

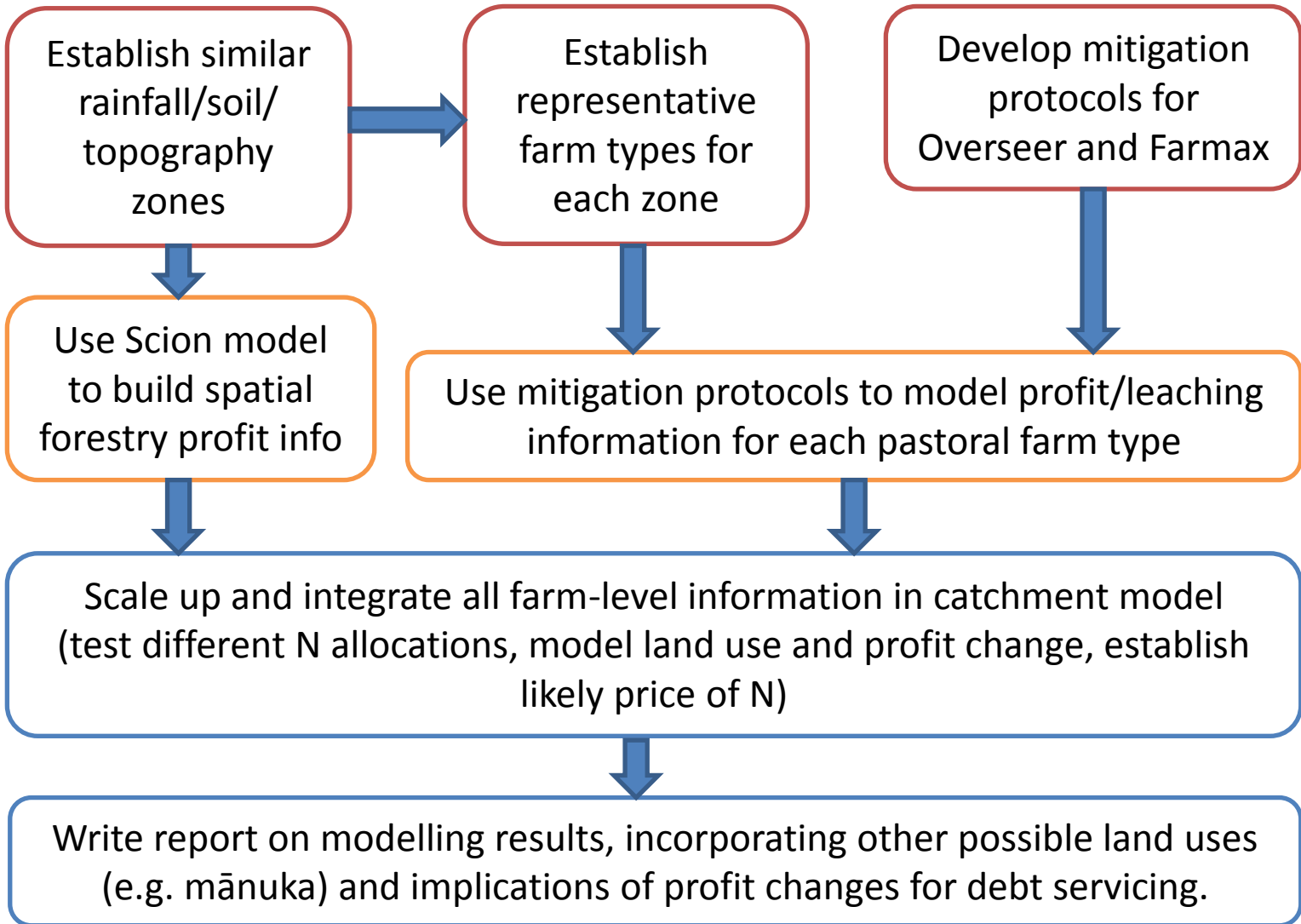
# STAG modelling of Rotorua Catchment



Oliver Parsons – DairyNZ

# The gaps

- Farm heterogeneity and representativeness
- Separating management from geophysical drivers
- Realistic farm scenarios and mitigation behaviour
- Getting a realistic price of N
- Understanding market friction
- Debt servicing, equity
- Social disruption (e.g. likely amount of churn)
- A transparent, agreed, collaborative approach

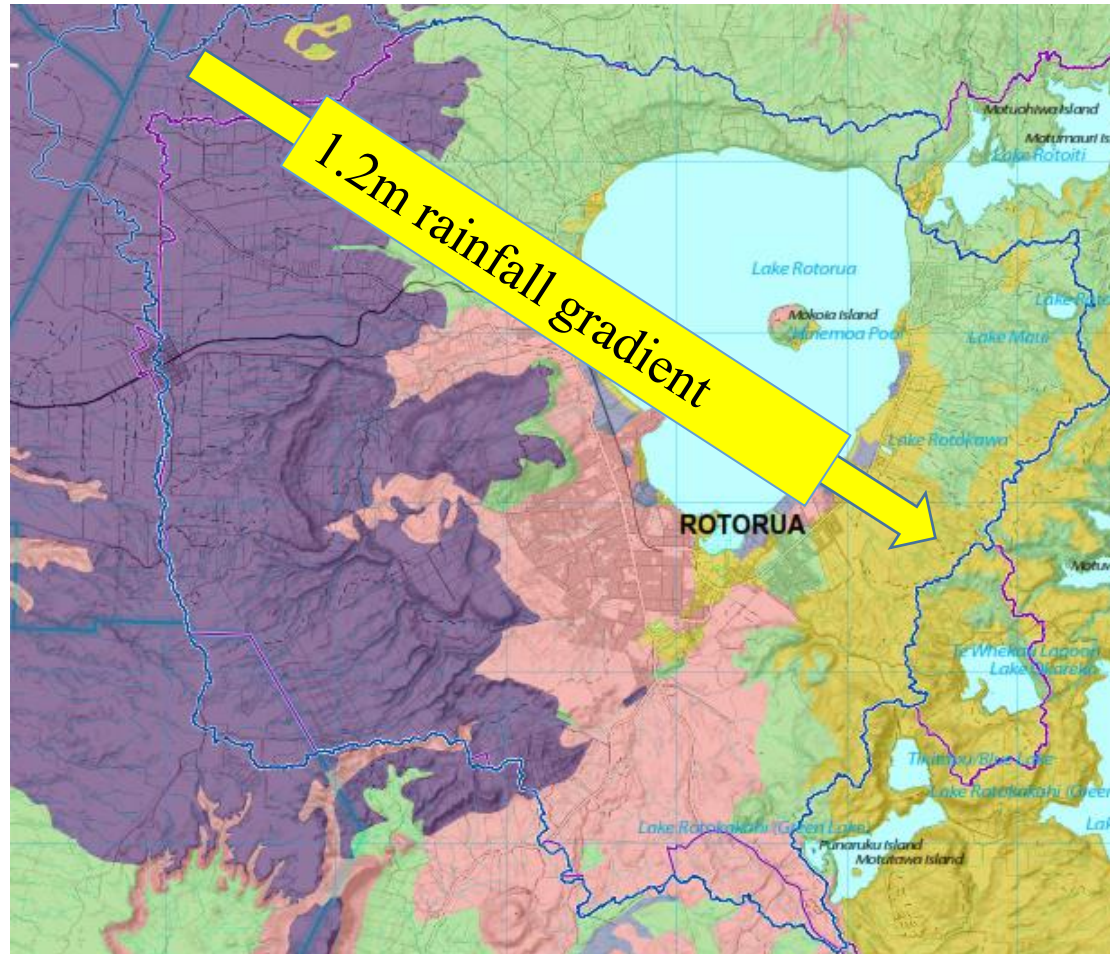


COMPLETE

UNDERWAY

NEXT STEPS

# Geophysical heterogeneity



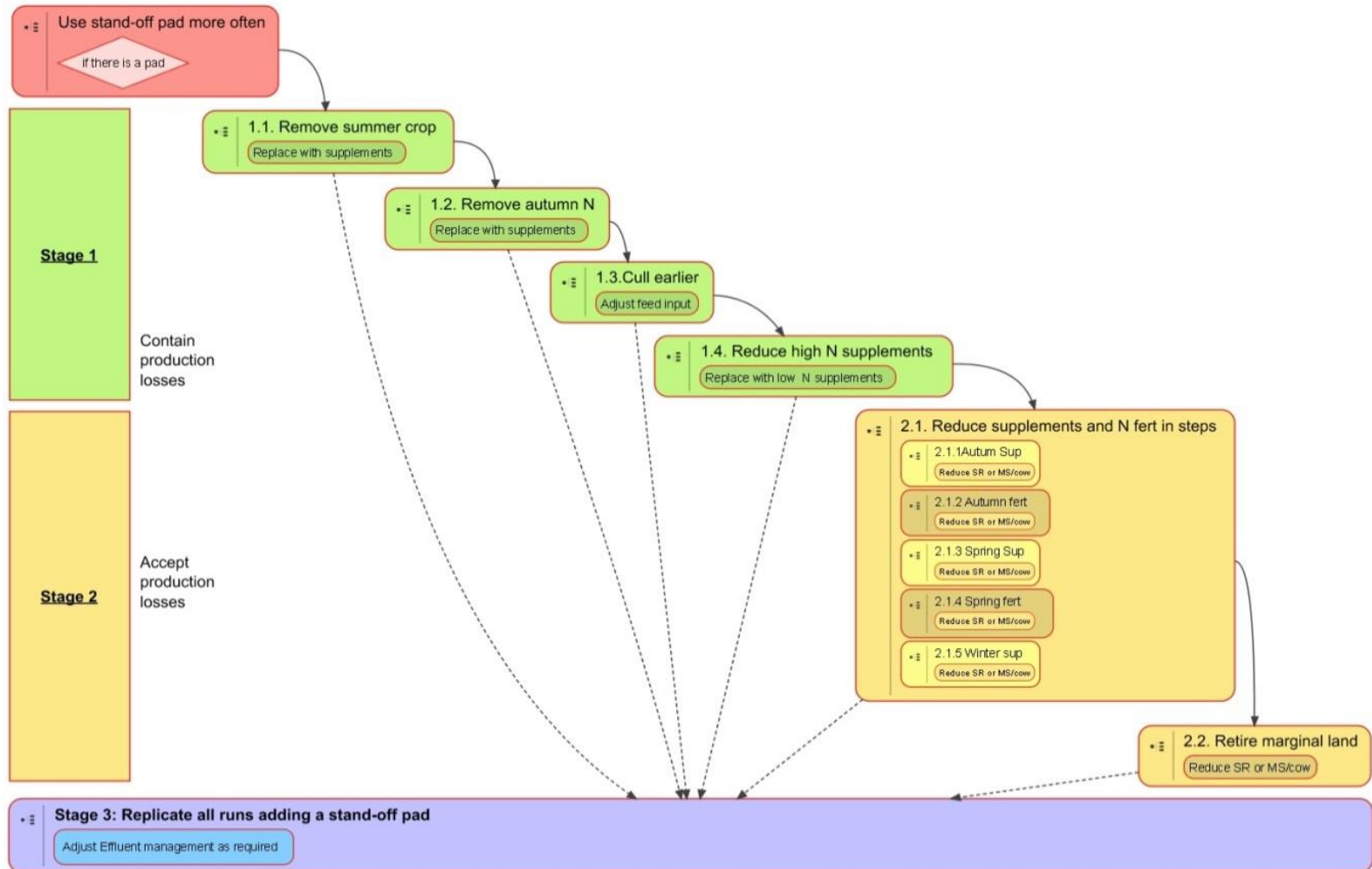
# Representative farm systems

Soil	Rainfall	Slope Low (<16°)	Slope High (>16°)
Pumice	1700-1900mm	Dairy Pu1L – lower rainfall Overseer run (Hypothetical)	Dairy Pu2
	1900-2300mm	Dairy Pu1H – higher rainfall Overseer run	NA
Allophanic	≈1600mm	Dairy Al1	NA
Recent	≈1400mm	Dairy Re1	NA
Podzol	<2000mm	Dairy Po1L – lower rainfall Overseer run (Hypothetical)	NA
	2000mm<	Dairy Po1H – higher rainfall Overseer run	NA

Expert judgement combined with industry datasets to define representative farm systems for:

- Dairy
- Large drystock
- Medium drystock
- Small block/lifestyle
- Forestry

# Mitigation protocols



# Catchment modelling

Take outputs of farm-level modelling



Build non-linear optimisation model (with constraints) in GAMS



Test different initial allocations and levels of market efficiency



Use outputs to drive analysis of debt, equity

# Challenges

- Drystock heterogeneity
- Small blocks
- Static analysis of dynamic relationships
- Counterfactual/frame of reference
- Timelines for project





Questions?