

BEFORE INDEPENDENT HEARING COMMISSIONERS

IN THE MATTER of the Resource Management Act 1991

AND

IN THE MATTER of the hearing of submissions on Proposed Variation 2 (Hinds Plain) to the Proposed Canterbury Land and Water Regional Plan

BRIEF OF REBUTTAL EVIDENCE OF GRANT JOSEPH EARLY

Dated 29 May 2015

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REBUTTAL EVIDENCE OF GRANT JOSEPH EARLY

Introduction

- 1 My name is Grant Joseph Early.
- 2 My background and experience are set out in my primary evidence dated 15 May 2015.
- 3 My rebuttal evidence is limited to matters relating to farming systems, particularly the extent to which mitigation measures may be viable and the Ashburton Zone Committee's Recommendations for the Hinds Plains Area.
- 4 In preparing my rebuttal evidence, I have responded to comments made in the statements of evidence of:
 - 4.1 Warwick Scott for Te Runanga o Ngai Tahu; and
 - 4.2 Alison Dewes for Central South Island Fish and Game Council.

Warwick Scott

- 5 At paragraph 8.6, Mr Scott states:

There are several well researched methods of reducing leaching losses with perhaps the most effective being the phasing in of:

- *The use of grass/clover pastures with little or no fertiliser nitrogen.*
- *A reduction in the stocking rate to 2.5-3.0 cows/ha.*
- *A reduction in the use of externally sourced feeds.*
- *A reduction in the proportion of Dairy support farms sown into winter feeds.*

- 6 I agree that the methods referred to by Mr Scott will reduce leaching losses. However, the key issue is the financial costs of implementing those methods for individual farms and ultimately the local community, region and NZ.
- 7 Dairy NZ has recently carried out an assessment of the financial implications of reducing N leaching to required limits within Variation 2 for our farm and four others in the Hinds Plains Area. That assessment showed that reducing our stocking rate from 3.9 to 3.1 resulted in a 45% reduction in N loss with a subsequent 37% decrease in farm operating profit. This is an EBIT figure with interest, drawings and tax still to be accounted for, resulting in a net loss.

8 I note that the analysis of the Lincoln University Dairy Farm (**LUDF**) provided in Mr Everest's evidence for Mayfield-Hinds Irrigation Ltd reached a similar conclusion. After reducing their N loss from 56 kg/ha to 37 kg N/ha, the result after debt servicing, drawings and tax was a net loss. This is despite the LUDF operating in the top 5% of dairy units in Canterbury.

Alison Dewes

9 At paragraph 27, Dr Dewes refers to examples of farms reducing N by up to 60% and expresses the view that material reductions in leaching can be made while a farm remains profitable. However, it is not clear from Dr Dewes' evidence whether the "profit" referred to accounts for debt servicing, drawings and tax.

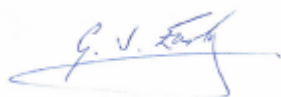
10 At paragraph 34, Dr Dewes notes that the Hinds Plains catchment is significantly overallocated in regards to phosphorous, and addresses phosphorous again at paragraph 51. However, it is my understanding that phosphorous leaching is not an issue in the Hinds Plains Area.

11 At paragraph 58, Dr Dewes outlines various "mitigations and associated methods", which include:

(g) Advanced Infrastructure improvements (e.g. feed pads, housing systems) to assist with standing off, improved feed utilisation, pasture protection, and effluent capture during inclement weather.

12 I question the financial sustainability of introducing wintering pads and housing systems as "mitigation". As I noted in my primary evidence, modern dairying systems such as these would not be profitable for many businesses (including my own) at current low prices. Dr Dewes acknowledges this at paragraph 96. The reality is we operate in a global food industry and the systems we implement must be competitive with our overseas competitors to ensure our businesses survive in what is an extremely volatile market.

13 At paragraph 67, Dr Dewes summarises the Ashburton Zone Committee Recommendations for the Hinds Plain Area. However, I note that there is no mention of MAR as a mitigation measure to enable further irrigation development while still achieving long term catchment N losses, which I understand was one of the Recommendations.



G J Early