

Dairying and Clean Streams ACCORD

between

Fonterra Co-operative Group,
Regional Councils, Ministry for the Environment,
and Ministry of Agriculture and Forestry.

MAY 2003



Purpose

This Accord provides a statement of intent and framework for actions to promote sustainable dairy farming in New Zealand. It focuses on reducing the impacts of dairying on the quality of New Zealand streams, rivers, lakes, ground water and wetlands.

Rationale

Dairying is an important land use and industry in New Zealand:

- Comprising 11% of the total land used in agriculture (1.76 million ha);
- Producing 20% of New Zealand's total export income (\$5.9 billion in the year to March 2003); and
- Involving 3.9 million dairy cows (number of cows in milk in the 2002/03 season).

Dairying, like most intensive land use including urban areas, impacts on water quality and water environments. The ongoing intensification of existing dairy farms and the expansion of dairying into new regions have increased the importance of addressing impacts on water environments.

An industry-backed Accord to improve the environmental performance of dairy farming sends a strong message to the public and to domestic and international consumers, that environmental management is an integral and important component of the dairy industry. Such an Accord builds on current industry and government initiatives and is consistent with overseas trends and expectations. If done well, industry self-management is more effective in achieving positive environmental outcomes than sole reliance on a rule-based regime imposed by regulatory agencies.

This Accord is not legally binding on the parties nor on Fonterra's shareholders and in no way restricts any person in the exercise of any power or discretion under any statute.

Goal

This Accord reflects an agreement that:

Fonterra Co-operative Group, regional councils and unitary authorities, the Ministry for the Environment, and the Ministry of Agriculture and Forestry will work together to achieve clean healthy water, including streams, rivers, lakes, ground water and wetlands, in dairying areas.

In particular, the **goal** is to have water that is suitable, where appropriate, for:

- Fish;
- Drinking by stock;
- Swimming (in areas defined by regional councils).

Principles

We agree that actions will be developed that:

- Are applicable only in dairying areas throughout New Zealand and are able to be adapted for different situations to reflect catchment characteristics;
- Will make a real difference, recognising that greater benefits will be achieved when multiple actions are adopted;
- Are cost-effective;
- Are practical to implement in the context of existing farming operations;
- Clearly recognise the practical and financial constraints to implementation timeframes;
- Recognise that improved waterways management at the farm level will generally focus on headwaters, small streams and drains; and
- Acknowledge the lead role of the dairy industry in the Accord.

We agree on a principle of co-operation and mutual assistance to achieve the agreed objectives. This Accord will be reviewed annually to determine and report progress against performance targets, assess co-operation between the parties, and assist facilitation of regional action plans.

Development of agency actions

We shall encourage a strategic, cohesive partnership approach, which may include:

- A national dairy liaison group, involving the dairy industry, dairy farmer representatives, regional councils, relevant government departments, researchers and other stakeholders;
- Industry adoption of environmental management systems;
- Consistency when developing regional plans, water quality standards and environmental monitoring, while recognising regional differences;
- A co-ordinated communication plan.

Priorities for action and performance targets

We shall focus on the following actions and corresponding performance targets:

- Dairy cattle are excluded from streams, rivers and lakes and their banks.
 - Fencing may not be required where natural barriers prevent stock access.
 - The type of fencing will depend on factors such as terrain, stock type and costs.
 - Streams are defined as deeper than a “Red Band” (ankle depth) and “wider than a stride”, and permanently flowing.

PERFORMANCE TARGET:

Dairy cattle excluded from 50% of streams, rivers and lakes by 2007, 90% by 2012.

- Farm races include bridges or culverts where stock regularly (more than twice a week) cross a watercourse.
PERFORMANCE TARGET:
50% of regular crossing points have bridges or culverts by 2007, 90% by 2012.
- Farm dairy effluent is appropriately treated and discharged.
PERFORMANCE TARGET:
100% of farm dairy effluent discharges to comply with resource consents and regional plans immediately.
- Nutrients are managed effectively to minimise losses to ground and surface waters.
PERFORMANCE TARGET:
100% of dairy farms to have in place systems to manage nutrient inputs and outputs by 2007.
- Existing regionally significant or important wetlands (as defined by regional councils) are fenced and their natural water regimes are protected.
PERFORMANCE TARGET:
50% of regionally significant wetlands to be fenced by 2005, 90% by 2007.
- Fonterra and regional councils develop regional action plans for the main dairying regions to implement this Accord by June 2004.

What these targets mean

These targets are minimum targets that we shall achieve on a nationally aggregated level. This means that:

- Any or all of the national targets may be exceeded or achieved more quickly than stated, at a nationally aggregated level but not less so;
- There will be flexibility in setting regional targets that still, when aggregated, allow the national targets to be met.

Roles and responsibilities

Role of regional action plans

Regional councils and Fonterra will develop regional action plans for dairying regions to assist implementing this Accord. These action plans will not take the place of any agency obligation under statute or commitment to shareholders or the community and will not be legally binding. These action plans will identify local commitments by regional councils and Fonterra and will describe, where necessary:

- Clear regional time-bound targets for the priority actions;
- Programmes to provide necessary information, such as identifying regionally significant wetlands and water bodies suitable for swimming;

- How the councils and Fonterra will work together and share resources, including providing information and advice to farmers, and links between field staff who work directly with dairy farmers;
- A statement of the compliance and monitoring roles of Fonterra and the council;
- A protocol for evaluating, reporting and reviewing the action plans.

Regional action plans may also include:

- A summary of agreed actions to implement the Accord at a regional level;
- Changes to regional plans necessary to support the actions;
- The development and alignment of council-managed incentive schemes to target dairy farmer needs;
- Priority catchments for action within the region;
- Commitments agreed by other potential partners, such as Federated Farmers and Fish and Game Councils.

Role of Fonterra Co-operative Group

As part of its commitment to this Accord, Fonterra will:

- Provide information and advice to suppliers in relation to the priority actions;
- Promote on farm environmental best practice through extension and on farm management programmes;
- Make arrangements with its suppliers to ensure the priority targets are met;
- Develop an assessment scheme for individual dairy farmers with independent third-party audit, by June 2003 and implement by June 2004;
- Continue to develop, promote and implement the Market Focused environmental management system to assist farmers to identify key, farm-specific environmental issues and to demonstrate progress towards the five priority targets;
- Continue to support the "Healthy Waters" Regional Action Teams initiatives beyond June 2003;
- Continue to identify, support and be involved in farm related environmental research and development that supports the priority targets;
- Report publicly on progress annually.

Role of the Ministry of Agriculture and Forestry (MAF) and the Ministry for the Environment (MfE)

As part of their commitments to this Accord, MAF and MW will:

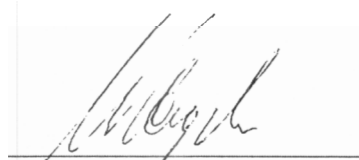
- Publicly support this Accord, and keep Ministers, national representative bodies (including farmer organisations) and the public fully informed of progress;
- Monitor overall progress towards the Accord targets (MfE);

- Facilitate the development of tools to assist implementing the Accord. These tools may include:
 - Farmer nutrient budgeting training;
 - Standardised bridge and culvert design guidelines;
 - Model rules for regional plans, including permitting stock access to waterways (with conditions);
- Identify any legislative and institutional barriers to effective implementation of the Accord, promote ways to overcome such barriers, and report by June 2004;
- With Fonterra, and regional councils, assess science and research needs to implement the Accord.

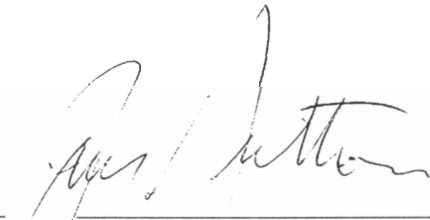
Communications

The success of this collaborative effort relies heavily on engaging the farmers and the wider community and on providing consistent information to farmers. Therefore, a communications plan will be developed and updated regularly.

Signatories



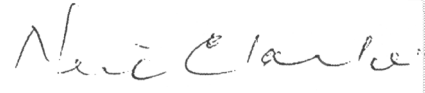
Henry van der Heyden
Chairman
Fonterra Co-operative Group



Hon. Jim Sutton
Minister of Agriculture



Hon. Marian Hobbs
Minister for the Environment



Neil Clarke
Chairman
Regional Affairs Committee,
Local Government New Zealand