Submitter No: 2370, 244 ...



Submitter Name: FORTUNA GROUP- 23 APOLINIA FARME etc... Date Received: 46/8/17

To:

Environment Southland

Submission on:

Proposed Southland Water and Land regional Plan

From:

Fortuna Group Ltd On Behalf of; Apolima Farms Ltd, 70 – Betapahu Farms Ltd, 244 – Elya Holdings Ltd, 318 – Glenarlea Farms Ltd, 320 – Gleneden Dairies Ltd, - 413 – Iron Bridge Farms Ltd, 618 – Onepu Farms Ltd, 632 – Peat View Dairies Ltd, 648 – Puke Rua Dairies Ltd, 649 – Puke Tahi Dairies Ltd.

Date:

16th August 2017

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1. Introduction

This is a Revised Further Submission on the Proposed Southland Land and Water Regional Plan.

Fortuna Group Ltd's support or opposition to specific rules are listed on page 7 & 8 and inline with DairyNZ's submission.

Fortuna Group wishes to highlight the financial impact of the Proposed Plan, giving all stakeholders time to adjust to the new rules, support the journey to Best Practice and finally allow room in the Plan for farming innovation.

Fortuna Group Ltd would like to commend the work that ES has completed so far. The physiographic mapping and the level of detail is world class.

The Southland Economic Project and the work gone into producing the thorough and quality report gives the stakeholders confidence in the decision making process going forward.

The investment in environmental research such as nutrient sinks, nutrient testing then reapplication is forward thinking and Fortuna Group is fully supportive of the work being done

Andy Hunt Business Development Manager 16th August 2017



2. Who is Fortuna?

The Dodunski and Richards families moved to Southland in the 1990's and over the years have bought and develop land throughout the Southland region. The families joined forces and formed a private dairy corporate, Fortuna Group Ltd in 2011.

Additional like-minded investors invested into Fortuna Group, their reasoning is the commitment to sustainable environmental practices, forward thinking leadership team and innovating to precision farming of tomorrow, today. All these desired performance are seen in the company's core values and believe.

Spread throughout the Southland, our 16 dairy farms six specialist grazing units have a range of environmental properties. The physiographic zone gives Fortuna clarity to understand the source of water in different physical environments and the path it takes as it makes it way through the Southland landscape and our farms, to the estuaries and sea.

At Fortuna we have a culture in sustainable management that sees our standards leading the way within the dairy industry and operating well above industry norms. We place water as our number 1 recource and it needs to be look after.

We continue to invest significant resources into maintaining and enhancing our ability to protect our environment for future generations.



Adapt, Adopt or Die

New innovative farming methods, seed genetics, information services will be offered to farmers. History has proven that farmer up take of business tools are driven by productivity gains, economic efficiencies and compliance. The future of farming under the Southland Water and Land Plan must be adapt and adopt. Greater use of sensors, robotics, Artificial Intelligence, imaging, greater monitoring, improved recording, increased reporting.

The future is Precision Agribusiness with Whole Farm Plans which are business plan mapping out the years ahead, annual farm grazing strategies, nutrient budgets, application proof of placements, techniques that let farmers apply precisely apply fertilizer, chemicals, irrigation water.

Fortuna has been at the forefront of innovation which include:

- Monthly report included N, P nutrient application per ha and proof of placement.
- Fencing of water ways 1-5 mts almost all have native planting.
- Nutrient sink and sediment traps especially in the >6% variants.
- Buffer area where Nitrogen and Phosphate is not applied.
- Dead stock composting containers ending dead stock/rubbish being buried.
- · Dairy Green low application of effluent methodology.
- Methane recovery plant at Isla Bank.

Fortuna understands what it is to be at the forefront of change. Adopting new technology takes time and a number of processes. It is widely accepted that there are 8 steps for Agri Business Change and of these the most important are:

- 1. Why are we doing this?
- 2. Buy in from stakeholders
- 3. Training for change
- 4. Revalidate the process

Fortuna recommends that the Water and Land Plan allow for innovation. Being agile and nibble to adopt new methods and products is critical to agriculture sector being a relevant industry in the future. The plan must be future proofed, and flexible enough to account changes that so that farmer can adapt and adopt within the rules. Drawing a line in the sand in 2017 and expecting us to farm the same way in 2030 is not possible.

It took 7 years from starting the methane recovery plant until today fully functioning plant that it is an accepted technology that is available to all dairy farmers. Changing a business model takes time.



Estimated Financial Cost for Fortuna

Initial Estimated Cost		Annual Cost	
Cost of compliance –	\$1500	Updating Overseer Nutrient	\$400
Farm Environment Plan		Budget	
Consents - ES	\$1800	Data storage for Nitrogen and	\$2970
		Effluent (Costing ref ReGen)	
nutrient consultancy -	\$2000	Consent updating consents	?
overseer		average	
Installing the measuring	\$8200		
tools (costing ref ReGen)			
Up Front Cost	\$13,000/farm		\$3,370

Fortuna is concerned at the ongoing cost to farmers for implantation of the Southland Water and Land Plan.

Recommend that consent costs are kept to a minimum and requirements to measure is undertaken by ES and not loaded onto farmers.

What is needed for a Future Precision Agribusiness

Fortuna recommends the commission to implement the following:

- 1. Keeping it simple with strong methodologies spelling out Best Practice.
- 2. Supports using the consents process for that are farmer friendly, simple and easy to change preferably web based, quick and easy to operate. The length of the consents and how long they are valid for and when they need to reviewed.
- 3. Not all farmers operate at the same level. Reward those that are practicing above Best Practice. Farmers with robust monitoring, testing, reporting and proof of placement should be not treated the same as malpractice and poor environmental management. Accreditation scheme for those farmers with high environmental practices and they graduate to extending out the time for audits.
- 4. Standardized Good management practice, which are defined by national regulations and not regional based practices. Link to industry Best Practice standards that have already been tried and tested and not reinvent the wheel. By coming up with Southland own regional standard will set us apart. The impact will be increased compliance cost by Southland specific professionals and will struggle to get the capability. Compatible benchmarking with the rest of the Agribusiness regions is essential.
- 5. Change takes time and for the ES to allow for 7 years for farmers to fully adopting a change. And time for best practice to flow through to a positive environmental response.
- 6. Request ES to increase its monitoring so we understand what is happening with our waterways so farmers can mitigate. Help increase understanding around issues i.e drainage natural vs tiles, different crop varieties,
- Outcome based Farm Environment Plans (FEP) that are based on current FEP operating in Canterbury. which is better for The community and better water quality. The need for clear definition for Environmental outcomes, Desired performance



- 8. Policies are driven from outcomes and best practice. i.e ES drainage committee policy is different to environmental Best Practice. Planting on one side of the drain to Best Practice planting both sides to filter the nutrient.
- 9. NZ eco system is unique, monitoring and testing of water or soils are NZ accurate and applicable to the NZ environment.
- 10. That the Water and Land Plan has no affect on the capital value of the farms
- 11. The length of consent and time frame we recommend as long as possible ie 35 (35 years way too long, would really struggle for this) years with Farm Environmental Plans acting as the practical compliance which is changed reflecting the farming model.

Overseer as a regulator tool

Fortuna recommends nutrient targets and the use of the Overseer as the modeling system to calculate individual nutrient emission.

Issues that have arisen from start up environmental consultancy business:

- 1. According to the <u>macertification.org.nz</u> August 17 there is 41 certified advisors operating in Southland. Being a limited resource and mainly employed by fertiliser companies who controls the process.
- 2. The cost \$200/hour for a certified person. Balance Nutreint team is charging for a total Nutreint Budget \$2000
- 3. Reports are specific to each farm with consideration to farms methods, soils and whats involved ie irrigation, feed pad, calving shed, crops, araible crops and how different farming system are.
- 4. Some farms had less capacity to reduce nutrient losses than others according to OVERSEER® analysis REF: The Southland Economic Project: Agriculture and Forestry
- 5. The impacts on profitability of particular mitigations often varied by farm and industry. For example, for pastoral farming the mitigations that had the least impact often related to fertiliser use (timing and application rates), but similar mitigations had a considerable impact for cropping activities because of the close relationship between fertiliser and crop yields and quality. If fertiliser rates and applications do not meet a crop's requirements then growers are unlikely to grow a particular crop. REF: The Southland Economic Project: Agriculture and Forestry



Fortuna Group Ltd wish to support the Water and Land Plan provided the following recommendations:

Rule 23 – Intensive winter grazing

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wish to support Dairy NZ and amend

• Extra Dairy NZ points - The proposed rule requires farmers to map the outlet position and relative depth of any sub-surface drains within the area of land used for intensive winter grazing. This requirement is not practicable as it presumes that the location of sub-surface drains installed by previous landowners is known to the current owners. Amend to:

b)(vi) - the location of any known or new sub-surface tile drains within the area of land used for intensive winter grazing, and their outlet position and relative depth is mapped and provided to Environment Southland on request"

- The linkages between Rule 23 and the formal definition of landholding in the Glossary section of the Plan should be made more explicit.

- The intensive winter grazing rule requires farmers to maintain a vegetated strip and exclude stock from the outer edge of the bed of any river, wetland, modified watercourse or artificial watercourse for a distance of: (i) 3 metres from the outer edge of the bed on land with a slope of less than 4 metres; and (ii) 10 metres from the outer edge of the bed on land with a slope between 4 and 16 degrees; (iii) 20 metres from the outer edge of the bed on land with a slope greater than 16 degrees.

DairyNZ considers that there is no scientific justification for the rule as currently drafted, and its anticipated outcomes remains similarly unclear. The rule will create significant practical challenges for farmers, not least because the angle of slope can vary across paddocks, leading to variable implementation. It is also like to impose significant costs on farm business, because it may unnecessarily reduce the area of land available for grazing.

Delete existing subpart (vii) and replace with:

(vii) a vegetated strip is maintained, and stock excluded from, the outer edge of the bed of any river, wetland, modified watercourse or artificial watercourse for a distance of:

(1) a minimum of 3 metres from the outer edge of the bed on land with a slope of less than 16 degrees; and (2) critical source areas are to be retained with a grass filter strip for their entire length or a sediment retention system is installed, and maintained to prevent sediment discharge before the critical source area enters a natural waterway, drain or leaves the property, and

(3) on slopes greater than 16 degrees, vegetated strips should be a minimum of 5 metres and;



(4) critical source areas are to be retained with grass filter strips and a sediment retention system is installed and maintained to minimise sediment discharge before the critical source area enters a natural waterway, drain or leaves the property boundary.

Rule 20, 21, 22 - Support

- Consent process needs to be streamlined and simplified
- Cheap or free
- Automated and web based
- Simple to lodge and administer
- Needs more clarity as at present there could be severe financial impacts for land owners
- We won't be able to increase cow/ha, to what is in our eff consent

The plan needs to be outcome based. Not input based. If LAN users can scientifically prove that there management doesn't impact negatively on the environment they need to be able to continue with those management practices

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