Southland 'Growing for good' Workshop, 8 February 2005

Key Take-home Messages

This section lists the key take-home messages from the Southland workshop only.

The Importance of Farming to New Zealand's Wealth

- Need to identify risk at local/national/global levels.

Effects of Intensification on Natural Capital

- Farmers need good information about the impacts of their own management practices. Monitoring – good information about best practices. Need a good team to provide expertise. Need more resources/people on the ground – free advice. Seminars not enough (farmers can not be expected to have all that knowledge). QA systems to encourage people to access.

Understanding the Impact of Economic and Social Drivers

Drivers – Economic

- Increasing cost systems and declining market returns encourages/drives intensification.

Drivers – Social

- Governments have high impact on market indicators. Current government policies etc. Pressure groups and corporations also have a significant impact.

Incentives To Change

- Need financial reward for environment practices: push and pull influences
- Cost of compliance need to be cut or shared more equitably across the whole nation
- Takes money to make changes
- Penalties or incentives are the only way to get people to act (human nature)
- "Hard cash not warm fuzzies"
- Food safety and production just as important if not more important than environment health for marketability now and in the future.

Performance of Research on Delivering Needs

- Research and development funding
- Science and systems research needed with effective extension.

Understanding Redesign

- No key take-home messages.

Education Models for Farmers

- Key extension work – getting the message out, regular forums as well as on-farm exchange
- Identify and celebrate 'people' doing it well and sharing their systems – how they do it. What are the benefits?
- Farmers better education understanding e.g. overseas.

Team New Zealand

Education and Communication

- Not just a farmer issue. Urban sector needs to be informed e.g. pollution, where food comes from, impact of urban environment
- Increase consumer awareness, costs of producing that product they want. Need to accept the cost as a community
- Lack of understanding between urban/rural
- Education in schools and of the whole community about food production
- People need to understand and contribute.

Working Together

- No key take-home messages.

Question of Strategy

- Walk the talk – need Triple Bottom Line to sell products overseas. Clean green products. Let us provide the blue print for overseas countries – lead. Stipulate the price
- Plans, legislation vitally important.

Leadership

- Need real grass roots leadership
- Community leaders as sellers of sustainable management approaches and involved as the future planners.

Southland Small Group Discussion Notes

This section lists all points of discussion recorded from the Southland workshop small group discussions. The questions used to prompt the small group discussion are listed under each of the seven key themes.

The Importance of Farming to New Zealand's Wealth

The PCE talks about the risks of losing important overseas markets if issues like the environmental impact of farming become important to those markets.

1. How much risk do you think there really is? (high, medium, low)
2. What kinds of things do you think would make that risk higher?
3. How immediate do you think that risk is?
4. Do you think farmers and the farming industry have a good understanding of this risk and the impact it might have on their farm income?
5. What are some of the ways farmers and the farming industry can improve their understanding about the risk of losing important overseas markets?

How much risk do you think there really is? (high, medium, low).

- POV #1 Risk can be based on general misinformation/misunderstanding about farmers' (e.g. they are uncaring) activity /practices e.g. farmers in Australia mulesing (animal welfare). Horror spring – lambing in Southland. Gap: rural/urban – no interaction. Problem with misconceptions. Risk: some of it is based on misinformation and some is general
- POV #2 Most markets do not care about our 'image' – at the moment there is no risk

- POV #3 China, Middle East markets not concerned about environmental standards
- POV #4 Minimal if world on level playing field – trade barriers impact on New Zealand
- New Zealand has no power over any nation imposing conditions on us e.g. lamb tariffs. World Trade Organisation has a history of not always being effective and slow (as with the lamb tariffs scenario) – hence we are at risk potentially at any stage.

What kinds of things do you think would make that risk higher?

- New Zealand long way behind in erosion problems less evident (less population)
- Water quality
- Disease outbreak: bio-security
- Other industries e.g. tourism
- Animal welfare
- Cost of production: people affording
- Clean green produce?
- If consumers' 'perceptions' change at any point we are at risk
- At any point overseas markets could review our environmental management hence there is a level of risk at any stage
- Overseas markets not caring yet
- Investors from outside buying farms – only looking at profit. Not looking at long-term sustainability. This can create more risk
- There is a risk of moving from tariff and quota barriers to non-trade barriers.
- Risk of losing market: depends on affluence of markets and their alternatives. Have to aim for these markets. Not much money? – go for commodity prices
- Risk: depends on market we target. Difference between European and Asian markets (velvet)
- Have to protect market access
- Lifestyle block owners do not know how to look after stock/environment issues (risk)
- Problems with monoculture e.g. viticulture
- Green mile (distance of NZ from rest of the world) is a disadvantage already
- All external forces e.g. international market economy
- Tourism has the potential to take over farming as the most important use of our rural areas
- Bio-security risks – foot and mouth, mad cow etc. However fortunate due to distance from contaminants because of geographic location
- Changes in markets available internationally
- Pressures from corporates
- Demands can quickly come from pressure groups and markets change substantially as a result. If a wide group demands better environmental practices then markets have the potential to change very rapidly
- Changes to economics in the New Zealand farming system e.g. interest rates
- If worth money to corporations, they will require environment standards
- Developed world trying to open up world trade systems
- In future especially 'affluent mouths' will want our environmental image high
- NZ's 'clean green' image
- Overseas markets may shut us out
- Good for tourism but can be a handicap for producers
- What happens if overseas markets find out it's not true
- Food safety actually higher impact on marketability
- We should sell food safety not clean green
- Urban markets have high potential to impact

- Corporate controlled companies have too much power for environment standards to come into effect.

Do you think farmers and the farming industry have a good understanding of this risk and the impact it might have on their farm income?

- POV #1 Risks are still too distant in people's minds. Will not deal with till we have to
- POV #2 Farmers aware in 'academic sense' – does not immediately affect daily lives
- POV #3 All are aware. Not aware how really serious risk may be or implications. Not the right question to ask ('how aware are farmers of the risk'), question should be what is being done. Farmers depend on their experts and industry to act on indicators
- POV #4 Understanding of risk = different point of view
- POV #5 Generally farmers are aware of risk
- Industries like meat processors QA systems feed down (these are generally focused on food safety rather than environment though)
- Top 10% of farmers respond quickly to market indicators. Need to think of top 10% as more than just production (some farmers noted that when they think of the top 10% they think of farms with very high productivity and this is a mark of success, they suggest we need to think of the top 10% more holistically)
- Still promoting production as be all and end all. However farmers find they are becoming a villain for their success in production. Leads to frustration as they are successful but are then still not getting it right
- Improving farmers understanding about risk and overseas markets
- Effective use of media
- Pub talk is powerful! Can be rubbish. Not based on actual facts: this is a problem
- Producer boards/processors: have to set standards, educate farmers. But farmers are suspicious of this
- Some rules and regulations
- Tailoring interaction with farmers and other key stakeholders to be effective at all levels (e.g. talking to farmers about issues requires a different approach than talking to technocrats, other farmers talking is useful)
- Need to market from all levels that our environment is very important and not acting sustainably is a risk.

Moving Forward

- If we increase product quality may reduce risk
- NZ is a long way ahead though of a European market? Natural advantages – Europe is also a long way ahead – re: addressing issues
- New Zealand recognising problems earlier; this is good
- A price element needs to be attached to environment health. Internal tariffs for non-compliance (already penalties for low milk quality) - not new concept. Need to see an economic return. Awareness of benefits.

Effects of Intensification on Natural Capital

Research in New Zealand and overseas has demonstrated that intensification of farming can lead to pollution of surface and ground water. Some farmers have responded by building bridges, fencing off waterways, and riparian planting.

1. Is this enough to fix the problem? If no – what more needs to happen?
2. Can farms in New Zealand survive with less synthetic fertiliser?
3. How does a farmer know that his/her farm is sustainable?
4. What kinds of information does a farmer need to know that his/her farm is sustainable or unsustainable?
5. Is this information readily available to farmers at the moment? Is this enough?
6. How well do we understand the impact of nitrogen on our natural capital?
7. How well do we understand the impact of irrigation on our natural capital?

How does a farmer know that his/her farm is sustainable?

- Farmers do not understand what sustainable management is
- Do not understand own impact
- Monitoring: people do change (water data)
- Wash Pool creek catchment in Clydedale
- Need credible, independent indicators.

Is this Enough to Fix the Problem?

- Bridges, planting etc a good start. Easy stuff to do. Not enough its own
- Change in fundamental thinking is required e.g. drains were dug and this led to fast run off – today we are looking more to water harvesting
- Accumulated non-point impacts the main issue – must stop at the site e.g. technology improvements
- We will never do enough – there are always going to be shifting goal posts!

Nitrogen

- Nutrient budgeting etc timing etc
- New grasses?
- Nitrogen-free farming?
- Change in perception from wonder-product to potential problem
- Taxes on nitrogen.

Water

- Greed – water – ‘our water’ – reactions to ‘outsiders’ coming in, wanting water – increased pressure on demand insurance for future
- ‘First come, first served basis’ rather than sharing not the right approach
- Farmers saw potential capital gain if water became limited. Need to change our thinking – need to be dictated by value rather than price.

Other

- High quality soils not protected under RMA
- Dairying – decided on economies rather than natural capital – soil/water.

Moving Forward

- Need positive leads, MAR (RMA?) wrong in irrigation direction – dairying/irrigation didn't refer to climate mapping. Need more land classification by regional councils, say it won't happen in certain areas because the environment can't handle it rather than the market try it, do the damage and then walk away
- Need to change our thinking – need to be dictated by value rather than price
- Soil capital an asset rather than natural capital – to be conserved.

Are too many of our farming/food business models incompatible with long-term maintenance of our natural capital?

- Agree that we are mining the natural resource.

Understanding the Impact of Economic and Social Drivers

1. What are the key drivers behind the intensification of farming in New Zealand?
2. Do we have enough understanding of these drivers?
3. Are too many of our farming/food business models incompatible with long-term maintenance of our natural capital?
4. What are some of the ways these drivers can be addressed?
5. What will it take for farmers to become 'price makers', rather than 'price takers'?

What Are The Key Drivers Behind The Intensification Of Farming In New Zealand?

Economics

- When people have to make money the environment suffers
- Problem: drivers economic: this is a bottom line. Family farms are now more of a business than a way of life
- Economic risk underpins it all: need larger amounts of land to support a whole family
- Preoccupied with economic drivers – when making money farmers are still not necessarily interested in environment (focused on increasing productivity)
- Economic – keep making more profit. Higher returns – able to increase inputs. Farm incomes on a much higher level.
- Corporatisation of farming – need return of capital
- International – want 10-14% to get short-term investment, don't worry about long-term effects
- Greed – water – 'our water' – reactions to 'outsiders' coming in, wanting water – increased pressure on demand insurance for future
- Farm ownership is changing. The attitude between corporate and family farming is often different in their requirements for return on capital, intensification etc
- Farming our natural capital – the 'mining' is forced by markets and the long-term downward real dollar value of products
- Farming industry: price taker not a price maker (cannot afford compliance cost). Price maker: always difficult if produce is perishable: market will always set price. Possibility: create own market, add value to product.

Land Prices

- Urban sprawl – affecting productivity – losing prime productive land, using marginal land: higher risk
- High land prices usually incur high debt which in turn pressures intensification due to the economics.

Markets

- There are varying international standards for 'organic': what to pitch to?
- At mercy of retail gate
- We are either a commodity supplier or a niche supplier. Processors (e.g. meat companies) are directing where the market is e.g. lamb – maximum return
- New Zealand: 90% of food we produce is consumed overseas. In other countries, 90% consumed domestically – they have access to more diverse markets. Environmental ethos – may not be healthiest
- Overseas market demands. Driver for farmers. Largely accepted from industry best.

Costs of Production

- Big concern: compliance cost, ACC, HSNO. If this keep rising affects income – need to be considered carefully
- Government regulation – cost needs to be carried through – HSNO, ACC, OSH
- Inputs increasing in price.

Food Industry

- Overseas supermarkets – want biggest market share – want cheapest food – conflict with
- Supermarket – instant demands – cheap cost
    - health – obesity problems
    - customer is always right – no contamination, GE free
    - food may cost more to be healthy.

Social/Political

- Peer pressure – greed
- Youngsters in farming – competition – hard to get in – some avenues closed off to young farmers
- Historically farming a lifestyle choice, now retire at 40 – mine quick return.

Moving Forward – Economics

- Need a new road – have to produce good, affordable food – but farmers have to get a premium to be able to farm sustainably
- What needs to happen to make farmers focus on sustainability/than production? Dictate price rather than be dictated by price
- Change the mindset – how? As prices of products go higher they can afford to operate smaller units. People – role of people to improve what they have, particularly production – can go back to smaller farms if want to, due to improvements in productivity prices, increase in land values
- Premium for Integrated Pest Management fruit shows better environmental management can reward growers. However this reward can simply be access to a market and is often not increased product price.

Moving Forward: Markets

- If we can sell produce in local market – we can be a price setter
- Stop overseas purchases/international competition
- Need to show that changing to environmental friendly practices can lift profits – need those stories
- Need consumers to pick our products – dictate our prices.

Moving Forward: Other

- Cost of tourism – use income from tourists to protect environment
- Triple bottom line – still need to sell to the funders – SFF
- Keep standards and integrity. 'Organic' GE free

- Need to put environmental costs on the farm budget and stop externalising
- There is a perceived limit to the ‘organic’ food market. A price limit and a volume limit.

Constraints to Moving Forward

- Organisations say ‘you have to do this’ but do not contribute to cost. That farmers giving up something for the rest of society is unfair.

Performance of Research on Delivering Needs

"Soil is one area where there are a number of issues which require better understanding if soils are to continue to have the capacity to support farming" *Growing for Good* pg 184.

No SLURI (Soil and Land Use Research Initiative) representative was present at the Southland workshop

General Comments

- Need research done in own catchments so we can have good information. Need information about how it affects an individual: will get a response
- Understanding nitrification – better connections what science and other agencies – need funding
- Group wanted much increased research, and favoured internal industry driven product development and auditing
- Farmers lack independent advice: need research related to on-farm – water, soils
- Water monitoring – critical – a trigger
- Science: needs translation
- Flagship farmers – scientists
- Independence of commercial motives (no central point)
- Government funding policy – difficult
- Foundation research needed
- More science R&D at systems scale. More technology transfer
- Need more science capacity.

Understanding Redesign

1. How necessary do you think it is to redesign New Zealand farms?
2. Do some farm types need to be redesigned more than others?
3. What kinds of things make it difficult to redesign a farming system?
4. What kinds of information or assistance would help farmers redesign their farms?
5. Is it necessary for the whole system (refer to diagram below) to be redesigned to achieve sustainable agriculture in New Zealand?
6. What changes are essential to achieve sustainable agriculture?

General Comments

- Future of New Zealand may not be in livestock farming, different lands of protein/crops.

Do we need to re-design farming?

- Redesign may not be necessary if we get other stuff right.

Whole System Redesign

- Beyond farm gate – paddock to plate
- Need to put environmental costs on the farm budget and stop externalising
- Total package – linkages vital.

Enabling Redesign: Big Picture

- Need systems to fit with land capabilities
- Topo-climate mapping only accessible in last year

- There are dangers in using overseas models
- Best practice in action
- Economic incentives
- Care for land to protect capital value
- Refocus – production focused, broaden to include sustainability: short-term to long-term
- Key – informed choice
- Premiums for products
- Industry processors – encourage redesign
- Internalising external cost
- Education and regulation as well as economic incentives needed. Other ways needed
- Nation to pay for financial burden spread e.g. access biodiversity
- Regional Councils should be responsible for land use relating to farming rather than district councils
- Consultation – as plans are written plain language needed
- Farming community do not react well to rules and regulation
- Oil-based production system – need to switch natural and internal based inputs – switch to hydrogen-based car. Don't want to be reliant on oil
- Sustainable technologies.

Constraints to Redesign

- Barrier: paperwork to demonstrate for auditing trail.

Ideas for Redesign

- Size of sheep changing very large – cyclic recognition of big enough
- Look at size of animal for right soils
- Select cows for smaller bladders
- Tile issues – how you manage the land above look for alternatives. Faecal coliforms.
- Different management systems – strip grazing – where did you learn it – the techniques
- Seasonal pressure – winter grazing
- Understand the soil: fundamentally – integrated policy think out – as land use changes
- Measurement ongoing
- Precision agriculture/horticulture.

Education Models for Farmers: Are They Leading To Change?

1. What kinds of farmer extension/education programmes are happening in your area?
2. What is the main purpose of these programmes? (e.g. increasing production, addressing sustainability issues, animal health)
3. What kinds of things are farmers changing as a result of these programmes?
4. What kinds of learning opportunities would help farmers to redesign their farms? (e.g. Monitor farms? Field days? Web sites?)
5. What kinds of things encourage farmers to adopt new ideas about sustainable farming practices that will not necessarily increase their income or save them money?

Types Of Extension Models

- Environmental awards
- Adopt a stream/schools
- Landcare groups

- Increased media exposure to environmental concerns
- Field days
- Prosecutions helpful to raise profile
- Regional Council education & RMA
- Industry initiatives
- Farm advisors
- Award schemes – very important
- Landcare groups important.

Main Purpose of Programmes
- Generally still production focused, with 'add-on' environmental 'concern'.

What kinds of things are farmers changing as a result of these programmes?
- 'Changing the easy things', stream fencing, changes still tend to be economically driven.

What Is Not Working With Current Extension Models?
- Agriculture science (have to make money) – can't get graduates
- Field days & hands-on was considered the best, but feeling that preaching to the converted. Resultant peer pressure necessary to encourage greater change.
- Education not considered 'game breaker', need to demonstrate alternative, ok to highlight 'environmental issues' but until financial imperatives are balanced farmers have little option, 'how can I be green in the red?'

Enabling Change
- When farmers have good information, they change behaviour
- Thinking about impact on community
- Own performance as a farm manager
- Peer pressure
- People do want to do the right thing
- Sharing information
- Showcase best practices. Social/environment/financial/mediation
- Whole catchment (region) approach
- A relatively 'good' income for farmers in the last few years. Encourages better ways to make money.
- Farming families are looking for 'sustainability' and lifestyle and economics. Non-economic quality of life factors important to New Zealanders. Need to pick the winners.
- Better education in schools about the environment e.g. environment schools network.

Motivating Farmers
- Feeling that changes still need to be demonstrably financially beneficial and/or labour saving (fencing streams so you don't have to pull cows out)
- Monitor farms.

Barriers to Change
- Requires a whole change in values, which is difficult in a farming culture that has so dramatically changed away from a lifestyle choice to an intensive 'cut-throat' agri-business.

Moving Forward: Making the Transition from the Production to the Sustainability Era

General Comments

- Farming is more sustainable than other industries
- Recognised that this transition is important, and no option but to change, fossil fuel-based, running out of time, need to move away from commodity products. Depends on whether truly sustainable, how can we when so reliant on fossil fuels, not just to produce but to export our products?
- It is possible to be much less 'unsustainable', but very difficult
- Farmers consider 'sustainable' = balancing the nutrient lost through exporting produce from farm by replacing with adequate fertiliser
- We were closer to sustainability now than we were ten years ago because farmers had a better idea of how much fertiliser they were using
- Try to get sustainability over the total spectrum from farm to market: somewhat unrealistic"
- All of New Zealand benefits from our landowners' land stewardship as it contributes to our image – important for tourism and our way of life. Farming needs to be sustained for the 'national good'. However, still requires greater recognition within the industry that it is currently becoming less sustainable and this poses such a significant risk to its continued financial sustainability.

Are we being strategic enough in our development of our farming systems – pulling together as 'Team NZ'?

- Government not being consistent in policies (e.g. sustainability vs. production)
- No, certainly not toward sustainability, only drive has been toward production
- Not enough science.

Questions of Strategy

- Is there a fundamental issue of private property rights? Ownerships vs. production rights? Is the land truly private and is the culture of private ownership at odds with perception of what is acceptable within land stewardship?
- Does society have to offset natural capital costs?

Is there enough understanding of growing urban/rural tensions, re environmental expectations, in our politically urban dominated society?

- No. Requirement to educate urbanites as to significance of over intensity of our farming
- Urban/rural gap creates expectations around the environment without 'paying' for the consequences or limitations put on the farming sector.

Who should be involved in leading the move to a sustainability era?

- Industry organisations need to provide leadership
- Leading farmers should be 'glue'
- Building on existing systems: no new bureaucracies.

Urban Population

- Perception of farmers turning into 'peasants': keep cost of food down. Consumers need to realise they play a part. They go for cheaper brands, this demand is related to economy and discretionary spending
- Rural/urban tensions getting worse. Social change – rural population decreasing. Media exacerbates tensions
- Rural heritage days but don't lose sight of bad things too
- Many urban people and government officials don't understand food production or rural culture or its importance. Some areas e.g. Southland are still 'rural'. Bigger gap in other areas. Create

expectations around the environment without 'paying' for the consequences or limitations put on the farming sector.

Comments from Southland Evaluation Sheets

This section lists regional-specific comments gathered through workshop evaluation sheets.

Positive

- Raises really good issues
- A very good initiative that hopefully will improve awareness and compliance of environmental issues. An essential process that I believe will have good buy in from farming circles
- I think this is a good report. I hope the wider community get a chance to discuss it or be informed
- Well done and I look forward to future dialogue
- Well-organised, well run, productive and interesting. I just hope it has some effect in due course
- Congratulations for the conceptual sophistication and the courage
- It needs to be read throughout NZ and to be adopted to lift the game
- An excellent report
- I feel very positive that you have produced this to raise these issues with the various stakeholders involved i.e. all NZers
- As a fisherman I see the degradation. There has to be change if we are to live up to our image. This report paints the way
- The transition is already happening. This report will hasten the debate and change.

Comment on Workshop Process

- Video camera should be explained to participants of the workshop – is it for internal PCE use or is there going to be footage on TV
- Liked the opportunity for small group discussion
- Very good event. Rare to get such a mix of people together
- Encouraging discussion between groups on all levels
- Got people in the same room talking about issues
- Exposed me to a range of views
- Stimulated discussion and awareness of the huge gaps
- The snails pace got me into a sweat.

Challenges

- A very accurate assessment of NZ's situation. The necessary action will not happen if left to farming sector. Suitability of particular land for particular use is an essential prerequisite.
- Raises pertinent issues and the idea of redesign of farming systems is exciting but I wonder if the will is there. Whole catchment management and getting people thinking beyond their boundary of working together is the challenge
- As I have indicated above I feel the *Growing for Good* report is very important but not absolutely critical. The gap between rural and urban thinking and understanding is one of our biggest problems. The answer is difficult. Thank you for the opportunity.

Moving Forward

- Farmers need to 1) want to change 2) see a reward for changing. Would be nice to see govt policy supporting farming rather than picking on it and making our job harder which goes against sustainability
- Critical that independence is maintained – interest groups have a multitude of agendas

- This is an excellent report and should be promoted more broadly. I feel that this report and its contents have not 'got out' to the general ordinary farmer. It is easy reading and easily understood and should be more broadly and vigorously promoted
- Have to make environmental sustainability economically and socially desirable
- This sustainability issue is national and all New Zealanders are involved. Education will enhance a better understanding. Economics is the driver, central government will have to accept and fund land to be retired from the economic pressure to produce if progress is to be made
- Need on going discussion about issues raised today to seek viable solutions
- Needs to be TV programme. See Juliet Monaghan.

Feedback

- Has had a high 'exposure' to communities. Where is consideration by government? - if it has happened it is not obvious
- Would like to see more farmers at these presentations. Excellent. Well overdue
- Does not discuss consumption of organic material with N fertilisers.