

BEFORE THE SOUTHLAND REGIONAL COUNCIL

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

And

In the matter of applications for resource consents by:

FAWNA FARMS LTD

Applicant

**STATEMENT OF SIMEON WARD ON BEHALF OF FAWNA FARMS LIMITED
8 MARCH 2023**

Introduction

1. My name is Simeon Ward and I am a Director of Fawna Farms Limited (FFL).
2. FFL was established in 2022 as a dairy farming equity partnership to purchase a 370.9 hectare dairy farm at Feldwick, Western Southland. FFL is a partnership between two farming families;
 - a. Puketaha Farming Enterprises Limited (Ward family)
 - b. Rednoc Limited (Conder family)

Both shareholders have accumulated significant experience and expertise in the dairy sector.

3. FFL has two directors, representing each of the shareholders;
 - a. Simeon Ward (as shareholder and General Manager of Puketaha Farming Enterprises Limited).
 - b. Ross Conder (as shareholder and Manager of Rednoc Limited).
4. Puketaha Farming Enterprises (PFE) was established in 2008, originally as a partnership between my brother and I. In 2014 our parents also became shareholders. PFE is the holding company through which our family have pursued dairy farming interests in Waikato and Southland. My brother and I have had a lifelong interest in agriculture. Following our studies in agriculture and animal science at Massey University, we then joined forces to work together and progress through the dairy industry.
5. Most recently PFE has used equity partnerships to pursue growth opportunities in the Southland region. We see these as an ideal vehicle by which to provide opportunities for the next generation of dairy farmers. FFL is our most recent initiative in this regard.
6. In addition to our direct farming involvement, PFE has a history of providing advice and expertise to other dairy farming businesses in New Zealand, and overseas. This involvement typically focuses on implementing production systems that are sustainable and replicable for all stakeholders.
7. Rednoc Limited is owned by Ross & Kristy Conder. The Conders have followed the traditional progression pathway within the New Zealand dairy industry, beginning with

farm management in Waikato in 1998, and then progressing through to contract milking in Canterbury in 2012. In 2016 they moved their family to Southland to pursue 50% sharemilking opportunities. Today the Conders are operating equity partners in two dairy farms, FFL at Feldwick, and Ridgevale Farm Limited at Waimahaka.

8. Ross and Kristy's dairying career has benefited from lengthy experience in three of New Zealand's key dairying regions – Waikato, Canterbury, and Southland. This experience has given them exposure to a wide range of different farming practices. Being able to employ a range of techniques and practices is invariably the best way to ensure sustainable outcomes.

Existing Operation

9. FFL is a 370.9 hectare dairy farm and we peak milk 900 Jersey and Jersey Crossbreed cows. The farm was originally converted to dairy farming in 2015. As a more recent conversion in Southland it was completed to a high standard with key infrastructure built in excess of minimum requirements (particularly effluent holding capacity). All waterways are fenced off.
10. The farm is operated by Ross and Kristy Conder as Contract Milkers. Four fulltime staff are employed, and casual staff are engaged to further support operations during busy periods.
11. All staff live on-farm and are actively engaged in the community through the local primary school and a range of other clubs and societies.
12. Although we are only in our first year of operation, we have already made several key changes to improve operations and outcomes;
 - a. Farming Jersey cows (instead of the traditional Friesian breed). Jersey cows are smaller framed, lighter animals. This has reduced the liveweight being farmed and is more appropriate given the range of soil types and contours on the property.
 - b. Individually soil testing all 60 paddocks. This has allowed optimisation of fertiliser applications and has achieved a significant reduction in the volume that has been historically applied.
 - c. Removing fodder beet from the farming system. Fodder beet is a commonly grown winter crop in Southland, favoured because of its higher yield potential.

However, the higher yield also means a higher level of grazing intensity during wet months. Our assessment is that this land is not suited to fodder beet cropping.

- d. We have commissioned a new Farm Environment Plan (FEP), updating the previous plan that was written in 2015. A copy of this new FEP is included in our application. Importantly the FEP identifies new critical source areas (CSA's) and mitigation actions that we will implement. We have also identified a further 5.5 hectares of land that will be permanently retired and planted out in a mixture of native and exotic species.

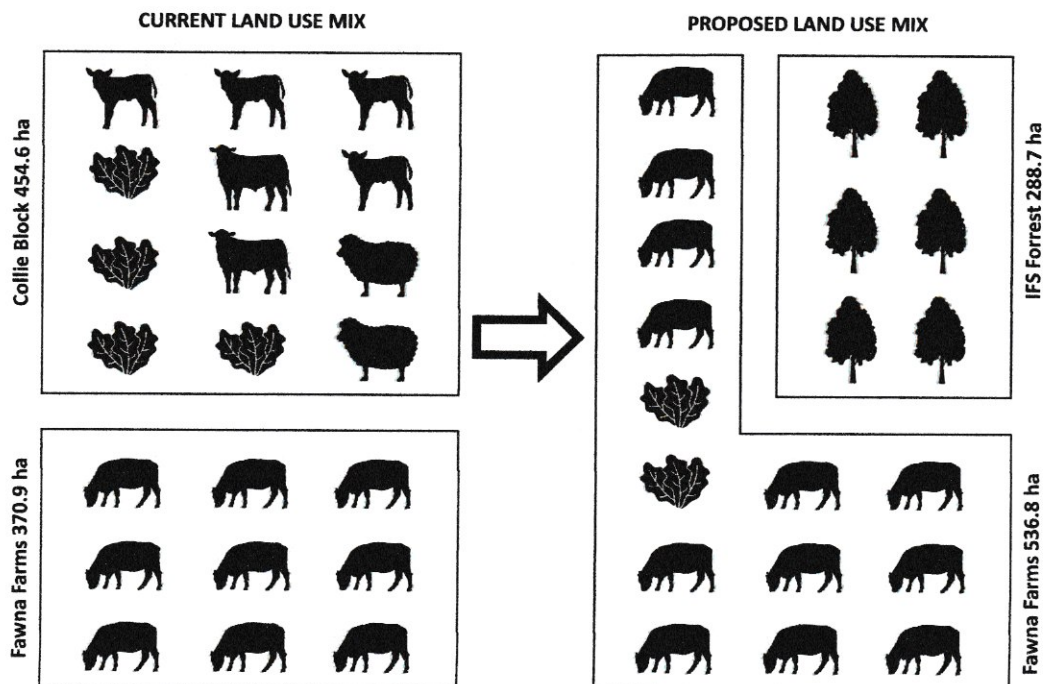
Background to application

13. After purchasing the current dairy farm, the property that neighbours our northern boundary was brought to market. Owned by the Collie Family, we refer to it in this submission as the Collie block.
 - a. The Collie block is 454.6 hectares and to date has been a mixed farming operation with dairy support, bull finishing, intensive winter grazing of dairy cows and sheep.
 - b. It has a range of contours with approximately one-third being flat to gentle rolling, and the remaining two-thirds being medium hill country.
14. After IFS Growth were successful in purchasing the entire Collie property, they initiated discussions with FFL to purchase a portion of the land. FFL could see a good opportunity to complement existing dairy operations by incorporating the flatter portion of the Collie block.
15. In discussing different scenarios with IFS Growth, it became clear that there was a strong alignment of views around optimising land use. In particular;
 - a. A desire to see land use optimised with the right type of farming, on the right class of land.
 - b. The need for science and facts to drive outcomes that best balance social, environmental, and economic considerations around land use.
 - c. The need to preserve efforts that have already been made to improve the environment.

16. An agreement was reached whereby IFS Growth will retain 288.7 hectares of the steeper country for planting into production forestry. The planting plan allows for generous setbacks against boundary lines and water courses. FFL will acquire 165.9 hectares of the Collie block, encompassing the flatter land that is well suited to livestock farming.
17. Based on existing use and current land use regulations, the land that FFL is acquiring could continue to be used for a combination of dairy youngstock and intensive winter grazing. This would complement existing dairy operations. However, we see an opportunity to use some of the land to support increased milking cow numbers, with the remaining area used to winter cows. Youngstock will be grazed externally.
18. Increasing milking cow numbers requires a modification of our existing consent.

Summary of Consent Proposal

19. Our application seeks to increase the area of dairy platform by 165.9 hectares (although 24 hectares is permanently excluded under a QEII covenant). The application also seeks to increase the number of consented dairy cows from 900 to 1,200.
20. The graphic below is a simple summary that demonstrates current and proposed land use scenarios. This proposal achieves an optimal balance that ensures steeper, low productivity land is retired into forestry, while the more productive and easier contour land is used for a combination of dairy cows, and wintering.

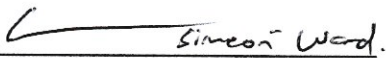


21. Overall the proposed change in land use mix represents a deintensification of farming and improves environmental outcomes. In evaluating the current and proposed land use options we commissioned a professional assessment of nutrient losses. This work shows that relative to current state, our proposal achieves a 6.8% reduction in nitrogen losses to water and a 39.4% reduction in phosphorus losses to water. These outcomes were independently reviewed and confirmed as part of this consent application.
22. In addition to the water quality benefits, our proposal is also climate change positive. The establishment of 288.7 hectares of production forestry leads to significant carbon sequestration from trees. Total agricultural emissions are also 10% lower as a result of a reduction in the total number of stock units.
23. Contrary to much of the media commentary that focuses on the negative social impacts of farm-to-forest conversion, this proposal is positive with regards to social outcomes. Increasing dairy cow numbers will mean the employment of two additional full-time labour units. These people will utilise houses that are being acquired as part of the Collie block.
24. We understand that achieving an overall deintensification requires looking across land use changes that are taking place on two different titles that are owned by two different entities. This should not be a barrier to our proposal proceeding. Our application already contemplates how pragmatic conditions could be imposed to ensure the increase in consented cow numbers is linked to the forestry development through a Forestry Right registered against the Forest Land
25. In simple terms:
 - a. Our proposal means different land classes are matched to different land use options to optimise the economic, environmental, and social outcomes.
 - b. Environmentally, our proposal achieves a reduction in nitrogen and phosphorus losses to water. It is also climate change positive as a result of fewer emissions from livestock, and increased sequestration from the new forest development.
 - c. Socially, the proposal leads to the creation of more jobs which helps to strengthen the rural community in which we operate.
 - d. Existing environmental features (such as QEII areas) continue to be protected, while our proposal also identifies new critical source areas and mitigation actions.



Summary

26. This proposal provides a good example of how different industries can work together to achieve a sensible and positive outcome for all stakeholders.
27. We strongly submit that this proposal makes a lot of sense and strikes the right balance between a number of interests and concerns regarding future land use.
 - The proposal is for a deintensification that improves water quality, and climate change.
 - Steeper land that is less productive is permanently retired into production forest.
 - More productive land is used to support dairy farming which generates the highest economic return.
 - The proposal is socially positive and generates more jobs.


Simeon Ward.

SIMEON WARD

8 March 2023