



USE OF COUNCIL APPROVED INDUSTRY ENVIRONMENTAL MANAGEMENT PROGRAMMES IN PLANS

The concepts

What is IEMP / IASM ?



- It is an **opportunity** to think differently about how to achieve sound environmental management on farm (and in other situations)
- It must present **value** to all stakeholders – council, programme deliverer, community, environment
- If adopted into plans - it is not council standing down from regulatory responsibility...rather it is an opportunity for council to consider how can they best work with partners to achieve **effective** and **efficient** behaviour change on farm

What is IEMP / IASM ?



- IASM is a **generic term** for a wide range of industry-led programmes that have a common theme of encouraging individuals (e.g. producers) to take greater responsibility for performance that they may not be otherwise incentivised to deliver

- At its simplest IASM is:

*The **management** of an **individual's** activities and behaviours by that individual, generally **overseen** by a collective industry organisation, to promote some social (including environmental) or consumer objective; **and***

*The **reporting** of **audited** results of that management to satisfy those with an interest in that **objectives** (typically a consumer, business partner or regulator) that certain **standards** have been achieved or certain practices employed.*

What is IEMP / IASM ?



- Can sit **outside** a plan e.g. Supply Fonterra and NZGAP
- Motivations can be outside planning – e.g. social responsibility / good corporate citizenship, market access
- Can address matters beyond resource management – e.g. food safety, animal welfare, human rights
- Can sit **inside** a regional plan as a permitted* activity rule e.g.

The use of land for farming activities is a permitted activity provided the following conditions are met:

1. *The farming activity and the property on which the activity is undertaken are listed on the register of IASM participants located on the X regional council's IASM participant website...*

** Example refers to permitted activity...important component of value proposition and incentive to join IASM*

What is IEMP / IASM ?



With respect to IASMs in plans... a definition - Not easy to succinctly define....

...management of the actions of an individual resource user, or group of resource users, by an industry organisation, as a substitute for hands-on control by the regional council where:

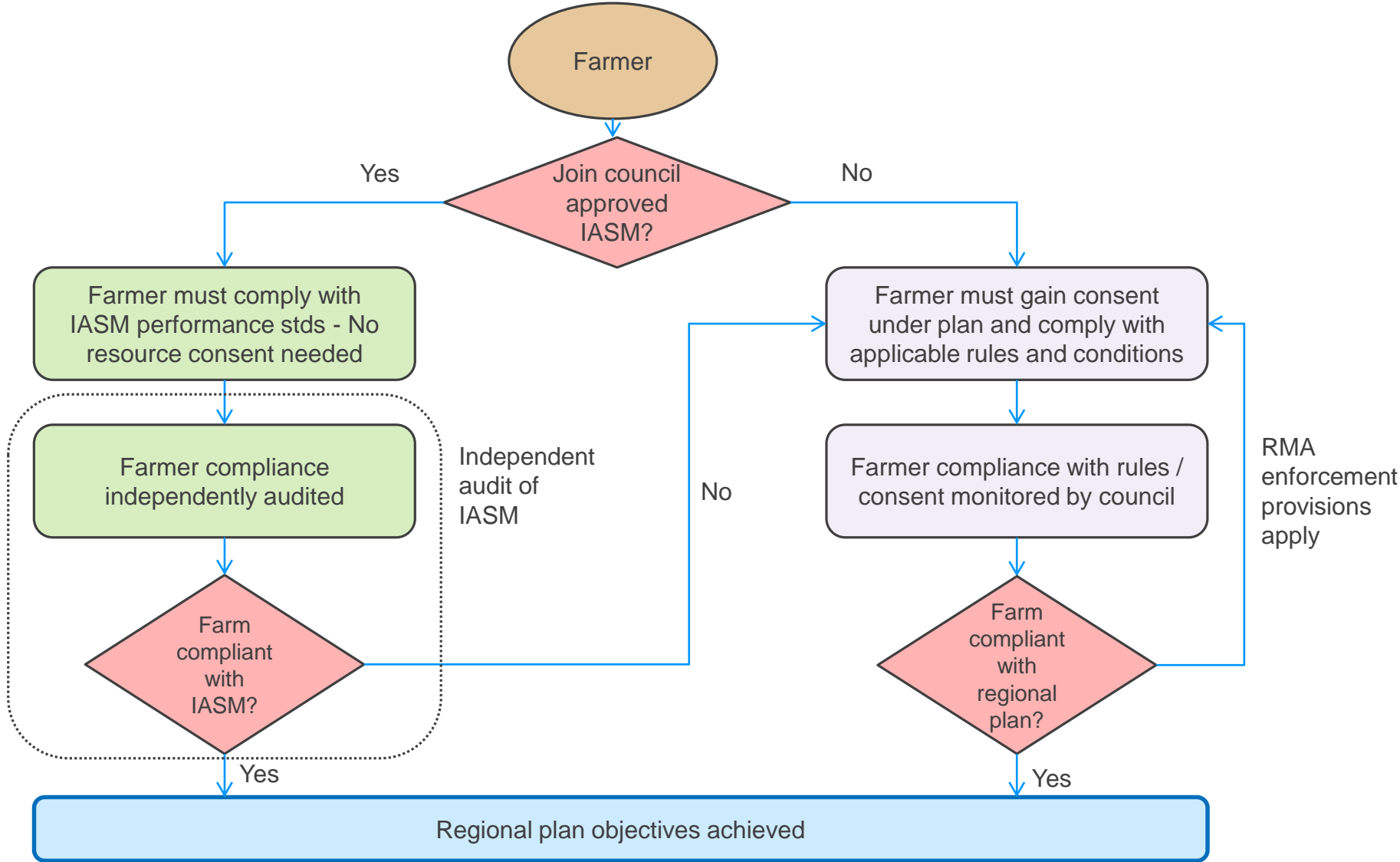
- ◆ *The objective of the management is first agreed between the regional council and the industry organisation; and*
- ◆ *The performance of industry organisation in achieving the objective is independently audited and reported to the regional council to demonstrate the efficacy (or otherwise) of the programme.*

Why the current interest?



- IASM is not a new concept...it has been around for decades...but current heightened interest in response to implementing **NPS-FM**
- Focus on large and diverse sector of resource users i.e. the **primary sector**
- Primary sector undertake wide range of activities, **activities vary significantly** based on weather and markets etc.
- Regulation of so many individual business units imposes a potentially **large burden** (capacity and capability) on regional councils in terms of consenting, monitoring and compliance
- Burden is especially large when enforcement involves complex **verification** of complex obligations (e.g. use or OVERSEER)
- Risk of prosecution may not be sufficient to influence desired **behaviour change**

How does it work?



Existing examples



In plans

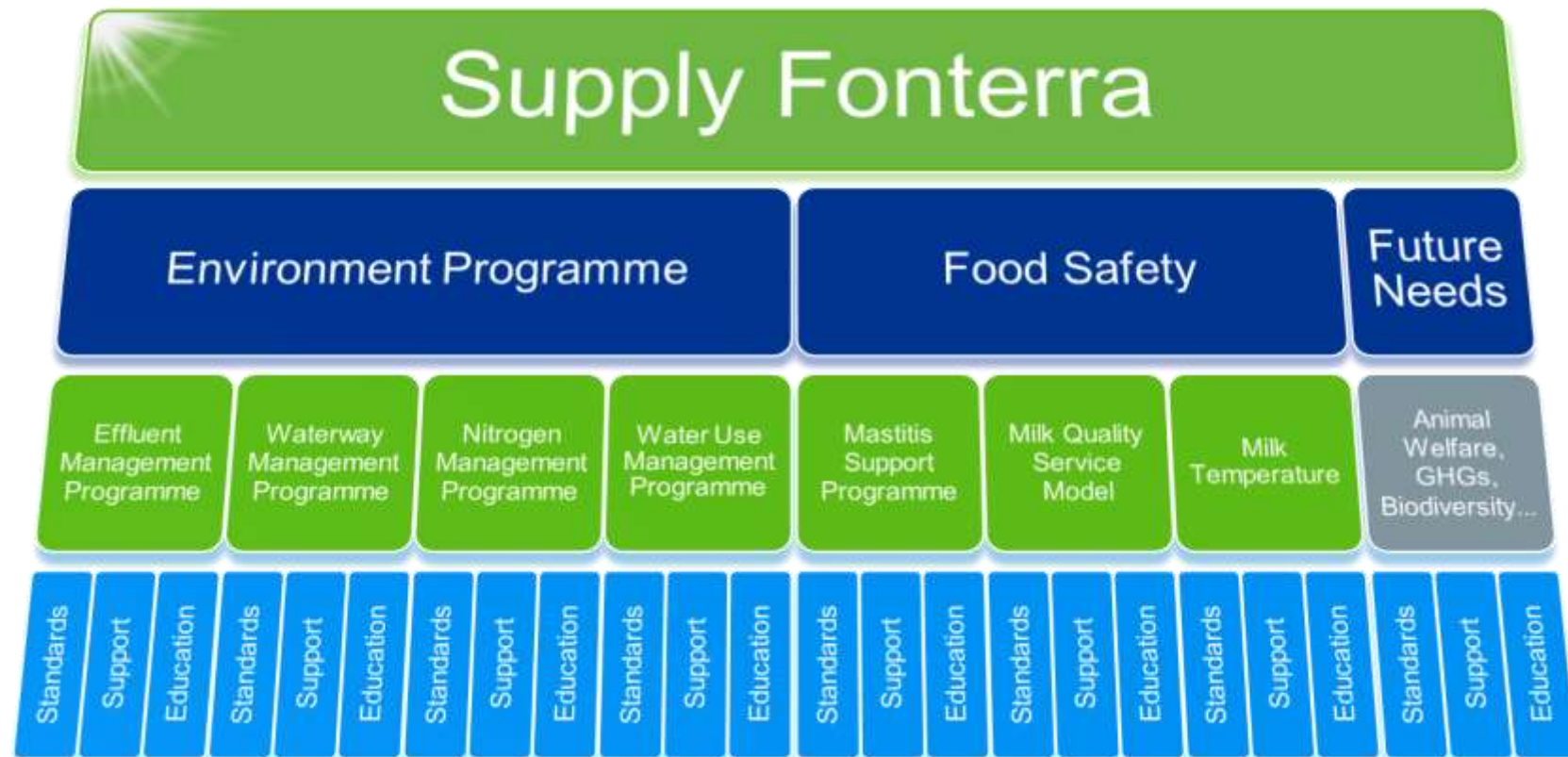
- Limited...but progressively advancing towards fuller adoption
- Irrigation consents for water take and use that place responsibility for managing both individual water use and nutrient loss with the irrigation company

Outside plans

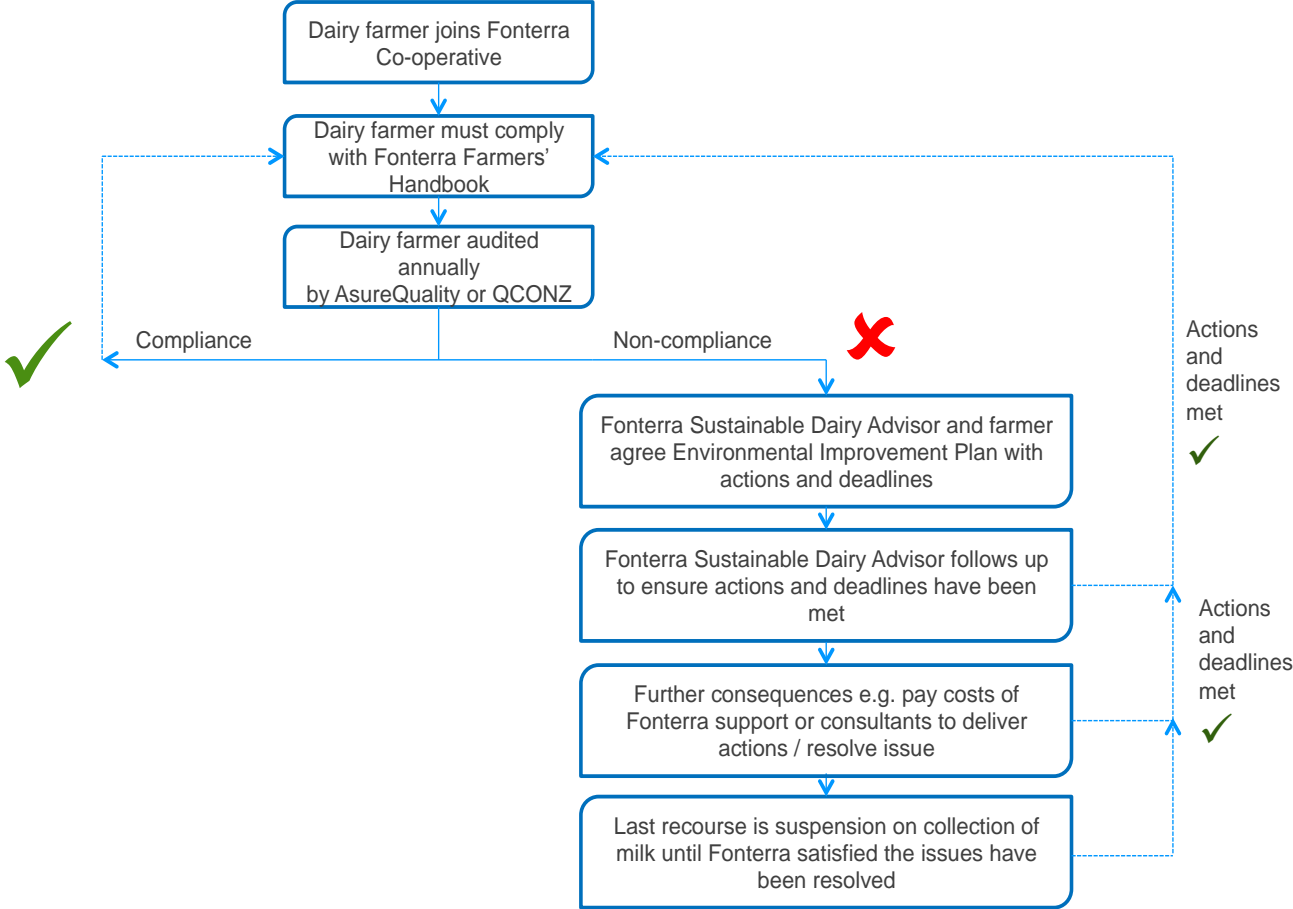
- Fonterra's Supply Fonterra
- Horticulture NZ's NZGAP

Fonterra's "Supply Fonterra"

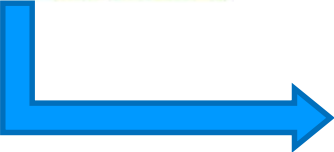
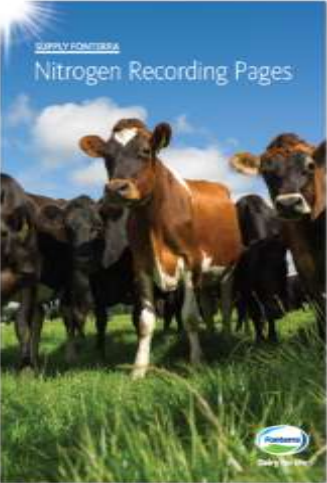
A contract agreement with all Fonterra farmer shareholders



Fonterra's "Supply Fonterra"



Example component- Nitrogen Management





OVERSEER[®]

For on-farm management and decision support



This is your farm's Nitrogen Management Report for the 2013/14 season. It provides you with your farm's Nitrogen Conversion Efficiency (NCE) and Nitrogen Leaching Risk (NL), to help you identify opportunities for further nitrogen use efficiency on your farm. It also gives you a better understanding of the potential business risks to your farm, particularly in regions where nitrogen limit setting is under way.

Note: The information presented in this report is only a summary of a more detailed Overseer file. We recommend you seek further advice before making any changes to your farm system(s).

The Overseer Model
Overseer is the preferred farm systems modelling tool used by fertilizer companies, farm consultants, regional councils and the dairy industry to demonstrate improved nutrient management practice on New Zealand dairy farms. It is used widely to provide an assessment of various change (year on year and between farms). Your data has been processed through Overseer in accordance with the Overseer Best Use Standard. The information in this report is based on the Nitrogen form you sent to Fonterra in mid 2014. If the farm was acceptable, our processing team will have made some assumptions while processing the data through Overseer.

Key information used to model your farm's nitrogen use

Total active dairy farm area	100ha
Farm Management Block:	
Main Pasture Block	70ha
Suckling Stock	20ha
150unit Block	40ha
Total cows calved	100
Total milk solids produced	16,000 KG/MS
Average kilograms of nitrogen applied per hectare (across whole farm)	152 KG/HA/YR
Supplementary feed brought onto farm (kg dry weight)	400t

YOUR NUMBERS AT A GLANCE

33

KG/HA/YR

Nitrogen Leaching Risk
This tells you the risk of the loss of nitrogen from the farming system into the groundwater system via nitrate leaching. A smaller number indicates a lower risk of nitrogen loss.

35%

Nitrogen Conversion Efficiency
This is the percentage of nitrogen that is brought into the farming system (through supplements, feed and clean feed) that is converted to milk solids and meat. The higher the percentage, the more efficient the farm is at using its nitrogen resources. (Nitrogen input: 152 kg/ha/yr)

114

KG/HA/YR

Nitrogen Surplus
This is the difference between the total nitrogen brought onto the farm and the total units of nitrogen that leave the farm. A high amount of nitrogen surplus can indicate an accumulation of nitrogen being stored.

© Fonterra Best Practice Use Best Standards, available at www.fonterra.co.nz

Example component- Waterway Management

Every farm is GIS mapped & verified to ensure Fonterra std is met



Planning mechanism examples



Policy e.g.

Recognise IASM schemes as a means to manage adverse effects of farming activities provided those schemes:

- a) require farming activities to adopt practical measures that lead to enhanced environmental performance of farming activities that support the achievement of the objectives of this plan*
- b) include an independent audit of compliance with the measures required by the IASM scheme*
- c) provide information to the regional council annually on the level of compliance with the scheme requirements*
- d) are consistent with the design principles set out in Appendix x of this plan*

Rule e.g.

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- 1. The farming activity and the property on which the activity is undertaken are listed on the register of IASM participants located on the X regional council's IASM participant website...*

Planning mechanism options



- IASM does not need to be developed prior to plan provision in place.....since the key is “council approval” of an IASM...
- Council “approval” can come at a later stage, but criteria for approval must be reflected in the plan provisions....such criteria must give the community some degree of confidence that a future IASM will deliver the plan’s objectives, and that if a IASM fails to achieve the objectives then “approval” can be withdrawn.
- Value in leaving door open for new IASMs to be approved by Council without need to do plan changes [provided criteria for “approval” and withdrawal of approval are sound]

Negotiating design



- Any IASM must meet the needs of council and at the same time be acceptable to the programme deliverer. Details will need to be developed together via collaboration / negotiation.
- Design details can be specific to the particular area / council / programme deliverer involved
- Design will likely take time...delays may be a problem if seeking to have IASMs approved prior to plan change...solution is leave the door open.

Back to opportunity from IASM in plans



- Offers alternative approach to **incentivising** the “right” behaviour across the primary sector
- **Reduces regulatory burden** for councils in terms of consenting, monitoring and enforcement for so many individual business units (farms)
- **Avoids duplication** of **costs** e.g. some companies monitor their farmers’ activities for food safety and as good corporate citizens, regional councils also monitor – often collecting the same information
- Achieve more systematic behaviour change by more **closely linking** ability to operate and sell products to markets with the need to operate at GMP

Questions

