

Natural Capital Fact Sheet 5

Farm Environment Plans: a key planning tool
for your agribusiness



At BNZ, we understand that natural resources such as water, soil, climate, biodiversity, and ecology are the fundamentals of food production. We also know that New Zealand agribusinesses are highly attuned to harnessing and managing these natural resources. To help you manage and grow your farm's natural resources to the next level of efficiency and health, we've set up the BNZ Agribusiness Natural Capital team, dedicated to supporting farmers on this journey.

To better understand the effects of environmental regulations on New Zealand agribusinesses, we've partnered with AgFirst Consulting to help answer some of the key questions about the current environmental topics and on-farm management. Together, we've developed a series of Natural Capital fact sheets to help support our customers as they navigate change.

Please use this resource as a quick fact check as to why these topics are important to the future of your agribusiness, and what practical steps you could take on your farm to help you stay ahead of the curve.

This fact sheet looks at why it is important to have a Farm Environmental Plan and offers some practical steps to help you get one for your agribusiness.

Why is getting a Farm Environment Plan now important for your agribusiness?

The New Zealand Primary sector is constantly evolving. As an exporting nation, we know the importance of meeting the demands of our customers. Consumer pressure from local and international markets, as well as regulatory change from central and local government, is moving to ensure the NZ Primary sector is continuously improving its management of NZ's freshwater, soil, climate, and biodiversity.

The Essential Freshwater Policy released by central government highlights the decline in NZ's freshwater quality is due to a range of issues including nutrient loading, sediment load, heavy metals, and pathogens. The aim of this policy is to stop further degradation of waterways, to see material improvements within five years, and to reverse past damage within a generation, to ensure healthy waterways.

This is where Farm Environment Plans can help your agribusiness. Adherence to a compliant Farm Environment Plan ensures:

- Compliance with local and central government regulations.
- Meeting the standards of farm assurance programmes, earning potential incentives, and avoiding market-led penalties for non-compliance.
- The right to supply product to markets and enhance the social licence of the NZ Primary Sector.

A Farm Environment Plan brings together a range of good management practices in areas such as freshwater management, biodiversity, and greenhouse gas management to ensure you continually improve your agribusiness.

What do we currently know?

The three key factors to consider for a Farm Environment Plan are:

- regional council and central government regulations
- recommended industry good management practices
- requirements from your processor.

The Essential Freshwater Policy will require all farms to have a certified freshwater farm plan for the following land use:

- 20 or more hectares of pastoral
- 20 or more hectares of arable
- 5 or more hectares of horticulture.

The monitoring and enforcement of these plans will be undertaken by the regional councils. In addition, each regional council will have their own set of rules and regulations. The Essential Freshwater Policy rules are a minimum standard. Your local regional council may choose to set higher standards than this. In addition, we're also starting to see processors enforcing more stringent requirements to meet marketplace demands. Every regional council is at a different stage of formulating and enforcing their own regional plans, so local knowledge for specific issues is essential. Note that, as of November 2022, Government is working on freshwater farm plan regulations, and they are expected to be ready for rollout from early 2023 starting with Southland, Gisborne and Waikato regions.



What does the requirement for a certified freshwater farm plan mean for your agribusiness?

As a farmer, you can prepare the farm plan yourself, or you can engage a rural professional to help you. The farm plan will need to be certified by a certifier appointed by the regional council. Many processing organisations also have their own template for a Farm Environment Plan, and it is envisaged that these documents will be refined to meet the requirements of the Essential Freshwater policies and regulations in the coming years.

Every farmer in NZ will need to know their on-farm greenhouse gas emissions numbers by December 2022 and have a written plan to manage these emissions by December 2024¹. There is increasing focus on indigenous biodiversity, and there'll be an increased level of regulation in this area in the future.

Under the Essential Freshwater policies and regulations, some of the key rules that should be kept in mind include the following²:

- A synthetic nitrogen fertiliser cap of 190 kg nitrogen per hectare per year on pastoral land use.
- Conditions on intensive winter grazing (IWG).
- Minimum setbacks and stock exclusion from waterways (3 m).
- Drainage or modification of wetlands is essentially prohibited.
- Conditions on placement, use, alteration, extension, or reconstruction of culverts, weirs, flat gates, dams, and fords to ensure fish passages.
- Conditions on feedlots and stockholding areas.
- Water use reporting.
- Conditions on land use change and agricultural intensification.

So, how do you get started within your own agribusiness?

If you haven't already, make a start at developing your own Farm Environment Plan. Engage with your farm consultant or industry professionals to get some help. Key components of this plan should include the following:

- A description of farm location, contact details, and farming activities on the land.
- A farm map that clearly outlines waterways, farmed areas, soil type, land slope, critical source areas, and infrastructure.
- Identifying the key areas of environmental risk on the farm.
- Identifying what actions will be undertaken to mitigate any environmental impacts, and by when.

Here are some ideas that can help you create your own Farm Environment Plan



Ask your farm consultant or industry professional for advice.



Develop a good working understanding of the rules and regulations that are relevant to your agribusiness and most importantly the timelines that are involved.



Start analysing what your key issues might be, and how this might impact your farm system, your farm profitability, and whether any significant capital expenditure is required.



Collate and document information for your farm plan. It can take some time to do this, but you'll find there is a significant amount of information already available online (e.g. S-Maps) and within your own resources.

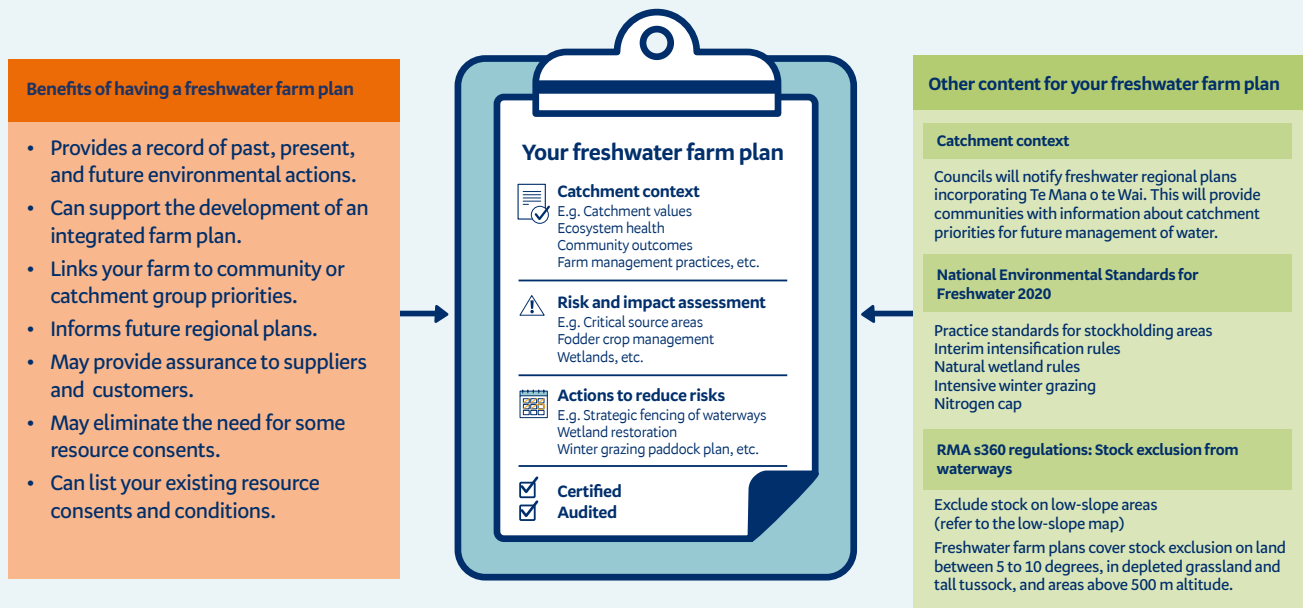


It'll take some time to prepare and document this information, and even more time to implement significant change. Ensure you leave yourself plenty of time to make this happen.

¹ You can find out more about this in our 'Getting to know and manage on-farm Greenhouse Gas emissions' fact sheet. You can find this and more Natural Capital fact sheets on the BNZ Agribusiness website: <https://www.bnz.co.nz/business-banking/agribusiness>

² You can find out more about this in our 'The Essential Freshwater package - managing your obligations to improve water quality' fact sheet. You can find this and more Natural Capital fact sheets on the BNZ Agribusiness website: <https://www.bnz.co.nz/business-banking/agribusiness>

Freshwater farm plans at a glance



Supporting significant gains in the health of New Zealand's waterways

Source: <https://environment.govt.nz/acts-and-regulations/freshwater-implementation-guidance/freshwater-farm-plans/>

Along with our Natural Capital team, BNZ have dedicated Agribusiness Partners throughout NZ. Your local Agribusiness Partner can help you consider where to start with the planning and budgeting of costs when it comes to enhancing your natural resources. If you need any further information on Farm Environment Plans, your local BNZ Agribusiness Partner can put you in touch with their trusted advisors.

If you would like to read more about Farm Environment Plans and certified freshwater farm plans, here are some great resources that can help:

1. mpi.govt.nz/agriculture/farm-management-the-environment-and-land-use/integrated-farm-planning-work-programme
2. mpi.govt.nz/dmsdocument/45382-Good-Farm-Planning-Principles-Towards-Integrated-Farm-Planning
3. environment.govt.nz/what-government-is-doing/areas-of-work/freshwater/e/freshwater-farm-plans/#freshwater-farm-plans-and-your-farm
4. dairynz.co.nz/environment/review-and-plan/farm-environment-plans
5. beeflambnz.com/farmplan
6. far.org.nz/articles/310/farm-environment-plan-templates

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