

Waimakariri Irrigation Limited Nutrient Management Policy for Shareholders

Version 2 – 10 October 2018

1.0 Background

- 1) This policy (Version 2) replaces the earlier *Nutrient Management Policy for Shareholders* dated 1 September 2016.
- 2) This version takes into account the renewal of the WIL Scheme nutrient discharge consent (CRC184861) and changes that have been made to the Canterbury Land and Water Regional Plan.

2.0 Shareholders to comply with Policy

- 3) All Shareholders are required to comply with all sections of this Policy (in accordance with their Water Supply Agreement).
- 4) Shareholders must ensure:
 - a) their farming operation does not increase its nitrogen loss over its **Nitrogen Baseline**;

and

 - b) if there is a **Change** to the Shareholder's farming operation that **may** result in a change in nutrient loss, approval is sought from the WIL Board in accordance with this Policy.

For the purpose of this policy, a **Change** is defined as:

- i) land or irrigated area changes, including:
 - a change in land area (whether irrigated or not, including the establishment of a **Farming Enterprise**))
- ii) major farm system changes, including:
 - any increase in nitrogen loss on a property;
 - a change in irrigated area by more than 10 hectares
 - an application for an effluent discharge consent (except where it is a direct replacement of any existing discharge consent);
 - long-term (more than 1 year) changes in a farming system, including:
 - (a) a change of any type of stock by +/- 25% or more;

- (b) a change in the area where cropping (cash or fodder) is undertaken by +/- 25% or more;
 - (c) conversion of any dairy farm to winter milking; or
 - (d) the addition of a feedpad or cow home,
 - iii) any change in water use including a change in an irrigation system that results in a different rate or volume of water being applied on more than 10 hectares of any property (compared to that undertaken during the period 01 July 2009 - 30 June 2013),

regardless of whether the Shareholder or WIL has assessed any change in actual nitrogen loss.
- 5) The obligations on Shareholders where **No Change** is proposed are discussed in section **3.0** of this Policy. The obligations on Shareholders where a **Change** is proposed are discussed in section **4.0** of this Policy.
- 6) All Shareholders must comply with all other sections of this Policy.

3.0 Requirements for Shareholders where Change is not proposed

- 7) All Shareholder farming activities on propert(ies) where land is managed under a Farm Environment Plan under the WIL resource consent (including dryland and irrigated land areas) , and that have not increased their irrigation area or intensified their land use since 30 June 2013, will be managed as a part of the WIL nutrient discharge consent, provided that:
- a) the nitrogen loss on the propert(ies) does not exceed the **Nitrogen Baseline**;
 - b) WIL is advised of the land use activity and associated nitrogen loss through completion of the annual Farm Environment Plan and OVERSEER® nitrogen loss estimate requirements;
 - c) it is demonstrated (in accordance with section **5.0** of this Policy) that the property can operate at its **GMP Baseline** by 1 September 2020 (and following 1 September 2020 it operates at or below that level, in terms of its nitrogen losses); and
 - d) the Shareholder complies with any directions that may be given by WIL as to the form in which any information required under clause 7)(c) and (d) is provided.

4.0 Requirements for Shareholders where Change is proposed

- 8) A Shareholder proposing a **Change** must seek and receive the approval of the WIL Board prior to implementing the **Change**.

- 9) Applications must include the material described in **Annexure 1** and will be approved at the sole discretion of the Board. Shareholders are advised to discuss their proposal with the WIL management prior to making any application.
- 10) Examples of where the WIL Board is likely to approve a **Change** (allowing the property to be managed by WIL as a part of WIL nutrient discharge consent) are where:
- a) it can be demonstrated that there will be no increase in nitrogen loss following the **Change** over the propert(ies)' **Nitrogen Baseline**; or
 - b) the Shareholder is able to offset any increase in nitrogen loss by an equivalent decrease in nitrogen loss below the **GMP Baseline** of another property managed under a Farm Environment Plan under the WIL resource consent (with all details of any agreement and the off-setting arrangement to be provided to WIL) and the properties involved in the offset are both located within the same nutrient allocation zone; or
 - c) they are part of a consented **Farming Enterprise** with its own nitrogen discharge consent involving properties outside of the WIL scheme which allows the Shareholder to shift nitrogen losses across the Farming Enterprise and into the WIL nutrient management regime and the properties involved in the offset are all located within the same nutrient allocation zone; or
 - d) the individual shareholder holds their own nitrogen discharge consent that authorises the increased nitrogen loss (although it is noted that following plan change 5 to the Land & Water Regional Plan becoming operative it is unlikely that any such resource consent would be approved).
- 11) If an approval to a **Change** is provided it is likely to be provided with conditions that require that:
- a) WIL is advised of the land use activity and associated nitrogen loss through completion of the annual Farm Environment Plan and OVERSEER[®] nitrogen loss estimate requirements;
 - b) The Shareholder complies with any directions that may be given by WIL as to the form in which any information required under clause 11)(a) is provided; and
 - c) It is demonstrated (in accordance with section **5.0** of this Policy) that the property can operate at or below **GMP Baseline** by 1 September 2020 (and following 1 September 2020 it operates at that level).
- 12) Shareholders are further advised that:
- a) the allocation of any new WIL water will occur with no allowance for any increase in nitrogen loss; and

- b) the WIL Board is unlikely to provide an Approval where it has reason to believe the information provided (including any resource consent obtained) has been obtained on inaccurate grounds or is contrary to any resource consent held by WIL.

5.0 Requirement to maintain FEP, complete Audits and implement Good Management Practice

13) All Shareholders must:

- a) prepare, maintain and implement a Farm Environment Plan (in a form that may be directed by WIL). They must allow their Farm Environment Plan and their farm activities to be subject to an independent audit at timeframes as set out in the WIL Audited Self-Management programme (or as may be determined by the WIL Board); and
- b) complete an annual year-end 'actual' OVERSEER® budget (or at such other intervals that may be advised by WIL)
- c) by 1 September 2020, be operating at good management practice and with nitrogen loss rates not exceeding their **GMP Baseline**.

14) Where an audit of a Farm Environment Plan is undertaken no Shareholder shall, following 1 September 2019, have either a C or D grade audit. Where a Shareholder receives a C or D grade audit or is determined that the Shareholder is exceeding their **Nitrogen Baseline**, or from 1 September 2020, their **GMP Baseline**, WIL may require the Shareholder:

- a) to review their Farm Environment Plan(s) annually;
- b) to document their improvements (and plans for improvements) and provide that documentation to WIL;
- c) to be subject to an annual audit,

until such time as WIL determines that the Shareholder is compliant.

15) Each Farm Environment Plan will include all land on the relevant propert(ies) (including dryland areas and areas that may be irrigated with water from other sources).

16) Where requested by WIL, the Shareholder shall provide all farming input data, OVERSEER® modelling and other information that may be necessary to determine a **Nitrogen Baseline** or **GMP Baseline**.

6.0 Properties located within (part or whole) a Community Drinking Water Supply Protection Zone

17) Shareholders are advised that where their property partly or wholly overlaps with a Community Drinking Water Supply Protection Zone as shown in **Annexure 2** then the WIL Scheme nutrient discharge consent (CRC184861) places further restrictions and obligations on activities in these zones.

18) These include:

- a) an inability to intensify (being any increase in the use of nitrogen fertiliser and stocking rates) over that which was occurring in the period 2009-2013;
- b) requirements to provide information on nitrogen fertiliser use and stocking rates to WIL; and
- c) requirements to notify WIL (so that it can notify various other persons) should there be any event that occurs that may have an adverse effect on the water quality in the community drinking water supply wells.

19) The requirements specified in clause 18) of this Policy will be detailed by affected Shareholders in their Farm Environment Plans.

7.0 Future reductions

20) Shareholders are advised that if the aggregated total of nitrogen losses from all WIL shareholders does not comply with the requirements of WIL's nutrient discharge consent or any other regulatory requirement, then WIL is likely to require properties to reduce their nitrogen loss.

21) How required reductions are applied will be determined at the discretion of the WIL Board but in the first instance is likely to require all properties to be operating at **GMP Baseline**. If that does not achieve the necessary reduction(s) in nitrogen loss the requirement for further reductions may be required equally or differently across properties.

8.0 Definitions

22) For the purposes of this Policy:

Farming Enterprise means an aggregation of parcels of land held in single or multiple ownership (whether or not held in common ownership) that constitutes a single operating unit for the purpose of nutrient management.

GMP Baseline means the discharge of nitrogen below the root zone resulting from either:

- (a) the implementation of farming measures described as Good Management Practice by Environment Canterbury (currently set out in the Environment Canterbury booklet titled “*Industry-agreed Good Management Practices related to water quality*”, 9 April 2015) based on the land use occurring in the period 01 July 2009 - 30 June 2013; **or**
- (b) the Baseline GMP Loss Rate as estimated by the Farm Portal (as referred to in plan change 5 to the Canterbury Land & Water Regional Plan), for the farming activity carried out during the period 01 July 2009 - 30 June 2013, if operated at good management practice

*Advice note: At the time of preparing this Policy, WIL’s resource consent (CRC184861) does not require use of the Farm Portal. Shareholders may elect to use it voluntarily as a means of determining compliance with their obligations in relation to **GMP Baseline**.*

In the future, WIL may give notice to some or all shareholders that require provision of information relating to the Baseline GMP Loss Rate or other loss rates that may need to be calculated through use of the Farm Portal.

Nitrogen Baseline means:

- (a) the discharge of nitrogen below the root zone, as modelled with OVERSEER® (where the required data is inputted into the model in accordance with OVERSEER® Best Practice Data Input Standards), or an equivalent model approved by WIL, averaged over the period of 01 July 2009 - 30 June 2013, and expressed in kg per hectare per annum; and
- (b) in the case where a building consent and effluent discharge consent have been granted for a new or upgraded dairy milking shed in the period 01 July 2009 – 30 June 2013, the calculation under (a) will be on the basis that the dairy farming activity is operational; and
- (c) if OVERSEER® is updated, the most recent version is to be used to recalculate the nitrogen baseline using the same input data for the period 01 July 2009 – 30 June 2013.

Annexure 1: Material to be provided with Change application

1) Any application in relation to a **Change** application must include:

IF: Land area Changes

- a) The Baseline OVERSEER® nutrient budget (XML file or equivalent access to OVERSEER® workings) for both the new land area and the existing land area;
- b) The Predictive OVERSEER® nutrient budget (XML file or equivalent access to OVERSEER® workings) following the **Change** for the combined operation;
- c) an outline of the measures that will be undertaken to ensure the proposed operation will meet its **GMP Baseline** (including compliance with the Environment Canterbury booklet titled *“Industry-agreed Good Management Practices related to water quality”*, 9 April 2015); and
- d) Any other information that may be requested by the WIL Board.

IF: Farm system Change or increase in irrigated area on the same land

- a) The Baseline OVERSEER® nutrient budget (XML file or equivalent access to OVERSEER® workings) for the existing farming system;
- b) The Predictive OVERSEER® nutrient budget (XML file or equivalent access to OVERSEER® workings) for the farming system following the **Change**;
- c) an outline of the measures that will be undertaken to ensure the proposed operation will meet its **GMP Baseline** (including compliance with the Environment Canterbury booklet titled *“Industry-agreed Good Management Practices related to water quality”*, 9 April 2015); and
- d) Any other information that may be requested by the WIL Board.

Annexure 2: Community Drinking Water Supply Protection Zones

