

FARM-SCALE MODELLING OF MITIGATION OPTIONS

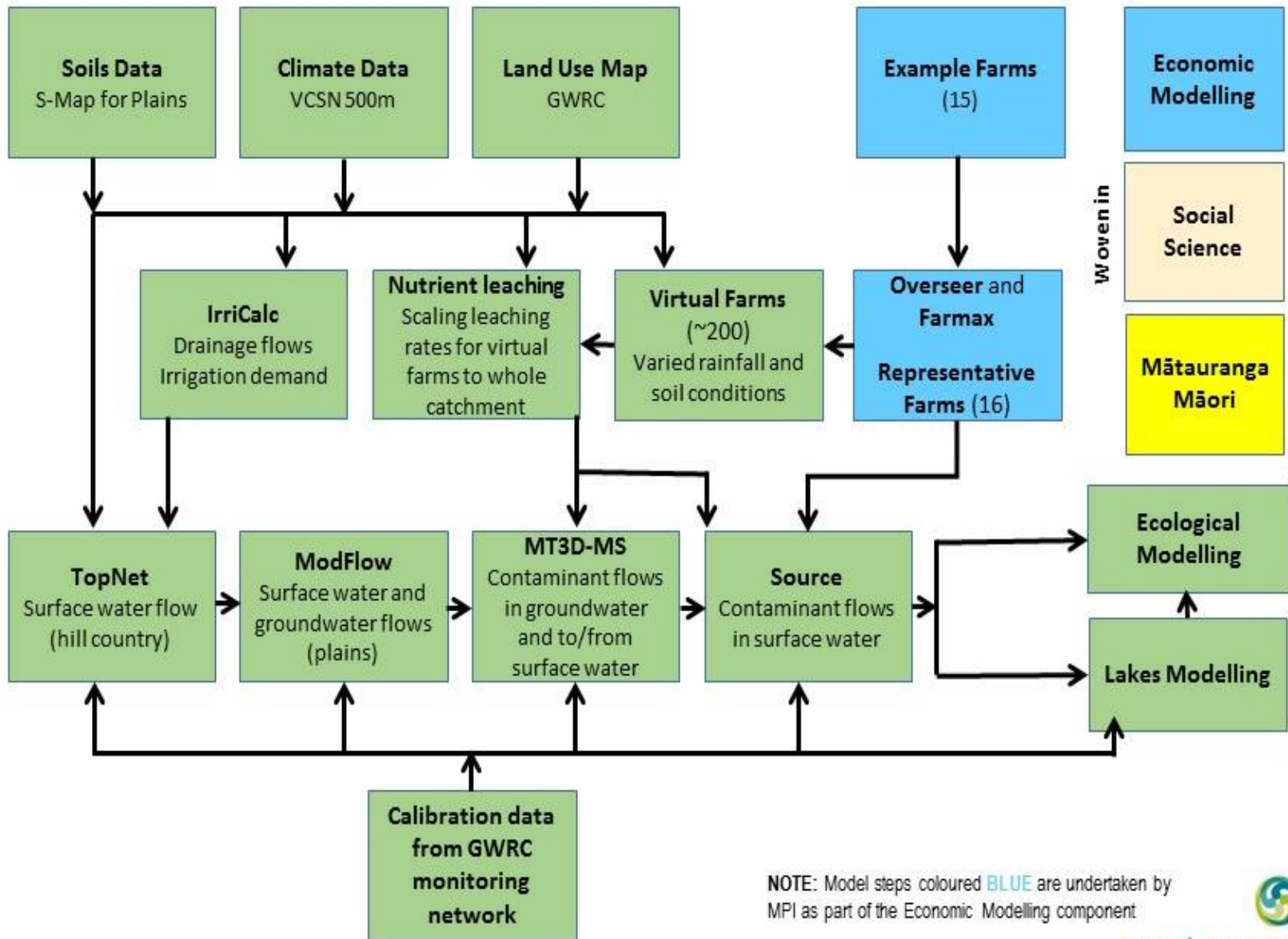
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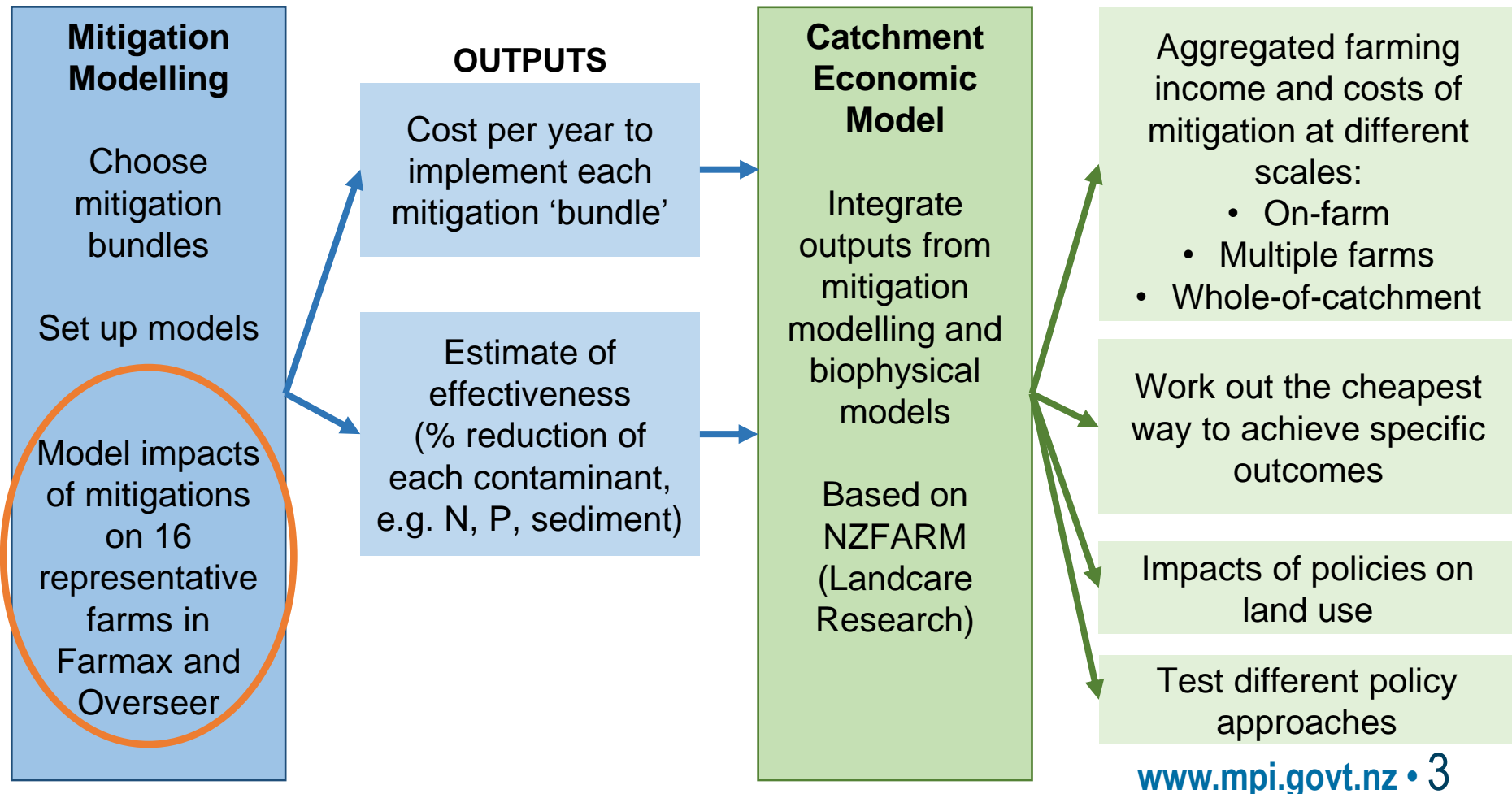
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NOTE: Model steps coloured BLUE are undertaken by MPI as part of the Economic Modelling component



The Economic Modelling Process



FARM-SCALE MODELLING

What you selected to model

1. Current policy
2. Easy + Medium GMP options
3. Hard GMP options

What happened since then?

MPI provided AgResearch with the Overseer and Farmax files for the 16 base farms

And then we got going!



MODELLING PROCESS

Models used

Overseer for N and P losses

Manuel calculations for Sediment and *E. coli*

Farmax for production and profit

High level stuff

Changes in area of farm blocks adjusted (FDE irrigation, Wetlands, Riparian)

Loss of production areas accounted for by reducing stock numbers

Assumed 26m of stream per ha of land

Wetland area = 1% of catchment size.

Changes in fertilizer checked for maintaining animal feed production

Changes in farm costs in farmax (inc. labour)

Capital costs annualized over 25 years

EACH FARM IS DIFFERENT

Only applied the mitigations that fitted for each farm

Only applied to part of the farm

Some mitigations were already applied on all farms (fencing)

Some mitigations were not applied to any farms

- (1) Did not have enough information (diverting laneway runoff)
- (2) Mitigations targeted the same source and pathway (Sed traps & “split grass/clover”)
- (3) Too small to justify the effort (off pasture systems)

However – unlikely to have significant effect overall (<1%)

DAIRY FARMS

M1 - FDE low rate application and storage ponds (Massey pond storage calculator)

M2 - Installed centre pivot irrigators

- Managed irrigation to best practice (soil water balance)
- Increased FDE irrigation areas (equipment)
- Reduced N fertilizer (P21 research)
- Reduced P fertilizer (temporarily: averaged over 25 years)
- Changed from imported barley to low N maize
- Installed a wetland (on a hill block – not flat land)
- Changed from imported silage to low N maize

M3 – Applied planted riparian buffer strips (not to well drained soils)

DAIRY FARMS – CUMULATIVE % CHANGE

| Farm | Profit | | | Nitrogen | | | Phosphorus | | | Sediment | | E. coli |
|-------------------------|--------|-----|-----|----------|-----|-----|------------|-----|-----|----------|-----|---------|
| | M1 | M2 | M3 | M1 | M2 | M3 | M1 | M2 | M3 | M2 | M3 | M1 |
| Low Rain, High Prod. | -1 | -18 | -24 | 2 | -45 | -42 | 10 | -10 | -20 | 0 | -8 | -28 |
| Low Rain, Mod. Prod. | -2 | -21 | -24 | -6 | -24 | -24 | -13 | -7 | -7 | -19 | -72 | -28 |
| Mod. Rain | -2 | -5 | -12 | 0 | -8 | -8 | 0 | -17 | -17 | 0 | -65 | -28 |
| High Rain | -2 | -17 | -22 | -2 | -11 | -11 | -6 | -6 | -6 | -22 | -39 | -21 |
| Irrigated | -1 | 4 | -1 | 0 | -21 | -17 | 0 | -11 | -11 | 0 | -65 | -28 |
| Organic | -1 | -6 | -7 | 3 | -51 | -51 | 0 | -38 | -38 | 0 | -22 | -21 |

SHEEP & BEEF FARMS

M1 - Nothing

M2 - Changed P fertilizer to RPR (sloping land)

- installed wet lands
- CSA protection of winter forage grazing
- earlier reestablishment of pasture after cropping
- Reduced P fertilizer (temporarily: averaged over 25 years)
- Installed centre pivot irrigators
- Managed irrigation to best practice (soil water balance)
- Reduced N fertilizer inputs

M3 - Applied planted riparian buffer strips (not to well drained soils)

SHEEP & BEEF FARMS – CUMULATIVE % CHANGE

| Farm | Profit | | Nitrogen | | Phosphorus | | Sediment | |
|-------------------|--------|-----|----------|-----|------------|-----|----------|-----|
| | M2 | M3 | M2 | M3 | M2 | M3 | M2 | M3 |
| Dry, finishing | -16 | -25 | -10 | 0 | 0 | -50 | -18 | -52 |
| Wet, breeding | -17 | -25 | -9 | -9 | 0 | -78 | -27 | -50 |
| Wet, finishing | -20 | -25 | -10 | -10 | -20 | -82 | -13 | -54 |
| S&B finishing | -31 | -47 | -11 | -11 | -22 | -56 | -10 | -38 |
| Irr. S&B trading | -18 | -27 | -20 | -20 | -33 | -56 | -21 | -33 |
| Trading, 20% crop | -7 | -12 | -20 | -20 | -17 | -17 | 0 | 0 |
| Breeding Sum. Dry | -20 | -31 | 0 | 0 | 0 | -50 | -19 | -52 |

DAIRY SUPPORT FARMS

M1 - Nothing

M2 - CSA protection of winter forage grazing

- Earlier reestablishment of pasture after cropping
- Reduced N fertilizer inputs

M3 - Applied planted riparian buffer strips (not to well drained soils)

DAIRY SUPPORT FARMS – CUMULATIVE % CHANGE

| Farm | Profit | | Nitrogen | | Phosphorus | | Sediment | |
|-----------------------------------|--------|-----|----------|-----|------------|-----|----------|-----|
| | M2 | M3 | M2 | M3 | M2 | M3 | M2 | M3 |
| Fin. Beef + 65% crop | -34 | -46 | -5 | -5 | 0 | -20 | 0 | -33 |
| Dairy S. 15% crop, sum. dry | 0 | 0 | -7 | -7 | 0 | 0 | 0 | 0 |
| Dairy S. 48% crop, sum. wet | -6 | -15 | -27 | -27 | -10 | -30 | -17 | -44 |

SUMMARY

N reductions in the 0 – 45% range

P reductions in the 0 – 82% range

Sediment reductions in the 0 – 72% range

E. coli reductions in the 21 – 28% range on Dairy Farms only

Profit changes in the +4 to -47% range

Data can be used to generate cost abatement curves

COST ABATEMENT CURVE

