

## GENERAL

### Who has committed to sign this new Accord?

The Accord is primarily a set of commitments by the industry body DairyNZ, the Dairy Companies Association of New Zealand and individual dairy companies. They will be accountable for its targets and monitoring progress.

Others are also signing up as supporters and friends and making commitments to help. This includes Westland Milk Products, regional councils, the Federation of Maori Authorities, Federated Farmers of New Zealand (dairy section), government agencies and the fertiliser and irrigation sectors.

### How will this lead to a step up in performance across the dairy industry?

Other dairy companies, not just Fonterra suppliers, are now involved and accountable, meaning more dairy farmers across the country are covered by its commitments. The previous Clean Streams Accord (CSA) just covered Fonterra suppliers and ended in 2012.

Some new initiatives are included in the new Accord, for example planting of waterways, environmental standards for converting a farm to dairy and improving water and nutrient use efficiency.

Dairy companies are already incorporating standards and commitments from the new Accord into supply contracts with farmers e.g. *Supply Fonterra*, *Synlait's Lead with Pride*

### How will the results be reported and who checks what's reported is accurate?

The Dairy Environment Leadership Group (DELG) will monitor the implementation of the Accord.

This group has representatives from the farmers, dairy companies as well as regional councils, central government and the Federation of Maori Authorities. There is also a member giving an environmental perspective from a Non Government Organisation (NGO) point of view.

Annual reporting of progress will be carried out by DairyNZ and the Dairy Companies Association of New Zealand (DCANZ), collecting information from individual dairy companies.

The annual report to DELG will be subject to independent third-party audit and will be made public to ensure robustness and transparency.

### How will dairy companies help farmers meet these industry benchmarks?

Ultimately it is up to each individual company as to how they ensure their suppliers meet these commitments.

Regional councils are the bodies responsible for enforcing legal compliance for any regional rules.

Dairy companies have already signalled that many of the Accord commitments will be conditions of supply specified in supply contracts between companies and farmers (e.g. Supply Fonterra covering 89% of farmers). Support systems are also being put in place by DairyNZ and dairy companies to ensure farmers have the support and advice to meet these commitments.

We will meet our targets through the continued support of dairy farmers, many of whom are already well-advanced in meeting a number of commitments.

### How long will it take to meet these commitments?

Some of the on-farm commitments can involve substantial capital expenditure for some farmers. These farmers will need time to budget for substantial capital items, so the timeframes vary depending on the commitment.

Also, for some (particularly new) commitments, companies and DairyNZ need time to communicate effectively with the 12,000 farmers involved and put in place a means for monitoring uptake.

But 90 percent of dairy cattle will be excluded from waterways and wetlands within a year – and 100 percent by mid-2017.

But we'll be aiming to get there quicker if we can.

### How does this Accord relate to regional council rules, regulations and policy processes?

Dairy farmers will have to comply with any regional rules that are in place or get developed in the future as part of the implementation of the National Policy Statement on Freshwater Management. The Accord is just one voluntary action the dairy industry is taking at a national level. It is not the only action.

Farmers may have to go beyond these industry benchmarks at a regional or catchment level if that's what is needed to implement statutory responsibilities and maintain or enhance water quality. These actions will need to be customised at the catchment-level to ensure they address all the factors contributing to any issues. We expect there will be regional differences in these rules and requirements as there are now.

The industry supports community-led regional policy processes that involve everyone, including farmers, in looking at water quality issues, actions and ultimate solutions. If dairy farming is part of the problem, it is important that the industry becomes part of the solutions.

### **Why is Westland Milk Products a Friend, rather than Accountable Partner along with the other dairy companies?**

Westland is working through the details of regional challenges specific to the West Coast, including pre-existing arrangements with its regional council and DairyNZ, before fully committing. Westland has every intention to be a full signatory at some point in the future.

## **WATER QUALITY**

### **Will the Accord make a difference to water quality?**

In some areas compliance with the Accord commitments will make a very significant difference to the quality of water for swimming, fishing and other important values. In other areas customised catchment-level solutions will be needed that go beyond these commitments.

How much of a difference that the Accord will make will depend on what other activities are affecting the water quality as dairying is only one pressure on water quality.

Other land uses and discharges from other activities (including city and town wastewater systems and sediment discharges from hill country erosion) can also have a significant impact on water quality.

The new Accord introduces a more comprehensive monitoring regime for the industry to be able to report on the industry's environmental impact and how this changes over time as a result of the Accord commitments.

This information can then be linked to regional council monitoring of waterways to demonstrate changes in water quality to the public of New Zealand.

### **What about small streams?**

Stock exclusion from streams smaller than one metre in width and 30cm in depth is not required under the Accord. Where stock exclusion from smaller streams provides a cost-effective means of dealing with water quality issues, we will work with farmers and regional council partners on programmes of action to achieve this mammoth task.

DairyNZ, on behalf of farmers, is already involved in 14 catchment projects across the country. This is involving substantial investment from farmers.

Fonterra and the Department of Conservation (DoC) are also sharing joint co-ordination of a \$20 million community investment fund over 10 years.

Together, Fonterra and DoC will jointly administer and allocate funds to protect sensitive water catchments through projects such as planting, pest control and enhancements above and beyond day-to-day on-farm commitments.

These are new projects that will have measurable environmental impact in areas that are nationally or regionally significant.

## **KEY DEFINITIONS**

### **What is a waterway?**

Under this Accord a waterway is a lake, spring, river or stream (including streams that have been artificially straightened) that permanently contains water, and any wetland that has been identified as significant by the relevant regional council.

### **What land is covered by this Accord?**

Initially the commitments in the Accord relate to the milking platform (i.e. land used for grazing dairy cows during the milking season). That was the same as applied under the CSA. However, in June 2017 this will be extended so that it also includes land used for grazing dairy cows off the milking platform where that land is owned or leased by the same person/entity as the milking platform.

## **STOCK EXCLUSION**

### **Does this Accord commit to keeping stock out of waterways?**

Dairy companies commit to excluding stock from 90 percent of the length of permanent waterways on dairy farms that are deeper than 30cm and wider than one metre by June 2014 and 100 percent by June 2017.

## **RIPARIAN PLANTING**

### **What about riparian planting?**

Fifty percent of all dairy farms will need to have a riparian planting plan by June 2016. These farms will need to have completed half their planting by 2020 and all of it by 2030. All farms with waterways must have a riparian planting plan by 2020.

## STOCK CROSSINGS

### Does this Accord address stock crossing points?

Dairy companies commit to ensuring 100 percent of waterways subject to more than once “there and back” crossings each month are bridged or culverted by June 2018.

## NUTRIENT MANAGEMENT

### How will this Accord promote improvement in nutrient management?

Dairy companies commit to collecting nitrogen input and output information from their supplier farms and providing information back to farmers on their individual nitrogen loss and nitrogen conversion efficiency performance relative to other suppliers. This is designed to encourage performance improvement. Information will be collected from 85 percent of farms by June 2014 and 100 percent by June 2015.

### What specific targets are there?

In catchments that a regional plan has identified as unable to take more nitrogen (i.e. as “fully allocated”) dairy companies commit to working with suppliers to reduce the average per hectare nitrogen loss.

### How else does this Accord deal with nutrient loss to waterways?

The stock exclusion, effluent management and stock crossing commitments made under this Accord will all contribute to reducing nutrient loss to waterways.

## EFFLUENT MANAGEMENT

### Can the public expect 100 percent compliance with effluent rules?

Effluent management is controlled by regional council rules and consents. The public should expect all regional council rules and consents to be adhered to. It is the regional councils’ job to enforce rules and report compliance rates. However, reporting under the Accord will include information on incidences of significant non-compliance (being situations where effluent has, or has been at risk of, discharging to waterways).

### What are dairy companies’ obligations around effluent management?

Dairy companies commit to helping farmers to have systems in place to allow compliance with effluent rules and consents 365 days of the year. They will do this by

providing a risk assessment check on every one of their supplier farms at least every three years. Farms identified as being at risk of significant non-compliance will be subject to annual checks and a management plan put in place to remedy the non-compliance risk.

### What else is the industry doing to improve effluent management?

DairyNZ is committing to a broad programme aimed at developing and implementing training and accreditation systems for those designing and operating effluent management systems. This is designed to lift the level of professionalism and performance in effluent management and ensure farmers have access to proven options and high quality advice.

## WATER MANAGEMENT

### What about water use by dairy farmers?

Dairy companies commit to (a) introducing programmes to ensure farmers are aware of and comply with regulation controlling water takes and (b) requiring 85 percent of supplier farms to install water meters by 2020.

### Who’s driving efficiency in irrigation?

Irrigation New Zealand has committed to a broad programme aimed at developing and implementing training and accreditation systems for those designing, installing and operating irrigations systems.

## CONVERSIONS

### Are there specific obligations on new dairy farms?

Before milk collection commences new dairy farms must comply with stock exclusion and stock crossings obligations; they must have an effluent management system capable of 365 days compliance and have a nutrient management plan in place. They must also have applied for all necessary consents from the regional council.

### What about riparian planting on new dairy farms?

From June 2015, all new dairy conversions must have a riparian planting plan in place before milk collection commences.