

LOCAL VOICE

PROVINCIAL NEWSLETTER

MANAWATU/RANGITIKEI



DECEMBER 2009

One Plan - One big stick

It was pleasing to see many of you attending our meetings we had on the One Plan at the start of November and gaining further understanding of the details and processes of this massive bureaucracy increase, which we are challenging strongly through the hearing process. We organised these meetings to update you on the One Plan and gather your feedback and support now that the 'sharpest end of the wedge' is being driven into farmers' livelihoods, with Horizons' big stick approach towards the consents and licenses required to farm.



I appreciate that many may not feel the effects of this and other proposed new rules initially if you are not regarded as intensive by Horizons. Most of you will appreciate that, if Horizons wins with its license to farm, it will have set a new precedent and all farmers will eventually be forced to pay thousands to the bureaucrats, on top of their big rates bill, just to continue farming.

From our meetings, most of you were aware of the need to be environmentally responsible and want to continue working on environmental improvements. But you still need to be able to earn a living from your land at the same time, which Horizons' 'big stick' approach may not allow for. We are continuing to work with other submitters and industry on a way forward through a self regulatory approach before you are hit with Horizons' 'big stick'.

If you would like to be involved in the hearings or Federated Farmers submission to the One Plan, please phone Tessa on 06 353 5104.

Farm Day

A reminder that Farm Day, on Sunday, 28 March 2010, is fast approaching. Unfortunately, the timing clashes with our important submission to Horizons' One Plan, which will still require quite a bit of preparation. If any of you are keen to help out either on the day or with getting the word out to the community, especially to schools/pre schools in or around Palmerston North, please leave your name and number on Sue Wall's phone, 06 357 4026.

We also have a copy of the book, Ben and Mark – boys of the high country and it would be great if we could have a few more



volunteer farmers to read part of the book to a school and also tell them about Federated Farmers Farm Day. This would be particularly useful in our urban schools and would help to bridge the understanding between town and country. One of our members, Liz Brook, is kindly taking the book to Marton Primary School.

Polluted Manawatu River

You may have heard of the new claims in the media, based on a new report supplied to the media by Horizons. Some of the claims and statements made in the media are dodgy to say the least and I have an opinion piece in this newsletter relating to the Manawatu River.

I look forward to catching up with you on Friday, 18 December at our Christmas social get together. I hope you all have time for a well earned break from the challenges of farming over the Christmas period and wish you all the best for the year ahead.

Gordon McKellar - President Manawatu/Rangitikei Federated Farmers

You are invited to

Manawatu/Rangitikei Federated Farmers Inc

CHRISTMAS CHEER

Friday, 18 December 2009

4-6pm

'Farming House'

105 Queen Street, Palmerston North

Gordon McKellar, President - Phone: 0800 673 337

RVSP by 16 December to:

Sue Wall

Phone: 06 357 4026, Fax: 06 357 9997, Email: swall@fedfarm.org.nz



PROVINCIAL CONTACT LIST



MANAWATU | RANGITIKEI

PRESIDENT

Gordon McKellar 06 323 4792

MEAT & FIBRE CHAIR

Tony Gray 06 328 4575

DAIRY CHAIR

Robert Ervine 06 329 6989

GRAIN & SEED CHAIR

David Lee-Jones 06 327 8144

Dairy report

Fonterra - The increase payout given by Fonterra was welcome news for all Fonterra farmers. Congratulations to local farmer, Nicola Shadbolt, who has become one of the directors of Fonterra in the recent elections.

Fonterra successfully passed Stage One and Stage Two of its capital restructuring, passing a directive to allow an increase in farmer shareholdings of up to 120 percent of milk production and a dividend payment on the value of the share.

Greenpeace - This organisation continues its attacks on agricultural business and progress, particularly Fonterra. It is currently protesting against coal and palm kernel use. The facts don't seem to get in the way of a good protest, though. 98 percent of the value of palm is in the oil, not the kernel. Maybe they will demonstrate at Cadbury when they realise there's a glass and a half of milk in each block.

Fonterra has a number of power stations at processing sites using coal as its fuel. The fact is this method is very efficient as the electricity is sold onto the grid and the excess heat is used in the dairy factory. Not only is it efficient, it is cost effective and generating power for other users.

Horizons - The Regional Council continues to be at the forefront of regulation and restrictions for the dairy industry. Its One Plan has been ongoing with Horizons running meetings on farms in a bid to get farmers to

see their way of thinking. These meetings caused hot debate, particularly as some of their techniques required quite expensive mitigation options to comply.

Federated Farmers ran their own meetings on the One Plan and presented views on how it would affect farmers. From all accounts these were well attended and shed some light on the work the Federation has been doing with Horizons to achieve better outcomes for all.

Locally, I have been personally involved in Horizons' resource consent application to divert water into the Taonui Basin. It was a small success after the hearing to see the engineers and experts from Horizons asked to provide more information rather than using "best endeavours" to mitigate potential flooding of productive land. It has been a drawn out process, particularly exacerbated by their notification during the start of the calving season. Cost/benefit analysis has been requested and definitive drainage plans called for and required to be included as conditions of any consent. I expect to hear some news any day.

On that note, the expertise and encouragement given by the policy staff at Federated Farmers and the submission by the Federation, not only to the Taonui Basin hearing but also in ongoing work with One Plan, is greatly appreciated and I believe not fully realised by our members. The advocacy work, particularly in this region, is surely a



point of difference for members talking to non-members about the value of joining our organisation.

Free Trade Agreement (FTA) - The recent FTA with Malaysia is a positive step for dairy farmers in New Zealand, especially the removal of tariffs from certain export products up to three years earlier than expected.

There is ongoing dialogue between New Zealand and the US in regards to FTA. This is not expected to extend to dairy products.

Dairy Industry Awards - The Manawatu-Horowhenua-Rangitikei Dairy Industry Awards are upon us. Federated Farmers is a national sponsor of these awards, encouraging members who are eligible to enter this competition. It is for sharemilkers, farm managers and dairy trainees and is a great way for farmers to lift their profile and take a good look at their business. Entries submitted before 15 December go into the draw to win \$1,000. Final closing date for entries is 24 December 2009.

**Robert Ervine - Dairy Chairperson
Manawatu-Rangitikei**

Meat & Fibre report

After the very good weather that we had in August and September, winter returned with a cold and wet October and the cold weather continued into November. One year we will get a good spring. Currently, covers in the hills are lower than normal, nothing that a few fine, sunny days won't change.

By all accounts, many farmers had a record lambing percentage, partly due to the kind weather at lambing, but also the good condition of the ewes at mating. The continued strength of the New Zealand dollar will impact on returns for lamb and beef this year. Much of this is due to the value of the dollar as the in-market price is the same or slightly more than this time last year.

- Lamb UK £1.66/lb now compared with November 2008 UK£1.60/lb
- Bull US \$1.36/lb now compared with November 2008 US\$ 1.34/lb

MAF farm monitoring reports suggest farm profit, before tax, will be down on last year by \$27,000 in the western lower North Island intensive farms and \$11,000 for the central North Island hill country.

The price of wool is currently going against the trend, increasing since September for

crossbred wool, which it needed to. The Strategy Committee, set up by the Minister of Agriculture, has had its first meeting and is due to report back in the New Year. The aim is to get the industry working together for a common good, whether egos will allow that to happen will be interesting to see (sounds like the meat industry).

At the beginning of the month, I attended the Meat & Fibre Council meeting in Methven. The meeting had a very interesting line up of guest speakers.

Tim Grosser, Minister of Trade, spoke on feeding the world's growing population, the world's water usage for agriculture and New Zealand's free trade agreements.

Ian Abercrombie, Wool Partners International (WPI), spoke on their goal to realise the true value of New Zealand strong wool.

Keith Woodford, Professor of Farm Management and Agribusiness Lincoln University, spoke to us on the importance of co-operatives.

Owen Poole, Chairman of Alliance Group Ltd, presented us with the story of Alliance's success. He forecasted \$70 for mid season lamb this season.



Rob Lawson, Meat & Fibre Otago delegate, gave us a very interesting presentation on his Woolworth's study trip.

Bruce Wills, Meat & Fibre National Chairperson, spoke on the European Sheep Meat Forum; New Zealand being the only country that is still "valuing wool"; the need for global collaboration on Research and Development in ruminant emissions; consumers looking for leaner and healthier meat – boneless cuts; the International Lamb Meat Taskforce, promoting co-operation and global strategy for increasing consumption; the current prospects for lamb remaining strong; New Zealand is the only country that spends the bulk of its levied funds on R&D, while most other countries focus on market access and market development.

**Tony Gray - Meat and Fibre Chairperson,
Manawatu/Rangitikei**

New policy advisor for Manawatu/Rangitikei

My name is Tessa Mills and I started as the new regional policy advisor with Federated Farmers, based in the Palmerston North office on the 5 October. I come from a research background initially with MAF then HortResearch and more recently with the newly formed Plant and Food Research Institute of New Zealand. My research interests focused on sustainable land use within productive sectors with key interests in water allocation, efficient water use and nutrient management.

I am looking forward to working with members in the central provinces of Manawatu, Tararua, Wanganui, Ruapehu and Rangitikei in a role which offers advocacy and policy advice for pastoral and arable farmers. Within the regional policy role a key function is to firstly, understand both regional and national policies and legislation that impact farmers' ability to run a viable business and secondly, work closely with farmers to ensure that a collective voice represents farmers' interests with regard to changes in existing legislation or the introduction of new policies and initiatives.

The One Plan - One of the big challenges facing farmers in the central region is Horizons' One Plan. This has literally become a multi-million dollar investment in an experimental approach to make one plan the ruler of all. The One Plan aims to pull both the regional policy statement and the regional plan into a single document.

Much of the plan has already been through the hearing process with provisional recommendations made. Specifically, the land chapters have been considered and some gains from what was originally proposed have been made due, in part, to the excellent job that Federated Farmers executives and policy staff did pulling together not only the submission, but also a sound argument presented at the hearing.

The One Plan – Water Chapters - The water chapters are currently in front of the hearing panel and these sections may constitute the biggest challenges faced by farmers yet in the Horizons' region. The plan, as proposed, aims to use a new and, as yet, untried methodology to improve surface water quality in river systems within the region by controlling N loss from pastoral and arable systems.



Initially, priority water management zones were identified and these areas were to be the first affected by the rule changes. However, as of 11 November 2009 'all other catchments' have now been included, so chances are, if you are an intensive farmer – defined as irrigated sheep and beef, horticulture, cropping and dairy – you will need to limit nitrate loss from your farm systems.

While everyone is keen to see an overall improvement in water quality within the region, Federated Farmers has strong reservations about how Horizons plan to make these changes. In essence, normal intensive farm operations will, under the proposed One Plan, become a controlled activity. Although there are many facets that make up overall river water quality, the focus for many of our farmers has been predominantly around the nitrogen loss limits proposed in the One Plan.

The rules, as developed in the proposed plan, limit calculated N leaching loss based on the productive potential of land. Put simply, this suggests that soil that is more

fertile is permitted to leach more nitrate than other less fertile soils, the argument being that where productivity is higher, your system will leak nitrogen but, overall, there will be more production per unit of N loss. Although this may sound like a well considered approach, individual farmers who have managed their business, based on a set of best management guidelines, could now find the goal posts have moved and indeed for some, they will have an impossible target.

Another tricky issue for farmers under the proposed plan is the permitted take allocation of water. Initially based on a per property basis this was always a silly idea. Next to come was a permitted take allocation based on a per hectare rate, which sounds good until you realise that the upper limit of water take is still the same as it was under the previous surface water take rule (30 m³ day) and that above 50ha you are not able to access any more water irrespective of your farm size above the 50ha threshold.

What are your Federated Farmers representatives doing on your behalf? - On behalf of the farmers affected by the new rules proposed within the One Plan, Federated Farmers employees, executives and members are all contributing to our hearing date, where we will present our concerns and alternative solutions to the hearing panel. This will be a big day for us all, so please put the 17 February 2010 in your diaries and make a trip into town (if you can) to lend support to the team representing your interests. Anyone wanting to help prepare our case, please contact either myself or one of the executive members and we will get you involved.

**Tessa Mills -
Federated Farmers of NZ,
Policy Advisor**



Deer Report

Deer Farmers have come through a difficult spring, being faced with poor growing conditions and a falling schedule. These are unusual features, as grass is not normally a problem during October and November and never before has the schedule gone down in September and October.

The strong dollar has put pressure on the schedule, as have plenty of other cheap proteins being available. \$8.50 was about the top for the spring, with \$8.40 being received until early November when the chilled market ended. The price has since dropped to about the \$7.40 mark and is going down each week. This is more than

a dollar less than last year at this time. The industry is hoping the price doesn't drop below \$7, but Silver Fern Farms has already come out and said they expect the price to be about \$6.30 by December. No surprise there really, I guess.

Velvet is looking a lot more positive this year despite the high Kiwi dollar. Not much has sold yet, but \$100 plus seems to be the price. This is primarily due to significantly reduced volumes being produced this year.

Fawning is well underway on most farms and farmers will be looking for good percentages as the hinds were well fed last autumn. Pasture covers are very low



for this time of the year, but this should quickly change as the weather warms.

So while deer farmers will be disappointed in the present prices being received for venison, especially ones that paid top dollar for weaners last autumn, most will believe we aren't so badly off when compared with lamb and beef.

Mike Holdaway - Manawatu/Rangitikei

Polluted Manawatu River *(Opinion piece)*

The lower Manawatu River may well be one of the most nutrient-enriched of the 77 rivers monitored within New Zealand by the National Institute of Water and Atmosphere (Niwa). But, when put in a global context, the average nutrient levels of New Zealand's most 'polluted' rivers, including the Manawatu, is barely half that of the levels reported for rivers in other OECD countries.

There is no doubt the state of our rivers is of huge concern to us all. Yet the recent oxygen readings for the Manawatu River have been misused by the Dominion Post to claim it is "one of the most polluted in the western world".

Given the varying range of the 'pollution' at each site, it is difficult to determine what or who is responsible for some of the readings, other than to point the crooked finger at the region's dairy farmers. At Hopelands, for example, there is an erratic difference in the oxygen readings over a very short period of time. The possible cause of this is the human sewage plant located just upstream of the monitoring site, or faulty measuring.

Don't get me wrong, we're not trying to shift the blame, just provide balance to the debate. The past and present activity of humans is a major cause of increased nutrient levels in our rivers with farms contributing heavily to the Manawatu River. The untold story is that most of the nutrients leached from farms pass through the river at high flow or flood periods. Over the warm summer months, when the river is used for recreational purposes like swimming, there is little nutrient loss from farm land.

Thousands of litres of partially treated human waste, however, pour into the Manawatu River all year round. This water can be highly toxic so swim near these sewage outflows at your own peril. Interestingly enough, the Cawthorne report, which provided the recent oxygen readings for the Manawatu River, was influenced significantly by 'point source discharges'. Or more specifically, 'point source discharges' that are the result of sewage treatment outlets and industrial discharges.

But what about other swimming spots in the Horizons' region such as the Waitangi Stream near Waiouru? I'm not sure what the oxygen level is in the Waitangi, but I would be far more concerned with the potentially high level of nasty bacteria such as Enterococci or E.Coli. The Waitangi Stream is in range of Waiouru's partially treated sewage outlet. So before you do go for a dip, remember, it's risky to swim within a few kilometres of a partially treated sewage outflow.

What grates farmers and recreational water users is that Horizons Regional Council is well aware of Waiouru's sewage issues. The regional council is leaning languidly on the

consent holder, the New Zealand Army, to clean it up. While a dairy farmer who breaches their consent would be given just days to rectify the problem, the council has given the army up to five years after its consent expires to develop a solution. How many dairy farmers have been granted five years or more to fix the problem? The answer is none. But it gets worse, towns and cities in other parts of the region have been given an astonishing 50 years, yes 50 years, to improve human sewage systems.

What's more, councils face no punishment when they breach their resource consent conditions. When, for example, have we ever seen a council chief executive in the docks for breaching a consent to pump sewage into our streams rivers and lakes? Farmers acknowledge there is a problem in some rivers and we're not asking for 50 years to fix it, we just want the opportunity to introduce new on-farm environmental technology and best practice. That would address expensive nutrient loss and improve water quality. The farmers that choose not to participate could instead apply for a consent of the kind Horizons is proposing to introduce in the form of the One Plan.

Horizons have refused to work constructively with farmers on the One Plan. It has instead wasted an estimated \$12 million in ratepayers' money on this farcical plan and the associated 'license to farm'. The One Plan won't achieve a positive environmental outcome by stripping farmers of the right to farm their land. Forcing us to line the pockets of an already bloated bureaucracy by investing thousands into a consent to see if we will still be able to farm achieves little other than to seriously threaten the livelihood of farmers and their families.

Just imagine if Horizons applied this same approach to a town's sewage which has been partially treated then poured into the river. It may well end with residents paying for consent to flush the toilet! This would be just as unpopular with our urban cousins as the One Plan and its onerous consent to farm is with us. The cost of the One Plan and the expansion of the Resource Management Act (RMA) gravy train has resulted in massive rates increases for the region. Worse still, it has undermined all of the good work Horizons has done. For example, our environment and economy have suffered as a result of brainless cuts to weed and pest control programmes.

Horizons must develop a whole new attitude or risk losing the vast majority of farmers who take their environmental responsibility seriously. We look across the border to Taranaki where the regional council works with farmers on improvements to water quality through programs like catchment care groups. My message to Horizons is spend our money on practical solutions such as planting

along streams – that would benefit the whole community including farmers. But building a massive bureaucratic empire to service the One Plan is like sucking money into a black hole.

**Gordon McKellar - President Manawatu/
Rangitikei Federated Farmers**

TB report

The TB Free Manawatu Wanganui Committee met on 19 November 2009. There has been no change in the number of herds infected or suspended locally. Testing is underway again after calving. They've been chasing up small block holders and getting them out of the way. There was a comment made about TB spread. Thirty percent or more of all breakdowns in dairy herds can be attributed to movement of stock in or out of herds (legitimate movements).

The committee wants to highlight and stress vigilance by all herd owners to consider the status of stock before moving them into your herd.

Further discussion was held around the release of pigs, with the confirmation of a pig with TB in the REA type proving to have come from the West Coast of the South Island. The Committee is working with hunting groups to curb this behaviour.

Nationally, there are 41 herds with an infected status in the North Island, 86 in the South Island and seven deer herds in each island infected.

The movement related problem was highlighted again with two Northland herds under investigation and both believed to be related to movement of cattle up from Pokeno after the last Waikato drought. Complacency is a high risk to us all.

The committee is submitting on the Bovine Tuberculosis Pest Management Strategy. As farmers and stakeholders, we need to be active in matters relating to TB. For example, in the recently completed Long Term Council Community Plan (Horizons), they received only six submissions on cuts to funding for pest control, so the consequence was that the fund was cut totally.

Funding will become available, however, a levy is proposed to be collected by Horizons and targeted on all blocks four hectares and above. The previous funds were allocated from general rates income.

We need to be more vocal in our dealings with Horizons on pest management matters as any spread of disease or infection can have serious repercussions for our region.

**Robert Irvine - Federated Farmers
representative to TB Free Committee**