

I Mike Mandeno of Havelock, Manager state:

INTRODUCTION

1. I am the General Manager of Mussel Farming employed by Sanford Limited (Sanford). Sanford have been engaged in operating the Kuku Holdings Farm 8217 since 2012. Prior to that we were the contractors engaged in carrying out the essential tasks on the farm for the previous owners.
2. I am well aware of the farm, I know of its location, its production and its lay out. I am in a position to give evidence on behalf of Sanford in relation to both the parent farm and the application for the extension of water space.

SCOPE OF EVIDENCE

3. My evidence is limited to the performance of the farm, and its significance within Sanford's mussel farming operation.

CODE OF CONDUCT STATEMENT

4. I am an employee of Sanford, I have read the Environment Court's Code of Conduct for Expert Witnesses and I agree to comply with it to the best of my ability. My qualifications as an experienced marine farmer are set out above. I confirm that the issues addressed in this oral brief are within my area of farming and operational expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

FARM MANAGEMENT

5. Sanford manages farm 8217 in accordance with the Marine Farming Association's Environmental Certification Programme. Sanford has been recently; rated as Platinum against that programme - one of only x companies to receive that rating as at 22/09/22 (certificate included in App1)
6. This programme stipulates a range of best practices that manage key environment aspects of marine farming in the Nelson-Marlborough region, including on-water farm checks and vessel visits audit compliance.

7. All of Sanford's mussel farming vessels in Nelson-Marlborough are certified under the MFA programme.
8. Any vessel noise during installation of marine farm lines is the same noise level as farm work, harvesting or seeding. Essentially each vessel has one or two engines. The vessel run hydraulic powered machinery and operate at the same revs for any of these jobs.
9. Sanford also participates at a national level (including Marlborough) in Aquaculture New Zealand's A+ Programme. That programme is independently audited covering environmental and social sustainability. Sanford has a certificate of compliance with the programme (certificate included in App1).
10. In addition, one of our vessel managers Grant Boyd, chairs the Marine Farming Association's Environmental Committee.
11. Some of the other environmental activities Sanford are involved in include:
 - ☐ Industry leadership on recycling (floats, ropes etc.).
 - ☐ Trialling 'hot' compostable ties and ropes.
 - ☐ Installing industry-leading noise suppression on its vessels.
 - ☐ Supporting the Wilding Pine control programme in Pelorus Sound.
 - ☐ Supporting the Wasp Wipeout programme in Pelorus Sound.
 - ☐ Supporting the King Shag research programme.
12. I mention all of this because we as a company pride ourselves as part of our partnership obligations with growers to be able to provide the latest technology with vessels and to have highly trained staff to undertake work on their farms.

ECONOMIC BENEFITS – IMPORTANCE OF FARM 8217

13. Sanford operates processing plants within the Marlborough Region, in Havelock and at Riverlands.
14. These sites and the farming operation employ approximately 270 people. We process mussels year round, enabling year round employment for our team and a year round supply

of product to our customers. The supply of mussels is subject to natural variables which include:

- ☐ Rainfall closures (product availability)
- ☐ Algal bloom closures (product availability)
- ☐ Mussel spawning (product quality)

15. Geographical diversity is a key component of our strategy for managing these challenges. For example, the Marlborough Sounds are divided up into separate growing areas (catchments). Each area has a set of rainfall closure criteria. Therefore, we endeavour to operate farms in different rainfall areas.

16. Farm 8217 is within the growing area 1508. This area is essential because it is a 'high rainfall' area. A minimum of 40 mm of rain within 24 hours is required to close growing area 1508 and the most prolonged closure period specified is 5 days. By comparison, the adjacent growing area 1502 closes with 15 mm of rain and the most prolonged closure period specified is 11 days.

17. Marine Farm 8217 is located within a growing area that is open for harvesting more often than most other areas within the Top of the South.

18. This is important because it enables us to continue processing mussels and keep people employed when mussel supply is constrained by rainfall. In the broader context, 8217 is a high performing farm. 8217 has an average cycle length of 19 months and an average yield of 8 kg/m of grow-rope.

19. Mussels that are grown on 8217 also generally have a good yield % (packed weight/green weight) which means they are efficient mussels to process from an economic and logistical perspective.

20. In summary, farm 8217 is an important farm within Sanford's operations because:

- ☐ It grows mussels quickly;
- ☐ It grows a good volume of mussels;
- ☐ It grows high quality mussels that are easy to process; and

- Is open for harvest when supply is critical because other growing areas are closed due to rainfall.

Mike Mandeno



02/05/2024

Letter of support for Kuku Holdings Ltd.

To whom it may concern.

Aroma Aquaculture Ltd have mussel farming operations based in Havelock and Banks Peninsula which grow greenshell mussels to supply their parent processing company Aroma NZ Ltd.

Aroma NZ Ltd are a 100% NZ family owned business and operate factories in Havelock and Christchurch specifically to produce high quality mussel powder and oil containing a rich natural source of Omega-3 which supports joint health in both humans and in veterinary form for animal health.

Marketed under Lifespan NZ Ltd these products are capsulated and exported to numerous markets around the world with a growing insatiable appetite.

Aroma Aquaculture Ltd operate a mix of 48 farms in the Marlborough Sounds area which are split between company owned, leased, and contract managed farms with over 500 longlines. The Banks Peninsula operation manages 7 company owned farms with 250 longlines. We employ 21 full time farm related staff on 6 work vessels and are currently building another new 24 metre vessel in Nelson. The two processing factories combined employ up to 72 full time staff.

Kuku Holdings Ltd are one of Aroma's contract growers and own an outstanding farm, 8217 in Tawhitinui Bay mid sounds.

This farm has historically produced faster crop rotation cycles and higher yielding conditioned product than the majority of farms within the sounds. It is also within MSQP sanitation area 1508 which means during heavy rainfall events it is one of the last area's to close under harvest criteria with 40mm over a 24 hour period, this is due to it's extremely high tidal flow and flushing rate.

The above mentioned factors make it a very valuable farm to have in the Aroma stable.

Aroma Aquaculture Ltd firmly believe that productivity from the farm can easily be increased by achieving consent to extend seaward and install additional longlines on the farm's southern boundary. Increased harvest production from the farm will earn much needed value added export revenue for NZ while having no adverse environmental effects.

A handwritten signature in blue ink, appearing to read 'Merv Whipp'.

Merv Whipp.

General Manager,

Aroma Aquaculture Ltd.