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2 April 2013

Environment Canterbury Land and Water Regional Plan
Freepost 1201
Environment Canterbury
P.O. Box 345
CHRISTCHURCH 8140

Sarah.drummond@ecan.govt.nz

Re: Silver Fern Farms supporting documents in respect to Canterbury Proposed Land and Water Regional Plan for Hearing Group 2.

Original Submission Number: Silver Fern Farms Limited original submitter number is 257.

Dear Sarah,

Silver Fern Farms Limited requested a single hearing slot and is scheduled to be heard on 21st May in which both Hearing Group 1 and Hearing Group 2 matters will be discussed.

As advised in our letter of 4 February 2013, our evidence used to support the hearing would be lodged separately in two parts.

The evidence to support matters to be discussed in relation to Hearing Group 2 are:

Documents from Silver Fern Farms:

1. A written statement by Phil McGuigan, Environmental Land Manager, Silver Fern Farms outlining an assessment of Farmer Suppliers range of activities.

Documents to be referred to by Silver Fern Farms, from those to be presented on behalf of the Canterbury Primary Sector Policy Group by Federated Farmers and others of that group:

1. A written statement by Gerard Willis providing a planning assessment on matters which fall within the Hearing Group 2 category.



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2. A written statement by Antony Roberts representing the Fertiliser Association, providing assessment of Overseer[®] 6.
3. A written statement by Shirley Hayward of Pattle Delamore Partners Limited providing a review of the basis for the nutrient allocation zone status.

The first document has been included to assist in clarifying the variability within and across sheep and beef farming activities in the Canterbury region.

The subsequent documents to be referred to are to be presented by other parties of the Canterbury Primary Sector Policy Group, of which Silver fern Farms participates, and are provided here to support Silver Fern Farms hearing.

Whilst every endeavour has been made to obtain the latest version of these documents, time constraints have meant that these documents are undergoing minor amendments up to the closing time of submitting evidence. To avoid any confusion that could arise from using / referencing different versions of the evidence Silver Fern Farms will confirm the exact version of these documents once the principal submitter has made their submission of evidence.

Please do not hesitate to contact me by phone (021 410 382) or e-mail (phil.mcguigan@silverfernfarms.co.nz) if you wish to arrange to discuss any of the points raised prior to Silver Fern Farms Limited specified hearing date.

Yours sincerely



Phil McGuigan
Environmental Land Manager





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Before the Hearing Commissioners' on the Proposed Canterbury Land
and Water Regional Plan

in the matter of: a written statement by Silver Fern Farms regarding
an assessment of Farmer Suppliers range of
activities

to: **Canterbury Regional Council**

by: **Silver Fern Farms Limited**

Compiled by **Phil McGuigan** – Environmental Land Manager

Dated: 2 April 2013



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1. Overview

- 1.1 The overall framework for nutrient management in the Proposed Canterbury Land and Water Regional Plan refers to farming activities and farming types.
- 1.2 Sheep and Beef farming is one type categorised.
- 1.3 Whilst New Zealand's beef sector is experiencing growth on the back of dairy, sheep has experienced changes, lamb numbers have gone down but actual volume of meat products has remained relatively stable.
- 1.4 In the farming community competing land uses and relative returns have always led to changes in farming practices. Land use change is largely driven by relative economic returns.
- 1.5 The sheep meat sector has historically relied heavily on a small number of traditional markets. However, with the world continuing to experience a substantial change in demographics and wealth, food consumption is changing yet again. This presents opportunities in terms of specialised and diversified products, but also presents challenges from an increasingly diverse marketplace and in meeting the supply-demand requirements.
- 1.6 In this context, Silver Fern Farms considers it is unclear what is actually deemed a Sheep and Beef farm in the proposed plan, section 42A report, and in general discussions with Council staff. There appears a perception that all Sheep and Beef farming is a clear mono-culture of that farming practice and therefore change is deemed to be anything different than that perception.
- 1.7 Given this any discussion regarding what would constitute a change of activity in respect to these farming types is likely to be fraught with uncertainty and conjecture.
- 1.8 Silver Fern Farms has a significant presence nationally and across Canterbury with its operations relying on the productivity and success of the regions farmers to supply livestock for processing. To help clarify what actually constitutes sheep and beef farming Silver Fern Farms



reviewed its supplier details across the Canterbury region. This was carried out to demonstrate the range and combination of land uses that form part of the sheep and beef suppliers' activities.

- 1.9 There are limitations to this information in that it does not differentiate between land types, e.g., hill and high country or lowland plains etc. Another limitation is that there is no detail showing the natural fluctuation of farming activities and farming models within the 'Sheep and Beef' supplier over the years.
- 1.10 Silver Fern Farms Livestock Representatives' and Livestock Buyers' provided valuable input into the data, and in doing so outlined there are numerous reasons for the fluctuations, and as such the fluctuations can vary anywhere between three to ten year cycles.
- 1.11 This notwithstanding, the findings shown below provide a picture into sheep and beef suppliers and the interchangeable nature of this farming type.

2. Findings

- 2.1 Whilst the underlying data regarding number of suppliers and stock quantities have not been presented on the basis this needs to remain confidential due to the competitive nature of the industry, the data is being presented in percentage of suppliers.
- 2.2 Taking a simplistic view of the sheep and beef suppliers across Canterbury, shown below, the data showed that currently about 51% of suppliers operate their farming activities as sole sheep and/or beef operations, whilst about 49% run a mixed farming operation. However, as mentioned before this picture may fluctuate from year-to-year depending on market influences.



MAKE UP OF SHEEP & BEEF SUPPLIERS - CANTERBURY
(as at end March 2013)

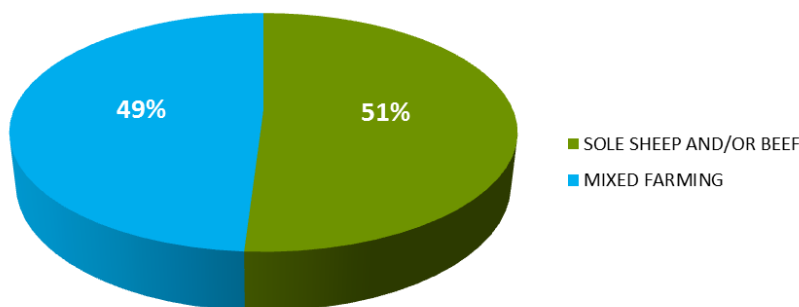


Figure 2.2: Indicative make-up of sheep and beef suppliers across Canterbury

2.3 Drilling down into the type of activities currently being carried out within the mixed farming aspect of sheep and beef suppliers, it is found that there is significant variation of farming practices within and across sheep and beef suppliers.

MAKE UP OF SHEEP & BEEF SUPPLIERS - CANTERBURY
[Drill down into Mixed Farming Activities]
(as at end March 2013)

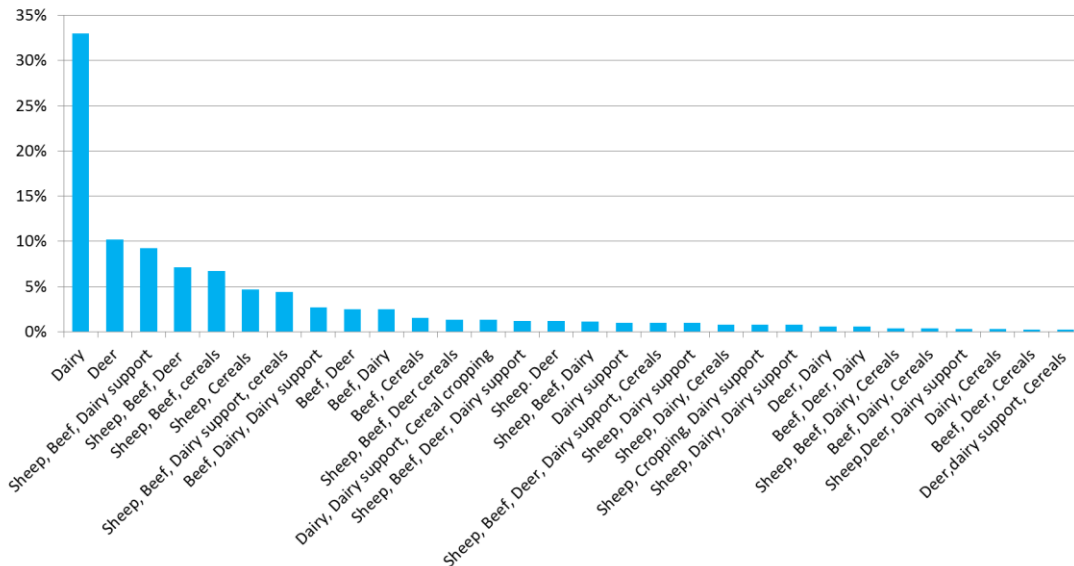


Figure 2.3: Drill down into mixed farming aspect of sheep and beef suppliers across Canterbury

2.4 As can be seen, and as is to be expected with current market trends, dairy and dairy support show quite high amongst the mixed farming



aspect. However, it is important to note that dairy support is generally run alongside other farming practices.

3. Summary / round up

- 3.1 Silver Fern Farms has provided this data to both highlight the variation within and across the sheep and beef sector, as well as there being a natural fluctuation in this farming type depending on market fluctuations.
- 3.2 Whilst the data itself is not from any scientifically based research, but Silver Fern Farms own data sources it does provide an insight into the variety of what is being seen as a traditionally stable farming type that could easily be pigeon-holed into a singular mono-culture activity when that is not actually fact.
- 3.3 In this respect, land use fluctuations are the norm across the beef and lamb sector. This variability needs to be appropriately captured when determining any triggers for genuine land use changes, rather than change being triggered by factors that are standard practice for sheep and beef farming.

