



Tabled @ Hearing

*12.11.15
Silver Fern Farms*

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**BEFORE THE CANTERBURY REGIONAL COUNCIL HEARINGS
PANEL**

in the matter of: the proposed Canterbury Air Regional Plan (pCARP)

and: **Silver Fern Farms Limited**
Submitter No. 63233
Further submitter No. C15C/103465

Statement of evidence of:
Daryn Jemmett – Group Environmental Manager

To be heard as part of Hearing Week 2
Hearing Date: 12 November 2015



100% MADE OF NEW ZEALAND

STATEMENT OF EVIDENCE OF DARYN JEMMETT

INTRODUCTION

1. Kia ora my name is Daryn Jemmett. I am the Group Environmental Manager for Silver Fern Farms Limited. My role is to manage an environmental team across the whole Silver Fern Farms group, providing a strategic and operational environmental aspect to our activities. I have worked for the company in this capacity since August 2009.
2. Prior to this, my working experience has spanned a number of senior environmental and sustainability related roles across both governmental and private companies over the past 25 years of my 32 year working career to date.
3. I hold a Postgraduate Diploma in Applied Sciences (Environmental Science, Environmental Management, and Natural Resource Engineering, and near completed Masters in Applied Sciences (Environmental Management and Resource Management) from Lincoln University, along with a New Zealand Certificate in Science (Chemistry).
4. Whilst Silver Fern Farms head office is in Dunedin, I am based out of our Christchurch support office. I am authorised to make this statement on behalf of Silver Fern Farms.

INTRODUCTION

5. Silver Fern Farms is supportive of the intent of the pCARP to manage the human influences on air quality across the Canterbury region so that health and well-being are appropriately managed.
6. Protecting Silver Fern Farms assets across the Canterbury region from the effects of reverse sensitivity and resource constraints, along with enabling growth and change in response to market requirements across all existing operations, are key issues for Silver Fern Farms.



7. In simple terms, Silver Fern Farms seeks through the pCARP a framework that:
- recognises the investments and contributions made by existing primary support industrial activities in their current locations now and in the future; and,
 - enables providing a primary support industry for our farmer partners / suppliers across Canterbury without undue restrictions or impediments.

SCOPE OF EVIDENCE

8. Silver Fern Farms provided a submission, and further submissions, largely focussed on the specific rules along these themes, as well as seeking clarification where our activities fell across the rules.
9. For the purpose of this hearing I do not propose to repeat that material in my evidence, but instead narrow the focus to the key issues as well as addressing considerations from the section 42A report.
10. This includes:
- an overview of Silver Fern Farms and our operations in Canterbury; and,
 - a summary of the key issues and concerns that Silver Fern Farms has with the pCARP and the recommendations of the section 42A report relating to Silver Fern Farms submission.

SILVER FERN FARMS

Global reach

11. Silver Fern Farms was originally established in 1948 as Primary Producers Co-operative Society Limited, principally acting as a global



meat marketing co-operative. The shareholders are a mix of family owned farms and corporate entities.

12. Over time a number of acquisitions and amalgamations have occurred, adding meat processing capability to support the earlier established marketing component.
13. More significant amalgamations have included: Canterbury Frozen Meat Company Limited (CFM) in 2002; Mair Venison Limited in 2002; and Richmond Limited in 2005.
14. It is important to note that CFM started in the 1880's as a meat and dairy export company kick-starting New Zealand's meat industry. Since then, meat processing has played a significant role across Canterbury with some very well established CFM operations coming into the Silver Fern Farms fold in more recent times.
15. By way of example, Belfast meat processing operations started in 1882 principally as a Sheep operation, and is considered the longest continually operating export meat processing operation in New Zealand. Today the operation processes export Beef products for Silver Fern Farms.
16. Meat exports are New Zealand's second largest export trade by value behind dairy product exports. Silver Fern Farms owns 19 processing sites across New Zealand, and processes a significant percentage of New Zealand's total red meat production.
17. Much of the value of an individual processing site is sunk in buildings and infrastructure built up over many years and which have significant remaining economic life. Due to the nature of the industry, continuous improvement investments are generally made piece-meal as funds became available. As such the value of the assets of a site would otherwise be stranded and unable to be recovered if the operation was forced to downsize, close or be relocated.
18. Stock is largely sourced locally to the operation, appropriately servicing the local community and local shareholders. This underpins enabling local



people and communities to provide for their economic well-being. In other words, our operations provide a direct injection of expenditure into the local economy through payments to farmers, plant staff wages and salaries and payments to contractors and other local suppliers of goods and services.

19. Silver Fern Farms is a significant employer, with around 7,300 staff in New Zealand and overseas. Our global supply chain stretches from our operations throughout New Zealand to customers and consumers across the world.

Canterbury operations

20. Silver Fern Farms and our farmer partners / suppliers are not just an integral part of New Zealand's fabric, but also a significant part of Canterbury's fabric. Of Silver Fern Farms' 26,000 shareholders on the Share Register, 7,000 are in Canterbury alone. These shareholder suppliers generally expect, and have been able to send stock to local Canterbury operations for well over a century.

Silver Fern Farms has seven operations in Canterbury, being: **“Silver Fern Farms Belfast”** (est. 1882); **“Silver Fern Farms Fairton”** (est. 1899); **“Silver Fern Farms Pareora”** (est. 1904); **“Silver Fern Farms Islington”**; **“Canterbury Coolstores”**; **“Vital Petfoods”**; along with our **“Christchurch Support Office”**.

All of these sites, with the exception of the support office, hold consents to discharge to air and will require either renewal or new applications for consents to enable operations to continue or expand in the future.

21. Given the breadth of Silver Fern Farms operations across Canterbury these are significant in terms of employment and economic returns. A large number of people are directly employed by or rely on Silver Fern Farms activities across the Canterbury region.
22. Stock processed at Silver Fern Farms' Canterbury processing sites is primarily sourced from shareholder farmers within the Canterbury,



Marlborough and North Otago regions. As such, any excessive restrictions placed on operations will impact negatively not just on Silver Fern Farms and its shareholder farm suppliers but also other businesses and residents throughout the Canterbury region and further afield.

APPROACH TO REVERSE SENSITIVITY

23. From Silver Fern Farms perspective given the length of time most of our operations across Canterbury have been in the same location, we would consider reverse sensitivity to be the main provision where the pCARP and section 42A report fails to accurately and consistently apply recognised reverse sensitivity principles and instead appears to focus on “legacy reverse sensitivity issues”.
24. There is inconsistency in the outcomes sought and espoused within the section 42A report which creates uncertainty. Whilst on one hand there is discussion about protecting established activities from encroachment by sensitive land-uses¹ which is supported, but, on the other hand discussion around Policy 6.7 and associated rules potentially seeks relocation or reduction of existing discharges subjected to reverse sensitivity effects based on historical reverse sensitivity issues without having regard to investment at the current location over a significant period of time, and for which is currently zoned appropriately for the activities being carried out.
25. The pCARP and section 42A report largely misinterprets reverse sensitivity from an effect on existing discharges and morphs that into one regarding the sensitivity of the receiving environment of the discharges, i.e., a receiving environment that has come more sensitive at no fault of the consented discharger. Thereby, entrenching historical reverse sensitivity effects and placing unwarranted expectations on dischargers to manage reverse sensitivity effects over which they had little or no control.
26. Silver Fern Farms recognises that the avoidance of reverse sensitivity matters may be more appropriately dealt with through district plan

¹ p.6-7, s.42A report



provisions to ensure avoidance of encroachment of sensitive activities to well-established less sensitive activities as recommended in the section 42A report. However, what happens outside the property boundary of the discharger is largely outside their control and therefore the discharger must rely on the territorial authority to protect their existing activities from reverse sensitivity effects through appropriate land use planning decisions.

27. Whilst Silver Fern Farms will attempt to discourage a territorial authority from enabling the location of more sensitive land uses in proximity to our sites, at the end of the day we have little or no control over whether authorisation is given for a change in land use.
28. Where deficiencies have occurred in the application of district plan matters resulting in potential so called legacy reverse sensitivity issues, there appears an unwarranted bias in the section 42A report against these well-established operations. Rather than recognising the investment and significant contribution to economic and social wellbeing of communities that these existing industries bring and protecting those assets, the focus appears to be on constraining those well-established activities within the pCARP.
29. To this extent, pCARP should make an important distinction toward protecting these industries that are located in the appropriate zone for the activities being carried out, rather than defaulting to seeking to address any issues by forcing potential relocation or constraints on well-established operations.
30. This simple reaction of seeking address by relocation fails to take into account the multitude of factors that need to be considered, such as: economic and social wellbeing; having access to a secure and reliable water supply; having sufficient wastewater treatment and disposal capacity available at a reasonable cost; and being in close proximity to an adequate labour resource.
31. In summary, failing to appropriately recognise the value of existing well-established industries and protecting those industries from reverse sensitivity matters in all aspects of the section 42A report unnecessarily



places constraints and impediments for significant industrial operations through the pCARP.

CONSEQUENTIAL RELIEF SOUGHT BY SILVER FERN FARMS

32. Large primary support industries, such as those operated by Silver Fern Farms, often face difficulties in interpreting and applying plan provisions to their operations as depending on interpretation, activities can be captured under multiple and sometimes conflicting definitions and provisions. Silver Fern Farms submission sought relief by way of seeking clarity where the pCARP was not sufficiently clear in respect to the unique type of activities carried out across our operations for a number of matters².
33. In those submissions, Silver Fern Farms noted that depending on the clarification to be provided that consequential amendments may be required.
34. The section 42A report has provided clarity either directly by reference to Silver Fern Farms submission, or indirectly as part of reference to other submitters concerns. Given this, Silver Fern Farms feel there is no imperative going forward to require any further consequential amendments that have not already been recommended within the section 42A report.

APPROPRIATENESS OF COMBUSTION RULE CONTROL

35. Silver Fern Farms submission highlighted an unworkable recurring condition³ within the permitted combustion discharge rules that requires buildings within 25m of a discharge emission stack to be less than 5m in

² Clarity sought for Fertiliser and Waste Management definitions, and conditions 7.42, 7.66, 7.67, 7.68, 7.69

³ Conditions 7.19(3), 7.20(40), 7.21(5), 7.22(6)



height. For existing discharges buildings and infrastructure are already in place and have been so for many years.

36. From overseeing air dispersion models carried out for Silver Fern Farms operations, Silver Fern Farms recognises proximity of an emission stack to buildings in vertical and horizontal dimensions may cause downwash or eddy effects on the resultant discharge from the emission stack. However, it is our understanding that with sufficient vertical clearance of the discharge above an adjacent building, the horizontal proximity of a structure may not be as important as the vertical proximity.
37. Whilst the section 42A report recommended retaining the rules as proposed, Silver Fern Farms understands the intent of the condition is to minimise disturbance to discharge from an emission stack that may result diminishing the rate of dispersion and disagrees with this recommendation. Conditions needs to show some practicality in respect to buildings and structures on existing operations. Given this, it would seem more appropriate to manage this through conditions relating to minimum stack heights relative to the height of nearest buildings and structures within 25m of the discharge stack rather than having no buildings at all within 25m.

APPROPRIATENESS OF WORKSHOP RULE CONTROL

38. Silver Fern Farms submission also highlighted an unworkable condition⁴ of the permitted workshop discharge rules that requires buildings with workshops that all extraction vents are filtered and monitored.
39. For large industrial operations this requirement would appear overkill as there may be many different levels of workshop facilities, a number of which are only used on an intermittent basis.
40. In relation to Silver Fern Farms operations the location of workshop facilities are generally well away from any property boundary, meaning dispersion of any discharges are over our own operations. As such

⁴ Condition 7.36(2)



Workplace Exposure Standards and the Health and Safety in Employment (HSE) Act would take precedence.

41. The section 42A report outlines that this condition “... *is intended to ensure that PM₁₀ discharges associated with this activity, and the associated effects, are minor.*”
42. It is Silver Fern Farms understanding that Workplace Exposure Standards and the HSE Act would take precedence over what happens within a business site, and is not a matter for consideration by pCARP.
43. If the concern is for PM₁₀ concentrations outside the environs of the discharger, then condition 7.36(3)(a) by restricting the permitted activity to 20m from any sensitive activity beyond the property boundary would seem the more practical approach.
44. In order to avoid an excessive level of requirements with no merits, and a condition that is potentially *ultra vires*, then the condition should be deleted as set out in Silver Fern Farms submission.

CONCLUSION

45. In conclusion, Silver Fern Farms is seeking that the pCARP suitably recognises the significant contribution industry plays to the social and economic wellbeing of the Canterbury region.
46. Having the ability to renew discharge permits without undue constraints is critically important to Silver Fern Farms.
47. Whilst Silver Fern Farms have highlighted several issues, the key concern centres on the application of reverse sensitivity considerations.
48. Regard of the investment and contribution of well-established industries over a significant period of time, and for which are zoned appropriately for the activities being carried out, needs to be applied consistently at all times where reverse sensitivity matters exist.



49. Without such considerations there would be significant implications and lack of business security for the continuation of industry across Canterbury.
50. Undue restrictions placed on industrial operations will impact negatively not just on Silver Fern Farms and its shareholder farm suppliers but also other businesses and residents throughout the Canterbury region.

END



