



Aide-memoire:

From: S9(2)(a), Acting Director
Land, Water and Climate, Ministry for Primary Industries
S9(2)(a), Director
Water, Ministry for the Environment

Contact: S9(2)(a), Principal Adviser
Land, Water and Climate, Ministry for Primary Industries (S9(2)(a))
S9(2)(a), Manager
Water, Ministry for the Environment (S9(2)(a))

To: Hon Damien O'Connor
Minister of Agriculture
Hon David Parker
Minister for the Environment

Date: 3 October 2019

Meetings with Beef and Lamb NZ and Dairy NZ and update on freshwater consultation

Key Messages

- You are meeting with representatives of Beef + Lamb NZ at 10.30 am and, separately, with representatives of Dairy NZ at 1.00pm on Monday 7 October.
- The focus of these discussions will be the proposals outlined in the 'Action for Healthy Waterways' discussion document. Suggested themes for discussion are provided at Appendix One.
- Generally, the leadership of both groups support the direction of the package and agree with many of the proposals to help achieve material improvements in water quality. However, both are concerned with the proposed dissolved inorganic nitrogen and dissolved reactive phosphorus bottom lines, and each have specific concerns with proposals that will affect the respective industries.
- Beef + Lamb NZ and Dairy NZ have engaged their farmers in the consultation process, holding meetings with their farmers around the country either before or after the Ministry for the Environment led consultation meetings. Dairy NZ has also held two webinars for farmers unable to attend the events.

- On the same day you are meeting with Beef + Lamb NZ and Dairy NZ, the Ministry for the Environment is hosting a technical workshop for policy specialists from these primary sector groups. This is an information sharing session to discuss the proposals in more detail. As of 2 October, there are 16 people attending from Beef + Lamb NZ, Dairy NZ, dairy companies, Federated Farmers, Irrigation NZ, Deer NZ and the Foundation for Arable Research.
- High numbers of farmers and growers continue to come to the consultation meetings and engage with officials to discuss the proposals.
- There is a wide range of interpretations of the policy, and some interpretations are more accurate than others. In some cases this has generated heightened levels of anxiety some people have about the package.
- Over 6000 people have attended the meetings to date, with a further 300 at hui and council meetings. Many attendees have expressed their perceptions and frustration about:
 - the level of economic modelling and impact analysis at both the macro and micro level;
 - the process, timing and timeframes for consultation and that representative sector bodies had very little input into the policy development;
 - a lack of recognition for the improvements in on-farm actions that farmers and growers have already taken;
 - the proposals disproportionately targeting farmers and growers and that little practice change is required of urban dwellers and urban systems to improve water quality; and
 - the cumulative impact of climate change and freshwater proposals, and resulting concerns that many farms may be put out of business.
- Main themes include:
 - Stock exclusion, including detailed questions around moving existing fences, measuring setbacks, managing weeds;
 - Intensification – sheep and beef farmers see this as ‘grandparenting’ of current N levels;
 - Property rights/compensation – “it’s my land, if you are telling me what to do on it then you should pay me compensation”;
 - Proposed nutrient attribute – technical questions about the science and the basis for it, what will the economic impact be, comment that it is unachievable;
 - Transition – how will current regional council plans/processes be carried through;
 - Farm planning – who will these auditors be, can we write and audit our own farm plan (questions on details rather than concept);
 - Hydroelectricity generation – why an exemption?;

- Urban – important to share the burden across all New Zealanders, and to clean up pollution from urban; and
- Timing – need more time.

Beef + Lamb NZ believes the proposals adversely affect sheep and beef farmers

1. Beef + Lamb NZ (B+LNZ) support the government's goal of improving waterways and its leadership agree with many of the proposals, but have some fundamental questions and concerns. Its position is that, in their current form, "the proposals will penalise low emitters and adversely affect sheep and beef farmers more than any other sector".
2. B+LNZ's key concerns include:
 - Grandparenting – B+LNZ are concerned that the proposals lock farmers to their existing level of contaminant loss, farming systems and land uses. B+LNZ believe that land use flexibility and the ability to adapt and innovate has been an integral part of the resilience of the sector to date.
 - Compliance costs – B+LNZ believes that the actual costs to their farmers will be significantly more than estimated in the discussion documents.
 - Continued viability of sheep and beef farming – B+LNZ refers to modelling work by Local Government New Zealand in the Waikato-Waipā catchment which suggests that drystock farming would fall by 68% in order for the catchment to meet proposed bottom lines for dissolved inorganic nitrogen (DIN) and dissolved reactive phosphorus (DRP).

Dairy NZ has a couple of concerns with the freshwater proposals

3. Dairy NZ supports the intent of the Essential Freshwater Package and has set out its initial position on a number of the proposals, including:

Support for:

- mandatory Farm Environment Plans (FEPs)
- stock exclusion from waterways, and taking an 'average width' approach
- policies that protect ecosystem health
- no further intensification in over-allocated catchments

In principle support for:

- national standards for intensive winter grazing

Do not support:

- proposed DIN and DRP bottom lines
- moving existing fence lines to a 5 metre setback

Propose an alternative policy for:

- stock holding areas to be a permitted activity, managed through FEPs

Recognition of:

- the need to manage high nitrogen losses across catchments based on an outcomes-based approach rather than an input one.

Minister / Minister's Office

Seen / Referred

/ / 2019

Appendix One: Suggested themes for discussion for meetings on 7 October 2019

General comments

1. The intensification and nitrogen cap proposals in the NES are interim measures until regional councils have updated their regional plans to implement the revised National Policy Statement (due by 2025).
2. The timeframes for achieving proposed new bottom lines (e.g. for nitrogen, phosphorus, and sediment) will be set by the regional councils in consultation with their communities by 2025. The timeframe for farmers to adapt to the changes will be agreed by councils and their community.
3. The proposed bottom lines for DIN and DRP were recommended by the Science and Technical Advisory Group (STAG). The STAG limited its advice to scientific matters and did not take economic considerations of its recommendations into account. We are still to complete economic impact assessment of the proposals and we are open to options on how the bottom lines could apply.
4. Officials will assess the economic, environmental, social and cultural impact of the freshwater package before making policy recommendations to us. We will consider the results of this assessment, alongside consultation feedback, before making final decisions.
5. It is noted that some sector groups have a different understanding of the proposals. Officials are holding a workshop with representatives of the primary sector to help provide greater clarity on the package and support their ability to provide submissions.
6. The consultation process is an opportunity for farmers and advocates to identify alternative ways of delivering on environmental outcomes.

Suggested discussion points – Beef + Lamb NZ

7. The Government has been clear that grandparenting won't be part of a future allocation system and this position has not changed. The intensification proposals put a temporary halt on increased contaminant discharges associated with moving to a higher intensity land-use, but they are not a signal that farmers will be locked into their existing levels long-term.
8. The intention of the regulations is to improve the performance of the worst farms rather than targeting those that have already made substantial improvements. What measures would B+LNZ support that might achieve this outcome?
9. Intensification cannot occur at the expense of poorer environmental outcomes. How would B+LNZ ensure that growth of the industry is environmentally sustainable?

Suggested discussion points – Dairy NZ

10. Dairy NZ supports mandatory Farm Environment Plans. What issues and opportunities does it see if mandatory FEP's are rolled out across the country?
11. Dairy NZ supports policies that protect ecosystem health, but does not support the nitrogen and phosphorus bottom lines, as it believes the thresholds are not scientifically robust. What measures would Dairy NZ like to see used to ensure ecosystem health is protected and enhanced?