

SUBMISSION TO
Bay of Plenty Regional Council
on

***Proposed Plan Change 10 (Lake Rotorua Nutrient
Management) to the BOP Regional Water and Land
Plan***

From Deer Industry New Zealand



27 April 2016

1. Introduction

- 1.1 Deer Industry New Zealand (DINZ) welcomes the opportunity to make a submission to the Bay of Plenty Regional Council in response to the *Proposed Plan Change 10 (Lake Rotorua Nutrient Management) to the BOP Regional Water and Land Plan*.
- 1.2 New Zealand is the world's largest producer of farmed deer. The main products marketed from deer are venison and deer antler velvet and approximately 95% of products are exported. In the year ending 30 September 2015, deer products were worth \$255m in export receipts to New Zealand.
- 1.3 DINZ is a levy funded industry-good body established by the Deer Industry New Zealand Regulations 2004 under the Primary Products Marketing Act 1953. DINZ's functions (under regulation 5(1)) include the following:
- to promote and assist the development of the deer industry in New Zealand;
 - to monitor, and from time to time report on, the economics and efficiency of all components of the deer industry; and
 - to report from time to time to the Minister and to the Minister of Foreign Affairs and Trade on movements of costs and prices or other factors likely to affect the economic stability of the deer industry.
- 1.4 DINZ's levy payers are producers and processors of venison and velvet. There are roughly 1,800 deer farmers and 16 processing plants that slaughter deer, of which 12 slaughter only deer. The deer herd in the Bay of Plenty region is estimated at about 5-6 % of the national herd and is therefore a significant resource. It also includes high value genetic stock used to breed highly valued lines for venison and velvet production throughout the country.
- 1.5 DINZ could not gain an advantage in trade competition through this submission.
- 1.6 DINZ does not wish to be heard in support of this submission.
- 1.7 The DINZ contact for this submission is:

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Signature:



2. DINZ re-iterates concerns contained in previous submissions from the New Zealand Deer Farmers Association – Rotorua Branch and DINZ

- 2.1 The New Zealand Deer Farmers Association – Rotorua Branch (NZDFA-Rotorua) made a submission on draft rules for Lake Rotorua on 31 October 2014. The Rotorua branch has since been amalgamated with other Bay of Plenty deer farmers and is now part of the NZDFA – Bay of Plenty Branch (NZDFA-BOP). DINZ also made a submission in support of NZDFA-Rotorua.
- 2.2 DINZ regards the issues and concerns outlined in the earlier submissions remain unresolved and re-iterates these concerns (submissions are attached). DINZ supports the current submission from NZDFA-BOP.

3. DINZ supports submissions from B+LNZ and Federated Farmers

- 3.1 Deer farming in Rotorua covers a wide range of farming systems and may involve deer only, or a mix of deer and sheep, beef cattle or dairy grazing. It is estimated that 75 % of deer farms have mixed livestock.
 - 3.2 DINZ supports key messages in submissions made by other pastoral industry organisations, namely Beef + Lamb New Zealand and Federated Farmers of New Zealand, Rotorua-Taupo Province (Federated Farmers).
 - 3.3 In particular the following key messages from Federated Farmers are emphasised:
 - *Council re-prioritise resources to invest in increased land management team support and independent coordination for the development of Sub-catchment Action Plans.*
 - *Council confirm its rejection of prescriptive input-based management; and accordingly, remove all references in the rules to Council control of farm plans.*
 - *Council confirm that - pending the Rotan review and any consequential review of the RPS target - numerical NDAs will not be included in the rules*
 - 3.4 With reference to the first key message (above) from Federated Farmers DINZ endorses Federated Farmers submission that industry commits to prioritising resources to support farmers in priority sub-catchments. DINZ will consult with NZDFA-BOP to determine how resources are prioritised.
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Comment to BOPRC from NZDFA Rotorua sub-committee

The Rotorua Branch of the NZ Deer Farmer's Association appreciates the opportunity to make comment on the proposed new rules for land users in the Lake Rotorua catchment. We have two general areas of comment, (A) fundamental points of difference and (B) suggestions for improvement.

A Fundamental points of difference

1 'Oturoa Agreement'

- We support the stated 'Purpose' of the Oturoa Agreement (Clause 1 a - e)
- We note clause 14 of the Oturoa Agreement relates to a "... commitment to a collaborative approach through Lake Rotorua Catchment Stakeholder Advisory Group (StAG)." which "includes representative landowners"
- Rotorua catchment deer farmers have not been represented on the StAG and do not support some of the outcomes of this group particularly those pertaining to the proposed differential nutrient allocation system

2 'Stake Holder Advisory Group' (StAG)

- We request an independent review of the balance of 'representative' participants of the StAG group and independent assessment of StAG outcomes for bias relating to:
 - a) Balance of sector representation (Dairy, dairy support, sheep, beef, deer, forestry)
 - b) Balance of land owner representation on property number basis (farming, forestry, lifestyle blocks)
 - c) Assessment of vested interests in outcomes
- We believe that such a review will reveal that StAG has not adequately represented all landowners and that the negotiated outcomes it has achieved with BOPRC planning staff, particularly those relating to the proposed differential in allocation of nutrients, has resulted in bias towards vested interests of StAG participants

3 The N-loss footprint of Deer Farming

Keith Betteridge, AgResearch, determined that deer and sheep have similar urine patch / nitrate leaching effects and that this is significantly less than cattle and even more significantly less than dairy cows. We are appalled that the potential of farming deer, which has a relatively low n-loss footprint, is to be compromised to allow continuance of activity with farming an animal (the dairy cow) that is clearly recognised as a gross exacerbator of the nitrate loss issue.

4 Compromise of land owner 'Environmental Services'

- Land owners who have applied best land use practice in the past such as retirement of steep land to forest, woodlots or indigenous revegetation are significantly penalised by the proposed nutrient allocation system
- Drystock farms tend to have much larger areas dedicated to 'environmental services' than dairy farms. These larger areas of retirements for biodiversity or forestry on drystock farms are not given any credit in the proposed allocation system or acknowledgement for the 'proper' sustainable land use practices they have implemented in good faith in the past
- Willingness to undertake further works to protect significant natural areas such as bush remnants or wetlands is likely to be compromised by the proposed system which encourages maximisation of productive land area regardless of its suitability for purpose to maximise nutrient allocation

5 Ability to reduce has a differential impact on land owners

The new rules proposal suggests a 20% reduction for drystock and a 30% reduction for dairy

- This 20% / 30% differential between sectors does not reflect the actual economic difficulty faced by the different sectors to meet this target.
- The 20% reduction proposed for drystock is considerably harder on drystock farming viability
- The 30% reduction for dairy poses far less threats to their viability and for many will be easy to achieve

6 Economics

We suggest a robust study of the economic impacts of any proposal so everyone fully understands how this will affect the whole Rotorua community

7 Development of local Economy

Little has been done in the process to develop ideas for growth . A study of what we produce and what we consume in the catchment could reveal opportunity . This could provide a future for the farmers in the catchment and perhaps also lead those that have left red meat production for the higher returns .

B Suggestions for Improvement

- 1 Review the proposed differential nutrient allocation rule including investigations suggested in A2 a) to c) above**
- 2 Ensure past and future commitment of land to 'Environmental Services' is rewarded with an appropriate N allocation system rather than penalised.**
- 3 That partnerships are developed with all community to develop opportunity lead initiatives that reward sustainable farming in the catchment.**

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Chairperson
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Rotorua Branch NZDFA

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FEEDBACK TO

Bay of Plenty Regional Council

on

Draft Lake Rotorua rules consultation

From Deer Industry New Zealand

31 October 2014

1. Introduction

- 1.1 New Zealand is the world's largest producer of farmed deer. The main products marketed from deer are venison and deer antler velvet and approximately 95% of products are exported. In the year ending 30 September 2013, deer products were worth \$202m in export receipts to New Zealand.
- 1.2 Deer Industry New Zealand ('DINZ') is a levy funded industry-good body established by the Deer Industry New Zealand Regulations 2004 under the Primary Products Marketing Act 1953. DINZ's functions (under regulation 5(1)) include the following:
- to promote and assist the development of the deer industry in New Zealand;
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 - to report from time to time to the Minister and to the Minister of Foreign Affairs and Trade on movements of costs and prices or other factors likely to affect the economic stability of the deer industry.
- 1.3 DINZ's levy payers are producers and processors of venison and velvet. There are roughly 2,500 deer farmers and 16 processing plants that slaughter deer.
- 1.4 The DINZ contact for this feedback is:

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 Deer Industry New Zealand
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 Wellington

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 Email: dan.coup@deernz.org

2. Support for the New Zealand Deer Farmers Association, Rotorua Branch

- 2.1 DINZ notes the submission from the New Zealand Deer Farmers Association, Rotorua Branch (Rotorua NZDFA) and supports the position stated in the submission.
- 2.2 In particular DINZ wishes to emphasise the following:
- The need to review the 'Stakeholder Advisory Group' (StAG) and consider how the group's recommendations can be viewed as representative of drystock farming in general and deer farming in particular. As a result of the non-representation of deer farming perspectives, the proposed Nitrogen Discharge Allocations (NDAs) do not and could not reflect current farming practices and feasibility of achieving the NDAs.
 - The Rotorua NZDFA submission outlines that deer farming i) per se has a noticeably lower nitrogen (loss) footprint than dairy; and ii) already provide a range of environmental benefits that may be compromised should farm systems change as a result of the proposed NDAs coming into effect.
- 2.3 DINZ also supports the further economic analysis. Economic impact (which also considers at what point a farming system is no longer economically feasible) is an essential component to evaluate how effective a proposed approach to NDAs will be to the end goal of improved water quality. Although there is some economic analysis

referenced on the website www.rotorualakes.co.nz (the Rotorua NDA Impact Analysis Phase 1 project authored by Perrin Ag Consultants Ltd), in reaching the proposed NDAs it is unclear if the StAg has considered the economic impact that may result to the catchment and the region.

- 2.4 The Perrin Ag Consultants report notes that for drystock farms the impacts of the proposed NDAs are highly variable. This suggests that drystock farming may no longer be viable in some cases and the report itself states: "*It is therefore **difficult to make valid catchment extrapolations** from this analysis, although we note this was not an expectation or deliverable from Phase 1 of the project. The use of EBIT as a profitability measure ... **doesn't provide any insight into the overall resilience of the individual farm businesses that will be affected by the proposed NDA limits.***" (paragraph 7.19, page 48). DINZ considers that work in these areas should be a part of the further economic analysis.
- 2.5 DINZ also notes that the Perrin Ag Consultants report only considers a deer breeding/finishing farm system (94 % deer, 6 % sheep) and recommends further analyses on another deer farm system. DINZ considers that nationally, between 70-75 % of deer farmers run mixed livestock systems combining deer with predominantly sheep, beef cattle and in some cases dairy grazing. Further analyses of deer breeding/finishing/velvetting/stud systems should reflect this.

3. General principles for NDAs

- 3.1 DINZ has viewed the information provided on the website www.rotorualakes.co.nz including the various factsheets, the Rotorua NDA Impact Analysis Phase 1 project (Perrin Ag Consultants Ltd) and the assessment of approaches for determining NDAs. DINZ wishes to note the following general principles.
- 3.2 While the proposed NDAs are a mix of "grandparenting" and "sector averaging", DINZ opposes the principle of grandparenting which essentially rewards existing businesses that have high nitrogen losses and restricts activities of businesses that have lower losses, effectively reducing land values.
- 3.3 DINZ does not support an allocation system that grossly favours one sector over another particularly in a nitrogen-limited water quality situation where there should be opportunity for farming comparatively low nitrogen-losing animals compared to high nitrogen-loss exacerbator animals.
- 3.4 The Land and Water Partnership (LAWP) Policy Working Group (comprising analysts across all the land-based primary production industry-good bodies) has developed a Nutrient Management Process to deliver better water quality that includes principles for nutrient management and procedural steps for management of nitrate-loss. Pertinent excerpts follow.
- 3.5 Principles:
- (1) The process for managing nutrients needs to treat all land users fairly and should protect the maximum possible flexibility of land use.
 - (2) The primary focus of regulatory authorities should be on incentivising and supporting on-farm action and behaviour change to achieve desired outcomes.
 - (6) All contributors to the problem should contribute to the solution in accordance with their impact. The approach to managing contaminants (including nutrients) should be underpinned by the 'polluter pays' principle.

- (8) All land users should be at or moving towards industry defined Good Management Practice (GMP), recognising that GMP is an evolving standard and that continuous improvement is inherent in GMP.
- (12) Allocation regimes for managing Nitrate-loss should factor in the different productive capacity and natural vulnerability of soils to leaching and runoff.

3.6 Procedural Step 5 – Managing over-allocation:

- In a context of over-allocation and when considering subsequent allocation and mitigation processes, modelled estimates of nitrate leaching have significant value as decision support tools, but the focus needs to remain on what makes a difference for water quality.
- Phase out of over allocation must allow for flexibility of land use and normal development by low-leaching land uses. This could be provided for via a flexibility cap/threshold calculated to ensure that land owners are able to continue to farm and respond to changing market conditions.
- The extent and duration of grandfathering occurring as an interim measure must be negotiated in line with the legitimate expectations of farmers to maintain economic viability and land use flexibility. High loss systems should not, however, benefit from any interim grandfathering of allocations other than to allow for more time for transition – the expectation is that nitrate-loss reduction will occur over the shortest possible timeframe while maintaining financial viability.
- Farmers on land with similar soil, climate and topography should, over time, be provided with equal development opportunity. In over allocated catchments this will inevitably take more time and in some catchments may not be feasible. This approach is inherently conservative and recognises the limitations of the current state of knowledge and mitigation practices. It will set a direction of travel to drive environmental improvement and equity between land users but also recognises the importance of local decisions that take account of local circumstances.

3.7 DINZ notes that a Land Technical Advisory Group (Land TAG) has now been appointed with the task *"to provide independent technical science and economics advice on existing and new catchment land uses, their effects on water quality and how to mitigate them."*

3.8 DINZ supports this initiative and considers that this work is an essential prerequisite to the development of NDAs. DINZ hopes that Land TAG will inform StAG and Rotorua NZDFA of its considerations and seek dialogue with land users and managers in the Rotorua Lake catchment

4. Conclusions

4.1 DINZ supports the Rotorua NZDFA submission and considers that the non-involvement of the deer farming community is a serious deficiency in the process to set the proposed NDAs.

4.2 DINZ therefore supports the withdrawal of the proposed NDAs pending a reconsideration using a fully inclusive process and adopting principles and procedures that are consistent with the Nutrient Management Process developed by the Land and Water Partnership Policy Working Group.