BEFORE THE COMMISSIONERS APPOINTED ON BEHALF OF THE OTAGO REGIONAL COUNCIL

Under	The Resource Management Act 1991 (**Act/RMA**)
In the Matter	of a submissions on the Proposed Otago Regional Policy Statement 2021 (non-freshwater parts) (**PRPS**)
On behalf of	**OTAGO WATER RESOURCE USER GROUP (OWRUG)**
	Submitter OS00235 and FS00235
	FEDERATED FARMERS OF NEW ZEALAND
	Submitter OS00239 and FS00239
	DAIRYNZ LIMITED
	Submitter FS00601

SPEAKING NOTES OF JENNIFER ANNE MCGIMPSEY

DATED 28 APRIL 2023

GALLAWAY COOK ALLAN LAWYERS
Phil Page/Gus Griffin
Phil.Page@gallawaycookallan.co.nz
Gus.Griffin@gallawaycookallan.co.nz

PO Box 143
Dunedin 9054
Ph: +64 (3) 477 7312
Fax: (03) 477 5564

Introduction

1. My name is Jennifer Anne McGimpsey.

2. My role is an Economic Service Manager for Beef + Lamb New Zealand (B+LNZ). This involves me visiting a group of randomly selected Sheep and Beef farms each year across the Southern South Island to gather and analyse data for the B+LNZ Economic Service Sheep and Beef Farm Survey (the Survey).

3. It may also interest the panel that I have provided some comments in the preparation of two reports by the Otago Regional Council - Industry Advisory Group namely: the Sheep and Beef chapter in "Farmers and Growers in Otago"; and the Sheep and Beef Chapter in a report currently in draft form "Otago's Rural Businesses and Environmental Actions for Fresh Water".

4. My evidence sets out:

    1. The diversity of farms within the sheep and beef sector in Otago

    2. The different farm classes in Otago and the features of each farm class;

    3. The process that is required to change a farming system;

    4. The time and financial limitations of changing a farming system in Otago.

Different farm classes in Otago and diversity

5. Beef + Lamb New Zealand's Sheep and Beef Farm Survey recognises four Farm Classes in Otago. I refer the panel to the table at paragraph 21 of my Brief of Evidence that describes the different farm classes.

6. Farm systems in the Otago sheep and beef sector are diverse. That diversity can be described by a combination of physical, economic, and social characteristics (for example, location, size, topography,

altitude, climate, soil, stockmanship, financial skill and farm profitability, farm infrastructure, history, indebtedness, personal values and skills, generational factors, family needs, community factors and so on). The result is a matrix for each farm that makes it unique. Farms that are geographically neighbours, could be very different farming systems at very different stages of a farming life cycle.

7. This diversity means that any policy can have widely different impacts on individual and unique sheep and beef farms. The farms themselves should also not just be thought of as farmers as individuals – but of families, parents, children, and often grandchildren who are involved in farming communities, as well as the wider connected industries (the wider pastoral sector, meat processors, shearers, transport operators, contractors, diggers, stock agents, vet services and trades people just to name a few).

Change to a farming system

8. Farming systems continually adapt to the climate and market conditions. Traditionally, High Country farms (that is Farm Class 1) would have run merino sheep and revenue from fine wool was the predominant source of income for this Farm Class. As market drivers changed, revenue from meat production increased and some High Country farmers have changed breeds to crossbred with a strong focus on meat production.

9. Another example is Finishing Farms (that is, Farm Class 7) where meat production is the predominant income stream. In recent years, prices for coarse wools have decreased to the point that the income from wool sales has not covered the expense of harvesting it (shearing and crutching). Farmers have adapted and are choosing rams with traits related to improved meat and maternal characteristics with much less emphasis on wool-related traits. In a few cases, farmers are choosing self-shedding or wool-free breeds of sheep, concentrating on meat production only.

10. To fully convert a flock to a new breed may take up to 20 years because the farmer must use rams with the appropriate genetics against the existing ewe flock. The same timeframe applies to any sort of genetic change across a sheep flock or beef herd, for example, lower methane emitting sheep genetics, improved internal parasite resistance, facial eczema tolerance, improved lamb survival, increased ewe efficiency and so on.

Limitations of change

11. Farming operations require specific criteria for production, that is, the most efficient use of resources available (land, water, climate, social, environmental). They must also remain responsive to market and policy signals. This means that the limitations of change include availability of natural resources, climate, water availability, environmental settings, cost, the ability to obtain funds for any change, time, family factors including where the farm is in its succession plan and availability of labour, both on and off farm.

12. Farmers adopt changes where there are clear guidelines and benefits to the overall farming systems and the wider community. On-farm production improvements have been a cornerstone of the New Zealand sheep and beef farming sector and reflect the capability and resilience of New Zealand farmers. However, any change takes time and needs to be planned, financially prudent, and managed carefully.

What am I asking for?

13. I am asking that the panel considers the diversity of sheep and beef farm systems in Otago, realistic timeframes of change and the limitations of change for individual farming systems.

14. I also ask that the panel considers the importance of the sheep and beef sector to the environmental, economic, and social well-being of rural communities, and the wider Otago region and New Zealand