

StAG Subcommittee, 16 December 2014

BORPC, 1125 Arawa St Rotorua 12:30 PM

Present:

Warren Webber (LWQS), Ben O'Brien (B&LNZ), Chris Paterson and Stuart Morrison (Collective), Robin Connor (MPI), Gwyn Morgan (Federated Farmers).

BOPRC staff and contractors: Sarah Omundsen, Lisa Power, Stephen Lamb, Sandra Barns, Dwayne McKay, Anna Grayling, Gloria Zamora and Simon Park (Subcommittee Chair).

Apologies, Previous Minutes and Actions

- Apologies: Ollie Parsons, Wendy Roe and Tanira Kingi
- Previous actions to follow up:
 - Sandra Barns: Land valuation report to be presented at next StAG meeting.
 - Hariata Ngatai: Organize a meeting with local lawyers on the draft rules.
- General Business to add:
 - Single pastoral sector allocation option – Warren Webber

ACTION LIST

1. Stephen Lamb: Initiate N trading discussion at next StAG (16/2/15) with the aim of making a recommendation to Council on N trading at March 2015 StAG meeting
2. Simon Park: invite Robin Connor to next StAG
3. Everyone: Send feedback and ideas on N trading to robin.connor@mpi.govt.nz
4. Simon Park: Ask Andy Bruere for Land TAG nominee(s) for 2nd allocation workshop.
5. Warren Webber: Write up single pastoral sector option and circulate before 16 February StAG.
6. Simon Park: discuss MoU with BOPRC staff and Grow Rotorua and update next StAG.
7. Warren Webber: email to Mrs Kean and Mike Scarsbrook re participation in Opportunities event.
8. Hariata Ngatai: liaise with Warren Webber on next Opportunities event planning meeting.

STAG Meeting Follow Up

Item 1: N Trading – discussion of Robin Connor's report

- a. N trading using Short Term Entitlements (STE) with a “stepped down” structure (2017 to 2032, see Recommendation #3) is significantly different from previous N trading discussion, and a change from the qualitative “managed N reduction” expectation over the same period.
- b. The 100 tN incentive fund target is ambitious and STEs allow N trading to occur without NDA trading that would jeopardise the 100 tN target.
- c. Staff comment:
 - i. STE trading or any trading scheme needs some decision and direction from BORPC's RDD Committee and Strategy Group next year, alongside trading implementation advice.
 - ii. The process needed before a RDD meeting still needs to be worked through.
- d. General comments:
 - i. Although STE trading is a new concept, N trading has always been on the table, and is expected by Government
 - ii. A “step down” process limits farmer choice on how they progress towards their NDA
 - iii. Once the 100 tN comes out, will there be enough tradable N left to make it worth it?
 - iv. Conversely, N scarcity will make it more valuable, encouraging trading
 - v. Need to see detail on how trading would work, not just “principles” i.e. how the N can “move” from one farm to another
 - vi. STE trading can benefit the highest N dischargers as they will receive the highest NDA under the current draft hybrid allocation scheme
 - vii. Farmers need to understand what the benefit of trading is.

viii. Has BOPRC thought about an N transfer system that does not involve money?

ACTION: Stephen Lamb: Initiate N trading discussion at next StAG (16/2/15) with the aim of making a recommendation to Council on N trading at March 2015 StAG meeting

ACTION: Simon Park: invite Robin Connor to next StAG

ACTION: Everyone: Send feedback and ideas on N trading to robin.connor@mpi.govt.nz

Item 2: Economic impacts study timeline: May 2015

- a. Noted that key project team members have leave plus there have been GIS/data difficulties.
- b. The potential delays and implications were discussed, including the District level modelling scheduled after the catchment model work. The timing will be clearer in February.

Item 3: Nitrogen Allocation - What next?

- a. The allocation workshop held on 11 December was briefly discussed, especially the focus on principles
- b. A 2nd workshop is tentatively planned for March with a smaller group focused on allocation “numbers” and using catchment modelling results available.
- c. StAG subcommittee (early February?) can assist with scoping this additional workshop.
- d. Single pastoral sector option – Warren Webber
 - i. Initial spreadsheet analysis identifies that the 140 tN rules reduction can be met with a single pastoral NDA range e.g. 13 to 35 kgN/ha/yr (Overseer 5 values) with about 25% clawback
 - ii. This avoids the dairy/drystock/dairy-support definition issue but still uses Rule 11 benchmarks
 - iii. Working through the numbers is extremely complex – it is simpler if we can set aside the “noise” from the bush and gorse components.
 - iv. As with other allocation options, it is important to be clear on the parameters.
- e. General comment: Worth having a look at this allocation model and critiquing the options.

ACTION: Simon Park: Ask Andy for Land TAG nominee(s) for 2nd allocation workshop.

ACTION: Warren Webber: Write up single pastoral sector option and circulate before 16 February StAG.

Item 4: Independent assessment of alternative mitigations and land uses

- a. Recap of discussion at the main StAG meeting i.e. farmer concern about promoters of alternative solutions and linkages with BOPRC and Grow Rotorua
- b. Discussion:
 - i. Need to use Land TAG and the advisors available through the Advice and Support programme
 - ii. Anna Grayling and Helen Creagh have discussed a possible Memorandum of Understanding with Grow Rotorua to define roles.
 - iii. Anna Grayling noted she had been approached by Caring Dairying and discussed with Grow Rotorua. They agreed it would be good to test one farm using their dairy system.

ACTION: Simon Park: discuss MoU with staff and Grow Rotorua and update next StAG.

Item 5: Opportunities Event

- a. Farmers would like to make sure there are farmer and rural industry input and presentations.
- b. BOPRC is putting together administrative support Marcus Bloor would be taking over for Anna
- c. The event “ownership” is a broad collaborative including BOPRC and Grow Rotorua
- d. The Collective would like Mike Scarsbrook involved; Mrs Kean was also suggested.
- e. The organising group will meet in January 2015.

ACTION: Warren Webber to email Mrs Kean and Mike Scarsbrook re participation in Opportunities event.

ACTION: Hariata Ngatai to liaise with Warren Webber on next Opportunities event planning meeting.

Meeting ended 3:00 pm