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To: [Plan Hearings](#)
Cc: [Julia Crossman](#)
Subject: Brief of Evidence PC7 - 110
Date: Friday, 17 July 2020 3:46:18 pm
Attachments: [Brief of Evidence Dan Kelly.pdf](#)

Can you please delete the earlier e mail regarding this, there was an issue with the formatting and changes, attached is the correct PDF.

Regards

Dan & Belinda Kelly

Raumea Farms Limited

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**BEFORE INDEPENDANT HEARING COMMISSIONERS
APPOINTED BY THE CANTERBURY REGIONAL COUNCIL**

UNDER: the Resource Management Act 1991

IN THE MATTER OF: Proposed Plan Change 7 to the Canterbury Land
and Water Regional Plan – Section 14: Orari-
Temuka-Opihi-Pareora

**STATEMENT OF EVIDENCE OF DANIEL FORBES KELLY ON BEHALF OF
RAUMEA FARMS LTD
(SUBMITTER NO. PC7-110)**

Dated: 17th July 2020

BRIEF OF EVIDENCE OF DANIEL FORBES KELLY

Introduction

1. I am a Director of Raumea Farms Limited (RFL) in conjunction with my wife Belinda Kelly. RFL farms approximately 200ha on Bishop Rd, Pleasant Point, and a further 160ha on Smart Munro Rd, both within the Opihi catchment. I am also a Director of Maze Pastures Limited (MPL) which has a 164ha dairy unit on Maze Rd, Pleasant Point.
2. Myself and Belinda have both been involved in the rural industry as professionals in the banking and accounting industries.
3. Both dairy blocks employ contact milkers who employ their own staff, between the properties approximately 10 staff are employed not to mention the contactors and other businesses supported through the operations.
4. The primary goals of our farming business are:
 - a. To operate with efficient pasture production based systems with minimal shoulder season feed inputs (< 300kgDM/cow)
 - b. To control the cost of production to achieve a system that is profitable and sustainable at all payouts
 - c. To ensure respectful, efficient and sustainable use of resources (human, capital, environmental)
 - d. To create a well balanced work environment that promotes a healthy lifestyle and ensures work/life balance for it's employees.
 - e. To take all practical steps to ensure our staff and contractors are safe on the job.
- 4 We have three children aged 7,10 and 11. We are very aware that if we don't look after the environment we farm in it will be even more difficult than it is now for them to be involved in the farming industry.
- 5 With the introduction of the land plan and the requirement to apply for a consent to farm which included the preparation of a Farm Environment Plan we ensured that our business was doing what was required by this. We take pride in our farms and ensuring that we are continually improving our systems to maintain a profitable business while also considering environmental factors.

Raumea Farms Limited

6. The farm comprises 200ha of irrigated dairy platform on Bishop Rd with the non irrigated support block at Smart Munro Rd.
- 7 In December 2005 we purchased 160ha on Bishop Rd, Pleasant Point. This was operated as a dry land sheep, cattle and deer farm. It was marginally viable as a stand alone business. We had off farm income which assisted in keeping the operation going. In 2011 the opportunity to invest in a new irrigation scheme Sutherlands under Opuha Water Ltd was made available.
- 8 Much thought and research went into the best use of this land once irrigated and the decision was made to convert to a dairy farm. Alongside this was a conscious decision to ensure that the conversion was done in the best possible way to maintain the current environmental

footprint, improving it where possible and minimising inputs to retain a low nitrogen baseline from the beginning.

- 9 Initially there were 3 main shareholders in Sutherlands Irrigation Ltd, the system was set up and funded by the shareholders themselves utilising water from the Opuha dam which flowed through the Totara Valley races and was stored in Gardners Pond across the Tengawai River.
- 10 Once the system was up and running Opuha Water approached the shareholders to look at purchasing the Sutherlands scheme and operating it under Opuha Water Ltd, which we accepted.
- 11 The dairy platform contains 193 effective hectares and is fully irrigated with water from the Opuha scheme. The water is applied using pivot irrigators and K line between 1st October and 31st March each year.
- 12 The system is based on a grass only system with a small amount of inputs (grain and silage) in the shoulder of the seasons.
- 13 The dairy farm has a stocking rate of 3.7cows/ha.
- 14 Given the way this farm is operated on a low input basis the farm baseline is 42 (Overseer v 6.3.0)
- 15 We have received A audit grades for our farm environment plan.

Maze Pastures Limited

- 16 This farm is on the outskirts of Pleasant Point and was purchased in June 2016. It was purchased by ourselves (75%) and Hamish and Liz Munro (25%). Hamish and Liz contract milk the Raumea dairy block and we wanted to help them get into land ownership. Our shares are available for them to purchase as they can to eventually own the farm outright.
- 17 The farm had been poorly managed and was in need of some time and investment to bring it up to standard. Over the past 5 years we have invested this time, money and energy through regrassing, irrigation development to ensure water is being used more efficiently , dairy shed systems improved and planting of 1500 plants.
- 18 We were rewarded for this when we achieved an A audit grade for our farm environment plan in March this year.
- 19 The system is based on a grass only system with a small amount of inputs (grain and silage) in the shoulder of the seasons.
- 20 Given the historic operation of the farm prior to June 2016 it was run with a high stocking rate, high nitrogen input and high feed input. This therefore resulted in a nitrogen baseline of 62 (Overseer v 6.3.2), under our management systems the annual nitrogen budget has reduced to 35 (Overseer v6.3.2).

Plan Change 7

- 21 Under PC7 we feel that our foresight into setting up a system with low inputs and a good environmental footprint from the beginning on RFL will be detrimental to the future of our business.
- 22 We support the principal of reducing nitrogen concentration to improve water quality as we have shown with MPL. However section 14 of the Land Plan does not take into consideration farming activities that have proactively been managing their systems to ensure that nitrogen leaching is minimised. Their management has been modelled through overseer and shown to be well below Good Management Practice (GMP) standards as set out in Plan Change 7.

These sections do not differentiate between those enterprises who have been historically operating well within GMP and those who's systems do not yet incorporate systems to minimise nutrient leaching.

For example: Dairy Farmer A has a Baseline GMP loss of 49, his current overseer baseline is 35 so under section 14.4.20b their nitrogen loss calculation will be 35

Dairy Farmer B has a Baseline GMP loss of 49, his current overseer baseline is 65 so under section 14.4.20b their nitrogen loss calculation will be 49.

If you then apply table 14(zc) Farmer A's new nitrogen loss calculation will be 31.5 and Farmer B will be 44.

These farmers farm beside each other, one has considered the environment for many years and is now being penalised for already having acceptable farming systems in place. This will be similar to RFL and MPL as discussed above.

We request that the panel reconsider policy 14.4.20b to be worded as follows:

The nitrogen loss calculation will be the Good Management Practice Loss Rate.

Where your current nitrogen loss calculation is lower than: GMP less the percentage based nitrogen loss reductions in Table 14(zc), this will be the loss rate and no further reduction will be required.

- 23 Covid 19 has shown us that the rural industry is the backbone of New Zealand, we all must ensure that we respect the environment we have been given and operate within the relevant guidelines. However, we must ensure these guidelines and rulings present a fair playing field for all those involved. As above the current drafting of LP7 Section 14 does not allow for a fair playing field but in fact is detrimental to those with the foresight to set up systems which considered the environment from the beginning.