

IN THE MATTER OF the Resource Management Act 1991
AND
IN THE MATTER OF a resource consent application by Five Rivers Limited to take and use water from Lake Ohau for the irrigation of Ohau Downs.

STATEMENT OF EVIDENCE OF C.G. (Kees) ZEESTRATEN

Introduction

1. My name is Kees Zeestraten and I am a director of Five Rivers Limited ("**Five Rivers**"). Five Rivers has applied for resource consent to take and use water to irrigate Ohau Downs.
2. I have 29 years experience in the New Zealand dairy industry. I own and operate a number of dairy farms in Southland. One of these dairy farm the stock are housed periodically in cubicle stables. I provide overall guidance and costings on the dairy farms in Southland which includes employment of the managers/sharemilkers.

Dairying in New Zealand

3. I have experienced the highs and lows of being involved in a market driven industry and understand the challenges that arise in this context. From my experience as a dairy farmer I believe that the key elements to running a successful dairy farm include:
 - (a) Have enthusiastic and skilled reliable managers/staff.
 - (b) Ensuring that stocking rate is kept at an optimal level that balances production against pasture growth.
 - (c) Increasing pasture growth through managing the land, by continuing to rotate pasture, not allowing stock to trample the ground and applying fertilisers to optimise grass growth.
 - (d) Attention to detail.
 - (e) Ensuring that the farming happens in a long term sustainable manner.

Ohau Downs

4. Ohau Downs is a property of over 5,000 ha located to the south of Lake Ohau. Five Rivers purchased Ohau Downs in 2004. A number of improvements have been made on the farm since that time including:
 - (a) Fencing approximately 70 km of the property, including the roadside and QEII covenant area.
 - (b) Cutting down wilding pine in QEII areas.
 - (c) General pasture improvements including developing new blocks of land into productive areas.
5. Currently Ohau Downs comprises a substantial area of unimproved grasses, sweet briar and hieracium (a pest). When I first purchased Ohau Downs the stock carrying capacity was around 4,000 stock units but with the above improvements, including the application of fertiliser, more intensive subdivision of the farm (by way of improved fencing) and planting of new grass species the stock numbers carried have lifted to 11,000.
6. I propose to irrigate 1,493 ha of Ohau Downs (although ultimately the aim is to irrigate 2,000 ha for which Five Rivers will need to buy more MIC shares). Seven separate dairy farming units are to be established, comprising a total of 7,000 cows. Cows will be housed on each of these units in cubicle stables for up to eight months of the year.
7. As an alternative I am also considering an intensive sheep and beef operation with dairy support.

Practicality of proposed farming operation

8. A typical cubicle stable (also known as herd homes) operates in the following way:
 - (a) Cows are housed in individual cubicle stables but able to walk around.
 - (b) Feed is managed on a daily basis with silage and hay being fed twice a day into feeding lanes. This is a very efficient method of feeding out.
 - (c) Effluent is able to be managed and spread onto paddocks in a controlled manner. The effluent is scraped from the stable with a continuous moving automatic scraper and stored in effluent ponds so that it can be spread onto paddocks under ideal conditions.

- (d) Milking sheds are often situated close to the cubicle stables or as an extension of the barn.
9. Cubicle stables are commonly used overseas. I have visited a number of cubicle stable operations overseas including United States and Europe. These operations generally housed between 100 and 2000 cows for 12 months of the year and their primary purpose was to manage effluent nutrients efficiently and increase milk production. I talked to a number of farmers who used these systems who agree that the system has successfully brought economic returns to the dairy industry by increased production.
10. I have also had personal experience with cubicle stables on my property in Southland therefore the decision to include cubicle stables as part of the farming operation is one I am familiar with. The cubicle stable in Southland was built in 2004 and can house up to 500 cows. It is used as a weather dependent operation with cows often being housed for up to six weeks during the winter due to bad weather and then at night over the autumn/early spring months. I have seen a number of improvements on my property in Southland as a result of this cubicle stable including:
- (a) Cows production performance.
 - (b) Higher pasture production.
 - (c) Feed utilisation.
 - (d) Less fertiliser used / effluent distribution more efficient.
 - (e) Less soil compaction.
 - (f) Animal welfare.
11. I have undertaken extensive research on the financial viability of cubicle stables and have full appreciation of the capital costs involved and the operational costs. While each housing unit may cost up to \$3million to develop, I understand that there are a number of financial benefits and I am prepared to invest in an operation that will result in both production and environmental benefits.

Proposed conditions / FEMP

12. I have read the Farm Environmental Management Plan ("**FEMP**") prepared for Ohau Downs. While the measures it proposes are onerous, they are workable. From my experience in the dairy industry it is clear that the days of loose regulation are over, farmers have to operate carefully to ensure that their environmental impacts are

minimised and I am comfortable with the mitigation measures required. I understand the risks involved, but I believe I will be able to respond if it is necessary to change the operation.

Conclusion

13. While a cubicle stable operation is uncommon in New Zealand dairying, it has been proven around the world as a successful and viable dairy farming system and one which I believe will be highly suitable to the Upper Waitaki climate and environment.
14. Although we are currently in tough economic times, irrigation in the Mackenzie Basin has the potential to make properties such as Ohau Downs a viable operation. I have seen other areas of the country turned into successful dairy environments and believe that if irrigation is not permitted in the Mackenzie Basin then it will be a loss not only to the local community but to progress in the entire dairy industry in New Zealand.