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**Life Member Federated Farmers
Southland**

Sheep Farmer

Dairy Farmer

**Sheep farm consented for dairy
conversion**

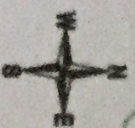
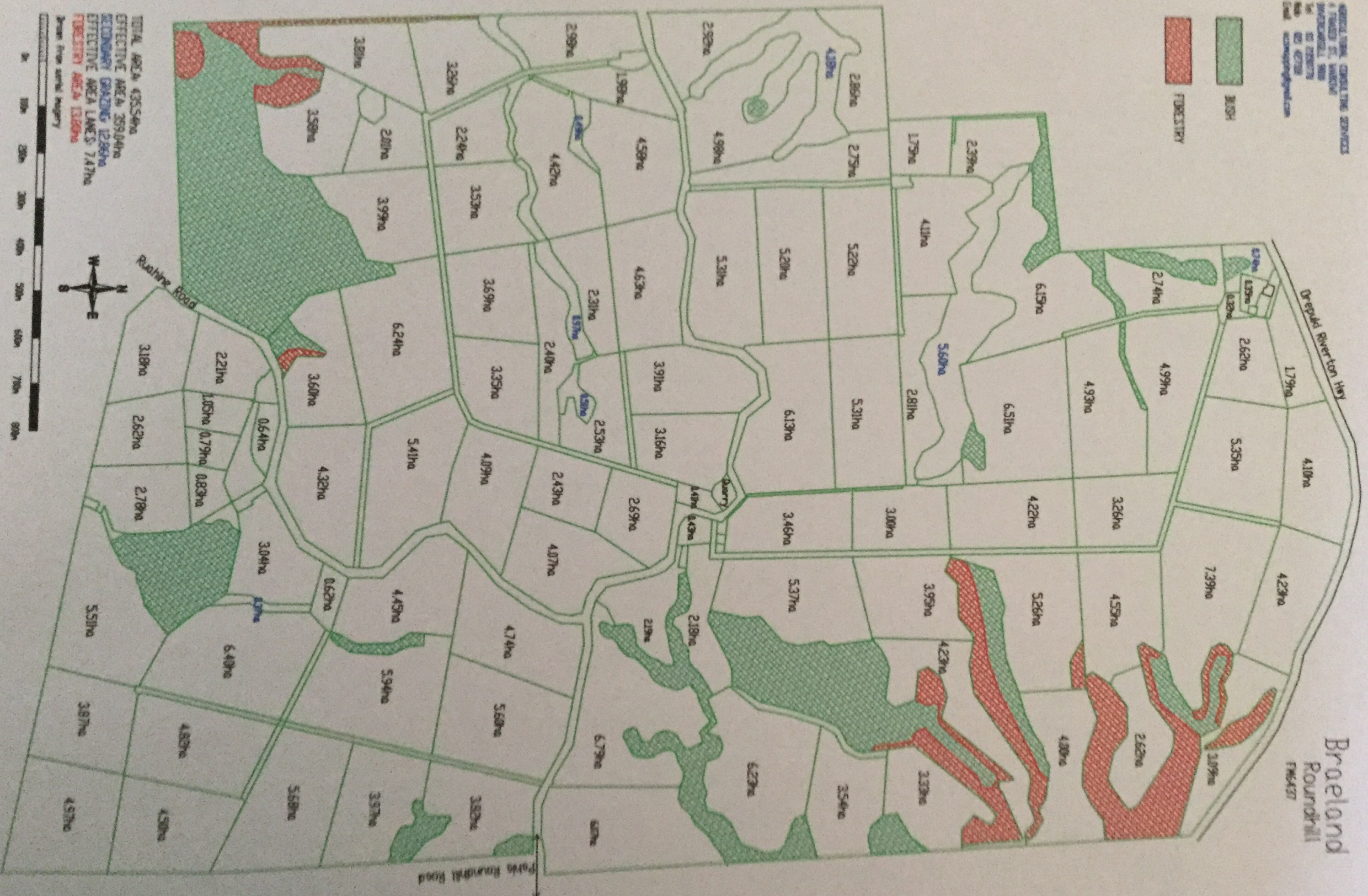
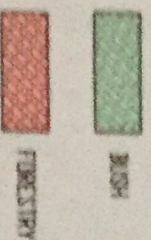








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Executive Summary

- 1 Strongly oppose plan**
- 2 Need for plan not identified**
- 3 Plan lacks equity**
- 4 Physiographic modelling not endorsed as regulatory tool**

**5 Inadequate analysis of financial
consequences.**

6 Plan will divide community.

7 Legal consequences will be significant.



Oppose Plan

- Punitive and prescriptive plan.
- Fail to achieve objectives.
- Algininate rural community.
- Work with rural community has demonstrated significant environmental gains.

Water quality ?????

- Plan written by planners without identifying need.
- 2011 ES water quality index
- 2012 Cooke independent review of water quality.
- No clear link between water quality and change of land use.

2017 Water Quality

- No analysis of past 5 years of water quality data.
- Federated Farmers employed independent scientist Tom Heller.
- Environment Southland completed analysis.
- Analysis completed after notification of plan, after submissions, and after section 42 analysis.

State and Trend for Southland Water Quality

- “Based on the water quality data, the ‘hold the line’ approach is already being achieved on a regional basis”
- “Stream ecological health is mainly dependent upon variability in DRP concentrations and changes in NNN are secondary”
- “regional NNN concentrations over time in surface streams and groundwater reflect a stable or slightly improving trend”

Physiographics

- “The physiographic risk methodology, suggests that across a large part of Southland, increasing NNN concentrations in groundwater appear inevitable. That does not appear to be the case when referring to the ES (2017) water quality report”
- Not ground tested.
- 2015 consent. Predetermined incorrectly the topography and soil characteristics.

Rural urban divide.

- Focus completely on rural land use.
- Farming sector has modified practices to mitigate its environmental impact.
- Urban sector continue to receive free pass to pollute.
eg ICC

Economic Cost

- Three expert witnesses.
- Grant Barron. Registered Valuer
- Peter Moynihan. Senior Banker/ Farmer
- John Hay. Director Southern Wide Real Estate

Grant Barron. Valuer

- RMA. “managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural well being”
- “market value is to reflect the assets highest and best use”
- Valuation methodology. Dairy capitalisation rate of 4.7% of EBITDA. Sheep and beef 2.5%.

Dairy conversions The estimated capital expenditure on conversions is \$2 billion in Southland. That does not include the cost of the land.

- “There are few equal or higher land use participants to dairy in the Southland market at present. There is a considerable value gap to the next lower supporting alternate land use of sheep and beef or arable”

Peter Moynihan.

Banker/Farmer

- “we will see changes inland values and income potential “
- “reluctance to buy in the Waituna catchment”
- “may well see this land dropping down by \$4,000 to \$8,000 per ha.”
- “hard to estimate such a discount, but I would think it could be in the 25% range”
- “It adds to the risk factors banks need to assess and there may be significant casualties”

John Hay. Director

Southern Wide Estate

- “Sales volumes of dairy support land or land suitable for conversion to dairy has experienced the largest reduction in sales activity and by default the land classes that have experienced the largest reduction in land values”
- “will default to next best land use which in most cases will be sheep/beef. That differential currently is upwards of 20%”
- “Conversely land that does comply under the new rules or has manageable limitations may increase in value”

Credible Response

- To ensure a credible response to any perceived threat to our environment then a community wide response is required.
- Equity of treatment required.
- Identifies winners and losers.
- Legal challenge inevitable

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- Any family being asked to individually bear the burden where millions of dollars of their capital is being stolen by an ill conceived, poorly researched, inequitable, prescriptive and punitive plan will fight to maintain their families capital base.



