

How the policy on Rotorua nitrogen allocation evolved to sector ranges

July 2014

In the framework for rules and incentives that was approved by Regional Council on 17 September 2013, the following sector average NDAs were proposed:

- Dairy NDA = 35kg N/ha
- Drystock NDA = 13kg N/ha

It was noted however that these sector averages:

- a) Were subject to confirmation by StAG and advice on whether or not “dairy support” should be included as a separate sector, and
- b) May be adjusted as ranges to recognise geophysical or farm system characteristics, provided the aggregate for each sector is not exceeded.

Analysis on how to include dairy support in the framework was presented to StAG for consideration at the October and November 2013 meetings (<http://www.rotorualakes.co.nz/vdb/document/673> and <http://www.rotorualakes.co.nz/vdb/document/520>).

Analysis on potential NDA ranges that could be considered were also presented to StAG at the November 2013 meeting (See Appendix 1 and Appendix 2 in <http://www.rotorualakes.co.nz/vdb/document/546>)

At the December 2013 StAG meeting, staff asked StAG to consider:

1. Including “dairy support” as a separate sector in the rules framework, and amending the NDAs to: Dairy@35kg N/ha; Drystock@12kg N/ha; Dairy support@20kg N/ha.
2. Either: retaining a single NDA for each sector
Or: including an NDA range for each sector based on:
 - Rainfall and soil-type; or
 - Existing benchmarks as a proxy for geophysical factors and farm system types

The decision paper provided to StAG is available online - see Appendix 1 in <http://www.rotorualakes.co.nz/vdb/document/551>. Advantages and disadvantages of all approaches are presented, as are potential risks.

Based on the analysis considered, StAG recommended that adjusted Rule 11 ranges are the preferred approach, possibly with further tweaks on the numbers once economic impacts are assessed. StAG also recommended that dairy support did not need to be defined as a separate sector because a suitable drystock NDA range can accommodate dairy support plus intensive beef which can have comparable N loss and profitability.

Caution was noted by StAG on:

- An adjusted grandparenting scheme still has some of the problems discussed a year ago, including that historic high N loss is still partly “rewarded”
- An overlay of soil/rainfall and R11 data showed poor correlation i.e. R11 differences in N loss are largely driven by farm system and management, not soil and rainfall

The minutes of this meeting, including the recommendations made by StAG can be found at: <http://www.rotorualakes.co.nz/vdb/document/558>