Submission to Land and Water Plan.

Good morning and thank you for this opportunity to speak to you on behalf of Gavenwood Farm and the McDonald family.

My family has farmed in Dipton since 1897, in 1963 my parents struck out on their own and bought Gavenwood farm in the Caroline Valley, the farm has remained in its original form since its inception.

Two Generations of McLeod's, one of a Mackintosh and now two generations of McDonalds has ensured Gavenwood is in good heart.

I'm thankful of the work from these previous owners which is visible on a daily basis but what is most impressive, which will lead into my submission is the foresight they showed. They did not only for themselves but for the future, which is very clear from what they have left behind.

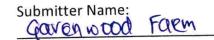
I originally intended to address the panel like many others, questioning the detail around prescriptive rules and supporting rules that aligned with my own self Interest.

I personally struggle to a point of frustration with my fellow farmers "short termism" that is the Inability to see beyond the now.

My farming colleagues by opposing this plan all the while believing that this will severely impact on their way of life for them and their families need to understand the very opposite is true.

If we start this journey in a "limp wristed" manner we are putting at risk the very way of life we currently enjoy. What we don't quite understand yet is the next generation will have very different farming models and systems; these will be systems and models which operate within limits.

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Our environmental aspirations as a region have tracked alongside our overall declining freshwater quality. It wasn't long ago we had a target of a 20% improvement; this was revised to a 10% improvement until today our aspiration at very best is to maintain.

Does it seem fair that my generation of farmers many who have amassed considerable wealth either directly or indirectly on the back of land intensification refuse to acknowledge any negative consequences and then obstruct to a point that we push the responsibility of costs of transition onto the next generation?

It's happened on our watch, we have a duty of care to take responsibility of our freshwater.

The forming consensus is that the transition from our current farming methods to the systems of future whatever they might be will be challenging for the region under a more regulated umbrella.

With this in mind I would like to submit to the panel my belief that this plan needs to remain intact. To weaken this Interim plan would not create the momentum needed to take us into the limit setting process in Southlands freshwater management units. If the Council is serious about creating a self-perpetuating environment of on farm "best practise "then surely this plan will set us on this pathway.

The plans main device which is physiographics has been widely criticised. Yes it does focus in on the areas that need more attention than others but surely isn't this is the correct process? To use information to identify where and how resources are to be allocated. This is preferable to blanket application. Above all this approach is common sense.

In saying this I do recognise many farmers in these sensitive zones who through no fault of their own they find themselves in this



difficult situation. A discussion around compensation or a rating relief package during a period of transition may well take place further on down the track.

As we move past this Interim plan the future economic benefits will become more apparent through the Southland Economic Project. We must ensure that Southland has future access to any value opportunities that may arise or indeed we choose to peruse.

To simply continue down the track of, getting more lambs, more milk solids per cow or growing a bigger fodder beet crop will not be sufficient in the future. The costs of production are prohibitive to the small production gains that will be open to us in the future. Increasing the value of our produce while incurring modest cost is the way forward.

Access to the high wage economies of the world and their consumers is taken for granted and is largely secured for the time being on the back of our "100% pure" brand.

When you fail to re-invest in brands they stop producing and eventually fail. Our environment is our key trading attribute that gets us in to all the exclusive global clubs. This is at a national level but if we get this right we have the potential for example to leverage off Southlands environmental excellence to create a specific Southland produce story so as to ascend even further up the value chain.

The alternative is to fail. Producing commodities, exporting base ingredients, competing solely on price with massive low wage, low compliance and low dollar exporting nations.

From 1993 to 2014 Southlands stock units have increased by 1.6 million. While we seem keen to talk about fencing waterways and planting trees this is the "low hanging fruit" diffuse pollution through

the soil profile that makes its way into our waterways will be the hard nut to crack, why because this discussion leads to an uncomfortable area that is reducing ones "nutrient footprint" which invariably leads to reducing intensity, which in turn leads to reduced profitability, which then is reflected in farm values. This is the fear I believe for many.

In time these sensitive areas in Southland will have more challenges in adapting their systems but if great care is given by the regulators during this transition they will emerge in a stronger position.

Our responsibilities are clear; nationally our waterways under farmers watch account for 40% of the total freshwater rivers while urban areas sit around the 3-4%. While we are quick to point the finger at the cities the rural communities will have to face the fact that we will have do most of the heavy lifting to do with regards to improving water quality.

The late Sir Peter Elworthy, was one of New Zealand's most respected farming leaders who helped guide Agriculture through one of its most turbulent times. Most could only see dark days ahead; the future seemed very bleak indeed. Sir Peter was a visionary who displayed a high level of what I call transgenerational thinking. He often commented about the roll back of subsidies, we may not see it now but in time being able to stand on our own feet in a global sense as farmers will be of great benefit, subsidies distort market signals and fail to drive innovation and excellence. Truly wise and courageous thinking at the time. He was to be proven right.

I believe we are at a similar crossroads which demands comparable thinking.

To conclude, when asked by my future grandchildren

"If you knew you had to change all those years ago to secure out future, why didn't you"

I could roll out the usual line and say "we made the best decisions with the information we had at the time"

Of course that would be a lie as we have the Information now that tells us that we must change what we are doing.

Sometimes extraordinary moments do not come at the time of ones choosing. Your decisions regarding this plan and your collective decisions within the next decade will have far reaching social and economic impacts which we are only starting to understand.

I'm not overselling the fact that we are highly dependent on our rural economy in Southland to provide us with the standard of living that we have come to expect.

With this in mind it's the courage and foresight to do the "right thing for the future" as opposed to doing "the popular thing for the present"

Thank you.

Peter McDonald

Dipton