

Evidence of Brent Rawstron for the Central Plains Water Trust resource consent hearing

April 2008

Background

1. My name is Brent Rawstron. I have a BA from Otago University and a Post Graduate Diploma in Viticulture from Lincoln University.

2. I was a director of the New Zealand Meat Producer's Board from 1995 to 1997 and was judged the Lincoln University Farmer of the Year in 1999. In 2003 I was awarded a Lincoln University medal for outstanding service to agriculture.

3. I own the Rossendale Holdings, a diverse primary production company in the Halswell/Tai Tapu area. I have farmed here for 32 years and my father farmed the land for 25 years before that. My property is 126 hectares of which 95 hectares is irrigated. The water for this irrigation comes from the Halswell River.

4. The farm is a mixture of vineyard and beef, which is produced for a European market. Both of these activities rely on water to supplement natural rainfalls. We are fortunate in that our location in an area with high groundwater levels and deep soils reduces our exposure to drought conditions.

5. I have lodged a submission to the Central Plains Water Trust resource consent application. The submission was lodged because I support the intent of the scheme and benefits it will bring. My submission does not address specific aspects of the scheme as

it will not directly benefit my business, however I would like to raise a few wider issues that I consider relevant for this hearing.

Central Plains Water Trust Scheme

6. When the Central Plains Water Scheme goes ahead, none of our property will be irrigated from the scheme as we fall outside the area it would serve.

7. However, I consider that the scheme is forward thinking and creates a vision that the founding fathers of this great province would have been proud of. When one considers the wonderful engineering projects that our forebears constructed such as the stock water scheme which provided water to thousands of head of livestock, one can only be thankful that they did not have to deal with the negativity (a lot of which is emotive, illogical and in some cases purely scare mongering) that surrounds this proposal.

8. I am constantly amazed at the illogical outbursts of some of the opponents.

9. Take Robin Judkins (owner of the Coast to Coast) as an example. His outburst that taking water from the Waimakariri River will destroy his annual race and therefore this scheme should not proceed is gobbligook at its worst. The flow in the river will be monitored to prevent the flow falling below acceptable levels as set by Ecan in consultation with interested parties (which will presumably include Judkins). Furthermore, he fails to mention that at the time he runs his race, it is more likely that the river will be experiencing a flush caused by northwest weather patterns and have too much water in it.

10. Another illogical statement is that creating the lake will lead to increased nitrates in the soil and therefore into the aquifers and therefore into the drinking water. This has further been embellished to include comments that these nitrates will lead to an incredibly rare disease in children that could lead to their deaths. Where will these utterances lead to next?

11. The creating of the lake has no effect on the nitrate levels. Alteration of nitrate levels will only occur when farming practices cause it to occur. This is a totally different issue. How the water is used and what other farming practices that occur because of the availability of the water is the matter for downstream consultation, regulation and monitoring.

12. At present everyone seems to say that the lake and associated irrigation system will lead to more dairy farming, therefore intensification of livestock and therefore enhanced nitrates. But will dairy farming always be as good as it is today? Definitely not. Attached to this submission are various graphs provided by the New Zealand Meat Board's Economic Service. Graph one of the attached material shows the roller coaster ride that dairy farming has experienced since 1976 (adjusted to 2006 prices). Graph two shows that beef also has had a bumpy ride whilst graph three shows that lamb has had a spectacular ride but for different reasons.

13. Unlike both beef and dairy, whose prices are totally governed by commodity cycles, the drivers of which are offshore production, lamb's pricing changes are entirely due to domestic interference. This interference is often through Government meddling (such as subsidies) or a history of restructuring and expensive (and in several cases unaffordable) takeovers in the domestic meat industry.

14. The point I wish to make is that by the time this scheme is operative, the current dairy boom will be long past and the most efficient and profitable farming activity on the Canterbury Plains will be something entirely different. It may well be broad acre food production from the arable sector in the form of vegetables where water use is much more targeted and much more sporadic. From personal experience, a crop of beans for instance often requires only one watering in the whole growing season yet can return a gross income in excess of \$4,000 per hectare. Wheat and other cereal crops may not need water at all, but farmers would often not consider embarking on broad acre cropping without the security that water was available in years of below average rainfall.
15. In this type of scenario, and indeed in the sheep industry, irrigation is an insurance policy and the “dreaded” negative effects the opponents claim are but a figment of their vivid imagination. The whole point of this scheme is to store water for future use. The emphasis is, and should correctly be, on storing water and not a debate on how it is going to be used.
16. Why am I so confident that the dairy industry will be in decline by the time that this scheme is up and running? Commodity cycles dictate it. The fact that Fonterra is paying \$6.90 per kilogram of milk solids is because the world price dictates it. But the rest of the world’s dairy farmers are being paid at corresponding high levels. Consequently, every piece of land that is suitable for dairy farming in the world is being converted to dairy farming. It is not just a New Zealand experience. For instance, PGG – Wrightsons are establishing dairy farms in Uruguay . To date, they alone have converted 30,000 hectares to dairying. What are others doing in that country, in Chile, in Argentina, in Australia, in India, in China (where Fonterra not only have supplied breeding stock but also grass seeds and expertise to increase China’s domestic production), in Wisconsin,

in the Ukraine etc? The answer is that they are all converting as quickly as possible to “capture” the historically high milk prices just exactly like New Zealand farmers are doing.

17. Consequently, just as every commodity has its day and production exceeds demand, so will milk. Every “good news” farming activity always attracts more entrants than the long term industry needs, prices fall and people get burnt. Recent examples in New Zealand are deer, goats, kiwi fruit, black currents, emusetc. Dairy farming will follow. Furthermore, most of the countries I have mentioned above, have a far greater land mass to convert to dairying than New Zealand and in many cases their cost of production (especially wages) are a fraction of ours. Consequently, not only do I predict a severe fall in dairy prices, I predict that a severe fall in dairy farming profitability will occur in New Zealand quicker than most countries due to our relatively high cost of production and distance from the markets. This will inevitably lead to dairy farmers leaving the industry in search of the next pot of gold at the end of the rainbow. Therefore, don't make a decision on the lake and subsequent irrigation, on a farming practice that may well be out of favour by the time the scheme is operative.

18. Is the site chosen for the lake the most appropriate? Absolutely. My knowledge of the valley and from discussions I have had with my father, who started his farming career near to this valley, indicates that this is the most economically beneficial use this exceptionally poor piece of farming land can be converted to. To exchange an area of land that has exceptionally limited uses from a productive point of view, to provide a safety net to guarantee reliable production on 60,000 hectares of fertile plains, provides a remarkable economic rental return on this impoverished, desolate, wasteland of a valley.

19. Will some farmers be displaced? Undoubtedly, however they will be compensated at a value far in excess of the real productive value of their land.
20. What are other effects? Cantabrians will gain a recreation spot in much the same way as the people of South Canterbury are benefiting from the Opuha dam.
21. Some aquifers of Canterbury will be charged as a result of this body of water being maintained in the valley, but the doom sayers predicting flooding of septic tanks and subsequent health issues due to the rise in aquifer levels are sadly misinformed. Just how much water do they seriously think will filter through the ground under the lake?
22. Other aquifers will benefit by association, as demand from various aquifers will change due to the presence of the lake and associated waterways.
23. Of even greater benefit will be the long term change in land use. In recent years there has been a marked change from farming for food production to the farming of houses. The proliferation of the "life sentence", 4 hectare blocks throughout the Canterbury Plains has been nothing but scandalous. Well over 95% of all 4 hectare blocks are virtually unproductive.
24. The loss for ever of productive land by subdivision has been brought about by the poor returns experienced over the last decade by the agricultural sector. Had a farmer been able to make a good living off the land, he would have continued to farm and his siblings would have wanted to continue into the next generation. However, farming has not been profitable, on farm debts have risen and in the end, a subdivision is done to pay off the bank.

25. The tide has turned. Soft commodities are on the rise and as the standard of living rises in both India and China, there will be increased demand for products which New Zealand grows well. This list of products, will be a far wider spread of products, than dairy products and my pick of a future winner is in fact the sheep meat industry.
26. If I am correct, then the security that this water scheme will provide for the farming sector, will enhance reliable production of a whole range of agricultural products to a level that farmers see more long term benefit in farming the land, than selling off 4 hectare blocks. The hugely positive effects in this feature alone would justify approval of this scheme.
27. All of the above will I hope demonstrate to the commissioners that the most significant point raised by the opponents to this outstanding project, the perceived rise in nitrate levels is just that, a perceived rise. The chances of getting increased nitrate levels, the contraction of incredibly rare diseases and the flooding of septic tanks will not occur. Permits to use the water and regulations surrounding production will nullify increases in nitrates and there is a very real possibility that other farming systems will overtake the profitability of dairying which will further diminish the intensity of livestock and hence the risk of nitrate leaching.
28. Finally, over the last decade, the Resource Management Act, an outstandingly forward thinking Act, that had as its basic tennent to “leave the environment in a better condition than you found it”, has been severely railroaded to the extent that it is now the perfect example of an “anti development Act”.

29. I challenge the commissioners to see this proposed development as an enlightened proposal to enhance the fabric of the greater Canterbury region with the multiple positive effects being shared by the community at large.

30. Furthermore, I implore the commissioners to have the vision for the future that our forefathers, Godley, Rolleston, Fitzgerald et al had when Canterbury was settled over 150 years ago. Please give the future Cantabrians an achievement that they can look back and say, “ the people who had the foresight and determination to develop this lake and irrigation system were people of real vision”.

Relief sought

31. I would like the commissioners to grant consents applied for.

Conclusion

32. I support the Central Plains Water Scheme as being essential to provide an irrigation resource to the Central Plains area.