

In the matter of: **Proposed National Policy Statement for Highly Productive Land**

And: Yen and Ena Lim Family Trust

And: **Ministry for Primary Industries**

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Submission on Proposed National Policy Statement for Highly Productive Land

Dated: 07 October 2019

- This submission is on behalf of the Yen and Ena Lim Family Trust in relation to Ministry for the Environment and Ministry for Primary Industries proposed National Policy Statement for Highly Productive Land. The Yen and Ena Lim Family Trust will gain no competitive advantage through the lodgement of this submission.
- **Our submission is that our property, LOTS 1 & 2 DP 411 744 should not be classified – “locked in” as Highly Productive Land (HPL).**

Causal Factors Impacting the Business

- Four generations of the Lim family have farmed this property since the 1950s up until 2002. Currently, our property, (on the most eastern corner of lower slope of Pukekohe Hill), is leased to another vegetable grower but increasingly our land is becoming more uneconomic. Several factors are causing this. These are: the changing demographic profile of the Franklin district, the successful results to land use change applications around us – reverse sensitivity; lack of water availability; technology – crop variety and land use; resource constraints associated with the proposed changes to the policies and standards for the management of Freshwater; compliance costs.

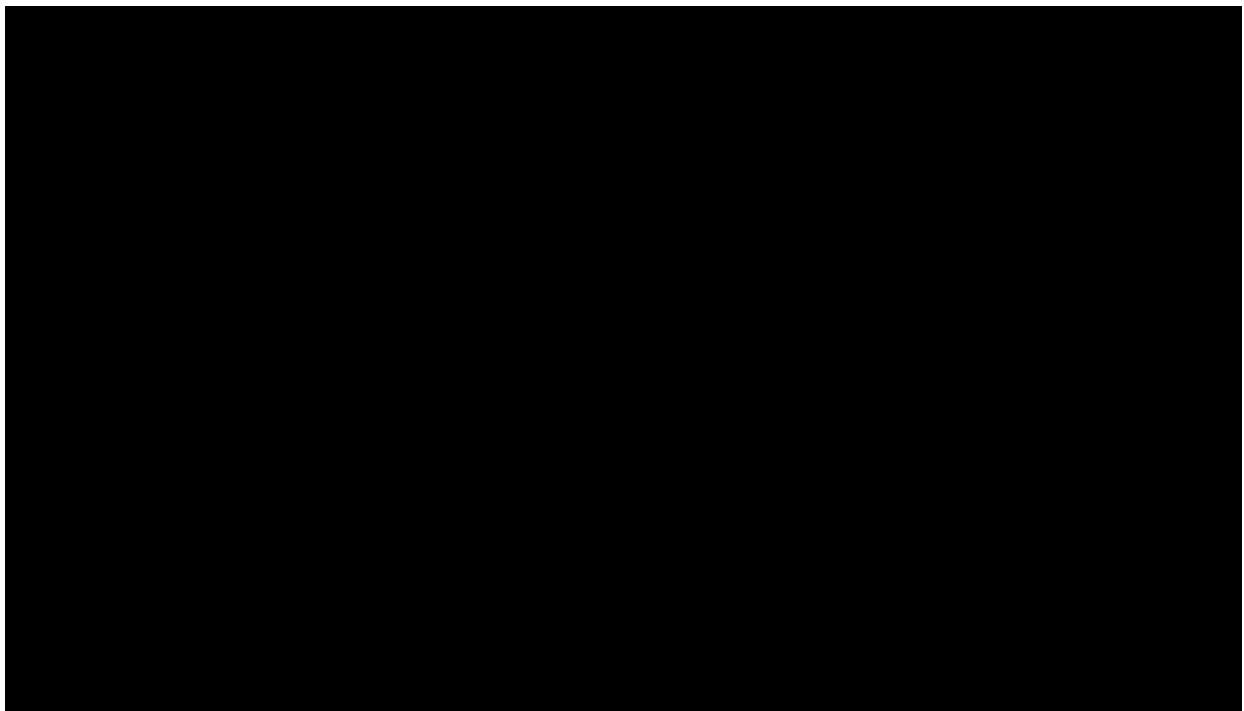
Geographical Context

- The 3 figures below illustrate where our land holding is located in relation to the surrounding current residential and commercial activity and planned future activity.

- Fig. 1



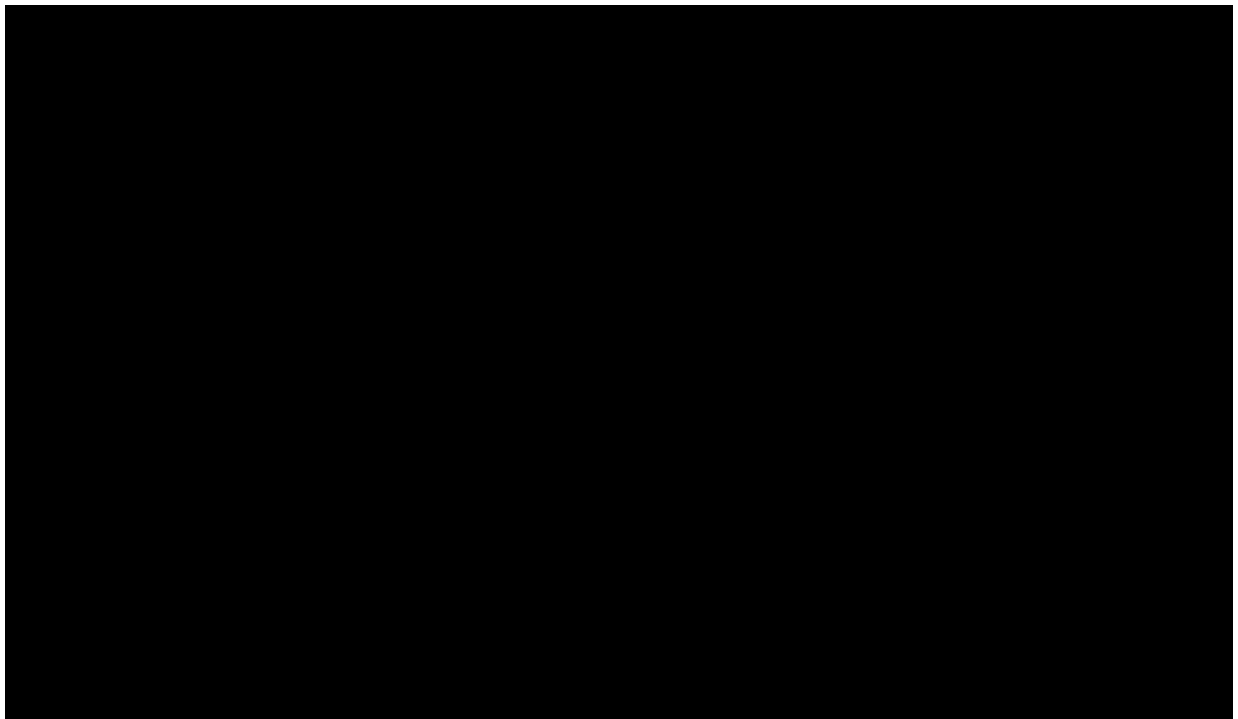
Figure 1



- Fig. 2



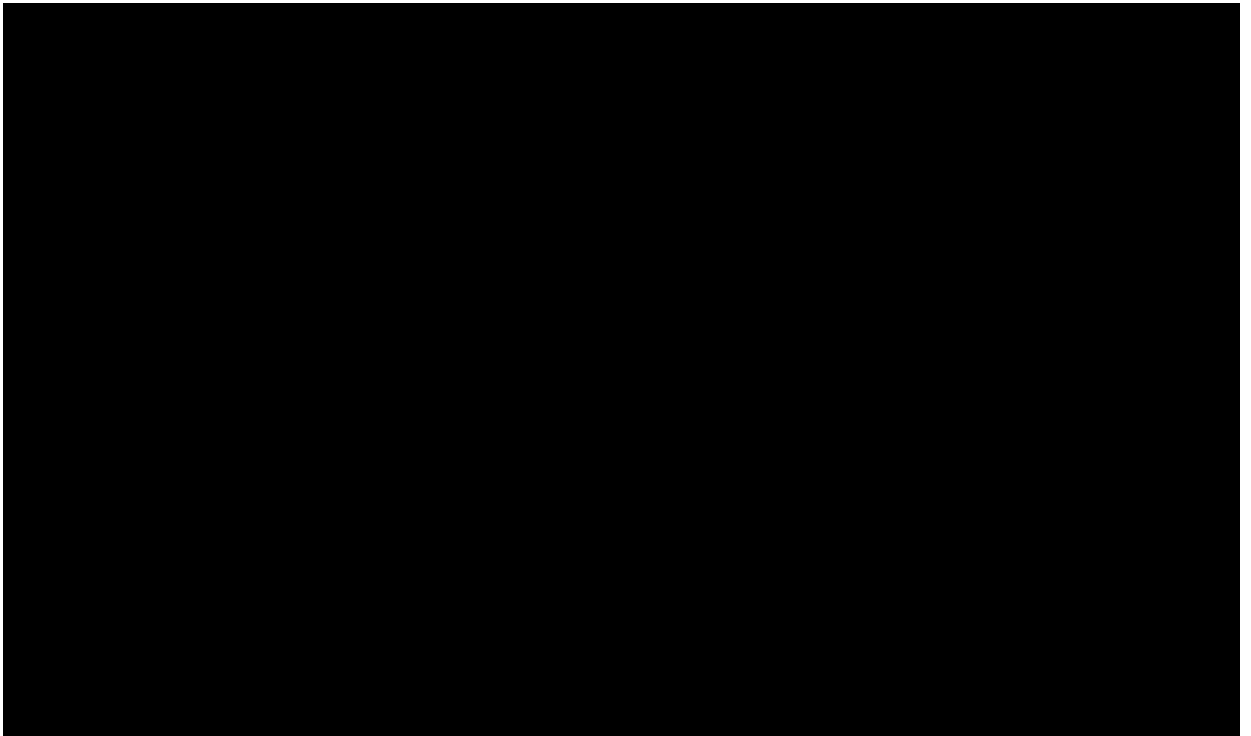
Figure 2



- Fig. 3

- [Redacted]
- [Redacted]
- [Redacted]

Figure 3



The impact of the changing demographic profile of the Franklin area – Reverse Sensitivity

- With the Franklin area being identified as a growth area for the Auckland region, an estimated 34 000 more people in the Pukekohe-Paerata area alone, there is an increasing need for retail, light and heavy industries and infrastructure to meet the needs of the population growth. As the three Figures above and previous discussion highlight, our property is one of the closest to the Pukekohe Township. In the past 10 years, there has been a significant development of the Manukau Road area with two major shopping hubs and an increasing number of light industries established. There will most likely come a time when the identified Future Urban zone becomes an Urban zone and the western block neighbour gives up growing and sells their holding for residential, we will be subjected to the most likely probability **of reverse sensitivity pressure** from neighbours. Across Kitchener Road is light industry but in that same block is residential housing too. An urban zone would only add to the reverse sensitivity pressures.
- Even though we do not farm the land ourselves, this would severely restrict the business operations of any leasee on the land. eg. The hours of work - harvesting and land preparation means many long and sometimes dusty hours, into the dark during summer. If these hours and/or activities were to be restricted by surrounding neighbours, it would be not be possible to run an economic horticultural growing business. In turn, this would make our property uneconomic to keep and significantly impact the value of the land should we wish to sell it. We would not be able to afford the rates and upkeep to keep the property under control. No one would want to buy it as growing land given the reverse sensitivity issues. If the land is classed as HPL, this would literally render the property as unsaleable as it could not be used for anything else but growing.
- The close proximity of our land holding to the General Business, Light Industrial, Future Urban, Mixed Business and Residential zones is also another potential for reverse sensitivity pressure which has been faced by other growers in similar situations in New Zealand. These include the danger and unsuitability of trucks transporting heavy loads on high traffic density roads that include many driveway access points especially on Manukau Road and Buckland Road. This danger will only increase as the Future Urban zone along Buckland Road becomes an Urban zone and if the Counties Racing Club's, (immediately across the road), application for a land use change to Business zone comes to fruition. There are only three routes for our growing operation out to distribution centres such as Turners and Growers or the Auckland and Hamilton markets [REDACTED]
[REDACTED] The first two roads require negotiation through tight roundabouts. See figs. 2 & 3

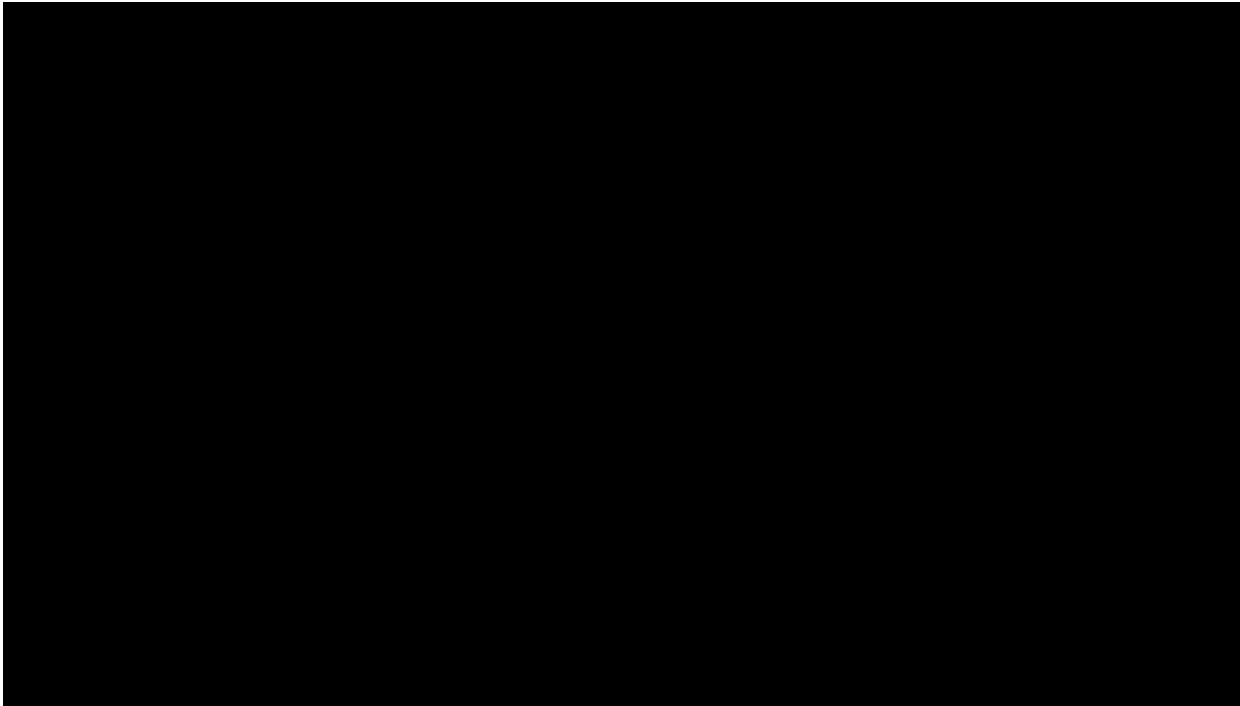
The impact of the lack of water availability

- When the Franklin District Council requested we sell part of our property for their Public Works Drainage project we lost our only source of water effectively curtailing the ability to turn over the same number of crops off the land. Although we received some financial compensation, it was not enough to meet the costs of meeting resource consent application and installation of a bore at the time. There was also no guarantee that a resource consent application would be successful. Today, the cost of putting a bore in is prohibitive given the requirement to bore to a greater depth. If water is technically available, the cost of drilling the bore is in excess of \$200k which is uneconomic given the size of our property is usefully 10 acres. The rental income off the size of our property would not cover this cost or the ongoing power and maintenance costs in an acceptable payback period. As a landlord, the cost of owning land (e.g. rates) does not cover what can be made from small land parcels such as ours especially because the land does not have access to water. Should our current leasee not want to roll-over their lease in the near future, potentially we are left with land that can no longer generate an income and the land has a much lower value due to its increased growing risks.

The impact of the technology on crop variety and land use

- We are fourth generation growers on the property and the next generation are all engaged in other professional careers and neither have the knowledge and skills nor the desire to carry on the family business even if they could afford to buy the business. With most of our generation in the mid- 60s to 70s, we want to sell up. Innovation in Food Science Technology has meant crop variety changes have opened up more land for cropping. Previously, Pukekohe Hill was known throughout NZ for its early variety potatoes. This is no longer the case. There is no crop that is grown on Pukekohe Hill that commands the monopoly in the marketplace that it once enjoyed so the land is no longer considered high value by many growers. As with most of the land on the Hill, our property has been farmed intensively over the years and it is “tired and lacking in nutrients” requiring a much greater topical application of fertiliser. Horticultural land on the Hill is not considered HPL by many of these growers who have for generations farmed the land. Many of their next generation are growers and they are looking to expand by seeking new previously uncropped land further out especially to the west of the township or south towards Hamilton and beyond. See fig. 4 below.

Figure 4



The impact of resource constraints and compliance vs land size and production

- The **resource constraints** on growing are disproportionately exacerbated by the size of the small block. There is no water available so the number of crops per year off the land is constrained as already discussed. The land has been intensively farmed for over 60 years and despite crop rotation practices, crop diseases such as nematode in carrots and potatoes, club root for brassica (cauliflower, cabbage and broccoli) and white rot in onions is prevalent. The need for nitrogen and phosphate application is required to prevent/hold off these diseases to encourage crop yield off the land in order to remain economic whilst at the same time meeting current regulatory requirements on soil leaching. These are all the main crops grown on Pukekohe Hill and the main reason why many growers on the Hill look to new land further out of the district to stay commercially and legally viable. In the near future, meeting the proposed Freshwater Management policy will further negatively impact the ability of the land to produce quality, marketable crops. The need to transition to less intensive growing systems to meet the requirement to reduce the use of nitrogen and phosphorus requires more land not less and this is especially so for our property. We do not have any spare land for anyone leasing it to crop less intensively. Profitability on our small land holding is difficult for anyone leasing it because fixed costs cannot be spread over a larger area which in turn affects an affordable rental which can be met in order to keep the land in production.
- **Compliance** with laws such as Health and Safety Act, Food Act, environmental management plans and changing to new technology in order to comply all require financial resourcing which means increased production to pay for the increased costs. e.g. the proposed costs associated with complying with the requirement for a farm plan is quoted at “around \$3500 to develop a plan, depending on the degree of

General Summary

- We support the adoption of a National Policy Statement for Highly Productive Land (NPS-HPL), because we believe it will discourage inappropriate use and fragmentation of finite land that is suitable for commercial vegetable production (CVP). However, consideration of the soil and its topography should not be the only factor in deciding what is or is not highly productive land. We believe other factors contribute to the viability of a productive unit. Therefore, even though it is only an interim measure, the reliance on the Land Use Capability system is not really appropriate.
- Consideration of certain essential criteria that help determine the viability of a production unit should all be integral to the definition of Highly Productive Land. This criteria includes soil capability, size of the land holding to support production, topography, productivity, sustainability (particularly the requirement for crop rotation to avoid the build-up of soil pests and diseases), water availability for irrigation, the impact of reverse sensitivity, the ability to utilise nutrients, economic viability, access to safe transport routes, avoidance of biosecurity threat, and natural disasters. Unless all these essential elements are in place to enable a viable production operation to be undertaken, it is unreasonable to limit the scope of land use options.
- It is considered that The National Policy Statement for Highly Productive Land (HPL) cannot be evaluated in isolation. It must be looked at alongside other proposed regulation, particularly the proposed National Environmental Standard for Freshwater (NES-FW) which is basically confining the commercial production of vegetable to a limited area, notwithstanding the increasing demand for food from a growing domestic population.
- The proposed National Policy Statement for Freshwater Management (NPS-FM) identifies high-nitrate catchments that require immediate action to reduce excessive leaching arising from poor management practices. The Ministry of Primary Industries requires the affected growers in these catchment areas to immediately make reductions of between 30 – 50% and for some even as high as 80% reduction. It is feared that it is most likely that many commercial vegetable production businesses in these identified catchments will be unable to run an economically sustainable production operation at the level and size required to make the business viable.
- The underlying proposal of the National Policy Statement for Highly Productive Land (NPS-HPL) is to basically ‘lock’ land into productive use, in order to prevent the valuable soil resource being fragmented or lost to urban expansion. However, consideration and acknowledgement of the impact must be given to the likelihood that if the land is not viable for production and cannot be used for any other use, the landowner stands to lose both their equity and their livelihood. At the broader perspective, commercial vegetable production will reduce as a result and food may need to be imported to meet the growing fresh produce requirements of our country.
- The Pukekohe region is renowned for its production of vegetables on a commercial basis. Its provision of fresh produce capably meets the domestic market demand

therefore is most likely to be significantly adversely impacted by the cumulative effects of proposed regulation including the NPS-HPL, NPS-FM and NES-FW.

- Nowhere else in New Zealand is there a similar place to Pukekohe presenting good climatic conditions conducive to winter production of vegetables.
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- *We respectfully ask you to consider a more comprehensive definition of “highly productive land”. We also ask that you address the implications of restricting land use change simultaneously in the context of other proposed legislation.*
 - *We do not consider that regional councils are adequately resourced to cater for additional mapping requirements because of demands on their skills and time of meeting the excessive resourcing requirements imposed by the many other pieces of legislation currently proposed.*
 - *We support the inclusion of other business related activities that have the potential to add to the productive capacity of Highly Productive Land on that land. For example, glasshouses, packing sheds, post-harvest facilities, and distribution infrastructure that enhance the productive capacity of outdoor growers. However, we do not support the hours/days of waiting for resource consents to be granted to allow these services to be used.*
 - *We support using incentives to improve the productive capacity of land. In some cases, this could provide for the development of land identified as Highly Productive Land. For example, transferable development rights in exchange for title aggregation.*
 - *We support policies to reduce reverse sensitivity issues, for example, requiring effective buffers at the rural-urban boundary interfaces. However, whilst effective, buffers are not to put the land at a worse position in terms of shading and absorbing useful nutrients from the soil required for cropping.*

Signed:

Andrea Lim