

Procedure for development of Farm Environment Plans

1. Scope

This procedure specifies the requirements and workflow associated the preparation and administration of the Opuha Water Ltd (OWL) Farm Environmental Plans (FEPs). This procedure covers the actions and responsibilities of OWL personnel and shareholders.

2. Objective

The objective of this procedure is to provide clear, concise operating rules for the preparation and administration of FEPs. This will ensure FEPs are prepared and administered in a consistent and effective manner across the scheme and with different personnel; satisfactory to OWL and the regulatory agencies overseeing any relevant resource consent requirements.

FEPs are the tool by which OWL will ensure that appropriate management practices are implemented on-farm to avoid or minimise adverse impacts on water quality and quantity of on-farm activities, especially those associated with irrigation. The aim of the system is not only to achieve compliance with resource consent conditions but to operate at a level above compliance and continuously improve what is done as a scheme.

A Farm Environment Plan is a valuable tool for OWL shareholders, helping farmers to develop profitable and sustainable farm management system. The aim of the Farm Environment Plan is to build a farm system that is optimal for the business, while also having the lowest impact on the environment. There are both management benefits and productivity gains to be made by identifying and achieving ongoing improvements in environmental practices on-farm. A Farm Environment Plan, done well, will provide strategic direction for successful and sustainable business performance.

3. References

Resource Consents and Regional Rules

OWL do not currently hold any resource consent that requires FEPs for its shareholders.

Under the nutrient management rules of the Land and Water Regional Plan (LWRP), all farms requiring a consent must prepare a FEP as part of their consent application.

- In a red zone, all farms leaching more than 20kgN/ha/yr will need a consent and FEP by 1 January 2017 (Rule 5.45)
- In an orange zone, all farms leaching more than 20kgN/ha/yr, will need a consent and FEP by 1 January 2016, if their property is over 50ha or if they increase their nitrogen loss above the baseline (Rule 5.55)
- In an orange zone, all farms leaching more than 20kgN/ha/yr, will need a consent and FEP if they increase their nutrient loss >5kgN/ha/yr above the baseline (Rule 5.56)

The LWRP includes provisions (Rule 5.60) to enable irrigation schemes to manage nutrient losses within their command area by holding a discharge permit. Farms operating under such an irrigation scheme are a Permitted Activity as long as the scheme holds a resource consent for the discharge of nutrients that specifies the maximum amount of nitrogen that may be leached (annual N load). A successful ASM programme is not reliant on OWL holding a scheme discharge consent, however, Farm Environment Plans (FEPs) are inevitable whichever path OWL take.

The LWRP also sets out requirements for FEP content in Schedule 7 (Part A and Part B).

Approval of the OWL template and guidance material was received from ECan on 2 October 2014.

Water Supply Agreements

Clauses 8.1 - 8.8 of the OWL Water Supply Agreement relate to FEPs (see Appendix 1)

Related Procedures

Procedure for Auditing Farm Environment Plans

Relevant contacts

Ian Brown, Environment Canterbury
Judith Earl Goulet, Environment Canterbury
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4. Definitions

ECan: Environment Canterbury / Canterbury Regional Council

Farming Enterprise (*from LWRP*): 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 purposes of nutrient management. Examples include a dairy platform and support block, or an arable farm with crops in rotation.

Plan Implementer: The person specified in the FEP as being responsible for the implementation of the FEP. This person is a signatory to the FEP.

Property(ies): Any area of land utilised as a single operating unit

5. Responsibilities

OWL Chief Executive (or nominee)

The CEO is responsible for ensuring that OWL:

- notifies all shareholders of their responsibility to prepare and maintain an OWL FEP and to manage and operate their property in such a manner that they achieve the objectives outlined within their FEP
- supports farmers in preparing their FEPs
- provides information to farmers to help them implement their FEPs.

OWL Office Manager

The Office Manager is responsible for notifying the Environmental Manager of new shareholders or changes to shareholders or shareholdings that may require new FEPs or revisions to existing FEPs.

OWL Environmental Manager

The Environmental Manager is responsible for:

- ensuring the FEP template meets ECan requirements;
- ensuring all properties that irrigate with scheme water have a FEP;
- assisting shareholders and, where relevant, their managers, sharemilkers and other personnel, to prepare and/or update their FEP;
- reviewing all new and revised FEPs and approve/check that they are technically sound and feasible, address the cause of identified environmental risks, and are able to meet the plan objectives;
- maintaining a register of all FEPs and key person responsible for its implementation including revisions and updates;
- providing relevant information/advice to those responsible for implementing the FEP;
- reviewing the FEP structure and content on a regular basis;

OWL Shareholders and water users

- Shareholders are responsible for preparing and maintaining a FEP for each property receiving OWL irrigation water.
- Shareholders must commit to managing and operating their property to achieve objectives and outcomes in the FEP and to making changes if required.
- Shareholders must include sufficient management practices in their FEPs to provide OWL and ECan with confidence that the environmental risks on the farm are being managed.
- Where the shareholder is not the water user, it is the shareholders responsibility to notify the water user of the requirement that all properties receiving OWL water for irrigation have a FEP.
- Shareholders must ensure that new managers or water users understand the FEP responsibilities and FEP is reviewed and updated where appropriate.

6. Procedure

Requirement for Farm Environment Plans

- All properties receiving OWL water for irrigation are required to have a FEP.
- The FEP will cover the whole property, not only the area under irrigation from OWL water.
- Where a shareholder owns/operates more than one property within the scheme and these are operated separately, a FEP is generally required for each property. Exceptions may apply (e.g. farming enterprises) and these will be considered on a case-by-case basis.
- Shareholders who take water for stockwater, domestic or commercial purposes only or who otherwise do not use water for the purposes of irrigation to land are not required to have a FEP

Farm Environment Plan Preparation

- OWL will notify shareholders - existing and new - of the FEP requirements and procedures.
- OWL will provide an ECan approved FEP template to all shareholders. A web-based template will be made available which may be accessed by various parties (e.g. OWL water users, auditors) to enable the efficient transfer of records between parties.

- The template will specify the objectives and outcomes that shareholders are required to meet. Users will retain flexibility as to how they achieve these.
- The template will also include a checklist of records/evidence that shareholders will be required to keep/show in order to demonstrate that they are carrying out the agreed practices.
- The FEP must clearly identify the key person responsible for implementing the FEP (the ‘plan implementer’).
- OWL will provide assistance to shareholders to develop a FEP specific to each property. This will include a workshop to prepare a draft FEP, followed by an on-farm visit where the draft FEPs are checked for completeness and approved by OWL.
- Should additional site visits /meetings be required with OWL staff in order to complete the FEP, this time will be charged in accordance with the OWL Charging Policy at the current rate (reviewed annually).

Farm Environment Plan Approval

- The completed FEP must be submitted to OWL for review and approval.
- Prior to approval, the Environmental Manager, or another OWL representative must have visited the property to check the FEP details. This provides an opportunity for feedback and also ensures that the plans meet the required outcomes.
- Approved FEPs will be noted as ‘approved’ on the online FEP database.

Farm Environment Plan Updates

- Farm Environment Plans must also be reviewed and updated if:
 - The plan implementer changes; or
 - There are significant changes to the farm operation or on-farm practices; or
 - The audit identifies that the management practices as listed in the FEP do not fairly represent actual on-farm practice; this update will be carried out in conjunction with post-audit activities.
- A workshop will be offered annually to new plan implementers, shareholders, owners or managers to provide information regarding the FEP requirements and to update the FEPs where required.
- When a FEP is updated it must be submitted to OWL for approval and updating of the FEP register.
- All FEPs must be reviewed and updated every 5 years
- Where relevant, fees related to the update of FEPs will be charged in accordance with the OWL Charging Policy at the current rate (reviewed annually).

Property and share leases and transfers

- Farm Environment Plans must be developed or, where appropriate, reviewed and updated if:
 - A new Land Lease Agreement is signed for the property receiving OWL water;
 - A new Water Lease Agreement is signed; or
 - A new Water Supply Agreement is signed.
- Any FEP prepared originally by the shareholder/lessor can be used (with updates) if it continues to be applicable to the new operation.
- The shareholder lessor must inform the lessee of their responsibility with regard to preparing and maintaining a FEP.
- The shareholder and lessee must agree on who is responsible for implementing the plan (the ‘plan implementer’)

- The 'plan implementer' is responsible for ensuring the property has a FEP and that it is correctly implemented.

Relationship with other FEPs

- The OWL FEP template will provide for any management area to be covered by another FEP, as long as that alternative FEP has been approved by ECan as meeting the requirements of LWRP Schedule 7, and has been approved by OWL as covering the same/comparable objectives and outcomes.
- Any alternative FEP used must be provided to OWL for recording and reporting.
- Any audit report prepared for this alternative FEP must be provided to OWL for recording and reporting.

7. Farm Environment Plan Content

Farm Environment Plan Objectives and Required Outcomes

- The Farm Plan template covers five farm management areas to meet the Farm Plan requirements in LWRP:
 - Irrigation Management (including irrigation system design and installation)
 - Nutrient Management (including offal pit management)
 - Soils Management
 - Collected Effluent Management
 - Riparian, Wetland and Biodiversity Management (including livestock management)
- For each topic, the objectives and required outcomes are set by OWL based on meeting the LWRP requirements for FEPs and contributing to the Orari-Opihi-Pareora Zone Implementation Programme (ZIP) for the Canterbury Water Management Strategy.
- The objectives and required outcomes for the FEP Template may be amended, if required, particularly to incorporate changes in Environment Canterbury (ECan) requirements

Farm Environment Plan Required Practices

For many of the FEP objectives irrigators will determine their own 'best practices', depending on land use, soil type, irrigation type etc. However, for some objectives OWL will set some expected practices.

The expected practices are set out in Appendix 2. These may be amended, if required, particularly to incorporate changes in ECan expectations or requirements.

8. Review of Farm Environment Plans

Review of FEP content and structure

- OWL will undertake a review of FEP content and structure, including management objectives required outcomes and management practices, at least every five years, or if regulatory/consent requirements are changed by ECan.
- Any significant changes to FEP content or structure will be approved by ECan prior to implementation, to ensure it meets regulatory requirements.

- In the event of severe, unanticipated environmental effects, or peer-reviewed research findings that indicate urgent action is necessary, OWL may revise the content and structure of the FEPs immediately.

9. FEP Audit Process

FEPs will be audited as required under scheme procedures and shareholders resource consent requirements. Breaches may result in OWL taking action in accordance with the Water Supply Agreement.

Refer to 'Procedures for FEP Audit'

10. Training and Education

OWL will ensure that all new and current shareholders are aware of their responsibility to prepare and maintain a FEP and their obligation to operate their property in such a manner that they achieve the objectives and outcomes outlined within their FEP.

OWL may facilitate training and education opportunities to plan implementers, shareholders, owners or managers to support them in achieving the FEP outcomes and to encourage environmental improvement across the scheme.

11. Record Keeping

- OWL will maintain
 - A copy of all FEPs and a register of FEPs and contact information
 - A map of all properties in the scheme who have a farm environment plan, and those who are required to have a farm environment plan under the LWRP
- OWL will report annually to the Board and shareholder on overall FEP performance
- Where appropriate, OWL will report to ECan on overall FEP performance

12. Sign-Off and Revisions

Revision Chronology			
Version	Revision Status	Date	Preparer
1	Final	September 2014	Julia Crossman

Appendix 1 Relevant Water Supply Agreement clauses

Farm Environment Plans

8 FARM ENVIRONMENT PLANS

8.1 Regulatory Authority Requirements

Each Shareholder shall comply with and meet the requirements of any Regulatory Authority to provide such farm environment plan, farm operating plan or other plans as determined by that Regulatory Authority and in accordance with the requirements of that Regulatory Authority.

8.2 Audit

The Company may implement for each Property an audited self-management programme approved by the relevant Regulatory Authority under which the following shall occur:

- (a) an audit of the farm practices and environmental management for the relevant Property shall be carried out ; and
- (b) the Shareholder will provide such information, questionnaires and reports to the Company as reasonably required by the Company;
- (c) such audit may be subject to such external audit as determined by the Company to audit the Shareholder's compliance with all Regulatory Policies;
- (d) the Shareholder shall comply with any requirements of any Regulatory Authority and the Company in respect of farm and water management policies required and imposed on all Shareholders taking water from the Company and conveyed using any of the Distribution System.

8.3 Farm Environment Plan

If required by the Company each Shareholder who has the right to receive Water from the Company shall prepare and implement a Farm Environment Plan for irrigated land to demonstrate how the Shareholder is actively managing the use of the Water to achieve high standards of environmental management consistent with the farming practices on the relevant Property. That plan shall include such matters as the Company may require from time to time and shall be provided within a time period required by the Company.

8.4 Shareholder must comply with quality standards

Each Shareholder shall also in addition to the requirements of any approved Farm Environment Plan comply with all other industry quality assurance programmes, codes of practices, specific Regulatory Policies and legal requirements, and all other requirements to ensure Good Management Practice is maintained in respect of the operation of irrigation on the Shareholder's Property.

8.5 Scheme Environmental Plan

The Company may post on its website a Scheme Environmental Plan for management of the irrigation Scheme. The Company will at all times be responsible for the enforcement of any applicable Scheme Management Plan and, to the extent required, the Shareholder will comply with the terms and provisions of the Scheme Management Plan. The Shareholder acknowledges that the Scheme Management Plan is an essential element for the continuity of the Resource Consents held by the Company and must be complied with in all material respects.

8.6 Notice of Breach of Plans

In the event that the Shareholder breaches any of the terms and conditions of the Short Form Agreement or these Terms or any of the provisions contained in the Farm Environment Plan (if applicable) or any Scheme Management Plan then the Company may give notice of breach to the Shareholder as set out in clause 19 and if necessary terminate the Short Form Agreement and these Terms as set out in clause 20.

8.7 Must use water in accordance with policies

The Shareholder acknowledges that in respect of any water released to the Shareholders Property that the Shareholder shall:

- (a) only use and distribute that Water in accordance with Good Management Practice in compliance of the Resource Consents and the requirements of any statutory body;
- (b) utilise a system and equipment, and apply and use methodologies as may be prescribed by the Company as being Good Management Practice from time to time;
- (c) comply with any Farm Environment Plan approved by the Company under Clause 8 and any Scheme Management Plan;
- (d) comply with the policy notified to Shareholders under clause 5.1;
- (e) comply with the requirements in clauses 8.1 and 8.2.

8.8 Shareholder must comply with good management practice

The Shareholder shall ensure that all irrigation on the Property to which Water is distributed shall be carried out in accordance with Good Management Practice and also in accordance with any Farm Environment Plan and related environmental requirements from time to time applicable to the distribution of Water. Those matters shall include and traverse all terms and provisions of Resource Consents, Statutory Requirements, Good Management Practice and company policies that may be applicable from time to time including any Scheme Management Plan.

Appendix 2: Farm Environment Plan Expected Practices

For many of the FEP objectives irrigators will determine their own 'best practices', depending on land use, soil type, irrigation type etc. However, OWL expects the practices listed below be implemented, as a minimum.

1. Irrigation System Design and Installation

OWL expects that:

- All new irrigation systems installed or replaced after 1 January 2014 meet the INZ Piped Irrigation System Design, and installation Code of Practices and Standards.

2. Irrigation Management

OWL expects that:

- Irrigation applications are undertaken in accordance with property specific soil moisture monitoring, or a soil water budget, or irrigation scheduling calculator
- Records of irrigation applications, soil moisture monitoring and rainfall are kept
- Annual check of system completed to identify efficiency improvements (e.g. flow check, DIY irrigation evaluation, bucket tests)
- All water users with take consents comply with national water metering regulations (where relevant)
- Systems are in place to prevent irrigators spraying water directly onto roads
- Staff with irrigation management duties well trained with respect to their responsibilities

3. Nutrient Management

OWL expects that:

- For all farms over 5ha, an OVERSEER (or approved alternative) nutrient budget is prepared for the property and each LMU/block in accordance with the OVERSEER Best Practice Data Standards, and input records are kept
- The nutrient budget is reviewed annually and revised if necessary
- For all farms over 5ha, a nutrient baseline, as defined by the Land and Water Regional Plan is prepared in accordance with the OVERSEER Best Practice Data Standards and/or input records sufficient to calculate the baseline are kept
- Water users comply with nutrient cap levels/catchment load levels as set by ECan for the relevant farming area
- Council rules relating to on-farm silage and offal pit and rubbish dump are adhered to
- Fertiliser is applied in accordance with COP for Nutrient Management (2007)
- Fertiliser is applied to Spreadmark COP or with equipment self-calibrated to Spreadmark COP standards

4. Collected Effluent Management

OWL notes that managing collected animal effluent is not a scheme responsibility, but requires water users to obtain the necessary resource consents and meet overall effluent consent requirements. Water users are required to demonstrate how they manage irrigation in effluent areas and that they have systems in place to manage effluent when soils are saturated. OWL requires:

- Effluent consent is current and complied with 365 days / year
- Effluent is applied at rates that do not lead to ponding and/or runoff

5. Riparian, Wetland and Biodiversity Management

OWL requires:

- Water users to meet, as a minimum, the stock exclusion rules in the Land and Water Regional Plan, and the requirements of the 'Sustainable Dairying: Water Accord'¹ where relevant
- All regular stock crossings have bridge or culvert

It is the expectation of OWL that all shareholders and water users receiving OWL irrigation water will be performing at an equivalent of **Good Practice*** across all management areas **within 2 years** of developing their FEP.

*The FEP template provides indicative **Basic, Good** and **Premium** practices for each management area.

¹ "Sustainable Dairying: Water Accord" (2013) http://www.dairynz.co.nz/page/pageid/2145879933/Sustainable_Dairying_Water_Accord