

**BEFORE THE HEARING PANEL OF SOUTHLAND REGIONAL COUNCIL**

**In the matter** of sections 88 to 115 of the Resource Management Act 1991

**And**

**In the matter** Applications for resource consents by:

**WOLDWIDE ONE LIMITED, WOLDWIDE TWO LIMITED,**  
Applicants

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**BRIEF OF EVIDENCE OF JANITA DE WOLDE**

**16 September 2019**

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## INTRODUCTION

- 1 My full name is Janita Julia de Wolde. I am authorised by both Woldwide One Ltd (W1) and Woldwide Two Ltd (W2), to provide this evidence on behalf of these companies, the joint applicants for land use consents, discharge permits and water permits. This brief has been prepared together with my husband, Albert (Abe) de Wolde, who is a fellow director, and shareholder, as this brief covers issues in which we are jointly involved as a team. He agrees with the contents of this brief and will also be available at the hearing to provide answers and clarification, along with me.
- 2 W1 and W2 are companies that operate two dairy platforms with corresponding names. They do this under existing consents and in reliance on the permitted activity for land use set out in Rule 20 of the Water and Land Regional Plan ("WLRP"), because they are dairy platforms that were in existence before the notification of the WLRP. As long as they do not intensify, they can continue as per their "baseline". Ms Vanessa Legg's evidence sets out in more detail what consents they hold and what that entails (the "Status Quo").
- 3 They will be economically viable if they continue to operate under the Status Quo, but we have identified we can improve environmental, social and economical outcomes with the changes we applied for. Also, we feel it is part of future- proofing these two applicants in line with the WLRP
- 4 Both these companies were set up by my husband Abe and me. We are the directors of both and equal shareholders of both. We set them up to ensure that they can run as self-sustaining businesses independently, while implementing our vision for a more sustainable efficient way of dairy farming. The key is that each needs to be profitable its own right, while maximising the opportunities for reducing environmental impact.
- 5 A cornerstone of the philosophy behind these companies is to find balance and equilibrium between animals, people and the environment. We believe that long term viability profitability and sustainability will be enhanced when these three factors align. That effectively means a very significant drop in nutrient loss per kilo of milk solids produced, as well as an overall reduction in nutrient losses from the dairying activities of the companies.
- 6 The ultimate goal is to have independent companies running efficient dairying operations that are far better at producing economic gains with minimal adverse effects on the environment. It is an approach that will see dairy farming with sustainable profitability and lower adverse effects on the environment well after we have ceased to have any involvement in these companies. We have been inspired by the Dutch dairy industry; pairing nutrient loss reductions with increased productivity over a sustained period. Pivotal to that is the paradigm shift of viewing slurry and effluent as a nutrient; a crop requirement, rather than a waste product. It is in effect a very effective form of recycling; replacing artificial fertiliser with what could

otherwise be viewed as waste product. In fact, it does more than the artificial product, as it also restores biomass, which artificial fertiliser does not do.

- 7 Because my husband and I currently do have director roles with both applicants we are able to co-ordinate efforts to increase productivity and reduce adverse effects so that the overall most efficient and effective use of the various properties involved can result. It enables us to look at the “big picture” by enabling separate business units to co-operate to maximise overall reductions losses rather than lose opportunities for improvement due to being focused on only one business.
- 8 We have found that it is possible to reduce the overall environmental effects of these two units, while still maintaining their profitability, by increasing efficiencies and production, which will result in extra funds being available to implement significant environmental upgrades. The key is that even though cow numbers and farmed areas will increase slightly, the increased productivity will provide an economic justification for the costs involved with obtaining an overall reduction in environmental effects when compared with the Status Quo. These improvements are not available under the Status Quo, because there is no economic justification to provide them.
- 9 The most significant of these improvements is the abandonment of 55 ha of IWG in a catchment that is under some water quality pressure. That is however not the only advance. It will enable these companies to improve environmental performance all round, which I trust will become obvious from the evidence that will be presented.
- 10 If the applications are not granted, those opportunities for improvements will be lost and the two companies will be forced to continue with the Status Quo, with all that that entails. As Ms Legg’s evidence will show, that will be less efficient and worse for the environment. I will provide some further explanations and clarifications of the Status Quo below, which will show that the s42A officer has misunderstood it and why that is so.
- 11 I also provide some more detailed comments on a few issues.

## **WOLDWIDE ONE**

- 12 As indicated in my introduction, Woldwide One Ltd is a company that owns and operates a dairy platform known as Woldwide One. Although Abe and I are both shareholders and directors of this company, it is a business in its own right, that has to be profitable in its own right. The company was incorporated in 2009
- 13 In 1991 Woldwide Farm Ltd purchased 241 ha from Spittle and converted this block to dairy. In 1999 additional land north of it was purchase from Wilson’s (110 ha) and 26 ha was leased

from Dykes. These blocks were also converted. All 950 cows were milked through the original rotary shed

- 14 In 2001 a second Rotary shed was built and the farm was divided in two milking platforms.
- 15 In 2009 when a major re-structure took place as outlined in attachment and the two platform boundaries were kept and Woldwide One purchased the original 240ha and leased approx. 82ha to Woldwide Two Ltd
- 16 Woldwide One is run by Contract Milkers Jooste Limited who own vehicles, employs own staff and set own management goals in consultation with company directors. They pay part of the farm cost and share in the milk income.

## **WOLDWIDE TWO**

- 17 As with Woldwide One, Woldwide Two Ltd is a company that owns and operates a dairy platform known as Woldwide One. Likewise, although Abe and I are both shareholders and directors of this company, it is also a business in its own right, that has to be profitable in its own right. The company was incorporated in 2009
- 18 The history is as described in 13-15 and Woldwide Two purchased the 110ha original Wilson land and entered a long term lease agreement with Woldwide One Ltd and Dykes
- 19 In 2014 Woldwide Two Ltd also leased another block across State Highway 96 from Woldwide Farm Ltd and increased the size of the dairy platform
- 20 From 2001 till 2019 Woldwide Two was run by contract milkers but since 1 June 2019 the day-to-day management is run by a 4 people team with Deepinder Singh as Farm manager who is in charge of all aspects of management of the dairy unit. This include staff management and financial management, all aspects of animal husbandry and the likes.

## **OTHER WOLDWIDE COMPANIES**

- 21 I **attach** further tables and documents that provide an overview of the various companies in which Abe and I are involved. There are three more separate dairy farming companies called Woldwide Three Ltd, Woldwide Four Ltd and Woldwide Five Ltd. These are all fully independent Limited Companies, with their own set of accounts and independent business arrangements. They do have arrangements with Woldwide runoff for grazing of young stock and cull cows, and it has arrangements with Woldwide Farm for contracting, logistics, feed supply and advisory services. All these arrangements are run on a strictly commercial basis and all dairy farms are free to pursue a better deal with a third party. Woldwide Three Ltd is still fully consented until 2026 and no intensification or other changes are proposed, so no new consent is sought. Woldwide Four and Woldwide Five also have consent applications pending.

- 22 Woldwide Runoff is a commercial grazing business, grazing young stock in return for a weekly grazing fee. Animals are accepted there and sent back to the dairy farms after two years under strict, commercial standards. It also has forestry interests for the log market and for Carbon Credits and it operates a rock quarry.
- 23 Woldwide Farm Ltd derives most of its income only indirectly from agriculture. It does own the Horner block and various other parcels of land where it grows grass and winter crops and sells that to dairy farmers. It has arrangements with Woldwide One, Two and Three Ltd, where it removes the slurry from the storage facilities adjacent to the free stall barns and applies it to its own land in exchange for the value of the nutrients. The effluent from the milking sheds is not concentrated enough to be economically transported and is left outside this arrangement. Woldwide Farm's non- direct farming income includes contracting (pasture renewal, slurry cartage, arable, mowing, lane and farm maintenance, on- farm cartage), logistics (concentrates from Bluff, baleage, hay, straw, grain), it trades feedstuffs and farm supplies (grain and other feed stuffs), and it provides advisory, accounting and educational services.

#### **CORRECTION OF STATUS QUO FOR WOLDWIDE TWO**

- 24 I want to provide some corrections and clarifications about the Status Quo for Woldwide Two, because having read the s42A report, I think the officer has misunderstood a few things. We have to take responsibility for some of that, because I realise now that some of the details provided with the initial application were not quite right. We apologise for those errors.
- 25 In relation to Woldwide Two, the officer assumes that we are currently relying on a new consent we got in 2017 for Woldwide Two. I have to acknowledge that the initial AEE provided with the current applications did refer to that consent. However, that is not correct. A key reason why these two applicants have made the fresh applications that you are considering now, is because there were real mistakes with how the 2017 Woldwide Two consent was processed. These mean that it is not possible for Woldwide Two to rely on that new consent and comply with all its conditions, alongside the existing Woldwide One consents.
- 26 The 2017 consents all have to be exercised together, but the discharge permit cannot be relied on until the existing 2011 discharge permit is surrendered. That has not happened yet. That is intentional, because it is not practical to comply with the 2017 suite of consents, because of the serious processing mistakes made. As part of that suite of consents there was also a change to the W3 discharge permit, to which we have not given effect either, as it hangs together with all the other 2017 consents. I would be happy to have the entire 2017 suite surrendered now. The only reason that has not happened is because we have legal advice that we can also choose not to rely on them and if we do not rely on them by 2022 they will lapse anyway.

- 27 I want to be clear that until and unless the new consents are granted, the activities on Woldwide One and Woldwide Two will carry on in full compliance with the “old” consents and permitted activity requirements. Nothing will happen that needs the 2017 consents to be lawful, but at the same time nothing that happens in that case will result in the massive gains in efficiency and environmental management that will happen if the new consents are granted.

## **UNDERPINNING PHILOSOPHY**

- 28 We (Abe and I) started farming in the Netherlands in 1985 on Abe’s family farm. The location of the farm was not ideal- an urban zone- and there were no growth prospects, so we decided to emigrate to New Zealand 1991. We chose New Zealand for its pasture-based farming systems. Our desire- even then, crossing the world with our young family- was to blend farming systems from around the globe into an optimal, sustainable mix. We purchased our first farm (Now Woldwide One) 1992 and performed one of the first dairy conversions in the area.
- 29 This sustainability model has enabled us to expand our holdings over the last 27 years, enabling us to add several more companies that are operated accordance with our ethic. Central to this in our opinion, is finding a balance between economic, environmental and social sustainability, while ensuring sound animal welfare standards- old fashioned farming concepts of stewardship- or kaitiakitanga- that have sustained farming systems for hundreds of years in other parts of the world.
- 30 Environmental Sustainability has always been a key driver how our companies are run. This is demonstrated by the following initiatives of companies we own or by us as directors:
- 30.1 1994 Purchase of a runoff block at Merrivale (Woldwide Runoff) to take pressure off the dairy farms in a sensitive Nitrogen area (among the first doing that)
  - 30.2 1995 Commence planting pine forest on the hills at Merrivale (over 100 ha planted)
  - 30.3 1996 60 ha Beech forest placed under a Sustainable Management Plan
  - 30.4 2005 First free stall barn in Southland built (On Woldwide Two)
  - 30.5 2005 Import of a Joskin manure spreader (first one New Zealand) with flotation tyres and a steering tandem to minimise soil compaction
  - 30.6 2006 Abe studied the effects- and wrote a dissertation on- the impacts of wintering indoors versus Intensive winter grazing (for a Lincoln Professional Master’s Degree)
  - 30.7 2007 Winners of the Lincoln University Foundation Farmer of the Year Award for innovation
  - 30.8 2008 Purchase of a central block (Horner) for feed harvesting and nutrient exchange

- 30.9 2008 Designed and built a scraper system to reduce water use in the new milking shed at W4
- 30.10 2007 and 2010 Built two more Free stall barns (Woldwide Two and -Three)
- 30.11 2007 Abe was part of the initiating board of the Southland Demonstration Farm (currently Southern Dairy Hub), providing a platform for dissemination of information and farming knowledge to the local farming community and also accepted a role in the Southern Dairy Development Trust
- 30.12 2008 Covenanted the Donut- a combined project with Heddon Bush School, preserving a stand of Totara trees and providing educational opportunities for the school children
- 30.13 2010 Abe accepted the role of Board Chair for the Southland Demonstration Farm
- 30.14 2012 Import of a manure spreader with a trailing shoe machine, minimising Nitrogen volatilisation and odour
- 30.15 2013 Abe and Anita Southland Supreme Winners of the Balance Farm Environment Awards.
- 30.16 2014 installation of solar technology on WoldWide Three
- 30.17 2015 investment by all W group companies in GPS technology on their tractors to provide manure proof of placement
- 30.18 2016 Invested in new machinery to enable the feeding of fresh grass to housed cows late autumn to minimise Nitrogen loss and silage leachate risk autumn silage
- 30.19 2016 Decision to work towards wintering young stock away from nutrient-loaded areas and ultimately housing all our cows indoors.
- 30.20 2017 Securing of a lease block at Orawia that would enable the wintering of young stock outside the Heddon Bush area (after a positive scoping visit with ES consent staff)
- 30.21 The current applications are part of attempts to obtain the resource consents required to enable the cessation of IWG of our adult cattle and to winter our young stock outside the (high N) Heddon Bush area.

31 These initiatives were not the result of rule changes, nor were they necessarily the best way to improve profitability. Rather, they were driven by the desire to use innovation to find ways of enabling improved environmental stewardship by increased production efficiency and better technology. There would have been far simpler perfectly lawful, but less environmentally



sustainable ways of making more money with the assets owned by the various companies involved.

- 32 I provide below the Mission Statement of the Woldwide Group of Companies- demonstrating key pillars that underpin the approach of both W1 and W2, as well as the other companies of which Abe and I are directors.



#### ENVIRONMENTAL PRINCIPLES ALREADY UNDERPINNING MANAGEMENT OF W1 AND W2

- 33 As proof of W1&2's track record of using innovation to improve efficiency that in turn enables improved environmental stewardship and better environmental outcomes while maintaining economic viability, I have set out the principles that these two companies already apply.
- 34 High energy starch feed is fed to the cows in order to balance their diets.
- 35 This feed enables full utilisation of the protein in the grass, which assists to increase Nitrogen efficiency and reduce Methane emissions. Through meticulous manure management, we are also able to then re-use the nutrients from the feed to grow more grass while reducing fertiliser use and sequestering Carbon by:
- 35.1 Only applying nutrients when grass or crops are actively growing;
  - 35.2 no manure application after mid- March;
  - 35.3 using a trailing shoe machine to minimise Nitrogen volatilisation;

- 35.4 using a GPS proof of placement technique to avoid overlap;
- 35.5 avoiding soil compaction; and
- 35.6 placing manure where silage has been cut (also avoiding soil Carbon loss).
- 36 In order to protect soils, pugging in autumn and spring are avoided by putting animals inside during wet conditions as often as possible.
- 37 Although this approach is of itself satisfactory, current goals are to further increase our feed efficiency by 20%. The aim is to convert 10 kg of dry matter into 1 kg of milk solids, rather than the widely accepted 12. (improving nutrient efficiency per food unit)
- 38 The farming system that has been developed on Woldwide One and Two could provide a useful blueprint for other dairy farming operations in areas with heavy soils. This system could allow those within the industry to retain income and economic activity while sustaining the potential of natural and physical resources. These two farms have been farmed like this for over ten years now and have hosted numerous study groups, focus days, open days and the like.
- 39 I think that the evidence of Mr Scandrett about water quality show that there have already been significant improvements due to W1&2's efforts.

#### **NON-COMPLIANCES AND REPORTING**

- 40 The Council officer's report contains a list of issues she has identified. We have to accept that there have been some minor oversights in the past three or so years. These have been caused by two main issues:
- 40.1 The history behind the processing of the initial applications for these properties and the way the current applications have been processed has made a lot of this a bit of a moving feast, where things had to be changed and adapted;
- 40.2 Abe and I no longer run these properties, which have become their own separate business units, so we no longer have the oversight and involvement we might have had originally when we were more directly involved. We have lost sight of some of the details.
- 41 Although I am relieved that none of these issues have led to any environmental harm, we both accept that these oversights fell well short of the high standard that goes with the ethic I have just outlined. As a result, we have decided to ensure that both companies have an annual audit of their environmental compliance by a person suitably qualified in environmental compliance. That person will provide a report on the outcome of the audit, which will be provided to Environment Southland at the end of each season. Ms Legg's evidence has set out a condition that the applicants are proposing in order to ensure this is met. This will

introduce a discipline that will ensure that independently of our involvement, both companies will have to remain fully on top of all compliance and reporting requirements.

#### **WHAT WILL HAPPEN IF W1&2 DO NOT RECEIVE THE CONSENTS SOUGHT**

- 42 If W1&2 would be unable to receive the consents they seek, they would only be consented to winter 400 and 600 cows inside on Woldwide One and Woldwide Two respectively. W1&2 are consented to peak milk 1340 cows (say winter1400 allowing for 5% losses over spring), so 400 MA cows and or R2 heifers would still need to be wintered on Fodder Beet (they would have to maximise our stock numbers to recoup our losses, seeking these consents and adding to our infrastructure). Also, W1&2 would have to exit the lease of the Merriburn block because we would not have the stock numbers to utilise the extra feed. As a result, the R1's would have to be trucked to Heddon Bush again (back to the Future!). The slurry of W2 could not be exported to the Horner block and would have to be spread on the dairy farms, causing Carbon- and fertility loss on the Horner block and potential overloading of Nutrients on the dairy farms.

#### **KEY ENVIRONMENTAL AND OTHER GAINS THAT WILL NOT BE REALISED IF THE CONSENTS ARE DECLINED**

- 43 There are a number of key positive outcomes that W1&2 pursue by this proposal:- and that will not be able to be realised if the consent would be declined:

#### **ECONOMICAL**

- 44 W1&2 would be farming 160 fewer cows; lowering production by 92800 kg MS (580 kg MS/cow).
- 45 The 250 cows that will be wintered outside will not produce as much compared to being inside (shorter lactation season costing 60 kg MS per cow). Another 15000 kg MS gone total loss of production 117800 kg MS, \$765.700 turnover and \$235.600 profit (worked on \$6.50 milk price and \$2 margin).
- 46 W1&2 would spend money on Fodder beet crops (plastic bales, chemicals, contractors) while our newly extended free stall barns and silage bunkers would stand under- utilised
- 47 Crop wintering is very costly on tractors and machinery increasing maintenance costs and decreasing life span
- 48 The Fletts would have to find someone else to lease their block at Orawia

#### **ENVIRONMENTAL**

- 49 If these consents are not granted only 1000 (instead of 1250) of the 1400 cows can be legally wintered inside and 400 cows will still rely on FBIWG.

- 50 One of the significant key motivations behind the move away from the Fodder beet Intensive Winter Grazing system (the **FBIWG System**) is the damaging impact it has on the environment.
- 51 The FBWIG System causes the soil to compact. Soil compaction leads to increased overland flow, increased Phosphate loss, and an increase of e- Coli contamination in waterways. It has also been established that groundwater and waterways become vulnerable to contamination during winter leaches. This contamination arises when Nitrogen is deposited below the 'root zone' before a new crop can be established.
- 52 Additionally, the volume of chemicals required to harbour and develop a good Fodder Beet Crop is astronomical. In order to grow 60ha of Fodder Beet Crop an average of \$47000 was spent on chemicals. The impacts that this volume of chemical use can have on one's health is worrying. These health worries are becoming increasingly topical due to the high level of cancer rates that are recorded in rural areas and among our rural peers.
- 53 Other environmentally damaging outcomes that that the practice of the FBWIG system are as follows:
- 53.1 The ultra- fine seed bed required for successful fodder beet cultivation is very prone to erosion and soil loss before the crop is established.
  - 53.2 Baleage is required for a balanced diet, and it takes 80 metres of plastic to wrap one bale (W1&2 use 3600 bales annually on their Fodder Beet crops; 288 km plastic).
  - 53.3 Extra carbon is released to the atmosphere due to ploughing and cultivation
  - 53.4 Nitrous Oxide is released to the atmosphere due to anaerobic mud
  - 53.5 Cows wintered outside requiring 60 % more feed to maintain body temperature- requiring more land for the same stock numbers and wasting energy and nutrients.
  - 53.6 Cows wintered on Fodder Beet struggle to reach their full production potential, reducing feed efficiency throughout lactation.
- 54 The reduction in cow numbers would make the lease of he Merriburn block unviable. The young stock would end up grazing on the Pines block and on other parts of the Woldwide One and Woldwide Two milking platforms again- contributing to increased nutrient loss in this sensitive area and increased truck movements carting stock to Heddon bush and back.
- 55 Also, there is no guarantee that the Merriburn block will be run under the same environmentally sustainable practices once W1&2 exit the lease and another lessor is found

## **SOCIAL**

- 56 At least one less person would be employed by the combined farms (potentially fewer kids at Heddon Bush school)
- 57 The affected farm employees would face muddy hardship for 70 days of the year vs being dry and comfortable inside a free stall barn
- 58 The Pines block is very visible from the main highway, without shelter. Farming image would be negatively affected to passing traffic
- 59 W1&2's employees would feel further stigmatised by negative sentiment around farming and an inability to do something about it.
- 60 Pines (lessor) actually requested whether the block currently leases off them because of damage occurring to soil, land and farming image.
- 61 Odour of slurry applications would cause strife and anguish with specific sensitive neighbour
- 62 It takes 12 kg MS annually per year per person to bring a positive contribution to someone's health> nearly 10.000 people would not get the benefit of dairy nutrition
- 63 About \$500.000 of costs (turnover- profit) would not going be spent on equipment and farm requirements by Woldwide One and Two

## **ANIMAL WELFARE**

- 64 IWG practices and effect on animal welfare are very much under scrutiny right now
- 65 Cow lying times would be challenged during wet spells
- 66 Bovine hardship during driving rain and snow events
- 67 The soils are not suitable for wintering; mud has been at least 40 cm deep on the paddocks in question in previous years
- 68 Fodder Beet can cause acidosis with the risk of large numbers of cows dying during introduction to the crop
- 69 Fodder Beet wintering can cause liver damage with lesions and internal bleeding
- 70 Fodder Beet wintering can cause Phosphorus deficiency in cows (creeper cows) like milk fever.
- 71 Cows ingest a large quantity of soil with the beet, not conducive to herbivores

72 The proposed new system has been developed in direct response to these concerns and we believe it performs better and ensures better economic, environmental, and health outcomes for our communities

## CONCLUSION

73 We, on behalf of the applicants W1&2, really believe that getting the consent provides for a big step forward, because it allows us to make improvements in environmental, social and economic sustainability (all of them; not one or two out of three) while also improving animal welfare and future proofing our operation in line with the WLRP

74 The proposal therefore involves a lot of innovation and “thinking outside the square”. As a result it stands to reason that it does not fit neatly within the models and established ways of assessing proposals that do not perhaps try to employ this degree of innovation. In that sense we can appreciate that it will have presented real challenges for the processing officers, because it does not fit the same rules and assumptions as less innovative proposals.

75 Nevertheless, new or different is not necessarily bad. On the contrary, that is how progress is made. We do want to stress that it is important that progress and better ways of doing things are not excluded simply because they are different and do not fit existing paradigms. We trust that the hearing process will be flexible enough to allow a broad “big picture” analysis that enables us to make these important positive steps in sustainability and good practice while maintaining profitability and the economic benefits to the community.

76 Looking beyond our proposal, we believe the wider issue for our industry is the need to be able to structure farming operations around the required investments in environmentally sustainable infrastructure. If there is no increase in productivity or profitability, loan applications will be challenging.

77 We invite your scrutiny, and we hope that you can agree with us that the consent we seek would result in key improvements and a sustainable way forward for our people, planet and profit.

Dated 16 September 2019



Anita de Wolde (for Abe and Anita de Wolde)