

Presented at hearing 2 July 2019 by Hort N2.

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**BEFORE THE HEARING
COMMISSIONERS
AT CROMWELL**

IN THE MATTER

of the Resource Management
Act 1991 ("RMA")

AND

IN THE MATTER

of the Central Otago District Plan:
Hearing PC13

**SUMMARY STATEMENT
BY RACHEL SARAH McCLUNG
FOR HORTICULTURE NEW ZEALAND**

2 July 2018

1. Good Morning. I am Rachel McClung, Environmental Policy Advisor - South Island for Horticulture New Zealand (HortNZ). The HortNZ vision is 'Healthy Food, For All, Forever'. The mission of HortNZ is to create an environment where grower's prosper. My role in this hearing is as the HortNZ representative.
2. The purpose of this summary statement is two-fold:
 - a) To summarise the key points from my pre-circulated evidence;
 - b) To comment on further information that has come to light since the circulation of evidence.
3. In my role I represent the interests of 5000 commercial fruit and vegetable growing operations across New Zealand, who together grow over 100 different crop types and employ over 60,000 workers. The industry I represent had a domestic and export value of \$5.7 billion in 2018.
4. I am here representing these interests in full support of our Summerfruit Industry and in particular our cherry growers. Cherries are a significant crop and one of HortNZ's top export crops. The industry value for cherries in 2018 was \$84.1 million¹. This is a growth industry for Horticulture, having doubled in value since 2013.
5. There is approximately 217ha of orchards in the Ripponvale area. This is largely planted in cherries, with a small proportion in other fruit. In addition, the 45 South Regional Packhouse supports a further 126ha of cherry plantation within the wider Cromwell growing area. The value of the fruit produced and packed in the Ripponvale area in the 2017/2018 season was approximately \$25.3 million.
6. Today I have the following experts with me who have prepared evidence in support of the HortNZ submission:
 - a) Mr William Reeve, Acoustic Engineer, AES Ltd

¹ <http://www.freshfacts.co.nz/files/freshfacts-2018.pdf>

- b) Mr Earnscy Weaver, Horticultural Expert, Weaver Horticulture Ltd
 - c) Ms Lynette Wharfe, Planner, Agribusiness Group.
7. We also have the Chair of Summerfruit New Zealand, Mr Tim Jones attending with us, and Mr Carl Muller, a HortNZ levy payer and Packhouse Manager from Kerikeri. Both Mr Weaver and Mr Jones have local growing experience. Mr Muller will talk to the Kerikeri experience of residential encroachment into established orcharding areas.
8. We understand that the proponent has made changes to the notified proposal. Our experts have taken these amendments into consideration and will share their position with the hearing panel in turn.
9. With respect to expert conferencing, Mr Reeve contributed to the joint witness statement for acoustic experts. While Ms Wharfe attended some of the telephone conferencing between planning experts, due to the short timeframes and Environment Court commitments, she was able to only contribute to the joint planning witness statement in part. Mr Weaver attended the soil expert site inspection, but declined the opportunity to partake in expert witness conferencing on soils because he is not an expert on soil classification. Mr Weaver has however prepared a supplementary statement within his expertise to assist the hearing panel.
10. We intend to take all pre-circulated evidence as read. However, I will refresh you on the key points as follows:
- Horticulture in the Central Otago Area***
11. Central Otago is one of the main commercial growing areas in New Zealand for summerfruit. It is of particular importance to Cherries, with 85% of New Zealand cherry orchards in the District.
12. As can be observed in the rural environment around Cromwell, and within the wider Central Otago area, orcharding is a dominant land

use. This is plain to see with the multiple orchards in this environment. We are proud that the importance and value of our industry is recognised by the Community with a large Summerfruit monument at the entrance to Cromwell town, which in itself is a tourist attraction.

13. This significant and valuable industry is very reliant on the operative District Plan to protect and enable current growing operations.
14. Given the obvious significance of orcharding in this area, it was surprising to me that at no point prior to notification, or even after HortNZ lodged a submission in opposition, did the applicant communicate with either SummerfruitNZ or HortNZ to discuss the proposal or our submission.
15. To me this demonstrates a lack of understanding of the surrounding environment and a lack of understanding of important community values. A best practice approach would see engagement with key stakeholders prior to lodgement of the proposal.
16. We aren't hard to find and indeed Paul Croft of Infinity Developments met with me in March to discuss a development proposal they have for 150 dwellings in the rural area outside Cromwell, not far from the site subject of this process. After our meeting, Mr Croft informed me that Infinity Developments will await the outcome of PC13 before they proceed any further. In my view pre-consultation in a private plan change is important especially in this case where a key concern regards the compatibility of different land uses.

Horticultural Land and Soil Quality

17. A range of factors are important when considering site suitability for horticultural use, soil quality being only one factor. Land suitability will also depend on the crop to be grown.
18. Ms Wharfe's opinion is that the emphasis on high-class soils should be focused on 'significant soils', as provided for in the Otago Regional Policy Statement (RPS). Such soils are wider than 'high

class soils'. The RPS states that significant soils include Class I, II and III, and also soils of significance for primary production.

19. Mr Weaver discusses the requirements for enabling growing in Central Otago in his evidence and explains the importance of less frost prone sites, low rainfall, low wind speed and winter chill. In his supplementary evidence, that he will present in turn, he concludes that the soils of the subject site are suitable for fruit production. Based on this assessment Ms Wharfe considers the land subject to PC13 should be classed as significant for primary production.
20. As the proposal stands, established orcharding will be irreversibly impacted and the ability to safeguard the life-supporting capacity of these soils will be compromised.

Rural Environment – Reverse Sensitivity

21. What needs to be clearly understood is that orcharding is labour intensive, and New Zealand growers work hard to grow the best produce in the world. Producing the best fruit and vegetables means long hours, many workers, loud noise and sometimes chemical sprays. These practices are acceptable within a rural environment and plan provisions generally provide for them. Unfortunately, urban dwellers often expect a different level of amenity and when the urban-rural interface is not managed appropriately, reverse sensitivity issues arise.
22. Where there is fragmentation and urban expansion into productive areas, such as proposed by PC13; reverse sensitivity effects can be extremely detrimental to maximising productive horticultural land use. After my presentation, Mr Muller will talk you through the situation growers are facing in Kerikeri as a result of residential encroachment into productive rural areas.
23. In her presentation to this hearing Highlands CE, Josie Spillane, informed us of the lengths that Highlands go to in order to maintain their 'social license'. Horticultural activities are subject to similar pressures and are also all too aware of the need to maintain 'social license'.

24. A social license goes beyond a 'right to farm'. A right to farm is the ability to continue a current lawfully established farming activity. And by lawfully established I mean meeting obligations of all relevant government regulation – so; health and safety, employment, food safety, agrichemicals, building consents, water permits, resource consents, and the list goes on.
25. A social license to operate is a community's perceptions of the acceptability of an activity and its' operations. So, this isn't just complying with the law, social license is '*in the eye of the beholder*', it's '*perception*', it's '*value based*', and often not evidence based, but *experience* based. Social license is influenced by public values and perceptions of whether an industry or organisation is credible and can be trusted.
26. Loss of social license results in complaints to any number of perceived regulators – regional and district councils, district health boards, industry bodies, markets, etc.; as well as the orchardist themselves and media. This can result in the baseline right to farm being moved through new regulation to address perceived concerns, or the grower facing such pressure that they cease the operation altogether.
27. It is therefore inherent, that in order for summerfruit and cherry growers to maintain their baseline right to farm, they also need to maintain their social license.
28. Social licence can be eroded by incompatible land uses and reverse sensitivity. The growers are well aware of what their potential social license loss leaders could be – bird scarers, frost fans, artificial shelter and chemical sprays. All the methods they use to ensure a high-quality yield. These methods are critical to the industry and without them a zero yield is highly likely. It is for this reason HortNZ is so concerned about the development anticipated by the plan change.
29. I believe that our growers and their operations currently have a good reputation in and around Cromwell and the social license is there.

But a community of 900 households will erode this social license and in turn our growers right to farm. This is an unacceptable risk to our significant and valuable industry.

30. New Zealand grown cherries are able to hold a consistent price of 50% or more over cherries from key competitors (i.e. Chile)². In order to retain this market, it is of critical importance to the industry that the focus remains on a premium high value cherry. In order to do this, cherry growers rely on the provisions of the District Plan to uphold their right to lawfully operate and to ensure that sufficient land is managed and protected for economic production.
31. I find it very compelling that the surrounds of Cromwell are home to internationally renowned operations; one being Highlands Motorsport Park, and another being the New Zealand cherries industry. We could also add Central Otago wines to the list. The standard has been set here, and the challenge to new comers is to rise to it.
32. The mitigation measures proposed are grievously inadequate. They will not address reverse sensitivity on neighbouring orchards, nor the regional packhouse. The impacts will be significant for the New Zealand cherry industry, and as a consequence of this plan change there will be far-reaching implications for the Central Otago community.
33. Ms Wharfe will discuss why avoidance is the best measure in this instance. She also has some additional case law relating to agricultural use that the hearing panel may find of interest.

Conclusion

34. Even with the amendments to the proposal, it remains our view that PC13 must be refused.
35. I will hand it over to Mr Muller first of all to outline the Kerikeri situation. I will then ask Mr Reeve, Mr Weaver, and finally Ms Wharfe in turn to explain their expert position and summarise their key

² Witheford, S. 2018. Establishing and operating a Sweet cherry orchard in Central Otago, page 35

points. Therefore, I will now ask Mr Muller to speak to the Kerikeri situation.

[Mr Carl Muller]

[Mr William Reeve]

[Mr Earnscy Weaver]

[Ms Lynette Wharfe]

36. Thank you, we are available to answer any questions you may have.