

# LOCAL VOICE

PROVINCIAL NEWSLETTER



SOUTH CANTERBURY

NOVEMBER 2009

## Federation punches above its weight

As a new Provincial President with relatively little experience of the Federation prior to my election, in May this year, I have had the opportunity to see the organisation from the "inside" with "outside" eyes. I have been impressed with what I have seen. Federated Farmers provides an invaluable service to the rural community and farming in particular. For a small organisation with a modest income Federated Farmers punches well above its weight.

Federated Farmers deals with a wide range of issues on a daily basis at both national and local level. In my few months in office these have included raising the minimum age of drivers, capital restructuring within the meat and dairy industries, land tenure review, walking access, water, local governance and biosecurity to name a few.

Water issues have never been far from the front pages of the Canterbury newspapers. The strategic water study run by the mayoral forum has been a long project in development, running over several years. The draft strategy has been released and we have made comment on it. In my view it is an intelligent document which provides an opportunity to reduce the conflict created by the current interpretation of the RMA.



We, as farmers, should be grateful to those members and staff of the Federation who have put in so many hours to ensure our voice has been heard throughout this process. Our major concern for this strategy is to ensure that the momentum and good will it has generated continues.

The strategy proposes three zones in South Canterbury (Upper Waitaki, Lower Waitaki and Orari/Opihi/Pareora) with a Canterbury

wide regional committee, supported by a water executive (to provide information and management) and water entity (the operational owner of schemes). Our experience with the Opuha Dam shows us that this works best at a local level, so we have proposed that either the three zones be amalgamated to give South Canterbury a single voice or the regional committee, water executive and water entity be formed or at least operated at the South Canterbury level. Decisions about South Canterbury's future can then be made by South Cantabrians.



The changing fortunes of dairy farmers have had a real effect on the dairy support sectors in South Canterbury. In particular many grain stores are bulging with unsold product putting severe cash flow pressure on farmers. Ravensdown, following grain farmer pressure, has abandoned importation of palm kernel extract into the South Island, a victory for some, but a loss for others who were selling grain to be fed with the PKE. However, I have had no reports that dairy farmers are switching back to grain. Many grain farmers have expressed concern to me about the fluctuating prices and current lack of demand. This is a complex situation driven by, but not limited to contract and market operation, farmer behaviour, import and product substitution, critical volume, quality and the fluctuating New Zealand dollar. It will not be solved by simply banning PKE. The simple mantra of right product, at the right time and price still holds and the industry will need to work together to find solutions, which will create those outcomes.

We have been fortunate that the winter in South Canterbury, although early, was without

major storms and with a warm, early, and at times wet, spring. We are well set up for the coming seasons.

We continue the system of Management Committee and Executive Committee meetings. These have been supplemented by the development of our Management Committee Pod (Internet chat room) which has started to provide a very useful mechanism for information exchange.

**William Rolleston -  
South Canterbury President**



### 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.

### PROVINCIAL CONTACT LIST



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# Busy time for arable farmers

By the look of all the daffodils about winter seems to be over and we are almost a month into spring at the time of writing this article. This means the days are drawing out, temperatures are warming and the grass is growing. Unfortunately for arable farmers it also signals the start of another busy time with spring cereals being sown, vegetable crops being planted and the bulk of our chemicals and fertilisers being applied.



Hopefully, with the winter behind us, we have all had a chance to adjust to the disappointing grain and seed markets that have presented themselves.

Locally there still has been very little grain brought or sold and a lot of farmers now accept that they will be carrying stock over this year, again emphasising the need for having good storage available. By now most farmers will have their plans in place to store their grain, but if more storage is needed then right now is the time to secure this. Having available storage gives you options when deciding on the right time to market your grain.

Over the last few months we have heard a lot in the media about the financial woes of the dairy industry. While there is no doubt that some dairy farmers are stretched, it is the arable farmers that are now coming under financial pressure as we move into the, traditionally, most expensive time of year when most of our inputs are purchased and our cash flows get stretched. As the pressure comes on I do hope that the financiers understand the seasonal nature of arable farming and work closely with their clients to help them through this period.

Although the bearish agricultural markets have continued since my last report, I would like to finish on a positive note with some thoughts of Canadian National Bank Financial analyst Pierre Fournier. He is still positive about agriculture and his view is there will be five main trends that will drive growth in agriculture going forward.

- 1) Global population is expected to stabilize around nine billion people by 2050, from the current 6.8 billion. Overall, the World Bank projects food demand to increase by 50 percent by 2030.
- 2) Meanwhile, the demand for biofuels has more than tripled to 77 billion litres. This is expected to hit 127 billion litres by 2017, according to the Food and Agriculture Organisation of the United Nations.
- 3) The amount of farmland is decreasing. In 1950, there were 0.5ha of arable land per person. Today, the number is closer to .25ha.
- 4) Fresh water is also under pressure. The UN estimates that groundwater is being used at a rate four percent higher than it can be replenished.
- 5) Grain reserves are low. In 2000, the world had enough stockpiled to last 111 days. Today there is enough for about 54 days.



“The current slowdown will at best provide the world only a short respite from the challenge of having to meet growing demand for food with less farmland and water,” he said.

He then goes on to advise that investors should consider this downturn and market decline as an opportunity to increase their exposure to the agriculture sector on the cheap.

He also says “With the driving forces behind agriculture still intact, a recovery is almost certain. It is WHEN that is the issue. My guess would be that on the next major crop failure (or threat of one) we could see prices take off again.”

So this year is going to be one where we may have to be patient.

**Michael Tayler -  
Chairperson,  
South Canterbury  
Grain & Seed Chair**



# Outstanding start to season

An outstanding start to the season for most of the province. There have been some record lambing results due to a great autumn and exceptionally settled weather over the lambing period.



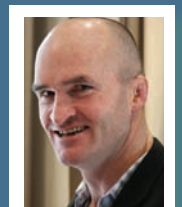
Last year saw a lift in lamb prices, which we so desperately needed to restore some faith into the sheep industry; but it would seem that the “boom” may be short lived. Early season contracts are starting to roll out and lamb prices look to be \$20 to \$30 dollars behind last year, which will be very disappointing.

A huge appreciation in our dollar against the sterling will be blamed, but yet again I feel it will be used as a convenient excuse for an industry who’s fragmented nature makes currency hedging too difficult and our lack of strength in the market place means we, the supplier of the product, bears all the downside of currency movements; it certainly isn’t how it works when you are a seller of oil.



Wool is under the spotlight after its failed vote in the meat and wool referendum and ‘another’ taskforce has been put together to look at doing something with wool. Time for tinkering with our current model is surely pasted. The auction system, in its current format, will continue to fail us, get rid of it. We need boldness and leadership.

**John Gegan -  
Chairperson, South  
Canterbury Meat & Fibre**



# Long Term Council Community Plan (LTCCP) submissions

This year, councils released their LTCCP for comment. These define the major expenditure for councils for the next 10 years. Federated Farmers submitted on your behalf to Waimate and Timaru District Councils and Environment Canterbury (the Mackenzie District members authored their own submission) on their LTCCPs, here is a brief breakdown of what we submitted and how your councils have responded:

## Environment Canterbury LTCCP

### We submitted:

- That proposed rates increases over the life of the plan were far too high. Expenditure is projected to increase by 14 percent in 2009/10 compared with 2008/09 and by 79 percent over the next 10 years. Income from rates and user pays is projected to increase by a similarly large amount. Increases of this size are not sustainable.
- Strongly opposed to the imposition of a water management charge.
- Support for greater use of UAGC's including support for Council's proposal to use a UAGC (universal flat charge per property) to fund part of the corporate and democratic process group of activities.
- Opposed to the proposed partial withdrawal of funding from the Animal Health Board bovine TB vector control programme.



### Council response:

- Water charges deferred for a year. Federated Farmers is currently part of a working group focussing on this issue.
- AHB funding was continued at the previous level (for the next two years) collected using a targeted rate.
- The UAGC proposal went ahead as supported by our submission.
- Operating expenditure (and rates) over next 10 years very similar to what was proposed in the draft (slight decrease in user pays and increase in general rate in 2009/10, because of deferral of the water charge).

## Timaru District Council LTCCP

### We submitted:

- Appreciation for the format of the LTCCP, which was straightforward and accessible.

Support for presenting predicted financial information beyond the current year in current dollar terms.

- That proposed rates increases were far too high and Council should instead create a budget to suit what they were already receiving in rates.
- Council should especially review those items in the proposed recreation and leisure budget that disproportionately create the call for higher rates.
- That Council joins with Federated Farmers in actively advocating for an increase in the financial assistance rate for local roads to a 90 percent level.
- Council should have gone to more effort to justify some of the higher consent application fees.
- Council retain the proposed differentials on farmland as a means of partially offsetting the inequitable effects of using a property value basis for rating.

### Council response:

- Council's response was disappointing.
- Council provided no acceptable answer to concerns raised about the forecast increases in rates and long term debt within the plan. The South Canterbury executive will be raising this vitally important issue at a future date.

## Waimate District Council (WDC) LTCCP

### We submitted:

- Noted efforts of Council to reduce rate increases, but encouraged WDC to make further cuts.
- Heed the auditor's comments around the lack of suitability of the LTCCP to give ratepayers a fully informed picture of what their Council is doing and how much it costs.
- Support the investigation of establishing a Central South Island Regional Council and/or a South Canterbury unitary authority.
- More extensive itemisation of rates to enable ratepayers to make individual judgement calls on the worth of Council spending.
- Council should explore all other possibilities with the current stadium prior to making a decision on a new stadium, address issues around land ownership and access priorities.
- Borrowing to fund the stadium should be repaid in a manner that reflects access or distance from the stadium or in part by a flat targeted per property rate across the district.
- Unhappy with WDC's approach to funding roading costs in the district. The current approach essentially assumes that urban ratepayers neither use nor receive benefit



from the district's rural roads, a clearly flawed assumption which needs to be addressed.

- Unhappy with Council's lack of consultation with rural ratepayers and representatives during the recent funding policy review. We asked that Council scrap the results of the review and go through the process again, this time engaging with the rural sector in the process.
- That Council engage members when considering the possible sale of long term Council assets.

### Council response:

- Council will only proceed with the sale of forestry assets if it is in the best interest of ratepayers.
- Ratepayers will have the opportunity to make submissions on the proposal to establish a Central South Island Regional Council and/or a South Canterbury unitary authority.
- Council heeds the concerns expressed by Federated Farmers in regards to the Auditor's comments.
- Council is considering the inclusion of an itemisation of rates after Federated Farmer's request.
- Council will be reviewing the funding policy and will seek input from Federated Farmers.
- Council will conduct vehicle movement tests and investigate the relevance of depreciating assets in the district to provide funds for replacement (particularly Bradshaw's bridge).
- Council will only provide funding for a new stadium if certain conditions are met including a substantial contribution from the community and accepted site and design from community and Council.

If you would like more detailed information on what was in your Council's LTCCP and what we submitted please contact me at [dcooper@fedfarm.org.nz](mailto:dcooper@fedfarm.org.nz)

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



## Walking code recognises property rights

It has been a long slow journey but the latest development in the walking access debate brings another Federated Farmers success closer to fruition.

We can go back to March 2002 when Cabinet considered a report from the then Minister of Rural Affairs (Hon. Jim Sutton) on "Public access over private land". Consequent to this (in January 2003) a reference group was established which was charged with reviewing:

- i access to the foreshore of the lakes and sea along rivers
- ii access to public land across private land
- iii access onto private rural land to better facilitate public access to and enjoyment of New Zealand's natural environment.

Federated Farmers viewed these (and particularly point "iii") as a potential danger to individual property rights. Our fears proved justified when some recreational groups began campaigning for unlimited access in a number of situations - "wander at will".

So began a major Federated Farmers campaign to protect property rights and bring some reality into the debate. We undertook our own surveys (national, regional and

throughout the South Island High Country) which revealed that 85 percent of members surveyed would allow access conditionally and a further nine percent unconditionally. Only six percent would refuse access (so where's the problem?)

This information was used to support our submissions to the Land Access Ministerial Reference Group and to the Group's subsequent report "Walking Access in the New Zealand Outdoors". We emphasised the many pitfalls involved if members of the public were to be allowed access to farmed properties if the manager of that property was unaware of their presence. Animal welfare and security were foremost among these.

The recommendations from the Ministerial Panel on Walking Access that followed submissions to the "Walking Access" report represented a significant victory for Federated Farmers, and all our members and others who submitted in defence of security, welfare and property rights. The Walking Access Act, passed last year, reflected these recommendations enshrining in law the property owner's right to determine who shall and shall not have access to his/her property and under what circumstances.

The Act established the New Zealand Walking Access Commission whose functions included the drawing up of a code of responsible conduct for public and landholders. A draft of this document has now been released and is open for public comment. Generally speaking Federated Farmers is satisfied that the proposed code addresses our major concerns, but will be seeking member input before completing its submission (which is due by 18 December 2009.)

A copy of the draft document is available on the walking commission's website, which is [www.walkingaccess.org.nz](http://www.walkingaccess.org.nz) If you do have any comments you would like to be considered in Federated Farmers submission pass them on to Bob Douglas, in the Timaru office who is co-ordinating the national submission, ([bdouglas@fedfarm.org.nz](mailto:bdouglas@fedfarm.org.nz) or 0800 327 646).



## Safe use of farm quad bikes

### WHAT HAPPENED?

A fatality has occurred involving a farm ATV. As the accident happened on a Taranaki dairy farm, the New Plymouth Coroner has determined death was partly attributable to brain injury - the deceased was not wearing a helmet at the time of the accident.

### CORONERS RECOMMENDATIONS

The Coroner has made several recommendations in a decision released 30 October. This includes, as a voluntary measure, that owners and/or operators of ATV's consider:

- a) Making all users wear safety helmets at all times
- b) Installing an appropriate roll bar or roll cage together with an appropriate full safety harness; requiring users to wear safety harnesses at all times on the bike and
- c) Ensuring that all spray tanks or other tanks containing liquid are not left permanently attached to such vehicles, but be removed after each usage.

### WHAT DO I NEED TO DO?

Ensure your health and safety policies reflect that (please see below as well):

- Anyone using an ATV (as primary user or passenger) on your property wears an approved safety helmet when the bike is in motion and
- All ATV users are suitably trained to use the bike(s) safely.

### WHAT IS FEDERATED FARMERS POSITION ON ATV SAFETY?

The Federation acknowledges that ATV safety is a concern for farmers. Accident statistics show that ATV accidents are one of the most common types of farm accident. However, given farmers spend such a large amount of time on ATV's, accidents will inevitably happen.



Federated Farmers is addressing the problem through our involvement in the Agricultural Health & Safety Council (chaired by me as Federated Farmers health & safety spokesperson). The Council has produced an ATV Guideline (which can be downloaded free by clicking [here](#))

Federated Farmers position on the safe use of ATV's is the same as the recommendations of the guideline. We encourage farmers to follow these recommendations:

- All ATV users need to be trained in the safe use of ATV's; users need to be passed as competent by their employer or approved training provider
- Helmets should be worn by ATV drivers and

passengers when the bike is in motion

- Children under the age of 12 should not ride on ATV's.
- Children between 12-15 years-old should not use ATV's unless they have been appropriately trained and assessed as competent by a guardian, employer or approved training provider and
- Due to weight distribution, extra care should be taken when carrying passengers or cargo.

### ROLL OVER PROTECTION AND REGULATION

The Federation currently takes a neutral position on the desirability of roll-over protection (ROPs) on ATV's. There is insufficient evidence to show that ROPS will improve safety and may in fact, pose additional issues in respect of safety and practicability.

Legal requirements requiring helmets or restricting ages for example, would be unenforceable and therefore would not improve health & safety outcomes. What is needed is more education about safe practice for ATV use and training. Publication of the ATV Guide and its recommendations along with a field day promotion will get the message out and start changing behaviour.

For more information or to receive a Fact Sheet phone 0800 327 646 or visit our website: [www.fedfarm.org.nz](http://www.fedfarm.org.nz)

**Donald Aubrey - Vice-president Federated Farmers of New Zealand**