

LOCAL VOICE

PROVINCIAL NEWSLETTER



NORTHLAND

AUGUST 2010

Provincial name returns

It is my pleasure to announce, in my first newsletter as provincial president that we are once again Federated Farmers Northland and can put behind us the needless legal strife of recent years.

After a difficult 2009/2010 season, most of us are now enjoying a mild dry winter and will be looking forward to a better season than the last.



NORTHLAND

However, meat and fibre farmers will not need reminding of the low returns our sector has seen in the last few years with most sheep and beef farmers barely breaking even or are running at a loss.

One of the key themes to come out of at the Federated Farmers Meat & Fibre AGM in Invercargill is that \$20 to \$30 per lamb is being wasted because of bad industry practice. The AGM also included interesting presentations from speakers Keith Cooper, Silver Fern Farms and Caroline Saunders, Lincoln University.

Because the meat companies have no certainty of supply, in their perspective, it is difficult to contract forward with premium customers, difficult to make efficient use of their expensive processing premises and they are exceedingly unwilling to do any foreign exchange hedging, where both their supply and sales are uncertain.

From the customer's perspective it is no wonder they love New Zealand meat, not only is the quality and food safety great it is also cheap. In fact one supermarket buyer says that meat company representatives sit in his office and bid each other down, without him having to say a word.

In all of these cases the farmer bears the cost.

It is clear that change in the industry is needed.

As a start, Federated Farmers Meat & Fibre is proposing that farmers dedicate their supply to their preferred processor for 12 months. We expect in return that the meat companies will reward this loyalty and not play games in terms of premiums for 'Sunday night swingers' over loyal suppliers.

Further there is need for consolidation throughout the supply chain, both in meat and wool, whether this comes in terms of amalgamations or contract supply, we need to ask ourselves are we willing to let the profitability of our businesses continue to be eroded.



Federated Farmers Northland thanks Farmers Mutual for their continued support. \$1603.97 was received in June from FMG as their 2010 rebate to Federated Farmers. Farmers Mutual is a specialised farm insurer and has a long association with the Federation.

Tb - The Tb Free Committee is pleased to announce one of the two infected Northland herds has now had one clear test. Dairy farmers remember before you practice risky buying that the Animal Health Board will only pay out 65 percent of the value of a dairy cow found to be infected with Tb at slaughter. Let's keep Tb out of Northland.

Matt Long - Northland provincial president



Up-skilling you power of persuasion

Several Northland members have recently attended leadership courses offered by Federated Farmers in Wellington. Alec Jack and John Blackwell attended the 'Shining under the spot light', level two workshops and Matt Long attended 'Welcome aboard', a new president's orientation course.

There is also a level one course, called 'Getting your feet wet'. All courses are totally interactive, fast paced and fun. If you think you are sitting a bit too comfortable and need a bit more of a challenge to spice up your life – enrol in the next round of courses in October and November. Places in these courses fill fast so get in quick.

Flights for these courses are sponsored by Beef + Lamb NZ Ltd and the Federation pays your accommodation and food. They are a great value course and are very professionally run.

For more information contact:

Ali Undorf-Lay, Federated Farmers provincial communications co-ordinator on 0800 327 646.

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Tribute to Dennis Anderson



The image of a sea captain competently keeping the ship steady as she sails through turbulent waters is how I would describe Denis Anderson's leadership of Federated Farmers Northland.

Denis successfully steered the province through some very difficult times. Now that we have reached calmer seas he has handed over his watch to Matt Long and can enjoy member benefits without the workload that goes with being a provincial president.

In the late 1990's the Federation's National Council, (made up of the 24 provincial presidents, seven industry group chairpersons

and the National Board) under Malcolm Bailey's leadership voted to restructure into a national organisation. A Northland break away group was opposed and in defiance they took the Federated Farmers Northland name, membership and assets and set up in opposition. Denis, with the support of other Northland members stayed with the national organisation and has worked hard to maintain and grow our provincial profile.

Through those tough years of dispute a lot of energy was invested into trying to smooth out the rift; first amicably and then in the courts. It was incredibly stressful (and expensive) – but through it all Denis remained a stalwart advocate of a national farmer voice. He is totally committed to 'one voice, one organisation' and working with Richard Gardner, Federated Farmers regional policy advisor, has kept the Federation's flag raised at meetings, submissions and hearings with well reasoned comments and a friendly approach.

I asked Don Nicolson, our current national president, to describe Denis's contribution to Federated Farmers of New Zealand. Don said, 'he is a keen listener who always assessed the situation before speaking and in a few words could constructively realign argument or debate. His contributions were meaningful, appreciated and aimed at working towards the collective good'.

Denis is a statesman. He shoots above partisan politics and takes a long view on issues. He is motivated by outcomes which serve the community and the environment and is a gentle, quiet persuader. I know he can be tough but I have never seen him lose his temper or his wider perspective. Denis's contribution to Federated Farmers Northland will endure long after the newspaper articles of the day.



Although I am based in Canterbury, I have had many opportunities to work in the Northland province. Affectionately I recall that both Denis and his wife Lyn are keen advocates of the mantra, 'work hard and play hard'. Like any old sea dog we have often launched his double-seater sea kayak close on dusk and paddled with torch light. Cows first, then fun.

Ali Undorf-Lay - Federated Farmers, provincial communications co-ordinator

We're here to help

Did you know Federated Farmers members can access free advice?

Advice is available on everything from agricultural vehicles, animal welfare, ACC, accommodation, employment, HSNO, infrastructure, land access and legal issues to OSH, rates, regional planning and sharemilking.

Advice can be accessed through our 0800 FARMING (327 646) line, where our dedicated team are waiting to help you with any issues that may affect your farm business.

Employment advice: Call Federated Farmers about employment issues. Whether you have a question about leave for an employee or need advice on a dismissal, we can provide advice through our experts on any employment issue that may affect your farm business.

Employment contracts and agreements: Federated Farmers has also created employment contracts specifically for members. These are available in both electronic (print-out) and hard copy (mail-out) formats for your convenience and can be

purchased through our website or by calling 0800 FARMING (327 646). Employment contracts are also heavily discounted; members can save up to \$105 per contract.



Legal advice: Federated Farmers also works along side an Auckland law firm, to provide members with excellent advice on all legal matters relating to their farm business and includes contract and estate law. To gain legal advice please call 0800 FARMING (327 646).

Policy advice: Federated Farmers has a team of over 20 specialised policy advisors who focus on fighting bureaucracy to lower

rates, lower compliance costs and to stop laws and bylaws, which create extra costs and unfair outcomes for farmers.

All of our policy advisors are happy to give advice on policy related issues, ring 0800 FARMING (327 646) and we can put you through to the policy advisor with the relevant expertise.

Fact sheets: Alternatively, Federated Farmers have produced quick summary 'Fact Sheets', written by policy staff, for members. They give essential information on topical issues in easy-to-understand language. To view the fact sheets by topic, please access the website www.fedfarm.org.nz and log on as a member.

Provincial and industry support: It is hugely important to the Federation to be able to provide provincial and industry support from farmers to farmers around the country. In each of our 24 provinces and seven industry groups, there are networks of farmers who are willing to help, should you need it

Keeping an eye on local government

Federated Farmers regional policy advisors work on Local Government issues in your region. We provide effective policy advice to members who are dealing with councils. Most of our time is spent analysing council documents and advocating for the interests of farming. This advocacy is achieved by meeting with councils and telling them what we want to see in their plans and policies, writing submissions and appearing at council hearings. We deal with: the Resource Management Act which directs regional and district policies and rules; the Local Government Act and council budgets in their Annual Plans and Long Term Council Community Plans (LTCCP's) and Bylaws.

Kaipara District Plan

In the Northland province, Federated Farmers has been actively working on the proposed Kaipara District Plan. Federated Farmers is in there making sure that in the future you won't need to obtain unnecessary resource consents for activities like installing a feedpad, or carrying out earthworks for a farm track. Federated Farmers presented to the hearing on 7 July 2010.

Other organisations will have opposing views to ours and they will be actively pursuing their submissions at the hearing as well. One submitter asked for stricter rules around indigenous vegetation clearance. This demonstrates the reason why Federated Farmers must be involved in the district plan process. Federated Farmers always advocates for fair and sensible rules that don't affect normal farming activities.

Rates

Federated Farmers also made submissions on all four Northland council draft annual plans this year. In all the submissions we urged the Councils to trim their spending, and hence their demands on their ratepayers. We said that rate increases should be in line with inflation.



The Northland Regional Council proposed increasing its dairy shed effluent system inspection fee by up to 87.5 percent. Federated Farmers opposed the increase, pointing out that the relevant legislation requires that the charges can be no more than the reasonable cost of the activity undertaken.

The Far North District Council put forward proposals to divest itself of pensioner housing, to move towards more use of targeted rates and to reopen its rates postponement policy for new applications. Federated Farmers submitted in support of these initiatives.

Much of the Kaipara District's draft annual plan was taken up with discussion of the effect on Kaipara of changes to central government funding policy for council roads, and there was also a proposal to establish a "strategic

issues" fund, a resource for promoting Kaipara's future in a climate in which local government reorganisation is under active consideration. Federated Farmers supported the Council's opposition to central government proposals which could allow a reduction in the standard of Kaipara roads, but expressed concern that Council seemed not to have any proposals to trim its own spending. The Federation opposed the establishment of the strategic issues fund, as it seemed more to do with Council doing what was best for the Council, rather than what was best for the people of the Kaipara District.

In the case of the Whangarei District annual plan, Federated Farmers submission expressed concern at Council's failure to address disparities in the recent revaluation, which resulted in the majority residential rating base receiving a reduction in rates, at a cost to rural and commercial ratepayers. We suggested Council could address some of the disparity by increasing the uniform annual general charge. We again urged the Council to desist from involving itself in matters to do with genetic modification, which is the domain of central government.

Rhea Dasent - Federated Farmers, regional policy advisor and Richard Gardner Federated Farmers, senior policy advisor



Close your eyes if this offends –

I have been reading a lot of commentaries about the ETS and think there may be a huge potential in New Zealand for making our carbon emissions into clothing, and then selling the clothing to the world. This photo



is from some clothing I have had produced privately. The crowd on the left is modelling double breasted suits and floral summer dresses (not sure what the person in white was doing). I especially like the way the suit draws your attention to the wearer. I have

estimated that it takes around 22000 tonnes of carbon to make one double breasted suit and about the same for a floral dress.

Carbon makes an incredibly light material that does not stain or shrink in the wash. It is great to wear to formal occasions and minimises perspiration on hot days. My clothing is ideally suited for summer; in winter people living outside of Northland may want to wear thermals underneath. Other benefits include one size fits all. You will never outgrow your outfit, so great for dieters. On the down side, it might be a bit tricky to find your jacket should you take it off, and sometimes a person may pick up the wrong jacket by mistake.

This is a fantastic way to utilise our carbon emissions and should be seriously considered. I believe we might be able to double the use of emissions per suit, without increasing the weight or bulkiness of the suit, by adding a second layer. Another suggestion is that Team New Zealand may be interested

in using this light weight carbon material for sails as it is impossible to tear. If we can get traction for the idea, government officials tell me it should be possible to get an ETS research grant of around \$15 million. I'm happy to fly down a prototype of the suit to anyone wanting to check it out.

We need to move quickly on this and get patents off the ground before the Australians discover it. I know they don't produce carbon like we do, but they may be wanting to buy some of ours. As I understand it, New Zealand currently holds a monopoly on carbon production.

Let me know how keen people are on this, happy to take orders.

**Regards Roger Ludbrook
Inventor and fashion designer,
meat and wool producer**



Five minutes to 12, Nuffield Scholarship

Northland has been lucky to have recently had two Nuffield scholars from our region, James Parson's and Alec Jack. Both are members of our province.

We are now looking for a third. If you are thinking about giving it a go, give either of them a ring. Applications close at the end of August for travel in 2011.

Nuffield experience

Alec Jack, Nuffield scholarship recipient

Spending five months overseas during 2009 on a Nuffield Scholarship was challenging for me, my young family and our family beef farm. I have returned with a fresh appreciation for what I have personally and for what the New Zealand pastoral industry can achieve, if we collectively invest in producing products of value to affluent consumers.



We have a great story to share with these consumers, but that story is vulnerable to degradation by the 'loose canons' among us who threaten our environmental or animal welfare reputation for short cut gains.

In Virginia I visited Polyface Farm. Google it some day, it's a pretty famous working family farm just like yours or mine. What impressed

me most was their transparency policy. Anyone is free to wander anywhere on their farm, at any time and I did just that. In the most litigious country in the world, the Salatin family has risked being honest and genuine ... and they are worshipped for that!

Most Northland farmers have nothing to hide either, yet we resist mandatory standards of animal welfare and environmental stewardship, which could form the basis of an exceptional national brand ... a brand that would take advantage of New Zealand's unique ability to meet the world's highest standards of food safety, in a natural, free range manner.

I hope that we can switch our focus from capital gain back to the business of farming, and in doing so recognize the huge part that collective investment in research and development (R&D) plays in long term profitability. R&D in understanding the needs of our consumers is the logical starting point upon which to build our supply chains, our standards and our on farm production systems.

New Zealand pastoral farmers have made great productivity gains since subsidies were abruptly removed 25 years ago, but now our products need to become more valuable in order to compensate for rising costs, and to enable us to lift production and take advantage of the growth in the world's affluent population.

With the wet winter of 2008 and dry summer of 2009/10 behind us, who'd want to be farming anywhere other than the winterless north? It's great to be home..

CONGRATULATIONS

to the Winners of the 2010 'Northland Ballance Farm Environment Award Winners



Brian and Gaye Simms



Bill a refreshing step

The difficult thing about democracy is that everything's a compromise, while sometimes it might be a hard swallow, we'd all be in a bit of trouble without it.

Rodney Hide's Local Government Act Amendment Bill has compromise written all over it. The hard charging Minister couldn't get all of what he really wanted past Cabinet, but for ratepayers the Bill is a step in the right direction.

Legislation in recent years has mercilessly empowered, encouraged and required councils to engage in a broader range of



activities than ever before. The checks on councils have been few and largely consultative.

For farmers the growing cost of rates has been very demanding and because of this, Federated Farmers had been fighting hard. Rodney Hide's Bill won't fix past damage, but it might stem the tide somewhat, through providing some useful levers for ratepayers on core business and transparency.

First among them is a requirement that local authorities give particular regard to core services. While not quite grounds for a collective "hallelujah" – there are no enforcement provisions and the list of core services is rather broad – at least it emphasises the things that need to be done.

Of significance too, is the Bill's requirement for a council pre-election report, made up of a balance sheet and funding statement for the previous three years and a statement of

major projects planned by council for the next three.

The pre-election report should be a good opportunity for ratepayers to get a clear visual on Council's past spending trends (which is not easy at the moment) and ensure fewer surprises in future. The Bill stipulates certain conditions on content to help avoid the report being used as a political exercise

Along with these features, the Bill attempts to simplify Council Long Term Plans and get financial reporting on a consistent basis, which should mean that their fiscal performance can finally be compared.

Altogether this may not sound like much for the many farms where rates are the second or third biggest expense, but it's at least a refreshing improvement.

Nigel Billings – Federated Farmers senior policy advisor