



**FEDERATED  
FARMERS**  
OF NEW ZEALAND

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MANAWATU | RANGITIKEI

FEDERATED FARMERS MANAWATU/RANGITIKEI

# SUMMER UPDATE

Keeping you informed

NOVEMBER 2010



# PRESIDENT'S REPORT

GORDON MCKELLAR - PRESIDENT

## **PRE-CHRISTMAS GET TOGETHER, FOLLOWED BY FEDERATED FARMERS HARVEY NORMAN SPECIAL SALE EVENING**

All members of Federated Farmers Manawatu/Rangitikei are invited to come for a catch up and to share some pre-Christmas cheer, drinks and nibbles on Wednesday, 8 December from 4.00 - 5.45pm, at 105 Queens Street, Palmerston North.

From 6.00 – 8.00pm we have organised a special sale evening for Federated Farmers members at Harvey Norman in Palmerston North. There will be special deals with most items available just above cost price.

Federated Farmers Taranaki held this event successfully last year and is holding it again this year. After a shocking September, you deserve a treat - Harvey Normans and

a Federated Farmers membership card will make this happen. If you want, you can have all your Christmas shopping organised by 8 December.

Many of us will still be on tight budgets, but if you need a new printer for the office or just want to have a discretionary spend on Christmas shopping, within your budget, this is a social time for members to come to town.

We need to know numbers for catering at our pre-Christmas get together and for Harvey Norman, seeing as they will be opening the store after normal hours for members and are also providing drinks and nibbles. Please RSVP by Thursday, 18 November, see details in the below advert. We look forward to seeing you all on 8 December.

## **CHRISTMAS SHOPPING EVENING GET A BARGAIN!**

**6-8PM WEDNESDAY, 8 DECEMBER 2010**

**ALL GOODS FROM EVERY DEPARTMENT  
WILL BE ON SALE TO MEMBERS**

**REFRESHMENTS WILL BE PROVIDED**

**PROOF OF MEMBERSHIP MUST BE PROVIDED**

### **REGISTRATION IS ESSENTIAL:**

It is **essential** that you register by Thursday, 18 November 2010 with either:

#### **Sue Wall**

Phone: 06 357 4026 (Tuesday and Thursday, or leave message on her phone),

Email: [swall@fedfarm.org.nz](mailto:swall@fedfarm.org.nz) **OR**

**Angela Hogg**, Federated Farmers Field Officer

Mobile: 027 432 0174, Email: [angelah@fedfarm.org.nz](mailto:angelah@fedfarm.org.nz)

The logo for Harvey Norman, featuring the brand name in a large, blue, stylized font with a red underline.

After a mild winter, September was a memorable month for farmers in the region, but for all the wrong reasons. The relentless rain gave our soils little chance to dry out, with much pugging damage on pastures and slips in many hill country areas, combined with flooding and stock losses, not to mention severe Porina damage for some areas.



At least since October, the sun has been shining and we now have a chance to make the most of the rest of the season and to focus on areas where we can have the most influence in our farming businesses. While at the same time, keeping in mind the challenges ahead, such as our high currency and possibly drier periods for some with La Nina.

Despite all the challenges for the farming sector, it is still positive to be in the food and fibre production sector with good demand for the high quality products we produce here in New Zealand. Much of this stronger demand is coming from the rapidly developing countries such as China, where our dairy industry is well positioned to capitalise on them. Demand and overseas prices are also good for most of our non-dairy farm products, but with uncertainty with more cohesion and clear strategy needed for the meat, grain and wool sector. It is positive that nearly all recognise the need for a fresh focus, with Federated Farmers contributing into the various strategy developments.

#### **LOCAL GOVERNMENT**

It is great to see many candidates from the rural sector putting themselves forward for the local government elections recently and many were successful, including myself with Horizons. It is important to remember that councillors are elected to represent the whole community and we still need Federated Farmers to provide input from farmers at the council tables. Also, to remove any perceived conflicts of interest, I will no longer be having direct involvement with Federated Farmers appeal processes

around the One Plan. Federated Farmers Manawatu/Rangitikei vice-president, Andrew Hoggard and policy advisor, Tessa Mills will from now on be the people to contact. It was great to see so many members attend our One Plan update meetings held in September, in order to outline the positive changes the independent panel made in addressing many of our concerns, which brought more workable and common sense rules on environmental issues.

The district councils and the city council are in various stages of updating or changing the rules in the district/city plans, which are basically the rule books for some of the activities of land owners. It is important that you are involved or engaged in the process, particularly if you have concerns such as rural residential development of farmland.

Key challenges in the Rangitikei region may be the way that landscapes have been assessed and the impact this may have on farmers working within landscapes that are deemed outstanding or regionally significant. For the Manawatu region, one of the key issues farmers will face over the next 10 years is likely to be pressure on subdivisions and the associated reverse sensitivity problems that can arise.



Not to forget the boundary change/amalgamation consultation currently underway between Manawatu District Council and Palmerston North City Council. My personal view is that we already have too many governments or too many politicians in this country, given our size and population and I would favour putting two into one, with one council. Both our social networks and businesses that provide the infrastructural services to council have rapidly moved towards a national or multinational level. Local councils are now behind in adjusting to these trends, rates rises are at unsustainably high levels so we need more productivity gains from councils. The key issue would be representation from possible amalgamation which would need to be adequately addressed and this could likely be

more powerful community boards feeding the local input into the combined council table.

It is great that the two councils have finally agreed that the present artificial and invisible boundaries are unsustainable and are now working together on addressing the issue. I can understand why the councils would favour short term solutions of shifting a few boundaries as I have yet to see 'turkeys vote for an early Christmas', but in my view in the long term this needs to happen, as well as more shared and combined services region-wide, within local government.

If you haven't already attended a meeting on this, there are still two being held:

#### **Feilding**

3.00pm Monday, 22 November - Council Offices, Feilding – open session

5.30pm public meeting

#### **ANIMAL WELFARE**

We all need to ensure our high animal welfare standards are maintained on our own farms and in our community. I would like to thank the local community and fellow Federated Farmers members for volunteering much of their day back in August in the Horowhenua to assist MAF and other agencies in dealing with a long running, but serious, animal welfare case. Even during the busy time of year for many farmers with calving and lambing.

The operation showed that the memorandum of understanding between Federated Farmers and MAF was working well and our local, skilled people were able to volunteer assistance. It is vitally important to maintain our high animal welfare standards in order to support the \$17 billion earned from cattle, sheep and deer products every year.

#### **NATIONAL CONFERENCE**

In June provincial elected representatives and I, travelled to Southland prior to our conference, where we visited a number of dairy farms in order to get some insight into the housed wintering systems, as well as looking at effluent recycling. We had a good range of speakers and subsequent discussions including with the RH Hon John Key and the Hon Phil Goff.

One of the key issues up for discussion was overseas investment in New Zealand's farmland; we agreed this is not straight forward and asked for more policy input into this subject. Foreign investment will be one of the items up for discussion at the National Council meeting in Wellington on the 17-18 November.



#### **FEDERATED FARMERS FARM DAY 2011**

Farm Day 2010 was held at Brian and Stu Waters' sheep and beef farm, just 10 minutes from the centre of Palmerston North and was a great success. We had more than double the visitor numbers from the first year, when we held Farm Day at Robert Ervine's dairy farm.

This coming year we are changing back to visit a dairy farm with Stewart Dairylands on Watershed Road, kindly agreeing to be the hosts for Farm Day 2011. Farm Day 2011 to be held on the Sunday, 13 March 2011, 10am to 3pm. Many of you will have seen Hiwinui Country Estates located on the main road between Bunnythorpe and Ashurst which is also part of the family business, for more information you can visit: [www.hiwinui.co.nz](http://www.hiwinui.co.nz). To find out more about Farm Day, please visit: [www.farmday.org.nz](http://www.farmday.org.nz)

In my experience Farm Day has been a great proactive experience in strengthening town and country relationships and understandings, the positive feedback and comments are very satisfying for all of us who volunteered time to help out. We will soon be setting up a committee to plan Farm Day 2011; we are looking for members who might be keen to help on the day as well with the organising. So if you're willing to help on the day, with the publicity or have some ideas about how we should run next year's Farm Day, please send me an email ([woodchester@xtra.co.nz](mailto:woodchester@xtra.co.nz)). As most of you are aware this is my last year as provincial president and it would be great to have members keen to help continue with activities such as Farm Day.

Gordon McKellar

# DAIRY REPORT

ROBERT ERVINE - CHAIRPERSON

Horizons - who would like to be able regulate everything - didn't manage to sort September. Record rainfall, snow for many, floods and earthquakes ... luckily the Aussies are getting the locus plagues. Roll on summer!

## REGIONAL COUNCIL

Congratulations to the four members of Federated Farmers Manawatu/Rangitikei who were recently elected to council, of which Gordon, our president, is one. The fresh blood and new perspective around the council table, will help bring about a change of direction for that body. The council now also has two and a half dairy farmers on board, which is great. Lindsay Burnell is one, as is John Barrow and the half is my better half, Colleen.

One Plan continues to generate work and the Federation is sorting out the areas of appeal. Good luck.

## FONTERRA DAIRY COMPANY

Members will be able to vote for directors as two new candidates are standing against the three sitting directors who are also standing for re-election. Sir Henry van der Heyden is one of the three.

## DIRA

Russel Norman was unusually clear and sensible when debating the DIRA issue in Parliament recently, asking why Fonterra should supply milk to independent milk processors who then compete with Fonterra on the global market, thus directly reducing the income of Fonterra farmers. This debate continues in Parliament.



Fonterra has been slow to get details of share trading to the Minister of Agriculture, the Hon David Carter and no visible progress seems to have been made on farmer share trading. The Federation needs to ask Fonterra for an explanation.

## OCR

It was announced recently that there has been no change to the three percent interest rate, though the New Zealand dollar continues to be overvalued and having negative effect for exporters. The exchange rate has been a source of media interest lately, with the battle for Middle Earth.

Robert Ervine

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# MEAT & FIBRE REPORT

FRASER GORDON - CHAIRPERSON

The 2009-2010 season has been wrapped up with the New Zealand Lamb kill down six percent to 20.9 million lambs.

The cattle kill was similar to last year, but the bull kill has dropped nine percent. 36,000 less in the North Island and 8,000 less in South Island.

## WOOL

Prices are now 68 percent ahead of this time last year with prices jumping 10 percent for each of the last two sales.

The recent wool demand has even out paced the rapidly rising dollar.

Crossbred and second shear fleece are knocking on \$5 per kilo clean. Prices like this have not been seen since 1997.



The International Wool and Textile Organisation (IWTO) and NZ Council of Wool Interests are two very good examples of an industry that's working together for global unity.

October's 'Campaign for Wool' in the UK, it spans 80 brands across 400 stores and has the Prince of Wales as its patron. This is a good example of maximum exposure at a minimal cost and all despite the abolition of the Wool Levy. Long may it last!

Hogget retention is up 10 percent on the previous year, signalling a rebuild after three consecutive years of rapid decline. The actual Hogget kill was down 38 percent, although the ewe flock is still 16.6 percent less than five years ago.

Any attempted increase the flock rebuilding has been sabotaged by an August and September most of us would rather forget, especially in Southland.

The two bright spots were that:

1. So far there hasn't been a heavy snowfall in the northern high country, and
2. The first week in October was our saviour, without it, losses would have been horrific. We could have lost up to two million lambs nationwide.

One farmer on the Marton flats who lambed early and docked 170 percent, has already reduced a third to 130 percent due to the number of old lambs dying through ingestion of mud.

Hunterville has had more damage than that caused by the February floods, with 570mls recorded in August and over 300mls in September. But it gets worse - Pio Pio had over 700mls in one month.

Finally, on a positive note, according to a Massey University poll of New Zealand shoppers eating habits, more than 80 percent of them thought farmers took good care of New Zealand because:

1. They believed we were world leaders in animal management, and
2. Farmers couldn't produce the best beef and lamb in the world if they didn't look after them

Fraser Gordon

# GRAIN & SEED REPORT

DAVID LEE-JONES - CHAIRPERSON

The cropping season has got underway approximately a month late owing to the 200-300mm of rain that fell in September. Generally the outlook looks more favourable on the pricing front than last year. Feed grain prices and silage looks to be approximately 10 to 15 percent higher than last year. The exception is malting barley, which has dropped to \$380/T.

On the international front the Chicago futures markets have moved up significantly over the last few months for wheat, corn and soy. This has been driven by the Russian drought, a lower than expected corn harvest in the US and very strong demand for soy from China. Some of the gains that could accrue to New Zealand growers are being offset by the weakness of the US dollar. The three to six month outlook remains favourable though.

The marketing initiative started by FAR and Federated Farmers is ongoing and will require sustained effort over a period of years to yield real benefits.

Brief overview:

- Outlook overall is stable to positive
- The current maize grain spot price is \$450 per tone
- Feed wheat plantings are down while feed barley plantings are up nationwide



- Results and information from Federated Farmers and the Foundation for Arable Research's (FAR) marketing initiative survey will be sent to growers shortly
- More up to date pricing Information coming available via the NZX shortly, volume information is currently being worked on by Federated Farmers Grain & Seed.

#### CONTACTS:

David Lee- Jones  
Hew Dalrymple

## JOIN THE FEDERATION TODAY

Angela Hogg represents the  
Federated Farmers Field  
Team throughout  
Manawatu-Taranaki.

To contact Angela  
phone:  
0274 320 174



# DEER REPORT

MIKE HOLDAWAY

Spring finally appears to have arrived and it certainly is most welcome, even if it is a month late. As with all stock in our region, deer have had a hard time of it the last few months, this is reflected in their lower than normal body weights, low condition scores and some loses.



Because of the tough conditions over spring, the numbers of deer coming forward for slaughter has been considerably lower than normal. Deer are about a month behind in their weights and this is going to have a major effect on the pre-Christmas chilled trade to Europe. There will certainly upset customers, which is never good when you're trying to convince them that you are a reliable supplier. Air freight, though expensive, will probably be the only answer. The price is \$8.00 at the moment, but this will come down after the last boat leaves. Predictions are that it won't drop below \$7.00.

Velvet removal is underway and predictions are of prices similar to last year of about a \$100 per kilo. After just a year of operation the NZ Velvet Marketing Company's (NZVM) future appears to be in doubt. I was a supporter of NZVM because I see it as the best way forward for marketing our velvet, especially for a small producer like me. The problems are political rather than structural so I'm hoping they will be resolved, but I'm not close enough to the company to really know.

One good thing, hinds don't have fawns until mid to late November. Even then, if the feed is short they can hang on for up to two more weeks. Just one more unique and wonderful thing about deer! With the covers in our place, it is just as well.

Mike Holdaway



Federated Farmers has partnered with Accuro Health Insurance to allow members to access a wide range of health cover including a minimum 5% off standard premiums.

Members who join before **30 November 2010** can also access additional benefits including their second months premium free.

Call **0800 222 876** to get a quote and learn more about this great member only benefit.

# HORIZON'S ONE PLAN UPDATE

ANDREW HOGGARD - PROVINCIAL VICE-PRESIDENT

Just over two months ago, the One Plan commissioners released their decision on the Proposed One Plan (the council staffer's wish list) and made a number of changes to it, a number of which were to the benefit of farmers and reflect the concerns Federated Farmers raised in its submission. Since then we have been studying the determination which is now the new "One Plan", going forward. We have held a number of meetings to explain to farmers what we see as positives in the new Plan, to explain where we still have concerns and to get feedback from our members as to what concerns they share, so that we know how we are going to appeal.



A brief summary of the process so far:

Key Points – The Plan now only impacts dairy, as market gardening, cropping and irrigated sheep and beef, couldn't work with the overseer.

The number of target catchments has been reduced.

Existing dairy farms in the target catchments will be a controlled activity, but is a non-notified consent that must be granted. It will encompass the existing effluent consent. So you will still only require one consent, not additional consents, however, the consent will now have more rules attached to it.

The consent condition is that the farm must complete a nutrient management plan (NMP) and undertake best practice?

Stock are to be excluded from waterways.

Permitted takes for all water (drinking and shed use will be limited to 30 cubic metres for surface-water and 50 cubic metres for groundwater).

Farms converting to dairy anywhere in the region will be required to comply with the year one Land Use Classification (LUC) based nitrogen leaching targets and undertake the rules mentioned above.

Farmers considering conversion should really talk to Horizons, before spending any money elsewhere and get them to clearly outline what it is they expect you to do, because it is still very much a grey area. Immediately after talking to them if you could talk to us and let us know what the outcome was, that would be appreciated. If they are getting a little carried away with expectations, we now have some good representation around the council table and can bring pressure to bear on your behalf.

Existing effluent storage will not be required to be lined, but all new and modifications to storage will be required to be lined to the standard. However, when your consent comes up for renewal there is a good chance that perhaps your existing storage will not be enough and they may require additional storage to be constructed, which will then of course have to be lined.

## WHAT'S CHANGED

LUC based targets for nitrogen leaching for existing farms are gone. This was the issue that would have caused financial hardship for many farmers.

FARM Strategy is gone. The FARM Strategy was to be your whole farm management plan that showed how you would achieve the nitrogen targets, effectively becoming one big consent condition. Change anything in that plan and there would be a possibility that you would be breaching your consent. For example, if your place of winter grazing runs out of feed and you bring the cows home – you will need a variation to your consent. It would have been a paperwork nightmare for farmers.

We now have a 400 litre per hectare allowance for water, though we still have the upper limit.

## POINTS FOR APPEAL/CLARIFICATION

That dairy farming becomes a controlled activity: we need to understand the commissioner's reasoning behind why it couldn't be a permitted activity, with the rules that you must have a NMP and undertake best practice. In practical terms nothing changes, we already had to have a consent for effluent discharge, so we now have a few more conditions



attached to it. But philosophically it is a big shift, that the production of food in a world that has a growing population and shrinking agricultural base, is somehow an activity that must be controlled, I'm sure there are plenty of starving people around the world that would disagree.

We need to work out what this "best practicable steps to minimize nutrient loss" actually means in practice. We have a concern that Horizons staff that are upset at having their original plan booted for touch could interpret this in such a way to bring back to life some of their original ideas.

The continued use of LUC based targets for conversion: they will rule out conversions on some land for no good reason. If there are to be targets then they need to be based on a more sensible methodology.

Water allocation: the continued use of an upper limit, even when they have adopted a per hectare approach, I simply can't understand. If two farms side by side both extract 30 cubic metres and then they merge, why is the combined farm still only allowed 30 cubic metres, it makes no sense.

Also, we need to check points around metering – and the potential for charges and also other areas of compliance headaches.

If you would like more detailed information don't hesitate to contact Tessa Mills at the Palmerston North office, or myself at [ajhoggard@airstream.net.nz](mailto:ajhoggard@airstream.net.nz)

Andrew Hoggard

# PROVINCIAL CONTACTS

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