

Submission to Plan Change 7 Hearing

Susanne and David Payne.

Peelview Orchard, Geraldine

Introduction: Who are we?

My name is Susanne Payne. In partnership my husband David and I own and operate a small orchard within the town boundary of Geraldine.

Fruit has been grown commercially at Peelview Orchard since 1928 (Ward, 1995), and we believe that some of our pear trees, which continue to crop well, date from these times.

The orchard has a long history as part of the Geraldine community, and has been owned and operated by only 6 families over the 92 years.

Some of these owners have sold the property when faced with radical industry structural change, for example with the loss of the NZ Apple and Pear Marketing Board's local market monopoly in 1993. Another long-term family of owners was forced to sell after a run of catastrophic weather events over several seasons.

When the son of one of those family members was asked what he remembered of growing up at Peelview he stated "it was a hard life".

Nothing has changed, and while it is possible to grow really high quality pipfruit in Canterbury, it is not easy.

The orchard continues to grow primarily apples and pears. However, we have pivoted our operation constantly over the last 25 years to remain viable and retain a modest level of profitability.

The orchard is within the OTOP zone.

A constantly transforming industry.

We took ownership in 1995 with our two children Ben and Olivia, having moved from well-paying corporate careers in Wellington. Little did we know how challenging it would be to consistently maintain profitability.

In 1995 the property was run down, so we made substantial capital investments and sought to achieve optimal production outputs based on evolving best practice and science-based information. Some of these changes to both the industry and science-based production approach we have implemented are captured in Appendix 1.1 and 1.2 of this submission.

In these early days, our operation was export-focused on approximately 5 of our 10.5 hectares.

At the time in Mid and South Canterbury there were 15 export orchards packing through 3 packhouses for export by ENZA. We continued to restructure the variety mix to “new” varieties and made significant new plantings up to approximately 9 hectares.

Soon after, the NZ pipfruit industry entered a period of considerable financial pain, which led to ENZA losing its single desk export monopoly under de-regulation in 2001.

At a national level, grower numbers were decimated at this time. A report by Coriolis (2006) shows the statistics of this industry decline, where national orchard numbers went from 1700 in 1996 to 650 in 2005. Coupled with this was the rationalisation of packhouses and, overtime, the emergence of massive-scale corporate fruit growing.

This transformation led to an overall loss in viability for export production for us, which is why we moved to focus on developing local market niches (see Appendix 1).

Up until relatively recently and the arrival of some new investor activity in South Canterbury, only our orchard and one other, a larger more corporate operation with a packhouse, survived from these times.

We have persisted for 25 years frequently confronting challenges both weather related and industry driven. Our reward comes from growing high quality fruit which is enjoyed by our customers.

Our simple operation, under its current model, remains modestly profitable notwithstanding weather events. However, it requires us to maintain a “low input” model, to be highly adaptable and to explore ALL avenues for additional income.

This adaptability has included, but is not restricted to, fattening and trading sheep, grazing lambs for others, raising calves from 4 days old, contract baleage and growing high value crops on small areas such as hybrid radish for seed.

Ongoing production constraints.

We are small by current industry standards at 8.79 hectares. However, we are efficient, keep costs/inputs low, and are highly effective at producing a diverse range of product to meet specific market niches.

For this reason, it is important to be flexible to maintain economic viability.

As you can see from Figure 1, due to our location within the town boundary of Geraldine, we are also faced with boundary pressures from residential and rural lifestyle properties in close proximity.

For example, we are at times faced with reverse sensitivity issues, including those associated with the optics of chemical use and the need to operate bird control cannons during the growing season.

These issues will only intensify as Geraldine continues to grow, as highlighted within the recently proposed revised Timaru District Plan (Appendix 2.1).



Figure 1: Outlined Boundary of Peelview Orchard, including some of the bare land not currently under horticultural production.

Rationale for key submission points

- We need to be able to grow fruit and vegetables locally to feed people healthy food. When supply does not meet demand, prices rise and the most vulnerable people in our communities will be the first to miss out.
- It is important that growers like us have the flexibility to grow these crops to meet local demands.
- Growing produce locally also reduces the climate change impacts of freighting fruit and vegetable long distances to feed our local populations.
- Covid-19 has certainly made consumers more aware of where their food is coming from, and there appears to remain an emphasis (in Geraldine anyway) of buying locally and supporting local growers, like us, if the option is available.

Our Submission: Point 1 regarding minimum vegetable plot size

Rule 5.42CA requires resource consent for any area larger than 0.5 hectares, as a change of land use.

This would remove any flexibility from our production options.

As we have done previously, growing 1.5 ha of high value hybrid radish, kale or any other crop for seed would likely become unviable due to regulatory/consenting costs.

Being required to apply for a consent to grow the 1.5 hectares of radish for seed would have made the growing of the radish uneconomic and would have, in all likelihood, ruled it out.

Our Submission: Point 2 regarding minimum vegetable plot size.

In addition to our first submission point, we note that we do not have an established “*baseline [as a] commercial vegetable growing area*”. This means that under the rules as proposed it would be a prohibited activity for us to grow more than 0.5 hectares of vegetables in order to alter our operation to retain viability.

In Summary

In our submission we also objected to fruit growing being grouped with other farming activities as it is very different. We believe that it has been agreed, following advocacy by Horticulture NZ, that fruit-growing has a very low environmental impact and it will be a permitted activity under PC 7 so we do not need to pursue those concerns in this forum.

Our main concern with our presentation today is therefore the minimum lot size proposed for vegetable growing and our ability to remain economically viable on a small, but highly productive piece of land.

The minimum lot size requirement (as in the associated rule framework) does not promote the protection of land for vegetables or high-value seed growing in the OTOP area.

We support the Horticulture NZ proposal that the minimum size should be at least five hectares, not 0.5 hectares.

References

Coriolis (2006) Overview of the New Zealand Apple Industry in a Global Context. Report prepared for Pipfruit New Zealand by Coriolis Research with funding from Ministry of Economic Development. December 2006.

Ward, G. 1995. Early Fruitgrowing in Canterbury New Zealand. Christchurch, Caxton Press.

Appendix 1.1:

A 25 year journey of pivoting to retain viability at Peelview Orchard

Post export deregulation we continued with some export for a number of years while developing our own local markets and over time have downsized the growing operation to match the markets we have, growing now on 2.5 hectares for local markets only. We grow and pack our own product to supply Foodstuffs stores in Timaru and Ashburton, a Timaru wholesaler who has his own outlets and an increasing internet sales base. We seasonally employ up to 6 pickers and 2 packhouse employees both of whom have been with us for many years. We continue to be price-takers not price-makers but consider we do now have control of our own destiny these days rather than being subject to the vagaries of export markets and NZ dollar variations.

In the first season after the de-regulation of ENZA (2002) and the loss of their single-desk seller status there were 98 exporters involved with NZ pipfruit. Luckily since then things have stabilised but it is now a highly capital-intensive industry dominated by corporates and investors on large scale operations predominantly in the Hawkes' Bay and Nelson. Apple varieties have become a "fashion item" with dwarf varieties planted at close density for easy maintenance and harvest. These are first cropped in year 2 and then cropped heavily for probably 10 years when they will likely be removed and replaced with another newly developed variety that they hope meets market preferences and changing consumer tastes. These orchards are members of "variety clubs" and pay significant club levies for variety development, establishing markets for new varieties and protecting IP and trade marking. Previously, under a central leader structure the first 4 years were spent growing and structuring the apple tree, a small crop was harvested in year 5 and the tree was considered to be in full production in year 7.

With the high capital demands that this requires it is necessary to mitigate the weather-related risks that have always been a feature of apple and pear growing in New Zealand. Further capital is therefore required for wind turbines and hail net canopies for frost and hail. Investment in highly sophisticated packhouses and cool-store facilities also has been made by these entities.

Appendix 1.2:

Our science-based production approach

Notwithstanding our low input model we continue to follow industry best-practice. The NZ Pipfruit industry has invested significantly for many years to be a science-driven. It was one of the first industry bodies to adopt Integrated production models with the NZ Apple Futures Programme. As a predominantly export driven industry it was clear a long time ago that this would be a requirement to maintain the price premiums that NZ apples and pears need to remain sustainable.

Considerable refinements have been added to the modelling over the years but our systems include:

- Weather recording and climate modelling.
- Rootstock selection for pest and disease resistance based on specific soil types, topography and climate.
- Trapping and monitoring “on orchard” to determine the presence of pests.
- Established Biofix dates to determine spray timing using chemistry which is targeted specifically at the pest and protects our beneficials.
- Nil N users on established orchards. Trace elements are used to correct deficiencies based on soil tests and leaf analysis.
- Limited irrigation usage at critical times based on rainfall monitoring and soil-based probes. We follow a deficit irrigation model using a highly efficient trickle irrigation system which delivers a few litres per tree per day as needed – generally just prior to harvest. Overuse of water can cause mineral imbalances affecting storage and fruit pressures but it is critical in dry seasons for tree health and fruit sizing reasons. It is true however that the highest quality fruit with the best flavour characteristics is grown in dry seasons as long as we can manage our irrigation well.
- Close pre-harvest monitoring of fruit maturity including pressures, starch movement and Brix levels.
- Post-harvest cool chain is rigorously maintained

Appendix 2.1

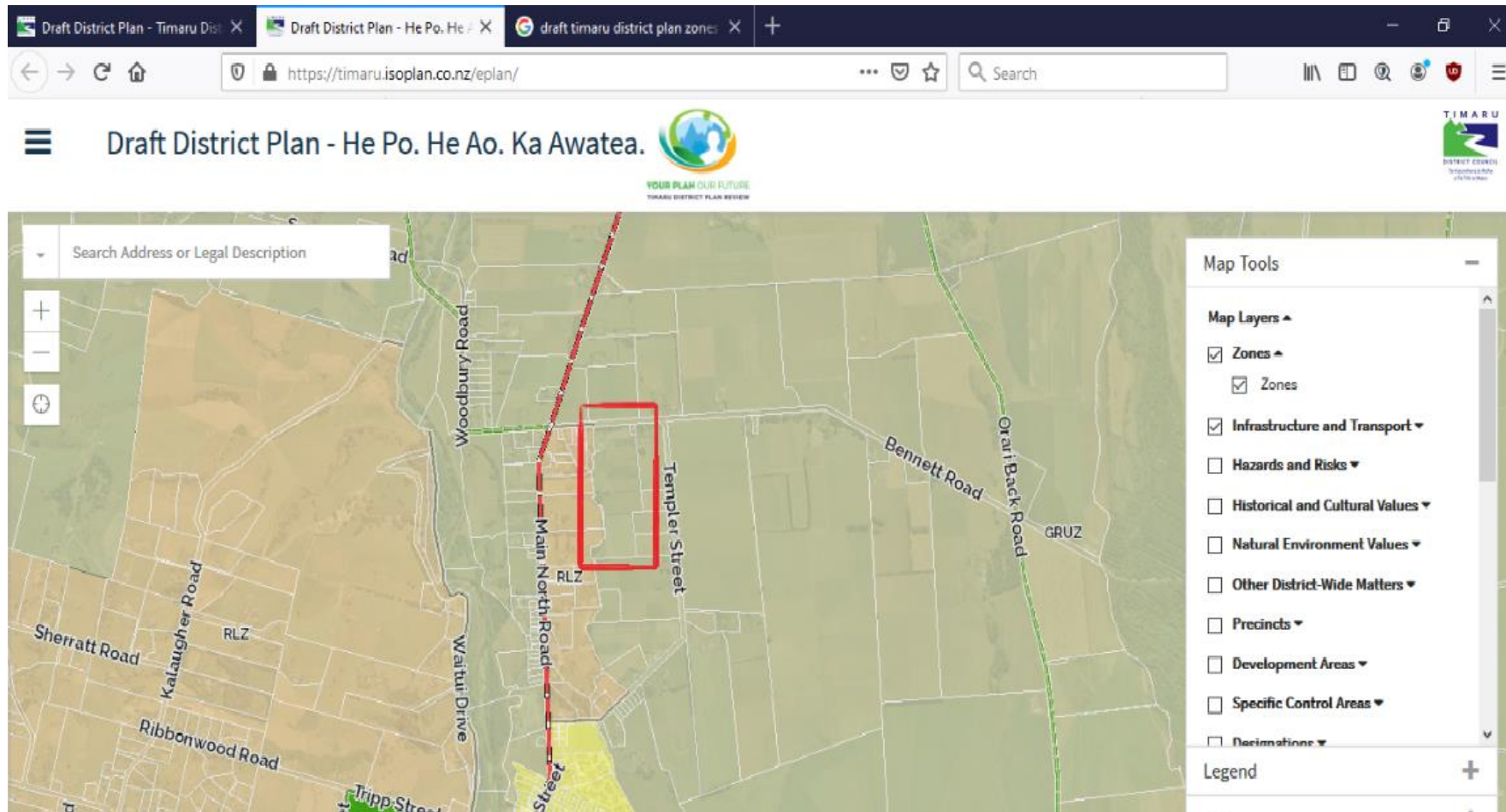


Figure 2: Proposed Timaru District Plan revised zones adjacent to Peelview Orchard.