

StAG Subcommittee, 29 July 2015

RLC Committee Room, 1061 Haupapa Street Rotorua, 10am

Present:

Warren Webber (LWQS); Stuart Morrison, Chris Paterson, Jo Carr and Gisele Schweizer (Farmers Collective); Graham West (Small Blocks); Tanira Kingi (StAG Chairman); Ben O'Brien (B&LNZ, by phone); BOPRC: Stephen Lamb, Helen Creagh, Rosemary Cross, Hariata Ngatai and Alastair MacCormick; Simon Park (Subcommittee convenor).

Previous Minutes and Actions

- Apologies: Roku Mihinui, John Fenwick, Oliver Parsons, Wendy Roe
- No General Business to add

ACTION LIST

1. Helen Creagh to redraft \$3.3m low N land use paper and recirculate to StAG for comment.
2. Simon Park to liaise with B&LNZ, DairyNZ & BOPRC to set up a mid-August meeting on potential adaptation of industry plans to meet NMP requirements.
3. StAG subcom members to send any further NMP/NDAR feedback to Rosemary by 7 August
4. Stephen Lamb to include options in the rules for pre-2032 flexibility and an option for lease blocks to have separate NMPs and consents

Item 1: \$3.3m low N land use fund – Helen Creagh

- a. Helen recapped: the basis for the fund; revisions to the draft paper; caution about both overall admin costs and shifting costs/tasks to other constrained budgets e.g. Land TAG.
- b. The StAG view (from 21 July) was noted, covering:
 - i. An expanded and more directive role for the Assessment Panel
 - ii. A preliminary/brief Expression of Interest (EOI) application step
 - iii. Greater emphasis on extension and uptake, less on new/expensive field research
- c. Discussion included:
 - i. Give more weight to landowner buy-in criteria, related to greater uptake emphasis
 - ii. Don't shift all effort to extension as we will need some leading-edge tools to meet the large reduction targets, especially 2022-2032
 - iii. Re Land TAG:
 - Use their technical expertise to advise on applications as required
 - Co-opt one Land TAG member (with right skill set) for Assessment Panel
 - iv. Pursue synergies with other funders, industry partners, especially on extension
 - v. Any new field trials research should also aim to address Overseer gaps if possible, whether new systems, mitigations or local calibration of existing systems/mitigations
 - vi. Farmers and small blocks wary of eroding \$3.3m with admin costs >10% i.e. seek to use staff, industry and Land TAG expertise cost effectively (LTAG without cost-transfer).
 - vii. Assessment Panel ToR to include:
 - Panel composition, possibly one each from Collective, small blocks, Incentives Board, staff and Land TAG
 - Scope to define application and assessment process, including: EOI step; criteria weighting; role of Land TAG; priority areas for investment; relative split between

research and extension; reporting to RTALSG and landowners; encouragement on co-funding and linkages to wider research efforts; period of funding / number of rounds

- Although it is helpful to document investment priority areas, this should not be an exclusive list in order to allow for innovative proposals
- viii. Staff to draft admin budget, not Panel, to maintain appropriate financial control. If the Panel has a different view, address that if/when it arises.

ACTION: Helen Creagh to redraft \$3.3m low N land use paper and recirculate to StAG for comment

Item 2: Nitrogen Management Plans – Rosemary Cross

- a. Rosemary covered the major changes to the slimmed-down NMP and NDAR templates in response to feedback from staff, land use advisors (LUAs) and landowners.
- b. Collective members noted their support for the simpler clearer revised templates
- c. Discussion included:
 - i. NMP could be more explicit about the need for greater detail in the first 5 years, with Overseer files for 2017 and 2022 (Year 5) i.e. no Overseer file needed for 2027 and 2032 but indicative actions still required
 - ii. B&LNZ considers the draft rules NMP requirements to be over-specified, but willing to work with BORPC to explore modifications to LEP
 - iii. Minimise perception of duplication by demoting “effluent management” to one of several matters covered under N leaching, given dairy farmers already have effluent consents
 - iv. Consider re-using flow chart (NDAR→NMP etc) to highlight where the process is at
 - v. Clarity needed on audit and qualifications requirements
 - vi. Explicitly state that some NDAR questions are to enable A&S staff to decide whether the NMP will be “complex” or “simple” as this impacts LUA scheme budgeting
 - vii. Using the A&S service is optional – landowners can pay for their own advisor to prepare an NMP that meets the NMP requirements in the rules

ACTION: Simon Park to liaise with B&LNZ, DairyNZ & BOPRC to set up a mid-August meeting on potential adaptation of industry plans to meet NMP requirements.

ACTION: StAG subcom members to send any further NMP/NDAR feedback to Rosemary by 7 August

Item 3: Block versus sector allocation – Stephen Lamb

- a. Stephen tabled a paper covering both block/sector allocation and short term trading
- b. Discussion centred on how the initial allocation maths could give different NDAs (as per Stephen’s paper) and the ongoing management of land, with farmers noting that decisions are generally “whole of farm”
- c. **Subcom consensus supported the block-based allocation** because:
 - i. Greater consistency with how Rule 11 had been calculated
 - ii. Better alignment with actual land use productivity
 - iii. Property level NDA compliance and NMPs will remain at the property level, not blocks
- d. Communications on this are important to avoid confusion – especially on item c(iii) above
- e. Side discussion noted that some apparent changes in N leaching on pumice soils seemed counter-intuitive – was this due to changes assumptions about available water-holding capacity (AWC)? Alastair noted that pumice AWCs have remained relatively high. However, the Overseer 6.2 upgrade has resulted in higher drainage across many soils, with podzol N leaching increasing relatively more than for pumices.

Item 4: Short term trading – Stephen Lamb

- a. Stephen noted landowner desire for some non-NDA flexibility pre-2032 but staff and farmers wanted a simpler option than “Short Term Entitlement” trading as developed by Robin Connor
- b. Council OK with short term trading from 2022 to protect Incentives Scheme, noting that landowners can stay at their benchmark till then i.e. little need for flexibility before 2022.
- c. Pre-2032 short term trading can be via adjustments to NMPs and intermediate reduction targets (2022 & 2027), provided Council has assurances on both the source and destination land – to be managed via mutual controlled activity resource consent process (similar to current Rule 11D)
- d. **Subcom consensus supported the trading option as recommended by Stephen**
- e. Discussion moved to lease blocks and responsibility for NMPs covering leased land, including:
 - i. Primary responsibility still rests with the landowner and lease blocks do get their own NDA
 - ii. The leaseholder generally has the “whole-farm enterprise” information needed for an NMP and Overseer, plus the ongoing ability to manage compliance with the NMP/NDA
 - iii. It would be challenging to have separate NMPs for “home” and lease blocks due to the frequent movement of stock between blocks
 - iv. Subcom still felt it should be an option to have separate NMPs for home & lease blocks provided all parties are aware of the regulatory requirements.

ACTION: Stephen Lamb to include options in the rules for pre-2032 flexibility and an option for lease blocks to have separate NMPs and consents.

Finally:

- f. Alastair MacCormick briefly outlined the initial results of re-working NDAs in Overseer version 6.2, noting that:
 - i. Both dairy and drystock benchmarks and (provisional) NDAs have increased
 - ii. The drystock range widens if the same % clawback from benchmarks (18%) is used, such that there is no longer a gap between the top of the drystock range and the bottom of the dairy range
 - iii. Confirmation of NDA ranges is dependent on overall catchment/block data analysis and pending advice on the permitted activity threshold (in 6.2) by Lee Matheson – this is still expected to be comparable to the old 10kgN/ha/yr in version 5.

Meeting ended 1:25 pm