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Employment Seminars Mark your diary now!!

11 November 2008, 9:00am
Cosmopolitan Club, 78 Nelson Street,
Pukekohe

11 November 2008, 1:00pm
War memorial Hall, Orchard Road,
Ngatea

12 November 2008, 10:00am
RSA, Studholme Street,
Morrinsville

12 November 2008, 2:00pm
Performing Arts Centre,
59 Kensington Street,
Putaruru

13 November 2008, 10:00am
Waitomo Club Inc, King Street,
Te Kuiti

For more information or to register
phone: 0800 327 646

NOTE TO ALL MEMBERS

We are asking that you make sure that all insecticide products you use are licensed for animal use.

If they are for plant use please check that the treated crops are suitable for feeding to animals.

If in doubt, consult the manufacturer.

Call for leaders

Federated Farmers runs two leadership courses for up-and-coming farming leaders. The programme is important to the Federation's succession planning. Programmes are highly interactive, delivering information using practical methods and workshops to suit hands-on types. The two courses promote both leadership and team building.

If you think that you can make a difference with some polished leadership skills give your President, Phil York a call, 09 292 8843, to discuss attending a course.

**2008 course dates:
Getting Your Feet Wet
26-27 November 2008**

**Advanced Leadership Skills
3-4 December 2008.**

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This special interest rate is only available on Business Interest Accounts opened by Federated Farmers' members. Terms and conditions apply. Interest is calculated daily, and paid on the last business day of each month (less resident withholding tax). Transactions and service fees apply. The interest rate shown is current at 28 February 2008 and is subject to change at Westpac's discretion. You can get a copy of Westpac's general terms and conditions, a copy of the current disclosure statement for Westpac New Zealand Limited and a copy of the investment statement for any securities for which an investment statement is required from any Westpac branch in New Zealand free of charge. Westpac New Zealand Limited.

Federated Farmers Auckland publishes newsletters a year to keep members informed

Provincial President: Phil York, 09 292 8843
Meat & Fibre: Dean Blythen, 09 425 8258
Sharemilker Employer's Section: Philip Bell, 09 292 8674
Rodney District: James Colville, 09 423 9234

Immediate Past President: Keith Kelly, 09 292 8533
Dairy Chairman: John Sexton, 09 292 5850
Franklin District: Wendy Clark, 09 236 3082

Executive:

Jean Hamilton, 09 292 7813; Bruce Cameron, 09 233 3045; Barry McAlley, 09 292 8652; Garth Ross, 09 238 7703; John Glasson, 09 420 8508; Phillip Bell, 09 292 8674; Doug Gellert, 09 292 8647; Bruce Parris, 09 422 5553; Andrew Cryer, 09 232 1741

For comments on this newsletter or if you wish to join Federated Farmers please contact :

AUCKLAND

JULY 2008

Submission presentation congratulated

Recently Richard Gardner, Wendy Clark and I were congratulated by the Royal Commission on Auckland's Governance saying that we had presented a very thorough and professional submission.

While we did not have complete agreement by everyone, the survey that was done showed that the majority of people who replied to it were in favour of remaining with Auckland.

The exceptions were the far north of Rodney, the South East round Kaiaua and a few south of the Waikato river, although some people on the southern boundary were happy to stay with Auckland.

This was reported to the Commission in our written and verbal submissions.

Our aim was to get the best deal for rural Aucklanders under difficult circumstances.

We have done our best to achieve a good outcome.

Copies of the Submission are available on line from Richard Gardner.

I was elected, by my peers, to the Board of Federated Farmers of New Zealand at the Federated Farmers annual conference held in Christchurch on 24-25 June. I would like to take this opportunity to say that I intend to

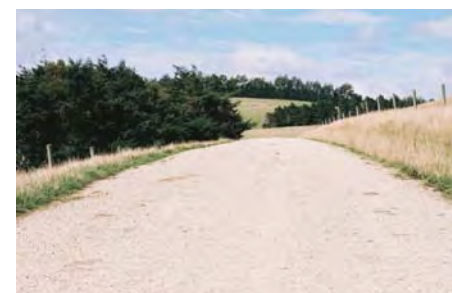
my best for New Zealand and Auckland farmers.

Phil York - Auckland President



News from Franklin & Rodney sub-provinces

Federated Farmers submitted on all the annual plans of the councils within the Franklin and Rodney sub-provinces.



Wendy's team, hopefully, have had a breakthrough in Franklin with the District council agreeing to change the stormwater public to private good component from a 40/60 split to a 20/80 split. This would have meant a reduction for a \$7m property of \$1400 this year.

However, it was decided that the change would be illegal without notification and was

delayed.

The Council then decided to increase the uniform annual charge to \$475 to compensate for the delay.

There will also be a rate review.

A submission has been made along with the Waikato province in relation to the Waitangi Tribunal claim over the Waikato river.

In the North the wet summer has turned into a wet winter and in Dean Blythen's words "it is as wet as he as known it".

Genesis Energy proposed power station. The relevant plan change and resource consent applications have been notified, and Federated Farmers have supported the proposal.

The Federation has also made a neutral submission to the proposed tidal power generation turbines in the Kaipara harbour, requesting that proper regard is given to landowner rights and to recreational fishers.

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Di Wyllie on 0800 327 646
or email dwyllie@fedfarm.org.nz



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Dairy Report

June has seen the best grass for probably nine months, but growth has slowed dramatically over the last few days with frosts up to minus seven grass temperature.

The drop in the Fonterra share price has upset a few shareholders, but some were also complaining it was too high previously. They have to be realistic, the NZX has dropped 25 percent, Fisher & Paykel Appliances has dropped from a high of \$3.80 to \$1.83, but still are paying a similar dividend.

Excess share surrender and the lower share price will cost Fonterra \$165 million in capital repayments.

Federated Farmers Dairy section annual general meeting was held as part of Federated Farmers conference ('One Event') held 24-25 June in Christchurch. Lachlan McKenzie was elected Federated Farmers Dairy Chairman.

Speakers included Ross Aimer from Ravensdown; Penny Mudford a specialist on sharemilking conciliations, Rick Pridmore from DairyNZ, Sally Miller from Sustainable Options, Peter Fraser from MAF, Chris Knowles from Foodstuffs, Les Keeper, a Nuffield Scholar from Queenstown and Gary Romano from Fonterra.



John Sexton - Auckland Dairy Chairman

Farmers not creaming it

A report commissioned by Federated Farmers shows that while food prices in New Zealand may be rising, the producers of some food items are not the main beneficiaries of this.



The report, prepared by the New Zealand Institute of Economic Research (NZIER) shows that food producers received an average of about a quarter of the price that

Policy report

Two matters have dominated policy work for the first part of the year: Auckland governance and Transpower's proposed Whakamaru to Auckland high voltage transmission line.

A Royal Commission of Inquiry has been established by the government to enquire into the question of Auckland's local government and how it is working. The Royal Commission prepared a paper setting out the major issues, and from this Federated Farmers developed and circulated a discussion document seeking input from members. A submission was developed from the responses received, which overwhelmingly favoured the rural districts of Auckland being part of Auckland. The submission stressed the importance of provision being made for the "rural voice" to be heard and taken into account by those involved in the governance of Auckland, with Auckland being governed by a single regional authority responsible for all services and infrastructure, responsible for all rating and for the overall development strategy for the region, but with planning taking place at a local level.

A Board of Inquiry has been set up to make the Resource Management Act decisions into Transpower's proposed Whakamaru - Auckland high voltage transmission line. A joint submission on behalf of Federated Farmers of New Zealand and Auckland and Waikato Federated Farmers was lodged with the board and states that, although it is clear that more electricity is needed for Auckland and Northland, the proposed new line will be a huge blot on the South Auckland and Waikato landscapes. It is clear that Transpower has not done anywhere near enough about exploring

alternative ways of getting electricity to Aucklanders and Northlanders. Transpower took three months to present its case and the presentation of many of the some 1200 submitters opposing the proposal cases is now underway. Federated Farmers case is scheduled to be presented in the week commencing 8 September.



The Auckland Regional Council's Air, Land and Water Plan, the Proposed Rodney District Plan and Franklin District Councils Rural Plan Change continue to work their way through the Environment Court processes, and it may still be some time before they are fully operative. Likewise, the Auckland Regional Council's Policy Statement Change 6, which seeks to integrate regional land use and transport planning, and will determine what sorts of activities are appropriate in rural areas is also working its way through the Court process. Meanwhile, the Auckland Regional Council's Policy Statement Change 8, which reworks the landscape provisions in the Regional Policy Statement, remains on hold pending the release of a variation which is expected to address some "matters of concern", which arose during the Council hearing.

Richard Gardner - Federated Farmers of NZ Senior Policy Advisor

since New Zealand began exporting meat back in 1882. There is a misconception that because dairy farmers are receiving good payouts from Fonterra, this is driving up prices, Mr Pedersen said.

"In fact, fertiliser and the cost of compliance have risen. Food producers have had to cope with a severe drought and pay high prices for supplementary feed for their stock. Many sheep and beef farmers will suffer losses this year adding to the losses of previous years.

"This report clearly shows that food producers are certainly not 'creaming it'. Let's not forget that food producers also have to buy food for their families," said Mr Pedersen.

For more information contact:
Kara Tait, Communications Advisor
Phone: 0800 327 646.

Hard facts or hot air?

The Climate Change (Emissions Trading and Renewal Preference) Bill (ETS) has recently hit the headlines again with Federated Farmers President, Charlie Pedersen appearing before the Finance and Expenditure Select Committee to present farmers concerns over the proposed legislation.

The federation wants a climate change policy that is practical, cost effective, and allows New Zealand farming to remain economically viable, and internationally competitive.

This legislation will affect all farmers in the future as it covers agricultural gases such as methane from enteric fermentation and nitrous oxide from animal excrement and synthetic fertilisers.

Ministry of Agricultural and Forestry have provided us with some answers to frequently asked questions about the emissions trading scheme.

- Rough estimate of livestock emissions are:
- Average dairy cow = 2500kg/yr CO₂e
 - Average sheep = 330kg/yr CO₂e
 - Average deer = 650kg/yr CO₂e
 - Average beef animal = 1700kg/yr

Agriculture in the New Zealand Emissions Trading Scheme

Are any other countries including agriculture in their domestic climate change policies?

New Zealand is currently the only country that has included agriculture in a domestic emissions trading scheme. This is not surprising - the contribution of agriculture to New Zealand's emissions profile is unique internationally. Agriculture makes up almost 50 per cent of New Zealand's total emissions, whereas it makes up about 12 per cent of most developed countries' emissions. New Zealand has no choice but to promptly tackle emissions from this sector.

Who's in? Who's out? Where is the point of obligation?

The Government has not reached a final decision on where to place the primary

Farmers deserve more credit

Nowhere in the above article (*Which is a MAF information position*) is there a mention of the fact that the fuel that creates the methane (grass) absorbs considerable amounts of Co₂ in the process of growing. We should be given credit for this.

How can we be expected to pay on a one sided ledger.

Until we are given credit for this and the fact that carbon is retained into our pastures by

obligations of the emissions trading scheme for agriculture. Its initial preference is for dairy and meat processors and fertiliser companies to be the primary points of obligation, and therefore have responsibility to report emissions and surrender units on behalf of the sector.

How can New Zealand reduce agriculture emissions without new technology?

At this stage, the opportunities for farmers to reduce emissions (other than by reducing output) are limited to some extent, but they do exist. There is currently greater opportunity to reduce nitrous oxide emissions, such as through the use of nitrogen inhibitors and more effective fertiliser use. Increased use of these technologies will also reduce impacts on water quality.

Improvements in productivity will also reduce nitrous oxide and methane per unit of production. For example, the level of emissions per unit of milk solids has been decreasing by around 1.2 per cent a year over recent years. The ETS will help encourage the development of emissions-reducing technology.

The ETS will also ensure that the cost of carbon is factored into farmers' investment decisions, such as the conversion of land to production systems that result in higher emissions.

Why doesn't the Government just put more money into researching technologies that will reduce methane emissions?

The Government is putting significantly more money into research, in parallel with increased investment from the sector. But more can and must be done, and the ETS will provide greater incentives for the sector to search out ways to reduce emissions.

Why isn't agriculture coming in earlier when it is such a large emitter?

There are several reasons why agriculture is joining the scheme in 2013 and not sooner. Ensuring systems are in place to meaningfully monitor and verify emissions

is difficult, and devising the right solutions will take some time. Also relevant is the agreement between the Government and the agricultural sector signed in 2002, and the desire to allow sufficient time for the research effort underway aimed at reducing methane-related emissions to take effect.

The Government expects the sector to start taking steps towards reducing emissions before 2013, and it will require the sector to monitor and report its emissions as early as 2011. The five-year period before agriculture enters the scheme will also provide opportunities for:

- pilot farm level monitoring and reporting of emissions;
- increased contribution from the sector towards research into mitigation and adaptation;
- increased sector contribution to technology transfer; in particular commitments to roll out mitigation technology and energy efficiency on farms.

This all means that farmers cannot afford to bury their heads in sand when it comes to emissions trading. It is very real legislation that will affect all farming business, and as Charlie Pedersen said to the Finance and Select Committee:

"As it stands the emissions trading scheme poses a huge economic burden on the main driver of our economy - namely agriculture, which earns the bulk of the nations export dollars.

Analysis produced by the Ministry of Agriculture and Forestry and the New Zealand Institute of Economic Research raises huge concerns about the practicality of the proposals. These figures show that some sections of New Zealand's food producing sector would simply be unviable"

Extract from report to Golden Bay Federated Farmers supplied by MAF Nelson.



The Emissions Trading Scheme is going to put quite an imposition on our businesses. We are working hard on trying to reduce or negate any costs on all of us. Hopefully sense will prevail.

Phil York - Auckland President