

LOCAL VOICE

PROVINCIAL NEWSLETTER

NORTH CANTERBURY



JULY/AUGUST 2010

Your new president

As the new Federated Farmers North Canterbury provincial president, I would like to introduce myself.

My name is Neil Stott and I am married to Kay. We live in Kimberley near Darfield on a small farm (40ha). This is part of the original farm which was first bought by the family in 1876. It was originally 204ha, but in 2002 we sold off 164ha. Kay and I run Corridale ewes with replacement hoggets.

My hobbies include restoring horse drawn gigs/wagons (getting ready for ETS) and being involved with the showing of wool.



Becoming further involved with Federated Farmers in my new role has been interesting. I can see how dedicated the staff are to helping farmers keep farming. I help them put submissions to local Councils and to Environment Canterbury (ECan) covering such things as rates, water, pests and landscapes.

There are several exciting things happening in the province.

The members of Federated Farmers North Canterbury executive welcome the new Grain & Seed chairperson Murray Rowlands, vice-chairperson, Stu Stokes and Sharemilkers' Section chairperson, James Bourke.

Later this month, around 10 members are getting together to see how we can improve our meetings. The main aim is to make meetings (and member's involvement in the organisation) more interesting.

The Step Up group is progressing along well. This group was formed to encourage young people (Federated Farmers members and non-members) to "step up" into leadership roles. These roles could include school

boards, A&P shows and Federated Farmers leadership roles.



Members should be getting a weekly email update on what has been going on in the province and what is coming up. I welcome any comments, concerns or ideas you might have.

**Neil Stott - Federated Farmers
North Canterbury provincial
president**



Province hosts Waikato president

'What can I learn about irrigation when I'm here' were some of the first words spoken by Stew Wadey, Federated Farmers Waikato provincial president recently when he came down to meet up with members from Federated Farmers North Canterbury. He followed this by asking, 'do you think we really need regional councils so involved in water – can't we manage with catchment based authorities?' Both questions are dear to the hearts of most Canterbury farmers.



Getting Stew together with Grant McFadden, a member of Federated Farmers North Canterbury and an expert in Canterbury water management, seemed the obvious way to answer both his questions. Grant is a

one-stop shop when it comes to Canterbury's irrigation politics.

Grant gave an overview of the direction being taken by the Canterbury Strategic Water Study and said that in his view, this mirrored the process that Government was taking nationally. Having an understanding of both, he thought, could give Waikato farmers a pretty clear indication of how things might shape up in their own province.

Grant said that in his view the big picture water discussions going on in Wellington and the local Canterbury solutions were both:

- Intent on providing a process for getting everyone in the community involved, this includes groups who have in the past been silent on these issues
- Driven by the desire to understand other people's views before coming to a consensus on flows, storage, in and out of stream use; rather than having these decisions fought over in a court room

- All about locals making decisions (as opposed to experts, officials, politicians or judges)
- Encouraging communities to self manage their water resource in their catchments
- Aimed at achieving compromise negotiated by understanding other view points.

In response to Stew's second question about the role of regional council, Grant replied that he thought in Canterbury, Government seemed supportive of splitting 'regulator' from 'planning' roles. It was encouraging, he said, that two of the Government appointed commissioners (David Cargill and Peter Skelton), which replaced the elected councillors, are now members of the Strategic Water Study steering committee. This was good evidence that the democratic process was not being overturned.

**Ali Undorf-Lay - Federated
Farmers provincial
communications coordinator**



Trying times for Meat & Fibre farmers

The last few months have been extremely trying for many farmers in the meat and fibre sector. Following last year's good autumn and fantastic lambing weather in August and September, many farmers have been selling record numbers of lambs. However, mainly due to the strength of the New Zealand dollar, we have not been receiving the prices we would like.



Virtually every year, there seem to be plenty of people with 'all the answers' to make sheep farming really profitable, but not many have the ability to make it happen.

Most commentators, industry spokesmen and farmers agree on two points. Firstly, we need our processing companies to stop bargaining against each other in the market place. Secondly, we need restructuring within the industry in New Zealand.

Most tend to agree that a merging of the largest three to five meat processors would cover both the points above. However, two years ago, Silver Fern Farms (SFF) would

not come to the party. Now it is the turn of Alliance to stand back. My question to the directors those companies is, "When will you start making decisions for the benefit of the industry?" If you only make decisions for the immediate benefit of your shareholders, we will hardly have an industry within a decade or so!

I think the above three paragraphs also apply to the wool industry. Enough said.

At the recent Federated Farmers Meat & Fibre conference, we were told that all meat processors have major concerns regarding security of supply. Most plant managers start each week not knowing how many animals they have to process that week. That is not the way to run an efficient business.

We encourage all our members to choose a meat processor and commit to supply all their killable stock to that company for a year. In return, farmers could reasonably expect a premium over and above the schedule or cents per kilogram price at time of sale. This premium is already being paid to farmers who have made a written commitment.

Perhaps a group of farmers could pool together their stock numbers and see what response they get from the companies. Some will say this idea goes against the ideals of being part of a supplier cooperative, but if it works for Landcorp, why shouldn't it work for another group of farms?

We already have a group of farmers on Banks Peninsula working together (and investing money) to collectively market their wool. I believe they are looking to collectively sell their lambs. Is there anything to stop them collectively buying their fertiliser, drenches, chemicals, electricity, communications? The list can go on.

The ETS is now starting to bite. Remember that it has been functioning for over a year now. It is often reported that farmers can plant trees and trade carbon credits to offset their increased expenses. Please find out what information you can in regards to this matter, if it interests you. It is worth looking at the MAF website (www.maf.govt.nz), contacting the University of Canterbury School of Forestry (www.fore.canterbury.ac.nz/research/forestry_business.shtml). I also noticed an article recently in The Press of some consultants specialising in this field. They are Permanent Forests International, based in Christchurch. I don't know anything about them but, if you are interested in this, they could be worth researching.

Please feel free to contact me to discuss any of the above topics, or anything else regarding sheep and beef farming.

Dugald McLean - Federated Farmers North Canterbury Meat & Fibre chairperson



New chairperson for Grain & Seed

I was born and raised in the Darfield area, after leaving school I worked in a large scale cropping, piggery and dairy farm. I then worked on a mixed cropping/stud cattle farm, after which I went to work in the contracting area of heading, bailing and direct drilling. This was combined with travelling for three years to the USA during winter, to work on a large scale mixed grass seed operation in Oregon. I'm currently running three properties in partnership with my parents Alan and Gail. My partner, Jennie and son Dustin also work along side me on the farm and help with the live stock. I'm interested in firearms and hunting. Together with my farther I have a large collection of vintage International tractors.

The current grain situation

We are currently in a situation that has not been seen since I left high school 17 years ago. We still have some farms with three seasons worth of grain in silos. This season's autumn drilling has been done and still no contracts. One miller offered a tender process that favoured a small hand full of merchants, but they only had 24 hours to return their tenders. We are hearing that there are other

millers that will have contracts but not until the last quarter of the year.

There is still a major problem of imported product that continues to have a strong hold over our markets, both for supply and price. In the feed market, which is also heavily influenced by the imported product, prices are sitting between \$260/tn and \$310/tn. With three season's grain having been under grade, full spec and imported product, I point out to the grains members to get out and ask around, don't just take the price that arrives up the drive and complain later.

Peas and grass seed are also slow moving here and overseas and this will also impact on contracts for the coming spring sowing season. Fertiliser prices were up for review on the 1 July, I have been told that the prices will not change much, maybe \$5 to \$10 depending on product.

Straw

It is winter and the weather has played a large part in the movement of straw to dairy users both dairy farmers and dairy graziers. With the continuous rain a lot of bad weather reserves have been well eaten into. However, if dairy grazing was easy everybody would be doing



it. With money tight at the moment, farmers are working with limited budgets and are only buying when they can afford it. However, this may change as the season develops.

Speaking of money, I remind grains members to keep in close contact with your accountants and bankers, you have the goods in the silo and just need to have it moved or sold. Better that you call them than they call you.

Any feed back or comments I am happy to talk about. My phone is always on, 027 242 9542

Thank you to all the staff in the office.

Murray Rowlands - Federated Farmers North Canterbury Grain & Seed chairperson



Introducing your new Sharemilkers' representative

Hi, I'm James Bourke the new North Canterbury Sharemilkers representative. My wife Ceri and I are currently 50/50 share milking 480 cows in Greenpark, near Lincoln.



This time of year is pretty busy, with those sharemilkers who survived 'gypsy day' settled into contracts on new farms and preparing, along with all the other members of the dairy industry, for the beginning of calving and a start to the new milking season.

Along with my report, I thought I'd give a brief summary of dairying and sharemilking for the non-dairy Federated Farmers members in North Canterbury, seeing as dairying and in particular share milking, can be a bit of a mystery to people outside the industry.

Sharemilking is exactly what the name implies; a sharing of the milk cheque between a farm owner and the sharemilker.

There are lots of different ratios, ranging from lower order (where the sharemilker receives 15-25 percent of the milk cheque and in return covers employment, shed costs, some plant and a portion of the fertiliser and

feed bill), right through to 50/50 where the sharemilker owns all the plant and stock, receives 50 percent of the milk cheque and pays 50 percent of the bills.

For Fonterra suppliers, the milk cheque is split into a milk price and a value add dividend.

The milk price is based on the price of the milk (the bench mark being the price of Whole Milk Powder). The dividend is determined by the profit Fonterra adds to the milk during processing and marketing.

As part of Fonterra's capital restructuring, farmers can now hold extra shares and receive a dividend over and above their levels of production. This has led to a review of the Federated Farmers Sharemilking agreement, to allow for a potential change in farmers dividends and the way the milk cheque is split (some still split the dividend, others get a bigger share of the milk price but no dividend).

The price we get paid through the season is paid at different rates. The advance is lower than the final payout which will not be received until the October retro payments are made.

This reflects the lag between Fonterra taking and processing the milk and then selling the finished product.

The new season is looking good with a very favourable advance payout (\$4.30) compared to last season (\$2.90) which will make managing cash flows much easier.

James Bourke - Federated Farmers North Canterbury, Sharemilkers' representative



Federated Farmers North Canterbury members met recently to celebrate the positive contribution Pam Richardson has made to the province over many years.

On the road again

If you know of anyone in your region who would be interested in joining Federated Farmers please put them in contact with Mark. Either by giving their details to Mark as a lead that he will follow up, or giving Mark's details to the farmer.

Mark has enjoyed getting out and about since taking up the role as field officer earlier this year. He has spent a lot of time on farm, in order to receive feedback and discuss the issues that currently impact farming. There has been a very positive response since Federated Farmers relaunched the field officer position, which involves representatives driving up driveways again. Mark is based in Christchurch and would be very happy to visit North Canterbury members on farm to discuss any issues.

Mark Burnside - Federated Farmers North Canterbury field officer:
Email: mburnside@fedfarm.org.nz

Step up

Over the last six months, the Federated Farmers North Canterbury executive has actively shouldered 350 farmers and invited them to step up and get more involved. We've offered to help these farmers develop their political networks. In May, our step up group met with Minister of Agriculture, the Hon David Carter, we launched an internet chat room with Federated Farmers policy advisor, Anna MacKenzie and we supported James Gardiner in his (successful) application to the Woolworths Australia international scholarship programme. Keep an eye on this space; if you know of anyone who you think should be added to our list, please give Malcolm Johnson (our step up convenor) their name and email address.



Wind Farms in the Hurunui District

We are aware of a number of wind farm proposals in the Hurunui District, some of our members are keen to see the development of wind farms and some of our members are completely unhappy with wind farm development. Therefore, Federated Farmers will not be advocating on the issue. However, we would remind all of our members of the free legal services offered to Federated Farmers members, this can be accessed by calling 0800 327 646. If members want advice about the Resource Management process surrounding wind farms, or would like assistance with preparing a submission on the issue of wind farms please feel free to call Federated Farmers regional policy advisor, Anna MacKenzie on 03 357 9452.

JOIN FEDERATED FARMERS TODAY

Mark Burnside represents the Federated Farmers Field Team in Canterbury, north of the Waimakariri River.

To contact Mark phone:
027 442 3355



Meet Anna MacKenzie

All councils are required to review and update their plans every 10 years, annual budgets every year and bylaws as required, not to mention the number of strategies they choose to develop. Yet every time a council adjusts their documents, it has a very real effect on the ground to the landowners trying to live within such a legislative regime.



Federated Farmers employs me to review all of the changes councils make to their documents and try to make changes, either through the formal processes of the Resource Management Act or through public lobbying. Under the direction of your provincial president, I try to ensure that changes are made in a manner which benefit agriculture in North Canterbury, while remaining within the boundaries of the law. Basically I try to get the best deal for you from your council.



I grew up on a 1000 acre beef and crop farm in the Wairau Valley in Marlborough, went to boarding school in Nelson for my college years and found myself in Canterbury for university. I undertook a degree in geography and geology from the University of Canterbury and completed my Masters from Lincoln University in 2006, which gave me a good understanding of the Resource Management Act.

In the last 18 months while working for Federated Farmers, I have been involved with a lot of work with North Canterbury councils,

including making submissions to annual plans for Selwyn, Kaikoura and Waimakariri District Councils. In the Waimakariri, in particular, we made a strong case for them to change their rating system to a capital value system. This is seen as a far more equitable system where there is less divide between urban and rural ratepayers. Although Council did not choose to make the changes this year, they will be recommending that a review of the system is required to the new Council to be elected in October. No doubt we will be in touch with them in August, to remind them of this.

In Selwyn we submitted on a plan change to rezone a small portion of the lowest slopes of the Port Hills to Outstanding Natural Landscape, placing building, subdivision, and earthworks restrictions on three landowners. While the decision on this has not been made we are confident that some, if not all, of the proposed restrictions will be removed.



The biggest issue I am currently working on in North Canterbury is assisting the Biosecurity division of Environment Canterbury to get a global consent to discharge 1080 onto private land (with landowners approval of course), to control primarily rabbits, but also wallabies and possums. There is always contention around the use of 1080, however in this instance the consent application seeks the ability to use it under specified conditions, without the need to make individual applications to the Regional Council. This would reduce the time and cost of undertaking pest control in Canterbury, which benefits farmers and ratepayers.

In addition to policy work around major plan changes, bylaw amendments or annual plan reviews, I am available to discuss any individual members concerns about the Resource Management Act and can provide advice and direction of the resource consents process. I am based in the Christchurch office and can be contacted on 03 357 9452 or amackenzie@fedfarm.org.nz.

Anna MacKenzie - Federated Farmers regional policy advisor



We're here to help

LEGAL ADVICE: Federated Farmers also work alongside lawyers 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, by ringing 0800 FARMING (327 646) you can be put 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 provinces and seven industry groups, there are networks of farmers who are willing to help.

FIELD OFFICERS: If you know of any farmers who might be interested in joining Federated Farmers, please put these in contact with one of your local field officers, Mark Burnside or Vicky O'Connor. Alternatively you could let Mark or Vicky know by giving them a call on their mobile and they can arrange to visit the farmer.

JOIN FEDERATED FARMERS TODAY

Vicky O'Connor represents the Federated Farmers Field Team in Canterbury, south of the Waimakariri River.

To contact Vicky phone: 027 432 0218



Canterbury needs job

Canterbury needs jobs: New Zealand needs export wealth. This challenge has been met head on in the Waimakariri District by an irrigation scheme which has seen a healthy relationship built up between farmers, district council and engineering experts.

Geoff Sparks, one of the farmers that participated in Federated Farmers North Canterbury 'step up' campaign (read more about this in another article), is a newly elected board member on the Waimakariri Irrigation Scheme. Geoff did a great job advocating for farmer owned community irrigation, when he met up with representatives from Federated Farmers Waikato recently.



His scheme, which irrigates 18,000 hectares of land between the Waimakariri and Ashley rivers, was funded through shares sold to the landowners that would benefit from irrigation. The council provided interest free loans to fund the resource consent process (\$695,000) and also guaranteed construction loans for the first five years. Both have been paid back.

The visible success of this irrigation project is the ability of land owners to intensify their land use, increase production (dairy, sheep, beef and horticulture), and jobs – jobs and more jobs. Driving through the district the Waikato representatives commented that you couldn't help but feel the energetic enthusiasm and the shared community desire to invest in on-farm developments and grow wealth.

Geoff told us that the big challenge facing the irrigation company ten years on was storage. He said that it was vital that shareholders had a reliable water supply on which to base their farm management decisions. While the Norwest wind would always blow, an irrigation scheme which relied heavily on river levels

would always create some uncertainty. Geoff said a difficult season in 2008 saw him not being able to irrigate for most of January and part way through February.

The big question for the irrigation company now is where to locate storage and how to fund construction of a dam. We think that if you are an irrigating farmer in the scheme then the best place to be is sitting around that board table. We congratulate Geoff for stepping out beyond the farm gate and stepping up into politics.

Ali Undorf-Lay - Federated Farmers provincial communications coordinator

North Canterbury Farmers Charitable Trust

At the recent Annual General Meeting of the North Canterbury Farmers Charitable Trust, Roger Gilbert was elected chairman. Pam Richardson, the previous chairwoman, who had expressed a desire to step down, but was elected vice-chairwoman. The treasurer, Peter Roberts, retired from the position and the Trust is now looking for a new treasurer. Two people are considering taking up the position. Votes of thanks were recorded to Pam and Peter for their roles in establishing the framework for the Trust.

The Annual Report noted that the Trust's main asset, the former Federated Farmers building in Armagh Courts, is fully tenanted and grants of more than \$10,000 were made during the year. The Step Up meetings arranged by Federated Farmers were very well supported and a group of young farmers from the Amuri area were recently met with agricultural leaders in Wellington as part of the programme. A grant was made to North Canterbury Federated Farmers provincial executive to recognise the work they do for all farmers, whether members of the organisation or not.

The retiring Trustees, Kelvin Coe and Roger Gilbert, were re-elected at the Federated Farmers North Canterbury annual meeting held in Waipara in March. The other Trustees are Rod Abbott, Peter Fleming, Pam Richardson, Peter Roberts and Murray Taggart.

The Trust has funds available to assist groups or individuals undertaking projects that benefit the North Canterbury rural communities.

To obtain further information contact:

Roger Gilbert, Trust Chairman on 03 324 3648 or Linda Donnelly, Trust Secretary on 03 357 9450

Ballance Farm Environment Awards

Time to celebrate the winners of the 2010 Ballance Farm Environment Awards.



North Canterbury Federated Farmers congratulates James, Dugald and Mandy Rutherford from Melrose farm in Hawarden, the 2010 Supreme winners of the Canterbury Ballance Farm Environment Awards. The judges said that Dugald and Mandy have a well integrated stock and forestry policy to suit soil types and excellent weed and pest control. They have a strong management team and place environmental considerations paramount in decision making. On Thursday 14 October, they will showcase all their different land-uses (including their main use, trees) at a field day at their property. Look out for the flyers nearer the time.

Congratulations also go to another North Canterbury winner Alan and Sharron Davie-Martin from Beechbank farm in Culverden, who won the LIC Dairy Farm Award. The judges noted that they managed an efficient grass based system with high production, soil fertility and health. Their staff were identified as being vital for their operation and without them they did not have a business or life.

The other Canterbury winners were from neighbouring provinces, Craige and Roz Mackenzie (Greenvale Pastures Limited), the Fisher family (the Homestead Farm), Graham Carr (Forest Estate) and Alistair and Jeanette Maxwell (Rosehill). It is also that time of the year when we start encouraging landowners to enter the Awards.

The Awards are about finding and rewarding farming operations that are working towards economically and environmentally sustainable land management and business practice. Entries for 2011 open on the 1 September.

For further information, please visit, www.bfea.org.nz or contact Pam Richardson, member of the Canterbury Balance Farm Environment Awards Management Committee.



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SHAREMILKERS' REPRESENTATIVE

James Bourke

Phone: 03 325 5898

Strategic review

Over the last two months, the North Canterbury executive has been working through a review process to ensure that we align our vision of 'where we want to be going', with 'what we are actually doing'. While that might sound a bit airy-fairy let me assure you that the committee feels we are making good progress and are on track. Many thanks to those of you who filled in the survey; we received some good feedback that we are now using.



On Tuesday, 27 July, we spent the morning with Peter Townsend and came up with a four point activity plan, actions that will realise this plan and performance indicators to ensure we are successful. We also allocated jobs to (willing) people to assist us in putting this plan into place. Over the rest of this year, work will continue as normal and in addition we will plan to put the action points into motion.

At the start of the meeting, all those present unanimously agreed that Federated Farmers North Canterbury needs to better communicate our work and our wins. In doing so, we will more clearly demonstrate the value of membership to members and potential new members. Having 'Neil's News' go out once a week to all members in the province is a great start and we have had some positive feedback on this. We hope

that our web based chat rooms will also work as a two way communication tool and will encourage people to get more involved in some of the key policy debates.

Chat room

Following on from our shoulder tapping exercise in May, where we went across the province and encouraged younger farmers to think about getting more involved; we set up an electronic chat room. This is still in its infancy but we have high hopes that the chatroom will be a way for us to discuss issues without members having to leave home.

For details about the chat room, please contact Federated Farmers policy advisor, Anna MacKenzie - Phone: 0800 327 646 Email: amackenzie@fedfarm.org.nz

Networking

North Canterbury has a list of 380 younger farmers who we are now actively encouraging to take up leadership roles within the community. We have committed to open our networks to this group and will provide opportunities for these farmers to meet with politicians. We started out with an opportunity to have afternoon tea with the Minister of Agriculture, David Carter. Feedback has been that it was a great opportunity to have an informal talk with a significant player in our industry.

Leadership training courses

All members in the province are invited to attend the two Wellington based training courses, sponsored in part by Beef + Lamb NZ Ltd. We are particularly keen for members who participated in the 'step up' campaign to take up this opportunity. The next round of courses are; level one (20-21 October) and level two (27-28 October).

Neil Stott & the strategic review team

North Canterbury Rural Support Trust (NCRST)

On 28 May, the whole area that the North Canterbury Rural Support Trust (NCRST) covers was declared a drought area. The area concerned was Christchurch (Banks Peninsula), Selwyn, Waimakariri, Hurunui excluding Kaikoura. These areas were declared a drought zone as a result of reports that we were getting from around our area.

If you know of anybody who could benefit ask them to ring 0800 277 845. You may be amazed at the help that is available.

How about having a get together in your area over a meal or some other type of function and the NCRST will help out financially.

The Trust has grown significantly and now has a much wider responsibility, which involves us being part of Civil Defence.

The Trust has published a 'Response & Recovery Plan'. This Plan is a well written document to guide the whole of the North Canterbury area through an adverse event. It involves five council areas, Kaikoura, Hurunui, Waimakariri, Selwyn, and Christchurch, which includes Banks Peninsula. The Trust will be dealing with the 'recovery' phase of any such event and we have engaged local people to be part of the contact list that will work alongside the Civil Defence controllers in each area.

We have recently held meetings in the various counties to explain to our local people how the Civil Defence emergency management works. Lessons should be learnt from previous disasters and it is now hoped that we have progressed to become more efficient in these situations. If you would like to know more about our involvement or if you can offer us any information that may be very relevant to a disaster event, we would appreciate hearing from you.

Dorothy Oakley - Chairperson



RuralSupport