



Deer Industry New Zealand, New Zealand Deer Farmers' Association, New Zealand Deer Farmers' Association Canterbury Branch and New Zealand Deer Farmers' Association South Canterbury North Otago Branch

Oral Submission to Ecan on the Land And Water Regional Plan

Lincoln Events Centre, 8 May 2013 at 9 a.m.

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1. INTRODUCTION

- 1.1. I am Catharine Sayer, the Science and Policy Manager for Deer Industry New Zealand. I am appearing today on behalf of Deer Industry New Zealand, the New Zealand Deer Farmers' Association and the Canterbury and the South Canterbury-North Otago branches of that Association. With me is Mr Edmund Noonan of the New Zealand Deer Farmers' Association and Mike Henriksen, Chair of its Canterbury branch, who will add to points as needed or answer questions you have relating to deer farming practices.
- 1.2. You will have read my colleague Tony Pearse's joint written submission on behalf of the first two bodies and separate written submissions on behalf of each branch. Owing to time constraints, we will not repeat those submissions nor repeat the background as to the importance of the deer industry to the primary sector and our bodies' roles within it. Instead this submission addresses only the issue of water quality. Our written submissions on the other provisions of the notified plan are matters of detail, our view of which is self-explanatory in the written submissions. On the topic of water quality, we will address what we see as the key principles that should be enshrined in Canterbury's land and water plan and a means of doing so.
- 1.3. The deer industry's policies relating to water quality are very closely aligned with those of Beef + Lamb New Zealand, with whom we have worked closely on our responses to the notified plan and who are our partners on many environmental projects, owing to the similarities between sheep, beef and deer farming systems, and the fact that the vast majority of deer farmers also farm sheep or beef or both.
- 1.4. Mr Noonan will commence with a summary of the deer industry's position.

2. EXECUTIVE SUMMARY (DRAFTED AND DELIVERED BY EDMUND NOONAN OF NZDFA)

- 2.1. I am Edmund Noonan, a member of the New Zealand Deer Farmers' Association and am the immediate past Chairman. I was involved in the revision of the industry's Landcare Manual which you have a copy of.
- 2.2. The New Zealand Deer Farmers' Association in principle supports Canterbury's new Land and Water Regional Plan. The deer industry is committed to sustainable farming systems and mitigating any potential negative outcomes from our farming enterprises.
- 2.3. Community expectations, both rural and urban, are increasing in respect to environmental responsibility. I will not repeat Canterbury's submission in detail and are here to support the Deer Industry New Zealand submission.
- 2.4. The new regional water plan is certainly a significant departure from the past and represents an intergenerational change for all members of the community. Cooperation between all members of the community is required to balance expectations in regards to environmental, economic, social and cultural values. NZDFA's position is aligned with Beef + Lamb New Zealand as a majority of our members operate integrated livestock enterprises incorporating sheep, beef and deer.
- 2.5. NZDFA supports the use of environmental farm planning as a method of assessing environmental risk. We believe the use of environmental farm plans utilising land capability assessment is an appropriate method to support sustainable farming systems and minimise negative impacts of our farming systems into the wider environment.
- 2.6. Environmental farm plans allows individual properties to develop an appropriate farming system based on actual risk to the environment and focuses on good environmental outcomes.
- 2.7. By utilising best practice, demonstrated by the deer industry's revised Landcare Manual, farmers can develop and operate farming systems while assessing the risk to the environment and applying mitigation methods which are most appropriate to that risk. We believe a holistic view is needed and reliance on a single nutrient budget tool will not achieve the desired outcomes.
- 2.8. While Overseer is the best nutrient budgeting tool available and its use would be regarded as best practice, this only applies when the risk assessment identifies particular management practices which have the potential to adversely affect the environment and would be based on the land use intensity. Farming systems which are low intensity by their nature have minimal nutrient discharge; applying a regulatory regime which is overly reliant on a single nutrient budgeting tool is an unreasonable imposition on these low intensity farming systems. When an appropriate risk assessment is made which identifies particular farming practices increasing the risk, the use of Overseer would be an appropriate tool to ensure the farming practice does not unduly effect the environment.
- 2.9. Compliance with a compulsory single nutrient budgeting tool (Overseer) on all farming systems would therefore be an unnecessary cost and imposition to low intensity farmers and will not achieve the desired environmental outcomes in isolation, compared with a whole farm environmental plan.
- 2.10. The deer industry has been a leader in environmental sustainability and the development of deer farming best practice. Our aim is to produce high quality

protein and co-products utilising ethical farming systems while assuring our customers of food safety, animal welfare and environmental integrity of our farming systems.

3. DEER INDUSTRY'S COMMITMENT TO IMPROVING ENVIRONMENTAL OUTCOMES

- 3.1. The deer industry has shown leadership in promoting the use of sustainable farming practices to safeguard natural resources for inter-generational economic, recreational, cultural and social benefit. In particular the deer industry mandated environmental standards back in 2004 when an Industry Agreed Standard for deer farming existed, and produced a Landcare Manual of on-farm best management practice to assist farmers in meeting those environmental standards. Whilst the Industry Agreed Standard for deer farming no longer exists – although is currently under re-development - the deer industry's commitment to sustainable practices has never been stronger, hence the Landcare Manual was comprehensively revised and relaunched in 2012.
- 3.2. The Landcare Manual's purpose is to support farmers in developing and operating sustainable farming systems by specifying best practice improvements to deer farming systems that do not compromise environmental integrity and indeed enhance deer farming's long-term sustainability. The deer industry's commitment to the uptake of the practices specified in the manual to bring about deer farming's enhancement as a sustainable, long-term industry with attendant benefits of reductions in the cost of capital available to it, an increase in the value consumers are willing to pay for its products, more land managers willing to take up deer farming, community support for the industry and economic development for New Zealand.
- 3.3. The manual includes sections on water protection and on nutrient management. Its approach to sustainable farming hinges on the production and adherence to a farm environment plan and in particular endorses the Beef + Lamb NZ-developed Land and Environment Plan templates. The deer industry endorses farm environment planning by every farmer owing to its risk-focussed use of resources at the farm level.
- 3.4. The manual has been distributed to every New Zealand deer farmer and both Deer Industry New Zealand and the New Zealand Deer Farmers' Association are committed to promoting its uptake. They have both, in association with Landcare Trust, recently won Sustainable Farming Fund funding for a project to encourage its uptake by deer farmers.
- 3.5. A further example of the deer industry's commitment to farming in a manner that does not adversely affect water quality is its investment into research to determine the environmental impacts of fertiliser application in the hill country. Best practice advice on maximum fertiliser application rates to deliver economic and environmental benefits to land without compromising water quality have ensued from it.

4. PRINCIPLED APPROACH

- 4.1. In determining how farming should be regulated in the water quality sphere, the deer industry respectfully submits that the following principles should be adhered to.

- 4.2. The first principle is that a chosen regulatory lever must be capable of bringing about the desired outcome. I will call this the 'cause and effect' principle for want of a more elegant phrase. Where regulatory imposts have no direct nexus to desired outcomes, not only is compliance expected to be low (because the rationale is not understood) but the desired outcomes are unlikely to be achieved and regulation will have caused upheaval for nothing.
- 4.3. Somewhat related to that, but focussing more on the intensity of a regulatory burden rather than its quality, the second principle is that regulation must be proportionate; in other words, regulation is only justified to the extent necessary to bring about a desired outcome; anything further is gold plating and anything less – that is, burdens that are burdensome but bring about insufficient change - are unjustifiable.
- 4.4. The third principle is, on the assumption that water quality improvement in Canterbury is a long-term objective, the regulatory mechanism needs to enable primary producers (and other regulated groups) to understand and take ownership of their role in bringing about improvement. I shall call this the farmer engagement principle.
- 4.5. The fourth principle is that regulation must balance not only value to the community in the intrinsic features of natural resources – such as its recreational value - but the contribution of natural resources to economic development. I shall refer to this value as the value balancing principle.

5. POINTS OF AGREEMENT

- 5.1. The deer industry agrees with ECan's stated approach that it is focussed on achieving outcomes but not mandating how sectors or individual farmers should farm.
- 5.2. The deer industry accepts that regulatory intervention is required to prevent further degradation of Canterbury's water bodies and that farming is an activity that will be touched by regulation.
- 5.3. The deer industry accepts that the consequences of regulation in the water quality area are that a few farmers will be required to modify their practices to some extent and that for those already acting in accordance with good management practice, the regulatory burden will be proof of compliance with good management practice.
- 5.4. The deer industry accepts that where the risk profile of a farm's operations suggests that the operation will have an appreciable impact on water quality degradation, the extent of its compliance with good management practice-related estimated leaching limits may be one indicator as to the extent to which it is complying with good management practice.
- 5.5. The deer industry agrees that Overseer is the best tool available for producing long-term estimates of nutrient losses from a whole farm system albeit disagreeing with the particular role placed on Overseer in the regulatory scheme.

6. POINTS OF DISAGREEMENT

- 6.1. First, the deer industry has a significant concern with the plan's reliance on Overseer as the regulatory tool to achieve community outcomes.
- 6.2. As you are aware, the plan requires all farmers to prepare nutrient budgets using Overseer, for the purpose of awareness raising. The deer industry submits that

awareness of water quality as a community concern will not achieve the desired outcome of nutrient load reduction and therefore is contrary to the cause and effect principle. Preparation of an Overseer budget focusses on numeric inputs and outputs but not risky practices, danger areas and means to deal with them.

- 6.3. Overseer is a nutrient budgeting tool that has been around for some years and is available free of charge to farmers, although its complexity means that meaningful results generally require dedicated farmer time afforded to collating the input data but data input to be done by trained users. Undertaking an Overseer session is therefore generally done by producers whose systems are nutrient-intensive and thus for whom the time investment in nutrient budgeting is economically worthwhile. Deer farming is characterised by low intensity extensive systems in the hill and high country. Deer farmers do not tend to use Overseer because they apply little nutrient to their land. In the real world Overseer is a specialist tool for particular systems. However, ECan's proposal to treat all Canterbury land as special land worthy of Overseer's use is heavy touch regulation in contravention of the proportionality principle.
- 6.4. By being a desktop exercise focussing on numbers rather than specific farm practices, the deer industry submits that the mandatory use of Overseer also fails the farmer engagement principle. Overseer results during this period will have no practical significance for producers and producers will be disengaged at best or resentful at worst of the regulatory impost. Without ownership of the process and their role in changing outcomes, primary producers will fail to be effectively transitioned to the proposed post-2017 landscape.
- 6.5. After 2017, the plan builds on the Overseer nutrient budgeting requirement by, subject to catchment-specific requirements, imposing additional regulatory burdens on farmers whose Overseer-estimated nutrient losses exceed good management practice-related limits.
- 6.6. ECan's use of Overseer to distinguish between the acceptable and unacceptable system and thus drive outcome-focussed practice change continues to contravene the cause and effect and farmer engagement principles as the tool does not help the user identify farm practice areas which require attention.
- 6.7. The fourth value balancing principle is also violated by the consequences of the plan's land use change rules since those rules avoid consideration of the impact of intensity increases on Canterbury's economic development. We are aware that increases in the intensity of deer farming in the hill country (whether planned or caused by uncontrollable factors such as the weather and disease burden) of a magnitude exceeding land use change rules can have negligible effects on water quality owing to the overall features of the deer farming system. The deer industry considers that it is crucial for the regulatory scheme to avoid disincentivising productivity improvements that benefit Canterbury's economic development without adversely affecting water quality.

7. PRINCIPLE-COMPLIANT WORKABLE SCHEME

- 7.1. The deer industry, together with Beef + Lamb New Zealand, considers that the means of reducing farming's contribution to water degradation is by adoption of good management practice. The deer industry submits that the cornerstone of good management practice is the undertaking of farm environment planning. Farm

environment planning entails identifying the geophysical qualities of a land management unit, the types of activities undertaken on each such unit, risks to the environment arising from those activities and particular ways of mitigating those risks. To be current, farm environment plans need to be updated each time a change in farming practice is made or the geophysical quality of the environment changes (such as a shift in soil character). Best practice is that Land and Environment Plans are reviewed annually to ensure that practice changes with environmental impacts have been captured.

- 7.2. Industry-good promoted material - such as the deer industry's Landcare Manual - will assist the farmer to identify effective mitigation practices for farming practices that adversely affect the environment. On occasion, the advised mitigation step will be the targeted use of the appropriate amounts of nutrient as identified by Overseer. However, for most deer farming systems, the the mitigation step will be comparison of overall nutrient use against a simple, paper-based calculation of overall nutrient needs. This light-touch approach is entirely justified where predicted losses are likely to be far below levels that research has shown us to have any impact on water quality.
- 7.3. Further, the use of farm environment planning is a holistic approach to tackling water quality, as it will encompass good management practices not only to address nutrient leaching through groundwater but nutrient run-off, sediment erosion, the location of feed pads and the like.
- 7.4. By identifying critical source areas for nitrogen and phosphorus waterway contamination and suggesting appropriate mitigation, the deer industry submits that requiring farm environment planning for risky enterprises is a proportionate tool whose use has a nexus to the desired outcomes over the long term.
- 7.5. So how does this translate to a regulatory scheme to require those undertaking the riskier practices to actually be tackling them? A proportionate approach to regulation can be taken by ECan specifying circumstances that directly affect water quality to an appreciable degree. The list of circumstances can include geophysical features of a property as well as practices undertaken on the property. The deer industry is not suggesting a list of circumstances itself. Rather, they – and the appropriate quantum of each to form a threshold – is a matter more appropriately determined by ECan after consultation with interested parties and experts. A producer should self-determine whether any of the circumstances apply to him or her and declare the outcome to ECan. Where a risk is identified, the regulatory burden should be the requirement to undertake a farm environment plan equivalent at least to a Level 2 Land and Environment Plan. This is the type of farm environment plan that entails comprehensive risk identification and mitigation.
- 7.6. Compliance with the two levels can be by way of audit. For those farmers that declare themselves to not meet the risk threshold, they would be liable to inspection for evidence to the contrary.
- 7.7. Farmers that do meet the risk threshold, would be liable to inspection for evidence of their farm environment plan itself, the accuracy of its content and evidence of undertaking the identified risk mitigations. In some cases, that risk mitigation may include doing an Overseer budget and they are the cases where the farming operation and the environment has the most to gain from Overseer's use.

- 7.8. From 2017, the deer industry sees no need for any different regime; the availability of industry articulated GMP-related leaching limits could be used to inform the thresholds relevant to the engagement of the second level of regulatory involvement. Farm environment planning satisfies all the principles of value to the deer industry and the community and avoids universal yet ineffective reliance on merely one of the tools of nutrient planning.
- 7.9. A further benefit is that farm and environment planning meets the value balancing principle, as mitigations for environmental risk areas or practices are tailored to be the most economically efficient intervention for the deer farming system. In other words, effective farm environment planning respects the overriding purpose of farming as a profit-making exercise.
- 7.10. One further observation is that this system avoids the increasingly vexed issue as how to define 'land use change' which currently the plan uses as one trigger for increased regulatory burdens. Rather, by the scheme specifying all the circumstances that directly affect water quality, which can include the undertaking of particular practices at particular times or in sensitive areas, real triggers warranting increased burdens are identified in advance, complicit with the cause and effect principle but also providing certainty to primary producers.