

**BEFORE COMMISSIONERS APPOINTED
BY THE WAIKATO REGIONAL COUNCIL**

IN THE MATTER of the Resource Management Act 1991

AND

IN THE MATTER of the First Schedule to the Act

AND

IN THE MATTER of Waikato Regional Plan Change 1- Waikato
and Waipā River Catchments and Variation 1
to Plan Change 1

AND

IN THE MATTER of submissions under clause 6 First Schedule

BY FARMERS 4 POSITIVE CHANGE

Submitter

HEARING STATEMENT OF ROBERT DAVID THOMSON

September 2019

TABLE OF CONTENTS

TABLE OF CONTENTS

Executive Summary	1
Qualifications and Experience	2
Sustainable Land and Animal Management (Project Green)	3
The Content & Process for developing a Land & Livestock Environment Plan	4
A Strategic Farm Business Analysis.....	6

EXECUTIVE SUMMARY

1. An accredited Land & Livestock Environment Plan (LLEP) is the only practical solution for addressing and mitigating contaminants from farms to our waterways.
2. 16-years of practical experience with the on-farm application of LLEP's has demonstrated that contaminant loss from the farm can be addressed and mitigated within the farm provided the LLEP is accredited by a qualified Environmental Consultant in collaboration with the farm owner/manager
3. It is accepted that there are four major contaminants from land to waterways namely nitrogen, sediment, phosphorus and E.Coli. Based on the 35 LLEP's that have been prepared on the farms I have been directly involved with show that the major contaminant challenges are with sediment and phosphorus loss and not nitrogen loss. The LLEP addresses all contaminants and is farm and sub-catchment specific.
4. A farm business owner or manager can only be responsible for the contaminants emanating from the land under their stewardship and this is best addressed through their own Land & Livestock Environment Plan (LLEP).
5. Wise land managers consider the sub-catchment within which they farm and therefore are aware of the challenges of their sub-catchment as well as their own land. The farm may contribute to a mitigation procedure on another farm, downstream from their own farm, as part of a strategy to mitigate contaminants in their sub-catchment.
6. A Land & Livestock Environment Plan (LLEP) is an integral component of a sustainable farm business and is prepared for that purpose and not expressly for regulatory purposes. By definition, a sustainable farm business plan addresses environmental, economic and social elements of the farming business.
7. Establishing the appropriate association between livestock and the land (in the LLEP) is crucial in the practical application of good environmental stewardship because livestock are the major contributors to contamination of waterways.

QUALIFICATIONS AND EXPERIENCE

I am a Farm Consultant specialising in sheep and beef. I have 44-years of experience in agricultural extension, advisory and consultancy work. My experience includes employment with MAF from 1975 to 1991 as a sheep & beef officer and Farm Advisor, self-employment as a farm consultant from 1991 to 1998, employment with Richmond Meat Company as Project Manager (Livestock) from 1998 to 2002 and then again self-employment as a Farm Consultant from 2002 to 2019. In March 2019 I sold my shares in AgFirst Northland and AgFirst NZ and am now employed as a contractor with AgFirst Waikato.

I have a Massey Diploma in Sheep (beef) Farming and was fortunate to benefit from intensive in-service training programs while working for MAF. I am a member of NZIPIM, NZ Grasslands Association and NZAPS. I am a registered Farmax consultant; accredited as an elite user.

I specialise in strategic farm (sheep and beef) business analysis with emphasis on farm system management on a whole farm basis. I am a subject matter expert in these areas of expertise.

I do not practice as an environmental consultant as I have a strong belief that this is a specialist area requiring qualifications and skills appropriate for that type of work. It is also my strong belief that a Land & Livestock Environment Plan (LLEP) should be approved by an accredited Environmental Consultant or Land Management Consultant to ensure the plan is environmentally robust and fully informed with respect to LUC's and the associated mitigation as detailed in the farm works plan. In our AgFirst consultancy practice we have those sorts of people and we work as a team to satisfy the needs of our clients.

Currently, to the best of my knowledge, there is no standard for the accreditation of Environmental Consultants or Land Management Consultants who can approve LEP's. The accreditation standard would require acceptance by regional council regulators, relevant experience with the farm type (e.g. sheep & beef and/or dairy) and a method for assessing competency e.g. annual registration and associated audit. My observations are that some consultants are self-professed experts and many fall well short of what should be acceptable for an accreditation standard.

Experience, that is specifically related to this submission includes:

1. 1996 to 2002; Co-founded and managed a business called The NZ Beef Improvement Group (BIG) which involved individual animal traceability from birth to market with a focus on beef quality and associated value-based payment. While BIG did not specifically involve the requirement for LEP's the associated farm quality assurance program for livestock supply required sustainable farm management to be exhibited by members. BIG was purchased by Richmond in 1998 and this led to the development of Project Green a sustainable farming program.
2. 1999 to 2002; Initiated, led and managed a Sustainable Farming Fund (SFF) project called Project Green. This project was developed as a voluntary and minimum standard for sustainable farming and the consequent supply of meat and wool. The program was underpinned with three core farm plans including the Land & Environment Plan (LEP), the Animal Management Plan (AMP) and the Social Responsibility Plan (SRP). Technical input into the plans was contracted from Dr Alec Mackay, an environmental scientist from AgResearch, and Dr Trevor Cook a veterinarian from Manawatu Veterinary Services. The

project involved land management staff from six regional councils plus sixty farmers from these same areas.

The content and process for developing the three plans within Project Green is described under the heading 'Sustainable Land and Animal Management'.

3. 2007; Employed a Land Management Specialist to our AgFirst Northland practice to formally develop LEP's to regional council standard and Project Green standard.
4. 2002 to 2012; Promoted LEP's through four M&WNZ and B+LNZ farm monitor programs in Northland as well as through everyday consultancy as part of my strategic farm business process.
5. 2013; Contracted a Soil Conservator to our AgFirst Northland practice to assist with environmental program development including LEP's and continued mentoring of our Land Management Specialist.
6. 2013-14; Contracted to the NZ Landcare Trust to undertake a farm assessment on three individual farm businesses located in the Waitangi River Catchment, Northland. The farm assessment involved a strategic farm business review and therefore included a LEP.
7. 2015 to 2019; managed and facilitated three B+LNZ funded Environmental Focus farms for the promotion and extension of the benefits of good environmental stewardship for farmers and their advisors.

SUSTAINABLE LAND AND ANIMAL MANAGEMENT (PROJECT GREEN)

The purpose for outlining Project Green is to provide context for the development/application of LEP's and to validate my experience with these sorts of programs.

As already detailed, I initiated, led and managed a Sustainable Farming Fund (SFF) project called Project Green from 1999 to 2002. This project was developed as a voluntary and minimum standard for sustainable farming and the resultant supply of meat and wool.

While Project Green was developed as a NZ industry standard for sustainable farming (sheep, beef, deer and goats) that was never established as such. The program was developed while I was employed by Richmond and the intent was that Richmond would apply this standard for a differentiated product for discerning and higher priced markets. History shows that Richmond was the subject of a hostile takeover by PPCS (now Silver Fern Farms) and the opportunity was lost in the change of ownership.

The program was underpinned with three core farm plans including the Land & Environment Plan (LEP), the Animal Management Plan (AMP) and the Social Responsibility Plan (SRP).

In 2017 B+LNZ through RMPP funded a review of Project Green and Alison Dewes conducted that review. The review determined that Project Green was still relevant, and with some minor changes to include updates on things like the animal welfare code of practice, could be adopted as an industry standard in the current environment.

Technical input, into the original development of plans for Project Green, was contracted from Dr Alec Mackay, an environmental scientist from AgResearch, and Dr Trevor Cook a veterinarian from Manawatu Veterinary Services. The project involved input and advice from land management staff from six regional councils plus sixty farmers across these same regions.

The development of the three plans within Project Green is described below.

The content and process for developing the LEP as follows:

- Land Use Capability (LUC) classes are determined and these underpin Land Management Units (LMU) and the overall LEP.
- An individual LMU is an area of the farm with similar strengths and weaknesses in relation to soils, aspect and contour (slope) and appropriately each LMU requires different environmental management.
- Usually there are 3-7 different LMU's on any given farm.
- The rationale for this process is to associate each LMU with appropriate environmental management, especially in relation farming livestock.
- An environmental works plan is developed with priorities and an associated budget.
- The works plan budget feeds into the overall farm financial budget.

The content and process for developing the AMP was as follows:

- The AMP embraces the farms stock policies, a feed budget, animal health plan and animal welfare plan for livestock.
- The AMP is intimately linked to the LEP as livestock classes are linked to the appropriate LMU and the associated/required environmental management.
- The AMP feeds into the farm financial budget with respect to the stock reconciliation and sales and purchase schedules.

The content and process for developing the SRP was as follows:

- Historic sites of significance are determined for the farm and handled within the LEP.
- The welfare and safety of farm personal including owners, staff and contractors are determined in relation to establishing a safe working environment. Additionally, farm staff are afforded a personal development program.
- Supporting the local community is an important component of the SRP as healthy and vibrant local communities provide schools, sports facilities, and cultural opportunities for families whether they be farm owners or farm workers.
- Usually but not always farm succession was included in the SRP. The focus was on how the farm and land stewardship would transfer from one generation to the next. It is therefore considered that an LEP is an integral component of any farm succession plan because the practical experience of good land management is encapsulated in the LEP and that experience accumulates year on year for the benefit of each new generation of farmers.

Together the three plans are inextricably linked and make up a sustainable farm business plan.

From 2003 onwards a Strategic Farm Business Analysis approach was promoted which embraces the LLEP, AMP and SRP as together these contribute to a sustainable farm business.

THE CONTENT & PROCESS FOR DEVELOPING A LAND & LIVESTOCK ENVIRONMENT PLAN

Please note that the acronym of LEP (for the Land & Environment Plan) has been extended to LLEP (for the Land & Livestock Environment Plan) to emphasis the importance of associating livestock management with the effective environmental management of the land.

A tailored Land & Livestock Farm Environment Plan (LLEP) is a plan a farmer has developed for the farm business in collaboration with an Accredited Land Management Specialist. The process for developing the LLEP will:

- Define the farms natural resources in terms of landforms, soils, water and vegetation cover through a Land Use Capability (LUC) assessment.
- Detail the risk that each of the four main contaminants (nitrogen, sediment, phosphorus and E. coli) pose for the farm and relate these to the sub-catchment within which the farm is located.
- Detail the effect that current land management has on the environment and support current management where appropriate and/or recommend opportunities to enhance the status of the farm specifically in terms of managing natural capital and enhancing water quality.
- Provide a tailored Works Plan for the farm to address opportunities for mitigating the contaminants that are relevant to the farm and the sub-catchment to which the farm contributes.
- Support the farmer with the implementation of the Works Plan and therefore the Land Management Specialist will respect and understand that:
 - the farmers experience in managing the land is valuable and is included in the development of the LLEP.
 - the LLEP is developed in the context of the whole Farm Business Plan and therefore will include economic and social factors in addition to environmental factors.
 - preserving and/or enhancing the farms natural capital status is a significant part of the process.
 - the farmer must 'own' the LLEP and therefore has contributed to and agrees with the LLEP content, and especially the Works Plan, which addresses the mitigation measures required.
 - while the farmer is required to agree to implement the Works Plan to the best of their ability, the farmer reserves the right to amend the Works Plan without prejudice because:
 - the farm business is subject to variable climatic and volatile market conditions which affect financial performance, and therefore the farmer requires flexibility in relation to mitigation measures and completion dates.
 - methods for mitigation may become cost prohibitive and/or alternative methods for mitigation may become available. This may change the rate at which the plan is completed; either slower or faster.
 - if changes are required the farmer is encouraged to seek further advice from the Land Management Specialist and accordingly maintain the farms LLEP accreditation status.
- the farm's LLEP must give the farmer confidence that it has the capacity to withstand any reasonable challenge from regulators, and others, in terms of the effective management of the farm's environment. In practice that means the LLEP will be the farmers best defence in terms of demonstrating that the farm is being managed sustainably and is contributing positively to the sub-catchment in which it is located.
- the LLEP and the associated Works Plan is confidential to the farmer and only with the farmers permission can the plan be released to regulatory authorities and others.

Footnotes

1. This is an LLEP and not an LEP. It is reasoned an LLEP considers the whole farm business whereas an LEP, as the name implies, is more likely to only consider the land. The important distinguishing point is that livestock must be included in the plan as they are the major contributors to water contamination.
2. For the LLEP to be credible in the wider local, business and professional community it will require some professional land management input and therefore it is recommended that an Accredited Land Management Specialist be utilised to provide that credibility. To gain accreditation the person must adhere to the process guidelines outlined in the Tailored Land & Livestock Environment Plan (LLAP) as well as those required for the profession. It is accepted that an accreditation process will need to be formally developed and agreed to by farmers and regulators alike.
3. A farmer is the person responsible for managing the land and the enterprises 'farmed' on that land
4. A Works Plan is a plan which includes the contaminant(s) being addressed, the mitigation procedure required, the priority ranking for completion, the timeframe that has been estimated to achieve the outcomes and the estimated cost i.e. the works plan is specific, measurable, achievable, relevant and timebound (SMART).

A STRATEGIC FARM BUSINESS ANALYSIS

The Strategic Farm Business Analysis process is detailed to illustrate how the LLEP becomes an integral component of good farm business planning.

The purpose of a Strategic Business Analysis is to:

- Review the current business policies and practices
- Better understand what makes the business 'tick'
- Better understand what makes the people in the business 'tick'
- Focus on future aspirations and challenges from a business and personal perspective
- Consider the implications of how the business involves and impinges on the wider family (maybe staff & their families too) and therefore should take into account their views and expectations
- The bottom line is usually to get to grips with what will make the business fully sustainable in economic, environmental and social terms.

The process to achieve a successful review is to:

PHASE 1 (Farmer Client to complete)

- 1) Undertake a SWOT analysis of all the business resources (including you as the Farmer Client). That is, to note down the Strengths, Weaknesses, Opportunities and Threats to the business. The SWOT should be a 'let it all hang out' type exercise so think outside the square and 'take the blinkers off', as this is just an ideas/recording phase and not an implementation phase.
- 2) Once the SWOT analysis is completed then rate the top three in each category i.e. the three biggest strengths, three biggest weaknesses etc., etc.
- 3) Record the things that Farmer Client LIKES and DISLIKES. Rate the three biggest likes and dislikes.
- 4) Imagine you are in the year 2021. Now record what:
 - a) You would like the business to be doing that's different to now.
 - b) You (personally) would like to be doing with your life.
- 5) Imagine you are in the year 2025. Now record what:
 - a) You like the business to be doing that's different from 2021.
 - b) You personally would like to be doing that different from 2021.

- 6) Anything else that you would like to record that affects the business or yourself.

PHASE 2 (Farmer Client, AgFirst NZ and other industry professionals assist with completion)

- 7) Carry-out a Farmax Pro analysis to objectively describe the biology of the farm and the current stocking policies (AgFirst NZ).
- 8) Convert the production data from the Farmax Pro analysis to a full budget on Concept Cash Manager or Xero (AgFirst NZ and Farmer Client)
- 9) Consider whether the current farm policies are sustainable in economic, environmental and social terms.
- 10) Consider what policy change(s) might be appropriate in the context of the strategic analysis. If new policies are to be considered, then:
 - a) Analyse the policy change(s) in biological terms through Farmax Pro to assess feasibility (AgFirst NZ).
 - b) Analyse policy change(s) in economic terms through Concept Cash Manager or Xero to rate the value of the changed policy (AgFirst NZ and Farmer Client).
 - c) Analyse policy changes in environmental terms through the Farm Environment Plan (if completed; if not discuss process to achieve)
 - d) are the new policies sustainable in economic, environmental and social terms.
- 11) Determine the people and agencies that are important to the success of Farmer Clients business. Farmer Clients are encouraged to think of these people for team. The key people are likely to include Accountant, Vet and Farm Consultant. The team may be extended to include a Regional Council Land Manager, Stock Agent and other people that are important to the success of the business.
- 12) Implement an overall farm plan:
 - a) Animal Management Plan (feed plan e.g. Farmax, forecasted animal treatment, animal health monitoring, genetic solutions to animal health & production challenges and integrated animal management)
 - b) Land & Livestock Environment Plan (Farm Map with land use capability, land management units, nutrient budget, soil management plan, shade & shelter plan, stream protection, etc). The important thing is to have a plan – the fact that it may take 10-15 years to implement is incidental.
 - c) Social Responsibility Plan (Work Safety, farm employee training & development, contribution to community etc.)
 - d) Regular reviews:
 - i) Benchmarking of performance of forecasted against actual (economic, environmental and social).
 - ii) Establishing a trend-line of performance over time.
 - iii) Updating forecasted performance (economic, environmental and social).
 - iv) Benchmarking with contemporary farms e.g. appropriate B+LNZ Economic Service Land Class.
 - v) Discuss review outcomes and any possible changes.