

Tabled at Hearing on 3 November 2015

Hugh Wigley

## Goodafternoon

Myself and I run a 450ha arable unit. We crop the whole farm and there is no livestock in the system except for 70 ewes to graze the yards etc.

My concern is that our system of farming in the base time period 2009-2013. It is producing a loss figures of down to 1kg/ha which will have very limiting effects on our future farming systems.

I finished my degree at Lincoln College in the late 70's and came home to a typical mixed sheep and arable operation growing wheat, barley and ryegrass for seed as well as running 2500 ewes. By the mid 80's ~~we~~ ~~to~~ with the encouragement of subsidies on livestock and not on crops we were a solely sheep unit wintering 4000 ewes. Recession and drought in the late 80's brought a major rethink. Over the next 20 years sheep numbers declined to 70 ewes and a major investment in grain storage, and farm sheds has been and farm machinery has been ongoing.

The crops grown have also changed with wheat and ryegrass for seed ~~from~~ dominating 10 years ago. Oilseed rape has grown from nothing to a Biofuel industry being developed converting rape seed to diesel to now where the rape seed is ~~used for high value culinary~~ used to produce high value culinary oil. So a crop that had not been grown in NZ for many years now makes up 20% of our cropping rotation.

Autumn sown barley was unheard of on NZ cropping farms 10 years ago but with new varieties and technology it has a significant place in our industry. It now also

makes up 20% of our crop area.

~~These are examples in our~~

In the last 2 years the price of grass seed has collapsed and so we grow ~~as~~ less than we use to, this area being taken up by more wheat and oilseed rape.

Flexibility is the key to any arable farmers survival. and on many <sup>arable</sup> farms ~~for~~ ~~great~~ changes have taken place ~~over the last 20 years than in any one~~ situation grow a greater range of crops and include livestock in their farm systems, which will ~~vary~~ can vary greatly from year to year depending on rotational requirements and markets.

We have continually lessened our environmental impact through the use of technology and the retiring of sensitive areas. Key changes have been not applying nitrogen in the late autumn and only apply the nitrogen in the spring as the crop requires it. We also soil test for nitrogen and adjust our ~~res~~ in conjunction with how much nitrogen is in the soil.

We do ~~do~~ do a lot less cultivation than ten years, and will direct drill, min till depending on the crop but will still plough in specific ~~or~~ circumstances as part of our strategy to prevent the build up of resistant weeds. The days of relying solely on herbicides <sup>for weed control</sup> is rapidly coming to an end around the world.

We have a gullies that we used to routinely cultivate are now sown down in permanent grass and we are in the process of building a silt trap on one of those gullies.

Although we could not have realised it at the time, potentially the biggest mistake of my farming career was to have had a low emission system of farming during the base line period with figures as low as 4 kg/ha being produced. In hindsight I ~~soo~~ should have converted to Dairy so that I now would have a high base line figure complicating the issue we installed irrigation ~~in~~ in 2011.

Much has been said about 'Hunter Downs' but the reality is that on a per hectare and per unit of water it is by far the most expensive in the country. With a high pumping component to get the water to the farm, this high electricity cost will be a burden on the scheme for ever. This scheme is very expensive going onto land already able to give good returns and into rolling country far harder to manage compared to the rest of Canterbury. The experience in Mid Canterbury with the new schemes that have expensive <sup>but still cheap</sup> water that the majority have converted to dairy to make it pay.

A lot has also been spoken about agumentation but the scheme for this is dubious. Any credits that it does produce will be required by the scheme users to cover the great wave of dairy conversions that will ~~be~~ occur. Any dry shares that may be offered will be priced beyond what ~~non~~ non irrigators could afford because in reality Hunter Downs will not have any environment credits to sell.

We seem to be moving to a system of grandfathering so that farming can continue their emission at their base line figures. But the farming conversions that are ~~frater~~ faster to farming systems that produce these high emission figures have only occurred in the last 15 years, so it's not 'grandfathering' rights or 'parent' rights, but ~~child~~ 'children rights' that is has occurred in our children's lifetime.

The Nutrient Allocation Groups will not evolve for the low ~~emitter~~ emitters because in a voluntary system it will be the high emitters <sup>trying to</sup> maintain their systems by linking up with low emitters. It will certainly not ~~not~~ result in the low emitter to go up.

The current plan locks the low emitters into a time ~~over wrap~~, while they watch their neighbours having the flexibility to change their systems.

A low emitter has no room to move, ~~and~~ no ability to change farming systems and in fact be ~~vulnerable~~ vulnerable to exceeding limits just due to the seasonality of farming.

We have already seen froactions brought about by exceeding limits due to changes in seasons.

Farm values are being affected by by a farms nutrients limits.

To conclude

1. I have explained how in my lifetime we have had several changes in our farming systems and if the next generation are to progress they too need the ability to change their farming systems into the future.

2. I also believe that Hunter Downs is not viable because the on farm supply of water is the most expensive in the country. If it does go ahead then the majority of it will be dairy with all the problems that brings in nutrient loss.

3/ Being a low emitting form will have a severe impact on land values because they will be limited to their farming practices in the future.

4/ The future profitability of low emitting forms will be compromised because particularly with arable forms what is profitable now may not be profitable into the future and there will be crops out there that we don't even know about. Zoder beet is a classic example. Unknown ten years ago, its profitability now compares with wheat or grass seed for returns, but has higher nutrient loss.

3/ Under the present proposed system we risk exceeding <sup>limits</sup> due to environmental or market changes outside our control and therefore face prosecutions.

4/ The only fair way is the objective of equal allocation.

Tabled at Hearing on 5 November 2015

Presentation to Ecan

#### Conclusion

1/I have explained how in my lifetime we have had several changes in our farming systems and if the next generation are to progress they need the ability to change their systems.

2/I also believe that Hunter Downs is not viable because the cost of water is the most expensive in New Zealand. If it does go ahead then the majority of it will be dairy with all the problems that brings in nutrient loss.

3/Being a low emitting farm will have a severe impact on land values because of the limits to their farming practices in the future.

4/The future profitability of low emitting farms will be compromised. Particularly Arable farms, what is profitable now may not be profitable into the future. There will be crops or livestock options that we will want to run on our farms.

5/Under the proposed plan we risk exceeding nutrients due to environmental or market changes outside our control and therefore face prosecution.

6/The only fair way is equal allocation.

Hugh and Liz Wigley