of the Resource

Management Act 1991

(RMA)

AND

IN THE MATTER

of the Proposed Plan
IN THE MATTER Change 5 to the

Change 5 to the Canterbury Land and Water Regional Plan

BETWEEN Ballance Agri-Nutrients

AND COMMISIONERS OF

THE CANTERBURY REGIONAL COUNCIL

Evidence in Chief by Alastair Stephen Taylor on Behalf of Ballance Agri-nutrients Ltd

21 July 2016

Qualifications and Experience

- 1. My full name is Alastair Stephen Taylor. I graduated from University of Exeter, UK, with a Bachelor of Arts in Politics and Economic History, with Honours.
- 2. I am currently employed as Farm Sustainability Services Manager with Ballance Agri-Nutrients Ltd. I have been with Ballance for over eight years, and have certificates of completion for both the Intermediate and Advanced courses in Sustainable Nutrient Management in New Zealand Agriculture, at Massey University. I also hold a completion certificate for the UK Fertiliser Advisors Certification and Training Scheme (FACTs).
- 3. Prior to my immigration into New Zealand in 2008 I have served 4 years as UK Sales & Marketing Manager for Groupe Roullier a large privately owned fertiliser and animal nutrition business; also 4 years as National Fertiliser Technical Manager for Dalgety, at the time the UK's largest fertiliser and agri-business
- 4. Representing Ballance Agri-Nutrients I have engaged with Regional Council staff throughout New Zealand involved in the disciplines of policy, land management and science. I have participated in stakeholder workshops, advisory groups and industry consultation sessions in relation to nutrient management and the development of Regional Plans. I am a member of the Industry Overseer Working Group and have worked closely with Regional Council staff on implementation of the CLWRP. In recent years I have provided formal and informal advice to the Canterbury Regional Council (Council) to assist in policy development, including the development of Plan Change 5. From September 2015 through to December 2015 I represented the Fertiliser Association of NZ at a number of meetings specifically to discuss and to attempt to develop a consensus for the pastoral nitrogen fertiliser proxy.
- 5. It is important for me to clarify that I am submitting this evidence in my capacity as a representative of Ballance Agri-Nutrients Limited, and not as an expert in fertiliser application or nutrient management, although I have considerable experience in both matters. Consequently, the purpose of this evidence is to introduce Ballance Agri-Nutrients to the Hearing Committee, and to highlight the key concerns of the Company. I also set out the evidence that the Company supports, and thus relies on.

Ballance Agri-Nutrients Limited

- 6. Ballance Agri-Nutrients Ltd (hereafter referred to as 'Ballance', or 'the Company') is a farmerowned co-operative with over 18,000 shareholders and approximately 800 staff throughout
 New Zealand. The Company owns and operates super-phosphate manufacturing plants
 located in Tauranga and Invercargill, as well as New Zealand's only ammonia-urea
 manufacturing plant located at Kapuni, South Taranaki. The Company also owns and
 operates the agricultural aviation company 'SuperAir', 'SealesWinslow' (a high-performance
 compound feed manufacturer), and the farm technology company 'AgHub' (which was
 previously called Farmworks Systems Limited'). Ballance places a strong emphasis on
 delivering value to its shareholders and on the use of the best science to inform sustainable
 nutrient management.
- 7. In terms of Canterbury, the Company owns and operates one feed mill, one hub store, three service centres, and has commercial arrangements in place for a further seven consignment

- stores. Canterbury is also a large market for Ballance, being an area where the Company enjoys a significant proportion of the fertiliser market.
- 8. Given these significant assets, Ballance takes a keen interest in policy development and implementation in Canterbury. In this regard, the Company lodges its own submissions (as it did with Plan Change 5) and supports the fertiliser industry (via the Fertiliser Association of New Zealand ('FANZ')) in its engagement in various planning instruments. Indeed, this brief of evidence should be read along side the evidence being adduced for FANZ.

Key Matters for Ballance

- 9. Since the notification of Plan Change 5 Ballance has worked with other members of the Canterbury Primary Sector Group to address the Company's key areas of concern. These areas were set out in the submission made by Ballance on the PC 5 and extend to the submission made by FANZ. I have considered the report of the Council Officer, and it seems that few substantive changes are recommended in response to the submissions and further submissions. That is disappointing at a level, but is equally understandable at another. In this respect, the submissions seek quite substantial changes without providing much detail. Without that detail it is hard, I expect, to recommend a change. I expect, however, that more detail will be provided via the technical evidence that is being adduced by several of the submitters. Ballance is hopeful that this evidence will enable a more through review of the changes that have been requested to the approach and content of PC 5.
- 10. As a consequence of this collaborative work, Ballance has had the opportunity to engage with several other parties, and be privy to the evidence that they are calling. Given this, the Company will not be calling technical evidence. The Company does, however, wish to record its support for the technical evidence of the Canterbury Primary Sector Group, in particular:
 - Dairy NZ
 - FANZ
 - Fonterra
 - Barrhill Chertsey Irrigation
 - Irrigation New Zealand
 - Ravensdown
- 11. However, we would wish to offer the following comments to ensure that the Hearing Committee is clear as to the key concerns of the Company that need to be addressed in order to satisfy the submission of Ballance:
 - Ballance continues to **support** the use of the Farm Portal as a "drafting gate", as outlined in our earlier submission on Plan Change 5, and as also covered by others. Through our implementation discussions with council it has become increasingly clear that resources need to be more focussed if the aims of the CLWRP are to be met. We believe that the drafting gate provided by the portal will facilitate this.
 - Ballance supports the requirement for an Alternative Pathway for those farms who are unable to model themselves satisfactorily through the Farm Portal, as advocated

- by Fonterra and FANZ. Should this not be addressed, some types of agricultural endeavour could find themselves restricted for no resource management basis.
- Ballance supports the submission made by Irrigation NZ that the current Irrigation Proxy is flawed as it represents "Best" rather than "Good" Management Practices and therefore goes beyond what Ballance understands to be the intended expectations of PC 5. Ballance urges the Commissioners to accept the alternative Irrigation Proxy;
- Ballance supports the submission by DairyNZ that the current N fertiliser proxy is flawed and is very concerned that application of the current fertiliser proxy in the Plan Change will not deliver the intended GMP measures but will likely result in significant economic and social hardship. Ballance urges the Hearing Committee to therefore adopt the alternative proxy that is proposed by DairyNZ and FANZ;
- Ballance **supports** the submission by FANZ calling for adoption of the alternative "N-surplus" proxy for N fertiliser. Ballance has significant concerns about the modelling rules used to produce the fertiliser proxy for the Farm Portal. However, throughout its development, and with its intended application in the proposed Plan Change 5, there has remained good will to support the development of the on-going MGM project and resultant Farm Portal, recognising the intended benefits. Regrettably, the fertiliser proxy is not considered to be sufficiently robust. The Fertiliser Industry has contributed to developing an alternative fertiliser proxy rule for application in the Farm Portal. The alternative, based on nitrogen surplus, while also not perfect, is considered to be more workable for the Farm Portal than the current fertiliser proxy. Ballance also supports FANZ views on the need to remove the "Prohibited Activity" status.
- Furthermore, Ballance further supports and re-iterates the expert evidence being provided by Dr Alister Metherell of Ravensdown in support of the DairyNZ and FANZ submissions. Dr Metherell is an industry leading expert and his evidence, if accepted, would result in improvements to PC 5 that would make it a more robust and equitable response to the very complex issue of diffuse discharges. As presented in the evidence of Dr Metherill, the proposed Farm Portal will result in unacceptable variability in GMP N loss values. This will inevitably result in some very good farm systems operating at a satisfactory level, with compliant audited good management practices, still being unable to meet the GMP N loss value determined by the Farm Portal. Further evidence of this is shown by Ms Eva Harris, for Barrhill Chertsey Irrigation. Although the sample size is still small for comprehensively audited farms which also have generated Farm Portal GMP N loss values, Ms Harris demonstrates that a significant proportion of these "A" grade audited farm systems are unable to meet the Farm Portal GMP N loss for their property. By Grade "A" audited farms, it is meant farms where there is a high level of confidence that all GMP are implemented to the required standard.

Concluding Statement

12. Thank you for the opportunity to present this evidence. I reiterate, on behalf of the Company, that the points of greatest concern and that we wish to bring to the Commissioners attention are set out in the submissions of the Company and FANZ. Ballance has worked cooperatively with the other members of the Canterbury Primary Sector Group and wish our evidence to be considered alongside that of other members of that group, with particular regard to the evidence being called by FANZ, DairyNZ, Fonterra, Irrigation NZ, Barrhill Chertsey Irrigation and Ravensdown. To enable the Commissioners to expedite your hearings as efficiently as possible Ballance wishes you to consider this evidence and now feels that we DO NOT need to heard during these hearings.

Alastair Taylor

Farm Sustainability Services Manager

Alastar Taylor

Ballance Agri-Nutrients Limited

Dated: 21 July 2016