

## Working hard on behalf of members

I am currently working on a number of issues and, I must say, it is great to focus on local stuff rather than be preoccupied with Horizons and the One Plan. I really appreciate it when members bring me an issue they are having trouble dealing with. That is what the organisation is all about. I can access any number of 'experts' from our Wellington office and work on a solution. Plus it lets me know what ordinary farmers are really facing.

Following a simple conversation about harvesting pines, I am now on the district council's consultation list for the district plan, particularly with regard to forestry. It is a fascinating business considering the many aspects of forestry from a farmers' perspective. More importantly, it has given me an opportunity to work with our local council before the plan heads into the submission process. I believe this is a much more effective and proactive approach. We have a positive working relationship with our local district council, which I am proud of.

I also approached The Lines Company as I was horrified by the lines component of my power bill. The Lines Company is keen to explain the cost increase to farmers, particularly dairy farmers. So we have decided to call a special meeting, the details of which will be announced shortly, but first I want to try and understand the issues more clearly.

The more I look into this, the more I feel I have opened up a can of worms. I am pleased that the National Government is guaranteeing supply to remote users in the Electricity (Security of Supply) Amendment Bill, but that seemingly is only half the problem. As the below discussion will explain, the funding of remote rural lines remains a bone of contention.

The following is a 'brief' summary of the problem to date, supplied by Nick Clark and Jacob Haronga from our Wellington office.

The Electricity (Security of Supply) Amendment Bill is the outcome of a review undertaken two years ago by the previous Government. Federated Farmers pushed for that review, as we were concerned about the future beyond 2013 for remote rural consumers facing the prospect of being cut off as uneconomic lines become run-down.

After consultation with the provinces, there was strong support for the approach that was eventually provided for in the bill and we submitted in favour of it.

In a nutshell, the bill would require lines companies to continue to maintain lines built before 1993 by removing a sunset clause in the Electricity Act that would see that obligation lapse in 2013. It does this while providing a mechanism for lines companies to be able to shift some connections onto self-generation, where the landowner/consumer agrees to this happening. Examples of self-generation include micro-hydro, wind, solar or diesel generation.



We supported the ability of lines companies to migrate people on to alternatives, as it seemed a useful compromise. Alternative energy sources are still quite expensive though, so we accept that this won't go far in the short-term towards solving the problems that many lines companies will be facing due to the costs of having to maintain a large network with only a small customer base.

The issue of cost recovery is one Federated Farmers raised in its submission to the bill, but the select committee report provides no clear indication of what they want done about it. However, some MPs expressed concern about low income urban dwellers subsidising remote rural properties, including holiday homes.

The bill provides no guidance on how the obligation will be funded, so the standard operating methodology regarding cost recovery from consumers still stands. This does present problems for those lines companies (such as The Lines Company) that have a large rural customer base, as there is not a large number of urban customers to draw a cross-subsidy from. We are aware that this could put some of the smaller, more rural lines companies at risk of insolvency.

Sadly, there are no easy solutions. The Government would generally take one of the three following approaches:

- (1) Government could provide a subsidy to cover off the cost of the obligation. It could do this via general tax revenue or from a new levy on all electricity consumers. This option is possible, but with the Government facing fiscally challenging times, it is a big ask.
- (2) Government could amend the requirements of the Electricity Industry Reform Act and, by association, the Commerce Commission's distribution pricing methodology (this determines the formula lines companies must apply when determining who pays what, when they seek to recover the costs of maintaining their network). This is not straightforward, as the problem remains for smaller companies of having a limited urban base on which to draw a cross-subsidy.
- (3) Government could exempt companies from the cross-subsidy provisions altogether so that each consumer pays the actual cost of maintaining supply. This would be extremely costly for remote rural customers in particular. We don't consider this to be at all desirable and we also consider it the least likely option.

I hope you are all a lot clearer on the issue. If not, you may wish to attend the proposed meeting with The Lines Company and let them explain it..

**Lyn Neeson - Ruapehu  
President**



# Meat & Wool's big vote

## Referendum

The proposal is out and we have until 28 August to vote on the future of Meat and Wool New Zealand (MWNZ) as our levy-funded, industry-good organisation.



The proposal has changed in several significant ways from the original consultation outline.

Firstly, MWNZ have proposed to slash the amount of levies spent on Research and Development and, instead, plans to fund this from Meat Board Reserves. It will fund this to the tune of \$26 million over the five years. By doing this, the Government will likely match this funding through its Primary Growth Partnership, which will give the spend extra grunt.

At Federated Farmers One Event National Conference in early July, the overwhelming theme coming through from industry is that our future lies in science and innovation, so I think this is a good move. The Meat Board reserves will only be spent on projects that farmers approve. \$60 million is still ring-fenced as reserves to be used to restore consumer confidence in case of a biosecurity incursion.

Levies for sheep will go up over five years from 0.40c per sheep in 2009 to 0.60c (up 66 percent) by 2015. Levies for cattle will go from \$3.60 per beast in 2009 to \$4.60 (up 27 percent) by 2015. Wool levies will go from 0.05c per kg in 2009 to 0.03c per kg by 2015. The proposal for wool allows for some wool promotion over a couple of years until commercial companies amazingly revolutionise the industry so we are all receiving \$6.00 per kg for our wool (that is if there are any wool farmers left)!

The other contentious issue during the consultation was the amount of levies proposed to be spent on market development. The proposal has come out with a trimmed down spend in this area. Farmers will still fund a considerable amount of promotion, but the expectation is that processors will contribute more in this area so that by 2015 it will be a 50:50 spend.

What the proposal appears to lack are some indicators of success on which the performance of MWNZ can be measured. In

other words, something for us to be able to judge the returns on our levies. I know that Bruce Wills and the Executive of the Meat and Fibre Section of Federated Farmers will be asking the MWNZ board to produce these quantifiable targets and success criteria. As levy-payers, we must insist that we judge performance.

The other areas of investment outlined in the consultation document are largely the same, although the spend has definitely been cut back.

Mike Petersen has indicated that the MWNZ board unanimously agreed to this proposal. So now it's up to us. Yes or no?

## MAF Sector Strategy

This was a really interesting study of the sheep and beef industry carried out by MAF. It looks out over the next 10 to 15 years to identify the main strategic opportunities and challenges facing our sector.



The report effectively comes up with four future scenarios (it is pointed out that these scenarios are not predictions). The scenarios range from "Slippery Slope", which effectively fails to address key opportunities and challenges leading to systematically lower profits, to "The Knowledge Industry", where the sector makes a step-change in innovation investment, allowing for greater product and process innovation.

The opportunities identified describe a vibrant sector that places New Zealand at the forefront of high-quality, sustainably produced meat and rewards farmers for meeting consumer expectations in both traditional and new markets. Inaction and the status quo are not an option.

If anyone wants to read the report, you can go to the MAF website, or ring them for a hardcopy.

## Agrecovery

Some members have asked me what they can do with their used drench/dip containers and silage wrap.

These items, plus unwanted chemicals, can be disposed of through the Agrecovery programme, which is run by the Agrecovery

Foundation, established in 2005. Effectively, the foundation is supported financially by companies wanting to contribute to the costs of disposal.

**Containers** – These can be recycled through the programme. Containers must be brands and products distributed by the companies that support Agrecovery. A list of these companies is on the website and is extensive. Most of the newer products will have an Agrecovery logo, but older containers belonging to an Agrecovery committed brand owner will be accepted.

Other containers will be accepted but must have an Agrecovery "user pay" sticker attached (you can buy these on the website).

When a farmer has containers to deliver, they first must ensure they are triple rinsed and free from residue. The containers can then be taken to their local Agrecovery collection site to be inspected. Farmers then fill out a compliance form (very basic) and the containers will be accepted if they comply (clean/eligible). The containers will then be recycled.

The collection sites are: the Waimarino Transfer Station in Ohakune (Tuesday, 10am-3pm) and the Taumarunui Transfer Station (Tuesday-Thursday, 10am-5.15pm). It may pay to ring the RDC on 895 8188 to check that staff will be available to accept containers.

**Silage Wrap** – For about \$1 per bale you can recycle your wrap. You need to buy recycling bags, which will cost \$67.50 (GST



incl.) for five bags. You should fit about 12 wraps per bag and bags can be bought from rural retailers. Farmers should store the bags in a clean, dry place then ring Agrecovery for collections in their area. Their contact details are:

- 0800 agrecovery (0800 247326)
- [wrap@agrecovery.co.nz](mailto:wrap@agrecovery.co.nz)
- [www.agrecovery.co.nz](http://www.agrecovery.co.nz)

If anyone has any question/comments about any of these topics, please feel free to catch up with me.

**Kirsten Bryant – Ruapehu  
Meat & Fibre Chair**



# RUAPEHU NOTICE OF MEETING



RUAPEHU

**4pm, Thursday 27 August 2009**

**Upstairs at the St John's Rooms**

## Guest Speakers

4.00pm **Edwin Ashford from Work and Income**

**Topics:** Assistance for providing employment opportunities for those currently unemployed.  
Assistance available for farmers facing financial hardship.

4.30 **Gavin Read Westpac Manager of Financial Markets**

**Topics:** Currency and interest rates.

5.00pm **Meeting proper**

### AGENDA

Apologies

Minutes

Financial Report

Reports: President, Meat & Fibre Chair, RAHAC

***(please note these Reports will be taken as read, they are included in the newsletter and items of interest will be discussed at this time)***

General Business:

- SLUI Meeting de brief
- Lines Company Meeting Proposed
- Young Farmers Weekend
- Dairy Farmer Section
- Rural Support Trust

**Late Items of General Business will be included, but please advise by 20 August.**

### PROUDLY SPONSORED BY:

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# Provincial round-up

## Young Farmers Weekend

Some of the older members have seen the need to develop specific skills in our younger farmers and create an opportunity for them to socialise and learn at the same time. We are in the process of organising a weekend (probably the end of September) before docking starts. We have invited a respected dog handler to teach the farmers and their



young dogs a few skills on the Saturday. Ruapehu Federated Farmers will supply a barbeque and a few beers on Saturday night and we will organise an activity on the Sunday. We are currently finalising a venue and date and will advertise the details in the Ruapehu Press. I hope it will lead to regular activities and will encourage young farmers to take an interest in the Federation and farming politics.

## Dairy Farmers

Nearly all of the local dairy farmers are Federated Farmers members and it is about time they were represented better. So I have invited them to form a section. Alternatively, we may be able to involve them in the new email 'pod' system that our communications team is setting up. If you are a dairy farmer and would like to become more involved in the organisation, please don't hesitate to contact me. The water chapter of the One Plan is fast approaching and I'm sure we will get a better outcome if we have your involvement and opinion.

## Upcoming Events

Ruapehu Federated Farmers is holding a meeting on 27 August at 4pm.

### Guest Speakers:

**Edwin Ashford**, of Work and Income, will speak about placing job hunters on farm and

also entitlements for farmers who may need living assistance.

**Gavin Read**, of Westpac, is a Manager of Financial Markets, specialising in currency and interest rates.

Rather than make our guests wait through the business part of the meeting, I have decided to let them have the first hour and our meeting proper will start at 5pm.

## SLUI

Kirsten and I have been invited to an SLUI Group Meeting in Palmerston North on Tuesday, 25 August (hence the change in date for our meeting). We will take the opportunity while in Palmerston North to meet with Garrick Murfitt, Mike McCartney and David Meads. We will give a verbal update on 27 August.

## Executive List

We try and send out two or three newsletters to all members in this province annually. We also hold a meeting every couple of months. It seems an extra cost to send out the notice of meetings to every member if you don't really want them. So, if you would only like the newsletters, and not the notice of meeting, please advise myself or Audrey Walker and we will take you off the mailing list (and save the province money).

## Email

Email is a simple and cheap way for us to contact each other. If you would like to get your newsletters and notice of meeting via email, please let me know your email address and I will put you on that list.

## Trial membership drive

Lyndel Stone is back on the team working on membership and retention for Ruapehu, Wanganui, Manawatu and Rangitaiki.

On her trial around the Ruapehu province she picked up six members in 10 days and visited 49 farmers. She also picked up a similar number in the Manawatu.

It is great to be able to make official use of her local knowledge and understanding and passion for the Federation. If you know of anybody who isn't a member and would like to join, please email Lyndel at [rlstone@farmside.co.nz](mailto:rlstone@farmside.co.nz).

**Lyn Neeson - Ruapehu President**

# Rural Support Trust

Ruapehu Federated Farmers have been working toward forming a Rural Support Trust for some time. The trust's primary function will be as a conduit to distribute Government funding to badly affected people in times of a natural disaster, such as another 2004-type '50 year' flood, sustained drought or a major earthquake. Of course, we hope the trust will never be needed, but reality dictates otherwise. In the event of a disaster, such an organisation has to be in place as no one else has the ability to disburse funds and assistance as the Government requires.

The second purpose of the proposed trust is to offer assistance to farmers who, through little or no fault of their own, end up in financial difficulty. We already operate a small service to affected farming families and will continue to do so.

Two options currently under consideration are to either join with the Manawatu/Rangitikei Trust, which has been successfully operating for some time, or join with Wanganui and form a new trust, with support and a seed fund from MAF. Our first intention is to run with our own, but we will form with another rather than achieve nothing.

The current times can be quite stressful, particularly between husbands and wives, family members, employees and/or seasonal financiers. Simply, our advice is to seek help before your situation becomes too serious.

Contact either Lyn Neeson or Richard Steele for further details.

**Richard Steele**



Ruapehu Federated Farmers provincial newsletter is proudly sponsored by Tom Dickie, Ravensdown, email: [tom.dickie@ravensdown.co.nz](mailto:tom.dickie@ravensdown.co.nz) :



# Wool - how big is the problem?

Every time someone mentions the words wool industry, we shrug our shoulders, shake our heads and ask ourselves...

- How did we let our industry get to this level?
- How did we manage to get fleeced for millions and still continue to keep funding, via levies, the same concept that got us here in the first place?

How many directors, chairpersons and committee people have very nicely feathered their pockets and clipped the ticket and done nothing to promote this industry?

Every week through farming magazines and publications, we hear the same beat on the same drum that we have heard for years. The strong wool industry is in crisis, but Merino breeders are doing very nicely thank you.

After reading some statistics from Meat and Wool NZ on sheep breeds, Merino only hold 5.3 percent of the flock, Romney 38.7 percent, Coopworth 12.2 percent and Perendale 9.9 percent and other, 20 percent.

Wool fibre export earnings for the year ended 30 June 2008 were \$613 million. Mention the word Ice Breaker and we all think of beautiful, quality apparel.

Mention the words strong wools and we think disaster and nothing more.

A few months ago the new Braemar Hospital opened in Hamilton. I was lucky enough to have a conversation with a stranger in the complex, when I passed the opinion of how they had mucked up the flooring with plastic/synthetic carpet. I was so pleased he turned out to be the architect. Over lunch he

explained about the public building and that the safety code regulations preclude wool and how wools hygienic properties are not suitable for hospitals.



I thought "what rubbish", but went away to do some homework. Seems that while the strong wool industry were sleeping, somehow the synthetic manufacturers convinced authorities to write test standards in a way that made it difficult for wool to compete.

I was happy to learn about an organisation by the name of IWTO (International Wool Textile Organisation). This organisation is launching a wool access-to-market campaign to counteract the public building and safety code regulation. New Zealand, along with Australia, South Africa, Argentina, Britain and Uruguay will help fund this campaign.

Depressed wool prices and a lack of knowledge about this eco friendly, natural sustainable and renewable resource are not only a New Zealand problem but a global one. Another wool exporter H Dawson has created a website called the woolroom ([www.thewoolroom.com](http://www.thewoolroom.com)).

This website offers an educational view of wool and he wants to re-educate shoppers and consumers. This was highlighted by a very enthusiastic Theresa Gattung in her presentations for WPI. She was alarmed at the lack of understanding regarding wool harvesting. Theresa told us that many people still believed the sheep had to be slaughtered for the wool.

Most wool companies are securing niche markets, but if the consumers don't demand products made of wool, we may as well stop growing it. We can start here in our own backyard by demanding that the giveaway items from the drench companies etc be a wool product or give us a discount.

Teach our children, grandchildren and people who aren't farmers about the benefits of the fibre, how to care for its products and make it last for years. If the likes of WPI, Elders, H Dawson, WSI and Elco believe we have a future in wool, maybe we all could do more to promote its exceptional properties and not accept the status quo.

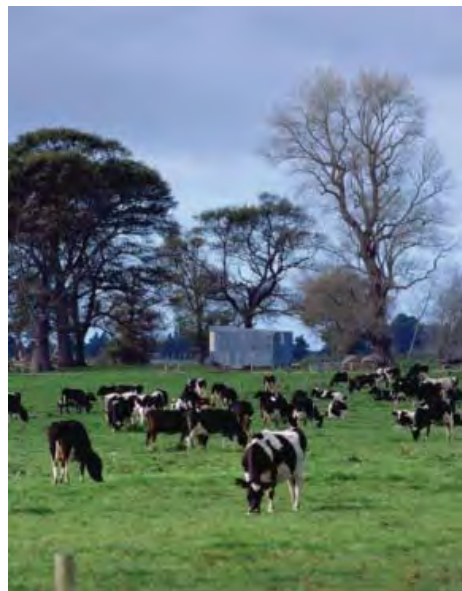
Let's hope that in 50 years time this fibre is not on the shelf keeping the Moa warm.

**Annie Carmichael - Ruapehu Meat & Fibre, Vice-chair**

## TB eradication

### Feral Pig Releases

This continues to be an issue in our region, with the possibility of introducing TB to areas that are currently TB free. If the heads and offal



from infected pigs are left in the bush there is a chance that possums could get infected from scavenging on this type of material. People are reminded that the releasing of pigs into the feral state is an offence under the Biosecurity Pest Management Strategy Order.

TB is only one issue for farmers, the predation by sows on lambs at lambing time can be a real problem in some areas too, along with the possibility of pigs introducing leptospirosis and infecting stock.

### National Pest Management Strategy

The Animal Health Board has attended a number of farmer meetings over the last few months to discuss the current TB situation and the next review of its strategy.

The board has sought submissions on the review from farmers and, although these have closed, they are still accepting submissions. The board is on track to make a proposal to the Minister by the end of September on

the review of the strategy. Once accepted by the Minister, the full proposal document will then be circulated to all stakeholders for comment and further submissions. Some of the key areas for discussion are likely to be around the future funding of the programme, with the recent reductions of funding from regional councils being a real issue.

### Horizons Regional Council - AHB Funding

As a result of the reduction of the regional share component of funding to the AHB programme by Horizons, the AHB is currently reviewing the vector control programme for the region and there are likely to be some serious cuts.

If you wish to discuss any of these issues, please feel free to contact me.

**Roger Beck - TB Free Committee  
Phone: 07 894 5184**

# Update on the One Plan

## The provisional determination of chapters 5 and 12 of the proposed One Plan, issued by the Land Hearing Panel.

Make your own judgement. How will your farm operation be affected? Summary of chapters and what's involved...



The objective of the land chapters is to introduce farm-wide, sustainable land management practices to minimise accelerated erosion and encourage and support sustainable land management. While the methods proposed are mainly voluntary, vegetation clearance and land disturbance are considered the two main contributors to accelerated erosion and are consequently subject to regulation in the plan.

Land and soil management are seen as the key to protecting the stability of the region's soil and maintaining or enhancing water quality. Council aims to control elements of:

1. Vegetation clearance, land disturbance and hill country areas that are subject to an elevated risk of accelerated erosion (Hill Country Erosion Management Areas - land with a pre-existing slope of 28 degrees or greater)
2. Forestry
3. Large scale land disturbance including earthworks
4. Cultivation occurring adjacent to some water bodies.

The emphasis of these land chapters is on hill country subject to elevated risk of erosion and accelerated erosion, but all land at risk of erosion is covered by the plan (including coastal).

Page 5-13, Policy 5-1 and associated methods acknowledge that the achievement of sustainable farming practice on hill country land, subject to an elevated risk of accelerated erosion, is a complex task. There are three reasons for this:

1. Recognition that sustainable land use means changing from unsustainable farming practices. This may mean the introduction of new practices such as employing different stocking rates, introducing forestry or retirement of land and fencing waterbodies.

2. Commitment to implementing new land management practices will require capital outlay and, most importantly, require a willingness from the land owner to introduce change.
3. Sustainable land management practices need to be tailored to the specific land capability of an individual holding, which means a blanket approach introducing one solution for all hill country farming will probably fail.

Appropriately developed codes of practice will be recognised.

The assumptions in the plan about the sustainability and impact of hill country farming, cultivation practices and vegetation clearance on sediment levels in waterbodies and onto flood plains, continue to paint a negative picture of farming in the hill country.

The rules affecting farming proposed in the plan have mellowed from the original draft in a way that alleviates some of our original concerns. However, at the risk of sounding negative the possible onerous parts of the plan include:

- No land disturbance, vegetation clearance or cultivation is to take place on land that is within a coastal fore dune
- Large scale land disturbance over 2500m<sup>2</sup> per property and within a 12 month period is undertaken in accordance with erosion sediment control plans submitted to regional council
- Setbacks of 5m from the bed of a river that is permanently flowing or has an active bed width greater than 2m or the bed of a lake or a wetland, where no activity is permitted
- Bunding, silt traps, interception drains or other alternative methods to minimise sediment run-off to waterbodies shall be installed prior to and maintained during cultivation.
- Vegetation clearance (involving one ha or greater per property per 12 month period of woody vegetation where the canopy cover of woody vegetation in the area to be cleared is greater than 70 percent) or land disturbance (including new tracking) undertaken in hill country erosion management areas require resource consent.
- The definition for vegetation clearance and land disturbance mean activities such as cutting, crushing, spraying, burning or other means of removing vegetation will require resource consent.
- Restrictions on cultivation adjacent to waterbodies. The definition for cultivation excludes direct drilling of seed, no tillage practices, recontouring land, forestry

and the clearance of woody vegetation and new tracking in a Hill Country Erosion Management Area. It is unclear whether these activities are considered land disturbance and therefore subject to resource consent or whether they are allowed to continue as of right.

More specifically

There are six rules in the determination proposed for vegetation clearance, land disturbance and cultivation (this compares to the eight or so originally proposed) these include:

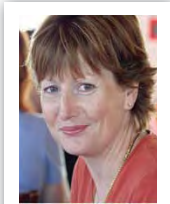
- Three permitted activity rules, with conditions that cover large scale land disturbance, forestry and cultivation
- Three restricted discretionary rules that cover vegetation clearance and land disturbance in hill country erosion management areas and adjacent to some waterbodies. Resource consents will be required for the removal of one ha or greater per property per 12 month period of some woody vegetation and new tracking; Vegetation clearance, land disturbance, forestry and cultivation activities that do not comply with other rules; Activities within rare habitat, threatened habitat or at risk habitat.

A discretionary rule means the activity will require resource consent, which may or may not be granted by the regional council.

Federated Farmers needs to look closely at the definitions and determine how members businesses will be restricted under the preliminary determination. We then need to decide if the issues are sufficiently significant to justify taking to the Environment Court.

For further information, please visit Horizons' website:  
[www.horizons.govt.nz](http://www.horizons.govt.nz)

**Julie Ireland - former Federated Farmers Policy Advisor**



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