



17 November 2014

Sarah Drummond  
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Dear Sarah

### **Variation 1 ECan dLWRP – Hearing Commissioners' Additional Questions**

Following Beef + Lamb New Zealand's oral presentation at the Variation 1, dLWRP hearing recently, the Hearing Commissioners asked several additional questions for written answer.

These are set out below. If you could pass these to the Commissioners, that would be greatly appreciated.

#### **Baseline Land Use**

The Commissioners drew our attention to our error regarding the 'property's baseline land use' definition in Variation 1, there being a definition under 'baseline land use'.

*"Means the land use or land uses, on a property between 1 July 2009 and 30 June 2013 used to determine a property's 'nitrogen baseline' as defined in section 2.10 of this Plan."*

Having read the definition, the point made in paragraphs 3.4 and 3.5 of our submission remains.

Within the four year period specified, a property may have changed land use mix significantly including from year to year. It may have changed hands and been completely restructured, changed from dry land to irrigated, sheep and beef to dairy, grass to cropping, or any permutation of changes in farm activity.

The question is one of how to define the 'farm type' specified in the definition of Good Management Practice Nitrogen and Phosphorus Loss Rates contained in Variation 1.

The Baseline Land Use definition recognizes that there may be a land use or land uses, so more than one type of land use.

The question then arises as to which particular farm type is used for the purposes of calculating GMP loss rates, when potentially each of the four years covered by the baseline calculation could be very different farm types for the purposes of determining GMP loss numbers.

It can reasonably be expected that farmers will optimise the Baseline Land Use description to the one that will give them the highest N loss figure under Good Management Practice. Since N loss allocation is grandfathered to a particular farming type, high leaching activities whilst they must reduce their losses to some degree, still retain a greater N loss number creating a windfall gain in the value that land will have on the open market.

#### **NZ Pork submission on Baseline land use.**

The Commissioners asked that B+L NZ look at the changes sought by NZ Pork to the definition of Baseline land use. Having done so, the following comment is made.

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The suggested change would address the points B+L NZ make relating to the definition of a Nitrogen Baseline, and as identified by NZ Pork, also needs to be included in the definition of Baseline Land Use.

However, the NZ Pork submission does not address B+L NZ's concerns relating to the difficulty in determining a baseline land use or farm type over a period of four years, when land use may have changed very significantly during that time.

This difficulty highlights the flaws in an approach of managing N losses based on inputs such as land-use, instead of managing the N loss or outcomes.

A move to a natural capital or LUC based allocation approach will remove the need to define land use, whether baseline or for assigning N loss reductions. Baseline N loss could be the holding pattern until LUC based N loss is calculated, at which point all landowners move to the N loss specific to their property, over appropriate timeframes.

Adoption of an LUC based approach need not be difficult as shown by Hawke's Bay Regional Council which has an interactive tool available on their web site for calculating the allowed leaching limit for an individual property. See [www.hbrc.govt.nz](http://www.hbrc.govt.nz) –keyword Tukituki

Farmers are then free to farm whatever they wish e.g. cows, trees etc. provided they do not exceed their property's N loss number, when they will need a consent.

### **Drains**

The Section 42A report recommendations relating to the definitions of drains satisfactorily address B+L NZ's concerns.

### **Phosphorus Leaching Loss**

The Commissioners sought B+L NZ's views on the implications of the draft paper submitted as part of Dr Alison Dewes' evidence relating to phosphorus leaching loss to ground water, particularly in relation to the issue of drains.

Phosphorus leaching risk is flagged in the ECan report "Mapping of vulnerability of nitrate and phosphorus leaching, microbial bypass flow, and soil runoff potential for two areas of Canterbury." Report No. R10/125 June 2010.

P loss is still best managed through the Farm Environment Plan approach. P lost through overland flow is best managed through tailored site specific actions, and while P loss through leaching is still poorly understood and quantified, it too is best managed through the FEP process.

Yours sincerely

A handwritten signature in black ink, appearing to read "B O'Brien".

Ben O'Brien  
Beef + Lamb New Zealand Ltd  
**General Manager Market Access & Advocacy**