

LOCAL VOICE

PROVINCIAL NEWSLETTER



OTAGO

NOVEMBER 2009

Farming affords you time to think

I think a lot about stuff when I am out doing my AI round. It is one of those dangerous times, like when you are in the tractor for hours, or sitting behind a mob of sheep on the road. Farming is some times a lonely occupation, but what it does do is allow you time to think and I want you to think about two things as we head into Christmas. How you can help us and how we can help you.

One of the really big issues facing Federated Farmers is membership and convincing people to understand the power of the brand. That's where you can help us most. Telling people why you are a member, telling someone why you think Federated Farmers is good for your business and that's where the second bit comes in. If you don't think that we are good for your business then you need to tell me why not. There is pretty much no point in me being president of Otago Federated Farmers if I am not representing real people, in this case hard working farmers. After all that is what membership is about, real people with real farms doing real work and I want to be a real part of that.

I attended the new president's course in September in Wellington. It was good meeting up with all my fellow South Island presidents and finding out that we are all facing the same issues, from land access in the high country or the problem of getting a fire permit

to burn tussock, to the challenges of dealing with public perception about farming and water quality.

I've also been making an effort to meet up with the people who can have an influence on the business environment in which you farm. I am aiming to understand their motivations so I can help them understand ours and to reduce the amount of times we come into conflict with other organisations and people, so that you can get on with the business of farming.

I went to a meeting with some of the Dunedin City Council (DCC) councillors to discuss the issue of rural rates. It was very frustrating when half way through the meeting one of the DCC staff said "so what you are asking for are targeted rates". It amazed me that he should say this after we have been asking for this for the Otago stadium for the last three years. No wonder progress has been slow.

The Otago executive had a combined meeting with Southland at Telford, with a good look around the farms and the training facility. The Southland lot were hurrying back to watch some local team called the Stags, play some game for some shield, not sure what the result was!

The executive is planning a repeat of the very successful regional leadership course in

March or April 2010. Planning is in the early stages and there are a couple of options to partner with other provinces and industry players. Whatever happens we are forging ahead with it. If you want to be a part of Federated Farmers future then you can get in early by emailing me at mike.phil@extra.co.nz

We are keen to take on provincial issues and lead the debate on how we can solve them. If you have something that Federated Farmers can do for you then I am always up for a chat, just phone me 03 4862730 or 027 438 2097.

If you are around on the Friday 11 December it would be great if you can call in for a beer and a bite and maybe a bash at J-Tee's. If you can't make it, then I would like to wish everyone a Happy Christmas on behalf of the whole Otago Team. Make sure you keep everyone, including visitors safe on the farm over the holidays.



Mike Lord - Otago President

NEED A RESOURCE CONSENT? - SICK OF COMPLIANCE COSTS? - PAYING TOO MUCH IN RATES?

Federated Farmers works hard to make sure you don't .

If you have had all those hassles, and more this year, come and tell us about them and celebrate the end of another calendar year with the three B's

BBQ, BEERS AND A BASH OF GOLF

J-Tee's GOLF CLUB

411 Gladstone Road, Mosgiel

FRIDAY, 11 DECEMBER 2009

GOLF 2pm Drinks and BBQ 4pm onwards



RSVP: Bronwyn Wilson by Friday, 4 December - Phone: 0800 327 646 or Email: bwilson@fedfarm.org.nz

Fonterra rise in payout good news

Hello again fellow Federated Farmer members.

Well - Southland has done what Otago couldn't and won the Ranfurly Shield (and good on them!).



The spring has been good overall with calving now behind us, mating about to start and cows running at peak production. The forecasted lift in the dairy payout from Fonterra (\$5.10) for the 09/10 season was good news, even with the high US dollar. Unfortunately things aren't quite so encouraging for the meat and wool industry.

As mentioned in the last newsletter, I represent Federated Farmers Otago Dairy

industry group on the AHB's TBfree Otago Committee and as chair of the Committee I am pleased to report that we are now down to 17 infected herds in Otago.

Recently I responded to comments made in a local newspaper article against the use of aerial 1080. Most of the comments were, in my opinion, based on emotion rather than science and fact, however, these comments unfortunately make the use of 1080 more difficult.

Just for the record, aerial 1080 makes up only about two percent of our annual Otago 700,000ha TB vector control programme. That two percent may not seem like much, but it represents the most difficult TB areas in terms of access and control. Unless these areas are controlled TB eradication is very unlikely. As farmers we need to be concerned about the recent upsurge of anti 1080 sentiment in the public arena and do our best to support the continuation of this toxin in the interests of agriculture in our region.

The AHB has proposed a TB strategy amendment which aims to eradicate TB from

the environment and contain infection. Our Committee has submitted to the Minister supporting the objectives of the strategy but highlighting the need for workable policies on movement control so that farmers can continue to operate while managing the risk.

I would like to take this opportunity to wish you and your families a very happy and safe Christmas.

Stephen Korteweg - Otago Vice-president



Dairy report

It is great to see the slow but steady improvement in dairy prices through 2009. With this improvement reflected in the payout for this year and the projected payout for next. This will help take some of the pressure off and give many of you the ability to spend on improving your farming business.



Effluent is still an issue, we must all work to improve our on farm effluent systems, as well as our image to the public. The compliance levels must continue to improve or the Otago Regional Council will look for ways to ramp up the standard required, or impose greater penalties.

I feel we should remind our town cousins of the great improvements that have been made on farm whenever you get the chance and make them aware that we all should be treated equally and that the town environment could do with some major improvements also!

Soon, those of you who are Fonterra suppliers, will be asked to vote on changes to your co-op. I hope you are able to attend at least one of the meetings that are to be held and that you ask as many questions as you can so you are happy with what is proposed before you have to vote.

May the financial situation and the weather keep improving as we head into 2010 and I wish you all a merry Christmas and a prosperous New Year.

David Wilson - Otago Dairy Chairperson



Full agenda at council meeting

On 4-5 November the Federated Farmers Meat & Fibre council had its second meeting of the year. Yet again it was a busy and productive couple of days. Minister Tim Grosser, Owen Poole, Keith Woodford and Ian Abercrombie were the key speakers.

Minister Grosser's address was very positive, he believed global trading conditions had never looked better, sighting the bilateral FTA's and a willingness to complete the DOHA round. It was surprising and disappointing that he did want to discuss the ETS, as most farmers are very nervous about the effect of this legislation. The science around this issue is not clear cut and there is certainly going to be winners and losers from the ETS. Those of us owning methane producing animals look like we will have the most to lose.

Owen Poole and Keith Woodford presented on co-operatives and both gave very good presentations. Most members focused their questions towards Alliance and the issues of reducing livestock supply and structural issues of the meat industry. Owen Poole went through the results of the last decade and showed how Alliance has been able to deliver strong financial results and showing how co-operatives can deliver value back to the owners of the company.

We all know the strong wool industry is in real trouble, despite this it appears that industry players are at least talking about working together. This needs to happen quickly with ego's being put aside to give us any chance.



Wool Partners International's strategy looks sound, the key will be implementing it and getting buy-in from farmers.

On the second day of the meeting, I gave a presentation on the Woolworths Agricultural Business Scholarship that I attended in Sydney in August. Bruce Wills gave some feedback from on his trip to Europe to the International Sheep Meat forum. He noted that at the Anuga trade fair our four major meat companies had presented well. Although he noted that each New Zealand company had a separate site, where as the Australian and South American countries had large nation based sites that were heavily resourced. Once again this shows the fragmentation of our industry, and how well resourced our competitors are.

Rob Lawson - Otago Meat & Fibre Chairperson



Telford report

50 years ago Federated Farmers members of Otago and Southland were instrumental in setting up the Telford Farm Training Institute. Those members would not recognise Telford now. From that beginning Telford is now two entities joined at the hip, a high performance farm and a Polytechnic delivering training throughout New Zealand in agriculture, horticulture, forestry, apiculture and, an odd one out, vegetative fire and rescue to rural fire authorities.



Federated Farmers Otago & Southland visit Telford Rural Polytechnic

The last six years has seen major growth at Telford Polytechnic, both on campus and off campus, to the extent that in 2006 we delivered training to over 10,000 individuals. Some will know us through FarmSafe, which delivers our programmes, others through direct involvement. Whilst our main growth has been off campus (85 percent of our training), our delivery on campus has grown as well; notably our one year 'Certificate in Agriculture', which gives individuals skills to gain employment to some 82 full time students a year.

The 'Certificate in Agriculture' covers subjects such as fencing, animal handling, animal health, ATVs, tractors, basic mechanics, basic engineering, tool shed and milking shed operations with a good proportion of work experience on Telford farms and local farms. By graduation most have found employment either back in their home district, but more likely in Otago/

Southland. The majority of our graduates do Telford and the agriculture sector proud.

The change in Government has not brought the changes that Telford hoped for. The new 'Strategy for Tertiary Education' is putting more emphasis on qualifications rather than skills courses and higher training such as diplomas and degrees, rather than foundation trade skills. Telford's delivery is predominantly in skills courses, hence our challenge is to refocus.

I take this opportunity to thank Federated Farmers members for their support ranging from being on committees, through to taking students on work experience to employing Telford graduates. Without you Telford would not be here. Thank you.

**Jonathan Walmisley -
CEO, Telford Rural
Polytechnic**



Water and crops - getting the mix to work for you!

In Otago we enjoy good water quality in most streams and rivers. As we know good stock management around waterways is essential to help keep it that way and to clean up problem streams.

What can really make a difference to sediment loss is safely grazing and managing crops near waterways, especially on sloping ground. Many of the risks of impacting water can be reduced by adopting some pretty sensible practices when planting, managing and grazing feed crops.

Good Management Practices

In order to combat the direct input of nutrients to streams it is recommended in areas that are intensively grazed, that all waterways are fenced. This is pretty much a given now for reducing nutrient loss to streams. It is important though to think about areas that are normally less intensively grazed, but move to more intensive stocking rates when sowing and grazing crops.

Planning

- When planning to re-fence a property, or when you are thinking about summer and winter feed, try to make paddock and or crop boundaries at waterways. Then it makes fencing off a waterway on both sides logical.
- Set targets to have all waterways on your property fenced off. If you rely on waterways for stock water consider putting in a reticulated system, it can have many advantages for stock health and management.
- When cultivating a paddock, always leave a strip beside the waterway uncultivated and

unsown. As a general guide the width of the margin should be around three metres, but may need to be more on sloping or poorly drained areas. This can be left as grass, where the cropping is part of a winter feeding or regrassing programme or in the longer term planted out for shelter, woodlots or even carbon credits, where it is permanently fenced.



Grazing

- As you will know, in cold, wet conditions feed demand from stock is higher and utilisation drops. Hungry animals usually start to wander and this can add to soil and production loss through physical damage and increasing the chance of sediment entering waterways. For more information and data on water quality in streams around Otago go to: <http://www.orc.govt.nz/portal.asp?categoryid=1390>.
- When strip grazing, align strips parallel to waterways and start grazing at the point which is furthest from the waterway. When you graze the last strip which is right next to your fenced off waterway, if you can, make sure conditions are dry to minimise runoff. To check soil moisture content go to: <http://land.>

orc.govt.nz/landinfo/ for your region. Or check out the Otago Regional Council GrowOtago website for soil and climate information.

- You will already plan your rotations and grazing management carefully, but when you are doing this, make sure you also consider your crop management and the potential impact on the water leaving your farm. If it is possible to have a dryer back-up paddock, where other supplements can be fed out during really wet periods, then factor this into your rotation plan.

If you have any questions about the management of waterways on your farm then contact an Otago Regional Council Land Resources Officer, 03 474 0827, for advice.

**Dylan Robertson - Land Resource Officer
Otago Regional Council**

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Don't let the figures hide the facts

One recurring point I've tried to demonstrate this year is "how important is agriculture to Dunedin or Otago's economy?"

We all know the question is worth answering. But does everyone else. We want to give councils a series of figures which demonstrate how reliant the city or region's economy is on agriculture. By getting those concrete numbers, we can better justify our arguments that taking rate money from the already productive agricultural sectors and using it to bet on the development of other sectors is flawed economics.



The difficulty for us is that the data always seems to understate the case we're trying to make. Take these examples from the 2008 BERL report on Dunedin City's economy. In 2008, the primary sector contributed only four percent to Dunedin's Gross Domestic Product (GDP) and accounted for four percent of Dunedin's Full Time Equivalent (FTE) workforce. Comparatively, business services comprised of 33.2 percent of GDP and 17.8 percent of Dunedin's FTE.

These figures just don't sit well with me. I know that a large amount of Dunedin's GDP will be produced either servicing the agricultural sector or servicing other industries or sectors

that are reliant on agriculture. I also know that this isn't reflected in the figures, because the measurement is to the farm gate only. Yet if you took away the entire agricultural sector the impact on Otago's economy would be ruinous.

A large part of Dunedin's economic output is a result of servicing agriculture in Otago. Port Otago, rely on primary produce for 12 percent of their import traffic and a whopping 55 percent of their export traffic. In the 2008 BERL report, agriculture doesn't get credit for the value added by the Port's activities, it is accounted for under the retail and distribution sector. This is because the method of measurement is to follow each link in the economic chain and measure how much value is added at each point in the chain.

The end result is that agriculture remains under-measured and under appreciated.

To get the real picture you would have to rely on what economists call multipliers to estimate (or more accurately, guesstimate) the overall importance of agriculture. You could also survey Dunedin businesses on how much of their work is coming from farmers or operations associated with farming. What is Cadbury without milk or what do dishwashers have to wash without food?

Both of these are acceptable economic practice, but even still I reckon the answers miss the point.

So what is the point? For me it is that by looking for data to justify what I already know, I'm not seeing the wood for the trees. Farming produces food to eat, products to make other food we eat and products to keep us warm, dry and looking good on the street.

This is fundamental to human existence and the importance of the products themselves is not captured in standard economic measurement.

As Jared Diamond pointed out in his Pulitzer winning book 'Guns, Germs, and Steel', these basic components of life have to be in place before any other production or economic activity can occur. If there were no specialisation or improvements in output productivity, all of the rest of us would starve or spend all of our time looking for food. Our society is built on specialised and highly productive food output and farmers and farming are central to this.

The same can't be said for teachers, lawyers or policy advisors who, even though we're contributing to society, are not contributing such a fundamental product that everyone else is relying on that production for their very existence. Teachers, policy advisors and (some) lawyers are important for the ongoing efficiency of the society we live in, but essential? No.

So the answer to the question "how important is agriculture to the economy of Otago and Dunedin?" is that there would be no economy as we understand it without farming. Farming is vitally important and I use the word vital with specific intent.

I was talking to a sheep and beef farmer in Gore and we got around to the topic of why he chose to farm rather than take on another vocation. He told me that he wanted to feed the planet. The answer had no ulterior motives. It was his honest answer behind a decision to commit his life to farming. He wanted to do something that mattered with his life, something fundamental to human existence.

While I don't yet have that magic set of numbers to take to council that provides unequivocal justification for arguments around rates, I do have something important to tell them. We each have a role to play and while the sheep and beef farmer in Gore has decided to feed the world my role, and the role of the council, should be to do as much as we can to let him.

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

AssureQuality

AssureQuality partners with ACC for agriculture and forestry training to farmers in the Otago Region.

AssureQuality, the country's leading provider of food safety and biosecurity assurance services has partnered with ACC to deliver safety training courses in Otago to the agricultural and forestry sectors.

AssureQuality has been running successful courses this year under ACC's WorkPlace Safety Discount (WSD) programme and is now offering Otago's small businesses and self employed people with a savings incentive of their work levy by demonstrating sound health and safety practices.

Local AQ field technicians already working on-farm conducting a wide range of services see first hand the hazards and injuries that these courses cover – not to mention the consequences of agriculture and forestry workers who are ill-prepared in health and safety practices in their businesses.

If a farmer is badly injured their lifestyle and income is at serious risk. Not only must they pay someone else to do their job for them, they may never be able to farm again. That's a pretty good motivator to make farmers think seriously about the effects of any injury.

AssureQuality is an ACC contracted training provider for the agriculture sector and will be running half day training courses at **NO COST** to you within your locality.

Ring the **AssureQuality freephone 0508 00 11 22** and register your interest for the Workplace Safety Discount Training.



**Federated Farmers
FARM DAY 2010
SUNDAY, 28 MARCH**

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