

MEETING ITEM: 5	SUBJECT MATTER: Recommendations for nutrient loss reporting and collective/ farm plan requirements for normal dryland farming.
AUTHOR: Lisa Jenkins, Environment Canterbury	DATE OF MEETING: 16 July 2018

Action required

1. The Zone Committee considers the summary of feedback received regarding options for catchment accounting and maintaining water quality through the use of farm management plans
2. The Zone Committee makes a recommendation in relation to catchment accounting and Farm Plan and collective requirements for permitted dryland farming.

The suggested recommendation is:

The Hurunui Waiau Zone Committee recommends that the Canterbury Regional Council pursues a targeted change to the Hurunui Waiau Rivers Regional Plan, to be notified in 2018. In addition to permitting dryland farming within previously specified limits¹, the plan change will address the current requirements for dryland farmers to be a part of a nutrient management collective and report nutrient losses by requiring that farmers undertaking a “normal dryland farming activity” to:

- a. *Hold and implement a Farm Management Plan and provide that farm management plan to Environment Canterbury on request*
- b. *Report the area of their farm used for winter grazing of cattle on root vegetable or brassica crop, either:*
 - i. *through the Farm Portal; or*
 - ii. *through a dryland farmers collective group that has the purpose of reporting the winter grazing area of their members in aggregate.*

Discussion: Collectives and catchment accounting

At the 21 May Zone Committee meeting, the Committee sought that the options for addressing the NPSFM requirements for water quality maintenance and catchment accounting, be made available for public feedback.

Information was sent out to over 500 people and public meetings were widely advertised. Public meetings were held in Waikari and Cheviot, and were well attended. It is estimated there were about 40 people at the Waikari meeting and 55 people in Cheviot.

At both meetings, the majority of attendees indicated general support for the options presented.

¹ See recommendations made by the Zone Committee on 19 March 2018

At the Cheviot meeting, the Rural Advocacy Network presented some alternative options, which are discussed below.

The main concern raised with the proposal was that there is a strong feeling that dryland farmers should not be regulated. However, there was equal acceptance that the proposed rules (requiring non-audited Farm Management Plans and reporting basic details such as the area of the farm used for winter grazing) would go a long way to helping the dryland industry demonstrate their stewardship and leadership values.

At both the Cheviot and Waikari meetings, people asked if the Beef and Lamb NZ farm plan template would meet the requirements of the proposal. The B+LNZ template specifically addresses the matters sought to be addressed as set out in the Land and Water Regional Plan and will meet the requirements of the proposed provision. The only additional requirement of the proposed plan rule is that a farm plan is provided to Environment Canterbury on request.

In addition to the meetings, I have received emails from two individuals (as at 6 July). One email expressed support for the proposal. The second email expressed some concern around inequity at dryland farmers being regulated due to the intensification of irrigated land uses and sought some clarification on the background to the Plan Change. Once the background to the proposal was fully explained, the feedback was that they can see why it would be useful for dryland farmers to record farm practices.

Federated Farmers feedback indicated general comfort with the proposed direction of the plan change. They support the concept of allowing up to 10% of a property to be used for winter grazing and also indicate support of the methodology behind determining a “plausible worst-case scenario” for the total amount of winter grazing that might eventuate across all dryland farms in the catchment under the proposed new rule for permitted dryland farming. That estimate has been used to identify the catchment nitrogen load that needs to be offset by others in the catchment to achieve a “zero sum game” in terms of meeting the existing Plan’s catchment nitrogen load limit. Federated Farmers support the requirement for Farm Management Plan so long as these can be shown to be an effective tool, and as long as duplication can be avoided through the use of industry farm plan templates such as the Beef and Lamb NZ template. Federated Farmers support the options for reporting the area of farms used for winter grazing, but has some reservation about the farm portal particularly around potential privacy issues. Federated farmers seek inclusion of some limited permitted irrigation and this is discussed below as an additional option.

At the time of writing, the Rural Advocacy Network and Beef and Lamb NZ have indicated they will provide feedback before the Zone Committee meeting on the 16th. I will cover off additional feedback in my presentation at the Zone Committee meeting.

Additional Options

There were several additional options suggested as a result of this consultation.

At the Waikari meeting there was some discussion around whether it could be possible for an individual farm to have more than 10% of its area in winter grazing if across a collective there is still less than 10% of the total area in winter grazing. This option would provide

additional flexibility to farmers and enable them to maximise the area capable of supporting winter grazing. To pursue this option, we would need to re-assess the plausible worst-case increase in winter grazing that could occur across all dryland farms in the catchment. It is possible that the plausible worst-case increase in winter grazing across the whole catchment would be significantly higher under this scenario. It is not likely we would be able to secure the additional off-set load needed to achieve a “zero-sum-game”, before October 2018, if this option is pursued.

The Rural Advocacy Network sought that Farm Management Plans be voluntary. Under this scenario Farm Management Plans would be agreed upon between a farmer and a trusted advisor and be reviewed annually. While the recommended plan provisions would not prevent this from happening (it would be possible for farmers to engage an advisor and review farm plans annually), it is my view that the voluntary aspect would not likely satisfy a hearing panel that farm management plans that address water quality effects would be implemented. If there is no requirement for a Farm Management Plan to be shown to an Environment Canterbury officer on request, a panel would be unlikely to accept that Environment Canterbury can reasonably enforce the plan, or have confidence or certainty that farm plans are designed to manage risks to water quality. Overall, this option is unlikely to be an effective way of satisfying the NPSFM requirement to maintain water quality.

The Rural Advocacy Network indicated that the voluntary approach to farm management plans has been a proven success in Taranaki. The Taranaki programme has been in place over a 20-year period and the Taranaki Regional Council are indicating that a regulatory approach will be taken from 2020. The Taranaki Regional Council have committed significant resources to the programme including eight Land Management Advisors (or the Taranaki equivalent) who visit 350 farms a year, supported with communications services. An equivalent programme in the Hurunui Zone would likely require a change in the structure and resourcing of the Zone Delivery Team and is not likely to be efficient.

The Rural Advocacy Network supported a remote monitoring option for meeting the catchment accounting requirements. The RAN stated that this option is more cost effective and requires less administration. Remote monitoring will likely cost between \$50 000 to \$100 000² per year, depending on the approach taken, and that would cover just the dryland farmers in the Hurunui, Waiau and Jed catchments. The cost of reporting through the Farm Portal is around 10 minutes per year per farm. The administration and costs of a collective will be determined by each collective, but the simplified structure proposed is likely to minimise that cost.

Federated Farmers seek some provision for a limited amount of irrigation as a permitted activity. In order to provide for this while maintaining water quality, there would need to be significant headroom created by the irrigation schemes. I do not consider irrigation can be accommodated at this stage.

² More accurate figures will be presented at the meeting

Reasons for the recommendation

The majority of farmers who attended the public meeting indicated support for the direction proposed. While it is clear there is some reluctance, within the dryland farmer community, to accept any proposal that includes a requirement to report any farm information (such as the area of farm in winter forage as is proposed) or demonstrate that losses would be managed, pursuing a plan change without these elements is a significant risk.

The risks are that a Hearing Panel would see a need to address the NPSFM requirements and impose either the existing plan provisions (Overseer requirements and collective requirements equal to irrigated farms) or provisions similar to what has been proposed. This would also carry a reputational risk to the Regional Council and the Zone Committee – if the Zone Committee seek to progress a plan change that does not include provisions for catchment accounting and managing nutrient losses, there will be an expectation that will be delivered and it will be viewed as a failure if it is not delivered.

It is my assessment that the provisions proposed are the most efficient and effective ways of achieving the NPSFM requirements, and are the options which will impose the least cost and compliance burden on dryland farmers. To that end, the proposal is also entirely consistent with the Zone Committee's stated nutrient management principles.

Timeline

A Zip addendum will be prepared on the basis of the recommendations made to date, and at 16 July the meeting. We will ask the Committee to confirm the ZIP addendum at the August meeting.

Landing a Zip addendum at the August meeting will allow us to prepare a plan change for 1st Schedule consultation in September, respond to that consultation and get the appropriate Regional Council resolutions to notify the Plan Change by 27 October.

