maximum cap of 30 percent, as this is a more equitable sharing of the rate burden and recognises the demand for services generally comes from people and not land.

Our submission to the HBRC Land Transport Programme was again mostly supportive. However, we did express our concern over the proportion of funding for public 'feel-good' reasons rather than for reasons that would help develop and grow our region. We also stressed that improving rural roads would also meet key objectives of the New Zealand Transport Safety Authority as well as provide safety and social benefits.

On 9 July, I attended a seminar run by HBRC and AGMARDT on the theme

of climate change. Guest speaker, Don Lawson, a farmer from Victoria in Australia, condemned the science behind Kyoto and the fact that pasture sequestration of carbon was not included. Don said their Government is telling farmers to plant 10-20 percent of their property in trees, when it is the urban population who are the worst polluters. Don explained ways they were adapting to climate change, including using more biological fertilisers like lime and gypsum to grow more carbon in the soil. This improves the water holding capacity of soils. Replacing ryegrass with the deeper rooting species like phalaris and fescues and using designer genetics in cattle with Brahman crossbreeding to increase fertility and growth rates are other adaptations. Doug Avery, of Marlborough, also spoke about his experiences adapting to a drier climate. By using large areas of lucerne, planting salt bush and tagasaste on fragile hill slopes and redesigning their farming systems to suit their environment, Doug and his family have returned to farming profitably.



In mid-July, several members of the Hawke's Bay Executive team went to an address in Napier by Environment Minister, Nick Smith. It was fortunate that at least 20 farmers, out of 100 people present, attended this very poorly advertised meeting. We thank them sincerely for their effort. Although we felt sure Dr Smith was trying not to hear us, we made sure he knew we did not want agriculture in a New Zealand ETS. The science behind human induced global warming and animal methane is still far from proven.

On 29 July, Federated Farmers Hawke's Bay organised a joint meeting with TBFree Hawke's Bay. About 60 people heard Nick Hancox from AHB speak about their new strategy and then Con Williams from Meat and Wool New Zealand spoke about the current ETS debate and its ramifications.

Finally, on Friday 3 July, Federated Farmers Hawke's Bay was represented at the MAF Situation and Outlook for Agriculture and Forestry release, hosted by the Hastings District Council. MAF predicted a relatively positive outlook for sheep and beef over the next five years although some softening of returns is expected in the coming year. Dairy was forecast to have a really tough coming season before slowly lifting on the back of a recovering world economy.

I look forward to another busy year for Federated Farmers.

**Kevin Mitchell -
Hawke's Bay President**



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.



Sobering result for Meat & Wool New Zealand

Bruce Wills, Hawke's Bay Executive member and current Federated Farmers Meat & Fibre chairperson, recently commented on the outcome of the Meat & Wool New Zealand levy referendum.



While farmers voted 'no' to both the wool and goat meat levy, the result of the sheep meat and beef levy vote was hardly convincing either.

Although the sheep meat and beef levies were supported, the 'one person; one vote' results of 54 percent and 52 percent respectively are not exactly heartening.

Farmers have delivered a strong message to Meat & Wool New Zealand with the result of this levy vote; that being 'you need to do better'.

As farmers, we want Meat & Wool to keep us better informed, we want more transparency and we want targeted efficient investment that produces tangible results for farmers.

It is particularly concerning that the wool industry now sits in a rather precarious position. We have an industry that is in crisis and now that farmers have said no to any further levies it is up to the commercial players in the market to step up.

It also sends a very strong signal to the meat processing and exporting industry

that farmers clearly expect them to shoulder much more of the financial costs associated with market development activities.

A particularly disappointing aspect of this referendum is that only 8,000 farmers participated, a mere 39 percent of the 20,000 eligible voters. I suspect there are a few farmers who are today kicking themselves for not making the effort to have their say. Simply put, this is the true cost of apathy.

Meat & Wool New Zealand has made every effort to consult with farmers over recent months but it seems some farmers just didn't want to engage. Years of disappointing returns have left many with little appetite or ability to fund downstream activities and I can only describe this as an absolute pity.

However, the farmers have spoken and I respect their decision. We now need Meat & Wool New Zealand to get on with its mandate to achieve a much better outcome for meat and fibre farmers.



Federated Farmers, meanwhile, will listen carefully to its meat and wool farmers and pass their views on to Meat & Wool so it can sharpen its focus. We look forward to continuing our close working relationship with Meat & Wool in achieving this goal.

Invest in water storage - stop drought

Hawke's Bay Regional Council has identified several sites where water storage projects could assist with the demand for water and contribute to water flow management. Council reports indicate there are six identified areas in central Hawke's Bay with the potential to host water storage facilities of up to 91 million cubic metres in total.



This would enable more than 20,000 hectares to be irrigated and increase summer flows in the Tukituki River. Although any future projects are by no means certain, the Regional Council has said it is determined to take an active and leading role when it comes to water storage. A project team has been formed to undertake a feasibility study into the potential of the projects. It is expected to take 18 months before any project moves to the consent application and capital raising stage.

Federated Farmers will play an active role in ensuring these projects get up and running, as the value of water storage to the area is huge. For more information, watch this space.



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

Tutira property purchased

André Newman, Chief Executive of Hawke's Bay Regional Council (HBRC) was a guest speaker at a recent meeting.

One topic that interested us as rate payers, foresters and farmers was the HBRC's purchase of the Tutira property.

Andrew spoke of the many reasons the Regional Council considered this purchase.

Historically the farm was severely affected by the 1938 storm, (the same storm that created the Catchment Board) and was again severely eroded by Cyclone Bola.

The block is not a viable farm, yet is a highly visible block that can be used for many purposes.

HBRC currently manages land in the Tutira area. This new block, the Guthrie Smith Trust Block and another 500ha above Lake Tutira.

The land will most likely be split, part into perpetual forest reserve, part into commercial forestry, some to neighbours and some for recreational use.

The land is located near to other special natural areas such as Lake Opuahi with the Kiwi crèche, Boundary Stream Reserve and Esk River.

Price of lamb on the rise

T150 – total lamb kill for the season is on track for \$21 million (figure has been revised up \$1 million due to higher prices drawing out additional capital ewe lambs). Prices remain strong on the back of reduced supply. The next focus for T150 is to complete a sector strategy in an attempt to ensure farmers and processors are heading in the same direction and current prices are sustained and improved. This should be completed within six months.

AHB – review continues. Elections for two director positions on the Animal Health Board (AHB) took place on 10 August.





PROFITABILITY – there has been a welcome transfer of attention/concern from the desperate state of sheep farmers to the now changed fortunes in the dairy industry. Although sheep returns are much improved, wool prices continue to plumb historic lows

with no relief in sight and the usually solid beef sector is hearing increasing grumbles as prices for prime cattle sit a good \$100/hd below last year's levels.

Poor profitability in the sheep and cattle sector remains our number one concern. High debt levels, a resurgent currency and ongoing climatic challenges for many mean the exodus of sheep farmers continues.

Meat & Fibre Council meeting - we are going 'country' with our next meeting being held at **Methven on the 4 and 5 November 2009.**

Bruce Wills - Hawke's Bay 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.

Executive news in brief ...

Excellent AgResearch Science Day

Sam Robinson helped put this day together.

The aim was to get scientists and farmers together. Discussions were about science at a higher level such as GE and genomics (GE is very small proportion of AgResearch work). Genomics is the science of genes.

The effect of the environment on genes including bearings, ryegrasses and clovers was also discussed.

Unfortunately, AgResearch is limited by funding for long-term research (i.e. who wants to invest in a brilliant permanent ryegrass? No repeat sales at the end!). They are currently trying to put together public/private investments.

AgResearch looking at high sugar grasses that can increase ME from 11-15 and can improve rumen efficiency.

It was sad to note that \$1 million has been cut from the AgResearch's budget and therefore 15 scientists will lose their jobs.

Tom Clouston

Leadership course

I was unsure what to expect when I attended the Federated Farmers Leadership Course, 'Getting Your Feet Wet', in Wellington.

The course had a good balance of workshops and networking sessions. We also got to meet those working in Wellington on agricultural policy. It was a fun, informative and stimulating course and I enjoyed the experience of working in a team, getting familiar with policy processes, learning how the Federation works for me and gaining confidence by working with officials.

WELL WORTH ATTENDING!!! And I'm about to do the next course, 'Shining Under the Spotlight'.

Will Foley

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Hawke's Bay Regional Council

Air shed and PM10 measurements

Currently salt spray is captured by measurements, yet we can not 'manage' salt spray. House fires do cause problems; not motor vehicles, which has been tested and proven.

The HBRC is asking Government to relax the rules as it is physically impossible for Hawke's Bay to meet such tight regulations by 2012.

SFF (Sustainable Farming Fund)

A local group have funding to study climate change, drought etc. They will look at what makes resilient farms including grass species, water storage and fences. All information gathered will come back through the community.

HBRC hearings

Council is using independent commissioners more often.

TBFree

HBRC supports the new national pest management strategy.

Alec Olsen

Forestry

1. Export log prices have increased – but not enough yet!
2. The fact that this year has been the lowest net planting since WWII and last year was the previous lowest year is of huge concern
3. The proposed Emissions Trading Scheme (ETS) can be blamed for this, especially as there is still limited knowledge around the climate's future. There is concern that the ETS is slowly strangling forestry and that we will have a hole in our planting rotation.

Andrew Russell

'One Event' round-up

This was a highly motivating event, where we had speeches from Prime Minister John Key, Agriculture Minister David Carter and Local Government Minister Rodney Hide. All three speakers highlighted how important agriculture is to New Zealand's economy and promised to support investment in research and development (R&D) while cutting through the red tape that often stalls business growth. Jacqueline Rowarth, director of Agriculture at Massey University, was, as always, a stimulating performer. Her theme was science, food and farms are New Zealand's future. New Zealand's spending per capita in R&D ranks 23rd in the world behind the United States (1), Switzerland (2) and Australia (18). Despite this lack of investment, New Zealand agriculture has outperformed every other sector. Jacqueline believes New Zealand needs to drive its sustainable competitive advantage (SCA), which will enhance production and protect resources when it is economically viable and socially acceptable.

Doug Steel, Westpac's chief economist, gave us an address titled, 'Black Hole or Pot Hole', with regard to the world's economic state. The global financial meltdown led to tighter liquidity, higher cost of funds, weaker equity markets and a lower New Zealand dollar – which is ironically now higher than ever. A study of past recessions shows it took two years to recover, while house prices took six years, equity markets three to four years and unemployment four to five years. Doug tentatively predicted the \$NZ would move back into the 50s against the \$US later in 2009, but move over 70c in 2011. As a country, New Zealand has not had a positive balance of payments since 1972.

For an inspirational speaker, it was hard to better Jamie Fitzgerald who with Kevin Biggar was the first Kiwi to reach the South Pole unsupported on foot. Jamie lost 27 kg in the 52 days it took to walk the 1200 km to the South Pole. Jamie, who had also completed the trans-Atlantic rowing race with Kevin, had a few pearls of wisdom for those seeking to achieve in life. Have a goal or vision, preparation is vital, pay attention to detail and manage the tough times. Among the many quotes he gave, this one was my favourite, "if you don't know where you are going, any road will get you there".

Telecom chief executive, Dr Paul Reynolds, gave us an outline of the company's recent investments and plans for the future. Telecom has invested \$1.3 billion this year and has earmarked \$1.2 billion next year in broadband roll out. They propose to get ultra fast broadband to all schools and hospitals

inside two and a half years and then roll it out into communities.

Beverley Forester, an entrepreneurial wool exporter and farmer from North Canterbury, also spoke at One Event. Beverley's list of achievements is quite amazing and even though she lost her husband in 1997, she hasn't slowed down. She farms two properties totalling 1320ha, has a Hereford stud, works with IHC children, is an OT covering several hospitals, has renovated a limestone cottage on her property to achieve a heritage award (with 100 percent wool insulation), exports Black Hills Yarn to the United Kingdom, just launched a high fashion range of pure wool garments and has received New Zealand Tourism Qualmark status as well as a New Zealand Century Farm and Station award. Beverley's battles with red tape as she developed her businesses are legendary.

Christchurch farm accountant, Pita Alexander, gave us his usual energetic, sharply focused and always humorous address.

There was also plenty of debate around remits, issues such as persistence of ryegrass cultivars, biosecurity in New Zealand, subscription levels - especially for retired members - and efforts to alter the law that Fish & Game operate under, which protects game birds such as Canada Geese that are in fact pests. There was also animated debate around the ETS and its effect on farming fortunes in New Zealand. An overwhelming consensus was reached that there is no place in the ETS for farm animals.

Federated Farmers President, Don Nicolson, stated that New Zealand farmers are high achievers who have always survived and prospered. Don said the recently highlighted \$45 billion of debt in New Zealand agriculture was only 15 percent of our total debt and farmers should not be paying a margin above housing rates. He said negotiations around the World Trade Organisation and Kyoto are crucial to New Zealand's future prosperity.

Federated Farmers chief executive, Conor English, talked of his desire to lift the profile and achievements of the Federation. This includes developing inspirational leaders, supporting innovation and organising highly visible campaigns such as the T150 and Water - Let's Bank It campaigns as well as Federated Farmers Farm Day. An exciting new method of motivating new members to join Federated Farmers is being trialled with encouraging results, especially among young farmers.

Kevin Mitchell - Hawke's Bay President

LAKE WAIKAREMOANA WEEKEND

WOW. What a fabulous place and what a great weekend.

Back in March, a team of farmers, extended families and their friends travelled from Hawke's Bay to meet up with a group of farmers from the Gisborne/Wairoa province.



The accommodation was excellent and the view first thing Saturday morning was absolutely stunning. Some of us were up at 6.30am with three 12-year-old boys itching to go skiing on the lake. Although it was only six degrees out of the water, they told us it was very warm in the lake! During the day, the boys water-skied (awesome) swam in the lake (warm) and in the streams (very cold). They knee-boarded (big air), swung on a swing bridge (not supposed to), tramped to a magnificent water-fall (which is part of the great walk), swam in waterfalls (freezing), fished (no luck) and kayaked up a stream (to another set of waterfalls).



The adults wondered at their energy. They were constantly 'on the go' and the great attraction of Waikaremoana is there is so much to do and see.

Another group spent the day hiking through to another lake. Some in this group were as young as six years old and everyone managed and had fun.

We got together as a rather large group on Saturday night. The children were fed first and then the adults sat down to a scrumptious feast that many had contributed too. Thank you to the chefs! It was a most enjoyable and entertaining night.

Those who made the effort are determined to repeat the event next year. So watch this space for another relaxing and delightful weekend away.