

Tabled at hearing 14/10/14.

IN THE MATTER of the Resource Management
Act 1991

AND

IN THE MATTER Variation 1 to the Land and
Water Regional Plan

STATEMENT OF EVIDENCE OF FRANK LAMBORN

14 October 2014

Frank and Robyn Lamborn
225 Walkers Road
RD 7
CHRISTCHURCH 7677

Mobile: 027 2340014
Email: Frank.robyn@xtra.co.nz

BACKGROUND

1. We own two farms in the Greendale area. One is situated on the corner of Telegraph and Clintons Road, called Grace Dairies, which is approximately 120 ha in size. We have farmed this property for 12 years, which we converted to dairy 10 years ago. Four hundred and twenty cows are currently milked on the property.
2. The other property is at 283 Clintons Road, called Canaan Farm. We have owned the bulk of the property for eight to nine years using 70 ha for a dairy grazing unit. We bought an additional 70 ha which had been farmed for sheep, and now milk 500 cows. This is the second milking season after the conversion to dairy.
3. We have over a thirty year history of dairy farming, ranging from five years sharemilking in Northland to owning a property in Dargaville, which we farmed for six years. We then moved to the South Island where we have been for the last 20 years in Lowcliff, then Dunsandel before settling in the Greendale area. We have moved away from being involved with the day-to-day operation of the two farms, such as milking, but we are still heavily involved in the calving and breeding of the cows, and the overall management of our farming operations on the two farms.
4. We have consents for two deep wells on each of our properties which we use to source water for irrigation on our properties. They are at approximately 60 m deep each. We also have consents for dairy shed effluent pond and for spreading the waste on to the farms. Below is a list of all the consents held by us for our farming operations:

Record No	Farm	Activities
CRC012260	Grace Dairies	To Land - Animal Effluent
CRC131610	Grace Dairies	Take Groundwater
CRC991425	Grace Dairies	Take Groundwater
CRC012438.1	Canaan Farm	Take Groundwater
CRC122721	Canaan Farm	To Air - Other, To Land - Animal Effluent

5. We are Synlait suppliers and will be working towards the Synlait “Lead with Pride™” accreditation programme. The accreditation programme assesses the farm across the following categories: animal health and welfare, environment, milk quality, and social responsibility. For the environment requirement the suppliers *“must achieve excellence in efficient water and irrigation management, effective effluent management, improved biodiversity, soil quality, emissions and energy management”*¹. In the meantime our focus is to get on top of our new farming operation, Canaan Farm.
6. Both of the farms are located just inside the Central Plains Water (CPW) scheme but we have no plans, at this stage, to become part of the scheme. Neither of the properties have any lakes or rivers in their proximity.

¹ Downloaded on 6 October 2014 from <http://www.synlait.com/about/milk-supply/lead-with-pride/>

SPECIFIC SECTIONS OF THE PROPOSED VARIATION 1 OF THE PROPOSED CANTERBURY LAND AND WATER REGIONAL PLAN

7. We can understand the need to protect the environment. We are both concerned about the “dirty dairying” label that is bandied about with regard to dairy farming. We are conscious of the effects that farming can have on the environment so we are mindful of this when we run our operation. Our aim is to have a sustainably run operation that our children, grandchildren, and other generations can continue to farm. Therefore we are supportive of plans to manage the catchment at a regional level but not to the detriment of the viability of our farming operation.

8. Computer models have been used to estimate nitrogen losses, Overseer, and models used for predicting groundwater abstraction. Unfortunately these models are only able to predict what could potentially happen in the future. There is no way to ascertain the accuracy of the models until they can be actually compared with measurements taken in the field of actual situations to see whether the predictions of the models are correct. Therefore it is good to use these as a guide but care must be taken when using these to make hard and fast rules, as has been done in this variation 1.

9. An example of this is shown when looking at what “ kgN loss to water” calculated from Overseer means. I have been lead to believe that only two studies have been done to ascertain N losses to ground water. One by Massey University and the other by Lincoln University. Both of these studies included just one soil type relevant to the location of each university and both only measured N losses to a depth of 1 m of soil depth. Therefore it would be more accurate for Overseer to report its measured N losses to a depth of 1 m. Ground water on my farms sits at approximately 45 m. I believe it is unfair to use Overseer calculated N losses on my properties to say accurately what our N losses “actually” are to ground water.

10. This is a Land and Water Management Plan. For the water side: we have been encouraged to increase our investment capital, i.e. for centre pivots, to use our water more efficiently. To manage land now, we are faced with significant decreases in productivity to be able to meet the expected percentage calculated N loss decrease proposed in the Plan. This will impair our ability to fund the capital expenditure, much less make any return on the investment.
11. Matrix of Good Management (MGM) will be introduced in 2015. Another variation to the proposed Regional Land and Water Plan (pRLWP) will be required to include the MGM in the Plan. Therefore what is the point in the variation now as opposed to waiting the next year or so. In that time there could be a better assessment of farming practices across the region so that farmers that are not operating at Good Management Practice (GMP) could be identified and ECan could work with them first, without penalising the farmers that are already operating at GMP.

Managing Land Use to Improve Water Quality

Farm Environment Plan (FEP)

12. As we stated in our submission **we support the requirement for implementation of a Farm Environment Plan (FEP) given in Policies 11.4.12, 11.4.13, and 11.4.14.** We have FEP's for our farming operations because we feel that implementing a FEP is good farming practice therefore we support this provision.

Policy 11.4.14(b)

13. We **oppose** the requirement of Policy 11.4.14(b), that if a property's nitrogen loss calculation is greater than 15 kgN/ha/yr, then for dairy farms, a 30 %

reduction must be made. And as a consequence, we oppose all references in other policies and rules to these reductions.

14. We request the deletion of the percentages across the farming types and have one percentage that is fair for all.
15. The different percentages are calculated based on EBIT (Earnings before interest and tax) which does not take into considerations such as depreciation and is therefore not a very good assessment tool. Dairy farming with its 30 % reduction requirement is the highest over all the farming groups.
16. The s.42a report makes no recommendation and states in paragraph 11.173 the *“Overall, in the absence of an alternative path set out by the submitters that will still enable the target to be met, it is recommended to maintain the present policy framework.”*
17. We agree with the summary of submissions given in paragraph 11.169 *“that a significant number of submitters suggest that it is too early to set percentages,, on the basis that it is nearly a decade away, things will change over that time, the reduction in nitrogen and profitability loss from good management practice is not yet known and overall, there are too many uncertainties.”*
18. The Regional Land and Water Plan will have a 10 year life before it is reviewed. Over that time the income from all the farming types will change.
19. With the reduction in the dairy milk price by 50 % in the last month, and it appears that beef farming is supposed to be on a high this year, it certainly illustrates that there are too many uncertainties to ascertain what is the best way to proportion the percentage reductions per farming type.
20. In the s.42a discussion in paragraph 11.166, it states that there is a need to have *“a need to reduce discharges by approximately 12.5 % across the board beyond the reduction that would be achieved through good management practice.”* Then goes on further to say that the *“overall reduction across existing farms is more in the order of 20 %”*.
21. We could not support a 20 % reduction as it would have a significant effect on the ability for us to have a viable farming business especially with the

decreased milk pay out we are dealing with. We have no idea where the milk price will go moving forward from year to year let alone on the ten year life of this Plan. We have to pay bills right now but do not have the ability of crystal ball gazing into the future as would be required to understand the consequences of this Plan. We have already paid the capital cost of converting our land into highly productive and sustainable dairy farms. We have never had advice from any council, dairy company, bank manager, or farm consultant to limit the investment we have made because sometime in the future we were going to have to decrease the N load on our farm.

22. From Andrew Curtis's evidence dated 29 August 2014, Chief Executive of Irrigation New Zealand's (INZ), regarding the nitrate management framework that primary industries were to consider, who has stated that "*INZ took a lead role in the delivery of this workstream*" (para. 46), yet he states that in paragraph 47(c) that it "*as GMP had not been defined by the MGM project it was considered impossible to set the level of reduction to be achieved by each industry at this time.*" He goes further to state in paragraph 48 that "*percentage reductions were not agreed to*". Schedule 24 was put forward in the interim as a measure to work towards nutrient management.
23. We stated in our original submission that **we support the inclusion of Schedule 24 – Farm Practices**. The requirements included in sch.24 are good management practice for farming therefore it is important to ensure that all farmers are operating at that level first before penalising everyone.
24. In Figure 5 of the DairyNZ evidence by Duncan Smeaton suggests that a decrease of 5 to 10 % N losses equates to a less than 5 % decrease in operating profit. The evidence by Smeaton dated 29 August 2014, therefore could not predict the significant drop in the milk price that has occurred in that time which will significantly affect profits of dairy farms. Therefore we would support a 5 to 10 % decrease in N loss for all farming types.
25. We do not support the DairyNZ recommendation of a 14 % across all the farming types.

Relief sought:

- a. Delete all references to percentage decreases across the individual farming types (e.g. 30 % for dairying).
- b. Institute a fixed percentage decrease across all farming types of between 5 to 10 %.

Nutrient Management – Sediment and Microbial Contaminants (Rules 11.5.6 to Rules 11.5.13)

26. We **oppose** the requirement for the need to obtain a resource consent from 2017, if the nitrogen loss calculation is above 15 kgN/ha/yr. A limit of 15 kgN/ha/yr is an arbitrary limit so it is overly restrictive to enforce this limit thereby requiring a resource consent for farms with nitrogen losses above these limits.

27. The relief we sought was: Delete all of the rules in this section requiring resource consents. If this is not satisfactory, then move the date from 2017 to a much later date when more accurate results of nitrogen losses can be obtained for each farm.

28. These are arbitrary figures that have been thought up by people who the implications of it do not affect their livelihood. There needs to be a better understanding of the figures before they can be used as a cut and dry regulatory tool.

29. It appears that the s.24a report has recommended to retain all rules unchanged.

30. Yes we agree with the difference between 15 kgN/ha/yr to 20 kgN/ha/yr but do not agree with the calculations that have been given paragraph 11.54 of the s.42A report.
31. Overseer was never meant to be used to predict nitrogen loss that accurately. Therefore it cannot be definitely said that an increase of 5 kgN/ha/yr will result in 111 % increase of the proposed catchment load limit, as is reported in the s.42a report.
32. As we have stated earlier, models such as Overseer are good tools to indicate predictions but they should not be used with such consequences as has been used here. That is, above 15 kgN/ha/yr and you will be required to obtain a resource consent to continue farming.
33. The load limit is a number that has been picked out along a continuum line. Therefore what are the hard facts behind picking a number like that which has such serious ramifications for our economic bottom-line. There will be a number of farmers who will be struggling to try and work out how they will survive with such a low pay out prediction without having to make significant investment to reduce their N limit to an arbitrary value. Reports on Friday 3 October 2014 were that the milk price was predicted to go down to \$4.80 per kg of milk solids, therefore nearly half of what it was for the past season². That is, down to the levels of the early 2,000's.
34. We have a resource consent for each property for effluent consenting number cows as detailed as follows:
- a. Grace Dairies: *CRC012260 To discharge contaminants onto land in circumstances which may result in those contaminants entering water.*
 - b. Canaan Farm: *CRC122721 To discharge contaminants onto land and into air allows us consented cow numbers of 550 cows. We are only milking 500 cows on the property.*

² Downloaded on 10/10/14 from <http://www.radionz.co.nz/national/programmes/morningreport/20141003> : Economic effects of dairy prices to hit in 18 months time (aired 3/10/14)

35. We are currently running best practice dairy farming yet our calculated N losses for each of our farms are as follows:

- Grace Dairies – N loss to water is 63 kgN/ha/yr
- Canaan Farm – N loss to water is 53 kgN/ha/yr

36. We will have to make significant changes such cutting herd numbers, going to feed pads, and drastically decreasing fertiliser use. Every year we sit down with our fertiliser representative to make sure we have an optimum fertiliser plan for the season ahead. Any cuts to nitrogen added will reduce the amount of grass growth we have, in turn means less milk – obviously same is said for reducing cow numbers. This is a fine balancing act considering the significant capital investment we have to support, that is, milking sheds and their operation, irrigation systems, equipment such as tractors, pumps, etc, and workers' salaries. These costs will not go down even though our return will go down.

37. Not only are there economic considerations of trying to get down to an arbitrary level of N loss, the long term consequences are that farmers will require a consent to continue to operate. Whether ECan is trying to use that as an "incentive" or more likely "threat" to ensure that Overseer calculated N losses are at a level acceptable to ECan, it could mean that ECan will have to process a lot of consents that they do not have the capability of doing. Therefore is this a wise decision?

38. The use of discretionary and non-complying activity status means that ECan can decline the farmer's right to continue farming on their property. What is the long term consequence of this? Has that been thought through?

Relief sought:

- a. Delete all the rules 11.5.9, 11.5.10, 11.5.11, 11.5.12, 11.5.13 and replace with Other Methods.

- b. If this is not satisfactory then delay the start of the rules until such time as more accurate results of nitrogen losses can be obtained for each farm, and change the following:
 - i. The activity status of Rule 11.5.9 from restricted discretionary to controlled activity status.
 - ii. The activity status of Rule 11.5.10 from discretionary to restricted discretionary status, using the matters which Council can exercise its restricted discretion listed for notified Rule 11.5.9. .
 - iii. The activity status of Rule 11.5.11 from non-complying to discretionary status.
 - iv. The activity status of Rule 11.5.12 from prohibited to discretionary status.
 - v. The activity status of Rule 11.5.13 from prohibited to non-complying status.

Sustainable Use of Water and Improved Flows

GROUNDWATER REALLOCATION

Policy 11.4.23

39. We oppose Policy 11.4.23 that reallocates water at a rate and volume that reflects demonstrated use. The relief we sought was to delete policy 11.4.23. If this is not satisfactory, then set a start date for the policy after a reasonable time after accurate water metering data has been obtained for all water takes.

40. The recommendation in the s.42a report is as follows:

Paras 13.67 to 13.85

Recommendation R11.4.23

That Policy 11.4.23 be amended as follows:

Only reallocate water to existing resource consent holders at a rate and volume that reflects ~~demonstrated~~¹⁶⁹ reasonable use as calculated in accordance with Schedule 10¹⁶⁹ to provide a volume required to meet demand conditions in eight and a half out of ten years for a system with an application efficiency of 80%¹⁷⁰.

¹⁶⁹ V1pLWRP-868 Federated Farmers; V1pLWRP-1634 The Canterbury Farming Company; V1pLWRP 1065 Irrigation NZ; V1pLWRP-483 Ellesmere Irrigation Society; V1pLWRP-590 Bowden Environmental;

¹⁷⁰ Consequential amendment from combining Policy 11.4.23 with Policy 11.4.26

41. The water take permit(s) are an asset to the farm therefore any restriction on ability to renew these permits to the required level for operation will devalue that farm as a business unit. Therefore we agree with the change from “demonstrated use” to “reasonable use”.
42. There has only been a requirement for keeping records of water usage for the last couple of years so we only have three seasons of data. Therefore there is not a history of water usage that can be called upon to demonstrate reasonable use going forward. We find that most years we irrigate until middle of April but last year we only irrigated until March since the weather was so wet. This year we have already started irrigating which is earlier than we would normally irrigate. On Grace Dairies we have been irrigating since middle of September on a 10 days return using rotorainers. We are conscious of water usage so we have been spraying 30 mm as opposed to the normal 50 mm on the pasture.
43. Pivots are the first choice for farmers because they can water down to 5 mm of water. We have plans for pivots at Grace Dairies but we have found that the farm waters well under a very good rotorainer program. That combined with an uncertainty of dairy returns due to the significant predicted milk price for this season and into the future, our plans for pivots have been put on hold.
44. As Canaan Farm has only recently been converted to dairying, it is watered using pivot irrigators.

45. With such a difference between two years it is therefore important to have good records over a reasonable period of time to properly assess water usage.

46. We oppose the s.24a report recommendation to change the current nine out of ten days in Schedule 10 to eight and a half out of 10 years for Selwyn-Waihora Zone. This is a significant change in water allocation and there does not appear to be an adequate reasoning for this. Once CPW scheme is in operation there should be extra water available across the catchment area therefore there is no point in penalising farmers before the water available is known, that is, until when CPW is in operation.

Relief sought:

- a. As we have stated, we **support** the change from “demonstrated use” to “reasonable use”.
- b. Before our “reasonable use” could be assessed we would request that there is a delayed start to the rule so that a decent length of time for usage records could be obtained. And as a consequence we oppose the addition to Schedule 10 stipulating that only Method 1 can be used for Selwyn-Waihora Zone.
- c. We **oppose** the change from nine out of 10 years to eight and half years out of 10 for Selwyn-Waihora.

That Policy 11.4.23 be amended as follows:

From 2022 only reallocate water to existing resource consent holders at a rate and volume that reflects ~~demonstrated~~ reasonable use as calculated in accordance with Schedule 10 to provide a volume required to meet demand conditions in nine ~~eight and a half~~ out of ten years for a system with an application efficiency of 80%.

Delete the additional statement to Schedule 10 regarding Selwyn Waihora zone.

Schedule 10 - Reasonable Use Test

~~Within the Selwyn Waihora catchment method 1 shall determine seasonal irrigation demand based on eight and a half years out of ten.~~

