

News Release

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Farmers investing in the environment – ANZ survey shows

Farmers are pre-empting signalled changes to environmental regulations by investing in environmental initiatives now, an ANZ survey reveals.

Of those surveyed, 94% said they were aware of proposed changes to environmental compliance, and 93% had started investing in improved environmental practices, or had a detailed farm environment plan. Almost half were using technology to help them measure and monitor their environmental footprint.

“We are seeing plenty of great examples of farmers who are preserving and growing the value of their land and businesses through investment in environmental initiatives,” said Mark Hiddleston, Managing Director ANZ Commercial & Agri.

“We need to build economically sustainable, resilient farming businesses that we are confident can farm well into the future within the limits of the environment they sit in.

“The environment has to sit at the front of a business model - it can’t be growth first, environment second,” Mr Hiddleston said. “We’re encouraged to see how many of our customers not only have a detailed plan, but also have a good idea of the costs involved in implementing their plan and how they are going to manage that cost.”

Key findings:

- 94% of customers said they were reasonably, or very aware, of proposed changes to environmental compliance.
- 66% felt those changes would have a negative effect on business; 10% said it would have a positive effect and 23% felt it would have no impact.
- 71% have either made a start or have a fairly detailed written environment plan. 14% have a very detailed plan.
- 79% said they had some idea, or pretty good understanding, of costs of making changes detailed in their plan.
- 58% said they would absorb the cost into total farm expenditure; 45% said costs would reduce overall farm productivity; 23% would reduce spending in other areas and 15% said they would require extra borrowing to cover the cost.
- Over the past five years farmers spent an average \$16,000 on environmental enhancements. 71% had invested in fencing waterways, 52% in riparian planting, 52% changes to fertiliser management, 38% into irrigation practices and 35% in changes to water use.
- 45% were using technology to help record and monitor their environmental footprint.
- Based on an ANZ survey of 330 dairy, red meat and horticulture/cropping customers from across New Zealand in April 2018.

In the lead up to Fieldays ANZ is keen to highlight the positive work being done by people like Waikato dairy farmers John Hayward and Susan O'Regan.

Over the past nine years they have invested an average of \$30,000 a year into the environmental sustainability of their farm. The couple have fenced all their waterways, planted riparian strips, created 11 wetlands and two big sediment dams. They've planted 15 hectares into Manuka and five into pine which they've registered for carbon credits and constructed a feed-pad to utilise feed more effectively.

"It's been a priority for us, and we made the decision that it was going to be an investment rather than a cost," said Susan O'Regan.

"For us, doing this work over the past nine years has made it a lot easier financially than if we had to catch up now," said John Hayward. "If you can create a plan, even if it is going to take you 10 years to achieve it, that is a lot better than finding yourself in a reactive position and needing to do it all at once."

ANZ encouraged farmers to engage third party advice to help them develop their environment plans to improve the sustainability of their businesses and talk to ANZ about how the bank can support them as they put these plans into action. ANZ has a range of actions to help farmers as they transition including environment loans and cashflow management tools.

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