

In the Environment Court
at Wellington

under: the Resource Management Act 1991

in the matter of: appeals under clause 14 of the First Schedule to the
Resource Management Act 1991 concerning proposed
One Plan for the Manawatu-Wanganui Region

between: **Federated Farmers of New Zealand**
(ENV-2010-WLG-000148)

and: **Minister of Conservation**
(ENV-2010-WLG-000150)

and: **Horticulture New Zealand**
(ENV-2010-WLG-000155)

and: **Wellington Fish and Game Council**
(ENV-2010-WLG-000157)

and: **Andrew Day**
(ENV-2010-WLG-000158)

Appellants

and: **Manawatu-Wanganui Regional Council**
Respondent

and: **Fonterra Co-operative Group Limited**
Section 274 party

Supplementary statement of evidence of **Sean Matthew Newland** for
Fonterra Co-operative Group Limited

Dated: 18 May 2012

REFERENCE: John Hassan (john.hassan@chapmantripp.com)
Luke Hinchey (luke.hinchey@chapmantripp.com)

Chapman Tripp
T: +64 4 499 5999
F: +64 4 472 7111

10 Customhouse Quay
PO Box 993, Wellington 6140
New Zealand

www.chapmantripp.com
Auckland, Wellington,
Christchurch

**CHAPMAN
TRIPP** 

**SUPPLEMENTARY STATEMENT OF EVIDENCE OF SEAN
MATTHEW NEWLAND FOR FONTERRA CO-OPERATIVE GROUP
LIMITED**

Introduction

- 1 During the first week of the Proposed One Plan hearing (relating to non-point source discharge), a number of Horizons Regional Council's (*Council*) witnesses stated that Fonterra Co-operative Group (*Fonterra*) had not provided the Council with individual supply farmers' nutrient data which they had requested. Subsequent evidence filed by Fish and Game on 16 May 2012 raises further concerns regarding the provision of information by Fonterra.
- 2 I wish to respond to these matters, which in essence allege that Fonterra has wilfully withheld information relevant to the case that it was in a position to release. In my view, such allegations are unfounded.
- 3 To the contrary, Fonterra has accurately responded to any requests for information made of it during the POP process. It has provided the information that it has access to and an ability to make available. It has also voluntarily assisted with obtaining the release of information from other parties such as Dairy NZ and Ravensdown. This has all taken place without the need for parties, including Fish and Game, to obtain directions for disclosure of information from the Court.

Limitations on Fonterra proving farmers' nutrient budget data

- 4 Fonterra, while owned by supplying farmers as shareholders in a Co-operative, also has a commercial relationship with the same farmers as suppliers of milk. Each supply farm (with a very small number of exceptions) operates as an individual business.
- 5 Fonterra has, through the Clean Streams Accord (*Accord*), required its suppliers to have, in the first instance, a nutrient budget (*NB*) and, as time has progressed, a Nutrient Management Plan (*NMP*). These documents are developed for the farmer by their nutrient advisor. The independent auditor of the Accord checks to ensure that a suitable NB is held by the farmer. Fonterra has not, at this stage, required the NB or NMP to be provided to Fonterra. The issue of on-farm nutrient management is, in regard to the commercial relationship between Fonterra and a supply farmer, quite a different situation from food safety or milk quality information which we have required farmers to provide as part of the commercial relationship.
- 6 Fonterra, like anyone else, has to ask farmers for access to this information and, is required to provide assurances as to the purpose it will be put (and who else may be given access to the information). This places Fonterra in the same position as the Council. This was

explained by Fonterra representatives in the discussions we had with a number of senior Council staff and managers during, and after, the Commissioners hearing. At that time, we too were saying that access to extensive, credible nutrient data (along with the equally important data on current and available mitigation options on farm) was important to ensure a sensible policy framework was implemented.

- 7 Fonterra and its expert witnesses have had access to information held by other parties to inform its thinking during the POP process. That information exists as result of the collection and analysis (by DairyNZ and the fertilizer industry) of farm nutrient information gathered from 146 dairy farms in the Region. To the extent it has had permission, Fonterra has released all information made available to it and its witnesses. We have, however, been very clear in our responses to requests for the underlying base data from other parties (including the Council), that the ability to make NB or NMP information available sits with DairyNZ, the fertiliser companies and individual farmers (other than in its the composite form which is currently publically available on Dairy NZ's website).
- 8 The few exceptions to the above are the four farms owned by Fonterra in the Region, all of which are associated with Fonterra's processing plants at Longburn and Pahiatua. It is my understanding that nutrient information for these farms had been made available to the Council as a consequence of the ongoing consenting of various aspects of the processing plants.
- 9 It should also be made clear that Fonterra, as a commercial milk processing co-operative, is a completely separate entity from DairyNZ, the levy funded industry good organisation, that services all New Zealand (cow) dairy farmers. They are not the same organisations nor are they linked other than by way of connections to the same industry and dairy farmers.
- 10 Similarly, the fertiliser supply and nutrient management support co-operatives and companies that operate in New Zealand are also completely separate businesses from either Fonterra or DairyNZ.
- 11 Any assumption that information available to one or more of these parties is automatically available to all, without the permission of the original information owner (in most instances the individual farm business) is incorrect.
- 12 **Fonterra's ongoing commitment to provide NMP information**
Fonterra, is a signatory to the Manawatu River Leader's Accord, as is the Council. As recorded at page 33 of the Action Plan (for the Accord) Fonterra has made a commitment to the Accord signatories:

Collect the existing nutrient management data from all farms in the Manawatu- Catchment (approx 600 farms) to develop a clear picture of where nutrient loss and nutrient use efficiency sits currently within the entire catchment. This will be achieved through using existing data from FMRA10, using modelled data, or obtaining the information directly from the farmers. Commencing August 2011.

- 13 To enable it to comply with this obligation, specific farm nutrient data will be required to be made available to Fonterra to allow the modelling of Nitrogen conversion efficiency and Nitrogen loss for all farms. This requirement will be a future condition of supply of milk to Fonterra.
- 14 In addition, DairyNZ has undertaken a trial of a nutrient management project in the Mangatainoka catchment, which I have discussed in my earlier evidence. This project will also assist in the understanding of nutrient loss and nutrient use efficiency at the farm scale.

Sean Matthew Newland

18 May 2012