

Brief Of Evidence of Ivan Graham Walter Lines

I, **Ivan Graham Walter Lines**, Farm Consultant, of Invercargill, state:

1. I am a Farm Management Consultant, and have been so since 1986. I currently consult to some 85 dairy properties in Southland and West Otago.
2. Further, I am a director and shareholder of Agribusiness Consultants Ltd which is Southlands largest Farm Consultancy firm.
3. I have an Honours Degree in Agricultural Science from Lincoln University with a specialization in Farm Management.
4. I hold registration with the New Zealand Institute Of Primary Industry Management and have a current practicing certificate. I am a past president of that organization and have sat on its executive for eight years as well as various disciplinary panels and other responsibilities.
5. I am often involved in arbitrations as either an expert witness or arbitrator. I am aware of my obligations as an expert witness and the code of conduct.
6. I am a trustee and company director of many farm businesses and am a shareholder in three dairy properties and one drystock property.
7. I have worked for the DeWolde family for some 24 years now and have consulted to each of the businesses involved in this hearing since their inception. As such I have a high level of working knowledge of each of these businesses.
8. In my opinion the DeWolde's have an exceptional farming operation. They are very early adopters of technology and farm and environmental management practices. They are highly valued leaders in the farming and wider communities. They have also won several awards for their farming and environmental stewardship including the Lincoln University Farmers of the Year and the Southland Ballance Farm Environment Awards overall Southland winner.
9. Although the Applicants Woldwide One Ltd, Woldwide Two Ltd, Woldwide Four Ltd, Woldwide Five Ltd and Woldwide Runoff Ltd might share similar names and similar shareholdings it is quite erroneous to suggest they are one operation or even linked operations from a farm management or even financial management point of view.
10. Each company has from their inception been treated as a standalone business. They have their own farm management plans, their own staff, their own financial management including their own bank accounts and their own reporting.

11. I regularly visit each of these businesses separately and develop management plans with each of the management teams separately. No one business is treated the same as another.
12. Each business trades separately and if there are any transactions between them they are done so on a fully arms length and commercial basis no different than if the transaction was done between two neighbours or any other commercial business. I am often the independent party used to set the value of a commercial transaction.
13. Such ownership and management structures are not uncommon for large farm businesses or indeed in business in general. Most of the large farm businesses I deal with would be structured in a similar way. Indeed, my own consultancy business is actually two separate autonomous businesses. Another example would be large transport businesses generally run completely autonomous business units.
14. The benefits of such business structures are wide ranging but include better management control, better financial control, management accountability, minimising the possibility of diseconomies of size and encouraging innovation and greater buy in from each of team members.
15. In 2016 and 2017 I helped the DeWolde's renew and develop a business plan for each of the businesses going forward.
16. At the heart of this plan was the environmental footprint and in particular the wintering practices of each businesses.
17. At that time 66% of the adult cattle and 100% of the young stock were wintered outside on brassica or fodder beet crops.
18. The plan identified that this was not acceptable to the DeWolde's in terms of their N loss to water and their wider environmental footprint.
19. The plan developed a strategy to increase the number of adult stock being wintered indoors (freestall barns) from 44% to 86% over a four year timeframe.
20. The plan included the extending of two existing freestall barns and the building of two new freestall barns at an estimated cost of \$4.6 million.
21. The end goal was to have all adult cows indoors leaving only a smaller number of first calving younger cows outdoors on crop. Winter crop areas were reduced from a current excess of 100 hectares to 35 hectares. This cropped land would move from winter crop to pasture production with significant reduction in N, P

and sediment loss to water. The exact improvements have been presented by other expert witnesses.

22. The alternative to the proposed plan was no environmental improvement or at least significantly reduced potential gains for environmental improvements.
23. To achieve this, significant capital investment was required and a significant change to the overall farm management to each of the businesses. We sought and gained buy in from each of the business team members and gained support and funding from the financiers of the businesses.
24. To economically justify this investment and use the additional feed produced, my modelling showed that a relatively small increase in cow numbers was required. Even with this increase in numbers the overseer modeling showed reductions in N loss to water.
25. Further environmental benefits of this plan were identified and included:
 - a. Less pasture damage through wet weather not only in winter
 - b. Less soil structure damage through less cultivation and pugging
 - c. The ability to return nutrients to the soil at times of the year when they were most needed by growing plants
 - d. The ability to return nutrients to the area in which they were removed
 - e. Significantly reduced artificial fertilizer requirements
 - f. Less wear and tear on machinery
 - g. Happier animals and happier staff.
26. In my opinion there is no doubt that environmental outcomes would be improved by the implementation of this business plan and the granting of this consent. There has been and will be a high financial cost, possibly higher than the financial benefit, but the DeWolde's need to be commended for their desire to improve the environment.
27. I am happy to answer any questions the commissioners might have regarding this submission or any other matter relating to the Applicants business or the wider farm management matters or practices in the Southland region.

Signed: _____

Ivan Lines

Registered Farm Management Consultant

2nd October 2019.